

AGENDA

Council Meeting: 15 May 2020

Online Meeting

9:00am	Meeting start
10:10am	Morning tea and Video Break
11:30am	Meeting closed

Section 1 – Meeting Preliminaries

9:00am	1.1	Council only (in committee)
9:10am	1.2	Council and CE alone time (in committee)
9:15am	1.3	Karakia, apologies, interests register
	1.4	Agenda review and environment scan

Section 2 – Strategic Priorities

9:25am	2.1	COVID-19 Response Report from staff on work to date in this area.
9:40am	2.2	Strategic Framework First feedback on proposed End States for Internet 4 Good, Internet 4 All.
9:55am	2.3	Registry Lock Brief Briefing for Council on the product and current status.
10:10am	-	Morning tea (Ten Minute Video Break)

Section 3 – Matters for Decision

10:20am	3.1	Returning Officer for 2020 Council Election THAT Catherine Fenwick be appointed Returning Officer of the Society.
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Section 4 – Matters for Discussion

10:25am	4.1	President's Report, including Council Member Recruitment
10:30am	4.2	Māori Engagement Resourcing

10:45am	4.3	Management Items for Discussion Topics in this paper include: <ul style="list-style-type: none"> • Covid-19 emergency community funding • Election Process Review • Council Retreat proposed deferral • Increase to domain name registrations
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Section 5 – Consent Agenda

(fifteen mins for discussion of items, contingency available)

10:55am	5.1	Repeal of obsolete governance policies <p>THAT Council repeal the following Governance Policies which are obsolete due to the changes to the group's structure made in 2018:</p> <ul style="list-style-type: none"> • SUB-INF - Subsidiaries - Information Sharing Policy • GRP-PSD - Group Policy - Product and Service Development • GRP-PRT - Group Policy - Planning and Reporting Timetable
	5.2	Skills and Diversity Matrix Confirmation
	5.3	Confirm Minutes – March 2020
	5.4	Actions Register
	5.5	E-vote Ratification
	5.6	Quarterly and Operational Reports (Q4 2019/20) <ul style="list-style-type: none"> • 5.6.1 Activity Quarterly Report • 5.6.2 .nz Quarterly Report • 5.6.3 DNCL Quarterly Report • 5.6.4 Group Financial Report • 5.6.5 InternetNZ Financial Report • 5.6.6 Measures of Strategic Goals 2019/20 • 5.6.7 Community Grants Report • 5.6.8 Council Committee Report • 5.6.9 International Quarterly Report • 5.6.10 Membership Update • 5.6.11 Product Development
	5.7	Health and Safety and Wellbeing Update

Section 6 – Other Matters

11:10am	6.1	CONTINGENCY (for any overflow)
	6.2	Matters for communication – key messages
	6.3	General business
	6.4	Meeting review

11:30am	6.5	Meeting close (karakia or waiata)
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Section 7 - Online-only items

	7.1	Risk Management Policy
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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: Jamie Baddeley

Position: President, InternetNZ

Term: AGM 2014 - AGM 2021

Declaration Date: 27 May 2017

Interests:

- Officer's Honorarium for InternetNZ

Name: Joy Liddicoat

Position: Vice President, InternetNZ

Term: AGM 2014 - AGM 2021

Declaration Date: 31 March 2020

Interests:

- Trustee and Chair of the Peter Rule Foundation
- Holder of .nz domain name registrations
- Member of the New Zealand Law Society
- Member Otago Women Lawyers Society
- Member of the Non Commercial Users Constituency of ICANN
- Founding Director and Shareholder of Oceania Women's Satellite Network (OWNSAT) PTE Limited. OWNSAT is a shareholder in Kacific Broadband Satellite
- Affiliate of the Centre for Law and Policy in Emerging Technologies, Faculty of Law, University of Otago.
- Member of the Association for Progressive Communications
- Officer's honorarium for InternetNZ

Name: Dave Moskovitz

Position: Councillor, InternetNZ

Term: AGM 2011 - AGM 2020

Declaration Date: 27 March 2020

Interests:

- Registrant of .nz, .com, .org, .pe domains
- Full list of register of interest (i.e. Board memberships, Shareholdings, and other memberships & non-profit activity) – see <http://dave.mosk.nz/coi>
- Councillor's Honorarium for InternetNZ

Name: Amber Craig

Position: Councillor, InternetNZ

Term: AGM 2013 - AGM 2019

Declaration Date: 25 Nov 2019

Interests:

- Holds .nz domain name registrations
- Trust Chair of Whare Hauora Charity
- Treasurer and Trustee of Rangitāne o Wairarapa Rurunga
- Director of Tahetoka Limited (Facilitation and Consulting)
- Research Assistant for Victoria University project Ngā Takahuringā ō te ao
- Trustee of Te Rua o Mahara Wairarapa Trust
- Director and Shareholder of Te Rua o Mahara Tours Tapui Limited
- Receives additional honoraria for being Chair of the Audit and Risk Committee for InternetNZ.
- Councillor's Honorarium for InternetNZ

Name: Sarah Lee

Position: Councillor, InternetNZ

Term: AGM 2014 - AGM 2020

Declaration Date: 24 August 2018

Interests:

- Member of New Zealand Māori Internet Society
- Board member Injury Prevention Aotearoa
- Receives additional honoraria for being Chair of the Māori Engagement Committee
- Councillor's Honorarium for InternetNZ

Name: Richard Hulse

Position: Councillor, InternetNZ

Term: AGM 2015 – AGM 2021

Declaration Date: 1 April 2020

Interests:

- Employee of GS1 New Zealand
- Holder of .nz domain name registrations
- Shareholder of Spark New Zealand
- Shareholder of Chorus
- Councillor's honorarium for InternetNZ

Name: Don Stokes

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2020

Declaration Date: 6 December 2019

Interests:

- Shareholder/Director, Knossos Networks Ltd, an authorised .nz registrar
- Shareholder/director of several inactive companies
- Registrant of .nz and .net domains
- Small holdings in publicly listed companies
- Consultant of Liverton Security
- Councillor's Honorarium for InternetNZ

Name: Kate Pearce

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2020

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
- Councillor's Honorarium for Internet NZ

Name: aimee whitcroft

Position: Councillor, InternetNZ

Term: AGM 2019 – AGM 2022

Declaration Date: 27 March 2020

Interests:

- Holder of .nz domain names
- Open Data Charter Board Member
- Holdings in publicly-listed international tech stocks / companies
- Organiser for unconferences and related events
- Have previously been employed by InternetNZ on contractual basis
- Have previously been awarded an InternetNZ conference grant
- Wildlife.ai Board Member
- Investor 3 Mile Coworking Community, Wairarapa
- Councillor's Honorarium for InternetNZ

The register was last updated in March 2020.

COUNCIL MEETING - MAY 2020

Covid-19 Update

ITEM NO: 2.1
AUTHOR: Jordan Carter
PURPOSE: Provide Council with an update on Covid-19 related aspects of work, including on risk management associated with the pandemic.
DATE WRITTEN: Friday 8/05/2020

Introduction

This paper looks at significant aspects of our operations from the standpoint of our response to the Covid-19 pandemic situation. It provides a brief update on aspects that have changed since the last briefing, and takes a deeper dive into risk management.

The usual quarterly reporting closing out the 2019/20 business year covers the broader picture and this paper does not try to repeat it.

Sections are:

- General update
- Intentions for Level 3 - Level 2 transition.
- Risk issues
- Points for discussion

Since the meeting of Council on 27 March, the Covid-19 Alert Level was at Level 4 through to 11.59pm on Monday 27 April, and has been at Alert Level 3 since. Cabinet decisions on details of Level 2 were announced on Thursday 7 May, and Cabinet is due to decide on Monday 11 May whether/when the Alert Level will change from

I'd like to report that overall, our organisation and our staff have performed very well during this crisis. Our levels of work have remained high, and we have made an impact in several areas. My sincere thanks to all colleagues for such achievements in such difficult circumstances.

Jordan Carter

General Update

Council should be aware of the following, which arise since 27 March's meeting:

- The organisation has been remote-only, with everyone working from home since Monday 23 March. This has worked well, with all systems accessible.
- Staff and contractors have maintained an exceptional level of output given the circumstances, and my thanks to them for this work. The pressures of working under pandemic are real for everyone, and despite some areas being under pressure for e.g. year end reasons, people have done an outstanding job.
- Our operating plan for the quarter is established and shared with staff, prioritising the four short-term goals we shared with Council at the last meeting (looking after staff, looking after .nz, sharing the stories, contributing funding and time). We will do a plan each quarter, managing the transition through to a greater focus on our Strategic Goals as the business year goes on.
- The interim management structure advised last time has worked well, with the adjustment group adjusting our operating plan for the first quarter, and the Covid-19 group managing our response to the pandemic. Both under the aegis of the full SLT which met frequently during March and April, but which is back on a monthly cycle from May.
- The business impact during the period since the meeting has been mixed. Initially cancellations increased and the register declined. More recently there has been an uptick in growth. Lots of uncertainty here but overall numbers are ahead now of where we expected in this year's budget.
- There have been real achievements by the team in a range of areas, including:
 - Progress on the Registry Lock project
 - Rescheduling of the .nz Policy Review
 - Contact tracing papers and impact on government
 - Digital Inclusion community rallying
 - Updated Covid-19 compliance approach from DNCL
 - Plans for community funding adjustments following decisions to expand the funding pool
 - Year End successfully completed and audit about to begin
 - Preparation for marketing efforts to encourage .nz uptake of newly online businesses
 - Ongoing blogging and other content on a range of topics related to the Covid-19 situation
- On community funding, we continue to design and implement the approach proposed to Council via email in April. The initial focus is to work through established relationships and supporting them during these challenging times, before opening wider for later rounds. We are currently working through all of these relationships to explore what support may be required. More information is in the

Management Issues paper in this meeting.

- Domestic and International travel have remained largely frozen, and we expect most significant global events to remain virtual only - likely for the rest of the calendar year at least.
- We had minimal feedback on the .nz policy emergency powers extension or of the decision to defer the .nz registration fee increase by four months.

Level 3 → Level 2 Transition

The SLT has made decisions about what happens as and when the country moves to Level 2 on the Covid-19 Alert Level System. We anticipate that this may happen next week, based on the info available at the time of writing.

Our approach is designed to maintain the organisation's ability to function, and to care for the wellbeing of our staff. This drives the key elements of our approach, which are:

- Staff are encouraged to keep working from home if that works for them.
- We will re-open the office on a limited basis for staff who want to work on our premises. We will phase this in, with the first few days being a trial and improvements process.
- This limited approach will have the following key features:
 - A roster to limit numbers and allow us to keep track of who is in the space, when.
 - No physical meetings with other people or organisations on our site, or by our staff on other sites or at public venues.
 - All required physical distancing and health requirements implemented in the work place.
 - No single team creating a new 'bubble' together - so any function of the organisation will not be affected if a cluster of Covid-19 infections arises related to us.
 - We will allow domestic travel on a case by case basis where needed for work purposes. If people travel for recreational purposes they'll need to stay away from the office for at least a week afterwards.

Our current impression is that most staff and most teams prefer to remain working from home, while some do want to be using the office. The approach outlined above allows us to meet the needs and preferences of most staff.

Risk

A key part of our work has been focused on the risk assessment based on these unprecedented times we find ourselves. We have considered the steps required to protect our employees, services, customers, supply chains and financial sustainability in the short, medium and long term.

We have continued to take the approach to access risks under the following headings Strategic, People, Financial, Service, External & Reputation, Legal.

A specific Covid-19 risk register has been developed focusing on the effects the pandemic could have on our organisation. These risks were then analysed based on likelihood and impact into categories of Significant/Extreme, Moderate and Minor/Insignificant.

We continue to work through these based on priority - Significant level first. Where we allocated owners across the business to work on mitigation actions are required.

Overall the pandemic has not introduced many new enterprise level risk categories but has changed the likelihood/impact of many so therefore we have introduced new mitigations.

These are the specific risks we have flagged as significant:

1. **Health, Safety and Wellbeing** - while an area always on our risk radar the risk arising from WFH (Safety, Wellbeing) or returning to the office has now been raised to significance level and a key focus for the Covid-19 group. The introduction of workplace assessments at home, access to mental health support, regular updates/surveys to all staff (3 or 4 times a week) are all new mitigations we have put in place.
2. **.nz Service availability** - We're operating in a change brownout to minimise any people-induced problems and prioritising tasks to reduce time to fix such as documentation and internal tooling. This also has the effect of less load on the operational team leaving more capacity to deal with issues as they come up.

While we updated our BCP documentation late last year, we have identified a need to review with a new lens based on the current environment. We believe that our plans need to be tested based on a scenario of another emergency happening while we are still under the current, different operating mode. More work to complete on this.

We have also revised our Risk Management Policy and that is before Council for adoption alongside this meeting.

Note we will share the register with Council before the meeting on a confidential basis.

For discussion

- What questions or responses do you have to the content above?
- What other questions do you have that aren't covered in the above?
- Any other suggestions or advice?

Recommendations

THAT Council **note** the information shared in this paper.

Jordan Carter
Group Chief Executive

8 May 2020

COUNCIL MEETING - MAY 2020

End States Input for Strategic Framework update

ITEM NO: 2.2
AUTHOR: Jordan Carter
PURPOSE: To get Council member ideas and suggestions to take into account as we do some drafting of proposed End States for the strategic framework over the next few months.
DATE WRITTEN: Friday 8/05/2020

Introduction

Our [Strategic Framework](#) sets out our strategic direction, covering our purpose and mission/vision, the areas we work in and the sorts of work we do.

An important component of the Framework is to define some “end states” - plausible future states in the long term time horizon (e.g. ten years), brought back to shorter term steps-along-the-way.

End states statements of this sort bring the strategic direction to life. We then design our Strategic Goals to guide work that makes the End States real.

When they are working well, they clarify and simplify our planning by providing a crisp statement of the direction we should be heading. They are written so that we can observe or measure progress towards them.

Our current End States need to be updated, because:

- The ones we have relate to our previous WHYs (Access, Security, Openness) but we have changed the WHYs to Internet for Good and Internet for All.
- We didn't develop End States for our areas of work (.nz, other products, supporting the Internet community and inform & influence) or our HOWs.

How to develop End States

Council owns the strategic framework and clear statements of direction are a core governance responsibility that really help the organisation work effectively. Staff are very keen to support development of End States in collaboration with Council - an effective strategic partnership to improve our overall performance.

Our proposed approach is:

- Staff will do some thinking and analysis and prepare some wording to share with Council online in July, based on dialogue at this meeting.
- Engagement with members will follow Council input in July or August.
- Council will have a discussion of the material at the August meeting, following the member dialogue.
- End States finalised after that if ready, or held for the Council retreat if more debate required.

Starting points for feedback

I seek your responses and feedback on some personal starting points for End States.

Why - Internet for All	<ul style="list-style-type: none">• Everyone in New Zealand is fully digitally included• Indicators show reduced inequities between groups on digital inclusion indicators
Why - Internet for Good	<ul style="list-style-type: none">• The Internet of the 2030s is secure and meets the needs of users everywhere, including through permissionless innovation.
What - .nz	<ul style="list-style-type: none">• Everyone who associates or connects with New Zealand has registered (and is using) a .nz domain name• We have world-leading levels of trust and confidence in the .nz domain name space
What - other products	<ul style="list-style-type: none">• A diverse portfolio of commercial products is making a contribution to achieving our goals directly, and making a significant contribution to our financial resources.
What - supporting the Internet community	<ul style="list-style-type: none">• InternetNZ is a true hub of the Internet community• Our 'public good' contributions in money and other areas exceed ¼ of our revenue
What - inform and influence	<ul style="list-style-type: none">• Our influence, founded on our policy and research capability, makes us the go-to place for influencing public and technical policy related to the Internet in New Zealand and beyond.

Please note that the draft ideas above for Council input are not the product of considered staff input, they are simply thought starters generated by me for Council consideration in the first instance.

Your responses could help me and the team understand:

- Is the broad direction right or wrong in these areas?
- Are there any other areas where defining End States would be helpful?
- Are there important constraints or nuances to take into account in any areas?
- Any overarching points to consider or take into account?

Any other feedback welcome of course.

Recommendations

THAT Council **note** and **agree** the proposed approach to developing End States for the Strategic Framework over the next few months.

THAT Council **note** staff will develop material based on the initial content above for Council and then Members' input.

Jordan Carter
Group Chief Executive

8 May 2020

Registry Lock Brief

ITEM NO: 2.3
AUTHOR: David Morrison, Commercial Director
FOR: Council
PURPOSE: To provide an overview of the intended Registry Lock Service activity, the current state and next steps
DATE WRITTEN: 7/05/2020

Service Description

This is a security product for registrants to choose to enable an additional layer of security to protect against unauthorised changes to their domain name.

This service has been requested for several years by our registrar community.

Threats to the DNS are increasing. Registry Lock services are becoming increasingly used as an out of band mitigation to technical breaches.

This is not the same lock feature as used by DNCL which is used for investigation and dispute purposes.

In late 2019 two one-day co-design workshops were run with staff from DNCL and InternetNZ, the purpose being to narrow down to a preferred operating model and to establish a service blueprint to understand necessary business processes the service would need to deliver. From CENTR we have received a paper on Registry Lock models and are looking to align the design as much as possible.

While the NZ election was seen as a useful opportunity to have this service available, with the current project trajectory and other Covid-19 priorities it is unlikely we can have an operational service in time.

Current state

We are entering a design phase for the service in order to clearly understand the business processes needed and test them with our registrar community. The design work will then inform a policy consultation process to introduce the registry lock as a service within the .nz policy framework.

On the 7th April the .nz Policy Committee were briefed on the service detail and aspects of the impacts on policy discussed.

Next Steps

- Complete the service design work including understanding policy impacts, terms and conditions.
- Understand the technical design requirements to enable the service in the SRS.
- Test the design with stakeholders to ensure the service would be feasible with all parties.
- Plan and implement a policy consultation to introduce Registry Lock into the .nz policy framework.

Recommendation

THAT Council **note** the contents of this paper.

David Morrison

Commercial Director

Māori Engagement Resourcing

ITEM NO: 4.2
AUTHOR: Andrew Cushen
PURPOSE: To propose resourcing a new Māori engagement function
DATE WRITTEN: 7 May 2020

Summary

We have been developing our understanding of te ao Māori inside the organisation, and relationships with the Māori Internet Community, for the last ~4 years. There has been some progress during this time.

The Komiti Whakauru Māori (Māori Engagement Committee of Council) would like to see these efforts continue and step up in their delivery. To achieve this, they have asked for the development of this proposal for alternative resourcing. This paper sets out the proposal discussed by the Komiti and management over the past few weeks.

Approach

This new function would involve appointment of a dedicated, senior staff member who will be accountable for delivering the following approach to lifting us in relation to te ao Māori and toward being an appropriate Te Tiriti partner with Māori:

1. To develop the tikanga within the organisation and to have this serve as a foundation for greater engagement with the Māori Internet Community. This includes:
 - a. Capability development for staff, working with external support as required.
 - b. Development of organisational kawa (policy) and tikanga (practices) to embed how we operate in a te ao Māori context.
 - c. Develop us as an appropriately positioned partner for Māori in a te tiriti o Waitangi framework.
 - d. Establish additional advisory capacity to support both the staff and in relation to the Māori Internet Community.
2. To use this tikanga as a foundation for growing mutually beneficial relationships in the Māori Internet Community, be they with iwi, hapu and/or Māori controlled or relevant organisations and individuals.
 - a. This includes adapting and completing the previously scoped research project.
 - b. This may also involve utilisation of parts of the pool of Community Funding to provide grant and partnership based funding.
3. To continue to grow these relationships and adapt our tikanga in a mutually reinforcing manner on an ongoing basis. This ongoing focus will see us holding sufficient capability and tikanga, and wide and mutually beneficial relationships with Māori, to be living up to our goal of being an appropriate Te Tiriti partner with

Māori.

Resourcing

What has become apparent is that we do not have the capability, operationally in-house, to do this work, and that the level of resourcing and prioritisation on developing these relationships has not been sufficient to make adequate progress.

This proposal addresses that by scoping the creation of a new function to lead and deliver this approach. The components of this function, and the necessary resourcing includes:

- A new role for a Chief Advisor, Māori - a senior role in the organisation, that is part of the wider leadership team. Equivalent in position to the Chief Security Officer and Chief Advisor, International. This role will lead the work described under the approach and be accountable for delivering growth in InternetNZ's capabilities and tikanga, and improved relationships.

A DRAFT Position Description is attached to this paper as an **appendix**. We will solicit external advice on this Position Description during the week before the Council meeting, and will update Council on those discussions, and any potential changes, at that meeting.

- A new function for Māori Engagement - sitting alongside the Engagement team and reporting to the Engagement Director, and with a "thick dotted line" to the Chief Executive. This function will work across the organisation to deliver this approach, and will need to be at a senior level alongside the wider leadership team to achieve that.
- Sufficient financial resourcing to undertake and deliver to this approach, likely to be applied to:
 - Engagement of capability development and training support.
 - Travel to meet with the Māori Internet Community.
 - Project and initiative based work with the Māori Internet Community - which could be events, research projects and other collaborative initiatives.
 - Resourcing of a wider advisory function as required.

Some of this resourcing will be available from other operating teams and functions, and offset amounts that are allocated there - such as training in Organisational Services, and some funding from Engagement.

Additional resourcing will be required. This is estimated at \$200,000 per annum to cover the cost of the role and the additional function specific funding necessary to achieve these outcomes.

This \$200,000 is not included or anticipated in the budget for 2020/21, and is proposed to be absorbed as a variance and incorporating in the mid-year rebudgeting presented to Council in October 2020.

Recommendation

THAT Council note the proposal to create this function, and the budget impact which will be accounted for in the mid-year re-budget process.

Andrew Cushen

Engagement Director



DRAFT POSITION DESCRIPTION

CHIEF ADVISOR, MĀORI

REPORTING TO: Engagement Director (Group Chief Executive as required)
DIRECT REPORTS: None
LOCATIONS: Wellington
DATE CREATED: 06/05/2020

InternetNZ overview

InternetNZ is the home and guardian of .nz, providing the infrastructure, security and support to keep it humming. We help New Zealanders harness the power of the Internet through our community grants, research and policy. We are champions for an Internet that is accessible, open, and secure for all New Zealanders.

Purpose

Kua rāranga tahi tātou he whāriki ipurangi mo āpōpō.

Together we weave the mat, in terms of the Internet, for future generations.

This whakataukī guides our purpose at InternetNZ.

Our vision is *An Internet that is open, secure and for all New Zealanders*. Our mission is *Helping New Zealanders harness the power of the Internet*.

InternetNZ has identified a need to increase its responsiveness to Māori internet community interests while building our internal capability and understanding of te ao Māori. We recognise the need to increase relationships, relevance and collaboration with the Māori Internet community to achieve this Vision and Mission.

The purpose of this Chief Advisor, Māori position is to assist InternetNZ in achieving these aims by:

- Lead, plan, advise and evaluate an internal capability development plan.
- Leading InternetNZ's relationship-building with stakeholders in the Māori Internet community, with the goal of building mutually beneficial relationships between Māori and InternetNZ.
- Developing additional advisory capacity to guide and assist InternetNZ with the ongoing development of tikanga Māori and the development of Māori stakeholder relationships.

These purposes are expanded further in the responsibilities outlined below.

This position requires a person with a solid grounding and understanding of te reo me ona tikanga Māori. Other desirable skills include strong social research abilities, good communication and engagement skills, and the ability to work effectively in a collaborative social-enterprise environment.

This role is scoped as a senior position within the organisation as part of the broader leadership team. While this position reports to the Engagement Director, the Chief Advisor, Māori will work closely with the Group Chief Executive, the Senior Leadership Team and the Council. In addition they will have a close working relationship with the Komiti Whakauru Māori (Māori Engagement Committee) of the Council and will work across InternetNZ in the course of the position.

Relationships

Internal:

Council, Group Chief Executive, Organisational Services Director, Commercial Director, Engagement Director, Policy Director, Communications Manager, Community Manager, Events Manager, Domain Name Commissioner, DNCL Board, and the rest of the InternetNZ team.

External:

Iwi, Hapu, Māori-led organisations, tech sector organisations, international organisations as required, InternetNZ funding recipients (grantees, partner organisations, sponsorship recipients) InternetNZ Members.

Accountabilities

The position will be accountable for the following responsibilities:

Design and implement capability plan at InternetNZ

- Lead, plan, advise and evaluate an internal capability development plan.
- Engage and manage appropriate external support to increase internal confidence and capability .
- Advising teams, functions and projects at InternetNZ on the application of appropriate tikanga in the context of InternetNZ's work.

- Being the primary interface for the Komiti Whakauru Māori/Māori Engagement Committee of the InternetNZ Council, supporting the Group Chief Executive and Engagement Director.

Develop relationships with Māori Internet community

- Establish, maintain and nurture InternetNZ's relationships with stakeholders in the Māori Internet community.
- Develop and lead the implementation of a Maori stakeholder plan, evaluating and amending that plan as required.
- Build a comprehensive understanding of the interests and aspirations of Māori stakeholders within the Internet Community, with a view to identify opportunities for collaboration and partnership with Māori.

Support for role and increased advisory capacity at InternetNZ

- Establish an appropriate advisory body that can support the cultural and spiritual well-being of this position in order to achieve the objectives of the position.
- Work with this advisory body, and with the Komiti Whakauru Māori, in order to ensure that sufficient support and safety is provided other InternetNZ staff as required.
- Recommend to the Group Chief Executive what additional resourcing may be required to deliver to the purpose of this position.

Champion and live the team charter

We build trust, in order to grow as one InternetNZ group:

- We will respect each other.
- We are here to do the best we can.
- We will be better than we were yesterday.

Health and safety

- Take care to ensure the health and safety and wellbeing of not only yourself but also of others during the course of InternetNZ business.
- Follow InternetNZ health and safety guidelines including recording and reporting all hazards and potential risks and following reasonable instructions given by the business.

Qualifications and experience

- Strong relationships in, and understanding of, te ao Māori.
- A good understanding of te reo me ona tikanga Māori is highly desirable.
- Strong understanding of Te Tiriti o Waitangi and the impacts of colonisation.
- Experience of working in a social-enterprise and/or technology environment is desirable.
- Some experience of working on issues relating to technology, digital inclusion, co-investment and social/economic development using digital technology, and particularly how they intersect with te ao Māori, is desirable.

- Highly developed engagement skills, including the ability to present complex issues to a wide variety of audiences especially within te ao Māori.
- Experience in engaging and managing stakeholders in challenging and complex scenarios.
- Excellent written and verbal communication and interpersonal skills.
- Has the ability to travel around New Zealand as required, and a full drivers license.

Competencies

Te ao Māori

- Sufficiently competent in te ao Māori to confidently advise InternetNZ in the development of appropriate tikanga.
- Develops appropriate and respectful relationships with Māori stakeholders of InternetNZ.

Relationship management and building

- Builds relationships with iwi, hapu, and the range of organisations that are active in the Māori Internet community , that appropriately reflect InternetNZ's values and objectives.
- Shares intelligence from relationships and embeds these in InternetNZ.
- Works with other teams across InternetNZ to develop and pursue opportunities for collaboration with iwi, hapu, and the range of organisations that are active in the Māori Internet community.

Problem solving and analysis

- Solves day to day operational problems by reference to established procedures.
- Uses initiative and innovative thinking.
- Recognises when problems/issues lie beyond their ability or authority.

Technical competency

- Comfortable and experienced in working with digital tools in a technology-rich environment.
- Interested and conversant in technology, its uses and applications for communities and across Aotearoa/New Zealand.

Communication skills (oral and written)

- Communicates information politely, clearly and accurately - ideally in both English and Te Reo Māori.
- Actively listens, understands and responds to questions and opposing views in a way that acknowledges the other person's position. Presents their own views assertively and considerately.
- Understands how to communicate publicly. Presents competently, and convincingly.

- Ability to challenge whilst maintaining strong working relationships.

Research and project delivery

- Manages projects and delivery of objectives, and amends these projects as required and approved.
- Keeps internal stakeholders informed of delivery, successes and challenges, and proposes solutions to these.
- Accountable for the resourcing and effectiveness of projects.

Management items for discussion

ITEM NO: 4.3
AUTHOR: Jordan Carter
PURPOSE: Key items for the Council to know / offer guidance on.
DATE WRITTEN: 08/05/2020

Introduction

This paper is designed to raise key issues for the Council to give advice, input and share understanding with management. It should be considered alongside the quarterly reports (which provide broader context). In Diligent or public ones at <https://internetnz.nz/reports>.

Matters are broadly in order of priority, and there are five sections:

- A. **Key risks** - where we update you on any changes to significant organisational risks.
- B. **Key items** - the matters we'd like a conversation about - which may or may not be covered by other standard reporting.
- C. **Exceptions / items to note** - significant issues in the general reporting we want to be sure you have seen.
- D. **Late changes** - any material changes to conditions or issues that were covered in quarterly reporting (none in this paper).
- E. **Key future commitments** - a look forward to some key events over the next six months.

A. Key Risks

There has been no material change to risks in the register over the period and no new non-Covid-19 related items have been introduced.

A Covid-19 related Risk discussion is included in the Covid-19 paper (item 2.1).

Context - As reported in this paper at the last meeting, over the last year we have worked to raise risk awareness across the organisation. This work included engaging PWC to help facilitate a review of the risk management policy, risk register and any new risks that our new strategic framework/goals has introduced to the environment.

The high level output of this Risk review has the following 6 Key Focus areas.

- *Strategic - Product/Services Strategy, Business Planning*
- *People - Organisational Capacity, Wellbeing*
- *Financial - Product/Services Revenue, Financial Management.*
- *Service - .nz availability, Technology change*
- *External & Reputation - Stakeholder support*
- *Legal - Compliance*

We have allocated Risk owners to all documented risks and continue to work on mitigation actions.

We will provide regular updates going forward to the Audit and Risk committee in the first instance, and to Council in this part of the reporting each meeting.

Our ask:	That you note no material changes to the risk register, and consult the Covid-19 paper for specific risks related to the pandemic and its impact on the group.
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B. Key Items

B1 - Covid-19 related emergency community funding

Issue:	<p>We are excited to be in a position to distribute \$1.5m in total funding this year, including the \$500,000 in additional funding to support COVID-19 related responses. Including the realisation of the \$1m goal, this represents a \$600,000 increase in total funding available.</p> <p>The first distributions will be made in May, via additional Partner funding, following the conversations with our Partners about how best to support them. Following that, we will look to introduce some appropriately scaled on-demand style granting for COVID-19 support.</p> <p>Here is a reminder about the overall approach. <i>We are continuing to develop the high-level plan proposed to Council in April. The team’s active focus is working with the network of established relationships to understand how and where to support them as part of the “immediate support” phase:</i></p> <p>Proposed funding approach 2020/21</p> <table><tr><th>Phase</th><th>Focus</th><th>Timing</th><th>Participants</th><th>Instruments</th></tr><tr><td>Immediate Support</td><td>COVID initiatives, replacing exited funders, topping up existing initiatives</td><td>April - June 2020</td><td>Established relationships. – Partners & previous recipients</td><td>~\$450k in predominantly partnership funding ~\$50k in on-demand “fast funding” grants</td></tr><tr><td>COVID Recovery</td><td>Post COVID crisis opportunities, particularly internet for All Innovation</td><td>July – Nov 2020</td><td>Applications open to new relationships</td><td>~\$450k across a range of funding instruments ~\$50k in on-demand “fast funding” grants</td></tr><tr><td>Strategic Focus</td><td>Internet for Good & other contributions from the Internet Community</td><td>Nov 2020 – March 2021</td><td>Applications open to new relationships</td><td>~\$450k across a range of funding instruments ~\$50k in on-demand “fast funding” grants</td></tr></table> <p><i>All other things being equal, increasing the funding envelope increases the workload in administering these grants by an equivalent amount - particularly with the increased focus on relationship management and long-term benefit realisation as intended in the new funding model.</i></p> <p><i>We will explore different methods of distributing this funding as a result that manage this within the same team capacity. That could look like:</i></p> <ul style="list-style-type: none">- partnering with other funders to contribute to shared mechanisms.- distributions through our existing and/or new Partner relationships.- and other philanthropic concepts we are exploring. <p><i>These opportunities may change the specifics of the high level plan outlined above.</i></p>	Phase	Focus	Timing	Participants	Instruments	Immediate Support	COVID initiatives, replacing exited funders, topping up existing initiatives	April - June 2020	Established relationships. – Partners & previous recipients	~\$450k in predominantly partnership funding ~\$50k in on-demand “fast funding” grants	COVID Recovery	Post COVID crisis opportunities, particularly internet for All Innovation	July – Nov 2020	Applications open to new relationships	~\$450k across a range of funding instruments ~\$50k in on-demand “fast funding” grants	Strategic Focus	Internet for Good & other contributions from the Internet Community	Nov 2020 – March 2021	Applications open to new relationships	~\$450k across a range of funding instruments ~\$50k in on-demand “fast funding” grants
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Our ask:	<p>We would appreciate any suggestions and insights Council may have about distributing this funding in the most efficient manner possible.</p>																				

B2 - Election Process Review

Issue:	<p>Following some questions raised as part of the Elections process last year, we have completed a full review of the process and its documentation. The following steps have been taken to ensure the electoral system is well understood, managed and communicated while also ensuring it is consistent with the constitutional requirements.</p> <p>The staff engaged the help of Colin Jackson to work with staff on:</p> <ul style="list-style-type: none">• Developing an agreed description of the electoral system as currently implemented by electionz.com• Developing communications material for members about the electoral system so they can have a greater understanding of the system.• Provide advice on reviewing and scrutineering processes to be used after elections. <p>As part of the work we sought feedback from members with expertise in this area on the documented process to assure us that it is described correctly and meets the constitutional requirements.</p> <p>The outputs of this work are as follows.</p> <ol style="list-style-type: none">1. A detailed formal description in plain language explanation of how the process works and the system counts votes (attached as Annex 1).2. Some key messages to key Stakeholders3. The development of a simulator tool to be used as part of the scrutineering process after elections.
Our ask:	That Council notes the update and provides feedback.

B3 - Taking over stewardship and operation of .AQ

Issue:	<p>Previous discussion has seen the organisation decide to become the ccTLD manager for the .AQ domain. Discussions have been ongoing with Peter Mott, the existing administrator. We will seek Council decisions if required in the coming weeks to give effect to the transfer, which looks likely to be by purchasing shares in the company through which the domain is being operated today.</p>
Our ask:	Be aware that this transfer is coming, and ready to make online decisions if required to execute it.

B4 - Deferring proposed Council strategic retreat

Issue:	<p>Council had scheduled a face to face strategic retreat for August in conjunction with the scheduled meeting.</p> <p>Our instinct based on knowledge today is that the Covid-19 pandemic situation will mean that the risk level of such an event means we should not proceed at that date.</p>
Our ask:	<p>I invite Council views on this, and whether we should aim at an October date or a deferral to calendar 2021.</p>

C. Exceptions / Items to Note

C1 - Registry Replacement Project

Issue:	<p>The current phase that is underway for the registry replacement project is the issuing of a request for proposal (RFP) along with associated technical documents. These will be consistent with the EOI but provide a clearer and more detailed specification of the services we wish to procure. Initial timeframes had the RFP being issued in late Q1 2020 but due to the current situation this timeframe has been revised and a short delay to the release is expected and the project team are working hard to achieve an early July release.</p> <p>While we are still finalising the detailed requirements for the operating model, we currently envision the registry service running on infrastructure in New Zealand.</p>
Our ask:	<p>We ask that the Council note the update to the project status.</p>

C2 - Defenz Firewall pivot

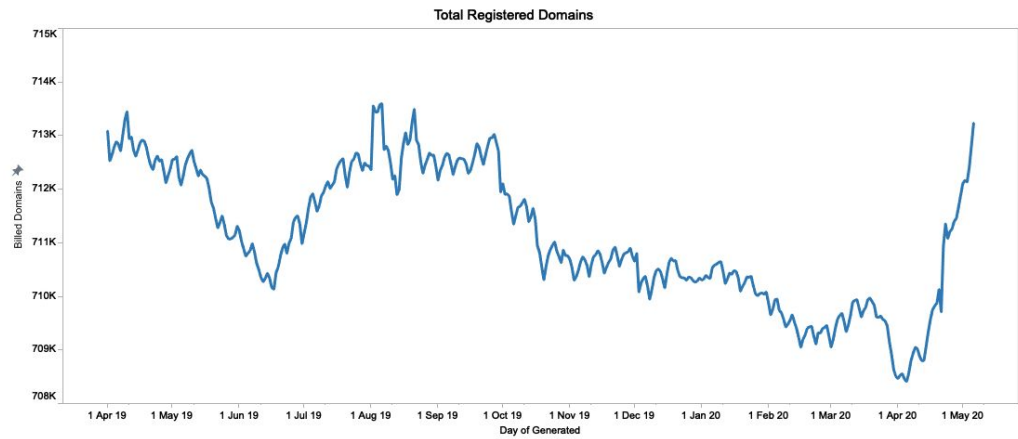
Issue:	<p>For the DNS firewall our focus for January to March was on pipeline building which was progressing well with several organisations interested in progressing, predominantly smaller ISPs and a couple of IT service providers. Covid-19 has effectively halted all sales interest as these potential customers responded to the extraordinary demand for connectivity and remote working support.</p> <p>We held off any sort of instant response in order to see what is happening in the market.</p> <p>Many organisations are pivoting their services to help organisations get online and stay safe as they respond to Covid-19. DNS Firewall is a service we can make available to help respond to rising Covid-19 threats.</p>
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	<p>Making the service free for the next few months will remove a barrier to entry and ensure more organisations have the opportunity to implement an easy and effective security layer in a time of increasing threats.</p> <p>We are working up plans to launch an offer in mid May to make the service free to the end of September 2020. Customers will then have the option to continue in a billing relationship or discontinue the service.</p> <p>This impacts our budgeted revenues for the service but we feel offers a practical solution that balances short term public good and revenue generation that would have been difficult otherwise.</p>
Our ask:	We ask that Council note the approach to respond to COVID19 with the DNS Firewall service

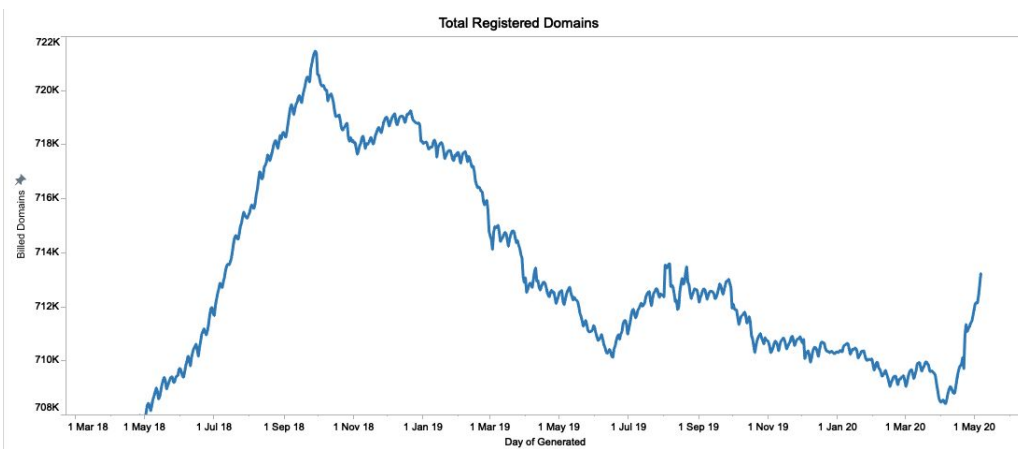
D. Late Changes

D1 - Increase to domain name registrations

Issue:	<p>Our goal for the 2019/20 year was to explore how we might grow registrations of the .nz namespace. We set an ambitious goal of 4% growth for the year which was not achieved. As reported to Council previously, a range of factors have affected growth and our marketing experiments have reshaped our thinking for 2020/21 and beyond to focus on driving preference early with New Zealanders. We closed the year with 708,507 active domain names, below our target of 741,409 for 31/03/2020.</p> <p>Covid-19 has in a short space of time helped do what no substantive marketing activity would have done; focus all New Zealand businesses on the importance of an online presence. The impact of this has been stark and recovered almost all the decline from the past 12 months. Creates in April were up 50% from April 2019. We were planning relatively flat growth from a base of 710,000 names for the 2020/21 year and this has been exceeded in April.</p> <p>Whilst we expect the trend of growth to continue in the short to medium term as new businesses are formed and existing ones pivot, we may see a lagged negative impact as the closure of businesses impacts the cancellations of domain names over time. In the short term we plan to support NZ businesses with content to help raise awareness and educate on what a good online presence looks like and where to start.</p> <p>Our longer term strategic aim to grow and strengthen preference for .nz is well aligned to this new unpredictable environment.</p> <p>(Chart next page)</p>
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13 month view of total registered domains



25 month view of total registered domains

Our ask:

Please note the impacts of Covid-19 and the unpredictable nature of the current environment.

E. Key External Commitments to September 2020

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

The programme is significantly impacted by the Covid-19 pandemic, and no travel is contemplated before 30 June at the earliest - and realistically it may be there will be no in-person external events before calendar 2021.

The companion International Update paper provides more context.

April to June 2020 (Q1)	<p>Domestic commitments include:</p> <ul style="list-style-type: none">• InfrastructureNZ “Vision Week” event, late-May - early-June TBC, online• InternetNZ/TUANZ Connected Marae event, June TBC (Online - may still be in September) <p>International commitments include:</p> <ul style="list-style-type: none">• RIPE meeting, 12-14 May, virtual meeting (was Berlin).• CENTR Jamboree, May, online (was Prague)• RightsCon, June, online (was Costa Rica)• ICANN68, June, online (was Kuala Lumpur)
July to September 2020 (Q2)	<p>Domestic commitments include:</p> <ul style="list-style-type: none">• TUANZ Digital Convergence Symposium, July TBC• TechWeek, 27 July - 2 August (reschedule), online <p>Currently scheduled International events include:</p> <ul style="list-style-type: none">• Asia Pacific regional Internet Governance Forum, September, Kathmandu Nepal.

Jordan Carter

Group Chief Executive

8 May 2020

Attached: Annex 1 - InternetNZ Election Process (April 2020)

InternetNZ's Election Process

This paper sets out the process to conduct and count InternetNZ Council elections and officers' elections. This paper does not apply to referenda.

Approach

The approach used is a form of STV (single transferable vote), which is also called choice voting.

An elected candidate generally has more votes than the minimum needed for election – this called their surplus. STV reallocates surplus ballots from elected candidates to their next preferred candidate. STV versions differ in how they select surplus ballots for reallocation. The method used by InternetNZ transfers all ballots to their next preferred candidate on a fractional basis, rather than transferring a selection of ballots at their full value. This is sometimes called the Gregory method. It is used in elections for the Australian senate and for the senate and parliament of the Republic of Ireland. The detailed counting process used is set out in Schedule A to this paper.

This approach is consistent with InternetNZ's constitution which requires that councillors and officers are elected using a preferential and proportional system. All forms of STV are preferential because voters rank candidates in order of preference. The version used by InternetNZ provides for proportionality through the fractional reallocation of ballots, which provides for second and later preferences to play a proportional role in electing candidates and avoids the element of randomness or bias that would be present if individual ballots were somehow selected for transfer.

Elections

Regular Elections

Council and Officers' elections are held regularly.

Council elections are, in general, for multiple seats. These elections are counted by the preferential and proportional vote counting process described below. A single counting process is performed to fill all vacant Council seats at the same election.

Where the vacant Council seats have different term lengths vacant seats are allocated to successful candidates in decreasing term order, i.e. the seat with the longest term is filled by the first candidate elected, and so forth.

Officers' elections are conducted individually using the process below.

Casual Vacancies

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

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

A councillor or officer elected between regular elections to fill a casual vacancy will serve the remaining term of the resigned or removed candidate. This partially served term will not count toward any term limit should they be re-elected.

If a sitting or newly elected councillor is elected to an officer position they are deemed to have resigned as councillor and this process applies.

Returning Officer

The returning officer is nominated and approved by Council. They are accountable to ensure that the process set out in this paper is followed. The returning officer determines the validity of nominations, supervises the election and declares the outcome. InternetNZ may contract out the administration of parts of the election process under the supervision of the returning officer.

Process

The election process consists of four consecutive phases: pre-election, voting, counting and declaration.

Pre-election

The returning officer advises electors of the election process and dates and the number of seats to be elected. Candidates are nominated and their validity checked by the returning officer, who distributes to electors a list of candidates and any statement each candidate chooses to make.

Voting

InternetNZ distributes voting credentials to electors who use these credentials to cast their ballots by ranking the candidates.

Each elector receives a ballot that lists the candidates in random order. Electors rank the candidates in order of preference. Electors must rank at least one candidate.

There is no provision for write-in candidates.

There is no provision for informal or 'spoiled' ballots.

Counting

Ballots cast are analysed to produce an outcome using the process set out in Schedule A.

Scrutineers satisfy themselves that the counting has proceeded in accordance with this process. Once satisfied, they sign the documentation showing the progress of the count and its outcomes.

Declaration

The returning officer makes a formal declaration of outcome based on the results of counting and scrutineering.

Schedule A: Counting Process

Ballots are counted using STV with fractional transfers. The exact method is set out below. The counting process comprises preliminary steps followed by a series of ‘rounds’. Each round is a series of steps after which a candidate is declared elected or a candidate is declared defeated. Rounds continue until candidates are elected to fill all vacant seats.

Preliminary Steps

These steps are conducted once only at the start of the counting process.

Step 1	Calculate the threshold for election, i.e. the number of votes at which a candidate can be declared elected.	This is done using the Droop quota: $1 + \text{Integer} \left(\frac{\text{total ballots cast}}{\text{seats}+1} \right)$
Step 2	Assign each valid ballot to the candidate ranked first on that ballot, i.e. that voter’s first preference.	If counting were done using paper ballots, this step would involve sorting the ballots into one pile per candidate.

Counting a Round

Counting continues through a number of rounds, described below.

Step 3	Start of a round. Determine whether the candidate with the highest number of votes equals or exceeds the threshold.	If YES, continue If NO, go to Step 7
Step 4	Declare the candidate with most votes elected, provided they have at the least the threshold.	Elect only one candidate at once. Use the tie-breaking process set out below if there are multiple candidates with the same number of votes at or over the threshold.
Step 5	Are all seats now filled?	If YES, declare all remaining candidates defeated and FINISH If NO, go on
Step 6	If the elected candidate had more votes than the threshold, call this their <i>surplus</i> . Transfer each of their ballots to the next candidate ranked on the ballot that has not already been elected or defeated. The transfer is made at a fractional value, e.g. if the fraction	The fraction is calculated as: $\frac{\text{surplus}}{\text{total votes for that candidate}}$ Ballots that have already been transferred on a fractional basis and are being transferred again will be further fractionated, e.g. a ballot that has already been transferred at

	<p>were one tenth, the ballot would now be regarded as one tenth of a vote.</p> <p>Any ballots for the elected candidate that do not have a valid next preference are described as <i>exhausted</i> and play no further part in the count.</p> <p>Go to Step 3</p>	<p>a fraction of one tenth and is now being further transferred at a fraction of one fifth will become one fiftieth of its original value.</p>
Step 7	<p>Select the candidate with the lowest number of votes. (See tie-breaking section below.)</p> <p>Declare this candidate defeated and transfer each of their ballots to the next preferred candidate for that ballot that has not already been elected or defeated, at full value.</p> <p>Any ballots that do not have a valid next preference are described as <i>exhausted</i> and play no further part in the count.</p> <p>Go to Step 3</p>	<p>No further fraction is applied.</p> <p>Ballots are transferred as they stand at this round. Any previously applied fractions remain but no further fraction is applied for this transfer.</p>

Tie-breaking

Ties can arise in two situations: when determining a candidate to elect; or when selecting a candidate to defeat. In both cases, their relative standing in the previous round (if any) is considered and, if it is needed to distinguish them, the round before, and so on. In the very unlikely event that this process cannot distinguish a winner and loser, a random choice will be made.

Council Skills & Diversity Matrix Review

AUTHOR: Catherine Fenwick, Organisational Services Director
ITEM: 3.1
FOR: Council
PURPOSE: To seek Council confirmation that the Skills and Diversity Matrix agreed in October 2019 remains fit for purpose for this year.
DATE WRITTEN: 6 May 2020

Introduction

The matrix below is the format we set out last October and agreed we would review annually and revised regularly as required. The output of the review late last year is now been used to select one or two new Appointed Council Members as per the constitution.

As previously noted no individual Council member is expected to have all the identified elements, nor will the Council always have the perfect mix.

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

As the matrix was reviewed in the last 8 months our recommendation we believe it is still fit for purpose and does not required revision at this time.

Recommendation

THAT Council note that no update to the Skills and Diversity matrix is required, AND note that it will come up for review again in May 2021.

Catherine Fenwick
Organisational Services Director

Attached: Skills and Diversity Matrix

InternetNZ Skills and Diversity Matrix

October 2019

This Matrix sets out Council's identified skills and diversity characteristics it sees as required to allow the Council to effectively govern the InternetNZ Group. It is reviewed on an annual basis to make any adjustments required.

The information is used to guide any appointments of Council members.

Governance

Skill / Experience	Description	Weighting Certain areas are deemed central to the role
Strategic thought	Ability to consider an issue in the context of the organisation's stated goals. Keeping at the high level, weighing options with an open mind.	High
Role of the Councillor	An understand of the governance function and the value it should add. Clarity on the role of and obligations placed on a Councillor.	High.
Analytical capability	A structured approach to problem solving, critical reasoning, an ability to analyse information and importantly ask considered and relevant questions	High
Finance	The ability to read and comprehend the organisation's accounts and the financial material presented to the board. Financial literacy at a level consistent with minimum expectations placed on directors under the law.	.
Communication skills	Ability to clearly articulate a point of view in a positive manner.	High
Stakeholder relations	Ability to understand the requirements of owners and stakeholders and as required and relate to those constituencies.	
Governance Experience	Previous experience in related governance roles.	.

Personal Attributes

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

Specialist Areas

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

Skill Experience	Description	Weighting Certain areas are deemed central to the role
The internet	An understanding of the key role that the internet plays in our world now and into the future	High
Internet NZ	An understanding of the specific role that Internet NZ plays in that world	High
Investment	Knowledge, understanding and appreciation of Investment advice, practices and framework. Ability to work with management in discerning and driving appropriate investment approaches.	
Legal	An understanding of the legal environment as relevant to the internet	
People	Experience in evaluating the performance of the chief executive and skills in human resource management, culture, reward and recognition.	
Community Engagement	High level reputation and networks in the community including with relevant industry organisations and consumer or business groups, and the ability to effectively engage and communicate with those stakeholders	
Public Policy	An understanding of public policy and how it relates to the Internet.	
Philanthropy / Social Enterprise	An understanding of granting process and the maximisation of philanthropic funds	
Product Development, Innovation and Commercialisation	Technology Innovations: Understanding the current drivers of innovation in the information technology market. Experience in delivering new product offerings in response to market demand, to achieve market leadership or to take advantage of opportunities for innovation.	High

Diversity Attributes

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

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

Created: October 2019
Last reviewed: May 2020

MINUTES

COUNCIL MEETING

Status:

Draft - To Be Ratified

Date

27 March 2020, 9:00am - online meeting

Present:

Jamie Baddeley (President), Joy Liddicoat (Vice President), Don Stokes, Sarah Lee, David Moskovitz, Richard Hulse, Kate Pearce, Amber Craig and aimee whitcroft

In attendance:

Jordan Carter (Chief Executive), Catherine Fenwick, David Morrison, Dave Baker, Kim Connolly-Stone, Andrew Cushen, Dane Foster, Brent Carey (Domain Name Commissioner) and Diane Robinson (minute taker).

Apologies :

None.

Meeting opened:

The meeting started at 9:00am
Staff joined the meeting at 9:57 am

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**

Cr Lee opened the meeting with a Karakia.

The following updates were made to the Interests Register:

- Cr whitcroft advised that she is an investor in the 3 mile coworking community space, Wairarapa
- Cr Moskovitz advised that he is a Director of Metservice

Section 2 - Matters for Decision - Plan and Budget 2020/21

2.1 2020/21 Plan

Jordan introduced the paper outlining the plan and talked about interim changes to the senior leadership team operating model, and the reduced expectations on the productivity of staff during these difficult times arising from the COVID-19 pandemic.

Council commented:

- There was support for the plan and budget, including:
 - the firm priorities around .nz and InternetNZ looking after its people.
 - the way the strategic goals had been updated, incorporating feedback from the last meeting.
 - The importance of prioritisation.
 - Ensuring staff feel safe, stable and have as much certainty as possible.
- Jordan's leadership and the work that has been done to support and lead the organisation was acknowledged.
- The support by Ellen Strickland in leading the Covid-19 working group and the great work undertaken by the group to prepare the organisation was acknowledged.
- Progress on the registry replacement project was encouraged.
- The discussion on the Council email list about Internet access during this time, and where this sits in the organisation's priorities, was noted.
- InternetNZ was asked to continue to work on ways that we can support community funding.

RN21/20 THAT Council note the 2020/21 Plan, noting further the uncertain operating conditions under which it has been prepared.

RN22/20 THAT Council note and endorse the short term goals set out in this paper, guiding our focus in the initial part of the year in responding to the COVID-19.

RN23/20 THAT Council adopt the Strategic Goals and Measures in the Annex.

Block Consent - Section 2.1 Cr Pearce / Cr Lee
CARRIED U

2.2 2020/21 Budget

Jordan advised that the budget was largely set before the COVID-19 situation evolved in New Zealand. There will be subsequent savings - including from the international travel budget which is now halved - and future recruitment has been frozen. The following items were discussed:

- .nz pricing increase and reconsideration of timing.
- An increase in community funding and further support in this area.
- Movement on investments.
- The likelihood that renewal rates may fall.

Council Commented:

- Encouraged management to plan for negative growth.
- Ensure that external suppliers are being paid (noting the constraints on the finance team in the current environment).
- Review the budget each quarter and report back on budget impacts to Council at the meeting in August 2020.
- Thanked staff for the work on the budget papers.

RN24/20 THAT Council receive this paper and note the strategy and high level composition of the expenditure.

RN25/20 THAT Council note that the 2020/21 Budget is consistent with the requirements in the Finance and Investment Strategy regarding net equity, but that the attainment of investment target goals is likely to be compromised by the COVID-19 pandemic's impact on the economy and markets.

RN26/20 THAT Council approve for 2020/21 an operational expenditure budget limit of \$13,442,192 and capital expenditure of \$1,681,112.

RN27/20 THAT Council note the Revenue target of \$12,812,031.

Cr Craig joined the meeting at 10:25am.

Block Consent - Section 2.2 (Cr Hulse / Cr Pearce)

CARRIED U

Break 10:36am to 10:46am

Section 3 - Domain Name Commission

3.1 DNCL Company Plan 2020/21

RN28/20 THAT the Council notes DNCL's three-year Strategic Plan and focus areas for 2020/21.

RN29/20 THAT the Council agree the DNCL Management fee for 2020/21 of \$1,449,699.

Block Consent - Section 3 (President / Vice President)
CARRIED U

AP11/20 Future company plans should have comparisons against previous budgets incorporated.

Section 4 – Matters for Discussion

4.1 Appointed Council Member Recruitment

The President noted the recruitment for new council members has been on hold. He advised he is keen to progress this when it is possible.

AP12/20 Catherine to organise a meeting with panel members Jamie Baddeley and Richard Hulse to discuss next steps.

Section 5 – Consent Agenda

5.1 Confirm Minutes of the Meeting

RN30/20 THAT Council approved the minutes of 14 February 2020, with amendments to section 2.3.

(Cr Moskovitz / Cr Hulse)
CARRIED U

5.1 Actions Register

The actions list was reviewed and no further actions were added.

Section 6 – COVID-19 Response

6.1 Covid-19 Response Briefing

Jordan provided a briefing regarding the organisation's response to the Covid-19 pandemic as follows:

- The four key short term goals are set out in “Our Plan” paper (item 2.1) to manage the situation.
- SLT will be using an interim formed operating model, which has two sub-groups:
 - **Covid-19 group** - managing our response, and the first two short-term goals - assuring the wellbeing of our people and operating .nz.
 - **Adjustment group** - how we adjust the rest of our work for the year, and the progress on the second two short-term goals - helping people use the Internet in this situation, and targeting our investments - as well as broader strategic goals and the projects outlined for these in Our Plan.

Council was asked to discuss:

- The letter from the Domain Name Commissioner under section 6.1a requesting an extension of the interim policy provisions under clause 11.8 of the Operations and Procedures.
- A deferral of .nz price increase from 1 June to 1 October 2020.
- An increase in the community funding pool of \$0.5m for the 2020/21 year, to assist with the response to COVID-19. (Note: this will be incorporated in the Budget for its August revision noted above.)

It was noted that Cr Stokes would abstain from any vote or decision about a price increase.

6.1a COVID-19 response and Emergency Powers Letter from Domain Name Commission

Council reviewed the letter sent to the President from the Domain Name Commissioner on Thursday 26 March 2020 and agreed on the resolutions:

- | | |
|----------------|--|
| RN31/20 | THAT Council note the information shared in this paper. |
| RN32/20 | THAT Council extend the interim policy provisions of the .nz Operations Procedures Policy (clauses 11.8-11.10) for a further six months, to 15 october 2020. |
| RN33/20 | THAT Council note and welcome the letter from the Domain Name Commissioner to the President setting out the Commission's approach to COVID-19, and how it intends to make use of the emergency powers in clause 11.8 of the .nz Operations and Procedures Policy in the current situation. |

Block Consent - Section 6.0 (Cr Pearce / Cr Lee)
CARRIED U

6.1b .nz Pricing Increase Deferral

Council discussed in Council alone time the deferral of the .nz domain name registrations price increase that was due to take place on 1 June 2020. In light of the COVID-19 situation, Council agreed with the CEO's suggestion that a deferral was the right thing to do. The estimated cost will be around \$0.5m, if other aspects of registration behaviour do not change too much.

RN34/20: THAT Council resolves to defer the price increase for .nz domain name registrations to 1 October 2020.

(President / Cr Lee)
Abstain Cr Stokes

CARRIED

AP13/20 Registrants will be advised today 27 March and InternetNZ will communicate to the public, the week of 30 March 2020.

Section 7 – Other Matters

7.1 Update on Community Funding

Andrew provided a summary of discussion from the Community Funding Panel meeting:

- The Panel will continue to progress the digital inclusion and general research rounds.
- The Panel started the conversation on how to support the COVID-19 efforts. There is design work to do. Working at pace will present some risk; we still want to be sure we are making the right investments. InternetNZ will make some recommendations to the Panel on the areas we could invest in.

Council commented:

- There may not be a need to move with haste, as this situation will be with us for some time.
- But we should support staff to be able to make quick decisions when needed. A number of suggestions were discussed for staff to take into account in revising the plan.
- We should continue to focus on our iwi and Maori initiatives.
- Jordan commented membership activation is a focus as we move into a new approach.

AP14/20 Staff to work on support for some sort of emergency funding mechanism and share back with Council asap.

7.2 Matters for communication - key messages

7.3 General Business

The Vice President advised that she spoke with the Chair Sue Chetwin regarding the work of the .nz policy panel. Great feedback was received from the Chair regarding the excellent support to the panel from the InternetNZ policy team Kim Connolly-Stone, Kate Townsend and Nicola Brown.

7.4 Meeting review

Section 8 – Online Only Items

8.1 Financial and Investment Strategy

Item 8.1 to be completed by evote online.

8.2 Reporting framework - high level outline

Item 8.2 to be completed by evote online.

Next meeting:

The next scheduled Council meeting is 15 May 2020.

The meeting closed at 11:35am.

Council Actions Register 2020

As At May 2020			
Action No#	Action	Owner	Status
AP01/2020	2.1 To explore ethical investment and what it means at a future meeting. Due By May/Aug 2020.	Chief Executive	Scheduled for Aug
AP02/2020	2.1 Develop a Financial and Investment Strategy	Organisation Services Director	Completed
AP03/2020	2.2 Staff to provide further information on 2 year net profitability for DEFENZ, measuring profit for other new products.	Commercial Director	Due May
AP04/2020	2.2 Revise the paper Goals and Key Projects 2020-2022, with the amendments.	Chief Executive	Completed
AP05/2020	2.3 Budget 2020/21 - Staff to schedule a session on Efficiencies for May Meeting or Council Retreat in August.	Chief Executive / Organisational Services Director	Scheduled for August
AP06/2020	2.4 Develop a Communications Plan for the Annual .nz Pricing Announcement.	Engagement Director	Completed
AP07/2020	3.2 Strategic Framework Staff to prepare a draft if End States	Chief Executive	Completed
AP08/2020	5.7 Grants Report - THAT staff and the Chief Executive consider the feedback and report back for March 2020.	Engagement Director/ Chief Executive	Completed
AP09/2020	6.3 General Business - Staff to organise Council Retreat for weekend of 14 August 2020.	Executive Assistant / Chief Executive	In Progress

AP11/2020	3.1 DNCL Company Plan 2020/21 Future company plans should have comparison against previous budgets incorporate	DNCL/Org Services	Completed - will be included next year
AP12/2020	4.1. Appointed Council Member Recruitment - Catherine to organise a meeting with Panel Members Jamie Baddeley / Richard Hulse to discuss next steps for Council Member Recruitment	Org Services Director	Completed
AP13/2020	6.1b .nz Pricing Increase Deferral Registrants to be advised 27 March and the public to be advised week of 30 March 2020	Engagement Director	Completed
AP14/2020	7.1 Update on Community Funding Staff to work on support for some sort of emergency funding mechanism and share back with Council	Engagement Director	Completed, outlined in Management Issues paper for this meeting.

E-Vote Ratification

Author: Diane Robinson, Executive Assistant

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

Evote:	Motion:	For:	Against:	Abstain:
8 April 2020	THAT Council adopt the Financial and Investment Strategy	Dave Moskovitz Sarah Lee aimee whitcroft Jamie Baddeley Joy Liddicoat Don Stokes Richard Hulse		

Recommendation

THAT the e-votes be ratified.

Activity Report: Q4 2019-2020

1. Introduction

Welcome to this Activity Report for the period from 1 January to 31 March 2020. This report gives readers a sense of what InternetNZ has been working on, and priorities for the first quarter of the business year.

2. Across the Organisation

The defining feature of the start of 2020, and our final business quarter of the current financial year, has been the rise of the COVID-19 global pandemic.

This is the backdrop for our work this quarter.

We have transitioned the whole Group to working remotely, and have worked that way since 23 March, following a whole-group three day trial earlier that month. Our systems and processes were largely suited to this but quick adjustments had to be made in some areas. My thanks to everyone who has made this work.

The situation also heavily influenced our planning work for the coming financial year, where we have to respond to the pandemic and also advance our broader strategic agenda. Given the centrality of the Internet to the national response to COVID-19, bringing the two together has been achievable.

This transition has had an impact on our planned work for the quarter, and so the ‘traffic lights’ below are not as positive as usual. That’s a function of priorities, and I trust the reader can understand our necessary focus on the pandemic response.

My sincere thanks to all our team who have done incredible work in unparalleled circumstances, to deliver the work set out in this report and to take us into a new world.

My thanks also to the Council, who have been very supportive and clear as we work to adjust to this situation.

Jordan Carter, Group CEO
20 April 2020

3. Strategic Goals 2019/20 - Q4 Progress

This section of the report gives readers an update on the projects related to our five Goals for the year. You can find the plan here.

<p>Goal 1: To fund increased public good investment, drive higher sustainable growth in registrations of .nz domain names.</p> <p>Lead: David Morrison, Commercial Director</p>	<p>Overall Status: Amber, due to flat/negative growth in recent quarters.</p>	<p>Amber</p>
<p>Q4 Progress</p>		
<p>.nz Marketing</p> <p>The two marketing approaches have now come to a close. Both of the approaches tested looked at how to influence .nz preference at, or close to, the point of sale. The results of co-funded campaigns with 6 registrars trialling a range of approaches had no material lift in create activity (some final results are pending). The same held true where .nz was marketed via a short direct campaign to the public.</p> <p>While a fuller review of the marketing is pending, initial insights lead us to consider that the retail/purchase end of the .nz journey is not where we should focus. Work in the 2020/2021 year will develop our approach to telling the .nz story and explore the range of content options and channels that will lead to lifting preference for .nz.</p> <p>Have set status to Amber as results did not deliver to expectations despite the project itself being concluded successfully.</p>	<p>Amber</p>	
<p>Registry Replacement Project - During January and February the project evaluation panel completed the evaluation of the REOI responses. After a thorough analysis of all responses, InternetNZ decided to invite three companies to progress to closed tender for the new .nz registry system. The next step for the registry replacement project will be the issuing of a request for proposal (RFP) along with associated technical documents. These will be consistent with the EOI but provide a clearer and more detailed specification of the services we wish to procure. Initial timeframes had the RFP being issued in late Q1 2020 but due to the current situation this timeframe is currently being revised and a short delay to the release is expected.</p> <p>While we are still finalising the detailed requirements for the operating model, we currently envision the registry service running on infrastructure in New Zealand.</p>	<p>Green</p>	

.nz website - .nz web content will be included in the new InternetNZ website project.	STOPPED
Domain Sophistication Index - High efficiency from the Research Team allowed significant progress. The DSI can be generated for samples of the register, and the results analyzed and compared.	GREEN

Goal 2: Modernise and improve the policy and security environment for .nz, consistent with our aim of being a globally excellent ccTLD. Lead: Jordan Carter, Group Chief Executive	Overall Status:	Amber
Q4 Progress		
.nz Policy Review - the external Advisory Panel presented its Issues Report to us in early February. The document was made publicly available and stakeholders were informed they would have the opportunity to comment on the issues and how to solve them in a public consultation that will set out options. That consultation was initially planned for April, but the timetable has been slowed down due to COVID-19. We now expect consultation to take place in July, which will push the review work out by three months.		Amber
.nz Security Assessment - This project was revised in Q3, with completion now planned for Q4. Only one further stakeholder interview was completed, and the project is behind. How to progress is under consideration as part of the 2020/21 plan.		Red
Risk Radar - The areas of focus on the Risk Radar are spread over People, Strategy, Financial, Services, Legal and External & Reputation. Over Q4 we have focused on a number of major areas including <ul style="list-style-type: none"> - Strategy - Aligning and updating Framework/Goals/Business planning/Project Framework - People - Health, Safety and Wellness based on Pandemic plans - Financial - Investment Strategy, Pricing review and 2020/21 Budget 		Amber
Domain Abuse Detection - There was no progress on this during the quarter, as it needs a use case from DNC or the Commercial Team.		Green
Security Audit - No work started on this as the focus has been on the Tech Services restructure and role filling. Will be considered for 2020/21.		Not begun

Security Governance - new Group established as planned last quarter. Less progress than planned on its work due to the pandemic.	Amber
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Goal 3: InternetNZ will have two new non-.nz services delivering annual recurring revenue and each on a path to profitability. Lead: David Morrison, Commercial Director	Overall Status:	Green
Q4 Progress		
Innovation Pipeline - with Covid19 we have slowed our list of ideas to explore and are focusing on only one new area at present in relation to Digital Identity. We have been developing a prototype identity wallet that we can use in co-design experiments (later in 2020) with other organisations to explore a range of use cases.		Green
Broadband Map Our new version of the website went live this quarter and had a seamless transition. The focus has been on developing a platform from which we can more easily control the costs of operation and enable ongoing continuous improvement. We are delighted with the outcome and looking forward to evolving services from this.		Green
New Product One Defenz-DNS Firewall is operational. Whilst a strong pipeline of interest has been established during the quarter, predominantly with ISPs, much of this interest has halted while organisations grapple with COVID-19 responses. The team is pivoting focus to market sectors that have critical networks that would benefit from additional security.		Amber
New Product Two Work on Registry Lock continued this quarter with focus on navigating the .nz policy landscape. The project has moved to a detailed design stage which will inform any required policy consultation to allow Registry Lock to become a .nz service		Green
ANZSIC Classification of the Register - This has been set to be a secondary priority for Q1. It can be restarted once a infrastructure dependency is completed.		HOLD

Goal 4: Support NZ's online community safety, inclusion and wellbeing while ensuring the essential openness of the Internet's governance, tech and architecture is taken into account. Lead: Andrew Cushen, Engagement Director	Overall Status:	Green
Q4 Progress		

<p>Christchurch Call & Related Matters - This stage of work on the Christchurch Call relates to responding to changes in the domestic policy environment. Much of this work is still emerging from the Government.</p> <p>InternetNZ notes with sadness the Anniversary of the Christchurch attacks.</p> <p>Further progress on these matters is hampered by the COVID-19 situation, as this has disrupted the Government policy making process.</p>	Green
<p>Define/explain Internet openness - Discussion document completed (Link: PDF).</p>	Green
<p>NetHui - 2019 completed. Further reporting on NetHui 2019 is available here: (Link: PDF)</p> <p>2020 event commenced planning before the emergence of the COVID-19 situation. NetHui 2020 will take place in a new online format, in Q3 of this year.</p>	Green
<p>Public Opinion Research - Public opinion research was commissioned with Colmar Brunton. This includes information and perspectives on a range of long running topics tracked by InternetNZ, alongside some specific questions and measures relating to Christchurch Call issues. The research is available here: (Link: Website)</p>	Green

<p>Goal 5: Collaborate with others to identify, agree and effect significant progress on four interventions to bridge different digital divides.</p> <p>Lead: Kim Connolly-Stone, Policy Director</p>	Overall Status:	Green
Q4 Progress		
<p>Government Engagement - we:</p> <ul style="list-style-type: none"> Met with Minister Faafoi to discuss our proposals for government investment in digital inclusion. The Minister indicated he wanted to progress four out of five of our proposals: affordable connectivity through public housing, support for digital inclusion intermediaries, a network model that supports communities to grow digital inclusion, and grant funding for devices. Provided advice on an early draft of the Government's digital inclusion Action Plan. This plan is now being adjusted to take account of priorities from the COVID-19 situation. Joined the Department of Internal Affairs steering group for the next Digital Connect Forum. 		Green

Outcomes and Evaluation Framework - we provided feedback to the Department of Internal Affairs in an earlier quarter. This action is now complete.	Green
Collaboration with Community Organisations - we: <ul style="list-style-type: none"> • Were unable to launch the Online Home for Digital Inclusion, due to time frame changes with the InternetNZ website project (which is a connected project). Work continued with 20/20 Trust on the design, and with digital inclusion providers to get up to date information for the Online Home website. • Engaged with BNZ on a proposal for an annual digital inclusion survey, which would provide data on how digitally included New Zealanders are. • Presented to the Westpac Innovation Fund on opportunities for digital inclusion investment. • Supported the Citizens Advice Bureau to release its digital inclusion report. 	Green
Community Access Collaboration - we: <ul style="list-style-type: none"> • Ran a community funding round dedicated to digital inclusion • Continued to work with our Expert Evaluation group to develop an approach to evaluating digital inclusion initiatives that can be used by community organisations. The plan is to test this with organisations we are funding. 	Green

5. Ongoing Business - Q4 Achievements

This section of the report covers ongoing business projects that form part of our work, as outlined in the annual Activity Plan.

Organisational Services Catherine Fenwick - Director	Overall Status:	Green
Q4 Achievements		
Health, Safety and Wellness - In January we made the decision to form a Pandemic response group - this started as a subgroup of the HSW committee. As the scale of the issue grew we then extended this to be a larger group from across the organisation. The group did some excellent work to make sure we were ready to make decisions as the environment changed, keep the staff and management well advised and that we had strong communications plans internal and external.		
Business planning and Budgeting 2020/21 This has been a major piece of work for the Finance team over Q4. They worked with all areas to ensure we capture all committed costs for 2020/21 and also build a budget that will support the work plan and projects as outlined in the Our Plan 2020/21 . The Budget was approved in March and the team continues to refine and update the forecast over Q1 and will look to represent and review at the August Council meeting.		Green
Security - Provided review and advice to new product development. Stood up Security Steering Group. Drafted the new IT Security Risk Register and register of information assets. Engaged with vendors of Governance, Risk, and Compliance software for potential tools for IT security and enterprise risk management. Scoped two projects for new security detection capability. Supported COVID-19 working group and SLT subgroup.		Green
We have also been busy supporting the organisation with areas such as <ul style="list-style-type: none"> • Auditor tender process - shortlist prepared and panel met with 3 organisations. Final recommendation in progress • Preparation for Financial year end. • Introduction of new online tool for staff engagement. • Move credit card approval process to online app. • Development of a number of options for the office fitout • Recruitment and induction of new staff 		Green
IT Operations Dane Foster - Director	Overall Status:	Green

Q4 Achievements	
SRS backup Project - Hardware and software all acquired. Currently on hold as this project requires travel and physical setup next.	Amber
Confluence Cloud Move - Has been completed from previous in-house solution.	Green
Centralised Logging (.nz) - Project scoped, awaiting resource within the .nz Operations Team. On hold during COVID-19 situation	Not begun
Staffing - .nz Sysadmin started 30th march, IT Coordinator starting April 22nd. DNS Specialist - conversations on-going, but slowed down.	Green
Registry Augmentation Platform - working with the Research Team and on-track.	Green

Technology Strategy Dave Baker - Director	Overall Status:	Green
Q4 Achievements		
Registry Replacement project - see update under goal 1		

Engagement Andrew Cushen - Director	Overall Status:	Green
Q4 Achievements		
Brand architecture deployment - Completed.	Green	
Ongoing development of new funding approach - including: <ul style="list-style-type: none"> - new grants approach now operational, with the Funding Panel recruited, inducted and operational for the final rounds of the 2019/20 year. - Conference Attendance Awardees yet to travel communicated to and variations offered if applicable. - Sponsorship budget fully allocated and contracted, with a focus to leverage more members. - Follow-Up fund fully allocated in response to support essential service agencies with additional funding 	Green	
Māori engagement - Significant progress made on the internal capability plan, with the first phase of pronunciation training undertaken with the majority of staff.	Amber	

Ongoing delays in Māori engagement research. Being refactored into a different delivery model, with the Komiti Whakauru Māori of Council.	
New web platform - now in the build phase.	Green
Partnerships - full slate of Partnerships aligned to the goals to September 2020 created. Operationalisation of these relationships now underway in the Community team.	Green
Content strategy - new content pipeline developed to increase thought leadership opportunities and tell our brand stories	Green
NZNOG - supported NZNOG in the delivery of their annual event for the New Zealand networking community.	Green

Policy Kim Connolly-Stone - Director	Overall Status:	Green
Q4 Achievements		
Work programme for digital inclusion - see update provided under goal 5.		Green
Domestic policy - we engaged in the government policy process designed to address violent extremism online. This included: <ul style="list-style-type: none"> • Commenting on the exposure draft of the Bill that will make changes to the Films Videos and Publications Classification Act 1993. • Commissioning an international comparison of the regulation of social media. This will be one of our contributions to the upcoming review of media regulation. • Updated our discussion document on a legal “duty of care” for platforms (based on comments from stakeholders in the Google doc we shared). Public release of this has been put on hold as part of the COVID-19 re-prioritisation, but it will be shared with officials in the meantime. 		Green
.nz Review - see update provided under Goal 2.		Green

Technical Research Sebastian Castro - Chief Scientist	Overall Status:	Green
Q4 Achievements		
Data Scientist recruitment - We started the process in collaboration with Org Services. Of our short list, the first two candidates declined our offer and the third was considering it when the COVID-19 reaction happened. Currently on hold as organization wide recommendation, will resume when things go back to normal		Green
Registry Augmentation Platform - We saw great progress in testing the framework thanks to the invaluable help of the IT Operations team. We have successfully completed testing with 10% of the register.		GREEN
Hadoop Hardware Replacement - The migration is completed. All our valuable datasets are now in AWS, and all data analysis and most of the data collection workflows are now fully automated. The Hadoop hardware phasing out process was interrupted by COVID-19.		GREEN

Commercial David Morrison - Director	Overall Status:	Amber
Q4 Achievements		
Broadband Map 2.0 is live The new version of the Broadband Map is live and it is exciting to have full control over the functionality for the site and can now embark on a path of continuous improvement.		Green
.nz activity Whilst the results of the .nz marketing activity did not meet expectations we were able to confirm the channel's commitment to supporting .nz with 6 registrars committing effort and money to .nz campaigns.		Amber
Team Our team focus this quarter has been to develop our processes to increase visibility of our work and improve the flow of work. As a team we have now adopted a Kanban approach to our practice and look forward to maturing this over the coming year.		Green

Staffing Catherine Fenwick - Organisational Services Director	Overall Status:	Green
Q4 Update		
<p>New Starters included</p> <ul style="list-style-type: none"> • Jodi Anderson came on board in February as a Principal Advisor in the Policy Team. Jodi filled a vacancy created by Ben Creet earlier in the year. • Sam Marsh joined as a Community Advisor in Community team with Vanisa and Ciara, good to have a full strength team. • We also had two new starters in the IT Operations team. these were position vacant since the new structure was put in place in October: <ul style="list-style-type: none"> ◦ Pooja Narang joined us as a Systems Administrator ◦ Sailendhran Paramanandhan as the Product Operations Lead. 		
<p>The following staff left</p> <ul style="list-style-type: none"> • Kesara Rathnayake left the Commercial team in January. • Maryann Robertson left the Communications team in March (replacement Jessie Sefulu-Tosswill started mid April) 		
<p>Other Changes</p> <ul style="list-style-type: none"> • Megan Baker left on parental leave in January. • Sarah George is acting in the role of Communications Manager in Megan's absence. • Dave McCreery started in January to fill the vacancy left by parental leave in the Engagement team, as a fixed term Content Specialist. <p>The following roles are roles that are in the recruitment phase at present</p> <ul style="list-style-type: none"> • IT Systems Coordinator. • DNS Specialist. • Developer to replace Heiko and Kesara who has recently left. • Data Scientist to replace Huayi Jing. 		

This is an InternetNZ report. Matters related to DNCL are covered in the report from the company to InternetNZ as shareholder, or in the joint .nz report.

Jordan Carter
Group Chief Executive

20 April 2020

.nz quarterly report

January - March
2020

Quarter in review

We saw this quarter the continuation of the slight downward trend in total domain name numbers with a decline of 0.25%. While COVID-19 responses were taking place globally and locally in NZ, we only saw minor fluctuations in current trends this quarter. However, from April on we expect to see unpredictable impacts on the register as new businesses form for a digital world and others cease to exist.

Compliance

Names cancelled	Q1	32
	Q2	271
	Q3	274
	Q4	202
Disputes started	Q1	9
	Q2	12
	Q3	5
	Q4	4
Disputes closed	Q1	4
	Q2	10
	Q3	11
	Q4	7

domain name
commission nz

Domains

708,507
total
domains
at the end of
the quarter

507,279 .co.nz

140,190 .nz

61,038 all others

Activity this quarter

Creates	Q1	27,928
	Q2	32,210
	Q3	24,172
	Q4	24,519
Cancellations	Q1	29,218
	Q2	41,239
	Q3	35,247
	Q4	35,519
Renewals	Q1	262,558
	Q2	258,008
	Q3	230,412
	Q4	249,192

Infrastructure

DNS queries for the quarter

Q1 34.4 billion

Q2 32.2 billion

Q3 51.4* billion

Q4 61.1 billion

*Data reporting has improved in Q3

DNS service level

100%

SRS service level

100%

Incidents of note

Scheduled maintenance as planned

People

87 authorised registrars

Market
share

top 4 registrars 43.90% ↑
next 4 registrars 21.20% ↓
everyone else 34.90% ↓

313,928
unique
registrants

123,261 individuals ↑
190,667 organisations ↑

39,312
unique registrants
using privacy
option



69,322
domain registrations
with privacy
option enabled

-0.25% growth (decline of 1,837 domain names)

.nz

28 April 2020

Mr Jamie Baddeley
President
InternetNZ
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WELLINGTON

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**domain name
commission nz**

Dear Jamie

Fourth Quarter 2019/20 Report

This report includes DNCL's unaudited quarterly Profit and Loss Statement and other DNCL activities not included in the joint .nz report.

	Jan - Mar 2020				Year-to-Date			
	Q2 Act (\$)	Q2 Bud (\$)	Q2 Var (\$)	Q2 Var (%)	YTD Act (\$)	YTD Bud (\$)	YTD Var (\$)	FY Bud (\$)
INCOME								
5050 · Authorisation Fees	3,000	0	3,000	0%	15,000	6,000	9,000	6,000
5080 · DRS Complaint Fees	0	10,000	(10,000)	0%	18,000	34,000	(16,000)	34,000
5100 · Management Fees	835,001	334,995	500,006	149%	1,840,004	1,339,998	500,006	1,339,998
7010 · Interest Income	3,037	6,120	(3,083)	-50%	12,359	13,500	(1,141)	13,500
1540 · Sundry Income	0	0	0	0%	0	0	0	0
Total Income	841,037	351,115	489,922	140%	1,885,363	1,393,498	491,865	1,393,498
EXPENDITURE								
DNCL Board	9,396	11,006	(1,610)	-15%	31,586	36,000	(4,414)	36,000
Communications	4,102	3,750	352	9%	16,614	25,000	(8,386)	25,000
Compliance	23,847	27,000	(3,153)	-12%	25,564	78,000	(52,436)	69,000
Dispute Resolution Services	26,518	47,772	(21,254)	-44%	60,102	103,000	(42,898)	103,000
Registrars	2,300	3,503	(1,203)	-34%	14,362	24,000	(9,638)	24,000
International	19,959	40,500	(20,541)	-51%	88,400	128,800	(40,400)	143,800
Office and Administration	73,967	76,818	(2,851)	-4%	282,311	289,200	(6,889)	283,200
Personnel and Staff	180,199	157,697	22,502	14%	601,558	604,114	(2,556)	604,114
Professional Services **	72,312	19,494	52,818	271%	286,227	45,000	241,227	45,000
Projects	7,287	8,900	(1,613)	-18%	34,159	35,000	(841)	35,000
Total Expenditure	419,887	396,440	23,447	6%	1,440,882	1,368,114	72,768	1,368,114
Depreciation	1,934	10,200	(8,266)	-81%	13,862	30,000	(16,139)	30,000
Other Comprehensive Items	0	0	0		0	0	0	0
Net Profit/Loss	\$419,216	(\$55,525)	474,741	-855%	\$430,619	(\$4,616)	\$435,235	(4,616)

** Includes Litigations costs YTD = \$235,878.27

The end of year result is a surplus of \$430,619. The surplus is due to a one-off management fee increase from InternetNZ to restore DNL's reserves.

Compliance

DNC is working with members of New Zealand's Online Harm Prevention Group to identify and suspend fake domain name registrations associated with COVID-19 related websites.

We have not had to use the exceptional emergency power process to suspend a COVID-19 domain name. This is testament to how well our data validation process works for domain name suspensions.

Pricing

This quarter we completed our end of 2019 review of the wholesale and retail pricing for .nz domain names. The results have been added to our pricing table available at <https://dnc.org.nz/registrars>.

We will be updating the pricing information on a quarterly basis and will be monitoring the pricing in light of the impacts of COVID-19.

Litigation

DNCL successfully defended Domain Tools motion to dismiss our claims in the Washington District Court. This is the third successful defence which DNCL has won in the past 18 months.

Capacity Building in Asia Pacific

Staff presented and collaborated with a number of international colleagues at APTLD and APRICOT in Melbourne . After the event we hosted our MOU partner Mr Bill Tomon representative of the administrator of the .pg Top Level Domain. We are assisting .pg with their technical roadmap.

Dispute Resolution

We are pleased to welcome Ms Rebecca Scott and Ms Jane Glover to our Experts panel.

We are also producing with the help of student Vincent Sit the Commission's first complete set of case notes as part of our efforts to provide better plain English legal education materials.

Contact Centre Enhancements

Our newest employee "Any" the FAQ bot continues to be improving and helping members of the public with their .nz enquiries. "Any" has handled 128 enquiries and 26 live chat events. In addition DNCL has upgraded its telephony to Amazon Connect for better outbounding and data analytics.

Information Materials

We will shortly be releasing two new guides to help with our compliance efforts. One to help liquidators handle domain name registrations and the other to outline our approach to systemic investigations.

Recruitment Freeze

Given our remote working arrangements and working styles at present, the DNCL has put a hold on our recruitment of our new data and business analyst role until the Country returns to alert level 2.

Yours sincerely,

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

Jordan Carter
Chair, Domain Name Commission



Group financial statements

For the quarter ended 31 March 2020

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Internet New Zealand Group
Consolidated Income Statement
For the Quarter Ended 31 March 2020

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income						
Registry Fees	2,682,774	10,745,463	2,682,774	10,745,463	-	-
Broadband Map	16,100	53,552	16,100	53,552	-	-
Management Fees	-	-			835,001	1,840,004
Interest Received	154,737	403,738	151,701	391,379	3,037	12,359
Managed Funds Income	(277,324)	12,343	(277,324)	12,343	-	-
Sundry Income	47,021	177,604	100,596	371,213	3,000	33,000
Total Income	2,623,308	11,392,700	2,673,847	11,573,949	841,037	1,885,363
Less Direct Expenses						
DNC Fee	-	-	835,001	1,840,004	-	-
.nz Costs	170,351	682,770	170,351	682,770	-	-
Other IT	68,196	169,923	68,196	169,923	-	-
Total Direct Expenses	238,548	852,693	1,073,549	2,692,697	-	-
Less Other Expenses						
Audit Costs	21,500	22,027	17,000	17,040	4,500	4,987
Governance Costs	103,365	276,254	93,969	244,668	9,396	31,586
International Travel	46,818	343,477	24,389	252,268	22,429	91,210
International Membership	40,438	141,234	29,312	130,108	11,126	11,126
Community Investment	778,696	1,328,102	752,178	1,268,000	26,518	60,102
Legal Fees	77,502	328,338	16,887	60,493	60,616	267,845
Office Costs	263,612	1,043,959	246,220	988,256	73,967	282,311
Project Costs	113,470	318,627	106,183	284,469	7,287	34,159
Employment Costs	1,739,267	6,008,916	1,559,068	5,407,357	180,199	601,558
Other Operating Expenses	432,906	1,128,305	407,122	1,058,445	25,784	69,860
Other Comprehensive Items	-	-			-	-
Total Expenses	3,617,575	10,939,239	3,252,328	9,711,105	421,822	1,454,743
Net Profit (Loss) Before Tax	(1,232,814)	(399,232)	(1,652,030)	(829,852)	419,216	430,619
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	(\$1,232,814)	(\$399,232)	(\$1,652,030)	(\$829,852)	\$419,216	\$430,619

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. GSE paid by DNCL to INZ
2. The DNCL fee paid by INZ to DNCL
3. DNCL Legal fees, erviously classified as Other Comprehensive Items, is no re-classified as Legal Expenses

Internet New Zealand Group
Consolidated Income Statement - Activity Based
For the Quarter Ended 31 March 2020

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income						
Registry Fees	2,682,774	10,745,463	2,682,774	10,745,463	-	-
Broadband Map	16,100	53,582	16,100	53,582	-	-
Management Fees	-	-			835,001	1,840,004
Interest Received	154,737	403,738	151,701	391,379	3,037	12,359
Managed Funds Income	(277,324)	12,343	(277,324)	12,343	-	-
Sundry Income	47,021	177,574	100,596	371,183	3,000	33,000
Total Income	2,623,308	11,392,700	2,673,847	11,573,949	841,037	1,885,363
Less Activity Expenditure						
Policy	394,563	1,265,590	394,563	1,265,590	-	-
Outreach & Engagement						
Funding	796,837	1,255,947	796,837	1,255,947	-	-
Communications	209,793	666,244	209,793	666,244	-	-
Engagement	100,405	535,220	100,405	535,220	-	-
.nz Operations	859,039	3,372,692	1,391,216	4,178,131	359,398	1,261,174
Commercial	479,323	1,218,643	479,323	1,218,643	-	-
Compliance	23,847	25,564			23,847	25,564
Broadband	31,446	96,542	31,446	96,542	-	-
Projects	7,287	34,159			7,287	34,159
Technical Research	121,135	547,494	121,135	547,494	-	-
Technology Strategy	88,683	152,207	88,683	152,207	-	-
International Engagement	135,676	611,504	115,151	535,085	20,525	76,419
Organsational & Governance	603,932	1,962,404	594,536	1,930,819	9,396	31,586
Other Operating Expenses	4,157	47,721	2,788	21,879	1,368	25,842
Other Comprehensive Items	-	-			-	-
Total Expenses	3,856,122	11,791,932	4,325,876	12,403,801	421,822	1,454,743
Net Profit (Loss) Before Tax	(1,232,814)	(399,232)	(1,652,030)	(829,852)	419,216	430,619
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	(\$1,232,814)	(\$399,232)	(\$1,652,030)	(\$829,852)	\$419,216	\$430,619

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. GSE paid by DNCL to INZ
2. The DNCL fee paid by INZ to DNCL

Internet New Zealand Group
Statement of Movements in Equity
For the Quarter Ended 31 March 2020

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Equity at start of period						
Opening Retained Earnings	11,691,120	10,857,818	11,823,219	11,001,040	(132,099)	(143,223)
Shares Subscribed	-	-	-	-	580,000	580,000
	11,691,120	10,857,818	11,823,219	11,001,040	447,901	436,777
Net Profit (Loss) After Tax	(1,232,814)	(399,485)	(1,652,030)	(829,825)	419,216	430,340
Equity at end of period	\$ 10,458,306	\$ 10,458,332	\$10,171,189	\$ 10,171,215	\$ 867,117	\$ 867,117

Notes:

The components that make up the total opening equity at the beginning of the period have been removed to calculate Group Totals upon consolidation.

1. Share Subscribed: shares are wholly owned by InternetNZ.

Internet New Zealand Group
Balance Sheet
As at 31 March 2020

	Group	INZ	DNCL
Current Assets			
Cash and Cash Equivalents	14,927,192	13,975,370	951,822
Managed Funds	3,064,015	3,064,015	-
Other Current Assets	2,038,615	1,963,032	75,583
Total Current Assets	20,029,822	19,002,417	1,027,404
Property, Equipment & Software			
Fixed Assets at Cost	3,037,976	2,948,095	89,881
Less Accumulated Depreciation	(2,209,444)	(2,157,039)	(52,406)
Intangible Assets	501,492	501,492	-
Investments	-	-	-
Shares and Loans	-	580,000	-
Total Assets	21,359,845	20,874,966	1,064,880
Less Liabilities:			
Deferred Income	8,123,202	8,123,202	-
Trade and Other Payables	2,778,337	2,580,575	197,763
Total Liabilities	10,901,540	10,703,777	197,763
Net Assets	\$ 10,458,306	\$ 10,171,188	\$ 867,117
Represented By:			
Total Equity	\$ 10,458,306	\$ 11,277,139	\$ 448,180

Notes:

The following items have been removed upon consolidation:

1. Shares in DNCL wholly owned by InternetNZ;
2. Share Subscription with respect to shares issued to InternetNZ by DNCL.

Internet New Zealand Group
Statements of Cashflows
For the Year-ended 31 March 2020

	GROUP YTD	INZ YTD	DNCL YTD
Operating Activities			
Receipts from customers	14,216,796	12,125,655	2,091,141
Payments to suppliers and employees	(14,280,839)	(12,630,959)	(1,649,880)
Movement from other operating activities	52,943	61,259	(8,316)
Net Cash Flows from Operating Activities	(11,099)	(444,045)	432,946
Investing Activities			
Proceeds from sale of property, plant and equipment	2,392	0	2,392
Payment for property, plant and equipment	(907,694)	(886,876)	(20,818)
Other cash items from investing activities	(221,456)	(193,243)	(28,212)
Net Cash Flows from Investing Activities	(1,126,757)	(1,080,119)	(46,638)
Financing Activities			
Other cash items from financing activities	(7,258)	241,546	(248,804)
Net Cash Flows from Financing Activities	(7,258)	241,546	(248,804)
Net Cash Flows	(1,145,114)	(1,282,619)	137,505
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	16,072,306	15,257,989	814,317
Cash and cash equivalents at end of period	14,927,192	13,975,370	951,822
Net change in cash for period	(1,145,114)	(1,282,619)	137,505



Financial summary

For the quarter ended 31 March 2020

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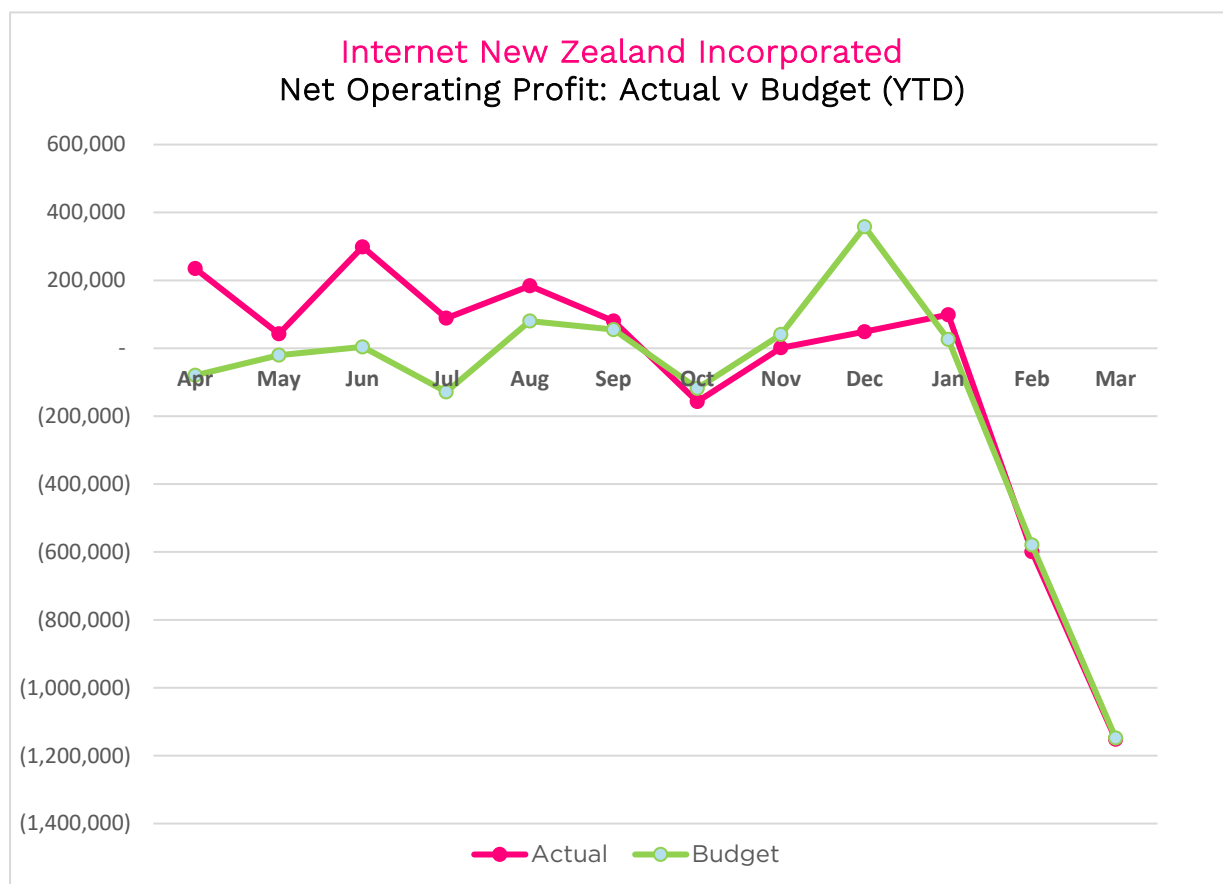
Summary of the result for Quarter Ending 31 March 2020

This report has been prepared to provide preliminary account for the final quarter of the 2019/20 financial reporting year for Internet New Zealand Incorporated. Audited financial will be made available once Crowe have completed their audit.

For the quarter ending 31 March 2020, the accounts reported a deficit result of \$1,652,030 against a budgeted deficit of \$1,201,152, resulting in a budget variance of \$450,878. This variance was due to a one-off management fee of \$500,000 that was paid to the Domain Name Commission in Q4, to cover the costs of the US litigation. Note that we plan for a large deficit in the last quarter each year as this is when many community funding payments are scheduled.

When the \$500,000 is deducted from the variance, the quarter's result reports a positive variance against the budgeted deficit, by \$49,122. This is despite a downturn in the investment markets which saw volatility within the managed funds in the quarter.

Year to date, the InternetNZ accounts report a deficit of \$829,852 against a budgeted deficit of \$860,706; and this result includes the DNCL increased fee of \$500,000. Please note the budget approved in March 2019 was for a deficit of \$800,482 (this was before the increased DNCL fee) and that therefore the results are in fact showing a \$470,600 positive variance compared to the original budget.



Revenue detail for the quarter

Operating Revenue was over compared to budget by \$141,614. Of this, \$12,585 was associated to product, events, recharge and Misc., while the balance of \$129,028 was from investments. The reduced budget for the quarter in investments was based on an early fall in the quarter but markets improved during March to give a better outcome.

Revenue	Actual	Budget	Variance	% of Total Sales
Registry Fees	2,682,774	2,675,832	6,942	100%
BBM	16,100	15,210	890	1%
DEFENZ	30	0	30	0%
Events	2,248	0	2,248	0%
Membership	3,610	3,494	116	0%
Recharge & Misc	60,088	57,729	2,359	2%
Investment	(91,004)	(220,032)	129,028	-3%
Total Revenue	2,673,847	2,532,233	141,614	100%

YTD operational revenue \$11,573,949 is ahead of budget \$11,434,631, by \$139,318, the majority of which has been previously explained by a reduction in revised budget of the Investment in Q4 to a deficit of \$98,000. Operational revenue \$11,135,608 is behind budget \$11,154,412 by \$18,804. The balance of the increase is attributable to Interest income and annual FX exchange revalue on foreign currency bank accounts.

Expenditure detail for the quarter

Expenditure was over compared to budget in the areas illustrated in the expenditure breakdown table that follows. Actual expenditure of \$4,325,876 was recorded against budgeted expenditure of \$3,733,385, resulting in an overspend of \$592,491 (15.87%) for the quarter.

The reported overspend is mainly attributable to the one-off management fee payment to DNCL (\$500k) to reimburse for the US Litigation costs.

The balance of the reported overspend \$92,491 for the quarter is attributable to phasing.

If the one-off expense to DNCL is excluded, expenses YTD would have been \$389,240 below budget.

The reduced spend is across many categories including Operating expenses \$108,399, International Engagement \$87,323, Marketing \$46,818 and Security \$24,727.

Expenditure breakdown by Function

Area	Actual	Budget	Variance	% of Expenditure
Commercial	510,769	499,821	(10,948)	12%
Communications	209,793	201,400	(8,393)	5%
Engagement	100,405	75,189	(25,216)	2%

Funding	796,837	786,345	(10,492)	18%
International	115,151	196,987	81,836	3%
Investment	2,788	3,073	285	0%
IT Operations (incl DNCL Fee)	1,391,216	821,802	(569,414)	32%
Org. Services	525,754	498,846	(26,908)	12%
Policy	394,563	331,529	(63,034)	9%
Security	68,782	69,800	1,018	2%
Technical Research	121,135	129,981	8,846	3%
Technology Services	0	0	0	0%
Technology Strategy	88,683	118,612	29,929	2%
Total Expenditure Q4	4,325,876	3,733,385	592,491	100%

Financial Expenditure by 2019/20 Goals

The table below is a high-level report to track budgeted expenditure by Strategic Goals; it does not represent, from a financial perspective, the internal resources that has been invested in this space over the period.

Goal	Actual	Budget	Variance	% of Expenditure
Improve .nz Policy/Security	99,264	64,300	(34,964)	11%
New non .nz Products	16,130	15,210	(920)	2%
Ensuring Openness (including funding)	703,025	795,000	91,975	80%
Intervention to bridge the Digital Divide	59,096	57,000	(2,096)	7%
Expenditure Q4	877,515	931,510	53,995	100%

For more details on what we have been working on please see the Q4 Activity report.

<https://internetnz.nz/sites/default/files/2020-Q4-Activity-Report.pdf>

https://internetnz.nz/sites/default/files/dotnz_Q4_2020.pdf

https://internetnz.nz/sites/default/files/Product_development_Q4_2020.pdf

https://internetnz.nz/sites/default/files/strategic_goals_report_Q4.pdf

Balance Sheet

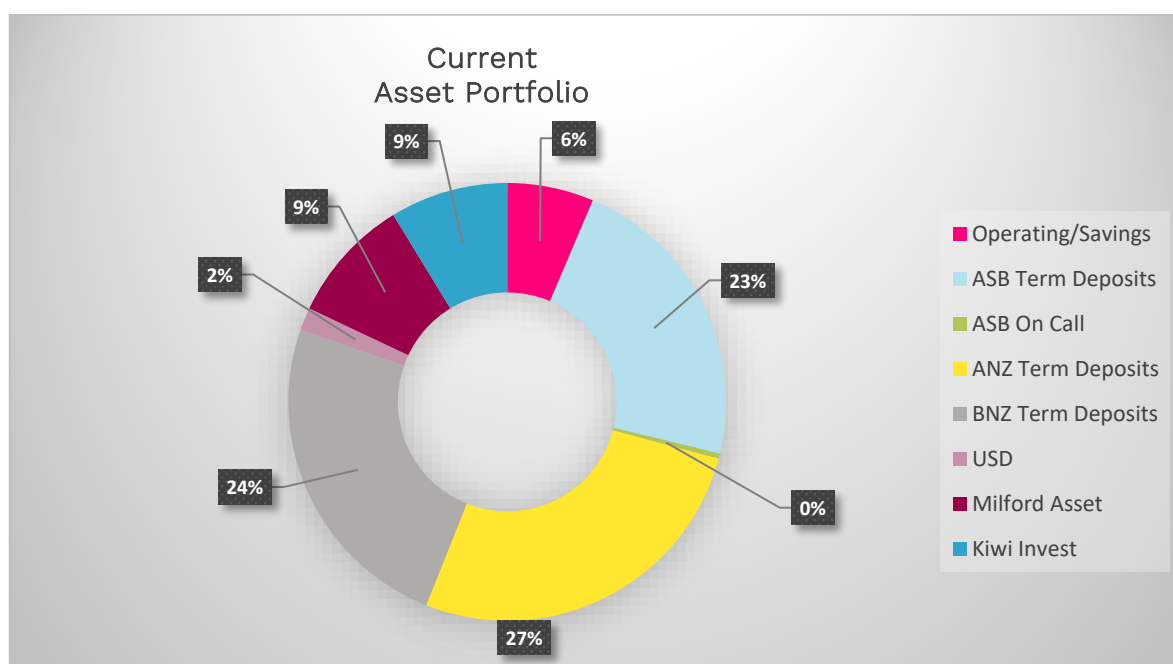
A detailed Balance sheet report for INZ Group is available for review (link below). We would like to provide detail on two specific areas of note in this report:

1. The current Investment Portfolio.
2. An update on Cash in excess of Reserves.

Link : [Financial Report 31 March – Group](#)

Investments

The graph below represents the percentage spread of our investments (\$18,463,141) across all institutions.



Cash in Excess of Reserves as at QE Mar 2020

At the end of Q3 (30 Dec 2019) cash in excess of reserves was \$4.2M.

The following is an update as at the end of Q4, 31 Mar 2020: As at the end of Q4 the Cash in Excess of Reserves was \$4.8M (the increase is due to lower capex expenditure). This is made up as follows:

Total Cash & Current Assets	19,002,417
Less Deferred Income	(8,615,942)
Less Reserves as per the policy	(3,474,204)
Less other Current Liabilities	(2,087,835)
Cash in Excess of Reserves	4,824,436

The Net Equity balance at March 31st is \$10.5M – therefore balance of \$7M (less Reserve (\$3.5M)) is well above the target adopted in the new Financial Strategy of \$5.5M.

Cash Position PE March 2020

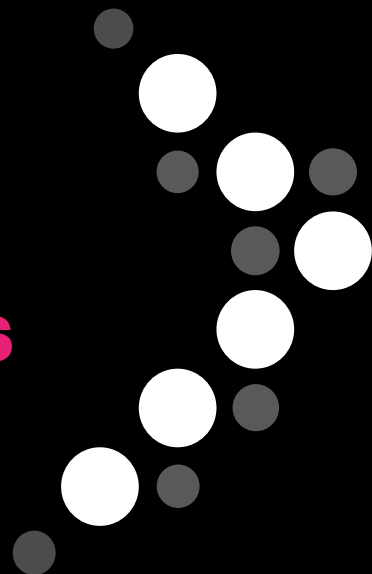


InternetNZ

report on strategic goals

2019/20

January to March 2020



Overview

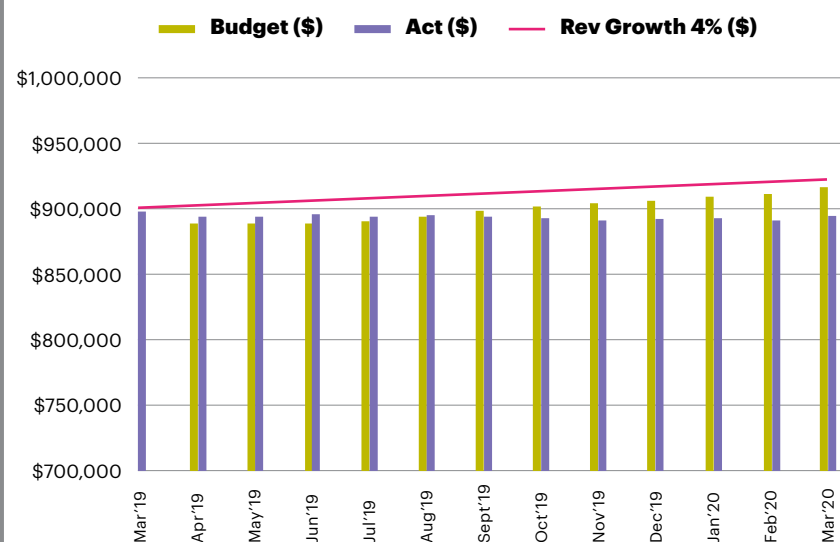
This report is an update on the measures we have put in place to monitor our progress on the five **Strategic Goals** of 2019/20. This quarter's progress is affected by the COVID-19 pandemic.

Goal 1

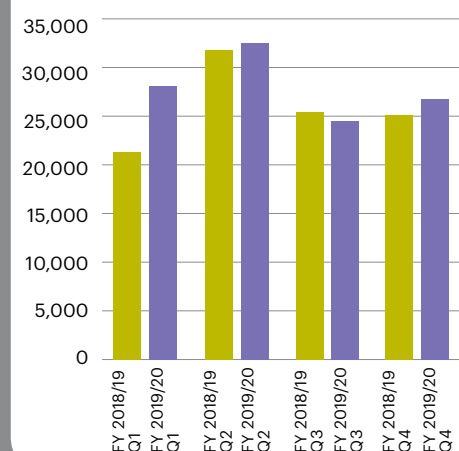
To fund increased public good investment, drive higher sustainable growth in registrations of .nz domain names.

Q4 continued the trend of reduced growth as a result of increased volumes of cancellations and a reduction in creates compared to the previous year. Towards the end of March, we observed a spike of cancellations likely related to COVID-19 impacting some decisions to retain domain names.

.nz Revenue: Monthly Actual V Budget V 4% Growth Line



Domain Creates by Quarter



Goal 4

Support community safety, inclusion and wellbeing in New Zealand while ensuring that the essential openness of the Internet's governance, technology and architecture is taken into account.

- Developed our strategic focus of **An Internet for Good**, as a successor focus to this goal. Our work here will be about the tangible impact we can make by helping to define what the Internet for Good looks like, and then in rallying NZ's Internet and policy community to act here and overseas to change and improve the Internet in line with that shared vision.
- We released InternetNZ's annual **public opinion research**. This includes information and perspectives on a range of long-running topics tracked by InternetNZ, alongside some specific questions and measures relating to Christchurch Call issues. For more information see the [full research pack](#).
- InternetNZ continues a watching brief on the government policy environment for responses to the **Christchurch Call** attacks. Government progress here has been slower than anticipated and delayed further by COVID-19.



Goal 5

InternetNZ will collaborate with others to identify, agree and effect significant progress on four interventions to bridge different digital divides.

Government engagement – we:

- Met with Minister Faafoi to discuss proposals for government investment in digital inclusion. The Minister is interested in progressing a number of these. We provided follow-up advice on priorities for the government's digital inclusion action plan in light of the COVID-19 situation.



Collaboration with community organisations – we:

- Continued working with the 20/20 Trust on a new Online Home to connect the digital inclusion ecosystem. This new site will launch later than first thought due to COVID-19 Impacts.



Community access collaboration – we:

- Ran a community funding round dedicated to digital inclusion, and continued to work with evaluation experts to develop an approach to evaluating digital inclusion initiatives that can be used by community organisations. The plan is to test this with organisations we are funding.



Goal 2

Modernise and improve the policy and security environment for .nz, consistent with our aim of being a globally excellent ccTLD.

- The **.nz Policy external Advisory Panel** published its issues paper in February and began working on options to tackle the issues identified. This work was slowed by the pandemic and will conclude later in 2020/21. We expect public consultation on an options paper to take place in July.
- Over Q4 we have responded to the **COVID-19** situation by keeping .nz running and looking after our people.
- Our **registry replacement project** moved through the EoI process and selected three partners to work through an RFP process in 2020/21.
- On our **.nz security uplift** work was deferred in the quarter to focus on COVID-19.

Goal 3

InternetNZ will have two new non- .nz services, validated through our new business processes, delivering annual recurring revenue and each on a path to profitability.

The following table shows product ideas and which ones are live. For more information see the [product development quarterly report](#).

Ideas backlog

15

Themes

- Data products
- .nz features
- Security
- Broadband
- Digital identity

Explore & validate

3

- Digital identity prototype
- DNS services (paused)
- Broadband map services (paused)

Build

1

- Registry lock design

Active

3

.nz
broadband mapnz
(V2.0)

defenz



COMMUNITY GRANT REPORTING UPDATE

05 MAY 2020

Below is a brief update on the progress of our awarded grant projects and work by the Community Team relating to grants.

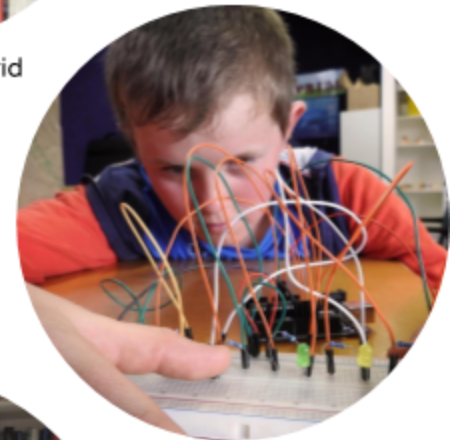
Our latest grant round focused on digital inclusion initiatives and received 53 applications in total. On 24 March, the new Funding Panel came together to discuss the 18 applications which had progressed to stage 2 assessment. 11 applications have been approved and are in the process of contract negotiations. The Engagement and Policy teams will be working together with five of the project grants to develop guidance for the government around digital inclusion initiatives.

There were a number of worthwhile applications in this funding round that did not fit the criteria. Therefore, 3 applications have been shifted for sponsorship support, and 1 applicant has been progressed into a partnership.

In the wake of the nationwide lockdown, we have paused Conference Attendance Award applications. 7 contract variations



Mitimiti on the Grid



MOA Kluster







Grantee Philippa Smith
with Vint Cerf

have been established to enable award recipients to postpone their conference attendance to a later date.


At the time this report was collated, there was one report outstanding for this period. There are 5 reports expected in the next Council report.

Legend



	Great project, staff see media and follow up potential.
	The project has progressed well without any problems and changes.
	There have been changes to the project plan and/or timeline.
	Either there have been big changes to the project scope or timeline. Also indicates missing reports.

Community Projects



Name	Amount awarded	Purpose	Report	Comments	Status
Digital Inclusion Alliance Aotearoa	\$21,000	<i>Building Digital Well-Being: A Community Pilot in Hutt City.</i> Creating and piloting a new whanau-focused digital well-being programme for delivery in libraries and community centres throughout New Zealand. Report in progress.	Mid year project. Final report.	351 people registered for the programme, with 289 completing and gaining their Digital Licence and a digital device. Providing a flexible delivery model to suit the availability of community participants was successful. The Digital Licence programme developed by the Alannah & Madeline Foundation	

				in Australia was originally targeted at school students, but proved a useful tool for educating adults about online safety.	
Hutt City Libraries	\$6,720	<i>Stepping Out to Grow Stepping UP</i> Expanding the digital inclusion programme Stepping UP in Lower Hutt, through increased tutor time and training, in order to meet demand for digital education.	Mid project report. Final report.	Training library staff to be facilitators and employing external teachers, meant the Stepping UP programme was able to expand to meet ever increasing demand for digital literacy training, meaning 1,302 participant registrations across 7 learning sites.	

Internet Research

Name	Amount awarded	Purpose	Report	Comments	Status
A/Prof Kerry Gibson, University of Auckland	\$28,000	<i>Improving Young New Zealanders' Mental Health: How the Internet Puts Young People in Touch with Psychological Support.</i> This research designs Internet interventions that will assist young people to recognise when they need offline support, gives them information about what resources are available in their communities and helps them to overcome barriers to making use of offline support.	Mid year report.	Preparatory work has progressed well, with ethics approval granted, a cultural/youth advisory committee established, and a literature review conducted. Successful application for Marsden grant for research will complement and facilitate aspects of the current project. The interview process is being adapted to adhere to social distancing requirements.	
Maggie Hartnett, Massey University	\$20,000	<i>The Library as a Space for Digital Inclusion: Connecting Communities Through Technology.</i> This project sought to investigate the role of public libraries in promoting digital inclusion and overcoming the digital divide.	Mid year report. Final report.	Three separate survey instruments were developed, one for library managers, a second for library staff, and a third for library users. Analysis of the survey findings is ongoing, especially for the library users survey as the data collection only ceased at the end of December 2019. Follow up funding has been approved to support data analysis.	

Conference Attendance

Name	Amount awarded	Purpose	Report	Comments	Status
Jonathan Brewer	\$3,500	To attend Pacific Telecommunications Council	Post conference report	Recipient took the opportunity to make valuable connections with others working in broadband access for remote and underserved communities, with a focus on the Pacific Islands.	
Sreenivas Sremath Tirumala	\$3,500	To attend 12th International Conference on COMMunication Systems & NETworks, COMSNETS 2020	Post conference report	Recipient presented his work on AI based malware analysis, and received interesting suggestions which he will incorporate into future research.	

Expected reports prior to next Grants reporting update to Council in August 2020

Round	Name	Amount awarded	Purpose	Report
Community Project	Te Aka Toitu Trust	\$30,000	<i>Help Underprivileged Students with Learning Online</i> To purchase a supply of Customer Premise Equipment dishes to connect homes with the schools Network 4 Learning network. Kawerau and Murupara decile 1 and 2 students will be able to login to a WiFi network and complete homework. Discussions with grantee indicate work has progressed well, however report delayed due to bereavement.	Mid project report. Final report February 2020
Community Project	Dr Richard Nelson	\$20,000	<i>OpenLI - Open Source Lawful Interception</i> To develop and release an open source Lawful Intercept solution that is suitable for New Zealand network operators to meet their requirements under the Telecommunications Interception Capability and Security Act 2013 (TICSA) - specifically Part 2 of the Act. OpenLI has met all the initial aims for the project. The project has been fully documented and presented at NZNOG, RIPE and LCA.	Mid-year report. Final report May 2020
Internet Research	Robyn Kamira	\$35,000	<i>Marae Connectivity - critical success factors to getting an innovation domino effect</i>	Mid project report.

			Looking at Mitimiti on the Grid, the research will inform the development, availability, use and benefit of the Internet particularly for rural and Maori communities.	Final report May 2020
Community Project	Blind Low Vision NZ	\$30,000	<i>Voice activated access to information - phase 1 implementation</i> Rolling out a voice activated information delivery channel to people with vision impairment, and developing resources to maximise skills for safe use of the device.	Mid project report Final report June 2020
Conference Attendance Awards	Amy Joseph	\$1,500	<i>2020 IFLA International News Media Conference: "Capture and Preservation of Born Digital News Media"</i> Presented on NLNZ's current collecting activities for print and digital news media and the challenges identified.	Post conference report June 2020
Conference Attendance Awards	Duncan Cameron	\$3,500	<i>IEEE/IFIP Network Operations and Management Symposium (NOMS 2020)</i> Attended virtually, presented a paper on "ElasticWISP: Energy-Proportional WISP Networks". Partial refund due to canceled travel.	Post conference report June 2020

Summary of Council Committee Activity

ITEM NO: 5.6.8

AUTHOR: Catherine Fenwick

PURPOSE: To provide a staff summary of Council Committee activity

DATE WRITTEN: May 2020

Summary

This report is a consolidation of the activities over the last two months.

Audit and Risk Committee

The members of the Committee are Amber Craig (Chair), Richard Hulse, Kate Pearce, aimee whitcroft, with David Wright advising.

The Committee has met twice this period and the areas of focus have been:

- Confirmation with our auditors Crowe on the scope and approach of this year's audit, that may include some additional steps based on new risks introduced by COVID-19.
- Health, Safety and Wellbeing - review and updates on risks introduced by the pandemic and the mitigations put in place- eg Working from Home, Mental wellbeing, new Health and Safety Compliance requirements, PPE.

A subset of the committee has also been involved in the Audit Tender process - where we have gone to market to select the audit firm - this process will be completed before the next meeting.

The next meeting is scheduled for 12 June 2020, at which time the outcome of the annual year-end audit will be the main topic of discussion with Crowe Wellington as well as updates on the risk profile of the organisation including Health, Safety and Wellbeing,

.NZ Policy Committee

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

The Committee last met on 7 April 2020 and the next meeting is scheduled for 10 June 2020.

At the 7 April meeting the Committee discussed the need to slow down the .nz policy review, due to COVID-19 impacts (panel and staff constraints, and limited opportunities for public engagement during a pandemic situation). The public consultation on options for addressing the issues identified by the Advisory Panel will now take place in July, not in April as initially planned. This will push the completion of the Panel's process out to the end of September (not June). There will be flow on effects for later phases of the policy review.

There was also discussion on the registry lock service. Council will be receiving a briefing on this at the May meeting.

Komiti Whakauru Māori

The current members of this Komiti are Sarah Lee (Chair), Amber Craig and Jamie Baddeley.

The Committee has met:

11 March 2020

8 April 2020

6 May 2020

The Komiti has been reconsidering the approach and resourcing for Māori engagement in order to progress the research and engagement plan designed and approved previously.

The Komiti has focused on developing a position description for a permanent role, for discussion and approval at the next meeting of Council.

Other action items:

- Staff capability development: good progress made before the lock down, facilitated by Kūwaha Limited. Now on hold during the Level 3-4.
- Stakeholder development and research: progress slow, hence the resourcing plan.
- Translation: on hold since 2019.

Recommendation

THAT Council receive the Update from Council Committees

Catherine Fenwick

Organisational Services Director

7 May 2020

International Engagement Update

ITEM NO: 5.6.9
AUTHOR: Ellen Strickland
PURPOSE: Key items for Council to know
DATE WRITTEN: 01/05/2020

Introduction

This paper is designed to update the Council on International Engagement activities of InternetNZ, for their information and to enable them to give any advice, input and share understanding with management. Reports from ICANN67 and APTLD/AUDA meetings in Melbourne, held in the last quarter, are included in this report as well.

Items to Note

The main focus of this quarter was COVID-19 response.

Christchurch Call

We continue as part of the Advisory Network, with a focus on constructive engagement with that Network as well as with NZG directly to provide advice and expert input into the next steps. However with the MFAT team mostly redeployed for COVID-19 related work, assessment of the ongoing commitment and work plan is needed. The Network has been told that a joint statement from PM Ardern and President Macron to mark the 1 year anniversary of The Call will be made 15 May.

ICANN

ICANN organisation has done substantial realignment of their 5 year plan, based on assumptions of COVID-19 impacts, which assume a 5% reduction of income over the period. They also have committed to no travel until September 2020 and will revise this closer to the time. ICANN68 in June will be a remote meeting, with timezone and constituency work to be confirmed soon.

Travel Arrangements

After COVID-19 started to impact organisational travel, in January, the group implemented all flexible/refundable international travel for 2020 and also purchased travel insurance which would cover COVID-19 medical costs. InternetNZ group has subsequently cancelled all international travel through 30 June 2020 and will be reviewing this for the next quarter soon. InternetNZ are unlikely to resume international travel while quarantine and travel restrictions remain as they are.

Upcoming Engagement

We are keeping track of events which are moving online, and engaging in these where possible (RightsCon in June as an example). We continue to track cancellations and postponements: currently the Asia Pacific regional Internet Governance Forum, in Nepal, has postponed until September and the global United Nations Internet Governance Forum is still planning for an in-person event in Poland in November.

International engagement planning, for how the organisation can best maintain, use and build our international relationships, memberships and participation, while remote engagement remains the main mode of operation, is a topic of upcoming work for the organisation.

Internet Governance through COVID-19 and beyond

We continue to engage with international and domestic stakeholders on Internet Governance processes, noting the destabilising impact of COVID-19 on multilateralism generally, and a range of potential risks related to multistakeholder Internet governance processes. As something that can impact the Internet, New Zealanders and .nz, we are undertaking ongoing environment scanning and analysis on the future of Internet Governance through COVID-19 and beyond.

ICANN67 report

ICANN67 was held remotely, with the Government Advisory Committee and At Large Advisory Committee having the most active streams of sessions. ccNSO cancelled all its sessions, and InternetNZ group had limited engagement in the event, influenced by this but also due to a difficult timezone (meetings were 1am to 9am), and other priorities including related to COVID-19).

The meeting sessions I attended all featured frustration from the community at the obvious impending impacts of COVID-19, but that these could not or were not factored into discussions. The .org sale, DNS Abuse and WHOIS and data protection were the key substantive topics. An ICANN decision on the .org sale is expected in

early May. The CENTR ICANN67 report as is a useful overview of topics:
<https://www.centtr.org/library/library/external-event/centr-report-on-icann67.html>

Of note, CENTR felt the technical side ran well. Personally, the limited sessions I attended all had ZOOM participation issues.

APTLD77 report

Summary

The .nz delegation at APTLD meeting in Melbourne, Australia 20-21 February 2020 comprised Jordan Carter, Brent Carey, Ellen Strickland, David Morrison, and Josh Simpson as well as three InternetNZ Councillors: Joy Liddicoat, Sarah Lee and Don Stokes. Ex Council member Keith Davidson attended in part for his personal work, but also participated in some InternetNZ meetings.

The meeting as a whole had a heavy focus on sharing current issues and practices among APTLD members. Brent Carey took up his APTLD Board position at this meeting.

Alongside APTLD, the InternetNZ delegation took the opportunity of being in Melbourne to have meetings with AUDA, who have a new board since late 2019 and will have a new incoming CEO early in 2020.

Key themes and developments

Key topics and developments discussed at the meeting were as follows.

APTLD80

InternetNZ group were able to advance planning and our contribution to APTLD80, being planned for Fiji in September 2021. Partner organisations in attendance allowed for detailed discussions and decision making progress. Due to the GM's unavailability and COVID-19 travel restrictions for APTLD Secretariat staff, InternetNZ staff also stepped up and supported the event management of this APTLD, alongside AUDA, which allowed the event to go ahead as well as helped inform the APTLD80 events team.

A large delegation attended due to the proximity of the meeting, and the overall meeting was a successful one.

Moderated sessions

Jordan moderated a session on the role of ccTLDs in Internet Governance. This session used some break-out and report back format to highlight the existing

involvement of regional ccTLDs in IG processes, as well as share views on potential roles.

Brent moderated a brainstorming session for CCTLDs in the Pacific. The session collected best practices in the areas of operations, marketing and compliance to help ccTLDs benchmark against one another.

AUDA meetings

Meetings between AUDA and InternetNZ facilitated updates on current work from both sides. Discussion points of note included: AUDA work towards their governance review outcomes, .au response to the bushfire emergencies over summer, and the InternetNZ policy review, which was received with interest.

Other APTLD session topics of interest included government relations with ccTLDs in the region, marketing strategy discussions, and takedowns and cybersquatting.

Host of .pg representative

DNCL and InternetNZ hosted MOU partner Mr Bill Tomon for three days directly after APTLD.

DNCL staff are working with Bill on a roadmap for their registry, for him to present to the Executive of his University.

Takeouts for further action

Matters raised during the meeting that require attention or action by InternetNZ and DNCL were:

- InternetNZ group and AUDA to continue discussions on policy developments.
- Ongoing Support to MOU partner .pg
- BCP and crisis management workshop held prior to APTLD meeting of value in aspects of our COVID-19 response.

Report finalised: April 2020

Dr Ellen Strickland

Chief Advisor, International

InternetNZ Membership Report

Status: FINAL
Author: Sam Marsh & Ciara Arnot, Community Advisor

Current Membership *(as at 30 April 2020)*

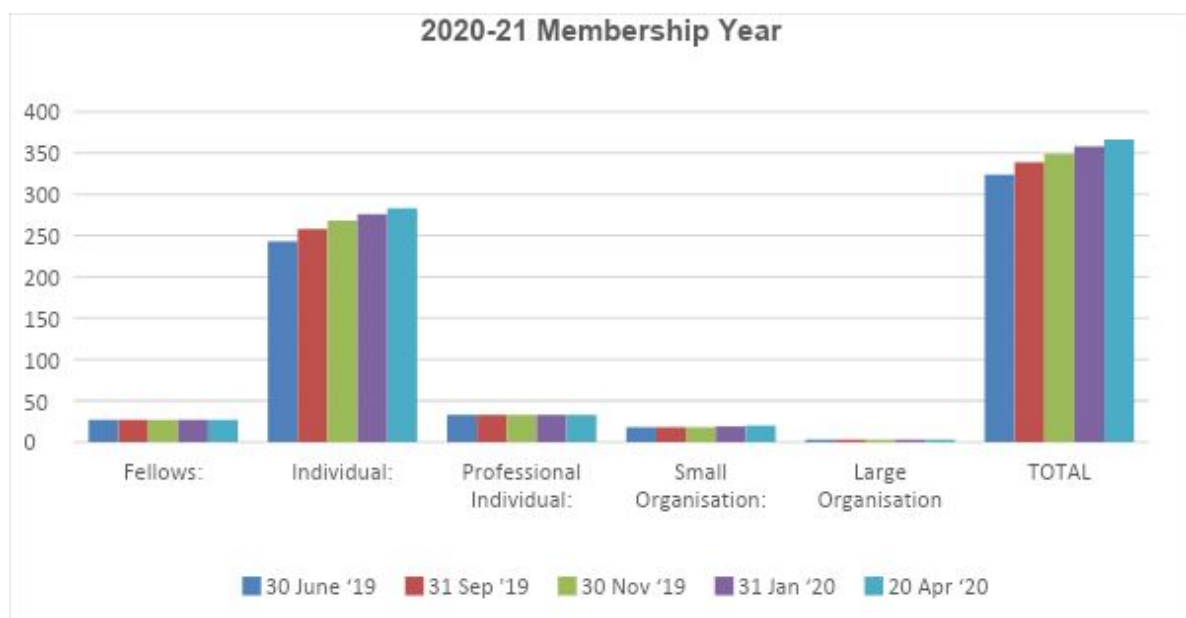
Fellows	Individual	Individual Plus	Small Organisation	Large Organisation	TOTAL
27	283	33	20	3	366

Note: Membership renewals are currently in progress. As at 30 April, 41% of the expiring members have renewed, (73 out of 174 expiring members). A final reminder will be sent out to the remaining 'Grace' members in early June.

Members will be advised that those whose membership has expired on 31 March 2020 have until 30 June to renew their membership so they can maintain a continuous membership.

2020 – 21 Membership Year

	30 June '19	31 Sep '19	30 Nov '19	31 Jan '20	20 Apr '20
Fellows:	27	27	27	27	27
Individual:	243	258	268	276	283
Individual Plus:	33	33	33	33	33
Small Organisation:	18	18	18	19	20
Large Organisation:	3	3	3	3	3
Total Membership:	324	339	349	358	366



Recommendation:

THAT the new members be noted.

InternetNZ

product development

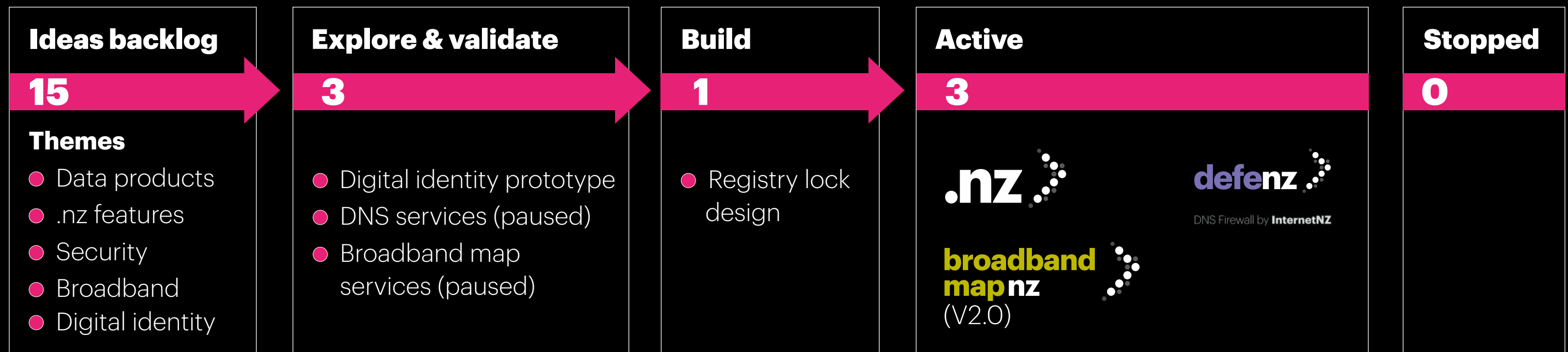
quarterly report

January - March
2020

Quarterly review

This past quarter has seen the team focused in the following areas:

1. Progressing interest in the DNS firewall in a range of different sectors. Our pipeline of interest was significantly impacted as potential customers focused on delivery of essential services to help their customers pivot to respond to COVID-19.
2. On 4th March, we launched the next version of broadbandmap.nz. This new version positions the service with a much more flexible and efficient architecture, improved customer experience and cost efficiencies.
3. We made some incremental progress on our thinking for a registry lock service with the focus on understanding the policy related impacts. Next quarter should see us progress to an agreed design, policy consultation followed by a build phase.
4. One of the themes we have been exploring has been to understand InternetNZ's role in an identity ecosystem. As part of this work our team has started on a prototype of a secure and private identity wallet which we will use to test a range of different use cases.



For any enquiries about our product development work please contact our Commercial Director, David Morrison at david@internetnz.net.nz

Health Safety and Wellbeing Report

ITEM NO: 5.7

AUTHOR: Catherine Fenwick

PURPOSE: To provide the Council with an update on Health Safety and Wellbeing for InternetNZ.

DATE WRITTEN: May 2020

This report is prepared for InternetNZ Group and all information is based on group Staff (INZ and DNCL) and activities of a Group H&S Committee. Further details of the organisation's response to COVID-19 is detailed in agenda item 2.1

Month	Number of Near Misses reported/or identified	Number of Incidents reported/or identified	First Aid Incidents reported/or identified
November 2018 – January 2019	0	3	0
February – March 2019	2	0	0
April – May 2019	0	2	1
June – August 2019	0	0	0
September – October 2019	0	0	0
November 2019 - January 2020	1	1 (Medical Treatment)	0
February - April 2020	0	0	0

Summary

- There were no incidents or near misses noted since the last Council meeting. However, since 23 March, staff were directed by The Group CE to stay at home and work remotely due to the increasing risk of the COVID-19 pandemic. New guidelines, processes and tools were put in place to support as well as continue looking after staff's health, safety and wellbeing while everyone is working remotely.
- The INZ Group Health, Safety & Wellbeing Committee are currently meeting at a regular basis so they can discuss urgent matters especially those relating to issues caused by the COVID-19 pandemic. Some of the non-urgent actions for the HSW Committee have been put on hold to ensure that there's enough capacity from the Committee to attend to urgent matters.
- Staff have been provided with a range of Health, Safety and Wellbeing support during the time working under pandemic. These include the following:
 - requiring all staff to complete an ergonomic assessment and provision of equipment required to ensure that their work setups are safe.
 - increased communication (at least once per day) between manager and individuals. Teams have also arranged regular meetings to ensure social contact.
 - guidance notes on wellbeing and where to find additional support
 - regular anonymous surveys to establish ways to improve health and safety outcomes
 - prioritised work so that workloads are manageable at a time when many staff are juggling work with home commitments.
- We continue to review the approach, risks and requirements as we move between alert levels this includes the following
 - Keeping up to date with the guidance from Government
 - Allocating resources to comply and support our people first approach
 - Put in place practical steps to support each alert level
 - Continuously review the effectiveness of our approach
 - Supporting managers as they work with staff in the changing climate.

Wellbeing

For the second quarter of 2020, the HS&W Committee has decided to focus on the Psychological wellbeing in the Wellbeing matrix. Activities and initiatives for the other section of the matrix will still continue however, the main priority for the current quarter will be around promoting the psychological wellbeing for staff. The Committee is currently in the process of drafting a plan on this.



Recommendation

THAT the Health, Safety and Wellbeing Report be received.

Risk Management Policy

POLICY:	Risk Management Policy
VERSION:	1.1
DATE IN FORCE:	May 2020
PLANNED REVIEW:	May 2022

Purpose

The purpose of this policy is to provide a risk management framework that ensures all significant risks associated with InternetNZ Group's strategic objectives are effectively identified, assessed and managed.

The framework will identify what are our true key risks, i.e. those that if realised would:

- Impact the realisation of InternetNZ's strategy; and/or
- Significantly challenge the trust and confidence stakeholders place in InternetNZ.

Scope and Context

This policy applies to all management, staff, and others employed by InternetNZ Group from time to time. It covers functions performed internally as well as those operated by external organisations under contract to InternetNZ Group.

Risk is inherent in all aspects of the InternetNZ Groups activities and whilst many of these risks cannot be eliminated, they can, however, be identified, quantified and controlled.

Risks that impact on the strategic objectives of the InternetNZ Group can offer both opportunity and threat. This policy is designed to provide the InternetNZ Group personnel with a framework in order to minimise threats.

Key Objectives

InternetNZ's risk management objectives are to:

- Develop a "risk aware" culture that encourages personnel to identify risks and opportunities in a planned and coordinated manner and to respond to them with cost effective actions;
- Provide assurance to the shareholder and stakeholders that an effective risk management programme is in place.

Framework for Managing Risk

The Risk Management Framework comprises of four key components:

Risk Assessment

Risk assessment is designed to:

- Enable identification of the existence of the risk, where this risk sits within (or outside) the risk radar (as depicted in Appendix 1).
- Provide sufficient detail to explain and communicate the nature of the risk;
- Ensure risk information is relevant and meaningful to those who will read it; and
- Act as a management tool to enable
 - The Audit and Risk Committee and Council to define Risk Appetite and Risk tolerance for the organisation.
 - InternetNZ to achieve strategic objectives, rather than as an exercise in compliance.

Risk Tolerance

A formal risk tolerance is established to set agreed criteria for assessing risks and the level of risk that can be tolerated to achieve the organisation's strategic objectives.

As depicted in Appendix 1, the risk tolerance is expressed in terms of three risk rating zones:

- INZ Colour Light Grey (Minor/insignificant risks) – Risks within these zones are automatically tolerated.
- INZ Colour Dark Grey (Moderate risks) – Some Moderate risks may be tolerated, where additional treatment is not cost justified, in return for specified benefits.
- INZ Colour Black (Extreme/major risks) – Generally these risks are not tolerated and an immediate mitigation is required.

Risk Definitions

For the purpose of this policy, a risk is a condition or action that may affect the outcome of a planned activity. For continuity planning, the affected activities are the critical business functions and services; for security, the affected entities are InternetNZ Group's information and physical assets.

Risk definitions, in terms of consequence are required to ensure that risks can be consistently assessed and risk mitigation appropriate to the risk consequence can be identified.

The risk definitions will then be used in order to rate their consequence and to compare different risks with different impacts.

Reporting and review

Management will provide a quarterly report to the Audit and Risk Committee for residual Extreme/Major and Moderate Level risks that includes:

- Risk Radar
- Risk Register

Management will specifically note any key information that requires the attention of the Audit and Risk Committee, following the risk assessment. This is likely to include:

- Identification of new risks and mitigation of prior risks reported;
- Risks that have changed (i.e. increased/decreased from moderate to extreme, minor/insignificant to moderate, etc.); and
- Identification of key groups of risks and the broad controls in place for these.

Review of Policy

The Council will review this policy every two years in accordance with the Council's protocol for the review of all policies.

NOTE FOR COUNCIL MAY 2020 - not included in published Policy

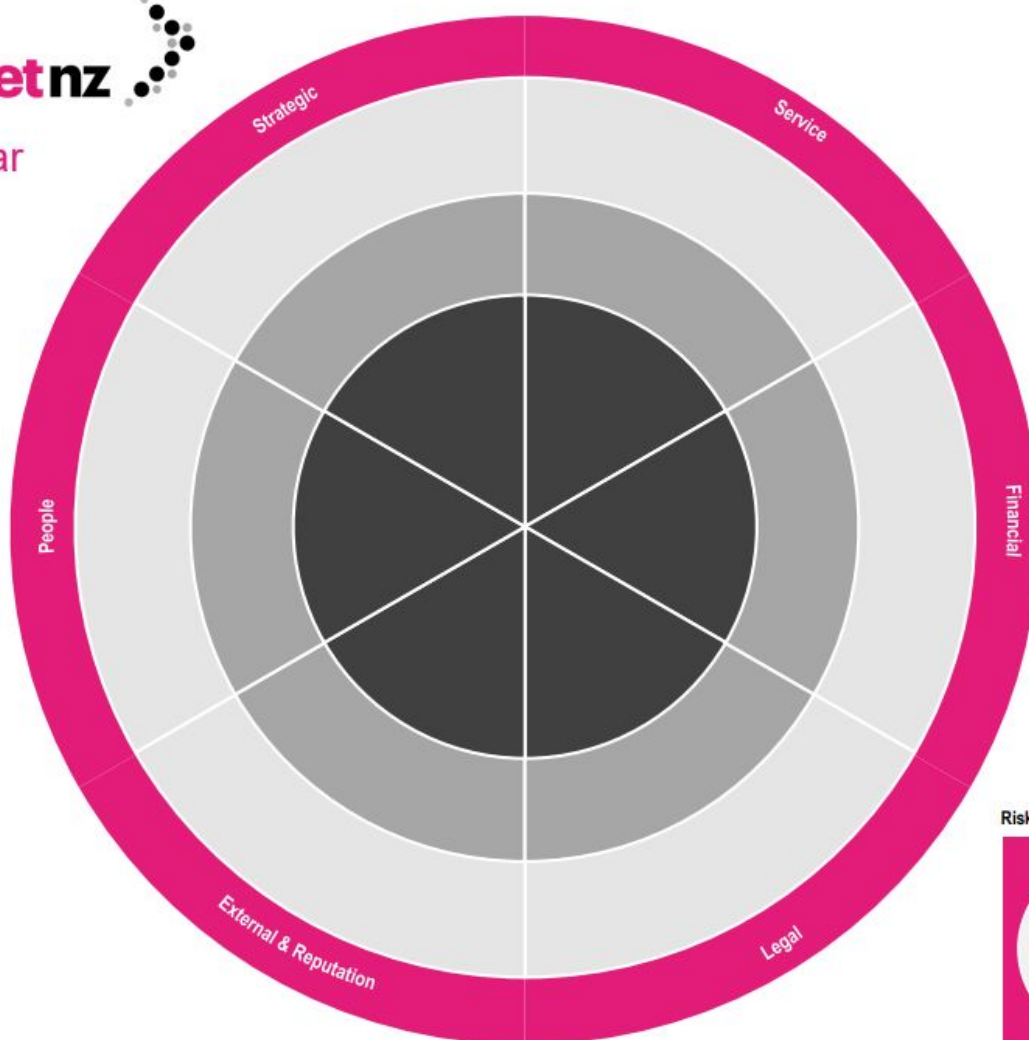
Risk Process

A separate Risk Process that sets out how this policy is implemented is under development in conjunction with the Audit & Risk Committee. We expect it to be complete in the middle of 2020.

Appendix 1



Risk radar



Risk impact

