

Budget 2025/26

AUTHOR: Tumu Whakarae (CE), Vivien Maidaborn

PURPOSE: 2025/26 Budget as approved by the Board

Key messages

This year, we continue to follow the roadmap we agreed to last year, which balances short-term needs with our long-term business vision. The Budget for 2025/26 should be read alongside the [2025/26 Goals](#).

This paper covers the operational budget, and a budget allocation for community funding. As we head into a strategic review during 2025/26 for the next five years, we will focus on supporting a sustained effort to achieve the business-led growth identified.

Recommendations approved

Approved at March 2025 Board meeting

That the Board **approve** for 2025/26 an operational expenditure budget limit of **\$15,068,978** and capital expenditure of **\$454,104**.

That the Board **note** the Revenue target of **\$14,918,520**.

That the Board **approve \$460,000** initial community funding to support the current strategic partners for the first part of 2025/26.

Approved at May 2025 Board meeting

That the Board **approve** for 2025/26 an increase in budget allocation of \$160,000 to provide additional resourcing and expanded activities to support the society's growing membership base.

That the Board **approve** the total funding envelope for the 2025/26 financial year of \$1,000,000 based on Year One of Scenario 2, noting that \$460,000 of community

funding to support our current strategic partners was already approved at the 21 March Council meeting and is included in the total amount.

Overview

The key focus of 2025/26 is to maintain our market position for our core product - .nz, supported by marketing initiatives launched in 2024/25.

- Increasing fiscal challenges is a significant consideration in 2025/26. Reducing numbers of Domains under Management (DUM) is a critical driver of this.
- A turbulent international space, including supply chain considerations and price increases, are also key.
- Other initiatives included in the budget are .nz rules consultations, regional NetHui, Kauwaka 2025 and international Internet governance engagements.

For the budget this means continued expenditure on events, national community engagement, engagement with CIRA toward a joined up approach to rising costs (e.g VMWare), investment in marketing so we at a minimum retain our current market share.

2025/26 Consolidated Budget

(Operational & Funding)

InternetNZ Approved Budget	Budget
Description	
Operational Revenue	15,018,520
Total Revenue	15,018,520
Operational Costs	15,328,977
Funding	1,000,000
Total Costs	16,328,977
Deficit pre-Interest	(1,310,457)
Interest Income	896,392
Surplus/Deficit post Interest	(414,065)

2025/26 Operational Budget

Our 2025/26 operational budget is .nz business growth-led in order to create a more sustainable future income/revenue.

InternetNZ Approved Budget	2025/26
	Budget
Description	
.nz registry	14,286,969
Other Products	317,785
Misc (incl Shared services)	413,765
Total Revenue	15,018,520
DNCL	1,699,500
Direct Costs	2,301,864
Employment Costs	7,098,610
Operational Costs	1,952,106
Governance	376,737
International	299,970
Marketing	519,719
NetHui or equivalent National Event	134,700
Engagement/Comms	656,500
Depreciation/Write-offs	289,271
Total Costs	15,328,977
Surplus/Deficit pre-funding/Interest	(310,458)
Interest Income	352,526
Surplus/Deficit post Interest	42,068

There are a number of underlying drivers/assumptions we have used to build the proposed operational budget for 2025/26:

- Revenue growth based on combination of
 - Wholesale price increase - July 2025 to \$22.00
 - Domains under Management (DUM) growth - 1%
 - Launch of new product - Domain Lock
 - Low risk diversified income, leveraging our core capabilities
- Investment in marketing increased to over \$500k to stimulate growth, directly attributable to campaigns.
- Salary increase funding pool included, based on market data from an external source the pool is based on a range this year from 1.5% to 4.5% for most of the staff with the pool based on about 3.5% of current salaries.
- Stable organisational structure with no substantive staffing changes - assumes all roles remain filled.

- While inflation was last reported at 2.2% we have not made an across the board assumption on CPI increases on expenditure and aim to balance against efficiencies.

In addition, we have a number of larger projects in 2025/26 that support our goals, and have resource and expenditure requirements:

- Business Products Improvements .nz policy and rules work programme
- Community events - Kauwaka 2025, Nethui, Registrar summit,
- Group Strategy 2026/31 (including Product Strategy)
- Implementation of the revised Constitution
- Pricing Strategy implementation
- Nga Pae implementation
- TCCM (Technical Community Coalition for Multistakeholderism) leadership role

InternetNZ Community Fund

Background

In March 2024, the Board agreed to carve out \$11.0m of retained earnings into a Community Fund. Of that \$11.0m, the Board determined to allocate \$1.0m in 2024/25 to community partnerships and grants, leaving \$10.0m in the fund. During 2024/25 the fund's investment returned \$615k, leaving a balance of \$10.6m at the start of 2025/26 year.

The InternetNZ Community Fund remains a part of the InternetNZ balance sheet and is managed through policy settings and annual review.

In May 2025 the Board approved the total funding envelope for the 2025/26 financial year of \$1,000,000 and an additional contribution of \$250,000 from InternetNZ operations to be added to the Community Fund to sustain the fund balance.

InternetNZ Approved Funding Budget	Budget
Description	
Investment Income	543,866
Total Revenue	543,866
Funding	1,000,000
Total Costs	1,000,000
Surplus/Deficit post Interest	(456,134)

2025/26	
InternetNZ Community Fund	Budget (\$000)
Opening Balance April 1 2025	\$10,840
Interest Revenue	\$544
Sub Total	\$11,384
Funding Scenarios	\$1,000
Sub Total	\$10,384
INZ Contribution	\$250
Fund Balance	\$10,634

2025/26 Budget: Capital Expenditure

The proposed Capex budget below is divided into the following categories:

Capex Budget	2025/26
.nz Investment	\$175,000
Infrastructure/Other	\$67,000
Staff Computer Equipment	\$60,704
Web Development	\$68,000
Cultural Capability App	\$55,000
Misc	\$28,400
Total	\$454,104