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Digital Strategy
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Dear Sirs

Digital Strategy 2.0

At HP, we help our clients to better business, community and personal outcomes by whatever means is most appropriate. The timely adoption of digital technologies provides one of the most extraordinary opportunities in history for this type of transformation across New Zealanders' working and personal lives.

Like Government, we appreciate the progress made since the release of the 2005 Digital Strategy. We were proud to be a Gold Sponsor of last November's Digital Future Summit at which many of the ideas in the update document were canvassed publicly.

In releasing the Digital Strategy 2.0 for consultation, Government has introduced the enabler of Collaboration to the three outlined in the 2005 Strategy document. This is an addition which we fully endorse: at HP we strongly believe that sustainable change is only achieved by the co-ordinated use of people, process and technology towards clearly identified outcomes.

We have taken this opportunity to reproduce the material that HP made available to participants at the Digital Summit 2.0 for a wider audience. The case studies in the attachment, HP's Commitment to New Zealand, provide specific examples of how New Zealanders are already making the sort of changes envisaged by the Digital Strategy and how HP is supporting them.

Our comments follow the structure suggested in Chapter 8 of the consultation document: considering the key enablers in turn. Our comments come in the form of examples, many set out in the companion document HP's Commitment to New Zealand. These draw on our experience of successes within New Zealand, and emerging trends from overseas which jointly illustrate how the vision can be achieved more widely.

Connection - The widespread availability of fast and available broadband

The goal is set in terms of the outcome (fast, ubiquitous connectivity) rather than the means by which it is to be achieved. This should avoid locking the country into particular technologies unnecessarily. It may be appropriate to allow the bar to rise on our expectations of speed and availability as the connectivity enjoyed by our trading partners and competitors improves.

On page 6 of the attachment, HP's Contribution to New Zealand, we consider Unified Communications as an example of how new benefits are achievable where connection is cost effective and affordable. Until recently the main benefits of unified communications included being able to receive voicemail messages in the same inbox as emails, commonly called unified messaging, or saving on call charges through IP telephony.

More recently, technology standards are being ratified and both the IT industry and its customers have begun adopting these technologies and simple unified communications features such as 'click-to-call' have been extended to include instant messaging, audio or video conferencing and more. A single click against a contact's name can now launch an invitation to



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collaborate on a document, or 'push' a document to someone directly over a network instead of sending it as an attachment to an email.

As the use of unified communications becomes more widespread, organisations are increasingly seeing it as a way to optimise business processes, specifically the way in which they communicate and transact, internally and externally with peers, partners and customers.

Unified communications also highlights how converging technology has broadened the focus of our digital future. Achieving true unified communications is dependent on the same capabilities being easily available on both the corporate LAN and over New Zealand's broadband network.

Confidence – Digitally capable and confident New Zealanders transforming our economy, strengthening national identity and enhancing sustainability

Ours is an increasingly digital world, as the Digital Strategy 2.0 notes. At HP we strongly believe that students should therefore develop technology skills as part of activities in all aspects of their lives: at school, at home, with friends and community. "Computer studies" and teaching which ring fences technology as a "subject" in isolation from the rest of students will not achieve the mindset change that the Digital Strategy 2.0 has identified as a target outcome.

Digitally capable New Zealanders – Computers in schools

HP has been working with the Ministry of Education for many years to support teachers and students and introduce technology across schools in New Zealand. HP has been involved in the Ministry of Education's 'Laptops for Teachers' programme since 2002 which has seen over 80,000 notebooks put into New Zealand schools, enabling teachers to be equipped with portable computers to allow them to prepare and support their teaching with completely new resources and media.

In early 2007, we introduced a complementary 'Computers in Schools' programme to widen the scope of this programme to students and teaching environments across the country.

HP's commitment to education is best demonstrated through the Technology for Teaching Grant programme. That's why each year the company awards, worth more than US\$100,000 each, to deserving educational institutions around the globe.

In 2007, three of the 13 grants awarded in the Asia-Pacific region went to New Zealand institutions: Massey University, CPIT and Brooklyn Primary School. To win, each had to show how it would utilise mobile technology to positively transform teaching and learning models, thereby empowering students and teachers to succeed.

Each Technology for Teaching Grant comprises a suite of mobility hardware, including 20 wireless Tablet PCs, 20 external drive bays and an all-in-one inkjet printer. To ensure the smooth implementation of each mobility project, a cash prize of US\$20,000 is also awarded.

The case study on page 3 of the attached HP's Commitment to New Zealand document examines the Brooklyn School programme in more detail. Teachers at Brooklyn School are learning to integrate Tablet PC based numeracy learning tools into their classroom mathematics programmes. The school is also researching the programmes' impact on student numeracy skills and understanding. These findings will be used as part of a wider research initiative being undertaken by the New Zealand Ministry of Education within its digital opportunities project.



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Transforming our Economy – Helping parents back in to the workforce

With support from an HP US\$80,000 Micro-Enterprise Grant, the Auckland Chamber of Commerce runs a programme that provides women returning to the workforce with skills necessary to thrive in today's workplace. Some of the women that complete the programme have been out of the workforce for 20 or 30 years. In this time, the biggest change has been the proliferation of technology, and so learning to use and become more confident with the technology based tools the most people take for granted forms the core of the programme. Additionally, the chamber and HP see the programme as supporting business by providing better qualified and confident employment candidates in a tight labour market.

Strengthening National Identity – Cooltown

Each year, HP invests US\$3.6 billion globally in research and development. This investment, combined with our leadership position in innovation and consulting capabilities, has resulted in a portfolio of products and solutions few technology companies can match. For the purposes of the New Zealand Digital Strategy 2.0, however, it is HP's applied innovation that recognises the unique needs of New Zealand companies that's crucial. Having been present in the New Zealand market for over 40 years, HP understands the issues companies face domestically and are able to provide customers with access to expertise and product advancements that help drive success both locally and internationally.

Page 2 of HP's Commitment to New Zealand provides evidence of New Zealand's success found at HP's unique Cooltown innovation facility in Singapore. Cooltown is designed to represent HP's vision for the future of technology and 10 out of the 40 HP partners on display are New Zealand companies.

In October 2007, HP New Zealand launched its own Innovation Showcase in Auckland, leveraging the Cooltown concept. The purpose of the Showcase is to demonstrate the latest solutions made possible by HP technology and the success of New Zealand businesses in developing and applying this technology.

The Showcase launch featured New Zealand businesses NextWindow and iVistra. Both companies have, with support from HP, leveraged its global network to become successful international businesses. NextWindow, for example, was a New Zealand start-up five years ago and is now a world leader in the design and development of optical touch screen solutions.

Enhancing Sustainability – HP Planet Partners™

HP has been a leader in environmental sustainability for decades and responsible global citizenship has been one of the company's key corporate objectives since their inception in the 1950's. In 1966, HP introduced its first major recycling programme across its business – punch card recycling.

The legacy of HP's founders continues today. HP recently marked the anniversary of its technology hardware recycling programme with the news that it had reached its first one billion pounds of recycled IT equipment globally. Having achieved this target six months ahead of schedule, HP will endeavour to recycle the next one billion pounds of hardware by 2010.

It is in the use of technology for decision making and improved efficiencies throughout the economy that HP's real impact is seen however. We regularly update our own goals to ensure both our operation and products have the maximum positive impact on a sustainable future. In



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2007, we added a new 2010 goal for PCs. Our goals are now to reduce the combined energy consumption and associated GHG emissions of HP operations and products to 25 percent below 2005 levels.

The case study on page 4 of HP's Commitment to New Zealand explores how a key issue for Marlborough Girls' College in upgrading its entire IT system was to avoid sending a truckload of old PCs to the local landfill. site The College made use of HP Planet Partners™ programme, under which we collect obsolete hardware and peripherals, regardless of brand, and ship it to a recycling centre.

Content - New Zealanders are world class at creating, discovering and using digital content to create value to improve their lives and communities and enable sustainable development

60 years ago, HP's founders Bill Hewlett and Dave Packard talked about inventing the useful and the significant. By useful, they meant it truly makes a difference in people's lives. By significant, they meant it touches many lives. In 2007 these notions still hold true but within a slightly different context. Today at Hewlett-Packard useful to us means simplifying our customers' technology experiences. Significant can mean a number of things from supporting small businesses as they become large enterprises such as our work with Trade Me, or it can mean empowering thousands of consumers to express themselves using HP technology.

Discovering and using digital content – Te Papa

Since forging its partnership with Te Papa in 1996, HP has helped the Museum develop a technology investment strategy driven by the organisation's overall objectives. With more than 400 employees and in excess of one million visitors annually, Te Papa's technology requirements, both front and back of house are considerable.

HP has had to develop a thorough understanding of the Museum's unique needs. Exhibition changes, project teams, and ever expanding growth in digital content are just some of the complex demands to manage.

In 2007, Te Papa upgraded to second generation HP Blade Servers to accommodate growth and flexibility in online services. This is the foundation for expanding delivery of online content and services including accessing Te Papa's collections online, education learning programmes, and outreach activities.

HP's technology underpins all of the museum's interactive multimedia displays and provides the standardised manageable environment needed in a seven-day a week operation.

Te Papa's Moving Towards a Balanced Earth: Kick the Carbon Habit exhibition (hosted in partnership with HP) runs from 5 June until 18 January 2009.

Collaboration – The more effectively that central government, local government businesses and communities work together, the faster broadband connectivity will happen

Any government would clearly have a role in leading the sort of change envisaged by the Digital Strategy 2.0. In New Zealand, the role of Government is possibly greater than that for governments in larger, more diversified economies.



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In this context, we welcome the reference to citizen-centred transactions in 2.1 of the Digital Strategy 2.0 and their 'potential to transform government'. The Economist recently reported¹ on the Public Sector's progress in and prospects for putting their services online to serve their citizens more effectively. In this report, the author notes that Government generally lags business in its use of Digital Technology:

This report will argue that technology can give politicians and officials a better idea of what the public wants and how to provide it, just as it has done in the private sector.

We are currently working with some of the larger agencies on the development of unified system designs to ensure citizen-centred feeds across interactions with different agencies – where new technologies are enabling both improvements to the quality of service given to citizens and the efficiency of doing so. It will be important that the implementation of these solutions is carried out independently to ensure that the solutions delivered are autonomous of any specific agency and remain flexible into the future.

Achieving our Digital Potential – A mindset change to adopt technology and 'be digital' is needed across New Zealand to take us forward

New Zealand's is a small economy of relatively small organisations by international standards. Government organisations are amongst our country's most active investors in digital technology. Through their scale and national presence, have the ability to role-model new ways of working for the benefit of all New Zealanders and so as a real leader by example.

While overseas Government may follow business in its adoption of new technologies and operating models, in New Zealand there will be cases where Departments and Agencies will be leaders.

Conclusion

HP has a proud record working with individuals, communities and both the public and the private sectors in New Zealand for over 40 years. The Digital Strategy 2.0 is the latest call to arms in a continuous process of behavioural and attitudinal change catalysed by technology. We have been fully engaged with the changes seen since 2005 (and over the preceding four decades) and are committed to supporting Government and its many stakeholders in the next phase of the journey to becoming a knowledge-rich, tech-savvy society.

We would be pleased to continue our engagement with the consultation process as the Strategy is further refined.

Yours faithfully

Keith Watson

¹ The Electronic Bureaucrat, Economist, Feb 14 2008