Submission by

to the

Department of Internal Affairs

on

Te koke ki tētahi Rautaki Matihiko mō Aotearoa,

Towards a Digital Strategy for Aotearoa

10 November 2021

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NZTECH SUBMISSION ON
Te koke ki tētahi Rautaki Matihiko mō Aotearoa,
Towards a Digital Strategy for Aotearoa

SUMMARY

1. NZTech wishes to thank DIA for the opportunity to submit on the discussion document, *Te koke ki tētahi Rautaki Matihiko mō Aotearoa, Towards a Digital Strategy for Aotearoa*. We welcome the invitation to provide feedback on our submission.

2. NZTech supports the creation of a Digital Strategy for Aoteaora (the Strategy) and seeks to play an active role in its development and implementation. Our submission recommends that:
   2.1. The vision and goals of the Strategy be amended to reflect the critical foundations (Digital Education, Sustainability, Digital Finance, Artificial Intelligence, Data, Innovation, Investment) that enable the Government's proposed visions, and that these sit across the three themes of Mahi Ahe (Growth), Mahi Tika (Trust) and Mahi Tahi (Inclusion)
   2.2. The measures proposed should reflect the aspirational vision and goals and therefore require different models of measurement than the traditional metrics proposed
   2.3. There are further opportunities for the Government to improve digital trust, inclusion and growth in line with the proposed Strategy
   2.4. The Strategy should recognise that innovation in digital is crucial to meeting New Zealand's digital aspirations. Regulation should provide sufficient room for innovation and be an enabler, not a barrier.

3. We welcome the opportunity to work with you and contribute to the future development and implementation of the Strategy.

4. The sector welcomes the opportunity to develop a roadmap and pathways for the implementation actions that result from this strategy.

BACKGROUND

5. NZTech is a member funded, not-for-profit, non-governmental organisation that represents 20 tech associations with over 1600 members who collectively employ more than 100,000 New Zealanders: over 10 percent of the New Zealand workforce.

6. Our purpose is to help create a more sustainable, equitable and prosperous New Zealand underpinned by technology. We do this by helping our members work together to connect the tech ecosystem, promote the importance of technology for New Zealand and New Zealand technology for the world, and help advance the growth of the tech ecosystem and the New Zealand economy.

7. Our members include New Zealand tech exporters, local and multinational IT firms, startups, universities, government agencies, financial service providers and large corporate users of technology.

COMMENT

8. In general, NZTech is supportive of the Government having a Digital Strategy and the vision of *"Enabling all of Aotearoa New Zealand to flourish and prosper in a digital world".* This is aligned with the purpose of NZTech and we would like to play an active role in enabling the development and implementation of the Digital Strategy for Aotearoa.

9. ***Vision, goals and measures***

    9.1. The digital world evolves fast. Therefore, we recommend that more aspiration is needed within the vision, goals and measures proposed in the Strategy.

    9.2. The aspirations of the Strategy and its vision and goals should reflect the pace of change in the digital world, which is growing and evolving at an exponential rate. Therefore, while elements of the vision should be enduring, such as *"enabling all New Zealanders to flourish and prosper"*, the vision for what this could look like in an intensely digital world could be explored further.

    9.3. NZTech is supportive of the identified need in the discussion document to develop new measurements for success in the digital world.

10. While the proposed framework of Mahi Tika (Trust), Mahi Tahi (Inclusion) and Mahi Ake (Growth) outlines key themes of the Government's current digital initiatives, we recommend it be amended to include the critical foundations sitting across all themes that will be needed to enable the Government's proposed vision and initiatives. We recommend adding the following critical foundations to the framework:

    10.1. **Digital Education** – education, knowledge and skills are critical to enable trust, inclusion and growth. Building digital skills is captured in the Digital Technology Industry Transformation Plan (ITP), within Mahi Ake (growth), however this only covers advanced digital skills. Other digital skills such as digital fluency and digital literacy will be required by all citizens to function in a digital world.

    10.2. **Sustainability** – as we aspire to a prosperous digital nation, we must ensure that it is done sustainably, and enable digital to be at the forefront of climate change solutions. The Digital Strategy should reflect the critical importance of digital's role in supporting our climate change response and resilience, and in creating solutions to meet New Zealand's emissions reductions targets. The Sustainability foundation should include how digital must be used to help develop a more sustainable economy and ensure our approach to digital is considered from a sustainability and climate change perspective. For example, leading in sustainable blockchain, a circular economy for digital devices, or enabling using data and artificial intelligence to reduce emissions.

    10.3. **Digital Finance** – the financial system underpins the economic and social prosperity of all New Zealanders, and it is becoming more digital. Open banking, open finance will be critical to achieve the Strategy's vision. Connecting safely with the global financial system will be a critical foundation for trust, inclusion and growth.

    10.4. **Artificial Intelligence (AI)** – is a rapidly emerging technology that has the ability to create great benefit and risk for our digital future. There is work on an AI Strategy currently within the Digital ITP, which is in the Mahi Ake (Growth) pillar. This should be extracted and sit as a foundation for the Strategy.

    10.5. **Data** – a core foundation for all digital activity, which like AI can bring many benefits if used well and risks if it is not. There is a workstream on Data currently within the Digital

ITP which is in Mahi Ake (Growth). This should be extracted and sit as a foundation for the Strategy.

10.6. **Innovation** – The Strategy should recognise that research, science and innovation (RSI) are crucial to meeting our digital aspirations. The large Government investment in RSI should be aligned to support our digital aspirations and regulation in and around digital should provide sufficient room for innovation and be an enabler, not a barrier.

10.7. **Investment** – The Strategy would benefit from setting higher goals and stronger measures for public and private investment in digital products, services, research and development. Many governments, including Singapore[1], Australia[2] and Canada[3], have allocated significant budget investment to accelerate digital adoption.

11. We support that the discussion document acknowledges future indicators need to be developed to support the Strategy. We consider the measures are not aspirational enough. The Strategy provides an opportunity to consider new future aspirational goals that may need different models of measurement than the traditional metrics proposed. We seek to work with you on the development of these measures.

12. *Opportunities to improve Mahi Tika (trust).*

12.1. We support the strong focus on digital trust in the Strategy, and the immediate priorities outlined in the discussion document.

12.2. To improve digital trust, significant additional investment must be made by the Government on cyber-security. Poor national, organisational and personal cyber-security experiences detrimentally impact the level of digital trust. The Government invests approximately $4b in physical defence but only a few million on cyber-security. As a country we should aspire to the same level of digital security expectation as we do physical security.

13. *Opportunities to improve Mahi Tahi (inclusion).*

13.1. We support the strong focus on digital inclusion in the Strategy and immediate priorities outlined in the discussion document.

13.2. To improve digital inclusion in the long term we believe there should be a much stronger focus on education, in line with our recommendation to include critical foundations to the Strategy's vision. For example, making sure that all students, whanau, teachers and schools have unlimited access to the tools, access and connections that are required to be able to learn and engage in a digital world.

14. **Opportunities to improve Mahi Ake (growth).**

14.1. We support the strong focus on digital growth in the Strategy and immediate priorities outlined in the discussion document.

14.2. To improve digital growth the Government must ensure that access to the best digital talent in the world is actively pursued. There are global shortages of digital talent and the New Zealand domestic pipeline is expected to struggle to even get close to meeting domestic demand in the immediate and longer term. Therefore, we need a well-considered

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[1] https://opengovasia.com/singapore-budget-2021-s1-billion-allocated-for-adoption-of-digital-solutions-and-technology/

[2] https://digitaleconomy.pmc.gov.au/fact-sheets/investment-incentives

[3] https://www.ic.gc.ca/eic/site/152.nsf/eng/home

policy for attracting and bringing in the best possible global digital talent to ensure we have the talent available to help deliver the Strategy.

14.3.   NZTech also recommends a wider view of growth to capture how digital will drive growth throughout the broader economy, not just the tech sector and SME initiatives identified in the Strategy.

15. CONCLUSION

15.1.   Thank you for the opportunity to provide feedback on the Strategy. We are happy to engage further to discuss our submission and provide any further assistance.

15.2.   If you have any further queries do not hesitate to contact me.

Yours sincerely,

Graeme Muller

Chief Executive

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