AGENDA

Regional Growth and Resilience Committee Meeting

Date:	**Thursday, 20 August 2026**
Time:	**9:30 am**
Location:	**Council Chambers** **Waikato Regional Council** **Level 1, 160 Ward Street, Hamilton**
Members:	Cr Keith Holmes – Committee Chair Cr Tipa Mahuta – Committee Deputy-Chair Cr Robert Cookson Cr Ben Dunbar-Smith Cr Warren Maher Cr Gary McGuire Cr Jennifer Nickel Cr Garry Reymer Cr Angela Strange
Alternate:	Cr Mich'eal Downard

Regional Growth and Resilience Committee

Ngā Tikanga Whakahaere **| *Terms of Reference***

1. *Mana ā-Ture* **| Status**
   This Committee was established by Council under clause 30(1)(a) of Schedule 7 of the Local Government Act 2002. It is a discretionary committee that can be created or disestablished by Council resolution.

2. *Ngā Kawenga* **| Responsibilities**
   The Committee provides strategic leadership and governance oversight of Council's work in regional economic development and resilience issues including community adaptation planning, water and energy security.

3. *Ngā Apatono* **| Powers**
   The Committee has the following powers required to carry out its responsibilities:
   a. Overseeing the development, implementation and review of the Regional Economic Development Strategy and related plans, ensuring alignment with regional and national policy frameworks.
   b. Guiding Council's role in regional development advocacy, partnerships and engagement with economic development entities, including but not confined to iwi investment partners, tertiary and research institutions, the business sector and the Mayoral Forum.
   c. Considering opportunities to co-opt or invite participation from key economic enablers (for example, but not limited to infrastructure, education and good governance) to strengthen strategic insight and collaboration.
   d. Exploring and promoting innovation, technology, and artificial intelligence as enablers of regional economic growth and sustainable development.
   e. Overseeing the implementation of the regional Water Security Plan and Regional Energy Strategy and other strategic initiatives that enhance resilience and productivity.
   f. Making recommendations to the Strategy and Policy Committee in respect of emerging economic or resilience issues on matters relating to the Committee's responsibilities.
   g. Recommending to Council related infrastructure investment initiatives.
   h. Monitoring and reporting on key regional economic indicators, including GDP growth, employment, productivity, and investment trends.
   i. Overseeing regional community adaptation planning and natural hazard risk management, promoting integrated approaches that connect environmental, economic, and community wellbeing.
   j. Overseeing Council's climate change initiatives, including activities related to leveraging the Emissions Trading Scheme and biodiversity credits.

4. *Ngā Tūranga* **| Membership:**
   4.1 *Ngā Mema* **| Members**
   The Committee has nine members as follows:
   a. Eight councillors appointed by Council
   b. Chair of Council

   4.2 *Ūpoko me te Ūpoko Tuarua* **| Chair and Deputy-Chair**
   The Chair and Deputy-Chair are appointed by Council in accordance with clause 25 of Schedule 7 of the Local Government Act 2002.

   4.3 *Ngā Kairīwhi* **| Alternates**
   The Deputy-Chair of Council is the alternate for the Chair of Council on this Committee, unless otherwise appointed.

5. *Ngā Hui i te Tau* **| Frequency of meetings**
   Bi-monthly *or* as required.

Order Of Business

1 KARAKIA TIMATANGA

Whakataka te hau ki te uru	**Cease o winds from the west**
Whakataka te hau ki te tonga	**Cease o winds from the south**
Kia mākinakina ki uta	**Bring calm breezes over the land**
Kia mātaratara ki tai	**Bring calm breezes over the sea**
E hī ake ana te atakura	**And let the red-tipped dawn come**
He tio	**With a touch of frost**
He Huka	**A sharpened air**
He hau hū	**And promise of a glorious day**
Tīhei mauri ora!	**Behold we live**

2 APOLOGIES

3 CONFIRMATION OF AGENDA

4 DISCLOSURES OF INTEREST

Members are reminded of the need to be aware of maintaining a clear separation between personal interests and duties and their role as an elected member.

If any member has an interest that creates an actual, or could be perceived to create, a conflict in relation to any item on the agenda, it is recommended that this be disclosed.

5 MINUTES FOR CONFIRMATION OR RECEIPT

Nil

6 GENERAL ITEMS

6.1 INSURANCE COUNCIL OF NEW ZEALAND PRESENTATION

Rā | Date: **19 May 2026**

Kaituhi | Author: **Brooke Roebeck, Democracy Advisor**

Kaituku | Authoriser: **Karen Bennett, Executive Manager, Chief Executive's Office**

TE ARONGA | PURPOSE

1. To enable the Committee to engage in a discussion with representatives from the Insurance Council of New Zealand (ICNZ) on flood hazard modelling and its implications for insurance.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. The Insurance Council of New Zealand has been engaging with local and regional authorities across the country to discuss natural hazard risk, resilience, and insurance.
3. As part of this programme, ICNZ representatives have offered to meet with Waikato Regional Council elected members to discuss flood hazard information and its relationship to insurance availability and affordability.
4. The session will provide an opportunity for members to hear directly from ICNZ representatives and ask questions on matters relevant to the Waikato region.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Presentation – Insurance Council of New Zealand* (Strategy and Policy Committee, 19 May 2026) be received.

HOROPAKI | BACKGROUND

5. The Insurance Council of New Zealand is undertaking a national engagement programme with councils to discuss the relationship between natural hazard risk and the availability of insurance.

ĒTAHI ATU TAKE | OTHER MATTERS

6. The session will be led by ICNZ Chief Executive Kris Faafoi, with contributions throughout from Michelle James, AA Insurance Chief Executive and ICNZ Board Member.
7. The attached presentation, *Navigating Change: Insurance, climate risk and protecting communities*, outlines ICNZ's perspective on natural hazard risk, climate adaptation, insurance accessibility, and the role of councils in improving community resilience.

8. The discussion will provide an opportunity for members to hear directly from insurers about how flood hazard information is considered and how it may influence insurance availability and affordability for communities.
9. Members will have the opportunity to ask questions and discuss issues of relevance to the Waikato region.

WHAKAKAPINGA | CONCLUSION

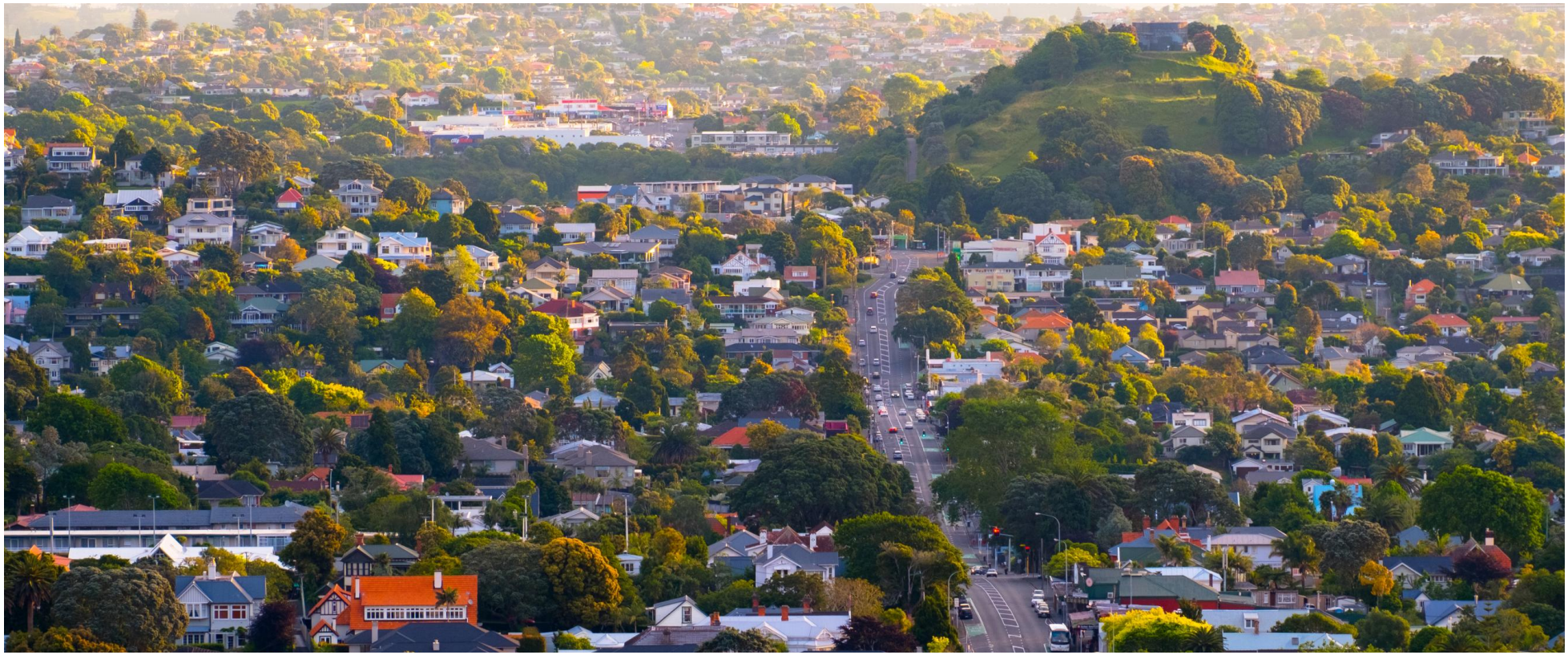
10. The discussion provides a useful opportunity for members to engage directly with insurers on an issue of increasing significance, particularly in the context of climate change, natural hazard risk, and community resilience.

ĀPITIHANGA | ATTACHMENTS

1. Insurance Council of New Zealand Presentation – Navigating Change: Insurance, climate risk and protecting communities (Doc # 38187145) ⇩

Navigating change:
Insurance, climate risk and protecting communities

ICNZ Insurance Council of New Zealand
Te Kāhui Inihua o Aotearoa



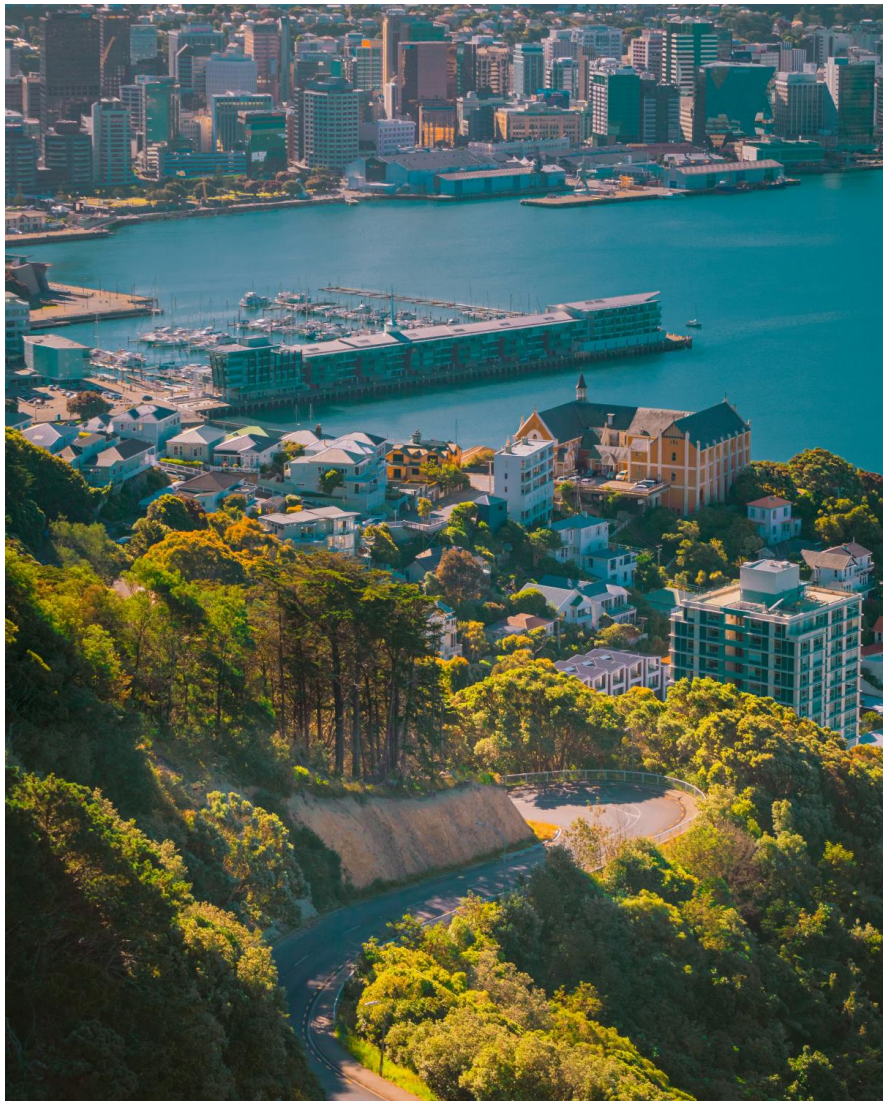
About ICNZ and the insurance sector

ICNZ Insurance Council of New Zealand
Te Kāhui Inihua o Aotearoa

About ICNZ

- The Insurance Council of New Zealand | Te Kāhui Inihua o Aotearoa is the representative organisation for general insurance companies in New Zealand.
- Our members collectively write more than 95% of all general insurance in New Zealand and protect well over $2 trillion of New Zealanders' assets.
- We advocate to:
    - sustain a strong and affordable insurance sector
    - enhance the safety and protection of all New Zealanders by strengthening resilience and reducing the risks of climate change to communities and the economy.

ICNZ Insurance Council of New Zealand
Te Kāhui Inihua o Aotearoa



The Insurance Sector

Gross Written Premium

$10.5B

Total claims

$3.8B

General insurance companies

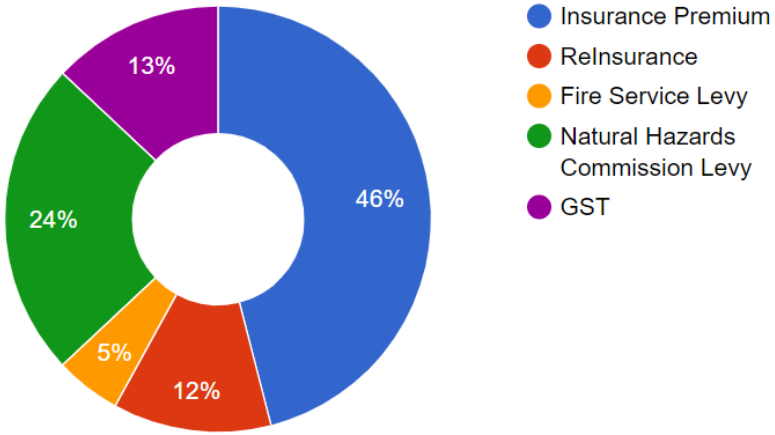
22

Employees

8,069FTE

ICNZ Insurance Council of New Zealand
Te Kāhui Inihua o Aotearoa

Key challenges for the sector



- Keeping insurance accessible in the face of climate change and subsequent increasing pressures on global reinsurance
- Reducing the protection gap by avoiding building in dumb places and by investing in infrastructure to protect communities
- Working with regulators to prepare for climate change
- Ensuring regulation is cost effective and coordinated.

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Cost of weather events

ICNZ Insurance Council of New Zealand
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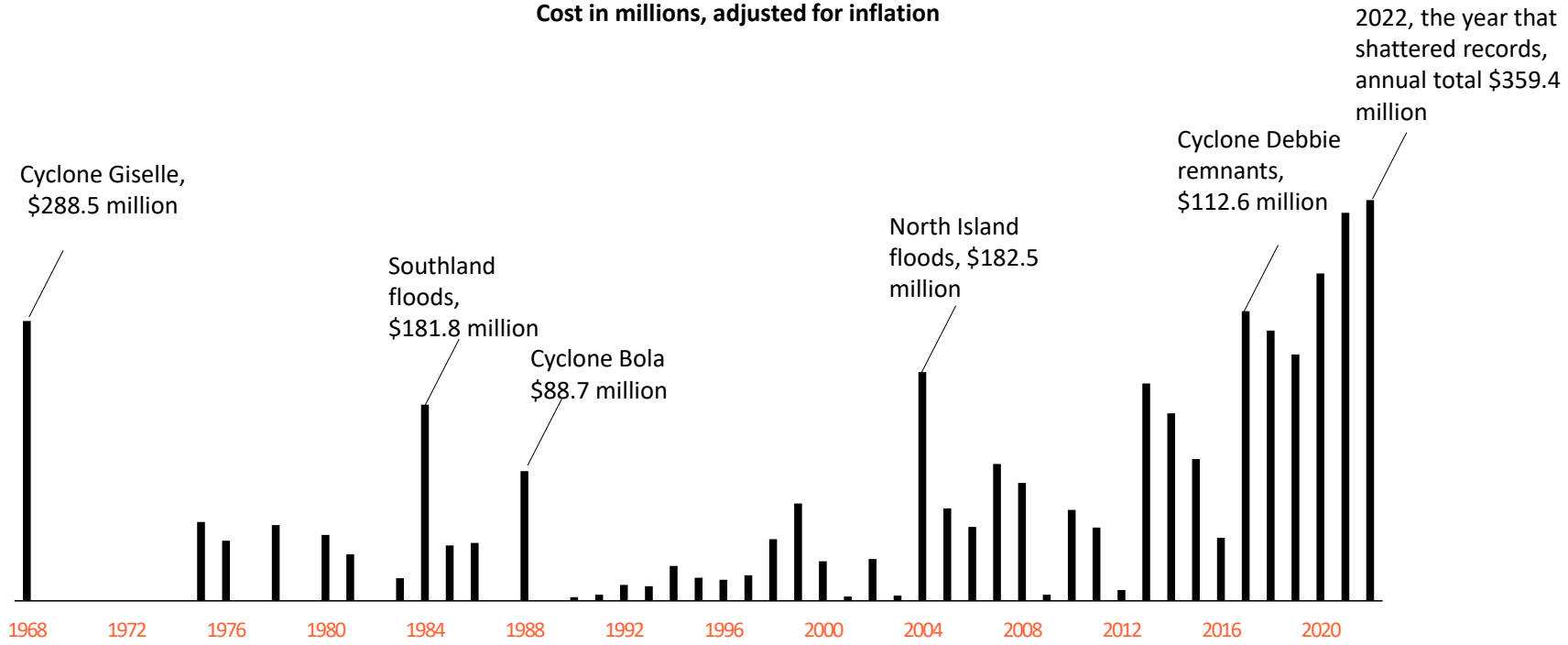
Cost of weather events

Cost in millions, adjusted for inflation



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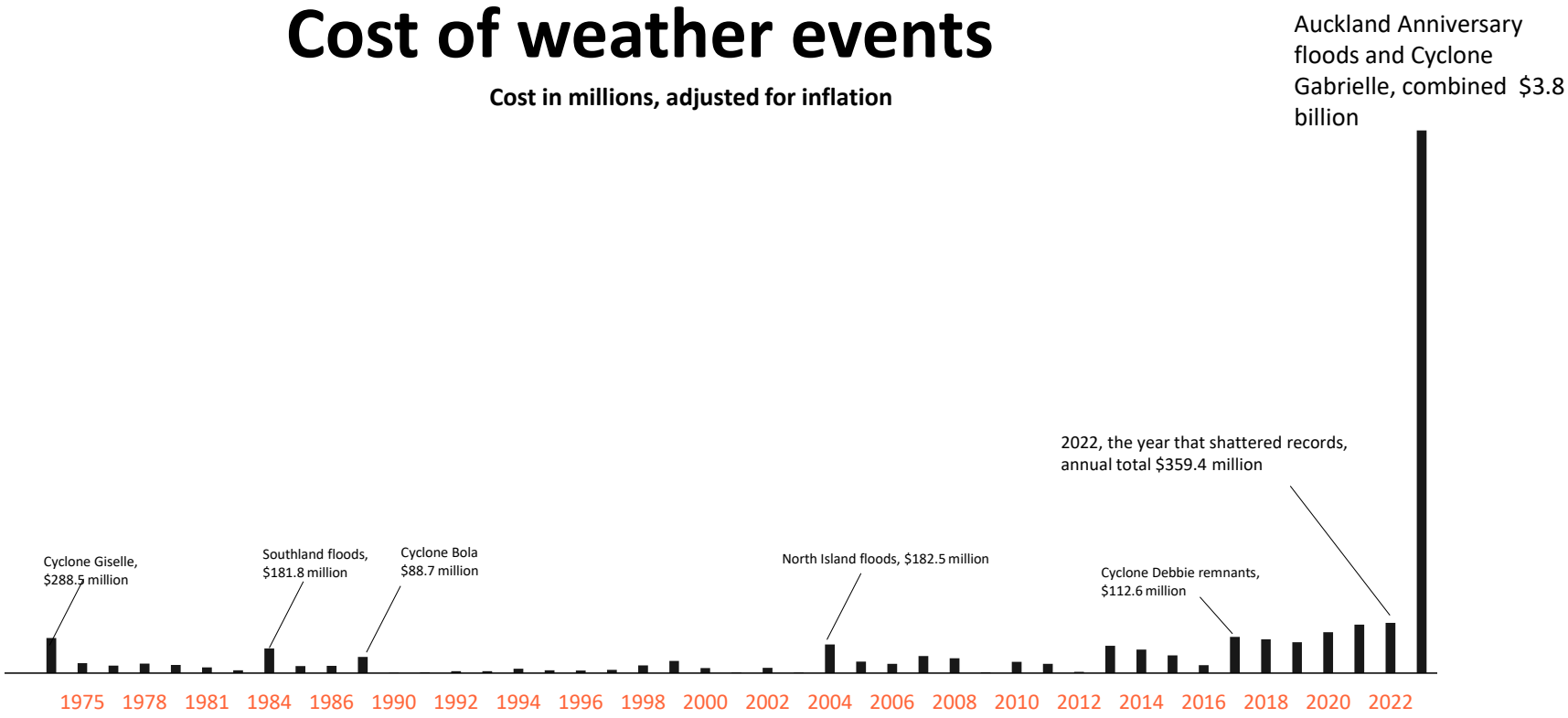
Cost of weather events

Cost in millions, adjusted for inflation



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Keeping insurance accessible

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Coastal areas

Current residential exposure

- Approx 219,000 residential properties in coastal inundation and inland flood zones ($180 billion in assets)
- An estimated 1,300 residential properties in the coastal inundation zone (representing $900 million in assets at current property prices) likely to have more than 20% damage in one or more extreme events between 2026 and 2060.

Infrastructure at risk (2019)

- 2,273 kilometres of roads, 5,572 kilometres of water pipes, 2,457 square kilometres of land, and buildings with a combined replacement value of $26.18 billion (as of 2016) 'vulnerable' if sea levels rise by 0.6 metres.

Source: Our Marine Environment 2025, MfE/Stats NZ

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Insurance in coastal areas

- Insurance generally available, high residential insurance uptake
- Insurers moving towards risk-based pricing
- Government levers can be pulled to reduce exposure
- Action to address risk sends positive signals to global reinsurers
- Every dollar invested in adaptation yields substantial economic benefits

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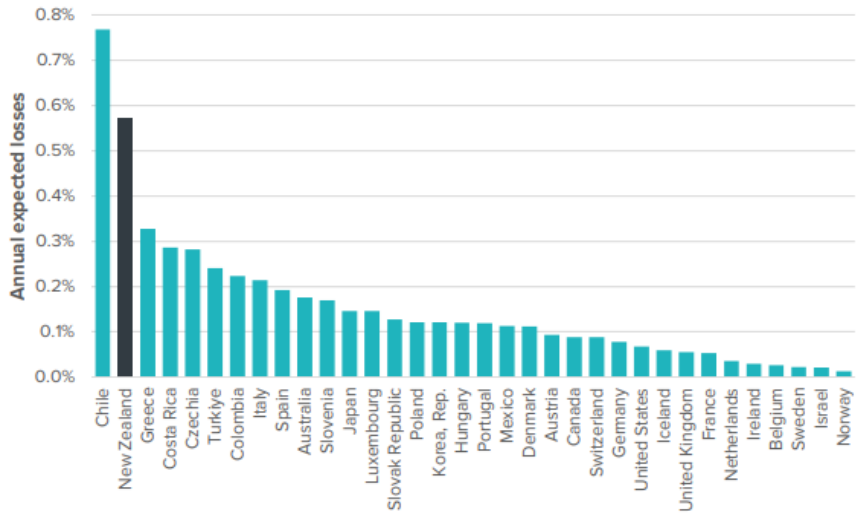
Managing and reducing risk

Figure 5: Annual expected losses from natural hazard events in OECD countries (as a share of GDP, 1960-2022)



Source: Te Waihanga analysis of EM-DAT database and World Bank GDP data. See Appendix 1 for details of calculation.

- Understanding the risk to our assets from natural hazards
- Improving the quality, consistency and availability of natural hazard and climate risk data
- Establish a climate adaptation framework that creates a consistent and holistic approach nationally, ensuring a unified direction but allowing for local flexibility
- A cross-party political consensus that delivers a clear, coordinated and enduring climate adaptation framework.

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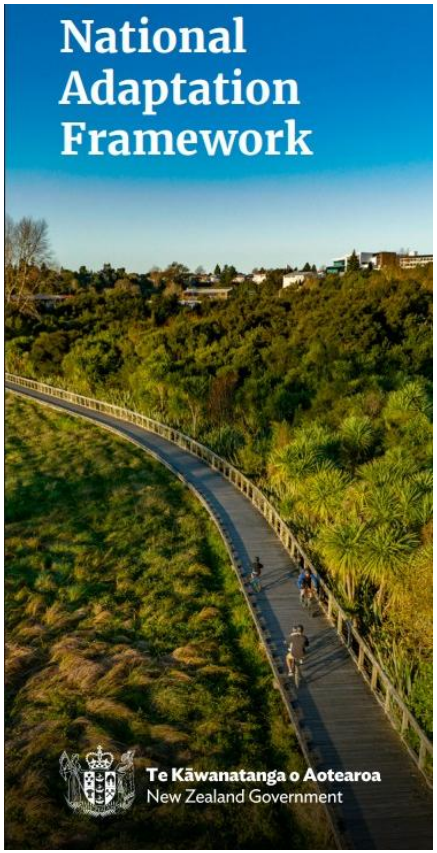
National Adaptation Framework

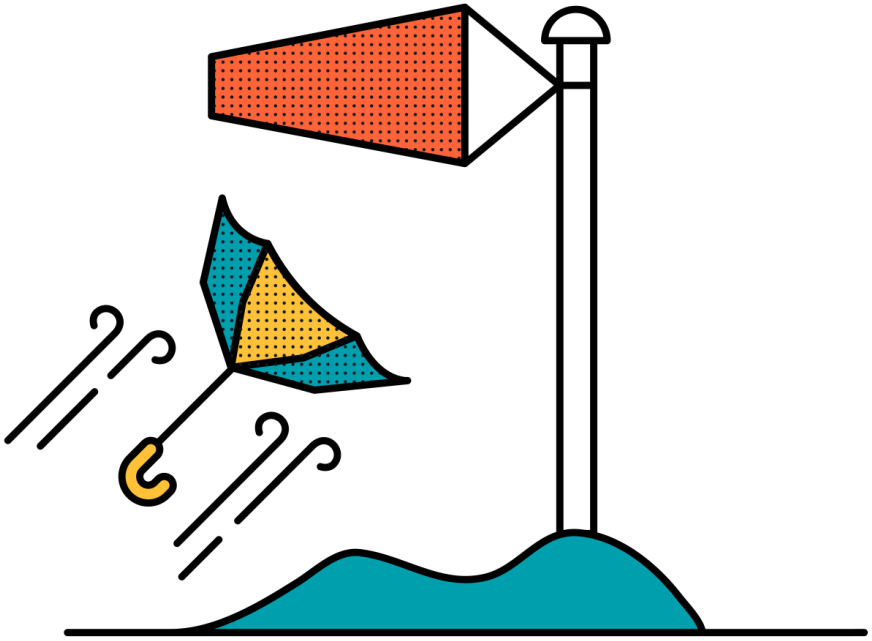
- Government has released National Adaptation Framework.
- Outlines how government, councils, the private sector and communities will collaborate to reduce and manage climate-related risks.
- Insurance sector supports the framework's focus on clear roles, responsibilities and better information about natural hazard risks.
- Transition from plan on paper to action on the ground urgently required.



ICNZ Insurance Council of New Zealand
Te Kāhui Inihua o Aotearoa

What we're working on

- Increasing engagement with local government on land-use planning decisions
- Developing an internal function to help ensure insurance remains accessible to New Zealanders into the future
- Engagement and submissions on legislation change
- Enabling the exchange and use of meaningful data between the industry and key stakeholders
- Building an intelligence capability to help anticipate future industry risks and opportunities



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www.icnz.org.nz

6.2 FREQUENCY AND INTENSITY OF EXTREME RAINFALL IN THE WAIKATO REGION

Rā | Date: **12 August 2026**

Kaituhi | Author: **Bevan Jenkins, Senior Scientist - Water**

Kaituku | Authoriser: **Michelle Begbie, Manager - Science**

TE ARONGA | PURPOSE

1. To provide information on current research into the frequency and intensity of extreme rainfall in the Waikato.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. Recent analysis of long-term rainfall records indicates that while average annual rainfall across the Waikato Region has generally declined since the 1960s, some locations are experiencing an increase in the frequency and intensity of extreme rainfall events.
3. In response to stakeholder questions regarding recent severe rainfall events, an initial assessment of selected rainfall records has been undertaken to inform development of the hydrology component of the forthcoming State of the Environment 2027 report.
4. The preliminary findings suggest that changes in rainfall are occurring not only through shifts in average conditions, but also through greater climate variability and more frequent extreme rainfall in some parts of the region. However, trends are not uniform across the Waikato, with some monitoring sites showing little or no increase in extreme rainfall events.
5. This initial work provides an early indication of emerging rainfall patterns and will be used to guide further analysis across the full regional rainfall record network. Additional investigation is required to determine the extent and spatial distribution of these trends and their implications for flood risk, water resources, and climate resilience planning across the Waikato Region.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Frequency and Intensity of Extreme Rainfall in the Waikato Region* (Regional Growth and Resilience Committee, 20 August 2026) be received.

HOROPAKI | BACKGROUND

6. Previous work (Jenkins and Koh 2022) for the Waikato State of the Environment report 2022 compared average rainfall in the Waikato region for each decade from 1961 to 2020 to the long-term average. Virtual climate station records used for this analysis are a spatially interpolated dataset commencing in 1961, which aligns well with the observed rainfall pattern at Ruakura, which has records dating back to 1907.

7. Data shows a general pattern of drying across the region, with the first two decades being the wettest on average. The most recent decade (2011-2020) was the driest, with this pattern consistent across the region. The drying pattern highlighted the growing importance of water security for the Waikato region, and material from that report presented to councillors as part of the Water Security Action Plan.

TE TAKE | ISSUE

8. Following questions from stakeholders regarding recent extreme (high) rainfall events, initial research was carried out. This initial analysis is intended to guide the design of the hydrology components of the upcoming State of the Environment 2027.

9. Since 1991 at the Castle Rock rain gauge on the Coromandel there have been 12 extreme[1] rainfall events. All 12 high-rainfall events of have occurred since 2001, with 3 occurring in 2023.

10. The long-term daily rainfall record from Ruakura since 1907 was analysed to look at high-rainfall events, which have notably increased since the late 1990s.

11. There has also been an increase in annual rainfall variation. For example, The Pinnacles rain gauge on the Coromandel (35-year record), had the wettest year on record in 2023, followed by one of the driest years on record in 2024.

12. However, it is noted that the same increase in extreme events has not been seen in all rainfall records across the region. For example, the Otewa rain gauge in the Waipā headwaters does not show an increase in 24-hour high rainfall events.

ĒTAHI ATU TAKE | OTHER MATTERS

13. A strong El Niño event is developing in the Pacific Ocean, with forecasters suggesting this could become one of the strongest on record. The last time a strong El Niño event occurred was in 1998, with the changes in rainfall described above occurring since then. An update will be provided on rainfall and river flows leading into spring.

WHAKAKAPINGA | CONCLUSION

14. An initial analysis of a selection of rainfall records for the Waikato for extreme rainfall events will be presented. It is intended that this will help in the design of the hydrology component of the upcoming State of the Environment report for the Waikato. This initial work has focused on a small selection of rainfall records; further work will be undertaken to determine if there is a spatial pattern across the region by looking at all available records.

NGĀ TOHUTORO | REFERENCES

15. Jenkins, Bevan, and Sung Soo Koh. 2022. Trends in Hydrology and Water Resources. Waikato Regional Council Technical Report 2022/06.

ĀPITIHANGA | ATTACHMENTS

Nil

[1] To define an extreme rainfall event, a 99.5th percentile of 24-hour rainfall totals was used.

6.3 WAIKATO REGIONAL COUNCIL ANNUAL ORGANISATIONAL CLIMATE CHANGE RISK ASSESSMENT 2026

Rā | Date: **29 July 2026**

Kaituhi | Author: **Joy Moir, Sustainability & Climate Change Senior Advisor**

Kaituku | Authoriser: **Karen Bennett, Executive Manager, Chief Executive's Office**

TE ARONGA | PURPOSE

1. To present Waikato Regional Council's Climate Change Risk Assessment (CCRA) annual review report.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. This report presents the findings of the annual CCRA review. The review process continues to strengthen the consistency, quality, and strategic relevance of risks, supporting more informed decision-making over time.
3. This review highlights extreme weather events as a risk multiplier, creating cascading and compounding impacts across services, assets, systems, and people.
4. While overall risk ratings have not materially shifted, this does not indicate reduced exposure or urgency. Climate change remains a significant strategic risk, and failing to act now could increase future costs, limit options, and worsen long-term impacts.
5. The assessment highlights that climate risks will continue to affect multiple areas of the organisation, in particular:
   (a) Flood protection assets, through increased frequency and severity of extreme weather events and changing environmental conditions
   (b) Natural systems, where ongoing stressors may lead to cumulative and potentially irreversible degradation
   (c) Staff and organisational capability, including impacts on health, safety, capacity, and the ability to respond effectively to sustained or concurrent events.
6. These impacts reinforce the need to adopt a long-term, forward-looking perspective. Climate-related risks will unfold over extended time horizons and require early, deliberate action to manage effectively.
7. Accordingly, it is critical that the implications of climate change are systematically and explicitly integrated into planning, investment, and decision-making processes, ensuring that current decisions adequately account for future risk trajectories and position the organisation to respond proactively, rather than reactively, to emerging challenges.
8. This review also demonstrates growing organisational maturity, with strengthened understanding and ownership of climate risks, improved cross-team engagement, and increased confidence in using the CCRA to inform planning, investment decisions, and Long-Term Plan (LTP) development. There is strong alignment between identified risks and the

council's strategic direction, particularly in building regional resilience and becoming a future-fit organisation.

9. Key organisational programmes, including the Water Security Plan, Infrastructure Strategy, Spatial Plan, Understanding and Adapting to Natural Hazard Risks, and Emergency Management Response are fundamental to mitigating these organisational climate-related risks.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *Waikato Regional Council Annual Organisational Climate Change Risk Assessment 2026* (Regional Growth and Resilience Committee, 20 August 2026) be received.

HOROPAKI | BACKGROUND

10. In May 2025, the council approved the first organisational CCRA, which identified a broad range of climate-related risks with the potential to significantly impact the organisation's ability to deliver its statutory functions and strategic objectives. These risks spanned built and natural assets, service delivery, organisational capability, and long-term planning, establishing the foundation for integrating climate risk considerations into risk management, planning, and investment decision-making.

11. The frequency, intensity, and duration of heatwaves, droughts, floods and storms are increasing. The impacts of these changes present growing risks to the built and natural environment, community resilience, cultural and social values, and the regional economy. Without effective adaptation, there are also direct implications for the council's assets and operations.

12. The CCRA provides a comprehensive analysis of how climate change may affect council infrastructure, business operations, policies, and service delivery, and is informed by the Waikato Regional Climate Change Hazards and Risks Report[2].

13. The CCRA outlines the processes used to identify, assess, and manage climate-related risks, and how these are integrated into the council's broader risk management framework. Undertaking a detailed organisational CCRA provides a clear view of where the organisation is most exposed to climate hazards and where risks may constrain the ability to maintain required levels of service.

14. The CCRA's methodology is based on two of the main scenarios developed by the Intergovernmental Panel on Climate Change (IPCC):

    - SSP2-4.5 a 'middle of the road' emissions and warming scenario (leading to an increase in global average temperature of approximately 2.7 degrees by 2100), and
    - SSP3-7.0 a higher end emission and warming scenario (leading to an increase in global average temperature of approximately 3.6 degrees by 2100. Climate scenarios are

[2] Waikato Regional Climate Change Hazards and Risks Report
Report page: Waikato Regional Climate Change Hazards and Risks Report (TR 2024/28R)

projections that describe what our climate might be in the future based on different assumptions about greenhouse gas emissions and societal development.

15. All risks identified are fundamentally physical climate risks; however, for assessment and management purposes, they have been grouped into three risk categories based on the primary area of impact: People, Assets, and Services.

TE TAKE | ISSUE

16. Through its risk management framework and programme, the council identifies and manages high-level organisational risks, including climate change **(STRAT RISK 07)**.

17. The CCRA is a key control for the council's climate change strategic risk, with strong linkages across multiple strategic risks. The CCRA highlights the interconnected nature of risks, as well as the compounding and amplifying effects of climate change on existing and emerging risks. The assessment reinforces that climate change acts as a risk multiplier, influencing environmental, financial, operational, and community outcomes. In addition to **STRAT RISK 07**, strategic risks identified through this CCRA include:

    (a) **STRAT RISK 03: Relationships** - increased expectations from communities, partners, mana whenua, and central government regarding leadership, transparency, and responsiveness to climate risks.

    (b) **STRAT RISK 04: People, Capacity, Capability, and Culture** - impacts on workforce wellbeing, health and safety, specialist capability, and organisational resilience during prolonged or concurrent climate events.

    (c) **STRAT RISK 06: Financial Sustainability** - growing pressure on operating and capital budgets due to increased asset maintenance, adaptation investment, insurance availability, and future cost escalation if action is delayed.

    (d) **ORG RISK 01: Legislative Compliance** - obligations under climate-related legislation, disclosure expectations, and alignment with national climate policy settings.

    (e) **ORG RISK 02: Health and Safety** - increased risk to staff and contractors from extreme weather events and changing operating conditions.

18. Climate-related risks also have implications for **STRAT RISK 01**: Emergency Response arrangements and, to a lesser extent, **STRAT RISK 05**: Information, Data and Technology, particularly in relation to forecasting, modelling, and decision-support systems. Addressing these interconnected impacts reinforces the need for an integrated, organisation-wide approach to climate risk management.

19. The CCRA is reviewed annually, and reports to the Regional Growth and Resilience Committee as per the terms of reference.

20. As part of this review, the number of risks was reduced from 77 to 58, with all risks reviewed by relevant organisational risk owners and mapped to the council's updated strategic direction and strategic risks. The reduction reflects an increased maturity in risk identification and assessment, which enabled several risks with similar causes, consequences and management requirements to be combined into more streamlined and representative risk statements.

21. Risk scoring was revisited, with no significant changes from the previous assessment. This reflects general consistency in organisational understanding and application of the methodology.

22. Several key themes emerged from the review, including increasing concern around long-term funding, resource availability, and organisational capability to respond effectively to climate risks. As decision-making becomes more complex, there is a need to strengthen capability and prioritisation approaches to ensure robust decisions are made and to reduce the risk of maladaptation.

23. Analysis of the 58 identified Physical Risks highlights several key observations:

    (a) **Flood Protection Assets**: Most physical risks are connected to flood protection assets, reinforcing the importance of building climate scenarios into infrastructure strategy and planning.

    (b) **Environmental Sensitivity:** Natural systems, including water quality and quantity, coastal, marine, biodiversity, and biosecurity areas, are particularly sensitive to climate impacts. These systems may experience long-term or irreversible consequences if risks are not addressed.

    (c) **Funding and Resourcing**: Effective mitigation of physical risks will require sustained long-term investment and resourcing, reflecting the scale and duration of climate-related impacts.

    (d) **Employee Health and Safety:** Risks to employee health, safety, and wellbeing are evident across all physical risk areas. Proactive, long-term planning is required to manage these impacts.

24. The following table present the climate-related risks currently assessed as high under present-day conditions. These provide a structured view of the most significant risks facing the organisation, highlighting both the nature of the risks and the areas of the council activity they affect.

25. These risks are critical for informing short- to medium-term planning, operational readiness, and investment decisions, and help identify where priority attention and resources are required.

26. Table 1 below identifies the council organisational climate change risks assessed as high physical risks under present-day conditions.

Risk _ID	Climate hazard	Element at risk	Risk statement
1	Extreme rainfall, altered rainfall patterns, inland flooding drought and compound hydrological events	Flood Protection Assets	Climate change is altering rainfall variability, seasonality and intensity, resulting in more frequent and severe inland flooding events, as well as prolonged dry periods and drought conditions. These changes may impact the performance and reliability of flood protection assets through overtopping, erosion, cracking and shrink–swell degradation of stopbanks, increased asset damage, and a growing need for more sophisticated modelling, design standards and upgrades to maintain performance. This may create increasing and unplanned capital and operational investment requirements and timing implications for asset upgrades, placing pressure on funding capacity, resources, and affordability.
5	Dryness and drought	Soils and water	Drought conditions become more frequent and intense, compromising the groundwater levels, resulting in oxidation of acid sulphate soils, followed by extreme heavy rainfall resulting in acids that negatively impact soil profile that can impact waterways. This presents a risk of surface and

			groundwater quality leading to a degradation of the surrounding environment resulting in permanent environmental and reputational damage.
6	Dryness and drought	Soils and water	Drought conditions become more frequent and intense, compromising the groundwater levels, resulting in oxidation of acid sulphate soils, followed by extreme heavy rainfall resulting in acids that negatively impact soil profile that can impact waterway quality. This presents a risk of fish kill events, resulting in additional work for staff and reputational damage for council.
11	Changes in variability and seasonality of rainfall	Council owned Wetlands	Changes in rainfall, dryness, drought, extreme weather events, fire, flood and sea level will potentially cause long term damage to wetlands managed by council. This presents a risk of increased expenditure and increased resources to remediate as per legal requirements and biodiversity needs.
15	Extreme rainfall, inland flooding flood event scale and erosion	Flood Protection Assets	Climate change is increasing the frequency, intensity and scale of inland flooding events, increasing operational demands and the complexity of flood response, asset management and environmental incident support. This may create a risk of resourcing and funding shortfalls, reduced organisational capability, and pressure on staff capacity, increasing the likelihood that WRC is unable to maintain current agreed levels of flood protection service during and following flood events.
55	Extreme weather	River and streams	Increased frequency of severe weather events may result in annual operating budgets and operational and disaster reserves being drawn on far more rapidly than they are accumulating. This presents a risk of inadequate funding being available to repair damaged/blockages caused by events and increased debt in zones.
57	Extreme weather	Resourcing	The changing climate requires enhanced hazard and risk modelling data and information to increase robust decision making for community resilience. This presents a risk of insufficient resources and funding (technology and human) to do this, resulting in reputational, loss of life and litigation risk.
58	Extreme weather	Resourcing	The changing climate requires increased communication and engagement to help communities understand and adapt to climate change impacts. This presents a risk of insufficient resources to deliver adequate communication and engagement, resulting in reputational, loss of life and litigation risk.

Table 1: Present Day High Rated Physical Risks

27. Effective overall mitigation of the climate-related risks will rely on the coordinated delivery of key organisational programmes, including:

- Infrastructure Strategy
- Water Security Plan
- Spatial Plan
- Understanding and Adapting to Natural Hazards
- Emergency Management Response
- Funding Review
- Regional Catchment Management Framework
- Biosecurity Operational Programme
- Coastal and Marine Plan

- Biodiversity Strategy.

28. The review also highlights an opportunity to further strengthen future assessments through the use of climate scenarios, supporting a more explicit understanding of how risks may evolve over time under different conditions. This would enhance the council's ability to assess risk trajectories, test decision-making, and better align long-term planning and investment with plausible future outcomes.

NEXT STEPS

29. The risk register will continue to be reviewed annually and will be incorporated into future LTP business cases, ensuring that climate risks are embedded within long-term planning and investment decisions.

30. A key next step is to develop a deeper understanding of cascading risks, in order to identify where targeted interventions could have the greatest system-wide impact. For example, prolonged drought can trigger a chain of interconnected impacts, reducing agricultural productivity and farm incomes, affecting regional employment and community wellbeing, and placing additional pressure on financial, social and governance systems beyond the immediate climate hazard itself. This will be a key objective over the coming year, with work undertaken to better understand the relationships between the risks and identify which risks act as critical leverage points within the system.

TE TIRITI O WAITANGI | THE TREATY OF WAITANGI

31. Council is obligated under the Local Government Act to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

WHAKAKAPINGA | CONCLUSION

32. The council's CCRA confirms that climate change continues to present a significant and evolving strategic risk to Waikato Regional Council. Through this review, the total number of identified risks has been consolidated from 77 to 58, providing a clearer and more focused view of the council's risk profile.

33. The review highlights increasing pressure on funding, resources, and organisational capability creating a risk that the scale and pace of the council's response may not fully align with the trajectory of climate change impacts.

34. The findings underscore the importance of taking a long-term, forward-looking approach, ensuring that climate risk is systematically integrated into planning, investment, and decision-making. The CCRA will continue to be reviewed regularly and used to inform business planning processes.

ĀPITIHANGA | ATTACHMENTS

Nil

6.4 HOW DOES ECONOMIC DEVELOPMENT FIT INTO SIMPLIFYING LOCAL GOVERNMENT?

Rā | Date: **10 August 2026**

Kaituhi | Author: **Blair Keenan, Principal Economist**

Kaituku | Authoriser: **Karen Bennett, Executive Manager, Chief Executive's Office**

TE ARONGA | PURPOSE

1. This report provides a discussion on the size and shape of the Waikato regional economy against a background of local government reform in New Zealand.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. The government's Simplifying Local Government policy programme, including its 'headstart' and 'backstop' options, may or may not lead to significant changes in the form of local government in the Waikato region over the next few years. It remains unclear whether, or how this will lead to coherent delivery of regional functions. This report considers the implications for the functioning of the regional economy, and the scale of economic development activities.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the report *How does economic development fit into Simplifying Local Government?* (Regional Growth and Resilience Committee, 20 August 2026) be received.

HOROPAKI | BACKGROUND

3. Taken as a whole, the Waikato region has a broad-based economy, but with significant specialisation and concentration of industries at a sub-regional level (Keenan et al, 2022). Natural resources form the basis of the economy, with agriculture and related manufacturing making up a relatively large share throughout the region (apart from Hamilton City), while other primary sector industries – for example, forestry (South Waikato and Taupō) and mining (Hauraki and Waitomo) – are locally important. Non-food manufacturing has concentrations in Hamilton and South Waikato. Electricity generation based around the region's river and geothermal systems service not just the region, but other parts of the country too. Fast-growing parts of the region (such as Waikato and Waipā districts and Hamilton city) are driving property-related and other service industries where demand is population based. Hamilton City is also boosted by Waikato Hospital and related health services and the University of Waikato. Iwi based organisations are key investors in the region.

4. Eaqub and Stephenson (2014) note that, in respect of different regions, "…significant and competing differences under the surface mean that an approach that works in one place

may make no sense in another, or could even pull the regions further apart." The diversity of the Waikato region suggests that the same applies at a sub-regional level.

5. While the Waikato region generates a significant share of its income via transactions outside the region, intra-regional economic activity is critical. Gordon et al (2025) model the economic flows between parts of the Waikato region (see figure 1). It is noted that, while Hamilton City is quite distinctive in terms of its mix of industries, it is generally the largest trading partner in the region for all other parts of the region.

Figure 1: Estimated economic flows within Waikato region ($m)

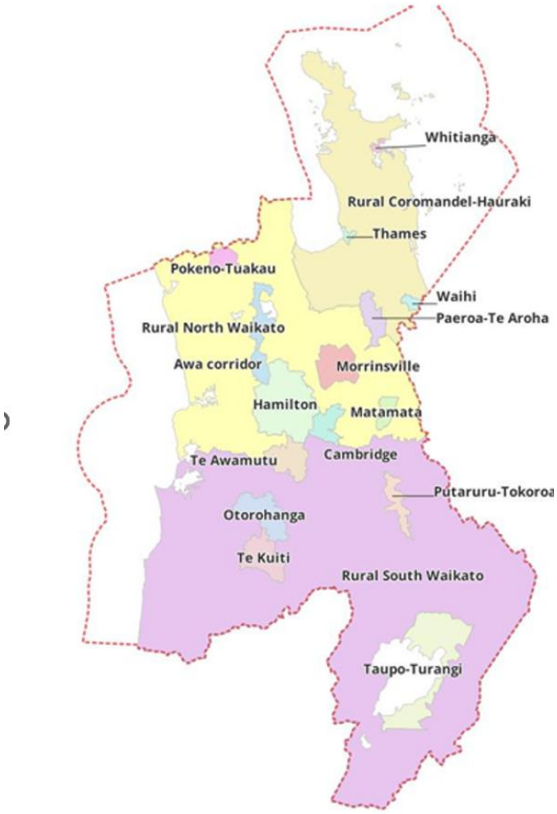
		To:						Total Regional Exports
		Waikato District	Hamilton City	Waipa District	Matamata Piako District	Taupo District	Rest of Waikato	
From:	Waikato District	3,648	374	102	152	30	106	764
	Hamilton City	866	10,472	363	290	322	545	2,386
	Waipa District	171	242	2,418	168	41	150	773
	Matamata-Piako District	156	359	142	892	45	320	1,022
	Taupo District	69	181	61	72	1,750	91	475
	Rest of Waikato	262	450	193	368	71	3,388	1,345
	Total Regional Imports	1,524	1,606	862	1,050	509	1,212	

Large values are set against darker green fill, the smallest values against white

Source: Gordon et al (2025)

6. Gordon et al (2025) apply additional information to Statistics New Zealand functional urban areas (essentially these are towns with populations greater than 5,000) to derive *functional economic areas*. These areas are shown in figure 2 and are typically based around 15 urban areas (either individual towns or neighbouring towns plus the surrounding area) along with three rural areas (north and south Waikato and Coromandel-Hauraki). While these functional economic areas may be too fragmented to 'simplify' local government, they may provide some pointers to areas of common interest around which 'local voice' could be based in any reform of the region.

Figure 2: Functional economic areas

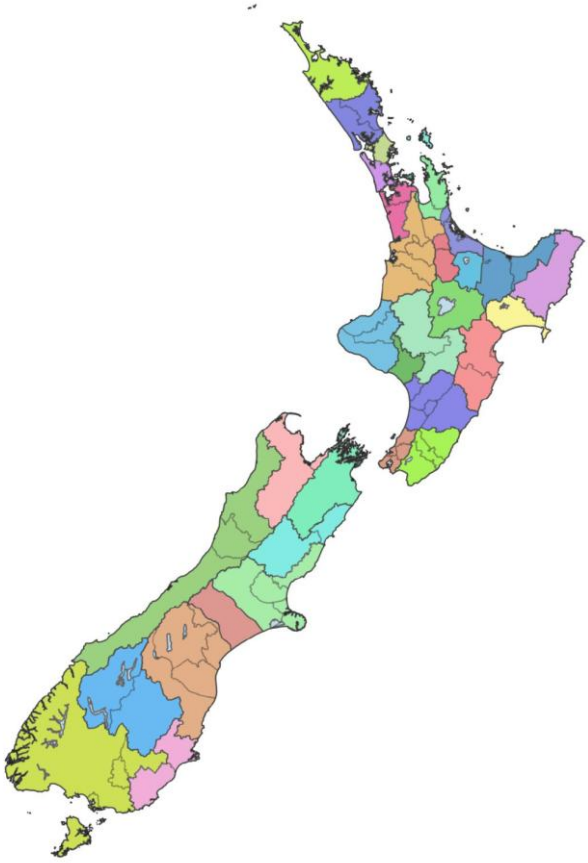


Source: Gordon et al (2025)

7. Lees (2026) estimates labour market areas based on commuting data from the past three censuses, and proposes that, while these should not *determine* local government boundaries, they should be taken into account when considering the optimal form. This is because they effectively minimise costly cross-boundary effects that may arise for functions such as spatial planning for infrastructure and housing.

8. Figure 3 shows a map of these areas. It shows the current Waikato region includes multiple distinct labour market areas, some of which go beyond current regional boundaries. Unsurprisingly, a large labour market area is centred around Hamilton, including Waipā, Ōtorohanga and Waitomo districts, the south and east of Waikato district, and the northern part of Matamata-Piako. Based on commuter patterns, the western part of Waikato district has a greater association with Auckland. Thames-Coromandel and Hauraki form their own labour market, as does Taupō. South Waikato and the remainder of Matamata-PIako are their own, distinct area.

Figure 3: Labour market areas



Source: Lees (2026)

9. Again noting that Lees (2026) specifically says that these should not be interpreted as recommended boundaries, it is observed that the Headstart proposals for unitary authorities for King Country and Waihou-Piako-Coromandel both include significant mismatches to labour market areas.

10. These labour market-derived areas are also inconsistent with the principle of maintaining the regulation and management of catchments as a whole. The areas in figure 3 would cut the Waikato-Waipā into four, and the Waihou-Piako into three. Given water resources fundamentally underpin the rural economies of the region *and* these resources are inherently catchment-based, it follows that catchments are an important building block for the regional economy, and therefore should be managed as units.

11. Nevertheless, if the benefits of local government boundaries based on labour market areas or other economic development considerations were considered sufficient, then it could be considered that catchment-based boundaries are a straightjacket that constrains other functions of local government. To ensure that governance of natural resources remains coherent, an alternative could be to allow economic functions to determine optimal local government boundaries while reassigning catchment regulation to catchment-focused authorities such as catchment boards or an environmental protection agency.

TE TAKE | ISSUE

So what can we say about the optimal scale for economic development activities? Keenan (2026) concluded that there are economic development activities that fit all spatial scales, from sub-regional (e.g. business development) through to national (e.g. nationwide industrial strategy and policy). In respect of the activities envisaged as part of the Waikato Regional Economic Development Strategy (summarised broadly in the table below), it is considered that there is value in delivering them at a regional scale.

Information and insights	Policy	Strategy	Implementation of intiatives	Regional branding	Investment facilitation
- Data; - Evidence; - Insights; - Evaluation; - Foresight.	Advice to: - External parties; - Councillors; - WRC functions; - Research through to investment cases.	- Evidence; - Development; - Drafting; - Coordination; - Facilitation; - Annual implementation plans; - Monitoring and evaluation.	- Budget management; - Project management.	- Deliver and develop Waikato Story, including website and social media.	Investment - Promotion; - Facilitation; - Retention; - Growth. Business relationship management.

12. Many of these activities have relatively high fixed costs, and the marginal cost of providing them over a greater area is relatively small. This suggests that the activities exhibit economies of scale and are better delivered at a relatively broad scale. Having sufficient local knowledge and focus on detail is also important, however, and indicates that a national scale is unlikely to meet the needs of the region. Whitehead (2005) observes that "optimising policy to suit local conditions is…critical…" and experience shows that "…the plans and programmes that work in one region can't just be transplanted to another."

13. The 'fiscal equivalence' criterion also points to a regional scale. The benefits of these activities would be expected to accrue through improved economic performance of the region's businesses.

14. Finally, it should be noted that while there are sound reasons for the Waikato Regional Economic Development Strategy to be delivered at a regional level, there are options for this in the event of the disestablishment of the Waikato Regional Council, such as a shared services arrangement or the creation of a council-controlled organisation that spans unitary authority jurisdictions.

WHAKAKAPINGA | CONCLUSION

15. This report considers economic development activities in the context of the government's Simplifying Local Government policy programme. It is noted that functional economic areas and labour market areas provide an alternative lens for looking at the spatial scale and shape of local government. The unity of catchment regulatory functions does not necessarily fit well with these criteria based on business linkages, labour markets or the like. If local government boundaries were to be based on such conditions, it would be appropriate to remove catchment regulation and management from their jurisdiction.

16. Based on the activities identified to be part of the implementation of the Waikato Regional Economic Development Strategy, a regional scale is generally considered to be appropriate.

NGĀ TOHUTORO | REFERENCES

1. Eaqub, S. and Stephenson, J. 2014. Regional Economies: Shape, performance and drivers. NZIER working paper 2014/03. NZIER. Wellington. Regional economies : shape, performance and drivers.
2. Gordon M., Foy, D. and Yeoman, R. 2025. Waikato Economic Geographies Profiles. Report prepared for Waikato Regional Council. Formative. Auckland.
3. Keenan, B., Mackay, S. and Paragahawewa, U. 2022. The economy of the Waikato region in 2022. Waikato Regional Council Technical Report 2022/17. Waikato Regional Council. Hamilton. The economy of the Waikato region in 2022.
4. Keenan, B. 2026. A place for everything, everything in its place. A review of local government functions in the Waikato region. Waikato Regional Council internal series report 2026/13. Waikato Regional Council. Hamilton.
5. Lees, K. 2026. The economic geography of local government reform: governing the economy we have, not the institutions we inherited. (*Unpublished paper, available upon request)*
6. Whitehead, J. 2005. Economic Growth – A Regional and National Challenge. Speech from the Secretary to the Treasury to the Local Government Chief Executives Forum. Economic Growth - A Regional and National Challenge | The Treasury New Zealand.

ĀPITIHANGA | ATTACHMENTS

Nil

6.5 REGIONAL ECONOMIC DEVELOPMENT STRATEGY STEERING GROUP AND ADVISORY PANEL

Rā | Date: **10 August 2026**

Kaituhi | Author: **Tariq Ashraf, Regional Economic Development Lead**

Kaituku | Authoriser: **Karen Bennett, Executive Manager, Chief Executive's Office**

TE ARONGA | PURPOSE

1. For the committee to endorse and recommend to Council the establishment of two advisory groups and associated terms of reference. The advisory groups being the:

   (a) Waikato Regional Economic Development Strategy Implementation Plan Steering Group; and

   (b) Waikato Regional Council Economic Development Advisory Panel.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. The Waikato Regional Council adopted the Waikato Regional Economic Development Strategy 2026/27-2029/30 in June 2026. The strategy will be supported through annual implementation plans that clearly state the actions and initiatives of partners.
3. The council agreed to create a Steering Group to make recommendations to the council (and other partners as relevant) about initiatives for inclusion in the annual implementation plans.
4. The council noted that the first step is for councillors to agree the terms of reference and composition of the Steering Group (attached).
5. The Steering Group will act in an advisory capacity only and will have no delegated authority to commit funding, enter into contracts, or make decisions on behalf of the council or any participating organisation.
6. It is also proposed that the council creates an Economic Development Advisory Panel. This would be a pool of senior businesspeople to call upon from time to time to represent businesses in the Steering Group; engage with the Regional Growth and Resilience Committee and provide it with strategic insight, such as on barriers/challenges to growth (including regulatory).
7. The Panel would have up to 15 members, reflecting the diversity of industry sectors and geographic distribution in the Waikato economy. Members would be key decisionmakers within their organisations or industry sectors. They would include members with lived experience in Te Ao Māori and knowledge of the contemporary issues facing Māori businesses. The Panel members would be selected by a working group of councillors.
8. If established, the Panel could also be disestablished, by resolution of the council.
9. Following an EOI process, staff propose to recommend potential members of the Advisory Panel to a working group of councillors at the earliest opportunity.

10. The draft 2026/27 implementation plan would be presented to the council for endorsement by the end of September 2026.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

1. That the report *Regional economic development strategy steering group and advisory panel* (Regional Growth and Resilience Committee, 20 August 2026) be received.
2. That the Committee endorse and recommend to Council the establishment of the Waikato Regional Economic Development Strategy Implementation Plan Steering Group and its terms of reference (*refer attachment 1 of this report*).
3. That the Committee endorse and recommend to Council the establishment of the Waikato Regional Council Economic Development Advisory Panel and its terms of reference (*refer attachment 2 of this report*).
4. That the Committee notes that staff will recommend potential members of the Advisory Panel to a working group of councillors at the earliest opportunity.

HOROPAKI | BACKGROUND

11. The Committee's Terms of Reference include the following relevant powers:
    (a) overseeing the development, implementation and review of the Regional Economic Development Strategy and related plans, ensuring alignment with regional and national policy frameworks.
    (b) guiding the council's role in regional development advocacy, partnerships and engagement with economic development entities, including the business sector.
    (c) considering opportunities to co-opt or invite participation from key economic enablers to strengthen strategic insight and collaboration.
12. The council adopted the Waikato Regional Economic Development Strategy 2026/27-2029/30 at its meeting on 25 June 2026.[3]
13. Councillors noted that Waikato Regional Council is supporting the strategy in 2026/27 through – amongst other things – relationships with businesses to understand their barriers/challenges to growth (including regulatory).
14. Councillors also noted that the strategy will be supported through annual implementation plans that clearly state the actions and initiatives of partners. Councillors also noted that these actions and initiatives will be assessed and prioritised by a steering group comprising local and central government, iwi and Māori organisations, the private sector and the philanthropic sector. The recommendations of the steering group will be submitted to the council for endorsement.
15. Councillors agreed with this approach and requested that councillors were given the opportunity to agree the terms of reference and composition of the Steering Group.

[3] Minutes of Ordinary Council Meeting - Thursday, 25 June 2026

TE TAKE | ISSUE

Steering Group

16. The Steering Group is proposed as a collaborative advisory forum to support the implementation of the Waikato Regional Economic Development Strategy. Its role is to provide advice and recommendations on initiatives for inclusion in annual implementation plans. If established, the Steering Group can be disestablished, by resolution of the council.

17. The Steering Group will act in an advisory capacity only and will have no delegated authority to commit funding, enter into contracts, or make decisions on behalf of the council or any participating organisation.

18. The Steering Group will have up to ten members as follows:

    (a) Chief Executive of the Waikato Regional Council

    (b) Regional Public Service Commissioner Waikato

    (c) Regional Lead – Waikato – Kānoa – Regional Development and Investment Unit

    (d) An official of the Ministry for Cities, Environment, Regions & Transport

    (e) Up to two representatives of iwi in the Waikato region

    (f) Up to two representatives of businesses in the Waikato region

    (g) Up to two members of the Waikato Community Funders Group

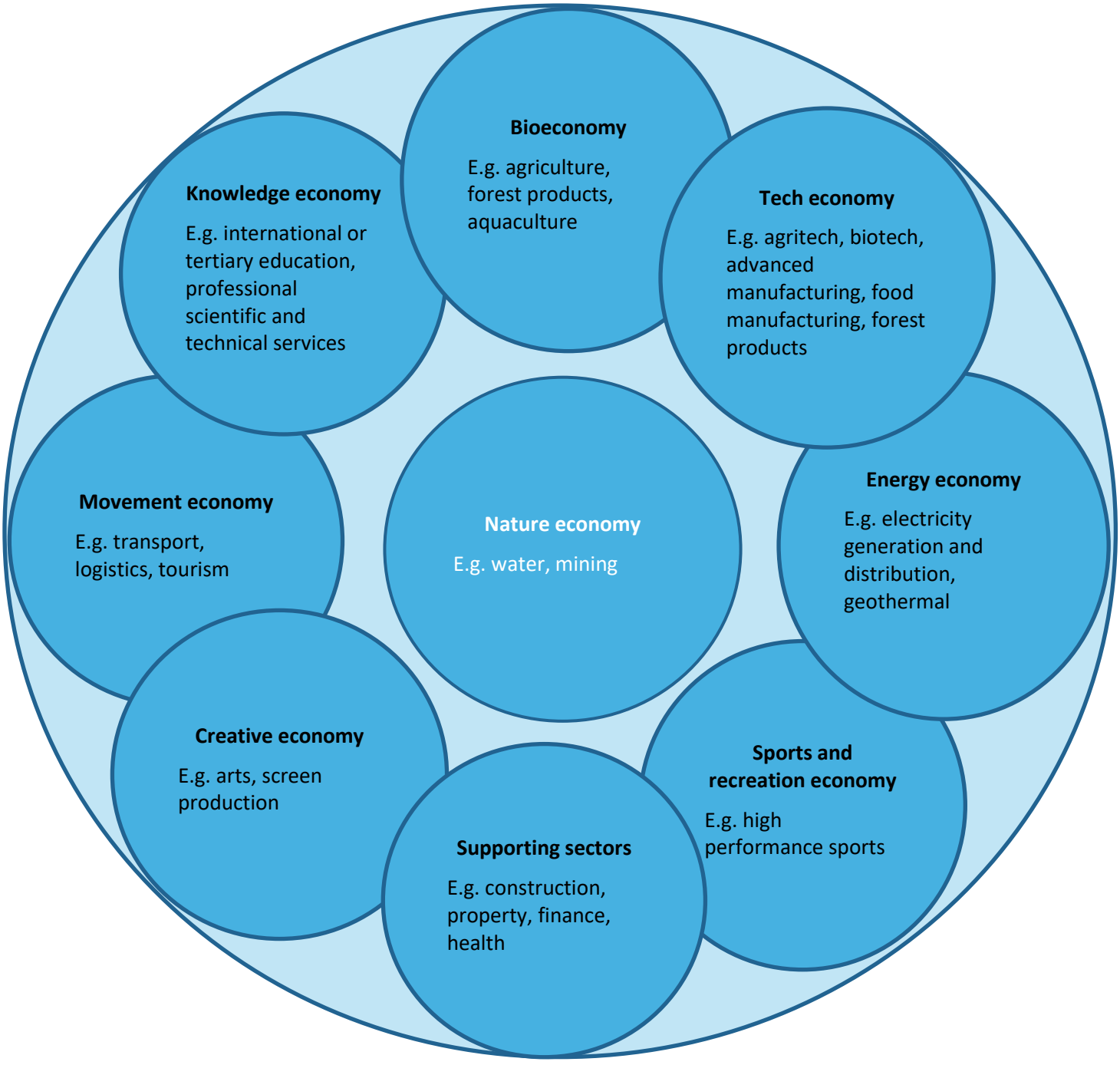
19. Each member is permitted to nominate an alternate if they are unable to attend a meeting.

20. The specific role of the Steering Group and other matters are set out in the terms of reference *(refer attachment 1).*

Advisory Panel

21. The council does not currently have a pool of senior businesspeople to call upon to join the Steering Group, or provide business and industry perspectives that support the council's regional economic development activities and engagement with the economic development stakeholders.

22. By way of context, the Waikato region has important contributions from various industries, to a greater or lesser degree in different parts of the region. These also include a significant role for Māori businesses. The breadth of intersecting industry sectors in the Waikato region is illustrated below:


Bioeconomy
E.g. agriculture, forest products, aquaculture
Knowledge economy
E.g. international or tertiary education, professional scientific and technical services
Tech economy
E.g. agritech, biotech, advanced manufacturing, food manufacturing, forest products
Movement economy
E.g. transport, logistics, tourism
Nature economy
E.g. water, mining
Energy economy
E.g. electricity generation and distribution, geothermal
Creative economy
E.g. arts, screen production
Supporting sectors
E.g. construction, property, finance, health
Sports and recreation economy
E.g. high performance sports

23. It is proposed that the council creates an Economic Development Advisory Panel to provide a pool of senior businesspeople whose members are available to be called upon from time to time to join the Waikato Regional Economic Development Strategy Implementation Plan Steering Group, and provide business and industry perspectives to inform the council's consideration of regional economic development matters. If established, the Panel could also be disestablished, by resolution of the council.

24. The Panel would not be a committee, subcommittee or governance body of the council. It would have no delegated authority and would not make decisions on behalf of the council. The Panel would support the council's regional economic development activities and the work of the Regional Growth and Resilience Committee.

25. The Panel would have up to 15 members who would:

    (a) Have expertise, skill and experience relevant to the implementation of the Strategy and the economic development of the Waikato region.

    (b) Reflect the diversity of industry sectors and geographic distribution in the Waikato economy.

    (c) Be key decisionmakers within their organisations or industry sectors.

    (d) Include members with lived experience in Te Ao Māori and knowledge of the contemporary issues facing Māori businesses.

26. The specific role of the Panel and other matters are set out in the terms of reference *(refer attachment 2).*

27. The Panel members would be selected by a working group of councillors following the appointment process outlined in the terms of reference. It is anticipated that the process to recommend potential members to the working group of councillors could take approximately two months.

WHAKAKAPINGA | CONCLUSION

28. The Committee is asked to endorse and recommend to the council the establishment of two advisory groups and associated terms of reference. The advisory groups being the:

    (a) Waikato Regional Economic Development Strategy Implementation Plan Steering Group; and

    (b) Waikato Regional Council Economic Development Advisory Panel.

29. Following an expressions of interest process, staff will recommend potential members of the Advisory Panel to a working group of councillors at the earliest opportunity.

ĀPITIHANGA | ATTACHMENTS

1. **Waikato Regional Economic Development Implementation Plan Steering Group terms of reference August 2026 – (Doc # 38163969)** ⇩
2. **Waikato Economic Development Advisory Panel Terms of Reference August 2026 – (Doc # 38186348)** ⇩

Waikato Regional Economic Development Strategy Implementation Plan Steering Group

Terms of Reference

1 Status

This Steering Group was created by Waikato Regional Council ("the Council") to make recommendations to the Council (and other partners as relevant) about initiatives for inclusion in the annual implementation plans of the Waikato Regional Economic Development Strategy ("the Strategy"). It was established, and can be disestablished, by resolution of Council.

The Steering Group acts in an advisory capacity only and has no delegated authority to commit funding, enter into contracts, or make decisions on behalf of the Council or any participating organisation.

2 Role

The role of the Steering Group is to:

a. Review potential initiatives submitted by different parties for the annual implementation plans of the Strategy.
b. Share information with each other about additional potential initiatives.
c. Assess and prioritise potential initiatives on:
    - alignment with the Strategy
    - economic impact (address problems/unrealised opportunities)
    - current stage of implementation
    - deliverability
    - return on investment (improvement versus what would occur without the initiative, relative to investment required).
d. Exchange information with external forums, networks or groups where necessary for guidance.
e. Provide advice on alignment between initiatives and priorities of potential contributors, e.g. City and Regional Deals.
f. Make recommendations to the Council (and other partners as relevant) about initiatives for inclusion in the annual implementation plans of the Strategy.
g. Facilitate and strengthen linkages between initiatives and relevant stakeholders within and outside the region.
h. Exchange information among Steering Group members about economic development strengths, opportunities and priorities in the Waikato region.
i. Review progress and outcomes of initiatives included within implementation plans and identify lessons learned to inform future decisions.

3 Membership:

3.1 Members

The Steering Group has up to ten members as follows:

a. Chief Executive of the Waikato Regional Council
b. Regional Public Service Commissioner Waikato
c. Regional Lead – Waikato – Kānoa – Regional Development and Investment Unit
d. An official of the Ministry for Cities, Environment, Regions & Transport
e. Up to two representatives of iwi in the Waikato region
f. Up to two representatives of businesses in the Waikato region
g. Up to two members of the Waikato Community Funders Group

3.2 Chair and Deputy-Chair

The Chairperson and Deputy Chairperson will be elected by the Steering Group once it has been convened.

3.3 Alternates

Each member is permitted to nominate an alternate if they are unable to attend a meeting.

4 Frequency of meetings

The Steering Group will meet as required, but generally no less than twice annually.

5 Recommendations

The Steering Group will seek to reach recommendations by consensus. Where consensus cannot be reached, differing views may be recorded and included within recommendations provided.

6 Conflicts of interest

Members must declare any actual, potential, or perceived conflict of interest in relation to matters considered by the Steering Group. The Chairperson may determine whether the member should participate in discussion or decision-making on the relevant matter.

7 Confidentiality

Members may receive information that is commercially sensitive or confidential. Such information must not be disclosed outside the Steering Group.

Waikato Regional Council Economic Development Advisory Panel

Terms of Reference

1 Status

This Advisory Panel ("the Panel") was created by Waikato Regional Council ("the Council") to provide a pool of senior businesspeople whose members are available to be called upon from time to time to join the Waikato Regional Economic Development Strategy ("the Strategy") Implementation Plan Steering Group, and provide advice to the Council on regional economic development. It was established, and can be disestablished, by resolution of Council.

The Panel is not a committee, subcommittee or governance body of Council. It has no delegated authority and does not make decisions on behalf of Council. The Panel supports the Council's regional economic development activities and the work of the Regional Growth and Resilience Committee.

2 Role

The role of the Panel members is to be available to be called upon from time to time, to:

a. Join the Strategy Implementation Plan Steering Group that makes recommendations to the Council (and other partners as relevant) about initiatives for inclusion in the annual implementation plans of the Strategy.
b. Provide advice to the Council on regional economic development:
    - Barriers or challenges to regional economic development created by council functions, including:
        - Policies, plans and strategies
        - Regulatory functions.
    - Regional and strategic matters relevant to regional economic development.
    - Any matter of particular interest or concern to regional economic development.
c. Present to meetings or participate in workshops of the Council or the Regional Growth and Resilience Committee.
d. Provide guidance to specific Council activities or projects.

3 Membership:

3.1 Members

The Panel:

a. Has up to 15 members.
b. Members have expertise, skill and experience relevant to the implementation of the Strategy and the economic development of the Waikato region.
c. Members reflect the diversity of industry sectors and geographic distribution in the Waikato economy.
d. Members are key decisionmakers within their organisations or industry sectors.

e. Includes members with lived experience in Te Ao Māori and knowledge of the contemporary issues facing Māori businesses.

4 Appointment process

a. Council staff issues request for expressions of interest (EOI) through business groups, forums and networks.
b. Interested parties submit their EOI.
c. Council staff acknowledge receipt of EOI.
d. Council staff assess EOI against the factors listed in 3.1 above.
e. Council staff make recommendations to a working group of councillors.
f. Panel members are selected by a working group of councillors.

5 Remuneration

Panel members will not be paid for their time to undertake their roles under clauses 2 (a) to (c) of these terms of reference. Panel members may be paid for their time in accordance with the Council's Procurement Policy if engaged to provide guidance to specific Council activities or projects.

6.6 AI DATA CENTRES AND THE WAIKATO REGION

Rā | Date:	**6 August 2026**
Kaituhi | Author:	**Tariq Ashraf, Regional Economic Development Lead**
Kaituku | Authoriser:	**Karen Bennett, Executive Manager, Chief Executive's Office**
Mana whakatau | Delegation Status:	**For recommendation to Council**

TE ARONGA | PURPOSE

1. For the committee to endorse and recommend to the council that staff develop a Waikato Regional Council position statement on data centre development in the region.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. The global artificial intelligence (AI) data centre industry is experiencing exponential growth, driven by the rapid growth of AI, cloud computing and digital services.
3. Physical and social limits and rising global instability are pushing developers and investors to prioritise stable, lower-risk locations over traditional hubs in North America, Europe and Asia.
4. Invest New Zealand has recently launched a campaign to attract offshore investment in AI data centres.
5. It has approached Waikato Regional Council to seek information and insights because two out of its six identified “advantaged zones for data centre deployment” are in the Waikato region. This complements another of the council’s roles in economic development, to promote the Waikato region and attract investment. The council also has relevant roles with regards to planning and resource consents.
6. On the one hand, there are different delivery models (such as Hyperscaler owned and operated, Co-location provider owned and Enterprise owned and operated) and benefits (such as construction-related jobs, local infrastructure investment and local secure hardware and facilities).
7. On the other hand, there are potential impacts posed by development (such as high electricity demand and water consumption), critical success factors (such as energy and a conducive physical environment), and high-performance characteristics (such as renewable energy integration).
8. It would be useful for Waikato Regional Council to develop a position statement setting out its considerations for AI data centres in the Waikato region. It would include the principles for maximising the benefits and good practices of AI data centres, minimising their impacts and challenges to their successful development.
9. The draft position statement should be shared for feedback from territorial authorities, the community and iwi.

10. The position statement will ensure the council's response to proposals is strategic, evidence-based, and aligned with desired regional outcomes, while appropriately managing potential social, environmental, infrastructure, and land-use effects.

11. The position statement could also be a useful input to, and complement, the government's principles under development.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

1. That the report *AI Data Centres and the Waikato Region* (Regional Growth and Resilience Committee, 20 August 2026) be received.

2. That the committee recommends to Council that staff prepare a draft position statement for the council's consideration.

3. That the committee notes that staff will report back to the Regional Growth and Resilience Committee with a draft position statement for the council to consider before it is shared for feedback from territorial authorities, the community and iwi.

HOROPAKI | BACKGROUND

12. Invest New Zealand (the government agency dedicated to facilitating foreign direct investment) has recently launched a campaign to attract offshore investment in AI data centres.

13. It has identified six "advantaged zones for data centre deployment" due to their "time to power", access to high-voltage electricity infrastructure, and backhaul fibre connectivity. Two of the advantaged zones are in the Waikato region (see attached Sector Overview).

14. Invest New Zealand has approached Waikato Regional Council to seek information and insights. This is consistent with Waikato Regional Council's economic development roles to:

    (a) analyse data and communicate timely economic development information and insights to support decision-making at local, sub-regional and regional scales; and

    (b) promote the Waikato region and attract investment.

15. Waikato Regional Council is currently required to produce a Regional Policy Statement (RPS) for the Waikato region and review it every 10 years. The RPS that became operative in 2016 identifies strategic industrial nodes and urban enablement areas for new industrial development, as well as wāhi toitū and wāhi toiora (critical areas to protect), for the Future Proof subregion.

16. The Spatial Planning Bill provides for the development and implementation of long-term, strategic spatial planning through the development of a regional spatial strategy (RSS) by a regional planning committee. The committee will focus on the matters of most strategic importance to the region, including (but not limited to) areas that are vulnerable to natural hazards or climate change and the need for protective infrastructure or change in land use.

17. A planned AI datacentre in the Waikato region would require a resource consent from Waikato Regional Council if it involved a specified land use, water (use, take, dam and/or diversion), discharges to air, water or land or activities in the coastal marine area.

18. As AI data centres are a relatively recent development, there are currently no principles nationally or in other regions. For example, it has been reported that the Prime Minister has directed the Economic Growth Minister and the Department of the Prime Minister and Cabinet to develop a set of principles for the data centre sector.[4] Further information is currently unavailable.

TE TAKE | ISSUE

About AI data centres

19. Data centres are secure, highly specialised facilities that house the computer systems and communications technology required to store, process and distribute digital information. Almost every digital interaction relies on data centres, from internet banking and emergency services through to streaming platforms, cloud computing and AI-powered applications. These fall into three broad categories currently:

    (a) **Hyperscale Data Centres** – very large facilities typically developed by global technology companies. They support cloud computing platforms, AI processing and large-scale digital services and are expected to drive much of the future growth in global data centre capacity.

    (b) **Co-location Facilities** – provide secure space, electricity and connectivity infrastructure while customers install and operate their own computer equipment. This model allows organisations to access highly reliable infrastructure without building their own facilities.

    (c) **Enterprise Data Centres** – traditionally, many organisations operated their own internal server rooms and computing infrastructure. This model is becoming less common as organisations increasingly migrate to cloud-based computing solutions provided through hyperscale and colocation providers.

20. The rapid growth of AI, cloud computing and digital services is driving unprecedented demand for computing capacity. Boston Consulting Group (BCG) notes that global computing demand is expected to more than double by 2030 and that AI is now one of the largest drivers of data centre growth.[5] The global data centre industry is experiencing exponential growth, with McKinsey forecasting US$6.7t of worldwide investment over the next five years.[6]

The opportunity

21. Traditional hubs in North America, Europe and Asia are reaching their physical and social limits. Energy grids are strained, and new power generation cannot keep pace with demand. Delays in electricity substations and transmission lines are stalling new development. Investors and regulators are enforcing stricter environmental and energy efficiency standards. Rising global instability is pushing developers and investors to prioritise stable, lower-risk locations.

22. BCG considers that the major investment drivers for data centres (critical success factors) are:

[4] Govt wants 'common-sense' rules around big data centres – PM
[5] New Zealand Data Centre Report (BCG)
[6] McKinsey & Company, (2025), The cost of compute: A $7 trillion race to scale data centers

(a) Energy
    (i) Generation capacity and reliability
    (ii) Grid capacity and connection lead times
    (iii) Unit pricing (amount and volatility)
    (iv) Carbon intensity of supply.
(b) Network connectivity
    (i) Connection density to end-users at required latency
    (ii) Connection diversity with multiple paths.
(c) Operating environment
    (i) Data and privacy laws to ensure security of workloads
    (ii) Regulatory stability and predictability
    (iii) Ease of doing business and incentive schemes.
(d) Physical environment
    (i) Climate, water and resources availability for operational efficiency
    (ii) Relative risk of natural disasters.
(e) Capital investment
    (i) Availability, zoning and relative cost of land
    (ii) Relative cost, and consenting timelines of construction
    (iii) Procurement, delivery and installation of advanced technical equipment.

23. Invest New Zealand considers that 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 and AI infrastructure.

24. Invest New Zealand has identified two of six “advantaged zones for data centre deployment” in the Waikato region due to their “time to power”, access to high-voltage electricity infrastructure, and backhaul fibre connectivity.

25. The Waikato region has identified industrial areas, and some locations that are close to renewable energy sources and infrastructure networks. It also includes high value natural resources (such as soil), places with enduring presence that should be protected from development, and places where change or development should occur only with greatest care. Also, the Waikato region faces water security challenges and there are places at risk of various natural hazards. Factors such as these should be taken into account when considering AI data centre development.

Benefits of AI data centres

26. BCG notes that the development of AI data centres in New Zealand has the potential to unlock economic benefits, which are summarised as follows:

(a) Direct

(i) Export and tax revenue

(ii) Capital spend and ongoing operations

(iii) Construction-related jobs

(iv) Ongoing jobs.

(b) Indirect

(i) Computing capacity and digital infrastructure for local economic ecosystems

(ii) Local talent attraction and retention

(iii) Local infrastructure investment

(iv) Local AI capability uplift.

(c) National interest

(i) Local secure hardware and facilities

(ii) Sovereign and locally hosted AI models.

27. BCG notes that the construction period for a single 100 MW data centre is typically 2–3 years and supports approximately 500 full-time equivalent construction jobs. Typically, around 50 full-time equivalent jobs are required to directly support the day-to-day running of a 100 MW data centre, including skilled IT technicians, mechanical engineers, critical environment managers, administrators and security staff.

Potential impacts

28. BCG notes that a step-change in the pace and scale of data centre developments will bring about challenges and risks that will require careful management, including:

(a) Energy affordability and security

(b) Consenting timeliness

(c) Water management

(d) Co-design with communities and iwi from inception.

29. Staff consider that additional challenges and risks that would need to be considered include visual, noise and land-use impacts, potential emissions from energy use, and that ongoing employment could be relatively limited – but potentially high-productivity – as noted above.

High-performance characteristics

30. One theme emerging from the available information is that not all AI data centres deliver the same outcomes. The term *data centre* covers a broad spectrum of facilities, ranging from older buildings with relatively inefficient cooling systems and high resource consumption through to modern, highly optimised facilities specifically designed to minimise energy use, reduce water consumption and support broader sustainability objectives.

31. This distinction is important because public discussions often treat all AI data centres as if they operate in the same way. In reality, modern high-performing facilities are increasingly being designed to address many of the environmental concerns that have emerged internationally.

32. The following characteristics are increasingly recognised internationally as representing good practice:

    (a) Renewable energy integration

    (b) Energy efficiency and power usage effectiveness

    (c) Water stewardship and resource efficiency

    (d) Closed-loop cooling systems

    (e) Infrastructure integration and grid responsibility

    (f) Carbon performance and emissions reduction

    (g) Circular economy and resource recovery

    (h) Climate resilience and natural hazard management

    (i) Community benefit, social licence and trust

    (j) Data sovereignty and indigenous interests.

The case for a position statement

33. As interest in the development of AI data centres in the Waikato increases, Waikato Regional Council is likely to be called upon to provide information and insights and potentially issue resource consents. It could be useful to include relevant content in the future regional spatial strategy.

34. Staff consider that work is required to specify for the Waikato region with regards to AI data centres:

    (a) its competitive position across all relevant drivers, including in different locations

    (b) the nature, scale and location of both the potential benefits and impacts

    (c) what responsible and high performance looks like.

35. It is likely that these would depend on the category of data centre envisaged.

36. Staff consider that this work should be used to inform a Waikato Regional Council position statement setting out its considerations for AI data centres in the Waikato region. It would include the principles for maximising the benefits and good practices of AI data centres, minimising their impacts and challenges to their successful development.

37. Following the council's approval, the draft position statement could be shared for feedback from territorial authorities (that are responsible for land use consents), the community and iwi before adoption.

38. Such a position statement would reflect the unique characteristics of the Waikato region, and guide staff in their efforts to effectively support Invest New Zealand, and the AI data centre industry to operate successfully with legitimacy and long-term support.

39. The position statement will ensure the council's response to proposals is strategic, evidence-based, and aligned with desired regional outcomes, while appropriately managing potential social, environmental, infrastructure, and land-use effects.

40. The position statement could be a useful input to, and complement, the government's principles under development.

WHAKAKAPINGA | CONCLUSION

41. Staff seek the committee's endorsement and recommendation to the council that staff develop a Waikato Regional Council position statement on AI data centres. It would include the principles for maximising the benefits and good practices of AI data centres, minimising their impacts and challenges to their successful development.

42. The position statement will ensure the council's response to proposals is strategic, evidence-based, and aligned with desired regional outcomes, while appropriately managing potential social, environmental, infrastructure, and land-use effects. The position statement could also be a useful input to, and complement, the government's principles under development.

43. Staff will report back with a draft at the earliest opportunity for the council to approve and invite feedback from territorial authorities, the community and iwi.

ĀPITIHANGA | ATTACHMENTS

1. Invest New Zealand Data and AI Infrastructure Sector Document 2026 July ⇩


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.

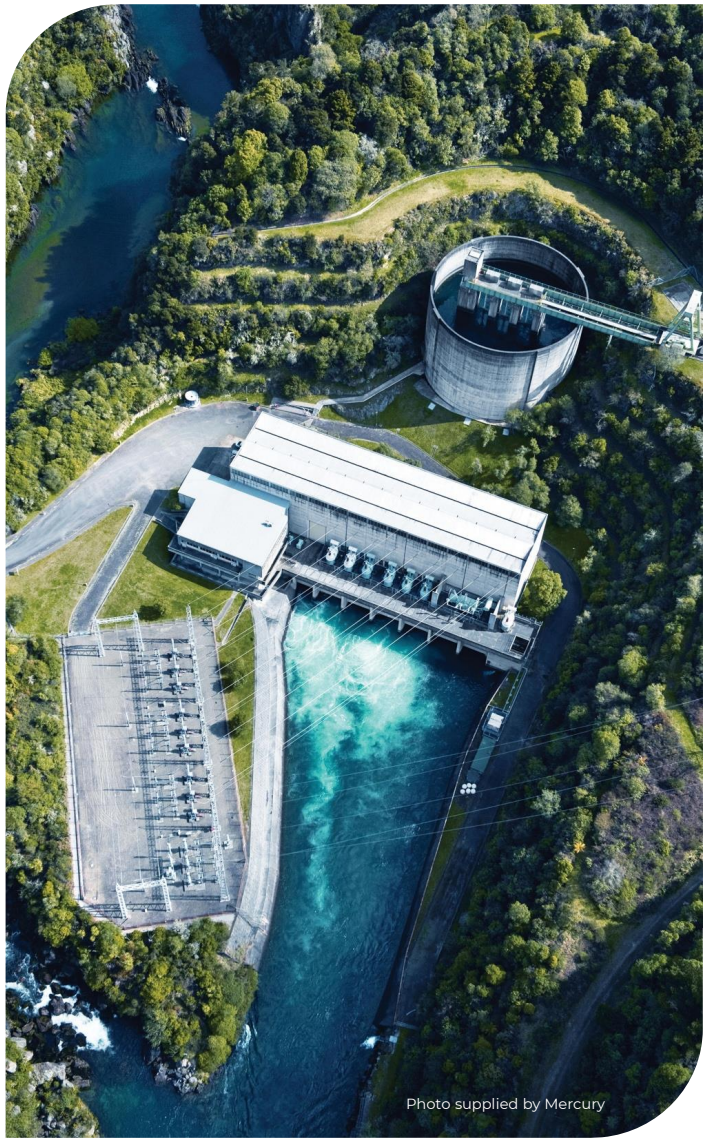


Photo supplied by Mercury

3

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

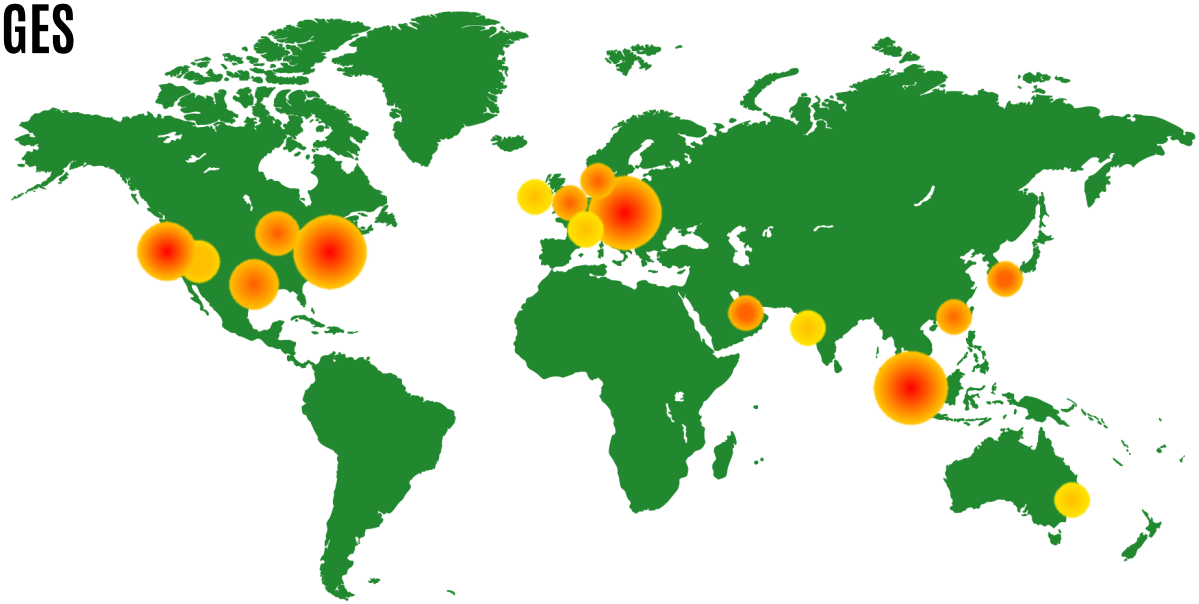
Traditional hubs are reaching their physical and social limits:

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.



5

NEW ZEALAND IS THE SECURE, GREEN SOLUTION

6

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**

7

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 key markets.

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

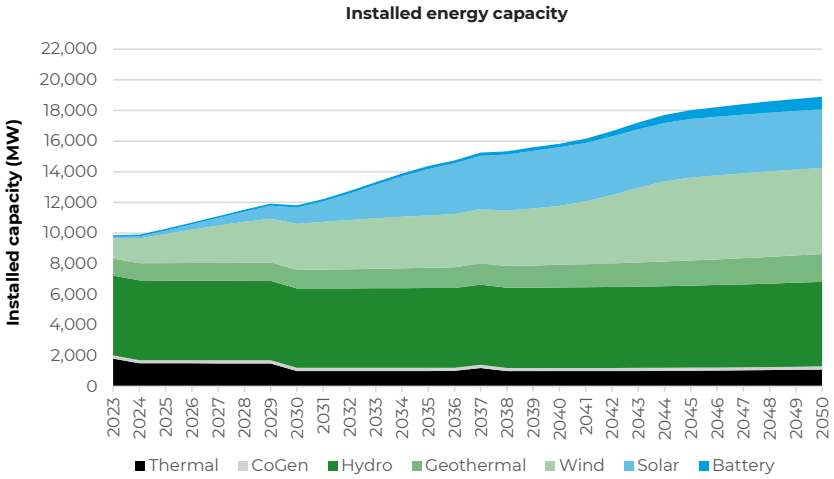
AN ABUNDANCE OF NEW CLEAN ENERGY

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%
RENEWABLE ENERGY PATHWAY

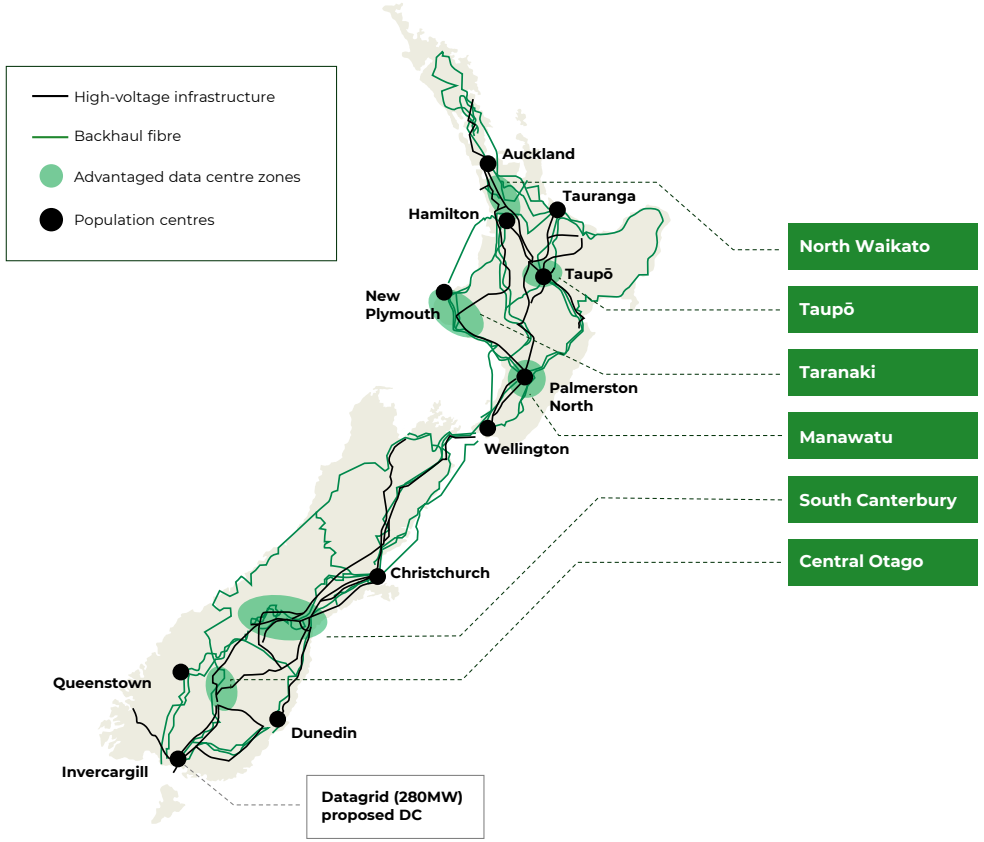
54%
HYDROPOWER GENERATION
in 2025[2]

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

ADVANTAGED ZONES FOR DATA CENTRE DEPLOYMENT



Speed to market

New Zealand offers six strategically identified advantaged zones for data centre deployment, due to their 'time to power', access to high-voltage electricity infrastructure, and backhaul fibre connectivity.

These zones have at least 12 sites that can offer infrastructure connections to new data centres within one to three years. New Zealand is well placed to support 'speed to market' objectives of investors.

Contact Invest New Zealand to discuss how we can support site selection process.

Source: Transpower, EonFibre, Chorus, BCG analysis:
1. Listed capacities are not simultaneously achievable across all zones due to total system capacity constraint. Map is illustrative only.

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.

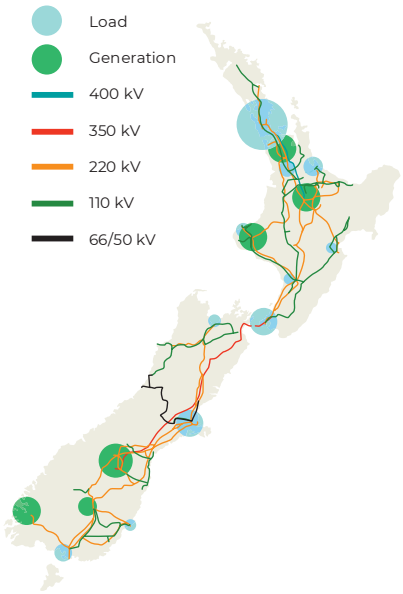
Transpower is implementing its Net Zero Grid Pathways initiative, delivering targeted upgrades through to 2030 to strengthen core backbone capacity[1], while government policy initiatives support the fast-tracking of new connections.

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

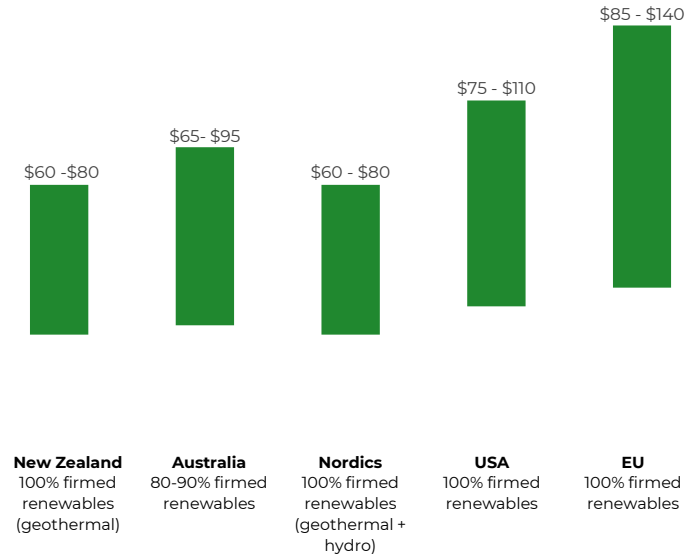
New Zealand offers a highly competitive environment for energy-intensive industries. Our industrial electricity prices generally track lower than comparable markets when conducted through firmed power purchase agreements (PPAs).

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)



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.

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

GLOBALLY CONNECTED

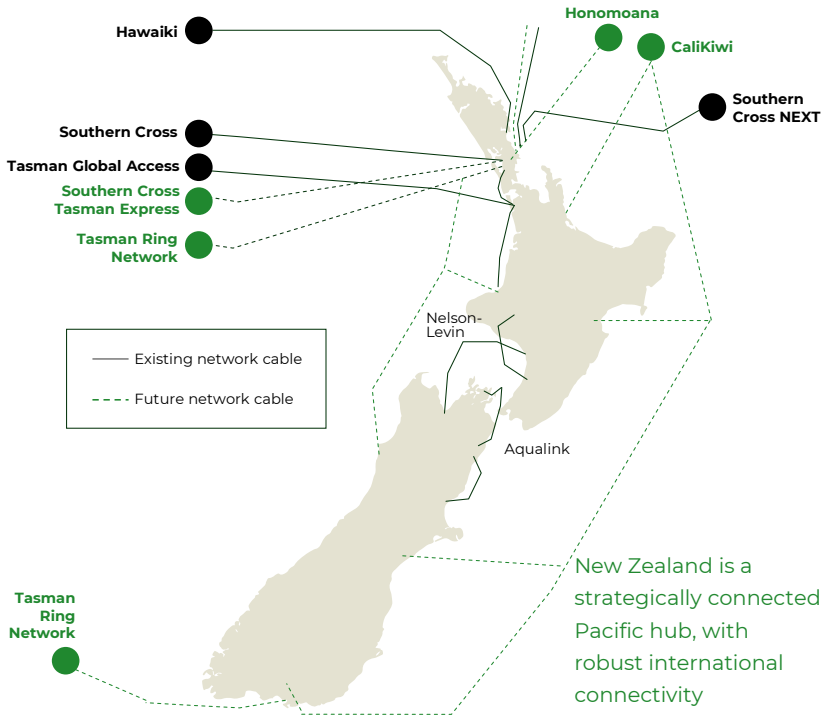
New Zealand boasts competitive latency to key Asia-Pacific markets, including Australia (12–20ms), Singapore (~120ms), and the USA (65–80ms).[1]

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.

16

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

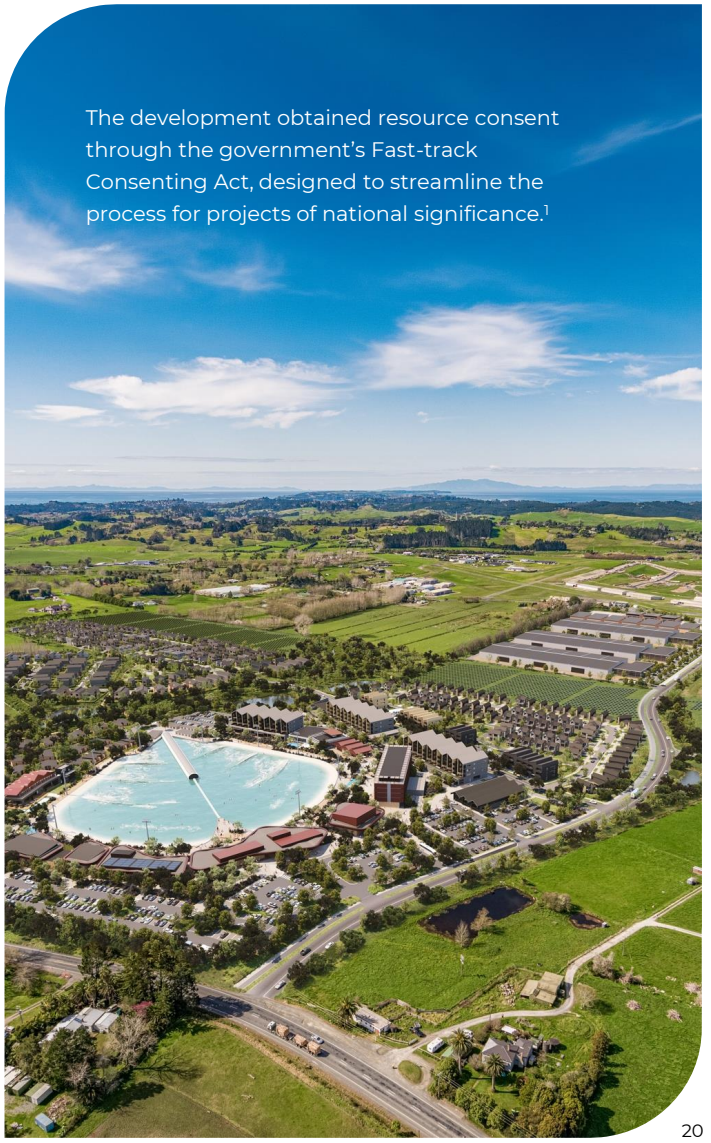
A hyperscale data centre campus on Auckland's North Shore will be one of the most innovative digital infrastructure developments in the world.

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 represents part of TenPeaks' planned development capacity of at least 150MW across the Auckland region, with additional capacity in the pipeline.

MW campus capacity	80MW+ (staged)
Masterplan size	Up to 54ha
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.



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 REGION
21

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.

22

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

280MW
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

Physical infrastructure

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.

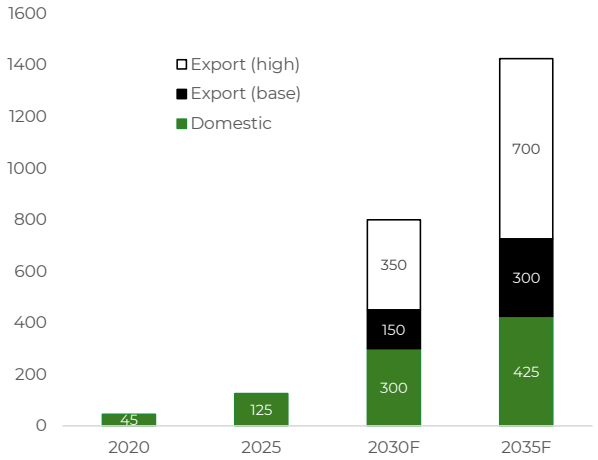
As the global GPUaaS market expands from US$3.23b in 2023 to a projected US$49.84b by 2032[4], New Zealand stands out as a high-growth environment where neoclouds can secure a durable competitive advantage.

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.

Source: CDC (2025) Auckland locations

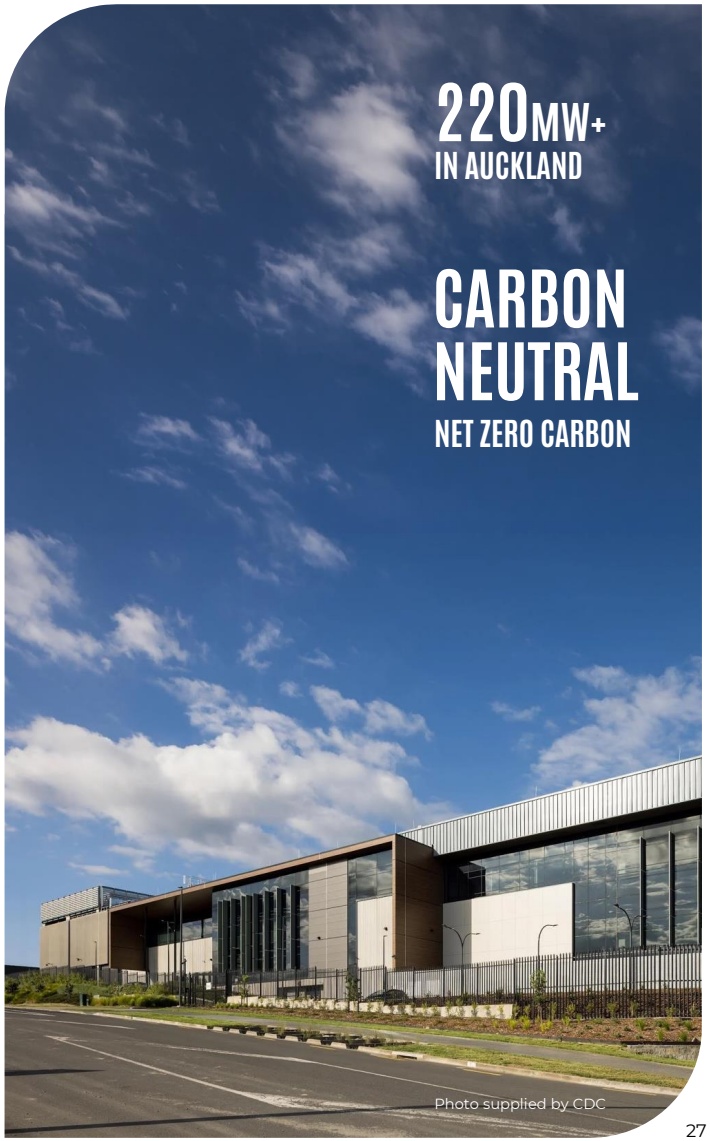


Photo supplied by CDC

Submarine communication cables

THE INTERSECTION OF TRANS-PACIFIC DATA

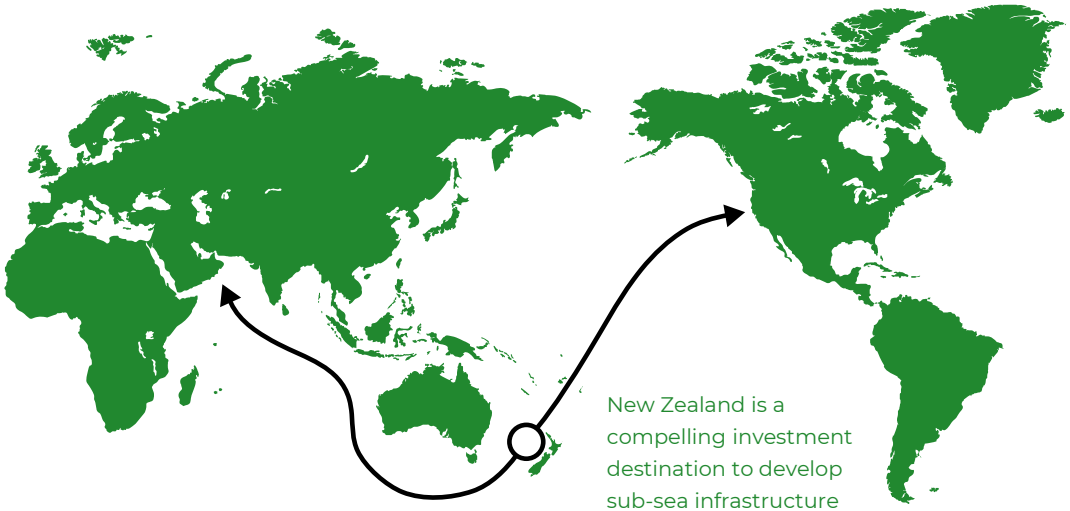
Strategically located to bridge major continents, New Zealand is primed to service and provide secure, resilient data connectivity around the globe.

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 a new 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

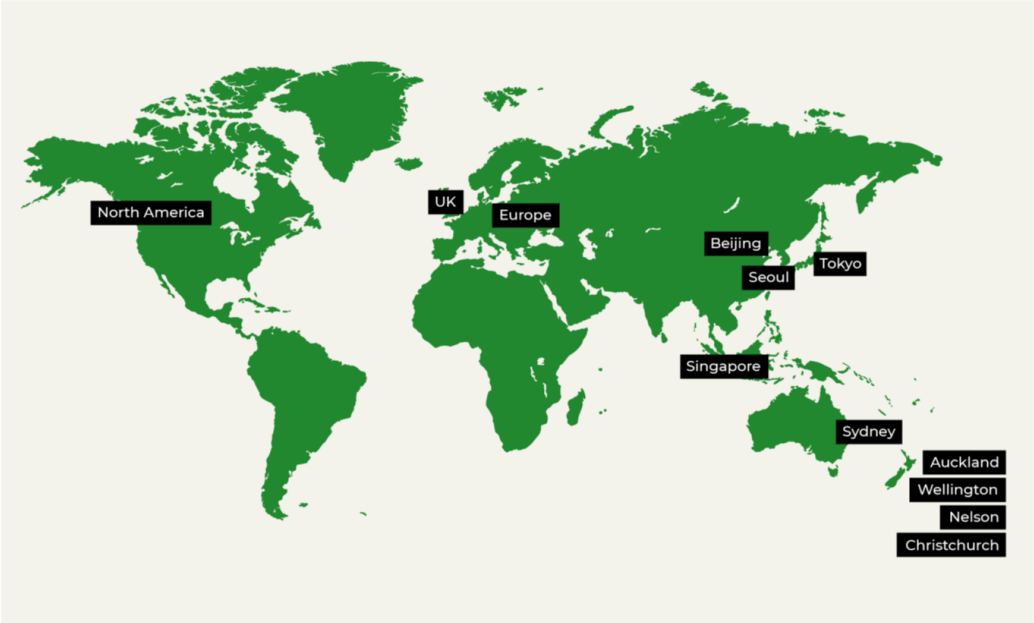
Assistance for international investors in New Zealand is coordinated through a robust ecosystem of government agencies and financial incentives. The focus is on attracting high-value investment that drives productivity, sustainability and international connectivity.

- **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.

33

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
INVEST

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

www.investnewzealand.nz

6.7 CHAIR'S REPORT

Rā | Date: **11 August 2026**

Kaituhi | Author: **Brooke Roebeck, Democracy Advisor**

Kaituku | Authoriser: **Karen Bennett, Executive Manager, Chief Executive's Office**

TE ARONGA | PURPOSE

1. To enable the Chair of the Regional Growth and Resilience Committee (Cr Keith Holmes) to update the Committee on matters within its work programme and responsibilities.

KŌRERO WHAKATAKI | EXECUTIVE SUMMARY

2. This report is provided for information only and gives the Chair an opportunity to update the Committee on matters within its work programme and responsibilities.
3. The Chair may provide a verbal update at the meeting on agenda-related matters, current regional growth and resilience issues, or other matters within the Committee's terms of reference.
4. No decision is sought from the Committee, other than receiving the report. No written Chair's report or supporting attachment has been provided.

TAUNAKITANGA KAIMAHI | STAFF RECOMMENDATION:

That the *Chair's Report* (Regional Growth and Resilience Committee, 20 August 2026) be received.

ĀPITIHANGA | ATTACHMENTS

Nil

7 KARAKIA WHAKAMUTUNGA

Unuhia, unuhia	**Draw on, draw on,**
Unuhia mai te uru tapu nui	**Draw on to the supreme sacredness**
kia wātea, kia māmā,	**To clear, to free**
te ngākau, te tinana, te hinengaro,	**our heart, body and soul**
i te ara takatū	**Our pathway prepared**
Koia rā e Rongo	**Lo, there is peace**
e whakairia ake ki runga	**suspended high above**
kia tina! TINA!	**manifest!**
Haumi ē, hui ē, TĀIKI ē!	**draw together!**
	Affirm!