

Milner Consulting Limited



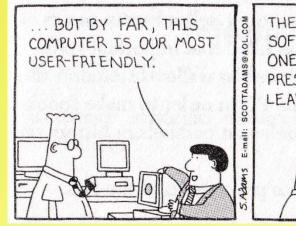
A Snapshot of Information and Communication Technology in New Zealand over the last 50 years

Presented by Dr Murray Milner 3 October 2017

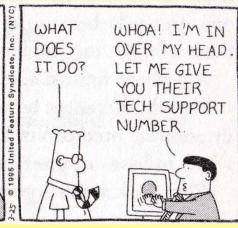
Overview

- Introduction
- The Technology
- Some Major Milestones
- The Companies

- Notable Personalities
- ☐ Successes and failures
- Conclusions





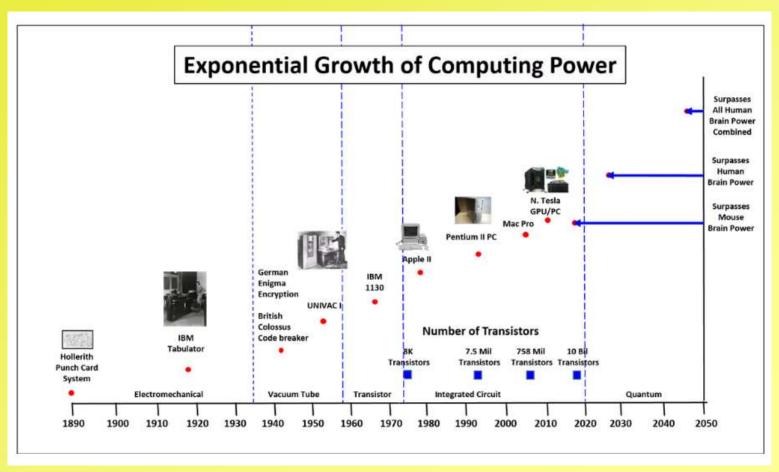


Acknowledgements

- ☐ The content for this lecture has been gathered from many sources including from many of my colleagues who have lived through the evolution of the ICT industry in New Zealand over the past five decades
- ☐ I would like to particularly recognise the contributions from:
 - ☐ Peter Williams,
 - □ Neal Miranda,
 - ☐ Kim Moleta
 - ☐ Mark Bothaway

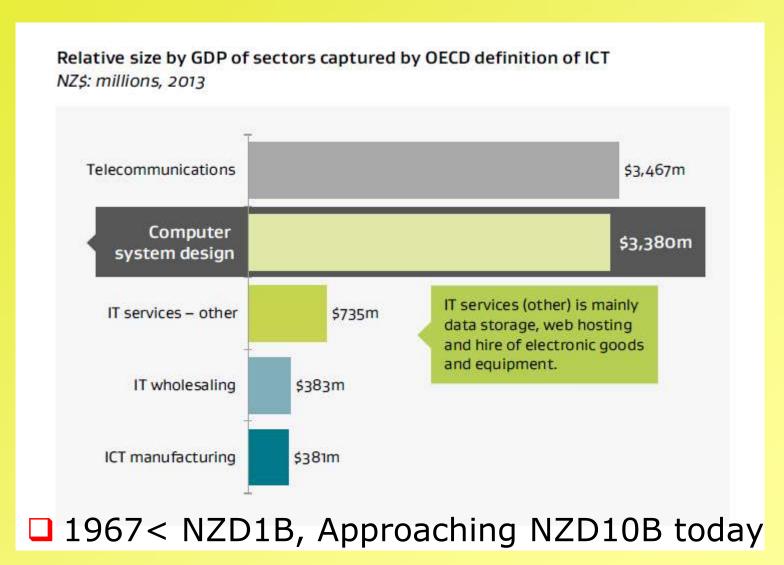
Introduction

Snapshot only: Too much has happened!

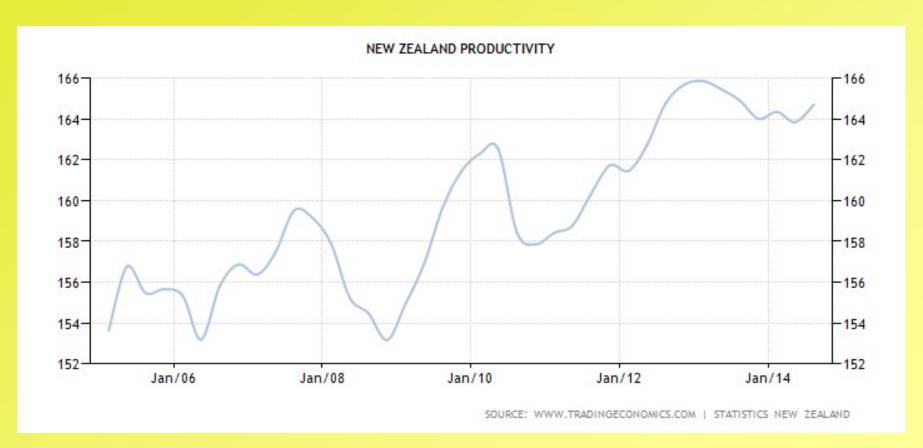


Source: Dr Jeffrey Reilly, Over the Horizon: The Multi-domain Operational Strategist (MDOS)

Value of ICT in New Zealand



ICT as a Driver of Productivity Improvement and Economic Growth



■ Not a simple relationship, but observed by many commentators through **Digital Transformation**

Pre 1960s: When Telephony Density Mattered

The bakelite phone

For obvious reasons, the LM Ericsson product best known to the general public has always been the telephone. From 1931 on, this was made in black bakelite, a thermo-setting resin named after the chemist L. H. Baekeland,

a Belgian working in the US. The design and styling were the result of work at LME's Norwegian subsidiary. Elektrisk Bureau. Not only was the styling new, the circuitry was based on extensive new calculations and measurements in the laboratories. The transmitter included a new anti-sidetone transformer for the first time.

The new telephone was fully on a level with the best foreign designs, and with its practical construction and advanced external form it set a standard in the industry for many years to come. It was adopted by Televerket and the British Post Office, among other administrations.

The desk set was the instrument most commonly in use, but a full range of different types for different uses was soon available: a wall-set, a 2-line set, a set with built-in amplifier, a house exchange telephone, and so on.



TABLE 11. TELEPHONE DENSITY Selected countries and world total.

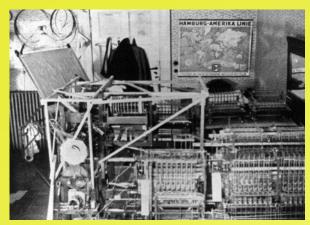
Number of telephones per 100 population.

	1930	1950	1970
USA	16	27	56
Sweden	8	23	54
Switzerland	7	18	45
New Zealand	10	18	44
Canada	14	20	44
Denmark	10	16	32
Australia	8	13	30
Norway	7	13	28
Great Britain	4	10	25
World total	2	3	7

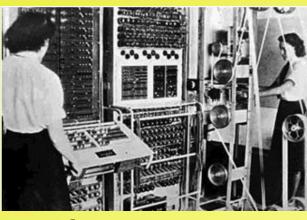
By including figures for 1970, we get a picture of the dramatic extension of the telephone networks that eventually took place.

Selected data from 'LM Ericsson 100 years', vol. II.

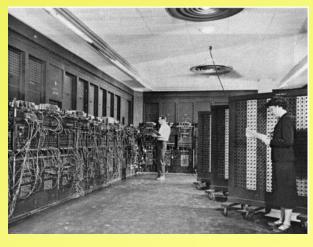
The Earliest Computers



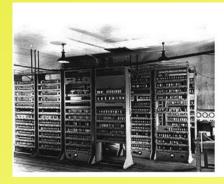
Z1 by Kanrad Zuse, 1936-38

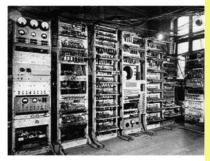


Colossus, Tommy Flowers, 1943



ENIAC, J. Presper Eckert and John Mauchly, 1943-46





EDSAC, first stored program electronic computer, 1949.



Whirlwind
machine, 1955,
first digital
computer
with magnetic
core RAM

Source: Computer Hope, When was the first computer invented? 27 June 2017

Mainframes: "IBM and the Seven



1962: NCR 315 Data Processing System



1971: Burroughs B6700 mainframe

Dwarfs"

Burroughs
UNIVAC
NCR
Control Data
Honeywell
General Electric
RCA

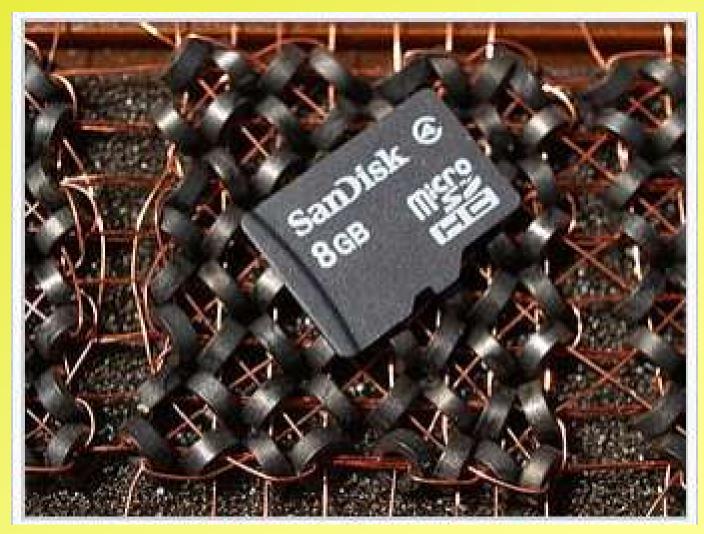


1964: IBM 704 mainframe



1972: Honeywell Bull DPS 8/47 mainframe

Core Memory with a Modern Flash SD Card on Top



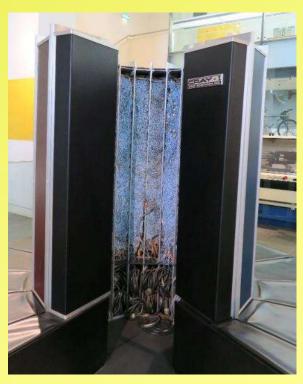
Supercomputers



160 MegaFlops in **1976** to 500 Petaflops in **2017**

1964: The CDC 6600, designed by Seymour Cray, was the first "super computer"





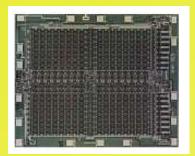
1975: The Cray-1 was a supercomputer marketed by Cray Research Source: British

Museum

2017: The **Cray XC50** supercomputer purchased by NeSI

- 72nd on Top 500 rankings Source: Rob O'Neil, Reseller News, 12 June 2017 17/11/2017 Milner Consulting Limited

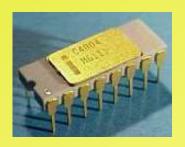
The Evolution of The Microprocessor



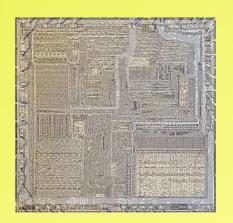
1970: Intel 1103
Dynamic Random
Access Memory
DRAM chip



1973: The IBM Winchester Disk Model 3040



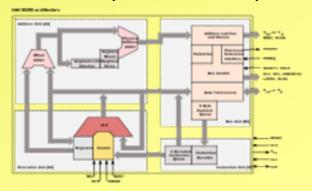
1971: Intel 4004, the first microprocessor chip



1978: Intel 8086 CPU die image



1972: Intel 8008, Intel's second microprocessor chip



1982: Intel 80286 16 bit CPU simplified microarchitecture

Source: Computing History Displays, University of Auckland and Wikipeadia.

The Evolution of the PC



1975: The Altair 8800 Computer





Source: Display in the British
Museum of Science and Technology

1982: Commodore 64: "The best selling computer in history"

Apple vs IBM









1976: Apple 1

1980: Apple III

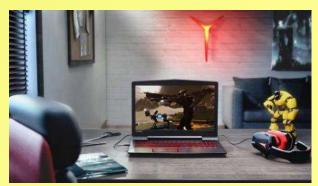
1987: Macintosh SE

2008: MacBook Air









1975: IBM 5100 17/11/2017

1981: IBM PC

1995: IBM Thinkpad 701c

Milner Consulting Limited

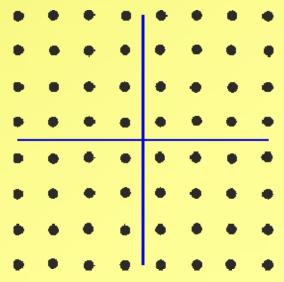
2017: Lenovo Legend Y520

Microwave Radio

- 1959: Wellington-Auckland AMR system commissioned, carrying 600 simultaneous voice calls
- 1976: Substantial upgrade of Analogue microwave routes throughout New Zealand
- **1979:** Nelson-Greymouth AMR System
- 1984: The first Wellington-Auckland DMR system commissioned, using 140Mbps per carrier
- **1986:** By YE 541 Digital TX/RX systems had been deployed
- 2000: All AMR and most DMR long haul systems decommissioned



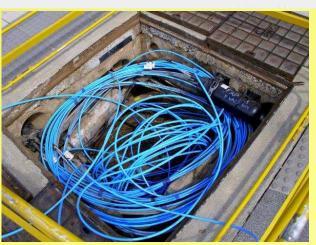


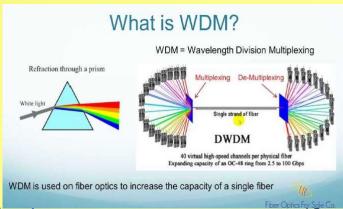


Fibre Optic Transmission

- **1983:** First fibre optic cable system installed
- 1985: 620Mbps fibre optic cable systems in widespread use
- 1988: Telecom installs large capacity fibre optic systems in CBDs
- **1996:** Telecom installs First Media Fibre to the Premise
- 2004: 10Gbps DWDM systems deployed
- 2007: Telecom deploys Fibre to the Node
- □ **2011:** UFB deployment commences
- **2014:** 100Gbps DWDM OTN







Y 8'96



17/11/2017

Fibre to the Premise





Milner Consulting Limited







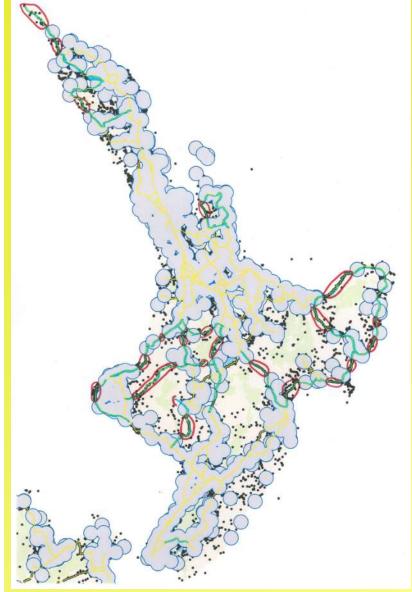
Ultrafast Broadband: 87% FTTP by 2022



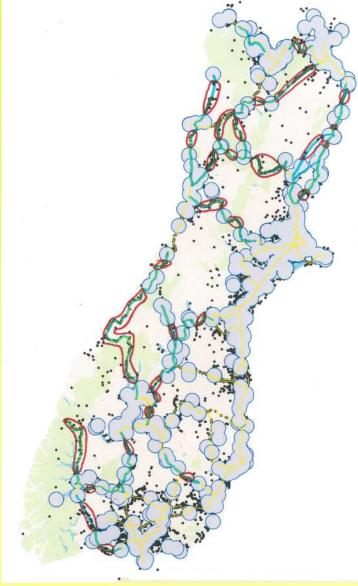


Milner Consulting Limited

Rural Broadband and Mobile Black



Spots



Submarine Cables Connecting NZ to the World



Sydney Morning
Herald
December
1963: COMPAQ
Submarine
cable is
commissioned
(76 telephone
circuits)



ANZCAN submarine cable system commissioned in 1984 (1380 telephone circuits) Source: History of the Atlantic Cable and Undersea Communications

In **1976** the Tasman 1 cable was commissioned



Southern Cross Cable System commissioned in **2000** - Capacity 12Tbps.

Warkworth Satellite Earth Station

Commissioned in 1971



1982:
Warkworth 1
Antenna and
Control
Console





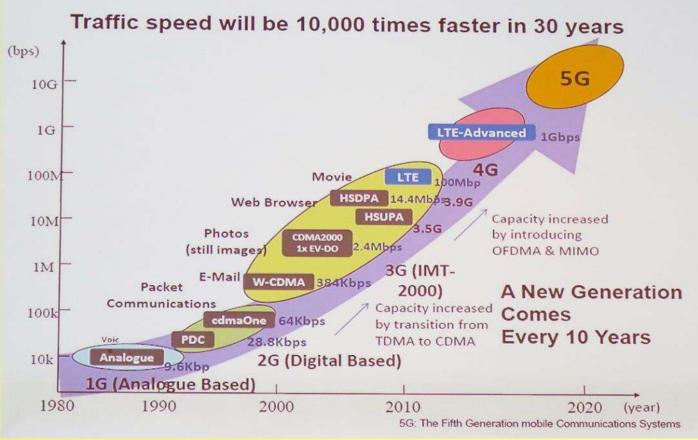
Warkworth SES in 1990 and 2016



1986: "Satellite Man off to the USA"



Cellular Mobile Technology





Evolution of the Mobile Phone



1984: Dyna TAC 8000X



1999: Ericsson T28



1999: Nokia 9110



2000: Ericsson R380 WAP Phone





2007: Apple iPhone 1



2017: Samsung S8

Genesis of the Internet in NZ

■ **1975:** First KiwiNet link

■ 1976: VicNet established

□ **1985:** John Houlker established dot.nz domain

■ 1986: Gateway - US **Computer Science** Network and University of Waikato

■ 1986: Battle of the protocols OSI X.25 and TCP/IP emerged in NZ

□ **1987:** John Hine published "Research Networks in New Zealand"

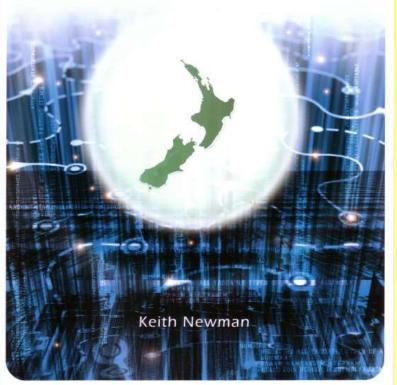
Source: Keith Newman, Connecting the Clouds: Internet in New Zealand, May 2008 25

The Internet Emerges in NZ

- **1987**: Murray Milner led the Advanced Technology Group from Stanford University
- **1989**: First permanent circuit via ANZCAN
- 1990: 14.4kbps satellite link established between Waikato and San Francisco
- 1994: ihug was launched by brothers Nick Wood and Tim Wood
- **1996:** Telecom launches Xtra Internet access service
- 2017: More than 95% of NZers connected



The Internet in New Zealand



Early Government Computing

■ **1961:** NZ Treasury IBM 650 and DSIR Elliot 503

■ **1961:** Ministry of Defence Sperry Univac 1100/62

■ **1969:** Nine government agencies

■ **1970:** Government Computer Centre in DIA

■ **1972:** Computer Services Division (CSD) of SSC

■ **1975:** CSD running 5 large computer centres

■ **1976:** DSIR network of PDP-11 mini computers

■ **1978:** ICL 2980 mainframe

■ **1982:** Wanganui Computer Centre bombing

■ **1982:** IBM 3081 Computer in Cumberland

Data Centre

Milner Consulting Limited







ICT in Healthcare



1985: MRI

2015: Hospital Room





2015:Remote
Diagnostics

Dialysis Dermatology



17/11/2017

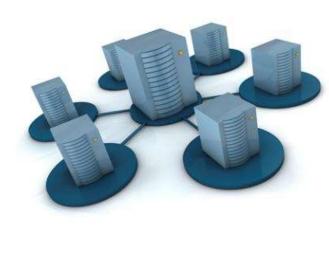
Milner Consulting Limited

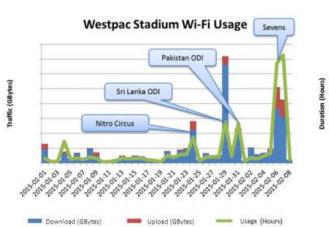
28

Local Government Initiatives

- 1986: Richard Naylor established CityNet for WCC
- 1990: Wellington metropolitan area fibre network known as CityLink was launched using Ethernet
- 1991: CityNet was opened to public access
- **1995:** CityNet had over 3000 users
- 1997: CityLink established as a private company
- 2009: CityLink Acquired by TeamTalk







Early Academic Computing

- **1962:** University of Canterbury IBM 1620
- **1963:** IBM 360 series computers in Universities
- **1971:** Vice Chancellor's Committee purchases of five Burroughs B6700 mainframes
- 1980: Approx. 100 computers in secondary schools
- 1981: Wellington Polytech develops Amber Pegasus
- **1984:** 1282 microcomputers purchased by schools
- 1985: 95% of secondary schools had at least one microcomputer









Early Business Computing

- **1961:** IBM 650 at Griffins Biscuit factory
- □ **1969:** Databank computer centre
- 1972: Largest IBM System 3 installation in NZ at Waikato Savings Bank
- **1972:** 200 business computers in operation
- **1982:** First twin floppy IBM PCs supplied to AirNZ
- 1982: New World installed first IBM 3680 Point of Sales system
- **1983:** IBM Personal Computers launched for business
- **1983:** AMP's System 360 is decommissioned 17/11/2017 Milner Consulting Limited







60 years of IBM in NZ

The Good, the Bad and the Ugly



1962: IBM1620



1964: IBM 360

IBM NZ trecomes direct branch of IBM World Trade Corporation, Harold Franke appointed NZ managing director, AMP first customer with installation of 421 unit record. General Motors second customer

First electronic computers announces (701 and 650). Computers ordered by General Motors, AMP, Pailways,

— produces 5 million cards annually, IBM Service Bureau (data centre) opened in Wellington, Payroll system installed at M7.0-3

1958

Jack Wills (former head of Treasury) appointed NZ managing director. First system sale of 650 tape system (leased at US\$12,000 per month) to Treasury.

Auckland data centre opened by Mayor of Auckland Sir Dove Myer Robinson. IBM NZ's revenue £596,000; 92

Social security benefit cheques produced on IBM cards (manufactured at IBM card plant, Naenas). Launch of

1964

Thomas J Watson Jor, chairman and CEO of IBM World Trade Corporation

with Air NZ (then NAC) begins. First online order entry system sold to Gough

ASB installs teller terminals online

1970

IBM NZ starts annual briefings to media Fred Hall becomes acting NZ managing

1971

IBM Centre on the Turrace in Wellington opened by Prime Minister Keith Inloyace, IBM besomes NZ registered campany, First System, 3 Installed in the South Island at Canterbury Electric Power Board, System 370 with silicon chip technology launched. David Streatives: worspirida NZ massign.

1972

Largest System 3 in NZ installed at Walkato Savings Bank, CICs and DL/1 database announced, marking beginning of online era. 171 dictating unit, 172 transcribing unit and System 370 virtual storage announced.

1975

for community service established. 4340/4360 introduced, offering 4x price-performance (a ballot is run for first customer shipment).

1978 BNZ installs 3600 in NZ branches

New World opens 53° supermarket, in Auckland, with IBM 3680 point of sale system. First IBM 3091 computer in NZ installed at Government's Cumberland

1983

IBM Personal Computer taunched into businesses (not homes), Unitever first in NZ to purchase a PC. AMP's System 360 (last in Wellington) decommissioned. Databank places IBM NZ's largest order

3.1 hectares of land purchased for IBM's Petone complex. Air charter service begins for express parts dulivery.

New Zealand awarded 'best overall performer' in IBM, IBM NZ's revenue \$250 million; 800 employees.

IBM's Petone complex opens 23 November, OS/2 announced, Herb Hunt

1988

AS/400 announced. Wheelwriter II series of electronic typewriters announced. Personal System 2 Model 30 announced.

Smoking banned in IBM buildings. IBM Australia/New Zealand formed System 390 announced (new range of 18 processors, IBM Enterprise/9000 tamily). IBM NZ revenue is \$252 million. Graham Murray appointed NZ managing

1993

ICMS installed in Cable and Wireles UK. IBM and NZ Police sign INCIS contract. Noel Learning becomes first user of IBM's new 4694 point of sale terminals. P&O purchase first rack-mounted RS6000 in Wellington. IBM NZ's revenue \$224.7 million.

1995

1996

Formation of IBM Global Services announced in New Zealand. IBM acquires Tivoli Systems Inc.

1999

IBM Australia and New Zealand integrated for second time. IBM acquires Sequent, IBM enterprise storage server, codenamed 'Shark', launched, Ken Symington appointed NZ managing

Nick Lambert appointed NZ managing director. Westpac outsourcing contract signed. IBM and NZ Police agree on closure of INCIS contract. IBM e-server introduced. IBM NZ's revenue \$307

2001

2002

IBM acquires PWC Consulting. Air NZ extends partnership with IBM, Weta Digital purchases xSeries servers. BNZ purchases new feller system. Vodafone and Auckland University engage services of IBM Business Consulting Services. IBM eServer Blade system introduced.

2003

IBM's graduate program resumes in New Zestand, ICMS sold to US company CSG, IBM acquires Rational Software. Fonterra engages IBM's Business Consulting Services.

2004

managing director.IBM NZ's revenue \$390 million; 730 employees; 240 contractors. IBM starts donating the KidSmart early learning programme to New Zealand kindergartens.

2005

The Birth, Life and Death of Digital Equipment Corporation



1998: Became Compaq

2002: Purchased by Hewlett

Packard

DIGITAL EQUIPMENT CORPORATION (NEW ZEALAND)

LIMITED

1971: Incorporated

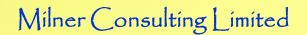
1999: Dissolved





1969: PDP-11

LIVE FREE OR DIE



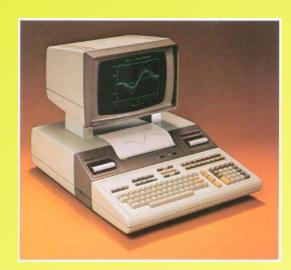
1962: DEC PDP-1

Hewlett Packard Ltd



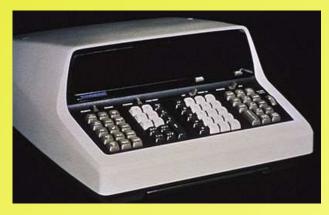


1969: First HP 2116 at UoA

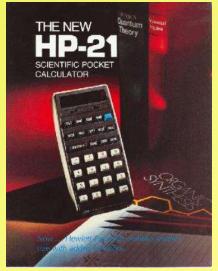


1977: HP9845A

17/11/2017



1968: HP9100A



1972: HP-35

1975: HP-21

Milner Consulting Limited



1972: HP3000



1980: HP-85



1984: Fujitsu NZ

2017: 55 years of Fujitsu

in NZ



1974: Tandem Computers

1983: Non-stop system

1991: Telecom IN

1997: Acquired by

Compaq

17/11/2017

And Many More UNISYS

1971: Burroughs in NZ

1986: Merger of

Burroughs and Sperry

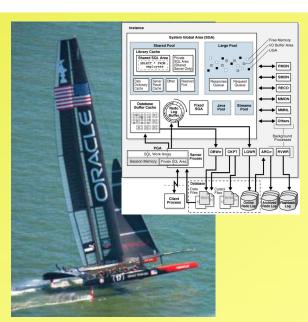


1976: Wang NZ Ltd

1987: Telecom DAS

1997: Delisted

Milner Consulting Limited



1977: Established

1983: NZ Dairy Company

1995: Prominence in NZ



1972: Established

1977: NZ Office

1995: Telecom ₃₅

Datacom

- **1965:** Computer Bureau Ltd (CBL) founded by Bernard Battersby and Paul Hargreaves in Christchurch using ICL 1902 mainframe
- **1970:** Acquisition of Fletcher Computer Bureau
- **1984:** Changed name to Datacom
- **1989:** CBL Merger with CCL
- 1992: Merger with IT department of NZ Post
- 2011: Datacom launches VMware Cloud
- 2013: Hamilton data centre at Kapua opens
- 2013: The company acquires IP and assets from XciteLogic
- **2016:** NZD1B revenue year





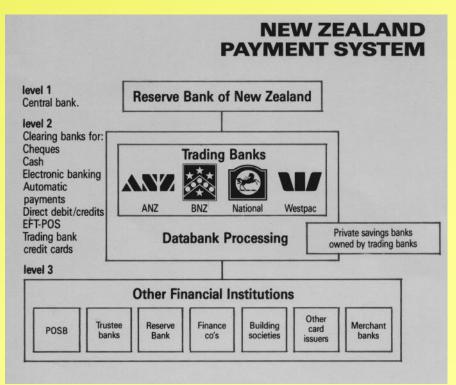




Databank Systems Ltd

- 1967: Established by a consortium of banks led by Gordon Hogg
- 1969:Money Transfer Services (MTS) introduced
- **1974:** Chequing accounts introduced
- 1979: Databank servicing more than 1,200 banking offices
- **1980s:** Rapid introduction of ATMs and EFTPOS
- □ **1984:**Banking deregulation
- 1989: Inter-company transactions must carry GST
- 1994: Databank sold to EDS





Telecom New Zealand Teleco



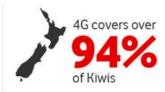
- 1987: Telecom Corporation of New Zealand
- □ **1987:** District Accounting System (DAS)
- **1989:** Telecom ICMS development commences
- **1989:** AMPS analogue cellular system introduced
- ☐ **1990:** Telecom New Zealand privatized
- 1991: DAS capability was consolidated to Hamilton
- **1996:** Telecom launches Xtra ISP
- ☐ 1999: Jetstream ADSL launched
- 1999: Outsourcing agreement signed with EDS
- 2000: Southern Cross Cable project completed
- 2000: CDMA cellular network launched
- **2005:** Major upgrade of billing systems
- 2006: Operational Separation
- **2011:** Structural Separation into Chorus and Spark



New Zealand

Vodafone NZ Ltd









- **1998:** Acquired Bellsouth's 65% stake in BellSouth New Zealand
- **1999:** Purchased the remaining 35% stake owned by Singapore Technologies Telemedia.
- **2000:** Owner of radio spectrum management rights in the 900, 1800 MHz ranges, the 1.9, and 2.1 GHz ranges
- 2012: Purchased TelstraClear, making it NZ's second largest ISP
- **2013:** Launched their LTE network which is currently available in 54 centres
- **2016:** Completed RBI1 rollout





Many Other Telcos

Wireless
Internet
Service
Providers









Retail Service Providers















Milner Consulting Limited

Wholesale Service Providers







NZs Own Social Media Giant

trademe

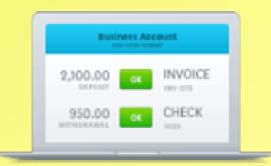
- 1999 Trade Me established by Sam Morgan
- 2000 Success fees introduced
- 2003 Trade Me Motors launched
- 2004 NZ's fastest-growing company in 'Deloitte Fast 50'
- ☐ 2005 Trade Me Property launched
- **2006** Trade Me Jobs launched
- **2006** Sale to Fairfax for NZ\$700 million
- 2008 1 million concurrent listings achieved
- 2010 iPhone app launched
- □ **2011** 1 million members logging in each month
- **2012** Trade Me listed as a public company onto the NZX 50 Index
- 2014 50% of all Trade Me sessions are via a mobile device
- □ **2015** 1 billionth listing goes live
- **2017** Launched Buyer Protection

Source: https://www.trademe.co.nz/about-trade-me/our-story

Xero Highlights

- **1986:** Xero Limited was officially formed in Wellington
 - ☐ By Rod Drury and his personal accountant
- **2007:** IPO on NZX for NZD150m
- 2008: Entered Australian and UK markets
- 2009: Raised NZD23M private funding from Craig Winkler
- **2011:** Entered the United States market
- **2012:** Public Listing on ASX
- 2013: Raised > NZD230M from private investors
- 2014: Chris Liddell announced new Chairman
- 2015: Best accounting software in the Cloudswave Awards
- 2016: Announced a partnering agreement with PayPal







Some More Large NZ ICT Companies



1969: Trevor and Corallie Eagle

founded Eagle Technology

2017: World leading systems

integration and information

Management company



1993: Solnet Technologies

2003: Solnet Solutions

2017: Digital transformation specialists



1978: Jade Software Corporation Limited founded by Gill Simpson in Christchurch
- Based on LINC adopted by Burroughs
2017: Designs, builds, and markets software products and services for businesses worldwide



1993: Orion Health founded by Ian

McCrae

2017: Integrated healthcare and precision

medicine solutions

Many Other Innovative NZ ICT Companies



















And all the Usual Multinationals



NOKIA SONY



Orchestrating a brighter world















TOSHIBA

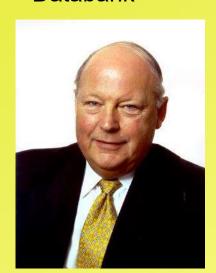


Milner Consulting Limited



17/11/2017

Gordon Hogg and Databank



Trevor Eagle and Eagle **Technologies** 17/11/2017

Some Notable Personalities



Malcolm Dick and



Peter Troughton and Telecom NZ
Milner Consulting Limited



Sir Neville Jordan and Marine Air Systems



Dame Margaret Bazley and Public Service



Sir Angus Tait and Tait **Electronics**



Sir Gilmore Simpson and Jade 46

Many Successes and a Few failures

NZ Herald - 30 June 2000 \$1.4m bill to bury Incis project

New Zealand Herald - 18/12/2013
Taxpayers' Union Uncovers Massive
IT Screw Up Within DOC

The National Property and Land Information System (NaPALIS) initiated two years ago ... \$5.6 million project was completed several months late and failed to function

Dominion Post - 21 April 2015
The Ministry of Justice has been left red-faced after a software programme aimed at modernising courts was scrapped at a cost of almost \$7 million to the taxpayer.

2011: About 200,000
newspaper subscribers in four
New Zealand cities missed out on
their morning papers after a
computer glitch stopped the presses



2015: Novapay NZD225m to date

Why Large ICT Projects Fail?

- Lack of good governance, poor leadership
- ☐ Lack of expertise, skill, experience
- Poor standards compliance
- Poorly defined objectives
- Unrealistic timeframes and costings
- ☐ Too long in define and design (no early outcomes)
- Proprietary technology (less so now?)
- □ Rapidly changing tech. and trying to stay current
- Changing business priorities and marketplace

Best Practice Supported by IEEE

- □ Institute of Electrical and Electronic Engineers for more than 150 years
- ☐ Region 10 (Asia-Pacific) for 50 years
- ☐ Since 1999 in the Central Region
- Collaboration with Engineering New Zealand and Institute of Engineering and Technology
- Working with Academics and Industry







Most Visible Through Standards



- Developing standards for ICT for over 40 years
 - ☐ IEEE-260-1978: Standard Letter Symbols for Units of Measurement (now 260.1-2004)
 - ☐ IEEE-488-1978: Standard Digital Interface for Programmable Instrumentation, IEEE-488-1978 (now 488.1)
 - □ IEEE-802.1-1992: Standards for LAN/MAN bridging and management and remote media access control (MAC) bridging
 - ☐ IEEE-802.11-1997: Standards for Wireless Networking WiFi
 - □ IEEE-1003-1997: UNIX compatibility programming standard POSIX
 - ☐ IEEE-P1363-2000: Standards for Public Key Cryptography
 - ☐ IEEE-1906.1-2015: Recommended Practice for Nanoscale and Molecular Communication Framework

Conclusions

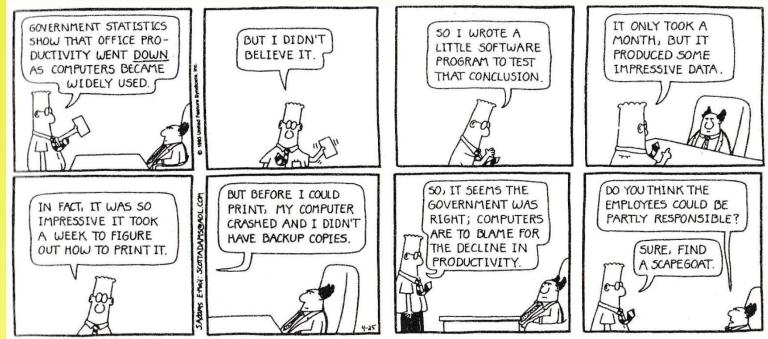
- New Zealand has a rich history in ICT for more than 50 years
- □ Technology has evolved dramatically over this period
 - We now have computers in our pockets that are 1000s of times more powerful than those that filled rooms in the 1960s
 - ☐ Offers a vast array of opportunity
- We have seen the best and the worst that ICT can bring to society
- □ Some notable personalities have emerged over the years
- Best practice supported by IEEE over more than 100 years and 50 years in Region 10



Milner Consulting Limited

Thanks for Your Attention Questions?

Source: Scott Adams, Dilbert Future, Boxtree, 1997



17/11/2017

Dr Murray Milner Principal Consultant