



# Time to remedy the infrastructure shortfall



## Michael Foley

In this election broadband was an early cab off the infrastructure rank as National trumped the Government's \$500 million Broadband Investment Fund (BIF) with a pledge of \$1.5b to put fibre optic connections into New Zealand homes.

But National didn't provide any real substance as to how that would happen.

In business and technology circles there has been plenty of debate over the two offerings. The consensus is that some combination of the substance of Labour's BIF process and the quantum of National's pledge is most likely to bridge the infrastructure gap. But neither of the main parties has said why this stuff is important, except in "bumper sticker slogan" terms.

Apart from Labour's BIF, which at least sets out a process for assessing infrastructure investment propositions and allocating seed funding, neither party has come near addressing how all this shiny new fibre is going to be turned into an asset that can be leveraged by the country to support economic

development, let alone transformation.

So what do I think we should be entitled to expect from our policy-makers?

Firstly, some vision. Few would argue the investment to bring our broadband capability up to 21st century levels is trivial. The key word in all this is investment. Investment is about spending wisely now to reap rewards later, creating our future.

I'm no macro-economist but it seems pretty obvious which economies are in the ascendancy.

The BRICs, Brazil, Russia, India and China, are key target markets for our creativity, innovation and products going forward.

And the way we work with our cousins across the ditch seems intuitively to be an important future focus.

I'm looking for some vision that takes an informed view on the global economic trends and paints an aspirational picture of how and with whom we'll play.

And I'd like a vision of the role of our digital capability in leveraging opportunities for New Zealand and

neutralising factors, such as our geographic isolation and low skills base, that constrain our ability to flourish and prosper.

Fibre optics, broadband infrastructure as we're now calling it, is an intergenerational asset. We'll be using it for decades to come. So in making the investment we must project our thinking outside today's demand paradigms.

I read a quote somewhere that went "the careers that will be available to our children do not currently exist". This is how we need to think. A clear future-facing context will be needed to give investors the confidence to take a long-term view so that services built on these new infrastructures are priced at levels that will stimulate demand enabling us to compete internationally.

And I'm looking for some conscious thought to be put into the plan.

Specifically, in the broadband investment lolly-scramble, how are we going to turn new infrastructure into something that can be leveraged in pursuit of the vision?





**The careers that will be available to our children do not currently exist'. This is how we need to think.**

How will we create what we at Voco.call “New Zealand’s connectivity fabric”?

The things that need to be considered here are not limited to standards and technical interconnection. The telecommunications carriers would have us leave that to them to solve for us all.

But that would have the effect of shackling the country’s future to the imperatives of largely offshore shareholders and global decision-making priorities in which New Zealand hardly figures. Their legacy is the massive infrastructure shortfall we find ourselves tackling now.

But there’s a silver lining to this legacy. As a consequence of the telcos leaving New Zealand high and dry, the demand side has woken up to the fact it needs to take digital development into its own hands. The seventy-five odd applications and expressions of interest submitted last month to the government’s

Broadband Investment Fund bear witness to that.

But we need to go further than encouraging these investment vehicles with seed funding.

With their diverse designs and different deployment timelines, we need to ensure a service delivery framework exists to bring all these separate infrastructures together as a “national connectivity fabric” — something we can leverage and exploit for national competitive advantage.

We need to be deliberate in our efforts to determine how the “connectedness” we’re building will translate into productivity improvements.

In short, we need to architect this fabric, just as we would any other national asset.

Now, I realise this isn’t a big vote puller. But whilst the majority of the electorate will struggle with both the knowledge and imagination to understand the cause and effect at work here, it warrants more than “lazy” policy development by those who would see themselves leading us.

■ **Michael Enley** is a founding director of independent ICT consultancy Voco, vice chairman of TUANZ and a council member of Internet New Zealand.