

HOW HAVE THE FASTEST SURVIVED?

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

Ernie Newman

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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
 - Fix the digital divide

**THE 2002 NATIONAL BROADBAND
APPLICATIONS PROJECT**

THE 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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THREE BIG OPPORTUNITIES FOR IMPROVEMENT

AGRICULTURE

- 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 20th 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 21st 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 20th century system; establish a consumer-led group to develop a vision of a 21st 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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