

MINUTES

COUNCIL MEETING

Status:

Final

Date

26 March 2020, 9:00am - online meeting

Ikapahitanga (Attendees):

President: Jamie Baddeley, **Council Members:** aimee whitcroft, Anthony Bow, Don Stokes, Hiria Te Rangī, Melissa Davies and Richard Hulse.

Chief Executive: Jordan Carter, *Org Services Director:* Catherine Fenwick, *Commercial Director:* David Morrison, *Engagement Director:* Andrew Cushen, *IT Operations Director:* Dane Foster *Tech Strategy Director:* Dave Baker, *Policy Director:* Kim Connolly-Stone and *Council Secretary:* Diane Robinson

Meeting opened:

The meeting started at 9:00am

Staff joined the meeting at 9:38am

Section 1 - Meeting Preliminaries

1.1 Council only (in committee)

1.2 Council and CE alone time (in committee)

1.3 Karakia, apologies, interests register, and agenda review

The President opened the meeting with a Karakia.

Apologies received for Cr Liddicoat, Cr Lee and Cr Pearce.

Note that Cr Craig was not in attendance.

There were no updates to the Interests Register.

The agenda was reviewed and two items were included under the Contingency (overflow):

- Update from the Chair, Audit and Risk Committee
- For Council to ratify the evote from the Audit and Risk Committee.

Section 2 - Matters for Decision - Plan and Budget 2021/22

2.1 2021/22 Plan

Jordan introduced the paper and advised that InternetNZ continues to focus on three core areas of work:

- **Public Good** - work in supporting diverse Internet communities and contributing information and insight to policy.
- **Products** - work in operating .nz and offering other products for sale.
- **Organisational** - work in developing InternetNZ and Domain Name Commission's capacity to deliver on our goals.

During the coming year we will work to refresh our strategy, working with Council and stakeholders to determine the future direction of the group.

By way of reminder, the three top priorities (set in December 2020) for 2021/22:

1. Building and deploying a replacement .nz registry system
2. Concluding the .nz policy review
3. Working Together Better - building our more flexible operating model.

Council members commended Jordan and his team on the clarity and quality of the Plan and accordingly did not have many questions, but asked the priority of the Māori aspirations and commented that it should be highly prioritised following closely after the top three priorities.

RN10/21 That Council **note** the 2021/22 Plan.

(President / Cr Hulse)
CARRIED U

2.2 2021/22 Budget

Jordan introduced the proposed 2021/2022 Budget based on the three top priorities as above.

By way of context, the forecast year-end outcome for 2020/21 is now for a \$498,577 deficit. This is well below the budgeted deficit figure of \$1,329,473 presented in August 2020.

The Budget for the 2021/22 year shows a small planned operating deficit (around 2% of income or around \$250k), and for the first time shows how our operating costs split between our areas of work. It also shows the resources - both in terms of people's time and financial - devoted to our top three projects.

Revenue and our retained earnings are more than sufficient to cover the operating and capital expenditure budgets for the coming year.

Council discussed the revenue target mentioned in the budget as 2% growth on the registry. Council noted Year 2 looks closer to 5% and Year 3 closer to 3%. Does this mean non registry income is expected to grow rapidly? Managers advised that the revenue in the out years has a number of movements including additional revenue from the registry price change implemented this year which lags into Year 2 (approx

\$500k) and a small amount in Year 3. Increase in revenue from non .nz approx \$100k and the third element is the 2% growth in .nz registrations.

The President thanked staff for the preparation of the budget, the paper was presented clearly and was easy to understand. He specifically thanked Catherine Fenwick for her work in preparing the plan and budget, and Catherine thanked the whole finance team for the work.

RN11/2021 That Council **receive** this paper and **note** the strategy and high level composition of the expenditure.

RN12/2021 That Council **note** that the 2021/22 Budget is consistent with the requirements in the Finance and Investment Strategy regarding net equity.

RN13/2021 That Council **approve** for 2021/22 an operational expenditure budget limit of \$13.647m and capital expenditure of \$4.200m.

RN14/2021 That Council **note** for 2021/22 the Revenue target of \$13.347m (including investment income).

Block Consent - Section 2.2 (Cr Stokes / Cr Bow)

CARRIED U

Section 3 - Matters for Discussion

3.1 DNCL Company Plan 2021/22

The main change to the DNCL Company Plan for the coming year is the inclusion of an Assistant Commissioner role that will support the priority projects on the .nz Registry Replacement Project and the .nz Policy Review and also provide backfill for the Domain Name Commissioner and other staff to resource these projects. Council thanked the company for the Plan and noted that the company will be part of the review of strategy due later this year, and will update the company strategy consistent with the bigger picture after the review is done.

RN15/2021 That Council **note** DNCL's Company Plan and focus areas for 2021/22.

RN16/2021 That Council **agree** the DNCL Management Fee for 2021/2022 of \$1,726,100.

Block Consent - Section 3 (President / Cr Te Rangī)

CARRIED U

Section 4 – Consent Agenda and Other Matters

4.1 Confirm Minutes of the Meeting

RN17/2021 That Council **approve** the minutes of the meeting held on 12 February 2021.

RN18/2021 That Council **approve** the minutes of the meeting held on 8 March 2021 - these will be released publicly when the vendor is announced for the .nz Registry Replacement Project in early April.

(All Council)
CARRIED U

4.2 Policies for Consent

RN19/2021 That Council **approve** the following policies:

- Health, Safety and Wellbeing Policy
- Managing Stress Policy Statement

(President / Cr Stokes)
CARRIED U

4.3 Contingency

Update: Audit and Risk Committee

The new Chair of the Audit and Risk Committee, Cr Hulse provided an update to Council for the meeting held on 22 March 2021:

- The Domain Name Commission will now increase its participation in the A&RC meetings, by either one of the independent Directors (Anita Killeen, Mel Hewitson), the Domain Name Commissioner or the Assistant Commissioner taking part in each meeting. Noting the Chair of DNCL Jordan Carter is already a member of the committee.
- The Auditors came to the most recent meeting to talk about the audit scope and timetable.
- Cr Bow will be supporting staff with how we record and monitor our legal compliance.
- The committee will also be inviting Fund Managers to present every six months.

Evote

The Evote 23032021 was ratified, authorising the signing of the Letter of Engagement for this year's Audit.

RN20/2021 That the Audit & Risk Committee recommends to Council to receive and approve for signing the Grant Thornton Letter of Engagement for the Financial Year 2020/21.

(Cr Hulse / Cr Bow)

CARRIED U

4.4 Matters for communication - Key Messages

4.5 General Business

Council Training

The Council will be sent a form that will include the upcoming timetable for governance training by the Institute of Directors. Council members to advise their training needs, so that staff can coordinate group attendance.

Annual General Meeting

Council discussed the format of the Annual General Meeting and agreed to hold the meeting online, in a way that allows for nationwide participation of the members.

4.6 Meeting Review

Council members commended staff for the presentation and quality of Plan and Budget papers. They were very easy to read and understand and this resulted in an effective Council Meeting.

Next meeting:

The next scheduled Council meeting is Friday 14 May 2021.

Cr Te Rangī closed the meeting with a karakia at 10:20am.