
Invest in New Zealand
DATA AND AI INFRASTRUCTURE
NEW ZEALAND
INVEST

WHERE GLOBAL DATA MEETS 24/7 RENEWABLE ENERGY

With global demand accelerating, driven by AI and cloud adoption, and established hubs increasingly constrained by power, land, and environmental limits, New Zealand offers a compelling opportunity for data centre and AI infrastructure investment.

New Zealand brings together the core conditions required to support new development at scale: an abundance of new, clean energy, a resilient national grid with capacity, available land, and a cool climate that supports efficient operations.

These fundamentals are supported by excellent digital connectivity, a skilled workforce, internationally competitive pricing, and a strong rule of law. Together, they position New Zealand as a safe, scalable, investment-ready solution for low-emissions digital & AI infrastructure.

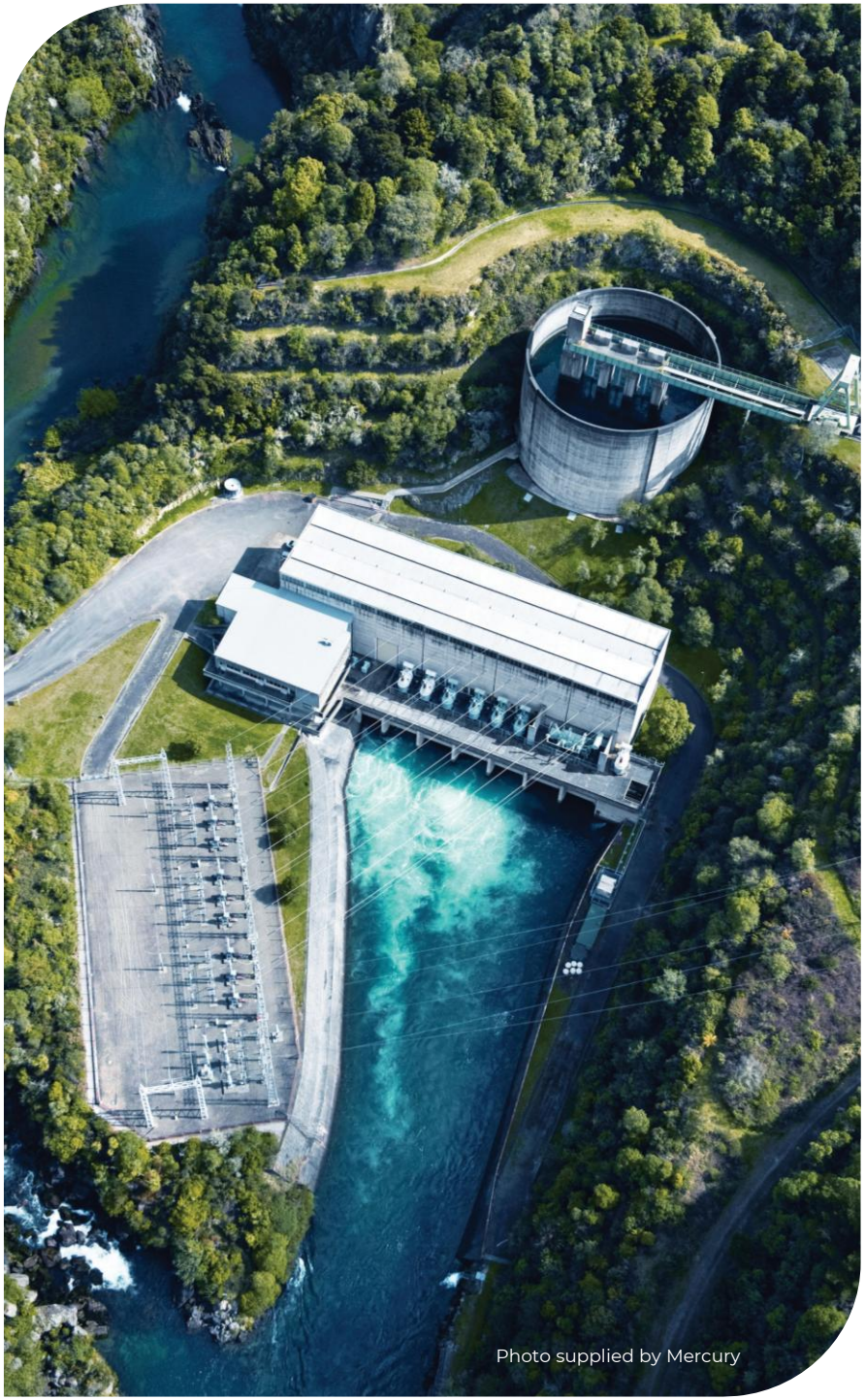
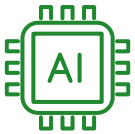


Photo supplied by Mercury

DATA CENTRES: THE BACKBONE OF MODERN ECONOMY

THE FORCES ACCELERATING DEMAND

The global data centre industry is experiencing exponential growth, with McKinsey forecasting US$6.7t of worldwide investment over the next five years[1]. By 2030, an estimated 70% of demand for data centre capacity will stem from AI-based workloads[2].



Explosive AI compute demand

The global GPU-as-a-Service market is projected to reach US$49.84b by 2032[3]. Neocloud and specialised AI infrastructure providers are experiencing revenue growth exceeding 200% annually as enterprises scramble to secure capacity[4].

Cloud adoption and digital transformation

Global information technology spending is projected to reach new heights as organisations modernise legacy infrastructure with cloud-based architectures that offer greater flexibility and scalability[5].

The sustainability imperative

Power availability and sustainability credentials are re-emerging as primary prerequisites for data centre site selection. Major hyperscalers are increasingly adopting 24/7 carbon-free energy goals to align their real-time local grid consumption.

Data sovereignty and geopolitical considerations

Data localisation and a need to de-risk from geopolitical tensions are driving investment in stable, neutral jurisdictions.

Sources: 1. McKinsey & Company, (2025), The cost of compute: A $7 trillion race to scale data centers; 2. McKinsey & Company, (2025), Data center demands; 3. Fortune Business Insights, (2024), GPU as a Service market size, share & industry analysis, 2024-2032; 4. Synergy Research Group, (2025) Neoclouds currently growing by over 200% per year; will reach $180 billion in revenues by 2030; 5. Gartner, (2025), Gartner forecasts worldwide IT spending to grow 9.8% in 2026, exceeding $6 trillion for the first time.

A CONVERGENCE OF MOUNTING CHALLENGES

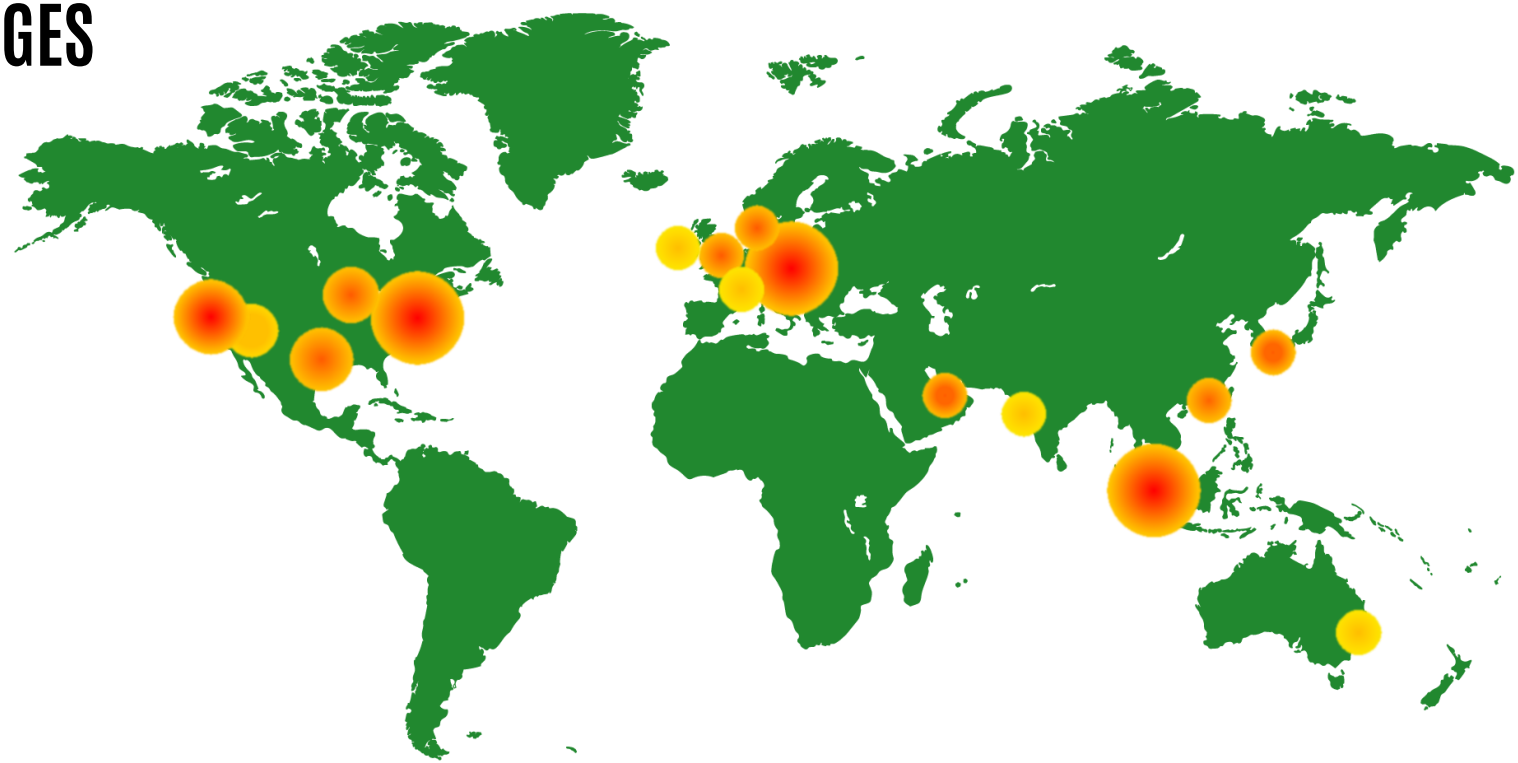
Traditional hubs are reaching their physical and social limits:

Energy constraints
Grids are strained, and new power generation cannot keep pace with demand.

Power infrastructure bottlenecks
Delays in substations and transmission lines are stalling new development.

Increasing sustainability pressure
Investors and regulators are enforcing stricter environmental and energy efficiency standards.

Geopolitical tension
Rising global instability is pushing developers and investors to prioritise stable, lower-risk locations.



NEW ZEALAND IS THE SECURE, GREEN SOLUTION

WHY NEW ZEALAND?

- **Safe, stable, secure**
- **Abundance of new clean energy**
- **Resilient national grid with capacity**
- **Competitive electricity pricing**
- **Globally connected**
- **Natural cooling**
- **Highly skilled workforce, proven capability**
- **Extensive land available for development**
- **A foundation for positive social licence**
- **Fastest path to clean, scalable AI compute across the Asia-Pacific region**

NEW ZEALAND IS SAFE, STABLE AND SECURE

New Zealand’s stability, robust data sovereignty framework, and strategic geographical position offer a genuine ‘safe harbour’ for data and AI infrastructure.

Secure data protection
New Zealand offers one of the world's most dependable rule-of-law and data protection environments. Importantly, there is no legal mechanism in New Zealand to compel a company to disclose customer data to a third party without a court order – meaning any stored customer data in New Zealand benefits from judicial protection against arbitrary government access. This is underpinned by a specific Privacy Act (2020) and New Zealand's GDPR adequacy status – one of only a handful of non-EU nations to hold this designation. This helps bridge Western regulatory standards with the high-growth markets of the Asia-Pacific, creating a versatile compliance footprint for globally operating tenants.

Natural fortress for data
New Zealand’s geographical location is a strategic asset for mission-critical infrastructure, positioning the nation as a safe 'maritime sanctuary', far removed from geopolitical friction points.

Strategic stability
New Zealand offers data centre developers geopolitical neutrality and institutional reliability with Five Eyes alignment, making it one of the safest jurisdictions globally for hosting sensitive AI workloads. Consistently ranked among the world's least corrupt and most peaceful nations, the country operates under a stable democracy, with strong property rights protections and an independent judiciary that enforces contracts with certainty and predictability.

Market access
New Zealand's extensive network of free trade agreements provides data centre developers with a compelling structural advantage when it comes to procuring the critical infrastructure that underpins modern hyperscale and co-location facilities. As a signatory to some of the world’s most comprehensive trade agreements, New Zealand offers developers preferential or zero-tariff access to the full spectrum of data centre hardware.

97%
POLITICAL STABILITY SCORE
in 2024[1]

AA+
SOVEREIGN CREDIT RATING
in 2026[2]

3RD
MOST PEACEFUL COUNTRY
in 2025[3]

Sources: 1. World Bank, (2024), Political stability and absence of violence/terrorism: Percentile Rank; 2. New Zealand Debt Management, (2026), Credit ratings: S&P Global (Local currency); 3. Institute for Economics and Peace, (2025), Global Peace Index

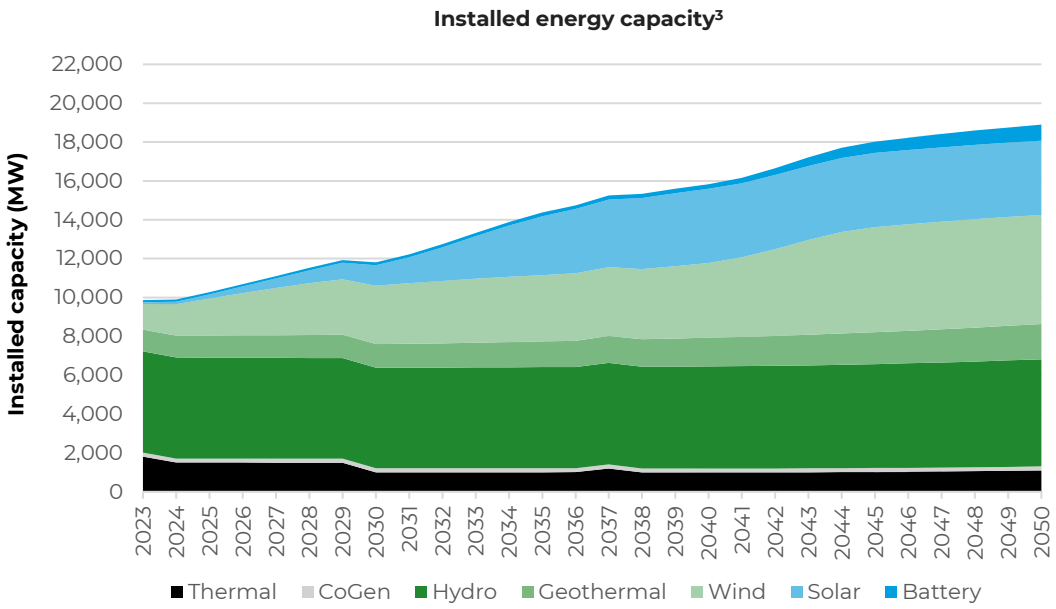
AN ABUNDANCE OF NEW CLEAN ENERGY

New Zealand can materially expand its renewable resources, offering customers long-term energy security.

Growing capacity for data centres

While the global energy transition is currently focused on building renewables to displace fossil fuels, New Zealand's high baseline of renewable generation means that every new 'green electron' can be directly matched to new industrial or commercial offtake.

New electricity generation projects are also expected to significantly boost New Zealand's energy system over the next two years, expanding capacity for data centre development. As of October 2025, there were 288 projects in the pipeline, with a combined total capacity of (44.3GW) and a notable expansion of geothermal generation[1]. This will reinforce a grid that's already underpinned by 54% of generation coming from hydropower and 20% from geothermal.[2] This high proportion of physically firm renewable generation, supplemented by contractual firming where required, is a key differentiator when compared to other countries in the region.



A low-risk green haven

New Zealand offers data centre developers firmed, 24/7 carbon-free energy backed up by renewable energy certificates, delivered at a competitive long-term levelised cost of energy, unlike fossil-fuel dependent markets.

Ample new electricity supply to come online

New Zealand's electricity grid is primed for large-scale data centre expansion. Our major generators are actively raising capital to accelerate the deployment of further renewable energy generation assets.

Crucially, the vast majority of our renewable energy profile provides reliable baseload capacity that is being continuously strengthened. Our world-class geothermal power sector also has significant untapped potential to scale operations, and our hydro generation infrastructure is being systematically refined and upgraded to maximise operational efficiencies and output[1].

100%
ASPIRATIONAL RENEWABLE ENERGY TARGET
by 2030[4]

54%
HYDROPOWER GENERATION
in 2025[2]

20%
GEOTHERMAL GENERATION
in 2025[2]

44.3GW
COMBINED PIPELINE CAPACITY
in 2025[1]

Sources: 1. Electricity Authority, (2025), New generation projects; 2. MBIE, (2025), Electricity. Energy in New Zealand 2025; 3. MBIE (2024), Electricity demand and generation scenarios. (EDGS; 4. MBIE, (2023), Consultation document: Advancing New Zealand's energy transition

RESILIENT NATIONAL GRID WITH CAPACITY

New Zealand offers a stable environment for data centre investment. Our resilient national electricity grid is engineered for continuous delivery of renewable power.

Unlike many other global markets, New Zealand's grid is a self-contained national system, providing a degree of security critical for digital infrastructure. Operated by the state-owned enterprise, Transpower, the national grid connects all major generation sources to load centres via a comprehensive high-voltage network. This means New Zealand is not reliant on interconnections, eliminating the risk of 'cascading' regional failures often seen in continental grids.

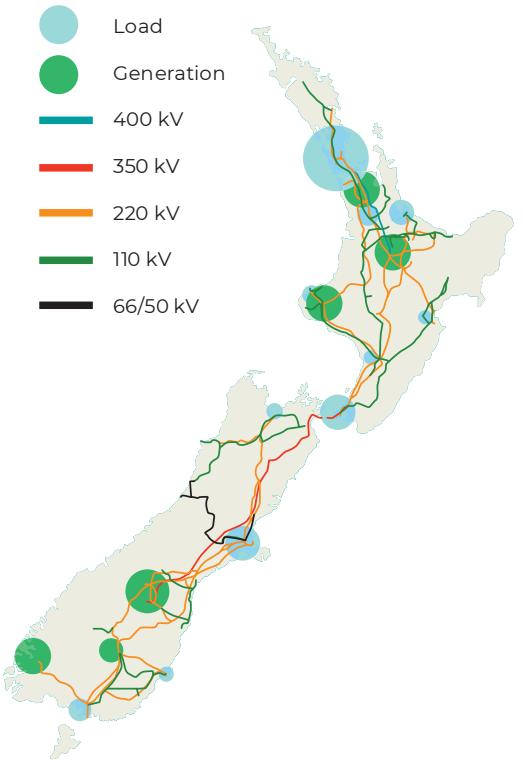
Transpower is implementing its Net Zero Grid Pathways initiative, delivering targeted upgrades through to 2030 to strengthen core backbone capacity[1], while government policy initiatives support the fast-tracking of new connections.

The grid operator is simultaneously optimising existing assets to maximise utilisation while preparing for long-term expansion.

With data centres currently consuming just 0.6% of grid electricity in 2025, New Zealand's grid has headroom for expansion and the ability to connect data centres in a timely manner – a material advantage over constrained markets where data centre power consumption already represents a significant share of total grid load.[2]

New Zealand prioritises an agile, phased connection model to accelerate speed-to-market for high-density compute that is competitive with comparable markets.

Load, generation and the grid backbone



US$1.3B
GRID INVESTMENT BASE CAPITAL EXPENDITURE
(2025 - 2030)[1]

0.6%
ELECTRICITY CONSUMED BY DATA CENTRES
In 2025[2]

99.9%
NETWORK TRANSMISSION UPTIME MAINTAINED
In 2025[2]

Sources: 1. Transpower New Zealand, (2025), Te Kanapu: Our grid blueprint to 2050; 2. New Zealand Tech, (2025), Empowering Aotearoa New Zealand's digital future: Our national data centre infrastructure; 3. Transpower New Zealand, (2025), Security of supply assessment 2025–2034.

INTERNATIONALLY COMPETITIVE PRICING

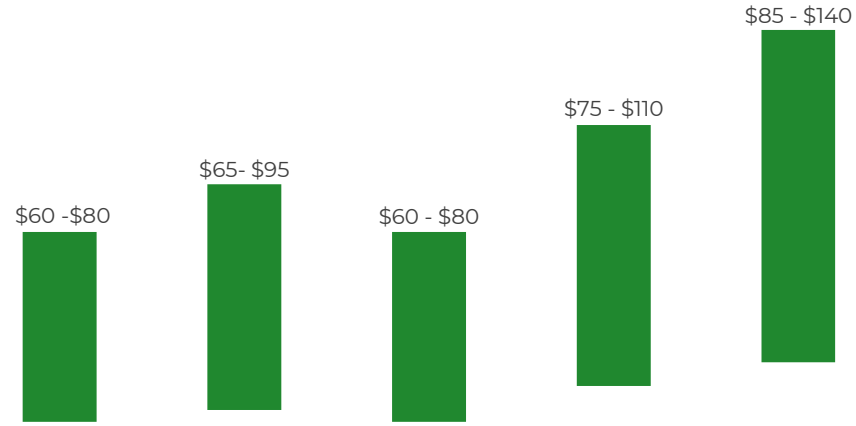
New Zealand offers a highly competitive environment for energy-intensive industries. Our industrial electricity prices generally track lower than comparable markets when conducted through firmed power purchase agreements (PPAs).

As new renewable assets are integrated into the grid, their near-zero marginal operating costs increasingly displace more expensive thermal generation, effectively putting downward pressure on average wholesale electricity prices.

Energy companies in New Zealand are already entering internationally competitive PPA arrangements with data centre developers, hyperscalers and large corporates', proving the market can deliver competitively priced, firm renewable energy and pave the way for future market growth.

New Zealand is projected to remain price competitive by maintaining its rapid pace of renewable and firming infrastructure development.

Industrial firmed PPA price ranges (indicative US$/MWh, 2025)



New Zealand	**Australia**	**Nordics**	**USA**	**EU**
100% firmed renewables (geothermal)	80-90% firmed renewables	100% firmed renewables (geothermal + hydro)	100% firmed renewables	100% firmed renewables

Note: Prices reflect energy-only costs for 10–12-year firm PPAs starting 2026–2028, exclusive of retail/wires. Methodologies benchmark against long-run baseload prices, geothermal LRMCs, and shaping premiums. ±10–20% caveats apply for basis risk, contract structure, hourly matching scope and local attribute rules. Figures are rounded and intended to be indicative.

Source: BCG analysis, CSIRO; KYOS; OPIS; ASX Announcements; Lazard LCoE; Data Center Dynamics; Reuters; ATB/NREL; Eurelectric, Expert interviews.

Source: 1. Boston Consulting Group, (2026), Data centres as strategic infrastructure: Unlocking value for NZ Inc.

A GEOTHERMAL POWERHOUSE

New Zealand is widely recognised as a global pioneer in geothermal energy, commissioning the world's first commercial flash-steam power station at Wairakei in 1958. Our legacy of engineering leadership continues to drive sustainable innovation.

Today, geothermal power provides roughly 20% of New Zealand's electricity, with the active Taupō Volcanic Zone offering immense potential for new, scalable baseload renewable generation to meet increasing digital demands.

With capacity factors often exceeding 90%, geothermal energy provides one of the most reliable forms of renewable baseload generation. The Taupō Volcanic Zone alone is estimated to hold over 1 GW of additional geothermal development potential, positioning New Zealand as one of the few markets capable of scaling firm renewable power alongside rising data centre demand.[1]

New Zealand's geothermal growth strategy supports this, with new capacity now being built by major generators to meet ambitious national decarbonisation goals.[1]

New Zealand's direct-connection model intends to provide data centre operators with a resilient, globally competitive, ESG-compliant foundation for long-term infrastructure investment.

Photo supplied by Mercury

Source: 1. MBIE, (2023), Geothermal strategy.

GLOBALLY CONNECTED

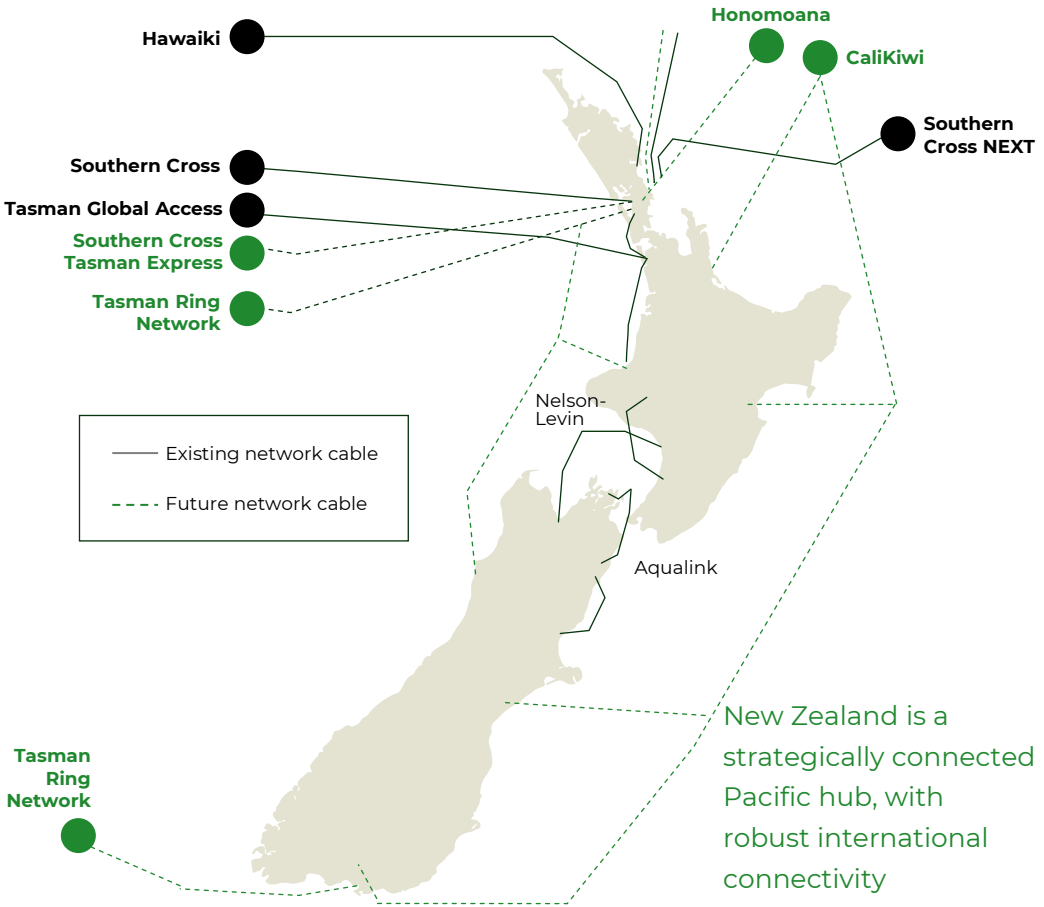
New Zealand boasts competitive latency to key Asia-Pacific markets, including Australia (12–20ms), Singapore (~120ms), and the USA (65–80ms).[1]

Our submarine cable infrastructure continues to expand to meet growing data demands, with four operational cables currently provide international connectivity: the Southern Cross Cable Network, Southern Cross NEXT, Hawaiki and the Tasman Global Access (TGA).

To further enhance resilience, major cable systems are under development connecting New Zealand to Australia and North and South America via French Polynesia. In early 2026, Google completed its Honomoana cable landing in New Zealand, delivering a direct connection to Melbourne, a new link to Polynesia, the first South Pacific route to South America via Chile, and an additional 30Tbps of capacity between Australia and New Zealand. The cable systems currently under development include the Southern Cross Tasman Express, the Tasman Ring Network, and the CaliKiwi Network.

Cable	Connectivity to
Aqualink	NZ (North & South Island)
Cook Strait	NZ (North & South Island)
Hawaiki	AU and USA (Via Pacific)
Honomoana (landed in 2026)	AU, USA, FJ, PG1
Nelson-Levin	NZ (North & South Island)
Southern Cross Cable Network	NZ, AU, USA
Southern Cross NEXT	NZ, AU, USA
Tasman Ring (proposed)	AU, NZ
Tasman Global Access	AU, NZ
Calikiwi (proposed)	NZ, AU, USA
Southern Cross Tasman Express (proposed)	AU

New Zealand has a growing network of sub-sea international fibre-optic connections



New Zealand is a strategically connected Pacific hub, with robust international connectivity infrastructure.

Sources 1. Southern Cross Cables, (2024), Network latency and performance metrics: Oceania to North America.

DIVERSE CONNECTIVITY

New Zealand's regulatory framework supports access to wholesale fibre at regulated prices, lowering the barriers to connectivity procurement for data centre developers.

Our national fibre backbone is supported by multiple providers, with Chorus, Spark and EonFibre operating the largest open-access backhaul networks delivering enterprise and carrier-grade connectivity services, including dark fibre, wavelength and Ethernet options.

New Zealand's domestic backhaul market is underpinned by nationwide, fibre coverage reaching ~87% of premises[1] with high utilisation. This established infrastructure reduces demand risk and enables immediate scaling of data-intensive workloads.

New Zealand fibre infrastructure supports high-capacity secure networks. This critical underlying infrastructure is designed to scale in terabits, in line with global hyperscale data centre requirements. A mix of nationwide and regional carriers provides carrier-neutral, low-latency links across key data-centre locations, supported by trans-Tasman routes, subsea cable access and multi-path redundancy. This ensures high availability resilience for mission-critical operations.[2]

New Zealand's backhaul fibre landscape ensures seamless, high-capacity domestic and international data transit.

Backhaul fibre connectivity is essential to the growth of New Zealand's data centre sector, and the country's infrastructure has matured significantly over the past decade.

*Map represents indicative backhaul fibre networks in red and the Aqualink connections in blue.

Sources: 1. Commerce Commission New Zealand, (2024), Annual telecommunications monitoring report: 2023 retail and wholesale markets;
2. Chorus New Zealand, (2024), Network infrastructure and carrier neutrality: Chorus national connectivity overview.

NATURAL COOLING ADVANTAGES

New Zealand's temperate climate and natural hydrology offer a compelling advantage for data centre operations.

With a national average temperature of 13.5°C (56.3°F), modern data centres in New Zealand can achieve a Power Usage Effectiveness (PUE) below the national average of 1.3 (well below the global average of 1.54), reducing reliance on mechanical cooling infrastructure.

Substantial annual rainfall feeds extensive river systems, providing access to consistently low-temperature water inflows where site conditions allow. Water access for industrial users is governed through the Resource Management Act 1991 (RMA), administered by regional councils, offering developers a predictable consenting pathway.

The most forward-looking operators are designing around water independence rather than water reliance. Closed-loop and immersion cooling systems are becoming the industry standard, and are already well demonstrated in New Zealand. CDC Data Centres' closed-loop systems across its Auckland campuses at Silverdale and Hobsonville recirculate continuously from commissioning, saving an estimated 706 million litres annually.[1] Microsoft's Auckland facility is targeting a PUE of 1.12 through a zero-water cooling approach – placing it among the most efficient in its global network.[2]

For developers mindful of community expectations, operational risks and reduced total cost of ownership over the life-cycle of data centre assets, New Zealand offers both the natural conditions and operational precedents to build truly sustainable infrastructure.

New Zealand-based data centres benefit from low-temperature inflows for efficient thermal management.

Sources: 1. CDC Data Centres, (2026), Saving water on an epic scale; 2. Microsoft.(2022), How Microsoft measures datacenter water and energy use to improve Azure Cloud sustainability. 3. Earth Sciences New Zealand, (2025), Annual climate summary 2025.

HIGHLY SKILLED WORKFORCE, PROVEN CAPABILITY

New Zealand offers data centre developers access to a large network of technology experts.

The sector boasts expertise spanning network engineering, cloud architecture, seismic design, cybersecurity and IT infrastructure.

The operational workforce of more than 119,000 technology professionals is projected to double by 2030.[1] Research demonstrates that every direct data centre job creates up to 6 additional positions across energy supply, logistics and professional services, delivering substantial economic multiplier effects.[2]

World-class education and talent development

Progressive immigration policies continue to attract international talent. This ensures access to global expertise while building domestic capability, ideal for operators requiring adaptable human capital.

Development programmes are also underway through partnerships with Microsoft, AWS and Google Cloud. Microsoft alone has committed to upskilling 100,000 New Zealanders by 2027.[3] This is supported by New Zealand's universities and regional polytechnics, producing graduates with specialised skills in computer science, AI and electrical engineering.

6,800+
CURRENT DATA CENTRE RELATED JOBS
in 2025[1]

119,000+
PROFESSIONALS CURRENTLY IN THE TECH INDUSTRY
in 2024[4]

30+
INSTITUTIONS OFFERING ELECTRICAL QUALIFICATIONS

Source: 1. NZTech. (2025). Empowering Aotearoa New Zealand's digital future: Data centers report; 2. TEAM Cloud. (2025). The Economic Impact of Data Centres in New Zealand; 3. Microsoft News Center Asia. (2025). NZ North One Year On: Building the Foundations of New Zealand's AI Future; 4. NZTech (2025) New Zealand Tech Sector Key Metrics Report 2024.

EXTENSIVE LAND AVAILABLE FOR DEVELOPMENT

New Zealand offers data centre developers a critical advantage in an increasingly constrained global market.

Our range of land parcels are suitable for large-scale campus developments. Sites between 10 to 40 hectares (ha) are available at significantly lower costs than major global data centre hubs.

Significant industrial projects can be approved in a timely manner thanks to new fast-track rules that make the acquisition process quicker and more predictable.[1] Developers can choose between urban locations near existing infrastructure or greenfield sites in locations where natural advantages include cool temperatures and proximity to renewable energy generation.

Land acquisition costs for industrial parcels in the lower South Island range from US$60-$175/m² (US$600k-$1.75m per ha), rising to US$295-$470/m² (US$2.9m-$4.7m per ha) in major urban centres such as Auckland.[2]

Within the Asia-Pacific region, New Zealand has moved up the ranks as a cost-effective build location.

Regional Cost Per MW Comparison (ranked by high range cost, based on mid specification build)[3]

	Low US$/MW	Mid US$/MW	High US$/MW
New Zealand	$7,300,000	$9,300,000	$11,200,000
Malaysia	$6,900,000	$9,600,000	$12,000,000
Hong Kong	$7,700,000	$9,800,000	$11,900,000
South Korea	$8,500,000	$10,600,000	$13,200,000
Australia	$7,900,000	$10,000,000	$12,100,000
Singapore	$12,000,000	14,400,000	17,900,000
Japan	$13,000,000	16,000,000	19,200,000

Favourable Moderate Prohibitive

Sources: 1. Beehive.govt.nz. (2025). Overseas investment reform enables more jobs and growth; 2. JLL New Zealand. (2025). Auckland industrial market dynamics Q3 2025; 3. Cushman & Wakefield. (2025). Asia Pacific Data Centre Construction Cost Guide 2026.

FOUNDATION FOR POSITIVE SOCIAL LICENCE

New Zealand is uniquely positioned to overcome the energy constraints and sustainability pressures that established data centre markets are increasingly facing.

Enabling new renewable energy

New Zealand's abundant potential for new renewable energy generation means new data centres can act as an enabler, underwriting new renewable projects. This supports additional generation capacity and contributes to greater grid resilience, rather than competing with existing supply.

Naturally efficient conditions

New Zealand's cooler climate allows data centres to operate more efficiently and minimise water use, particularly when paired with modern closed loop systems.

Clear and navigable regulation

New Zealand offers a transparent and navigable regulatory framework, supported by structured stakeholder engagement. This provides clarity and confidence for developers and communities.

Economic and export benefits

Data centre investment will create high value jobs and new export opportunities, contributing to broader economic growth.

Learning from global experience

New Zealand has benefited from the experience of other markets and is well positioned to deliver long term economic and societal benefits that support both developers and communities over time.

Impact at a glance:

- **250MW project:** 1,000+ workers through the build phase
- **Ongoing operations:** 50–80 direct roles
- **Wider employment effect:** indirect jobs ~3–4x ongoing direct roles

Mitigations:

- **Power:** PPAs underwriting new renewable generation (adds supply)
- **Water:** Closed-loop & recycled water systems are reducing water requirements for cooling
- **Community:** ongoing engagement + local skills pipelines + research/startup connections
- **Economy:** Maximise the spillover benefits from proximate co-location into AI/software development, cloud services, and tech clusters.

Case study

MAKING WAVES ON A COMPUTE CAMPUS

A hyperscale data centre campus on Auckland's North Shore will be one of the most innovative digital infrastructure developments in the world.

A hyperscale data centre campus on Auckland's North Shore will be one of the most innovative digital infrastructure developments in the world.

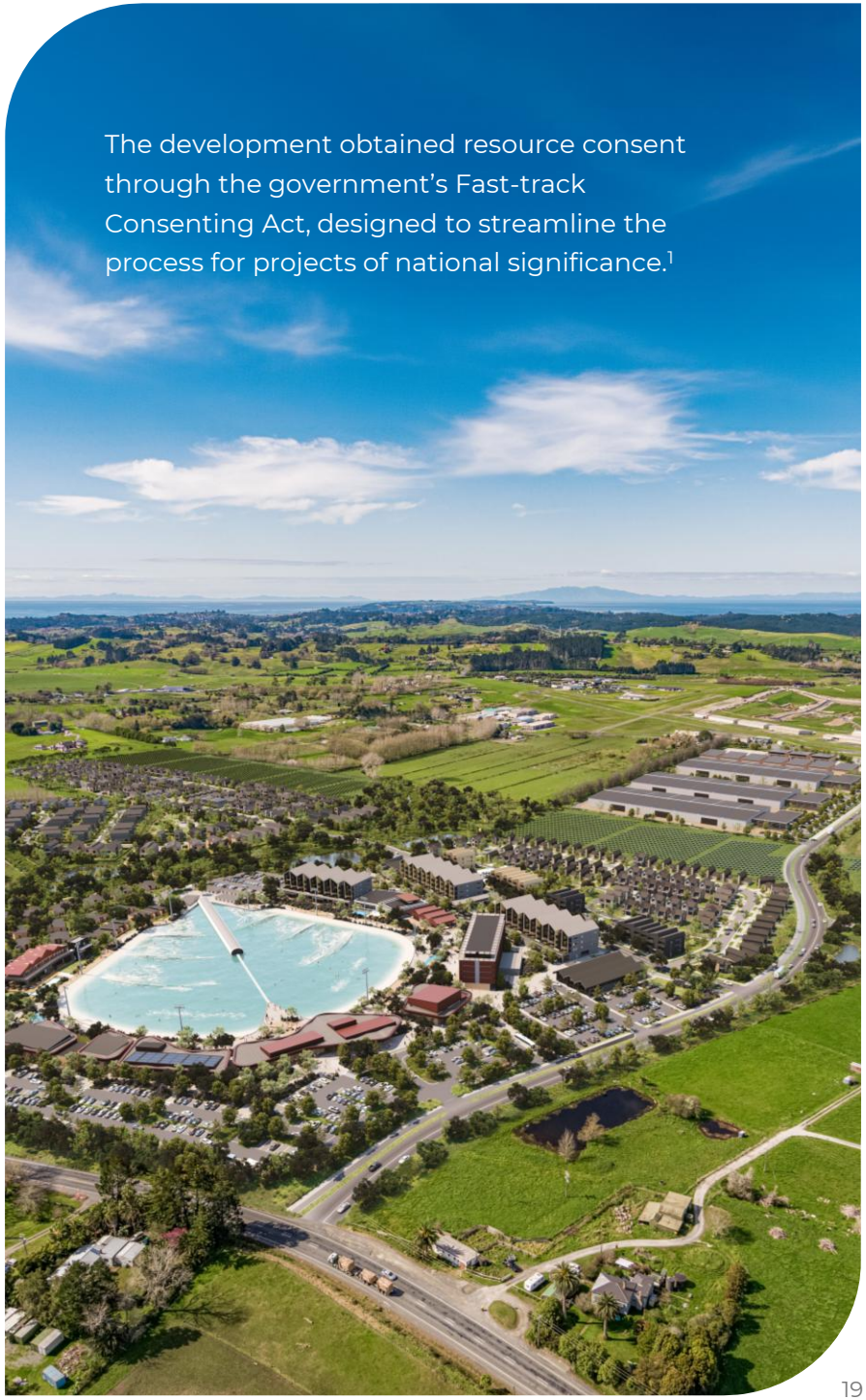
Dedicated New Zealand hyperscale and AI co-location provider; TenPeaks is accelerating its infrastructure growth plans. A landmark partnership with global surf park developer Aventuur sought to pair world-class data centre infrastructure with New Zealand's first surfing lagoon.

In a world first, excess heat from the data centre will be captured and used to warm the adjacent lagoon. An on-site solar farm will support the energy requirements of the data centre. The North Shore Campus forms one part of TenPeaks minimum 150MW development capacity in the Auckland region, with further capacity planned.

MW campus capacity	80MW+ (staged)
Masterplan size	43ha
On-site solar	7ha

This has transformed an industry challenge into a community asset and drawn international attention as a model for responsible data centre development and New Zealand as a desirable global partner.

The development obtained resource consent through the government's Fast-track Consenting Act, designed to streamline the process for projects of national significance.[1]



Source: 1. Keall, C. (2024). Spark's surf lagoon data centre in Dairy Flat gains resource consent. New Zealand Herald.


NEW ZEALAND
STANDS OUT IN THE
ASIA-PACIFIC MARKET

FASTEST PATH TO CLEAN, SCALABLE AI COMPUTE ACROSS THE ASIA-PACIFIC REGION

Competitive analysis.

	Indicative PPA range 50MW+ (US$/MWh)[1]	Approx wait time (years) for new 100mw power[2]	% Renewable electricity (current / 2030 forecast)[3]	Political stability percentile & absence of violence/terrorism[4]	Copyright posture for AI training for text & data mining (TDM) in 2026
New Zealand	🟢 $60-$80	🟢 1-3 years	🟢 88% / 95%+	🟢 96	🟡 Cautious – No TDM exception
Australia	🟢 $65-$95	🟡 2-3 years	🟡 35% / 50%	🟢 80	🟡 Cautious – No TDM exception
Singapore	🔴 $110-$160	🟡 2.5-4 years	🔴 5% / 10%	🟢 97	🟢 Permissive – Broad TDM exception
Japan	🔴 $90-$130	🔴 5–10 years	🟡 22% / 38%	🟢 82	🟢 Permissive – Broad TDM exception
South Korea	🟢 $80-$115	🔴 2-6 years	🟡 9% / 25%	🟢 68	🟡 Moderate – No dedicated TDM exception
United States (West Coast)	🟢 $55-$85	🟡 Highly state-dependent; >5 years in some states	🔴 23% / 40%	🟢 75	🟡 Fair use but contested – No dedicated TDM exception
China	🟢 $40-$75	🟡 1-4 years	🟡 36% / 50%	🟡 25	🟡 State directed – No broad TDM exception
Vietnam	🟢 $60-$85	🟢 2-3 years	🟡 35% / 50%	🟡 45	🟡 Developing – No TDM exception
Thailand	🟢 $65-$90	🟢 1.5-2 years	🟡 15% / 30%	🟡 36	🟡 Developing – No TDM exception
Malaysia	🟢 $55-$80	🟢 1.5-2 years	🟡 25% / 40%	🟡 51	🟡 Developing – No TDM exception
Indonesia	🟢 $60-$80	🟡 2-4 years	🔴 12% / 35%	🟡 29	🟡 Developing – No TDM exception
Brazil	🟢 $60-$100	🟡 Typically 2–4 years (varies by state and grid capacity)	🟢 85% / 90%	🟡 37	🟡 Moderate – Developing – No TDM exception

🟢 Favourable 🟡 Moderate 🔴 Prohibitive N/A – data not available

Sources: 1. International Energy Agency. (2025). Electricity 2025: Analysis and forecast to 2027; 2. Sector expert insights (2026); 3. International Energy Agency. (2026); 4. World Bank. (2023). Worldwide Governance Indicators: Political stability and absence of violence/terrorism: Percentile rank.

Case study

A PURPOSE-BUILT AI FACTORY

Datagrid's 280MW hyperscale data centre park in the South Island exemplifies the compelling investment proposition New Zealand offers.

This consented, world-class facility, currently under development, is designed as a sustainable 'AI factory' to meet global demand for high-performance computing workloads. It draws on Southland's average temperature of around 10°C to deliver world-leading cooling efficiency, with a targeted Power Usage Effectiveness (PUE) of 1.1. It also leverages the South Island's significant hydroelectric generation assets. Rainwater captured from the data centre roof is expected to supply nearly all of the facility's water requirements. The consented maximum water use is 220 million litres per year, comparable to a mid-sized dairy farm, although actual use is expected to be materially lower.

For New Zealand, the US$3b (NZ$5.1b) project delivers measurable economic impact across both construction and operations. Over the three-year build, it is expected to support approximately 6,000 direct and indirect positions per annum. Once operational, the site will employ an on-site workforce of more than 70 people. The facility also serves as an anchor customer for new renewable generation, providing the offtake certainty required to unlock additional clean energy capacity. Through long-term Power Purchase Agreements, the project creates durable, contracted revenue streams for energy counterparties while securing long-term price stability for its own operations. Beyond the data centre, Datagrid is developing the Tasman Ring Network, a 6,000km submarine cable system. This high-capacity loop will significantly strengthen South Island connectivity, enabling the first international cable landing in the South Island and reducing latency to Australia by up to 35%.

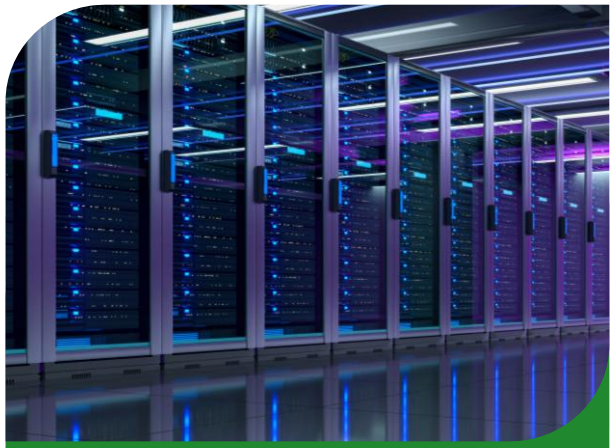
US$3B
TOTAL INVESTMENT

280 MW
INITIAL CAPACITY

Sources: 1. Datagrid. (2026). The natural advantage for global AI: 280 MW of hyperscale capacity; 2. Hartley, S. (2026). Data centre means more turbines: Mercury. Otago Daily Times; 3. MBIE (2025). Meeting with representatives from Datagrid New Zealand Limited.

THE INVESTMENT OPPORTUNITY

New Zealand offers investors access to three rapidly emerging digital-infrastructure market segments.



01 Physical infrastructure

02 Data and AI services

03 Submarine communication cables

A GROWING TECHNOLOGY CENTRE

Three major hyperscalers have established a significant presence in New Zealand, demonstrating confidence in the market and creating momentum for additional investment.

Microsoft

Operationalised its New Zealand cloud region in December 2024 with a US$615m investment; the region is powered by 100% renewable energy through a 51 MW geothermal Power Purchase Agreement (PPA).[2]

Google Cloud

Established its Auckland region following an initial US$290m+ investment commitment, including the Honomoana submarine cable, providing local data residency and low-latency access for New Zealand enterprises.[3]

aws

Launched its Auckland cloud region in September 2025 with a US$4.4b investment commitment to support the country's digital transformation to 2039.[1]

Neoclouds will be next

New Zealand's renewable energy mix, cool climate and rapidly maturing AI-ready ecosystem position it as one of the most strategic locations globally for neoclouds to scale high-density compute.

The country is an ideal base for specialised cloud providers delivering Graphics Processing Units-as-a-Service (GPUaaS) for AI training, inference, and high-performance computing, with early neocloud activity already underway.

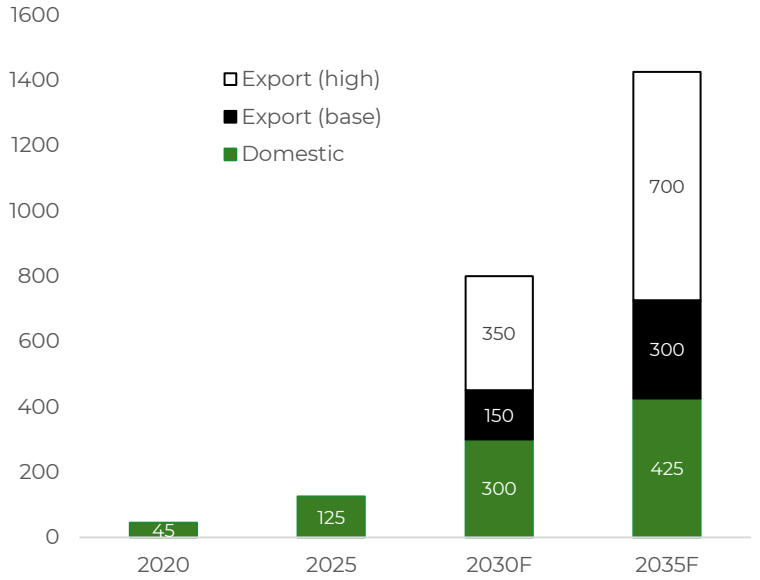
As the global GPUaaS market expands from US$3.23b in 2023 to a projected US$49.84b by 2032[4], New Zealand stands out as a high-growth environment where neoclouds can secure a durable competitive advantage.

Capacity set to expand significantly

New Zealand's data centre capacity is projected to increase from ~125 MW in 2025 to ~425 MW by 2035 from domestic demand alone. Export-oriented developments could lift total capacity to ~725 MW in the base case, and up to ~1,425 MW in a high-export scenario, reflecting the scale of opportunity.[5]

New Zealand's data centre market has significant growth potential

New Zealand data centre market, with future export scenarios, 2020–2035 (data centre computing capacity, MW)[5]



Sources: 1. Data Centre Magazine. (2025). AWS launches New Zealand data centre & infrastructure region; 2. Microsoft News Center. (2024). Microsoft New Zealand cloud region operational; 3. Arizton. (2026). New Zealand data center market - Investment analysis & growth opportunities 2026-2031; 4. Fortune Business Insights. (2025). GPU as a service market size, share & industry analysis [2024–2032]; 5. Boston Consulting Group. (2025). Energy to grow: Securing New Zealand's future.

Data and AI services

MEETING URGENT DEMAND FOR LOW-CARBON COMPUTE

New Zealand offers investors a rare and time-sensitive opportunity to invest in sovereign-grade digital infrastructure, powered by renewable energy.

New Zealand is becoming a strategic hub, optimised for workloads where data security and resilience outweigh the need for millisecond-level proximity.[1]

Potential use cases include:

- **Inference workloads** for real-time AI responses requiring proximity to end-users
- **AI training,** the compute-intensive process of building foundational models
- **Backup storage and disaster recovery:** storing copies of active data to protect against loss, corruption or hardware failure
- **Regional GPU-as-a-Service export hub:** a centralised source of AI compute capacity for the Asia-Pacific region.

Supported by:

Safe harbour regulation

New Zealand's regulatory framework is based on simple principles, making it quick and easy to adopt new technology while keeping data well protected.[2]

High-trust environment

New Zealand provides legal security, simplifying cross-border management for compliant data storage, disaster recovery and long-term archiving. Our policies mirror European principles regarding transparency, individual rights and data security while mandating strong breach notifications.

Strategically resilient

New Zealand's geographic separation from major global hubs provides a natural layer of resilience. While many data centre markets are regionally clustered, New Zealand sits apart from key infrastructure nodes across Asia, Australia and the US. Natural disasters or major disruption events in those regions are unlikely to impact New Zealand at the same time. This separation supports operational continuity and strengthens its role as a secure location for global data backup and recovery.

Sources: 1. MinterEllisonRuddWatts. (2025). Unlocking the potential: New Zealand's data centre industry; 2. New Zealand Ministry of Justice. (2024). Safe harbour provisions.

Case study

DATA PROTECTION, POWERED BY RENEWABLES

CDC Data Centres has invested in New Zealand's sovereign capability through the development of large-scale data centre facilities.

Based in Silverdale, north of Auckland, and Hobsonville in West Auckland, CDC Data Centres provides critical infrastructure to meet the demands of New Zealand's digital economy. Its growth is driven by a diverse customer base, including government agencies, telecommunications providers and hyperscale cloud services, which use CDC's high-security, sovereign and connected facilities to maintain local data residency.

CDC operates under Toitū net carbonzero certification and uses an industry-leading closed-loop cooling system designed to minimise water consumption. By sourcing 100% renewable energy and maintaining rigorous environmental management standards, CDC is aligning its operational expansion with New Zealand's national carbon reduction goals and long-term sustainability frameworks.

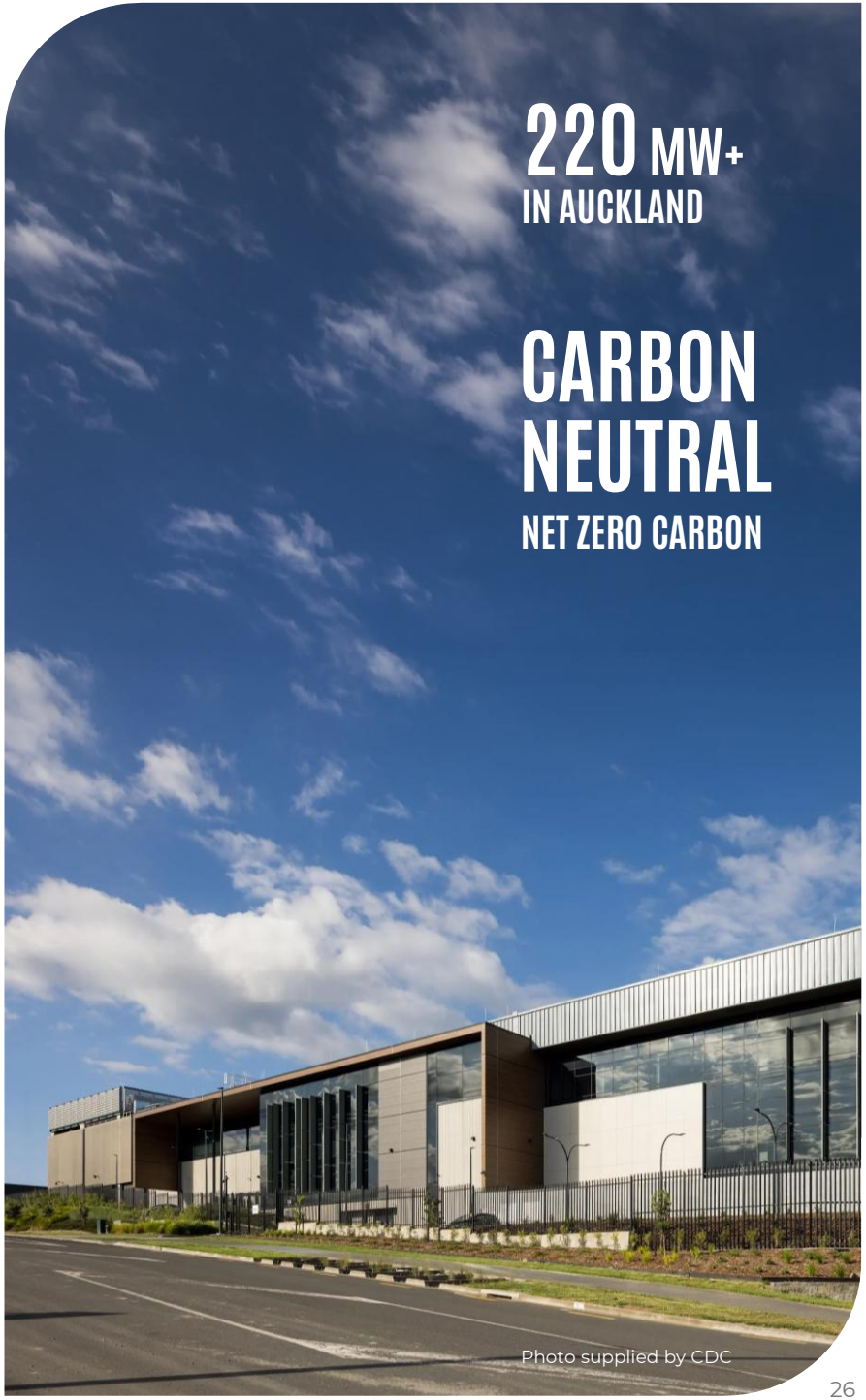


Photo supplied by CDC

Source: CDC (2025) Auckland locations

Submarine communication cables

THE INTERSECTION OF TRANS-PACIFIC DATA

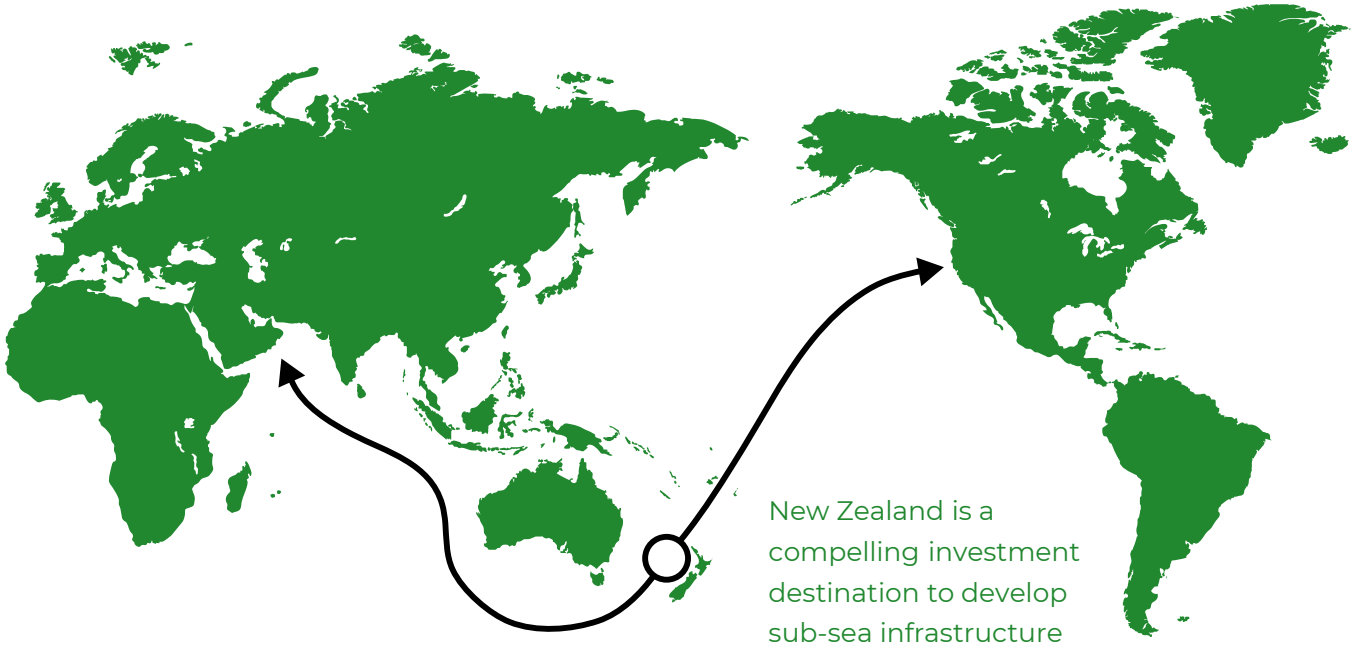
Strategically located to bridge major continents, New Zealand is primed to service and provide secure, resilient data connectivity around the globe.

By serving as a secure mid-point, New Zealand is evolving from a remote endpoint market into a vital connectivity hub.[1]

The 'Great Southern Route' represents a fundamental shift in how global data travels, moving away from congested Northern Hemisphere corridors toward a more resilient, Southern-led infrastructure. Connecting the United States to Australia, New Zealand and onward to Singapore, India and the Middle East offers several strategic and technical advantages:

- Diversification and risk mitigation
- Geopolitical stability and sovereignty
- Supporting the AI and cloud boom in India
- Integration with green infrastructure.

The Great Southern Route: A new era in connectivity



New Zealand is a compelling investment destination to develop sub-sea infrastructure to anchor and accelerate global data pathways.

Source: 1. W.Media. (2025). Galasso eyes Tasmanian landing as region embraces Great Southern Route role.

SECTOR ENVIRONMENT

NEW ZEALAND WELCOMES INTERNATIONAL INVESTMENT

New Zealand's agile, market-led economy provides a clear, predictable framework for foreign direct investment in data and AI infrastructure.

Natural alignment

New Zealand has a transparent and navigable regulatory framework with structured stakeholder engagement. When overlaid with New Zealand's natural advantages, public interest principles for data centre development can be attained. This differentiates us from many comparable markets where energy, water, land-use and community impacts have become constraints.

In New Zealand, it's very achievable to align with public interest principles and build new a data centre that can:

- be powered by 100% additional renewable energy
- strengthen grid stability
- be appropriately sited to minimize impacts on nature and land use
- minimise embodied emissions and maximise efficiency and circularity
- use water resources responsibly
- operate with transparency
- earn ongoing social licence
- support the training and upskilling of the workforce.

Speed to consent

New Zealand's Fast-track Approvals Act 2024 aims to streamline the process for approving infrastructure and development projects, including those related to data centres. The Act establishes a permanent fast-track approvals regime, designed to expedite projects deemed of national or regional significance that promise considerable economic and environmental benefits.

Accelerated depreciation

In 2025, the New Zealand government launched the 'Investment Boost' tax incentive to support long-term economic growth. Any business that pays tax in New Zealand, including foreign-owned subsidiaries, can claim an accelerated depreciation loading equal to 20% of an eligible asset's cost in the year of purchase, ahead of normal depreciation on the remaining 80%.

This front-loading of deductions applies broadly to machinery, equipment, vehicles, and new commercial or industrial buildings.

With no cap on either asset value or number of qualifying assets, and scope to include eligible second-hand plants and equipment sourced offshore, the incentive delivers a meaningful first-year cashflow lift and sharpens the economics of large-scale capital projects.

See ird.govt.nz for more information.

28%
CORPORATE TAX RATE

15%
TAX CREDIT

on eligible R&D expenditure, supporting innovation

ZERO
CAPITAL GAINS TAX

for most investments enhancing returns

Sources: IRD. (2026). Tax rates for businesses.

PARTNERING WITH MĀORI KEY STAKEHOLDERS IN THE KNOWLEDGE WAVE

The Indigenous people of Aotearoa New Zealand are strategic decision-makers supporting data centre and AI infrastructure development. Māori land ownership, extensive renewable energy resources and long-term investment perspectives create opportunities for mutually beneficial partnerships.

Māori principles see knowledge as a taonga (treasure) and recognise the importance of stewardship. Engaging with Māori partners early allows investors to align with the value of kaitiakitanga (guardianship).

Engaging respectfully with Māori can help streamline consenting processes and ensure infrastructure delivery reflects New Zealand's cultural and constitutional landscape. Collaboration ensures commercial success and sustainable outcomes for future generations.

Partnership opportunities

Energy

Māori participation in New Zealand's energy sector is growing steadily. Established commercial partnerships on large-scale renewable projects, including geothermal facilities like Mōkai Power Station (113 MW) and wind farms such as Te Uku (64 MW), demonstrate proven capability.[1]

Community integration

Partnerships provide developers with land access, cultural and environmental stewardship expertise as well as strong community relationships. They also ensure alignment with New Zealand's regulatory framework that increasingly recognises Māori data sovereignty and Indigenous partnership principles[2]

Water

In te ao Māori (the Māori worldview), water is not merely a resource to be managed or a commodity to be traded; it is a taonga (treasure). Local iwi (tribes) and hapū (sub-tribes) possess centuries of site-specific knowledge regarding water flow, historical droughts and ecological health that can improve technical project designs.

'Workforce development

Several iwi and Māori organisations have established training programmes in renewable energy through partnerships with educational institutions, creating pathways for skilled workforce development.

Invest New Zealand facilitates engagement with Māori entities.

Sources: 1. The Treasury New Zealand. (2025). Mana Āheinga – Kaitiakitanga as a driver of sustainable infrastructure; 2. Te Mana Raraunga. (2025). Principles of Māori Data Sovereignty: Guidance for digital infrastructure.

SUPPORTING INITIATIVES

New Zealand has one of the most efficient infrastructure markets in the OECD.

National AI Strategy

New Zealand's National AI Strategy (2025) emphasises responsible AI development while avoiding prescriptive regulations that might stifle innovation.[1] This light-touch approach covers sovereign AI capability development, international AI cooperations frameworks, workforce development initiatives and ethical AI principles.

Building a skilled workforce

New Zealand is fostering a skilled workforce, attracting international talent through the Accredited Employer Work Visa programme. Priority processing is available for critical skills, including data centre engineers, AI specialists and renewable energy experts. Partnerships with universities and polytechnics support domestic skill development through specialised programmes in data centre operations, AI engineering and renewable energy technology.

Research and development support

A research and development (R&D) tax incentive provides a 15% tax credit on eligible R&D expenditure. Businesses must have a minimum eligible R&D expenditure of $50,000 per year and a maximum eligible R&D expenditure of $120m per year.[1]

Government support

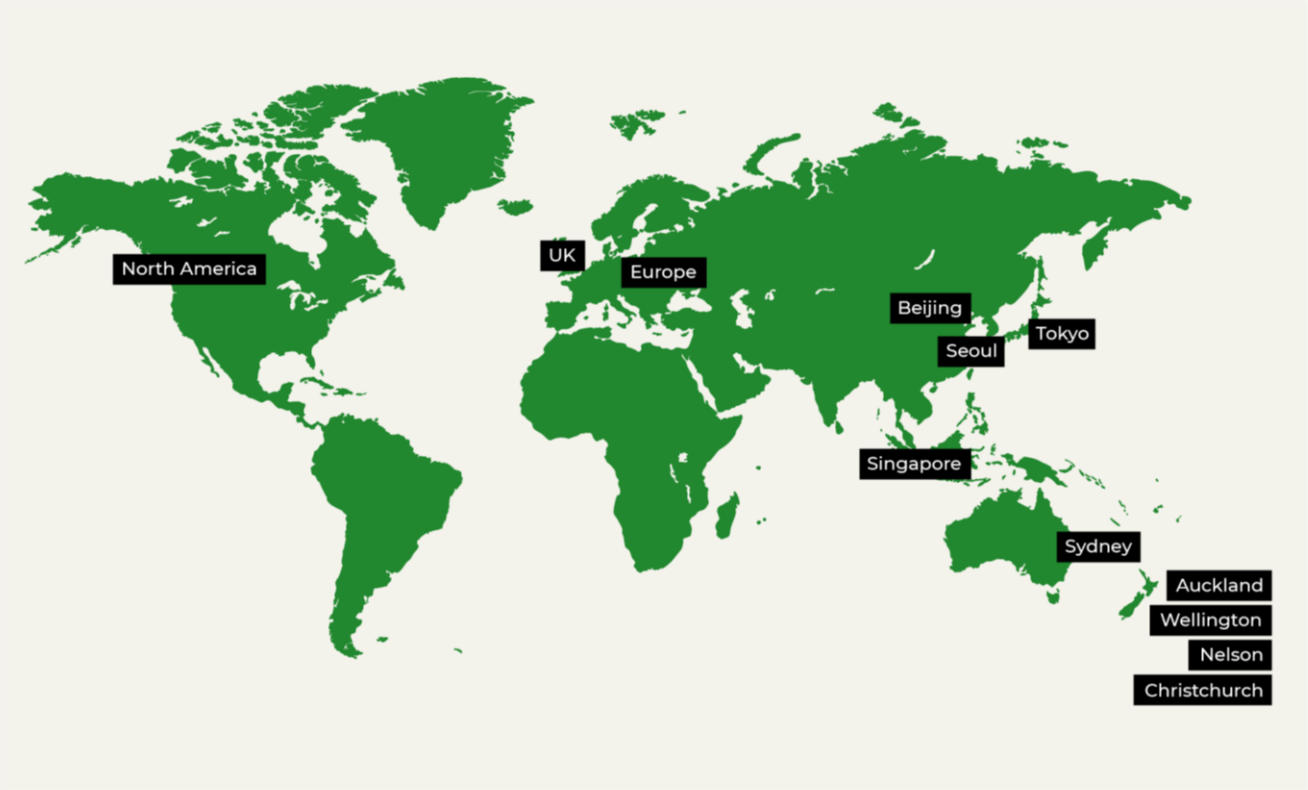
Assistance for international investors in New Zealand is coordinated through a robust ecosystem of government agencies and financial incentives. The focus is on attracting high-value investment that drives productivity, sustainability and international connectivity.

- **Invest New Zealand** the primary agency dedicated to facilitating foreign direct investment (FDI) in New Zealand. Invest New Zealand has co-funding tools that can support feasibility studies to de-risk investment for large projects.
- The National Infrastructure Funding and Financing (NIFFco) acts as the bridge for private capital interested in public infrastructure, facilitating Market Led Proposals for innovative projects.

- The Ministry for the Environment offers opportunities for nature investment that can help developers achieve community and environmental objectives.
  The New Zealand voluntary nature and carbon credits market is growing and has the potential to supply high integrity credits to support activities in New Zealand and enhance global brands.

Source: 1. IRD. (2026) Research and development tax incentive. New Zealand Government.

INVEST NEW ZEALAND: A GLOBALLY INTEGRATED TEAM



Invest New Zealand's internationally connected team of sector experts are your gateway to New Zealand's high-growth investment opportunities.

Our global investment specialists have deep industry connections across the country, offering independent, trusted advice and access to New Zealand's public and private sector.

We work collaboratively to originate bespoke opportunities or connect investors with a pipeline of investment ready opportunities.

We operate a coordinated, whole-of-government model in order to best support investors.

With teams based around the world, the advice and support you need is never far away.

We add value by:

- connecting global capital with high-value, investment-ready opportunities
- providing insight-rich guidance on New Zealand's operating and regulatory landscape
- facilitating end-to-end engagements across government and industry
- supporting multinational corporates to land or expand in New Zealand
- ensuring consistency, coordination, and confidence throughout the investment process .

Meet the team.

INVEST IN A FUTURE-PROOF DATA HUB

New Zealand enables high density compute on a clean, low carbon grid. Our cooler climate and access to 24/7 renewable energy provide efficient, sustainable growth and competitive long term operating costs.

New Zealand's politically stable, secure, innovation-led regulatory framework gives investors confidence in the long term durability of their assets. Unlike markets exposed to shared seismic or climatic risks, our geographic separation helps safeguard operational continuity.

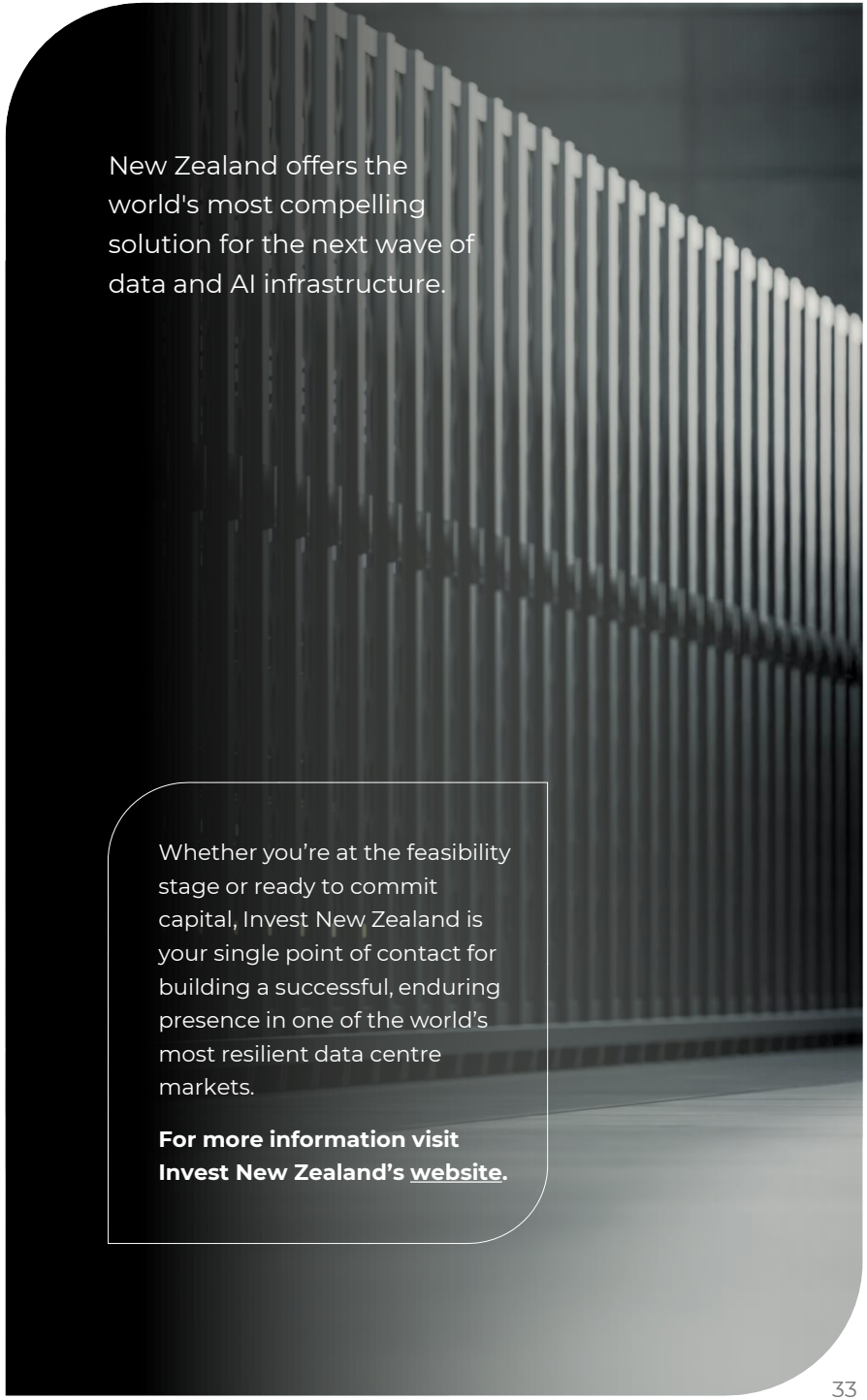
Supported by a skilled and growing workforce, New Zealand's data centre capacity is projected to grow from approximately 125 MW in 2025 to 725 MW by 2035 under a base export scenario, and up to 1,425 MW under a high growth scenario. A compound annual growth rate of approximately 19% over the decade.

Developing 600 MW of compute capacity under the base case could generate up to US$41b in economic activity to 2035, indicating sustained demand in a highly scalable market.[1]

Contact Invest New Zealand today. Our dedicated team provides end to end support for investors entering the New Zealand market, including:

- **Site identification and assessment:** access to pre-screened locations with grid capacity
- **Regulatory navigation:** tailored guidance on resource consenting, building approvals and compliance with New Zealand's environmental and planning frameworks
- **Energy and infrastructure connections:** facilitated introductions to network operators, renewable energy providers and infrastructure partners
- **Workforce and ecosystem insights:** data on talent availability, technology sector depth, and research and development partnerships with leading universities
- **Investment structuring support:** advice on foreign investment review requirements and tax considerations
- **Market intelligence:** proprietary research to support your investment case

Source: 1. Boston Consulting Group, (2026), Data centres as strategic infrastructure: Unlocking value for NZ Inc..



NEW ZEALAND
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Photography: Aventuur, CDC, Contact Energy, Datagrid, Mercury, Tātaki Auckland Unlimited