

Agenda for the 2015 InternetNZ Annual General Meeting

Date: Thursday 30 July 2015
Time: 6:00 – 8:00 PM
Venue: Cable Room - Mac's Function Centre
 4 Taranaki Street, Wellington

18:00	Meeting opens Apologies <i>(MOVED: President/) "THAT the apologies be accepted".</i>
18:05	Special Presentations InternetNZ Fellows
18:10	Minutes of 2014 AGM and Matters Arising <i>(MOVED: President/) "THAT the minutes of the 2014 AGM be received and adopted as a true and accurate record of the meeting."</i>
18:15	President's Report (on behalf of Council) <i>(MOVED: President/) "THAT the President's Report be received."</i> <i>(MOVED: President/) "THAT the Annual Report be received."</i> <i>(MOVED: President/) "THAT the Audited Annual Accounts be accepted."</i>
18: 25	Crowe Horwath Wellington <i>(MOVED: President/) "THAT Crowe Horwath Wellington be appointed auditor for the 2015/16 audit"</i>
18:30	InternetNZ Operational CE Report <i>(MOVED: President/) "THAT the report of the Chief Executive be received."</i> 2015/16 Budget <i>(MOVED: President/) "THAT the 2015/16 Activity Plan and Budget be adopted."</i>
18:40	DNCL Report <i>(MOVED: President/) "THAT the DNCL Annual Report be received."</i>
18:50	Break
19:05	NZRS Report <i>(MOVED: President/) "THAT the NZRS Annual Report be received."</i>
19:15	Information update Membership survey 2015 results
19:25	Announcement of Election Results
19:30	General Business
19:40	Meeting closes

MINUTES OF THE 2014 ANNUAL GENERAL MEETING

Status: Draft

Date: Thursday 31 July 2014

Venue: Shed 6, Waterfront, Jervois Quay, Wellington

Frank March (InternetNZ President) welcomed Members and other guests, and officially opened the AGM at 6.00pm. There were more than 20 financial members present at the meeting and therefore the quorum requirement was met. Frank announced that voting was re-opened and would close at approximately 7.00pm. Only members who had been a financial member for at least three months are eligible to vote.

1. Apologies:

Apologies were received from Neil James, Colin Jackson, Daniel Spector, Peter Dengate-Thrush, Lance Wiggs, Mike Forbes, Rick Shera, Kay Jones, John Rumsey, and Di Daniels.

AGM 01/14 THAT the apologies be accepted.

(President/ Keith Davidson)

CARRIED U

2. Minutes of 2013 AGM and Matters Arising:

The minutes of the 2013 AGM were taken as read.

AGM 02/14 THAT the minutes of the 2013 AGM be received and adopted as a true and accurate record of the meeting.

(President/ Richard Wood)

CARRIED U

There were no matters arising from the minutes.

3. President's Report:

Frank gave a summary of his report. Highlights on his reports included how InternetNZ had developed over the years. He noted that as he argued when he was first elected, InternetNZ did not exist to serve its members but what it does was to provide a platform for anyone with an interest in an open and uncapturable Internet. After five years, Frank advised that InternetNZ was stronger and able to provide that opportunity.

He noted that this would be his last AGM to Chair as he decided to resign from his role as President. He thanked Council for supporting him on his role as President and acknowledged Donald Clark, whose term in Council finished at this year's AGM, and thanked him for his contribution to the organisation. He also thanked Michael Foley and Andy Linton for their many years of service both on Council and on the DNCL Board

Frank also acknowledged Donna Hiser - a Fellow who had recently passed away, and noted her enormous contribution to InternetNZ especially during its very difficult time taking on the role as

Chief Executive of Domainz at short notice; later on moving in the position of Board of Domainz and then becoming a member & Chair of the NZRS Board after.

With no further comments and questions, Frank took the opportunity to thank the members of InternetNZ for their support over the years.

AGM 03/14 THAT the President's Report be received.

(President/ Joy Liddicoat)
CARRIED WITH ACCLAMATION

Jordan was invited to present the Annual Report. Some of the activities he highlighted from the report were the improvement of the Community Funding process, the success of the recent NetHui, and new branding for InternetNZ.

The Annual Report is available online and could be viewed via the InternetNZ website.

AGM 04/14 THAT the Annual Report be received.

(President/ Richard Currey)
CARRIED U

AGM 05/14 THAT the Audited Annual Accounts be accepted.

(President/ Richard Currey)
CARRIED U

AGM 06/14 THAT BDO Wellington be appointed auditor for the 2014/15 audit.

(President/ Richard Currey)
CARRIED U

4. Chief Executive's Report

Jordan spoke to his report and gave a brief summary around the plans for the coming years included in the 2014-2015 Business Plan including the strategy and plan for the coming General Elections.

AGM 07/14 THAT the Chief Executive's report be received.

(President/ Jim Higgins)
CARRIED U

AGM 08/14 THAT the 2013/14 Business Plan and Budget be adopted.

(President/ Rochelle Furneaux)
CARRIED U

5. DNCL Report

The President invited David Farrar (DNCL Chair) to speak to his report. Some of the highlights that David shared were around the decision to allow registrations directly at the 2nd level, 100% SRS & DNS availability by NZRS which is well above the Service Level Agreement with DNCL, and the .nz growth over the last year.

David also took the opportunity to thank Council for their confidence in the DNCL Board and paid tribute to the other DNCL Directors, as well as to the Chief Executive and staff of DNCL.

AGM 09/14 THAT the DNCL Annual Report be received.

(President/ Michael Wallmannsberger)

CARRIED U

6.30pm to 7.00pm – Refreshment Break

6. NZRS Report

The President invited Richard Currey (NZRS Chair) and Jay Daley (NZRS CE) to speak to their report.

One of the key points in their report was around the net growth on the .nz domain name registrations. Richard advised that there was a significant drop in the growth of the .nz domains due to the introduction of new gTLDs – which meant that although we continue to generate good revenue, the growth is no longer on the same rate as compared to past years.

Jay also gave an overview of the NZRS five Strategic Goals which is linked to their Business Plan & Strategic Plan. He also presented a 1-minute video called “John the Plumber” which was a basic video showing how to register a .nz domain as well as the importance of having an online presence. Jay advised that the video is now shown as a pre-roll on YouTube videos and have gained over 200,000 views already.

Richard & Jay thanked the NZRS Board and staff for the work completed during the year, and acknowledged the support from Council especially from Frank, as President.

AGM 10/14 THAT the NZRS Annual Report be received.

(President/ David Farrar)

CARRIED U

7. Membership Survey

Jordan presented the results of the Membership Survey.

The survey was done anonymously between June and July 2014. There were 91 individual responses received but not all responses were complete. It was noted that comparing it with the previous year's data, where there was 58 responses received, trends should be interpreted with caution.

Majority of the members have been members of InternetNZ between 2-10 years and some of the reason why they joined were because they believed in the InternetNZ's mission, and wanted to be involved, as well as actively participating in driving change.

Most members responded that their reasons for becoming a member had partially been met. Members were given the opportunity to provide comments on how this can be improved and one of the comments was to have better communications and better connections with the community.

8. Election Results

Frank invited Maria to announce the interim results of the Council elections.

There were two nominations received for President and eight nominations for the four Councillor positions. Online voting opened on 17 July and officially closed around 7pm at that AGM.

After the votes were checked, the newly elected Officer and Councillors were:

- Jamie Baddeley (President)
- Rochelle Furneaux (Councillor)
- Dave Moskovitz (Councillor)
- Sarah Lee (Councillor)
- Hayden Glass (Councillor)

Maria advised that the interim results would be reviewed, signed by an independent scrutineer and the final results would be released on Friday 1 August.

Frank congratulated the newly elected Officer and Councillors, and also acknowledged the other nominated candidates.

Jamie Baddeley thanked members for supporting his nomination and also thanked Michael Wallmannsberger for his work for InternetNZ over the years. He also acknowledged Donald Clark for his contribution to InternetNZ during his term as member of Council and paid tribute to Frank.

It was noted that with Jamie Baddeley being elected as President, a vacancy will occur for the Vice President position hence a by-election will be conducted. Nominations for the by-election for the Vice President will be announced and would open the following day (1 August).

9. General Business

Laurence Zwimpfer of 2020 Communications Trust acknowledged the support of InternetNZ via strategic partnership, as well as to Frank and the Council for their supporting this partnership.

Keith stood and gave a few words as tribute to Frank, for all the work he had done for the organisation since the beginning and especially during his term as President of InternetNZ.

Meeting closed: There being no further business, the 2014 Annual General Meeting closed at 7.41pm

Signed as a true and correct record:

.....
Frank March, CHAIR

2014-2015 <<<<< >>>>>>>>>>

Annual
Report



 InternetNZ

OVERVIEW



InternetNZ is a voice, a helping hand and a guide to the Internet for all New Zealanders. It provides a voice for the Internet, to the government and the public; it gives a helping hand to the Internet community; and it provides a guide to those who seek knowledge, support or any other method of benefiting the Internet and its users.

InternetNZ's vision is for a better world through a better Internet. To achieve that, we promote the Internet's benefits and uses and protect its potential. We are founded on the principle of advancing an open and uncaptureable Internet.

The growing importance of the Internet in people's everyday lives means that over the last twelve months we have significantly reoriented our strategic direction. The Internet is everywhere. We are a voice for the Internet's users and its potential to make life better.

InternetNZ helps foster an Internet where New Zealanders can freely express themselves online – where they can feel secure in their use of the Internet. We foster an Internet where a start-up can use the web to develop a presence and customer base for a new product, and we foster an Internet where gamers can get online and battle it out.

We work to ensure this Internet is safe, accessible and open. The work we do is as varied as what you can find on the Internet.

We enable partner organisations to work in line with our objects – for example, supporting Internet access

for groups who may miss out. We provide community funding to promote research and the discovery of ways to improve the Internet. We inform people about the Internet and explain it, to ensure it is well understood by those making decisions that help shape it.

We provide technical knowledge that you may not find in many places, and every year we bring the Internet community together at NetHui to share wisdom, talk about ideas and have discussions on the state of the Internet.

InternetNZ is the designated manager for the .nz country code top-level domain and represents New Zealand at a global level through that role.

InternetNZ is a non-profit open membership incorporated society, overseen by a council elected by members. We have two wholly owned subsidiaries that ensure that .nz is run effectively and fairly – the Domain Name Commission (DNC) develops and enforces policies for the .nz domain name space, and .nz Registry Services (NZRS) maintains and publishes the register of .nz names and operates the Domain Name System for .nz.



PRESIDENT'S REPORT

Greetings. It has been quite a year. As we pause to reflect on the last year and consider what lies ahead, I must say I am happy with the path that our organisation has been on over the last 12 months and how we are looking to the future. Our organisation is in a good place, but that's not to say that we are not looking for ways we can improve and do better for you, our members, and for the local internet community.

Some milestone moments for me have included the introduction of .nz name registrations at the second level – a process that our subsidiaries DNCL and NZRS performed with aplomb. I think you will agree with me that the entire process was handled extremely well, and I'd like to thank the Chairs, Chief Executives and staff once again for carrying this out in completely professional and well executed manner.

I have observed our Chief Executives in full flight in the international arena, managing the interests of .nz for the benefit of the local Internet community in an environment of one of the biggest changes in Internet Governance in some time. The U.S. Government is stepping back in its role, and it is asking the multistakeholder

community to step up. It is our people that are a key part of that. Now is the right time for that.

I can report that Council has continued to perform very well as a team, and has provided good guidance and support to the Chief Executive, and to the subsidiaries. On a personal note I would like to thank each and every one of the Councillors who have worked with me this year – it has been a delight, and I think we have all grown as a group. I feel privileged to be allowed to facilitate and focus such a group of people as you.

I'd also like to make special mention of Joy Liddicoat, my Vice President, someone who I can rely on to help me ensure a good balance of perspectives is 'bubbling up' (to steal a phrase from Joy).

PRESIDENT'S REPORT

Our Chief Executives are working well together. There are some wee aspects of tension from time to time, but I must say that is by design, and a side effect of our somewhat unusual but entirely intentional structure. I think we see the benefits of that creative tension turn up in many different ways.

Jordan has continued to grow and develop as our Chief Executive, and has been tireless in representing our interests in these changing times in the international arena, at times working hard whilst the rest of us are asleep – the tyranny of the time-zones! As he reports, there have been some changes internally as he seeks to optimize the way he organizes the execution of our objectives, but I am, as are Council, entirely confident in Jordan's ability to get us there.

I would also like to thank the Chair of the Grants Committee – Dave Moskovitz. Over the last year the process of how InternetNZ gives back to the local Internet community really has gone from strength to strength. It is a demanding job as far as commitment goes, but as is often the case, incredibly rewarding. In my view this is a very important part of what InternetNZ does. It is the strategic objective of this council to make it more important.

Finally I'd like to make mention of Neil James. For those of you who know Neil, you will understand that Neil only says things that he thinks are important, that he has considered carefully. Neil has been our long time chair of the audit and risk committee. Sometimes a thankless task, but an important one. Thank you Neil.

Now if I could turn to the future. As Jordan says, 20 years. This is significant. It is my view that our organisation must take serious thought about what lies ahead.

Over the last few years Council has spent some time considering whether the objects of the society are fit for the next 20 years. And this has been a matter of good debate and discussion. We have also spent time considering how to position the organisation to be able to carry out the good work that it does for the local internet community with a reduced need on revenues from .nz. This will be something that I'd like to see us get right for the next 20 years.

We should celebrate all the good things that our organisation has done over the past two decades. We should celebrate the work, effort, time and love that various members, councillors and staff of InternetNZ have given to making sure the local Internet community is as strong and diverse as it is. Of course the strength and diversity can always be improved, but we have come a long way – as has society in general.

But we should also be considerate of the challenges that lie ahead. We must always seek to protect the end to end principle – that is to ensure that anyone on the planet can communicate with anyone else and face *as little interference in that communication from 3rd parties as much as possible*.

In that context however, we should also remember the wisdom of those who came before us. Be liberal in what you accept, and conservative in what you send.

So with that judgement and care and consideration applied to our actions, I believe that the InternetNZ perspective of an open and uncapturable Internet will continue for the next 20 years – as long as we continue to work hard to make it that way.



CHIEF EXECUTIVE'S REPORT

In 2015 we turn 20!

In 1995, the New Zealand Internet community (a far smaller group than those who use the Internet nowadays) got together and collectively realised there needed to be an organisation to manage .nz. That's us.

Their vision was to form a responsible steward for .nz, and to use any surplus money arising from its operation in the interests of the local Internet community.

Since 1995, surpluses have emerged and the Internet community has grown and diversified. Alongside that, our mandate has broadened. Today, InternetNZ seek to create a better world through a better Internet. A better Internet starts with one that's open and uncapturable.

We do that work in a number of ways. We have the Internet Issues Programme that focuses on solutions and advancements for thorny Internet policy problems. We dedicate half a million dollars every year in community grants, sponsorships and partnerships to help others to further the interests of the Internet, and every year we host a number of events to foster a spirit of collaboration throughout the New Zealand Internet community.

This is my Third Annual Report as Chief Executive and looking back on the last 12 months I can see

we've made great progress. A firm foundation is in place for the next steps we must take.

We have refined our work programme to better identify the Internet issues that we will focus on. The last 12 months has seen us focus on a mix of high-profile and 'behind the scenes' Internet issues – issues that we view as being the ones we're best equipped to face.

This has included writing a Briefing to the Incoming Minister of Communications on the state of the Internet; working with Parliament on the Harmful Digital Communications Bill, collaborating with New Zealand's technical and security community on developing a CSIRT paper and of course the on-going battle to ensure fair prices for broadband on the copper network – work that continues even now!

On the community front, as mentioned above, we had the funding rounds, plus a special funding round devoted to projects to help Canterbury. We hosted not one, but two NetHui – NetHui 2014

CHIEF EXECUTIVE'S REPORT



in Auckland in July and NetHuiSouth in Christchurch in November.

NetHui 2014 was a great success with a real focus on the importance of the kaupapa and celebrating diversity on the Internet my key takeaways. This year we're looking at keeping on keeping on with a renewed focus on the business of the Internet – this year's theme for NetHui is "the Internet is everybody's business" – it's important to remember that this great, beautiful, anarchic thing we use to connect with one-another can also be used for business.

Internationally, in March 2014 the United States said it would step away from its control of the core Internet numbering and naming functions operated by ICANN through a contract. People across the InternetNZ group have been helping design the transition to a non-government-controlled framework that keeps ICANN accountable, and keeps letting us do our job with .nz securely and reliably.

We've seen some staff changes, both losing and gaining. Krystal Waine, our Events Lead, left us after organising some brilliant events – including NetHui. She was replaced by Yvonne Shelton who has been thrown straight into the deep end, juggling NZNOG and plans for NetHui 2015 and APRICOT 2016 all with aplomb.

Marian Donaldson became my – and the organisation's – organiser. She has done a brilliant job, organising logistics for NetHuiSouth as soon as she got here, and going above and beyond in all sorts of areas to support the team.

Members, Councillors and staff together – especially in my case to my staff team – thank you so much for all the work you do. Here's to the next twenty years!

We also brought Andrew Cushen on as Work Programme Director. In the past 12 months Andrew has helped bring a clarity and coherence to our Internet issues work, as well as very ably stepping into my shoes when I've been away.

In 2014/15 InternetNZ also said goodbye to some Councillors. It is over to Jamie to speak more of them, but I'd like to make a special note of thanks to two: Frank March for his years of service to InternetNZ, most recently as President but also as a long time chair of NZOC (the predecessor of Domain Name Commission Ltd), and Michael Wallmannsberger for his service on the Council and as a director of NZRS over many years.

With Jamie Baddeley stepping up to the President's role, joined by Joy Liddicoat as Vice President, the Council has remained a supportive, well-functioning and thoughtful governing body that has helped the work that the staff team and me so hugely.

2015 marks 20 years since InternetNZ was founded. As well as some specific celebrations of the anniversary in November, we'll be mentioning this milestone through the year. This is a small organisation which has made a bigger difference than its founders may have expected.

We can always improve. A big focus for me in the coming year is improving the involvement and engagement of members with our work: I know that the rest of the operating team is keen to do better on this front too, so keep your eyes peeled for action on this front.

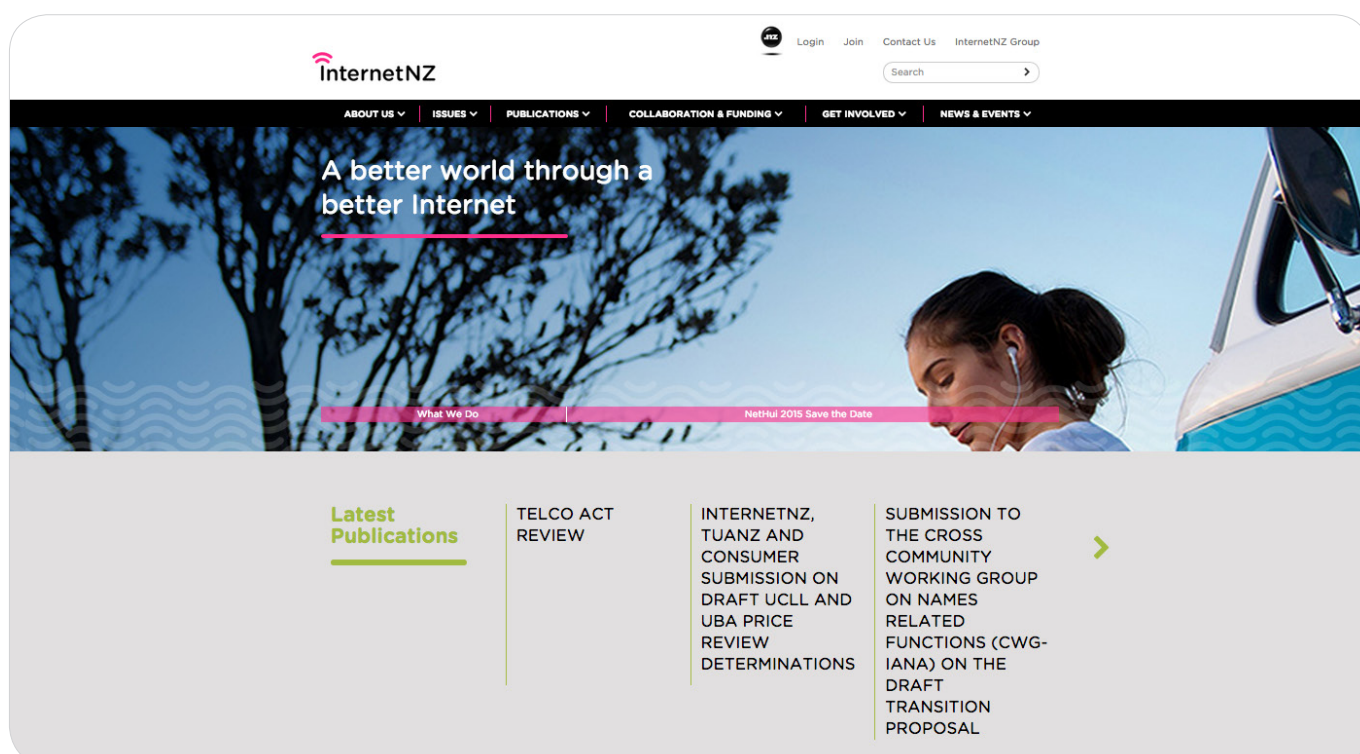
WORK HIGHLIGHTS

Identity

InternetNZ rolled out a completely new look and feel to replace its aging logo and colour scheme. The strong magenta is a powerful replacement for the more bland teal and the new logo.

We also developed a new vision – a better world, through a better Internet. This sits alongside our undying mission to keep the Internet open and uncaptureable – a better Internet starts with being open.

And finally we also pushed out our brand new website. We made the new website much easier to navigate and much prettier with a heavier emphasis on images. We've also tried to create a space for user-generated content, particularly around events. Check it out at www.internetnz.nz.



WORK HIGHLIGHTS

Community programme

2014-15 saw us make more progress in hard work in the community programme. We continued the partnerships we already had established, providing funding and strategic partnerships to:

- 2020 Communications Trust
- Auckland University's Institute of Culture, Discourse and Communication
- Creative Commons Aotearoa
- Victoria University's Centre of International Economic Law
- Netsafe

We also support and collaborate with the below organisations in their day to day work and activities which align with our objects and work:

- IPv6
- New Zealand Internet Task Force
- NZNOG
- Victoria University



NetHui 2014

NetHui 2014 was again held at Sky City Convention Centre. Over 500 members of New Zealand's Internet community attended with a whopping 51% of attendees

newcomers to NetHui. This year's theme was "the next 25 years". We asked everyone to think about what they thought, and wanted, the Internet to look like in 25 years.

We mixed things up again with no "keynote" speaker as such; rather we had a series of panels to help us imagine the future. Joy Liddicoat from the Association for Progressive Communication (now InternetNZ Vice President), Facebook's Mia Garlick and APNIC's Geoff Houston were all asked what they thought the Internet would look like in the next generation.

There were breakout sessions on topics ranging from e-voting and online government, to youth wellbeing online and empowering women using the net. Feedback sought from attendees after the event showed an overwhelmingly positive response.

NetHui continues to develop and improve year on year and is undoubtedly the key interaction between InternetNZ and the Internet community.

NetHuiSouth

InternetNZ took NetHui on the road and NetHui South was held at Canterbury University in November.

Minister Adams was the keynote speaker and talked about the Government's vision for the Internet in the upcoming term. There were mentions of the RBI and extending the UFB beyond the 75 per cent of New Zealand originally planned for.

Once again the star of the show was the breakout sessions, planned for and run by the Internet community. Open data featured heavily, as did youth, innovation and intellectual property.

Day two featured a keynote speech from Professor Tim Bell and sessions on open source, digital inclusion, and women in tech among others. The successful event was closed by a panel on privacy and security featuring Blair McBride from Mozilla, Neil Sanson from the Privacy Commission, Barry Brailey from NZITF, Sarah Lee from 2020 and Gareth Hughes from the Greens.

WORK HIGHLIGHTS

Community grants

For the period 2014-15 financial year our budget for funding partners and grants was \$500,000. InternetNZ established regular funding rounds for Internet Research, Conference Attendance and Community Projects. We also held a special community funding round for projects to advance the Internet's uses and benefits in Canterbury, with the remaining funds available from the 2012 Canterbury funding pool.

Community funding continues to be one of the most important functions that InternetNZ performs and with the establishment of a regular set of rounds and timetables, it is expected that these will grow in popularity.

NZ Internet Research Forum

After much discussion and planning, the first NZ Internet Research Forum was held in Auckland. The event was a huge success with all places filling very quickly with many disappointed to miss out. Fascinating research was presented by a variety of presenters including NZRS staff and academics.

A successful mailing list was developed which continues to grow and another forum is planned in conjunction with NetHui 2015.

Issues programme

This year a more structured programme was set up to focus on InternetNZ's issues programme. All projects were broken into categories:

- Internet Connectivity
- Internet Law and Rights
- Internet Technology
- Internet Use
- Internet Governance

We have found this a useful way to ensure we are working in a multifaceted manner on the range of questions, challenges and opportunities that the Internet presents us in New Zealand.

Working with Parliament

Once again InternetNZ had a strong presence in providing help, advice or consultation to the Government, MPs and advisors. We wrote a policy piece on what we wanted to see from the elected government, provided a Briefing to the Incoming Minister on the state of the Internet in New Zealand, and worked closely with MPs and the Select Committee on the Harmful Digital Communications Bill. We also collaborated with Google in creating a new event in

the Parliamentary Digital Bootcamp; an event designed to help Members of Parliament and their staff use the Internet effectively in their roles as our representatives.

Government Relations is an important part of how InternetNZ can wield influence and maintain strong relationships with MPs from across the political spectrum. As we represent the interests of the Internet, our views will align with all parties at some stage.

WORK HIGHLIGHTS

Hills, Holes and Poles

We've also been thinking about what contribution we can make to the infrastructure access story in New Zealand. NZRS has been doing some great work on the National Broadband Map, which has shown that there is far more connectivity available in New Zealand than has been previously known. Much of that is provided by wireless providers, usually smaller regional operators who work within their communities to self-serve their connectivity requirements.

Hills, Holes and Poles was designed to tell some of those stories about how communities can make wireless work for them. We partnered with Digital Development Associates, who undertook a road trip around parts of the North and South Islands to see what has worked in alternative infrastructure provision.

Hills, Holes and Poles will remain as a resource for communities looking to solve their connectivity challenges for some time to come. All of the work done is available at www.hillsholesandpoles.nz.

CSIRT

For a long time, many in the online security industry have been asking why New Zealand does not have a Computer Security Incident Response Team (CSIRT).

The National Cyber Police Office (a department of the Department of Prime Minister and Cabinet created to develop cyber security policy advice for government) has a cyber-plan. Within that cyber plan, NCPO looked at various models for a CSIRT option.

InternetNZ commissioned a report to provide analysis of the different models.

The report did not offer an opinion on whether New Zealand needs a CSIRT, but rather looked at the options available for such a group.

Copper broadband pricing

Wholesale Internet access pricing continues to be a major area of concern. The Commerce Commission continued the Final Pricing Principle (FPP) process for Unbundled Copper Local Loop (UCLL) and Unbundled Bitstream Access (UBA). This process will determine how much Chorus may charge for access to their copper network, and therefore will also determine how much New Zealanders must pay to access the Internet over copper.

InternetNZ has been focused on this as it is vital that we ensure that the voice of Internet users

is heard in this process, and to defend the wins we achieved through the earlier Copper Tax campaign. We've been doing so via a coalition of interested parties that have been sharing the cost and load of participating in this very complicated, expensive and time- process.

This FPP process will continue throughout 2015/16. We trust the Commerce Commission to get this right in the end; they however need to follow a clear, fair and timely process for this to be the case.

WORK HIGHLIGHTS

Issues Submissions & Publications

Over the year we have released the following Submissions and Publications. All of these are available on our website:

- Submission: Further Consultation on the issues relating to determining a price for Chorus' UCLL & UBA services under the Final Pricing Principle – April 2014
- Cross Submission: Further Consultation on the issues relating to determining a price for Chorus' UCLL & UBA services under the Final Pricing Principle – April 2014
- Submission to the Commerce Commission: New UBA Variants Issues Paper – July 2014
- Election '14 & the Internet – July 2014
- CSIRT Profiles & Case Studies (prepared by CSIRT Foundry) – September 2014
- Briefing to the Incoming Minister – October 2014
- Submission to the Ministry of Business Innovation & Employment on the Review of the Radiocommunications Act 1989 – October 2014
- Cross-Submission to the Ministry of Business Innovation & Employment on the Review of the Radiocommunications Act 1989 – November 2014
- Network Neutrality in New Zealand – December 2014
- Submission to the Cross Community Working Group on Names Related Functions (CWG-IANA) on the Draft Transition Proposal – December 2014
- Discussion Paper on Internet/Copyright Issues (prepared by Chalmers & Associates) – February 2015
- Telecommunications Act Review Scoping – March 2015
- InternetNZ, TUANZ & Consumer Submission on the Draft UCLL and UBA Price Review Determinations – March 2015

The upcoming year

In the coming year, our focus is on the following areas of work:

- An Internet Issues programme tackling the key policy and technical issues facing the Internet.
- A Community programme that helps people shape the Internet's development, and delivers a grants and partnerships funding programme.
- An International programme to draw insight from global developments, and shares Kiwi views and perspectives in important global processes.
- A refreshed and revised membership proposition.
- Top quality core operations that represent rising quality and improving value for money for the organisation.

Members and stakeholders can find more detail about these ideas through our Activity Plan, our reporting, and our communications – all of which are available on our website at www.internetnz.nz.

INTERNETNZ COUNCILLORS



Jamie Baddeley
President



Joy Liddicoat
Vice President



Hamish MacEwan
Term Ends AGM 2015



Brenda Wallace
Term Ends AGM 2015



Neil James
Term Ends AGM 2016



Richard Wood
Term Ends AGM 2016



Lance Wiggs
Term Ends AGM 2016



Amber Craig
Term Ends AGM 2016



Rochelle Furneaux
Term Ends AGM 2017



Dave Moskovitz
Term Ends AGM 2017



Sarah Lee
Term Ends AGM 2017



Hayden Glass
Term Ends AGM 2017



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InternetNZ (Internet New Zealand Inc) is the open membership incorporated society, established to promote the Internet's benefits and uses, and protect its potential.

InternetNZ has overall responsibility for the .nz domain name space and is an advocate for the interests of Internet users and domain name registrants in New Zealand and overseas.

This report can be found on InternetNZ's website.

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Internet New Zealand Incorporated
Annual Report
For the Year Ended 31st March 2015

Prepared By

Deloitte
Wellington **NZ**

Internet New Zealand Incorporated
Annual Report
For the Year Ended 31st March 2015

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Internet New Zealand Incorporated
Annual Report
For the Year Ended 31st March 2015

Financial Result

The Group Net Profit for the year, after taxation, was (\$519,913) (2014: \$33,101).

	2015		2014	
	Group	Parent	Group	Parent
Retained Earnings as at 1 April	9,412,100	5,575,427	9,378,999	6,191,093
Net Profit (Loss) After Taxation	(519,913)	(413,496)	33,101	(615,666)
Retained Earnings as at 31st March	<u>\$8,892,187</u>	<u>\$5,161,931</u>	<u>\$9,412,100</u>	<u>\$5,575,427</u>

Dividend

Dividends of \$2,755,776 were received from NZRS Limited, a wholly owned company, for the year ended 31st March 2015 (2014: \$2,559,637).

Remuneration of Council

During the year Council received the following remuneration:

Fees Paid

Jamie Baddeley - President (Elected August 2014)	26,250
Joy Liddicoat - Vice President (Elected August 2014)	11,421
Neil James	16,500
Dave Moskovitz	16,019
Hamish MacEwan	15,000
Lance Wiggs	15,000
Brenda Wallace	15,000
Richard Wood	15,000
Amber Craig	15,000
Rochelle Furneaux	15,000
Frank March (Term Ended July 2014)	10,000
Sara Lee	10,000
Hayden Glass	10,000
Donald Clark (Term Ended July 2014)	5,000
Michael Wallmannsberger (Term Ended July 2014)	5,000

\$200,190

For and on Behalf of the Council

 **President**

 **Vice President**

24/6/15 **Date**

Internet New Zealand Incorporated
Statement of Comprehensive Income
For the Year Ended 31st March 2015

	Note	2015		2014	
		Group	Parent	Group	Parent
Operating Income					
Registry Fees		8,711,828	-	8,194,983	-
Other Income		113,195	310,115	73,920	232,051
		<u>8,825,023</u>	<u>310,115</u>	<u>8,268,903</u>	<u>232,051</u>
Less Operating Expenses	3,4,5				
Registry Services		3,504,609	-	3,115,034	-
Domain Name Commission		1,805,155	-	1,322,680	-
Community Engagement		353,058	353,058	219,738	219,739
Community Funding		639,533	639,533	498,284	498,284
Governance & Members		438,082	421,467	345,589	326,419
International Engagements		396,622	396,622	416,451	416,451
International Events		51,265	51,265	87,279	87,278
Internet Issues		607,696	607,696	884,307	884,307
Operations		2,312,541	1,422,009	1,915,636	1,213,253
Total Operating Expenses		<u>10,108,561</u>	<u>3,891,650</u>	<u>8,804,998</u>	<u>3,645,731</u>
Surplus/(Deficit) from Operations		<u>(1,283,538)</u>	<u>(3,581,535)</u>	<u>(536,095)</u>	<u>(3,413,680)</u>
Plus Other Income/(Expenses)					
Dividend Income	8	-	2,755,776	-	2,559,637
Interest		448,853	97,491	491,946	161,127
Investment Income		314,772	314,772	77,250	77,250
Surplus for the Year		<u>(519,913)</u>	<u>(413,496)</u>	<u>33,101</u>	<u>(615,666)</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u>(\$519,913)</u>	<u>(\$413,496)</u>	<u>\$33,101</u>	<u>(\$615,666)</u>

Total Comprehensive Income is attributable to the Members of Internet New Zealand Inc.

Internet New Zealand Incorporated
Statement of Changes in Equity
For the Year Ended 31st March 2015

	Note	Group	2015 Parent	Group	2014 Parent
Retained Earnings					
Opening Retained Earnings		9,412,100	5,575,427	9,378,999	6,191,093
Total Comprehensive Income for the Year					
Surplus for the Year		(519,913)	(413,496)	33,101	(615,666)
Other Comprehensive Income		-	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Retained Earnings as at 31st March		<u>\$8,892,187</u>	<u>\$5,161,931</u>	<u>\$9,412,100</u>	<u>\$5,575,427</u>

Internet New Zealand Incorporated
Statement of Financial Position
As At 31st March 2015


		2015		2014	
	Note	Group	Parent	Group	Parent
Current Assets					
Cash and Cash Equivalents	1	2,806,118	176,978	1,772,553	431,656
Other Financial Assets	1a	11,750,633	4,401,017	12,313,029	4,510,905
Trade Debtors and Other Receivables	2	1,813,046	164,342	1,335,611	195,834
Total Current Assets		16,369,797	4,742,337	15,421,193	5,138,395
Non Current Assets					
Property, Plant & Equipment	4	740,984	250,745	862,570	265,399
Shares in Subsidiaries	9	-	610,000	-	610,000
Intangible Assets	5	787,716	140,912	607,059	65,456
Total Non Current Assets		1,528,700	1,001,657	1,469,629	940,855
Total Assets		17,898,497	5,743,994	16,890,822	6,079,250
Less Liabilities:					
Current Liabilities					
Deferred Income- Current	11	5,533,052	-	4,609,054	-
Trade Creditors and Other Payables	6	1,259,235	582,063	1,121,160	503,823
Total Current Liabilities		6,792,287	582,063	5,730,214	503,823
Term Liabilities					
Deferred Income- Non Current	11	2,214,023	-	1,748,508	-
Total Liabilities		9,006,310	582,063	7,478,722	503,823
Net Assets		\$8,892,187	\$5,161,931	\$9,412,100	\$5,575,427

Internet New Zealand Incorporated
Statement of Financial Position
As At 31st March 2015

	2015		2014	
	Group	Parent	Group	Parent
Represented by:				
Total Equity	<u>\$8,892,187</u>	<u>\$5,161,931</u>	<u>\$9,412,100</u>	<u>\$5,575,427</u>

For and on Behalf of the Council


 _____ President


 _____ Vice President

24/6/15 . Date

Internet New Zealand Incorporated
Statement of Cash Flows
For the Year Ended 31st March 2015

	Note	Group	2015 Parent	Group	2014 Parent
Cash Flows From Operating Activities					
Cash was Provided From:					
Net Receipts from Customers		10,028,764	615,753	8,551,656	311,398
Receipt of Taxation		-	-	7,461	-
Dividend Received		-	2,755,776	-	2,559,637
Interest Received		462,606	113,180	571,623	247,716
Net GST Received		<u>146,266</u>	<u>-</u>	<u>-</u>	<u>7,687</u>
		10,637,635	3,484,709	9,130,740	3,126,438
Cash was Distributed To:					
Payments to Suppliers and Employees		9,190,876	3,704,199	7,875,977	3,621,311
Payment of Taxation		-	-	-	-
Net GST Paid		<u>3,293</u>	<u>3,293</u>	<u>77,189</u>	<u>-</u>
		9,194,169	3,707,492	7,953,166	3,621,311
Net Flows Operating Activities		1,443,467	(222,783)	1,177,574	(494,873)
Cash Flows From Investing					
Cash was Provided From:					
Net Withdrawal from Other Investments		562,396	109,889	-	57,237
Cash was Distributed To:					
Net Investment in Other Investments		-	-	753,189	-
Purchase of Fixed Assets & Intangibles		<u>972,297</u>	<u>141,783</u>	<u>970,204</u>	<u>96,493</u>
		972,297	141,783	1,723,393	96,493
Net Cash Flows From Investing Activities		(409,901)	(31,894)	(1,723,393)	(39,256)
Net Increase (Decrease) In Cash and Cash Equivalents		1,033,565	(254,678)	(545,819)	(534,129)
Add: Opening Cash and Cash Equivalents		<u>1,772,553</u>	<u>431,656</u>	<u>2,318,372</u>	<u>965,785</u>
Closing Cash and Cash Equivalents	1	<u>\$2,806,118</u>	<u>\$176,978</u>	<u>\$1,772,553</u>	<u>\$431,656</u>

Internet New Zealand Incorporated
Statement of Cash Flows
For the Year Ended 31st March 2015

Operating Activity Cash Flow Reconciliation

	Group	2015 Parent	Group	2014 Parent
Surplus/(Deficit) for the Year	(519,913)	(413,496)	33,101	(615,666)
Add/(deduct) Non - cash items				
Depreciation	452,023	53,700	409,307	45,598
Amortisation	<u>461,204</u>	<u>27,281</u>	<u>342,558</u>	<u>3,884</u>
	913,227	80,981	751,865	49,482
Movement in working capital				
(increase)/decrease in receivables	(500,544)	(9,134)	(142,042)	2,097
(increase)/decrease in GST receivable	142,973	(3,293)	(77,189)	7,687
increase/(decrease) accounts payable	(8,192)	78,240	191,298	(12,463)
(increase)/decrease interest receivable	13,753	15,689	79,677	86,589
(increase)/decrease tax receivable	-	-	7,461	-
(increase)/decrease prepayments	12,650	28,230	(14,142)	(12,599)
increase/(decrease) deferred income	<u>1,389,513</u>	<u>-</u>	<u>347,545</u>	<u>-</u>
	1,050,153	109,732	392,608	71,311
Net Cash Flow from Operating Activities	<u>\$1,443,467</u>	<u>(\$222,783)</u>	<u>\$1,177,574</u>	<u>(\$494,873)</u>

Internet New Zealand Incorporated
Accounting Policies
For the Year Ended 31st March 2015

Significant Accounting Policies

These financial statements comprise the consolidated financial statements of Internet New Zealand Incorporated ("INZ") for the year ended 31 March 2015. INZ is an incorporated society registered under the Incorporated Societies Act 1908 and domiciled in New Zealand.

The consolidated financial statements of INZ 31st March 2015 comprise INZ and its subsidiaries (together referred to as the "Group").

The principal activity of INZ is to keep the Internet open and uncaptureable, protecting and promoting the Internet for New Zealand.

INZ is a Public Benefit Entity as the primary objective is to provide goods or services for the community rather than for a financial return.

(a) Statement of compliance

These financial statements are prepared in compliance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) complying with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for Public Benefit reporting entities applying differential reporting exemptions.

The Group qualifies for Differential Reporting because it is not publicly accountable and does not qualify as a large entity as defined in the framework for Differential Reporting by the New Zealand Institute of Chartered Accountants. The Group has taken advantage of all Differential Reporting Exemptions, except NZ IAS 7 Statement of Cash Flows.

(b) Basis of preparation

Presentation Currency

The financial statements are presented in New Zealand dollars. They are prepared on a historical cost basis except for investments which are stated at their fair value.

Use of estimates and judgements

The preparation of financial statements in conformity with NZ IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Changes to Accounting Policies

There has been no significant change in accounting policies in the current reporting period.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been consistently applied by Group entities.

Internet New Zealand Incorporated
Accounting Policies
For the Year Ended 31st March 2015

(c) Basis of Consolidation

The Group financial statements consolidate the financial statements of the Parent and all entities over which the Parent has power to control the financial reporting and operating policies so as to obtain benefits from its activities (defined as "subsidiaries"). The financial statements of subsidiaries are included in the consolidated Financial Statements from the date that control commences until the date that control ceases.

In preparing the consolidated financial statements, all interentity balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(d) Employee entitlements

The provisions for employee entitlements to wages, salaries, annual leave and long service leave payments represent the amount for which there is a present obligation to pay resulting from employees' services provided up to balance date.

(e) Financial assets

Financial assets consist of cash, deposits and receivables. Upon recognition financial assets are recognised at fair value. Subsequent to initial recognition financial assets are classified as loans and receivables. Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are restated at amortised cost using the effective interest rate method.

(f) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(g) Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise.

Internet New Zealand Incorporated
Accounting Policies
For the Year Ended 31st March 2015

(h) Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST) except for trade debtors, receivables and payables that are stated inclusive of GST.

(i) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income immediately, unless the relevant asset is carried at a fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income immediately, unless the relevant asset is carried at a fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Income Tax

The Group was registered as a charity under the Charities Act 2005 and therefore exempt from income tax under Section CW41 & CW42 of the Income Tax Act 2007 effective from when it was granted charitable status.

Internet New Zealand Inc is registered as a charity in terms of the Charities Act 2005 with effect from 30 June 2008. The wholly owned subsidiaries, NZRS Limited and Domain Name Commission Limited were registered as charities in terms of the Charities Act 2005 with effect from 19 August 2008 and 10 October 2008 respectively.

Internet New Zealand Incorporated
Accounting Policies
For the Year Ended 31st March 2015

(k) Intangible assets

Trademarks

Trademarks are finite life tangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives of 7 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Software

Software is a finite life intangible asset and is recorded at cost less accumulated amortisation. Amortisation is charged on a diminishing value basis over the estimated useful life. Amortisation is charged to the Statement of Comprehensive Income. The principal rates used to calculate amortisation are -

Software 48.0 - 60.0% DV

(l) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the consolidated entity's general policy on borrowing costs.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(n) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost as deemed cost less accumulated depreciation and impairment losses, see accounting policy (i).

(ii) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses, see accounting policy (n). Lease payments are accounted for as described in accounting policy (l).

(iii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income an expense as incurred.

Internet New Zealand Incorporated
Accounting Policies
For the Year Ended 31st March 2015

(iv) Depreciation

Depreciation is charged on a diminishing value or straight line basis on all property, plant and equipment over the estimated useful life. Depreciation is charged to the Statement of Comprehensive Income. The principal rates used to calculate depreciation are -

Furniture & Fittings	10.0 - 48.0% DV
Office Equipment	15.6 - 80.4% DV
Computer Hardware	39.0 - 80.4% DV

(o) Provisions

Provisions are recognised when the consolidated entity has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(p) Expense Recognition

Expenses are recognised when expenses are incurred.

Grant expenditure is recognised when approved by Council.

(q) Revenue recognition

Rendering of services

Revenue from a contract to provide services is recognised when the services are performed.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(r) Capital Management

The Group's capital is accumulated surpluses from trading. The Group manages its revenue, expenses, assets and liabilities prudently in order that the objectives of the ultimate charitable group are met. The Group has no external third party imposed capital management requirements.

(s) Investments

Investments in unitised products and managed funds are accounted for at market value.

Investment Income

Dividend and interest income from unitised products and managed funds are recognised in the Statement of Comprehensive Income as income to the extent that it is probable that economic benefits will flow to the entity and the income can be readily measured.

Net realised and unrealised gains and losses are recognised in the Statement of Comprehensive Income in the period in which they occur. Unrealised gains and losses are treated as other comprehensive income items.

Internet New Zealand Incorporated
Notes To The Financial Statements
For the Year Ended 31st March 2015

	2015		2014	
	Group	Parent	Group	Parent
1. Cash and Cash Equivalents				
Cash on Hand	400	400	400	400
Cash at Banks	<u>2,805,718</u>	<u>176,578</u>	<u>1,772,153</u>	<u>431,256</u>
Total Cash and Equivalents	2,806,118	176,978	1,772,553	431,656

1a. Other Financial Assets

The parent and the group have funds invested in other investments classified as:

Term Deposits	9,369,710	2,020,094	11,239,393	3,437,269
Managed Funds	2,380,923	2,380,923	1,073,636	1,073,636
Other Financial Assets - Non Current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financial Assets	11,750,633	4,401,017	12,313,029	4,510,905

The parent and the group have received income from funds invested in other investments as follows:

Term Deposits Income	448,853	97,491	491,946	161,127
Managed Funds Income	314,772	314,772	77,250	77,250
Other Financial Assets - Non Current Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Income	763,625	412,263	569,196	238,377

The total funds of \$14,556,751 held by the Group at 31 March 2015 comprised:

NZRS Limited Deferred Income	\$7,747,075
NZRS Limited Retained Income	\$1,211,978
Domain Name Commission Limited Retained Income	\$1,019,703
Internet New Zealand Incorporated Retained Income	\$4,577,995

The total retained income of \$6,809,676 represents funds held but not yet spent.

2. Trade Debtors and Other Receivables

Trade receivables	1,450,701	10,020	950,157	886
Interest Receivable	105,385	11,747	119,137	27,436
GST Receivable	69,202	69,202	65,909	65,909
Tax Receivable	-	-	-	-
Pre-payments	<u>187,758</u>	<u>73,373</u>	<u>200,408</u>	<u>101,603</u>
Total	1,813,046	164,342	1,335,611	195,834

Internet New Zealand Incorporated
Notes To The Financial Statements
For the Year Ended 31st March 2015

	2015		2014	
	Group	Parent	Group	Parent
3. Operating Expenses				
The operating expenses include the following:				
Audit Fees	25,615	9,000	27,230	8,060
Employee Remuneration	3,753,075	1,041,364	2,796,059	1,125,450
Depreciation & Amortisation 4.5	913,227	80,981	751,865	49,482
Rent	308,696	250,410	155,441	155,441
Loss on Disposal of Fixed Assets				
Other Operating Expenses	<u>5,107,948</u>	<u>2,509,896</u>	<u>5,074,403</u>	<u>2,316,298</u>
	10,108,561	3,891,650	8,804,998	3,645,731

4. Property, Plant & Equipment

Parent

The following gives details of the cost or valuation of assets and depreciation written off to date:

<u>This Year</u>	<u>Cost or Valuation</u>	<u>Depreciation For Year</u>	<u>Accumulated Depreciation</u>	<u>Book Value This Year</u>
Furniture & Fittings	434,178	33,048	211,941	222,237
Computer Hardware	246,904	12,826	232,265	14,639
Office Equipment	39,344	7,826	25,474	13,869
	<u>\$720,426</u>	<u>\$53,700</u>	<u>\$469,680</u>	<u>\$250,745</u>
<u>Last Year</u>	<u>Cost or Valuation</u>	<u>Depreciation For Year</u>	<u>Accumulated Depreciation</u>	<u>Book Value Last Year</u>
Furniture & Fittings	419,955	30,726	178,893	241,062
Computer Hardware	236,003	12,146	219,439	16,564
Office Equipment	25,422	2,726	17,649	7,773
	<u>\$681,380</u>	<u>\$45,598</u>	<u>\$415,981</u>	<u>\$265,399</u>

During the year there were fixed asset additions as follows:

Furniture & Fittings	\$14,223	(2014 \$48,026)
Computer Hardware	\$10,901	(2014 \$10,978)
Office Equipment	\$13,922	(2014 \$5,819)

Internet New Zealand Incorporated
Notes To The Financial Statements
For the Year Ended 31st March 2015

Group

<u>This Year</u>	<u>Cost or Valuation</u>	<u>Depreciation For Year</u>	<u>Accumulated Depreciation</u>	<u>Book Value This Year</u>
Leasehold Improvements	76,218	6,574	6,574	69,644
Furniture & Fittings	434,178	33,048	211,941	222,237
Office Equipment	424,453	94,213	255,368	169,085
Computer Hardware	2,228,133	318,188	1,948,115	280,018
	<u>\$3,162,982</u>	<u>\$452,023</u>	<u>\$2,421,998</u>	<u>\$740,984</u>

<u>Last Year</u>	<u>Cost or Valuation</u>	<u>Depreciation For Year</u>	<u>Accumulated Depreciation</u>	<u>Book Value Last Year</u>
Furniture & Fittings	419,955	30,726	178,893	241,062
Office Equipment	361,909	51,677	162,875	199,034
Computer Hardware	2,052,400	326,136	1,629,926	422,474
	<u>\$2,834,264</u>	<u>\$408,539</u>	<u>\$1,971,694</u>	<u>\$862,570</u>

During the year there were fixed asset additions as follows:

Leasehold Improvements	\$76,218	(2014	\$Nil)
Furniture & Fittings	\$14,223	(2014	\$48,026)
Office Equipment	\$65,982	(2014	\$136,272)
Computer Hardware	\$175,733	(2014	\$244,630)

Internet New Zealand Incorporated
Notes To The Financial Statements
For the Year Ended 31st March 2015

5. Intangible Assets

Parent

The following gives details of the cost or valuation of assets and amortisation written off to date:

<u>This Year</u>	<u>Cost or Valuation</u>	<u>Amortisation For Year</u>	<u>Accumulated Amortisation</u>	<u>Book Value This Year</u>
Software	236,553	27,281	95,641	140,912
	<u>236,553</u>	<u>27,281</u>	<u>95,641</u>	<u>140,912</u>
<u>Last Year</u>	<u>Cost or Valuation</u>	<u>Amortisation For Year</u>	<u>Accumulated Amortisation</u>	<u>Book Value Last Year</u>
Software	133,816	3,884	68,361	65,456
	<u>133,816</u>	<u>3,884</u>	<u>68,361</u>	<u>65,456</u>

During the year there were additions of \$102,737 (2014: \$31,669)

Group

<u>This Year</u>	<u>Cost or Valuation</u>	<u>Amortisation For Year</u>	<u>Accumulated Amortisation</u>	<u>Book Value This Year</u>
Software	3,302,955	461,204	2,515,239	787,716
Trademark	10,698	-	10,698	-
	<u>\$3,313,653</u>	<u>\$461,204</u>	<u>\$2,525,937</u>	<u>\$787,716</u>
<u>Last Year</u>	<u>Cost or Valuation</u>	<u>Amortisation For Year</u>	<u>Accumulated Amortisation</u>	<u>Book Value Last Year</u>
Software	2,661,095	343,326	2,054,036	607,059
Trademark	10,698	-	10,698	-
	<u>\$2,671,793</u>	<u>\$343,326</u>	<u>\$2,064,734</u>	<u>\$607,059</u>

During the year there were additions of \$641,860 (2014 \$541,276). The bulk of software additions in 2015 relates to NZRS Limited's continued updating and reinvestment in its core registry systems in line with its expected investment plan.

Internet New Zealand Incorporated
Notes To The Financial Statements
For the Year Ended 31st March 2015

	2015		2014	
	Group	Parent	Group	Parent
6. Trade Creditors and other Payables				
Trade Payables	887,855	502,955	940,154	433,749
GST Payable	137,914	-	(8,351)	-
Employee Benefits	225,136	70,778	166,745	47,462
Lease Incentives	<u>8,330</u>	<u>8,330</u>	<u>22,612</u>	<u>22,612</u>
	1,259,235	582,063	1,121,160	503,823

7. Financial Instruments

Credit Risk

Financial instruments which potentially subject the parent and group to credit risk consist principally of bank balances and accounts receivable.

The parent and group has a credit policy which is used to manage this exposure to credit risk. As part of this policy limits on exposures with counter parties have been set and are monitored on a regular basis.

The parent and group performs credit evaluations on all customers requiring credit and does not require collateral. The parent and group further minimises its credit exposure by limiting the amount of surplus funds placed with any one financial institution at any one time.

8. Related Party Disclosures

Transactions between Parent and Subsidiaries

Internet New Zealand Incorporated (INZ) owns 100% of NZRS Limited (NZRSL) and Domain Name Commission Limited (DNCL).

INZ received dividends declared and paid by NZRSL during the year totaling \$2,755,776 (2014: \$2,559,637).

NZRSL and DNCL paid management fees to INZ during the year of \$59,724 and \$164,196 respectively (2014: \$75,051 and \$127,080).

Other Related Parties

Identity Conference 2015 - Sponsorship of \$4,600 - Councillor Joy Liddicoat is Assistant Commissioner at the office of the Privacy Commissioner.

2020 Communication Trust - Strategy Partnership \$100,000 - Councillor Sarah Lee is a contractor to 2020 and Councillor Neil James is a member of a regional steering Committee of Computers in homes, a subsidiary of the 2020 Communication Trust.

Wiki New Zealand Trust - Contract work Issues Programme \$11,500 - Councillor Hayden Glass is a volunteer at Wiki New Zealand.

Gather Workshops Limited - Grant of \$15,000 - Councillor Lance Wiggs wife is a director and shareholder (50%) of Gather Workshops Limited. Lance Wiggs recused himself from discussions and decisions involving Gather Workshops Limited.

Internet New Zealand Incorporated
Notes To The Financial Statements
For the Year Ended 31st March 2015

Web Access Waikato - Community Projects Funding round \$9,000 - Councillor Sarah Lee is a contractor to the 2020 Communication Trust which is in partnership with Web Access Waikato. Sarah Lee recused herself from decision making involving Web Access Waikato.

Gather Conference Limited - Sponsorship of \$1,500 in 2014 - Councillor Lance Wiggs wife is a director and shareholder (26%) of Gather Conference Limited.

Girl Geek Dinners Limited - Sponsorship of \$2,000 - Councillor Lance Wiggs wife benefited from work she performed for Girl Geek Dinners.

Kiwifoo - Sponsorship of \$5,000 - Councillor Lance Wiggs wife benefited from work she performed for Kiwifoo.

Key Management Personnel

The Company has a related party relationship with its directors and executive officers. Except as stated above there are no other related party transactions.

Employee Remuneration

Salary Range	Number of Staff Across the Group
\$101,000 - \$200,000	Ten
\$201,000 - \$300,000	Three

During the year Thirteen employees received remuneration greater than \$100,000.

9. Subsidiaries

Name of Entity	Country of Incorporation	2015	2014
Parent Entity			
Internet New Zealand Incorporated	New Zealand		
Subsidiaries			
NZRS Limited	New Zealand	100%	100%
Domain Name Commission Limited	New Zealand	100%	100%

10. Operating Leases

	2015		2014	
	Group	Parent	Group	Parent
Less than one year	159,566	159,566	240,977	240,977
Between one and two years	30,394	30,394	169,280	169,280
Between three and five years	-	-	30,394	30,394
Total	189,960	189,960	440,651	440,651

Internet New Zealand Incorporated
Notes To The Financial Statements
For the Year Ended 31st March 2015

11. Deferred Income

The group through subsidiary NZRSL has invoiced clients for \$7,747,075 (2014 \$6,357,562) in advance.

12. Contingent Liabilities and Commitments

At 31 March 2015 the Group had no contingent liabilities or commitments (2014: \$Nil).

13. Events Subsequent to Balance Date

No events occurred subsequent to balance date that would have had a material effect on the financial statements (2014 \$Nil).

14. Reclassification of Operating Expenses

The operating expenses incurred during the year have been reclassified to better reflect the objectives of Internet New Zealand Incorporated. All relevant prior year comparative figures have also been reclassified to reflect this change.

INDEPENDENT AUDITOR'S REPORT
To the Members of Internet New Zealand Incorporated

Report on the Financial Statements

We have audited the financial statements of Internet New Zealand Incorporated and Group on pages 2 to 19, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, as a body, in accordance with the Constitution of Internet New Zealand Incorporated. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Council's Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Internet New Zealand Incorporated or any of its subsidiaries.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Internet New Zealand Incorporated and Group as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting practice in New Zealand.

BDO Wellington

**BDO Wellington
24 June 2015
Wellington
New Zealand**



InternetNZ

2015-2016

Activity Plan and Budget

As at 10 April 2015

For up to date Budget information, please refer to the papers presented to the June 2015 Council meeting, available at: <https://internetnz.nz/event/internetnz-june-2015-council-meeting>

Introduction

This Activity Plan and Budget for 2015/16 is a fresh approach to setting out InternetNZ's plans for the year.

In the coming year, our focus is on the following areas of work:

- An **Internet Issues programme** tackling the key policy and technical issues facing the Internet
- A **Community programme** that helps people shape the Internet's development, and delivers a grants and partnerships funding programme
- An **International programme** to draw insight from global developments, and shares Kiwi views and perspectives in important global processes
- A **refreshed and revised membership proposition**
- Top quality **core operations** that represent rising quality and improving value for money for the organisation.

By presenting the Activity Plan and the Budget together, we aim to make it easier for members and other interested stakeholders to find out what we do, and what it costs.

For those familiar with previous planning documents, there are two high level changes from previous years in this presentation:

- This is an "Activity Plan" not a "Business Plan" – such a title more accurately conveys our role and approach. InternetNZ is a membership organisation and a charity, not a business.
- Material from the InternetNZ Strategic Plan¹ isn't duplicated in this Activity plan, as it has been in the past (the "why we do it" material), to keep this paper short. Refer to the Strategic Plan for our long range goals.

This Activity Plan and Budget will be signed off by Council at its April meeting, and is subject after that to formal ratification at the 2015 AGM.

I welcome any feedback and input on the content and on the approach taken.

Jordan Carter

Chief Executive

¹ Available at <https://internetnz.nz/strategic-and-business-plans>

Executive Summary

The following major projects are core features of our planned activity in 2015/16.

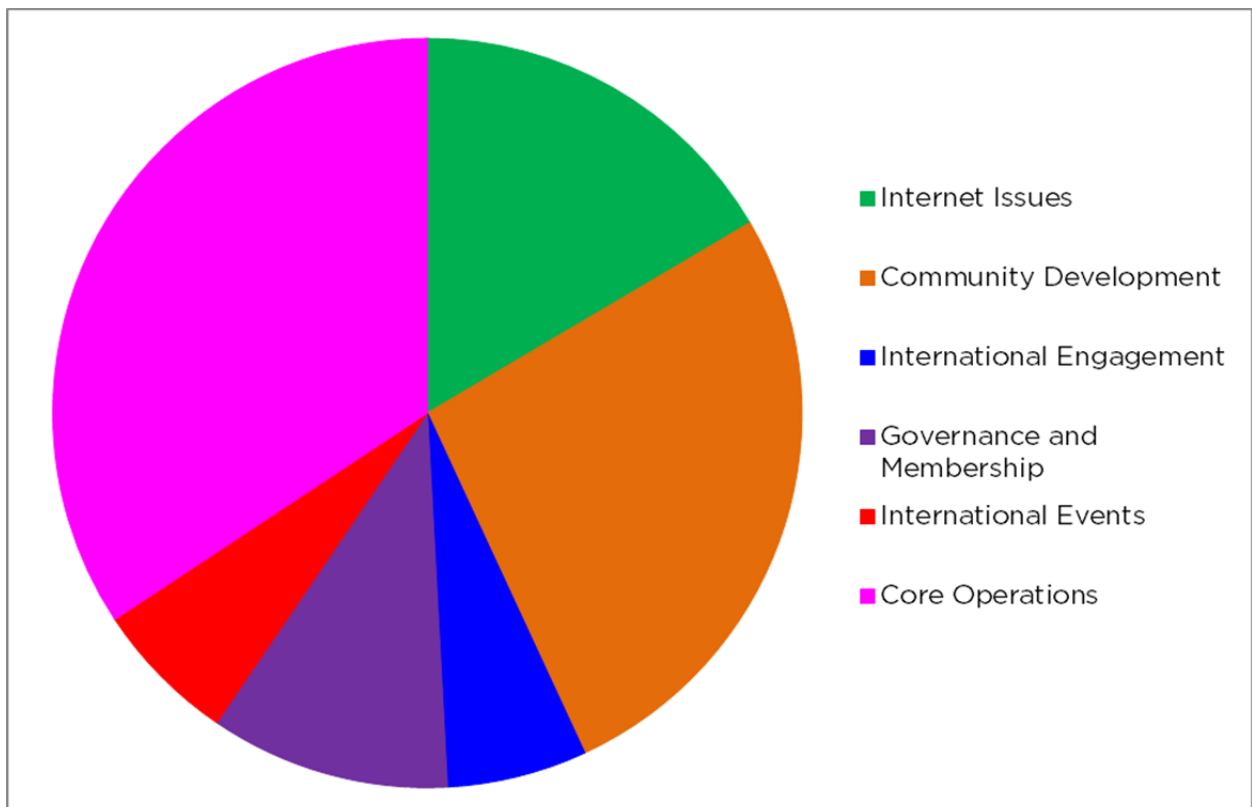
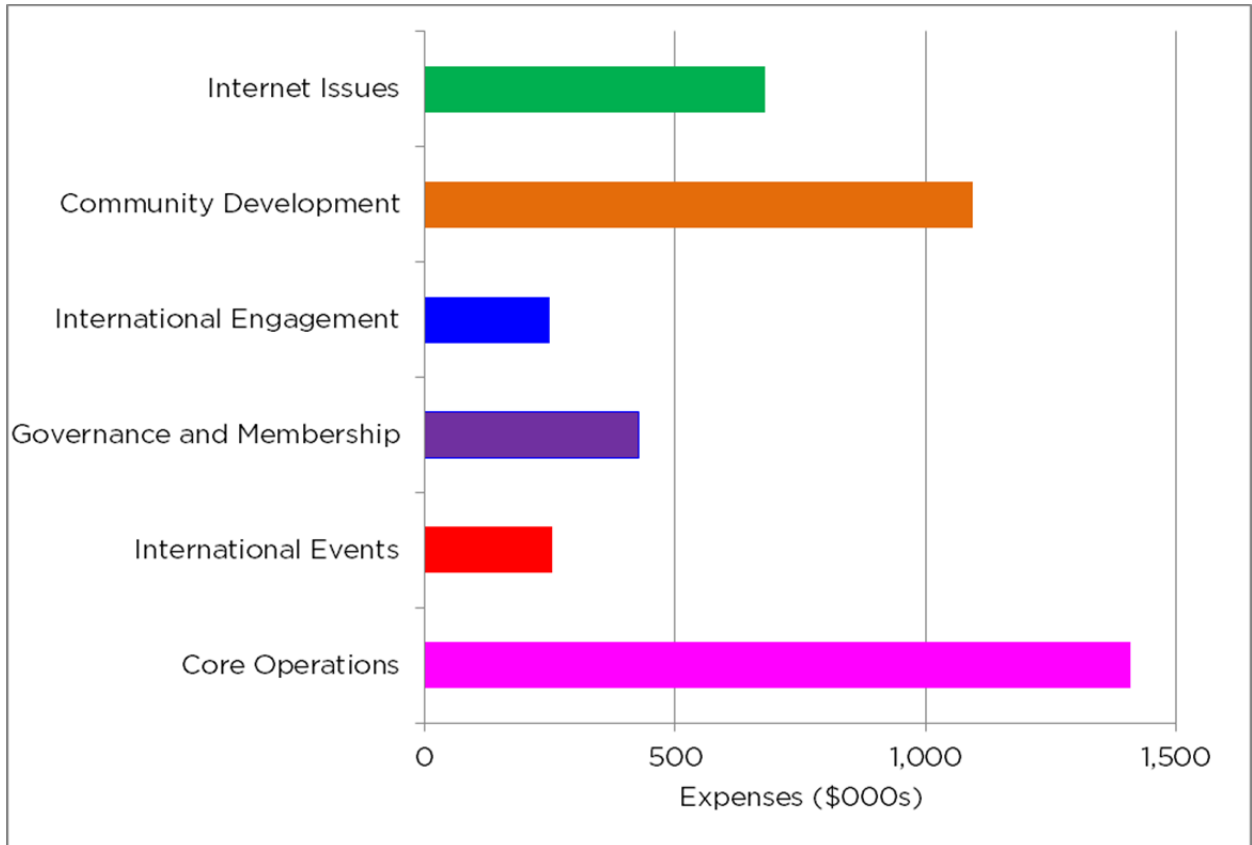
- Delivery of the Internet Issues Programme, as a series of projects across the five portfolios of Internet Use, Connectivity, Law and Rights, Technology and Security.
- Utilising our Community Programme to make a “step change” in how we develop the Internet Community.
- Continuing to address some key challenges to the Open Internet on the international stage via our International Programme, and sharing those learnings at home.
- Optimising our operational support of the organisation, while ensuring that the three programmes continue to be effectively supported across Core Operations, Communications and Events.
- Refreshing our membership offering and getting clear on how these members can positively support and engage in the work we do.

Budget Summary

Aside from Core Operations, the largest components of the Budget for the coming year are in the Community, Internet Issues, Members & Governance and International parts of the programme, constituting almost 60% of expenditure and around 65% of staff.

The following table and charts provides a breakdown of the 2015/16 Budget.

	People (FTE)		Expenses (\$000s)	
Internet Issues	3.3	28%	679	17%
Community Development	2.75	23%	1,093	27%
International Engagement	0.4	3%	249	6%
Governance and Membership	1.32	11%	426	10%
International Events	0.25	2%	255	6%
Core Operations	3.98	33%	1,410	34%
Total	12	100%	4,112	100%



1. Internet Issues Programme

The goal of the Internet Issues Programme for FY15/16 is to build off the foundation year of 14/15 by ***delivering real change to the Internet in New Zealand through clarity of roles and clear prioritisation***. By the end of this year, we will have a new Issues team in place that will be clear about what they do and what they work on; and that InternetNZ members are also clear about what their role is in both determining priority and in delivering our work on issues. We will have laid the foundation for increased authority in line with our Strategic Plan by being accepted by our external stakeholders, and by them understanding the work that our Internet Issues Programme delivers and the perspective that it represents.

We will measure our success in delivering to this goal with reference to the following:

1. Member satisfaction in Issues Programme involvement as shown in the Membership survey.
2. Stakeholder perception survey results showing engagement and respect for InternetNZ
3. Staff satisfaction in working efficiently on a limited number of deeply engaged issues, as shown in internal staff survey.

The Activities that are listed below are what we see as the key policy and technical issues facing the Internet. They have gone through a process of prioritisation that has focussed upon their relative investment versus their relative outcomes, our ability to resource and deliver, and alignment with our Strategic Plan, Objects and Policy Principles.

Activities – Baseline

- **Building the State of the Internet Report (SOTI) into being “the source” for data on the Internet in NZ**, supported by staff to ensure updated, analysed and discussed.

This is building off the deployment of the InternetNZ data portal in 14/15, with WikiNZ, and continuing to use this to make it “the” source for information on the Internet in NZ.

Transformation Links²: 1Ai, 1Av

- **Develop a new model for parliamentary and stakeholder engagement**, with Community Programme, centred around a speaker series.

This is intended to be in collaboration with the Community Programme, and its speaker series initiative.

Transformation Links: 1Ai, 1Aiii

² All these “Transformation Links” are references to particular strategic transformations set out in the InternetNZ Strategic Plan 2015-2018, at <https://internetnz.nz/strategic-and-business-plans>

- **Revitalise and utilise the InternetNZ membership as an effective contributor to the Internet Issues Programme.**

Transformation Links: 1Ai, 1Aiii

Activities – Key Projects

- **Local Government programme** – engagement to lift capacity in local government to lead digital strategies and advocacy across New Zealand.

Local Government is an underutilised component of promoting and protecting the Internet in NZ. INZ is also approached reasonably regularly for help and advice on Digital Strategies. This initiative is designed to capacity build, through the development of content and guides to assist Local Government undertake initiatives in their communities.

Transformation Links: 1Ci, 1Cii, 1Ciii, 1Dii, 1Diii

- **Internet Law & Rights: Privacy Act review** – participation to ensure privacy law remains Internet aligned.

The Privacy Act review is scheduled for this year, and if so this will need to be a large focus to ensure that this appropriately contemplates the challenges that the internet raises for privacy.

Transformation Links: 1Bi, 1Biii

- **Internet Connectivity: Telecommunications Regulatory review process**

The Ministry for Business, Innovation and Employment has commenced the very first stages of their telecommunications review process. This process is very significant in terms of how it will seek to define the regulatory and policy perspective post-2020. MBIE has also signalled that this review will consider issues of convergence with Broadcasting, and other related issues across the legislative suite relevant to the internet in New Zealand.

Transformation Links: 1Di, 1Dii, 1Diii

- **Internet Use: Innovation Partnership** – lead this group into an action-oriented realiser of change and opportunity through the Internet.

The Innovation Partnership has become quite effective at highlighting opportunity, particularly in Internet use. InternetNZ is stepping up to a greater role in this body, with the objective of making the IP an agent for realising these opportunities too.

Transformation Links: 1Ci, 1Cii, 1Ciii

- **Internet Technology:** Craft approach to being consumer “technical” advisor on ISP configuration and performance.

Providing consumers with information and analysis that would allow greater ability to make informed choices about ISP services in NZ.

Transformation Links: 1Ei, 1Eii,

- **Internet Security:** Work toward implementation of an all of economy/society Computer Security Incident Response Team (CSIRT) function

Building off the CSIRT work in 14/15 to see this implemented.

Transformation Links: 1Fi, 1Fii,

Internet Issues Programme Budget Summary

Internet Issues Programme	Expenses	%
Internet Issues Programme	\$185,606	27%
Internet Connectivity	\$137,245	20%
Internet Use	\$81,352	12%
Internet Technology	\$100,191	15%
Internet Law & Rights	\$100,452	15%
Issues Operating Costs	\$74,416	11%
Internet Issues Programme	\$679,262	100%

2. Community Development Programme

The Internet community is made up of all the New Zealanders who can shape the Internet's growth, development and use, including in business, government, academia, technical and community-based organisations and as individuals. We work to empower and develop that Internet community, as integral to the ongoing development of the Internet in the public interest.

Because of the decentralised nature of Internet and its development, supporting the Internet community is of critical importance to the future of the Internet for New Zealand and towards our cause, the Open Internet. In this area we work to empower and develop the Internet community to take responsibility for and to shape the future of the Internet in New Zealand. There are two primary roles through which this work is undertaken – through our Community Engagement Portfolio and the Community Funding Portfolio. The Community Development Activity Plan for 2015-16 builds a foundation for and take first steps towards achieving the strategic transformations and goals for the InternetNZ 2015-18 Strategic Plan.

The goal of this plan is to ***resource our Community Programme and through it, drive a deeper, more strategic involvement in the New Zealand Internet Community so we can better contribute to its development.*** This plan includes continuing and leveraging existing flagship activities of NetHui and the community grants and strategic partnerships, as well as continuing development of the NZ Internet Research Forum, our sponsorship of events, and support of community organisations. In addition, a few new areas of focus will help fill gaps

in the community development work of InternetNZ. Externally we plan to seek to catalyse and support an Oceania Summer School of Internet Governance, to help build and develop leadership capacity in the Internet community; host a speaker series for the wider community; engage more proactively and strategically with community grant recipients and to start work to develop the concept of a potentially model for locally owned and run NetHui- to likely be implemented in 2016-17. Internally there will be a strong focus on community grants operations and impact assessment, as we prepare for the planned increase in community funding over 2015-20.

We will measure our success in delivering to this goal with reference to the following:

1. Community awareness of the community role as part of decentralised development of the Internet is enhanced and is demonstrated by feedback received in stakeholder engagement surveys.
2. Impact is made in terms of community capacity, connections between and actions able to be taken, as demonstrated by anecdotal feedback and reporting back on witnessed collaboration. .
3. Demonstration that engagement and funding activities are interrelated through a clear flow through from community interaction into funding applications.

Activities – Baseline

- **Community Grants:** Two funding rounds (one focused on Internet Research and one on community projects, with a conference attendance grant component of each round) coordinated with community engagement events

Transformation Links: 2Bi,

- **Strategic Partnerships:** community funding support of partners and collaborate on areas of focus, facilitating interaction between partners and the Internet community.

Transformation Links: 2Aiii, 2Cii

- **NetHui 2015:** support the fifth annual national NetHui as a national platform for the New Zealand Internet Community

Transformation Links: 2Ai, 2Aiii, 2Ciii

- **Community Sponsorship:** reach new communities and events through strategic sponsorship to support community development goals

Transformation Links: 2Aiii, 2Biii

Activities – Key Projects

- **NetHui Initiatives:** coordinate 2015-16 New Zealand Internet Research Forum and scope and develop “NetHui in a box’ local model

Transformation Links: 2Ci, 2Cii, 2Ciii

- **Community Grants Evaluation and Reporting:** research and improve reporting and impact measurements and monitoring

Transformation Links: 2Bii, 2Biii

- **Oceania Summer School on Internet Governance:** develop regional community development training event in collaboration with regional and national partners.

Transformation Links: 2Ai, 2Aiii, 2Cii

- **Community Speaker Series:** using community relationships to host engagement and education event series, in collaboration with Issues programme.

Transformation Links: 2Ai, 2Aiii, 2Ci, 2Cii

- **Community Organisation Support:** engage and support Internet community organisations as capacity allows, both informally and through MoUs, working through collaboration as well as in-kind support

Transformation Links: 2Aiii, 2Cii

Community Development Budget Summary

Community Funding

Funding Rounds	\$500,000	46%
Funding Support	\$25,000	2%
Funding Operating costs	\$163,990	15%

Community Engagement

NetHui	\$130,000	12%
Sponsorship	\$50,000	5%
Engagement Support	\$30,000	3%
Engagement Operating cost	\$193,590	18%

Community	\$1,092,580	100%	³
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³ Note: The Community Development Programme is a new combination of what was previously two separate areas of funding - Community Engagement and Community Funding. As this is new, the budget for administration costs has not been separated to the degree that is reflected in other areas of this budget. It is anticipated that in future budgets, this administration cost will be split into the constituent parts to reflect more accurately the time and cost spent in these areas.

3. International Engagement

The International Programme is the area of work that seeks to connect local discussion about Internet issues and technology with what is happening globally, to meet our responsibilities as the designated manager for the .nz ccTLD, and to reflect New Zealand interests and views outside New Zealand to shape the Internet's growth and development. In all cases we focus on protecting the open Internet.

The shorthand most often used for the subject matter of this work is "Internet Governance". Internet Governance refers to the matrix of institutions, trends and norms that shape the Internet's evolution. Institutions involved in it:

- encourage **debate** and the sharing of **ideas** (e.g. the Internet Governance Forum),
- encourage the **spread of knowledge** and ideas about Internet technologies (e.g. APRICOT),
- define and **develop technical Internet standards** (e.g. the IETF),
- **allocate scarce technical resources** (e.g. the Regional Internet Registries or the ITU), or
- **set policies** applying to key Internet technologies (e.g. ICANN).

Internet Governance happens in private institutions, public institutions (e.g. the ITU or the United Nations), and at the global, regional and national levels.

Our focus in this year's Activity Plan is to continue to shape Internet Governance abroad, while being much more effective at bringing it into the New Zealand context. We will do more to share information and perspectives locally, and to draw local views into the global environment more transparently and reliably than we do today.

Activities – Baseline

- **Stronger communications & local engagement on international matters.**

Compared with the Internet Issues and Communities programmes, our communications approach for the International programme is ad-hoc and not as visible as it should be. This will change with new efforts to reach out to those parts of the local Internet community interested in these issues.

Transformation Links: 3Ai, 3Aii, 3Aiii, 3Aiv, 3Av

Activities – Key Projects

- **Contributing to a successful transition in IANA Stewardship to the global multistakeholder community.**

Keith Davidson's participation in the IANA Stewardship Transition Coordination Group (ICG) and Jordan Carter's participation in the Cross-Community Working Group in Enhancing ICANN Accountability (CCWG-ACCT), along with group-wide contributions to the debate across a wide

range of forums, are the main features of this activity which should complete in the 2015/16 business year (on current information).

Transformation Links: 3Ai, 3Av

- **Hosting APRICOT 2016 successfully.**

APRICOT 2016 is the major technology conference and training opportunity for Internet network operators. By bringing this to New Zealand we give the local Internet community easy access to high quality training and leading thinking from across the Asia Pacific.

Transformation Links: 3Ai, 3Aii, 3Aiii, 3Av

International Engagement Budget Summary

International

International Collaboration	\$248,922	100%
International	\$248,922	100%

International Events Budget Summary

International Events

APRICOT	\$191,198	75%
ANZIA	\$64,049	25%
International Events	\$255,247	100%

Note: International Events are net costs of hosting, not total project costs.

4. Operations

This section of the Activity Plan brings together work in three areas:

- **Core Operations:** the work of the team that provides the administrative and operational support that makes the organisation work (finances, administration, HR, policy and more).
- **Communications:** projecting our voice outward into the environment so that our views can be known, through a strategic, professional and consistent approach to communications with the right set of audiences.
- **Events:** a critical support service for the work of the three Programmes set

out above, given the importance of events to each of them.

The unifying feature of this area of the plan is that these services, done well, allow the organisation to achieve its purpose. If they are not done well, productivity across all other areas of work is diminished and staff spend time covering gaps.

Our aim across operations is to operate effectively, efficiently and reliably so that those supported by the operations of InternetNZ have confidence in the work we do and can rely on us to get the job done – right first time.

4.A Core Operations Team

The work of this team covers the following areas:

- Financial management
- Human Resources management
- Internal policies and procedures
- Council administration
- Member administration
- Legal and Governance compliance
- Risk management
- Facilities management
- Office ICT management
- File management
- Internal coordination
- Health and Safety management
- Travel management

The team provides many of these areas for the whole InternetNZ group, which means dealing with around ~35 personnel at the time of writing. Historically this area of work has been neglected in terms of clear thinking regarding structure and organisation of work, resulting in some challenges to efficiency and reliability. Since October 2014 this has begun to change: an analysis of the operational requirements facing the team has been completed, and responsibilities for each area of work clearly allocated with duplication reversed. This is already having a flow-on effect into more reliable service provision and a considerably happier team.

Our goal for this year is therefore to be ***strong in our portfolios***. We will measure our delivery to this goal through the following:

1. Demonstrated delivery & measurement of all activities
2. Staff/service recipient surveys to build a baseline and then monitor performance and gain feedback
3. Demonstrated and active responsiveness to feedback
4. Review the new structure

Activities – Baseline

- Financial Management: Maintain and improve the providing of accurate timely information, while always seeking efficiencies
Transformation Links: 4Aiv
- Financial Management: Provide more financial information to the team, and seek more feed back
Transformation Links: 4Aiv
- Reception: provide advanced services to the group catering for potential
Transformation Links: 4Aii, 4Bi, 4Bii, 4Biv
- Community Programme Support: Easy flow of decisions/feedback from internal & external reviewers to gain huge efficiencies, time, information
Transformation Links: 4Aii, 4Bi, 4Biv
- Member Management: Members can easily subscribe/unsubscribed to members optional mailing list (i.e. PAG, members-discuss) via their members profile
Transformation Links: 4Aii, 4Bi, 4Biv
- Travel Management: Provide solution based travel management to the group
Transformation Links: 4Aii, 4Bi, 4Biv
- COT Team Support: All COT members to provide support to each other and adhere to the staff charter and code of conduct in all situations
Transformation Links: 4Biii

Activities – Key Projects

- Executive support: develop a working plan for CE office
Transformation Links: 4Aii, 4Bi, 4Biv
- Executive support: refocus for CE and WPD - internal and external
Transformation Links: 4Aii, 4Bi, 4Biv
- Facilities Management: Relocation of three entities - INZ, DNCL, NZRS to one location
Transformation Links: 4Biii
- Reception: overview of duties given to gain enhancements and develop a more in-depth work plan for services
Transformation Links: 4Aii, 4Bi, 4Bii, 4Biv
- Community Programme Support: Web-based/ Online Grants Management solution in place
Transformation Links: 4Aii, 4Bi, 4Biv

- ICT Management: One-stop shop IT solution provider for both WLG & AKL office.

Transformation Links: 4Aii, 4Bi, 4Biv

Core Operations Budget Summary

Core Operations

Remuneration	\$625,810	44%
Depreciation	\$60,000	4%
Operating Expenses	\$401,575	28%
Overhead	\$323,444	23%
Core Operations	\$1,410,829	100%

Note: of this total budget for Core Operations \$284,000 is funded through recharge to subsidiary companies for services provided to them, e.g. overhead charges, cleaning, power, rent, and security, the remaining balance is for accounting and reception services, video conferencing, general office expenses, and printing and stationery costs

4.B Communications

Communications is a vital function for an organisation whose core activity is sharing information with others. It is integral to the three main programmes of work (Internet Issues, Community and International), as it is closely related to how these programmes are perceived and even in many cases whether their outcomes can be achieved.

As such, communications is largely an ancillary portfolio, designed to support the main programmes. It also has a strong internal component. We take a strategic and considered approach to our communications efforts to ensure that key audiences are aware of us and build positive perceptions of our work, and to contribute to the reality of InternetNZ's positive impact for the local Internet community.

Our goal for this year is that *members and stakeholders have a clear perception of our role and work due to high quality, regular communications across the organisation's work.*

We will measure success in this area through:

1. All fixed timetable events are communicated clearly and well subscribed (e.g. funding rounds)
2. 'No surprises' – PAG and Members are not surprised, nor disappointed by InternetNZ's position on any given issue

3. Qualitative and quantitative research into communications effectiveness & stakeholder perceptions demonstrates improvement

Activities – Baseline

- Communication goes out monthly with work updates on Issues, Community and International Programmes

Transformation Links: 4Ci, 4Cii, 4Ciii

- A plan is developed to shape perceptions of InternetNZ among key stakeholders to explain our mandate

Transformation Links: 4Ci, 4Ciii, 4Civ

- Stakeholder perception survey is held annually

Transformation Links: 4Cii, 4Civ

4.C Events

Events is also a support function that primarily supports the Internet Issues and Community Development aspects of this plan. It also plays an important role in internal member communications, in keeping the membership base informed about InternetNZ's work. Our goal for this year in events is ***to deliver a series of fantastic, engaging events, professionally.***

Activities – Baseline

- NetHui 2015 – July 2015

Transformation Links: 4Di, 4Dii, 4Diii

- Member meetups (October and March)

Transformation Links: 4Di

Activities – Key Projects

- ANZIAs – August 2015

Transformation Links: 4Diii

- APRICOT 2016 – February 2016

Transformation Links: 4Diii

5. Governance and Membership

As an incorporated society, InternetNZ is made up of members – both individuals and organisations. The members elect the Council: the governing body of the organisation.

Our vision for the membership area is that membership is buoyant and growing, and that the organisation gives members tools to engage effectively in its work, connect with each other, and hold InternetNZ to account. It is some time since the

work of members was reviewed. A committee of Council is engaged in a review now, and while we think the likely conclusions will fit within the transformations set out below, new ideas may arise which will be incorporated as required.

Note that the transformations set out below are based on those in the 2015-2018 Strategic Plan and so are on a three-year timeframe.

5.A Membership

As a membership organisation, InternetNZ has an obligation to be open and accessible to current and new members interested in the organisation's cause and mission. Internet Community members join and participate in the organisation to contribute to the cause and to be part of the Internet community's development.

Operationally, the organisation needs to explain and promote membership and its role properly, and administer membership competently. While it is likely that our membership will only ever comprise a small part of the Internet community, the more broadly based it is the better connection there will be between InternetNZ and the Internet community.

It is a joint responsibility of the operational staff, the elected Council, and the membership more broadly to develop and grow our membership. The transformations set out here cannot be achieved by staff action alone.

Our goal this year is to refresh the membership offer, so that people can easily join, and have a positive experience in contributing to our work when they do. This will help widen the circle of membership and should in doing so see a larger and more diverse membership. Measures are still being developed for this goal.

Activities – Baseline

- **Membership Survey:** done biennially rather than annually, in June and December, and questions revised to be more useful (without losing continuity with previous surveys).

Transformation Links: 5Ai, 5Aiii

Activities – Key Projects

- **Membership Campaign:** once the membership offer is refreshed, materials to allow for a range of small scale membership campaigns will be developed and we will try a range of approaches to work out what yields best 'bang for buck'.

Transformation Links: 5Ai, 5Aii

- **Contacting Previous Members:** once the new offer is developed and in place, we will reach out to past members who have not renewed, and see if the new approach attracts them back.

Transformation Links: 5Ai, 5Aiii

5.B Governance

InternetNZ is a membership-based organisation which is governed by a Council of twelve members, elected by and from the Membership and comprising a President, Vice President and ten Councillors. This section sets out the transformations and activities that relate to the governance role including our role as the designated manager for the .nz country code top level domain.

Activities – Baseline

- **Elections and AGM:** Each year there is an election for Council members. This year a President, Vice President and two Councillors will be elected, with the results being finalised at the AGM to be held at the end of July.

Transformation Links: 5Bi, 5Bii, 5Biii

- **Regular Council meetings:** the Council meets six times a year to govern the organisation.

Transformation Links: 5Bii, 5Biii

Activities – Key Projects

- **A new .nz Framework policy and updated Operating Agreements and Statements of Expectations for subsidiaries in place.**

Following the work of the .nz Framework review, there is a need to consolidate the new settlement in a single overarching Governance Policy that sets out the roles and relationships for the three parts of the group in the management of .nz. Subsequent to this the Operating Agreements for each subsidiary need updating, and then the 2016/17 Statements of Expectations will be updated as well.

Transformation Links: 5Bii, 5Biii

- **Commence planned reviews of the Governance Policy framework.**

While the Governance Policy framework has been reviewed and made more coherent leading up to this business year, it is time to commence the regular planned reviews of the policies it contains. This will be ongoing work through the year with various policies reviewed at each Council meeting

Transformation Links: 5Bii, 5Biii

Governance & Membership Budget Summary

Governance and Membership

Council & Members	\$395,700	93%
.nz Stewardship	\$30,000	7%
Governance and Membership	\$425,700	100%