



InternetNZ Organisational Review

Final Decisions

October 2017

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Summary of Decisions

At a meeting on 17 October 2017, the InternetNZ Council made the following decisions following the Organisational Review process carried out in recent months.

The Council has decided to proceed largely along the lines set out in the second Proposal released at the end of August 2017. The key decisions are as follows:

- The InternetNZ group will be structured around two legal entities – Internet New Zealand Inc, and Domain Name Commission Ltd. NZRS will be disestablished and all NZRS staff, assets and functions will move to InternetNZ.
- The scope of the Domain Name Commission will be reduced, with responsibility for .nz policy development being assigned to InternetNZ. DNCL will be responsible for regulation and dispute resolution and will provide significant input to changes to .nz policy
- The Domain Name Commission's Board will be reduced from five to three Directors with the new InternetNZ Chief Executive being the Chair. The other two directors will be independent appointees.
- The senior staff member in the Domain Name Commission will retain the title of Domain Name Commissioner, however will not be a CEO.
- A new .nz policy committee of Council consisting of 3-5 members will be formed to be responsible for .nz matters including recommendations on .nz policy, .nz fee levels and all commercial terms for .nz, with terms of reference to be developed in the next few months.
- The Councillor Conflicts of Interest policy will be amended to include specific reference to all commercial aspects of .nz
- Proposals will be put before members to reduce the size of the Council from twelve to nine elected Councillors, and to allow the appointment of up to 2 additional Councillors. A general meeting to deliberate on these Council changes will be held before 31st March 2018.
- A new Chief Executive will be hired to lead the new InternetNZ, with an open recruitment process conducted over the next few weeks.
- The roles of the three existing Chief Executives of DNCL, NZRS and InternetNZ will become redundant, with final days of work to be determined once the new Chief Executive is appointed.

This document is for staff and stakeholders – there is no separate or confidential document.

Introduction

We are changing...

Following an extensive review and consultation with staff and stakeholders, InternetNZ has agreed to change how the work of the group is structured. Largely consistent with our August proposals, we will simplify the governance and management of the group to improve our effectiveness and agility while protecting the essence of our successes to date.

The reorganisation of the group better positions the organisation to be able to more readily adapt to the ever-changing environment of the Internet itself, and to be even more responsive to the needs of the local internet community in line with our long-held commitment to the principles of RFC1591. Our previous structure has served us well over the years. It is councils view that this new structure will serve us better in the years ahead.

The decisions set out in this document provide the framework for implementation to begin changing how we work. Council is looking forward to working with staff across the group as we bring this new structure into being, and carry on delivering great things for New Zealand and the local Internet community we serve.

Thank you for all of the input received in this process. The timeframes have not been fast: the work has been thorough, but with that comes stress and concern for some. I hope that having reached a point of clarity with the decisions in this document, people will feel able to focus on taking advantage of the changes to come.

This document is designed to be brief and to highlight the key decisions made, as well as some more detail where required. Where things aren't covered in depth, the Minutes of the October Council meeting should be considered to be the authority on what will be done.

Jamie Baddeley

President

Background to the review

In December 2016, the Council initiated an organisational review of the group. The aim of the organisational review was to assure Council, members, employees and the public that InternetNZ is organised the right way to most effectively and efficiently achieve its purpose.

The Council formed a Working Group to own and lead the review on behalf of the Council. The Working Group comprised five Council members, a representative from each of NZRS and DNCL boards, and an independent person. The Working Group was supported by external consultants to gather insights and provide management of the review process.

The Working Group followed a robust process that has involved gathering insights from a wide range of people, to ensure the review was informed by a comprehensive understanding of the range of issues and opportunities we face.

The Working Group sought input from all staff across our three organisations, including separately from each Chief Executive, external stakeholders (representing a wide range of members and stakeholders across the public and private sector, strategic partners, past Council and Board members and others involved in the establishment and development of the group over time) and the Chairs of the Council and two subsidiary boards.

Working Group members spoke with our peers at ICANN to understand how they organise themselves and why, and drew on their own knowledge and experience of the group.

The synthesis of these insights formed the basis of the case for change and informed the development of the design objectives and principles that guided the development and analysis of options for the future. The Working Group presented three options for Council to consider – one that was more strongly supported, and two that had weaker support from the group. The Council voted unanimously at its meeting on 27 May 2017 for the option that was set out in the proposals put out for consultation in June 2017.

Council analysed the feedback received in response to the initial proposals, and released a revised Proposal for consultation at the end of August. Feedback received on that revised Proposal has informed the final decisions set out in this document.

The initial and revised Proposals, and the summaries and analysis of feedback received on these – as well as the public submissions – are available: www.internetnz.nz/2017-org-review

Future Structure

Entities

There will be two legal entities:

- Internet New Zealand Inc, which will operate the functions today operated by InternetNZ and NZRS.
- Domain Name Commission Ltd, which will operate some of the functions today operated by DNCL. Support functions and .nz policy will be provided by InternetNZ.

The likely implementation date of the move of staff, assets and functions from NZRS to InternetNZ is targeted to be the end of the financial year (31 March 2018).

The instruments and framework governing InternetNZ's interest in DNCL will be revised in 2018 – the current Operating Agreement / Statement of Expectation / Statement of Direction and Goals approach may be continued, modified or replaced by other arrangements.

Governance

InternetNZ

InternetNZ's Council will be reduced if approval for this is agreed at a General Meeting. The number of elected Councillors would fall to nine (from twelve), and provision would be made for up to 2 appointed Councillors to be put in place. These would be elected by the elected Council members based on pre-approved criteria, to help balance the skills and experience of the Council. They would serve for a 2 year term.

.nz Policy Committee

A .nz Policy Committee will be established, to carry out InternetNZ's responsibilities including:

- Recommended level of the .nz domain name registration fee
- .nz policy development and change
- .nz commercial matters

The committee will be comprised of 3-5 Council members appointed by the Council, and only those Councillors who do not have a conflict of interest in dealing with the subject matter of the committee will be eligible for appointment.

The committee will be a recommendatory body for Council. None of the matters it is responsible for can be decided by Council except with a recommendation from the Committee. If Council does not agree with a recommendation, it sends it back to the Committee with feedback for further consideration.

Domain Name Commission Ltd

Domain Name Commission Ltd will be a continuing entity. At the agreed date of transition (likely 31 March 2018), the composition of the Board will change as follows:

- the new Chief Executive will be a member of the Board and its Chair
- two of the four existing non-Councillor independent directors will be members of the Board

Council will appoint the continuing Directors early next year, following the standard Appointment Panel process.

Management

A new Chief Executive will be hired to lead Internet New Zealand Inc, which will be the entity responsible for all of the functions of InternetNZ and NZRS, as well as support functions and .nz policy from DNCL.

On the Transition Date (a date to be confirmed once the new Chief Executive is appointed and before they commence the role), line management reassignments will be made as set out in the Proposal document. The following staff will report to the new Chief Executive:

- InternetNZ Deputy Chief Executive
- InternetNZ Community Programme Director
- InternetNZ Communications Manager
- NZRS Chief Technology Officer
- NZRS Chief Scientist
- NZRS Office Manager

In the Domain Name Commission, a new role of Domain Name Commissioner (that is not a CEO) will be established. The position of DNC will report direct to the DNCL Board.

Outgoing Chief Executives' involvement past the Transition Date will be determined after the new Chief Executive is appointed but before the Transition Date.

International representation

As set out in the Proposal, InternetNZ will be the formal voice and representation for the group in all Internet Governance and policymaking forums and associations in which there is membership. DNCL will be involved on an as-appropriate basis in a coordinated, "one organisation" approach to our international work.

Delivery functions

The functional split is as explained in the Proposal. The new InternetNZ will deliver the following functions:

- Engagement and funding

- Policy and research
- Promotion, marketing and communications
- SRS/DNS
- Product and Service Development
- Technical Research
- .nz policy

DNCL will deliver the following functions:

- Regulation – that being enforcement of the .nz policy and contractual framework, development and maintenance of the contractual framework, input and insight into any .nz policy work, international representation and learning as agreed on these topics.
- Dispute resolution – operation of the DRS and involvement with keeping the approach to dispute resolution contemporary and timely.

Support Functions

All support functions across the Group will over time be moved into InternetNZ. Finance, HR, facilities, communications and business systems are included.

Where staff are providing such services, their employer may change over time or their range of tasks may change – in any such cases this will be preceded by appropriate consultation and working together to design new approaches.