



InternetNZ Council

August 2021

AGENDA

Council Meeting: Friday 13 August 2021

Wellington Office: L11 / 80 Boulcott St, Wellington Central

9:30am Meeting start
 11:30am Morning tea
 12:45pm Meeting closed followed by Lunch

Section 1 – Meeting Preliminaries

| | | |
|---------|-----|------------------------------------------------|
| 9:30am | 1.1 | Council only (in committee) |
| | 1.2 | Council and CE alone time (in committee) |
| 10:30am | 1.3 | Karakia, apologies, intros, interests register |
| | 1.4 | Agenda review and environment scan |

Section 2 – Strategic Priorities

| | | |
|----------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10:35am | 2.1 | Matters Arising from 2021 Elections - LATE PAPER <ul style="list-style-type: none"> • Paper from Returning Officer on by-election timing (late) • Any other discussion |
| 10:55am | 2.2 | Te ao Māori, Dangerous Speech and InternetNZ |
| 11:10am | 2.3 | Approach to Strategy Workshop in September 2021 |
| 11:30am | - | Morning tea |

Section 3 – Matters for Decision

| | | |
|---------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11:45am | 3.1 | Council Work Plan 2021/22 - Working Draft |
| 11:55am | 3.2 | Review of Council members against Skills and Diversity Matrix |
| 12:05pm | 3.3 | Council Committees <ul style="list-style-type: none"> • Updates from Committee Chairs • Terms of Reference • Memberships decisions • Bank Signatories |

Section 4 – Matters for Discussion

| | | |
|---------|-----|---------------------------------|
| 12:10pm | 4.1 | President's Report (verbal) |
| 12:15pm | 4.2 | Management Items for Discussion |

Section 5 – Consent Agenda

| | | |
|---------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12:25pm | 5.1 | 2022 Meeting Schedule |
| | 5.2 | Confirm Minutes – 14 May 2021 |
| | 5.3 | Actions Register |
| | 5.4 | E-vote Ratification |
| | 5.5 | Quarterly and Operational Reports <ul style="list-style-type: none">• 5.5.1 Quarterly Report• 5.5.2 DNCL Quarterly Report• 5.5.3 Group Financial Report• 5.5.4 InternetNZ Financial Report• 5.5.5 Council Committees Report• 5.5.6 Membership Update• 5.5.7 Project Mimosa Update |
| | 5.6 | Health and Safety and Wellbeing Update |

Section 6 – Other Matters

| | | |
|---------|-----|------------------------------------------|
| 12:30pm | 6.1 | CONTINGENCY (for any overflow) |
| | 6.2 | Matters for communication – key messages |
| | 6.3 | General business |
| | 6.4 | Meeting review |
| 12:45pm | 6.5 | Meeting close (karakia or waiata) |

Note: At 1:30pm President Joy Liddicoat will join an all-staff meeting to introduce herself.

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: Joy Liddicoat

Position: President, InternetNZ

Term: AGM 2021 - AGM 2024

Declaration Date: 29 July 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: Jay Daley

Position: Vice President, InternetNZ

Term: AGM 2021 - AGM 2024

Declaration Date: 4 August 2021

Interests:

- Employed as IETF Executive Director
- Member of the Board of Whare Hauora

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 2021 – AGM 2024

Declaration Date: 29 July 2021

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: Jeff Montgomery

Position: Councillor, InternetNZ

Term: AGM 2021 – AGM 2022

Declaration Date: 8 August 2021

Interests:

- No declarations to advise.

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: Anthony Bow

Position: Councillor, InternetNZ

Term: Appointed 2020 – 2022

Declaration Date: 18 May 2021

- 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.
- Chair and Director of Medical Sciences Secretariat Ltd
- Director and Shareholder of Waimana Capital Ltd
- Shareholder in private companies; Big Splash Ltd and Talent Propeller Ltd

The register was last updated in August 2021.

COUNCIL MEETING - AUGUST 2021

Council by-election

ITEM: 2.1
AUTHOR: Andrew Cushen, Returning Officer
PURPOSE: Update on by-election planning
DATE WRITTEN: 09 August 2021

Executive summary

This note has been prepared to brief Council on key elements of the upcoming council by-elections, to fill the casual vacancy created by Hiria Te Rangi's resignation. This by-election will appoint a new Elected Council Member for the balance of Hiria Te Rangi's term; to the Annual General Meeting in 2023 (2 years).

By-election or countback

Hiria's resignation was received on Friday, 30th of July - the day after the Annual General Meeting for 2021. I have considered both the electoral system guidance document and the Constitution in determining the appropriate method for filling this vacancy.

The relevant section of the electoral system guidance (here: <https://internetnz.nz/governance-and-reports/council/council-elections/internetnz-electoral-system-explanation>) reads as follows (emphasis added):

*If an elected council member or officer resigns or is removed during their term of office, InternetNZ may opt to fill the position as a casual vacancy either through a by-election **or by counting back the previous election.***

And later,

Counting back means re-counting the ballots from the previous election with the resigned or removed candidate marked as withdrawn, and with any defeated candidates who no longer wish to stand also marked as withdrawn. This will take account of the second and later preferences of voters for the resigned or removed candidate.

However, the Constitution is quite clear and the only method for resolving a vacancy in this scenario is through by-election. The relevant section of the Constitution is copied below, with emphasis added:

6.9 Any vacancy arising among Elected Council Members or Officers shall be filled by the membership **voting through an electronic ballot conducted as soon as the Council determines is reasonably practical after the vacancy occurs**, provided that if the vacancy occurs during the period between the end of the Society's financial year and the Society's next Annual General Meeting, the Council can defer the election of the new Officer or Elected Council Member until that Annual General Meeting. The replacement shall serve the remainder of the elected term for that position. Any time served as an Officer for part of a term created by a vacancy does not count towards the term limit established for Officers in clause 7.4.

My interpretation of this is that the Constitution is preeminent, and that it describes a future election - essentially a by-election - as the only method of replacement. I sought advice on this point from our lawyers and they agree with this interpretation.

By-election requirements

The Constitution is silent on specific provisions for a by-election. This contrasts with the specific timeframes outlined in the Constitution for a regular election, as these are set in accordance with the Annual General Meeting.

In the absence of specific provisions and timeframes in the Constitution, I have adopted a combination of the standard election process specified in the Constitution, with shortened timeframes that refer to the last by-election (2014 for the role of Vice President - one week for nominations and one week for voting).

| DATE | ACTION/TASK |
|---------------------------------|--------------------------------------------------|
| Tuesday 1 June | Voting Eligibility for new memberships closes |
| Friday 13 August | Nominations for Elected Council Member opens |
| Monday 30 August | Nominations for Elected Council Member closes |
| Wednesday 1 September | Online Election of Elected Council Member opens |
| Thursday 9 September | Online Election of Elected Council Member closes |
| Friday 10 September | Scrutineer to confirm election results |
| Friday 10 September | Announcement of election results (by email) |
| Week of the 13th | Induction of elected council member |
| Friday 17 - Sunday 19 September | Council Strategy Hui |

These timeframes are tight - only two weeks for nominations and one week for voting, as opposed to five weeks for nominations and just over two weeks for voting in an ordinary election. This time frame allows for the new Elected Council Member to be elected in time to attend the Council Strategy Hui on 17 September.

Operational considerations

A by-election also requires the following:

| SUPPLIER | ACTION | COST |
|------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Fuzion | Generation of the vote file of eligible members | TBC |
| Electionz | Conducting the election | TBC |
| Grant Thornton | Scrutinising the election result | TBC |
| Communications team | Website updating | Opportunity cost |
| Community team | Voting oversight, Returning officer support, supplier management. | Opportunity cost of further work on funding/sponsorship distribution, and membership engagement |
| Returning Officer | Communications, candidate management | Opportunity cost |
| Development team | Validation of results | Opportunity cost |
| Organisations Services | Induction | Opportunity cost |

These actual costs are not budgeted and will therefore result in budget overruns, and the opportunity costs are shared simply for expectation setting.

Recommendation

THAT the Council:

- Appoint Andrew Cushen as Returning Officer for the 2021 InternetNZ Council By-Election.
- Appoint Grant Thornton as Scrutineer for the 2021 InternetNZ Council By-Election.
- Endorse the timeframe for the By-election.
- Accept the cost estimates on the basis of budget overruns.

Te Ao Māori, Dangerous Speech and InternetNZ

ITEM NO: 2.2

AUTHOR: Jordan Carter, Chief Executive - for Raniera Albert and Kim Connolly-Stone.

PURPOSE: Propose to Council some steps for Council to take, and seek Council feedback on some steps the organisation plans to take operationally, in response to recent events and issues including Council member resignations, diversity concerns including systemic racism, ineffective national systems for dealing with the dangerous speech and the intersection of online and offline harms.

DATE WRITTEN: Friday 6 August 2021

Introduction and context

Since late May, a confluence of events have put issues of systemic racism, the failures of New Zealand's online harm system, the risks and harms of dangerous speech¹, competing views about InternetNZ's role in online harm, and the nature of Council and organisational relationships with and respect for Te Ao Māori firmly in the spotlight.

The overarching conversation in response to these is a strategic one for the Council to lead, establishing a clear statement of intent, of values for the organisation and clear, measured goals and measures of them for the organisation to implement, and for us all to be held to account for.

It is also likely there will need to be a process of listening and engaging with Māori stakeholders that is led and conducted on a by-Māori, for-Māori basis, so as to give the chance for people to share their expectations, disappointments and hopes for the organisation following the events of the past few months.

There are likely other actions required at a governance level as well.

¹ We have started using the term dangerous speech. Check out the FAQs on this site to read about the differences between hate and dangerous speech.
<https://dangerousspeech.org/faq/?faq=200>

These broader issues are not substantively dealt with by this paper. My team has not had the capacity to address them in the hiatus of an ongoing AGM and electoral process which has seen many of these matters vigorously discussed.

This paper, instead, is a first effort at tabling *some* of these issues, and will undoubtedly not be complete or sufficient - it is designed to start the conversation between staff and Council.

Raniera Albert (Tumuake Māori) and Kim Connolly-Stone (Policy Director) from the SLT have led an internal process involving staff to get a wide read of the issues that we have seen from an operational point of view onto the table. They have distilled down the input into several themes, and a package of work recommended to the organisation. The SLT has accepted these in principle, and staff were briefed on these on Friday 6 August.

Some of the suggestions are relevant to Council, and so those are highlighted below. We also include a precis of actions we are planning on the operational level, with decisions to come on the final package and how to resource it. We welcome comments on these as well.

The seriousness of these issues is self-evident and the impact on the staff, on the organisation, on Council and on wider communities and stakeholders is significant. These are difficult but vital issues to work through, but working through them is **essential** - we cannot serve the communities of Aotearoa without doing so.

What staff have done

Our approach started with listening to staff, many of whom had very strong feelings in response to the events and the conversations and communications around them. The process then aimed to bring all the issues being raised or experienced to one place, and to categorise and make them addressable.

The suggestions and ideas, and the commitment shown by staff, is very significant - and I want to record my thanks to all colleagues who contributed to this process.

Suggestions were not constrained in any way, and so they include actions both for the operational side of the organisation, and for the governance level.

Short term responses

In dealing with this situation so far, two things have been put in place:

- **Counselling and other support for staff.** Details on this are available on request if Council wishes to see them.
- A **short term process** for reporting/escalating reports of dangerous speech.

If Council members need any support in dealing with these issues, please let us know - some of the same support may be applicable and useful for you. Caring for our people and being a good employer are important obligations, and you as governors also deserve support that we can offer.

Proposed package of work

The package of work proposed is as follows. The InternetNZ group would:

1. **Help combat dangerous speech:** Play a part in combating the rising incidence of dangerous speech online directed to Māori and other communities through:
 - a. Policy work to help to identify gaps in the frameworks and systems used by government and platforms and propose improvements (working with and providing space for others)
 - b. Funding support for community initiatives (there are options here: targeted funding or a more resource intensive round)
 - c. Exploring the introduction of a trusted notifier regime and/or other .nz policy changes, to better enable the take down of .nz domain names that break laws on dangerous speech.
2. **Emphasise Te Tiriti and te ao Māori:** Make the Treaty of Waitangi and te ao Māori more front and centre in how we do things, through:
 - a. Establishing our approach to honouring Te Tiriti o Waitangi, which could include as a component getting clear about our Treaty of Waitangi obligations (through an opinion by a suitable expert).
 - b. Utilising the skills and knowledge of the Māori Design Group to assist in providing direction for the organisation, and how we may apply a te ao Māori lense to our mahi.
 - c. A review of our processes, conducted by an external expert - a safe way to look at the issues of systemic racism and find out how stakeholders experience our processes and systems. We could then take the recommendations to the Māori Design Group.
 - d. Changing our strategy (for example, a contemporary statement of values, or new areas of work, or by bringing a Treaty of Waitangi framework into the strategy update).
 - e. Relationship and trust building with Māori and other stakeholders (to the team to get on with their work).
3. **Build our capability** to understand and talk about diversity, inclusion and justice, including te ao Māori, racism, ableism, sexism and other forms of discrimination and hate towards targeted communities online. We will do this through:
 - a. Training and resources for our people (staff and Council) in te ao Māori (tikanga and te reo) and Treaty of Waitangi
 - b. Getting specialist guidance, training and resources (for staff and Council) on racism, unconscious bias and diversity and inclusion
 - c. As we do (a) and (b) curate a shared reading list/resource page.

An operational role regarding dangerous speech?

One of the significant issues discussed was about an operational role in this area.

A number of stakeholders (members, councillors, commentators and victims of dangerous speech) support the idea of us taking on more of a role in addressing dangerous speech online.

Some have suggested we take on an operational role, for example establishing a permanent process for reporting and escalating reports of online harm. Others aren't asking us to take on an operational role, but to stand with others in support, or to influence government systems and policy.

For those who do propose an operational role it is in part frustration about Netsafe not being seen by these stakeholders to be doing a great job in this area.

Some have assumed we already have an operational role, which we don't have.

Others just see a gap that needs to be filled, and see that we know Internet stuff.

We need to make a decision about whether to take on an operational role in this area. In making this decision we need to consider:

- Whether we currently have the expertise or capacity to take on such a role. We don't.
- Do we have the financial resources to bring in the expertise? Not currently, but resources could be reallocated.
- Are there other organisations better placed to do this than us? Yes (Netsafe and Police), although major improvements are needed.
- Are there related areas where we could play to our strengths and have more impact? Yes, there are three:
 - **Policy work** to help people better understand the systems and processes for reporting dangerous speech, and to identify the gaps in current government and platform processes and recommend how to fix them.
 - In the .nz area, phase two of the implementation of the recommendations of the .nz advisory panel includes looking at the establishment of a **trusted notifier regime**, which could expand DNCL's cooperation with trusted notifiers resulting in DNCL suspending .nz domain names when notified they are being used for illegal activity. Note the next step would be to "explore whether the recommendation is desirable or feasible". This work is scheduled to start in September.
 - Directing our **community funding** to organisations and communities with lived experience of dangerous speech online, helping to support community driven approaches. We could, for example, take the funding earmarked for the next funding round and direct it to Māori and other community organisations working in the dangerous speech area.

In working through this analysis, the SLT's view was that we **should not** seek to develop an operational role. It would be to enter an area of contested mandates, and

involve developing new capacity from scratch, which would divert attention from the other work proposed in this paper.

Instead in our work on helping to address dangerous speech, we propose that the organisation should focus on the last three points above, as capabilities that we have in place, which could be re-directed into this area. This would be alongside the other significant pieces of work set out above.

I note that in any work in this area of dealing with dangerous speech, and the crossover online/offline harms involved, we need to encourage policy-makers to start placing the voices and experiences of those facing the brunt of dangerous speech at the centre of the analysis.

That is the only way the system can learn how to change in meaningful and effective ways. It is not how the current system has evolved. It is not the current approach of policy-makers.

For InternetNZ this means that we need to start with that point. Any substantive input we offer has to include the origin - and internalise and express the critique that it does not start from that point, and so can only be an input into a proper process.

Proposed governance actions

From the above package of work, the key matters of governance change, in summary, are:

1. **Emphasise Te Tiriti and te ao Māori:** Make the Treaty of Waitangi and te ao Māori more front and centre in how we do things, through:
 - a. Establishing our approach to honouring Te Tiriti o Waitangi, which could include as a component getting clear about our Treaty of Waitangi obligations (through an opinion by a suitable expert).
 - b. Utilising the skills and knowledge of the Māori Design Group to assist in providing direction for the organisation, and how we may apply a te ao Māori lense to our mahi.
 - c. Changing our strategy (for example, a contemporary statement of values, or new areas of work, or by bringing a Treaty of Waitangi framework into the strategy update).
 - d. Relationship and trust building with Māori and other stakeholders (to allow folks to get on with their work).
2. **Build capability** to understand and talk about diversity, inclusion and justice, including te ao Māori, racism, ableism, sexism and other forms of discrimination and hate towards targeted communities online, through:
 - a. Training and resources for Council in te ao Māori (tikanga and te reo) and Te Tiriti o Waitangi.
 - b. Obtaining specialist guidance, training and resources for Council on racism, unconscious bias, diversity and inclusion.
3. **Reaffirm its support for, appreciation of, and resourcing needed for the Māori Design Group** - to commence the important role it will collectively take on, and

the work members individually will contribute to in helping to change the course of the organisation in future.

In addition, arising from this work, a statement from our Council telling the story of our journey, missteps along the way and the organisation we want to be will be needed.

This will be about owning, acknowledging and responding to our historic approach and mistakes (both of things done and not done), and defining the direction in which we want to go.

This might best follow the steps above (and others that Council sees necessary), since it is likely that the organisation's overall perspective is unlikely to be mature or informed enough at this stage to be able to do this effectively or authentically.

Intended operational actions

The Senior Leadership Team has agreed to proceed with the other elements above, in the "Proposed package of work" section, while welcoming feedback from Council members or anyone else about whether any of the areas are not required, or anything should be added.

Next steps

Following the Council discussion, the organisation will scope the resources required to deliver on these actions, along with others arising from the discussion.

I anticipate this work will require a mix of in-house capability and external capability, and there will be financial implications, as well as implications on the current plan - some work will have to be reduced in priority to allow us to make progress on this work.

This work will also require careful and effective communication to a range of audiences, and we will build a plan to do that too.

We will return to Council with more specifics on the impact of changing the workplan and resourcing this work - as set out in this paper - by mid-September, and it may be appropriate for an online decision regarding that to be taken, or for discussion at the Retreat to make a decision.

I also note that ongoing Council discussion in September, and the commencement of the work of the Māori Design Group, will no doubt lead to other work coming into the pipeline. In all of this, we will need to manage capacity and pace carefully to make the situation workable for all involved.

Financial implications

There will be costs to resource this work, and they are currently un-quantified. As mentioned above, we will come back to Council with further information once the costs are known, which will include what existing budgets can be used or repurposed,

what work will need to pause or slow down, and if (and if so how much) new money is required.

I am relying on the indication from Council in an informal discussion session in June that if required, additional financial resources can be made available from reserves to do this work effectively.

If that has changed, I need to know at this meeting.

Recommendations

THAT Council agree that it will commit to the suggested actions in the section of this paper called “Proposed Governance actions”, noting that other actions will also be developed over time.

THAT Council reaffirm its support for, appreciation of, and resourcing needed for the Māori Design Group - to commence the important role it will collectively take on, and the work members individually will contribute to in helping to change the course of the organisation in future.

THAT Council note the actions staff will be taking on the operational side, as set out in this paper in the “Proposed package of work” section, noting that this includes changes to policy and funding work and highlights an important aspect of the ongoing .nz policy review.

THAT Council discuss and agree whether or not work should be done on scoping an operational role in dealing with dangerous speech, or whether further consideration is required before a decision is made.

THAT Council note that staff will seek decisions from Council on resourcing this work and impact on existing plans and budgets, no later than mid September.

Jordan Carter

Group Chief Executive

Retreat and Strategy Refresh Process

ITEM NO: 2.3

AUTHOR: Jordan Carter, Chief Executive

PURPOSE: This paper is to instigate Council decisions on the purpose and approach to the retreat / working session scheduled for Friday 17 - Sunday 19 September 2021.

DATE WRITTEN: 6 August 2021

Council is scheduled to hold a working weekend retreat / session in mid September. In May, I presented a paper outlining a strategy refresh process leading into the retreat. Since then, a lot has happened, and the attention of the organisation has been on the larger set of issues you are all aware of.

The paper's content is copied for information. Venue, logistics and a facilitator have been secured for the event.

Past retreats have been used for strategy development; relationship building; environment scanning; governance policy development.

My advice is that the Council needs to consider focusing the time together on

- the strategic direction to take in response to
 - the organisation's relationship with te Ao Māori
 - the issues raised in the resignations of Crs Craig and Te Rangi
- Building effective relationships between Council members and among the group as a whole.

These are different from what I had proposed in May. The preparation I had envisaged then has not been done.

Please consider and discuss these issues and at the meeting, let's define the key blocks of the agenda and the key outcomes sought from the time together, as well as confirming participation.

Jordan Carter, Group Chief Executive.

Copy of paper from 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

Council - 2021-2022 Work Plan

This is a draft work plan which will be updated after the Strategy workshop September 2021.

| MONTH | Main Meeting Dates | Main Items at Council | External/Int'l |
|-----------------------------------|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 2021 - Second Half of Year | | | |
| August | Friday 13th | <ul style="list-style-type: none"> • Induction of new council members • Te ao Māori and InternetNZ • Council Committee appointments • Review of Council members against Skills and Diversity Matrix • Approach to the Strategic Workshop | |
| September | Friday 17th and Saturday 18th | <ul style="list-style-type: none"> • Council Strategic Workshop | APTLD80 Members meeting: 8-9 Sept 2021 |
| October | Friday 15th | <ul style="list-style-type: none"> • Environment discussion and determination of any review of Strategic Framework elements • Governance policy: Review of Charter and Constitution | ICANN 72: 23-28 October (Seattle, USA) |
| November | | | IETF 112: 6-12 November |
| December | Friday 3rd Year-End Functions w/b 9th Dec | <ul style="list-style-type: none"> • First pitch for 2022/2023 key projects | IGF 16th : hosted to be held Katowice, Poland online from 6-10 Dec 2021 |
| 2022 - Full Year | | | |
| January | | | NZNOG: tbc Jan |
| February | Friday 12th | <ul style="list-style-type: none"> • 2022 Plan - key goals, projects and high level | APTLD: Feb tbc |

| | | | |
|-----------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| | | <ul style="list-style-type: none"> • budget | APRICOT: tbc |
| March | | | ICANN 73: 5-10 March IETF 113: 19-25 March |
| April | Friday 1st - 1hr meeting | <ul style="list-style-type: none"> • 2022 Plan • 2022 Budget | |
| May | Friday 14th | <ul style="list-style-type: none"> • Review the Council Matrix for Skills and Diversity | |
| June | | | ICANN 74: 13-16 June Rightscon |
| July | AGM – Thursday 28th | <ul style="list-style-type: none"> • InternetNZ Annual General Meeting, 5:30pm • DNCL Annual General Meeting, 4pm | IETF 114: 23-29 July |
| August | Friday 12th | <ul style="list-style-type: none"> • Induction of new council members • Council committees appointments • Council Work Plan • Review the Council members skills and diversity | |
| September | | | ICANN 75: 17-22 September |
| October | Friday 14th | <ul style="list-style-type: none"> • Environment discussion and determination of any review of Strategic Framework elements | |
| November | | | IETF 115: 5-11 November |
| December | Friday 2nd Year-End Functions w/b 5th or or 12th Dec | <ul style="list-style-type: none"> • First pitch for 2023/2024 key projects | |

Skills & Diversity Matrix

GOVERNANCE FRAMEWORK - OCTOBER 2019

InternetNZ is committed to ensuring that the skills and diversity of the Council is of a high level and has therefore developed the matrix set out below.

The matrix sets out the range of personal qualities, skills, experience, and diversity attributes sought by InternetNZ around the Council table.

No individual Council member is expected to have all the identified elements, nor will the Council always have the perfect mix.

Certain attributes are considered to be essential for all Councillors, and others are accepted as somewhat specialist.

This matrix will be used to assess Council following each election, and to inform decisions about whether any Appointed Council Members need to be selected.

As part of our governance framework, this document will be reviewed every two years.

Governance

These are core skills and areas of knowledge associated with the role of Council as InternetNZ's governing body.

| Skill / Experience | Description | Weighting |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Strategic thought | Ability to consider an issue in the context of the organisation's stated goals. Keeping at the high level, weighing options with an open mind. | High |
| Role of the Councillor | An understanding of the governance function and the value it should add. Clarity on the role of and obligations placed on a Councillor. | High |

| | | |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Analytical capability | A structured approach to problem solving, critical reasoning, an ability to analyse information and importantly ask considered and relevant questions | High |
| Finance | The ability to read and comprehend the organisation's accounts and the financial material presented to the board. Financial literacy at a level consistent with minimum expectations placed on directors under the law. | |
| Communication skills | Ability to clearly articulate a point of view in a positive manner. | High |
| Stakeholder relations | Ability to understand the requirements of owners and stakeholders and as required and relate to those constituencies. | |
| Governance experience | Previous experience in related governance roles. | . |

Specialist Areas

It is desirable to have these skills around the table understanding that in the main these duplicate staff skills. The key attribute is an understanding of or willingness to learn about the business.

| Skill / Experience | Description | Weighting |
|---------------------------|------------------------------------------------------------------------------------------------|------------------|
| The Internet | An understanding of the key role that the Internet plays in our world now and into the future. | High |
| InternetNZ | An understanding of the specific role that InternetNZ plays in that world. | High |

| | | |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Investment | Knowledge, understanding and appreciation of investment advice, practices and frameworks. Ability to work with management in discerning and driving appropriate investment approaches including financial strategies. | |
| Legal | An understanding of the legal environment as relevant to the Internet. | |
| People | Experience in evaluating the performance of the chief executive and skills in human resource management, culture, reward and recognition. | |
| Community Engagement | High level reputation and networks in the community including with relevant industry organisations and consumer or business groups, and the ability to effectively engage and communicate with those stakeholders. | |
| Public Policy | An understanding of public policy and how it relates to the Internet. | |
| Philanthropy / Social Enterprise | An understanding of granting process and the maximisation of philanthropic funds | |
| Product Development, Innovation and Commercialisation | Technology Innovations: Understanding the current drivers of innovation in the information technology market. Experience in delivering new product offerings in response to market demand, to achieve market leadership or to take advantage of opportunities for innovation. | High |

Personal Attributes

| Diversity | Description | Weighting |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Ethics | Demonstrating high levels of integrity, ethical behaviour and honesty, Acting always in the interests of the organisation | High |
| Independence | Maintaining an independence of thought. Ability to politely maintain and promote a position and to agreeably disagree as needed. | Medium |
| Team player | Understanding that board work is teamwork, ability to work with others and form productive relationships. | High |
| Commitment | To commit the time to prepare, understand the business and make meeting attendance a non-negotiable priority | High |
| Focus on impact | Always focused on ends and less on the means to get there. Seeking evidence of impact | |
| Stewardship orientation | Understanding that the board operates as a subset of the owners and comprehending its role as fiduciaries (acting for the benefit of others) | |

Diversity Attributes

Internet NZ has a strong commitment to broad representation at the Council table representing the diversity of the community we serve. We are interested in bringing these perspectives to our governance.

| Diversity | Description | Weighting |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| | | Certain areas are deemed central to the role |
| LGBTIQ+ | Understanding of the issues facing people from diverse Rainbow communities and the opportunities and challenges that relate to our work. | |
| Te Ao Māori <ul style="list-style-type: none">- Indigenous Governance- Te Tiriti o Waitangi | Understanding aspects of Te Ao Māori that pertain to InternetNZ's role, including concepts of indigenous governance, Te Tiriti, data sovereignty, cultural competence of staff and governors and familiarity with tikanga Māori and Te Reo Māori. Diverse representation around the Council table. | High |
| Young people | Internet industries are driven by a younger demographic. We encourage that voice at the Council table | High |
| Disability Communities | Understanding of the issues facing people living with disability and the opportunities and challenges that relate to our work. | |
| Gender Identity | Understanding of the issues facing people of diverse gender identities, and the opportunities and challenges that relate to our work. | |
| Urban / Rural / Regional | A diverse representation from different towns and cities around Aotearoa around the Council table. | |

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|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Diverse ethnic/faith communities | Understanding of the issues facing people of diverse ethnic and faith identities, and of their communities, and the opportunities and challenges that relate to our work. | |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

Adopted: October 2019

Review: October 2021

Owner: Organisational Services Director

Council Committees and Bank Signatories

AUTHOR: Council Secretary, Diane Robinson

PURPOSE: Information on current members of Committees/Signatories and Terms of References.

Audit and Risk Committee

The members of the Committee are Richard Hulse (Chair), Kate Pearce, Anthony Bow, and aimee whitcroft.

[Current TOR](#)

.nz Policy Committee

The members of the committee are Kate Pearce (Chair) Joy Liddicoat, Don Stokes and Hiria Te Rangi (resigned).

[Current TOR](#)

Komiti Whakauru Māori

The members from Council of this Komiti are Sarah Lee (Chair), Amber Craig (resigned), Hiria Te Rangi (resigned) and President Jamie Baddeley (Term completed).

[Current TOR](#)

CE Review Committee

Current members are Jamie Baddeley (Chair) (Term Completed), Joy Liddicoat, Richard Hulse and Melissa Davies.

[Current TOR](#)

AUTHORISED BANK SIGNATORIES

The following are authorised signatories for authorising bank transactions such as payment for direct debits, expenses, credit card applications, setting up automatic payments, and managed fund instructions.

Jamie Baddeley (removed)

Joy Liddicoat

Amber Craig (removed)

Richard Hulse

Kate Pearce

For the record, staff signatories who are able to authorise payments as per the Treasury governance policy are:

Jordan Carter

Catherine Fenwick

Dave Baker

Note

Please note that the current TOR are under review

President Report

AUTHOR: Joy Liddicoat, President

PURPOSE: To provide a report back to Council Members on the President's activities.

Introduction

The focus of my first two weeks has been orientation to the role, liaising on matters arising from the election, and supporting new Councillors into their roles (see the activity summary below). Congratulations to Jay Daley on his election as Vice President, to Jeff Montgomery for election as a Councillor and a warm welcome back to Council for Richard Hulse. My thanks to all those who have helped us in the last two weeks and your patience as we settle into our new roles.

Comment

A major focus has been considering member discussion about issues of racism, systemic discrimination, Te Tiriti and the strategic direction of InternetNZ. Those discussions, particularly in relation to Te Ao Māori, are needed. While some of the issues are confronting, I am pleased these conversations are finally happening among InternetNZ members. I am grateful to those members who have contacted me to offer support and assistance and to emphasise the need for the new Council to ensure InternetNZ strategy continues to prioritise this. I will be working closely with all Councillors and especially Sarah Lee, as we proceed.

The previous President received correspondence from Te Komiti Whakauru Māori in May, which he promised would be made public at the Council meeting after the election. While strictly relating to the term of the previous President, I believe that the promise must be kept, especially in light of recent discussions among the membership. I have therefore attached copies of both a letter from Te Komiti to President Jamie Baddeley dated 30 May 2021 and a reply from him on 31 May 2021. The subsequent announcement to members on 2 June 2021, is also attached for the record and further context.

A myriad of other issues were raised during the elections including membership diversity and inclusion, membership engagement, and business development. All of these need to be sifted through carefully and given deeper consideration by Council as a whole. My priority in the month ahead is to focus on Council's September strategy session.

Governance

Activities include:

Council Induction

- Attending the new Councillor's induction on 4 August 2021, INZ Offices Wellington
- President's induction (various tasks, training in Visa Intellilink and Xero)
- Setting up President and Vice President email accounts
- Establishing a new Council-CE@internetnz.net.nz distribution email list.
- Check in with all Councillors.

Council Meeting 13 August 2021

- Preparation, including review of agenda with the Vice President.
- Preparation for the Council mihi whakatau.
- Review of Council Committee Membership.

By Election

- Consultations with the Vice President and Returning Officer.
- Review of Constitution
- Communications with Council and related matters.
- Announcement to Members

Chief Executive

- Check in with CE and review.

Strategic Planning Process

- Review of process for September.

Member engagement and representation

- Several dozen contacts with members relating to the election results, topics of members' discussions and a variety of other matters.
- Media: one [Blog](#) and one [interview](#).

31 May 2021

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internetnz

Sarah Lee
Chair
Te Komiti Whakarau Māori
InternetNZ

Kia ora Sarah,

Thank you for your letter yesterday. I sincerely appreciate the approach you have taken.

- Firstly thank you and Amber for your part in the council meeting today where we were able to further understand the different perspectives, recommit our efforts as a group towards understanding Te Ao Māori and tangata whenua and to stand behind the Chief Executive in his efforts to achieve that. I think we all acknowledged the Chief Executives genuine heartfelt desire to do better in this area. I expect the Chief Executive will come back shortly on some more immediate actions for council to consider. It was most unfortunate that Hiria was unable to attend and I wish her good health and speedy recovery.
- The core role of InternetNZ is to operate the .nz domain name system. Beyond this modest role, we do what we can to support the aims and aspirations of Māori – hence recent plan of work on .NZ Policy (*.nz should support te reo Māori me ōna tikanga and participation in .nz by Māori*) which is a historic recognition by the organisation and a top level principle that will affect everything we do in .NZ policy. We also have established the Māori Advisory Group/Māori Design Group – another very important step. Both of these things are historic for the organisation and will be key elements towards achieving the sorts of things you outlined in your letter.
- InternetNZ does not have a role in monitoring online content. But we do have a role in supporting the local internet community. Clearly that includes the vulnerable members of our community. Recent events demonstrate a need for improvement in this area. I expect this council and future councils will develop strategies to be better prepared to support members of the local internet community - which certainly includes tangata whenua – much more effectively.
- I welcome ideas on how to improve our ways of working. Changes would also need time to consider and take into account implications for our society objects and constitution.
- Thank you for the ideas and suggestions for how to deepen and strengthen the work of InternetNZ in this area. These are helpful inputs to our shared strategy planning process, which as you know, the Chief Executive and staff have already begun work on ahead of our planning retreat in September. All of us on Council need an opportunity to talk about these and consider them together in more depth and alongside other important contributions from across the organisation and the outcomes of other programmes of work such as engagement with Māori on Phase 2 of the proposed changes to .nz rules. I of course will not be there for that stage but I am very confident that all of the council who will remain will take that forward seriously and with deep consideration.
- The primary role of Councillors, including in our work on Council Committees, is to support the Chief Executive at a governance level and to set strategy. As you know, I always welcome Te Komiti's reflections and inputs to this aspect of InternetNZ strategy and contributions as Councillors in all our shared governance decisions.

**Helping New Zealanders
harness the power
of the Internet.**

- On that note, I'd like to recall our whakataukī - Kua rāranga tahi tātou he whāriki ipurangi mō āpōpō - Together we weave the mat, in terms of the Internet, for future generations. It is exceedingly important that we are able to do this together – in partnership – interwoven.
- An important mechanism for supporting the Chief Executive is the Key Performance Indicators set at the annual performance review. We discussed these together at our last Council meeting and a draft is currently circulating for comment. That is the appropriate place to consider KPIs in the areas of personnel capability and capacity. I encourage fulsome input.
- While Council can suggest the size of the Senior Leadership Team, it is ultimately for the Chief Executive, not Council, to determine its size and composition and for Council to review and assess whether the Chief Executive has achieved the objective set for him. To go beyond this is straying from good governance practices in my view. That said I am confident that the Chief Executive has deeply and seriously listened to perspectives today and will strike a balance which takes into account discussions over the last week. But we must leave that to him in trust that he will take into account the clear suggestions of Te Komiti.

My deepest and most sincere regards,

Jamie Baddeley

President

InternetNZ



30 May, 2021

Jamie Baddeley
President
Ipuranga Aotearoa

Tēnā koe Jamie,

Te Komiti Whakauru Māori have carefully reviewed and considered the events of this week regarding the online video that intended to incite violence on the Māori community. We are united in our dissatisfaction of how this was initially handled by the organisation, and pleased there is a hui planned to bring Council and senior management together to review this.

Te Komiti Whakauru Māori is also disappointed that Council stayed silent on the matter with only a few members stepping forward with their support.

This situation caused a lot of distress for our Māori community, Māori Councillors, kaimahi Māori and Chief Advisor, Māori. It has highlighted a number of issues which we, as a sub komiti, request the whole of InternetNZ Council address with urgency.

As tangata whenua, our people are subjected to systemic racism on a daily basis. The white supremacist who filmed and uploaded the video at the centre of this situation, was attempting to incite other white supremacists to target “elite Māori” and “slaughter them by the thousands.”

A number of high profile wahine Māori were targeted online and received threats. Some have closed down their social media accounts for fear of harm to them and their whānau.

And when the Māori community reached out to InternetNZ for support, it was not immediately forthcoming. It was members of the Māori tech sector who then lobbied, successfully, to have the video content taken down.

Trust is fundamental to any healthy relationship, and unfortunately the Māori community's trust in InternetNZ has been damaged this week.

A great deal of work has been invested over several years into building InternetNZ's internal understanding of Te Ao Māori and nurturing relationships with the Māori community. We acknowledge Council's support for the appointment of a Chief Advisor Māori and more recently, the establishment of a Māori Design Group.

However, if Council is serious about building mutually beneficial partnerships with Māori, InternetNZ **must** prioritise calls for support from tangata whenua. It was our expectation that InternetNZ would utilise key stakeholder relationships and pull every lever in its power to keep the Māori community safe from this abhorrent form of domestic terrorism.

To this end, Te Komiti Whakaura Māori ask Council to urgently implement the following:

1. Structurally re-position the Chief Advisor Māori role to the Senior Leadership Team.
2. Prioritise establishment of the Māori Design Group.
3. Prioritise building internal capability in Te Ao Māori.
4. Senior management KPI's prioritise capabilities in Te Ao Māori.
5. Commit adequate financial support for the establishment of an operations team to support the work of the Chief Advisor Māori.
6. Include a Pouwhenua (Māori strategy) within our governance strategy.
7. Fund/offer cultural supervision to all kaimahi Māori.

The Māori members of Te Komiti Whakauru Māori stand firmly behind these requests for action and will have no option but to reconsider our positions within the organisation if they are not seriously considered.

We hope to find a positive way forward from here, building on the work we have all undertaken in goodwill.

Ehara taku toa I te toa takitahi. Engari, he toa takitini.
My strength is not the strength of one, it is the strength of many.

Ngā mihi



Sarah Lee
Chair, Te Komiti Whakauru Māori

----- Forwarded message -----

From: **InternetNZ President** <president@internetnz.net.nz>

Date: Wed, 2 Jun 2021 at 08:55

Subject: [InternetNZ Members-Announce] Online Harms and Racism

To: <members-announce@mailman.internetnz.net.nz>

Kia ora members,

One of InternetNZ's core goals is an Internet for good, and we have undertaken various efforts to support this — particularly since the March 2019 Christchurch mosque attacks. Claiming an Internet for good means acknowledging that the Internet can also be used for harm — and that we want to shape it in a direction where harm is tackled and reduced.

Recently, the Internet has been used again to spread racism and hate threatening mass violence against Māori. In response to a YouTube video containing hateful and racist threats, people within the Māori Internet community worked to flag their concerns to YouTube and New Zealand authorities. It took nearly 24hrs for the video to be taken down, and spin-off harassment and abuse against those who responded continues on online platforms.

This message is to acknowledge that in the last week we were confronted with the worst of the Internet, and we did not do all we could in response. Concerns about the video were flagged to InternetNZ by Māori members of our community, and we did not quickly and clearly use our voice to condemn racist extremism online.

We unreservedly apologise that we as an organisation did not do all we could to support our Māori Internet community. We must do better to act decisively when our values are tested. And we must do better to support our Māori staff members, Māori council members and the wider Māori community.

These campaigns of racist harassment specifically targeting Māori have not been covered in general media nor quickly condemned by online safety organisations, leaving many people and communities frightened. The lack of active support from the NZ Internet community resulted in feelings of abandonment, as well as accusations that InternetNZ did not do our part in using our position in response.

We must do better, both as a council and as an organisation. We did not quickly offer meaningful support, nor did we quickly condemn the hate itself or the response from other organisations.

The council and CE have met and we are undertaking the following actions:

1. Upgrading the priority we place on Māori engagement to join the registry systems replacement and the new .nz rules framework as a key organisational priority, also reflected in the Chief Executive's KPIs.
2. Working over the next couple of months to change our strategy so that it properly reflects this priority. It will outline outcomes that aim to strengthen connection with Māori and support diverse Māori Internet communities.
3. Strengthening the organisation's capability in working in this area, building on the recent recruitment of our first Chief Advisor Māori with further resources being available and a stronger focus at the leadership level on this mahi.

Our focus as a Council is on making sure our strategic intent is clear and ambitious; and holding the Chief Executive to account in developing and delivering the means to deliver on that intent.

Beyond the immediate first steps above, we will be at council and management levels speaking with those who we have let down, to better understand how we need to change and how we can offer support that meets the needs of these communities, in a genuine, respectful and real way.

More action will flow from that.

You can expect to hear more from us in coming weeks, and please continue to hold us accountable for progress on our journey to act as true partners with Māori.

Ngā mihi nui

Jamie Baddeley and Joy Liddicoat

President and Vice President

InternetNZ

COUNCIL MEETING - AUGUST 2021

Management items for discussion

AUTHOR: Jordan Carter
PURPOSE: Key items for the Council to know / offer guidance on.
DATE WRITTEN: August 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 brief, as the standard quarterly reports form part of this meeting's material - and because many of the key issues in front of us are governance related.

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

Risk focus areas

The first quarter of 2021/22 has seen our focus of staff (as presented to A&R committee) on elements of our reporting including the following topics for each category on our risk radar:

- Current risk tolerance settings
- Assessment of effectiveness of current mitigations
- Planned changes or improvements to mitigations with timeframes
- Assessment of current residual risk

With a focus on Risk appetite and tolerance, we have commenced work to document and agree our risk tolerance settings. Initially prioritised security work that relates to the **.nz registry**. This represents one of our key operational risks and supports security design in the .nz Registry Replacement project.

The risk radar defines this as:

- Confidentiality and integrity: .nz systems and/or data confidentiality/integrity is compromised through unauthorised or inappropriate access (extreme/major)
- .nz availability: A natural or man made event impacts .nz process, people or technology availability beyond acceptable timeframes (extreme/major)

Our risk impact analysis has been completed for the registry replacement project, with significant work continuing throughout August to deliver a Security Risk Management Plan for the new system.

We also continue work on extreme/major risks from the risk radar to define the impact and tolerance of potential risk events. They are:

Stakeholder support: Confidence is lost in INZ resulting in loss of revenue and/or government intervention (extreme/major)

Organisational capacity: INZ capacity does not keep track with strategy and stakeholder requirements, resulting in missed delivery opportunities and/or staff turnover (extreme/major borderline moderate)

Wellbeing: INZ staff face inappropriate external criticism that impacts wellbeing (extreme/major)

Business planning: A clear and complete link between INZ's strategy and enabling day-to-day activities, priorities and initiatives does not exist, resulting in staff confusion, misallocation of resources, and/or not delivering INZ's strategy (extreme/major)

Product/service management and delivery: New products/services are unable to be managed and delivered effectively to customer and commercial expectations (extreme/major) [strategic/service]

Product/strategy service: Commercial product and service market requirements/'competitor' activity is not understood, resulting in missed product/service opportunities, or investing time and financial resources into developing products that do not provide an acceptable commercial return (extreme/major)

Supplier management: A key .nz service supplier does not meet INZ expectations and impacts the operation of .nz technology (extreme/major)

Product/service costs: Product/service development and operational costs are not managed resulting in increased costs and financial pressure (extreme/major)

Product/service revenue: Product/service uptake does not meet expectations resulting in lower than planned revenue and financial pressure (extreme/major)

In response to recent issues relating to dangerous speech online, we have made some tactical risk management decisions as well as initiating a longer-term workstream that considers new threats InternetNZ faces as we consider our role and advocacy. This work has been initiated with risk identification and assessment. Evaluation is scheduled to be completed in August.

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| Our ask: | Note the risk matters updated in this paper. |
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B. Key Items

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

B1 - Election outcome and the need for governance work

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| Issue: | <p>The way the 2021 campaign for Council elections played out, and associated Council member resignations, along with assertions of systemic racism and the dire failures of the country's systems in dealing with dangerous speech and the online/offline harm situation, have combined with diverse and contradictory assumptions and assertions about InternetNZ's role to create a highly complicated situation for both governance and operations.</p> <p>The impacts are broad and affect staff as well as members, governance, stakeholders and our wider reputation.</p> <p>My strong urge is that Council reflect carefully on all these issues, and that we develop ways of addressing them that:</p> <ul style="list-style-type: none"> • Are genuine, including acknowledging our status quo • Discern and then focus on the core issues • Give space for reflection • Engage with the Māori Design group and other stakeholders effectively and respectfully • Lead to deep seated change and action • Are well communicated <p>The paper from management on these issues in this papers pack does not complete this work, it only begins it. More will need to be done.</p> |
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| | Council should also as a group reflect on how to build a governance culture that is consistently able to deal with issues when they are raised, and progress them into clear direction for the organisation to pursue. Open dialogue about the issues now in front of us could have seen earlier action, and avoided some of the challenges we now face. My comment is not a criticism of what has happened or of any of those involved - it is a challenge to do better, which I am confident that you as a group can do. |
| Our ask: | That this meeting, and the retreat in September, devote adequate time and attention to this. |

B2 - Premises move

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| Issue: | Over the last quarter we have signed the agreement to lease for Level 13 and 14 at Eighteen Willis Street and the contract for services with DB Interiors the design/build company we have engaged. Work by the landlord's contractor Hawkins will be completed in mid-August allowing us to start fitting out this month and our planned move date is now late October. This will be a major event for the organisation therefore focus at present on project and change management. |
| Our ask: | That you be aware of this - we welcome any questions. |

B3 - NetHui-style event 2021 now 2022: te ao Māori focus

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| Issue: | <p>We have continued to develop this year's event focus and approach, still with the objective of taking a te ao Māori focus. This event will be in a NetHui style, though not named NetHui per se; we will instead title appropriately for the focus, and maintain the same community oriented approach to programme development, discussion and collaboration.</p> <p>However, doing this in that manner with a new audience and focus will require more time to work with the Māori Internet community appropriately. As such, we've amended the date for the event to March 2022, to allow sufficient time for the community engagement processes around this.</p> |
| Our ask: | That you be aware of this - we welcome any questions. |

C. Exceptions / Items to Note

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

C1 - New product pipeline

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| Issue: | <p>The quarterly report notes in more detail the status of our product developments. To summarise:</p> <ul style="list-style-type: none"> - Registry Lock has a completed business case, and is moving to launch preparation. - Defenz has had some success in gaining two new significant customers in the period since the last Council meeting. We will review the overall performance of this product in the next quarter. - Digital Identity continues with its policy and community engagement focus, while we also explore potential partnership opportunities - particularly with Government - in utilising this technology and our accumulated knowledge. |
| Our ask: | That Council note these points. |

D. Late Changes

These are issues where there has been some change worth noting since the quarterly reporting date.

D1 - Domain Name Registration Numbers

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| Issue: | <p>Domain name registrations have continued at the pre-COVID patterns and transaction volumes. However, since the last quarterly report we have seen a large monthly increase in July of over 3,500 new domain names, bringing the total register to over 728,000</p> <p>We call Council's attention to two particular factors in this:</p> <ol style="list-style-type: none"> 1. As yet, we see no elasticity effects from the price rise in October. 2. Registered domain names continue in the trend of incremental and modest growth. <p>We have evaluated a number of growth prospects for .nz in the last quarter, following some market positioning work done in the last year. While these ideas are welcome and provide some directions for further incremental growth, they do not provide us with a workable next set of steps to step-change the positioning and value proposition of .nz in alignment with our desired end-states.</p> <p>Digital identity remains the most likely long-term opportunity for manifestly changing demand for .nz, and is being pursued as detailed above. In the next quarter, SLT will consider whether and how we can resource and enable an increase in .nz growth above the current pattern.</p> |
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| Our ask: | That Council note the return of the pre-COVID pattern in domain name registration numbers. |
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E. Key External Commitments to December 2021

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

Our note remains the same in this quarter: 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 next year (last meeting we considered late 2021 but this seems too soon).

Domestic engagements have returned in as much of a business as usual manner as possible.

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| July to September 2021 (Q2) | <p>Domestic commitments include:</p> <ul style="list-style-type: none"> • ITX 2021 Innovation Days - 13-29 July, Nationwide • InternetNZ Annual General Meeting - 29 July, Online. • Canterbury Tech & Health Innovation - 3 August, Christchurch • TUANZ Rural Symposium - 14 September, Hamilton. <p>International commitments currently include:</p> <ul style="list-style-type: none"> • 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. |
| October to December (Q3) | <p>Domestic commitments include:</p> <ul style="list-style-type: none"> • InternetNZ end of year stakeholder events - Early December, likely Auckland and Wellington. • Māori NetHui-style lead-in events - likely in November, multiple locations. <p>International commitments currently include:</p> <ul style="list-style-type: none"> • ICANN - 23-28 October 2021, online. • Internet Governance Forum - 2-6 December 2021, mixed (currently) |

Jordan Carter
Group Chief Executive

Item: 2021-2022 Meetings Programme - working draft

Author: Diane Robinson, Council Secretary

Purpose of Papers: To agree the proposed Council Meetings and frequency of committee meetings for 2021-2022. Noting future dates will be added and invites sent out once the frequency and month of all meetings are confirmed. The schedule will be uploaded to the board book resource centre once finalised.

| Month | Council Meeting Dates | Other Meeting Dates | Committees | External/Int'l |
|-------|-------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Aug | Friday 13 th | Council Mihi Whakatau 12 August 2021 | .nz Policy Committee – 10 August (deferred, for after Aug Council Meeting) | |
| Sep | | Council Strategy Workshop 17th and 18th Sept | Komiti Whakauru Māori Audit & Risk Committee – 17 Sep | APTLD80 Members meeting: 8-9 Sept 2021 |
| Oct | Friday 16 th | | .nz Policy Committee – 1 Oct | ICANN 72: 23-28 October |
| Nov | | | Audit & Risk Committee – 12 Nov | IETF 112: 6-12 November |
| Dec | Friday 4 th | Year-End Functions – w/b 5th and 12th Dec | .nz Policy Committee – 1 Dec Komiti Whakauru Māori | IGF 16th : hosted to be held Katowice, Poland online from 6-10 Dec 2021 |

2022

| Month | Council Meeting Dates | Other Meeting Dates | Committees | External/Int'l |
|-------|-----------------------|---------------------|-------------------------------------------------|-----------------------------------------------|
| Jan | | | | NZNOG: Jan / Feb |
| Feb | Friday 11th | | .nz Policy Committee | APRICOT: 21 Feb to 3 Mar APTLD: |
| Mar | | | Audit & Risk Committee Komiti Whakauru Māori | ICANN 73: 5-10 March IETF 113: 19-25 March |

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|------|---------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------|
| | | | | |
| Apr | Friday 1st (budget and plan) | | .nz Policy Committee | |
| May | Friday 13th | | | |
| Jun | | | Komiti Whakauru Māori .nz Policy Committee – Audit & Risk Committee .nz Policy Committee | ICANN 74: 13-16 June Rightscon |
| Jul | | InternetNZ AGM – Thurs 28th July 2022 | | IETF 114: 23-29 July |
| Aug | Friday 12th Aug | | .nz Policy Committee | |
| Sept | | | | ICANN 75: 17-22 September |
| Oct | Friday 14th Oct | | .nz Policy Committee | |
| Nov | | | | IETF 115: 5-11 November |
| Dec | Friday 2nd Dec | | .nz Policy Committee | |

MINUTES

COUNCIL MEETING

Status:

Draft to be Ratified

Date

14 May 2021

InternetNZ Offices, Level 11, 80 Boulcott Street, Wellington
and Online

Ikapahitanga (Attendees):

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

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

The meeting started at 9:00am

Staff joined the meeting at 9:50am

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 Vice President opened the meeting with a karakia.

No apologies received.

There were no updates to the Interest Register.

1.4 Environmental Scan

- Council congratulated Chief Scientist, Sebastian Castro on the work and research carried out for TsuName that was disclosed last week. An exceptional piece of work.
- Digital identity - a discussion relating to a number of tech Māori digital identification issues were raised, e.g. such as changes to birth and death certificates to include Iwi and the controls of the information. It was suggested to keep feeding this information to the Chief Executive as it arises, if we need to be aware of the issues at the time.

- Minister David Clark announced at a Digital Identity event that the government is moving ahead with a digital identity trust framework legislation which will be coming out later this year.
- A new Digital Strategy that includes three pillars 'Trust, Inclusion and Growth' is being developed by the government. Consultation is expected later in the year.
- Consultation on an Artificial Intelligence Framework for New Zealand being undertaken.
- The Algorithm Charter is being reviewed around July.
- Christchurch Call & Summit - DPMC have pulled together a team attached to the policy advisory group (4-5 roles) which will support the work of involving the community in the Call more successfully. The Summit will set out the next two year agenda for the Call.
- The InternetNZ submission on filtering was well received by the Select Committee.
- Drone Data information collected is not staying on New Zealand servers.

Section 2 - Strategic Priorities

2.1 Decisions on updated .nz Rules Framework

Kim introduced the paper.

Council discussed matters in the paper. There was a focus on the one month renewal period submissions (Appendix One), with Council members asking for staff insight into why there was a preference for this billing over the annual period? The Commercial Director explained some of the reasons behind this to Council. He also advised that internationally most ccTLDs standardise at 12 months as a minimum term for domain names.

Council also reflected on the new .nz principles and agreed that the principles feel right as they stand; with further input relating to Māori to be worked on.

The Council commended Policy Director, Kim Connolly-Stone for her excellent work in preparing this paper and how easy it was to read. The Chief Executive, Jordan Carter and the Chair of .nz Policy Cr Pearce thanked Kim and team for the hard mahi.

THAT Council:

RN21/2021 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).

RN22/2021 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.

RN23/2021 Agree the new .nz Rules will come into effect in 2022 when the new registry system is operational.

RN24/2021 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.

RN25/2021 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.

Block Consent Section 2.1 - (Cr Pearce/ Cr Craig)

CARRIED U

2.2 Structural Change Reflections

Council discussed the report from Boardworks and their impressions. :

- Council conveyed that they were very pleased that this report was commissioned by them to review the structural changes made in 2017 that they had implemented. They were happy with the feedback reported, which was mainly supportive and positive.
- The Domain Name Commission (DNCL) feedback in this report was discussed; that included their independence in the regulator role, dual role of Chair/CE and how this was working and other matters relating to InternetNZ group and the operational relationship between InternetNZ and DNCL.
- Jordan noted that part of the source of the different views about DNCL's role explored in the review was a need for greater clarity about how the organisation fits in within the wider group - as a team that's part of the group or as something more separate. He advised that a discussion about how this can work best is under way, and will update Council in June.
- Council also advised that they felt that they were performing better in their role since the changes made to their composition as a group, and the inclusion of independent directors was reported as highly positive.
- The culture of the organisation has significantly improved and this was evident from the feedback.
- Council acknowledged Jordan for his efforts working through the org changes and that they collectively agreed that the organisation was functioning much better.
- Jordan noted his advice that any future such review be kicked off in open session, since that is the best way to make sure that staff understand the drivers for the review from the start.

RN26/2021 THAT Council receive the report from Boardworks with thanks.

(President/ Cr Craig)

CARRIED U

2.3 Strategy Review Process

Jordan presented the paper and said the essential point is that our strategy needs revisiting to tighten it up, refresh it for there to be more depth behind the strategic thinking that would provide more clarity. This work will help to make the goals crisper and easier to measure. It will also be a chance to make sure that new strategic intentions like working more effectively with and within Te Ao Maori can be properly incorporated in the whole strategic framework.

The proposed approach to this work is to maintain a partnership of governors and staff in doing this work together. Engagement with membership and broader

stakeholders in informing the process and testing the emerging direction is important to make sure the clarification is actually meaningful and relevant.

Milestones (with governance involvement)

- August 2021 - Council Meeting - share management initial thinking and agree focus for retreat
- September 2021 - Council and DNCL Board Retreat to focus on this work (17th-19th September).
- October 2021 - Council approves focus for engagement with membership and stakeholders.
- December 2021 - Finalise the refresh.

Next steps: Jordan will lead an internal process to prepare the staff's thinking ready to be delivered for the August milestone as above.

Council queried whether it would be too ambitious to include the new Māori Advisory Group (MAG) to assist with the refresh of the strategy? In discussion, it was felt we needed to allow some space for the MAG to arrive and connect to the organisation. It may be the right time by then to have an exchange and welcoming of the MAG. Inviting the Chair of the MAG to the Council Retreat was also suggested. All will be discussed with the MAG once they are appointed and begin their mahi.

RN27/2021 **THAT** Council note and endorse the intention behind, and proposed approach for, refreshing our strategy by the end of this year.

(Vice President / Cr Hulse)

CARRIED U

2.4 Update on the Project Mimosa (.nz Registry Replacement)

The Council received a report that provided an Executive Summary of the Current Status of Project Mimosa as of 7 May 2021.

The Chief Technology Strategist, Dave Baker asked the Council for comment on the layout of the reporting and if they had any changes or would like more detail, or if anything was missing to please let him know. His update was that currently the project implementation is six weeks in and progress is on track.

Council commented:

- Cr Bow flagged the Change Management Risk that was marked as Amber and asked for comment on the under-estimation of the change impact on both the organisational culture, and registrants. Response: That the team is half way through the change management planning work and the risk is assessed on the provisional findings so far. The consensus is the risk is medium and confident that the change management will address those risks.
- Cr Te Rangi asked for more reporting on the Customer Impact (feedback loops) in the report in future, which was agreed. It is a significant part of the project, but not shown in this update.

Section 3 - Matters for Decision

3.1 2021 Council Elections and Annual General Meeting

The Annual General Meeting (AGM) will be held online this year similar to the format of 2020 that proved to be very successful. Noting that we have learned a lot from the initial online experience and will continue to build upon this approach.

The communications approach for the AGM was outlined in the paper, advising Council that there was a need for less intrusive ways to alert members of new nominations (lower volume of email to Members during this process). In the paper, staff propose that communications move to real-time announcements via Nethub's #members-discuss channel. The Engagement Director, Andrew Cushen welcomed feedback from Council on the communications approach.

Council Comments:

- Mindful that the Slack Nethub #members-discuss channel is not well used. As a forum it can get stale with the duration of time (if no responses to slack messages in days the conversation can feel closed). Different on an email list you can respond after days have passed on the thread.
- Need to find a better way to curate communications on multiple platforms (email, slack).
- The advantage of emails, members are more considered in their response on the thread.
- Keeping the traditional approach to communications - posting email questions for candidates to answer back to the membership. Still favourable to Council.
- Joining the Nethub #members-discuss channel - you do not automatically get added to the members-discuss channel. Guidance and onboarding process material for members needed for using Slack.
- Generational differences - diversity re slack (younger generation) vs email (older generation) - finding the right balance.
- Clear communications on how the voting system works this year with the President and Vice President appointments and new Council Members.

Andrew took onboard the feedback above and will work with the Community Team to find the best approach for the communications.

THAT the Council:

RN28/2021 Appoint Andrew Cushen as Returning Officer for the 2021 InternetNZ Council Election

RN29/2021 Appoint Grant Thornton as Scrutineer for the 2021 InternetNZ Council Election

RN30/2021 Note the full tech rehearsal on Wed 28 July 2021 for all presenters.

RN31/2021 Note communication channels to be used for nomination updates/questions

RN32/2021 Are active on NetHub, to receive updates on the election process

RN33/2021 Note the contents of this report.

Block Consent – Section 3.1 (Cr Stokes / Cr Pearce)
CARRIED U

3.2 Council Role in Grants Panel

Andrew presented the paper that reflected the discussion held at the February 2021 meeting that determined the role of the Observer and for that to be updated in the Grants Panel Terms of Reference.

Council Comments:

- Minor amendments to the Terms of References were suggested through the online papers for Andrew to incorporate.
- Clarification of the Observer role was discussed and the Vice President provided a clear direction of how to work in the Observer role.
- Remove reference to ‘the Chair’ in the Terms of Reference.

RN34/2021 THAT the Funding Panel Terms of Reference be noted.

(Cr Lee / Cr Bow)
CARRIED U

AP06/2021 The Terms of Reference to be revised on the feedback received from Council and disseminated on the Council email list for review.

Section 4 – Matters for Discussion

4.1 President’s Report

The President did not provide a verbal update, he will provide a full report at the Annual General Meeting.

He did leave some parting thoughts and reflections on the Digital Identity space to be considered by the future Council, urging InternetNZ to consider their involvement and role in this area.

Cr Craig commented that if we were to be more involved in the Digital Identity space; that we would need to be better at honouring and understanding the Te Tiriti of Waitangi. Staff agreed with Cr Craig on her views.

No decisions were made at this meeting about our role in the Digital Identity space. A robust dialogue was held and we will need to further explore and consider our role for the future.

AP07/2021 Staff to prepare an online webinar and information exchange on Digital Identity and the group’s work on this so far, to be shared with Council.

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)

Council approved the changes to date.

AP08/2021 New invitations to be sent for the dates above. Options for locations to be shared with Council on the list.

4.3 Terms of Reference - Māori Advisory Group

Andrew presented the draft Terms of Reference (ToR) for the Māori Advisory Group (MAG) and asked Council to discuss, provide feedback and then endorse the ToR, subject to any further amendments.

Cr Lee, the Chair of Komiti Whakauru Māori thanked Cr Bow for his feedback on the ToR which challenged the Komiti to be more ambitious.

Cr Lee thanked Andrew and Raniera for the rewording of the purpose statement below:

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

Council commented:

- Further work on the **background** to be tweaked and aligned with the purpose statement.
- The remuneration was discussed amongst Council and it was felt that for the Māori leaders we are pursuing for the roles, the rate needed some review. Staff were asked to do some further research on the rate of pay and to advise on a rate that would be appropriate based on findings.

RN35/2021 **THAT** Council **approve** the Māori Advisory Group Terms of Reference, subject to potential change in remuneration and amendments to the background in the ToR.

(Cr Lee / Cr Craig)

CARRIED U

AP09/2021 Staff to research the remuneration rates for the MAG and report-back; the background to be amended.

4.4 Audit and Risk Committee Update - Risk Discussion

Jordan introduced the Risk Discussion, this item came about after Council members and staff attended the Risk Essentials course at the Institute of Directors earlier in the year. At the course it was advised that Risk should be a visible topic on the agenda so that Council can discuss Risk at every meeting. Previously, Risk had been an item in the consent agenda.

Cr Hulse, the Chair of the Audit and Risk Committee also advised that as the Council is accountable and responsible for Risk, they cannot delegate it, so visibility on the Agenda is there to support Council in their duties.

Cr Te Rangi asked if Digital Identity could be included in our risks.

The Council agreed with introducing the Risk Discussion and the President thanked Jordan and Cr Hulse. Future meetings will include substantive risk discussion led by the A&R chair.

4.5 Management Items

Council commented:

- Under section B3 - **Engagement with Māori** there has been engagement with two Iwi - Waikato Tainui and Te Wananga o Aotearoa. Council members asked why these two Iwi specifically were selected and what the next steps are to approaching other Iwi.

Raniera Albert, Chief Advisor Māori, advised that we have a Nethui coming up in Hamilton and it's right that we partner with Waikato Tainui as the manawhenua Iwi. Te Wananga o Aotearoa is for our staff and their Māori educational journey and would also partner on NetHui. It was also noted that we do not intend to try and engage all Iwi within our first year, but we have started engaging 4-5 Iwi for 2021, including Iwi where our offices are located, and will re-evaluate the approach in 2022.

Section 5 - Consent Agenda

5.1 Confirm Minutes - 26 March 2021

The following Councillors abstained from approving the Minutes of the last meeting due to being absent - Cr Lee, Cr Craig and Cr Pearce.

5.2 Actions Register

This was not discussed.

5.3 E-Vote Ratification

None conducted since the previous meeting.

5.4 Quarterly and Operational Reports (Q4 2020/21)

- 5.5.1 Health, Safety and Wellbeing Update
- 5.5.2 Membership Report
- 5.5.3 Q4 InternetNZ Activity Report
- 5.5.4 Q4 InternetNZ Financial Group Consolidated Report
- 5.5.5 Q4 InternetNZ Financial Report
- 5.5.6 Q4 DNCL Quarterly Report
- 5.5.7 Council Committee Report

RN36/2021 THAT Council **approve** the minutes of 26 March 2021

RN37/2021 THAT the Quarterly and Operational Reporting are **received**.

Block Consent Section 5 - (President, Cr Stokes)

CARRIED U

Abstain Cr Lee, Cr Craig, Cr Pearce

Section 6 – Other Matters

6.1 Contingency

6.2 Matters for Communication – key messages

6.3 General Business

6.4 Meeting Review

Council members thanked Jamie Baddeley and Joy Liddicoat for their service as President and Vice President since 2014, noting how much the organisation has changed and developed in that time. More will be said on this subject at the Annual General Meeting in July.

6.5 Meeting Close (Karakia or waiata)

Next meeting:

The next scheduled Council meeting is Friday 13 August 2021.

The meeting closed with a karakia by all at 12:10pm.

Council Actions Register 2021

| As at August 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 | In progress for 17, 18 September 2021 |
| 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. |
| AP07/21 | Staff to prepare an online webinar and information exchange on Digital Identity and the group's work on this so far, to be shared with Council on the list. | Commercial Director | To be scheduled. |

E-Vote Ratification

Author: Diane Robinson, Council Secretary

There has been one e-vote conducted since the last Council Meeting:

| Evote: | Motion: | For: | Against: | Abstain: |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| 24052021 | That Council Approves and endorses the Māori Design Group Terms of Reference | President Vice President Liddicoat Cr Te Rangī Cr Davies Cr Lee Cr Craig Cr Hulse Cr Bow Cr Pearce Cr whitcroft Cr Stokes | None | None |
| 11062021 | THAT Council authorise the Chief Executive to sign the agreement to lease the new premises for the Wellington office, AND authorises the officers of the Council to sign (and to affix the common seal of the Society to) the lease agreement when that is finalised. | Vice President Cr Hulse President Cr Whitcroft Cr Davies Cr Te Rangī Cr Pearce Cr Bow Cr Stokes | None | None |
| 16062021 | THAT Potaua Biasiny-Tule and Robyn Kamira are awarded Fellowships of InternetNZ at the Annual General Meeting on 29 July 2021. | President Vice President Cr Hulse Cr Whitcroft Cr Davies Cr Te Rangī Cr Pearce Cr Bow Cr Stokes | None | None |

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| 21062021 | <p>THAT Council approve invitations to the following people to become inaugural members of the Māori Design Group, and appoint them; upon their acceptance of our invitation.</p> <p>Prof. Sir Pou Temara (co-chair) Aleisha Amohia (co-chair),</p> <p>Te Komiti Whakauru Māori representative Karaitiana Taiuru Jo Maraki Whetu Fala Hone Paul</p> | <p>President Vice President Cr Te Rangī Cr Stokes Cr whitcroft Cr Hulse Cr Davies Cr Bow Cr Pearce Cr Lee</p> | None | None |
| 23062021 | <p>THAT the Audit & Risk Committee recommends to the Council to receive and approve the InternetNZ Annual Financial Report for the year ended 31 March 2021..</p> | <p>President Vice President Cr Te Rangī Cr Hulse Cr Pearce Cr Davies Cr Stokes Cr whitcroft</p> | None | None |

Recommendation

THAT the e-votes be ratified.

QUARTERLY REPORT

1 April to 30 June 2021

1. Summary

This report is prepared to provide a single view of outcomes we have delivered in the past quarter.

There are five goals for the 2021/22 financial year. They will help us create an Internet for all New Zealanders that is safe, accessible and a place for good.

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| <p>Develop an Internet for good</p> <p>We must look at ways to improve our internet for us all</p> <p>We'll investigate what an 'Internet for good' looks like and influence government policy to make sure we have an Internet that is good for all Kiwis.</p> | <p>Improve Digital Equity</p> <p>Having access to the Internet, and being confident to use it, is more important than ever. We must improve digital equity across Aotearoa.</p> <p>We'll support the establishment of the Digital Equity Coalition Aotearoa and fund digital equity initiatives.</p> |
| <p>Grow .nz</p> <p>We're investing in the .nz domain systems to make sure it's a world class registry for Aotearoa.</p> <p>We are replacing the registry to bring our technology into the 2020s.</p> | |
| <p>Provide new products</p> <p>We'll continue providing useful products that enable digital inclusion and safety online.</p> <p>We'll also look into the new digital identity technology and explore whether it can help Kiwis protect and control the data we share online.</p> | <p>Improve InternetNZ</p> <p>Our priority is to develop InternetNZ as a high performing organisation and an excellent place to work.</p> <p>We'll improve our flexible and distributed working systems, and support ongoing performance and development for staff.</p> |

2. Strategic Goals 2021/22 - Q1 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](#).

Public Good Area

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| Goal 1: Develop an Internet for good | ON TRACK |
| <i>1.1: What is an Internet for Good? We need to define how the Internet needs to change for the better. We'll collaborate and instigate community discussion to determine what an 'Internet for good' is.</i> | ON TRACK |
| <i>1.2: Misinformation is a critical challenge to the Internet's usefulness. We'll work in partnership to address the challenges of online misinformation.</i> | ON TRACK |
| <i>1.3: Influencing government domestic policy Law and policy can support or harm the development of a good Internet. We'll continue to contribute to government policy work addressing online harms, including the Christchurch Call, and other legislation or policy that impacts on our Internet for good agenda.</i> | ON TRACK |
| <i>1.4: Regional Internet governance We'll strengthen our engagement in regional Internet governance and participate in forums like the Pacific IGF 2021, APTLD, APriGF and dotasia. These forums can help us shape others' work in line with our Internet for good vision.</i> | ON TRACK |
| Q1 Progress - Goal 1 | |
| 1.1: We have been framing up the community engagement side of this work and have assigned budget. | ON TRACK |
| 1.2: Our partnership with Tohatoha includes funding for its community engagement on misinformation. We also wrote to the Prime Minister about the lack of government funding for community initiatives. | ON TRACK |
| 1.3: Government engagement this quarter included: <ul style="list-style-type: none"> • Submitting on the Bill amending the Films Videos and Publications Classification Act, engaging with stakeholders to inform our submission and running a members event on the Bill. The Government has recently announced it will not progress the proposal for an Internet filter, in line with our submission. • Engaging with the Department of Internal Affairs and Ministry of Culture and Heritage and others on the scope of the | ON TRACK |

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| <p>upcoming/recently announced media review (which will include the question of social media regulation).</p> <ul style="list-style-type: none"> • Engagement with the Minister (and Ministry) of Culture and Heritage about the shortcomings of the Australian approach on media bargaining and platforms. • Conversations with the Digital Economy Minister and officials about a new digital strategy and the engagement process for this. | |
| <p>1.4: Regional Internet Governance engagement and capacity building included:</p> <ul style="list-style-type: none"> • Supporting organisation of Pacific Internet Governance Forum 2021 alongside APTLD in September 2021 • Asia-Pacific Regional Internet Governance Forum preparation and liaison with potential New Zealand participants • DotAsia Board and Community Programmes Committee work • Spoke to New Zealand and Australia government leaders in ANZSOG Executive Fellows Program on Internet Governance | ON TRACK |

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Goal 2: Improve Digital Equity | ON TRACK |
| 2.1: Digital Equity Coalition Aotearoa We'll support the establishment of Digital Equity Coalition Aotearoa (DECA) to help us achieve improved digital equity sooner. | ON TRACK |
| 2.2: Online home for digital equity/inclusion We'll launch an online home for digital inclusion to better connect, support and encourage collaboration and investment in the digital inclusion ecosystem. It will support the work of the Digital Equity Coalition Aotearoa. | OFF TRACK |
| 2.3: Evaluation We're supporting community groups to learn how to evaluate their work. This will help to measure the impacts of digital inclusion initiatives. | ON TRACK |
| 2.4: Funding We will help to fund digital equity initiatives by: <ul style="list-style-type: none"> • Giving grants to digital equity / inclusion initiatives. • Promoting government investment. • Unlocking private sector investment in this area. | ON TRACK |
| Q1 Progress - Goal 2 | |
| 2.1: Support for DECA continues with a newly appointed community manager and digital equity advocate, and a confirmed budget (provided by InternetNZ, Spark Foundation and Todd Foundation). The DECA kaupapa document has been updated (following community hui and feedback), and the transition from Establishment to Stewardship Group is in progress. Regular newsletters have started. A by Māori for Māori process is underway. | ON TRACK |
| 2.2: We are now handing the site over to DECA as it has been built, for review and acceptance of the work that has been done to date. This will either close this item or give clarity about what else is needed to do to close it. | OFF TRACK |
| 2.3: The evaluation programme has continued with another tranche of fundees and partners working with <i>Standard of Proof</i> , our subject matter experts in this area. | ON TRACK |
| 2.4: Our focus for Q1 has been closing out the \$1.5m in grant funding provided in the 2020/21 grants rounds, and ensuring that the necessary contracts are in place for the grant-making made in Q4 of the last financial year. | ON TRACK |

Product Area

| | |
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| Goal 3: Grow .nz | ON TRACK |
| 3.1: <i>Replacing the .nz registry</i> Working with the Canadian Internet Registration Authority, we will deploy and roll out a new registry system to replace the end of life 2002 Shared Registry System. This major investment will bring our technology for this core service into the 2020s. | ON TRACK |
| 3.2: <i>Policy review of .nz</i> We are doing a comprehensive review of the .nz policies to make sure they're modern, robust, safe, world class and easier to read. | ON TRACK |
| 3.3: <i>Promote the value of .nz</i> We'll be doing some work to determine how to promote the value of the .nz and show the relevance to coming generations. | ON TRACK |
| 3.4: <i>Registry lock introduction</i> We'll introduce a registry lock service as an option for .nz domain name registrants. The registry lock will be a new security option for registrants. | ON TRACK |
| Q1 Progress - Goal 3 | |
| 3.1: Registry Replacement Project The implementation phase of the project commenced as planned from the 1st of April. Overall the project is tracking well and on target for time and budget. Some of the key achievements over this period are: <ul style="list-style-type: none"> • CIRA contract agreed and signed. • Majority of the design work for the .nz features and customizations to the registry software have been completed. • Design completed for the Infrastructure and order placed. • Registrar engagement activities planned and technical working group setup • Change management strategy completed • Testing strategy well advanced • External consultancy to assist with security requirements engaged | ON TRACK |
| 3.2: Following the latest phase of consultation in early 2021, Council made a decision to approve a new set of .nz rules. The new rules will come into force when the new registry system is up and running. | ON TRACK |

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| <p>3.3: We have evaluated a number of options for stimulating growth in .nz in the last quarter, including:</p> <ul style="list-style-type: none"> - Working on easier email activation for own domains. - Connecting the domain registration process with the company registration process. - Digital identity. <p>Further work will be done in Q2 to validate these options and also generate another set.</p> | ON TRACK |
| <p>3.4: The Registry Lock Business Case is now in the approval stage, and we have decided to launch this in advance of Mimosa. We intend to launch Registry Lock in Q2-3.</p> | ON TRACK |

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| Goal 4: Sell New Products | |
| <p>4.1: Defenz DNS Firewall We have developed a new product called the Defenz DNS firewall which protects against a range of cyber threats. We'll promote and sell this product to New Zealand businesses to strengthen their security measures</p> | OFF TRACK |
| <p>4.2: Broadband Map We'll do ongoing improvements to the Broadband Map to improve quality and lower operating costs.</p> | ON TRACK |
| <p>4.3: Digital identity We'll explore the emerging digital identity technology. We will establish our role in this system (if any) and explore opportunities to provide products that could help us protect and control the data we share online</p> | ON TRACK |
| Q1 Progress - Goal 4 | |
| <p>4.1: Defenz sales continue to be lower than budget expectations. The sales cycle is longer, and the contracted sale rate via resellers is lower, than that which was modelled in the Business Case. We are evaluating product enhancements from our suppliers that may be available in Q3-4, which may improve the market positioning of the product. In the meantime, the Acting Commercial Director is leading a full review of the progress of the Defenz product in Q2 to enable clear decision making as to how to continue with this product, based on costs, sales, prospects and investments to date.</p> | OFF TRACK |
| <p>4.2: Broadband Map is on track, and has not been substantively invested in in the last Quarter.</p> | ON TRACK |
| <p>4.3: Our focus is on the wider ecosystem and doing user facing research to understand perceptions, opportunities and concerns from New Zealanders. This will inform our Policy Team-led advocacy on the</p> | ON TRACK |

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| government frameworks, and also inform potential market positioning for InternetNZ in Identity. | |
|-------------------------------------------------------------------------------------------------|--|

Organisational Capability Area

| | |
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| Goal 5: Improve InternetNZ's performance | ON TRACK |
| 5.1: <i>Together working better programme</i> <i>We want to be a successful flexible first organisation. We'll embed flexible, distributed and asynchronous working systems and processes to support this. It'll have twin goals of enhanced employee wellbeing and greater organisational resilience to shocks like natural disasters, pandemics etc.</i> | ON TRACK |
| 5.2: <i>Risk management improvements</i> <i>High quality risk management is essential given the importance of the work we do. We'll work on new systems to manage enterprise and IT risk, to improve reporting and management of risks and the relevant mitigations across the group.</i> | ON TRACK |
| 5.3: <i>Moving Premises</i> <i>We're relocating the Wellington office from Boulcott St to Willis St. The new office will be smaller and better suited to a flexible way of working.</i> | ON TRACK |
| 5.4 <i>People strategy</i> <i>We'll develop a people strategy to support ongoing performance and development of our staff.</i> | ON TRACK |
| Q1 Progress - Goal 5 | |
| <p>5.1: The Together Working Better programme is one of the top three projects for the organisation. Our focus over Q1 has been:</p> <ul style="list-style-type: none"> • Implementing some short term changes to support communication and collaboration. <ul style="list-style-type: none"> ◦ Review and introduction of new rituals ◦ New guidelines on common tools - Slack • We have also introduced our new Flexible First Policy to staff that now guides how we work. • Commenced work on <ul style="list-style-type: none"> ◦ New Leadership development framework ◦ Review of our "Intranet" to support knowledge and information management practices | ON TRACK |
| 5.2: As reported to the A&R committee last month we have entered into agreement with Resolver to provide a Governance, Risk and Compliance 'GRC' solution for the group. This product will encompass Enterprise Risk Management in addition to IT Risk Management. The | ON TRACK |

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| project has commenced and we plan to go-live in August or September | |
| 5.3: This quarter has been very active in preparing for the move, with the signing of the agreement to lease two floors at 18 Willis Street. We are in the final stages of design and finishes for the two floors and our move date is estimated at 29th October 2021. This work is closely linked to our Together Working Better Programme as the environment design is based on new flexible ways of working. | ON TRACK |
| 5.4: Our People strategy - we continue to work on this in line with our goal to develop InternetNZ as a high performing organisation and an excellent place to work. Q1 has seen some focus on <ul style="list-style-type: none"> • Health, Safety and Wellbeing of staff • Relook at our Values statements • Performance reviews and development plans for FY 2021/22 • Developing measures to focus our strategic work | ON TRACK |

Other Significant Work

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Public Good | |
| <p>Māori Aspirations</p> <p>6.1: Partnering with Māori - Ipurangi Aotearoa signed a partnership agreement with Waka Ama NZ. The partnership with Waka Ama NZ will allow for Ipurangi Aotearoa to engage more widely with Māori communities outside of the known Māori Internet community. This partnership is a perfect opportunity to look at helping Māori harness the power of the internet, no matter where they reside, and this will also be a good opportunity for us to grow our Māori membership base.</p> <p>6.2: Māori Design Group - we have finalised recruitment of the newly established Māori Design Group - a group of recognised experts that have a wide range of expertise, knowledge and experiences in te ao Māori.</p> <p>6.3: Te Tiriti training for staff - through a partnership with CORE Education, we will be commencing the first set of Te Tiriti training sessions on 16 August and 31 Aug. This will be facilitated by Dr Hana O'Regan (CEO of CORE and Waitangi Tribunal member). Tikanga and Te Reo training will commence in September.</p> <p>6.4: Dangerous Online Speech Response Taskforce - as a result of the increasing online hate targeted towards Māori, individuals, and other communities, we have established a temporary taskforce (similar to the COVID19 Response Group) to triage enquiries, or concerns made to Ipurangi Aotearoa by members of the public. The intention of this</p> | ON TRACK |

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| <p>group is to look at ways on how we may respond to online hate and how we escalate complaints to appropriate organisations/authorities. It is NOT intended to take over the role of NetSafe or act as a security monitoring service.</p> <p>6.5: Māori Engagement Strategy - we have finalised a draft Māori engagement strategy that has a core focus on 4 key areas that the organisation should focus on when engaging with Māori communities. These areas include; cultural intelligence, advocacy, partnerships and engagements, and awareness. This is currently with SLT for final consideration on how the organisation may adopt this as part of the wider organisational strategy.</p> | |
| <p>Nethui 2021 - We have met and worked with Waikato Tainui and Te Wānanga o Aotearoa to develop a partnership for a NetHui-style event, with a te ao Māori focus for this financial year. To do this with an appropriate kaupapa and inclusive of Māori community participation from the ground up, we have moved this event to March 2022.</p> | ON TRACK |
| <p>Funding (general) Funding work is summarised in Goal 1 - digital inclusion.</p> | ON TRACK |
| <p>International</p> <ul style="list-style-type: none"> Participated in international fora including: <ul style="list-style-type: none"> ICANN71 RightsCon 2021 Christchurch Call 2nd Anniversary Summit engagement <ul style="list-style-type: none"> Participated in the Community and Algorithms work streams in preparation for the event Participated in summit, including as civil society speaker Committed to host Christchurch Call Advisory Network secretariat/coordinator role, funded by MFAT. | ON TRACK |
| <p>Organisational Capability Area</p> | |
| <p>Annual General Meeting - the 2021 AGM will be held on Thursday 29th July, primarily online. A significant focus of Q1 has been preparing for this event and for the associated election.</p> | ON TRACK |
| <p>Governance Policies - evolution of an updated Governance Policies framework is paused in this quarter while the Council elections are held, and will be taken up with the new Council following the AGM.</p> | ON TRACK |
| <p>Security and Risk management</p> <p>In Q1 our new Security Engineer joined the team. The security team has been busy with work on the registry replacement project, some physical security areas including the new building design and as mentioned above in 5.2 the implementation of a new enterprise and IT risk management system.</p> | ON TRACK |

| | |
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| <p>Membership - we have continued to roll out our engagement plan for membership, building off the highest in 8 years total membership as of 31 March 2021 of 417; up from 386 at the end of 2020. Testimony to the success of this engagement programme is the improved rate of renewal, up to 67% compared to 65% last year. Renewal has been a significant focus of Q1, as has continuing the member engagement pattern of regular events, such as the most recent one on the Christchurch Call policy process.</p> | <p>ON TRACK</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|

3. .nz Summary

The primary focus in our .nz business is preparing for the new registry replacement, in Project Mimosa. As well canvased in this report, Mimosa requires the following from our Commercial team:

- Support interactions to engage with our Registrar customer base and start preparing them for technical transition.
- Scoping and development inside Mimosa of the Registrar requirements to support the full set of Registrar facing services.

Alongside Project Mimosa, we have three notable pieces of work:

1. Developing ideas to promote the value of .nz. As described in Goal 3.3 in the Strategic Goals section above.
2. Preparing the annual Registrar survey, for the purposes of gathering data to enable further improvement for our Registrar customers.
3. Developing the Registry Lock product, as described in Goal 3.4 of the Strategic Goals section.

Overall, the .nz registry has seen further incremental growth in Q1 of this financial year, adding just over 1000 names in the quarter and closing just shy of 725,000. This indicates two things:

1. That the price increase of 20% introduced in October 2020 has not dampened demand for .nz domain names, and our assumption that there is unlikely to be negative elasticity effects was thus far correct.
2. That the total number of domains has returned to the “pre-COVID” level of growth, which equates to level over the year or single digit percentage increases.

This underscores the need for us InternetNZ to move forward with our work in Strategic Goal 3.3, and develop new ways of promoting the use and utility of .nz domain names. Growing the use of .nz is one of the primary methods InternetNZ has to further invest in our social good outcomes; the current trend level of low incremental growth will not achieve that investment outcome.

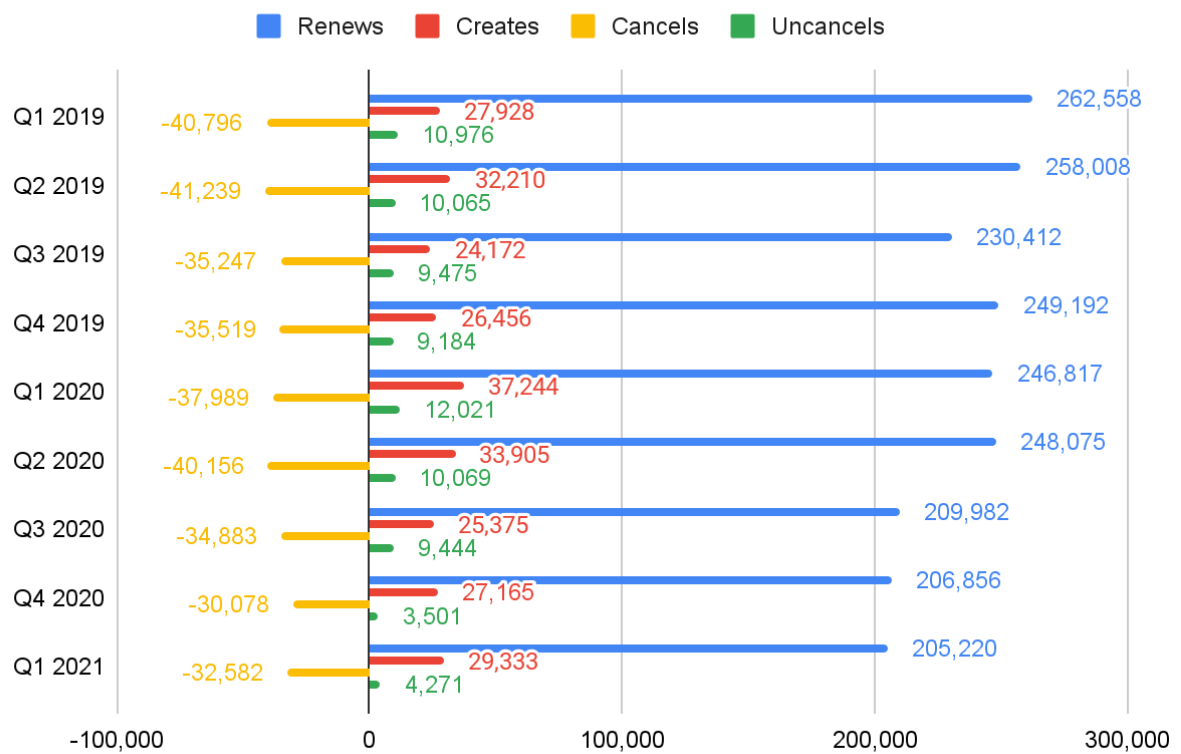
To instead achieve those outcomes, InternetNZ will be looking in the next quarters at:

1. How we partner to grow the reach, relevance and uptake of .nz in particular industry verticals.

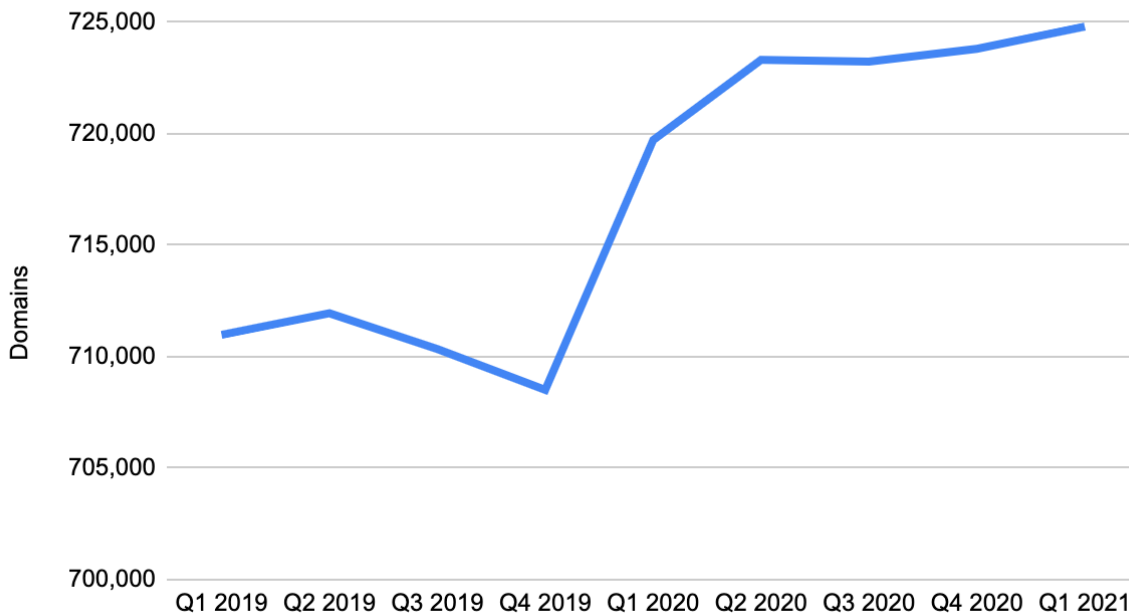
2. Whether and how we bring marketing of .nz into the mix, as this is currently not part of InternetNZ's toolkit.
3. How we build account management and channel stimulation into our relationships with Registrars.

Domains

Creates, Cancels and Renewals

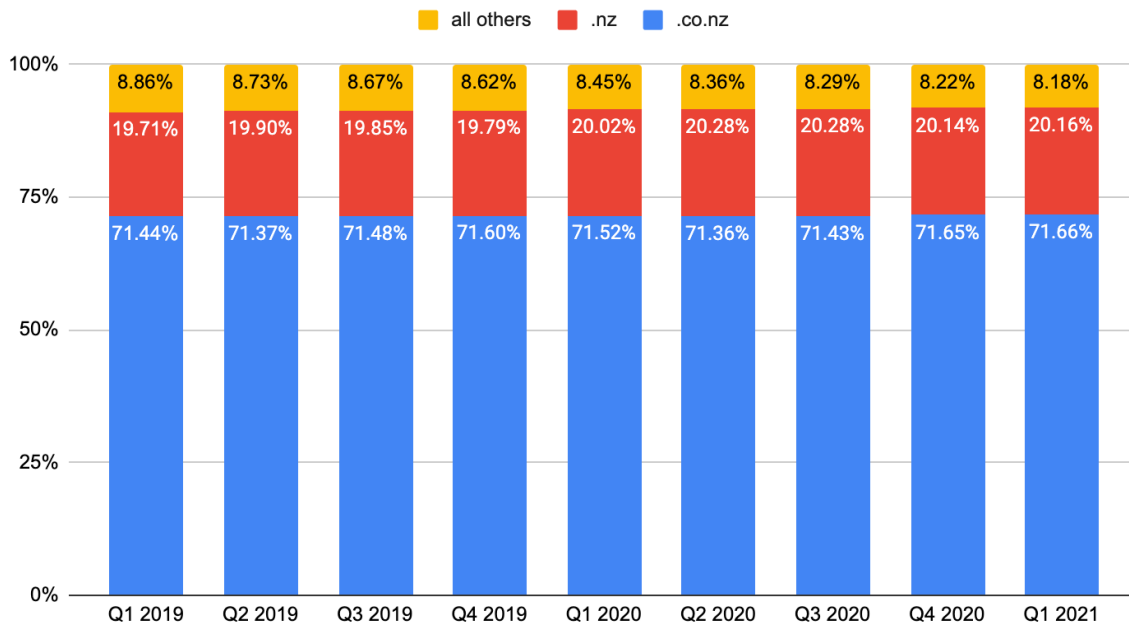


Total .nz Domains



Overall our total registered domain names continue to be just under 725,000. With 2021 continuing with a degree of uncertainty we are not anticipating significant growth.

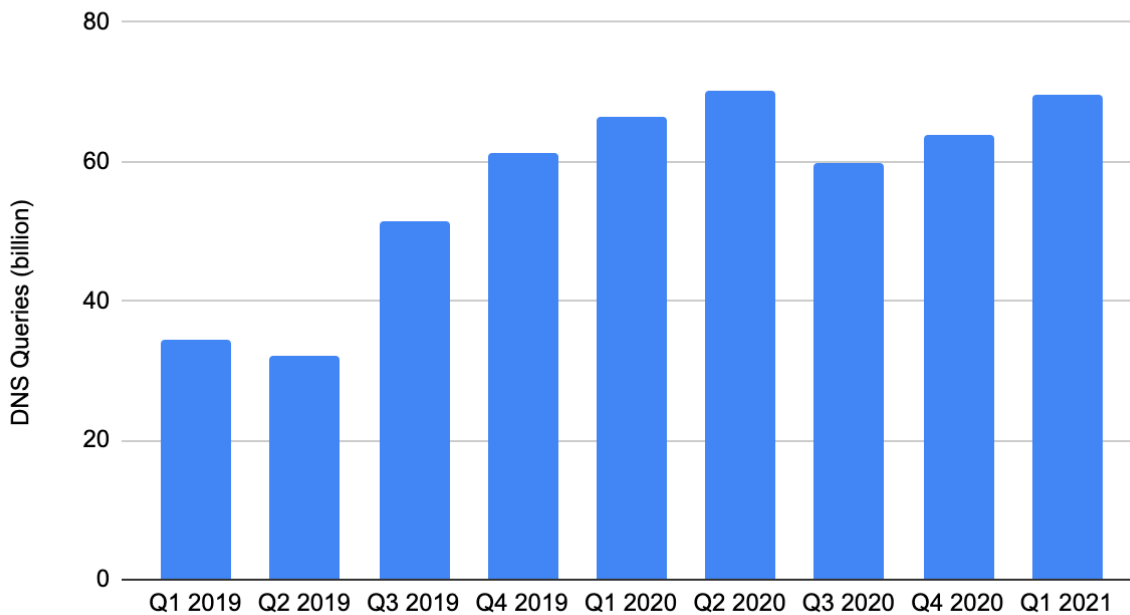
2nd & 3rd Level Registrations



There has been very little movement between the ratio of .nz and .co.nz names over the last year.

Infrastructure

DNS Queries



No significant anomalies to report on with DNS queries.

Service Levels

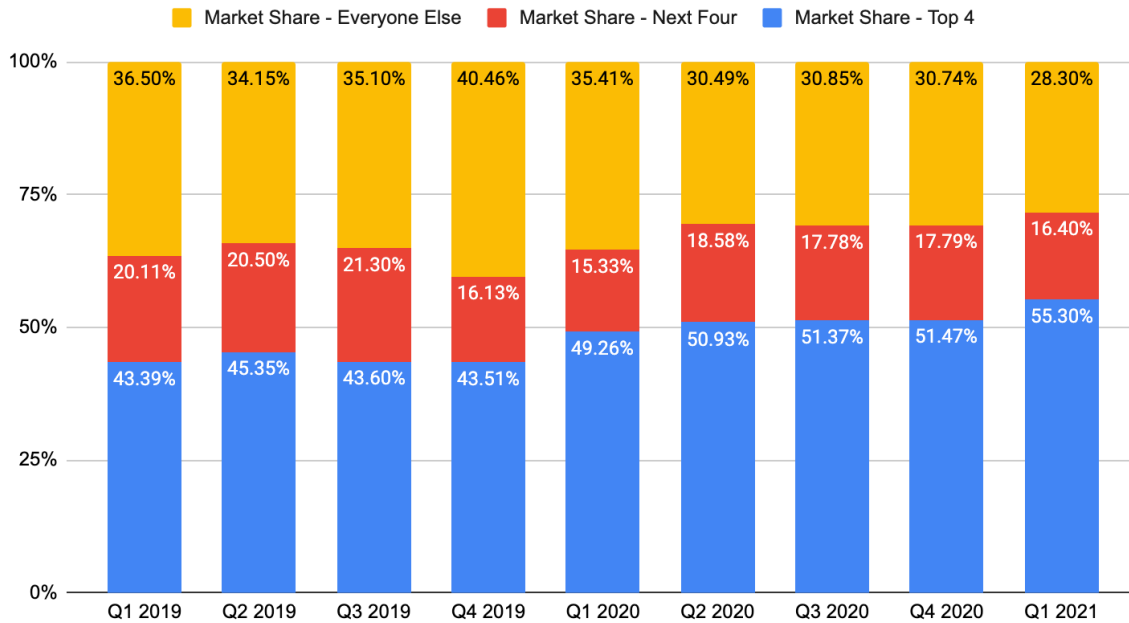
| | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 |
|------------|---------|---------|---------|---------|---------|---------|---------|-------------|
| DNS | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| SRS | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Market

| | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|-----------|
| # of Registrars | 90 | 87 | 87 | 87 | 80 | 80 | 78 | 78 |

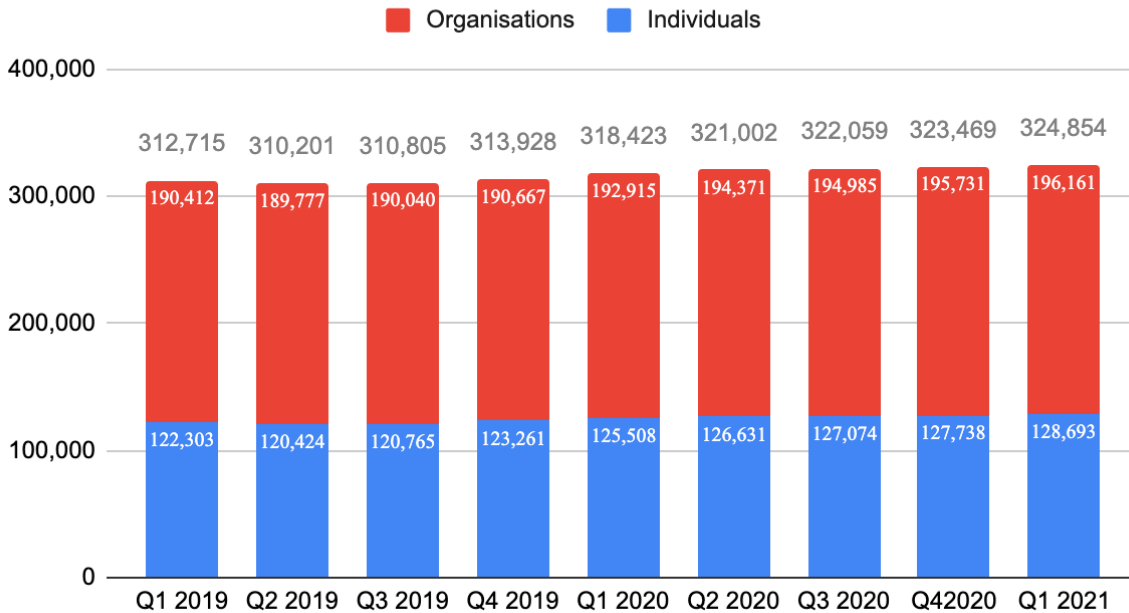
Our current number of registrars is the result of several registrar accounts closing (mix of consolidation and exit) and a few new ones being added.

Market Share



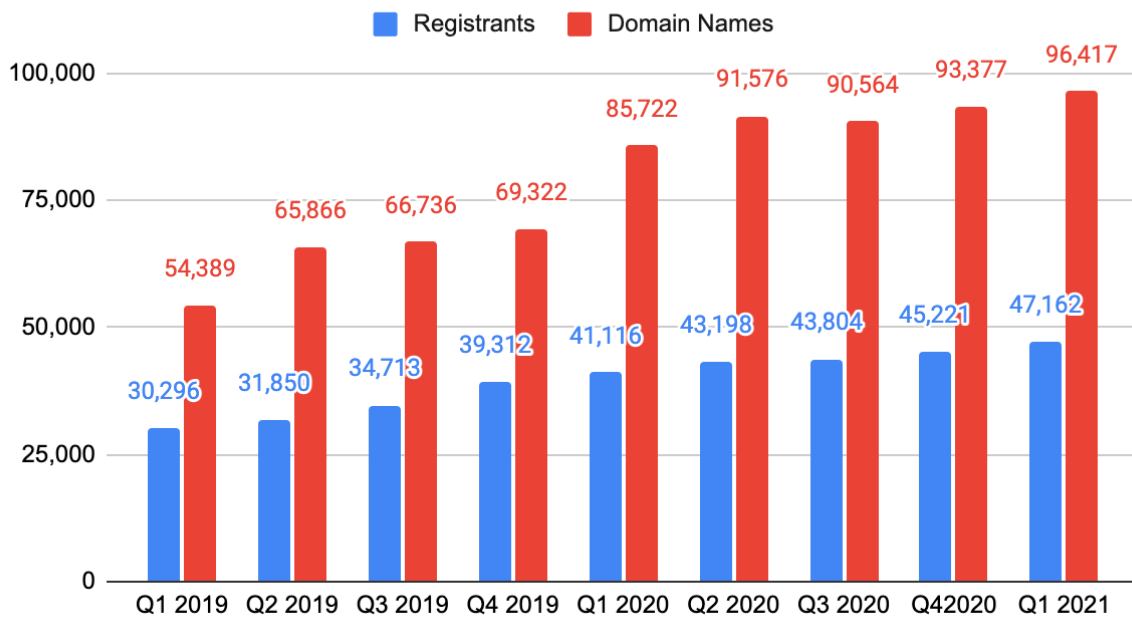
The past four quarters have been relatively static but due to recent acquisition activity we can expect the mix to change over the coming year.

Unique Registrants, Individuals and Organisations



The proportion of individuals and organisations remains relatively unchanged.

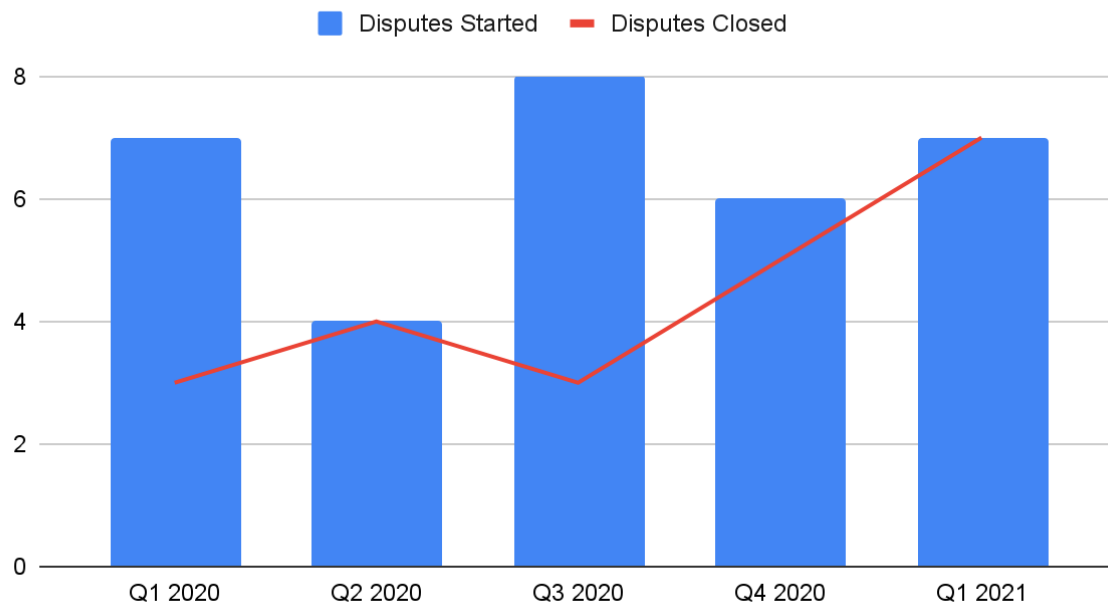
Individual Registrant Privacy Option Uptake



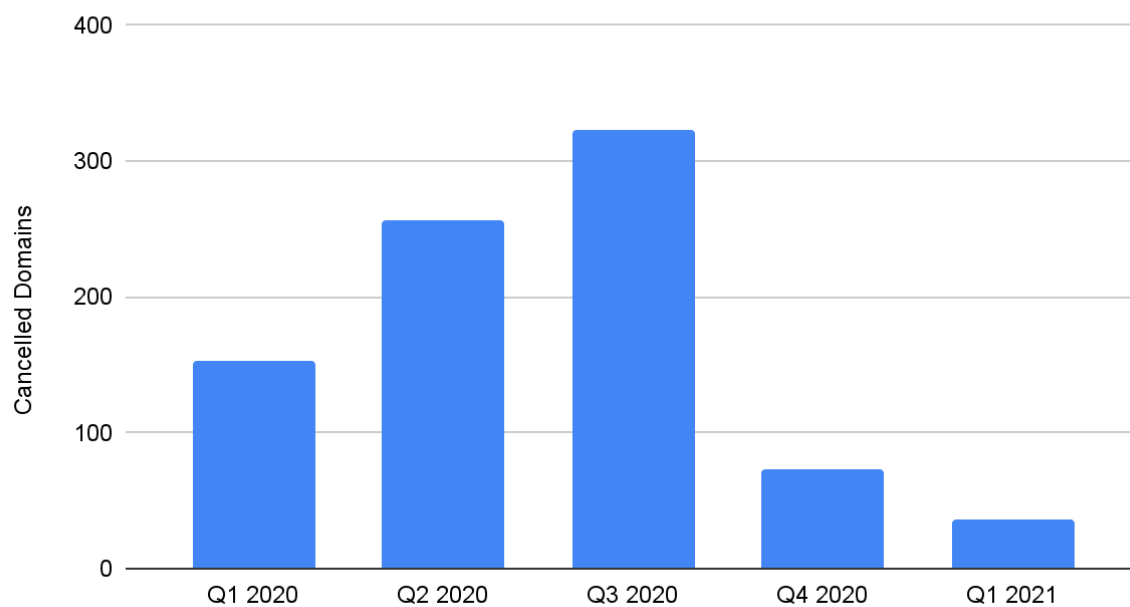
The privacy option continues to increase in popularity.

Compliance and disputes (Domain Name Commision Data)

Disputes Started and Disputes Closed



Compliance Cancelled Domains



4. New Product Development Summary

For the first 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** remains a focus of our business development efforts. 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 that will determine the potential in this product from here.
2. **Registry Lock** is 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 a focus, while also engaging with other potential collaborators to explore further enhancements to the product.

Product development pipeline

| IDEAS BACKLOG | EXPLORE & VALIDATE | BUILD | ACTIVE | STOPPED |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 16 | 1 | 1 | 3 | 0 |
| Themes: <ul style="list-style-type: none">• Digital identity• Broadband• Data products• .nz features• Security | <ul style="list-style-type: none">• Digital identity Experiments | <ul style="list-style-type: none">• Registry lock design | <ul style="list-style-type: none">• .nz<ul style="list-style-type: none">• Broadband 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)

16 July 2021

Mr Jamie Baddeley
President
InternetNZ
PO Box 11881
Wellington

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Level 11, 80 Boulcott Street,
Wellington 6011,
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**domain name
commissionnz**

Dear Jamie

First Quarter 2021/22 Report

This report includes DNCL's end of first quarter Profit and Loss Statement and other DNCL activities not included in the joint .nz report

The end of quarter one result is a surplus of \$47,076.

Domain Name Commission Limited Profit and Loss Statement For the Quarter Ending 30 June 2021

| | Q1 | | | FY Budget |
|----------------------------------|-----------------|-----------------|-------------------|-------------------|
| | Actual | Budget | Variance | |
| <u>INCOME</u> | | | | |
| Accreditation Fees | 6,900 | 6,000 | 900 | 7,406 |
| Authorisation Fees | - | - | - | 15,000 |
| DRS Complaint Fees | 2,000 | 2,000 | - | 27,000 |
| Management Fees | - | - | - | 1,726,100 |
| Interest Income | 217 | 1,250 | (1,033) | 7,500 |
| Sundry Income | 431,524 | 431,523 | 1 | 119,048 |
| Total Income | 440,642 | 440,773 | (131) | 1,902,054 |
| <u>EXPENDITURE</u> | | | | |
| DNCL Board | 8,184 | 8,650 | (466) | 40,100 |
| Communications | 21,559 | 18,681 | 2,878 | 48,980 |
| Compliance | 11,505 | 13,792 | (2,287) | 112,235 |
| Dispute Resolution Services | 5,325 | 5,500 | (175) | 92,950 |
| Memberships | 167 | 200 | (33) | 3,000 |
| Registrars | 2,203 | 2,183 | 20 | 22,500 |
| International | - | - | - | - |
| Office and Administration | 84,444 | 80,212 | 4,232 | 315,050 |
| Personnel and Staff | 228,827 | 218,189 | 10,638 | 1,080,238 |
| Professional Services | 1,610 | 1,834 | (225) | 77,000 |
| Projects | 12,750 | 12,750 | - | 95,000 |
| Total Expenditure | 376,572 | 361,991 | 14,581 | 1,887,053 |
| Depreciation | 16,993 | 16,500 | 493 | 45,000 |
| Other Comprehensive Items | - | - | - | - |
| Net Profit/Loss | \$47,076 | \$62,282 | (\$15,206) | (\$29,999) |

**Keeping .nz
fair for everyone.**

Compliance

The COVID-19 Pandemic has changed our compliance priorities. Our 2021/2022 compliance work plan builds on our 2020/2021 compliance activities with a focus on the following key parts of the domain name registration lifecycle:

- registrant core terms and conditions;
- privacy;
- data legacy, and;
- resellers.

DNC is working collaboratively with InternetNZ on our engagement with Māori on matters related to .nz policy formation and enforcement and recommendations from the 2019 Pickens regulatory review. Staff have also kicked off a new initiative of meeting with AUDA's new Compliance and Analytics team to discuss updates on recent compliance topics and best practice.

Online Dispute Resolution Pilot

We have begun our work on the online dispute resolution service with Immediation. We have the high-level project plan in place and have finalised the requirements. There has been good progress to date on the design phase and we expect to have our first prototype to review in the next quarter.

Communications

This quarter, we published guide articles for consumers relating to generating a UDAI including a link to test validity of UDAs received as well as tips to help organisations with multiple domain names on how to protect domain names. There was also a blog about understanding some domain name jargon. New decisions from this year have also been published.

Capacity Building in Asia Pacific

DNC is heavily involved in weekly meetings with Fiji, as the host country of APTLD80 and the Pacific Internet Governance Forum, offering coordination, support and capacity building to deliver these two online events across the Asia Pacific region.

Staffing

The DNCL has welcomed a number of new part-time and full-time people to the team.

Kerri Morris, a seasoned dispute resolution practitioner, will be supporting the roll out of the online dispute resolution pilot one day a week.

Fergielyn Catayoc, a newly admitted Barrister and Solicitor with an intellectual property background, will also be assisting dispute resolution for 15 hours per week.

Lindsey Marshall, an expert eLearning specialist, will be assisting rolling out our eLearning program to enhance our work and spread the word about what we do for up to 15 hours per week.

James Beswick is joining in the essential Customer Experience Specialist role providing parental cover, bringing passion for learning and problem resolution.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jordan Carter', with a stylized flourish at the end.

Jordan Carter
Chair Domain Name Commission



Group financial statements

For the quarter ended 30 June 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 30 June 2021

| | GROUP | INZ | DNCL |
|-------------------------------------|------------------|------------------|-----------------|
| | Q1 | Q1 | Q1 |
| Income | | | |
| Registry Fees | 3,014,235 | 3,014,235 | - |
| Broadband Map | 14,850 | 14,850 | - |
| DNS Firewall | 3,686 | 3,686 | - |
| Management Fees | - | - | 431,524 |
| Interest Received | 12,633 | 12,416 | 217 |
| Managed Funds Income | 226,710 | 226,710 | - |
| Sundry Income | 12,811 | 66,320 | 8,900 |
| Total Income | 3,284,925 | 3,338,217 | 440,642 |
| Less Direct Expenses | | | |
| DNC Fee | - | 431,524 | - |
| .nz Costs | 165,449 | 165,449 | - |
| Other IT | 54,910 | 54,910 | - |
| Total Direct Expenses | 220,359 | 651,883 | - |
| Less Other Expenses | | | |
| Audit Costs | 6,249 | 6,249 | - |
| Governance Costs | 51,344 | 43,160 | 8,184 |
| International Travel | (361) | (361) | - |
| International Membership | 22,854 | 22,687 | 167 |
| Community Investment | 385,213 | 385,213 | - |
| Legal Fees | 7,539 | 7,539 | - |
| Office Costs | 343,487 | 321,452 | 84,444 |
| Project Costs | 74,895 | 62,145 | 12,750 |
| Employment Costs | 1,715,006 | 1,486,179 | 228,827 |
| Other Operating Expenses | 100,505 | 41,311 | 59,194 |
| Other Comprehensive Items | - | - | - |
| Total Expenses | 2,706,730 | 2,375,574 | 393,565 |
| Net Profit (Loss) Before Tax | 357,836 | 310,760 | 47,076 |
| Less Provision for Tax | - | - | - |
| Net Profit (Loss) After Tax | \$357,836 | \$310,760 | \$47,076 |

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.

For Q1 reporting the YTD column has been removed.

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 30 June 2021

| | GROUP | INZ | DNCL |
|--------------------------------------|------------------|------------------|-----------------|
| | Q1 | Q1 | Q1 |
| Income | | | |
| Registry Fees | 3,014,235 | 3,014,235 | - |
| Broadband Map | 14,850 | 14,850 | - |
| DNS Firewall | 3,686 | 3,686 | - |
| Management Fees | - | - | 431,524 |
| Interest Received | 12,633 | 12,416 | 217 |
| Managed Funds Income | 226,710 | 226,710 | - |
| Sundry Income | 12,811 | 66,320 | 8,900 |
| Total Income | 3,284,925 | 3,338,217 | 440,642 |
| Less Activity Expenditure | | | |
| Policy | 193,905 | 193,905 | - |
| Outreach & Engagement | | | |
| Communications | 133,718 | 133,718 | - |
| Engagement | 114,910 | 114,910 | - |
| Funding | 472,332 | 472,332 | - |
| .nz Operations | 869,541 | 944,348 | 356,717 |
| Commercial | 357,826 | 357,826 | - |
| Compliance | 11,505 | 0 | 11,505 |
| Broadband & Defenz | 31,801 | 31,801 | - |
| Technical Research | 127,748 | 127,748 | - |
| Technology Strategy | 100,403 | 100,403 | - |
| International Engagement | 65,968 | 65,801 | 167 |
| Org. Services, Governance & Security | 389,129 | 443,354 | 8,184 |
| Other Operating Expenses | 58,304 | 41,311 | 16,993 |
| Other Comprehensive Items | - | - | - |
| Total Expenses | 2,927,089 | 3,027,457 | 393,565 |
| Net Profit (Loss) Before Tax | 357,836 | 310,760 | 47,076 |
| Less Provision for Tax | - | - | - |
| Net Profit (Loss) After Tax | \$357,836 | \$310,760 | \$47,076 |

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.

For Q1 reporting the YTD column has been removed.

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 30 June 2021

| | GROUP | INZ | DNCL |
|------------------------------------|---------------------|--------------------|------------------|
| | Q1 | Q1 | Q1 |
| Equity at start of period | | | |
| Opening Retained Earnings | 9,850,750 | 9,551,588 | 299,161 |
| Shares Subscribed | - | - | 580,000 |
| | 9,850,750 | 9,551,588 | 879,161 |
| Net Profit (Loss) After Tax | 357,836 | 310,760 | 47,076 |
| Equity at end of period | \$10,208,586 | \$9,862,348 | \$926,238 |

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.

For Q1 reporting the YTD column has been removed.

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 30 June 2021

| | GROUP | INZ | DNCL |
|--------------------------------|---------------------|--------------------|------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 12,883,724 | 12,055,432 | 828,291 |
| Managed Funds | 5,064,864 | 5,064,864 | - |
| Other Current Assets | 1,816,982 | 1,726,420 | 90,561 |
| Total Current Assets | 19,765,569 | 18,846,717 | 918,853 |
| Non-current Assets | | | |
| Property, Equipment & Software | 4,881,191 | 4,581,689 | 299,502 |
| less: Accumulated Depreciation | (2,569,452) | (2,475,583) | (93,869) |
| Intangible Assets | 34,825 | 34,825 | - |
| less: Amortisation | (15,384) | (15,384) | - |
| Investments | - | - | - |
| Shares and Loans | - | 580,000 | - |
| Total Assets | 22,096,749 | 21,552,264 | 1,124,486 |
| Less Liabilities: | | | |
| Deferred Income | 10,327,746 | 10,327,746 | - |
| Trade and Other Payables | 1,560,417 | 1,362,169 | 198,248 |
| Total Liabilities | 11,888,163 | 11,689,916 | 198,248 |
| Net Assets | \$10,208,586 | \$9,862,348 | \$926,238 |

Represented By:

| | | | |
|---------------------|---------------------|--------------------|------------------|
| Total Equity | \$10,208,586 | \$9,862,348 | \$926,238 |
|---------------------|---------------------|--------------------|------------------|

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 30 June 2021

| | GROUP | INZ | DNCL |
|-----------------------------------------------------|-----------------|-----------------|-----------------|
| Operating Activities | | | |
| Receipts from customers | 1,337,770 | 1,186,922 | 150,848 |
| Payments to suppliers and employees | (1,313,395) | (1,204,408) | (108,987) |
| Movement from other operating activities | (23,566) | (13,223) | (10,342) |
| Net Cash Flows from Operating Activities | 809 | (30,709) | 31,518 |
| Investing Activities | | | |
| Proceeds from sale of property, plant and equipment | - | - | - |
| Payment for property, plant and equipment | (58,147) | (58,147) | - |
| Other cash items from investing activities | 0 | 0 | - |
| Net Cash Flows from Investing Activities | (58,147) | (58,147) | - |
| Financing Activities | | | |
| Other cash items from financing activities | 116,507.97 | 116,507.97 | - |
| Net Cash Flows from Financing Activities | 116,507.97 | 116,507.97 | - |
| Net Cash Flows | \$59,171 | \$27,653 | \$31,518 |

Cash and Cash Equivalents

| | | | |
|--------------------------------------------------|-----------------|-----------------|-----------------|
| Cash and cash equivalents at beginning of period | 12,824,553 | 12,027,780 | 796,773 |
| Cash and cash equivalents at end of period | 12,883,724 | 12,055,432 | 828,291 |
| Net change in cash for period | \$59,172 | \$27,653 | \$31,518 |

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

A photograph of a white lighthouse with a glass-enclosed top section, situated on a grassy hill. In the foreground, two people are visible: one is riding a bicycle on the left, and another is standing with a bicycle on the right. The entire image is overlaid with a semi-transparent magenta filter.

Financial summary

For the quarter ended 30 June 2021

Table of Contents

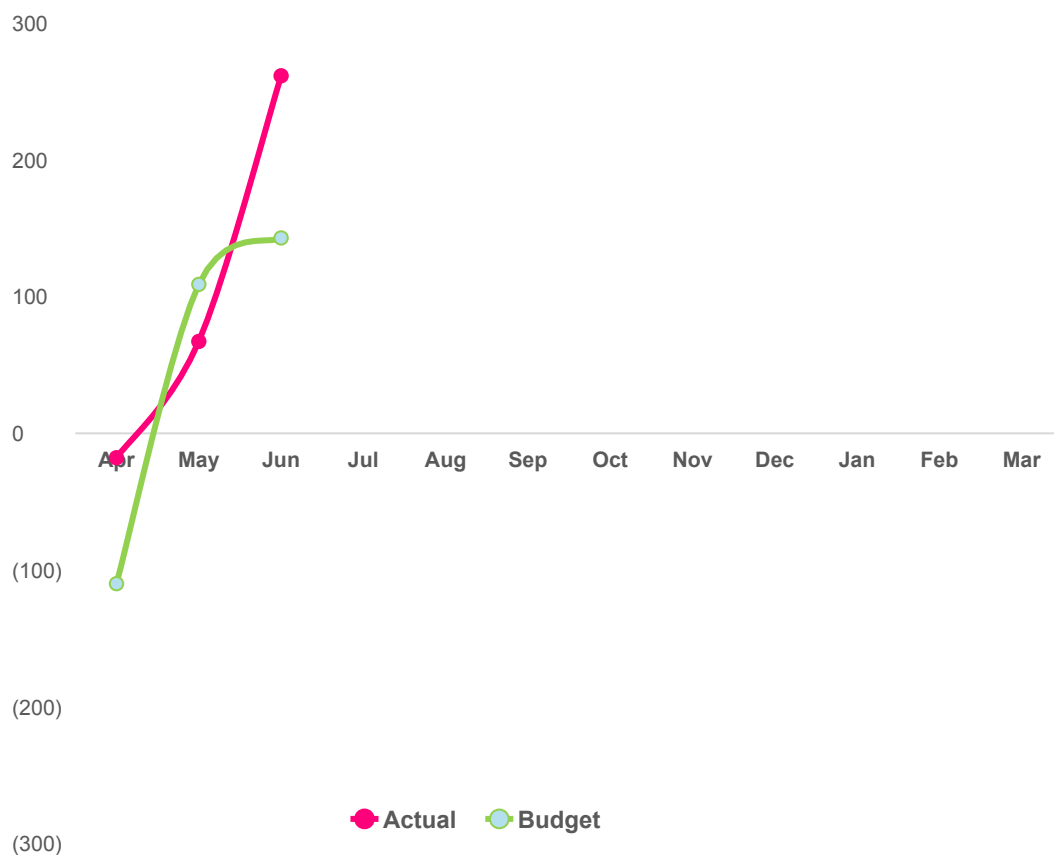
| | |
|-----------------------------------|----------|
| Summary of YTD Results | 3 |
| Revenue Analysis | 4 |
| Expenditure Analysis | 4 |
| Balance Sheet | 7 |
| Cash in Excess of Reserves | 7 |

Summary of YTD Results

This report provides information on the performance and financial position of InternetNZ at the end of the first quarter of the 2021-22 financial reporting year.

Year to date the accounts reports a **surplus result of \$310,760** against a budgeted surplus of \$141,875, returning a positive variance of \$168,885. This variance is as a result of growth in the size of the Registry and better than expected performance of our investments in Managed Fund portfolios, the details of which are provided in the Revenue Analysis section.

Internet New Zealand Incorporated Net Operating Profit: Actual v Budget



Revenue Analysis

| Revenue | Actual (YTD) | Budget (YTD) | Variance | %Total Sales |
|-----------------------------|--------------------|--------------------|------------------|---------------|
| Registry Fees | 3,014,235 | 2,992,362 | 21,873 | 90.3% |
| BBMap | 14,850 | 14,102 | 748 | 0.4% |
| DEFENZ | 3,686 | 6,500 | (2,814) | 0.1% |
| Registry Lock | - | - | - | 0% |
| Events | - | - | - | 0% |
| Membership | 3,262 | 4,901 | (1,639) | 0.1% |
| Recharge & Misc. | 63,059 | 62,354 | 705 | 1.9% |
| Investment | 239,125 | 94,841 | 144,284 | 7.2% |
| Total Revenue | \$3,338,217 | \$3,175,060 | \$163,157 | 100.0% |

- **Registry fees** earned is **up \$22k** against budget and reflects the increase in the size of the registry (**724,808 domain names**) reported at the end of the first quarter of this financial year.
- The **DEFENZ product** has recorded no new sales in this financial year, with the accounts reporting back a **YTD shortfall of \$3k** against budgeted revenue.
- **Investments in Managed Funds** has maintained a trend of outperforming expectations, **returning \$227k YTD** against **anticipated income of \$82k**, though this result is down against the \$296k income reported for the same period last year.
- Year to date the accounts report **total operating revenue** of **\$3.1M**, up \$300k for the same period last year.

Expenditure Analysis

- **Direct costs** of operating the **.nz Registry** reports **\$596,975 YTD**, of which **\$431,525** made up fees paid to the **Domain Name Commission**. This result came in at **\$2k under** forecast.
- **Employment costs** totalled **\$1.5M YTD**, with an **underspend of \$29K** against YTD budget. This result is an outcome of a delay in recruitment of new roles and an underspend in staff training budgeted in the first quarter of the year.
- **YTD Operating costs** is **\$353,626**, with an **overspend of \$9k** against budget. INZ incurred additional Grant Thornton audit fees of \$6.2k and this has been brought into account in June 2021.
- Overall, the accounts report a **YTD underspend of \$6k** against budget on total expenditure.

Expenditure by Function

| Function | Actual (YTD) | Budget (YTD) | Variance | %Expenditure |
|---------------------------------------|--------------------|--------------------|------------------|---------------|
| Commercial | 412,736 | 406,453 | 6,283 | 13.6% |
| Communications | 133,719 | 136,317 | (2,598) | 4.4% |
| Engagement | 114,909 | 107,817 | 7,092 | 3.8% |
| Funding | 472,332 | 473,035 | (703) | 15.6% |
| International | 65,800 | 67,427 | (1,627) | 2.2% |
| IT Operations (incl. DNCL fee) | 958,665 | 967,082 | (8,417) | 31.7% |
| Org. Services (incl. Gov. & Security) | 447,240 | 440,991 | 6,249 | 14.8% |
| Policy | 193,906 | 200,743 | (6,837) | 6.4% |
| Technical Research | 127,748 | 131,389 | (3,641) | 4.2% |
| Technology Strategy | 100,403 | 101,931 | (1,528) | 3.3% |
| Total Expenditure | \$3,027,457 | \$3,033,185 | (\$5,727) | 100.0% |

Expenditure by Area

If we consider three broad areas of expenditure being Public Good, Products and Organisational Capability, a high-level picture of resources deployed is shown in this table. Note: these draw wholly from operating expenditure and exclude capitalised costs.

| Area | Actual (YTD) | Budget 2021/22 | Planned People Allocation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|---------------------------|
| Public Good <ul style="list-style-type: none"> Community funding (100%) Sponsorship (100%) Engagement (75%) Policy (75%) Product (25%) International (50%) | \$0.97M | \$3.70M | 14 FTE |
| Product (.nz & other) <ul style="list-style-type: none"> Product (75%) IT Operations (75%) Technology Strategy (75%) Policy (25%) Cost of Sales (100%) DNCL Management Fee (100%) International (50%) | \$1.43M | \$6.30M | 15 FTE |
| Organisational Capability <ul style="list-style-type: none"> Organisational Services (100%) Security (100%) IT Operations (25%) Engagement (25%) Governance (100%) | \$0.63M | \$3.30M | 18 FTE |
| Pool Funds | \$0.07M | \$0.50M | |
| Total Expenditure | \$3.03M | \$13.30M | 47 FTE |

Spend by Top Priorities

For our top three priority projects, the amount being invested is summarised below. Note this is a cash view, to give a sense of the scale of resource deployment - it does not break out capitalised matters and so cannot be compared directly to the operating budget.

| Area | Includes | Actual (YTD) | Budget 2021/22 |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------|
| .nz Registry Replacement | The project budget for Mimosa in 2021/22 (Capex & Opex). Backfilled staff roles. Other staff role not otherwise backfilled (i.e., share of staffing time attributed) | \$0.71M \$0.30M \$0.41M | Total \$5.20M Capex \$3.30M Opex \$1.90M (FTE 10-11) |
| .nz Policy Review | Project budget for the review and implementation. The legal contractor for the year. Share of staffing time attributed. | \$0.03M \$0.03M | Total \$0.55M Opex \$0.55M (FTE 3) |
| Flexible First | Org development capacity. Capex (fitout). Share of staffing time attributed. Project costs. | \$0.31M \$0.05M \$0.26M | Total \$1.84M Capex \$0.85M Opex \$0.99M (FTE 5.5) |

Capital Expenditure

| Work Item | Actual (YTD) | Capex Plan 2021/22 |
|----------------------------------|----------------|--------------------|
| Project Mimosa – Implementation | \$0.30M | \$2.60M |
| Project Mimosa – Infrastructure | - | \$0.68M |
| Security Operations Centre | - | \$0.02M |
| Total Baseline Investment | \$0.30M | \$3.30M |
| New Premises fitout | \$0.05M | \$0.85M |
| Staff IT requirements | \$0.03M | \$0.05M |
| Total Capacity Investment | \$0.08M | \$0.90M |
| TOTAL CAPITAL INVESTMENT | \$0.38M | \$4.20M |

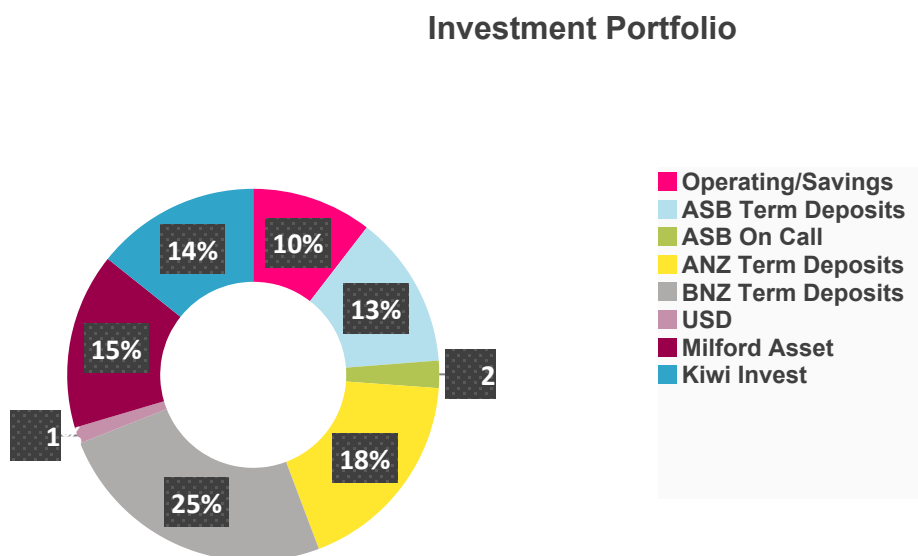
Balance Sheet

A detailed Balance sheet report for the InternetNZ Group is available for review in the *Group financial statements for the quarter ended 30 June 2021*. 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.**

Investments

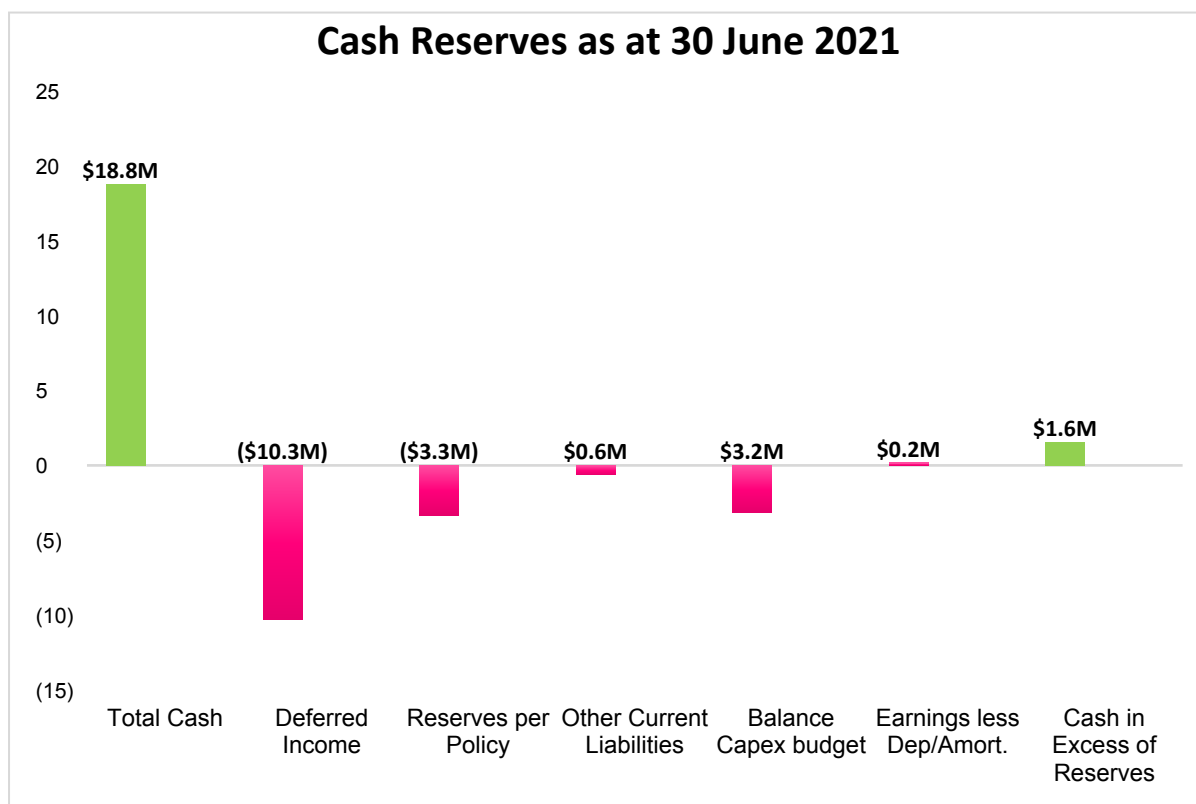
The chart below provides a visual on the percentage spread of funds invested (**\$17,120,296**) across all institutions, as at 30 June 2021.



Cash in Excess of Reserves

We report the Cash in Excess of Reserves position as at 30 June 2021 at **\$1.6M** as provided below:

| | |
|-------------------------------------------|-----------------------|
| Total Cash & Current Assets | \$18,846,717 |
| less: Deferred Income | (\$10,327,746) |
| less: Reserves as per the policy | (\$3,321,612) |
| less: Other Current Liabilities | (\$635,237) |
| less: Balance unspent Capex budget | (\$3,159,841) |
| add: Earnings less Dep/Amort. | \$163,247 |
| Cash in Excess of Reserves | \$1,565,527 |



The end of the first quarter for the 2021-22 financial year sees **Net Equity at \$9.9M** (reported as \$9.6M in the previous quarter), and the **Net Equity minus Reserves** position at **\$6.6M** (\$6.4M 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.

Summary of Council Committee Activity

AUTHOR: Council Secretary, Diane Robinson

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 June 2021 the main topics covered:

- INZ & DNCL Annual Financials - Deloitte - noted revenue went up, funding increased and expenses increased related to COVID, and that the Audit went well
- Auditors report - Grant Thornton - no material issues raised.
- Audit and Risk Committee recommendation to Council to receive and approve the annual financial report 2020-2021 by evote.
- Risk management update (see Section A - Management items for discussion document for more details)
- Update on the Insurance Renewal
- Health, Safety and Wellbeing update

Council approved the Financials via evote (25 June).

.nz Policy Committee

The members of the committee are Kate Pearce (Chair) Joy Liddicoat, Don Stokes and Hiria Te Rangi.

The Committee met online on 26 May 2021 joined by the Komiti Whakaru Māori to discuss how we engage with Māori to inform our decisions on the .nz Review Panel's recommendations affecting Māori. The issues and proposed engagement approach is set out in this paper:

https://docs.google.com/document/d/1wv2srWXjbBRcelk86JPtYJRkr_FHQ7ZfcNk-pzb9Zhl/edit#. Please note the timeframe for this work needs to be pushed

out to provide space to engage with Māori on other more topical Internet issues.

The next .nz Policy Committee meeting is scheduled for 10 August 2021.

Komiti Whakauru Māori

The members from Council of this Komiti are Sarah Lee (Chair), Amber Craig, Hiria Te Rangi and President Jamie Baddeley (ex officio). The staff representatives are Jordan Carter (Chief Executive), Raniera Albert (Chief Advisor Māori) and Andrew Cushen (Engagement Director).

The Komiti last met on Thursday 10 June 2021. Since the last Council meeting the Māori Design Group (MDG) Terms of Reference has been approved and endorsed by Evote on 24 May 2021. The MDG will meet quarterly and we are scheduling the first meeting of the group in October 2021.

The Council also approved by evote the following people to become inaugural members of the MDG and all have confirmed their appointment:

Co Chairs

Prof. Sir Pou Temara (co-chair)

Aleisha Amohia (co-chair),

Members

Karaitiana Taiuru

Jo Maraki

Whetu Fala

Hone Paul

Note we also advise that two Council members have resigned from Council and from above committees Amber Craig and Hiria Te Rangi; President Jamie Baddeley has completed his term.

The Council members for these Committees will be decided and/or reconfirmed at the August Council meeting.

Recommendation

THAT Council receive the update from Council Committees

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AUTHOR: Council Secretary, Diane Robinson

PURPOSE: To provide a staff summary of Council Committee activity

Summary

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Aleisha Amohia (co-chair),

Members

Karaitiana Taiuru

Jo Maraki

Whetu Fala

Hone Paul

We also advise that two Council members have resigned from Council, Amber Craig and Hiria Te Rangi from the above Committees. New appointments from Council will be decided at the August Council meeting.

Recommendation

THAT Council receive the update from Council Committees

COUNCIL MEETING - August 2021

Membership Report

AUTHOR: Andrew Cushen
PURPOSE: Progress and work for membership of InternetNZ
DATE WRITTEN: 03/08/2021

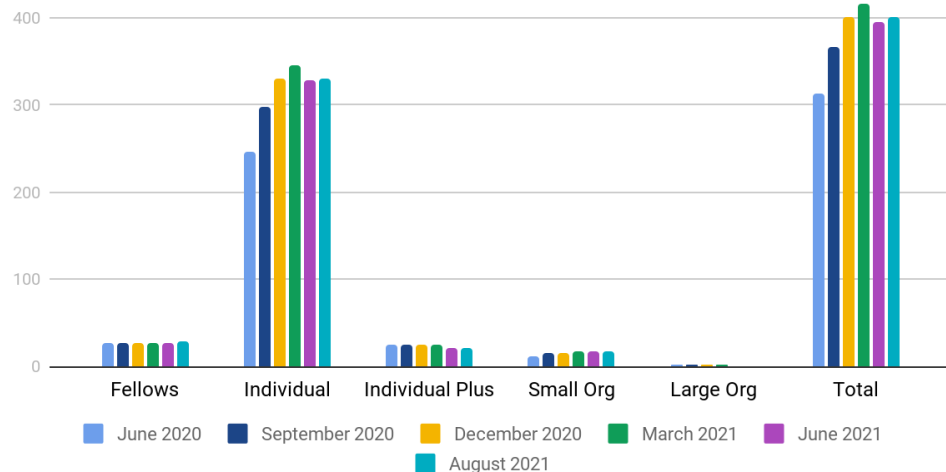
Executive Summary

Over the last months, we have seen a slight drop in membership due to the renewal process pre-election, moving our total to 400. We have continued to engage with members through member-only events, members-discuss mailing list and the #members-only channel on NetHub.

This quarter (July - September), we have focused on Renewals, elections and the Annual General Meeting.

Current membership (at 2 August 2021)

| | 31 Jun 2020 | 30 Sept 2020 | 30 Dec 2020 | 31 Mar 2021 | 30 Jun 2021 | 2 Aug 2021 |
|---------------------------|----------------|-----------------|----------------|----------------|----------------|---------------|
| Fellows | 27 | 27 | 27 | 27 | 27 | 29 |
| Individual | 247 | 297 | 331 | 345 | 328 | 330 |
| Individual Plus | 25 | 25 | 25 | 25 | 22 | 22 |
| Small organisation | 12 | 15 | 15 | 18 | 18 | 18 |
| Large organisation | 3 | 2 | 2 | 2 | 1 | 1 |
| Total Membership | 314 | 366 | 400 | 417 | 396 | 400 |



Items to Note

Activities to support membership engagement

Since the last report, May 2021 we have:

- Hosted the Christchurch Call Update for members
- Completed the 2021 members survey
- Completed the 2021 renewal process
- Completed 2021 Elections and online Annual General Meeting
- Initiated work on refreshing the InternetNZ website membership page.

Members survey

The 2021 members survey ran from 18th May - 1st June. There were 117 responses out of the 448 surveys sent (26%). In contrast in 2020, there were 74 responses out of the 312 surveys sent (24%). Top level results were shared at the AGM last month.

Renewals & AGM

The final renewal rate was 145 renewals of 215 members that needed to renew (67%). This is in contrast to the 2020 renewals, where there were 110 renewals of 169 members that needed to renew (65%). Our Annual General Meeting was held online on Thursday 29 July. 55 members registered to attend our online AGM, with 43 members attending online and in the office (alongside 7 staff).

Upcoming Engagement work

There are three member-only events scheduled in the second half of 2021. A webinar on NZ telecommunications law, a presentation on her book 'Human Rights and the Internet' by Joy Liddicoat, and an update on our Māori engagement strategy from Raniera Albert.

Recommendation

THAT the new members be noted.

Andrew Cushen

Engagement Director

6 May 2021

Project Mimosa Update

AUTHOR: Dave Baker, Chief Technology Strategist

PURPOSE: To provide Council Members with an update on Project Mimosa (Shared Registry System replacement project) progress. A further update will be provided on 31 August.

Summary

This paper is for the note of Council members.

There are no material changes to the delivery time and overall cost of the project from the update provided on 31 May, 2021.

That is -

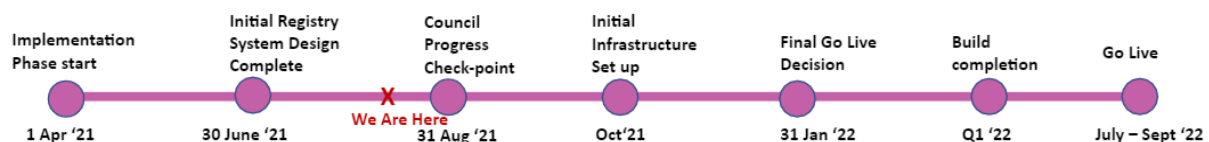
1. Time-frame (Migration go-live)

Remains between July to September, 2022 - confirmation of actual achievable release date to be agreed between 30 November, 2021 and 31 January, 2022.

2. Delivery cost

Remains within the business case range and expected at circa \$4m. As updated in May this includes a provision for a minimum \$0.3m up-lift in security (see 'Current Priorities' update below).

Milestones:



The June design phase milestone was met in terms of confirming no significant changes to the agreed customisation of the CIRA Fury application to meet NZ requirements - this effectively reduces one of the 'high' rated risks that existed to that point.

The next milestone is having the first phase of the new infrastructure in place by late October/early November - and providing some registrars with early access to be able to see what key aspects of the new service will look like.

Current Priorities:

Key priority work stream updates -

1. Customer (Registrars)

We are in an active engagement stage - with all ~80 registrars having been contacted personally since the last May update; regular updates are being made and workshops are in place for representative members.

2. Change management

Work has been continuing on managing the significant change within InternetNZ - especially the changes within IT Operations around moving away from the current in-house development model to an out-source (via CIRA) approach. This will continue, along with a broader review of the plans to be put in place to realise the opportunities from the new registry service being implemented - eg - business process improvements, and new business opportunities.

3. Registry system configuration and build

An initial Fury application build including the first customisation sprint is underway. This will be followed by initial release acceptance testing over the next month. Build and testing will continue to run through to the end of Q1 2022.

4. Security

An external security consultant from Layer 9 has been working with the INZ Security team and alongside the project to help define what 'good' (security) will look like when the new registry system is implemented. This work will also provide a broader 'road-map' of uplift opportunities for organisational consideration.

5. Infrastructure

A focus on configuration of the first phase of infrastructure by late October/November (as highlighted above) - noting a 'medium' delivery risk in the current COVID environment. This risk is being mitigated by regular reviews of the delivery schedule, and using 'interim' components where appropriate.

Risks:

The priority risks are long-standing with clear and active management plans as summarised below -i.e -

1. Customer (Registrars) Migration/Change Acceptance

Risk of not being ready to migrate on time; or resistance to the impact of change - mitigated by running a dedicated work stream with early, continual and targeted engagement and focus. Residual risk remains until all

registrars fully understand the impact on their business - critical check-point late 2021.

2. Data Migration

Risk of data not being accurately or fully migrated at cut-over - mitigated by early planning which is underway around existing data quality, and focus in the next quarter on detailed migration planning with CIRA.

3. Change management/stakeholder engagement

Risk of project outcomes, impacts and stakeholder change expectations not being fully aligned - mitigated by regular engagement and change strategy execution currently in progress.

The risk to overall delivery cost and potential on-going costs around not being able to truly quantify the level of security up-lift expenditure until at least the end of August is noted as a new risk here for visibility - and will be part of the 31 August update.

Next Update (31 August):

A further brief written update will be provided at the end of the month in relation to the following three high priority areas referenced above -

1. Progress and initial findings on the security profile review
2. Internal change management plan
3. Customer (Registrar) engagement

COUNCIL MEETING - August 2021

Health Safety Wellbeing Report

AUTHOR: Health, Safety and Wellbeing Committee

PURPOSE: To provide the Committee 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 |
| February 2021 - 18 June 2021 | 2 | 0 | 1 |
| 19 June - July 2021 | 0 | 0 | 0 |

Summary

- Update on the work undertaken (building strengthening) for 80 Boulcott St:
 - additional work to be undertaken to the gantry at the front of the building (installing the timber deck over the steel). This will be completed by 11th August
 - NZ Teaching Council are vacating on the 7th August so you can expect to see some movement in the building this week with furniture.

- Work on the vacant floors will commence in September. This will involve the removal of carpet, ceiling tiles and installation of protection to existing fit out. We do not view this will create any impacts for INZ.
- InternetNZ as the sole tenant will need to provide a building warden. We are meeting with the building manager next week to work through changes and actions required. Due to the new way of working we will ensure that all staff are aware of this added responsibility
- Since the last report, there have been no near misses or incidents reported.
- The last Monthly Hazard walk at the INZ Wellington office was completed on 2 August 2021 and there were no new hazards identified.
- The INZ and DNCL Health, Safety & Wellbeing Committee met on 6 July 2021 and key topics that were discussed at the meeting were:
 - First Aid Level 2 training is now being offered to staff who are keen to upskill their First Aid knowledge; however, this is limited to up to 3 staff for now and preferably to have one staff member who is based in Auckland.
 - Committee has appointed a representative to the Project Ignite team who can be the liaison between the project team and the HSW Committee regarding concerns/issues on health, safety and wellbeing relating to the move to the new premises

Recommendation

THAT the Health, Safety and Wellbeing Report be received.