



Address of His Worship the Mayor to the Digital Industry Forum 2 Dec 09

First let me thank Cheryl Reynolds of SODA Inc. the Opportunity Hamilton team and the Council staff for organising what will I hope be the first of many Digital Forum Meetings.

The forum is a place where providers, users, researchers, and teachers can come together to collaborate and drive progress toward a truly digital Hamilton

I would also like to particularly thank NZTE.

NZTE have supported today's event, but more than that they are always there in support of the city's economic development initiatives. It is greatly appreciated.

Ladies and Gentlemen – we are in a digital race. But it is worth remembering that Hamilton starts the race with some real advantages. It has a significant core of ICT and broader technology talent and expertise. The University of Waikato was the original gateway for New Zealand's access to the world wide web. And it continues to be recognised as a national leader in ICT research. The recent Technology Investment Network report on the top 100 technology companies which includes ICT, technology based manufacturers, and biotech companies identifies that Hamilton is home to two of the largest technology companies in New Zealand. NDA was ranked fourth largest and Gallagher sixth. In the rankings of the fastest growing of the top 100, NDA ranked third, Endace ranked 7th, Pacific Aerospace ranked 9th and 8th was Nextwindow which although not Hamilton based was founded by a Waikato University graduate.

A Commerce Commission commissioned report also concluded that as of the end of last year Hamilton had the best performing broadband in the country. Although this might be a slightly flattering conclusion given the still patchy nature of access to the HUFN network.

We do have some serious strengths on which to build. But as the digital Hamilton study reminds us, our efforts remain fragmented with most players focused on doing their own thing and little evidence of any collective strategy.

This has been a disappointment to me for some time. I suspect this lack of progress is at least partly because of the debate about the appropriate focus for economic development between those who argue for a sole single minded focus on our Agri-bio strength and those who argue for a broader agenda.

There is no doubt that the economy of this region will continue to be dominated by the farmed food sector. There is also no doubt that a few per cent increase in the value of dairy production will have a greater impact on the wealth of the region than could increased sales from any other regional business sector.



But it also seems self evident to me that if the city, region, and even the Ag-bio sector itself are to flourish they will need a much richer and more diverse business environment than is likely to be provided through any one dimensional strategy.

Over the last four years the council has been working with a range of city leaders to develop a strategic framework that we all believe will take the city forward. The eight city strategies are all based on a commitment to collaboration between key players, and all are focused on specific actions to deliver specific outcomes. Collectively they describe a future city that encourages innovation, a city that is highly connected and collaborative, and a city that attracts and retains smart people because it provides a high quality of life and the opportunity to be part of exciting new adventures.

None of these aspirations can be fully met in today's environment without the support of a highly developed digital platform.

Much of what the City Council has done over recent years has been motivated by more than the obvious strategic goals. Our investment in events has brought substantial new revenue into the city. These revenues will be greatly enhanced by the development of Claudelands which on its own is expected to bring \$30m of new money into the city every year. While that revenue is important for the city – it's not the only or even main reason we have been promoting events. We see large high quality events as a highly visible and powerful way of demonstrating the city's capability, and of shifting it's reputation. A way of telling a new story about our city that will make it attractive to new businesses and residents alike. And we have been successful. The way national TV repeatedly introduced its coverage of the recent Super X event with the line "Hamilton has done it again" is just one example of how far we have come in the last five years.

I have no idea of what income might be able to be generated from the development of ICT businesses in the city over the next few years. As some would argue, it probably isn't as much as a few per cent increase in dairy product values could deliver.

But I do know that if we aren't able to be at least digitally competitive, our proposition of Hamilton as the best place to live and make new things happen will fall flat on its face. If we are to use our digital capability to enhance the strength of Hamilton's proposition - then nothing short of digital leadership will do. Digital leadership will enhance our ability to deliver on all of our strategic goals, it will support leadership in all of our key industries, and it will enhance our reputation and attractiveness to businesses and families that are looking for a new home

Earlier I suggested that this mission is now urgent. It may have been that a year or two ago many cities including ours were paying insufficient attention to the opportunities that existed for digital leadership. Central Government has changed that. The very large cheque it is waving about has caught everyone's attention. Everyone is in catch up mode and the window of opportunity is closing fast.

Over the last few years the council and our partners have invested a lot of effort and cash in the development of the HUFN network. We took advantage of the grants provided by the last Government to link up and extend existing fibre that now forms the backbone of a limited but high quality open access network. Since the election of the new Government we have been actively lobbying Ministers and officials to ensure they understand our readiness and wish to rapidly deploy high speed broadband throughout the city. Whoever wins Government funding through the Broadband Investment Initiative to deliver the network in this region we must demand and support the quickest possible deployment.

But we must also understand that high capacity infrastructure is of no value if it isn't used to its potential. Infrastructure provides an opportunity. Council commissioned the Digital Hamilton study because we needed to understand what we could do to ensure high volume broadband isn't just used to provide fast emails.

We needed to understand how to make the best of the opportunity to attract and grow digitally dependent businesses, to attract talented people, to build true connectedness and enable deep collaboration, to develop digital capability, to enhance our education and research capacity, to improve the delivery of a range of services within our community.

The study has identified many of the steps that we now need to take. Today's forum is one of them. But it is only a beginning.

Partners have been identified who are willing and able to rapidly extend our infrastructure. I fully expect that the District Plan review that council is currently undertaking will create the same expectations for the delivery of broadband infrastructure as it currently does for water and electricity networks.

But having built a great network we need to work together to ensure it is used to best effect. We are a small community in a highly competitive world. While we have repeatedly shown that we have the ability to compete in that world we must learn to work together to maximise our collective impact. I hope that today's forum will be the beginning of ongoing collaboration between all of the interested players.

While we have some outstanding digital talent we need to work together to broaden digital literacy throughout our community. We must encourage all businesses and institutions to make the most of the opportunities we create. And having achieved a true advantage we need to make sure the world knows about the advantages of being part of a digital Hamilton.

We also need to seriously commit ourselves to building a world class innovation system that genuinely links education, research, and business to maximise the added value from existing and new businesses in the city. We have talked about this for a long time and we have made some progress – but not enough. We need to do better.

We have some tremendous advantages as a city. And we can use these to deliver an exciting future.

I hope that you are all finding today's programme valuable and that you will all commit to looking for ways to contribute to developing and delivering an effective digital plan for your businesses and for the city

Bob Simcock
Hamilton Mayor

