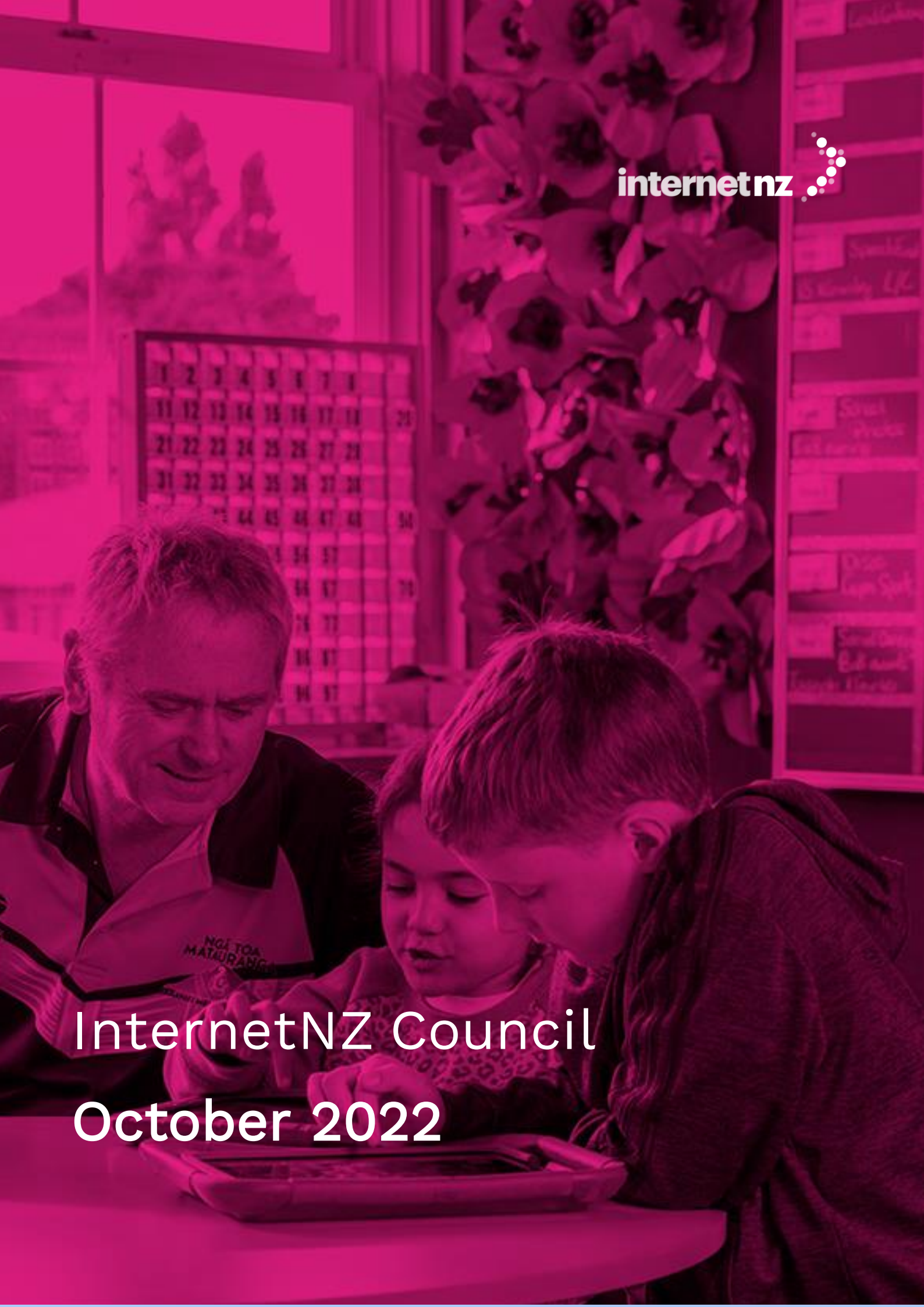


internetnz



InternetNZ Council October 2022



AGENDA

Council Meeting: Friday 28 October 2022

Wellington Office: Level 13, 18 Willis Street, Wellington

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

Section 1 – Meeting Preliminaries

9:00am	0.0	Arrival and coffee
9:30am	1.1	Council only (in committee)
	1.2	Council and CE alone time (in committee)
10.00am	1.3	Karakia, apologies, intros, interests register
	1.4	Agenda review

Section 2 – Strategic Priorities

10:15am	2.1	.nz Registry Replacement - go-live check and next phase
10:35am	2.2	Systemic Racism Review Update - in committee
11:00am	2.3	Te Ao Māori Update (verbal)
11:30am	-	Morning tea

Section 3 – Matters for Decision

11:45am	3.1	Mid year financial update to Q2 2022/23
12:00pm	3.2	Review of Council honoraria
	3.3	Council Committee Appointments: 3.3.1 Recommendation to separate Audit and Risk Committee

		<p>Into Audit, Finance and Investment and Risk and Compliance</p> <p>3.3.2 Review Chair and memberships for approval</p> <p>3.3.3 Review draft Terms of Reference</p>
12:20pm	3.4	Bank Signature Update

Section 4 – Matters for Discussion

12:25pm	4.1	President’s Report
12:30pm	4.2	InternetNZ Quarterly Report - 1 July to 30 September 2022

Section 5 – Consent Agenda

12:40pm	5.1	Returning Officer
	5.2	Health, Safety and Wellbeing Update as at August 2022
	5.3	Confirm Minutes – August 2022
	5.4	Actions Register
	5.5	E-vote Ratification
	5.6	<p>Quarterly and Operational Reports for 1 July to 30 Sept 2022:</p> <ul style="list-style-type: none"> ● 5.6.1 DNCL Quarterly Report ● 5.6.2 Group Financial Report ● 5.6.3 Committees Update ● 5.6.4 Membership Update

Section 6 – Other Matters

12:55pm	6.1	CONTINGENCY (for any overflow)
	6.2	Matters for communication – key messages
	6.3	General business
	6.4	Meeting review
1:00pm	6.5	Meeting close (karakia or waiata)

Council Register of Interest

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

Officers and Councillors receive the following annual honoraria:

President - \$35,470

Vice President - \$22,169

Councillor - \$17,735*

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

Name: Joy Liddicoat

Position: President, InternetNZ

Term: AGM 2021 - AGM 2024

Declaration Date: 29 July 2021

Interests:

- Secretary 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: Brenda Wallace

Position: Vice President

Term: AGM 2022 - AGM 2024

Declaration Date: 3 August 2022

Interests:

- Employee of Artella/AnimationMentor/YellowBrick.co
- Trustee Strathmore Park Community Trust
- Board Member Tohatoha NZ
- .nz Domain name registrant
- Various small shareholdings via Sharesies

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: Don Stokes

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2023

Declaration Date: 11 February 2022

Interests:

- Shareholder/Director, Rumsey Stokes Limited, 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: Potaua Biasiny-Tule

Position: Councillor, InternetNZ

Term: Appointed 2021 – 2023

Declaration Date: 8 November 2021

- Founder / Director of Digital Basecamp
- Trustee of Digital Natives Academy
- Co-Founder 4CompanyB (4CB) Digital Animation Studios Limited
- Board Member for Te Tatau o Te Arawa (partnership with Rotorua Lakes Council).
- Trustee of Te Takinga Marae Komiti
- Kaitiaki for numerous .co.nz and .iwi.nz whanau domains

Name: Jeff Montgomery

Position: Councillor, InternetNZ

Term: AGM 2022 – AGM 2025

Declaration Date: 8 August 2021

Interests:

- Holder 14 .nz domain names
- Employee of Service Delivery and Operations, Department of Internal Affairs
- Statutory Officer - Registrar General of Births, Deaths and Marriages.
- Chair, Pacific Civil Registrars Network
- Owner and Director City Bed and Breakfast Ltd.

Name: Anthony Bow

Position: Councillor, InternetNZ

Term: Appointed 2022 – 2024

Declaration Date: 12 August 2022

- 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
- Member of the New Zealand Blood and Organ Service Board

Name: Whetu Fala

Position: Appointed Councillor, InternetNZ

Term: Appointed 2022 – 2024

Declaration Date: 12 August 2022

- Board Member, Māori TV
- Board Member, Creative NZ
- Board Member, Te Paepae Ataata Aōtearoa NZ Film Heritage Trust
- Chair, Whanganui District Creative Communities Assessment Panel
- Co-Chair, Ngā Taonga Sound and Vision Film Archives NZ
- Founding Member, Ngā Aho Whakaari Māori Screen Aōtearoa
- Founding Member, Wellington Women in Film & TV
- Founding Member, Taki Rua Theatre Wellington
- Pou Arahi Tikanga, Playmarket Inc Wellington
- Company Director, Fala Media Taki Rua Film'
- Shareholder Parininihi ki Waitotara Inc
- Morikau Nui Inc
- Atihau, Whanganui
- Wharanga Hakopa Kiwa Whanau Trust

Name: Alpana Roy

Position: Councillor, InternetNZ

Term: Appointed 2022 – 2025

Declaration Date: 4 August 2022

- None.

Name: Anjum Rahman

Position: Councillor, InternetNZ

Term: Appointed 2022 – 2025

Declaration Date: 6 August 2022

- Co-Lead, Inclusive Aotearoa Collective Tāhono
- Contractor to Shama, Ethnic Women's Trust
- Co-Chair, Christchurch Call Advisory Network
- Trustee, Trust Waikato (Waikato Community Trust)
- Vice Chair, Independent Advisory Committee of the Global Internet Forum to Counter Terrorism

The register was last updated in August 2022.

Registry replacement: Go-live, next phases and outcomes

PURPOSE: To appraise Council of preparations for the launch of the new IRS Registry platform, and summarise the next steps following launch.

DATE WRITTEN: 18/10/22

Background and purpose

Our Annual Plan for this financial year has the delivery of the new registry platform as one of our primary commitments. It delivers to our *.nz for all of Aotearoa Rei Kura*, and to deliver to our strategic goal of *.nz is a good product: .nz and the .nz infrastructure are trusted as reliable, compatible and capable of uses and applications*.

Project Mimosa has been the vehicle through which we have delivered this commitment. As the Annual Plan summarises:

Complete the replacement of the .nz registry

Our primary focus in the first half of the year is successful completion of the .nz registry replacement. This means changing out our vintage Shared Registry System (SRS) for our new InternetNZ Registry System (IRS), delivered in partnership with the Canadian Internet Registration Authority (CIRA). This contributes to the stability and security of the .nz system for all its users, and ensures that we benefit from ongoing development and upgrades alongside other users of CIRA's technology.

This project involves more than half our people across InternetNZ and DNCL in diverse ways.

This paper is prepared for four purposes:

1. To provide Council with an overview of the preparations for the launch of the new IRS registry platform on the 1st of November 2022.
2. To highlight the particular risks at this stage of the Mimosa project; how these have been mitigated inside the project, and how any residual risk is being managed.
3. To summarise the next immediate steps post-launch of the IRS platform.
4. To provide a high level summary of the expected outcomes and benefits of the new IRS platform, and the timeframes upon which Council may expect these to be realised.

Launch preparations

This paper has been prepared before the final go-live assessments are performed in the week of 24 October.

In preparation for launch we have:

- Completed the build of all of the necessary requirements of the new IRS platform.
- Opened up the production environment to authorised Registrars to allow them to set up user IDs in advance of the platform launch.
- Started the execution of our final phase of pre-launch communications, aimed predominantly at Registrars to set expectations of the transition.
- Undertaken four “dry-runs” of the migration process to test the developed functionality and the processes for cutover on the 1st of November.
- Completed the first go-nogo assessment across the organisation to validate the status of the project.

We remain confident in being able to meet the 1st November cut-over date for the IRS platform, and will validate this confidence in the week immediately preceding the launch. We will advise Council at the meeting of any change.

IRS launch risks, mitigations and management

We have taken a proactive approach to managing the risks in replacing our core registry platform throughout the Mimosa project.

At this launch stage, there are three particular risks to highlight to Council, alongside the steps we have taken to mitigate them, and the management approach we have in mind for the residual issues.

Risk	Mitigations	Management
<p>1 The migration to the new IRS platform fails on 1st November.</p>	<p>Extensive testing of the migration process, including the 4 dry runs, and go/no-go decision points across the organisation in the final weeks of delivery.</p>	<p>In the event of migration failure, we fall back to continued service provision from SRS while we learn from the failure and reschedule.</p>
	<p>Support, experience and expertise in CIRA in managing these migrations.</p>	
<p>2 Registrars do not successfully integrate to the new IRS platform on 1st November</p>	<p>Extensive engagement, testing and collaboration with the registrars throughout the project. Every registrar has been engaged and is prepared to migrate - either through integration or portal access.</p>	<p>In the event that any registrars experience difficulty with a planned integration to the new IRS platform, they may fall back to portal access and successfully manage their customers until such time as they integrate.</p>
	<p>Opening up the production environment for registrars in advance of launch to allow them to establish user credentials.</p>	
	<p>Provision of the portal as a fallback option for those that have not successfully completed their integration/prefer not to integrate.</p>	
<p>3 Business continuity event (i.e. disasters such as earthquakes, national emergencies) during the launch or immediately after the launch prior to continuity documentation being updated</p>	<p>The IRS platform and underlying networks and hardware has been designed to be inherently more resilient to disruption in a business continuity event.</p>	<p>Prioritising the update of business continuity planning for the new platform after launch, including the updating of “backup” services from external partners.</p>
		<p>In the event of a significant business continuity event, CIRA is under contract to be on standby 24/7.</p>
<p>4 Key personnel availability following the completion of a major project, and levels of staff exhaustion.</p>	<p>Incentives negotiated with key personnel.</p>	<p>By reaching the launch of the platform, we move out of the critical time frames phase which reduces key personnel risks.</p>
	<p>Management of leave across the project team to give people a break whilst also maintaining operations capacity.</p>	

Post-launch next steps

Immediately after the launch of IRS, we will move into the post-Launch phase. We expect this phase will occupy the balance of the 2022 calendar year.

This phase includes:

- An immediate settle-in period post-launch to allow both for monitoring of the platform for performance, stability and expected functionality, and to allow the project team time to rest and recover.
- Prioritisation and scheduling of non-launch required functional components that were de-prioritised for this launch phase.
- Commencing outcome realisation, as outlined below.

Expected outcomes of IRS

Throughout the Mimosa project and in the business case that authorised this project approach and platform investment, the outcomes of this transition have been discussed.

The table below summarises these expected outcomes of the new IRS platform - both short term, by the end of this financial year - and longer term for delivery in the next financial year.

Outcome Area	By end of 2022/23	2023/24
1 We will have increased confidence in the Registry	We will provide a robust, secure system that breeds confidence.	We will provide a demonstrably better service to existing customers
	Patches and improvements can be rolled out quickly and simply with minimal impact to customers.	
2 Self-service (internal) to DNCL, INZ Product and INZ Finance will change how we operate	DNCL, INZ Customer & Product and INZ Org Performance able to undertake core tasks directly without going through Support	
	Current tasks and activities become easier so create more time and space for other activities	

<p>3 Registrars will be able to self-serve for many of their activities</p>	<p>Registrars will not need us to undertake tasks they can do themselves</p>	<p>Minimal requirement for the support team to support registrar requests</p>
	<p>Lower point of entry for new registrars - other organisations will be able to become registrars and self-manage their domains</p>	
	<p>High quality registrar experience that leads to system advocacy</p>	
	<p>Reduced requirement for the support team to support registrar requests</p>	
<p>4 Partnerships will create opportunities</p>	<p>Partnerships with CIRA and Ireland will allow us to identify opportunities to share the burden of common support issues, roadmap features / fixes</p>	<p>Exploration and development of the Community Registry concept, further to the Memorandum of Understanding signed with CIRA.</p>
<p>5 We'll have a better handle on efficiencies and costs</p>	<p>Optimisation in operational support requirements, providing clarity in the cost base.</p>	<p>Ongoing support cost efficiency – opportunity cost as people are freed up from support and maintenance, and can work on other areas</p>
	<p>Making decisions about future development becomes a simple, transparent process because of our knowledge of what it will cost us</p>	<p>Investment cost in the system is reduced to new product development only</p>
<p>6 Standardisation and simplification will make our lives easier</p>	<p>Standardisation of the system and technology which will make it easier for registrars to understand our business and make us easier to deal with</p>	<p>INZ will be an easier organisation for third parties to do business with.</p>
		<p>A changed framework will be applied across the wider organisation that means a more consistent way of doing things</p>
<p>7 A new data warehouse will increase opportunities and improve reporting</p>	<p>Additional self-service options that improve information provision</p>	<p>More, and better integrated information that includes existing information as well as the other datasets that are currently available in the reporting</p>
	<p>Easy to use reports and access which allow new opportunities to be quickly identified</p>	<p>Overall better reporting available into domain use and access</p>
		<p>Improvement to operational decision making and forecasting</p>

8 Ability to integrate with third party applications that add value	The Xero integration will reduce effort required from the Finance team	
9 Replacement of redundant Portal with better alternatives	Additional time freed up in the Customer and Product team because they no longer need to maintain a legacy product	Significant time saved that allows opportunity cost savings
10 Flexibility	Simple changes to the system will be significantly lower cost and quicker to implement from point of decision	
11 Less risk in the registry environment	Less preparation for risk mitigation and management - resulting in optimised cost of ensuring ongoing service.	Assessment of a significantly different risk profile in registry services due to having deployed a modern, best of breed, off the shelf platform with up to date technology and coding base.
	Better collaboration and mutual support between other users of the Fury platform explored.	

Recommendation

THAT Council recognises the effort of the Mimosa project team over the last three years in advancing the Registry replacement to this point.



Mid year Financial Update

PURPOSE: To set out our YTD financial performance and seek Council approval of the revised year end deficit .

Introduction

This paper will provide an update on the financial results for 30th September 2022 for the first 6 month and reflect on the performance against our Budget YTD and the challenges with our investment returns to date.

We also want to take the opportunity to get Council feedback on the target for the second half of the year based on the investment returns volatility.

The operational performance for the first half of the year shows strong expenditure management and positive revenue growth, which build operation confidence .

Half year Results

The first half of the financial year we have managed expenditure within our fiscal targets. Our net operating profit is \$387k ahead of budget YTD.

Financial Statement to 30th September 2022			
			000's
	Actual	Budget	Variance
Revenue	\$6,824	\$6,773	\$51
Cost of Sales	\$1,412	\$1,522	-\$110
Gross Profit	\$5,412	\$5,251	\$161
Operational Costs	\$4,462	\$4,688	-\$226
Net Operating Profit	\$950	\$563	\$387
Interest Income	\$47	\$27	\$20
Managed funds	-\$326	\$154	-\$480
Net Profit	\$671	\$744	-\$73

Positive areas are listed below

- Our budget assumed that .nz domain name registrations were projected to grow by 2% over the 12 months .To date our registrations have grown to 750,000 (737,000 starting baseline budget) with additional revenue \$40k YTD.
- Internet Registry System (IRS) - while the planned go live date for the project moved from August 1st to November 1st the team have been able to manage the project with the business case/capex funding allocated in the budget.
- Internet Registry System (IRS) costs in the financial statement also moved out by three months and therefore we have savings of \$90k YTD (two months savings to the end of September).
- Staffing costs - with some delays in recruitment and other staff turnover there was savings in salaries, recruitment and training in the first half of the year was \$125k .
- There are additional savings in operating costs of up to \$55k.

The area of most concern is our investments with

- The largest variance was within our managed funds investments with losses YTD of \$317k ,a \$480k negative variance to budget

Please also see further details in the Q2 Financial report in consent agenda

So what will H2 look like ?

The second half will remain challenging for investments with no clear ability to assess when investment returns will improve.

We have also reviewed our work plan for this period and believe we can set our target to retain a net operating position at a loss of just over \$400k which is \$300k higher than our budget.If we assume Nil return in H2 on the investments our overall position

will be a loss of over \$600k , approx 300k deficit from the original plan.

Financial Forecast to 31st March 2022			
			000's
	Forecast	Budget	Variance
Revenue	\$13,768	\$13,661	\$107
Cost of Sales	\$3,288	\$3,469	-\$181
Gross Profit	\$10,480	\$10,192	\$288
Operational Costs	\$10,918	\$10,938	-\$20
Net Operating Profit	-\$438	-\$746	\$308
Interest Income	\$125	\$86	\$39
Managed funds	-\$326	\$310	-\$636
Net Profit	-\$639	-\$350	-\$289

This will allow us to continue with our work and invest in areas such as

- Funding - Grants and Partnerships
- Working towards Te Tiriti o Waitangi centric organisation by supporting work in developing relationships and working in partnership with Māori.
- Restarting some international governance work.
- Ensuring our new IRS system is bedded in over the next 6 months.
- .nz for Aotearoa strategic activities
- Ensuring we have a risk and compliance framework in place to protect our assets - BCP, Security, Service performance reporting.

Recommendations

That Council approval of the revised year end deficit of \$639k which is \$289k more than originally approved

COUNCIL MEETING - October 2022

Council Honoraria review

PURPOSE: Represent paper from August meeting with additional considerations

DATE WRITTEN: 14/10/22

Purpose

That Council accepts the levels and timing of the recommended rates honoraria.

Background

In August we presented a paper for considerations on new levels of honoraria for Council as it has been four years since the last review. The paper was based on benchmarking against the Crown entity fee framework and Institute of Directors

Some concerns were raised on the level of increase and how this compared to staff increases over the same time period. A review has since been conducted and the key areas to note are

- Proposed Council honoraria increase 8.5% - last increase 4 years.
- Staff increases- cumulative average over 4 years have been 16%
 - 2022 7.2% average.
 - 2021 2.9% average
 - 2020 2.4% average
 - 2019 2.7% average

Therefore suggest the recommendations from the August paper are re tabled.

Recommendation based on the Crown Entity Fee Framework

As previously tabled InternetNZ Group ranks as a Level 2 organisation in this framework, given that InternetNZ is a charitable incorporated society Level 3 would seem more appropriate.

The framework presents the answer as fees range, the midpoint in the Level 3 band has been used.

Application of this framework therefore results in the following recommended honoraria rates:

For the President:	\$38,500 per annum
For the Vice-President:	\$24,062 per annum
For Councilors:	\$19,250 per annum
For Council Committee Chairs:	\$21,175 per annum

Recommendation

THAT Council accepts the Honoraria levels as recommended in this paper.

THAT Council adjusts the Honoraria in accordance with the rates recommended in this paper, with the new rates taking effect next financial year - April 1

THAT the review period is adjusted to every two years.

Separation of the Audit and Risk Committee

PURPOSE: Approval on separation of the Audit and Risk Committee

DATE WRITTEN: 12/10/22

Purpose

Council approval for the separation of the Audit and Risk Committee into:

- Audit, Finance and Investment Committee
- Risk and Compliance Committee.

Background

Over the last year it has been suggested that in order to give appropriate focus to the work plan currently under the Audit and Risk Committee, we should give consideration to a new structure.

In September the current Audit and Risk committee and all councilors were invited to meet to discuss and make recommendations on what this new structure should be, their terms of reference and the committee chair/members.

It was decided that the most appropriate split was to form two committees:

- Audit, Finance and Investment committee with its main focus on assisting the Council in meeting its governance responsibilities with respect to financial reporting and controls, audit and investment management.
- Risk and Compliance committee with its main focus on assisting the Council in meeting its governance responsibilities with respect to overseeing all aspects of risk management along with Health, Safety and Wellbeing, legal, regulatory, and policy compliance.

Membership

Further to this meeting the members of the committee have also been recommended as

Audit, Finance and Investment committee

Anthony Bow (Chair)

Anjum Rahman

Jeff Montgomery

Don Stokes

Risk and Compliance committee

Brenda Wallace (Chair)

Kate Pearce

Potaua Biasiny-Tule

Whetu Fala

Recommendation

THAT the Council

- Approve the separation of the Audit and Risk Committee into the
 - Audit, Finance and Investment Committee, and
 - Risk and Compliance Committee.

Council Committees

PURPOSE: To confirm Chair and members of Committees and adopt the new/revised Terms of References.

Summary

This paper is to confirm the committee's that the council will conduct some of its work through and the make up of these committees.

The revised Terms of Reference for each committee attached and the list of committee members and chair are outlined below.

Audit, Finance and Investment Committee (AFI)

The members of the Committee are Anthony Bow (Chair),Anjum Rahman,Jeff Montgomery and Don Stokes

Risk and Compliance Committee

The members of the Committee are Brenda Wallace (Chair),Kate Pearce,Potaua Biasiny-Tule and Whetu Fala

.nz Policy Committee

The members of the Committee are Kate Pearce (Chair),Don Stokes,Jeff Montgomery and Alpana Roy

Komiti Whakauru Māori

The members of the Committee are Potaua Biasiny-Tule (Chair),Whetu Fala,Sarah Lee (co-opted member)

CE Review Committee

The members of the Committee are Joy Liddicoat (Chair), Brenda Wallace, Richard Hulse and Whetu Fala

Governance Committee

The members of the Committee are Richard Hulse (Chair), Brenda Wallace, Whetu Fala, Jeff Montgomery and Don Stokes

Recommendation

THAT Council confirms that it will conduct some of its work through these six committees: Audit, Finance and Investment, Risk and Compliance, CE Review, Komiti Whakauru Māori, nz Policy and Governance .

THAT the makeup of the committees are confirmed as per this paper

THAT the Terms of Reference for each of the committees are adopted

Risk and Compliance Committee

TERMS OF REFERENCE: Risk and Compliance Committee
VERSION: 1.1
DATE IN FORCE: September 2022
PLANNED REVIEW: September 2024

1. Purpose

The purpose of the Risk and Compliance Committee is to:

- a. Assist the Council in meeting its governance responsibilities with respect to overseeing all aspects of risk management along with legal, regulatory, and policy compliance.
- b. Within the boundaries of this purpose, the Committee's scope is an advisory capacity to Council and does not relieve any Councillors or staff of their responsibilities for these matters.

2. Membership

- a. The committee shall consist of no fewer than three and no more than five Council members with relevant skills, experience, and general due diligence experience.
- b. Council may decide to co-opt other Council members or appoint an independent external advisor to the Committee should it wish to ensure the appropriate skills are represented.
- c. Council shall appoint the Chair and members of the Committee and review these appointments annually at its first ordinary meeting after the Annual General Meeting.

3. Operating Principles

- a. The Tumutaumatua/General Manager of Organisational Performance will be the main contact to the Committee on behalf of InternetNZ staff.
- b. In consultation with The Tumutaumatua/General Manager of Organisational Performance, the Committee shall nominate a member or staff member to act as the Secretariat.

- c. The Tumutaumatua/General Manager of Organisational Performance and Secretariat shall attend meetings of the Committee but shall not be members of the Committee.
- d. The Chief Executive will participate in the Committee on an as-required basis.

4. Meetings

- a. The Chair or delegate will chair all meetings.
- b. A meeting quorum will be three members of the Committee.
- c. Decisions are made by consensus (i.e. members are satisfied with the decision even though it may not be their first choice). If consensus is not reached, the chair will cast the deciding vote. The dissenting opinion will be noted in the minutes (not who dissented).
- d. The Committee shall meet 3-4 times per year or as required for the effective operation and discharge of the Committee's responsibilities. Ordinarily, it is intended that three or four meetings per year are held.
- e. Council members who are not members of the Committee may attend any meeting either remotely or in person (except in the case of a conflict of interest, as determined by the Committee).
- f. InternetNZ staff may be invited to attend meetings at the discretion of the Committee (except in the case of a conflict of interest, as determined by the Committee).
- g. The Chair and the Secretariat shall agree to and distribute an agenda and any related papers one week before the meeting to members of the Committee and invited staff members.

5. Responsibilities

Subject to the limitations on the Committee's authorities contained in section 6, the Risk and Compliance Committee will address the following areas:

The responsibilities of the Committee include:

- a. Monitoring InternetNZ's risk governance structure, risk assessment and risk management practices and the guidelines, policies and processes for risk assessment and risk management.

- b. Maintaining oversight of the enterprise risk register; ensuring that risks are appropriately identified and assessed.
- c. Reviewing the efficacy of risk treatments undertaken by management.
- d. Informing Council of significant matters or any emerging risks.
- e. Maintaining the statement of risk appetite used by management, ensuring it is approved by Council.
- f. Monitoring InternetNZ's legislative compliance, including health and safety.
- g. Monitoring the adequacy of InternetNZ's insurances.
- h. Monitoring the cyber security framework, capabilities, and processes used to ensure the resilience of InternetNZ.
- i. Gain assurance that management has taken steps to embed a culture of ethical and lawful behaviour.
- j. Review the effectiveness of the system for monitoring compliance with laws, regulations and policies.
- k. Receiving and considering regular management updates regarding;
 - i. health, safety, and wellbeing;
 - ii. cyber security;
 - iii. business continuity;
 - iv. Insurances;
 - v. and others matters as the Committee deems appropriate.
- l. Making regular enquiry of management or specialist risk advisors about significant risks or exposures.
- m. Ensuring that individuals appreciate and acknowledge that risk management is all employees' responsibility and appropriate systems are in place to ensure they are able to meet those responsibilities.
- n. Ensuring that appropriate processes are in place to ensure compliance with risk management policies and procedures together with appropriate escalation to the Committee.

6. Authority

- a. The Committee is an advisory committee and does not have power or authority. Unless explicitly empowered by the Council, committees or working parties cannot make binding Council decisions or speak for the Council. For the most part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Council.
- b. Please see the Governance [Charter](#) for further guidance on Committees Page 11.

7. Internal Reporting

- a. After each Committee meeting, the Chair shall report the Committee's findings and recommendations to Council.
- b. The Committee will normally send the minutes of their meetings to Council, but can advise Council to keep some sections confidential.

Terms of Reference for te Komiti Whakauru Māori

POLICY: To Komiti Whakauru Māori
VERSION: 1.4
DATE IN FORCE: October 2022
PLANNED REVIEW: October 2023

1. Purpose

The purpose of Te Komiti Whakauru Māori (TKWM) is to support and enable constructive relationships with Māori and to guide and assist Ipurangi Aotearoa to become a Te Tiriti o Waitangi centric organisation.

2. Membership

- a. Te Komiti shall consist of no fewer than three and no more than five Council members who identify as having the relevant skills in Te Aō Māori concepts including kaitiakitanga, manaakitanga and whanaungatanga to perform the duties.
- b. Te Komiti may decide to co-opt/appoint an external independent advisor to te Komiti should it wish, to ensure the appropriate skills are represented.
- c. Council shall appoint the Chair and members of te Komiti and review these appointments annually at its first ordinary meeting after the Annual General Meeting.
- d. Any member who ceases to be a Councillor or Kaimahi ceases to be a member of Te Komiti.

3. Operating Principles

- a. Tumu Whakarae, Tumuaki Māori and the Hēkeretari may attend te Komiti on behalf of Ipurangi Aotearoa but shall not be members of TKWM.
- b. The Chair in consultation with the Tumu Whakarae shall nominate kaimahi to act as the Hēkeretari /Advisory that has the relevant skills and experience to undertake the duties.

4. Meetings

- a. All meetings will be chaired by Chair or delegate.
- b. A meeting quorum will be three members of the Committee.
- c. Te Komiti shall meet 3-4 times per year or as required for the effective operation and discharge of te Komiti's responsibilities. Ordinarily, it is intended that four meetings per year are held.
- d. Council members who are not members of TKWM may attend any meeting either remotely or in person (except in the case of a conflict of interest, as determined by te Komiti).
- e. The Chair and the Hēkeretari shall agree to and distribute an agenda and any related papers one week prior to the meeting to members of the Committee and invited kaimahi of Ipurangi Aotearoa.

5. Responsibilities

- a. The Chair shall report to the Council after each Komiti meeting or as specified or requested by the Council.
- b. Te Komiti is responsible for making recommendations to Council relating to strengthening and building cultural competency and understanding of Te Ao Māori at the Governance level.
- c. Collaborate with the Tumu Whakarae, Tumuaki Māori and the Māori Design Group to develop recommendations on co-design, co-management and/or co-governance to help facilitate the wider organisational strategy Rei: Kura Te-Tiriti-o-Waitangi honouring organisation.
- d. Maintain a general overview of Ipurangi Aotearoa's relationships with Māori and monitor/help mitigate relational and reputational risks.

- e. Support the implementation of He Pouwhenua, He Pou Tangata strategy, and develop recommendations on alignment with strategic thinking.

6. Authority

- a. The Committee is an advisory committee and does not have power or authority. Unless explicitly empowered by the Council, committees or working parties cannot make binding Council decisions or speak for the Council. For the most part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Council.
- b. Please see the Governance [Charter](#) for further guidance on Committees Page 11.

7. Reporting

- a. After each Komiti meeting, the Chair shall report the Komiti's findings and recommendations to Council.
- b. Te Komiti will normally send the minutes of their meetings to Council, but can advise Council to keep some sections confidential.

8. Review

- a. Review this Terms of Reference annually prior to the Annual General Meeting and recommend any updates as/if required for Council to consider at its subsequent meeting.

.nz Policy Committee

TERMS OF REFERENCE : .nz Policy Committee
VERSION: 3.0
DATE IN FORCE: August 2022
PLANNED REVIEW: August 2024

1. Purpose

The purpose of the .nz Policy Committee is to:

- Provide guidance and direction to InternetNZ staff on the policies for the registration and use of a .nz domain. This includes
 - The high level policy framework by which InternetNZ and DNCL fulfils the policy-making requirements of their role as designated manager for the .nz domain name space
 - The principles under which the .nz domain name space is run and the roles and responsibilities of the parties involved
 - Associated policies, operational rules and requirements for owning a .nz domain name
 - processes that InternetNZ follow when creating or amending .nz policies
- Make recommendations to Council for decisions relating to the policies for the registration and use of a .nz domain as per 5(b) of this document.

2. Membership

- a. Committee shall consist of no fewer than three and no more than five Council members who have, between them, relevant skills and experience, and general due diligence experience.
- b. Council may decide to co-opt other Council members, or appoint an external independent advisor to the Committee should it wish, to ensure the appropriate skills are represented.
- c. Council shall appoint the Chair and members of the Committee and review these appointments annually at its first ordinary meeting after

the Annual General Meeting.

3. Operating Principles

- a. The Tumuwhanake / General Manager Customer & Product will be the principal advisor to the Committee on behalf of InternetNZ staff.
- b. The Committee shall, in consultation with the Chief Executive, nominate a member or members of staff to act as the Secretariat. The Tumuwhanake / General Manager Customer & Product and Secretariat shall normally attend meetings of the Committee but shall not be members of the Committee.
- c. The Chief Executive will participate in the Committee on an as-required basis.

4. Meetings

- a. All meetings will be chaired by Chair or delegate.
- b. A meeting quorum will be three members of the Committee.
- c. Decisions are made by consensus (i.e. members are satisfied with the decision even though it may not be their first choice). If not possible, the decision will be made by the members voting and if the votes are equally divided, the Chair will have the deciding vote.
- d. The Committee shall meet 3-4 times per year or as required for the effective operation and discharge of the Committee's responsibilities. Ordinarily, it is intended that four meetings per year are held.
- e. Council members who are not members of the Committee may attend any meeting either remotely or in person (except in the case of a conflict of interest, as determined by the Committee).
- f. InternetNZ or DNCL Group staff may be invited to attend meetings at the discretion of the Committee (except in the case of a conflict of interest, as determined by the Committee).
- g. The Chair and the Secretariat shall agree to and distribute an agenda and any related papers one week prior to the meeting to members of the Committee and invited members of staff.

5. Responsibilities

- a. The Chair shall report to the Council after each Committee meeting or as specified or requested by the Council.
- b. The Committee is responsible for making recommendations to Council relating to the .nz Rules (specifically the Principles and Policies sections) (in accordance with clause 6(a)), unless Council have delegated authority to the Committee to make a decision on any such matters.
- c. The Committee shall also provide feedback to staff in respect to any amendments, additions or deletions made to the .nz Rules (specific to the Operational Rules and the Procedures and Requirements sections) and decide whether they should be presented to Council for their information.

6. Authority

- a. The Committee is an advisory committee and does not have power or authority. Unless explicitly empowered by the Council, committees or working parties cannot make binding Council decisions or speak for the Council. For the most part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Council.
- b. Please see the Governance [Charter](#) for further guidance on Committees Page 11.

7. Reporting

- a. After each Committee meeting, the Chair shall report the Committee's findings and recommendations to Council.
- b. The Committee will normally send the minutes of their meetings to Council, but can advise Council to keep some sections confidential.

Audit, Finance & Investment Committee

TERMS OF REFERENCE:	Audit, Finance and Investment Committee
VERSION:	1.4 (Predecessor - Audit & Risk Committee)
DATE IN FORCE:	September 2022
PLANNED REVIEW:	September 2024

1. Purpose

The purpose of the Audit, Finance and Investment Committee (AFI) is to:

- a. Assist the Council in meeting its governance responsibilities with respect to financial reporting and controls, audit and investment management.
- b. Within the boundaries of this purpose, the Committee's scope is an advisory capacity to Council and does not relieve any Councillor or staff of their responsibilities for these matters.

2. Membership

- a. The committee shall consist of no fewer than three and no more than five Council members with relevant skills, experience, and general due diligence experience.
- b. Council may decide to co-opt other Council members or appoint an independent external advisor to the Committee should it wish to ensure the appropriate skills are represented.
- c. Council shall appoint the Chair and members of the Committee. The Committee Chair shall be any Council member other than the President. Council will review these appointments annually at its first ordinary meeting after the Annual General Meeting.

3. Operating Principles

- a. The Tumutaumatua/General Manager of Organisational Performance will be the main contact to the Committee on behalf of InternetNZ staff.

- b. In consultation with the Tumutaumatua/General Manager of Organisational Performance, the Committee shall nominate a member or staff member to act as the Secretariat.
- c. The Tumutaumatua/General Manager of Organisational Performance and Secretariat shall attend meetings of the Committee but shall not be members of the Committee.
- d. The Chief Executive will participate in the Committee on an as-required basis.

4. Meetings

- a. The Chair or delegate will chair all meetings.
- b. A meeting quorum will be three members of the Committee.
- c. Decisions are made by consensus (i.e. members are satisfied with the decision even though it may not be their first choice). If consensus is not reached, the chair will cast the deciding vote. The dissenting opinion will be noted in the minutes (not who dissented).
- e. The Committee shall meet 3-4 times per year or as required for the effective operation and discharge of the Committee's responsibilities. Ordinarily, it is intended that three or four meetings per year are held.
- f. Council members who are not members of the Committee may attend any meeting either remotely or in person (except in the case of a conflict of interest, as determined by the Committee).
- g. InternetNZ staff may be invited to attend meetings at the discretion of the Committee (except in the case of a conflict of interest, as determined by the Committee).
- h. The Chair and the Secretariat shall agree to and distribute an agenda and any related papers one week before the meeting to members of the Committee and invited staff members.

5. Responsibilities

Subject to the limitations on the Committee's authorities contained in section 6, the Audit, Finance and Investment Committee will address the following areas:

The responsibilities of the Committee include:

Internal Control

- a. Assess the internal controls, oversight, monitoring and review of the financial systems. Review the adequacy of management of these

risks, ensuring the Council is aware of all significant matters, as well as matters which may become significant (when appropriate).

- b. Consider how management ensures that financial-related security controls are being managed, e.g. segregation of duties, fixed assets, and payroll controls.
- c. Review any fraud, illegal acts, and deficiencies in internal controls or similar issues with the external auditors.
- d. Review the Delegated Financial Authority Policy on an annual basis.
- e. Review Council members' expenses on a quarterly basis.

Financial Reporting

- f. Review the annual and interim financial statements and determine whether they are complete and accurate and comply with appropriate accounting standards and legal requirements.
- g. Ensure that all regulatory compliance matters have been considered in preparing the annual accounts.
- h. Review significant accounting and reporting issues and understand their impact on the financial statements.
- i. Focus on complex and unusual transactions - a transaction that is outside the normal course of business for the company or that otherwise appears to be unusual due to its timing, size, or nature.
- j. Review non-financial XRB and Charitable reporting, e.g. Service Performance Reporting as per IFRS 48, for recommendation to Council.
- k. Review significant adjustments arising from the external audit.

External Audit

- l. Consider the appointment of the external auditor.
- m. Review the external auditors proposed audit scope and approach and ensure no unjustified restrictions or limitations have been placed upon the audit scope.
- n. Review the external audit management letter, management response, and audit findings report and provide recommendations to Council.
- o. Gain an understanding of whether internal control recommendations made by external auditors have been implemented.

Investment

- a. Draft, review, revise and recommend to Council for their approval the following governance documents:-
 - i. Statement Investment Policy Objectives (SIPO)
 - ii. The treasury, investment and reserves policy
- b. Assess investment strategy and risk

Select investment advisor(s)

- c. Recommend to Council the appointment or termination of investment consultants where appropriate.
- d. Recommend to Council appointment or termination of investment managers(s)
- e. Recommend to Council the terms of appointment of investment consultants or managers, including the level of portfolio management discretion, custody and dealing arrangements, and fees.
- f. Set and review with the investment manager(s) appropriate investment mandated, ensuring consistency with the written investment policy and long-term investment strategy.

Monitor and evaluate investment performance, service and cost

- g. Monitor the investment portfolio's long-term performance against the investment objective, ensuring compliance with the written investment policy.
- h. Establish appropriate performance benchmarks for the investment managers and monitor and evaluate performance over relevant time horizon terms.
- i. Periodically review the fees paid and appraise value for money.
- j. Monitor the liquidity to ensure that the spending commitments can be met.
- k. Monitor the performance and formally review the performance of any Investment Consultants.

Other responsibilities

- p. Perform other governance functions as requested by Council

6. Authority

- a. The Committee is an advisory committee and does not have power or authority. Unless explicitly empowered by the Council, committees or working parties cannot make binding Council decisions or speak for the Council. For the most part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Council.
- b. Please see the Governance [Charter](#) for further guidance on Committees Page 11.

7. Internal Reporting

- a. After each Committee meeting, the Chair shall report the Committee's findings and recommendations to Council.
- b. The Committee will normally send the minutes of their meetings to Council, but can advise Council to keep some sections confidential.

8. Communication

- a. The Tumutaumatua/General Manager Organisational Performance and auditors shall be responsible for drawing to the Committee's immediate attention any material matter related to the Society's financial condition, material breakdown in internal controls, and any material event of fraud or malpractice.
- b. The committee shall maintain direct lines of communication with the external auditors, the Tumutaumatua/General Manager Organisational Performance, or appropriate staff.

Chief Executive Review Committee Terms of Reference

Policy	COM-CEO: Chief Executive Review Committee
Version	Version 1.2
Date in force	February 2022
Planned review	February 2023

Constitution

The Chief Executive Review Committee ("the Committee") is a committee of Council with the specific delegated powers as set out in this Terms of Reference.

Objectives

The Committee acts on behalf of Council in all dealings with the CE on matters relating to terms of employment, key performance measures and disciplinary matters.

Membership

Membership of the Committee is reviewed annually at the first Council meeting following the AGM. The Committee shall consist of the President, Vice President, and two Councillors.

The Chair of the Committee is the President and in his/her absence the Vice President.

Any member who ceases to be a Councillor ceases to be a member of the Committee.

Responsibilities

1. From time to time negotiate and amend as necessary the key performance objectives of the CE
2. Report on a confidential basis the performance of the CE against the key performance objectives
3. At the appropriate time, conduct a review of the CE's overall performance and make recommendations to Council on remuneration and appropriate bonus payments.
4. Monitor and where necessary act on any other matters relating to the conditions of employment of the CE.

Council Policies

Review this Terms of Reference annually prior to the Annual General Meeting and recommend any updates as/if required for Council to consider at its subsequent meeting.

Other Matters

Consider any other matters referred to the Committee by Council.

Authorities

The Committee shall have the authority to seek any information it requires from any employee of the Society.

The Committee is authorised to obtain such independent professional advice as it considers necessary at the expense of the Society.

The Committee is authorised to make reasonable arrangements as it considers necessary for travel, accommodation, meals and meeting facilities for members of the Committee, advisers to the Committee and staff at the expense of the Society.

The Committee must exercise the powers delegated to it in accordance with any directions of Council.

The Committee can invite other parties to attend meetings from time to time as circumstances require.

The Committee may initiate special investigations as it sees fit in relation to matters set out in this Terms of Reference or as directed by Council, or the President.

Reporting

In addition to the annual review of the CE's overall performance, the Chair shall verbally update Council on CE performance matters in 'Council alone' time as required.

Communication

The President and Vice President, with the support of the other committee members when required, shall maintain direct lines of communication with the Chief Executive throughout the year on a regular basis.

Review

This Terms of Reference document and the performance of the Committee shall be subject to biannual review by Council.

Governance Committee

TERMS OF REFERENCE :	Governance Committee
VERSION:	1.0
DATE IN FORCE:	August 2022
PLANNED REVIEW:	August 2024

1. Purpose

The purpose of the Governance Committee is to assist Council in matters relating to

- election and appointment process of Councillors
- appointment of subsidiary entity governors e.g. DNCL directors
- maintenance of the [governance handbook](#)
- monitoring compliance with the Constitution
- recommendations for constitutional amendments

2. Membership

- a. Committee shall consist of no fewer than three and no more than five Council members who have, between them, relevant skills and experience. One committee member shall be the Chair of Te Komiti Whakauru Māori.
- b. Council may decide to co-op other Council members or appoint an external independent advisor to the Committee should it wish, to ensure the appropriate skills are represented.
- c. Council shall appoint the Chair and members of the Committee and review these appointments annually at its first ordinary meeting after the Annual General Meeting.

3. Operating Principles

- a. The Tumutaumatua/General Manager Organisational Performance will be the principal advisor to the Committee on behalf of InternetNZ staff.
- b. The Committee shall, in consultation with the Tumutaumatua/General Manager Organisational Performance, nominate a member or members of staff to act as the Secretariat. The

Tumutaumatua/General Manager Organisational Performance and Secretariat shall normally attend meetings of the Committee but shall not be members of the Committee.

- c. The Chief Executive will participate in the Committee on an as-required basis.

4. Meetings

- a. All meetings will be chaired by Chair or delegate.
- b. A meeting quorum will be three members of the Committee.
- c. Decisions are made by consensus (i.e. members are satisfied with the decision even though it may not be their first choice).
- d. The Committee shall meet 3-4 times per year or as required for the effective operation and discharge of the Committee's responsibilities. Ordinarily, it is intended that four meetings per year are held.
- e. Council members who are not members of the Committee may attend any meeting either remotely or in person (except in the case of a conflict of interest, as determined by the Committee).
- f. InternetNZ or DNCL Group staff may be invited to attend meetings at the discretion of the Committee (except in the case of a conflict of interest, as determined by the Committee).
- g. The Chair and the Secretariat shall agree to and distribute an agenda and any related papers one week prior to the meeting to members of the Committee and invited members of staff.

5. Responsibilities

- a. Monitors whether Council is complying with its obligations as set out in the organisation's constitution, articles, or bylaws.
- b. Oversee the process to elect Councillors.
- c. Oversee the process to appoint independent directors to Council. They may develop a recruitment plan and establish job descriptions /skill requirements for this purpose.
- d. Organise ongoing training and development for Councillors.
- e. Reviews the existing constitutional documents of the organisation periodically and recommends updates where necessary.
- f. Advises how to deal with potential conflicts of interest of Councillors and independent directors.

- g. Regularly review the structure, size and composition (including the skills, knowledge and experience) of Council and to make recommendations to Council regarding any changes.
- h. Develop and conduct an orientation process for newly elected or appointed Councillors and provide ongoing board training and development.

6. Authority

- a. The Committee is an advisory committee and does not have power or authority. Unless explicitly empowered by the Council, committees or working parties cannot make binding Council decisions or speak for the Council. For the most part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Council.
- b. Please see the Governance [Charter](#) for further guidance on Committees Page 11.
- c. The Committee is authorised by Council, at the expense of the organisation, to consult with outside services, such as the IoD's DirectorSearch services, executive search consultants, and other external sources of information and advice such as financial or legal advisors, as it considers necessary for carrying out its responsibilities.

7. Reporting

- a. After each Committee meeting, the Chair shall report the Committee's findings and recommendations to Council.
- b. Unless directed by the Chair, the minutes of all committee meetings shall be circulated to Councillors and the Chief Executive and to such other persons as the Committee directs.

COUNCIL MEETING - October 2022

Bank signatures

PURPOSE: Approval to update Bank Signatures

DATE WRITTEN: 12/10/22

Purpose

To update the bank mandates to remove and add staff/Councillors that are authorised signatories for InternetNZ.

Background

In August we presented a paper for considerations on updates to the authorised signatures and following this had an action to review and recommend changes to the staff list. There was also a request to write/ review the policy on staff as authorised signatures and to confirm one more Council signature.

Please note [The Treasury Policy](#) which covers the policy for authorised signatures is due for review and is included in the work plan for this quarter for the Audit, Finance and Investment committee.,

Recommendation

THAT Council

- Approve the to the following updates to the authorised signatures
 - Removal of Andrew Cushen and Dave Baker as signatures
 - Addition of Vivien Maidaborn and Tim Johnson (staff) as signatures
 - Addition of Anjum Rahman (Councillor) as signatory.

President Report

AUTHOR: Joy Liddicoat, President

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

Introduction

Following the Annual General Meeting in July, my key priorities were the induction of new Councillors and review of Council Committee terms of reference and membership. As the country moved into a green light setting and public life began a new normal, I have been encouraged by the re-energising of our staff and a focus on external events.

.nz

There has been significant work with all hands on deck to ensure the new registry and the related new .nz rules (to be overseen by the Domain Name Commissioner) will go live on 4 November. I have been hugely impressed with the efforts of Tim Johnson and all of his team. I know that underneath the smooth waters there has been a lot of stress and very hard work to meet the targets for this once in a generation infrastructure upgrade. I am very grateful to all those who have worked so hard in the best interests of .nz.

Membership and Engagement

I continue to participate in our online NetHub channels and note the usual ebb and flow of discussion there. I expect our new Chief Executive will be reviewing our membership and engagement strategy and plans and look forward to her contribution and leadership.

Governance

In September and October, my main focus has been on ensuring a warm welcome for and smooth transition to our new Chief Executive. I am very grateful to our Interim Chief Executive, Andrew Cushen and Vice President Brenda Wallace for their support during this time.

Regular meetings with the co-chairs of the Māori Design Group continued. In September, both Council and our incoming Chief Executive met with the Maori Design Group in Auckland. I continue to be grateful for the advice we are receiving from the MDG and the assistance they are providing us.



QUARTERLY REPORTING

REPORT ON Q2 2022/23

Introduction from Tumu Whakarae

Kia ora,

The purpose of this report is to summarise our delivery to our strategies and plans, and highlight the key metrics that matter to the ongoing health of our organisation.

Our objectives for Q2 of 2022/23 were:

- Undertaking the appointment process of a new permanent Tumu Whakarae, which has seen Vivien Maidaborn join the organisation on 17th October 2022.
- Continuing project Mimosa to build and launch the new registry platform, IRS, in November 2022.
- Ongoing conversations with the Government on how we work together on mis- and dis- information in Aotearoa.
- Monitoring of the Christchurch Call process at the 2022 gathering of Leaders alongside the United Nations meeting.
- Starting to identify the focus of the international Internet governance work INZ will do, with attendance at the ICANN and ITU meetings based on the initial support from Council at the May meeting.
- Receiving the review of Structural Racism.
- Continuing to increase our presence and profile as the leading independent commentator on Internet issues in Aotearoa, on behalf of the Internet community.

We have made substantial progress across all of the significant commitments of our 2022/23 Annual Plan. Q2 represents a particularly significant moment in the change and evolution of InternetNZ, as we focus on outward orientation to serve our registrars, users of .nz and the people of Aotearoa to maximise their benefit in using the Internet.

***Rei kura: treasured teeth* - The focus of our action and mahi**

Our plan for the year includes six key strategic commitments. The status of our work is summarised as one of three states:

On track	This work is tracking according to our plans and expectations.
Within tolerance	This work has deviated from our plans and remedial action is underway.
Out of tolerance	This work has deviated from our plans and remediation is not known or unsuccessful.

Our strategic goal: .nz is a good product

Complete the replacement of the .nz registry	We are on track to complete the move to the new registry system on the 1st November. Core functionality and project remains within scope and budget. Potential variance is managed through action risk management plan	Within tolerance
.nz policy that continues to manage harm through .nz domain names	We've begun work on the first stage of our plan in relation to managing/responding to online harm through the .nz rules. At the same time we are progressing with the panel recommendations and prioritising those that focus on online harm.	On track

Our strategic goal: we are a Te Tiriti o Waitangi-centric organisation

Deepen relationships with Māori through engagements and partnerships	Te Puni Māori has been approached by Te Kōhanga Reo National Trust and Te Matatini Inc to explore forming a potential	On track
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	strategic alliance. This alliance will look at ways we can develop multi year partnerships with mutual benefit. For immediate attention is how we can engage with the 40th year celebration for Te Kōhanga Reo in Hamilton (10 - 12 Nov), and Te Matatini 50th anniversary (20 - 24 Feb).	
Build an environment where Te Ao Māori is treasured and embraced	We have completed Te Tiriti o Waitangi organisational team planning on “how Te Tiriti o Waitangi can be central to our mahi”. Teams looked at their current work programme and identified how Māori equitable outcomes can be identified. This work supports the development of Ipurangi Aotearoa’s Te Tiriti o Waitangi framework.	On track

Our strategic goal: responses to harms

Convene and advocate for systemic responses to the challenge of mis- and dis-information in Aotearoa.	Our focus has been on providing input to the government on the issues in this space and on supporting our strategic partner Tohatoha in their misinformation work. We are also preparing to attend the Select Committee hearing on mis and dis information in October.	On track
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Our strategic goal: digital equity and inclusion

Working within the Digital Equity Coalition Aotearoa (DECA) framework towards digital equity	We continue to work with and through DECA to support and strengthen their operating ability, as part of our strategic support for this collaborative community vehicle.	On track
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Highlights of the quarter

InternetNZ in the media

We appeared in 76 media stories for the quarter. The topics with the most coverage were:

- The Christchurch Call (InternetNZ's response to the Christchurch Call Leaders Summit and what more needs to be done to realise the Calls commitments).
- The Netsafe Code (InternetNZ's strong concern for the lack of community consultation)
- Taumarunui's Internet outage (InternetNZ calling for the Internet to be treated like a utility)

The majority of our media articles were surrounding our "Internet that benefits" rei kura.

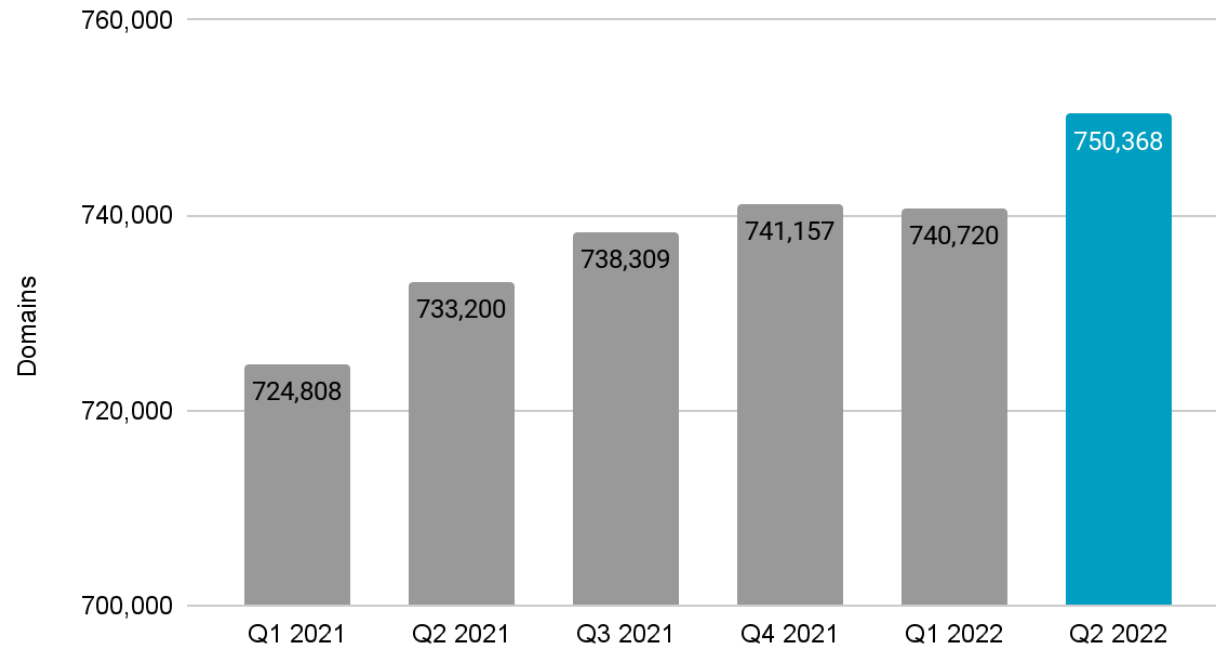
Q2 media highlights:

- [Jacinda Ardern reveals an initiative that will delve into researching social media algorithms \(Today FM interview\)](#)
- [Study launched to learn effects of social media algorithms \(RadioNZ interview\)](#)
- [Social media giants agree to 'first of its kind' code of conduct in Aotearoa \(Stuff article\)](#)
- [Town back online after Chorus plays whackamole with internet outage \(Stuff article\)](#)
- Internet: Is it a utility? (InternetNZ Interim CE live on TVNZ Breakfast show - not available on the Internet)

***Rei ora: teeth of vitality* - The foundations on which we stand**

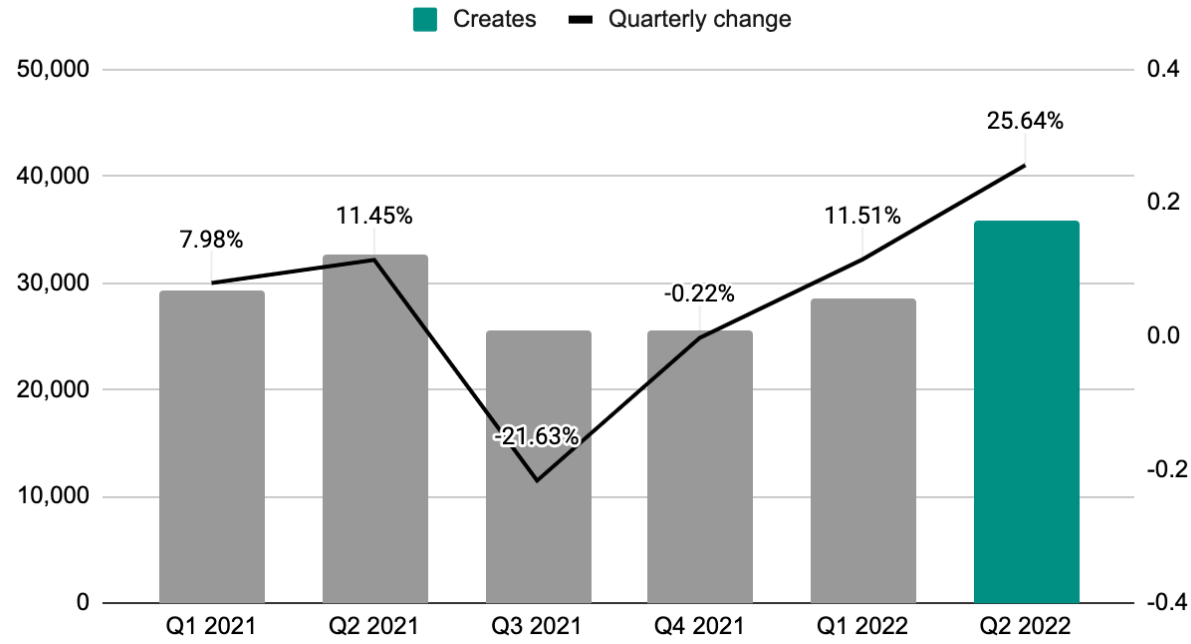
.nz metrics and commentary for Q1 2022/23

Total .nz Domains

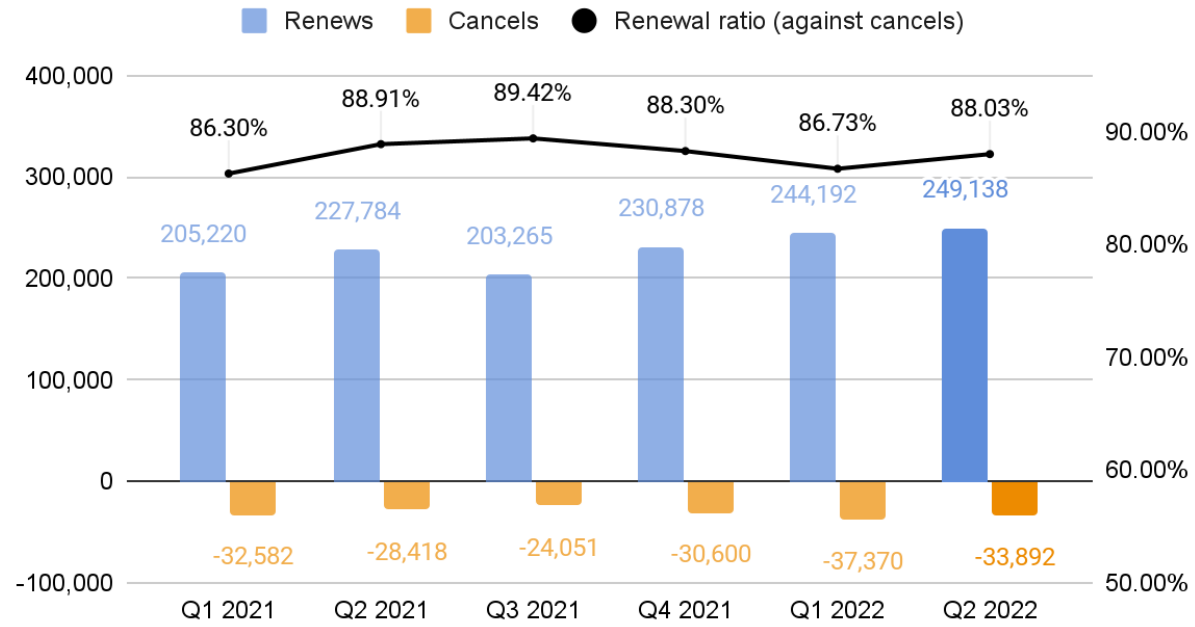


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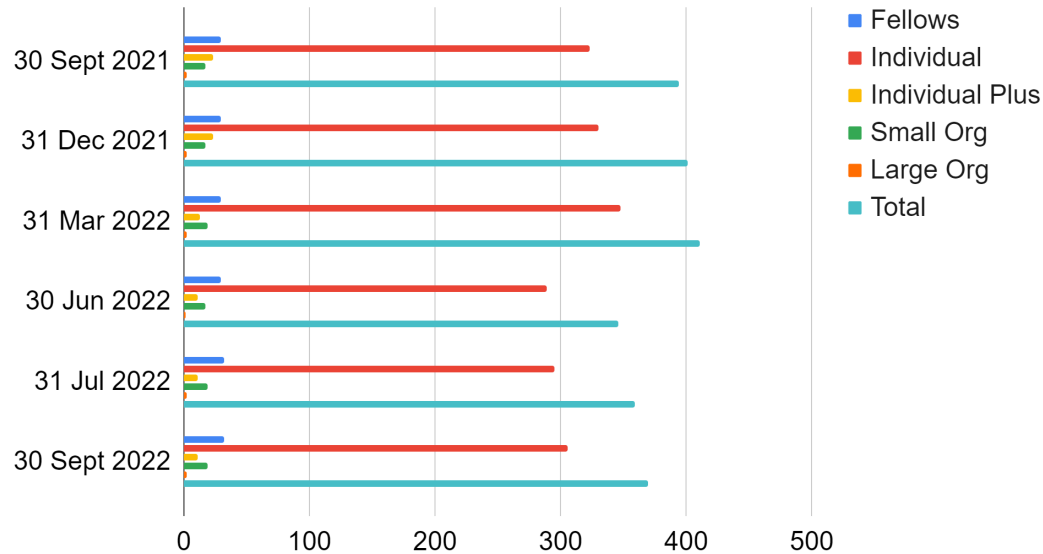


Renews and Cancels



1.

Membership metrics and commentary for Q2 2022/23



People metrics and commentary for Q1 2022/23

- **FTE permanent employees:** 36.5 ↑2.0
- **Arrivals and departures**
 - Departures: None
 - Arrivals: Assistant Accountant, Senior Policy Advisor
- **HSW:** The HSW committee is now responsible for the ongoing management of our COVID response with support from ELT. We ran a series of events during Mental Health Awareness week to support the wellbeing of our staff and to raise awareness of mental health.

There have been three major focuses for the team in this quarter:

- the build up to the IRS launch - with over half the staff involved in the Mimosa project in some way the build up to the launch is being felt across all the teams

- the commencement of the Māori Equitable Outcomes work within teams led by Te Puni Māori and
- preparation for the transition to our new Chief Executive.

Partnership metrics and commentary for Q2 2022/23

For the \$1mil of community funding, \$640k has been invested into strategic partnerships or projects with the following organisations:

- 20/20 Trust
- AUT, World Internet Project
- Digital Future Aotearoa
- FigureNZ
- Tohatoha
- Waka Ama New Zealand
- Digital Equity Coalition Aotearoa, DECA (co-funder with Spark Foundation and Todd Foundation)
- Brainbox Ltd (co-funder with Borrin Foundation)
- NZ Red Cross, Awhi Matahiko Red Cross Settlement (co-funder with Spark Foundation)

\$85k is now available for on-demand grants to support people who want a chance to contribute and have an influence on key Internet issues but face barriers to participation. We encourage people seeking to apply to call us first to discuss their possible application; we listen and support people where they need through the application process. We may also offer to ghost-write, or review draft applications if needed. <https://internetnz.nz/news-and-articles/new-on-demand-funding-available-up-to-10k-per-project/>

\$240k is set aside for our next contestable grant round, with work yet to progress on the theme, aligned with our strategic direction.

The remaining \$35k is tagged for 'follow up' funding, there to support projects and initiatives we have funded in the past who need a small amount of additional funds to complete a project where there may be a change. This pool amount aligns to our funding policy of 10% of grant pools available in this financial year.

Returning Officer report

AUTHOR: Colin Jackson
PURPOSE: Review of the AGM process and experience as Returning Officer
DATE WRITTEN: 14 October 2022

Purpose

1. This report provides the council with an overview of the 2022 elections and AGM period from the perspective of the Returning Officer (RO).

Background

2. The RO role was scoped to cover the Council and Officers' elections and the selection of any new Fellows.
3. This was the first year that the RO role was held by a member/fellow. This was implemented to create a degree of separation between staff and the management of the process.
4. Staff estimated that this work would take around 4 days to complete across the 2 months of the AGM/elections project. The actual time spent on this role was 9 days.

Fellows awards

5. Nominations for Fellows were called from the membership and opened 2 June 2022 and closed 14 June 2022. We received 7 nominations, and recommended 3 be awarded fellowships. One of the recommended new Fellows was nominated by the Fellowship itself, the others were selected from members' nominations.

Council and officer nominations

6. The nomination and election process was planned in advance by InternetNZ staff.
7. The communications that were sent out during the period were drafted by staff in comms tracker, I reviewed all communications and made changes as required.

8. During the nomination period members submitted nominations that were recorded in a Google form. InternetNZ staff and I used the resulting spreadsheet to ensure candidates received appropriate communications.
9. I called all nominees to give them an outline of the process and to advise them what to expect as a candidate.
10. As a team we acted swiftly on the steps within the form to ensure that candidate information was received as quickly as possible, to ensure that their candidacy could be announced in the digest which was sent to the members-announce email list weekly on a Monday.
11. A total of 6 nominations were received: 2 nominations for Vice President and 4 nominations for Council. I was concerned about the low number of nominations.
12. In an effort to boost nominations, we sent an email that was additional to those set out in the communication plan. This was sent to the members list along with a post on NetHub. It contained a call to action to encourage more nominations before the period closed. Nevertheless, no further nominations were received.

Meet the candidates

13. I chaired the Meet the Candidates online event, which included a practice session before the event. We made a slight tweak to the event at the candidates' request in the practice session, which resulted in the participants getting an additional two minutes added to their presentation time.

Elections process

14. Throughout the elections period there are several external providers that InternetNZ works with to ensure the integrity of the electoral process. Staff created a timeline for external providers with key dates outlined. All communications sent to the external suppliers by staff copied in the elections@ email in on the correspondence. This provided me with an assurance that all tasks were being completed within the set time frame.
15. I reviewed the eligible voters list, and ensured that the list went to the two external suppliers Electionz (ballot capture and counting) and Fuzion (CiviCRM support) who both hold key roles in setting up the voting platform.
16. Before the elections go live, the process followed is that an internal mock election is conducted by staff. I added an additional step, asking staff to provide me with a report on the mock election for my sign-off before proceeding with the live election. This provided me with a level of confidence that all potential issues had been identified and mitigated. I recommend this step be included in all future elections.

17. There were no problems when the elections went live. The only reported concern was due to voting emails being unnoticed in some members' spam folders, handled through direct communication where necessary.
18. The elections opened and closed this year at 12 noon. In previous years voting closed at 4pm which caused a rush for staff and suppliers to work through the next steps of verifying the results before the AGM. The 12 noon closing time provided staff and suppliers with ample time to ensure that the necessary steps were completed.
19. The raw ballot file and counted results were received from Electionz within half an hour of the election closing. The ballot file was sent to a member of the InternetNZ technical team to be run through InternetNZ's STV count simulator to provide an alternative count. (This staff member knew that the results were confidential). The results from Electionz and the simulator output were sent to our auditors Grant Thornton for scrutineering.
20. I met with Grant Thornton the morning of the AGM. In this meeting we discussed the election and voting process, including the vote count method. Grant Thornton advised that after their review of the results, the internal simulation and their review of the process they were confident that the results were accurate.
21. The auditors also noted that they appreciated the 12 noon closing of the elections, and that it allowed them to work through the results and process in a much more reasonable time frame than previous years.

Annual General Meeting

22. I presented the election results to the AGM remotely from Papua New Guinea.
23. The AGM runsheet that was created by staff was excellent, being a remote presenter the runsheet provided me with a good understanding of what I needed to present/deliver on within the meeting.

Outcomes

24. The number of nominations was sufficient for an election to be held, but only just. Previous elections have had more candidates. I found this disappointing. I and others tried to persuade more members to nominate or be nominated but to no avail.
25. The turnout was 43% for the Vice President election and for the Council election (in comparison to 2021 where there was a 49.45% turnout and in 2020 there was a 47.68% turnout).

26. Overall, the process went well. InternetNZ can be confident of a robust process leading to a quality outcome. Nevertheless, there is scope for minor improvements, discussed below.
27. The staff support provided was absolutely excellent, and I really enjoyed working with the team.
28. I have a good understanding of the vote counting system after a previous engagement with InternetNZ on this matter. This was very helpful for me in my role, and from the feedback I received from staff it was helpful for them too.
29. It was indicated by staff that it would be beneficial for the RO to hold the role for 2 or 3 years for continuity. If Council agrees with this approach and would like to engage my services again for the next AGM, it would be helpful to have the date set as soon as possible so I can make appropriate arrangements for my availability.

Lessons learned

30. All key steps were completed at the right time and sent to me for my review, however I would suggest the process go one step further for next year and that staff develop an assurance checklist for the RO role, covering all significant steps especially the testing and mock election performed. This would allow the RO to formally sign off on each stage of the process and provide a record of the steps followed and authorised. A degree of formality would provide assurance that the process has been followed correctly.
31. Greater clarity should be provided in the position description for the RO and their role when liaising with the candidates and sufficient time allowed to perform the role.
32. If the scope of the RO remains the same, the estimated time for the role be adjusted to 10 days.
33. The RO job description be clarified to include the expected communications with nominees and candidates
34. The election process include a checklist prepared by staff for approval by RO before the live election opens.

Recommendation

THAT Council accept the Returning Officer's report.

Health, Safety and 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.

Period	Number of Near Misses reported/or identified	Number of Incidents reported/or identified	First Aid Incidents reported/or identified
10 Nov 2021 - 27 Jan 2022	1	0	0
28 Jan 2022 - 9 Mar 2022	0	0	0
10 Mar 2022 - 4 May 2022	0	0	0
5 May 2022 - 15 June 2022	1	0	0
16 June 2022 - 31 Aug 2022	1	0	0

Summary

Incidents and Hazards

- Since the last report, there was **one near miss that has been identified** and reported, where a staff member encountered a group of uninvited people loitering in WLG office foyer (lift area) and raised this as a safety and security concern. As soon as the staff member reported this incident, as an immediate action, the lifts going to our office were locked to card-access and we also alerted the building managers regarding the incident. As a long-term safety/security measure, the HSW Committee were given an approval to proceed with their recommendation of installing an intercom system by the main door as well as consider installing panic buttons on

designated areas within the office. The latter still needs planning and research however the installation of the intercom system is already underway and is most likely to be completed by mid-October. The period when the lifts are accessible without a swipe card has also been shortened to 7am to 5pm.

- There was also **one new hazard identified** by the IT Operations team which is regarding the presence of Asbestos at the Avalon Data Centre. However, the building owner has mitigated this issue immediately, managers are working with the building owners and INZ staff are also taking precautions when visiting the site - including wearing full PPE.

International Travel

Since the last meeting, the INZ Group's stance has been reviewed and updated. One of the key changes made was regarding the international travel where staff are now allowed to travel overseas to attend work events and engagements. However, each travel must go through a risk and security assessment prior to booking any travel.

HSW Committee update

The INZ and DNCL Health, Safety & Wellbeing Committee met on 17 August 2021. Key topics discussed include:

- Transition of COVID BAU to HSW Committee - which has also been communicated to ELT and the wider group.
- Assessing mitigations to address concerns regarding air quality in the WLG office space during events.

Recommendation

THAT the Health, Safety and Wellbeing Report be received.

MINUTES

COUNCIL MEETING

Status:

Draft to be Ratified

Date

Friday 12 August 2022

Present:

Council: Joy Liddicoat (President), Brenda Wallace (Vice President), Alpana Roy, Anjum Rahman, Whetu Fala, Don Stokes, Richard Hulse, Kate Pearce, Jeff Montgomery and Anthony Bow

In attendance:

Staff: Andrew Cushen (Interim Tumu Whakarae), Vivien Maidaborn (Incoming Tumu Whakarae), Catherine Fenwick (Tumutaumatua), Vanisa Dhiru (Tumuherenga Waka), Tim Johnson (Tumuwhanake), Raniera Albert (Tumuaki Māori), Jodi Anderson (Acting Policy Director), Ellen Strickland (Chief Advisor, International), and Diane Robinson (Council Secretary).

Member: David Neil

Meeting opened:

The meeting opened publicly at 10:05am.

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

Apologies from Cr Biasiny-Tule

Cr Montgomery opened the meeting with Karakia.

1.4 Agenda Review

Section 2 - Strategic Priorities

2.1 .nz Product Strategy

The .nz Product Strategy follows the Council .nz strategy day, and finishes off the strategy making process of 2021.

The .nz Product Strategy aligns commercial activity on .nz, following the end of the previous product development approach in the previous Strategy.

It is focused on “re-grouping, re-focusing and re-engaging” on the .nz product, following the launch of the new IRS registry platform and refreshed .nz Policy set in November this year.

Council will be kept apprised of the implementation of this product strategy, over the expected 12 month implementation window to the end of 2023.

RN28/22 That Council approves the .nz Product strategy.

(Cr Fala/Cr Pearce)

CARRIED U

AP12/22 Build in an annual .nz Strategy day to the Council Work Plan.

2.2 International Internet Governance

This paper follows the strategy discussion and related paper presented in May on the current state of International Internet Governance, and sought to confirm our approach over coming years.

InternetNZ has lost much capacity and experience in Internet governance due to recent staffing changes. This is another area where we need to rebuild over time.

The paper outlined the approach, forums and objectives of our Internet governance approach and engagement.

As a result of this discussion, staff have clarity to continue to execute on re-establishing presence at major Internet governance forums during the 2022/23 financial year (primarily ICANN). Additional budgeting will be required in the post-Q2 budget refresh to fund this.

Staff are asked to develop this approach further to confirm the full focus for the 2023/24 financial year and beyond, and to present this draft to Council at the February 2023 meeting. This will also allow this work to be fully considered in the context of budgeting for 2023/24.

RN29/22 That Council receives this International Internet Governance approach document.

(Cr Montgomery/Cr Stokes)

CARRIED U

AP13/22 Initiate Stakeholder Engagement with Ministers.

AP14/22 Further development of the International strategy with a paper to be brought back to February 2023 Council hui.

2.3 Systemic Racism Review

Andrew provided an update that he had shared with Council some thoughts on the review in their alone time. Raniera and Andrew both advised the independent review is progressing well.

The timeline for the review is due end September 2022 and it will be in two parts:

- 1) For Council to review the recommendations
- 2) For the Chief Executive to review staff wellbeing recommendations from the review.

The approach and sequence on how the report is to be received by Council and by the public to be further discussed by Council and with Hana.

The President would like to invite Dr Hana O'Regan to present her independent report to the October Council Meeting.

(Cr Rahman/Cr Hulse)

CARRIED U

AP15/22 Invite Dr Hana O'Regan to discuss her report and its presentation to Council with the President.

AP16/22 Invite Dr Hana O'Regan to present her report to the October Council Meeting.

Vivien Maidaborn, Brenda Wallace, Alpana Roy, Ellen Strickland and Jodi Anderson left the meeting after the strategy section.

Section 3 – Matters for Decision

3.1 Council Work Plan

The Council discussed the work plan and agreed the following to be added:

- Cultural capability training - clarify the the duration of the training e.g. full day or half day so that Councillors who need to do so can seek leave from their employment to attend
- Change the CE Performance Review to CE Key Performance Indicators to be set for 2023.
- Pōhiri for Chief Executive Vivien Maidaborn | Date 17 Oct 2022 to be added.
- .nz Strategy Day to be added to the plan as an annual event.
- Strategy discussion on charitable objects and philanthropic strategies to be added.

RN30/22 That Council **agree** to the draft work plan, subject to any amendments.

3.2 Māori Design Group Update

3.2.1 Appointment of new member to Māori Design Group

3.3.2 Draft ToR Māori Design Group

The President advised that the Māori Design Group will discuss and revise the draft ToR at their next hui on 24th August 2022. The ToR will be brought back to Council at the October meeting.

RN31/22 Approve the appointment of Peter Lucas-Jones to the Māori Design Group.

RN32/22 Notes the sixth seat will remain vacant until MDG has identified areas they may require.

Block Section 3.1-3.2 (Cr Fala/Cr Rahman)

CARRIED

3.3 Review of Council members against Skills and Diversity Matrix

Council discussed the Skills and Diversity Matrix and made the of following amendments:

- Te Ao Māori was removed from the Diversity section and included into the Governance section.
- Personal Attributes: remove the entire section - these are the attributes of the Councillor's role.

RN33/22 That Council **adopt** the Skills and Diversity Matrix, subject to the above amendments.

3.4 Review of Council Honoraria

The President advised that she received membership feedback about the paper and acknowledged that the timing for a review should be presented before the Annual General Meeting rather than after. It was noted that Council Honoraria had not been reviewed for four years and that at the end of 2021 there was discussion on the need to complete a review. Small, regular reviews were preferred to less regular, more substantial ones.

It was raised that the Public Service current pay guidance is that there shall be no pay increases for a two year period and that we should take this into consideration. It was noted there had been no review for four years.

There were a number of questions around operational matters regarding remuneration for staff that needed to be addressed to provide assurances that any pay increase to Council was fair relative to staff.

It agreed that the cycle for review should be two years, with the next in May 2024

Council decided that this paper should be rewritten to address questions being asked and deferred to October 2022.

RN34/22 That Council received the paper.

AP17/22 A new paper to be prepared for October Council Meeting.

3.5 Council Committee Appointments

The Bank Signatories were agreed:

Brenda Wallace

Alpana Roy - The President to confirm this with Alpana

Vivien Maidaborn to be added in October

For the staff bank signatories it was recommended that these should come back to Council for approval via an e-vote. Council also suggested a policy to be written regarding staff bank signatories that confirms the position and role of staff members who have the relevant authority.

Audit and Risk Committee Membership: Anthony Bow (Chair), Anjum Rahman, Kate Pearce and Jeff Montgomery and DNCL Independent Directors (as DNCL observers / interested parties)

.nz Policy Committee Membership: Kate Pearce (Chair), Don Stokes, Jeff Montgomery and Alpana Roy.

CE Review Committee: Joy Liddicoat (Chair), Brenda Wallace, Richard Hulse and Whetu Fala.

Te Komiti Whakauru Māori: Whetu Fala (Chair), Potaua Biasiny-Tule and Sarah Lee (Co-opted member)

Governance Committee: Richard Hulse (Chair) Brenda Wallace, Don Stokes and Jeff Montgomery

The Governance Committee work will need to review the constitution over the near year in relation to the changes to the charities act that are to come into effect in 2023. This work will need to be incorporated into the ToR of the Governance Committee .

RN35/22 That Council **confirms** that it will conduct some of its work through these five committees: Audit and Risk, CE Review, Te Komiti Whakauru Māori, nz Policy Committee and Governance Committee as above.

RN36/22 That the makeup of the committees will be set out as above and **adopted**.

RN37/22 That the Terms of Reference for each of the committees will be **reviewed** by the committees and **adopted** at October Council meeting.

RN38/22 That the changes to the bank signatories be **confirmed**, including the considerations to additions to the authorised bank signatory list.

RN39/22 That Jay Daley and Sarah Lee be **removed** as bank signatures.

AP18/22 That staff bank signatories need to be decided operationally and that these should be forwarded to the Council by way of evote to approve.

AP19/22 That a staff policy regarding bank signatories needs to be written and presented to Audit and Risk.

AP03/22 All Council subcommittees review their Terms of Reference and these be re-formatted to be consistent across all Committees. Any updated ToRs be submitted at the October Council Meeting.

3.6 Co-Opt Member for Te Komiti Whakauru Māori

RN40/22 That Council **appoints** Sarah Lee to a co-opted member of Te Komiti Whakauru Māori for a term of two years 2022-2024.

AP20/22 The President to reconfirm with Sarah Lee's availability to take up the co-opted position in Te Komiti.

Block Consent - Section 3.3-3.6 (Cr Rahman/Cr Hulse)
CARRIED

Section 4 – Matters for Discussion

4.1 President's Report

RN41/22 That the President's report be **received**.

4.2 InternetNZ Quarterly Report - 1 April to 30 June 2022

RN41/22 That Council **receives** the Quarterly Report for Q1 2022/23.

Block Consent - Section 4 (Cr Hulse/Cr Stokes)
CARRIED

Section 5 - Consent Agenda

5.1 Health, Safety, Wellbeing Update

RN42/22 That the Health, Safety, Wellbeing Update be received.

5.2 Minutes of the Meeting of 13 May 2022

RN43/22 That Council approves the minutes of the meeting held on 13 May 2022.

5.3 Actions Register

5.4 E-votes Ratification

5.5 Quarterly and Operational Reports for 1 April to 30 June 2022

5.5.1 DNCL Quarterly Report

5.5.2 Group Financial Report

5.5.3 Committees Update

5.5.4 Membership Update

5.5.5 Project Mimosa Update

5.5.6 .nz Policy Update

Block Consent - Section 5 (Cr Hulse/Cr Stokes)

CARRIED

Section 6 - Other Matters

6.1 CONTINGENCY

6.2 Matters for communication – key messages

6.2.1 Communications in general

6.2.2 Upcoming events

6.3 General business

6.4 Meeting review

Next meeting:

The next scheduled Council meeting is Friday 28 October 2022.

The meeting closed with a karakia by Raniera Albert (Tumuaki Māori).

Council Actions Register 2022

As at October 2022			
Action No#	Action	Owner	Status
AP03/22	Review Terms of Reference - Staff to review all of the Council committee Terms of Reference templates and reformat to a common approach, for inclusion in the governance framework document for August Meeting 2022.	GM Organisational Performance	In progress, we request that each Committee reviews their TOR and Council adopts at October Council Mtg.
AP12/22	Build in an annual .nz Strategy day to the Council Work Plan	GM Customer and Product	Date to be confirmed.
AP13/22	Initiate Stakeholder Engagement with Ministers.	Chief Executive GM Public Impact	In progress
AP14/22	Further development of the International strategy with a paper to be brought back to February 2023 Council hui.	GM Public Impact	February 2023 Meeting
AP15/22	Invite Dr Hana O'Regan to discuss her report with the President.	President	Completed
AP16/22	Invite Dr Hana O'Regan to present her report to the October Council Meeting.	President	TBA
AP17/22	Review of Honoraria - A new paper to be prepared for October Council Meeting.	GM Organisational Performance	October meeting
AP18/22	That staff bank signatories need to be decided operationally and that these should be forwarded to	GM Organisational Performance	October meeting.

	Council by way of evote for approval.		
AP19/22	That a staff policy regarding bank signatories needs to be written.	GM Organisational Performance	Not started?
AP20/22	All Council subcommittees review their Terms of Reference and that they are all reformatted to be consistent. The ToRs to be submitted at the October Council Meeting.	Chair of each Committee	In progress drafts to be provided at October Meeting.

E-Votes Ratification

There has been four e-votes conducted since the last Council Meeting that included the four motions:

Evote:	Motion:	For:	Against:	Abstain:
13102022	a) note the tenure of Andrew Cushen as Interim Chief Executive of InternetNZ ends on 15 October and thank him for his service	President Vice President Cr Hulse Cr Stokes Cr Montgomery Cr Pearce Cr Bow Cr Roy Cr Rahman Cr Biasiny-Tule Cr Fala	None	None
13102022	b) note the appointment of Vivien Maidaborn as Chief Executive of InternetNZ with effect from 17th October 2022.			
13102022	c) agree to the appointment of Vivien Maidaborn to the Board of the Domain Name Commission with effect from 17 October 2022.			
13102022	d) agree to appoint the InternetNZ Chief Executive as Chair of the Board of the Domain Name Commission Ltd.			

Recommendation

THAT the e-votes be ratified.

19 October 2022

Ms Joy Liddicoat
President
InternetNZ
Via email president@internetnz.net.nz

Dear Joy

Quarter Two (Q3) Report 1 July - 30 September 2022

This report is for the three months 1 July to 30 September 2022. It includes the DNCL's quarterly Profit and Loss Statement.

The year to date (quarter one and two) results in a deficit of \$63,437 (being less than the budgeted deficit of \$72,936). The profit and loss statement is presented on Page 3.

DNCL Impact

Market Activity

There are two new registrars who are going live on 1 November 2022, when the new Registry commences. One authorisation application is waiting to be approved.

Dispute Resolution

The uptake for the Online Dispute Resolution pilot providing the option of e-negotiation and on-line mediation for resolving domain disputes continues to be very slow. Following receipt of the evaluation of the pilot (due in December 2022) a decision will be taken whether to extend the pilot. A meeting with the platform provider (Immediation) is happening next week.

Compliance

The Online Dispute Resolution platform has also been used to seek to resolve conflicted names. The DNCL communications with the parties with rights have been refined and the rate of positive response has increased throughout this conflicted names project.

Between 1 April and 30 June (Q1) the number of conflicted names dropped by 64 (from 1623 to 1559). Between 1 July and 30 September (Q2) the number of conflicted names dropped by 62 (from 1559 to 1497). All parties to a conflict involving sets of 2 conflicted names have now been offered the ability to participate in Online Dispute Resolution.

We have a couple of complex matters under management where domain name holders have complained about their providers and allege that their provider's actions have led to loss of domains and business interruption.

Upcoming work

Significant work is being undertaken to plan and implement the new operating practices within DNCL arising out of the new IRS.

On 1 November the .nz Query Service, which is hosted on the DNCL website (also known as the WHOIS), will have an integrated message delivery form. This is being implemented as a method for third parties to message registrants as, from 1 November, emails will be masked if the privacy option applies.

Staffing

The Assistant Commissioner continues to act as the interim Domain Name Commissioner.

The Compliance Officer position continues to remain vacant as extra FTE is directed to the Online Dispute Resolution work through the employment of a fixed term Online Dispute Resolution Manager.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Vivien Maidaborn', written in a cursive style.

Vivien Maidaborn, Domain Name Commission

Domain Name Commission Limited
Profit and Loss Statement
For the Quarter Ending 30 Sept 2022

	Q2			Q1			YTD			FY Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
INCOME										
Accreditation Fees	-	-	-	-	-	-	-	-	-	37,500
Authorisation Fees	6,000	6,000	0	-	-	0	6,000	6,000	0	15,000
DRS Complaint Fees	-	2,000	(2,000)	4,000	6,000	(2,000)	4,000	8,000	(4,000)	27,000
Management Fees	412,500	412,500	0	412,500	412,500	0	825,000	825,000	0	1,650,000
Interest Income	1,268	322	1,590	(24)	500	(524)	1,244	178	1,066	15,000
Sundry Income	-	-	-	-	-	-	-	-	-	59,526
Total Income	419,768	420,178	(410)	416,476	419,000	(2,524)	836,244	839,178	(2,934)	1,804,026
EXPENDITURE										
DNCL Board	8,101	12,409	(4,308)	10,227	12,489	(2,262)	18,328	24,898	(6,570)	48,796
Communications	23,443	23,747	(304)	27,159	21,453	5,706	50,601	45,200	5,401	98,000
Compliance	19,209	12,915	6,294	7,215	10,833	(3,618)	26,424	23,748	2,676	47,496
Dispute Resolution Service	6,875	22,024	(15,149)	3,825	9,474	(5,649)	10,700	31,498	(20,798)	67,496
Memberships	956	7,189	(6,233)	3,637	177	3,460	4,592	7,366	(2,774)	15,040
Registrars	2,050	7,953	(5,903)	2,050	2,049	1	4,100	10,002	(5,902)	41,004
International	13,807	-	13,807	0	0	-	13,807	-	13,807	15,000
Office and Administration	84,176	89,804	(5,628)	96,193	96,988	(795)	180,368	186,792	(6,424)	374,084
Personnel and Staff	291,786	293,548	(1,762)	242,575	243,428	(853)	534,361	536,976	(2,615)	1,101,966
Professional Services	19,613	6,400	13,213	9,596	9,600	(4)	29,209	16,000	13,209	24,000
Projects	0	-	-	0	0	-	-	-	-	35,000
Total Expenditure	470,016	475,989	(5,973)	402,476	406,491	(4,015)	872,492	882,480	(9,988)	1,867,882
Depreciation	12,935	13,134	(199)	14,254	16,500	(2,246)	27,189	29,634	(2,445)	59,269
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Net Profit/Loss	(\$63,183)	(\$68,945)	\$5,762	(\$254)	(\$3,991)	\$3,737	(\$63,437)	(\$72,936)	\$9,499	(\$123,125)



Group financial statements

to the period ended 30 September 2022

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Consolidated Income Statement

Internet New Zealand Group Consolidated Income Statement to the period ended 30 Sept 2022

	Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
		YTD	Budget	\$	%	YTD	Budget	\$	%
Income									
Registry Fees		6,635,531	6,595,533	39,998	1%	6,635,531	6,595,533	39,998	1%
Broadband Map		27,350	25,200	2,150	9%	27,350	25,200	2,150	9%
DNS Firewall		8,123	8,400	(277)	-3%	8,123	8,400	(277)	-3%
Interest Received		48,284	26,678	21,606	81%	47,040	26,500	20,540	78%
Fair Value Gains/(Losses) on Managed Funds		(317,711)	162,432	(480,143)	0%	(317,711)	162,432	(480,143)	0%
Sundry Income	2 (a)	37,960	33,317	4,643	14%	152,751	144,111	8,640	6%
Total Income		6,439,537	6,851,560	(412,023)	-6%	6,553,084	6,962,176	(409,092)	-6%
Less Direct Expenses									
Domain Name Commission Fee	1 (a)	-	-	-	-	825,000	825,000	0	0%
.nz Costs		466,543	582,312	115,769	20%	466,543	582,312	115,769	20%
Other		120,841	114,852	(5,989)	-5%	120,841	114,852	(5,989)	-5%
Total Direct Expenses		587,383	697,164	109,781	16%	1,412,383	1,522,164	109,781	7%
Less Other Expenses									
Audit		3,025	7,050	4,025	0%	3,025	3,050	25	1%
Amortisation & Depreciation		165,569	173,850	8,281	5%	138,380	144,216	5,836	4%
Registrar Engagement		9,309	9,700	391	4%	9,309	9,700	391	4%
Communications		50,601	45,200	(5,401)	-12%	-	-	-	-
Community Investment		405,786	423,020	17,234	4%	405,786	423,020	17,234	4%
Domain Name Commission		45,817	72,614	26,797	37%	-	-	-	-
Employment		3,621,361	3,748,576	127,215	3%	3,087,000	3,211,600	124,600	4%
Governance		153,278	160,313	7,035	4%	134,950	135,415	465	0%
International		24,191	11,000	(13,191)	-120%	10,384	11,000	616	6%
Legal		38,812	34,561	(4,251)	-12%	12,963	24,561	11,598	47%
Operational		675,329	736,641	61,312	8%	616,392	672,643	56,251	8%
Projects		10,846	16,333	5,487	34%	10,846	16,333	5,487	34%
Security		40,129	44,298	4,169	9%	40,129	44,298	4,169	9%
Total Expenses		5,244,054	5,483,156	239,102	4%	4,469,164	4,695,836	226,672	5%
Net Profit (Loss) Before Tax		608,100	671,240	(63,140)	-9%	671,537	744,176	(72,639)	-10%
Net Profit (Loss) After Tax		\$608,100	\$671,240	(\$63,140)	-9%	\$671,537	\$744,176	(\$72,639)	-10%

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 (a) The DNCL fee paid by INZ (\$825,000) to DNCL.

2 (a) GSE paid by DNCL (\$124,961) to INZ

Reference:

DNCL detail available in the Quarterly DNCL report to Council dated 20th October 2022

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

Consolidated Income Statement – By Function

Internet New Zealand Group Consolidated Income - Function Based to the period ended 30 September 2022

	Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
		YTD	Budget	\$	%	YTD	Budget	\$	%
Income									
DNCL Sundry		10,000	14,000	(4,000)	-29%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)		6,671,004	6,629,133	41,871	1%	6,671,004	6,629,133	41,871	1%
Te Puni Herenga Waka (Public Impact)		27,486	19,017	8,469	45%	48,985	40,749	8,236	20%
Te Puni Raupa (Organisational Performance)		303	300	3	0%	103,766	103,362	404	0%
Investments		(269,428)	189,110	(458,538)	-242%	(270,672)	188,932	(459,604)	-243%
Total Income		6,439,366	6,851,560	(412,194)	-6%	6,553,084	6,962,176	(409,092)	-6%
Less Activity Expenditure									
.nz Operations (DNCL)	2 (a)	774,890	787,320	12,430	2%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)	1 (a)	1,585,104	1,771,549	186,445	11%	2,410,104	2,596,549	186,445	7%
Te Puni Herenga Waka (Public Impact)		1,175,050	1,256,841	81,791	7%	1,175,050	1,256,841	81,791	7%
Te Puni Māori		326,646	327,294	648	0%	326,646	327,294	648	0%
Te Puni Raupa (Organisational Performance)		1,969,746	2,037,316	67,570	3%	1,969,746	2,037,316	67,570	3%
Total Expenses		5,831,437	6,180,320	348,883	6%	5,881,546	6,218,000	336,454	5%
Net Profit (Loss) Before Tax		607,929	671,240	(63,311)	-9%	671,537	744,176	(72,639)	-10%
Net Profit (Loss) After Tax		\$607,929	\$671,240	(\$63,311)	-9%	\$671,537	\$744,176	(\$72,639)	-10%

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 (a) The DNCL fee paid by INZ (\$825,000) to DNCL.

2 (a) GSE paid by DNCL (\$124,961) to INZ

Consolidated Movements in Equity

Internet New Zealand Group Statement of Movements in Equity to the period ended 30 September 2022

	GROUP	INZ	DNCL
Equity at start of period			
Opening Retained Earnings	10,020,603	9,673,998	346,605
Shares Subscribed	-	-	580,000
	10,020,603	9,673,998	926,605
Net Profit (Loss) After Tax	608,100	671,537	(63,437)
Equity at end of period	\$10,628,703	\$10,345,535	\$863,167

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 September 2022

	GROUP	INZ	DNCL
Current Assets			
Cash and Cash Equivalents	12,524,680	11,744,051	780,629
Managed Funds	4,718,364	4,718,364	-
Other Current Assets	2,023,095	1,927,796	95,299
Total Current Assets	19,266,139	18,390,211	875,928
Non-current Assets			
Property, Equipment & Software	3,716,650	3,377,048	339,602
less: Accumulated Depreciation	(2,397,227)	(2,226,583)	(170,645)
Intangible Assets	4,379,579	4,379,579	-
less: Amortisation	(664,860)	(664,860)	-
Investments	-	-	-
Shares and Loans	-	580,000	-
Total Assets	24,300,281	23,835,396	1,044,885
Less Liabilities:			
Deferred Income	11,760,138	11,760,138	-
Trade and Other Payables	1,911,440	1,729,722	181,718
Total Liabilities	13,671,577	13,489,859	181,718
Net Assets	\$10,628,703	\$10,345,536	\$863,167

Represented By:

Total Equity	\$10,628,703	\$10,345,535	\$863,167
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Notes:

The following items have been removed upon consolidation.

1 Share in DNCL wholly owned by InternetNZ

2 Share subscription with respect to shares issued to InternetNZ by DNCL

Group Revenue Analysis to the Period ending 30 September 2022

Consolidated Revenue	Actual	Budget	Variance	% of Total Sales
Registry Fees	6,635,531	6,595,533	39,998	103.0%
BBM	27,350	25,200	2,150	0.4%
DEFENZ	8,123	8,400	(277)	0.1%
Sundry - Membership	3,878	3,991	(113)	0.1%
Sundry - Recharge & Misc	34,083	29,326	4,757	0.5%
Investment at Fair Value Gains/(Losses) on Managed Funds	(269,428)	189,110	(458,538)	-4.2%
Total Revenue	6,439,537	6,851,560	(412,023)	100%

- Fair value losses YTD of **(\$318k)** on managed funds reduced from Q1 by \$19k. Investments for the quarter, when offset against term deposit returns of \$48k, produced a negative return of **(\$270k)**; recognition of the fair value losses on managed funds are covered in depth under the investment analysis section
- The accounts report Total Operating revenue of \$6.8M, which is up by **\$5M** compared to the same period last year.

Group Expenditure Analysis by Function to the Period ending 30 September 2022

Consolidated Expenditure by Function	Actual	Budget	Variance	% of Total Expenditure
Domain Name Commission	774,890	787,320	12,430	13.3%
Te Puni Whakawhanake Rawa/Cust & Prod	1,585,104	1,771,549	186,445	27.2%
Te Puni Herenga Waka/Public Impact	1,175,050	1,256,841	81,791	20.2%
Te Puni Maori	326,646	327,294	\$648	5.6%
Te Puni Raua/Organisational Performance	1,969,746	2,037,316	67,570	33.8%
Expenditure	5,831,437	6,180,320	348,883	100.0%

Notes:

DNCL expenditure excludes

2 (a) GSE paid by DNCL (\$124,691) to INZ

Most variances are attributable to the delay with the go-live date on the SRS replacement (IRS) and budget phasing.

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

The new reporting functions comprise the following areas of expenditure: -

Te Puni Whakawhanake Rawa/ Customer and Product

- Running of the .nz registry, Broadband Map and DEFENZ services.
- Customer relationship management
- Data insights and analytics
- IT infrastructure and product technology
- Associated employment and operational costs to manage the preceding work

Te Puni Herenga Waka/Public Impact

- Public policy and internet governance, including international
- Funding
- Community Engagement, including membership
- Communications – External and brand
- Events Management
- Associated employment and operational costs to manage the preceding work

Te Puni Māori

- Māori sector partnership and relationships – Māori Design Group
- Rautaki Māori
- Māori cultural intelligence and cultural capability
- Associated employment and operational costs to manage the preceding work

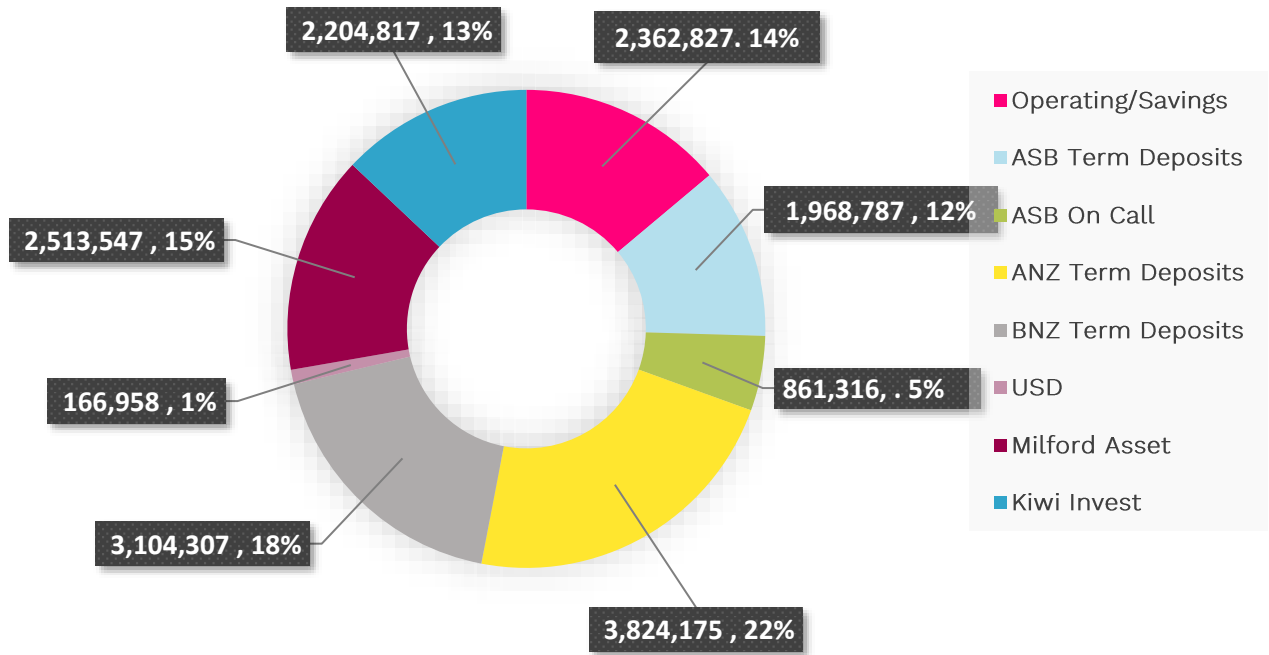
Te Puni Raupa/Organisation Performance

- Governance, risk and assurance
- Strategy, planning and performance
- Security, compliance (including legal) and Privacy
- HR and Finance, Technology Strategy, Internal IT and Internal Comms
- Business support, Shares services provision, Procurement.
- Overhead costs, rent, power, insurance etc
- Associated employment and operational costs to manage the preceding work

Group Investments as of 30 September 2022

The chart below shows the percentage spread of funds invested (\$16,161,093) across all institutions as of 30 September 2022.

Group Investment Portfolio



Measurement and Recognition of Managed Funds

Under international financial reporting standards (IFRS), Financial instruments are measured and recognised under specific accounting standards.

Financial instruments comprise trade debtors and other receivables, cash and cash equivalents, **investments** and trade creditors and other payables.

Managed Funds are classified under the following category

“Financial assets at fair value through surplus or deficit”

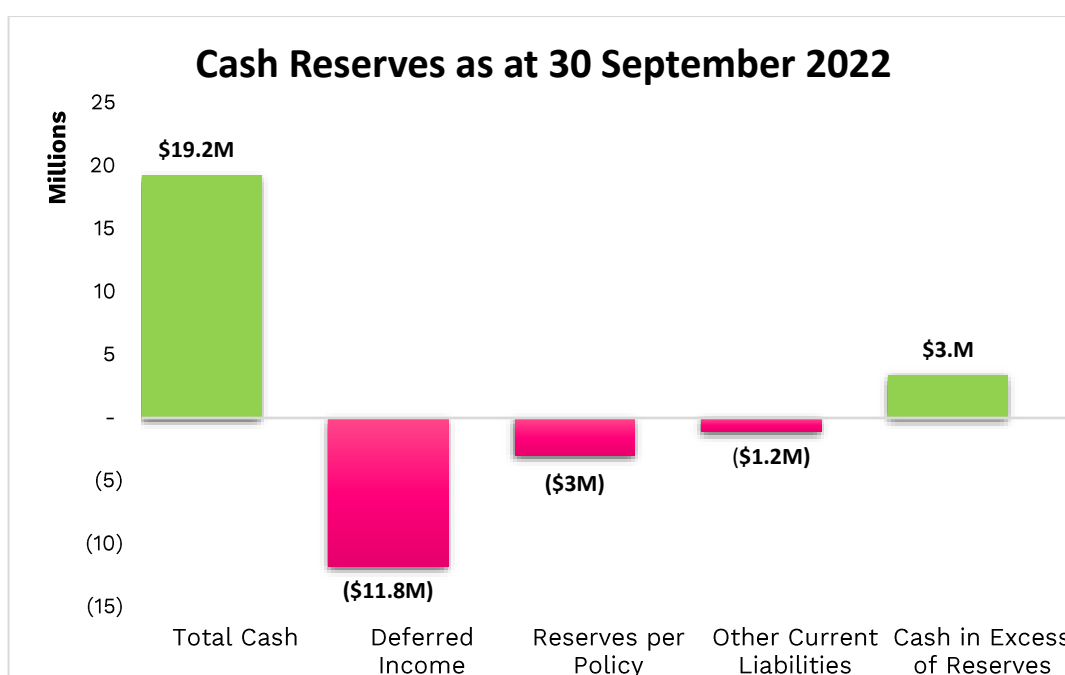
At each reporting date (monthly), the market value of the managed funds as reported by the fund managers provides the fair value of the funds; an adjustment is then taken up to reflect the fair value through surplus or deficit to the profit and loss for the reporting period.

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

Group Cash in Excess of Reserves as of 30 September 2022

We report the Cash in Excess of Reserves position as of 30 Sept 2022 at **\$3M** as provided below:

Total Cash & Current Assets	\$19,232,530
less: Deferred Income	(\$11,760,138)
less: Reserves as per the policy	(\$3,396,943)
less: other Current Liabilities	(\$1,083,465)
Cash in Excess of Reserves	\$2,991,985



The close of the second quarter for the 2022-23 financial year sees **Net Equity** at **\$10.6M** (reported as \$10.4M in the first quarter) and the **Net Equity minus Reserves** position at **\$7.6M** (\$7.3M in the previous years quarter).

This exceeds the measure currently required by the *Financial and Investment Strategy Policy*, which sets the Net Equity minus Reserves target at \$5.5M.

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Summary of Council Committee Activity

PURPOSE: To provide a brief summary of Council Committee activity since the last meeting of Council.

DATE WRITTEN: 13 October 2022

Summary

This report is a consolidation of the activities over the period since the last meeting, or in some cases earlier.

Audit and Risk Committee

Chair: Anthony Bow

The Committee met on the 13 September 2022 and the main topics covered:

- Committee structure and work list - see more detailed paper in agenda on [separation of the committee](#).
- Review Terms of Reference
- Risk Management Update
- Health, Safety and Wellbeing Update

.nz Policy Committee

Chair: Kate Pearce

The Committee met on 20 September 2022 and the main topics covered:

- Understanding of why .nz Policy Committee was established and the scope of the Committee.
- Terms of Reference .nz Policy Committee and review.

Komiti Whakauru Māori

Chair: Interim Chair Whetu Fala

Te Komiti last met on 16 September 2022 the main topics covered:

- Te Komiti members discussed the **Chair** and confirmed Council Member **Potaua Biasiny-Tule**. Potaua accepted the position.
- The Terms of Reference was discussed and changes to the ToR were implemented in the document for recommendation to Council.
- Council Cultural Capability Plan was discussed and it was agreed that Māori sector experts should facilitate the training for Council. The plan was updated and the facilitators are Dr Kathy Irwin and Hone Huringanui.
- A 2023 schedule was shared with Te Komiti and there will be six hui for the year. Also TKWM members have an open invitation to attend the Māori Design Group hui throughout the year.

Chief Executive Review

Chair: President Joy Liddicoat

The CE Review Committee have had discussions about CE transition and key performance indicators for the new Tumu Whakarae.

Recommendation

THAT Council receive the update from Council Committees.

Membership Report

PURPOSE: Progress and work for membership of InternetNZ

DATE WRITTEN: 14 October 2022

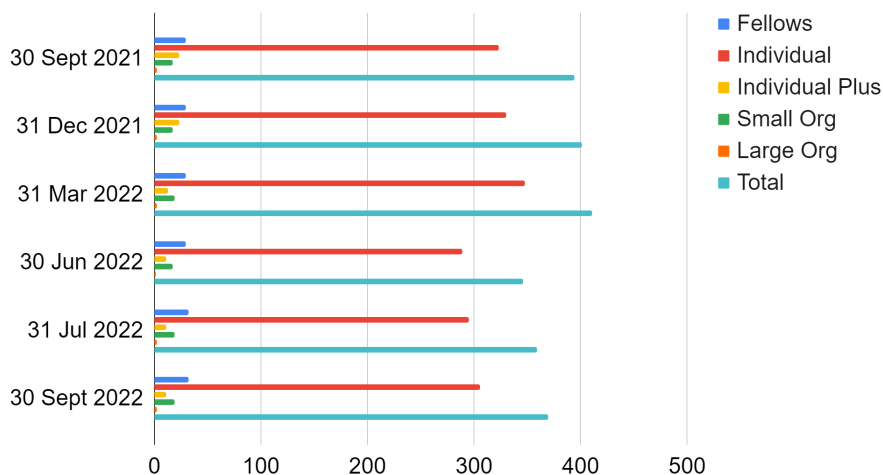
Executive Summary

In quarter three, we focused on project completion of the elections and the annual general meeting; and commenced work on planning events and engagement, with members now that the COVID-19 framework has been lifted in Aotearoa.

Current membership (at 30 Sept 2022)

	30 Sept 2021	31 Dec 2021	31 Mar 2022	30 June 2022	31 July 2022	30 Sept 2022
Fellows	29	29	29	29	32	32
Individual	323	330	348	289	295	306
Individual Plus	23	23	13	11	11	11
Small organisation	17	17	19	17	19	19
Large organisation	2	2	2	1	2	2
Total Membership	394	401	411	346	359	370

- We have received **11 new individual membership applications** since the last meeting.



Items to Note

Activities to support membership engagement

Since the last report in July 2022 we have:

- Internal review of the 2022 Elections and AGM project, a paper is included in this pack for this meeting from the Returning Officer to Council.
- Secured a member discount of 75% off for TUANZ TechUsers Day tickets, this was an in-person event which was held at the Grand Millenium in Tāmaki Makaurau in September 2022.
- Supported one of our members with their book launch and sent out 3 copies of the book “More Zeroes and Ones” to members who entered our giveaway. We also provided these books as gifts to the speakers at TUANZ TechUsers Day.
- Ordered and received new .nz merchandise to share with members and stakeholders throughout the rest of the year.
- Planned membership engagement for new .nz registry launch - includes a question a week for members relating to .nz, with one winner per week until 1 November 2022.
- Commenced work on:
 - Planning **end of year in-person stakeholder events** in Tamaki/Auckland (Tue 29 Nov) and Pōneke/Wellington (Thur 1 Dec)
 - Working through topic ideas for a Wellington member lunchtime seminar possibly in November, date to be confirmed soon.
 - Continued working with auDA to discuss the joint webinar expected to take place in the new year.

- Internal review on our membership management system and considerations of next steps to future proof.
- Internal planning for membership engagement and events for the next 6 months now, noting changing pandemic considerations.

Recommendation

THAT the new members be noted.