InternetNZ Council
May 2021

AGENDA
Council Meeting: Friday 14 May 2021

9:00am	Meeting start
10:30am	Morning tea
12:30pm	Meeting closed

Ikapahitanga (Attendees):

President: Jamie Baddeley, ***Council Members:*** aimee whitcroft, Amber Craig, Anthony Bow, Don Stokes, Hiria Te Rangi, Joy Liddicoat, Kate Pearce, Melissa Davies and Sarah Lee

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

Karakia Whakatuwhera *(Opening Karakia)*	Karakia Whakakapi *(Closing Karakia)*
Whakataka te hau ki te uru Whakataka te hau ki te tonga Kia mākinakina ki uta Kia mātaratara ki tai E hī ake ana te atākura He tio, he huka, he hauhū **Tihei mauri ora!** *Get ready for the westerly and be prepared for the southerly.It will be icy cold inland, and icy cold on the shore. May the dawn rise red-tipped on ice, on snow, on frost.*	Kia tau ngā manaakitanga a te mea ngaro ki runga ki tēnā, ki tēnā o tātou Kia mahea te hua mākihikihi kia toi te kupu, toi te mana, toi te aroha, toi te Reo Māori kia tūturu, ka whakamaua kia tīna! Tīna! **Hui e, Tāiki e!** *Let the strength and life force of our ancestors* *Be with each and every one of us* *Freeing our path from obstruction* *So that our words, spiritual power, love, and language are upheld;* *Permanently fixed, established and understood!* *Forward together!*

Section 1 – Meeting Preliminaries

9:00am	1.1	Council only (in committee)
9:10am	1.2	Council and CE alone time (in committee)
	1.3	Karakia, apologies, interests register
	1.4	Agenda review and environment scan

Section 2 – Strategic Priorities

09:30am	2.1	Decisions on updated .nz Rules framework
10:00am	2.2	Structural Change Reflections
10:30am	-	**Morning Tea Break**
10:45am	2.3	Strategy Review Process
11:00am	2.4	Update on Project Mimosa (.nz Registry Replacement) - Verbal

Section 3 – Matters for Decision

11:15am	3.1	Paper Elections and Annual General Meeting
11:25am	3.2	Council Role in Grants Panel - Late Paper

Section 4 – Matters for Discussion

11:35am	4.1	President's Report
11:40am	4.2	Council Meetings and Retreat - August & September 2021 - Change to August Meeting (Fri 13 Aug not Fri 20 Aug) - Planning for Retreat - Re-confirm Council Retreat date (Fri 17-Sun 19 Sept)
11:45am	4.3	Terms of Reference for Māori Advisory Group - Late Paper
12:00pm	4.4	Audit and Risk Committee Update - Risk Discussion - Verbal
12:10pm	4.5	Management Items for Discussion

Section 5 – Consent Agenda
(fifteen mins for discussion of items, contingency available)

12:20pm	5.1	Confirm Minutes – March 2021
	5.2	Actions Register
	5.3	E-vote Ratification - no evotes to be ratified
	5.4	Quarterly and Operational Reports (Q4 2020/21) 5.4.1 Health, Safety and Wellbeing Update 5.4.2 Membership Report 5.4.3 Q4 InternetNZ Activity Report 5.4.4 Q4 InternetNZ Financial Group Consolidated Report 5.4.5 Q4 InternetNZ Financial Report 5.4.6 Q4 DNCL Quarterly Report 5.4.7 Council Committee Report

Section 6 – Other Matters

12:25pm	6.1	CONTINGENCY (for any overflow)
	6.2	Matters for communication – key messages
	6.3	General business
	6.4	Meeting review
12:30pm	6.5	Meeting close (karakia or waiata)

Council Register of Interest

Officers and Councillors are required to register any interests, commercial, political or organisational, which they believe may be relevant to the perception of their conduct as a Councillor or Officer. Officers and Councillors are, however, still required to declare a Conflict of Interest, or an Interest, and have that recorded in the Minutes.

Officers and Councillors receive the following annual honoraria:

President - $35,470
Vice President - $22,169
Councillor - $17,735*

Sub-Committee Chairs also receives additional 10% of their honoraria

Name: Jamie Baddeley
Position: President, InternetNZ
Term: AGM 2014 - AGM 2021
Declaration Date: 27 May 2017
Interests:

- No items to declare.

Name: Joy Liddicoat
Position: Vice President, InternetNZ
Term: AGM 2014 - AGM 2021
Declaration Date: 8 March 2021
Interests:

- Trustee and Chair of the Peter Rule Foundation
- Holder of .nz domain name registrations
- Member of the New Zealand Law Society
- Member Otago Women Lawyers Society
- Member of the Non Commercial Users Constituency of ICANN
- Founding Director and Shareholder of Oceania Women's Satellite Network (OWNSAT) PTE Limited. OWNSAT is a shareholder in Kacific Broadband Satellite
- Affiliate of the Centre for Law and Policy in Emerging Technologies, Faculty of Law, University of Otago.

- Senior Corporate Counsel, Silver Ferns Farms (part-time position)
- Member of the Association for Progressive Communications

Name: Amber Craig

Position: Councillor, InternetNZ

Term: AGM 2013 - AGM 2022

Declaration Date: 4 December 2020

Interests:

- Holds .nz domain name registrations
- Trust Chair of Whare Hauora Charity
- Deputy, Chair, interim Treasurer and Trustee of Rangitāne o Wairarapa Rurunga
- Director of Tahetoka Limited (Facilitation and Consulting)
- Trustee of Te Rua o Mahara Wairarapa Trust
- Director and Shareholder of Te Rua o Mahara Tours Tapui Limited
- Kaiako at Arataki Systems

Name: Sarah Lee

Position: Councillor, InternetNZ

Term: AGM 2014 - AGM 2022

Declaration Date: 24 August 2018

Interests:

- Member of New Zealand Māori Internet Society
- Receives additional honoraria for being Chair of the Māori Engagement Committee

Name: Richard Hulse

Position: Councillor, InternetNZ

Term: AGM 2015 – AGM 2021

Declaration Date: 1 April 2020

Interests:

- Employee of GS1 New Zealand
- Holder of .nz domain name registrations
- Receives additional honoraria for being Chair of the Audit and Risk Committee for InternetNZ.

Name: Don Stokes

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2023

Declaration Date: 6 December 2019

Interests:

- Shareholder/Director, Knossos Networks Ltd, an authorised .nz registrar
- Shareholder / director of several inactive companies
- Registrant of .nz and .net domains
- Consultant of Liverton Security

Name: Kate Pearce

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2023

Declaration Date: 15 February 2019

Interests:

- Employee of TradeMe
- Member of the New Zealand Labour Party
- Holder of .nz, .com, .org, .net domain registrations
- Member of NZ Internet Task Force
- Board Member of New Zealand Internet Task Force (NZITF)
- Member and Co-leader of Aotearoa Tech Union
- Receives additional honoraria for being Chair of the .nz Policy Committee

Name: aimee whitcroft

Position: Councillor, InternetNZ

Term: AGM 2019 – AGM 2022

Declaration Date: 17 August 2020

Interests:

- Employee of Waka Kotahi NZ Transport Agency
- Holder of .nz domain names
- Open Data Charter Board Member
- Organiser for unconferences and related events
- Have previously been employed by InternetNZ on contractual basis
- Have previously been awarded an InternetNZ conference grant
- Wildlife.ai Board Member

Name: Melissa Davies
Position: Councillor, InternetNZ
Term: Appointed 2020 – 2022
Declaration Date: 8 August 2020

Interests:
- Own .com and .nz domains
- Owner/Principal SilverDelta
- Owner/CEO Holdmine Ltd
- Co-Owner Bolstur Ltd
- Independent Director - Canterbury Employer's Chamber of Commerce
- Independent Director - Canterbury A&P Association
- Independent Director - Motus Health
- New Zealand Rugby - Board Committee - Commercial and Technology

Name: Hiria Te Rangi
Position: Councillor, InternetNZ
Term: AGM 2020 – AGM 2023
Declaration Date: 14 August 2020

- I own registered .nz domain names
- CEO - Whare Hauora - Charity
- CEO - Do Good limited - Company
- Co business owner - Atamai - Company
- Advising the Spark Foundation

Name: Anthony Bow
Position: Councillor, InternetNZ
Term: Appointed 2020 – 2022
Declaration Date: 17 August 2020

- Holder of .nz and .com domain names
- Director of Whai Rawa Fund Ltd
- Director of Maungaharuru-Tangitū Ltd
- Deputy Chair and Board Member of the Medical Radiation Technologists Board.
- Director of Medical Sciences Secretariat Ltd
- Chair and Trustee of Bill McKinlay Park Trust
- Director and Shareholder of Waimana Capital Ltd
- Shareholder in private companies; Big Splash Ltd and Talent Propeller Ltd

The register was last updated on 8 March 2021.

COUNCIL MEETING - MAY 2021

.nz policy review: outcomes of consultation on category one recommendations

ITEM: 2.1
AUTHOR: Kim Connolly-Stone, Policy Director
PURPOSE: See below
DATE WRITTEN: 27/04/2021

Purpose

This paper:

- Informs you of the outcomes of the consultation on the draft .nz rules
- Discusses one of the more controversial issues (the proposed move to a one year minimum registration and renewal period)
- Proposes that the draft .nz rules be adopted and brought into force with the new registry system in 2022, but with some changes to address feedback provided through the consultation
- Outlines next steps.

Background

At its December 2020 meeting [(link to the council paper)](#) Council agreed to deal with the recommendations of the .nz Advisory Panel (the Panel) in three phases:
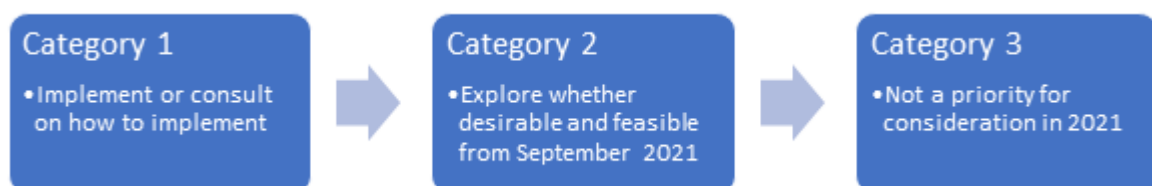
Consultation on category one issues took place in February and March, when we sought feedback on the draft .nz Rules[1]. This updated set of rules (set out in **Appendix Three**):

- showed stakeholders how we could implement the Panel's recommendation to simplify and streamline the existing policy documents

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[1] You can access the [consultation document](#) here.

1

- included the new policy framework (high level principles) recommended by the Panel

- included proposed changes needed for the Registry Replacement Project.

Summary of submissions and our views on the changes proposed by submitters

Appendix one provides a summary of submissions and our views on the changes to the draft .nz Rules that were suggested by submitters. To summarise the summary:

- Submitters were generally either in favour of or did not have concerns about the draft .nz Rules. We think this reflects the relatively non-controversial nature of this first category of the Panel's recommendations. More complicated issues will be addressed in the later stages. We think this gives us a mandate to go ahead with the .nz Rules.

- There was concern from a group of submitters about one aspect of the draft .nz Rules - the proposal to move the minimum registration and renewal period for domain names from one month to one year. While we recommend we go with the one year period, Council may wish to discuss this issue as a number of submissions were made in favour of the one month status quo. More information on this is included in Appendix One and Two.

- Submitters also made suggestions on improvements to the draft .nz Rules. In Appendix One you can see we think a number of these changes should be made. In the time available we haven't been able to incorporate these changes into the draft rules. The changes we think should be made are:

  - Reinstating the term "identifiable" in clause 2.2, so that it's clear that a person registering a domain name must be an "identifiable individual".

  - A new requirement for domain holders to comply with requests for identity verification in a timely fashion.

  - A new provision requiring parties to respond to reasonable requests from the Domain Name Commission for information to substantiate compliance with the .nz Rules.

  - A new provision that would allow the Domain Name Commission (at its discretion) to do a non-standard bulk transfer of domain names where the interest of the domain holder requires this. This provision would be useful when there is a complete failure of registrar services.

  - Retaining country information in the individual registrant privacy option (IRPO) for now. This will be reconsidered when a deeper inquiry into privacy issues is done as part of category two.

  - Retaining second and third person contact points.

- Updated privacy guidance on the rationale for collection of each field in the registrant, administrative and technical fields as part of the category one work (not later down the track). Also some updated references to the Privacy Act.

Next steps

The next steps include:

- Drafting tweaks to the draft nz rules to address some of the suggestions from the consultation (as listed above)
- Drafting the section of the rules on pricing variability and incentives. The consultation only tested concepts, which were generally supported. This drafting would be consulted on during the next phase of consultation
- Engagement with stakeholders about the .nz rules to help them prepare for their coming into effect
- Engagement with Māori on issues identified during the Panel process (e.g. the offensive use of te reo Māori in domain names), and other issues of interest to Māori
- From September we will look at the category two recommendations and explore whether these are desirable and feasible.

Recommendation

THAT Council:

- Approve the replacement of the existing set of .nz policy documents with the new .nz Rules (dated 14 May 2021, and set out in **Appendix Three**).

- Note the new .nz Rules include a change to the minimum monthly registration and renewal term for .nz domain names - under the new rules registrations and renewals will be available for annual terms not monthly terms.

- Agree the new .nz Rules will come into effect in 2022 when the new registry system is operational.

- Note the new .nz Rules are being confirmed ahead of time to provide certainty for the Registry Replacement Project and to give stakeholders plenty of lead time.

- Note further changes to the .nz Rules will be needed to address the adjustments noted in this paper arising from the submissions, and potentially following consideration of category two issues late in 2021 or in 2022.

Attached: **Appendix 1 - summary of submissions on the .nz Rules consultation**

Appendix 2 - information on one month renewals

Appendix 3 - the .nz Rules

Useful link: **.nz Policy Review consultation doc**

Appendix One

Summary of submissions on the .nz rules consultation

Purpose

This document provides:

- A summary of the submissions on the draft .nz Rules that were released for consultation in February and March 2021

- Our views on the submissions that suggested alternative approaches to those set out in the consultation document and the draft .nz Rules (whether we agree or disagree with these).

Background

The consultation on the draft .nz Rules is the first part of the InternetNZ response to the recommendations of the independent .nz Advisory Panel (the Panel). It sought submissions on a rewrite of the existing .nz policy documents. This rewrite was in response to the Panel's recommendation to simplify and streamline the existing documents. The consultation also tested some changes to the existing rules needed for the Registry Replacement Project.

There are two further categories of Panel recommendations that InternetNZ will need to work through. Work on category two will start in September 2021. Category three is not a priority for consideration in 2021.

Submissions overview

The consultation was open for six weeks, during February and March 2021. Submissions were sought from our stakeholders and anyone who had expressed an interest in the review to date. We used our newsletters, website, Registrars Advisory Group, members Slack channel and email lists to let people know about the consultation. Our communications advisor also talked to media. We received 18 submissions on the draft .nz Rules.

Submitters were generally either in favour of or did not have concerns about the proposed rewrite of the rules. We think this reflects the relatively non-controversial nature of this first category of the Panel's recommendations. More complicated issues will be addressed in the later stages.

There was, however, concern from a group of submitters about one aspect of the draft .nz Rules - the proposal to move the minimum registration and renewal period for

domain names from one month to one year. A number of submissions were just on this issue.

Submitters also made suggestions on improvements to the draft .nz Rules. These are discussed in the next part of the document where we summarise the submissions on each of the 28 questions asked in the consultation document. Where submitters suggested we take a different approach to that proposed we provide a view on whether this should be accepted or not.

For readers who would like something shorter, here is a list of the matters in the draft .nz Rules that we think should be changed in response to submissions:

- Reinstating the term "identifiable" in clause 2.2, so that it's clear that a person registering a domain name must be an "identifiable individual".

- A new requirement for domain holders to comply with requests for identity verification in a timely fashion.

- A new provision requiring parties to respond to reasonable requests from the Domain Name Commission for information to substantiate compliance with the rules.

- A new provision that would allow the Domain Name Commission (at its discretion) to do a non-standard bulk transfer of domain names where the interest of the domain holder requires this. This provision would be useful when there is a complete failure of registrar services.

- Retaining country information in the IRPO for now. This will be reconsidered when a deeper inquiry into privacy issues is done during category two.

- Retaining second and third person contact points.

- Updated guidance on the rationale for collection of each field in the registrant, administrative and technical fields) during category one. Also some updated references to the Privacy Act.

Summary of submissions by question in the consultation document

1. Do you favour consolidating and rewriting the .nz policies generally speaking? Why / why not?

The Panel recommended a complete overhaul and rewrite of the .nz policies to make them more user friendly and easier to navigate. We prepared the draft .nz rules in response to this recommendation and asked submitters for feedback.

Most of the submitters who addressed this question were in favour of the consolidation.

Some were concerned about new interpretations of established matters, or unintentional changes. We are of the view that the thorough legal review and comparison of the old and new rules is sufficient to address these concerns. The

consultation itself has also provided an opportunity for those who use the rules to point out any unintended consequences.

There was a suggestion to add a glossary. We note the draft .nz Rules already include an interpretation section and a glossary.

2. Could the draft .nz Rules be improved? How?

One submitter suggested there could be greater clarity on what the term "sanctioned" means in clause 12.2.16, how a domain name becomes sanctioned, and what the rights of appeal are.

This clause refers to the Domain Name Commissioner imposing a compliance lock when a domain name has been sanctioned. We don't think changes are necessary as the first two matters are addressed in other clauses, and judicial review is available.

3. Do you think the difference between policies and operational rules is clear enough? If not, how could this be improved?

Submitters either thought the differences were clear or did not comment on this question.

4. Do the draft .nz Rules leave out anything currently in the existing .nz policy documents that should be retained?

There were two suggestions on matters from the old rules that need to be retained in the new, and suggestions for new requirements. We support all of these and propose they be incorporated into the new rules. They are:

- Reinstating the term "identifiable" in clause 2.2, so that its clear that a person registering a domain name must be an "identifiable individual".

- A requirement for domain holders to comply with requests for identity verification in a timely fashion.

A new provision requiring parties to respond to reasonable requests from the Domain Name Commission for information to substantiate compliance with the rules.

- A new provision that would allow the Domain Name Commission (at its discretion) to do a non-standard bulk transfer of domain names where the interest of the domain holder requires this. This provision would be useful when there is a complete failure of registrar services.

5. Do you consider the above principles should be adopted as the new principles for the .nz Rules? Why / why not?

The draft .nz Rules contain five new guiding principles for the management of .nz (recommended by the Advisory Panel, with some adjustments from us). These are that:

.nz should be secure and trusted: .nz infrastructure must be dependable and secure, and .nz be trusted

.nz should be open and accessible: everybody should be able to observe, participate, innovate and enjoy the benefits of .nz

.nz should serve and benefit New Zealand and reflect and be responsive to our diverse social, cultural and ethnic environment

.nz should support te reo Māori me ona tikanga and participation in .nz by Māori

.nz should enable New Zealand to grow and develop: it should help people. Businesses and organisations connect, create, innovate and grow.

One submitter did not favour the new principles. We propose to retain the principles as drafted. The new high level principles better reflect the challenges and opportunities of the modern online world, and the broader context in which .nz sits. The principles provide an appropriate policy framework for deciding what sort of operational policies and rules we need to run .nz.

6. Do you agree that 'safe' should be removed from the first principle? Why / why not?

This proposed principle says ".nz should be secure and trusted". The Panel had recommended it also include the word "safe". We proposed to not include this word because it is not clear what .nz being safe means in this context.

One submitter thought the word safe was a good fit for the principle. We still do not have clarity on what meaning this would bring, so do not propose to add the word "safe" to the principle.

7. Do you think any of the principles should be modified in any other way?

There was a suggestion that the description of the new principle about .nz being secure and trusted should be modified to say that .nz infrastructure means .nz registry infrastructure.

We don't agree and think that all .nz infrastructure, not just registry infrastructure, should be covered.

8. Do you think we should implement the Panel's recommendations on the existing principles as proposed above? Why / why not?

While the Panel recommended a new set of guiding principles to provide the high level policy framework, it didn't think we should lose the existing principles entirely. It thought these more detailed and technical principles made more sense as operational policies. The Panel recommended keeping all except one of the existing principles as operational policies, with some modifications. The exception to this was the "registrant rights come first" concept. The Panel thought such rights should be balanced against

the interests of the public. The concepts it recommended retaining (with some modifications) as operational policies were:

- Rule of law
- First come, first served
- No concern for use
- Low barriers to entry
- Structural separation
- Clear chain of relationships.

The Panel had recommended changes to the "no concern for use" and "first come first served" concepts which we didn't include in the draft .nz Rules. We propose to test these during the next phase of our work when we will be engaging with Māori on whether certain words should not be freely available for registration, and when we look at the recommendation to develop a trusted notifier regime.

A number of submitters made comments supporting the retention of the concepts in the new proposed policies.

One submitter seemed to be saying that they thought the "registrants rights come first" first principle should be retained, due to concerns about interference from large organisations. This was implied from a comment about another part of the consultation document.

One submitter did not like the way the old principles had been included as policies and preferred that they be retained as principles. This same submitter did not support the new proposed principles.

We do not propose any changes to the new operational policies in the .nz Rules.

9. Have we correctly assessed the implications of our proposed approach to the existing principles? Are there other implications we have not considered?

One submitter answered "no" to this question, because they prefer the old principles to be reinstated.

Other submitters did not answer the question.

10. Is there a better way of doing this?

Only one submitter answered this question. They preferred we go back to the old principles.

11. Do you think InternetNZ should have greater flexibility to adjust .nz procedures & requirements by notice in writing?

The submitters who commented on this question agreed InternetNZ would have this flexibility. But there should be sufficient notice.

12. Is 20 working days enough notice before a change to the procedures & requirements is made?

The submitters who commented on this question either said yes, or suggested having the 20 day period for cosmetic things and a longer period for more material changes.

We think 20 working days is enough notice for changes to procedures. Any material changes would be raised and discussed well in advance of initiating the notice period.

13. Are there any .nz procedures & requirements you think should be a .nz policy or .nz rule? Are there any .nz policies or .nz rules you think should be a .nz procedure?

There were no suggestions in response to this question. One submitter repeated its objection to the new structure of the rules.

14. Do you think we should implement the Panel's recommendations on the exceptional circumstances provision as proposed above? Why / why not?

The proposal here was to make permanent the interim clause in the existing Operations and Procedures policy which allows the Commissioner to take steps in emergency or exceptional circumstances to mitigate or minimise harm caused by the use of a domain name.

Submitters who answered this question agreed the exceptional circumstances provision should be made permanent, as proposed.

There was a suggestion that restoration processes could be improved. Appeals and reviews are not part of this phase of work. Considering this one issue in isolation would be disproportionate.

15. Have we correctly assessed the implications of our proposed changes to the exceptional circumstances provision? Are there other implications we have not considered?

Submitters who answered this question said yes.

16. Is there a better way of doing this?

One submitter suggested there could be an improvement/expedition in the restoration process.

As noted above, appeals and reviews are not in scope.

17. Should the Commissioner be able to take any of the listed steps (change the Registrar, suspend, assign, cancel and lock) in the circumstances described in paragraphs a, b and c or or just some? If not, which steps should apply to circumstances?

In response to this question about the powers of the Domain Name Commissioner, submitters agreed the Commissioner should be able to take the listed steps. There was also the suggestion from one submitter to improve the restoration processes (discussed above).

18. Do you think we should implement the Panel's recommendations on privacy as proposed above? Why / why not?

The Panel recommended protecting domain name holder details, other than name, by default. It also recommended that admin and technical contacts be optional, and that a communication function be put in place to enable domain name holders to be contacted without revealing their email address.

The consultation document proposed implementing these recommendations in two parts. In the first part we would modify the Individual Registrant Privacy Option (IRPO) so that more contact information is withheld from the query service that DNCL provides, and to make the nominated secondary contacts (like admin and technical contact details) optional fields. The question of privacy by default would be considered in stage two when we look at the recommendation on a trusted notifier regime.

Most submitters supported the part one approach to privacy changes. However:

- One submitter thought the existing contact information should remain available (except physical address).

- Another submitter was concerned about the removal of country information in advance of proper consideration of establishing a service for the NZ Legal Person Verification.

We agree with the suggestion that country information should be retained in the .nz Rules for now. This will be reconsidered when a deeper inquiry into privacy issues is done as part of tranche two.

19. Have we correctly assessed the implications of our proposed changes to the privacy option? Are there other implications we have not considered?

It was suggested that more consideration be given to the potential implications of losing second and third persons as contact points. DNCL pointed out that it sometimes uses secondary contacts in performing the function of validating domain names. Having more than one potential contact may also be useful to government agencies, when responding to infrastructure abuse such as the Cyber Emergency Response Team or an emergency.

We agree it would be useful to better understand the reliance parties other than InternetNZ might place on this information. We therefore propose that the draft .nz Rules are amended to continue to require second and third person contact points. It is understood that in some cases there will be none.

20. Is there a better way of doing this?

The Office of the Privacy Commissioner (OPC) suggested that Panel recommendation 28 (InternetNZ publish updated guidance on the rationale for collection of each field in the registrant, administrative and technical fields) should be implemented during part one rather than part two of the implementation of the Panel recommendations. The OPC recommendation was to include this information in the rules, not as separate guidance.

We agree with this suggestion and propose to include the rationale as part of the first tranche of the new .nz Rules. The rationale may require further refinement when we address the tranche two Panel recommendations which deal with privacy.

21. Do you think we should implement the Panel's recommendations [on pricing variability and incentives] as proposed above? Why / why not?

The Panel recommended InternetNZ be able to adopt variable pricing, offer rebates and provide incentives. The purpose being to encourage uptake of domain names from target groups, support small businesses, and encourage innovation which would drive growth in the .nz market. The consultation document sought feedback on these ideas. These proposals were not included in the draft .nz Rules, but as ideas in the consultation document. .

One submitter made a number of points about these proposals. They:

- Disagreed with the idea of variable pricing as they thought it would be confusing and costly to implement. We don't agree with this and note that:

    - wholesale pricing to registrars does not always get reflected in the retail market price

    - some registrars already offer their own variable pricing models. The complexity of managing wholesale pricing sits with registrars to manage and then translate to their own customer value propositions.

- Thought that practices such as rebates would not incentivise good privacy and security practices. We have reflected that the example used in the consultation document may have been confusing. We propose to provide more clarity around the exercise of the discretion to offer incentives and pricing variability when this part of the rules is drafted.

- Pointed out that an additional feature to deal with typo squatting could have unintended consequences. We agree. This example will not be included in this part of the .nz Rules when drafted.

22. Have we correctly assessed the implications of clarifying that we can offer enhanced features, add-ons and incentives? Are there other implications we have not considered?

The one submitter who answered this question was of the view that the implications had been considered.

23. Is there a better way of doing this?

There were no suggestions in response to this question.

24. How could we implement this in a way that will maximise the benefits for all registrars?

No new suggestions were received in response to this question.

25. Have we correctly assessed the implications of moving to yearly registrations and renewals? Are there other implications we have not considered?

The consultation document included proposed changes to the .nz Rules to support the move to a new registry system. One of these was to move to yearly registration and renewal periods, with the minimum term being one year and the maximum being ten years. Currently the minimum registration and renewal period is one month.

This proposal attracted the largest amount of comment, with 13 submissions (mainly from individual registrants using monthly renewals) opposing for various reasons. The reasons included:

- Usefulness for testing the market and short term projects and events

- The ability to manage cash flow, and minimise financial risk

- Registrars are billed monthly, why not pass this on to customers (we note this is an incorrect assumption of how .nz billing works)

- Why change something that works

- If international registrars don't understand monthly registrations, that is their problem to fix (we note the majority of registrars (local and international) using annual renewals have needed to adapt their systems to deal with monthly auto-renewals from our system)

- Monthly billing when optional does not present barriers of entry for new registrars (we note the majority of registrars (local and international) using

annual renewals have needed to adapt their systems to deal with monthly auto-renewals from our system)

- A monthly period aligns with other monthly subscriptions provided to customers

- A monthly period can benefit InternetNZ by potentially providing business intelligence, and allowing names to be released back early.

We have carefully considered the advantages and disadvantages of moving to a minimum one year registration and renewal period. The submissions received helped us better identify who would be affected by the proposal and how. We then went back and did further analysis to see how many of the affected domains are held by companies, individuals and first time registrants.

There are two different types of impact on domain name holders:

- Those with established domains who renew each month because of cash flow reasons across a portfolio.

- Those who renew each month because this is how their registrar chooses to do it.

Combined, these groups represent less than four percent of the register.

Having considered the submissions and additional analysis we remain of the view that the pros outweigh the cons of the proposal. Here are our reasons:

- The registrar market has changed significantly since the shared registry system was established. ISP-based registrars who held 36 percent of the .nz domain name market in 2004, accounted for around 3.7 percent of the market by 2019. ISPs were the primary users of monthly terms.

- The use of one month renewals has similarly declined. In 2004 they reached their peak popularity, when they accounted for 36 percent of renewals. By August 2020 this had reduced to 4.2 percent and is trending downward.

- Standard practice for major registries around the world is for a minimum one year period. Moving to yearly registrations and renewals will align us with this standard practice and lower barriers to entry for new registrars by avoiding extra development costs for one month auto renewals, and enabling them to re-use existing components developed in connection with other registries.

- A one year registration and renewal period is easier for most registrars to understand and maintain. Recurring large-scale cleanup events can negatively impact our business intelligence and market analysis data. In the past three years there have been a couple of instances where domains that should have been cancelled moved to monthly auto-renews, generating significant cleanup events when discovered by the registrar.

- Moving to a one year minimum is easier for us to implement by reducing complexity in the registry billing system.

- Moving to a one year minimum is also easier for us to maintain. It reduces the support overhead and the effort required for testing, troubleshooting issues and reconciliation.

We think we can minimise the impact on those currently using one month renewals by:

- Working with registrars to help them provide information to their customers on how cash flow can be managed by staggering renewals across their portfolio during the one year plus period where monthly registration terms will be available.

- Providing a long lead in time for the changes to allow for system changes and engagement with customers.

We acknowledge the move to a one year minimum will not suit some users and this will attract some criticism. We recommend Council discuss the pros and cons of a move from one month to one year.

Appendix two contains more detailed information to aid this discussion, including how much revenue would be lost from short term registrations, and how much it would cost to customise Fury to allow monthly registrations and renewals.

26. Is there a better way of doing this [moving to a one year period]?

No new suggestions were made in response to this question.

27. Have we correctly assessed the implications of aligning our terminology to reflect standard usage? Are there other implications we have not considered?

The draft .nz rules use some updated terminology to describe the stages in the domain lifecycle and the adoption of unique domain authentication IDs (UDAI). This updated terminology reflects standard language now used by ICANN and other ccTLDs. Using the updated terminology makes sense as we move to a new registry system, and will reduce confusion for .nz participants who operate internationally.

Submitters who commented on this question supported the move to standardisation and thought the implications had been correctly assessed. We need to do some fine tuning to the draft .nz Rules to ensure we have this new terminology in all the right places.

28. Is there a better way of doing this [standardising terminology]?

No new suggestions were made in response to this question.

28. Other comments [on anything else]

The OPC recommended that some references to the Privacy Act be double checked. We have done this and will need to update these to reflect the recent changes to the Act.

Appendix two

Information on one month renewals

How many domains are renewed for one month terms?

The number of domains renewed for a term of one month in March 2021 was 30,652. One month domain renewals have been trending downward year on year. Over the last 10 years the number has reduced by approximately 50 percent. This is illustrated in the graph below.
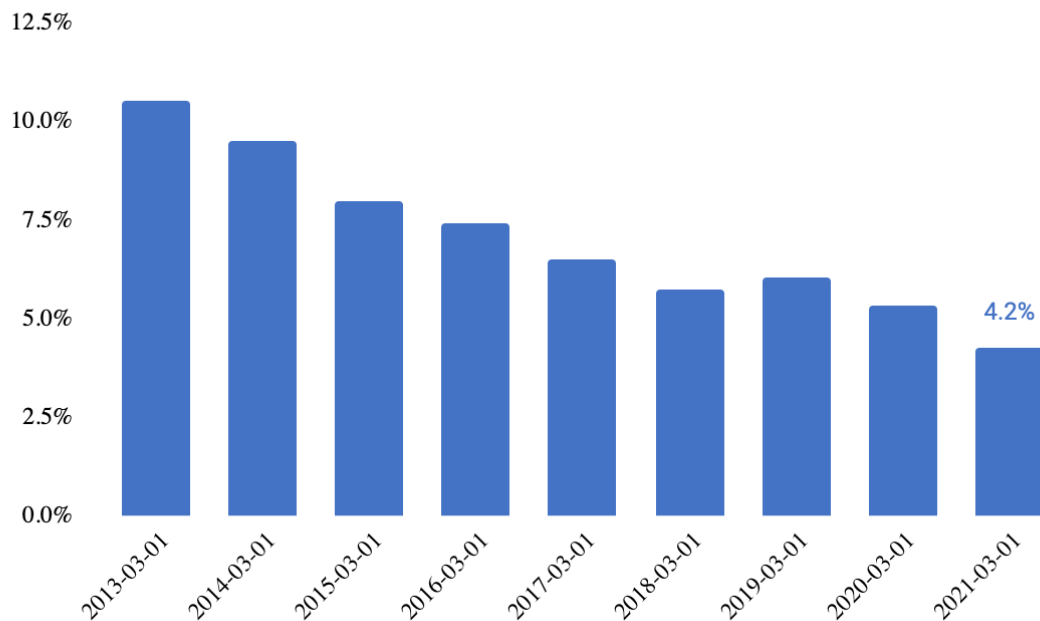
One month renewals
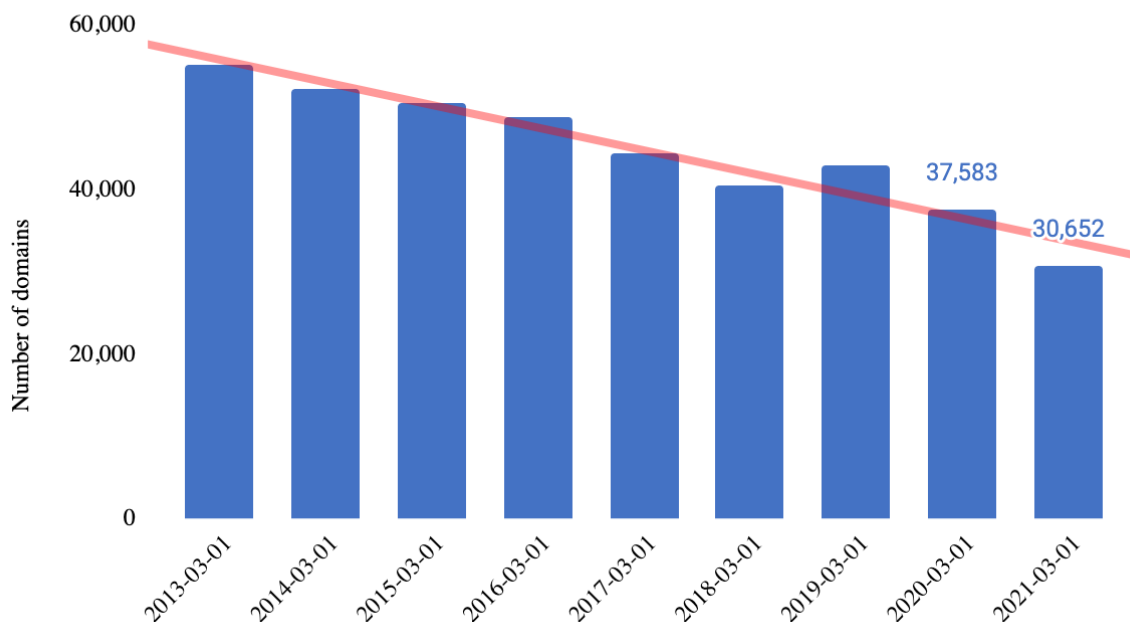
What percentage of domains are renewed for one month?

At the end of March 2021 there were 723,806 domains registered and the percentage of domains renewed for one month was 4.2 percent. This percentage has been steadily decreasing over the last 10 years. This is illustrated in the graph below.

Percentage of domains renewed for a one month term

How many domains that are renewed for one month terms, have been registered for 12 months or more?

Of the 30,652 domains renewed in March 2021, 28,154 domains have been registered for 12 months or more. This indicates the majority of monthly renewals are not short term registrations and they are likely to be continued to be renewed if there is a change to annual renewals.

How many short term domain registrations per year are there?

To answer this question, this definition of a short term registration has been used:

● Domains registered for an initial term of between one to six months (monthly terms aren't just one month at a time) and were released between the start of the registration and the end of the initial registration plus six months. So for example within this definition, a domain could have been registered for one month then cancelled and released or registered for six months and then cancelled and released.

Over the last 10 years there has been an average of 900 domains registered for a short term of six months or less. This is illustrated in the graph below.

Domains registered for between 1 and 6 months
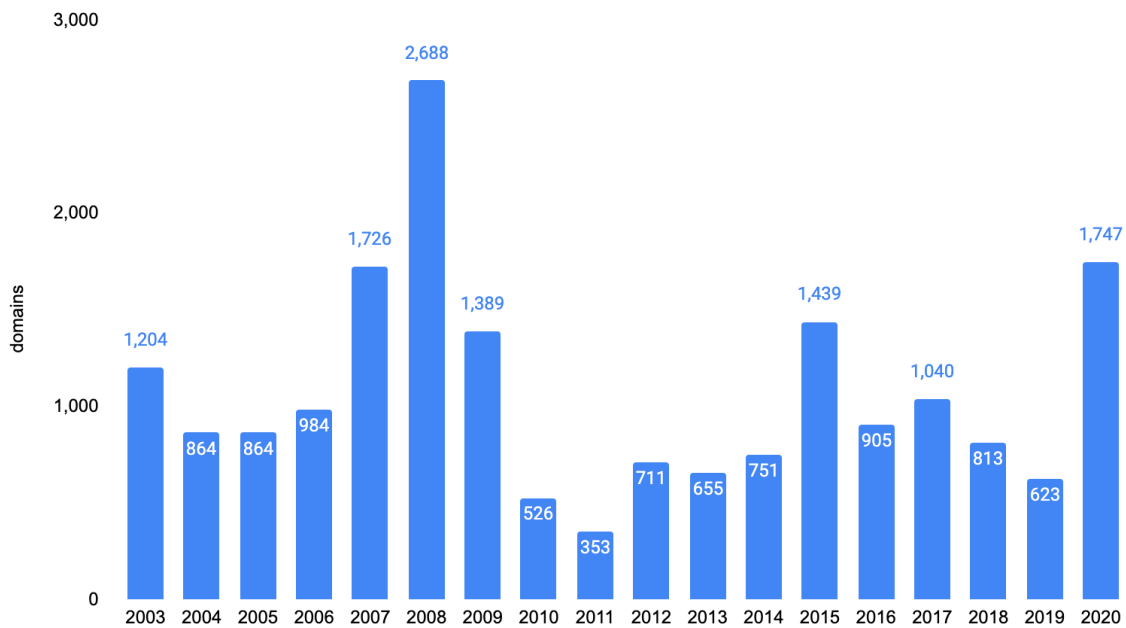
What is the estimated revenue that would be lost from short term registrations?

If you made the assumption that each of these short term registrations had a term of six months, the yearly income to InternetNZ would be **$8,100**. This income would potentially be lost with the move to annual registration and renewal terms. The new registry platform does allow for rebates and promotions, so short term registrations could be accommodated if there was a demand for them using an alternate mechanism.

How much would it cost to customise the Fury system to allow for monthly registrations and renewals?

The current estimate from CIRA is approx $100,000. Acceptance testing by InternetNZ staff at a cost of $10,000 - $20,000 should also be factored into this estimate. Note there could also be an increase to the implementation date which could also result in additional costs added to the project.

.nz Rules

14 May 2021

Introduction

Context

InternetNZ holds the delegation for the .nz country code top level domain. It operates the regional registry for New Zealand (the .nz Register). The .nz Register is a single register, shared registry system that manages the registration of .nz domain names and associated data.

The guiding basis for the management of country code top level domains, including .nz, is set out in RFC 1591. Using RFC 1591, the Internet Corporation for Assigned Names and Numbers (ICANN), as the Internet Assigned Numbers Authority (IANA) Operator, is responsible for processes supporting global DNS related functions, including the delegation of country code top level domains.

Consistent with RFC 1591, there is no concept of 'ownership' involved in holding the delegation for .nz. InternetNZ serves at the pleasure of the local Internet community. It regards this role as one that must be done with the trust and on behalf of that community.

These .nz Rules have been made by InternetNZ in consultation with the local Internet community.

Table of Contents

The main participants in .nz

Figure 1. visual flowchart of contractual agreements between parties as described below

InternetNZ

InternetNZ is responsible for:
  a. the overall operation of .nz
  b. the long-term strategy for .nz, which binds InternetNZ and DNCL
  c. maintaining and developing these .nz Rules
  d. the operation of the .nz Register and .nz Authoritative DNS consistent with agreed and publicly available service level commitments
  e. billing relationships with Registrars
  f. setting the monthly fee Domain Name Holders must pay for a .nz domain name, in consultation with DNCL
  g. intellectual property rights in the .nz Register
  h. being the lead representative in the Internet Governance system (e.g. ICANN, APTLD) in collaboration with DNCL
  i. the development of products for .nz.

DNCL

The Domain Name Commission Limited (DNCL) is a subsidiary of InternetNZ. Through the DNCL Operating Agreement InternetNZ has appointed DNCL to manage .nz on behalf of InternetNZ. Ultimate responsibility for .nz remains with InternetNZ.

DNCL's role, responsibilities and obligations are detailed in clauses 8 (Roles, responsibilities and obligations) and clause 12 (Complaints and enforcement). DNCL acts independently of, and is not responsible to, InternetNZ for the performance of its functions and responsibilities.

DNCL also:
a. monitors and publicly reports on the markets that operate in .nz
b. reports to InternetNZ on its corporate performance, and on its responsibilities as set out in these .nz Rules and in the <u>DNCL Operating Agreement</u>.

DNCL can only intervene in the relationship between Domain Name Holders and Registrars or between Registrars and InternetNZ in accordance with these .nz Rules and associated agreements and contracts.

Domain Name Commissioner

The Domain Name Commissioner (the Commissioner) is the most senior staff member in the Domain Name Commission. The Commissioner in undertaking compliance and dispute resolution functions acts independently of InternetNZ.

InternetNZ and DNCL

InternetNZ and DNCL are jointly responsible for:
a. developing a strategic view of .nz
b. maintaining the security, stability and resilience of .nz
c. publishing information about .nz
d. promoting .nz in the public interest.

InternetNZ holds DNCL to account for its performance of its responsibilities through:
a. InternetNZ's ownership interest in DNCL
b. the InternetNZ Chief Executive chairing DNCL's Board
c. the shared strategy and budget planning process.

Registrars

Registrars manage .nz domain names on behalf of Domain Name Holders by communicating with InternetNZ and managing information on the .nz Register. They are authorised to operate in .nz by DNCL.

Domain Name Holders

Domain Name Holders are persons InternetNZ has licensed to hold a .nz domain name. Domain Name Holders must choose a Registrar to manage their .nz domain name on their behalf.

Moderators

Moderators apply a Moderation Policy to determine who can be a Domain Name Holder of a .nz domain name in one of the Moderated Domains (see clause 9). For example, the Moderator appointed by the New Zealand Government determines who is able to use the Moderated Domain .govt.nz to register a third level domain name like education.govt.nz. Moderators also ensure all that .nz domain names in the Moderated Domain comply with the Moderation Policy.

Resellers

Resellers provide domain name registration services but are not a Registrar authorised under clause 11 (Authorisation of Registrars). They buy .nz domain names and manage domain name records for Domain Name Holders through an authorised Registrar (e.g., a person registering a .nz domain name on behalf of another person or an IT company that has been given direct access to a Registrar's services through an API). Resellers are often the intermediary between the end user (the Domain Name Holder) and the registrar and sometimes provide value-added services like website creation or hosting.

See clause 8 (Roles, responsibilities and obligations) for more details on the roles, responsibilities and obligations of the main participants in .nz.

How these .nz Rules are organised

This document brings together the rules that bind all participants in .nz (the part of the Internet whose domain names end in '.nz'). These rules apply to all users of .nz domains, including Registrars and Domain Name Holders. They are comprised of:

- Principles
- Policies
- Operational Rules
- Procedures and requirements.

.nz Principles

These set out the basis on which all activity related to the registration and use of .nz domain names should be judged. They will be the key factor in determining whether .nz is operating as the community intends. They will help InternetNZ consider what Policies, Operational Rules and Procedures & Requirements .nz should have, how they should operate and whether they should be modified.

Policies

These are based on the Principles and set out the course of action to be taken by InternetNZ and DNCL in determining what the Operational Rules and Procedures & Requirements should be. They will also guide InternetNZ and DNCL in performing their registry and regulator functions.

Operational Rules

These provide detailed rules about how .nz operates. They set out:

- how .nz domain names are registered, renewed, assigned and cancelled
- optional features that can be applied to .nz domain names
- the terms of .nz domain names and how they are renewed
- the obligations of participants in .nz
- how moderated .nz domains are operated
- how people can search the .nz register
- how entities are authorised to be registrars in .nz
- how the .nz Rules are enforced and how disputes between participants are investigated and managed.

Procedures and requirements

These detail the procedural requirements and minor or technical requirements of .nz or the domain name system.

Conflict

The differing parts of the .nz Rules should be read wherever possible so they are consistent. If this is not possible and there is an apparent inconsistency between:

- the Principles
- the Policies
- the Operational Rules
- the Procedures & Requirements

then the .nz Rules should be interpreted to give the Principles the highest priority, followed by the Policies, then the Operational Rules and lastly the Procedures & Requirements.

Modification

Changes to these .nz Rules can be made in accordance with the Policy Development Process in Schedule 1.

The .nz Rules

Interpretation

1. In these .nz Rules:

   Authorisation Agreement means the [.nz Registrar Authorisation Agreement](#) entered into between DNCL and each Registrar

   Commissioner means the Domain Name Commissioner

   Compliance Lock means a lock put on a .nz domain name under clause 12

   Connection Agreement means the [.nz Connection Agreement](#) entered into between InternetNZ and each Registrar

   Dispute Resolution Service means the dispute resolution service specified in Schedule 2

   DNCL means Domain Name Commission Limited, a subsidiary of InternetNZ

   DNS means the domain name system, which helps Internet users find and identify IP addresses by translating complex IP addresses into more easily recognisable domain names

   DNS Operator means the person to whom a Domain Name Holder has delegated responsibility to operate their DNS under clause 2.2.9 of these .nz Rules

   DNSSEC means Domain Name System Security Extensions, the suite of specifications that provides cryptographic authentication of DNS data, authenticated denial of existence and DNS data integrity.

   Domain Name Holder means the person named on the .nz Register as the 'Domain Name Holder Contact' and includes a prospective Domain Name Holder if the context requires

   DS Record List means information the DNS protocol uses to ensure non-repudiation and integrity of a domain name query through implementation of DNSSEC

   Moderator means a person responsible under the Moderation Policy for ensuring the Moderated Domain is run in accordance with the Moderation Policy

   Moderated Domain means a second level domain to which a Moderation Policy applies and includes '.cri.nz', '.govt.nz', '.health.nz', '.iwi.nz', '.mil.nz', '.parliament.nz'

   Moderation Policy means the policy governing the operation of a Moderated Domain

   Name Server Data means data held by name servers

   Name Server List means the names of the servers that will provide the authoritative DNS response to queries for a domain name

   .nz Register means the database maintained by InternetNZ that is the sole, authoritative register of .nz domain names and associated data

   Registration Grace Period (known internationally as the 'addPeriod') has the meaning specified in clause 7.3

Registrar means an entity authorised under clause 11 (Authorisation of Registrars) to access the .nz Register and manage .nz domain names on behalf of Domain Name Holders

Registry Lock service means the Registry Lock service provided under clause 6 to reduce the risk of unauthorised changes to a .nz domain name's registration

Renewal Grace Period (known internationally as the 'renewPeriod') has the meaning specified in clause 7.3

Reseller means any person working in any way through or with a Registrar's systems in registering or managing .nz domain names on behalf of a Domain Name Holder

Second Level Domain Name means a .nz domain name registered at the top level, like 'anyname.nz'

Third Level Domain Name means a .nz domain name registered in a Moderated Domain or an Unmoderated Second Level Domain, like 'anyname.org.nz'

Unmoderated Second Level Domain means: '.ac.nz', '.co.nz', '.geek.nz', '.gen.nz', '.kiwi.nz', '.maori.nz', '.net.nz', '.org.nz', or '.school.nz'

Working Day means a day other than a Saturday, Sunday or public holiday in Wellington

Zone Data means the list of all current .nz domain names, the domain name server which they are delegated to, and the DS records used to support DNSSEC.

2. In these .nz Rules, unless the context requires otherwise:
    (a) words importing one gender include the others
    (b) words importing the singular or plural number include the plural and singular number respectively
    (c) 'including' and similar expressions are not used as, nor are intended to be interpreted as, words of limitation
    (d) a person includes any individual, corporation, unincorporated association, government department or municipal authority.

Acronym glossary

DNCL   Domain Name Commission Limited

IANA   Internet Assigned Numbers Authority

ICANN   Internet Corporation for Assigned Names and Numbers

IRPO   Individual Registrant Privacy Option

IDN   Internationalised Domain Names

DNS   Domain Name System

RFC   Request for Comment

APTLD   Asia Pacific Top Level Domain Name Association

API   Application Programming Interface

DNSSEC   Domain Name System Security Extensions

DS   Delegation of Signing

.nz Principles

The following principles guide the management of .nz:

- **.nz should be secure and trusted**: .nz infrastructure must be dependable and secure, and .nz be trusted

- **.nz should be open and accessible**: everybody should be able to observe, participate, innovate and enjoy the benefits of .nz

- **.nz should serve and benefit New Zealand and reflect and be responsive to our diverse social, cultural and ethnic environment**

- **.nz should support te reo Māori me ōna tikanga and participation in .nz by Māori**

  [Note: this draft principle has not yet been discussed with Māori.]

- .nz should enable New Zealand to grow and develop: it should help people, businesses and organisations connect, create, innovate and grow

The .nz Principles must be taken as a whole and any tensions between them carefully balanced. No principle is dominant over another.

1. General policies

1.1. .nz domain names can be registered:
- as a Second Level Domain Name at the top level (.nz)
- as a Third Level Domain Name in one of the Unmoderated Second Level Domains:
  - .ac.nz
  - .co.nz
  - .geek.nz
  - .gen.nz
  - .kiwi.nz
  - .maori.nz
  - .net.nz
  - .org.nz
  - .school.nz
- as a Third Level Domain Name in one of the Moderated Domains:
  - .cri.nz
  - .govt.nz
  - .health.nz
  - .iwi.nz
  - .mil.nz
  - .parliament.nz

1.2. No new second level domains will be created.

1.3. Responsibility for the registry, registrar and regulatory functions of .nz is held by separate entities:
   a. the registry function is performed by InternetNZ, which runs the .nz Register
   b. the regulatory function is performed by DNCL, a subsidiary of InternetNZ
   c. the registrar function is performed by various entities DNCL has authorised to operate as Registrars.

1.4. Each Domain Name Holder has an agreement with their Registrar. Each Registrar has an agreement with InternetNZ and with DNCL. DNCL can intervene in these relationships in accordance with these .nz Rules and associated agreements.

1.5. InternetNZ and DNCL will seek to minimise barriers to enter the .nz market as a Registrar. Entry requirements will be set no higher than necessary to ensure .nz is secure and trusted and to maintain a competitive and stable market for registrars.

1.6. The laws of New Zealand apply to these .nz Rules. The lawful instructions of the courts and the authorities made as part of due process will be complied with.

1.7.   These .nz Rules can be amended in accordance with the Policy Development Process in Schedule 1.

2. Registration of a .nz domain name

2.1. Policies

2.1.1. Any available domain name can be registered on the .nz Register on a first come, first served basis in accordance with these .nz Rules.

2.1.2. InternetNZ is not concerned with the use of a .nz domain name.

2.1.3. A .nz domain name will be automatically renewed on the expiry of its term unless it is cancelled.

2.1.4. Macrons used in te reo Māori, an official language of New Zealand, can be used in .nz domain names.

2.2. Operational Rules

2.2.1. A person can apply to register a .nz domain name through a Registrar authorised under clause 11 (Authorisation of Registrars) if the person is an individual over the age of 18 or lawfully constituted entity.

2.2.2. In making the application:
   a. the applicant warrants that:
      i.   they are entitled to register the domain name as requested
      ii.   registering the proposed .nz domain name would not infringe any other parties' rights
   b. the applicant agrees that:
      i.   their registration will be governed by New Zealand law
      ii.   they will comply with all of their obligations as set out in these .nz Rules, their contract with their Registrar and any other related agreements.

2.2.3. To register a domain name on behalf of an applicant, a Registrar must:
   a. ensure the applicant has agreed:
      i.   to the Registrar's terms and conditions
      ii.   to be bound by these .nz Rules
      iii. that any non-compliance with the Registrar's terms and conditions or these .nz Rules could result in the applicant's domain name not being registered or being cancelled.
   b. give InternetNZ any information specified in clause 2.3
   c. pay the fee specified in clause 7.3.

2.2.4. All applications to register a domain name that comply with these .nz Rules must be registered in the order they are received.

Nature of a .nz domain name

2.2.5. On registration of a .nz domain name, the Domain Name Holder holds a licence from InternetNZ to use it as long as it remains registered. The Domain Name Holder does not own the .nz domain name.

Term of .nz domain name

2.2.6. A .nz domain name's term:
   a. begins on the date it is registered or renewed
   b. ends either:
      i. on the expiry of the term for which it has been registered or renewed
      ii. when it is cancelled under clause 5
   c. must not be less than the default term or more than the maximum term
   d. must be indicated in whole years.

> Example. A .nz domain name cannot be registered for 2.5 years. It must be registered for either 2 years or 3 years.

2.2.7. On the expiry of the term of a .nz domain name and subject to any cancellation (for example, for non-payment), InternetNZ must either:
   a. renew the registration for the term specified by the Registrar managing the .nz domain name before the expiry of the current term
   b. automatically renew the registration for the default term if the Registrar does not specify a term under clause 2.2.7(a).

2.2.8. Each Registrar must ensure that at all times the term of a .nz domain name as specified on the .nz Register is aligned with the frequency on which the Registrar has agreed to bill the Domain Name Holder for the .nz domain name.

> Example. A Domain Name Holder agrees to pay a Registrar upfront to maintain the registration of a .nz domain name for 5 years. The Registrar cannot set up a one year term for that .nz domain name with InternetNZ. It must set the term of the .nz domain name InternetNZ to 5 years.

Delegation of DNS

2.2.9. A Domain Name Holder can operate their own DNS or choose who provides DNS services for their .nz domain name (**DNS Operator**).

2.3. Procedures and requirements

2.3.1. A list of Registrars authorised under clause 11 (Authorisation of Registrars) can be found on the DNCL website (dnc.org.nz).

2.3.2.   To be registered on the .nz Register, a domain name must:
a.   use only lowercase letters (a-z), digits (0-9) and the '-' hyphen
b.   comply with current Internet standards relating to domain names like RFC 1035, RFC 2181, RFC 5890 and RFC 5891, as amended or replaced from time to time.

2.3.3.   To be registered on the .nz Register, a domain name must not:
a.   already be registered
b.   be longer than 63 characters
c.   begin or end with a hyphen
d.   use a hyphen as the third or fourth character unless it is an IDN (Internationalised Domain Name)
e.   end in any of the following suffixes and their IDN versions that might mislead or confuse:
   ● '.gov.nz'
   ● '.government.nz'
   ● '.com.nz'
   ● '.edu.nz'
   ● '.nic.nz'

Internationalised .nz domain names

2.3.4.   A .nz domain name can use vowel letters with a macron (ā, ē, ī, ō, ū) in addition to the characters specified in clause 2.3.2(a) but must comply with RFC 5890 and RFC 5891.

Information required to register a .nz domain name

2.3.5.   The information a Registrar must give InternetNZ to register a domain name on behalf of an applicant is:
a.   the proposed domain name
b.   the Domain Name Holder's name and contact details
c.   the term of the domain name the Registrar has agreed with the Domain Name Holder
d.   the Administrative Contact Details (if applicable)
e.   the Technical Contact Details (if applicable)
f.   whether the applicant has opted in to the privacy option
g.   the Name Server List (if applicable)
h.   the DS record List (if applicable)
i.   the Domain Name Holder reference (if applicable).

Confirmation of registration

2.3.6.   If InternetNZ informs a Registrar that a domain name has been registered, the Registrar must inform the Domain Name Holder of the registration and give them information on:
   a.   how to transfer or amend their .nz domain name
   b.   the existence and role of DNCL.

Sub-domains

2.3.7.   Sub-domains must comply with any current Internet standards relating to domain names, like RFC 1591.

2.3.8.   Other than clause 2.3.7, or where a complaint is made pursuant to clause 4 of Schedule 2 (Dispute Resolution Service), these .nz Rules do not apply to sub-domains.

Name Server Data

2.3.9.   A Domain Name Holder does not have to provide Name Server Data to register a domain name.

2.3.10.   If a Domain Name Holder chooses to provide Name Server Data in their application to register a .nz domain name, InternetNZ must:
   a.   publish the Name Server Data in the .nz zone when delegation is requested
   b.   ensure that the Name Server Data meets the minimum technical and operational criteria to ensure the security, stability and resilience of the DNS.

2.3.11.   At any time InternetNZ and DNCL can:
   a.   check that the Name Server Data meets the minimum technical and operational criteria
   b.   remove Name Server Data from the .nz zone if the technical and operational criteria are not met.

Default term of a .nz domain name

2.3.12.   The default term for a .nz domain name is 1 year.

2.3.13.   The maximum term for a .nz domain name is 10 years.

3. Changing the Domain Name Holder

3.1. Policies

3.1.1.   Domain Name Holders can assign a .nz domain name to another person, subject to any applicable Moderation Policy.

3.2. Operational Rules

3.2.1.   Every Registrar must:
   a. provide their Domain Name Holders with clear information on how they can assign their .nz domain name to another person
   b. process an assignment of a .nz domain name to another person if the Domain Name Holder directs them to do so.

3.2.2.   Before processing an assignment of a .nz domain name to another person under clause 3.2.1(b), the Registrar must ensure:
   a. the existing Domain Name Holder has authorised the assignment
   b. the person receiving the .nz domain name agrees to:
      i.   the Registrar's terms and conditions
      ii. these .nz Rules.

3.3. Procedures and requirements

3.3.1.   Any assignment of a .nz domain name must be recorded on the .nz Register.

3.3.2.   The Registrar must retain all documentation and correspondence relating to the assignment.

3.3.3.   The Registrar must change the authorisation code as soon as practicable after a .nz domain name has been assigned to another person.

4.   Changing the Registrar

4.1.   Policies

4.1.1.   .nz should be fair and competitive and offer real choice for Domain Name Holders.

4.1.2.   A Domain Name Holder can transfer a .nz domain name to a new Registrar, subject to any applicable Moderation Policy.

4.2.   Operational Rules

4.2.1.   A Domain Name Holder can transfer their .nz domain name to a new Registrar at any time other than during the Registration Grace Period.

4.2.2.   A Domain Name Holder wanting to transfer their .nz domain name to a new Registrar must:
   a. find a Registrar willing to manage the .nz domain name
   b. enter into a written agreement with the new Registrar that contains their terms and conditions for managing .nz domain names.

4.2.3.   If a Domain Name Holder and Registrar enter into a written agreement under clause 4.2.2(b):
   a. the new Registrar must promptly notify the existing Registrar that the Domain Name Holder has requested the transfer of their .nz domain name
   b. the existing Registrar and the new Registrar must promptly process the transfer using the process specified in clause 4.3.

4.2.4.   If a Compliance Lock has been put on the .nz domain name for which the Registrar is to be changed under clause 12, the Domain Name Holder must request DNCL to manually process the application. There is no charge for processing the transfer.

4.2.5.   The Domain Name Holder must not be charged for changing the Registrar by the existing Registrar or the new Registrar. The existing Registrar is not required to reimburse the Domain Name Holder for the remaining term of the .nz domain name.

4.2.6.   Each Registrar must publish on their website information about how their Domain Name Holders can transfer their .nz domain name to a new Registrar.

Bulk transfers

4.2.7.   If a Registrar needs to transfer several .nz domain names to another Registrar at the same time (for example, if a Registrar's business is sold to another Registrar or their authorisation is removed), DNCL can approve a bulk transfer.

4.2.8.   Before DNCL approves a bulk transfer, the existing Registrar must satisfy DNCL that each affected Domain Name Holder has:

a. been notified about the proposed transfer in accordance with clause 4.3

b. entered into a written agreement with the new Registrar to manage their .nz domain name.

4.3. Procedures and requirements

4.3.1. If a new Registrar notifies the existing Registrar that a Domain Name Holder has requested a transfer of their .nz domain name to that new Registrar under clause 4.2.3(a):

a. the existing Registrar must give the new Registrar all details about the .nz domain name necessary to process the transfer

b. the new Registrar must direct InternetNZ to process the transfer by updating the .nz Register to record the transfer

c. the existing Registrar and the new Registrar will be notified that the transfer has been recorded

d. the new Registrar must direct InternetNZ to change any of the fields in the .nz Register relating to the .nz domain name that need updating as a result of the transfer.

Authorisation code for .nz domain names

4.3.2. InternetNZ, DNCL or a Registrar can generate a new authorisation code at any time.

4.3.3. A Registrar must pass on an authorisation code to the Domain Name Holder of the identified .nz domain name whenever a new authorisation code is generated.

4.3.4. DNCL can give a Domain Name Holder the authorisation code for their .nz domain name if the Registrar fails to do so.

4.3.5. The new Registrar must change the authorisation code as soon as practicable after a .nz domain name has been transferred to it.

Bulk transfers

4.3.6. A notice under clause 4.2.8 must:

a. be given at least 30 days before the proposed bulk transfer is implemented

b. specify:

   i.   the date the .nz domain names are being transferred to the new Registrar

   ii. why the transfer is being made

   iii. who the new Registrar will be

   iv. how any Domain Name Holder wanting to transfer their .nz domain name to a different Registrar can do so under clause 4.

5.   Cancelling a .nz domain name

5.1.   Policies

5.1.1.   A Domain Name Holder can cancel their .nz domain name.

5.1.2.   A Registrar can cancel a .nz domain name if the Domain Name Holder does not meet their obligations to the Registrar.

5.1.3.   A Domain Name Holder whose .nz domain name has been cancelled should be given a reasonable opportunity to reinstate the registration.

5.1.4.   A .nz domain name that has been cancelled and not reinstated will become available for registration in accordance with these .nz Rules.

5.2.   Operational rules

5.2.1.   A Registrar can cancel the registration of a .nz domain name under its management if either:
   a.   the Domain Name Holder directs the Registrar to cancel it
   b.   the Registrar has given the Domain Name Holder 14 days' notice of their failure to pay the cost of maintaining the registration
   c.   the Domain Name Holder has breached the agreement with their Registrar and the agreement enables the Registrar to cancel the .nz domain name as a result of the breach.

5.2.2.   A .nz domain name whose registration has been cancelled (**Cancelled Domain Name**) is not available for registration until 90 days have passed since its cancellation (the **Pending Release Period**).

5.2.3.   At any time before the Pending Release Period has ended:
   a.   the Registrar can reinstate the Cancelled Domain Name for the Domain Name Holder
   b.   the Domain Name Holder can transfer the Cancelled Domain Name to a new Registrar under clause 4 and request that Registrar to reinstate it for them.

5.2.4.   The Registrar of a Cancelled Domain Name must not attempt to assign it to a third party or hold itself out as having special access to the Cancelled Domain Name.

5.2.5.   On the expiry of the Pending Release Period:
   a.   InternetNZ must remove the Cancelled Domain Name from the .nz Register
   b.   the Cancelled Domain Name can be registered in accordance with these .nz Rules.

5.3.   Procedures and requirements

5.3.1.   If the registration of a .nz domain name is cancelled during the Registration Grace Period, InternetNZ must:
   a.   remove it from the .nz Register
   b.   record the registration and cancellation for audit purposes.

5.3.2.   A Cancelled Domain Name will not be included in the zone file pushed to the DNS.

6. Optional features of .nz domain names

6.1. Policies

6.1.1. Domain Name Holders who are individuals not engaged in trade to any significant extent will be able to choose a privacy option that limits the information released in relation to a specific .nz domain name under clause 10 (Information Management).

6.1.2. InternetNZ will enable Registrars to provide greater security to Domain Name Holders with:
   a. the Registry Lock service, which enables Domain Name Holders to lock a .nz domain name to reduce the risk of unauthorised changes to it on the .nz Register
   b. DNSSEC, which enables the public to authenticate the DNS records of a .nz domain name.

6.1.3. InternetNZ will not directly offer, or require Registrars to offer, to Domain Name Holders the Registry Lock service, DNSSEC or any other optional features of a .nz domain name.

6.1.4. InternetNZ can, in consultation with DNCL, offer other services from time to time as long as they do not contravene the .nz Rules.

6.2. Operational rules

Privacy option

6.2.1. A privacy option is available to a Domain Name Holder if the Domain Name Holder:
   a. is an individual (rather than an entity)
   b. does not intend to use the .nz domain name to any significant extent in 'trade' as that term is defined in section 2 of the Fair Trading Act 1986.

6.2.2. Each Registrar must help its Domain Name Holders to understand:
   a. whether the privacy option is available to them
   b. how the privacy option works
   c. that they can opt in or out of it at any time.

6.2.3. If an applicant seeking to register a domain name on the .nz Register or a Domain Name Holder at any other time tells their Registrar that they want to opt in to the privacy option, the Registrar must direct InternetNZ to apply the privacy option in relation to the .nz domain name.

6.2.4.   If a Registrar directs InternetNZ to apply the privacy option, the only contact information that will be displayed in the results returned from a Query Search made under clause 10.2.1 is the Domain Name Holder's name.

6.2.5.   A Registrar must direct InternetNZ to remove the privacy option if either:
   a. the Domain Name Holder tells the Registrar that they no longer want to opt in to the privacy option
   b. the Commissioner informs the Registrar it has determined that the Domain Name Holder does not meet the criteria in clause 6.2.1.

6.2.6.   The Commissioner must notify the Domain Name Holder before informing the Registrar of its determination under clause 6.2.5(b).

Registry Lock

6.2.7.   A Registrar that has subscribed for the wholesale Registry Lock service from InternetNZ (**Subscribed Registrar**) can direct InternetNZ to apply the Registry Lock service to a .nz domain name if:
   a. it has entered into a contract with the relevant Domain Name Holder to provide the Registry Lock service
   b. the direction to InternetNZ is consistent with the terms of that contract
   c. InternetNZ has contacted the Domain Name Holder, in the manner specified in clause 6.3, to verify:
      i.   the identity of the Domain Name Holder
      ii.   that the Domain Name Holder wants the Registry Lock service to be applied to their .nz domain name.

6.2.8.   If a Subscribed Registrar directs InternetNZ to apply the Registry Lock service to a .nz domain name, the attributes of the .nz Register fields specified in clause 6.3 (**Lockable Fields**) cannot be changed unless both:
   a. the Domain Name Holder has authorised InternetNZ to unlock the .nz domain name
   b. InternetNZ has contacted the Domain Name Holder, in the manner specified in clause 6.3, to verify their identity.

6.2.9.   InternetNZ must cancel the Registry Lock service if either:
   a. the Domain Name Holder has authorised InternetNZ to cancel the .nz domain name and InternetNZ has contacted the Domain Name Holder, in the manner specified in clause 6.3, to verify their identity
   b. the .nz domain name is cancelled.

6.2.10.   InternetNZ and Domain Name Holders can communicate with each other, in the manner specified in clause 6.3, for the reasons specified in clauses 6.2.7-6.2.9 or for any purpose necessary to ensure the effective operation of the Registry Lock service.

6.2.11. If a Domain Name Holder cannot authorise the Registry Lock service to be unlocked or cancelled under clauses 6.2.8 and 6.2.9 (for example, if the Domain Name Holder is unable to verify their identity to InternetNZ), DNCL can direct InternetNZ to unlock or cancel the Registry Lock service at the Domain Name Holder's request.

6.2.12. The Registry Lock service does not affect the operation of the Compliance Lock imposed by DNCL under clause 12.

DNSSEC

6.2.13. A Registrar wanting to offer domain name system security extensions (**DNSSEC**) to its Domain Name Holders must submit DS records to InternetNZ.

6.3. Procedures and requirements

Registry lock

6.3.1. The Lockable Fields as referred to in clause 6.2.8 are:
   a. any Domain Name Holder, Registrar, administrative or technical contact details
   b. the DNS records or any DNSSEC records held on the .nz Register
   c. any transfer of the Registrar of record
   d. the delegation setting of the .nz domain name (whether it is in the zone or not)
   e. the privacy settings of the .nz domain name (whatever privacy status is in force is maintained)
   f. such other fields as are determined by the Registry Lock service terms and conditions from time to time consistent with a Registry Lock service.

6.3.2. InternetNZ will verify the matters set out in clauses 6.2.7-6.2.9, or communicate with Domain Name Holders under clause 6.2.10, through the following two methods for each verification:
   a. oral communication with the Domain Name Holder in real time
   b. a multifactor security protocol established by InternetNZ and the Domain Name Holder for communications between them.

DNSSEC

6.3.3. In respect of DNSSEC signed .nz domain names, the Registrar and the Domain Name Holder (or their DNS Operator) are responsible for:
   a. generating and managing their cryptographic keys
   b. generating the DS record
   c. determining how often they perform key rollovers.

6.3.4. If a Domain Name Holder directs their Registrar to remove the DS records associated with the .nz domain name, the Registrar must do so as soon as practicable.

7.   Registrar billing

7.1.   Policies

7.1.1.   Registrars will pay a fixed wholesale fee to maintain the registration of each .nz domain name.

7.1.2.   The wholesale fee will be set by InternetNZ in consultation with DNCL and reviewed regularly. InternetNZ will advise Registrars of any changes. It will be set at a level that ensures .nz remains a world class registry and to promote public good works in accordance with the objects specified in InternetNZ's Constitution.

7.1.3.   The fixed wholesale fee will be the same for all .nz domain names.

7.1.4.   InternetNZ can charge Registrars, in consultation with DNCL, for any optional .nz services InternetNZ has developed.

7.2.   Operational rules

7.2.1.   InternetNZ will charge Registrars a fee for each .nz domain name they manage as specified in clause 7.3.

7.2.2.   No charge will apply for a .nz domain name that is cancelled during its Registration Grace Period or Renewal Grace Period.

7.2.3.   InternetNZ does not issue refunds. If a Registrar requests an adjustment to take into account charges incurred by a Registrar, this will be considered on a case by case basis.

Charges during the Pending Release period

7.2.4.   A cancelled .nz domain name that becomes due for renewal during the Pending Release Period will not be renewed and will not incur a charge.

7.2.5.   If a cancelled .nz domain name is reinstated during the Pending Release Period, InternetNZ can charge the Registrar for it retrospectively as if it had not been cancelled.

Charges while .nz domain name locked

7.2.6.   InternetNZ must not charge for a .nz domain name on which DNCL has put a Compliance Lock under clause 12.

7.2.7.   If a Compliance Lock is removed, InternetNZ must charge for the .nz domain name retrospectively as if the Compliance Lock had never been put on it.

7.3.   Procedures and requirements

7.3.1.   The fixed wholesale fee for each .nz domain name (referred to in clause 7.1) is $1.50 per month.

7.3.2.   InternetNZ will invoice each Registrar on a monthly basis for the aggregate amount due for the .nz domain names it manages as specified in Schedule 4 (Billing Business Rules).

7.3.3.   The Registration Grace Period is a period beginning when a .nz domain name is registered and ending 5 days after the registration.

7.3.4.   The Renewal Grace Period is a period beginning when a .nz domain name is renewed and ending 5 days after the renewal.

8. Roles, responsibilities and obligations

8.1. Policies

8.1.1.   There will be an agreement between each Registrar and each of InternetNZ and DNCL.

8.1.2.   Each Registrar must have an agreement with each of their Domain Name Holders. The agreement must contain the .nz Registrant Agreement Core Terms and Conditions.

8.1.3.   InternetNZ, DNCL, Registrars, Resellers, Moderators and Domain Name Holders must:
   a. behave ethically and honestly
   b. exercise a degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person engaged in New Zealand in the same type of activity, under the same or similar circumstances
   c. comply with the laws of New Zealand and any binding instruction from a court or authority made as part of due process.

8.1.4.   InternetNZ, DNCL, Registrars, Resellers and Moderators that hold personal information related to a .nz domain name must comply with these .nz Rules and the Privacy Act 2020 as if they were an agency as defined in that Act.

8.2. Operational Rules

Domain Name Holder obligations

8.2.1.   A Domain Name Holder's obligations and responsibilities are set out in their contract with the Registrar and these .nz Rules (which are incorporated by reference into the Domain Name Holder's contract with the Registrar).

8.2.2.   Each Domain Name Holder must:
   a. use a Registrar (either directly or through a Reseller) to register a domain name, update the registration or to change the Domain Name Holder details
   b. comply with all of the obligations as listed in their contract with their Registrar
   c. ensure all information they give to their Registrar is accurate and complete
   d. keep the Registrar informed of:
      i.   changes to the Domain Name Holder's registration information
      ii. information required to be kept up to date in the contract between the Domain Name Holder and the Registrar
   e. ensure the domain name and their use of it does not infringe any intellectual property rights
   f. ensure their Registrar's services or the .nz domain name are not used for an unlawful purpose
   g. comply with any order of a Court or Tribunal having jurisdiction over their .nz domain name

h. ensure everyone the Domain Name Holder is responsible for, or uses their .nz domain name, complies with the obligations of Domain Name Holders under these .nz Rules

i. make any complaints about the Registrar within seven years from the date the events giving rise to the complaint occurred

j. pay all registration fees when they become due.

Registrar obligations

8.2.3. A Registrar's obligations and responsibilities are set out in the Authorisation Agreement, the Connection Agreement, the .nz Registrant Agreement Core Terms and Conditions and these .nz Rules (which are incorporated by reference into each of those agreements).

8.2.4. A Registrar must:
a. maintain the integrity of the .nz Register
b. behave ethically and honestly according to established standards and procedures
c. promote Domain Name Holders' confidence by maintaining fair and open competition
d. ensure that no agreement it enters into with a Domain Name Holder is inconsistent with the .nz Registrant Agreement Core Terms and Conditions
e. maintain on the .nz Register the details specified in clause 2.3 about each .nz domain name under its management
f. maintain relationships with its customers, including addressing any issues relating to the management of the .nz domain name in a timely manner
g. maintain a secure interface and systems for Domain Name Holders, their information and its interaction with them to ensure that all information is protected from unauthorised access
h. inform DNCL of any security matters concerning Domain Name Holders and their information
i. be responsible for the actions of any Resellers they manage a .nz domain name on behalf of
j. ensure that anybody using the Registrar's systems (including any Reseller) operates in a manner consistent with these .nz Rules
k. seek to resolve a complaint made by a Domain Name Holder under clause 8.2.2(i) as soon as practicable
l. inform InternetNZ of any security breach or issue that may undermine the connection between the Registrar and the .nz Register
m. ensure that any order of a Court or Tribunal having jurisdiction over a .nz domain name under its management is complied with.

8.2.5. A Registrar must not:
a. collude with other Registrars when setting pricing structures

b. undertake any action that prevents the registration of a domain name that is entitled to be registered under these .nz Rules

c. register or update a .nz domain name it manages on behalf of a Domain Name Holder, or change Domain Name Holder details, unless the Domain Name Holder has directed it to do so

d. amend a .nz domain name (any error like how the .nz domain name is spelled must be corrected by cancelling the .nz domain name and registering a new one)

e. send any notice that is, or may reasonably be considered to be, a renewal notice to a Domain Name Holder unless the Registrar appears in the .nz Register as the Registrar for the .nz domain name.

8.2.6. A Registrar can register or update a domain name without a direction from a Domain Name Holder if the Registrar intends to use the domain name itself. A Registrar does not intend to use a domain name itself if intends to enter into a lease, licence or any other arrangement with a third party for whose benefit the domain name would be managed.

8.2.7. A Registrar can choose whether to accept a particular Domain Name Holder as a customer at its discretion.

8.2.8. When collecting information from a current or prospective Domain Name Holder, each Registrar must comply with the Privacy Act 2020 as if it were an agency as defined in that Act.

InternetNZ obligations

8.2.9. InternetNZ's obligations and responsibilities towards Registrars are detailed in the Connection Agreement and these .nz Rules (which are incorporated by reference into the Connection Agreement). The responsibilities set out in the Connection Agreement and these .nz Rules are the minimum standard of behaviour required of InternetNZ.

8.2.10. InternetNZ must:
a. maintain details of current technical transactions, how they operate and what the obligations are on Registrars

b. advise DNCL and any affected Registrar in a timely manner of any security issues that may impact the integrity of the .nz Register or the security, stability or resilience of the DNS

c. maintain a query service for the .nz Register and monitor its use to ensure:
  i. the integrity of the data
  ii. that the .nz Register is not being misused

d. comply with any agreement that may be in place from time to time specifying service commitments.

8.2.11. InternetNZ must not:
a. create a new second level domain

b. communicate with a Domain Name Holder unless:
    i. it is permitted by these .nz Rules
    ii. it has obtained the relevant Registrar's approval before going directly to the Domain Name Holder
c. interfere in the commercial relationship between a Domain Name Holder and their Registrar, other than as specified in these .nz Rules
d. update the Register data unless:
    i. a Registrar has requested the update
    ii. DNCL has directed it to do so
    iii. required to do so by law.

8.2.12. InternetNZ can validate any information sent to the Registry to ensure the security, stability and resilience of .nz. Details of the validation checks undertaken will be documented and be made available to Registrars.

8.2.13. If there is a risk to the integrity of the .nz Register or the security, stability or resilience of the DNS, InternetNZ can suspend the Query Search without notice.

8.2.14. If InternetNZ suspends the Query Search under clause 8.2.13, it must notify DNCL and all Registrars it has taken this action and of any subsequent actions it takes.

DNCL obligations

8.2.15. DNCL's obligations and responsibilities are detailed in the Authorisation Agreement and these .nz Rules (which are incorporated by reference into the Authorisation Agreement). The responsibilities set out in the Authorisation Agreement are the minimum standard of behaviour that DNCL expects to meet in its day-to-day relationships with the Registry and the Registrars.

8.2.16. DNCL must:
a. enforce these .nz Rules
b. endeavour to ensure an open, competitive and fair market
c. recognise, promote, and protect the rights of Domain Name Holders
d. operate in a transparent, ethical manner, honouring principles of good faith and fairness
e. authorise Registrars and, if appropriate, remove a Registrar's authorisation
f. offer a training seminar to a Registrar when it becomes authorised
g. offer training courses as required if any significant changes to how .nz is run are made.

8.2.17. DNCL must not:
a. become directly involved in a dispute between other persons participating in .nz except as provided for in these .nz Rules

b. as far as practicable, instruct InternetNZ to make a change to the .nz Register without notifying the affected Registrar of the nature of the change and the reason for it

c. recommend any Registrar to a Domain Name Holder

d. become involved in a dispute relating to money owing between a Registrar and a Domain Name Holder except as set out in clause 12 (Complaints and enforcement)

e. interfere in the commercial relationship between a Domain Name Holder and their Registrar, other than as specified in these .nz Rules

f. engage with a Domain Name Holder directly without first notifying their Registrar.

8.3. Procedures and requirements

Registrar obligations

8.3.1. A Registrar must maintain the information on the following fields:
   a. the Name Server List
   b. the name of Domain Name Holder
   c. the contact details of Domain Name Holder
   d. the Domain Name Holder reference
   e. the administrative contact details
   f. the technical contact details
   g. the billing term
   h. the DS record list.

8.3.2. When collecting information from a Domain Name Holder, each Registrar must comply with its obligations under the Privacy Act 2020, including by:
   a. notifying the Domain Name Holder:
      i. what information is required
      i. why the information is required
      ii. how it will be collected and stored
   b. ensuring each Domain Name Holder authorises collection of their personal information
   c. taking reasonable steps to protect a Domain Name Holder's personal information against loss or unauthorised access, use, disclosure, or other misuse.

9. Moderated Domains

9.1. Policies

9.1.1.　Each Moderator must maintain a policy for their Moderated Domain.

9.1.2.　A Moderated Domain can only be used by Domain Name Holders meeting the criteria specified in the relevant Moderation Policy.

9.2. Operational rules

9.2.1.　Each Moderator must:
  a.　maintain a Moderation Policy
  b.　provide DNCL with an up-to-date copy of the Moderation Policy
  c.　ensure the Moderated Domain is run in accordance with the Moderation Policy.

9.2.2.　Moderators can designate the Registrars that are permitted to register and manage .nz domain names in the Moderated Domain. A Registrar must not register or manage a .nz domain name in a Moderated Domain unless it has been permitted to do so by the Moderator.

9.2.3.　Each Moderator must notify DNCL each time they designate a new Registrar to register .nz domain names in the Moderated Domain.

Amendments to Moderation Policy

9.2.4.　A Moderator can propose amendments to the Moderation Policy by submitting them to DNCL, as specified in clause 9.3.

9.2.5.　The Commissioner can approve the amendments if satisfied that:
  a.　the proposed amendments are not contrary to New Zealand law
  b.　any Domain Name Holders holding a .nz domain name in the Moderated Domain have had an opportunity to comment on the proposed amendments as notified in accordance with clause 9.3.

9.2.6.　If the Commissioner agrees to the amendments, DNCL must inform the Moderator that the amendments have been approved.

Cancelation and disputes

9.2.7.　The Moderator can notify DNCL if the Moderator considers that a .nz domain name does not comply with the Moderation Policy.

9.2.8.　DNCL can:

a. direct InternetNZ to cancel the registration of a .nz domain name if DNCL determines (whether or not following a notification under clause 9.2.7) it does not comply with the Moderation Policy (even if initially approved by the Moderator)

b. remove a Moderator if the Moderator is in breach of the Moderation Policy, the .nz Rules or the Moderator's agreement with DNCL.

9.2.9. Before cancelling a .nz domain name under clause 9.2.7 or 9.2.8(a), either the Moderator or DNCL (as the case may be) must give notice to the Domain Name Holder of the proposed cancellation in accordance with clause 9.3.

9.2.10. Any complaint about the Moderation Policy from any Domain Name Holder using a Moderated Domain must be referred to DNCL for resolution in consultation with the Moderator.

9.3. Procedures and requirements

9.3.1. DNCL must make publicly available a copy of the Moderation Policy provided to it under clause 9.2.1(b) or as amended under clause 9.2.5.

Amendments to Moderation Policy

9.3.2. A Moderator wanting to amend the Moderation Policy must submit the proposed amendments to the Commissioner in writing.

9.3.3. If the Commissioner receives proposed amendments to a Moderation Policy, it must:
a. notify the Domain Name Holders holding a .nz domain name in the Moderated Domain of the proposed amendments and invite feedback on them
b. give the actual or potential users 20 working days to comment on the proposed amendments
c. inform the Moderator in writing within 10 working days after the date by which comments must be made whether it has any objection to them.

9.3.4. The Commissioner is not required to comply with the periods of time specified in clause 9.3.3(b) and (c) if there are special circumstances making it desirable for the amendment to be made more quickly.

Cancellation

9.3.5. If either a Moderator or DNCL wants to cancel a .nz domain name under clause 9.2.7 or 9.2.8(a), they must:
a. inform the Domain Name Holder of their intention to cancel the .nz domain name at least five working days before it is cancelled
b. consider any comments the Domain Name Holder makes about the proposed cancellation.

10. Information management

10.1. Policies

10.1.1. InternetNZ and DNCL will collect, hold and use information from Registrars and Domain Name Holders (or their agent) to:
   a. assist it to manage .nz efficiently and to ensure the security, stability and resilience of the DNS
   b. to provide any of the additional features detailed in clause 6 (Optional features of .nz domain names)
   c. enhance the availability of information on the Internet in New Zealand in accordance with these .nz Rules.

10.1.2. All persons bound by these .nz Rules must take reasonable steps to:
   a. ensure the integrity, validity and accuracy of the .nz Register
   b. protect the data in the .nz Register from unauthorised or abusive use, including unauthorised automated access and bulk harvesting
   c. protect any personal information associated with the registration of a .nz domain name against loss or unauthorised access, use, disclosure, or other misuse.

10.1.3. DNCL and InternetNZ will facilitate access to information on the .nz Register as specified in clause 10.2 and 10.3.

10.2. Operational rules

Query Search

10.2.1. Any person can search for a domain name on the .nz Register using the Query Search function. (**Query Search**).

10.2.2. If a person searches for a domain name using the Query Search function, DNCL or InternetNZ must:
   a. inform the person that the domain name is available for registration on the .nz Register if the domain name is not already registered or prohibited from registration
   b. provide the details specified in clause 10.3 if the domain name is registered and the Domain Name Holder has not opted in to the privacy option
   c. provide only the name of the Domain Name Holder if the domain name is registered and the Domain Name Holder has opted in to the privacy option.

Unauthorised use of Query Search

10.2.3. If InternetNZ or DNCL detects that the Query Search has been used in contravention of terms of use published on the DNCL webpage:
   a. InternetNZ or DNCL can:
      i.   remove or limit any person's access to the Query Search on a temporary or permanent basis
      ii. in an emergency or exceptional circumstances, suspend the Query Search function
   b. DNCL can sanction a Registrar under any applicable agreements or .nz Rule.

Release of Withheld Data

10.2.4. Any person can request the information withheld from a Query Search (**Withheld Data**) by applying in the manner specified in clause 10.3.

10.2.5. DNCL must make a preliminary decision on to whether to disclose the Withheld Data after considering:
   a. the Privacy Act 2020, including the privacy principles (in particular Principle 11) and section 202 of that Act
   b. the past actions of the requestor, including:
      i.   any misuse of Withheld Data
      ii. any breaches of the .nz Rules.

10.2.6. As soon as practicable after DNCL has made a preliminary decision on the request, DNCL must:
   a. tell the Domain Name Holder:
      i.   their Withheld Data has been requested
      ii. the requestor's name and email address
      iii. the reasons for the request
   b. tell the requestor and the Domain Name Holder:
      i.   whether DNCL's preliminary decision is to release or withhold all or part the Withheld Data
      ii. the reasons for the preliminary decision.

10.2.7. After notifying the requestor and the Domain Name Holder of the preliminary decision under clause 10.2.6(b), DNCL must:
   a. give the requestor and the Domain Name Holder 10 Working Days to comment on the request and DNCL's preliminary decision
   b. consider any comments they make
   c. decide whether all or part the Withheld Data will be released to the requestor
   d. inform the requestor and the Domain Name Holder of the final decision, together with DNCL's written reasons for the decision.

10.2.8. In making a decision under clause 10.2.7(c), DNCL can:

a. decline the request if satisfied that disclosure is not required under the Privacy Act or otherwise authorised or required by law

b. release all or part the Withheld Data in a way that differs from the request if DNCL considers it would better protect privacy (for example, by granting access to Withheld Data to the requestor's lawyer for the purpose of serving documents only)

c. impose any conditions on the release of the information DNCL considers appropriate (for example, imposing a condition that the Withheld Data not be shared more widely than specified recipients).

10.2.9.   If DNCL has reason to consider that providing the Domain Name Holder with an opportunity to comment on DNCL's preliminary decision would prejudice the purpose for which the Withheld Data has been requested, DNCL can immediately make a final decision to release all or part of the Withheld Data after considering the matters specified in clause 10.2.5.

10.2.10. If DNCL makes a decision under clause 10.2.9, DNCL:
   a. is not required to:
      i.   give the Domain Name Holder an opportunity to comment on the request
      ii. inform the Domain Name Holder of its decision or the reasons for it
   b. must inform the requestor of the final decision, together with DNCL's written reasons for the decision
   c. must inform the Domain Name Holder of the disclosure, and the reasons for it, when DNCL no longer considers the notification would prejudice the purpose for which the Withheld Data was requested.

Disclosure where court order or requirement of law

10.2.11. DNCL must release Withheld Data it is legally required to do so by court of competent jurisdiction or any other order with the force of law.

10.2.12. DNCL can release Withheld Data under clause 10.2.11 without consulting the Domain Name Holder but must notify the Domain Name Holder as soon as practicable after the disclosure, unless the notification would prejudice the purpose for which the Withheld Data is sought.

Entities with automatic access

10.2.13. DNCL can enter into a memorandum of understanding (**MOU**) granting direct access to Withheld Data to entities having as a primary purpose maintaining the integrity of the Internet (**Approved Entity**) if DNCL considers it the entity has a legitimate need for access to Withheld Data.

10.2.14.   DNCL must ensure an entity has procedures in place to protect the Withheld Data to the satisfaction of DNCL before entering into a MOU with it and monitor the Withheld Data that is accessed under the MOU.

10.2.15.   DNCL can release Withheld Data to an Approved Entity without the Domain Name Holder being consulted before the Withheld Data is accessed.

10.2.16.   As soon as practicable after an Approved Entity accesses any Withheld Data, DNCL must notify the Domain Name Holder that the Withheld Data has been accessed, unless DNCL reasonably considers that disclosure would prejudice the purpose for which the Withheld Data was accessed.

Entities with streamlined access

10.2.17.   DNCL can enter into an MOU with certain entities granting streamlined access to Withheld Data (**Streamlined Access**) if DNCL considers it the entity has a legitimate need for access to Withheld Data.

10.2.18.   If DNCL receives a request for Withheld Data from an entity with Streamlined Access that satisfies the criteria for disclosure as set out in its MOU, DNCL can direct InternetNZ to release the Withheld Data.

10.2.19.   InternetNZ can release Withheld Data to an entity with Streamlined Access without the Domain Name Holder being consulted before the Withheld Data is accessed if directed to do so by DNCL under clause 10.2.18.

10.2.20.   As soon as practicable after InternetNZ releases any Withheld Data to an entity with Streamlined Access accesses:
    a. InternetNZ must notify DNCL that the Withheld Data has been accessed
    b. DNCL must notify the Domain Name Holder that the Withheld Data has been accessed, unless DNCL reasonably considers that disclosure would prejudice the purpose for which the Withheld Data was accessed.

Termination of MOU with Approved Entity or entity with Streamlined Access

10.2.21.   DNCL can:
    a. monitor the use of Withheld Data by an Approved Entity or an entity with Streamlined Access to ensure that its MOU is being complied with
    b. terminate the MOU of an Approved Entity or an entity with Streamlined Access if it does not comply with the terms of the MOU.

Reporting

10.2.22.   DNCL must publish all MOUs it has entered into with an Approved Entity or an entity with Streamlined Access on its website and regularly review it.

10.2.23.   DNCL must publish on its website regular reports providing information about any requests for Withheld Data and whether they were approved or declined, unless the release would be prejudicial to the maintenance of the law.

Domain Name Holder Search

10.2.24.   A member of the public can request from DNCL a list of .nz domain names held by a Domain Name Holder as specified in clause 10.3 (**Domain Name Holder Search**) if they are:
   a. a Domain Name Holder seeking information about their own .nz domain name
   b. a party or potential party to a Dispute Resolution Service Compliant (as defined in the Dispute Resolution Service Policy.

10.2.25.   On receiving a Domain Name Holder Search request, DNCL can:
   a. seek further information from the applicant
   b. approve or decline the request.

10.2.26.   DNCL can record Domain Name Holder Search requests and take previous requests into account when deciding whether to approve the Domain Name Holder Search request.

10.2.27.   If DNCL considers, on reasonable grounds, that a Domain Name Holder has misused the information arising from a Domain Name Holder Search request, it can ban the Domain Name Holder from making another request for any period DNCL considers appropriate.

Zone Data

10.2.28.   Having regard to the .nz Principles, DNCL and InternetNZ can use Zone Data to ensure the efficient management and operation of .nz and for developing new services.

10.2.29.   Any person can apply to DNCL for access to .nz Zone Data in the manner specified in clause 10.3.

10.2.30.   On receiving an application for access to Zone Data, DNCL can, after consulting with InternetNZ:
   a. seek further information from the applicant
   b. approve the application if satisfied, having regard to the .nz Principles, that there is a sufficient public good justification to release the Zone Data that outweighs any adverse effect on any Domain Name Holder's privacy
   c. decline the application.

10.2.31.   DNCL must not release .nz Zone Data to third parties not directly involved in the management of InternetNZ or .nz unless DNCL considers, having regard to the .nz Principles and the information specified in clause 10.3, there is a sufficient public good justification to release the Zone Data.

10.2.32. DNCL may impose conditions on its approval of an application under clause 10.2.30(b), including requiring the applicant to enter into an agreement with DNCL as to the terms of release. For example, the agreement could:

    a. reflect the information provided in the application
    b. confirm that the applicant agrees to be bound by the .nz Rules
    c. require deletion of the Zone Data after use or after a prescribed time
    d. include sanctions in the event of a breach of the agreement
    e. include any other conditions that DNCL considers appropriate.

10.3. Procedures and requirements

10.3.1. InternetNZ or DNCL will make the following details available in response to a Query Search unless the privacy option has been chosen:

    a. Domain Name
    b. Registration status
    c. Date registered
    d. Date first created (if applicable)
    e. Date registered/billed until
    f. Date last modified
    g. Include in DNS
    h. Registrar contact details
    i. Domain Name Holder Contact Details
    j. Administrative Contact Details
    k. Technical Contact Details
    l. Name Servers
    m. Domain Signed
    n. DS records (if applicable)
    o. Date cancelled (if applicable).

10.3.2. The Query Search function does not facilitate wildcard searches.

Application for Withheld Data

10.3.3. A person requesting a Domain Name Holder's Withheld Data (the **Requestor**) must use the PRI1 application form (**Application Form**).

10.3.4. The Requestor must declare that:

    a. they attempted to contact the Domain Name Holder by email no less than 10 Working Days before requesting the Withheld Data from DNCL and the Domain Name Holder has either:
        i. not responded
        ii. refused to provide the Withheld Data
    b. they will only use the Withheld Data for the purposes for which it is sought

c. the Withheld Data will not be used, disclosed, published or disseminated for any other purpose.

10.3.5. If the Requestor cannot make the declaration in clause 10.3.4(a), the Commissioner can consider the request if the Commissioner considers, on the basis of information the Requestor has provided, either:
a. it is not practicable or reasonable for the 10 working day time limit to apply because the matter is so urgent
b. attempting to contact the Domain Name Holder would be likely to prejudice the purpose for which the Withheld Data has been requested.

10.3.6. A person requesting Withheld Data under clause 10.2.4 must:
a. say why they are requesting the Withheld Data
b. provide any supporting documentation DNCL requires when processing the request within:
   i. 10 Working Days
   ii. another period agreed between DNCL and the person requesting the Withheld Data.

10.3.7. DNCL will acknowledge receipt of a request for Withheld Data by email and will endeavour to process Requests as soon as is practicable.

10.3.8. If the requestor fails to provide the supporting documentation required under clause 10.3.6), DNCL can treat the failure as a withdrawal of the request.

Domain Name Holder Information search

10.3.9. A member of the public can request Domain Name Holder information from DNCL using:
a. Form WHO1 for information about the Domain Name Holder's own .nz domain name
b. Form WHO2 for information to support a complaint under the Dispute Resolution Service
c. Form WHO3 for pre-registration for Domain Name Holder info service searches to support a complaint pursuant to the Dispute Resolution Service.

Applications for Zone Data

10.3.10. An application for Zone Data under clause 10.2.29 must be made on form ZTP1.

10.3.11. Information required in support of the application includes the following:
a. the purpose the applicant will be using the information
b. the reason the applicant needs to obtain the information from the Zone Data

c. how often the applicant wishes to receive the Zone Data and the time for which the Zone Data will be required (i.e. a single file, up to a specified date or indefinitely)
d. what information will be made public
e. how long after receipt of the Zone Data the information from it will be publicly released
f. the "public good purpose the information will be put to
g. whether the applicant intends to retain the information and, if so, why
h. the measures that are in place to protect Domain Name Holders' privacy
i. details of any confidentiality agreements in place with its staff or contractors.

11. Authorisation of Registrars

11.1. Policies

11.1.1. Anybody wanting to register a .nz domain name must choose a Registrar to register and manage it on their behalf.

11.1.2. Nobody can act as a Registrar or hold themselves out as a Registrar unless they have been authorised by DNCL.

11.2. Operational rules

Authorising Registrars

11.2.1. An incorporated body can apply to become a Registrar in the manner specified in clause 11.3.

11.2.2. If DNCL approves the application, DNCL must:
   a. notify the applicant that their application has been successful
   b. do anything else required under clause 11.3.

11.2.3. If DNCL declines the application, it must provide the applicant with reasons.

11.2.4. On receipt of the notification in clause 11.2.2(a), the applicant becomes a Registrar with:
   a. authorisation to:
      i. manage .nz domain names on behalf of Domain Name Holders
      ii. direct InternetNZ on behalf of Domain Name Holders to make changes to the .nz Register
   b. all the other rights and obligations set out in these .nz Rules.

Removing authorisation

11.2.5. The Commissioner can remove a Registrar's authorisation if the Registrar:
   a. has not connected to InternetNZ by the time specified in clause 11.3
   b. is in breach of either:
      i. their Authorisation Agreement
      ii. any of these .nz Rules
   and fails to remedy that breach in accordance with their Authorisation Agreement or these .nz Rules.

11.2.6. DNCL must remove a Registrar's authorisation if:
   a. it receives a request from a Registrar to have its authorisation removed and two months have passed since the request was made

b. the Commissioner cancels the Authorisation Agreement

c. the Registrar or InternetNZ cancels the Connection Agreement

d. the Registrar purports to transfer its authorisation status to another party.

Effect of removal of authorisation

11.2.7. If a Registrar's authorisation is removed, it must:
   a. immediately stop acting as a Registrar other than to continue to serve its Domain Name Holders until they have been transferred to a new Registrar
   b. immediately stop holding itself out as a Registrar
   c. continue to do everything necessary to safeguard the rights of its Domain Name Holders
   d. work in good faith with Domain Name Holders, DNCL, other Registrars and any other person necessary to transfer each .nz domain name under its management to one or more other Registrars.

11.2.8. The removal of a Registrar's authorisation does not affect any of its rights or responsibilities that are intended to continue or come into force after authorisation is removed.

Transfer of .nz domain names on Removal of Authorisation

11.2.9. If a Registrar's authorisation is removed under clause 11.2.6(a) on the request of the Registrar, the Registrar must transfer the .nz domain names under its management to one or more other Registrars in accordance with clause 4.2.7.

11.2.10. If a Registrar's authorisation is removed other than under clause 11.2.6(a), DNCL must:
   a. set a date by which all .nz domain names must be transferred to a new Registrar (the **Deadline**)
   b. send a notice to each affected Domain Name Holder in the manner specified in clause 11.3.

11.2.11. Clause 11.2.10 does not apply if the Registrar makes other arrangements to transfer the affected .nz domain names before the Registrar's authorisation is removed.

11.2.12. DNCL can, at its sole discretion, assist the Registrar to transfer affected .nz domain names by:
   a. extending the Deadline
   b. otherwise assisting any affected Domain Name Holders to transfer the affected .nz domain names to a new Registrar.

Effect of cancellation on renewals

11.2.13. The Domain Name Holder must not be charged for a .nz domain name due to be renewed after the date on which DNCL contacts the Domain Name Holders but before the Deadline.

Cancellation if Registrar not changed

11.2.14. After the Deadline has passed, DNCL must direct InternetNZ to cancel any .nz domain names whose Registrar has not been changed by the end of their term.

11.3. Procedures and requirements

11.3.1. A person can apply to become a Registrar under clause 11.2.1 by:
   a. submitting a completed *Application for Authorisation as a Registrar form* ("Form AOR1")
   b. paying DNCL a fee of $3,000 plus GST.

11.3.2. DNCL will acknowledge that it has received an application by email. This usually happens within two working days of their receipt. Most applications are processed within a month of their receipt.

11.3.3. If DNCL approves the application, DNCL:
   a. will inform the applicant that the application has been successful
   b. can enter into the Authorisation Agreement with the applicant.

Removing authorisation

11.3.4. The period after which DNCL can remove a Registrar's authorisation under clause 11.2.5(a) is 6 months after the date they become a Registrar.

11.3.5. The notification in clause 11.2.10 to each affected Domain Name Holder must contain:
   a. a statement informing them of the removal of Registrar's authorisation
   b. a statement informing them that they must transfer each affected .nz domain name to a new Registrar
   c. information identifying each .nz domain name held by the Domain Name Holder that must be transferred and the authorisation code for each
   d. the Deadline by which they must be transferred set under clause 11.2.10
   e. the names and contact information of all other Registrars on the DNCL website (dnc.org.nz).

12. Complaints and enforcement

12.1. Policies

12.1.1.   The registry, registrar, and regulatory functions of .nz will be structurally separated. DNCL will perform the regulatory function, under a delegation from InternetNZ.

12.1.2.   The regulatory environment must be operated and enforced in a fair and transparent manner.

12.1.3.   DNCL will be responsible for:
   a.   monitoring and enforcing compliance with these .nz Rules
   b.   monitoring and enforcing the Authorisation Agreement and Connection Agreement in consultation with InternetNZ
   c.   providing dispute resolution services for Domain Name Holders (see Schedule 2 (Dispute Resolution Service)).

12.2. Operational rules

Investigation of enquiries between Domain Name Holder and Registrar

12.2.1.   If the Registrar and Domain Name Holder are unable to resolve the Domain Name Holders enquiry or complaint made under clause 8.2.2(i), either party can refer the unresolved enquiry or complaint to DNCL.

12.2.2.   DNCL can assist with the resolution of an unresolved enquiry or complaint, either on the referral of either party or on its own initiative.

12.2.3.   After investigating an unresolved enquiry or complaint, DNCL can do anything it considers appropriate in the circumstances, including:
   a.   taking no action
   b.   working with the parties to resolve the dispute
   c.   taking an action or imposing a measure under clause 12.2.7 if DNCL determines that there has been a breach of a .nz Rule or associated agreements or contracts.

12.2.4.   DNCL will abide by the principles of natural justice when investigating complaints and disputes and when making determinations and imposing sanctions.

12.2.5.   Other than in an emergency or exceptional circumstances to which clause 12.2.15(c) applies, DNCL cannot consider complaints relating to:
   a.   illegal or malicious use of a .nz domain name (for example spam or phishing)
   b.   objectionable or offensive website content
   c.   potential breaches of legislation.

Enforcement of .nz Rules

Monitoring compliance with .nz Rules

12.2.6. DNCL can monitor compliance with these .nz Rules by any means DNCL considers appropriate, including by doing checks and audits of the business systems and processes of Registrars and Resellers.

Penalties for breach of .nz Rules

12.2.7. If DNCL determines that there has been a breach of these .nz Rules or associated agreements or contracts, DNCL can take any action or impose any measure it considers appropriate to remedy the breach or encourage greater compliance.

12.2.8. Any action DNCL takes or measure it imposes under clause 12.2.7:
   a. is made at DNCL's discretion
   b. can be temporary or permanent.

12.2.9. DNCL must:
   a. adhere to the principles of natural justice when determining whether to impose a sanction and what the sanction should be
   b. reasonably consider that anything it does under clause 12.2.7 is proportionate to the breach, having regard to the .nz Principles, all the circumstances of the breach when it occurred and the consequences of the breach.

General actions

12.2.10. Examples of the actions DNCL can take under clause 12.2.7 include:
   a. directing InternetNZ to correct any details in the Register
   b. directing InternetNZ to transfer a .nz domain name to a new Registrar
   c. directing InternetNZ to cancel a .nz domain name
   d. any other action DNCL considers appropriate in the circumstances.

Actions in relation to Registrars

12.2.11. Examples of the sorts of actions DNCL can take under clause 12.2.7 in relation to a Registrar include:
   a. suspending some or all of the Registrar's functions, entitlements or rights
   b. directing the Registrar to undertake or to reverse a transaction
   c. directing the Registrar to take or not to take any action in connection with a .nz domain name, or information or money connected with a .nz domain name
   d. directing the Registrar to publish a statement on its website
   e. directing the Registrar to pay money to any party that DNCL has determined has suffered loss as a result of a breach

f.   removing the Registrar's authorisation

g.   any other action DNCL considers appropriate in the circumstances.

12.2.12.   DNCL can take an action against a Registrar under clause 12.2.7 regardless of whether the breach was committed by the Registrar or a Reseller or other person using the Registrar's systems.

12.2.13.   DNCL can take steps or create initiatives intended to ensure that Registrars do not unduly benefit from, or be prejudiced by, their size or by the nature of their operation including geographical location inside or outside New Zealand.

Actions in relation to Domain Name Holders

12.2.14.   DNCL must not suspend or cancel a .nz domain name under clause 12.2.7 unless DNCL determines that:
   a.   the Register data for that .nz domain name is incorrect and DNCL has made more than one attempt to contact the Domain Name Holder
   b.   the warranty the Domain Name Holder gave in clause 2.2.2) was misleading or incorrect or the Domain Name Holder has failed to comply with its obligations under these .nz Rules
   c.   the Domain Name Holder obtained the .nz domain name by fraud or deception
   d.   cancelling the .nz domain name is necessary to preserve the integrity of the .nz Register or the security, stability or resilience of the DNS.

12.2.15.   The Commissioner can change the Registrar of a .nz domain name, or suspend, assign, cancel or impose a Compliance Lock on it, if:
   a.   not doing so would be contrary to the terms of an order from a court or tribunal of competent jurisdiction or otherwise unlawful
   b.   necessary to preserve the security, stability or resilience of the DNS
   c.   there is an emergency or exceptional circumstances (for example, terrorist attack, cyber security attack, pandemic, or other force majeure event) and the Commissioner reasonably considers:
      i.   the use of the .nz domain name is causing, or may cause, irreparable harm to any person or to the operation or reputation of the .nz domain space
      ii.   the action would mitigate or minimise the harm and be proportionate to it.

12.2.16.   The Commissioner can impose a Compliance Lock when a .nz domain name has been sanctioned. A locked .nz domain name cannot be amended in any way by the Registrar (including being transferred, cancelled or released).

12.2.17.   DNCL will not attempt to recover money owed to the Registrar or any third party in relation to any enforcement action it takes. Neither DNCL nor the Commissioner shall be liable for any direct or indirect loss or damage suffered by a Domain Name Holder

or any third party, arising out of any act or omission in connection with the exercise in good faith of the powers provided for in clauses 12.2.15.

12.2.18.   Any action taken by the Commissioner under clauses 12.2.15 can be made public, including the nature of the incident being dealt with and the timeframe for which the temporary approach is anticipated. Use of this power can also be included in the Commission's transparency reporting.

Effect of Compliance Lock

12.2.19.   If a Compliance Lock is put on a .nz domain name:
   a.   a Registrar must not seek to amend its registration in any way (including trying to assign, transfer, cancel or made available for registration)
   b.   no amendment on the .nz Register can be processed.

Enforcement against Resellers

12.2.20.   If the Commissioner determines that a Registrar does not offer registrar services to the public or any section of the public (however selected), all users of the Registrar's services must be treated as Resellers under these .nz Rules. For the purpose of this clause, "public" includes government departments, offices or agencies.

12.2.21.   If a Registrar identifies or is notified by DNCL that a Reseller has breached of these .nz Rules, the Registrar must promptly inform the Reseller:
   a.   how the Reseller has breached these .nz Rules
   b.   what the Reseller must do to remedy the breach
   c.   when the Reseller must take action by (the **Deadline**)
   d.   the penalties the Registrar will impose or steps the Registrar will take if action is not taken within the timeframe.

12.2.22.   The Deadline must take into account:
   a.   the gravity of the breach and its consequences on Domain Name Holders
   b.   the urgency with which the breach needs to be remedied
   c.   the time within which the Reseller can practicability remedy the breach.

12.2.23.   If the Reseller does not remedy the breach by the Deadline, the Registrar must:
   a.   advise the Commissioner that the breach has not been remedied
   b.   seek the Commissioner's approval to impose one or more of the penalties or steps specified in clause 12.2.21(d).

12.2.24.   The steps a Registrar can notify under clause 12.2.21(d) include transferring the direct responsibility for managing .nz domain names involved from the Reseller to Registrar.

12.2.25.   The Commissioner can approve the transfer of direct responsibility for managing the affected .nz domain names from the Reseller to the Registrar if the Registrar can demonstrate to the satisfaction of the Commissioner:
   a.   the Reseller's breach has negatively affected Domain Name Holders
   b.   the Registrar has informed the Reseller of the matters specified in clause 12.2.21
   c.   the Deadline is fair taking into account the factors in clause 12.2.22(a) and (b)
   d.   the Registrar has an agreement with the Reseller that specifies that direct management of .nz domain names can transfer to the Registrar if the Reseller breaches these .nz Rules.

12.2.26.   Despite clause 12.2.25(d), the Commissioner can direct a Reseller to transfer direct responsibility for the management of the affected .nz domain names in the absence of an agreement between the Registrar and the Reseller if the Commissioner:
   a.   has taken steps to assist the Reseller to become compliant
   b.   has followed due process in any investigation that could lead to their names being transferred to the Registrar
   c.   considers there are exceptional circumstances that make the transfer desirable.

12.3.   Procedures and requirements

12.3.1.   The Registrar must consult DNCL before sending the notice in clause 12.2.21.

Schedules

Schedule 1 - Policy Development Process

Schedule 2 - Dispute Resolution Service

[No changes yet]

Schedule 3 - Conflicted Name Process

[No changes yet]

Schedule 4 - Billing Business Rules

[No changes yet]

Schedule 1 - Policy Development Process

This Schedule sets out the processes that InternetNZ must follow when creating or amending .nz policies.

1. Starting a policy process

1.1.   InternetNZ can start a policy process on its own initiative or following a request under clause 1.3.

1.2.   In deciding whether to start a policy process, InternetNZ will take into account the .nz Principles, operational needs and the impact not starting a policy process would have on the parties involved in .nz.

1.3.   Anybody can contact InternetNZ or DNCL to request:

    a.   an amendment to the .nz Rules

    b.   that a part or parts of the .nz Rules be reviewed.

1.4.   On receiving a request under clause 1.3, InternetNZ must:

    a.   publish the request on the InternetNZ website as soon as reasonably practicable

    b.   decide whether to begin a policy process in response to the request.

2. Policy process

2.1.   If InternetNZ decides to begin a policy process, it can adopt any process it considers appropriate, as long as it complies with clauses 3 and 4.

3. Minimum engagement requirements

3.1.   If the policy process involves a proposed amendment to any part of the .nz Rules other than the Procedures and Requirements, InternetNZ must ensure that it consults with anybody affected by the proposed change before making final policy decisions.

3.2.   If the policy process involves a proposed amendment to the Procedures and Requirements, InternetNZ must notify the public at least 20 working days before the changes come into effect.

3.3. InternetNZ can determine the appropriate scope and process for consultation under clause 3.1 having regard to the nature and circumstances of the policy or amendments being developed.

3.4. InternetNZ must publish any submissions it receives on the InternetNZ website along with any consultation papers.

3.5. The validity of any amendment made to the .nz Rules will not be affected by any perceived or actual flaw in a consultation process.

4. Engagement with Māori

4.1. InternetNZ must inform itself about whether any Māori interests would be affected by any proposed change to the policies.

4.2. If Māori interests would be affected, InternetNZ must determine what level of engagement with Māori is appropriate, having regard to the nature and strength of those interests, balanced against other relevant interests.

4.3. Depending on the nature and strength of the interests involved, the engagement may involve engaging with Māori as part of the consultation in clause 3 or an additional or parallel engagement process.

[Note: this section has not yet been discussed with Māori.]

5. Publication of process and decisions

5.1. InternetNZ must make all consultation papers issued and submissions received available on its website.

5.2. InternetNZ must publish the final policy decisions as soon as reasonably practicable after they have been made.

6. Interim Policy

6.1. InternetNZ can urgently amend .nz Rules without following clauses 3 and 4 if InternetNZ determines that circumstances require the amendment immediately to preserve the integrity of the .nz Register or the security, stability or resilience of the DNS (for example, security related issues).

6.2. An amendment made under clause 6.1 must:

    a. be identified as an interim policy

    b. be reviewed in accordance with this policy as soon as practicable.

6.3.   An interim policy still in effect after six months must be reviewed by the InternetNZ
        Council, unless otherwise agreed by the Council.

Structural Change reflections

ITEM NO: 2.2

AUTHOR: Jordan Carter, Chief Executive

PURPOSE: A cover paper introducing the summary report from Boardworks on the reflection process relating to the 2018 structural changes across the InternetNZ group.

DATE WRITTEN: 6 May 2021

Background

At its December 2020 meeting, Council sought an independent reviewer to speak with staff and governance members to engage in some structured reflection on the impact to date of the changes made to the group's structure in 2018, following the 2017 review.

John Page from Boardworks interviewed or surveyed a selection of current and former governors and current staff for InternetNZ and DNCL, with the design objectives and principles for the revised structure identified in 2017 being the reference point.

John's summary report is attached to this paper.

This Council agenda item is a chance for Council members to 'reflect on the reflections'. The DNCL Board has done so in respect of the issues related to their role. The Senior Leadership Team will reflect on the findings following this meeting.

Any follow ups should be identified at the meeting.

Recommendation

THAT Council receive the report from Boardworks with thanks.

Jordan Carter

Group Chief Executive

Attached: Structural Change Reflections Summary Document - April 2021

Internet
New Zealand

Structural change reflections

April 2021

Summary document

Contents

Context and approach

The Internet New Zealand Council has commissioned a high-level review of the structural changes undertaken three years ago. This is a subjective assessment against the design goals laid out at the time.

Communication to staff and Council

The following was shared with staff and Council to make clear the intent of the review.

The aim is to consider the design objectives and principles as the guidance to what was intended (as published to staff in August 2017 during the review process) and see the extent to which they have been achieved.

The review is not intended to open up decisions on the structure chosen in 2017 and implemented the following year. It is instead designed to give insights into 'how it's going' for the information and consideration of governance and management.

Our approach has therefore been to seek and reflect opinion, not to seek evidence or add judgement. In two areas only, those of the strategy and culture have we added some thoughts.

Design principles

We agreed that the review would seek opinion on the following matters. These are drawn from the design principles shared at the time. With agreement we have added the words in brackets.

Objectives

- Increase the group's ability to respond in agile way to opportunities and issues including the necessary flexibility to make adjustment as needed.
- Support the development [and execution] of a consistent vision and strategy across all key functions.
- More effective collaboration and sharing across all parts so the InternetNZ group.
- The development of an effective shared culture
- Clarity of responsibility for key roles and functions
- To be resilient – capable of operating without reliance on specific individuals or groups
- [Increased/ongoing] cost efficacy.
- [Enhanced] financial sustainability.

Design objectives

- Maintain reputation and good relationships.
- Continue high quality delivery of the current functions.
- Ensure that .nz root zone is not compromised.
- Protect [and enhance] our ability to recruit and retain talent.
- Ensure the [continued] independence of .nz policy and management of registrars.
- Retain [and enhance] the ability to engage professional directors.

Executive Summary

The high-level questions are whether, on the balance, the change has been effective and well received. The answer to those statements is generally positive.

As with all change processes there was degree of pragmatism at the time and we got the sense that the course of action chosen was anticipated as resulting in the 'most people on the bus, mostly happy'. That has turned out to be a prudent path.

There are some divergences in perception between the governance and management groups canvassed. Key among these are the strategic plan and the connection to DNCL.

A lack of measurable precision falling out of the strategy is a widely held concern. Within an aspirational and high-level document there is insufficient guidance on what to say no to. There should be no lack of clarity on what success looks like for the organisation. This is mostly in the public good realm.

The culture has undoubtedly improved. The three separate organisations were clearly generating some undesirable behaviour. A fair summation would be that there is the beginnings of a single culture but with work to be done. DNCL is somewhat of an island, a little separate, maybe with a tidal causeway. This is unsurprising given the necessary independence of the regulatory role and the nature of the work. Whether this is the end state of the change or a point in time was widely raised in discussion and commented on at length.

We note that at around 50 staff the organisation is at one of those acknowledged growth points, balanced between a small and medium enterprise.

Cost saving was not a driver for the change. Some overhead reduction has occurred. There is concern about the growth in head count and that ultimately this will have to result in a demonstrable addition to financial sustainability.

The addition of independent directors to Council is seen as a positive change. The governance function has become simpler and clearer as a result of the change. Council is seen as spending more time in the right areas and has largely backed out of operational matters. There is a desire to complete the work on the governance framework.

The organisation's ability to deliver has not been impacted. Some commented that the capability shown through the Christchurch call and Covid would have been difficult under the old structure especially at the governance level.

The DNCL discussion drew most comments, across a wide range. Some of them strongly held. There was no sense that the organisation is not doing a great job. That was never part of this review. The detailed comments on page 14 best outline the discussion. Jordan's dual role was raised and noted as challenging. Whether it would or should be possible with another chief executive was flagged by several people.

Finally, there is solid agreement that the organisation is now functioning better. It is not a perfect score, that is not realistic. But it is good feedback noting that there remains a number of work on areas.

Detailed feedback

Agile organisation

Generally, the response to this question was positive with some caveats. As noted in the scoring there is a broader range of opinion within the management team. There were some comments from the interviews about whether the size of the senior team and the large number of 'focus areas' assists alignment.

The response both at the management and governance levels to Covid and the Christchurch call was cited in interview by several people.

Vision and strategy

There is consistent feedback that the strategy, especially in the public good area, is too broad and does not provide management with sufficient guidance. A strategic plan should make clear what to say no to. Several people commented that this is not the case. If there is any lack of clarity around what is to be achieved and how that is to be measured, that sits with Council.
An aspirational statement such as 'Internet for Good' is a nice phrase but of no value in planning. With limited resource the organisation needs to come down to what it can control, influence and measure. Two good questions which can usefully be built into an outcomes framework are, how will we make a difference and how will we know? It is clear some further conversation is required here.

Some Councillors suggested that it is up to management to interpret the strategy but at the same time acknowledged there is a need to stop doing some 'stuff'. The framework for determining 'which stuff' does not seem to be in place.

Effective culture, consistently adhered to

There is a strong consensus that this has markedly improved. Stories shared of the previous culture at its worst were not happy ones. There are a number of possible factors influencing development of an aligned culture. As noted, there are different businesses in the group, service delivery, public good, highly technical and also regulatory/compliance. As with any organisation they will have different approaches and attract different personality types. The organisation is at an interesting size, 50 something, one of those change points in growth. It was observed that everyone is still in the same seats but perhaps this will change with the imminent relocation.

Based on the comments below there appears to be a lack of clarity as to what is defined by the term culture. We don't know if any conscious process has been pursued here. But If not already addressed, then a discussion within the wider group would be useful. Generally, that starts with reconfirmation of core purpose, agreement on why we are.

This is followed by collective identification of core values, and or behaviours, which will underpin the shared purpose. Together these will provide the base of the culture. Functions, roles and accountabilities are overlaid across these elements. Any further work on a team culture is then based on this platform.

Increasingly it is understood that a board has a leadership role in organisational culture. This includes not only being clear about expectations but maintaining an oversight function.

Cost, efficiency and financial sustainability

A sense here that there were some initial savings but now offset with head count growth. People are keen that the deliverables in the development area are clear and in plain sight.

Management's view of and connection to Council

The change to Council with the addition of independent directors is widely seen as highly positive. People are keen that the ongoing work on the governance framework is completed. Connected to

the discussion above around strategy, people have commented that greater specificity is needed in performance expectations.

Council's view on its role and connection to management

Councillors in general reflect that their role has become clearer and simpler as a result of the changes. Lines of reporting and accountability are cleaner. Issues related to the DNCL connection are discussed in a later section.

Right people with the right skills

Again, on balance this due a positive response both at the management and governance levels. There was a wider range of opinion within the staff possibly reflecting challenges experienced in some areas of IT recruitment. This is not isolated to INZ.

Ability to deliver

One of three areas that featured some divergence of opinion between the two groups. The general sense is that the ability to deliver has not been negatively impacted but whether it has been enhanced is open to discussion.

Comfort with the changes

The central question rated as 4.4/5 by the staff, a positive response. But equally there is a sense of a work in progress and that some decisions at the time were pragmatic.

DNCL

It should be noted that the DNCL question was posed in two slightly different forms. The management group was asked if, *the connection between DNCL and the group works well.* The governance group was asked arguably two questions in one, *if DNCL is operating at a satisfactory level and our connection to it is at a good standard.*

This is the area that drew the most spirited responses as indicated in the range of scoring. The terms of reference communicated to staff have made it clear that this process is not about seeking change. However, it would be remiss not to communicate the breadth of views expressed. There is a strongly held opinion that, as regulator DNCL must be independent. Further that this independence assists in protecting the assets of INZ from any vexatious litigation, behind a corporate veil so to speak. Others have cautioned that these do not become shibboleths inured from occasional scrutiny.

Jordan's dual role as chief executive of the group and chair of DNCL was raised by a number of people all of whom acknowledged the inherent challenge. Whether the model would or should survive a change of chief executive is unclear to many.

DNCL is a separate organisation, although a subsidiary. It has its own board and employs its own people. It has a narrow and very specific role as regulator. Regulators by definition do need a degree of independence.

Functioning better overall

This complete alignment that, in general, the organisation is working better after the changes. It is not a 100% score and that would be unrealistic. But it is a strong and positive response.

Concluding thoughts

In interview we asked everyone for their three 'good things' as a result of the changes and the three 'work ons'. The common themes are summarised below.

Good things

- Passionate people and a generally positive culture
- A sense of a job well done to date but certainly not complete
- Some improvement around shared knowledge
- In general, there is a greater coherence
- Improvement in the culture/ beginnings of a shared culture/ nascent one family/ toxicity gone
- We have one view on finances
- Barriers within the organisation have been removed
- Improvement in governance and clarity in the management/governance divide
- Clear codification of the relationship with DNCL

Work ons

- Clarity on the Commissioner's role and the perception of the 'corporate veil'
- Simplification of and clarity around the strategy. Need for SMART measures
- Head count increase should ultimately drive results/ return on the business development initiatives
- Internal structure – is it right now?
- Our stories haven't merged in to one as yet
- Culture still has some work ons
- Finish the governance framework/ further professionalisation of the board
- Succession planning
- Maybe revisit a few sacred cows

Strategy Refresh Process

ITEM NO: 2.3

AUTHOR: Jordan Carter, Chief Executive

PURPOSE: Seek agreement on the approach to refreshing our strategy, given the expiry of the current set of strategic goals in 2022 and broader needs to improve and evolve our strategic framework.

DATE WRITTEN: 7 May 2021

Context

The environment within which InternetNZ group operates changes rapidly, both due to the nature of technological change and the social disruptions of the events of the past few years (pandemics, terrorism).

In 2018 we established our Strategic Framework and the overall purpose of helping New Zealanders harness the power of the Internet. In 2019 we set some limited term strategic goals to guide our work within this Framework.

Those goals were updated in 2020 for a two year term, and we also changed the framework - reducing our WHY areas from Openness, Security/Trust and Inclusion, to two - Internet for All, and Internet for Good.

The goals come to the end of their term of application next March. It is therefore time to consider our strategic framework and determine any adjustments.

I am confident that the overall 'field of action' that our framework presents is fit for purpose.

I have also concluded that our overall strategic picture is not sharp enough to guide our operational work appropriately. There are a few aspects to this that are front of mind for me:

- There is a gap in terms of agreed organisational values, work we know we have had ahead of us but have not completed.

- With the growing focus on our connection with Te Ao Māori, there are linkages with our overall strategic framework that are currently not visible, worked out, agreed or effective.

- The longer term picture in our areas of work - the end-states that we should be seeking to achieve - aren't clear. We worked together on this last year to

evolve an end-state for .nz that felt good - but we need to do that for other areas of our work.

- The shorter term picture captured in the current two-year goals isn't quite right. There is a growing view (which I share) that the goals as worded now are not specific enough, not ambitious enough, not clear enough, not measurable enough. It is also difficult to make decisions on priorities (and therefore resource allocation) across these goals.

- The strategic framework may not be 'deep' enough, by which I mean, it describes some areas of work and some objectives, but the 'how do we get that' - the underlying strategy for achieving the goals - isn't well spelled out.

It may also be timely to revisit the financial strategy, given how significantly our situation (registry replacement funding needs) and the environment (COVID-19 disruptions) have changed since it was adopted.

Council members may have other insights into the current framework which it would be helpful to share.

In my role as Chief Executive, the development of our work plans and our operating model to deliver them is made easier the clearer the strategy is. So I have a strong interest in working with you as Council to evolve and refresh our strategy.

Intention of the refresh

The aims I propose for this are to develop:

- Agreed organisational values
- Clear end states steering our work in the long run
- Broader and deeper shared understanding about the strategies underpinning our goals
- Greater clarity about how we measure our progress and success

Subsequent to this work, we will then land a set of SMART goals for the 2022-24 period, that help prioritise work in the subsequent annual plans.

In doing this work, I would like for us to involve our wider community appropriately, so as to gain insight for the content of the strategy refresh, and to help ascertain and build support for it.

Proposed Approach

Here are key components in how I suggest we proceed, to check with you before any more detailed design or timings happen:

- We will maintain a partnership of governors and staff in doing this work, as we tried out in the context of the .nz end state. DNCL directors should also be included to build connectivity and coherence between the parts of the group.

- We will include meaningful engagement with our membership and broader stakeholders in informing the process and testing the emerging direction.

- We are seeking to refresh our strategy and clarify/improve it, rather than go back to first principles.

- This will be a key focus for Council in the period from July to December, so that as planning commences for the 2022/23 business year and beyond, the refreshed strategy is being implemented.

- Management and staff resources for this will be a priority, but one that comes behind our work on the top three organisational priorities agreed (registry replacement, .nz policy review, Working Together Better).

If there are any other key points about the approach to take, please share them in discussion or on the email list.

Milestones

There are a few available with some indicative sequencing, for comment:

Date	Milestone
August 2021	Council Meeting - share management initial thinking and agree focus for retreat.
September 2021	Council and DNCL Board Retreat (Fri 19 - Sun 21) to focus on this work.
October 2021	Council approves focus for engagement with membership and stakeholders.
December 2021	Finalise the refresh.

Please note that these milestones are those with governance involvement. There'd be a broader plan for this process obtaining staff input etc.

Next Steps

I will lead an internal process to prepare our organisational thinking ready for the August Council milestone, and provide an update on progress to you in early July.

At this stage I anticipate this work can be done in-house, but some expertise in facilitation or strategic thinking may prove necessary.

I would welcome Council's view about whether it would be helpful to establish a sub-group of Council for me to use as a contact and reflection point in this work. I can see advantages and disadvantages to this.

Risks

At a broad level, given the importance of our organisation in parts of the diverse Internet communities of Aotearoa, the refresh of strategy can create a risk of instability or uncertainty. The main mitigation of this risk is for the process to be, and communicated as, a refresh - not a process intended to lead to a fundamental

change. (This also mitigates staff concerns which can arise when strategy is on the table.) My appetite for this risk is moderate, as it is inevitable in a strategy review.

There is a risk of opening the strategy leading to competing demands and expectations from diverse stakeholders that cannot be met. This is best mitigated by sticking with the 'refresh' approach, and being clear with stakeholders that input is being sought to establish or test adjustments, not to offer to fulfil others' wishlists. My appetite for this risk is low - I do not want us to raise expectations that we could never hope to meet.

There is a negative risk - if we do not do this work, then we continue with a lack of clarity that means we are less effective than we could be. The mitigation is to do this refresh.

I would welcome Council discussion of other risks.

Recommendation

THAT Council note and endorse the intention behind, and proposed approach for, refreshing our strategy by the end of this year.

Jordan Carter

Group Chief Executive

AGM & elections update

ITEM: 3.1
AUTHOR: Andrew Cushen, Engagement Director
PURPOSE: Update on AGM planning and elections
DATE WRITTEN: 05 May 2021

Executive summary

This note has been prepared to brief Council on key elements of the upcoming council elections, and the Annual General Meeting (AGM) to be held on Thursday 29 July 2021.

Elections

The voting eligibility period for new membership closed on 29 April 2021. After this date, any new members will not be eligible to vote. However, there is a grace period for current members. Current members will be eligible to vote if they renew by 29 June 2021.

We recommend Andrew Cushen to be the official Returning Officer for this year's AGM. Andrew will be supported by members of the Engagement Team, who support membership services.

We have engaged Electionz, our previous supplier, to deliver returning officer and voting services online for this AGM. Voting will open two weeks before the AGM, as per previous years.

AGM event

Council has agreed to hold the AGM online, in a similar format to the 2020 meeting. This will be hosted in our current Wellington office in the boardroom and event managed by Vanisa Dhiru. Voting screens for the President, and a similar production set up are expected, with some minor improvements.

Voting for motions during the meeting (minutes approval etc) will run on zoom using polls in real time, same as last year.

We anticipate some Council Members will be present in the Wellington office alongside the President, Vice President and Chair of the Finance, Risk and Audit Committee.

We will set up a separate desk area for those not involved in delivering AGM items, so they can vote, and watch the AGM using their own devices and headphones.

Rehearsal required
Last year we valued having any Council Member who was presenting/speaking to be briefed and sound tested the day before the event.

We recommend a full tech rehearsal is done the day before on Wed 28 July in the afternoon.

Travel to Wellington
We note this will be the President's and Vice President's final meeting, and Council Members may wish to attend this meeting in person. If so, please ensure any presenters travel on Wednesday, and attend the rehearsal.

Communications

Feedback from last year suggests we need a less intrusive way to alert members of new nominations. We also want to send clearer emails to members on voting, as some have found the volume of information in past emails too long.

We propose to ask for nominations by email, as previous years.

Nominee names and bios have previously been shared to the members-announce mailing list by the Returning Officer, as they are accepted. Last year, with 10 nominations, we sent 10 emails — which also then followed by further emails by members in the members-discuss thread with questions.

This year, we propose to move all real-time announcements to NetHub's "#members-discuss" channel. Here, the Returning Officer can alert members of new nominations as they are checked and confirmed (nominees and nominators must be current and paid members). Members can also ask questions of the nominees in this channel.

We will be alerting members to sign up to NetHub, the online community platform we have set up, and follow the #members-discuss channel. Nomination bios will be updated on the InternetNZ website.

A final email when nominations close can share info and links about all the nominations received, ahead of the voting instructions sent from Electionz.

Recommendation

THAT the Council:

- Appoint Andrew Cushen as Returning Officer for the 2021 InternetNZ Council Election
- Appoint Grant Thornton as Scrutineer for the 2021 InternetNZ Council Election
- Note the full tech rehearsal on Wed 28 July 2021 for all presenters.
- Note communication channels to be used for nomination updates/questions
- Are active on NetHub, to receive updates on the election process
- Note the contents of this report.

Update of Terms of Reference for the Funding Panel (Grants)

AUTHOR: Andrew Cushen
PURPOSE: Update the Funding Panel Terms of Reference
DATE WRITTEN: 7 May 2021

Executive Summary

Council agreed last meeting to update the Funding Panel Terms of Reference, to adjust the role of the council representative to be an optional observer role, and remove their role as chair of the panel.

Changes are marked in the attached, in red.

Background

The Funding Panel is a group which reviews applications to InternetNZ grant rounds. The panel has been in place since late 2019, and currently includes 4 external appointments (paid roles), a staff member and a council member.

The initial rationale of the group was to bring a more diverse, broader skilled and external group of people together to assess grant round applications, twice a year. Recommendations for funding are approved by the Chief Executive.

The current group has been in place and working well, and has now assisted with recommendations for four grants rounds across two financial years. The panel meetings have been so far chaired by staff.

Current funding panel members are:

- Raniera Albert (staff)
- Wayne Duncan
- Sarah Lee (council)
- Angela Nash
- Erika Pearson
- Philippa Smith.

Additional changes to the ToR and panel

We have updated the name of the panel to reflect our commitment to Te Tiriti.

We believe another staff representative will help with staff engagement and share stories about our giving internally.

Recommendation

THAT the Funding Panel Terms of Reference be noted.

Andrew Cushen
Engagement Director

7 May 2021

FUNDING PANEL

TERMS OF REFERENCE

AUTHOR: Vanisa Dhiru, Community Manager & Andrew Cushen, Engagement Director

DATE WRITTEN: ~~10 December 2019~~ 16 March 2021

Purpose

InternetNZ is a non-profit organisation, and the home and guardian of .nz – providing the infrastructure, security and support to keep it humming. We use the funding from the sale of .nz domain names to support the development of New Zealand's Internet through policy, community funding, research and events. Our mission is an Internet that is open, secure, and for all New Zealanders.

We want all New Zealanders to be able to harness the power of the Internet and we advance this vision through giving ~~$800,000~~ one million dollars ($1,000,000) of community funding each year to research, community projects, and for people to attend conferences related to the Internet.

We support New Zealanders who can shape the Internet's growth, development and use - including people from business, government, academia, technical and community-based organisations, and the general public.

Our Community Programme includes an annual funding pool of ~~$800,000~~ one million dollars ($1,000,000) per year which is given to community organisations, academic institutions, and individuals through grants and strategic partnership funding. This programme sits alongside our community engagement work including events like NetHui and ~~the NZ Internet Research Forum~~sponsorship. We also seek to ~~sponsor events and awards and~~ provide other in-kind support to community organisations.

The purpose of the Panel is to review and provide advice and direction ~~for~~ on the organisations and individuals who apply for grant funding. A key aspect of the application review is to provide feedback to applicants on their projects.

The Panel will be supported by the InternetNZ Engagement Team, who will provide relationship and administrative processes for the grantees. The Engagement Team will prepare reports as required for the Panel.

Background

InternetNZ has provided funding for New Zealanders who can help to shape the Internet's growth and development over the last 10 years. We have provided funding for Internet related projects, research and conference attendance.

The funding from the sale of .nz domain names is the source of the funds. The Funding Panel is an independent Panel appointed by the Chief Executive to assist with a robust review of grant applications over $10,000.

Past grant decision-making was led by the InternetNZ Council. A new Funding Panel was established to assist a new focus for grant making in 2019/20.

Focus of grant funding

Each grant round will have purpose statements. The Panel will review the applications based on the focus areas as per the InternetNZ business plan and grant criteria that has been approved by the Chief Executive.

Activity

The Panel will review applications collected by InternetNZ twice annually. They will review the applications based on set criteria and timelines as set by InternetNZ.

~~Chair and Vice-Chair~~

~~The Chair of the Panel will be an InternetNZ Councillor.~~

~~A Vice Chair may be elected from within the membership of the Panel and will work with the Chair in the management of the Panel's work.~~

Membership

The Panel will consist of up to seven members ~~including the Chair~~.

It is intended that the Panel will represent key stakeholders in the Internet community, and cover skills and diversity as approved by the InternetNZ Council.

Panel members will be appointed by the Chief Executive of InternetNZ on the basis of their individual skills, experience, and knowledge of the Internet community.

The Chief Executive will ensure there is a diverse range of Panel members.

Panel members must be prepared to commit their time and effort for the duration of the project. It is expected this will be for 12-16 hours every 6 months, aligned with the grant rounds.

The Panel will consist of up to seven members ~~including the Chair~~.

Relationship with the InternetNZ Council

In the event that a Council Member of InternetNZ is not one of the members of the Panel, the Council may appoint one of its members as a Council Observer of The Panel.

The Council Observer will work with the InternetNZ Engagement Team to summarise the work of The Panel and to provide to Council any reporting and insights necessary to keep Council informed of The Panel's work.

This Council Observer role will be to enable the Council's functions in this area, specifically:

1. Strategic oversight of the purpose and focus of grant making across the year.
2. Input into Council's environmental scanning discussions.

3. Validation of InternetNZ's investment in community initiatives.

For the avoidance of doubt, the Council Observer role will not duplicate or contravene the roles and responsibilities assigned to the Chief Executive in this Terms of Reference, and will remain focused at a strategic governance level.

In the event that a Council Member of InternetNZ is one of the members of The Panel, then that Council Member will also fulfil this Council Observer function.

Operations

High-level principles and approaches for the Panel's operational procedures are set out in the accompanying documentation and include the Code of Ethics and Conflict of Interest statements. Consistent with this framework, the Engagement Team will otherwise determine its own operational procedures. The Chair will provide regular progress reports to the InternetNZ staff.

InternetNZ will provide grant application, knowledge and other operational support to the Panel, including producing a record of each meeting noting attendance, topics discussed and recommendations for the Chief Executive.

InternetNZ will offer meeting fees to all Panel members except staff. Fees for InternetNZ panels have been established using the government meeting fees rates.

Expected activities and outputs

The Panel will need to be available to attend up to four meetings over a 12 month period and have time available to adequately prepare to actively participate in the grant application reviews. Meetings are likely to last 3 hours or a full day.

~~Timeline~~

~~An indicative timeline is as follows:~~

~~Activity~~	~~Timing~~
~~Call for Panel nominations~~	~~Dec 2019~~
~~Appointment of Panel Chair and members~~	~~January 2020~~
~~Induction~~	~~January 2020~~
~~1st Panel meeting~~	~~February 2020~~
~~2nd Panel meeting~~	~~March 2020~~
~~3rd Panel meeting~~	~~August 2020~~

~~The timeline is subject to change.~~

Māori Advisory Group Terms of Reference

AUTHOR: Andrew Cushen, Engagement Director & Raniera Albert, Chief Advisor Māori

PURPOSE: To summarise the discussion and confirm the Māori Advisory Group Terms of Reference

DATE: 7 May 2021

Summary

The members of Te Komiti Whakauru Māori have drafted the Māori Advisory Group (MAG) Terms of Reference (TOR) (Appendix A) and would like the Council to discuss, approve and endorse the Terms of Reference, subject to any changes agreed at the Council Meeting.

Further to the discussion on the Council email list, this paper summarises the issues discussed with the proposed Terms of Reference for the Māori Advisory Group.

Issues

Purpose statement

The purpose statement for the MAG currently reads (with bolding added to this paper for emphasis):

> To support InternetNZ to **achieve organisational goals** and help build mutually beneficial relationships and partnerships with Māori.

Council members have highlighted that grounding the purpose of the MAG in achieving InternetNZ's organisational goals, unilaterally, risks undermining the desire for te ao Māori guidance and mutually beneficial outcomes and relationships.

This point is well made, and we appreciate the Council raising it - it is contrary to the intent of this MAG and our work in engaging with Māori.

Mutually beneficial

Council members have queried the "mutually beneficial" framing of this purpose statement. This discussion concerns whether InternetNZ should seek only those perspectives and aspirations that are also of value to InternetNZ, or whether we are, or need to be, respectful of wider interests and perspectives from Māori Internet communities.

InternetNZ has long used this "mutually beneficial" framing in relation to what we aspire to with Māori Internet communities. That wording is intended to reflect that InternetNZ holds our purpose as an organisation clearly: *to help New Zealanders harness the power of the Internet*, and our established approach in working with communities to respect their interests and contributions to these broad goals. We always work broadly in these areas.

Mutually beneficial also means that we don't seek to do work together on matters that don't relate to the Internet. We respect that Māori have many, many other interests than those that are Internet-related, and that InternetNZ has neither the expertise or mandate to work on those matters.

That said, this discussion has highlighted an important distinction, and we believe that amending this aspect of the purpose statement may resolve any potential confusion on what we are seeking mutuality of.

We recommend alternative wording of this purpose statement, proposed as a draft for discussion as follows (emphasis added):

> *To support InternetNZ in **understanding and incorporating te ao Māori and the perspective of Māori Internet communities into its work**, and to help build **mutually impactful relationships and partnerships** with Māori.*

Te ao Aotearoa

Council members have questioned whether the MAG should seek to incorporate te ao Māori into InternetNZ's otherwise te ao Pākehā perspectives, or whether instead we should seek to establish a 'te ao Aotearoa' lens, which will incorporate both of these world views.

We recommend that Council leaves this aspect of the TOR as it is currently worded. Firstly, any potential te ao Aotearoa lens would only come from knowledge, respect and partnership of and with te ao Māori, so that that may be appropriately blended into a single te ao Aotearoa view. This lens on te ao Māori will come from working with the MAG.

Secondly, any such common world view as intended by te ao Aotearoa cannot be asserted by one side of that relationship on its own. Our Māori Internet communities are those that would need to express an interest in joining InternetNZ, as a te ao Pākehā institution, in forming this single world view.

Naming of the Māori Advisory Group

Council members have asked whether an "advisory" framing is appropriate given what we aspire to in this relationship, and asked whether an appropriate term in te reo is available.

The Komiti Whakauru Māori have considered this issue already, and believe that the Group itself is best placed to advise us on their name once they have had time to come together and consider their purpose in InternetNZ. In that sense, both this TOR and the name of this group are starters; the MAG will be best placed to advise on its naming and scope once they've started meeting.

An alternative interim name could also be **the Māori Design Group**, as this reflects the desire for more than just advice and the co-creation potential in the MAG working with Council.

We recommend that Council do not seek to preempt the discussion that the MAG will have itself, and consider which interim name may best suit this first stage.

Payment

Finally, Council members have raised whether the rate of payment is sufficient for the calibre of people we wish to invite onto the MAG. While the rate of payment is not included in the wording of this TOR, we would value Council's contribution as to the rates payable as part of establishing the MAG. As per other processes, we intend to compensate MAG members both for the times they are in attendance as well as preparation and reading time. All other costs of participation will also be met.

We originally proposed that the MAG should be paid at the same rate as that used for the Independent Advisory Panel for the .nz Policy Review. The rates for the .nz Policy Review process are presented below, extrapolated on the assumption of four day-long meetings per year with an additional four days of paid preparation:

Role	Day Rate	4x meet + 4x prep PA
Policy Review Chair	$589	$4,712 PA
Policy Review Vice Chair	$491	$3,928 PA
Policy Review Member	$394	$3,152 PA

On reflection, these rates seem insufficient given the calibre of people we intend to invite onto the MAG.

Role	Day Rate	4x meet + 4x prep PA
MAG Co-Chair	$800	$6,400 PA
MAG Member	$600	$4,800 PA

We are open to other approaches to compensating our MAG participants.

Recommendation

THAT Council approve the Māori Advisory Group Terms of Reference as amended following discussion.

ipurangi aotearoa

MĀORI ADVISORY GROUP

TERMS OF REFERENCE

AUTHOR: Raniera Abert, Tumuaki Māori, Chief Advisor Māori
DATE WRITTEN: April 2021
DATE OF REVIEW: TBC

Internet NZ is a non-profit organisation, and the home and guardian of .nz – providing the infrastructure, security and support to keep it humming. We use the funding from the sale of .nz domain names to support the development of New Zealand's Internet through policy, community funding, research and events. Our mission is an Internet that is open, secure, and for all New Zealanders.

Background

Internet NZ's vision is to "help New Zealanders harness the power of the Internet". Within this context the organisation acknowledges the unique position of Māori as tangata whenua and has committed resources to enable the organisation to better reflect the principles of Te Tiriti o Waitangi.

Te Komiti Whakauru Māori was established in 2016 as a sub-committee of Internet NZ's Council, its membership includes three Council members including the President, the Group CEO and Engagement Director.

Internet NZ seeks to establish a Māori Advisory Group (the Group) primarily to strengthen the organisation's capability and understanding of Te Ao Māori, as well as building mutually beneficial relationships and partnerships with Māori stakeholders.

By establishing this Group, we acknowledge InternetNZ's history as an organisation grounded in Te Ao Pākehā, and the desire of the organisation to establish and maintain connections between Te Ao Māori and Te Ao Pākehā in the context of the Internet, and in the context of Te Tiriti o Waitangi.

It also recognises that although two distinct partners bring their own particular perspective to the table, Māori and InternetNZ may share some common aspirations in regards to the Internet, its use and benefits to Māori.

These terms of reference outline the purpose, role and scope of the Māori Advisory Group.

Purpose

To support InternetNZ to achieve organisational goals and help build mutually beneficial relationships and partnerships with Māori.

Role

The role of the group is to primarily act as an advisory body to help achieve the above purpose. This includes:

1. Providing specialist knowledge of matauranga Māori and the application to our work;

2. Identifying opportunities to integrate Māaori perspectives and practices into our work (events, policy development, products, technology, community engagement, communications, increasing internal capability etc)

3. Sharing cultural perspectives and insights to help develop and shape the organisations strategies, priorities and plans in line with this purpose;

4. Facilitating the establishment of relationships and partnerships with Māori stakeholders and communities;

5. Assisting Internet NZ to build awareness of who we are and what we can offer members of InternetNZ, Māori stakeholders, and Māori communities;

6. Help increase Internet NZ's understanding of the diverse needs and many aspirations of Māori internet community, whānau, hapū and iwi.

Scope

The Group accomplishes its work through dialogue and discussion at agreed scheduled meetings. It maintains a close working relationship with the Chief Advisor Māori and Te Komiti Whakauru Māori. It is not a governance group, and it is not responsible for management of staff or day-to-day direction of their activities.

Members are appointed on the understanding that they are not obliged or expected to represent their own whānau, hapū or iwi; their geographic communities; their professions or other characteristics. They are appointed to offer their perspectives and knowledge as freely as they wish.

Membership

The Māori Advisory Group will consist of members appointed by the InternetNZ Council on the recommendation of Te Komiti Whakauru Māori.

Desirable attributes

InternetNZ will appoint members who possess the following attributes. It is not expected that members meet all of the skills and experience listed.

- Understanding of Te Tiriti o Waitangi and Te Ao Māori;
- Fluency in te reo Māori;
- Ability to reach a wide range of Māori stakeholders;
- Understanding of the wider ICT ecosystem within Aotearoa;
- Ability to communicate a Māori perspective at strategic, policy and/or community levels;
- Māori governance and/or leadership experience;
- Knowledge of Māori aspirations and needs in the context of the internet;
- Understanding of opportunities and challenges within the Māori ICT sector; and
- Technical or professional skills in the fields of iwi development, local government, domain name policy, public policy, Māori business, law, rangatahi, planning or community development, kaumātua, media, and philanthropic funding.

Meetings

Frequency   Quarterly throughout the year

Duration   Half day to full day

Time of day   To be decided

Location   InternetNZ Offices in Wellington & Auckland, with other locations and online as required.

Minutes/note taking   Internet NZ staff.

The Māori Advisory Group may convene special meetings additional to the regular meetings should urgent issues arise.

InternetNZ staff support

InternetNZ staff will provide facilitation and administrative support to all Māori Advisory Group meetings.

Decision Making

While it is anticipated that in general, decision making will be by consensus, there is scope for a divergence of opinion to be expressed.

Internet NZ will work together with the Māori Advisory Group to consider and implement advice that is offered, within budgetary, legal, ethical and policy constraints, and with due consideration to staff health and safety.

Ownership and review of the Terms of Reference

The Internet NZ Council approves the Terms of Reference for the Group on the recommendation of Te Komiti Whakauru Māori.

These terms of reference will be reviewed by Te Komiti Whakauru Māori with the input of the Group annually.

Management items for discussion

ITEM NO:	4.5
AUTHOR:	Jordan Carter
PURPOSE:	Key items for the Council to know / offer guidance on.
DATE WRITTEN:	6 May 2021

Introduction

This paper is designed to raise key issues for the Council to give advice, input and share understanding with management.

This meeting paper is extremely brief, as this is the start of the year and the standard quarterly reports form part of this meeting's material - and also because there are only a few business weeks elapsed since the last meeting.

Matters are broadly in order of priority, and there are five sections:

A. **Key risks** - where we update you on any changes to significant organisational risks.

B. **Key items** - the matters we'd like a conversation about - which may or may not be covered by other standard reporting.

C. **Exceptions / items to note** - significant issues in the general reporting we want to be sure you have seen.

D. **Late changes** - any material changes to conditions or issues that were covered in quarterly reporting (none in this paper).

E. **Key future commitments** - a look forward to some key events over the next six months.

A. Key Risks

There has in staff's view been no material change to risks in the register over the period.

Risk focus areas

While, at least domestically, the COVID-19 pandemic is more business-as-usual, we continue to consider the steps required to protect our employees, services, customers, supply chains and financial sustainability in the short, medium and long term.

The Top 3 Organisational Wide Projects are as follows
- The registry replacement project - now into refinement of scoping and discovery phase, following the signing of the business case and agreement with CIRA.
- .nz Policy Review - currently reviewing actions on the findings
- Flexible First - first phases of this work now completed, will evolve into a new Working Together Better programme of work from here.

These projects have a major effect on InternetNZ operations and therefore have been the focus for risk during the quarter as well as the Business as Usual activities.

1. **Health, Safety and Wellbeing** - The HSW Committee's primary focus is still around reviewing HSW policies and procedures. The Committee has adopted a new workflow for managing demand in this area in accordance with its capacity, and including an increased focus on Wellbeing.
2. **.nz** - The registry replacement and .nz policy review projects continue to have significant and necessary input from across the organisation to ensure their success. Significant staff involvement is expected through the life of these projects, and continues to temper our activity plans and aspirations for the year.
3. **Finances** - Our investment managers have advised us to expect a lower rate of return on our invested funds in the next financial year, compared to the exceptional return we generated in the last financial year. This exceptional return ameliorated some of the financial impacts of COVID-19 on InternetNZ's accounts; that is unlikely to be the case this year. Myself and the Senior Leadership Team will be applying a higher degree of cost control and expense vigilance during this financial year as a result.

Our ask:	**Note** the risk matters updated in this paper

B. Key Items

These are items we'd like a conversation about - which may or may not be covered by other standard reporting.

B1 - Premises move

Issue:	We continue to work on progressing the design and lease for the planned move to our new premises at Eighteen Willis Street. There have been some delays as Hawkins the primary contractors for the landlord have been slow in supplying details of base build and therefore affecting completion of the lease. There is also some supply issue with the HVAC system that is affecting the move date. All of this has allowed us more time to plan, design and negotiate on the fitout and work on the change management requirements, but means that the move will occur later than planned - looking like August or September.
Our ask:	That you be aware of this - we welcome any questions.

B2 - NetHui 2021

Issue:	We have begun to explore the prospect of collaborating on a NetHui-style event with a te ao Māori focus. Both of the parties noted below from our first community engagements are interested in collaborating with InternetNZ on this, to deliver an event in October 2021. It is likely that this event will be different to the usual NetHui event as a result of this focus and this collaboration.
Our ask:	That you be aware of this - we welcome any questions.

B3 - Engagement with Māori
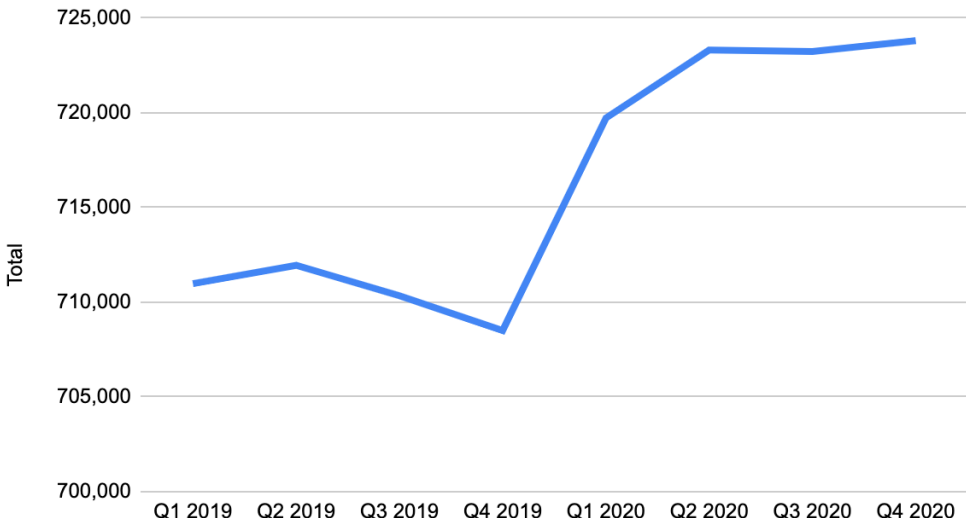
Issue:	We have recently met with both Waikato Tainui and Te Wananga o Aotearoa, in extremely positive initial engagements on how we might work together in a range of areas. Organised on our side by Raniera Albert, our new Chief Advisor Māori, and attended by Jordan, Andrew and Kim. We were able to introduce our organisation and to discuss the .nz policy review's call for greater engagement in that context; the concept of NetHui as discussed above, and our broader digital inclusion work.
Our ask:	That you be aware of this - we welcome any questions.

![internetnz logo]

C. Exceptions / Items to Note

These are significant issues in the general reporting we want to be sure you have seen.

C1 - Domain Name Registration Numbers

Issue:	Domain name registrations have returned to the pre-COVID patterns and transaction volumes.
	Creates, Cancels and Renews ■ Renews ■ Creates ■ Cancels ■ Uncancels Q1 2019: -40,796 / 27,928 / 10,976 / 262,558 Q2 2019: -41,239 / 32,210 / 10,065 / 258,008 Q3 2019: -35,247 / 24,172 / 9,475 / 230,412 Q4 2019: -35,519 / 26,456 / 9,184 / 249,192 Q1 2020: -37,989 / 37,244 / 12,021 / 246,817 Q2 2020: -40,156 / 33,905 / 10,069 / 248,075 Q3 2020: -34,883 / 25,375 / 9,444 / 209,982 Q4 2020: -34,930 / 26,613 / 8,868 / 228,088 -100,000 — 0 — 100,000 — 200,000 — 300,000 This chart now shows the numbers of uncancels by quarter.

Total .nz Domains

Overall our total registered domain names continue to stay around 723,000.

With 2021 continuing with a degree of uncertainty we are not anticipating significant growth. This means that we anticipate returning to low or no growth in .nz domain names, absent of any change in approach to the product.

Further to the end-states agreed with Council for .nz then, this creates a need and opportunity to innovate in order to realise a different outcome with .nz.

Doing so is part of our 2021/22 plan, and we will update first quarter progress in July.

Our ask:	That Council note the return of the pre-COVID pattern in domain name registration numbers.

C2 - New product pipeline

Issue:	As noted in the Q4 Quarterly Report, the new product pipeline in particular has been impacted by COVID-19 and many of the items are off-track against our plans. We have identified course-corrections for each of these as listed in that same quarterly report.
Our ask:	We would welcome any thoughts Council has in response to the planned course-corrections, noting the prioritisations we hold across the organisation.

C3 - Online home

Issue:	Our work on the Online Home for Digital Inclusion has also continued to be delayed. This is due to ongoing issues in securing the resourcing and skill sets necessary to finish this work. As this report is being prepared, it is now reaching conclusion and deployment.
Our ask:	That Council note this as being resolved.

E. Key External Commitments to September 2021

The table below sets out key external commitments over the next two quarters.

Despite the current domestic situation, external events are still impacted by the COVID-19 pandemic, particularly for international engagements. We anticipate that participation will continue to be online for all international engagement. There are limited prospects for international travel before sometime in the latter part of 2021.

Domestic engagements have returned in as much of a business as usual manner as possible. Three factors in particular are influencing the domestic calendar:
- venue availability due to COVID-19 utilisation of hotels for managed isolation.
- ongoing experimentation with online or online-hybrid events.
- there may be some residual audience reluctance to attend in person events.

April to June 2021 (Q1)	Domestic commitments include: • TechWeek 2021 - 24-30 May. International commitments currently include: • Christchurch Call 2 year anniversary Summit, 15 May, online. • RightsCon 2021, 7-10 June 2021, online. • ICANN71 Policy Forum, 15-18 June 2021, online.
July to September 2021 (Q2)	Domestic commitments include: • TUANZ Rural Symposium - 13 or 14 September, Hamilton. International commitments currently include: • APTLD80, 6-9 September, online. • Pacific Islands regional Internet Governance Forum 2021, 6-9 September, online and local hubs • Asia-Pacific regional Internet Governance Forum, 26-30 September, online.

Jordan Carter
Group Chief Executive

MINUTES COUNCIL MEETING

Status:
Draft to be Ratified

Date
26 March 2020, 9:00am - online meeting

Ikapahitanga (Attendees):
President: Jamie Baddeley, **Council Members:** aimee whitcroft, Anthony Bow, Don Stokes, Hiria Te Rangi, 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.

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).

<div align="right">

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

</div>

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.

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Block Consent - Section 3 (President / Cr Te Rangi)
CARRIED U

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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 Rangi closed the meeting with a karakia at 10:20am.

Council Actions Register 2021

As At May 2021			
Action No#	**Action**	**Owner**	**Status**
AP05/2020	2.3 Budget 2020/21 - Staff to schedule a session on Efficiencies for Council Retreat	Chief Executive / Organisational Services Director	Deferred to 2021 decision to hold retreat.
AP09/2020	6.3 General Business - Staff to organise Council Retreat. DEFERRED	Chief Executive/ Council Secretary	To be discussed May Council Meeting
AP26/20	Council members to email training needs to Council Secretary Diane that they would like to attend. Staff to develop a menu for Council training for Council to consider and opt into.	Council Members	Completed for Institute of Directors Governance Training 2021
AP27/20	Council Training Schedule to be developed by May 2021.	Org Services Director	Draft Council Training Schedule included as for information item in online boardbook
AP29/20	The governance framework and work plan to be presented at the Council meeting February 2021.	Org Services Director	On hold / Deferred at October Meeting.
AP04/2021	Staff to update the terms of reference for the Funding Panel to include the Council Observer role.	Engagement Director	To be agreed May Council Meeting
AP05/2021	Review the Management Item Reporting to include a different lens for funding.	Engagement Director	In progress, to be delivered in Q1 2021/22 report.

Health Safety Wellbeing Report

AUTHOR: Catherine Fenwick, Organisational Services Director

PURPOSE: To provide the Council with an update on Health Safety and Wellbeing (HSW) for the InternetNZ Group.

This report is prepared for InternetNZ Group and all information is based on group Staff (INZ and DNCL) and activities of a Group HSW Committee.

Month	Number of Near Misses reported/or identified	Number of Incidents reported/or identified	First Aid Incidents reported/or identified
October - November 2020	0	0	0
December 2020 - January 2021	0	0	0
Feb 2021 - 6 May 2021	0	0	1

Summary

- Hawkins has started the footing works for the gantries on the western façade and end of the driveway and this work will continue over the next fews months as part of the mitigation plan based on the building report. We continue to work on our new lease to relocation before construction work starts.

- Since the last Council meeting, there was only one incident noted where a staff member was using the hand sanitiser but didn't notice that there was a blockage on the end of the nozzle, hence the liquid squirted up into his eye after pressing it. First aid was applied by rinsing the eye with water and Optrex eye wash as guided by the instruction on the hand sanitiser. The Hazard Register has been updated to add to have the hand sanitiser's dispenser checked regularly for any blockage to avoid having similar incidents in the future.

- The Monthly Hazard walk at the INZ Wellington office was completed on 6 May 2021 and there was only one new hazard identified which was a clogged nozzle for the hand sanitiser which caused someone to injure his eye when the liquid dispensed upwards instead of straight to their hands. All hand sanitisers in the office have been checked to ensure nozzles are unclogged.

- The Health, Safety & Wellbeing Committee have had a change in membership, where two staff (Catherine Fenwick and Sonya Trompetter) have left the Committee. However the following new members have been added and been welcomed to the committee:
  - Andrew Cushen
  - Cam Findlay
  - Jodi Andrson
  - Kammiri Aros

- The INZ and DNCL Health, Safety & Wellbeing Committee met on 6 May 2021 and key topics that were discussed at the meeting were:
  - Going through the new way or managing workflow for the Health, Safety & Wellbeing (HSW) Committee to capture progress on work that the Committee are working on and also to allow visibility to all staff on any HSW upcoming work or activities.

Wellbeing

Recommendation

THAT the Health, Safety and Wellbeing Report be received.

Membership Report

AUTHOR: Andrew Cushen
PURPOSE: Progress and work for membership of InternetNZ
DATE WRITTEN: 06/05/2021

Executive Summary

Over the last months, we have seen another increase in membership, moving our total to 438, and continued to engage with members through member-only events and NetHub.

This quarter (March - June), we have been focusing on renewals and monthly activities planned for existing members.

Current membership (at 6 May 2021)

	31 Jun 2020	30 Sept 2020	30 Dec 2020	31 Mar 2021	6 May 2021
Fellows	27	27	27	27	**27**
Individual	247	297	331	345	**368**
Individual Plus	25	25	25	25	**24**
Small organisation	12	15	15	18	**17**
Large organisation	3	2	2	2	**2**
Total Membership	314	366	400	417	**438**

Chart legend: June 2020, September 2020, December 2020, March 2021, May 2021

Categories: Fellows, Individual, Individual Plus, Small Org, Large Org, Total
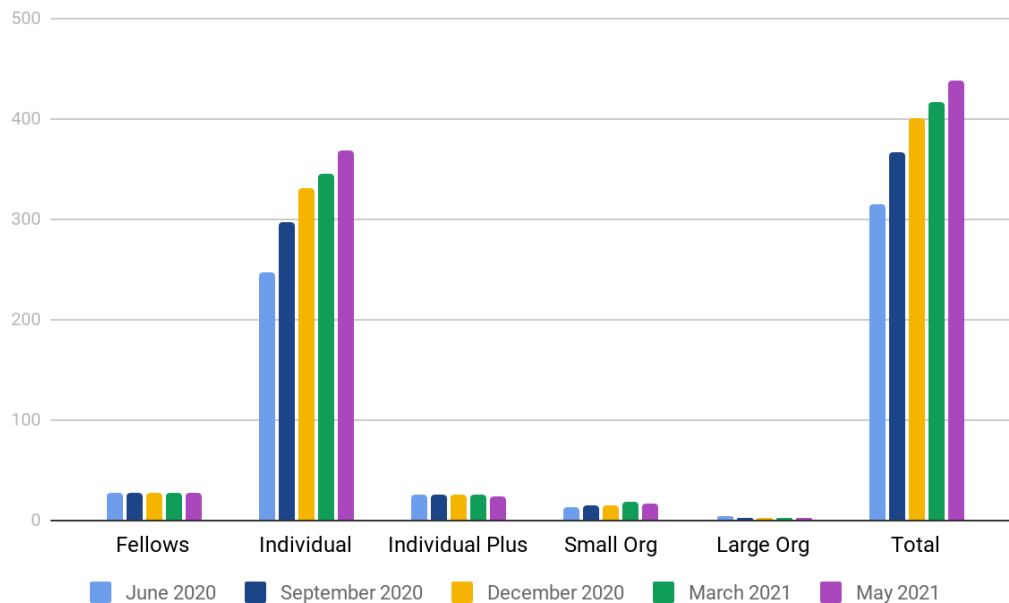
Items to Note

Activities to support membership engagement

Since the last report, February 2021 we have:

- Hosted the InternetNZ Online Community quiz in February
- Hosted the members only event - Internet filters Bill members-only discussion
- Launched NetHub, the new Slack community for members and other InternetNZ stakeholders
- Commenced work on 2021 renewals.

Renewals

The 2021 renewals are now underway. Member numbers by type due for renewal are:

- 187 individuals
- 13 individual plus
- 13 small organisations
- 2 large organisations.

Council is requested to support the renewal process by reminding any members they know personally, or shoulder tapping prospective members.

NetHub

NetHub has been stood up as our new online community for members and non members. Councillors are requested to sign up to NetHub using this link - https://join.slack.com/t/nethubnz/shared_invite/zt-moe48vmf-HDiK2oZGwjcuHHy8KM9xrA

Recommendation

THAT the new members be noted.

Andrew Cushen
Engagement Director
6 May 2021

QUARTERLY REPORT

January - March 2020

1. Summary

This report is prepared for InternetNZ stakeholders and members to provide a single view of outcomes we have delivered in the past quarter.

Pursuant to the reporting framework changes presented to Council at the March 2020 meeting, this new report presents a summary to Council of the entirety of InternetNZ's operations. This report replaces the following previous reports:
- Quarterly Activity Report
- Product Development Report
- Grants Report
- Measures of Strategic Goals Report.

2. Strategic Goals 2020/21 - Q4 Progress

This section of the report gives Council an update on the projects related to our five Goals for the year. You can find the plan here.

Goal 1: Develop an Internet for good	ON TRACK
Measure 1: Engagement with relevant national and international stakeholders to develop a shared vision of what an Internet for Good is.	ON TRACK
Measure 2: Stakeholder awareness and engagement with the vision for an Internet for Good increases over time.	ON TRACK
Measure 3: Action taken by us and by other stakeholders, nationally and internationally, changes and improves the Internet in line with our shared vision.	ON TRACK
Q4 Progress	
Submitted on the Bill amending the Films Videos Classification Act, and hosted events on the Bill for members and other submitters.	ON TRACK

Met with the Minister of Internal Affairs to offer views on the proposed amendments to the Films Videos Publications Classification Act, and presented a terms of reference for the upcoming media review.	ON TRACK
Started work on the defining an Internet for Good project.	BACK ON TRACK
Entered into a new partnership agreement with Tohatoha to support work on misinformation.	ON TRACK
We participated in international fora including: ● ICANN70 ● APTLD79	ON TRACK
Engaged with officials on Internet Governance developments in international spaces, including the hosting a community stakeholder event on International Law and Cyberspace in February 2021.	ON TRACK
Presented and analysed both public and stakeholder research projects and incorporated these into updated Communications strategy, and insight into the Internet for Good work.	ON TRACK

Goal 2: Improve Digital Inclusion	ON TRACK
Measure 1: Digital inclusion investment by the government and others reaches $20m/year, and directly affects 50,000+ people. *-Measure at 30/9/20 from previous goals.* *(Note - may not be able to measure impact on # of people at that time.)*	ON TRACK
Measure 2: The Online Home for Digital Inclusion is attracting use and positive stakeholder feedback	OFF TRACK
Q4 Progress: The focus in Q4 was on supporting others in the digital inclusion community, through our work with like-minded organisations to establish a digital inclusion coalition and through our grants work.	
We continued to support the establishment of a digital equity coalition. Two further hui were held and a secretariat is in the process of being established.	ON TRACK
We held another grants round, focused on invitation-only projects with an established track record of evaluation. We also finished awarding the entirety of the $1.5m of funding for the 2021 financial	ON TRACK

year, delivering on the commitment to support the Internet Community with an additional $500,000 during COVID-19.	
Decision made to create a fixed-term role to support the launch of the new online home, in response to the COVID-19 delay. Resourcing this role has still not been completed, but is being worked on now for deployment in Q4.	OFF TRACK

Goal 3: Grow .nz	ON TRACK
Measure 1: increased revenue from domain name registrations. *-More than 15% in the two year period to 31/3/22.* *-Flexible between registration numbers and price.*	ON TRACK
Measure 2: active use of domain names is increased, improving retention and registration term.	ON TRACK
Measure 3: share of revenue devoted to public good investment.	ON TRACK
Q4 Progress:	
.nz price increase was implemented smoothly with no technical issues or adverse feedback received. Bulk of increased pricing will take 12 to 24 months to cycle through renewed domains.	COMPLETE
.nz consumer and business research is now complete. Release of data to Registrars planned for May and for ongoing integration into future messaging	COMPLETE
.nz growth has settled back to predominantly mirror pre-covid patterns of slowed growth. Price increase impacts will continue to flow through into 2021	ON TRACK
.nz Policy Review - progressing well. First round of public consultation completed this quarter with submissions to be considered.	ON TRACK
Registry Replacement Project The business case was approved by the Council on Monday 8 March, signaling the commencement of the implementation phase from 1 April. The majority of the contract negotiations and arrangements	ON TRACK

with CIRA were finalised over the quarter and the completion of final changes and signing due to occur in April.	

Goal 4: Sell new Products	OFF TRACK
Measure 1: Registry Lock is for sale in the 2020-21 financial year.	OFF TRACK
Measure 2: The Broadband Map is covering its costs by 31 March 2021.	OFF TRACK
Measure 3: Defenz reaches net profit in the 2021-22 financial year.	OFF TRACK
Measure 4: New products reach net profit within 24 months of first sale.	ON TRACK

Q4 Progress

The last few months of the financial year have been focussed on establishing smooth invoicing processes for Defenz trial customers and concluding the design work for registry lock both of which have progressed well. There is a continued focus on Digital Identity with the goal of defining what InternetNZ's activity might be in this sector through the use of active experiments.

Defenz - Invoicing of Defenz customers has now started as of January 2021. While revenues are currently low **Get back on track plan:** Focused effort on pipeline development, explore and test spaces for effective promotion of Defenz. More active support of our resellers as they pitch Defenz to their customers. We are also expecting some mobile DNS feature additions from CIRA later in the year which will make the service more compelling	OFF TRACK
Registry Lock - Registry lock design and testing with registrars is nearing completion. The team are working now on finalising the remaining elements of the service with the aim of presenting a revised Business Case for approval to progress to launch phase of work. **Get back on track plan:** Goal to launch registry lock softly to the market in the first half of the year to ensure opportunity for revenue generation in the 2021/22 financial year. The project has been listed as a secondary priority in our plans for the year. Rebaseline expectation for the coming financial year.	OFF TRACK
Broadband Map - The broadband map has been a lower priority for the team for much of the year with focus on Defenz, Registry Lock and Digital Identity. Key activity has been to get all data providers to sign data agreements which will unlock our ability to widen the	OFF TRACK

service offering from the site. Around 25% (11 agreements) remain to be signed and this is the current focus after which further activity can be planned. **Get back on track plan:** Continue focus on obtaining signed data agreements to progress the next phases of development.	
Digital Identity - this past quarter we have engaged with another identity provider to explore if IRMA could integrate with another identity platform. The goal has been to test if it can ingest an issued credential (Kiwi Access +18 Card) to be used in digital environments. This is progressing well. Other opportunities are also in early stages of exploration.	ON TRACK

Goal 5: Improved InternetNZ's performance	ON TRACK
Measure 1: Staff baseline feedback from March 2020 is improved by March 2022 *-Perceptions on high performance and great place to work* *-Improvements in areas such as Internal Communications, Staff development, Organisational Learning*	ON TRACK
Measure 2: Resource planning and BAU/Project Management tools established and drives demonstrable changes.	OFF TRACK
Measure 3: Staff churn / turnover measures.	ON TRACK

Q4 Progress

The last quarter of the year we have seen great progress on the deliverables of the working together better program (Flexible First) that covers our work to support staff wellbeing and transitioning to new ways of working.

By way of example we released our new Flexible First policy to staff that is foundational to help us all determine the best place, space and time we work in order to get the best outcomes for the goals and tasks at hand, with consideration of the people we work with.

Other areas of focus have been the work the team has started on our tools Intranet, Slack, and Rituals (when we come together) with a stop, start and continue approach to the changes.

The work around enabling or space/place continues in our plan to move to new premises. The final plans/budget/timeline are still work in progress before we will sign a new lease but late Q2 2021 is our target date for occupancy.

People Strategy: Our people strategy this year has been based around activities highlighted for our staff engagement survey earlier in the year and areas of focus for the Flexible First work.
 	
This quarter here has been a number of pieces of work around
  - Leadership development
  - Change
  - Bullying and Harassment Policies updates
  - Decision making/Delegations
 	
All with a view to support staff and management with some new tools/skills.
 	
We have also been working on incorporating the change principles we developed in Q3 into the work we are doing.
	ON TRACK

Better Tools: We have continued our work in this area but progress has been slower than anticipated as we balance this work with resources available. While we have introduced some new tools to help online collaboration and worked on guidelines for others. The team has priorities its work around information sharing/collaboration which has led us to focus our Intranet as being on current valued tools that will support the organisation. This work is in early phase at present.	OFF TRACK

3.   .nz Summary

Activity in the fourth quarter has seen a return to pre-covid patterns and transaction volumes in most areas.

Domains

Creates, Cancels and Renews
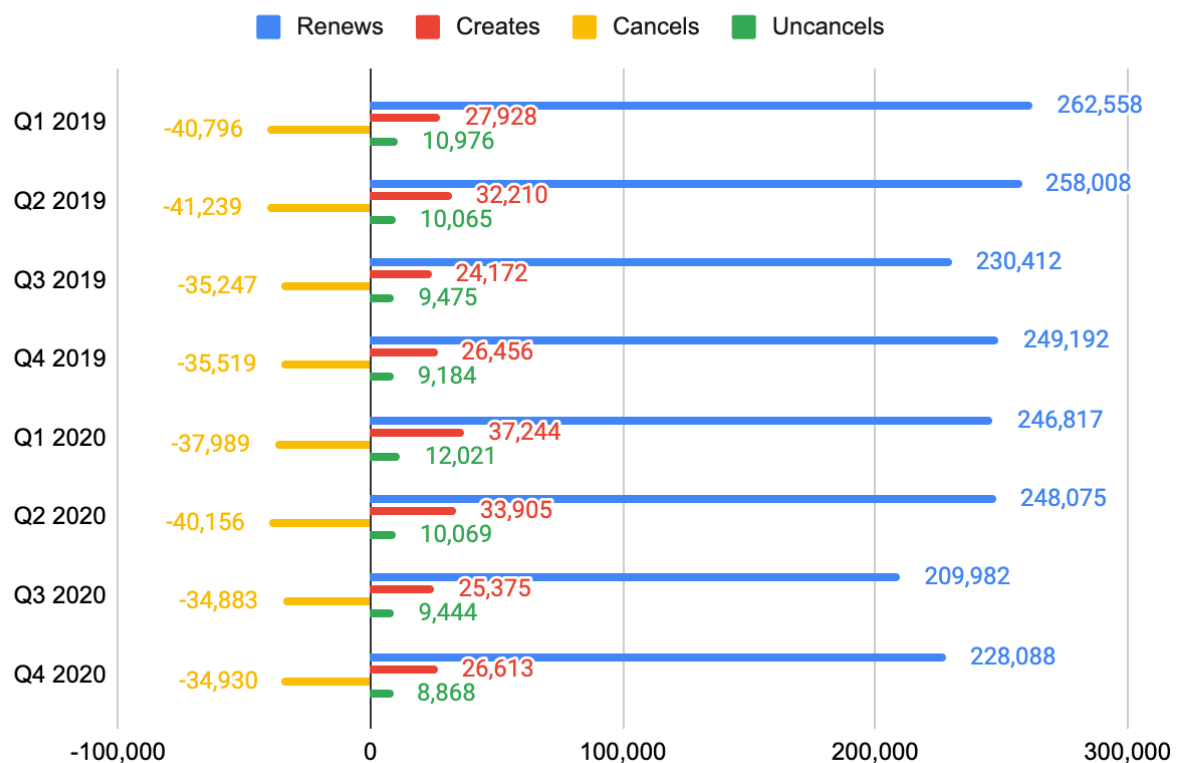
Legend: ■ Renews ■ Creates ■ Cancels ■ Uncancels

Quarter	Cancels	Creates	Uncancels	Renews
Q1 2019	-40,796	27,928	10,976	262,558
Q2 2019	-41,239	32,210	10,065	258,008
Q3 2019	-35,247	24,172	9,475	230,412
Q4 2019	-35,519	26,456	9,184	249,192
Q1 2020	-37,989	37,244	12,021	246,817
Q2 2020	-40,156	33,905	10,069	248,075
Q3 2020	-34,883	25,375	9,444	209,982
Q4 2020	-34,930	26,613	8,868	228,088

Axis labels: -100,000 0 100,000 200,000 300,000

This chart now shows the numbers of uncancels by quarter.

Total .nz Domains
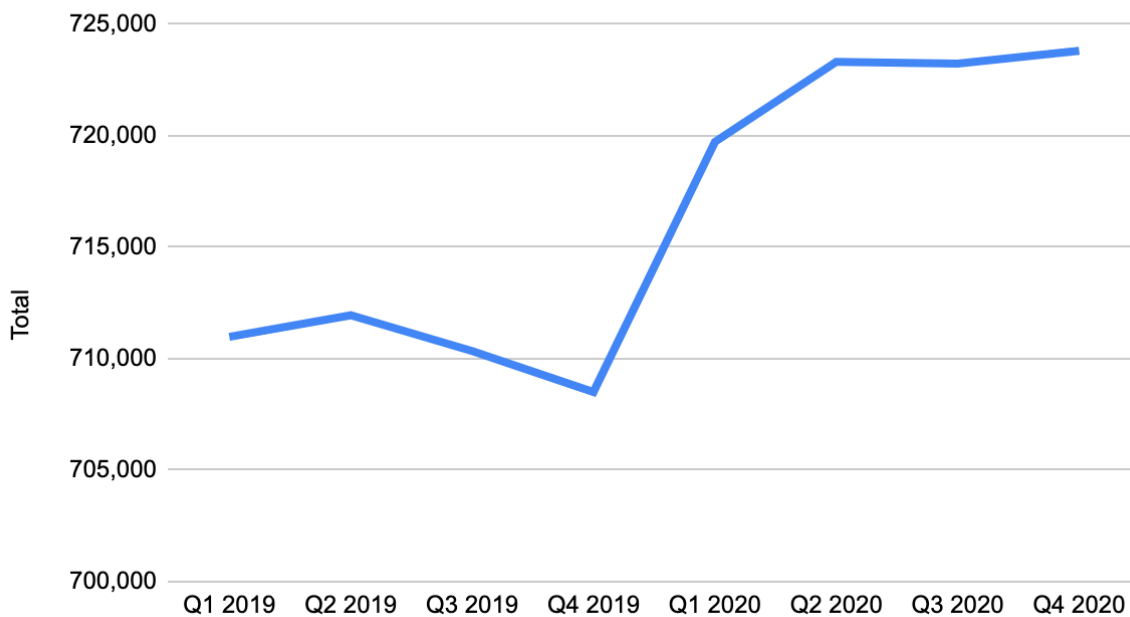
Overall our total registered domain names continue to stay around 723,000. With 2021 continuing with a degree of uncertainty we are not anticipating significant growth.

2nd & 3rd Level Registrations
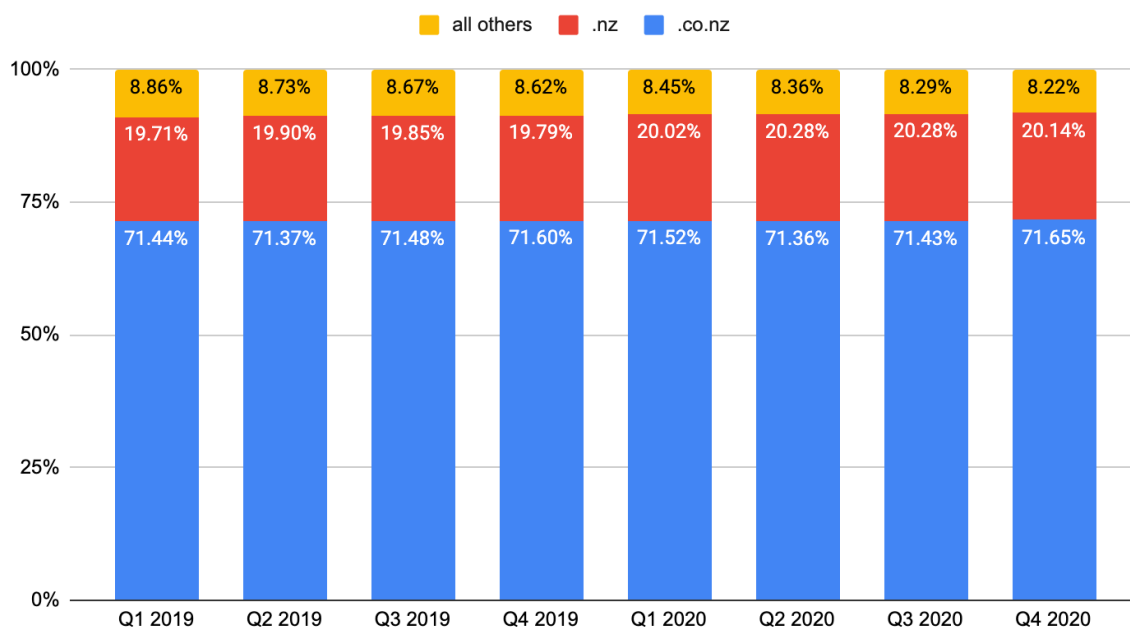
Insignificant change from the previous quarter in the balance of .nz vs .co.nz names.

Infrastructure

DNS Queries
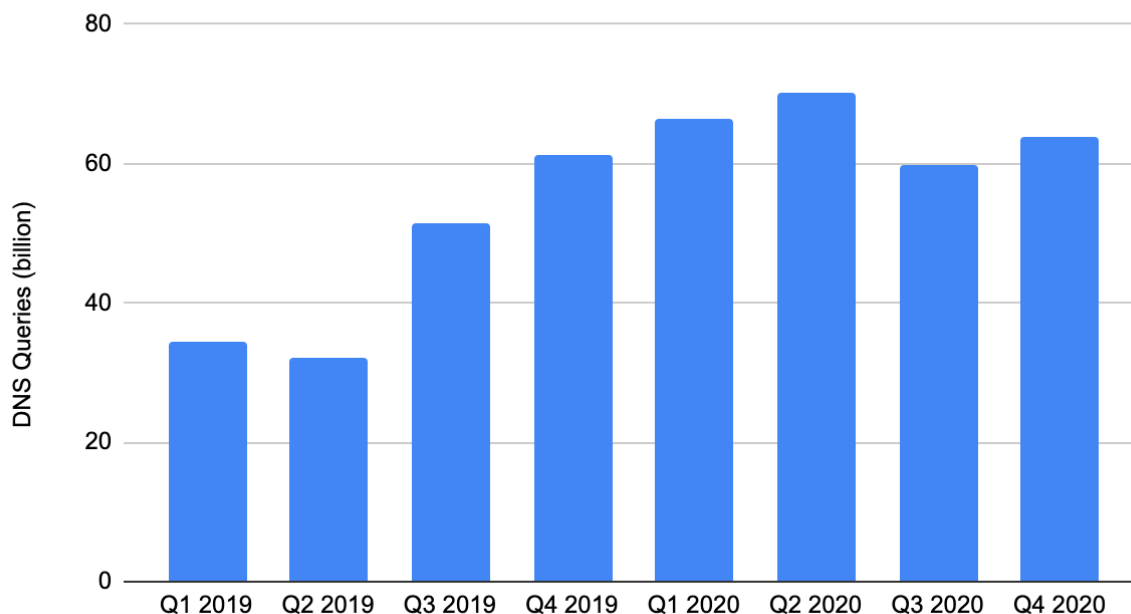
No significant anomalies to report on with DNS queries.

Service Levels

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	**Q4 2020**
DNS	100%	100%	100%	100%	100%	100%	100%	**100%**
SRS	100%	100%	100%	100%	100%	100%	100%	**100%**

Market

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	**Q4 2020**
# of Registrars	87	90	87	87	87	80	80	**78**

Consolidation of registrars continues at pace in the market. While our current number of registrars is 78, this is the result of several registrar accounts closing (mix of consolidation and exit) and a few new ones being added.

Market Share

	Market Share - Everyone Else	Market Share - Next Four	Market Share - Top 4

Quarter	Everyone Else	Next Four	Top 4
Q1 2019	36.50%	20.11%	43.39%
Q2 2019	34.15%	20.50%	45.35%
Q3 2019	35.10%	21.30%	43.60%
Q4 2019	40.46%	16.13%	43.51%
Q1 2020	35.41%	15.33%	49.26%
Q2 2020	30.49%	18.58%	50.93%
Q3 2020	30.85%	17.78%	51.37%
Q4 2020	30.74%	17.79%	51.47%
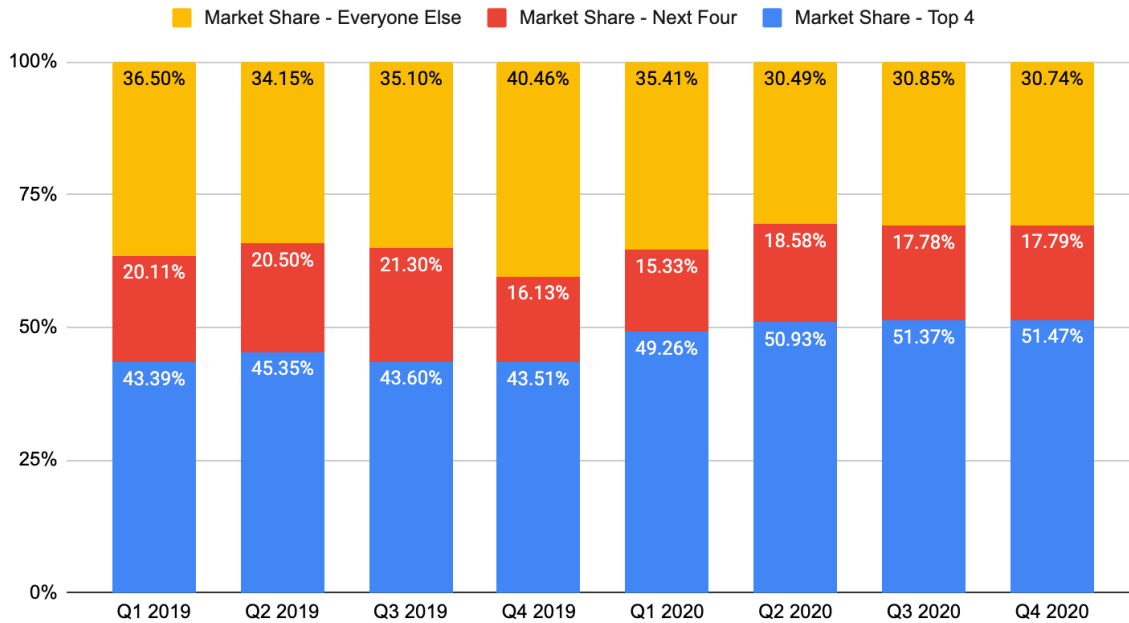
The past three quarters have been relatively static but due to recent acquisition activity this past quarter we can expect the mix to change over the coming year.

Unique Registrants, Individuals and Organisations

	Organisations	Individuals

Quarter	Total	Organisations	Individuals
Q1 2019	312,715	190,412	122,303
Q2 2019	310,201	189,777	120,424
Q3 2019	310,805	190,040	120,765
Q4 2019	313,928	190,667	123,261
Q1 2020	318,423	192,915	125,508
Q2 2020	321,002	194,371	126,631
Q3 2020	322,059	194,985	127,074
Q4 2020	323,469	195,731	127,738
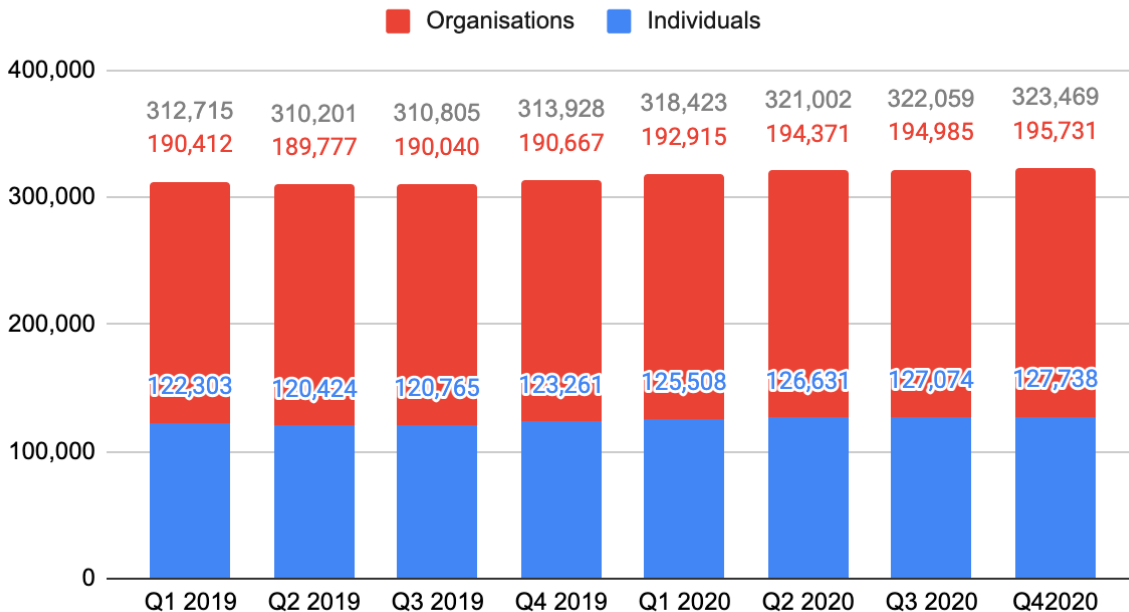
The proportion of individuals and organisations remains relatively unchanged.

Individual Registrant Privacy Option Uptake
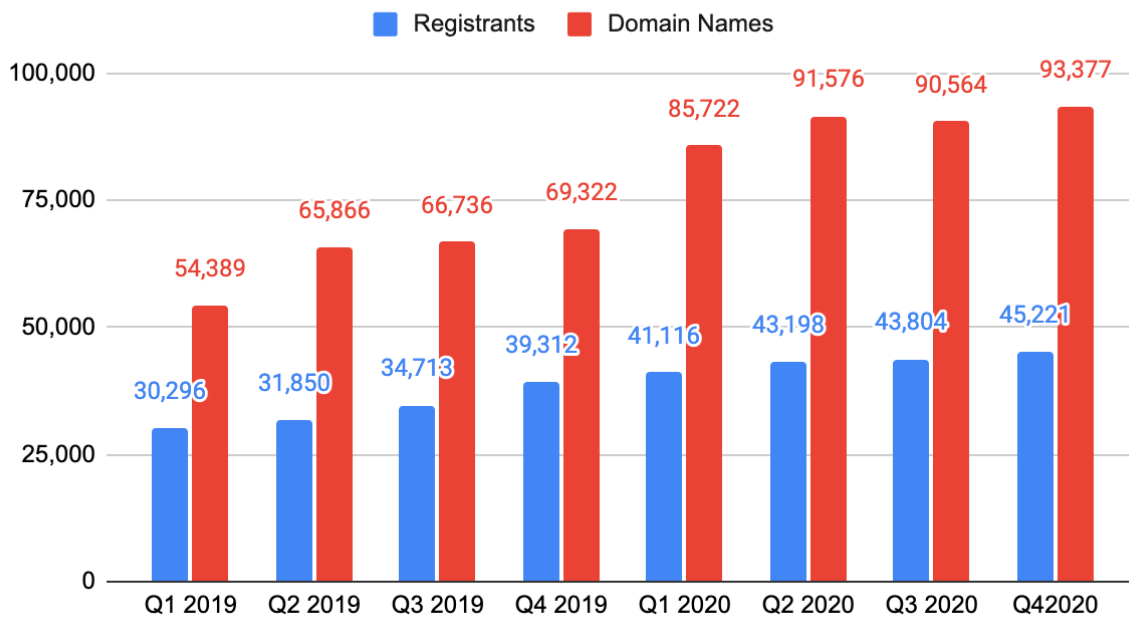
Privacy option continues to increase in popularity.

Compliance
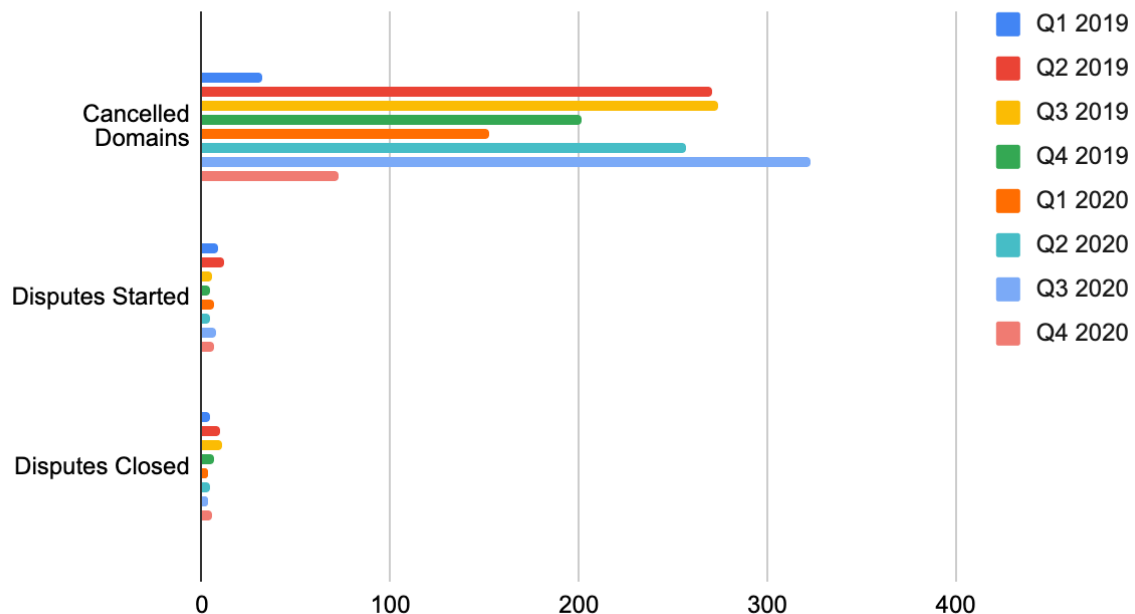
4.   New Product Development Summary

For the fourth quarter of this financial year our focus on a discrete set of work items has continued to allow capacity to support the organisation's key projects and create a space whereby we can finish more work that we start.

1. **Defenz** is our key sales focus and 2021 is the year we either make good gains in growth or potentially decide not to progress further. We do have some interesting opportunities in the pipeline at this stage so we are quite buoyant about the potential

2. **Registry Lock i**s nearing the end of design work and we have a good sense of how the service will operate and this has been tested with some registrars with great feedback. Next steps are to plan the launch and update a business case for approval.

3. With **Digital Identity** the team has continued an experiment to ingest a digital version of a physical identity document. This is progressing well. Additionally InternetNZ remains engaged with the DIA work on a new Trust Framework and is an actively involved stakeholder in helping shape the rules.

4. The **broadband map** continues to be updated with coverage data from infrastructure providers around the country. Getting all data agreements continues to be the key focus

Product development pipeline

IDEAS BACKLOG	EXPLORE & VALIDATE	BUILD	ACTIVE	STOPPED
16	1	1	3	0
Themes: ● Digital identity ● Broadband ● Data products ● .nz features ● Security	● Digital identity Experiments	● Registry lock design	● .nz ● Broadb and Map v2 ● Defenz	

This is an InternetNZ report. Matters related specifically to DNCL are covered in the report from the company to the shareholder (InternetNZ).

Group financial statements

For the quarter ended 31 March 2021

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Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Internet New Zealand Group
Consolidated Income Statement
For the Quarter ended 31 March 2021

	GROUP		INZ		DNCL	
	Q4	YTD	Q4	YTD	Q4	YTD
Income						
Registry Fees	2,853,004	11,082,481	2,853,004	11,082,481	-	-
Broadband Map	14,152	54,702	14,152	54,702	-	-
DNS Firewall	3,803	3,893	3,803	3,893	-	-
Management Fees	-	-	-	-	362,425	1,449,699
Interest Received	62,777	236,061	56,224	220,965	6,553	15,096
Managed Funds Income	116,068	791,830	116,068	791,830	-	-
Sundry Income	62,245	114,822	65,471	275,562	56,612	78,612
Total Income	3,112,049	12,283,789	3,108,722	12,429,433	425,590	1,543,407
Less Direct Expenses						
DNC Fee	-	-	362,425	1,449,699	-	-
.nz Costs	136,609	600,974	136,609	600,974	-	-
Other IT	66,395	254,753	66,395	254,753	-	-
Total Direct Expenses	203,004	855,727	565,429	2,305,426	-	-
Less Other Expenses						
Audit Costs	29,250	29,250	24,750	24,750	4,500	4,500
Governance Costs	117,284	318,364	109,096	278,683	8,188	39,681
International Travel	7,799	17,210	7,799	16,345	-	865
International Membership	52,396	117,714	23,371	88,331	29,026	29,383
Community Investment	768,413	1,647,193	768,413	1,647,193	-	-
Legal Fees	33,807	193,695	15,350	79,203	18,457	114,492
Office Costs	301,554	954,091	249,442	862,028	111,950	331,415
Project Costs	393,657	937,556	382,596	918,480	11,061	19,076
Employment Costs	1,960,917	6,939,080	1,702,382	6,156,232	258,535	782,848
Other Operating Expenses	341,372	882,627	222,481	672,405	118,891	210,222
Other Comprehensive Items	-	-	-	-	-	-
Total Expenses	4,006,450	12,036,779	3,505,680	10,743,650	560,608	1,532,482
Net Profit (Loss) Before Tax	(1,097,405)	(608,717)	(962,387)	(619,643)	(135,018)	10,925
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	($1,097,405)	($608,717)	($962,387)	($619,643)	($135,018)	$10,925

Notes:

The income and expenditure lines for the individual entities
do not add to the Group totals due to the following intra-group entries being eliminated:
1. The DNCL fee paid by INZ to DNCL.
2. GSE paid by DNCL to INZ.

DNCL Legal fees include amounts incurred in the ongoing US litigation matters.

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Internet New Zealand Group
Consolidated Income Statement – Activity Based
For the Quarter ended 31 March 2021

	GROUP		INZ		DNCL	
	Q4	YTD	Q4	YTD	Q4	YTD
Income						
Registry Fees	2,853,004	11,082,481	2,853,004	11,082,481	-	-
Broadband Map	14,152	54,702	14,152	54,702	-	-
DNS Firewall	3,803	3,893	3,803	3,893	-	-
Management Fees	-	-	-	-	362,425	1,449,699
Interest Received	62,777	236,061	56,224	220,965	6,553	15,096
Managed Funds Income	116,068	791,830	116,068	791,830	-	-
Sundry Income	62,245	114,822	65,471	275,562	56,612	78,612
Total Income	3,112,049	12,283,789	3,108,722	12,429,433	425,590	1,543,407
Less Activity Expenditure						
Policy	204,523	795,066	204,523	795,066	-	-
Outreach & Engagement						
Communications	122,239	547,416	122,239	547,416	-	-
Engagement	184,219	519,234	184,219	519,234	-	-
Funding	832,636	1,974,536	832,636	1,974,536	-	-
.nz Operations	1,027,104	3,479,186	915,058	3,562,189	474,471	1,366,696
Commercial	363,021	1,241,836	363,021	1,241,836	-	-
Compliance	29,144	51,054	-	-	29,144	51,054
Broadband & Defenz	54,749	208,333	54,749	208,333	-	-
Projects	393,657	937,556	382,596	918,480	11,061	19,076
Technical Research	155,224	530,332	155,224	530,332	-	-
Technology Strategy	148,420	405,091	148,420	405,091	-	-
International Engagement	111,170	325,477	82,144	295,229	29,026	30,248
Org. Services, Governance & Security	529,634	1,796,684	581,284	1,996,355	8,188	39,681
Other Operating Expenses	53,715	80,707	44,996	54,979	8,719	25,728
Other Comprehensive Items	-	-	-	-	-	-
Total Expenses	4,209,454	12,892,507	4,071,109	13,049,076	560,608	1,532,482
Net Profit (Loss) Before Tax	(1,097,405)	(608,717)	(962,387)	(619,643)	(135,018)	10,925
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	($1,097,405)	($608,717)	($962,387)	($619,643)	($135,018)	$10,925

Notes:

The income and expenditure lines for the individual entities
do not add to the Group totals due to the following intra-group entries being eliminated.
1. The DNCL fee paid by INZ to DNCL.
2. GSE paid by DNCL to INZ.

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Internet New Zealand Group
Statement of Movements in Equity
For the Quarter ended 31 March 2021

	GROUP		INZ		DNCL	
	Q4	YTD	Q4	YTD	Q4	YTD
Equity at start of period						
Opening Retaned Earnings	10,946,994	10,458,306	10,513,933	10,171,189	433,061	287,117
Shares Subscribed	-	-	-	-	580,000	580,000
	10,946,994	10,458,306	10,513,933	10,171,189	1,013,061	867,117
Net Profit (Loss) After Tax	(1,097,405)	(608,717)	(962,387)	(619,643)	(135,018)	10,925
Equity at end of period	$ 9,849,589	$ 9,849,589	$ 9,551,546	$ 9,551,546	$878,042	$878,042

Notes:

The components that make up the total opening equity at the beginning of the period
have been removed to calculate Group Totals upon consolidation.

1. Share Subscribed: shares are wholly owned by InternetNZ.

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Internet New Zealand Group
Balance Sheet
As at 31 March 2021

	GROUP	INZ	DNCL
Current Assets			
Cash and Cash Equivalents	13,353,471	12,432,441	921,030
Managed Funds	4,842,147	4,842,147	-
Other Current Assets	2,220,971	2,090,257	130,714
Total Current Assets	20,416,589	19,364,845	1,051,744
Non-current Assets			
Property, Equipment & Software	4,432,001	4,132,499	299,502
less: Accumulated Depreciation	(2,484,731)	(2,406,736)	(77,995)
Intangible Assets	34,825	34,825	-
less: Amortisation	(14,352)	(14,352)	-
Investments	-	-	-
Shares and Loans	-	580,000	-
Total Assets	22,384,332	21,691,081	1,273,251
Less Liabilities:			
Deferred Income	9,836,492	9,836,492	-
Trade and Other Payables	2,698,252	2,303,043	395,209
Total Liabilities	12,534,744	12,139,535	395,209
Net Assets	$ 9,849,589	$ 9,551,546	$ 878,042

Represented By:			
Total Equity	$ 9,849,589	$ 9,551,546	$ 878,042

Notes:
The following items have been removed upon consolidation:
1. Shares in DNCL wholly owned by InternetNZ.
2. Share Subscription with respect to shares issued to InternetNZ by DNCL.

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Internet New Zealand Group

Statements of Cashflows

For the Quarter ended 31 March 2021

	GROUP	INZ	DNCL
Operating Activities			
Receipts from customers	3,261,542	2,842,505	419,037
Payments to suppliers and employees	(3,471,594)	(3,069,935)	(401,659)
Movement from other operating activities	(15,288)	8,076	(23,364)
Net Cash Flows from Operating Activities	(225,340)	(219,354)	(5,986)
Investing Activities			
Proceeds from sale of property, plant and equipment	-	-	-
Payment for property, plant and equipment	(141,371)	(101,141)	(40,230)
Other cash items from investing activities	62,777	56,224	6,553
Net Cash Flows from Investing Activities	(78,594)	(44,917)	(33,677)
Financing Activities			
Other cash items from financing activities	-	-	-
Net Cash Flows from Financing Activities	-	-	-
Net Cash Flows	($303,934)	($264,271)	($39,663)

Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	13,657,405	12,696,712	960,693
Cash and cash equivalents at end of period	13,353,471	12,432,441	921,030
Net change in cash for period	($303,933)	($264,271)	($39,663)

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Financial summary

For the quarter ended 31 March 2021

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Summary of Interim Results for Quarter Ending 31 March 2021

This report has been prepared to provide an interim account of the fourth quarter of the 2020-21 financial reporting year for InternetNZ.

- **Quarter 4** reports a **deficit result of ($962,387)** against a forecasted deficit of ($1,114,285), a positive variance of $151,898.

- The **Year-to-Date** result reports a **deficit of ($619,643)** against a **forecasted deficit of ($848,546)** a positive variance of $228,903.

- Against the recut budget of a **deficit of ($1,329,473)** presented to Council in 14 August 2020 paper – *3.2-Budget-2020-2021-Recut-following-COVID19*, the year-to-date result is a **positive variance of $709,830**.

Internet New Zealand Incorporated
Net Operating Profit: Actual v Forecast Q4
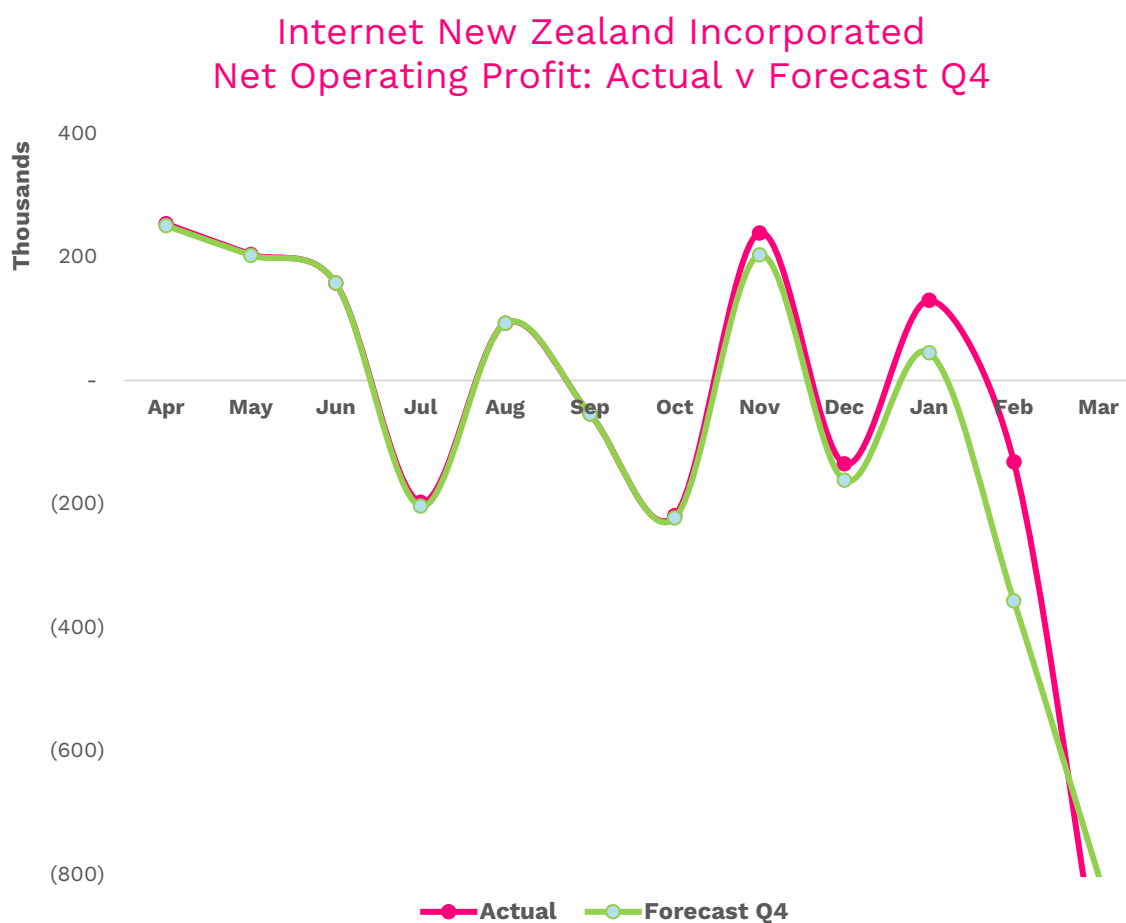
N.B.: The large deficits budgeted, and actuals during October 2020 and March 2021 anticipate the timing of the two rounds of funding typically carried out over the course of the financial year – but which have been phased differently this year.

Revenue Analysis for Quarter 4

Revenue	Actual	Forecast Q4	Variance	%Total Sales
Registry Fees	2,853,004	3,052,130	(199,126)	93.0%
BBMap	14,152	10,544	3,608	0.5%
DEFENZ	3,803	4,410	(607)	0.1%
Registry Lock	-	-	-	0%
Events	-	2,000	(2,000)	0%
Membership	4,983	20,169	(15,186)	0.2%
Recharge & Misc.	60,488	60,438	50	2.0%
Investment	131,121	84,236	46,885	4.3%
Total Revenue	$3,067,550	$3,221,575	($166,376)	100.0%

- **Registry fees** earned during the quarter was **$2.9M** and is down $199K against forecast caused by a flattening of growth against forecast predictions.

- A less than forecasted result was the outcome for revenue raised through **Membership**, falling $15.2K short despite our commitment to ramp membership numbers up.

- **Investments in Managed Funds** continued to perform well into this quarter, with income reported for the quarter totalling **$131,121**.

- The accounts report **Total Operating revenue** of $2.9M for the quarter.

Expenditure Analysis for Quarter 4

- **Direct costs** of operating the **.nz Registry** reports **$499,033** for this quarter, of which **$362,425** made up fees paid to the **Domain Name Commission**. This result came in at $2.6K under forecast.

- **Employment costs** totalled **$1.7M for the quarter**; year to date the accounts report total employment costs of $6.2M. Overall, there was an **underspend of $221K** in employment costs that was brought about by delays in recruitment during the year.

- **Operating costs for the quarter** was **$501,084,** with **savings** reported at **$77,154** against the quarterly forecast.

- The accounts report total **Amortisation and Depreciation** costs for the quarter at **$30,697.**

Expenditure by Function

Area	Actual	Forecast Q4	Variance	%Expenditure
Commercial	449,542	511,538	(61,996)	11.2%
Communications	189,631	234,829	(45,198)	4.7%
Engagement	185,996	166,369	19,627	4.6%
Funding	836,882	811,176	25,706	20.8%
International	83,402	78,612	4,790	2.1%
IT Operations (incl. DNCL fee)	927,537	1,025,680	(98.143)	23.0%
Org. Services (incl.Gov.& Security)	591,032	691,514	(100,482)	14.7%
Policy	450,884	492,465	(41,581)	11.2%
Technical Research	160,297	198,674	(38,377)	4.0%
Technology Strategy	150,909	133,695	17,214	3.7%
Total Expenditure	$4,026,112	$4,344,552	($318,440)	100.0%

Expenditure by Strategic Goals

This table draws from the Profit and Loss statement for the quarter to provide a high-level summary of the spend that has occurred towards achieving our Strategic Goals: excluded are internal staff and infrastructure costs, as well as progressive capital expenditure for Q4.

Goal	Actual	Forecast Q4	Variance	%Expenditure
SG1: Develop an Internet for Good	296,674	310,429	(13,755)	54.9%
SG2: Improved Digital Inclusion	142,166	167,422	(25,256)	26.3%
SG3: Grow .nz	35,448	37,602	(2,154)	6.6%
SG4: Sell New Products	-	-	-	0%
SG5: Improving InternetNZ's Performance	65,784	63,242	2,542	12.2%
Total Expenditure	$540,072	$578,695	($38,623)	100.0%

For more detail on what we have been working on please click on the link below to access the Q4 Activity report.

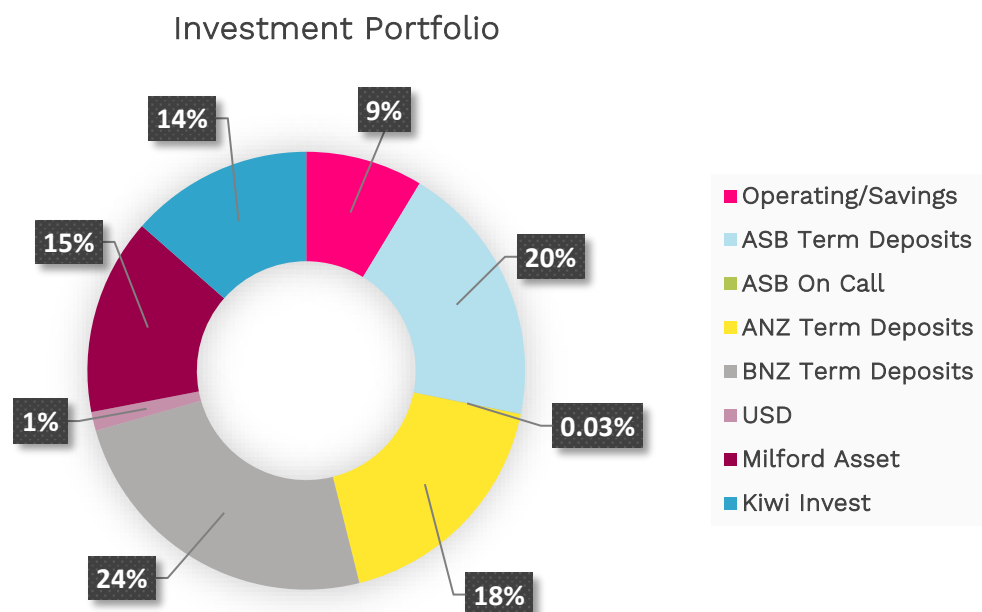https://internetnz.nz/assets/Archives/2020-2021-Q4-Quarterly-Report.pdf

Balance Sheet

A detailed Balance sheet report for the InternetNZ Group is available for review at the link below. We focus our attention on two specific areas of note in this report:

1. The current Investment Portfolio.
2. An update on Cash in Excess of Reserves.

https://internetnz.nz/assets/Archives/INZ-Group-Consolidated-Reporting-Q4-2020-21.pdf

Investments

The chart below provides a visual on the percentage spread of funds invested **($17,274,589)** across all institutions, as at 31 March 2021.

Investment Portfolio

Legend:
- Operating/Savings
- ASB Term Deposits
- ASB On Call
- ANZ Term Deposits
- BNZ Term Deposits
- USD
- Milford Asset
- Kiwi Invest

Values shown: 9%, 20%, 0.03%, 18%, 24%, 1%, 15%, 14%

Cash in Excess of Reserves

We report the Cash in Excess of Reserves position as of 31 March 2021 at **$3.22M** as provided below:

Total Cash & Current Assets	$19,335,005
less: Deferred Income	($9,836,492)
less: Reserves as per the policy	($5,174,036)
less: other Current Liabilities	($1,103,256)
Cash in Excess of Reserves	$3,221,221

Cash Reserves as at 31 March 2021
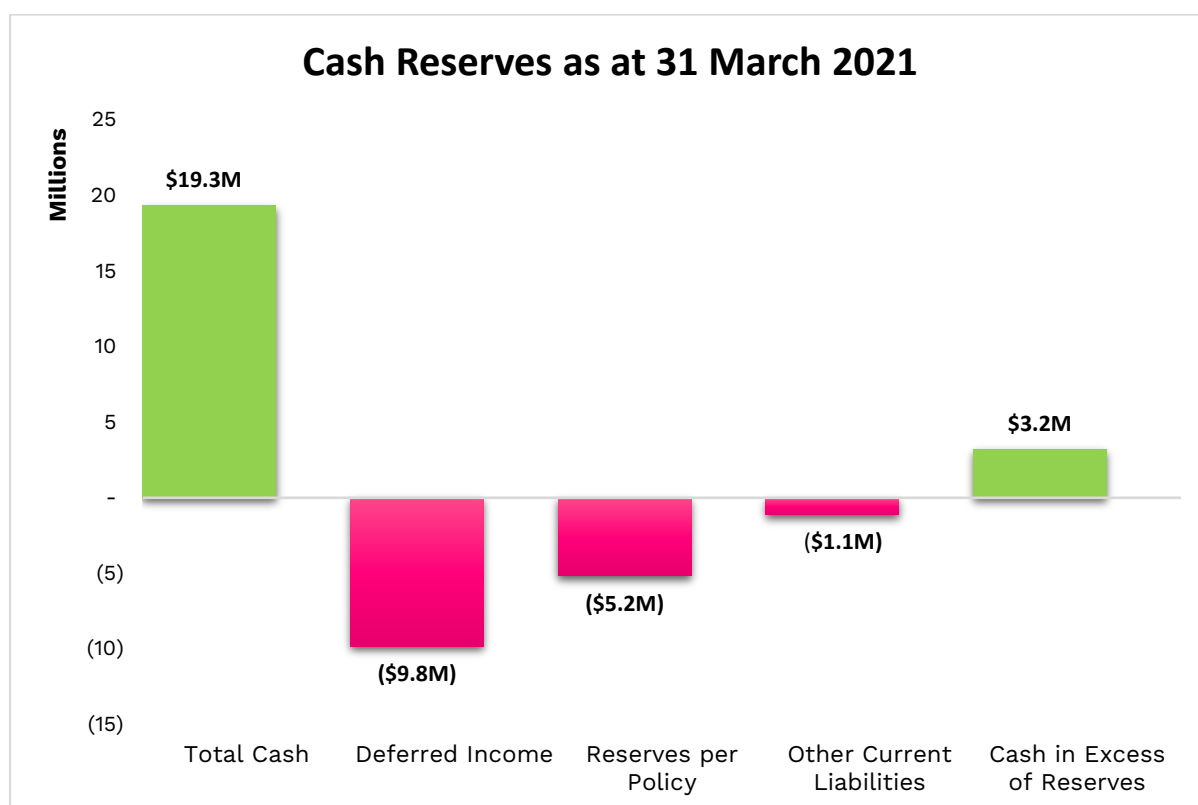
The close of the final quarter for the 2020-21 financial year sees **Net Equity at $9.6M** (reported as $10.5M in the previous quarter), and the **Net Equity minus Reserves** position at **$6.4M** ($7.0M in the previous quarter).

This exceeds the measure currently required by the *Financial and Investment Strategy Policy*, which sets the target for Net Equity minus Reserves at $5.5M.

domain name commission nz

23 April 2021

Mr Jamie Baddeley
President
InternetNZ
PO Box 11881
Wellington

Dear Jamie

Fourth Quarter 2020/21 Report

This report includes DNCL's un-audited quarterly Profit and Loss Statement and other DNCL activities not included in the joint .nz report.

Domain Name Commission Limited
Income Statement
For the Quarter Ending 31 March 2021

	Jan - Mar 2021				Year-to-Date				Last Quarter		
	Q4 Act ($)	Q3 Bud ($)	Q4 Var ($)	Q4 Var (%)	YTD Act ($)	YTD Bud ($)	YTD Var ($)	FY Bud ($)	Actual	Budget	Variance
INCOME											
15560 · Accreditation Fees	0	29,625	(29,625)	-100%	0	29,625	(29,625)	29,625	0	0	0
5050 · Authorisation Fees	0	0	0	0%	12,000	9,000	3,000	9,000	6,000	3,000	3,000
5080 · DRS Complaint Fees	10,000	17,000	(7,000)	-41%	20,000	27,000	(7,000)	27,000	4,000	4,000	0
5100 · Management Fees	362,425	362,424	1	0%	1,449,699	1,449,696	3	1,449,696	362,425	362,424	1
7010 · Interest Income	6,553	2,974	3,579	120%	15,096	11,520	3,576	11,520	5,266	5,270	(4)
1540 · Sundry Income	46,612	46,611	1	0%	46,612	46,611	1	46,611	0	0	0
Total Income	**425,590**	**458,634**	**(33,044)**	**-7%**	**1,543,407**	**1,573,452**	**(30,045)**	**1,573,452**	**377,691**	**374,694**	**2,997**
EXPENDITURE											
DNCL Board	8,188	15,209	(7,021)	-46%	39,681	41,704	(2,023)	38,354	13,543	8,544	4,999
Communications	39,294	39,155	139	0%	58,621	59,322	(701)	39,022	7,857	8,697	(840)
Compliance	29,757	30,394	(637)	-2%	51,667	56,000	(4,333)	66,000	10,496	14,193	(3,697)
Dispute Resolution Services	32,578	41,468	(8,890)	-21%	50,532	59,440	(8,908)	92,944	10,987	11,002	(15)
Memberships	4,206	5,382	(1,176)	-22%	4,802	6,000	(1,198)	0	129	152	(23)
Registrars	2,013	6,269	(4,256)	-68%	8,473	12,732	(4,259)	21,732	2,337	2,337	0
International	24,958	25,172	(214)	-1%	25,822	26,000	(178)	143	37	0	37
Office and Administration	111,994	113,927	(1,933)	-2%	331,459	333,340	(1,881)	288,464	80,497	80,448	49
Personnel and Staff	258,501	262,656	(4,155)	-2%	782,577	787,653	(5,076)	752,989	200,285	201,203	(918)
Professional Services **	25,556	17,014	8,542	50%	130,262	68,060	62,202	78,133	14,577	5,813	8,764
Projects	11,061	7,984	3,077	39%	19,076	20,000	(924)	20,016	2,100	6,100	(4,000)
Total Expenditure	**548,107**	**564,630**	**(16,523)**	**-3%**	**1,502,972**	**1,470,251**	**32,721**	**1,397,797**	**342,845**	**338,489**	**4,356**
Depreciation	7,462	10,848	(3,386)	-31%	24,471	27,836	(3,365)	27,835	7,012	6,991	21
Other Comprehensive Items	0	0	0		0	0	0	0	0	0	0
Net Profit/Loss	**($129,979)**	**($116,844)**	**(13,135)**	**11%**	**$15,965**	**$75,365**	**($59,400)**	**$147,820**	**$27,834**	**$29,214**	**($1,380)**

** Included litigation costs: Q1 = $35,351
                            Q2 = $9,545.
                            Q3 = $10,515
                            Q4 = $11,029.
                            YTD = $66,440

The end of year result is a surplus of $15,965.

Keeping .nz
fair for everyone.

Compliance

DNC is working collaboratively with a number of agencies to assist the Ministry of Health to monitor the .nz domain name space while the COVID-19 vaccine program is rolled out across New Zealand.

Online Dispute Resolution Pilot

We have announced the partnership with immediation to pilot a new online dispute resolution service. The pilot will offer complainants a new negotiation and facilitation service and will attempt through appropriate dispute resolution to resolve some of the remaining conflicted domain names. For the first time, the .nz domain name space will be piloting algorithmic dispute resolution techniques. The pilot is due to start in the middle of the year and will be evaluated to see whether it should be a permanent feature of the .nz domain name space.

Communications

This quarter we launched our new website which has many new ways for domain name holders and members of the public to report problems with a .nz domain name. The .nz query tool has also been updated to distinguish between domain name availability and domain name records. Our chat bot has also had a makeover and continues to assist consumers to resolve their queries without assistance from Domain Name Commission staff.

Capacity Building in Asia Pacific

Staff presented and collaborated with a number of international colleagues at APTLD. The Domain Name Commissioner was appointed Vice Chair of APTLD at their February Board meeting. Staff are heavily involved in preparation for APTLD80 in Fiji which will be an online event. Staff are assisting APTLD Secretariat with a tender for an outsourced conference vendor which includes one New Zealand based company bidding for the work.

Policy Submissions

DNCL has provided feedback to InternetNZ on its proposed changes to the .nz rules and to the Parliament's Select Committee examining the proposed changes to the Film Video Classification Act 1993.

The submissions are available at: https://dnc.org.nz/about/our-engagement/outreach/

Staffing

The DNCL has welcomed Isobel Egerton as our new Assistant Domain Name Commissioner. We will also be welcoming two new part-time staff next quarter to assist with dispute resolution work and the implementation of an e-learning platform to deliver awareness and education training to market participants.

Registrar Advisory Group

DNCL held our first Registrar Advisory Group meeting where Registrars were able to discuss the .nz rules and hear about upcoming changes for the registry replacement from the Registry replacement project team.

The Registrar Advisory group has welcomed three new members:

- Reuben Jackson, CEO at Web Widgets Ltd.
- Prudence Malinki, Senior Manager Global Industry Relations at MarkMonitor.
- Shaun Fisher, Operations Manager at Vetta Online Ltd.

Yours sincerely,

Jordan Carter
Chair Domain Name Commission

Summary of Council Committee Activity

AUTHOR: Catherine Fenwick, Organisational Services

PURPOSE: To provide a staff summary of Council Committee activity

Summary

This report is a consolidation of the activities over the quarter

Audit and Risk Committee

The members of the Committee are Richard Hulse (Chair), Kate Pearce, Anthony Bow, and aimee whitcroft.

The Committee met on the 22 March 2021 the main topics covered:

- Audit scope - Grant Thornton advised the key focus for the audit will be on *managing override of controls* and *revenue recognition*.
- The Audit Engagement Letter was reviewed and then recommended for approval by Council via an e-vote which was ratified at the March Council meeting.
- Insurance Renewal - the proposal forms were completed and delivered to the broker. InternetNZ have asked for the following projects to be included in the proposal .nz Registry Replace Project (Mimosa) and for guidance on the Premises Ignite project (Premises move). DNCL was still reviewing at the time.
- Fund Managers Milford Asset Management and Kiwi Wealth have been invited to attend a committee meeting every six months to give an update.

.NZ Policy Committee

The members of the committee are Kate Pearce (Chair) Joy Liddicoat, Don Stokes and Hiria Te Rangi.

The Committee has met three times 8 Feb, 13 April and the 3 May 2021. The Committee's focus continues to be oversight of the .nz Policy Review.

- The consultation on the draft .nz rules and policies was open from Friday 19 February to Friday 2 April 2021. This consultation sought

feedback on how we might implement the first tranche of the recommendations from the independent .nz Advisory Panel. It also included some changes to the rules needed for the registry replacement project.

- There were 18 submissions received and the committee discussed these at the meeting held on the 13 April 2021.

- A further meeting was held on 3 May to discuss advice for Council at its May meeting.

Komiti Whakauru Māori

The current members of this Komiti are Sarah Lee (Chair), Amber Craig and Hiria Te Rangi.

The Komiti has met on 11 February and 14 April 2021, the Komiti has now finalised the Māori Advisory Group terms of references and have agreed on a list of names to approach to be a member of the group. Further work is being carried out by staff on a budget to include members fees, associated costs and provisions for advisory support.

Recommendation

THAT Council receive the update from Council Committees

Catherine Fenwick
Organisational Services Director