

[Home](#) / [Business](#)

# How Big Tech is crushing telcos - and what One NZ's Jason Paris plans to do about it

By [Madison Reidy](#)

27 May, 2024 07:00 AM ⌚ 3 mins to read

The rise of the world's behemoth technology companies building data centres globally - Amazon, Microsoft and Google, AKA hyperscalers - have left telecommunications companies in the dust.

"We've built the infrastructure that those devices and those applications use - 30 per cent increase of our infrastructure every single year. Our prices are not going up 30 per cent, I can tell you that."

One New Zealand chief executive Jason Paris told *Markets with Madison* about the issue in an extended interview covering the state of the economy and telecommunications industry and its investments in technology, including SpaceX satellite cell service.

"We, as an industry, have not done a great job on monetising demand."

The country's second-largest telecommunications provider, with 2.3 million mobile and broadband customers, was currently considering unbundling its services, meaning some customers will have to pay more for better services, such as satellite service coming later this year.

"At the moment, we are providing business class for economy pricing, and that is not sustainable," Paris said.

One NZ made [annual operating earnings of \\$600 million](#), an increase of 13.7 per cent, in a financial year to the end of March that saw mobile data usage increase 23 per cent.

"Because there is more demand driven by the device manufacturers and driven by the application providers, we are seeing an increase in cost and for us that they are benefiting from."

One NZ, [now fully owned by listed private equity outfit Infratil](#), invested \$70m in more than 300 4G and 5G cell sites nationwide in the financial year just ended.

"They [hyperscalers] are making the margin off our infrastructure and loving it along the way because we are investing in 4G, we are investing in 5G, and the kind of speed and the lower latency that the applications are enjoying."

But the company had also saved money on Vodafone licencing costs following its rebrand and operational costs after its owner drove efficiencies throughout the business, including restructuring and offshoring some services.

Watch Paris discuss its new ownership structure, its sub-par service levels and his thoughts on staff working from home and accusations of "wokeism" embedded in corporations in today's episode of *Markets with Madison* above.

**Get investment insights from executives and experts on *Markets with Madison* every Monday and Friday [here](#) on the [NZ Herald](#), [YouTube](#) or wherever you get your [podcasts](#).**

Sponsored by CMC Markets.

**Disclaimer: The information provided in this programme is of a general nature, and is not intended to be personalised financial advice. We encourage you to seek appropriate advice from a qualified professional to suit your individual circumstances.**

**Madison Reidy is the host of the NZ Herald's investment show *Markets with Madison*. She joined the *Herald* in 2022 after working in investment, and has covered business and economics for television and radio broadcasters.**

## NZ HERALD

About NZ Herald  
Meet the journalists  
Newsletters  
Classifieds  
Help & support  
Contact us  
House rules  
Privacy Policy  
Terms of use  
Competition terms & conditions  
Our use of AI

## SUBSCRIBER SERVICES

NZ Herald e-editions  
Daily puzzles & quizzes  
Manage your digital subscription  
Manage your print subscription  
Subscribe to the NZ Herald newspaper  
Subscribe to Herald Premium  
Gift a subscription  
Subscriber FAQs  
Subscription terms & conditions  
Promotions and subscriber benefits  
Bundle subscriptions

## NZME NETWORK

The New Zealand Herald  
The Northland Age  
The Northern Advocate  
Waikato Herald  
Bay of Plenty Times  
Rotorua Daily Post  
Hawke's Bay Today  
Whanganui Chronicle  
Viva  
NZ Listener  
What the Actual  
Newstalk ZB  
BusinessDesk  
OneRoof  
Driven CarGuide  
iHeart Radio  
Restaurant Hub

## NZME

About NZME  
NZME careers  
Advertise with NZME  
Digital self-service advertising  
Book your classified ad  
Photo sales  
NZME Events



© Copyright 2024 NZME Publishing Limited