

# HOW HAVE THE FASTEST SURVIVED?

A review of how the Internet has transformed  
rural NZ since the 2002 TUANZ  
“National Broadband Applications Project.”

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MAKING COMPLEX ISSUES SIMPLE

## FLASHBACK TO 1999/2000

- NZ near the bottom of the OECD league table by nearly every telecommunications measure
- Telecom had an unassailable market position in fixed lines due to reliance on generic competition law
- Bell South/Vodafone struggled for traction in the emerging cellphone market

# TELCO WARS 1999-2010

- **Battles:**
  - Number portability
  - Industry-specific regulations
  - Regulator
  - Local loop unbundling
  - Self-regulatory regime and formation of Industry Forum
  - Customer Complaints Code and Disputes Resolution
  - Operational separation (Telecom Wholesale)
  - Colo on cell towers
  - Structural separation (Telecom/Chorus)
  - Mobile phone termination charges
- **Spoils – the foundation for a world-class Internet**

**THE NIGHTMARES ARE OVER SO  
LET'S MOVE ON.....**

# AGENDA

- The 2002 National Broadband Applications Project & “Survival of the Fastest”
- What have we done well in 16 years
- Some big opportunities not yet realized:
  - Agriculture – some successes but one crucial failure
  - Health – modernize service delivery
  - Regions – exploit location-independent working to re-balance the population
  - Digital divide – bring the have-nots into the frame

# **THE 2002 NATIONAL BROADBAND APPLICATIONS PROJECT**

- A 3-day conference at the Rutherford Hotel in Nelson late in 2002
- Nearly 300 participants; all of them hand-selected leaders from 10 sector groups
- 2 days in sector groups brainstorming how ubiquitous fast broadband could transform NZ
- Published “Survival of the Fastest” as the official record

FIRING OUR BROADBAND IMAGINATION

# Survival of the Fastest

A guide to how New Zealand can use  
broadband to lead the world, from the TUANZ  
National Broadband Applications Project

Edited by Greg Adams



Telecommunications Users Association of New Zealand



**WHAT HAS NZ DONE WELL IN  
THE 16 YEARS?**

## WHAT HAVE WE DONE WELL (1)

- Connectivity – we are tantalisingly close to ubiquitous coverage:
  - RWC may be the catalyst to finish the job
  - Is “more RBI” the best way to close the gap?
- Applications - achievers:
  - Financial services sector has led the pack
  - Education powering ahead BUT deep digital divide
  - Government services generally done well; almost no government mail in my letterbox (BUT one conspicuous exception.....)

# A BLACK MARK FOR A GOVERNMENT AGENCY

- Surprisingly in 2018 there is a major government agency that:
  - Refuses to use email for routine business because “files are often too big”
  - Refuses to email invoices or make them available online
  - Refuses to talk to anyone who is driving, even if on a hands-free
  - Routinely requests personal identity information without first identifying itself

## WHAT HAVE WE DONE WELL (2)

- Tourism/aviation ahead of the pack – Go Air NZ!
- Retail bricks and mortar retailers have done some good things (eg Countdown) but real innovation has come from new entrants (eg My Food Bag, Trade Me)
- Small business – mixed

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# **FOUR BIG OPPORTUNITIES FOR IMPROVEMENT**

- Big success story for developers; with reputation as one of the world's 4 key agritech locations (Callaghan)
- BUT are Kiwi farmers pulling their weight? Glaring fail in one crucial area – NAIT animal tracing system
- SOLUTION:
  - Enforce the law
  - Educate/encourage farmers about the productivity and biosecurity benefits of online farm management
  - Implement obvious rural support mechanisms eg video for rural mental health

# HEALTH

- Lagging decades behind other sectors in digitizing its customer interface
- Opportunities and pilots abound; many pilots succeed, but no ability to migrate them to BaU
- Causes:
  - Leadership vacuum – successive Ministers & Ministry
  - Absence of a sector vision
  - Convoluted structure – 20xDHB, regional shared services, MoH, Colleges, PHOs, etc
  - Perpetual crisis management
  - Clinicians speak on behalf of customers
  - Sense of despair among good people in the sector



- SOLUTION:

- Re-engineer the structure and processes in our 20<sup>th</sup> century health system to capture the massive opportunities of the digital era; be willing to invest in the future
- Establish **a consumer-led** action group to do a stock take of current initiatives and develop a vision of a 21<sup>st</sup> century consumer interface with the health system
- Glaring opportunities:
  - solutions for aging at home with technology support
  - use of video as an everyday communication tool between clinician and customer especially in services which do not require “hands on” treatment
  - devolution of responsibilities down the stack – specialist to GP, GP to nurse, nurse to pharmacist

# DIGITAL DIVIDE

- The digital divide for children should be diminishing
- However, it is increasing daily due to:
  - Increasing rich/poor pay gap
  - Unaffordability of digital education for kids in low income communities
  - Lack of govt action to address the above
- Great work by groups like 2020 Trust/Computers in Homes but funding is there's never enough money
- **SOLUTION:** Government should adopt a target of digital education for every student by 2020 – device, connectivity and digi-capable teachers

# REGIONAL DEVELOPMENT

- Location-independent working a reality
- BUT opportunity to re-balance NZ's population is being missed:
  - Decentralise govt services – target for every agency
  - Huge disparity in household incomes main centres vs regions
  - Major opportunities in technology and government
- Benefits:
  - Align demand for housing and other infrastructure with places where the gap can be closed most easily
  - Capture productivity benefit from reduced downtime
  - Better lifestyle for all

- **SOLUTION:**
  - Require every government agency to carve out a business unit of 200-500 staff and relocate it to a regional centre within the current parliamentary term
  - Further centralization moves should be to regions, not main centres
  - Stand back and watch for better productivity, solutions to infrastructure deficit, and happier families

# SUMMARY OF SUGGESTED ACTIONS

- **AGRICULTURE:** Enforce NAIT; promote online farm management; focus on digital rural support services
- **HEALTH:** Scrap the 20<sup>th</sup> century system; establish a consumer-led group to develop a vision of a 21<sup>st</sup> century customer interface focused on ageing population, video consults, and devolved roles
- **DIGITAL DIVIDE:** Target a digital education for every kid by 2020 – device, home connectivity, trained teachers
- **REGIONAL DEVELOPMENT:** Require every government agency to relocate a business unit to a regional centre in this parliamentary term

**SO WHO, OR WHAT ORGANISATION  
SHOULD BE RESPONSIBLE FOR  
GETTING ALL THIS ONTO THE  
AGENDA?**

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# MY CHALLENGE TO THE TUANZ OF TODAY

- TUANZ put the opportunities on the national table in 2002
- Most have been picked up and developed admirably BUT some have not
- So having started all this, TUANZ is the organization with the moral authority to ask the questions and agitate for the necessary corrective action
- I look forward to being invited back here in another 16 years to review the results



**THANK YOU**

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