Approved by the Board

Budget 2026/27

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PURPOSE: 2026/27 Budget as approved by the Board

Key Messages

This year's Budget submission is based on building the foundations of our new 5-year strategy and requires us to build momentum in Year 1 to achieve our 5-year goals. The detailed Budget for 2026/27 should be read alongside

- Strategy 2026-2031
- Annual Goals 2026/27

Recommendations Approved

Approved at March 2026 Board meeting

That the InternetNZ Board **approve** for 2026/27 an **operational** expenditure budget limit of **$18.4m** and a capital expenditure limit of **$366k.**

That the InternetNZ Board **note** the Revenue target of **$19m.**

That the InternetNZ Board **approve $1.0m plus a CPI increase,** community funding distribution for 2026/27.

2026/27 Budgets

The following underlying assumptions and drivers have guided the development of the proposed 2026/27 consolidated budget.

These assumptions align with the first year of implementation of the **InternetNZ Group 2026–2031 Strategy**, supporting our transition toward the future state described in the strategic pillars, goals, and Te Korowai ō Ipurangi Aotearoa.

2026/27 Consolidated Budget (Operational and Community Funding)

The budget is presented on a consolidated basis to provide the Board with a complete view of the overall financial position, performance and funding capacity.

InternetNZ Approved Budget	2026/27
Consolidated	**Budget**
Description	
.nz registry	17,045,524
Other Products	1,513,895
Misc (incl Shared services)	469,948
Total Revenue	**19,029,366**
DNCL	1,881,973
Other Product Costs	1,181,562
Rebate Incentives	700,000
Direct Costs	2,442,982
Employment Costs	7,408,794
Funding	1,020,700
Operational Costs	2,468,551
Governance	401,304
International	309,280
Marketing	630,000
Regional Engagement/Events	205,000
Engagement/Comms	470,500
Depreciation/Write-offs	261,781
Total Costs	**19,382,427**
Surplus/Deficit pre-funding/Interest	**(353,061)**
Interest Income - Operational	318,013
Interest Income - Funding	533,559
Surplus/Deficit post Interest	**498,512**
Provision for ongoing Infrastructure maintenance/replacement	250,000
Results Less Provisions	**248,512**

Budget Drivers, Assumptions and Key Initiatives

The 2026/27 operational budget reflects Year 1 of the 2026–2031 Strategy and integrates strategic priorities with operational delivery requirements.

Revenue projections assume:

- The impact of the 2025/26 price increase on current DUMs continues to flow through due to multi-year registrations (approx. $1.9m increase for 2026/27, noting the phasing).
- Marketing investment was increased to support strategic growth goals (e.g., long-term target of **1,000,000 DUM by 2031**).
- Business Growth initiatives to be delivered in 2026/27
  - Launch of new products - eg Domain Lock & data sharing API's
  - Diversified income, leveraging our core capabilities
- Membership revenue is projected on the basis that 2025/26 membership numbers will all renew.
- Proposed introduction of a structured registrar rebate programme, modelled as a direct revenue offset, to support market competitiveness and ecosystem sustainability**.**

Infrastructure and Registry Sustainability

Significant investment is included to strengthen operational resilience and long-term sustainability of .nz infrastructure, including:

- A time-bound programme to address the engineering backlog associated with the registry platform.
- Establishment of a multi-year infrastructure replacement and development provision.
- Ongoing registry platform enhancement and compliance with evolving security and critical infrastructure requirements.

Regulatory and Policy Capability

Additional investment supports increasing regulatory workload and policy development, including:

- Domain Name Abuse strategy work programme
- .nz Rules consultation.
- Expanded regulatory and compliance capacity to respond to increased inquiry and investigation activity.

Employment and Operational Assumptions

- Salary review provision based on market data.
- Targeted staffing increases aligned with infrastructure and regulatory priorities (as per above).
- Retention strategies to maintain critical capability.
- Investment in development and specialist skills aligned workforce strategy.
- Inflationary pressures are managed through efficiency measures.
- Continued investment in marketing, engagement, and strategic partnerships.

Social Impact

- Global Internet governance - Visible leadership and participation in TCCM and ICANN processes.
- Community engagement - NZ Internet Community participation in InternetNZ multi-stakeholder processes or events.
- Community funding - disbursement and development of a Community Impact evaluation framework.
- A Brand refresh for the organisation, driven by both commercial and cultural needs. This work will be undertaken over a three-year period, resulting in greater cohesion.

Together, these drivers position InternetNZ for sustainable growth, strengthened infrastructure, and enhanced regulatory effectiveness in the first year of the new strategy.

2026/27 Budget: Capital Expenditure

The proposed capital expenditure programme supports the sustainability of registry infrastructure and operational capability.

Capex Budget over the next year	2026-2027
.nz investment	
IRS on container solution validation hardware contingency (? years)	$50,000
Infrastructure/Other	
VM to Physical Firewall conversion (5 years)	$45,000
Other Core Business Refresh	
Fury Platform upgrade for .nz API Services	$15,000
RIPE Atlas Anchor Refresh + Second node (7 years)	$15,000
Websites	
Jumpstarter Website	$50,000
Brand Refresh	$100,000
Internal IT Equipment	
Laptop Replacements	$59,679
Screens	$27,000
TV Display replacements	$4,000
Total	**$365,679.00**

Major capital investments include:

- Network and infrastructure upgrades
- Registry platform enhancement and sustainability
- Website and digital platform improvements
- Brand refresh
- Internal IT equipment refresh and replacement

Total proposed capital expenditure for 2026/27 is $366k

These investments ensure long-term operational resilience and support implementation of the five-year strategy.