



From Access to Control: New Zealand's Digital Direction

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As a smaller, highly connected economy, New Zealand has long relied on global platforms and external providers to build digital capability. That reliance remains, but recent developments point to a more deliberate approach. There is clearer attention on how infrastructure is structured, how data is governed, and how technology is embedded into operational systems.

Taken together, these shifts indicate a model that is less about scale and more about control, resilience, and targeted deployment.



1. AI infrastructure is becoming a strategic consideration

AI capability in New Zealand is increasingly being shaped by where systems are built and anchored, rather than just how they are used.

- ▶ 2degrees is deploying a sovereign AI cloud platform built on HPE Private Cloud AI (with NVIDIA), keeping customer and operational data within New Zealand
- ▶ Kereru.ai, in partnership with SCX.ai, is building infrastructure for domestic AI workloads and sensitive datasets
- ▶ LogicMonitor is expanding its presence with a local data hub in New Zealand, strengthening in-country data and monitoring infrastructure

Access to models is no longer the primary constraint. Attention is shifting to where systems run and who governs them.



2. Energy is becoming a constraint on digital scale

In New Zealand, where energy supply is largely renewable but still capacity-constrained, the expansion of cloud and AI infrastructure is becoming closely tied to how power is sourced and managed.

Hyperscale infrastructure expansion is increasingly tied to long-term renewable energy sourcing: [AWS's USD 4.4B New Zealand region](#) built on wind-powered agreements.

Large-scale developments such as the proposed [Southland "AI factory" data centre](#) are highlighting limits around grid capacity and concentrated electricity demand.

Energy is becoming a hard constraint, directly shaping how much infrastructure can be built, and where.



3. Network resilience is being designed in

Connectivity is increasingly being approached as a multi-layered system rather than a single backbone.

01

The Honomoana subsea cable is expanding international routes and adding redundancy.

02

One NZ is extending coverage through satellite-to-mobile services using Starlink's Direct-to-Cell network.

As data volumes increase, resilience is being built into how connectivity is structured, not added later.

4. AI is taking shape in sector-specific use cases

Adoption is becoming more defined at the sector level, with clearer alignment to frontline needs.

Healthcare

AI clinical scribe tools in emergency departments; AI-assisted mammogram analysis under BreastScreen Aotearoa



Education

Teacher's Buddy developing tools to reduce administrative workload



The pattern is targeted application; AI is being introduced where it can address capacity constraints and improve service delivery.



5. Public sector transformation is becoming operational

Digital tools are being embedded into core public services in New Zealand, shifting transformation into day-to-day execution.



New Zealand Police using automation to cut case times to hours



NZTA streamlining road safety camera management with a new cloud system



Government launching an AI efficiency programme for the public service

Across agencies, digital investments are increasingly tied to workflow redesign, faster decision-making, and operational efficiency.



6. International partnerships are part of the model

New Zealand is not attempting to build every advanced capability domestically. Instead, it is relying on targeted partnerships to extend access.



Joint quantum communication projects with South Korea



Collaboration with India's innovation ecosystem, including links to the Bio-E3 mission



Expanded engagement with the UAE on engineering and advanced technology programmes

For a smaller ecosystem, this reflects a practical choice – leveraging external networks while focusing local investment where it matters most.



A More Deliberate Approach to Digital Growth

The direction is clearer. Infrastructure, connectivity, AI, and security are being shaped with a sharper view of trade-offs. The focus is shifting from scale to systems that can be controlled and sustained – and that hold up in real conditions.



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