

**SUBMISSION BY**



to

**THE MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT  
(MBIE)**

on

***FROM THE GROUND UP – A DRAFT STRATEGY TO UNLOCK  
NEW ZEALAND’S GEOTHERMAL POTENTIAL***

12 September 2025

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# **SUBMISSION ON *FROM THE GROUND UP – A DRAFT STRATEGY TO UNLOCK NEW ZEALAND’S GEOTHERMAL POTENTIAL***

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## **INTRODUCTION**

NZTech thanks MBIE for the opportunity to contribute to its consultation on *From the Ground Up – a draft strategy to unlock New Zealand’s geothermal potential*.

## **ABOUT NZTECH**

NZTech is a member-funded, not-for-profit organisation representing more than 2,500 members who together employ 10 percent of the New Zealand workforce, comprising startups, local tech firms, multinationals, education providers, financial institutions, major corporations, network providers, hi-tech manufacturers, and government agencies that work closely with the tech ecosystem.

The tech sector is a significant and growing part of the New Zealand economy, employing 121,000 people and contributing around \$22b in GDP. It is also one of the fastest-growing export sectors – New Zealand’s 3<sup>rd</sup> largest – with export receipts of \$10.7b in 2023. Software exports, for example, are growing at more than 20% p.a.

We note that “tech” includes physically manufactured products with a significant digital/knowledge-intensive component (e.g. Rakon, Tait Communications, F&P Healthcare), as well as weightless “digital” exports such as software, AI or gaming (e.g. Datacom, Xero, Orion Health, RocketWerkz).

## **RESPONSES TO QUESTIONS**

- 1. Are the three strategic outcomes of the strategy, centred around world-leading geothermal innovation, accelerating energy resilience and strengthening regional economies and te Ōhanga Māori, suitable, or is there more we need to consider?**

While the strategic outcomes of the strategy include ‘energy resilience’ there is no mention of ‘low emissions energy’, ‘climate’ or ‘net zero’ within the strategy. This is a primary benefit of geothermal energy compared to other generation sources and should be reflected as an opportunity for the sector to generate a premium.

- 2. Do the five overarching action plan goals capture the areas that are most important for achieving the vision, strategic outcomes and energy goal?**

Missing from the five overarching action plan goals is supporting the development of the industry with private sector investment. This would specifically include attracting international investment in geothermal energy in New Zealand.

This investment could also help support the piloting of supercritical geothermal energy and further enable iwi/Māori to convert land to income-producing geothermal sites.

**3. Does the proposed action plan correctly capture the necessary government interventions and priorities?**

Largely, yes. It could, however, also discuss more opportunities for developing geothermal energy demand. Development of supply and demand together creates investment certainty for both parties, and government actions should include the investment/education and enablement of both to support the activity in New Zealand.

The strategy could also include government actions relating to 'Renewable Electricity Certificates' (RECs) to better align standards in New Zealand to the principle of additionality and support development of low-carbon geothermal energy in New Zealand.

**4. Is the role for the sector clear? How can the wider geothermal sector play a role (e.g. are there specific actions that the sector could own)?**

While the Draft Action Plan outlines the next steps for Government, private sector actions are not explicit within the strategy.

**5. Does the strategy and proposed action plan create the right settings to enable tāngata whenua to realise their aspirations for geothermal resources in their rohe?**

Iwi should be brought onboard throughout the planning and development process of new geothermal facilities, with education and support of iwi-lead geothermal energy demand opportunities in their rohe. Iwi could have many development opportunities from considering a partnership with data centre developers and operators.

Developers are reliant on partnerships with iwi/Māori to develop geothermal resources long-term; joint ventures between iwi/Māori and other private sector participants create these partnerships and provide long-term joint incentives.

**6. Are there opportunities for our geothermal sector that we haven't considered?**

While the synergy between data centres and geothermal energy development is mentioned briefly within the document, it is not explicitly considered as a major export opportunity for the sector.

As an export service, data centres can scale to provide consistent/predictable demand for energy throughout the planning process of new developments.

Additionally, the development of place-based geothermal clusters (and existing geographic relativity of geothermal assets) constitutes a major opportunity for data centres which require the construction of supporting fibre and power infrastructure to function.

Working with data centres, the enablement of place-based geothermal clusters could lead to further Māori and economic development within geothermal regions.

**7. Are there challenges for our geothermal sector that we haven't considered?**

A major challenge for geothermal, like any infrastructure planning, is political instability. The strategy does not include any controls on government partisanship in the planning of geothermal assets. This is especially relevant given the expansion of geothermal assets would largely take place on iwi/Māori land.

## 8. Are there any other things that the strategy should include or exclude?

Ensuring geothermal facilities are constructed as 'closed-loop systems' and are low emissions ensures the industry is future-proofed and the industry maintains its social licence to operate.

## ADDITIONAL SUGGESTIONS AND COMMENTS

The consultation document is very supply-side focussed, with the majority of proposed government actions and interventions considering how to develop geothermal assets. The strategy doesn't adequately consider where the demand for these geothermal investments will come from.

In New Zealand additional geothermal power plant capacity can help to:

- Meet forecast levels of power demand growth, including BAU growth for data centre demand (including for the delivery of AI services)
- Ensure security of supply at affordable prices, particularly over winter when the system is most at risk
- Help decarbonise industry to meet our national emission reduction targets
- Reduce the financial and economic risk posed by gas shortages by switching gas use to electrical energy

In addition to meeting these traditional sources of power demand, Aotearoa has a unique opportunity to use geothermal energy as part of an effort to further scale up its data centre industry. Additional data centre capacity can contribute to the expansion of technology- and AI-driven companies and employment within the country, as well as providing clean export opportunities in support of the Government's objective to double exports by 2034.

Government could also consider the geographic clustering of geothermal power plants and data centres to reduce the additional investments in grid and network infrastructure which might otherwise be needed.

This additional development of geothermal power stations would bring more geothermal expertise and experience into New Zealand. As a result, it would be easier and cheaper to develop a broader range of geothermal applications.

## CONCLUSION

NZTech thanks MBIE for the opportunity to make this submission. We would be happy to help further in any way we can.

Yours sincerely,



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