



2012 PREDICTIONS

ICT industry professionals consult their crystal balls

What's coming up in the next twelve months in ICT – for users, operators, customers and vendors? *Computerworld* asked a number of New Zealand's leading ICT professionals for their thoughts on the opportunities and challenges that the year ahead will bring.

Chorus CEO Mark Ratcliffe

"2012 will be a year of service trials as companies find the offering that works best for their customers. Chorus will continue to work with customers on fibre deployment – making sure the roll out and the installation to the home makes the choice to migrate to fibre an easy one, and retail service providers will try out new IP voice services and service bundles that combine communications and entertainment.

I think the industry will also test the boundaries of where telecommunications services stop and IT begins. Content will be firmly back on the agenda. I expect a lot of debate about content rights and the ability to deliver competing on-demand services to homes.

"But all this activity will be against the backdrop of global

economic challenges, declining revenues, shrinking margins and the need for increasing investment. This will mean the industry will focus on cost management and returns and a more cautious approach as each retail service provider watches who might make the first move."

Z Energy head of business technology and transformation David Scott

"I think the biggest challenge facing the ICT industry, and major users of ICT, in 2012 is also the biggest opportunity. The advent of business technology is not something that is new in our industry. In fact many teams are called or have business technology in their name.

"There is a belief in some parts of our industry that business technology is the way forward and that a name change is all that is required

to make this transition. This couldn't be further from the truth and as we all know actions speak louder than words."

IBM New Zealand managing director Jennifer Moxon

"As New Zealand organisations seek opportunities for growth and transformation and focus their investments following the global recession, it's vital we develop a reliable pipeline of skills, both locally and globally, that is able to help deliver on a growing number of major business and enterprise transformation projects.

"We're already seeing a tightening in the labour market, as clients look to increase investment in transformation projects. Industry will need graduates with multi-disciplinary skills who are creative, with abili-



Mark Ratcliffe



Mark Bennett

ties in problem solving and critical thinking. To achieve this greater collaboration with tertiary institutions is necessary."

Salvation Army IT Manager Mark Bennett

"The biggest challenge in 2012 for me will still be transitioning IT from a department that hands out stuff and talks (in another language) about what is being done to one that is business-focused. I'm not providing services (power and phone companies do that), nor am I getting you stuff (Dell, The Warehouse and NZ Post do that).

"I'm trying to understand how

we do business and whether we can do it better. In fact I already know that, so truth be told I'm not going to focus on that. My biggest challenge is going to be helping others (especially the people with the power) understand the capability of ICT and the ramifications if we get it wrong."

Microsoft NZ managing director Paul Muckleston

"Tech skills shortages will continue to be acute in ICT growth areas, and people who keep up with new developments this year and those that emerge in 2012 will be in demand. At the same time a reward-

ing ICT career demands constant learning. People need to make sure they understand the implications of current developments in technology so that they can prepare themselves with new skills.

"This will help them remain valuable to employers as technology inexorably becomes more automated and some problems like deploying virtualisation become simple to solve.

"The policy debate about internet regulation will reach a new intensity in 2012. Most people would agree there are some problems, but it's not always easy to find consensus on the answers. Criminals are figuring out how to exploit the internet for profit, and worse.

"On the plus side, global data flows will increase and offer new social and economic benefits. Trends like these will increase demand for globally interoperable approaches to advance the internet. Internet policy will require careful research and enduring principles-based solutions. We will achieve those lofty goals in the end, although maybe not before the end of 2012!"

Nokia Siemens country director Andrew Button

"Now is the time for New Zealand to be creative, to become a net exporter

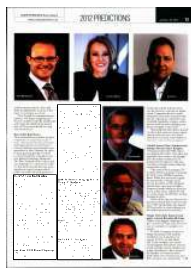
of telecommunications value add. With broadband the tyranny of distance is no longer an excuse.

"New Zealand's communications industry will begin morphing into the new models month by month and will create the platform for innovation. 2012 can and should be a big year for all of us."

Xero CEO Rod Drury

"New Zealand-based, global product companies are beginning to get to scale, offering Facebook and Google style opportunities for developers, testers, marketers and customer care specialists in New Zealand. In order to keep growing quickly we need to attract hundreds of people in our new global technology businesses. The New Zealand talent is there and our challenge is to educate the industry that there are jobs that can earn significant export revenue which really can make the boat go faster."





TUANZ CEO Paul Brislen

“The single biggest issue facing the industry and its users next year is likely to be the network - both the Ultra Fast Broadband and Rural Broadband Initiative rollouts will be underway, but it’s imperative both have good uptake from businesses and from end users. The good news is, there’s plenty of demand from business customers for faster, better, cheaper broadband.

“The bad news is, the biggest driver of consumer uptake is likely to be the good old fashioned ‘triple play’ which will include video on demand, and unfortunately there’s no real sign of that being allowed in New Zealand in the next 12 months. That makes the Commerce Commission’s demand side study so very important, because unless we can drive customers to adopt UFB and RBI, businesses will lose out on a newly emerging digital market here in New Zealand.”

Vodafone CEO Russell Stanners

“The competitive intensity in the industry will increase, not only from

the traditional telcos but also from the new fibre retail service providers and internet and content providers like Google, Facebook and Apple.

“The Ultra Fast Broadband initiative will continue to transform the industry structure. There is no global blueprint for the industry to follow in this new evolving fibre marketplace. We will be leading the world to build new offerings and business models that will shape our future. This is exciting, challenging and scary all at the same time.

“Consumer demand will remain weak while investment demands on operators will increase. We are in a global slowdown with much uncertainty as to future growth opportunities. Providing value, innovation and great service will be the key drivers of success.

“The explosion of data, especially on mobile devices, will continue as the internet rapidly transforms to a personal, anywhere, anytime experience.”

Jade Software managing director Craig Richardson

“For New Zealand-based technology export companies like Jade Software, we believe there is strength in numbers and risk in isolation. For Jade, working together with the likes of Tait, Gallagher and Endace is key to New Zealand getting on the radar of a growing global public safety and security market for our solutions.

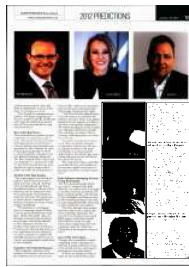
“The New Zealand Government also has a major role to play in the 2012 technology landscape. The current Government has increased R&D support and Labour leader David Shearer made the right noises about supporting local tech companies when he visited our Christchurch development centre in 2011.”

Gen-i CEO Chris Quin

“Despite all the potential of cloud computing, many companies are reluctant to jump in because of concerns around security, operational performance, cost and control.

“Clients are looking for help to make an informed decision about





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Andrew Button



Craig Richardson

which parts of the infrastructure can be moved to a private or public cloud. Companies need to satisfy themselves that their cloud provider has the reputation, experience and verifiable capability in place, with a proven track-record in helping companies navigate to the cloud.

“Knowing that their data is hosted on-shore also reassures many organisations with concerns over where their data is located, and whether or not there is focused local support.”

Alcatel-Lucent New Zealand technology director Kurt Rodgers

“I’m pleased that the UFB rollout was kicked off in 2011. This ultra-fast capability also needs to be brought into the mobile world and LTE (Long Term Evolution) is the solution that is already being rolled out around the world.

“The switch-off of analogue TV in 2013 will free up prime real estate for LTE in the 700Mhz frequency band. While this spectrum is great for nationwide coverage, many service providers in New Zealand already have spectrum in higher frequency bands which are great for use in urban areas. I think we will see some action on LTE here in New Zealand in 2012.

“2012 will be the year that service providers launch their retail services over UFB, and perhaps also launch LTE networks to ensure ubiquity in the tablet/network/cloud future.”

Otago University head of computer science Brendan McCane

“What is the biggest challenge for ICT in 2012? It is the same as it ever was: it is people, it is people, it is people.

“In 2001, Computer Science at Otago had almost 500 students enrolled in our main first year course. In 2011, we had about 200. These numbers are consistent throughout NZ and the western world, and the current numbers are simply insufficient. I have tracked the number of vacancies advertised online over several years and ICT vacancies are consistently >> 14





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double that of any other industry.

“If every company needs to be a software company to compete; if NZ is to promote greater innovation and create more jobs with higher incomes, and grow our economy; if we are to become a true knowledge economy; then we need to acquire knowledge and skills in the most dynamic sector of industry: ICT.

“We can’t rely on the government to do this - it is too important for that. Everyone in ICT needs to trumpet the benefits of ICT knowledge and skills and encourage more people into the industry.”

InternetNZ CEO Vikram Kumar

“Here are three issues from 2011 already setting the 2012 agenda:

“Copyright: The three strikes notice fees review scheduled for March 2012 will see Hollywood lobbying for a decrease in the \$25 fee while everyone else will resist it. Expect no or little change. But angst over copyright penalties will not go away. And, periodically, the Trans Pacific Partnership agreement negotiations and Copyright Tribunal cases will bring it back into the spotlight.

“Digital dividend: Expect lots of noise as various players push their positions in the run up to key decisions about auctioning the 700 MHz spectrum. Government will push on in the name of closing the rural/urban internet divide to Vodafone’s delight.

“Demand side: This phrase will come up again and again as government and, more quietly, ISPs get increasingly concerned about people buying into fibre broadband. Calls for regulating Sky and a common telecom/broadcast regulator will grow. Expect no real progress on both with Sky manoeuvring support behind closed doors. Government’s five point action plan (“E-whatever”) will be a damp squib.”

Lowndes Jordan partner Rick Shera

“The issue that will continue to loom large is how we realistically match our law to the expectations of internet users. This plays out in all sort of areas - copyright and privacy are perhaps the most obvious but you also see it in areas as diverse as raising capital for startups, name suppression for those accused of crimes



and convergence of media regulation.

“There’s the opportunity to make sure New Zealand develops law so it is balanced and realistic - take advantage of the internet’s collapse of distance and scarcity, rather than seeing that collapse as a threat that needs more and more restrictive legislation.”

Telecommunications Carriers Forum CEO David Stone

“Here are two challenges and two opportunities for 2012.

1. UFB will take longer to deploy than current predictions and uptake will be slower. Nevertheless it is something we can’t afford not to do and it will give us an advantage relative to the rest of the world.

2. Skilled labour shortages will become starkly evident and there will be a rush to accelerate ICT training in schools and tertiary institutions. Hopefully the numerate will want to become computer engineers rather than accountants.

3. What our kids will do with UFB once they get a taste at school for what it can do will blow our minds (maybe not in 2012 but not long thereafter).

4. New Zealand will begin to leverage its natural advantages (moderate ambient temperatures, abundant green energy, political - if not seismic - stability) and will become host to a major datacentre.”

• **Computerworld online (www.computerworld.co.nz) is featuring a longer version of these opinion pieces in a series entitled “Predictions 2012” from Monday January 9 to Friday January 20.**





Brendan McCane



Vikram Kumar



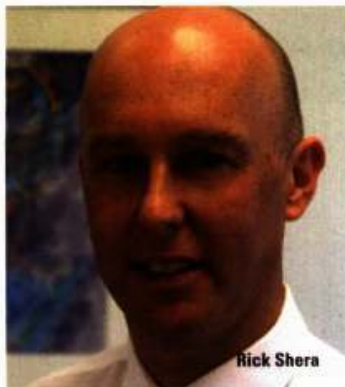
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