10 November 2021

Emma Procter
Digital Strategy for Aotearoa team
Department of Internal Affairs
PO Box 805
Wellington 6140

Via email: DigitalAotearoa@dia.govt.nz

Re: Towards a Digital Strategy for Aotearoa

Dear Ms Procter,

The Association of Digital Service Providers Australia New Zealand (DSPANZ) welcomes the opportunity to make this submission on behalf of our members and the business software industry.

Overall, DSPANZ agrees that the Government should be leaders when it comes to fostering a digital New Zealand which will make it easier for both businesses and individuals to interact with them and provide opportunities for innovation. However, we would like to acknowledge the work required after the strategy is finalised to outline and develop the government and industry initiatives that will support the strategy as these will be the key success factors.

Our response can be found over the following pages but in summary, we address the following points in this submission:

- Innovation is a key theme missing from the discussion paper and the strategy themes should be re-worked to include innovation;
- Partnering with the software industry will be vital to the success of the strategy and ensuring workable outcomes for the Government, software developers and end users;
- The impacts of the technology skills shortage and creating an understanding of potential impacts to software development should be acknowledged in the strategy; and
- Enabling Digital Service Providers (DSPs) to leverage the Digital Identity Trust Framework will be important as more and more government and business processes are digitised.

DSPANZ would appreciate the opportunity to engage further on this submission. For further information, please contact Maggie Leese.

Formerly **ABSIA**

About DSPANZ

Digital Service Providers Australia New Zealand is the gateway for government into the dynamic, world class business software sector in Australia and New Zealand. Our members range from large, well-established companies through to new and nimble innovators who are working at the cutting edge of business software and app development on both sides of the Tasman.

Yours faithfully,

Simon Foster,
President & Director,
DSPANZ

dspanz. digital service providers
australia new zealand

Enabling innovation

The one theme missing from this discussion paper is the key role that innovation has to play in the digital future of New Zealand. Innovation should be an underlying theme of the strategy given that it will help to foster the other themes outlined in the paper - trust, inclusion and growth.

To reflect the importance of innovation, we recommend re-working the key themes to include innovation alongside trust and inclusion and having growth depicted as an output of the three themes. Essentially we see growth resulting from trust, inclusion and innovation.

This strategy should also examine, and have a focus on, how we can enable a culture of innovation in New Zealand.

Partner with the software industry

From our perspective, the Government partnering with industry on key initiatives is the foundation for the strategy's success. Working with the software industry will be vital to the success of government policies and ensuring that workable outcomes are created for the Government, software providers and end users. This involves engaging DSPs as early as possible in the policy process to understand potential impacts and develop reasonable timelines for implementation.

Digital Service Providers (DSPs) have made progress in this space through the creation of the New Zealand Digital Advisory Group (NZ DAG) which is co-chaired by DSPANZ and the Inland Revenue Department. The DAG will work through items such as annual tax time changes, introducing security frameworks to the DSP ecosystem, producing a service management model for IRD and other related work.

Technology sector skills shortage

The current skills shortage in the technology sector is having a major impact on being able to develop software in a timely and cost effective manner. As this strategy will rely on developing or enhancing digital solutions, it will be important to create awareness and manage the expectations of government and industry around the potential impacts on the cost and pace of development. The strategy should also explore short options to address shortage.

Digital identity

Digital identity will play an increasingly important role as more and more government and business processes are digitised. Many DSPs would be interested in being able to access digital identity services for business transactions such as individuals using a solution to securely log in to their accounting software. Allowing software developers, especially smaller developers, to leverage the Digital Identity Trust Framework is a great way to provide affordable access while also uplifting the security across this ecosystem.