Subject: Our OIA 2025/07 - Overseas dependencies and threats - Data centres and international

submarine cables

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From: Wendy McGuinness

To:

CC: Greta Balfour, Josie McGuinness

Kia ora.

Our OIA 2025/07 – Overseas dependencies and threats – Data centres and international submarine cables

Background

The McGuinness Institute has recently published a draft infographic, <u>New Zealand daily life: overseas dependencies and threats</u>. One of the dependencies identified was the storage of New Zealand Government data offshore.

We have tried to understand the current state of government data storage, but we were unable to find any definitive answers on government websites, although there has been some discussion about the risks and dependencies in the media.

Our understanding is that in 2018, the Privacy Commissioner announced that they would store their data in a Microsoft-owned data centre in Australia (see here). This 2022 article also mentions that '[m]asses of New Zealand government data is with Amazon in Sydney', and that at the time there was only one locally owned option, Catalyst Cloud. More recently, it has been in the news that both Amazon and Microsoft have been investing in data centres in New Zealand. In December 2024, a news article said that Microsoft had opened the 'first hyperscale data centre in New Zealand' (see here), with Amazon set to launch its own Auckland-based cloud storage in 2025 (see <a href=here). Last month it was in the news that GCSB and NZDF have been working on a dedicated government data centre in West Auckland 'tailor-made' for the country's most secret and sensitive public sector information (see here).

Questions

This email aims to obtain more clarity over the real dependencies and threats that may exist today and how these might be managed going forward. Given this background, we have 20 questions:

A: New Zealand Government data located in data centres in New Zealand

- 1. Is all New Zealand Government data stored in New Zealand? What percentage of data is stored here? What percentage of agencies only store their data here.
- 2. Is the New Zealand Government storing data in *Microsoft*'s first hyperscale data centre in New Zealand? If yes, roughly what percentage? If no, are there any plans to do so?
- 3. Is the New Zealand Government planning to store data at *Amazon*'s new data centre in Auckland, New Zealand? If yes, roughly what percentage?
- 4. Is the New Zealand Government storing data with the New Zealand company *Catalyst Cloud*? Note that their website (see here) states that they are an 'approved cloud provider to the New Zealand Government'. If yes, roughly what percentage of data? If no, are there any plans to do so?
- 5. Can you provide a list of approved cloud providers to the New Zealand Government?
- 6. What is the plan for the GCSB and NZDF dedicated government data centre (mentioned above)? For example, will the new data centre store all New Zealand Government data or only a small portion (please explain roughly the percentage)? When will this new data centre be operational? Who will own the data centre? Will all data currently located offshore be removed from the overseas data centre and moved back to the new dedicated government data

- ovorocae aala contro and moved back to the new acaleated government data centre?
- 7. Are there plans to build any further dedicated government data centres in New Zealand (in addition to the one mentioned above)? And if yes, given the risk of a volcanic eruption in Auckland, have any alternative locations been discussed?

B: New Zealand Government data stored in data centres owned by overseas companies, either in New Zealand or overseas

These risks could take many forms, such as disrupted access due to earthquakes, cyber attacks, blackmail, or attacks by unwelcome actors.

- 8. Do any offshore data centres currently store New Zealand Government data? Please explain where the data centres are located and what company owns the data centre/s. NB: We understand that two Australian data centres, owned by Microsoft and Amazon respectively, did store New Zealand Government data.
- Is the New Zealand Government data stored offshore 'confined' to Australian data centres? NB: We understand some global companies move data from one country to another country, depending on fluctuations in costs and volumes.
- 10. Is the data solely retrievable/accessible by the New Zealand Government, or does the owner of the offshore data centre (such as Microsoft and Amazon) have some ability to access the data? If yes, under what circumstances?
- 11. Are the Microsoft- and Amazon-owned data centres subject to overseas laws generally, such as the US CLOUD Act, which could mean US-owned cloud providers can be forced to hand over data to the US authorities see here? What laws exist in New Zealand to prevent cloud providers being forced to hand over data to other countries?
- 12. Can you confirm that there is a back-up system in place in case the overseasowned data centre is attacked/compromised? Are there plans in place if the New Zealand Government is unable to access the data that is stored offshore? Please explain the system and plans.
- 13. Has the New Zealand Government considered creating offshore backups in the form of a 'Data Embassy' in another country? The Estonian government has established a data embassy in Luxemburg which is fully under Estonian control and has the same rights as a physical embassy (see here).

C: Data disruptions due to damage to our international submarine cables
These risks could take many forms, such as cables being damaged due to earthquakes, cyber attacks, blackmail, or attacks by unwelcome actors (e.g. what NATO calls 'seabed warfare').

- 14. Has a risk assessment been undertaken of disruptions to submarine cables (e.g. if an earthquake severs the undersea cables that connect New Zealand and Australia)? If yes, by whom and when?
- 15. Does New Zealand have all the necessary skills and resources to repair a damaged cable if 10km of cable needs to be replaced between New Zealand and Australia without help from another country? If no, do New Zealand and Australia together have the necessary skills and resources to replace 10km cables, without any external help?
- 16. This <u>article</u> notes, 'Any damage could take months to repair.' If all the skills and resources are available in New Zealand and Australia, what is the range if 10km of cable needs to be replaced (e.g. 1–3 months or 1–12 months)?
- 17. What is the plan B if the cables are disrupted? How would New Zealand transmit key data to the world and vice versa? Given that the volume of data is likely to be restricted during a disruption, has work been done to select what data should take precedence (e.g. financial data)?

- 18. What protections and/or agreements are planned/in place to secure and protect our existing cables (e.g. underwater cameras, drones etc)? Who is responsible for such plans for international submarine cables?
- 19. There is a number of proposed cables that are expected to be in operation in 2026, 2027 and 2028 (e.g. the SX Tasman Express, see article). Can you please list each of the existing and proposed undersea cables between Australia and New Zealand and advise who owns them? We want to understand whether New Zealand has control over the cables. Are any of the proposed cables being built or planned to be built between Australia and New Zealand owned by the New Zealand Government or in collaboration with the New Zealand Government? If yes, are they on time and within budget? Further, please indicate if the resulting capacity will include a degree of redundancy and if yes, how is that redundancy being calculated?

D: Strategy

20. Work is clearly underway to make New Zealand less dependent and more resilient, but we are keen to clarify the extend we are currently vulnerable and what success might look like in the next few years. Can you provide any documents that set out New Zealand's strategy on any of the above topics?

Thank you for your assistance. If you have any questions or concerns, please do not hesitate to contact me.

Best wishes, Wendy Wendy McGuinness Chief Executive

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