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## Item 5.1: Chief Executive's Report

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| <b>Author:</b>           | Jordan Carter, Group Chief Executive  |
| <b>Purpose of Paper:</b> | To report on work across the organisation for the first quarter, and seek feedback on the reporting approach in future. |

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### Introduction

Welcome to this Chief Executive's report, **exceptionally** covering the period from 1 April to 30 June 2018, the first quarter of the newly integrated InternetNZ, and in some cases commentary that runs into the second quarter.

This report provides an overview of InternetNZ's work, and my intention is that in future it will highlight any matters for Council's attention, consideration and advice.

We are still evolving and working on the information flows to Council and the reporting framework.

In future, we'll prepare a quarterly report on activity against our plans, and publish that to Council and to the public as part of our broader transparent approach. Once the strategy is confirmed, reporting will be against strategy not against functional areas.

This Chief Executive's report to Council will then be a more contemporary check in and raising of issues where Council can help with feedback or direction, closing off ten days before the meeting.

I welcome your feedback on this report or on the proposed approach set out above.

### This Quarter (Q1 2018)

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| <b>General Situation</b><br>Jordan Carter - Chief Executive | Status: | On track |
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In the first three months of the newly merged organisation's existence, a great deal of focus has gone into various aspects of the merger: new financial systems and reporting, selecting and simplifying shared business systems, building a policy framework for our operation and the hiring process for the Senior Leadership Team. This is all foundational work, required to enable the gains of the structural change to be realised.

During the quarter we also prepared for the review of our strategic framework, and did initial work on our brand and communications channels projects - more on these elsewhere in the paper.

All this work was done while Business As Usual continued: upgrades to products (zone push frequency for .nz), our annual Registrar Conference, preparations for NetHui 2018, a Speaker Series event ‘Hate and the Internet’, launch of the paper *Solving Digital Divides Together*, preparing to launch the Research Grants Round - to name just a few.

Overall the team is in good heart, given the stresses and change created by the merger. I am very proud of colleagues for their ongoing commitment to the organisation, and for their patience in seeing through this period of less certainty as we work on bedding down the merger and building our new strategic framework. We aren’t getting everything right, but the big things are getting done.

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| <b>Risk</b><br>Jordan Carter - Chief Executive | Status: | On track |
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There are no significant risks to draw to your attention at the reporting date.

The next iteration of the Risk Register will be tabled with Council at the November meeting.

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| <b>Organisational Services</b><br>Catherine Fenwick - Director | Status: | On track |
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The first quarter of the the year was a exceptionally busy time for the Organisational Services team with a high level of focus on **year end financials**. I’m glad to report we achieved a **clean audit report** and this was done within tight deadlines. Also over this period we moved all financial reporting and payroll to Xero using a **new chart of accounts** as well as moving our main banking to ASB.

As part of the newly merged organisation we have **reviewed, updated and implemented a number of staff related benefits and policies** to ensure that all staff have common benefits and that the policies support the new organisations. As a example we have a working party of staff involved in the **new Performance and Development Policy** which is being used by the whole organisation as the template going forward.

All the work above was completed while making sure BAU activities were completed and as June/July was a busy time with AGM, elections, membership updates it was great to see the teams work together to meet deadlines and workload.

I joined the team in late May and I’m really grateful for the hardworking team we have in place and look forward to the next quarter’s activities.

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| <b>Technology Services</b><br>Dave Baker - Director | Status: | On track |
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Our initial focus for the first quarter of the year was to complete a number of activities for the newly merged organisation. These included an updated Business Continuity Manual and distribution of the manual to key staff, SRS billing updates, internal office network upgrades and supporting the organisational services with updates to a number of office systems.

For the **SRS (.nz Shared Registry System)** the main changes over the quarter were:

- changes to the data returned by the Port 43 WHOIS service, and
- an increase to the frequency of the SRS zone push from hourly to every 15 minutes.

A number of improvements were made to the **Registrar Portal** over the quarter including the addition of a feature to help registrars with the understanding of the registrant classifications that make up their portfolios.

A new planned wireless layer was added to the **Broadband Map** to show the Crown Infrastructure RBI2 data.

Work has started on the virtual server replacement project that will increase our capacity for provisioning office systems and test infrastructure.

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| <b>Outreach and Engagement</b><br>Andrew Cushen - Director | Status: | On track |
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The Outreach and Engagement team is fully staffed in accordance with the first phase of the **staffing plan**. The second phase begins in October 2018. This is a new team; one that stands on the fine work done by the Community, Communications and Events teams that preceded it, but that is coming together to make a step change in impact from the work we do, and in lifting our visibility and engagement with the public, our stakeholders and our members.

Good progress has been made with the **NetHui Roadtrip** this year. The focus is on working with Local Advisory Committees to ensure that these communities are owning their NetHui event. This represents a deliberate step up in our expectation of leadership from these locations, with the goal of leaving behind the capabilities to run NetHui events in the future with less involvement from us - and thus growing capability, over time, around New Zealand. All of the locations are meeting expectations in this regard, and these are shaping up to be good events.

The **Communications** function has focused on optimising the huge number of **channels** through which we currently speak. There are well over four dozen such channels, many of which have not been used for some time, or used rarely. This involves actively retiring and aggregating content onto a smaller number of channels, and then specialising and strategising for these channels.

Finally, work has started on reviewing the **platforms used for member and stakeholder management**, and seeking advice on how to review and build these to enable a clearer “membership journey” for stakeholders and the New Zealand public. The goal is to establish a clear progression path through which people come into contact with our organisation, and then deepen this relationship to the point of membership. Much of this is inherently driven by tech, insight and targeting of conversations to meet the needs and interests of particular groups.

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| <b>Policy</b><br>Ellen Strickland - Director | Status: | On track |
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The Policy team have had a busy quarter, including a range of engagement around bills related to the Internet coming through consultation processes. InternetNZ hosted stakeholder roundtables on the new **Privacy Bill**, as well as submitted. The team have participated in meetings related to the **Cybersecurity Strategy** review. The Government’s **Copyright** Issues paper is now expected in the last quarter of 2018.

The **State of the Internet** project team, which involves both the Policy and Technical Research teams, is now established and working closely with Outreach and Engagement around delivering a 2018 SOTI in early 2019 that covers the year in review and is focused in its purpose of being valuable to key stakeholders.

We launched a position paper calling for a goal of Universal Access for New Zealand called **Solving Digital Divides Together** in late May. The team has been working with The Workshop and Vodafone Foundation on qualitative research to understand digital exclusion in a number of communities across New Zealand.

The **Council committee for .nz policy** was established following the last Council meeting and has met to discuss the Terms of Reference and work plan for the coming year. Staff continue to work on developing the operational capacity required to deliver the .nz Policy function.

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| <b>Technical Research</b><br>Sebastian Castro - Chief Scientist | Status: | On track |
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A number of initiatives have seen progress during this quarter.

The **Registrant Classification** work presented at the Registrar Conference was successfully integrated into the registrar portal, and in cooperation with DENIC, .de registry, used to classify German Registrant Names to evaluate the activation of privacy options in the context of GDPR.

With David Morrison’s arrival and the re-activation of **Domain Analytics**, a fair share of effort has been put in refreshing data for the project to have a functional beta version.

The **DNS Source Address Classification** project produced the expected good results during testing and it’s now being prepared for operation and to run at scale.

The **Domain Retention Prediction** project got its first Proof of Concept model, but there are still some validation to do.

The team kicked off the **DNS Flag Day** work in conjunction with other ccTLDs, to measure the impact within different namespaces of changes in DNS implementations to be activated in February 1st 2019.

The Chief Scientist attended industry meetings in France and Russia.

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| <b>Commercial</b><br>David Morrison - Director | Status: | On track / forming |
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With the role starting in late June the last two weeks of the quarter were largely dedicated to onboarding into InternetNZ, confirming understanding of the expectations for the role and joining the Senior Leadership Team.

During the quarter, a successful **annual registrar conference** and registrar advisory meeting were held (in early May).

The remainder of this commentary dips into the start of the second quarter to help frame what has been achieved in the short term and the direction being taken in various areas of the commercial function.

The initial approach for establishing the Commercial function has been to develop a work programme that encompasses pre-existing commercial activity (.nz, Broadband Map, Peak Domain Analytics) and exploration of new business opportunities.

Core focus areas for the start of the second quarter have been:

- Initiating a **draft commercial strategy** for completion once the new Strategy is confirmed. The overall strategic framework will provide some guidance for what new revenue opportunities are considered and funded and layout the process guiding prioritisation, selection and funding of initiatives.
- **.nz environmental understanding.** We have started mapping a cross group understanding of Registrant and Registrar journeys and will be using these to guide our thinking about the tools we use internally and the channels and content we would need to support .nz.
- With the **Broadband Map** focus has been on connecting with key stakeholders, identifying potential new customers and shaping a vision of the Broadband Map for the coming years. We are also reviewing the business model to identify opportunities to enhance what we do with the map.
- **Peak Domain Analytics (PDA)** has been in a parked state since the start of the calendar year. A short project is underway with the Technology Services team to bring PDA to a production ready state. A closed beta is planned for the latter part of the calendar year to test the current state of the service with real world customers and use direct feedback to shape our understanding of what might need to change prior to a wider launch.

- **New business ideas** are a key focus of the commercial function and activity early this quarter has been on developing a process to capture new business ideas, establish a framework for exploring and evaluating these ideas with a view to then prioritising which options to progress with. A process to capture ideas has been launched internally with InternetNZ staff and several opportunities are being actively explored. As ideas are more fully explored and likely for funding consideration these will be presented in line with a yet to be agreed funding process.

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| <b>Staffing</b><br>Jordan Carter - Group Chief Executive | Status: | On track |
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During the quarter Catherine Fenwick and Aron Narayan joined the Organisational Services team, Gareth Palmer joined the Technology Services Team and David Morrison joined the Commercial team. Megan Baker returned from parental leave. We said farewell to Sue Carter, the former NZRS Office Manager, thanking her for twelve years of sterling service to the Group.

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| <b>Domain Name Commission Ltd</b><br>Jordan Carter - Group Chief Executive | Status: | On track |
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InternetNZ and DNCL staff are working through the policy framework applicable to DNCL given the new organisational structure. At a minimum wherever NZRS is mentioned this needs to be replaced with InternetNZ. More in depth review needs to carry some of these provisions in to the .nz policy framework especially provisions related to legal action. We plan public consultation on the .nz Framework policy as per the PDP in the next few months. A revised Operating Agreement for DNCL, consistent with the updated policy framework, and new reporting approaches will be developed and shared with Council for review later in the year.

Other matters related to DNCL are covered in the report from the company to InternetNZ as shareholder, or in the joint .nz report. For the first quarter, we have kept the old reporting framework for DNCL and .nz, (but want to streamline and simplify this) and look forward to your input about how those reports should change in future.

Over the page: The Next Quarter

## The next quarter (Q2 2018/2019)

### Key priorities

This table sets out at a high level the all-of-organisational and functional priorities for the coming quarter.

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| Across the organisation | <ul style="list-style-type: none"><li>• Strategy work</li><li>• Merger related work for systems changes and policy</li></ul>   |
| Org Services            | <ul style="list-style-type: none"><li>• Team values and culture work</li><li>• Privacy policy work</li><li>• Financial reporting bedded down</li></ul>   |
| Tech Services           | <ul style="list-style-type: none"><li>• Peak Domain Analytics</li><li>• Completion of the virtual server replacement project</li><li>• First phase of the .nz Dashboard</li></ul>  |
| Outreach                | <ul style="list-style-type: none"><li>• AGM and Annual Report</li><li>• Review of membership platforms and recommendation for renovation</li><li>• Development of NetHui Roadtrip events</li></ul>   |
| Policy                  | <ul style="list-style-type: none"><li>• .nz Policy function development</li><li>• 'Platforms and the Internet' engagement and paper published</li><li>• State of the Internet project work</li><li>• Preparing for Domain policy forum</li></ul>   |
| Tech Research           | <ul style="list-style-type: none"><li>• Hiring to cover for Data Scientist Parental Leave</li><li>• DNS Flag day data collection, analysis, information sharing and presentations</li><li>• Data collection and analysis for State of the Internet, Peak Domain Analytics and other initiatives.</li></ul>               |
| Commercial              | <ul style="list-style-type: none"><li>• Establish new vision and roadmap for the Broadband Map</li><li>• Establish Peak Domain Analytics beta project to conduct real world testing in the third quarter of the financial year</li><li>• Build some momentum with the exploration of new revenue opportunities</li></ul> |

## Key Q2/Q3 commitments

This table summarises key external commitments over the next two quarters for reference.

|                               |  |                  |
|-------------------------------|--|------------------|
| 13-16 August                  | Asia Pacific Regional IGF/Pacific IGF                          | ES BC            |
| 24 August                     | Council  |                  |
| 18-22 September               | APTLD 74 - Tashkent  | Brent Carey      |
| 21-23 September               | InternetNZ - Strategy Retreat                                  | Council, SLT     |
| 24-28 September               | LACNIC - Rosario, Argentina                                    | Sebastian Castro |
| 5, 11, 16 October             | NetHui Roadtrip  |                  |
| 13-19 October                 | DNS-OARC 29 and RIPE 77 - Amsterdam, The Netherlands           | Sebastian Castro |
| 20-25 October                 | ICANN 63 - Barcelona, Spain                                    | JC BC DM         |
| Late October - early November | ITU Plenipotentiary - Dubai, UAE                               | tbd              |
| 12-14 November                | United Nations IGF - Paris                                     | JC ES            |
| 22-24 November                | InternetNZ - Maori Training and Council                        |                  |
| 27 November                   | Domain Name Policy Forum (WLG) and Stakeholder Christmas Event |                  |
| Early Dec                     | Stakeholder Christmas Event in Auckland                        |                  |

Jordan Carter  
**Group Chief Executive**

16 August 2018

### ATTACHED:

- 5.1 a - Joint Report - ICANN 62 (June 2018)
- 5.1 b - Grants Report