

Investment in IT: Post-Election Wrap Up



Well, it's all over. National is out, Labour is in – and so are Winston and the Greens – and New Zealand has voted for change. With the election still fresh in the minds of people across the country, we wanted to recap on our previous blog looking at what **each party's policy platform might mean for the IT sector**. When that blog was written, National were odds on to trample their opposition on their way to an easy majority in Parliament. However, after Jacinda Ardern, replaced Andrew Little as Labour leader, the momentum shifted drastically. With a three-party coalition toppling National's nine-year government, the future certainly looks different for New Zealand. But what does this all mean for our industry?

Labour-Led Future

As we stated in our previous blog, Labour's main message during the election was about providing a fresh direction, something that saw no change under Ardern's leadership. The key points in their policy when it comes to technology – the Future of Work commission and their Young Entrepreneurs policy – should provide some stimulus to the sector. Under the Young Entrepreneurs plan, New Zealanders aged 18 to 23 will be able to apply for up to \$20,000 to start a business based on an innovative idea; odds are that most of these ideas will be driven or supported by the Tech sector, if not within it.

The new government will also see the Green Party hold their first ministerial portfolios, with Green Party leader James Shaw taking up roles as Minister for Climate Change and Minister for Statistics, along with Eugenie Sage becoming Minister for Conservation and Julie-Anne Genter becoming Minister for Women. This bodes well for the Technology sector; conservation and technology are inextricably linked and Green Party influence on policy will likely drive greater investment in renewable energy and other sustainability initiatives – many of which are powered by our IT community.

This raises the question of whether we're really missing out on anything in tech, under a Labour-led government as opposed to a National-led one. Truthfully, in terms of pure budget expenditure towards the tech sector, there likely won't be much difference, but the progressive Labour and Green outlook may give them the edge as a tech-friendly government. That said, there is also the matter of economic and social policy on a macro level. It's not unfair to say that National is generally the more business-friendly party, and much has been made of the decisions to increase the minimum wage (to \$16.50) and slash immigration (by 20,000-30,000), with a lot of speculation about how this will affect businesses.

While wage growth will likely have little impact (this is an industry where very few professionals are earning the minimum wage), migration cuts could have a serious effect. Many technology professionals in New Zealand have come from overseas, and we sometimes rely on these people to bring knowledge of technologies or projects that local talent simply hasn't had the chance to have experience with. That said, it could all turn out to be much ado about nothing. Little has been given in the way of detail around where these migrant cuts are actually coming from, and Labour's pre-Election rhetoric around the policy **targeted low-skilled workers and students**. While it may become more difficult to bring people in from overseas (and equally, it may not), any talk of these changes gutting the technology sector of its talent and pushing New Zealand back to the Stone Age is premature at best, and drastically overblown at worst.

The Winston Effect

As seen in many aspects of this past election, Winston Peters continues to be a talking point here. With the Deputy Prime Minister being a 72-year-old man representing the rural Northland region, and many of his voters coming from the same demographic, you may think it's difficult to see him as a someone who is going to be an advocate for the tech sector. However, this isn't necessarily the case. While he might not be the most affable character, Peters is an astute politician who understands the importance of technology to the future of New Zealand.

While it's unlikely that all, or even most, of his policies will be implemented, Peters has shown a willingness to be progressive when it comes to technology. Some of his policy points in the lead-up to the election included enhancing access to telecommunications infrastructure for consumers and businesses, standardising digital privacy controls, and increasing the digital literacy of senior citizens.

Peters' influence on the new government has already made itself apparent, with Labour's mooted \$200m regional development fund being **increased to \$1billion after Peters' involvement**. While a great deal of this money will be going towards infrastructure projects like new rail connections, it's not out of the equation to suggest that the regions could benefit from some investment when it comes to technology. While our major cities are the hotbeds for technology in New Zealand, providing support for tech startups or initiatives in the regions could promote innovative ways to solve the problems that these regions face. It would also have the added benefit of creating pathways for work and learning in areas that are traditionally challenged when it comes to employment and education. Just an idea!

Moving Forward

Love it or hate it, we have a new government. While we've seen a few hair-trigger hot takes from the perennial media panic brigade (Minimum wage?! Immigration?!), as of yet there is nothing to suggest that our nation's change in leadership will have a significantly negative effect on the state of the Tech industry. If anything, signs are that things will continue as they have been, with technology continuing to become one of our primary exports and IT being a key sector for national growth and development. All in all, there's no need for alarm. Let's see where we are in 2020.