

# InternetNZ Organisational Review

## Personal Submission on the Revised Proposal

**Andrew Cushen, 25th September 2017**

Thank you for the opportunity to provide a submission. I have deliberately kept my response short and focused on the small number of issues I wish to provide further comment on.

This submission is public.

### **Reorganisation of InternetNZ is necessary**

I stand beside my comments made in the earlier round of submissions; that completing this Organisational Review broadly in the manner outlined in the Revised Proposal will allow more focus and better delivery toward our vision of ***a better world through a better Internet.***

The revised proposal continues to resolve core challenges of the status quo. It provides for simplified management and governance structures; clearer decision making; clearer accountability, strategy, ownership and goals; and more efficient operations. All of these factors will increase the cohesion and effectiveness of this organisation in delivering to our vision.

I applaud the Council for continuing with this process and for pressing on towards realising those benefits.

### **Commercial performance and delivery needs more clarity, accountability and focus**

In the current organisational structure, NZRS is the entity that is predominantly responsible for commercial outcomes in the Group. It is responsible for delivering large components of the .nz strategy and for managing revenue generation and marketing. It is also responsible for managing income diversification in accordance with the Products and Services Development Strategy. In doing so, it is the entity that is predominantly responsible for generating the ~\$10 million a year in revenues that the InternetNZ Group is reliant upon.

This set of functions, responsibilities and outcomes are managed by the Chief Executive of NZRS. I presume (in the absence of having seen it) that the position description for this role places quite some importance this commercial responsibility; that this role is primarily accountable for generating revenue to support the rest of the InternetNZ Group. This Chief Executive role is proposed to be disestablished as part of this Organisational Review

Furthermore, the NZRS Board has been able to recommend Directors that have allowed it a degree of specialisation in governing what is the most commercially-focused part of the current InternetNZ Group. It is this body that has been primarily accountable for the governance and oversight of commercial outcomes on behalf of the InternetNZ Group. The NZRS Board is proposed to be disbanded along with the company as part of this Organisational Review.

My concern is simple: that in removing a specialist Board and accountable Chief Executive, this Organisational Review is likely to result in less commercial oversight, accountability and focus. This seems counter-intuitive given the risk of a more challenging commercial environment for .nz in future years.

To be clear; I would be surprised if the Council does not have these commercial considerations in mind. It is just that this Revised Proposal document, and indeed earlier documents, have provided little in the way of discussion about how these responsibilities will be delivered in the new structure compared to the quite deliberate focus that is a feature of the status quo. Given how critical these commercial outcomes are for the entirety of InternetNZ, I would encourage the Council to quite deliberately specify how clarity, accountability and focus in commercial activity are achieved in the new structure.

***My recommendations:***

- Ensure that the New Chief Executive role is appropriately accountable for commercial outcomes.
- Encourage this New Chief Executive to consolidate commercial functions in a dedicated function of InternetNZ to allow for clear accountability and focus on commercial outcomes. I see this function as being responsible for fee setting, promotion and marketing, sales, revenue and channel management, as well as new product and service development and revenue diversification.
- Consider how Council may be supported in commercial oversight and governance through utilising the proposed appointment mechanisms.

**Engagement and consultation on .nz domain policy is a more important separation than domain policy development.**

I'm not convinced by the case made in the Revised Proposal for the structural separation of .nz domain policy making from the rest of the Domain Name Commission, and in placing this function in InternetNZ.

Firstly, I highlight matters of practicality. The Domain Name Commission has already downsized the policy-making function to the point where it is a component of one role, rather than a dedicated staff member. This reflects the Commission's view and strategy that policy making is less likely to be required in the future and scaling this function accordingly. It is able to be a component of a role because the policy making that remains is coherent with other functions that the Commission undertakes. That coherence is lost by moving this function into InternetNZ, to the point where this domain policy function would need to be a new, dedicated function. This seems counter-intuitive to the objectives of this review to place this otherwise isolated function in InternetNZ when it no longer justifies a full time role in the first place.

Secondly, I highlight that the more important aspects of domain policy making are already adequately catered for - specifically, decision-making on .nz policy by the proposed .nz Policy Committee, separate from the DNCL board. This is an important and necessary division, and one that makes the otherwise impractical and less-coherent organisational separation moot.

Thirdly, I think that responsibility for engagement and consultation on policy development is actually the more important separation than policy making. It seems more logical to me for the specialist Domain Name Commission to develop policy in line with what it sees as its enforcement challenges; to hand that policy over to InternetNZ for consultation and engagement with the Internet community; and for InternetNZ then to "push back" any policy

to DNCL if that engagement and consultation requires so. That seems a more logical, practical and coherent set of functions and responsibilities than that in the Revised Proposal.

**My recommendations:**

- Retain .nz domain policy making as a function of the Domain Name Commission.
- Separate out consultation and engagement on domain policy as a responsibility for InternetNZ, with InternetNZ being able to push domain policy back to the Domain Name Commission on the basis of any consultation and engagement.
- Require the .nz Policy Committee only to act on policy change when both DNCL and InternetNZ agree that their separate functions have been appropriately satisfied - i.e. when InternetNZ attests that consultation and engagement has been appropriate and the Internet Community is in agreement, and when DNCL attests that the policy is sound and coherent.

**Let's get on with it**

I encourage Council to complete this process as expediently as possible, as indeed I am sure you are.

I hope that following this round of consultation and decisions from Council that myself and other staff members will be able to get going on preparation for this change. There is a lot of work already identified to do to make these changes a success, and I am keen to get going on these as quickly as possible. The key decision that Council should make as quickly as possible is the appointment of a New Chief Executive.

Please note however that any expedience in decision making should not come at the expense of appropriate engagement, confidence and empowerment of the New Chief Executive. Council should focus on clarity of this process; on clarity of the strategic outcomes it seeks in the long run and in selecting a New Chief Executive that can fulfil those outcomes. It should hold back on making decisions about *how* those outcomes should be achieved; on deep strategy or planning work; until this New Chief Executive is in place - simply because this is the person that will be accountable and responsible for delivering those outcomes, and deserves the opportunity to engage with the Council fulsomely in how those outcomes can be delivered.

I am available to assist the Council and the Programme Manager in implementing these changes, and hope to get started on this before the end of 2017.

Thank you for the opportunity to provide my thoughts. I welcome any questions or clarifications.

Kind regards,



**Andrew Cushen**  
25th September 2017