



Position Paper: **Addressing the increasing digital inequity**

Problem

Digital equity exists when everyone can access and effectively use digital technologies to participate in our society, democracy and economy. Digital inclusion is the means to achieving the end goal of equity. Our members are committed to and supportive of driving access and inclusion for everyone – both in terms of connectivity and capability. Leaders within our membership feel that COVID-19 further highlighted the digital divide in New Zealand and that this inequity must be addressed to prevent the divide from widening.

We also know that the cost of living crisis is making it harder for stretched families and whanau to access the digital essentials as affordability becomes an increasing issue. This is further exacerbated when taking into consideration the cost of devices and the lack of digital skills in the family. We understand that around 130,000 households do not have internet access at home (StatsNZ) with Census data showing that those without access are primarily in lower income households. This number however could be as high as 216,000 homes if the international benchmark is applied – cost is no more than 2% of household income. Furthermore some estimates are that 20% of New Zealanders lack the essential digital skills needed to use the internet safely and effectively.

As technology develops at a quicker pace, including the explosion of tools such as generative AI in 2023, that we are likely to see a growing gap continue to grow in this inequity.



Position

To have the biggest impact on digital inequity we need to direct our limited resources to those on the lowest incomes. To do this we need to have a joint agreed definition on the size of the current affordability issue as well as any eligibility criteria. To help calculate how many households can be supported, we suggest using the upcoming DECA research in this area to determine the cost of the basic package of meaningful digital access (internet access at home, access on the go, devices and basic skills).

We also concur with DECA's recommendation that any funding be distributed through community intermediaries who have intimate knowledge of their communities and are often a first point of contact for people in their communities. This could be in the form of bulk funding for essential digital skills, devices and wrap-around support. Funding for connectivity could be built into the model or addressed separately, for example through an MSD payment or government subsidy for an equity product or products.

Whatever solution or approach is developed, it should be co-designed with Government, industry and the community. This would be the best approach to ensuring that the solution is successful in being delivered to those that need it. It would build on research done by groups like DECA and Government Departments, and could discuss what contribution various parties (not just Government) could contribute to the solution. For example, initial work shows that the current lowest cost wholesale connectivity product is around \$40 pm whereas initial work by DECA (and also being advocated for in Australia) is that the affordable product needs to be around \$20 pm at the wholesale level.

While we support the overall intent of the Government's Digital Strategy for Aotearoa, we want to see more traction and intent in implementing the actions from the strategy.

Recommendations

- Make digital literacy and proficiency for all New Zealanders a priority for Government.
- Support the concept and development of Affordable Connectivity services.
- Support the co-development and invest in programmes to deliver services to improve digital capability among those that are currently unable to make the most of the opportunities.