



NZ Tech 2030

National will double the size of New Zealand's technology sector by 2030

The global pandemic has resulted in unprecedented changes to the way we work. Modern technology has enabled companies to transform their business models at breakneck speed, while millions have adapted almost overnight to working remotely.

While this pace of change has been jarring, it presents New Zealand with a unique opportunity to create a brighter, bolder future and grow our way out of this economic crisis.

Around 50,000 New Zealanders have already returned from overseas, with many more to follow. These are smart, educated Kiwis with world-class skills, global experience and strong international networks who will be looking for new opportunities here at home. Meanwhile, cloud computing, inexpensive software, and the rapid shift to remote working means distance is no longer the barrier it once was and building a new business is easier than ever.

National's NZ Tech 2030 plan will leverage this influx of Kiwi talent – as well as the large number of Kiwis who remain offshore in influential roles – and seize the opportunity to drive a step change in our technology sector. We will encourage more Kiwis to stay, and attract smart global talent to help grow our economy, rather than discouraging them with high tax rates.

We will increase the supply of skills and capital to the technology sector while providing the world-class infrastructure and regulatory settings that will enable the next generation of Kiwi start-ups to flourish and achieve their full potential.

This will diversify our exports, level up our economic productivity, and generate tens of thousands of high-paying, future-proofed jobs for New Zealanders.

The NZ Tech 2030 plan has the following objectives

By 2030, we will:

- Double the technology sector's contribution to the economy.
- Increase tech exports from \$8 billion to at least \$16 billion.
- Establish thousands of new technology businesses.
- Provide the environment for entrepreneurs to build the next Xero or Rocket Lab.
- Create at least 100,000 new, high-paying, future-proofed tech jobs.

Policy highlights

National will:

- Establish a Minister for Technology to provide the sector with a champion in Government.
- Increase home-grown tech skills with a raft of policies including 1000 tertiary scholarships for students from low decile schools to study STEM, a STEM-focused partnership school, and funding for specialist ICT Graduate schools.
- Attract the best and brightest from overseas with a fast-track technology skills visa, and incentives to bring top quality PhD students to study in New Zealand.
- Invest \$1 billion to upgrade our technology infrastructure and achieve 100 Mbps uncapped internet speeds for everyone on the Ultra-Fast Broadband (UFB) network or Rural Broadband Initiative (RBI1&2) networks by 2030.
- Launch three targeted investment funds to provide Kiwi tech start-ups with the capital they need to grow.



- Develop the world's most tech-friendly regulation and turn New Zealand into a premier destination for global tech research and development (R&D).

New Zealand's Tech Sector

<p>New Zealand's Tech Sector</p> <p>21,870 companies</p> <p><small>Source: Statistics NZ 2019</small></p>	<p>New Zealand's Tech Sector</p> <p>114,450 employees</p> <p><small>Source: Statistics NZ 2019</small></p>	<p>New Zealand's Computer Services companies invested</p> <p>\$748m in R&D</p> <p><small>Source: Statistics NZ 2019</small></p>	<p>NZ's Top 200 Tech Exporters Invested</p> <p>\$1.3b In R&D</p> <p><small>Source: TIN Report 2019</small></p>
<p>New Zealand's Tech Sector creates</p> <p>2,910 <small>new jobs a year (on average over 5 years)</small></p> <p><small>Source: Statistics NZ 2019</small></p>	<p>Each new Tech Sector job creates</p> <p>5 new jobs in other sectors</p> <p><small>Source: NZTech Digital Nation Report, 2016</small></p>	<p>New Zealand's Tech Sector contributes</p> <p>8% of GDP</p> <p><small>Source: NZTech Digital Nation Report, 2016</small></p>	<p>Each 4% growth in Tech Sector productivity creates</p> <p>\$2.7b additional GDP</p> <p><small>Source: NZTech Digital Nation Report, 2016</small></p>

Source: nztech.org.nz/info-hub/about-the-sector

Our plan

1. Partner with the tech sector

Doubling the size of the technology sector by 2030 is an ambitious goal, but it's one that we are serious about achieving. New Zealand needs to grow its way out of the economic crisis, which will only be possible with the hard work, ingenuity and determination of the private sector. We believe the role of Government is to partner with the sector to create the sort of environment where rapid growth is possible. We also want to send a strong message to people in the sector – both here and overseas – that tech has a champion at the heart of a National Government.

National will:

- Establish a Minister for Technology, who will be responsible for partnering with the private sector and implementing our NZ Tech 2030 plan.

2. Deepen our home-grown technology talent

A prerequisite for growing our tech sector is talent. Whether you are a start-up looking to scale up growth, or a global technology firm thinking about expanding your presence in New Zealand, gaining access to skilled employees will be your number one constraint. National will ensure our education system is delivering the skills and knowledge needed to grow the technology sector and get more Kiwis into high paying, future-proofed jobs.

National will:

- Establish 1000 tertiary scholarships per year targeted at students from low decile schools to undertake Science, Technology, Engineering and Maths (STEM) degrees.
- Restore funding to ICT Graduate Schools to lift the number of skilled graduates available to technology firms and deepen



business connections with the University sector.

- Invite applications for specialist partnership schools with a focus on delivering world class STEM education.
- Continue to develop National's highly successful Trade Academies programme to create clearer pathways into tertiary study for young New Zealanders interested in technology.

3. Attract the best and brightest from overseas

In addition to developing our own home-grown technology talent, New Zealand should be looking to attract the best and brightest minds from around the world to our shores to further strengthen our technology ecosystem. With economic growth plunging and limited capacity for inward migration for the foreseeable future, New Zealand needs to be strategic and selective about attracting skilled migrants and high net-worth investors who can contribute to rapid-growth sectors, build new businesses and drive job creation for New Zealanders.

National will:

- Create a fast-track technology skills visa to allow people with technology skills and experience to relocate to New Zealand, enabling tech firms to recruit the skilled talent they need to grow at pace.
- Relax requirements for investor-class visas to cut red tape and make New Zealand the world's most attractive destination for high net-worth investors and technology entrepreneurs.
- Offer anyone completing a full three year Bachelor's degree (or higher level qualification) in tech-related subject areas, and exceeding a specified GPA standard, a path to automatic permanent residency upon completion of their qualification.
- Launch a Global PhD Scholarship programme to recruit 50 top STEM PhD candidates from major universities each year to spend at least six months in New Zealand during their doctorate, to deepen

our networks with leading institutions and the future leaders in global tech.

4. Upgrade our technology infrastructure

Thanks to the last National Government's investments in Ultra-Fast Broadband (UFB), the Rural Broadband Initiative (RBI) and reducing mobile blackspots, New Zealand is well-placed to grow our technology sector. As work patterns change – not least in response to Covid – and demand for data continues to grow exponentially, it's time for us to set our sights even higher. We need to reduce the digital divide between urban and rural Kiwis so more New Zealanders can live and work in our regions. National will not only expand the rollout of the fibre network to reach more households, we will also turbocharge our global connectivity with an ambitious target for unlimited data at 100 Mbps speeds for everyone on the UFB/RBI networks by the end of the decade.

National will invest \$1 billion over ten years to:

- Expand the rollout of the UFB network to ensure 90 per cent of New Zealand households have access to ultra-fast internet.
- Secure backhaul routes to improve resilience and reduce congestion in the rural broadband network.
- Improve cybersecurity defences across our communications networks through equipment upgrades and procurement of tools to deal with future attacks.
- Support the implementation of 5G networks across New Zealand.
- Fast-track the removal of mobile blackspots across the highway network, in particular at key tourist destinations.
- Target 100 Mbps of unlimited broadband data for everyone on the UFB/RBI network by the end the decade.



5. Improve access to capital for New Zealand technology firms

In addition to talent, young technology firms need capital to fund their growth. Our technology sector needs additional capital and funding to bring technology to market. Too many young New Zealand firms are forced to look offshore to raise capital. The Government recently created its own investment fund (Elevate), but without a clear mandate or any requirements for co-investment, it won't generate the step change our tech sector needs. Lessons from countries like Israel that have successfully incubated their technology sector show that gaining access to international VC fund managers from places like Silicon Valley is essential to catalyse new capital flows into a country.

National will:

- Repurpose the Elevate Fund by creating three targeted technology investment funds of \$200 million each, of which the Government will provide \$100 million, and the private sector the balance.
- Two of the funds will invest in Kiwi start-ups, and the third will provide Series A+ expansion capital to assist more established firms looking to scale up to "Unicorn" status.
- Each fund will have a targeted investment focus and be required to co-invest with international fund managers with proven expertise, alongside other investor groups, such as corporates and iwi.
- We will also leverage the large number of Kiwis remaining offshore to increase access for Kiwi firms to people, market opportunities and capital from around the world.

6. Develop tech-friendly regulation and attract global tech R&D

Disruptive technologies such as driverless cars, drones, robotics, blockchain, and artificial intelligence are proving problematic for regulators around the world. As the

pace of technological change continues to accelerate, countries that are able to adjust their regulatory settings to keep pace with technology will be seen as attractive destinations to invest in research and product development. As part of our NZ Tech 2030 plan, we will create the world's most tech-friendly regulatory environment, and turn New Zealand into a premier destination for both local and global firms to invest in technology R&D.

National will:

- Establish a "regulatory icebreaker" unit to work with local and global technology firms to develop best-in-class regulation for new, disruptive technologies that can provide a template for other countries and jurisdictions.
- Implement a flexible, low-risk approach to trialling new technologies and experimenting with regulatory settings to incentivise global firms to invest in developing their technology in New Zealand.
- Encourage foreign technology firms to establish R&D operations in New Zealand through targeted international agreements that better leverage the intellectual property and expertise of our universities, Crown Research Institutes and corporate sector.
- Partner with industry to implement a programme to support non-digitised SMEs to understand the benefits of digitisation and encourage investment into technological solutions aimed at improving productivity.



Cost

Policy element	Four year cost (\$m)
1000 STEM scholarships	10
ICT Graduate Schools	28
Global PhD recruitment programme	12
Technology infrastructure upgrade	400 ¹
Targeted technology investment funds (x3)	240 ²
Total	690

1. A further \$600 million will be invested over the subsequent six years.

2. Reallocated from the Elevate fund and using unallocated capital allowances.