

Media Release
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CONNECTING... TO OUR DIGITAL FUTURE

The New Zealand HiGrowth Project Trust and the New Zealand Council for Infrastructure Development (NZCID) will launch a detailed report today that analyses the current state of New Zealand's information communications and technology (ICT) infrastructure and makes recommendations for both industry and government to ensure New Zealand has the physical infrastructure required to meet our digital strategy goal of being in the top quartile of the ECD by 2015.

Conducted by AVA Consulting, leading a consortium of independent experts, the report covers six critical areas of ICT infrastructure: electricity supply, product testing, ICT manufacturing, broadcast media, research & development facilities and telecommunications. It originated from research conducted by HiGrowth with 100 ICT Industry leaders that identified the need to assess the industry's infrastructure requirements in relation to the rate at which it needed to grow to fuel New Zealand's economic growth, proposed in the Digital Strategy.

NZCID's CEO, Stephen Selwood, believes the research highlights previously unidentified issues and has put forward some powerful solutions for consideration. "The report shows that there are critical infrastructure issues within the telecommunications and ICT manufacturing industries and with the high tech research and development sector. Despite steady progress being made in encouraging competition across the existing network and increasing broadband speeds and uptake, these newly identified constraints could impede the attainment of high growth in the ICT industry and the attainment of New Zealand's Digital Strategy goal.

More importantly, the analysis shows that the level of investment in these areas is unlikely to make a sufficient difference to performance and that a broader range of initiatives and policies are urgently required as foreseen by the government's telecommunications policy.

"We need a strong, innovative, competitive ICT Industry here in New Zealand to maintain our point of difference in just about every global market we compete in – from agriculture to film production and fashion design," says HiGrowth Executive Director, Garth Biggs.

"The infrastructure issues are not just about broadband speed. The report identifies a large number of recommendations which need to be addressed if New Zealand's ICT industry is to obtain the infrastructure needed for it to fulfil its potential and maximise its contribution to economic growth.

"Our ICT manufacturing capability is under threat and if we lose the ability to build prototypes and high quality test runs in this country it would pose a substantial threat to retain ICT product development within New Zealand. The report also highlights the need for far greater collaboration across all research and development providers. We are too small a country to be duplicating effort and funding bricks and mortar when brains and know-how are what is required," says Biggs.

“The solutions put forward are about industry and government working in partnership to provide leadership and investment into the ICT sector. None of these issues are going to be solved in isolation. Not by industry alone – or by government alone.

“HiGrowth, NZCID and their industry partners have been encouraged by the receptive attitude demonstrated by Hon. David Cunliffe Minister for Communications and Information echnology, and we look forward to working with Government to advance the initiatives outlined in this report, as rapidly as we can,” says Biggs.

“From NZCID’s perspective, ICT infrastructure underpins every successful industry in New Zealand and is therefore critical to the economic future of the entire economy,” says Stephen Selwood. “International trends show that within seven years “power users” in New Zealand such as high technology, research, film, medical, financial and professional service industries will require public data speeds of 100 Mb/s and Gigabit speeds shortly thereafter. This is a step change on our current thinking and requires a substantial lift in investment,” Selwood says.

“AVA considers that wireless technologies will be suitable for infill applications for sectors where copper and fibre are uneconomic and where mobility is required. Elsewhere, widespread deployment of fibre to the curb and fibre to the home is required if New Zealand is to have the infrastructure to enable us to compete with leading OECD nations.

“Although the cost of providing internationally competitive telecommunications infrastructure is substantial (\$10 billion has been estimated to provide fibre to 97% of New Zealand properties and between \$1 Billion and \$2 Billion for fibre to the node, or fibre to the curb), the cost of not accelerating broadband diffusion will result in forgoing increases in economic growth many times the cost the investment.

“Not only will the economic growth be forgone, but there will also be a risk that New Zealand will increasingly be unable to trade in markets that require ICT infrastructure capacity, and we may even be excluded from some markets if our trading partners insist on the use of advanced services,” argues Selwood.

“We’ve already tasted the flavour of the success within the film industry and successes in high technology software and hardware development,” adds Biggs.

“By connecting to a digital future, New Zealand has an opportunity to accelerate these developments, overcome our physical separation from international markets and capitalize on the enormous potential that these opportunities present.

“None of us can afford to sit back and wait for someone else to do this – we all need to take ownership – today – to ensure that we have the physical infrastructure required to retain a lobally 3 competitive ICT Industry right here - in New Zealand – today, tomorrow and into the future,” says Biggs.

“We look forward to the next step in this process which is all about achieving alignment about what infrastructure must be delivered, by when and agreeing the respective responsibilities between the public and private sectors to ensure the infrastructure investment programme is dramatically accelerated.”