

AGENDA

Council meeting

Friday 23 August 2019

InternetNZ, Level 11 Boulcott Street, Wellington

- 8.45am Refreshments on arrival
- 9.00am Meeting start
- 10:45am Morning tea
- 12:30pm Meeting closed followed by lunch

Section 1 – Meeting Preliminaries

- 9.00am 1.1 Council only **(in committee)**
- 9:10am 1.2 Council and CE alone time **(in committee)**
- 9:40am 1.3 Karakia, apologies, interests register and agenda review
- 9:45am 1.4 Welcoming aimee whitcroft to Council
- 1.5 Environment Scan

Section 2 – Strategic Priorities

- 10:00am 2.1 .nz Registry Replacement Project Initiation
- 10:25am 2.2 Goal 5 - Digital Inclusion Update
- 10:45am - Morning tea

Section 3 – Matters for Decision

- 11:00am 3.1 Council Committees - Members and Terms of Reference
- 11:15am 3.2 Council Skills and Diversity Matrix
- 11.30am 3.3 DNCL Board Skills Matrix and Appointments

11:40am 3.4 2020 Meetings Programme

Section 4 – matters for discussion

11.45am 4.1 President's Report

11.50am 4.2 Management Items for Discussion

4.2.1 Q1 At A Glance - Strategic Goals Summary

4.2.2 Election System Issue paper

Section 5 – Consent Agenda

12:15pm 5.1 Confirm Minutes – 17 May 2019

5.2 Actions Register

5.3 Membership Update

5.4 E-vote Ratification

5.5 Health and Safety and Wellbeing Update

5.6 Update from Council Committees

5.7 Operational Reports for Quarter 30 June 2019

5.7.1 Quarterly Activity Report

5.7.2 .nz Quarterly Report

5.7.3 DNCL Quarterly Report

5.7.4 Financial Quarterly Reports
Group | InternetNZ

5.7.5 Grants Reporting

5.8 International Report from Councillors & Staff

Section 6 – Other Matters

- | | | |
|---------|-------|---|
| 12:20pm | 6.1 | CONTINGENCY (for any overflow) |
| | 6.2 | Matters for communication – key messages |
| | 6.2.1 | Communications in general |
| | 6.2.2 | Upcoming events |
| | 6.3 | General business |
| | 6.4 | Meeting review |
| | 6.5 | Meeting close (waiata), followed by lunch |
| 12:45pm | | Lunch |

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: 4 October 2018

Interests:

- Holder of .nz domain name registrations
- Holder of .com domain name registrations
- Member of the New Zealand Law Society
- Member, 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
- Member of Pacific Chapter, Internet Society (PICISOC)
- Started a new job at University of Otago, researching human rights and artificial intelligence for this project:
<https://www.cs.otago.ac.nz/research/ai/AI-Law/index.html> The project also links with the recently established Centre for Artificial Intelligence and Public Policy
- Officer's honorarium for InternetNZ

Name: Dave Moskovitz
Position: Councillor, InternetNZ
Term: AGM 2011 - AGM 2020
Declaration Date: 24 August 2018

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: ~~May~~ August 2019

Interests:

- Consultant and organiser of some corporate un conferences
- Holds .nz domain name registrations
- Trust Chair of Whare Hauora Charity
- ~~Co-Chair of WWGSD Charitable Trust~~
- ~~Co-creator and owner of Metimeti~~
- Receives additional honoraria for being Chair of the Audit and Risk Committee
- ~~Co-opted Trustee of Kohunui Marae~~
- Co-opted Trustee Pāpāwai Marae
- Trustee of Rangitāne o Wairarapa Rurunga
- Co-creator of Te Rua o Mahara
- 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
- 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: 11 September 2018

Interests:

- Employee of GS1 New Zealand
- ~~Director of Eduvac Limited~~
- Holder of .nz domain name registrations
- Councillor's honorarium for InternetNZ

Name: Don Stokes

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2020

Declaration Date: 16 August 2017

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
- 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
- Councillor's Honorarium for Internet NZ

Name: aimee whitcroft

Position: Councillor, InternetNZ

Term: AGM 2019 – AGM 2022

Declaration Date: 30 July 2019

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
- Councillor's Honorarium for InternetNZ

The register was last updated in August 2019.

COUNCIL MEETING - 23 AUGUST 2019

.nz Registry Replacement Project Initiation

AUTHOR: Dave Baker, Jordan Carter
FOR: Council
PURPOSE: To set out an approach for the future direction of the registry system. Also in scope would be a WHOIS service and RDAP service. The authoritative DNS service is not in scope at this time.
DATE WRITTEN: 14 August 2019

Introduction

The Shared Registry System or SRS is the core technology system for the operation of the .nz registry. Together with the .nz DNS, the system is at the heart of .nz.

The SRS application was originally developed in 2002. It has evolved and upgraded since, and after some years being hosted by Catalyst IT, it has been operated in-house since 2014.

The mix of technologies involved in the system are showing their age, and the costs and risks of continuing with it are rising. Based on the analysis set out in this paper, our view is that it is time to start planning for the system's replacement.

This paper sets out the background and assumptions behind the need for change. It then looks at the strategic and operational outcomes a new registry system would set out to deliver. It moves to consider the customer impact of any change, and explains how we propose to develop the project.

This paper closes by proposing that the project be financed by retained earnings, not by current income.

Our intention is to come back to Council in October with a business case for the replacement project, including the likely costs - current budgets do not provide for a project of this scale. Please note that, as such, the analysis in this paper is preliminary and not exhaustive.

Background and assumptions

Current Constraints

The existing registry system is reaching end of life. The core system is written in Perl. Over the last few years and into the future we will see an increase in maintenance and operating costs

due to a combination of aging technology, legacy code and high costs for Perl programmers (and these skills are becoming increasingly hard to find). New features and enhancements for supporting growth and change beyond what the original system was designed to do are hard to implement in a timely manner due to the inflexibility of the current registry platform.

In summary, the current system is inflexible, and difficult to maintain which results in increased risk, maintenance costs and low speed of change.

The key points in the above summary are expanded here:

- A number of external dependent Perl modules and libraries are receiving little maintenance and support. This will increase the security and reliability risk for the registry system.
- There are two protocol interfaces to the registry system, maintenance, enhancements and new features require twice as much effort because they need to be implemented for both protocols.
- Business rules have been closely integrated into the code when the SRS was originally developed. This makes simple changes to business rules not an easy task and requires the full change management life cycle.
- Technical debt in the codebase. This inevitably increases the maintenance work. And an increasing technical debt equates to increasing maintenance costs.

Some additional points regarding the interfaces to the registry systems are in **Appendix 1**.

Assumptions

We assume the following, with a reasonably high level of confidence:

- There will not be a sea-change in the use of Perl, to improve the libraries noted above or to increase the supply of Perl developers.
- EPP will continue to be the industry standard protocol, meaning that future demand for .nz names will increasingly come from EPP registrars (not SRS registrars).
- Ongoing market consolidation among .nz registrars will continue, and larger registrars are used to registries making changes, that is really just BAU for them.
- Legacy registrars, which are typically SRS registrars, are exiting the domain registration market.
- The expansion in the number of global top level domains (gTLDs) will continue, meaning the market for provision of registry services and systems will continue to expand. This in turn means the array of and competition between various service and system providers will be robust in the medium term.
- Flexibility and enhanced insight of a register will be an ever-higher priority for ccTLD operators, including .nz, in a situation of lower organic growth. This is because they will assist in delivering value to customers and in supporting marketing efforts.
- Security and stability of this valuable national infrastructure is ever more important, and ccTLD managers have an obligation to be using robust, resilient and modern systems.
- We will not seek to implement the outcomes of the .nz Policy Review in the existing SRS, due to the high cost of doing so, and because there should be a reasonably small timing gap between a new system being available and the conclusion of the policy review.

We have confidence in an assumption that the preferred solution would discount the development of a bespoke registry system. This is due to the standardisation of interface protocol and the growing number of off-the shelf options or service delivery partners making such an approach unnecessarily costly. A qualification to this is that the outcomes of the .nz

policy review are not known. If they produce operational requirements that make such a bespoke solution one of the best options, then it would be considered.

Strategic Outcomes & Linkages

The strategic direction for the registry system for the next 10 years will be a registry system that is built for growth and changing needs, and maintains the confidence of registrants, registrars and stakeholders in the security, privacy, stability and reliability of the .nz domain name space.

Outcomes

To deliver on this direction, the following key strategic outcomes will be sought from a replacement system.

Flexibility

The registry platform will need to be flexible for supporting growth and change, allowing new features and enhancements to be easily implemented in a timely manner.

One essential component will be the externalisation of the business rules and this will allow business users to modify the rules without the need for IT intervention. A business rules engine will give the system flexibility to allow policy changes to be implemented faster. This flexibility of business rules will enable modification of outputs to enable marketing campaigns and cater for changing business needs.

Interfaces

The new platform should support one registry protocol, EPP, which is the industry standard. Access to registry data and BI enhanced data should be made available on an appropriate, secure basis to registrars and other stakeholders using modern APIs / efficient interfaces with other data platforms.

Desirable capabilities may include integration with control panel systems used by smaller registrars or resellers eg: WHMCS Plugin, and a replacement for the WHOIS service to provide registry data via the industry standard RDAP service.

Reliability

The new platform should support the same service level expectations as the current platform. Performance should in fact be higher, given that modern engineering techniques can reduce the need for planned outage windows for system changes, and given that the new system will be more flexible with fewer engineering changes needing to be made.

Security

The registry platform should have security at its heart. Sensitive information relating to the registry data should be secured with appropriate encryption. All transactions that query or make changes to the registry data should be logged, and systems are required to analyse these logs to detect inappropriate activity.

Control

With the importance of this infrastructure for New Zealand, and the unique policy approach .nz takes, InternetNZ must maintain an appropriate degree of control of the system. Today this control is exercised through operating a bespoke application in-house. If we were to choose a different option, control would need to be maintained. This could be achieved through operating a system which we had appropriate rights to, or through a joint ownership structure. A lesser degree of control would be realised through an outsourcing approach, where a third

party was to operate the .nz registry on our behalf using their own registry platform. As part of this project we will test and decide what level of control we need and how to achieve that.

Features

Any new system should be capable of delivering additional features, beyond the basic functional requirements, such as:

- New data, marketing and insight tools
- RDAP
- Registrar APIs
- Supporting multiple TLDs
- Registry Administration
- Registry Lock
- Stats and Reporting
- Registry system is written in modern programming languages that are common, well maintained and supported.
- Automated billing with easy integration into our current financial systems and having the flexibility to adapt to different payment options or changes to billing rules.
- Cutting edge technology that is future proofing .nz and makes it easier to engage and attract staff.

Linkage with the Strategic Framework and Goals

With the Strategic Framework

The SRS is at the core of our .nz ccTLD offering, which is one of our four core areas of activity. It provides over 95% of our annual income, and so is a core system to maintain and invest in over time.

In addition to its importance to continuing to deliver .nz with appropriate quality and security, it represents a foundational investment in our capability as an organisation.

As such, a new registry system is consistent with the Strategic Framework. It supports our core operating activity, which delivers most of the income we use to further all of our goals.

With the Strategic Goals

A new registry system also supports most of the strategic goals established for the period through to 30 September 2020, in direct or indirect ways.

Goal 1 - Growing .nz

- Will improve the reliability of the registry service, and tackle capacity constraints with the existing EPP system which need to be addressed.
- A registry system with separation of business rules from the code base will give the ability to make dynamic changes to the policy rules without having to make time-consuming code changes or system design changes. This will be crucial in a rapidly changing registry market and to meet and react to marketing demands and changes to marketing strategy.
- It will also speed up our ability to innovate, by virtue of having significantly better data and insight capability. This will assist with understanding our customers and improving marketing and promotion efforts - either by us or by our channel partners.
- Reduces risk of achieving this goal.
- Increased growth due to lower entry barrier (simpler onboarding).

Goal 2 - Improving .nz security and policy

- Raising and Improving the security levels which results in better security and stability of the .nz space
- Implement changes to .nz policy that are likely to arise from the .nz Policy Review without expensive, slow change barriers.
- Excellence in a ccTLD through operating modern systems with a system matching to modern requirements.

Goal 3 - New commercial products

- Opportunities for new products and opportunities
- Diversification of income by providing registry services for other TLDs

Goal 5 - Stimulating digital inclusion

- The new registry platform could provide a service to some of the small ccTLDs around the Pacific.

Scope

At this stage, the anticipated scope of this work is to replace the Shared Registry System with a new registry platform. The services which are part of the registry bundle of systems are all in scope.

This means that at this stage, the .nz DNS service is not in scope. It is not slated for replacement in the same way.

The initial phases of the project will test this approach and determine in the course of preparing the Business Case whether this scope is confirmed, or whether a changed scope is needed.

Customer Impact

At a very high level, and based on current levels of planning, we are aware of the following customer impacts:

- Improved reliability and scalability
- The need to change interface protocol for some customers
- Additional data
- Implementing the new .nz framework

Reliability and scalability

With an ongoing migration to EPP among customers, the current EPP front-end is at capacity, and does not offer the full set of .nz transactions and tools. A new registry system will be built for EPP, and so will be a modern implementation of the protocol, will present fewer risks to availability, and recruitment of new customers will be enhanced.

Change interface protocol

For registrars who are currently SRS only, there will be an impact caused by the retirement of the SRS protocol. They will need to change their systems to interact with the registry via EPP.

This will not come as a surprise, and will be managed through discussion with customers. The project will establish timeframes for this change (at least a year from the date of this paper, and probably longer, seems likely), and whether there is a need to provide support for the change over.

Additional data

The additional data and insight available from the system, consistent with the outcomes described in this paper, will give our customers greater insight into their customers, in turn giving them new opportunities to add value and evolve their service offerings.

Implementing the new .nz policy framework

If the new .nz policy framework generates changes to the .nz service, or requires changes to how registrars work with the registry, these will affect registrar customers on implementation of the new system.

Financing

The accumulated assets of InternetNZ have come from .nz domain name fees, earned through the operation of the SRS. The system is fully depreciated. In our view the appropriate financial strategy for its replacement is to fund this from accumulated assets, not from ongoing operating income. Operating income will pay for the costs of the system over time.

While the costs of this project are currently un-developed, our initial ballpark estimates are that the cost will likely be between \$1.0 and \$2.0m. It is highly unlikely that costs would consume all of the available cash in excess of reserves in the balance sheet (approximately \$4.1m at 30 June 2019).

The initiation phase of this project will be funded from current budgets. As such, this paper of itself has no direct financial implications for Council.

Risk Analysis

We are at the initiation phase of this project, and the risk piece has not yet been done. The information above has set out the risks of not moving towards a replacement registry system. Identifying and managing the risks associated with the project, including execution risks, will form part of the initiation phase of the project that is commencing with this paper.

Governance of the Project

Staff will establish a clear Project Structure following Council's discussion at this meeting. An SLT member will be the Project Owner, and we will likely contract in project management resources. As the project proceeds, a mix of internal and contracted resources will be deployed to deliver it.

Our project philosophy will be high quality and low risk, given the importance of the service and the critical impacts of any material failure in the course of the project.

Timeframes

We anticipate this project will kick off in earnest in September 2019, with an initial Business Case available mid-October. That document will set out indicative timeframes for the various phases of the project, but our initial thinking is that we should be aiming to implement a new system early in calendar 2021.

Recommendations

The purpose of these recommendations for Council to consider is to provide some guidance for the staff's establishment of this Project. Council feedback will be taken on board in developing the Business Case paper that will be shared with Council in October.

THAT Council acknowledge the need to replace the Shared Registry System, and ask the Chief Executive to deliver a replacement.

THAT Council acknowledge that a replacement registry system will not include the SRS Protocol.

THAT Council agree in principle that implementation of the updated .nz policy framework resulting from the .nz Policy Review will not be done in the current Shared Registry System.

THAT Council note that staff will develop the project to replace the SRS within existing budget limits, but that once the project is developed, Council will be asked to agree an overall cost envelope as part of a Business Case analysis.

THAT Council agree in principle that the cost to replace the SRS should be met out of retained earnings, not out of current income.

Jordan Carter,
Group Chief Executive

Dave Baker
Technology Services Director

Appendix 1 - Background to the Registry Interfaces

Context

The registry system for the .nz domain space was originally developed in 2002 and called the SRS (Shared Registry System). At that time there was no industry standard registry system and the interfaces to most registry systems around the world were unique to each registry. The SRS protocol was developed as a way for registrars to communicate with the SRS for registering and updating .nz domain names. The protocol was based on the Extensible Markup Language (XML), which is great for sharing structured data between applications.

At around the same time the Internet Engineering Task Force (IETF) working group was working on a similar robust and flexible protocol that could provide communication between domain name registries and registrars. This protocol was called the Extensible Provisioning Protocol and more commonly referred to as EPP. And again this protocol is based on XML.

The IETF published proposed standards for EPP in 2004 and then draft standards in 2007. In August 2009 IETF granted EPP the status of full standard. Since then the majority of domain name registries around the World have adopted the EPP Protocol.

At the beginning of 2011 with EPP starting to become a default standard amongst overseas registrars, NZRS introduced an EPP interface to the SRS to facilitate an easy connection and on boarding process for new overseas registrars and to help grow .nz in these overseas markets.

The proportion of domains by registrar using SRS is 65% and for EPP it is 35%. The proportions for the number of SRS/EPP registrars is approximately the same as the above for domains.

What is our growth in registrars by protocol?

Over the last 8 years the main growth in the protocol usage is EPP. Whilst the number using EPP has not surpassed SRS there has been a bigger push over the last 12 months to grow the registrar numbers and this has resulted in an uptake of the EPP sign-ups. This uptake is also one of the drivers for investing in a new registry system that is based upon the EPP interface.

EPP Frontend

The current EPP frontend accounts for 35% of registrars. The EPP frontend was designed to provide an entry point for new EPP registrars entering the New Zealand market and to encourage existing registrars to move to EPP from SRS. The number of registrars using EPP is now nearing the limit of the original design and the EPP frontend needs to be replaced within the next 2 years.

Billing systems

Our current registrar billing system is semi-automated and not integrated with the current accounts and banking system. Late payments are manually processed and followed up. Future changes for new marketing or product initiatives would be difficult due to the fixed and inflexible design of the current system.

COUNCIL MEETING - AUGUST 2019

DIGITAL INCLUSION - update on next steps

ITEM NO: 2.2
AUTHOR: Kim Connolly-Stone, Policy Director
PURPOSE: For noting
DATE WRITTEN: 15/8/2019

Introduction

This paper provides an update on how we are bringing Goal 5 to life.

Goal 5 provides that “InternetNZ will collaborate with others to identify, agree and effect significant progress on four interventions to bridge different digital divides”. In this paper we talk about the four things we are planning and exploring.

1. Create an effective online home to connect the digital inclusion ecosystem

A key barrier to digital inclusion is a lack of connection and coordination across the digital inclusion ecosystem (providers, policy makers, and researchers). We plan to work in partnership with others to create a new online home for digital inclusion, putting up-to-date and easy-to-access information in one place to enable better ecosystem connections. This website would include information on digital inclusion initiatives being run around New Zealand, research into digital inclusion, and information on funding sources. It would ideally allow the ecosystem to share and update information on what is happening.

We have started talking to a number of stakeholders about this idea, including the 20/20 Trust in relation to data in its digital inclusion map, and the Department of Internal Affairs about its stocktake of digital inclusion initiatives in New Zealand. We are doing initial scoping and design work in-house, and compiling MVP data for the website, in readiness to discuss it with the ecosystem. The next step will be to develop a business case.

2. Put an investment strategy in place for InternetNZ digital inclusion funding

We will overlay our upcoming community funding rounds with a strategic goal of advancing the improvement of digital inclusion evaluation in New Zealand. While the details are still being worked through, this is likely to require funded projects to work with an expert advisory group (that we convene) to create, test and iterate a practical approach to evaluation that meets the needs of evidence-based policy makers and funders. We would provide additional support to funded projects and be mindful of ecosystem context (for example, aiming to build on the digital inclusion outcomes framework published by DIA).

Our next steps are a terms of reference for an evaluation group, and consideration of how the evaluation process will fit with our next funding round.

3. Pursue influencing and policy interventions

We will encourage the Government to invest significantly in digital inclusion in the 2020/21 budget. We are developing two digital inclusion funding proposals which we will recommend. These concern funding for intermediaries acting as ‘digital navigators’, and for affordable connectivity in state housing.

We will make our funding recommendations alongside a policy proposal for a “right to lifelong learning in digital skills”, similar to that introduced in the United Kingdom. We have joined the Digital Skills Forum (a tech sector/government collaboration on digital skills) to help progress this work.

We are meeting with Minister Faafoi on 28 August to discuss these ideas.

4. Engaging the ecosystem to lay the groundwork for future action

The activities we have planned will allow us to make a significant contribution to digital inclusion in the next 12 months. We also need to stay connected to the ecosystem and be aware of what is happening, to feed into our planned activities, and to plan for next year.

We plan to survey the ecosystem. Ideas for how to do this include working through intermediaries, initiative providers, funders, researchers, iwi organisations and local and central government agencies.

The next step will be to frame the survey purpose and objectives, and draft a project plan. We would then analyse responses and use these to produce a report with insights and recommended future actions.

Kim Connolly-Stone

Policy Director

COUNCIL MEETING – August 2019

Annual Review of Committees and Bank Signatories

ITEM NO:	3.1
AUTHOR:	Jordan Carter
PURPOSE:	To review the Council Committees, their Terms of Reference and membership, and to confirm signatories for the bank accounts
DATE WRITTEN:	16 August 2019

Summary

After each AGM, Council reviews and renews the mandate and membership of each Council committee. This is also an opportunity to reconfirm the bank signatories for the organisation.

This paper notes the current members of each committee, and copies of the Terms of Reference for each Committee are attached at the end of this paper.

Councillors are asked to read the ToR to ensure they are familiar with the purpose of each Committee, and to be ready to table any general changes they would like to see at the meeting. Staff will take that and do detailed amendments as required for later evote adoption.

Audit & Risk Committee

Current members are Amber Craig (*Chair*), Don Stokes, Richard Hulse and Kate Pearce. David Wright is assisting the committee at the present time as a former NZRS director.

Keith Davidson left the committee with the AGM

CE Review Committee

Current members are Jamie Baddeley (*Chair*), Joy Liddicoat, Richard Hulse

Kelly Buehler left the committee with the AGM.

MĀORI Engagement Committee/KOMITI WHAKAURU MĀORI

Current members are Sarah Lee (*Chair*), Joy Liddicoat and Amber Craig.

.nz POLICY COMMITTEE

Current members are Kate Pearce (*Chair*), Joy Liddicoat,.

Keith Davidson and Kelly Buehler left the committee with the AGM.

AUTHORISED BANK SIGNATORIES

The following are authorised signatories for authorising bank transactions such as payment for expenses, and setting up automatic payments.

- Jamie Baddeley
- Joy Liddicoat
- Amber Craig
- Keith Davidson
- Richard Hulse
- Dave Moskovitz
- Kate Pearce

For the record, staff signatories who are able to authorise payments as per the Treasury governance policy are:

- Jordan Carter
- Catherine Fenwick
- Dave Baker

Recommendation

THAT Council confirm that it will conduct some of its work through these four committees: Audit and Risk, CE Review, Komiti Whakauru Māori, nz Policy.

THAT the Terms of Reference for each of the committees as attached to this paper be adopted.

THAT the membership of the following Committees be approved:

Audit and Risk Committee: [Names to be confirmed at Council Meeting]

Komiti Whakauru Māori: [Names to be confirmed at Council Meeting]

.nz Policy Committee:[Names to be confirmed at Council Meeting]

Chief Executive Review: [Names to be confirmed at Council Meeting]

THAT the current bank signatories (Jamie Baddeley, Joy Liddicoat, Amber Craig, Keith Davidson, Richard Hulse, Dave Moskovitz, Kate Pearce, Jordan Carter, Catherine Fenwick, Dave Baker) be confirmed.

THAT Keith Davidson be removed as a bank signatory.

Jordan Carter

Group Chief Executive

16 August 2018

ATTACHED: Committee Terms of Reference:

[Audit and Risk](#)

[Chief Executive Review Committee](#)

[Komiti Whakauru Māori](#)

[.nz Policy Committee](#)

COUNCIL MEETING - AUGUST 2019

COUNCIL SKILLS AND DIVERSITY MATRIX

ITEM NO:	3.2
AUTHOR:	Jordan Carter, Group Chief Executive
PURPOSE:	Generate Council input on the key skills and diversity characteristics Council requires to start the development of a Council Skills and Diversity Matrix.
Date Written:	15/08/2019

Summary

As part of the governance reforms of 2018, Council needs to establish a Skills and Diversity Matrix that defines the key skills that Council needs, and the diversity attributes Council seeks. This provides the basis for recruiting any Appointed Council Members, if gaps are identified.

This paper sets out what the Matrix is for, and proposes some of the key skill and diversity areas that InternetNZ requires of Council. These are a discussion starter. To aid in the discussion, AUDA's skills matrix is attached. The paper closes by proposing how to test current Council members' skillsets and attributes against the matrix.

Skills and Diversity Matrix function

The purpose of the Matrix is to ensure Council has thought about the skills and diversity that it must have, and would desire to have, among its members, to allow it to fulfil its role.

The document itself will set out a list of key skills and diversity attributes, and how important they are for Council to have.

It would be used on an annual basis to test the membership of the Council, and revised regularly. If gaps in Council's skills or diversity are identified, that would form the basis for a recruitment process to select one or two Appointed Council Members, as provided for in the constitution.

Publishing the Matrix will also be part of our general transparency approach and help give stakeholders confidence that InternetNZ is well governed.

Initial list to spur discussion

I have separated this initial list into three categories: technical or specialist areas, general governance areas, and diversity areas. They are to start discussion, and are not comprehensive. I have not listed generic “be an effective Board member” skills, these are considered as baseline (see the AUDA examples on the second page for reference).

Questions to help with the discussion:

- Are any of the suggested areas below unnecessary?
- What other areas should be included?
- Which ones are “Critical” for Council to have? (assuming remaining will be desirable, or specialist)

Technical / Specialist areas

(cc)TLD administration / governance

DNS technology

Domain name policy

Software / IT infrastructure and services

Community engagement

Public policy

Internet openness

Trust and security

Digital inclusion

Internet governance

Philanthropy / Social Enterprise

General governance

Legal / compliance

Accounting and finance

Investment

People

ICT/technology

Diversity

Te Ao Māori

Youth / Age

Urban / Rural

Gender identity

Diverse ethnic communities

Regional

Developing the Matrix

Based on the feedback at this meeting, staff will develop the Matrix document and circulate it back to Council for review. We aim to do this by mid September.

Following evote adoption, we will move to the assessment phase. Staff will report back with the proposed approach which might be:

- Based on discussions - either between staff and Council members or the President / VP and Council members
- Based on a self-rating survey - asking Council members to assess their knowledge / characteristics against the matrix
- A combination - first self-rating and then follow up with discussion.

At the October meeting, the findings can be discussed, and a decision made about what level of publication of the results of the analysis is right.

Recommendation

THAT Council note the progress towards developing a Skills and Diversity matrix in this paper, and note that staff will develop the matrix based on the feedback at this meeting and present a draft for online adoption in mid-September 2019.

Jordan Carter

Group Chief Executive

Attached: AUDA Skills Matrix (for reference)

(from <https://www.auda.org.au/assets/Uploads/auDA-Board-Skills-Matrix.pdf>)

COUNCIL MEETING - AUGUST 2019

DNCL SKILLS AND DIVERSITY MATRIX

ITEM NO: 3.3

AUTHOR: Jordan Carter, Group Chief Executive

PURPOSE: Seek Council feedback on the key skills and diversity characteristics Council requires of the independent director positions on the DNCL Board.

DATE WRITTEN: 15/08/2019

Summary

At the DNCL Board meeting of 14 August 2019 the DNCL Board discussed and agreed on a DNCL skills and Diversity Matrix that defines the key skills that the DNCL Board needs, and the diversity attributes the Board seeks. This provides the basis for recruiting any future DNCL Board member.

The Chair of the DNCL Board has brought these to the Council for its consideration.

Initial list for consideration

The DNCL Board identified the following 5 skills:

- Litigation and Legal skills
- Industry knowledge and/or technical experience
- Regulatory strategy and regulatory processes
- Stakeholder communications and management
- Governance

In addition the current Board make-up consists of an independent director being Wellington based and one in Auckland for business continuity purposes.

Given the size of the Board, its budget, issues for the Board's consideration and frequency of meetings, the Board considered having a smaller list of 5 key skills.

The Board also recommended in the application process that an applicant could indicate their skill level in each of the skills ranging from having a basic understanding, intermediate level of understanding or advanced level of understanding in a particular skill area. This would then assist decision-makers determine the make-up of the Board.

The company will consider Council's feedback and finalise the skills matrix documentation, so it can be the basis of the next recruitment round.

Recommendation

THAT Council:

- Agree with the skills mentioned or agree with amendments and
- Agree to recruit replacement DNCL Board members, as and when required, against the agreed skills

Jordan Carter

Group Chief Executive

Schedule of Meetings 2020

Author: Catherine Fenwick, Organisational Services Director

Purpose of Papers: To agree and approve the schedule of Council Meetings and Events in 2020

The table below sets out proposed dates for key internal meetings (Council, Committees, and Members) and external meetings for 2020.

Month	Council Meeting Dates	Other Meeting Dates	Committees	External/Int'l
Jan				NZNOG: Jan / Feb
Feb	Friday 14 th		.nz Policy Committee – 4 Feb Komiti Whakauru Māori – 12 Feb	APRICOT: Feb tbc APTLD 17-21 Feb
Mar	Friday 27 th March (budget and plan)		Komiti Whakauru Māori – 11 Mar Audit & Risk Committee – 19 Mar .nz Policy Committee – 31 March	ICANN 67 th : Cancun, Mexico 7-12 March
Apr			Komiti Whakauru Māori – 8 April	
May	Friday 15 th		Komiti Whakauru Māori – 13 May	Tech Week: 18-24 May Christchurch Call TBC
Jun			Komiti Whakauru Māori – 10 June .nz Policy Committee – 16 June Audit & Risk Committee – 25 June (dependent on yearend)	ICANN 68 th Rightscon 9-12 June Kuala Lumpur 22-25 June 2020
Jul		AGM – Thurs 30 July	Komiti Whakauru Māori – 8 July	
Aug	Friday 14 th		.nz Policy Committee – 6 Aug Komiti Whakauru Māori – 12 Aug	
Sep		Council Retreat: Fri 18 – Sun 20 Sep	Komiti Whakauru Māori – 9 Sept Audit & Risk Committee – 17 Sep	
Oct	Friday 16 th		.nz Policy Committee – 1 Oct Komiti Whakauru Māori – 14 Oct	ICANN 69 th Hamburg, Germany 17-22 October
Nov			Komiti Whakauru Māori – 11 Nov Audit & Risk Committee – 12 Nov	IGF Poland tbc
Dec	Friday 6 th	Year-End Functions – 11 December tbc	.nz Policy Committee – 1 Dec Komiti Whakauru Māori – 16 Dec	

COUNCIL MEETING - AUGUST 2019

MANAGEMENT ITEMS FOR DISCUSSION

ITEM NO: 4.2
AUTHOR: Jordan Carter
PURPOSE: Key items for Council to know / offer guidance on.
DATE WRITTEN: 14/8/2019

Introduction

This paper is designed to raise key issues for Council to give advice, input and share understanding with management. It should be considered alongside the quarterly Activity, .nz and Financial reports (which provide broader context)..

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

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

A. Key Items

A1 - .nz Pricing as a tool to change registrar/public behaviour

Issue:	Our pricing structure is one-size: all domain registrations are billed at \$1.25 per month. There is no variation in any way. Some other ccTLDs use pricing to incentivise behaviour that improves the overall quality and security of the namespace - e.g. incentives to encourage use, increase the quality of what is in the zone and to improve the security posture of their ccTLD.
Our ask:	I am interested in the perspective of Councillors about us moving in this direction.

A2 - Impact Project Framework and what comes next

Issue:	<p>One of the key challenges for us this year was the implementation of our new Strategic Plan, which focussed our work on five goals. While this allowed us to refine our work plan for the year, it also resulted in a significant increase in ideas for new projects without a strong underlying approach to determine priority. To remedy this issue, we are implementing a Portfolio Management Framework that will support achievement of the goals and enable more targeted selection and priority of new initiatives, ensure we are focused on the right things, whilst also providing enough flexibility to keep up with our environment.</p> <p>Key components of the Framework include</p> <ul style="list-style-type: none">• A Project Lifecycle - Thinking, Planning, Doing, and Reviewing.• Prioritisation Criteria - Attractive, Affordable, Achievable (AAA)• A First Pass Proposal - ensuring good 'Thinking' takes place before a new project is commissioned• Guidance, tools, and templates support completion of the project lifecycle stages. <p>Using the AAA Prioritisation Criteria, the Senior Leadership Team was able to undertake a portfolio prioritisation activity. The result of this exercise is that we now have clarity on what organisational projects should be supported and which should be stopped or parked.</p> <p>As we are using this process to funnel all new project work this will allow us to plan future work and review backlog of work for future business planning on a regular basis. We still have work to do on tools and training but the whole team have been supportive of this new approach that allows visibility of work across the teams and an agreed Governance methodology.</p> <p>What this means for the Council, is that you will now be able to see a more targeted business planning process which includes the selection and prioritisation of projects that are most aligned with our strategy. This will enable a clear line of sight between what INZ does on a day-to-day basis and how it's tracking towards the achievement of our strategy.</p>
Our ask:	That you are aware and provide any comments on the approach .

A3 - Product Pricing

Issue:	<p>The recently revised delegation policy is silent on who sets the prices for InternetNZ products.</p> <p>Our intention is that the operating team will set the prices for all products except for .nz registrations. The price structure for .nz will be set by Council.</p>
Our ask:	That you be aware of this, and offer any comments at the meeting.

A4 - Social Media and Post-Christchurch (Goal 4 update)

Issue:	<p>There continues to be ongoing, sustained media and public interest in issues of social media regulation and general progress on matters included in the Christchurch Call. This interest is revitalised each time there is another high profile incident internationally that involves an aspect of social media interaction, and further by different parties implementing partial solutions in lieu of more formal Government policy responses - for example Spark's decision to block 8Chan, and the Chief Censor encouraging more proactive regulatory and policy responses from the New Zealand Government.</p> <p>Jordan is our lead spokesperson on issues related to the Call and to the terrorist attacks in Christchurch.</p> <p>There are three broad streams to InternetNZ's approach:</p> <ol style="list-style-type: none">1. Working with the New Zealand Government via the Ministry of Foreign Affairs on international relations relating to the Call, particularly to ensure international civil society, including the technical and research communities, are included. This work stream is expected to run until May 2020, one year from the Call, with the next milestone a side meeting at the General Assembly of the United Nations, which will have a focus on the progress of work around the Call. This workstream is led by Chief Advisor International, Ellen Strickland.2. Managing domestic perspectives, interests, audiences and intelligence by generating InternetNZ's policy thinking on social media regulatory issues, as well as the work already in train on Internet openness. This workstream is led by Kim Connolly-Stone as Policy Director.3. Convening domestic stakeholders for discussion and collaboration, and working in a multistakeholder fashion. This included gathering stakeholders in June for a debrief on the Call text and process, and action from here, and will include further sessions at NetHui. This workstream is led by Andrew Cushen as Engagement Director.. <p>The New Zealand Government is expected to move publicly into the domestic response in the third quarter, which will require policy response and engagement enabled by the three workstreams above.</p>
Our ask:	<p>We would appreciate Council's intelligence as to additional stakeholder perspectives, as well as engagement and participation in policy outputs and the domestic stakeholder sessions.</p>

A5 - Pickens Independent Review of DNCL and InternetNZ response

Issue:	<p>The Independent Review of the Domain Name Commission has concluded, and DNCL will shortly be releasing the final report along with its responses to the recommendations.. There are no changes to the recommendations presented in the draft, but a new chapter on DNCL's relationship with Te Ao Māori has been drafted, and the reviewer has responded to the submissions received on the draft.</p> <p>The overall review is quite positive. The suggested changes are generally incremental improvements and adjustments. Many of the matters recommended for improvement can be progressed in conjunction with InternetNZ. Some can be made by the Commission. Some would affect .nz policy.</p> <p>InternetNZ (as shareholder) will produce a "response to DNCL's response",. This will welcome the report, provide some context, and identify areas for us to work together in implementation. I anticipate this will be most simply done in the form of a letter from InternetNZ to DNCL. DNCL will lead planning of implementation response.</p> <p>Anticipated timeframe is mid-September for Council review.</p>
Our ask:	Any comments on this approach or alternatives you may wish to suggest to it.

B. Exceptions / Items to Note

B1 - Election System Issue

Issue:	We welcome discussion with Council based on the paper finalised on 31 July and attached to this paper (4.2.1).
Our ask:	Decisions in response to the recommendations presented.

B2 - Update on Grants Evolution

Issue:	Progress continues on implementing the new grants regime, as approved by Council at the February meeting.
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	<p>Later this quarter the Engagement team will recruit the new Grants Panel, which will replace the previous Grants Committee. It will then commission rounds focused on digital inclusion and a more general round associated with broader community interests. The digital inclusion round will be linked to the Policy Team's work on evaluation, under Goal 5 (see paper prepared for agenda item 2.2). As part of this new approach, Council will still receive summary reporting on all grantmaking.</p> <p>This is taking longer than anticipated, due to staffing changes and prioritisation challenges.</p>
Our ask:	This is for information only.

C. Late Changes

None for this paper.

D. Key Q2/Q3 External Commitments

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

5-6 September	APTLD 76 - Malaysia	BC
11-12 September	eSafety Conf (AU-NZ) - Sydney (including Chch Call related content)	JC, ES, DC
20-23 Sept	UNGA Leaders Week Christchurch Call 'Voices for Action Plus' meeting and CVE Research Symposium - New York	ES
13-24 October	RIPE, Internet Measurement Conference, CENTR TECH and R&D - The Netherlands	SC
27 October-1 November	OARC, NANOG - Austin Texas	JS
28 October	Australian IGF initiative- Melbourne	JC
1-7 November	ICANN 66 - Montréal, Canada	JC, ES, BC, DM
11-13 November	Paris Peace Forum (Chch Call related)	ES
17-20 November	IETF Singapore ISOC Policymaker Fellowship	KCS
24 November	UN Internet Governance Forum - Berlin, Germany	JC, ES

Jordan Carter
Group Chief Executive

15 August 2019

At-a-glance: Strategic Goals Progress

Goal 1: Growing .nz	Overall Status:	
.nz Marketing - public and channel marketing efforts		
Registry Frontend Replacement - Scheduled for quarter 2-3.		
.nz website - this work is paused whilst we firmed up our digital strategy for the InternetNZ website.		
Domain Sophistication Index - Work has started.		

Goal 2: Improve .nz policy and security	Overall Status:	
.nz Policy Review - the Review has commenced.		
.nz Security Assessment - the concept was introduced to registrars at the .nz conference in May, and met a warm welcome.		
Risk Radar - under way, to A&R in Q2.		
Domain Abuse Detection - Efforts during Q1 focused on Fake Web Shop Detection.		
Security Review - No work started in this quarter.		

Goal 3: Two new non-.nz services	Overall Status:	
Innovation Pipeline - We published a blog post to provide some public insight to our approach.		
New Product One - Our first product, a DNS Firewall, had its business case approved.		
New Product Two - this product was paused this quarter whilst we focus on the DNS Firewall.		
ANZSIC Classification of the Register - No progress has been made on this work during Q1.		

Goal 4: Christchurch / Openness	Overall Status:	
Christchurch terrorism response - InternetNZ has worked closely with the New Zealand Government in the Christchurch Call process, bringing our Internet policy and governance expertise to the table. We supported domestic stakeholder engagement, and supported the engagement of international civil society voices with the Christchurch Call process.		
Define/explain Internet openness - This document is scheduled to be released for further discussion in August 2019.		

Goal 5: Digital Inclusion	Overall Status:	
Government Engagement - we have: <ul style="list-style-type: none"> been talking to the Department of Internal Affairs about the possibility of a joint partnership fund (as part of the <i>Digital Inclusion Blueprint and Action plan</i>). contributed to the Commerce Commission's work to implement the Telecommunications Act. This has included its mobile market study, the fibre input methodology, and the copper withdrawal process. 		
Outcomes and Evaluation Framework - we were consulted by the Department of Internal Affairs on the digital inclusion outcome framework and research agenda.		
Collaboration with Community Organisations - we have been engaging with others in the digital inclusion ecosystem to identify the barriers to, and opportunities for, greater collaboration. We will have more to say about this in Q2.		
Community Access Collaboration - we have been exploring a proposal for collaboration in the telecommunications sector, working with the Telecommunications Carriers Forum.		

Election System Issues

Paper for: Council meeting on 23 August 2019

Date: 31 July 2019

Lead Author: Jordan Carter, Group CEO

1. Introduction

In July 2019, following the AGM and Council elections, members asked questions as to whether the election system operated for InternetNZ was behaving consistent with the guidance provided on the InternetNZ website ([here](#)).

This paper investigates the issue. It has been reviewed by our legal advisors.

2. Key questions to answer

This paper works through the following key questions. If there are other key questions to answer, please let Jordan know.

- a) Is the election system consistent with the InternetNZ Constitution as amended in 2018¹, i.e. “In all elections a preferential and proportional voting system will be used.”?
- b) Is the election system consistent with the guidance provided on the InternetNZ website?
- c) What verification was done to assure that the election system would produce the same results based on the same preferences as the previous InternetNZ system?
- d) How was the decision made to proceed with the new system - by who, on what advice, with what supporting input?

¹ For 2018 and prior elections, the requirement was that “in all elections a preferential voting system will be used”.

3. Background

The following points of background are useful context.

- A working party of InternetNZ members reported on the election system following the 2014 AGM. Their report was published by Colin Jackson on 31 March 2015, recommending no changes to the then-current system (called the “old system” in this paper).
- The old system is described as follows on the website “InternetNZ operates what might be referred to as a *“multiple-member majoritarian preferential voting” model, with a few minor variations.*”
- During the 2017 election process, concerns were raised about security; specifically the sending of voting credentials by email in plain text. These concerns prompted a review of the election platform to increase security of the solution. Technical staff operating the old system also advised in late 2017 that the old system was obsolete, potentially insecure and essentially no longer fit for purpose.
- Staff reviewed options for alternatives that would support InternetNZ’s voting processes in a more secure manner. The current provider was identified as a potentially suitable party following this review.
- In early 2018, two members experienced in election systems met with staff and the election system provider, and the ballots cast in the 2017 election were run using the new calculator, to verify that it would produce the same results (it did).
- In 2018 the new system was used to fill one vacancy on Council. The President and Vice President roles were uncontested.
- In 2019, the new system was used to fill two vacancies on Council.
- In both cases, people noted the reference to the “Droop” count, which is part of an STV system. This reference was present in the 2018 results and in the testing done in early 2018. The “System” reference changed in the results outputs between 2018 and 2019 because 2018 was a single vacancy election, but 2019 was multiple vacancy.
- In the run up to the 2019 AGM, Andrew Cushen sought legal advice as part of assuring that the system matched the constitution. The

advice suggested it did, which we questioned given our understanding that the system was not STV.

4. Answers to key questions above

a) Is either system consistent with the constitution?

Up until 2018, the constitution required the election system to be “preferential.”

- The **old** election system accumulated voters’ preferences, and so can be described as preferential. It complied with the constitution before the 2018 change.
- The **new** election system accumulates voters’ preferences, and so can be described as preferential. It complies with the constitution either before or after the 2018 change.

The constitution was changed in 2018 to require the election system to be “preferential and proportional.”

- The **old** election system is preferential but is not proportional, and so would not comply with the constitution.
- The **new** election system operates an STV counting method, which is preferential and proportional, which means it **does** comply with the constitution.

b) Is either system consistent with the guidance presented on the InternetNZ website?

The **old** system **was** consistent with the [guidance](#) on the website. It brought all votes back for subsequent positions, treating each election as a separate election. That is why it was accurately described as a “*multiple-member majoritarian preferential voting*” model, with a few minor variations.”

The **new** system is **not** consistent with the guidance on the website. It is an STV system which only redistributes surplus votes, and which treats the election as a single election for multiple vacancies.

c) What verification or testing was done on the new system?

In selecting and implementing the new system a number of steps were taken.

- The new calculator was provided with the raw ballot information from the 2017 Council elections (for four positions) and generated the same results.
- The results of that test were shared with two InternetNZ members with significant knowledge of election systems, who helped us be assured that the count led to the same results.
- Those test results mentioned the Droop quota.
- Emails from Jordan to the two members mentioned above, in asking for their input, mention the STV counting method, but none of us appear to have picked that up as a change to the electoral system.

d) How was the decision made to proceed with the new system - by who, on what advice, with what supporting input?

- Maria Reyes led the process to select a new election system operator.
- There was no competitive tender or contestable process due to the small financial impact of the system. There was a less formal review of available solutions and providers in the market.
- This review process involved:
 - Staff researching available providers.
 - Generation of a requirements document.
 - Invitation from potential providers to provide a proposal on how they would fulfil InternetNZ's requirements, including the specific characteristics of the InternetNZ voting system.
- The current election system provider received briefings and documentation that included the constitutional requirements and the guidance on how the electoral system works.
- The testing described in c) above was integral to deciding to proceed with the new system.
- Maria and Andrew recommended going ahead with the new system.
- Jordan made the decision to proceed with the new system, based on the process and the advice described here.
- Council was notified of the work on the new system in the Organisational Update [dated](#) 16 May 2018. The minutes of the subsequent meeting on 25 May note no discussion touching on this subject.

5. Analysis

After reviewing the background and the interactions described above, and considering the key questions, I offer the following tentative conclusions and considerations:

- The election system used at all times was consistent with the constitution, including (unknowingly) in 2019.
- There is no question about the formal legitimacy of the results of the 2018 or 2019 elections - with one vacancy in 2018 either system would have produced the same result, and the STV system used in 2019 is compliant with the constitution.
- The election system advice on the website was not updated following the change to the election system. As such, it correctly describes the old system but incorrectly describes the new system.
- My email to members in July asserting that we had not had time to implement the constitutional changes was incorrect and reflected our understanding of the system at that time, as no work had been done following the 2018 AGM to implement the constitutional change.
- That the system, already implemented at the time the constitutional amendment was proposed, gave effect to that constitutional change, is what has just been identified in the past few days.
- We cannot know the impact on voters' decisions - whether they would have ranked their preferences differently had they known the electoral system was counting them differently.
- The election system selected in 2018 relied on reasonable assumptions that:
 - The new election system operator would provide a system compatible with the requirements they were given; and
 - the review by internal experts to check that the results generated by both systems were the same would validate the appropriateness of the new system.
- In hindsight, these assumptions were not adequate to assure that the entire system was fully compliant with our requirements. The new system meets the constitution, but we did not know it didn't follow the guidance.
- The whole purpose of preparing the guidance was to increase voter understanding of the election system. Through not matching the

system, it has not achieved that goal.

- The process of scrutinising the election results did not formally check the validity of the election system against the constitution or the guidelines.
- Responsibility for the election system has not been clearly enough assigned at an SLT level - different directors have different assumptions about who is responsible for it, and how those responsibilities align with the Returning Officer role described in the Constitution.
- That lack of clarity is my responsibility.

6. Next Steps

a) Election System

Based on the analysis in this paper, it appears that the electoral system that electionz.com have been running for us in 2018 and 2019 - STV with the Droop quota - **is** consistent with the constitutional requirement introduced in 2018 for the election system to be “preferential and proportional”.

Three options have been considered in terms of what to do next with the voting system:

1 - Keep the current system

As suggested by Don Stokes, one option would be validate the STV counting process for all future elections, and to update our guidance documents to reflect this clearly.

This option:

- Minimises impact operationally, since the system is in use
- Complies with the Constitution

However, there may be questions about the reputational impact of keeping the system following the current discussion.

2 - Go to market for a system that is compliant with the constitution (as the current system is)

Staff could go to market to seek availability of online voting systems that, like the current system, are compliant with the constitution.

This option:

- Requires effort and testing the market, a project that has not been scheduled in the work plan.
- Would comply with the constitution.
- Could see the current provider reappointed.
- Does not add to the practical outcomes of option 1.

3 - build a new system in-house compliant with the constitution

The organisation could develop/build a new online voting system compliant with the constitution.

This option:

- Would require a choice of electoral system.
- Would require new technical resources to implement.
- Would replicate systems offered by other specialist organisations for no apparent reason.
- Would lose the benefits of using a provider that is a subject expert in electoral systems.
- Would add further diversity to the already complex diverse set of systems InternetNZ operates.

Recommended option

My recommendation is that we keep the current online voting system with electionz.com. It meets our requirements as set out in the constitution and has the least operational impact to implement.

Note that there are still some issues with integrating the new election system with the internetnz.nz website and the CiviCRM database, to resolve the original challenge of avoiding emailing plain text voting credentials.

Those issues are separate from the election system itself, and will be solved as part of the website platform project that is currently underway. It will be a new web interface that people are using by the 2020 election.

b) Other next steps

As well as making a decision on the electoral system, I am intending to take the following steps:

- Assign overall accountability for the electoral system and all associated processes to **Catherine Fenwick**, Organisational Services Director, with assistance as required from Technology Services and internal & outsourced IT functions.
- Ask electionz.com to provide a detailed plain language explanation of how their system counts votes, and test this with members and others with expertise in this area to assure that the system is described correctly and meets the constitutional requirements.
- Ask Catherine to work with Andrew / comms and election system experts among members to develop clear guidance on the operation of the electoral system, and publish this to members and the public.
- Ask Catherine to own the development of an appropriate formal description of the electoral system, and to review and revise the scrutineering process, so that it includes checks of the system operating in compliance with the formal description of the system.

This paper will be formally tabled for the Council meeting so that it is on the record. It will be shared with members on the website in advance, to solicit any further comments or input that Council can consider at the meeting.

7. Apology

In closing this paper, I offer my **sincere apologies** to the Council and to the members. We have not handled this system with the priority that it deserves, and the result has been unnecessary uncertainty about the election system, and reputational damage for us with members.

I regret this and apologise for it, and I hope that the steps proposed in this paper will suitably resolve the issue in a sustainable way. I welcome additional suggestions as to what we can do.

8. Recommendations

THAT Council receive this report and note the background, analysis and options it sets out.

THAT Council formally approve STV with the Droop quota as being the appropriate electoral system for InternetNZ.

THAT Council note the “Other Next Steps” in the paper, and note that there will be a report back on progress at the October 2019 Council meeting.

Jordan Carter
Group CEO

31 July 2019

DRAFT MINUTES OF COUNCIL MEETING

Status:	Draft
Present:	Jamie Baddeley (President), Joy Liddicoat (<i>video</i>), Kate Pearce, Don Stokes, Keith Davidson, Amber Craig, Kelly Buehler, David Moskovitz Sarah Lee, Richard Hulse and Richard Wood (<i>video</i>),
In Attendance:	Jordan Carter (Chief Executive, Video), Catherine Fenwick, Andrew Cushen, Brent Carey, David Morrison, Dave Baker and Diane Robinson (minute taker)
	Member Mark Thomas, Managing Director, Serviceworks Group Ltd

Meeting Opened: 9:00am

1.1 Formal Opening (Karakia), Apologies

Council was in committee from 9:00am to 10:14am for the Council only session; and for the Council and CE alone time.

InternetNZ Staff joined the meeting at 10.14am

The President thanked the four Council members coming to the end of their terms at the AGM in July 2019 for their hard work.

A special acknowledgement was made to Keith Davidson for his length of service. Keith will not be re-standing for Council. It was agreed by Council that Keith will receive recognition for his service at the AGM.

Member Mark Thomas was welcomed to the meeting.

1.3 Interests Register

Amber advised that she had a new position as a Research Assistant for Victoria University project Ngā Takahuringā ō te ao.

2.1 Christchurch Follow Up

Jordan advised that the revised [Goal 4](#) and [Policy Propositions](#) were disseminated to Members for discussion and feedback over the past few weeks.

Goal 4: Support New Zealand's online community safety, inclusion and wellbeing while ensuring that the essential openness of the Internet's governance, technology and architecture is taken into account

Andrew advised that there have been conversations with Members in Auckland, Wellington and Christchurch and he provided a summary of these discussions:

- Not a great deal of feedback about the revised Goal 4. So therefore, it will stand as written.
- There has been vast commentary regarding the policy propositions amongst the Membership and Stakeholders. About two thirds of the propositions came through the process largely with agreement. The policy propositions that stood out with the diversity of opinion in a significant way were:
 - Live-streaming – with those questions about practicality, censorship, what can be done?
 - Hate speech – has been talked about extensively, about the right balance.
 - White supremacy – on whether that's the right target?
 - Algorithms has been questioned in terms of what that actually even means?
 - Jurisdictions – practicalities around recognising that there is an issue but what New Zealand as a country can do to influence a global issue?

Further analysis to be undertaken on the Christchurch meeting that took place on the 16th May 2019.

Feedback from Council is that it's important for InternetNZ to pursue Goal 4. The President asked Jordan to consider re-prioritisation of workloads with the other goals, should further work fallout of Goal 4.

Council acknowledged and thanked the Domain Name Commissioner for the [letter](#) of 10 May 2019, noting the good work carried out.

RN38/19 THAT Council adopt Goal 4 for Internet NZ's 2019-20 plan.

2.2 Danny Aerts visit follow up (discussion)

Jordan invited Council to share any feedback or observations from meeting with Danny Aerts (Danny is the Chief Executive of .se and was here for the .nz conference as a speaker, he spent time with staff, council and management).

Council commented:

- Really enjoying hearing from people working in other ccTLDs and encourages InternetNZ to keep engaging in these activities.
- The world is changing around us with other ccTLDs and InternetNZ needs to keep evolving.
- This engagement with .se and with Danny has been very useful it has helped InternetNZ gain both at governance and operational level, gain access to new and very interesting perspectives.
- Jordan will visit .se (Sweden) in July 2019 to talk to more of the staff at the foundation.

2.3 Commercial Goals (Goal 3) – Measures Improvement (discussion)

David asked Council whether the measures met the expectation of Council and asked for feedback and how we can sharpen up the measurements:

***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*

Current Measures:

- Business processes that generate a pipeline of ideas, and develop these in reasonable timeframes, are established and operating.
- Two new services are planned, built, launched and have earned first sale revenue.
- Each new service has reached net profit within 24 months of first sale.

Council commented:

- What processes are in place to stop ideas or product development. Staff talked through the pipeline process and its objective to eliminate ideas that don't have a market or are not feasible.
- Council commented that we need to ensure that our product approach focuses on the problem that is trying to be solved, rather than being a technical solution we are wanting to apply.
- No need for measures to be changed.

Richard Hulse left the meeting at 10:45am.

3.1 Updated Chief Executive Delegated Authorities

RN40/19 THAT Council agree and confirm the changes to the Chief Executives Delegated Authorities.
(President / Cr Liddicoat)
CARRIED

3.2 Acting Chief Executive: May – Jul 2019

RN41/19 THAT Council agree and confirm Catherine Fenwick, Organisation Services Director to Act as Acting Chief Executive for the period of 12 May to 7 July 2019.
(Cr Lee / Cr Craig)
CARRIED

AP15/19: Meetings to be scheduled for Acting Chief Executive and the President to catch up during this period.

4.1 President's Report

- For the first three weeks of July 2019 the President will be on leave, during this period the Vice President will be acting.
- Regular catch ups with Chief Executive Jordan Carter. The President commended Jordan on his performance for the Christchurch Call for Action.
- Recognition to InternetNZ staff for going above and beyond the call of duty and working outside of normal hours to support Jordan/Ellen with the Christchurch Call for Action.
- Andrew received a special mention from regarding the support he provided to Jordan and Ellen in Paris.

4.2 Management Items for Discussion

David advised Council that there has been a decrease in growth in .nz names from 10 May to 712,622 a decrease on our year beginning number of 712,894. The key contributing factors to the increase of cancellations were:

- Exit of some legacy registrars from the market. Uncovering names that have been maintained by registrars but should have been cancelled long ago.
- Gradual decline in reduction in creates and new business.
- Some further reduction is expected in the first half of this year as there is some further market consolidation in progress. Decline is expected in the several thousands of domains.

RN42/19 THAT Council note the Management Items.
(Cr Craig / Cr Lee)
CARRIED

RN43/19 THAT Council appointed Andrew Cushen as Returning Officer
for the 2019 Annual General Meeting Council Elections

(Cr Craig / Cr Moskovitz)
CARRIED

RN44/19 THAT Catherine Fenwick is appointed as an observer to the
DNCL Board during the period of her role as Acting Group
Chief Executive.

(President / Cr Craig)
CARRIED

AP16/19: Acting Chief Executive to confirm who is Chairing the DNC
Board in the absence of the Chair overseas. Catherine to
advise Council by email.

4.3 Product Decision Making (deferred from March)

David advised that Council had requested a paper for further clarity around what the product decision process would look like for product investment. It was deferred from March for discussion.

Council commented:

- Some Council members wanted to be more hands on with decision making around new products being agreed upon.
- It was good to see a no surprises approach, this provided a level of comfort.
- A process on how we define a product is succeeding or not and when to make the decision to stop and not to pursue.
- That Council will advise if they are ever uncomfortable and will be supported by the President to raise any issues.
- Important to ensure that Council and the Executive management work well together to manage overall expectations.
- Excited about DNS Firewall product.

David advised that as InternetNZ matures the product framework and management, he will bring to Council some very clear metrics how InternetNZ measures the success of product, both in terms of lead and lag indicators.

RN45/19 THAT Council agree and confirm that decision-making for product development, including business case approvals for new products or services, rest with the Group Chief Executive.

(Cr Buehler / Cr Pearce)
CARRIED

5.1 Health Safety and Wellbeing Update

The report was taken as read. There were three incidents reported.

RN46/19 THAT Council received the [Health Safety](#) and Wellbeing update.

(President / Cr Stokes)
CARRIED

5.2 Consent Agenda Items

Council acknowledged the appointment of new staff members:

- Kim Connolly-Stone, Policy Director, starting 24 June 2019
- Vanisa Dhiru, Community Manager

Noted that Branding work is behind schedule, a soft launch will be initiated soon.

Nethui theme to be confirmed, relating to Openness and launched in the next couple of weeks. The work is slightly behind due to re-prioritising workloads to support the Christchurch Call for Action.

Broadband Map additional service is being explored to serve map layers of broadband technologies to GIS teams with an initial focus on territorial authorities.

The Chair of the Audit and Risk Committee gave an informal update on the Crowe Horwath report. InternetNZ are comfortable with the report and findings. There were no major recommendations.

Community Grants Reporting - Council discussed reading the final reports on the grants and the success stories and sharing that more widely. The need for more engagement with regional areas and holding community meetings was also discussed.

RN47/19 THAT the minutes of the meetings held 15 February 2019 and 29 March be received and adopted as a true and correct record.

RN48/19 THAT the new members be noted.

- RN49/19 THAT the Evotes are ratified.
- RN50/19 THAT the Operational Reports be received.
- RN51/19 THAT Council note the Community Grants Process.

Consent Agenda Block (Cr Craig / Cr Buehler)
CARRIED

- AP17/19 Staff to ensure acronyms are written in full the first time they are used in a paper and then they can be abbreviated.
- AP18/19 Activity Report - staff to note Council feedback on reporting on staff roles and appointments. Catherine to feedback to management.

Richard Hulse returned to the meeting at Noon.

6.1 Matters for Communication – key messages

The President to work with Acting Chief Executive to discuss key messages after the meeting.

6.2 General Business

Note that the following conferences were attended by Councillors:

- [ISPANZ Annual Conference](#) and AGM that was held on Wednesday 15 May (Don Stokes).
- [ICANN](#) Kobe Japan 9-14 March 2019 - recurring themes discussed on the inclusion and protection of indigenous cultures to be able to engage at ICANN. (Amber Craig, Kelly Buehler and Joy Liddicoat).

With no other business raised the President declared the meeting closed at 12:20pm

	2019 Action Point Register			
Action	Who	Status	Due by	
	OPEN FROM 2018			
AP20/18	Staff to work with DNCL around the .nz Fee Review and for the .nz Policy Committee to come back to Council with some advice on this.	Jordan Carter	Superseded	Nov-18
AP22/18	Jordan to get clarity on the obligations of the ALAC membership and set some goals on how to manage membership, and share these back with Council next meeting.	Jordan Carter	Complete	Nov-18
	FEBRUARY			
AP01/19	2.1 Interests Register - Kate and Amber to send an email to Diane for updating the Interests Register. Kate now works for TradeMe (not Cisco). Amber is unemployed.	Kate Pearce/Amber Craig	Completed	Before 29 March
AP02/19	2.2 2019/20 Plan: Goals & Measures - Staff to develop a one-page summarisation for Council to review at each meeting reports on a) Goals b) Measures c) Timeframe d) Reporting against progress (milestones)	Catherine Fenwick	Complete	Each Month
AP03/19	2.3 2.3 2019/2020 Plan Key Financial Trends - Staff to draft a supplementary paper for transparency on what Council reviewed and upload to INZ website.	Catherine Fenwick	Completed	Feb-19
AP04/19	2.5 Commercial Matters - The President and staff will draft and disseminate communication re the new commercial structure and decision-making process to the members list.	David Morrison	Deferred May	
AP05/19	2.5 Commercial Matters - A future paper from staff on the measuring the marketing of the .nz domain names.	David Morrison	Completed	
AP06/19	2.5 Commercial Matters - Develop a paper on product development approach to provide appropriate review time for Council.	David Morrison	Completed	
AP07/19	2.5 Commercial Matters - Provide a one-page monthly report to Council for awareness.	David Morrison	Ongoing	Each Month

Action		Who	Status	Due by
	MARCH			
AP08/19	5.2 Consent Agenda - Further investigation into Indigenous forums at international events. Ellen Strickland to follow up by end March.	Ellen Strickland	TBA	End March
AP09/19	5.2 Consent Agenda - Councillor Photos to be organised by Andrew Cushen	Andrew Cushen	In progress	
API0/19	5.2 Consent Agenda - Evote Council Attendance - ICANN to be implemented and timetable to be sent to Council.	Jordan Carter	Completed	
API1/19	2.1 Recommendation from .nz Policy Committee on the interim change to policy to be sent after the .nz policy committee meeting on 2 April 2019 for Evote from Council.	Kate Pearce	Completed	April
API2/19	4.1 Email the Pickens Review to Council	Brent Carey	Completed	March
API3/19	5.1 Defer the discussion on the Product Decision Making paper to Council meeting in May 2019.	David Morrison	Completed	May
API4/19	5.1.3 Staff to recommend removal of the NZRS Limited after checking criterion ensuring that the name is secured for the meantime, even when removed from the companies register.	Catherine Fenwick	Completed	June
	MAY			
API5/19	3.2 Meetings to be scheduled for Acting Chief Executive and the President to catch up during the period between May and end June 2019.	Catherine Fenwick	Completed	
Ap16/19	4.2 Acting Chief Executive to confirm who is Chairing the DNC Board in the absence of the Chair overseas. Catherine to advise Council by email.	Catherine Fenwick	Completed	
API7/19	5.2 Staff to ensure acronyms are written in full the first time they are used in a paper and then they can be abbreviated.	Staff	Completed	
API8/19	5.2 Activity Report - staff to note Council feedback on reporting on staff roles and appointments. Catherine to feedback to management.	Catherine Fenwick	Completed	

InternetNZ Membership Report

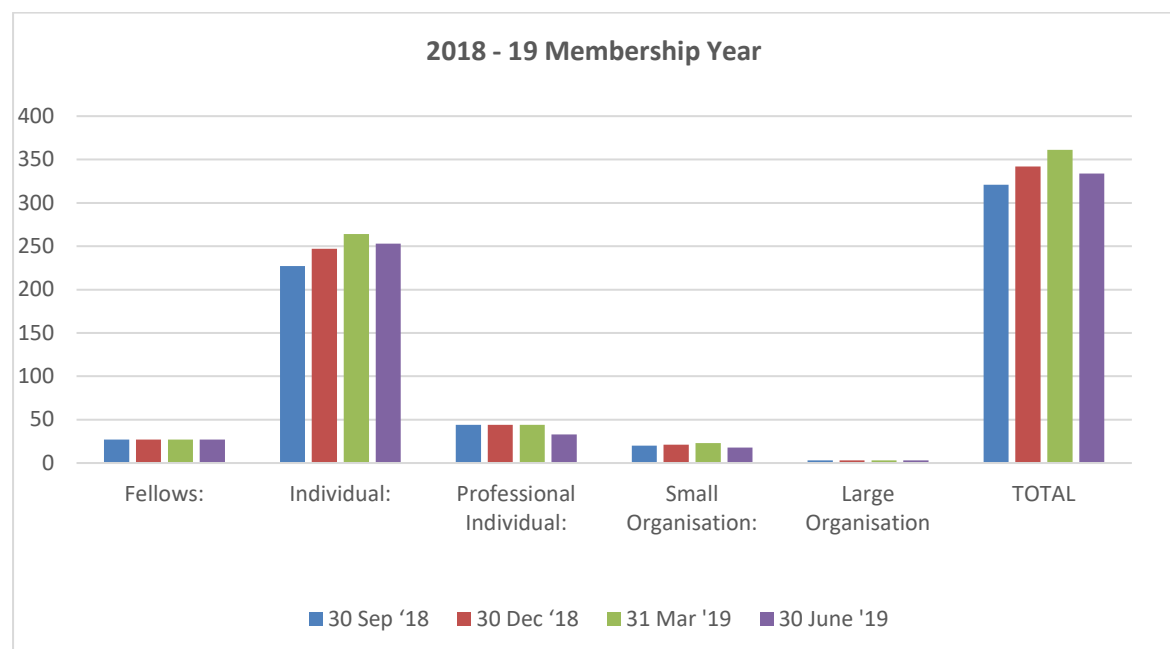
Status: Final
Author: Maria Reyes, Office Manager

Current Membership *(as at 13 August 2019)*

Fellows	Individual	Individual Plus	Small Organisation	Large Organisation	TOTAL
27	254	33	18	3	335

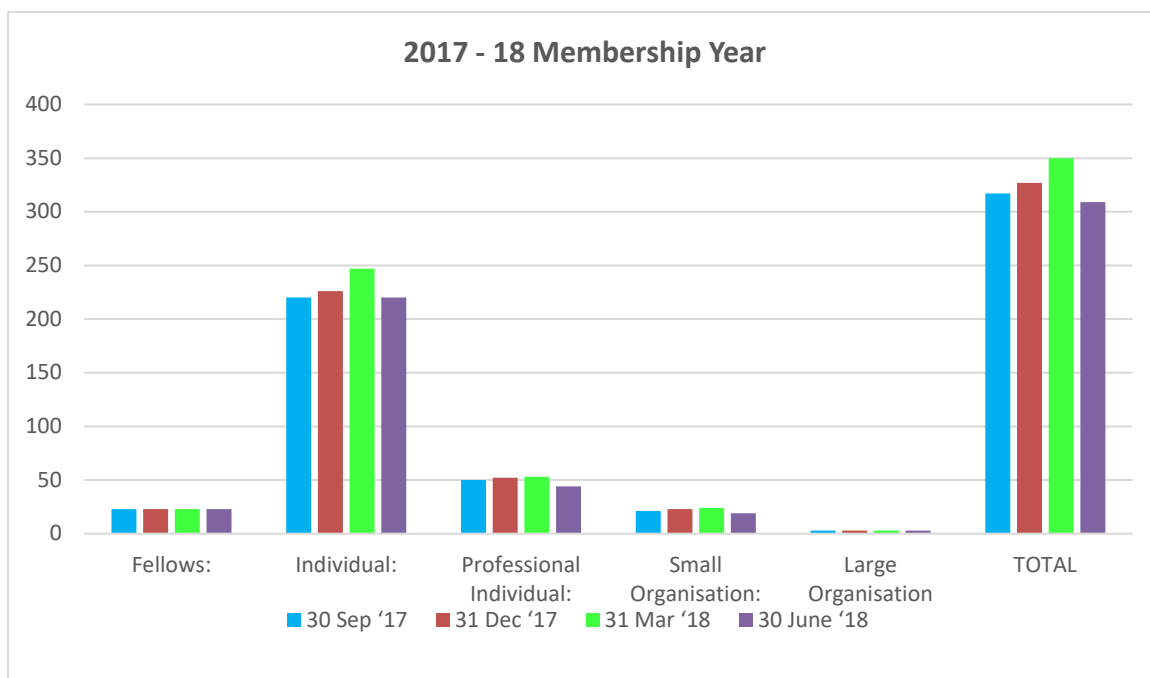
2018 – 19 Membership Year

	30 Sep '18	30 Dec '18	31 Mar '19	30 June '19
Fellows:	27	27	27	27
Individual:	227	247	264	243
Individual Plus:	44	44	44	33
Small Organisation:	20	21	23	18
Large Organisation:	3	3	3	3
Total Membership:	321	342	361	324



2017 - 18 Membership Year

	30 Sep '17	31 Dec '17	31 Mar '18	30 June '18
Fellows:	23	23	23	23
Individual:	220	226	247	220
Individual Plus:	50	52	53	44
Small Organisation:	21	23	24	19
Large Organisation:	3	3	3	3
Total Membership:	317	327	350	309



Recommendation:

THAT the new members be noted.

E-votes Ratification

Author: Diane Robinson

There have been five e-votes conducted since the last Council Meeting:

Evote:	Motion:	For:	Against:	Abstain:
25052019	THAT council send the CEO performance review and FY19/20 performance expectations letter (tabled 22 May 2019) by the CEO Review committee to the CEO.	Jamie Baddeley Joy Liddicoat Amber Craig Dave Moskovitz Don Stokes Kate Pearce Keith Davidson Kelly Buehler Richard Hulse Richard Wood Sarah Lee		
21062019_1	THAT the Audit & Risk Committee recommends to Council to receive and approve the InternetNZ Annual Financial Report for the year ended 31 March 2019	Richard Hulse Dave Moskovitz Richard Wood Jamie Baddeley Amber Craig Keith Davidson Kelly Buehler Don Stokes Kate Pearce Joy Liddicoat Sarah Lee		
21062019_2	THAT the Audit & Risk Committee recommends to Council to receive and approve the InternetNZ Annual Management Report from the Auditors for the year ended 31 March 2019.	Richard Hulse Dave Moskovitz Richard Wood Jamie Baddeley Amber Craig Keith Davidson Kelly Buehler Don Stokes Kate Pearce Joy Liddicoat Sarah Lee		
21062019_3	THAT the renewal of the lease for the Auckland Office be approved.	Richard Hulse Dave Moskovitz Jamie Baddeley Richard Wood Keith Davidson Kelly Buehler Don Stokes Amber Craig Kate Pearce Joy Liddicoat Sarah Lee		

150719	<p>THAT the following members be appointed to the .nz Policy Review Panel:</p> <p>Ms Nita Wirepa Ms Alma Hong Mr Mark Boddington Mr Matt Brown Mr Mark Thomas Mr Tim Johnson Mr Ty Kahu Ms Charlie Gavey Mr Robert Rolls</p>	<p>Dave Moskovitz Don Stokes Joy Liddicoat Richard Hulse Richard Wood Jamie Baddeley Kate Pearce Kelly Buehler</p>		
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Recommendation: THAT the e-votes be ratified.

COUNCIL MEETING -August 2019

Health Safety and Wellness Report

Month	Number of Near Misses reported/or identified	Number of Incidents reported/or identified	First Aid Incidents reported/or identified
September 2018	0	1	0
October 2018	0	0	0
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

Summary

There were no incidents reported since the last Council meeting.

- Monthly Hazard walks have taken place. A thorough checking was done to the whole office, headed by some of the members of the Health Safety and Wellbeing Committee, to ensure that all potential hazards are noted are now included in the Hazard Register. This will then be the guide that will be used for doing the monthly hazards check.

- Annual check for the Fire Extinguishers had been done on 14 August 2019. There were three that were identified as due for a compression check and had to be taken offsite, however a temporary fire extinguisher was provided in place for these in the meantime.
- The INZ Group Health, Safety & Wellbeing Committee met on 8 August 2019.

Health and Safety System

We have a new H&S policy which we will introduce to staff over the coming weeks. After this the next step is supporting staff to be fully engaged in their own health and safety and how they can positively contribute to HS&W in the workplace. Regular reviews are planned for H&S equipment, hazard identification, emergency preparedness, policies.

Three staff are to attend H&S rep training in the coming weeks

Wellbeing

The HS&W committee is working to a new matrix to look at a range of areas of wellbeing.

The focus areas been on Environmental, Physical, Social and Psychological

We are currently looking at the environment through the refit project taking into consideration elements including quite space, collaborative areas, comfortable working areas, good light and consistent temperatures.

The social side of all staff have been through both feedback training and training on the new bullying / harassment policies and processes. All employees have a volunteer day which they can use in the community each year. This is aimed ideally at Internet related work and the Community team are assisting to help staff into suitable volunteering roles as required.

Recommendation

THAT the Health Safety and Wellbeing update be received.

Summary of Council Committee Activity

ITEM NO: 5.6

AUTHOR: Jordan Carter

PURPOSE: To provide a staff summary of Council Committee activity

DATE WRITTEN: 14 August 2019

Summary

Audit and Risk Committee

The members of the committee are Amber Craig (Chair), Don Stokes, Richard Hulse, Kate Pearce and David Wright advising. Keith Davidson was a member until the recent Council election.

The committee met in May and June with the primary focus on the Annual Financial statement and audit clearance. The June meeting was attended by the audit team for Crowe and the team from Deloitte. Both organisations provided feedback to the committee on the audit finding where had no issues that required management comment on.

Other areas the committee has focused on over this period is Health, Safety and Wellbeing issues, Policies under review and Security/Risk review. Please note CSO will join the committee going forward also.

The Committee has also been reviewing the new reporting requirement under PBE FRS 48 From 1 January 2021, Tier 1 and Tier 2 charities will need to include non-financial information alongside the financial statements they file with Charities Services

.NZ Policy Committee

The members of the committee are Kate Pearce (Chair) and Joy Liddicoat. Kelly Buehler and Keith Davidson were members until the recent Council election.

The Committee's most recent meetings were in July and August. The next meeting is 1 October.

Background to the .nz policy review

In November 2018 Council agreed to a review of the policies that regulate the .nz domain name space (“the review”). It was further agreed (in February 2019) that an independent panel (“the Panel”) would be appointed to carry out the review. The Panel would engage with a wide range of New Zealanders as it carries out its work. The .nz Policy Committee was established to provide the governance for this work.

Update

The focus of .nz Policy Committee, since the last Council meeting, has been on supporting the Policy Team with the establishment phase of the review. Following a recent Council e-vote [Evote 15-07-2019 refers] the Panel members have been appointed.¹

The first meeting of the Panel was on 31 July. This meeting was an opportunity for the Panel to get to know each other, discuss how they will work together, and better understand the context for the review. The Panel appointed a Vice Chair, Alma Hong².

The second meeting (being held on 27 August) will involve an initial deep dive into the issues. The Panel will also discuss its plan for engaging New Zealanders. The Policy Team is preparing an initial briefing to assist the Panel (“the initial briefing”). The initial briefing will provide background information on how .nz works, and a series of issues we are already aware of. Council will receive a copy of the initial briefing, for information and noting, when it is complete (expected in the next week or so).

Next Steps

The Panel will work together for 12 months, to provide InternetNZ with advice on how to make the .nz policies more fit for purpose and in line with today’s thinking. More specifically it has been asked to:

- Provide a report identifying any issues with the current .nz policies (by October 2019)
- Provide a final report suggesting solutions to address the issues it finds (by June/July 2020)
- Engage with a wide range of New Zealanders as it identifies issues and suggests solutions.

The Panel’s work will end once it has provided its solutions report. InternetNZ will then consider the recommendations and make decisions about changes to the .nz policies.

Now that the Panel is appointed and has started its work, the focus of the .nz Policy Committee will be to provide governance and support to the Policy Team as the review progresses.

¹ The Panel Members are: Ms Sue Chetwin (Chair), Ms Alma Hong (Vice Chair), Ms Nita Wirepa, Mr Mark Boddington, Mr Matt Brown, Mr Mark Thomas, Mr Tim Johnson, Mr Ty Kahu, Ms Charlie Gavey, Mr Robert Rolls.

² Alma has demonstrated success in the ICT industry and has worked in senior roles with central and local government in telecommunications, media and broadcasting. Most recently, Alma was Chief Information Officer at Radio New Zealand.

Komiti Whakauru Māori

The current members of this Komiti are Sarah Lee (Chair), Amber Craig and Joy Liddicoat. The Committee has met twice since the last Council meeting.

Focus has been on the continued implementation of the plan agreed to late in 2018 (albeit later than outlined by staff by a quarter); specifically:

1. Research and engagement into people and parties active in the Māori Internet Community. Busby Ramshaw Grice has provided a research plan that the Committee asked for substantial amendment to. These amendments were made and discussed at the August meeting of this Komiti, with agreement that an iterative approach may now be taken and commissioned with BRG. Staff will report back once an initial phase of this research has been done as to how this relationship and approach is working.
2. Development of internal capability plans. Staff are developing these with the support of Kūwaha Limited, as recommended by members of the Komiti. The initial focus of this work is to provide support to staff in pronunciation of te reo Māori, moving into language training and wider tikanga appreciation. In addition, support and advice will be provided to members of the SLT developing their role as event hosts and how to greet parties. This proposal is expected by the end of August, and will then be inspected and operationalised by Organisational Services, alongside the wider organisational capability plan.
3. Translation of the website into Te Reo Māori. The Komiti has agreed that this work should be deferred on advice from Kūwaha; that to proceed with translation alone, not grounded in the other two phases of work as outlined above, risks tokenism. Translating the website is also very expensive and operationally very complex. The Komiti will return to considering translation requirements later in 2019 as the other two workstreams progress.

The Komiti has also considered approaches to Haerenga Whakamua at NetHui this year, and is disappointed that the full extent of this event is not doable for this year's NetHui. An alternative plan of a smaller, meetup style event at NetHui, accompanied by a larger stand alone event before the end of the financial year, is now in development.

Fellows Working Group

This Working Group has not met since the last meeting of Council.

The Working Group is still seeking a manner to incorporate advice from Māori perspectives in terms of appropriate terms that convey the appropriate mana as bestowed by the Society. This links with the above plans around capability and relationships as outlined via the Komiti Whakauru Māori in terms of relationships and capability to provide this advice.

Recommendation

THAT Council receive the Update from Council Committees

Jordan Carter
Chief Executive

.nz quarterly report

April - June
2019

Quarter in review

This quarter saw some minor shrinkage in the registry due to a small drop in registrations and some registrars auditing accounts under their management against the registry and removing inactive accounts. The registrar market is also going through some significant consolidation with global acquisitions affecting the ownership of several .nz registrars.

The Domain Name Commission has worked with the InternetNZ Technical Research team to identify how .nz domain names may be used for “fake” webshops. These domain names are being added to the data validation process that the Domain Name Commission operates.

Compliance

- **32** names cancelled
- **9** disputes started
- **4** disputes closed

domain name
commission **.nz**

Domains

710,982
**total
domains**
at the end of
the quarter

- **507,890 .co.nz**
- **140,129 .nz**
- **62,963 all others**

Activity this quarter

27,928 creates

29,218 cancellations

262,558 renewals this quarter

-0.25% growth

Infrastructure

DNS queries for the quarter:

34.4 billion

DNS service level

100%

SRS service level

100%

Incidents of note

All planned work was conducted during standard notified maintenance windows. During this quarter we conducted PGP Key changeovers on our Test (in May) and Production (in June) environments.

People

87 authorised registrars

Market share → top 4 registrars **43.39%**
→ next 4 registrars **20.11%**
→ everyone else **36.50%**

**312,715
unique
registrants**

122,303 individuals
190,412 organisations

**30,296
unique registrants
using privacy
option**



**54,389
domain registrations
with privacy
option enabled**

.nz

Activity Report: Q1 2019-2020

1. Introduction

Welcome to this Activity Report for the period from 1 April to 30 June 2019. This report gives readers a sense of what InternetNZ has been working on, and priorities for the second quarter of the new business year.

This report has a changed format to past reports. The next section is a few words from the Chief Executive. The third section deals with our five Strategic Goals and associated projects. The fourth section covers BAU activity across our functional areas. Both of these final sections look at what was done in the quarter, and priorities for Q2. Next quarter we will incorporate metrics.

2. Across the Organisation

It has been a busy quarter across the Group. I'd like to start this intro with a couple of people things. First, to thank Catherine Fenwick for her role as Acting Chief Executive from May to July while I was travelling. Second, to thank Ellen Strickland for all her work as Policy Director - she has moved into a new role as Chief Advisor, International, during the quarter. Welcome to Kim Connolly-Stone, who has joined as our new Policy Director.

One of the exciting projects that has been happening in the past few months is developing a new project management methodology for the organisation. This is giving us a better way of sizing and prioritising projects, and understanding the resources required to make them happen. My thanks to Kimberly and the team who have been doing this work - it will be a great platform to making us a more effective and well-functioning team.

The early lesson is that we have too many projects on our plate for the size of our organisation and for the amount of business-as-usual work we have to do. In the next quarter's report we'll outline how we have responded to that in deferring or changing some projects, and making sure we are focused on the most important work.

I welcome your feedback on anything in this report, which sets out the wide array of goals related projects and BAU work we have under way. Thanks for reading.

Jordan Carter, Group CEO
18 July 2019

3. Strategic Goals - Q1 Progress, Q2 Plans

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](#).

Goal 1: To fund increased public good investment, drive higher sustainable growth in registrations of .nz domain names. Lead: David Morrison, Commercial Director	Overall Status:	
Q1 Progress		
.nz Marketing - This quarter we focused on shaping the requirements of our marketing initiatives for the .nz name space. This is structured as two key initiatives: <ul style="list-style-type: none"> • a .nz public focused campaign driving leads for participating registrars and the other • a marketing co-fund for registrars to encourage .nz campaigns from across our channel. 		Registry Frontend Replacement - Scheduled for quarter 2-3. Some initial discussions have taken place.
.nz website - this work is paused whilst we firmed up our digital strategy for the InternetNZ website. A tactical approach decided upon is to create a .nz microsite to support .nz marketing activity. The build of this is planned for Q2.		Domain Sophistication Index - Work has started with an initial set of existing and new elements to identify per domain based on data we collect.
Q2 Planned		
.nz Marketing - <ul style="list-style-type: none"> • The .nz marketing co-fund will be launched with our registrar channel with a view to establishing several registrar driven campaigns over the remainder of the calendar year. • The .nz direct campaign will be prepared and planned to deliver when registrar campaigns are not running. <p><i>The results of these two approaches will be assessed to determine what approaches to marketing .nz are most effective and feed into our planning for the next financial year.</i></p> Domain Sophistication Index <ul style="list-style-type: none"> • A first draft and analysis will be available during July 2019. 		

.nz website

- Other than development of a microsite to support marketing activity, .nz website activity will be paused whilst the wider InternetNZ website strategy is firmed up.

Registry Frontend Replacement

- An assessment of the project scope, purpose, business impact, benefits and risks is starting in July 2019.

Goal 2: Modernise and improve the policy and security environment for .nz, consistent with our aim of being a globally excellent ccTLD. Lead: Jordan Cater, Group Chief Executive	Overall Status:	
Q1 Progress		
.nz Policy Review - the Review is about to get underway. Sue Chetwin has been appointed as Chair of the review panel, and recruitment of the other panellists is nearly complete. An initial briefing for the panel is being prepared.		
.nz Security Assessment - the concept was introduced to registrars at the .nz conference in May, and met a warm welcome. Dean Pemberton is leading this work while a CSO is recruited.		
Risk Radar - representation from all teams have been working with Price Waterhouse Coopers (PWC) this quarter to review and update our Risk Radar based on our new Strategy. Once complete it will be shared with Audit & Risk Committee for discussion/feedback. Planned Q1 finish not achieved.		
Domain Abuse Detection - Efforts during Q1 has been focused on Fake Web Shop Detection. The Research Team is now generating a weekly report of potential Fake Web Shop detected from the latest registrations for DNCL compliance and enforcement.		
Security Review - No work started on this as the focus has been on the Ubuntu upgrade from the Technology Services team. Recruitment has started for a CSO that will play a key role in this work.		
Q2 Planned		
<ul style="list-style-type: none"> • .nz Policy Review - panel will be appointed and begin work on the issues phase of the review. 		

- **.nz Security Assessment** - during the coming quarter, discussions with registrars will continue and feed into drafts of a system-wide threat assessment, risk analysis and minimum viable security practices.
- **Risk Radar** - develop mitigations and work through Risk Radar with Audit and Risk Committee.
- **Domain Abuse Detection** - The focus for Q2 will be detection of phishing attempts and deceitful registrations trying to match worldwide events or known brands.
- **Bastion Hosts** - Security enhancement to provide a single point of access that must be used for accessing production systems.
- **Registry Backup** - Existing hardware and technology is approaching end of life and this project will either extend the life of the existing system or replace it with a new solution.
- **Centralised logging for registry systems** - The aim of this project is to centralise all logs from the production registry systems. This would then enable future planned security, monitoring and reporting projects.

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:	
Q1 Progress		
Innovation Pipeline - Our process for developing and testing ideas is now in an operational state. Whilst we seek to recruit a product manager our exploration and validation activity has slowed with our focus at present on launching the first product in relation to this goal. We published a blog post to provide some public insight to our approach.		
New Product One - Our first product, a DNS Firewall had its business case approved. This quarter has focussed on initiating the project which will continue in Q2.		
New Product Two - this product was paused this quarter whilst we focus on the DNS Firewall. There are a few candidates for Product Two to explore when we have a Product Manager on board.		
ANZSIC Classification of the Register - No progress has been made on this work during Q1.		
Q2 Planned		
Innovation Pipeline <ul style="list-style-type: none"> • In Q2 we expect to fill the Product Manager role which will increase team capacity to focus on increased Explore and Validate activity. 		

New Product One

- The DNS Firewall project will continue in Q2 with a view to launching as soon as practical. We are targeting sometime in September/October.

New Product Two

- We will progress with exploring possible options for our next product.

ANZSIC Classification of the register

- No activities are planned for this project during Q2, likely to be scheduled during Q3 due to other pieces of work taking higher priority.

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:

Q1 Progress

Christchurch terrorism response - InternetNZ has worked closely with the New Zealand Government in the Christchurch Call process. We hosted two gatherings of stakeholders from the New Zealand Internet community to support government engagement with diverse local voices in developing the Christchurch Call.

We have also worked to involve and engage international civil society voices with the Christchurch Call process, including through setting up an online space and meetings and liaising closely with the Ministry of Foreign Affairs and Trade.

A member of our Policy Team partnered with the Government Chief Digital Office (part of the Department of Internal Affairs) to share our expertise as the Government worked through its initial response.

Define/explain Internet openness - Work is well underway for a discussion document presenting a definition and explanation of Internet openness, its layers, importance and challenges. This document is scheduled to be released for further discussion in August 2019.

Q2 Planned

- **Define/explain Internet openness** - Finalisation and release of the Define/explain Internet openness report, as outlined above.

- **Christchurch Call domestic policy response** - Development of a document including analysis of domestic policy issues following the Christchurch Call. The InternetNZ Policy team will lead this development.
- **Convening domestic and international stakeholders on the Christchurch Call** - we will continue to work with and convene stakeholders to gather perspectives on the Christchurch Call, and on related international coordination and action as well as domestic responses.

The Christchurch Call is a Government initiative, which is taking an ambitious and novel approach to governments, companies and broader stakeholders collaboratively addressing Internet related issues. We are involved because of the Internet issues involved and because we support multistakeholder Internet governance and policy making. As such we are working to offer our expertise on the issues, as well as to help encourage participation or engagement between the government, companies and broader civil society, and advise government on how best to do this. To be clear, we have limited influence over the government's approach.

Goal 5: Collaborate with others to identify, agree and effect significant progress on four interventions to bridge different digital divides. Lead: Kim Connolly-Stone, Policy Director	Overall Status:	
Q1 Progress		
Government Engagement - we have: <ul style="list-style-type: none"> ● been talking to the Department of Internal Affairs about the possibility of a joint partnership fund (as part of the <i>Digital Inclusion Blueprint and Action plan</i>). ● contributed to the Commerce Commission's work to implement the Telecommunications Act. This has included its mobile market study, the fibre input methodology, and the copper withdrawal process. 		
Outcomes and Evaluation Framework - we were consulted by the Department of Internal Affairs on the digital inclusion outcome framework and research agenda.		
Collaboration with Community Organisations - we have been engaging with others in the digital inclusion ecosystem to identify the barriers to, and opportunities for, greater collaboration. We will have more to say about this in Q2.		
Community Access Collaboration - we have been exploring a proposal for collaboration in the telecommunications sector, working with the Telecommunications Carriers Forum.		

Q2 Planned

- **Government Engagement** - the focus for Q2 will be on government funding for digital inclusion initiatives.
- **Collaboration with Community Organisations** - the focus will be on how we can support greater awareness and collaboration in the digital inclusion ecosystem.

4. Ongoing Business - Q1 Progress, Q2 Plans

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:	
Q1 Achievements		
The approved Consolidated Group Financials were completed in record time this year - June 30th and the Management letter has no material issues/feedback. Well done to the team as this is a great indicator of the work the team have done all year to consolidate the Financials of both organisations and continued to support DNCL to a high level.		We have completed Phase 1 of our Project Framework review - with the introduction with organisational wide Portfolio Pipeline approach. Phase 1 (Thinking) introduced new disciplines like First Pass proposal, AAA Priority and Thinking checklist. Phases 2 and 3 will look Planning, Doing and Reviewing.
Security - there has been some good work also from the security team on areas across the business including Governance, Physical, Personnel, Travel and Technology over the last 3 months. We have also started the recruitment process for the CSO position and have a number of excellent candidates to consider.		We have also been busy supporting the organisation with new areas such as <ul style="list-style-type: none"> • .nz panel recruitment/selection and administration (100 plus applicants) • Redraft of H&S Policies with support of WorkSI • Training in staff in areas such as First Aid, Team and Leadership skills, Active feedback as examples. • Selection of Vendor to work with us on Office refit - final design and price is still a work in progress
Q2 Planned		
<ul style="list-style-type: none"> • We will focus on Phase 2 of our Project Framework with implementation and looking at Planning, Doing and Reviewing. In Q1 we have developed a Priority list of Projects that will be used in Q2 to drive our work across the organisation. • Security - Recruitment for the CSO position during Q2 will be key to drive forward the current work plan. The top priority projects include the .nz 		

security assessment work and also key work internally on security levels and testing.

- **Office Refurbishment** - This project is to ensure we have an environment that is fit for purpose for our new organisation and will allow us to work and grow effectively over the coming years. Q2 work will focus on final design and budget

Technology Services Dave Baker - Director	Overall Status:	
Q1 Achievements		
New DNS Anycast Site - Addition of a second anycast site for NS4 located in Wellington to add to the redundancy and network diversity of the local .nz DNS anycast network.		
Ubuntu upgrade - Completed all updates to our production facing systems to the latest LTS version of Ubuntu. Remaining internal systems will be updated as part of ongoing BAU work.		
Registrar Portal - Two releases completed this quarter for security updates, bug fixes and new features. The new features that were added were registrar profile details and a Geo heat map of registration locations.		
SRS PGP Key rollover - Successfully completed the rollover of the PGP key used to sign SRS responses.		
SRS - One SRS release completed containing a number of improvements and fixes. Majority of the work for the next SRS release completed which has focussed on a major database software update.		
CA Replacement - Completed installation of a new internal certificate authority which will greatly improve the management and support of our certificate signing infrastructure and registrar certificate signing requests.		
Q2 Planned		
In addition to operational BAU, the technology services team are involved with a number of strategic goal projects this quarter, including: registry frontend replacement, registry backup, centralised logging, DNS firewall, .nz website, .nz marketing activity and the commercial broadband map update.		
Registrar Portal - Further updates are planned for the registrar portal but this would depend on resourcing that are currently being utilised for other projects.		

Engagement (was Outreach & Engagement) Andrew Cushen - Director	Overall Status:	
Q1 Achievements		
Finalising and deploying the new brand framework - the new finalised brand framework is completed and deployment has started. Soft launch involves application to the work of the organisation to show the new brands in that context.		
Ongoing development of new funding approach - continuing implementation of the new approach to community funding, including the development of the approach to the Funding Panel, learning from the approach taken to the .nz Policy Review Panel.		
NetHui 2019 - preparation for NetHui 2019 continued, including setting the theme of <i>Safety, inclusion and wellbeing on the open Internet</i> . Early bird pricing of \$70 for NetHui tickets ends 30 July 2019. Over three dozen suggestions via the community engagement portion of programme development.		
Sponsorship revamp - revamp of internal sponsorship processes to support the new brand and strategy. More focus on tactical opportunities to leverage InternetNZ visibility for brand and audience outcomes.		
Website rebuild strategy phase complete - working with an external agency to complete the strategy/requirements/concept phase of a new combined web platform for all InternetNZ activity.		
Christchurch Call media support - supporting the Chief Executive's role and presence during the Paris component of the Christchurch Call process, and executing the three phase messaging and media plan around this.		
Q2 Planned		
<ul style="list-style-type: none"> • Brand architecture deployment - finishing the rollout of the new brand framework; commissioning and deployment of new assets, and new content and brand governance processes. • Māori Engagement - delayed work on this needs to be a priority in Q2, working with external support. • New Funding approach - further work to develop the new funding approach. • NetHui 2019 - programme finalisation, logistics and ticket sales - the event is on at the start of Q3, from 3-4 October. Over three dozen different sessions have been proposed from the Internet community during the expressions of internet phase. 		

Policy Kim Connolly-Stone - Director	Overall Status:	
Q1 Achievements		
Copyright Review - we made a submission on the issues paper released by the Ministry of Business Innovation and Employment, which sought views on how well the copyright regime is functioning. Feedback on the issues paper will inform the Ministry's development of options for reform of the Copyright Act 1994.		
Classification - we made a submission on the review of the film, video and publication classification system.		
Disinformation and foreign interference - we presented to the Ministry of Business Innovation and Employment on disinformation and the Internet. We made a written and in person submission to the Justice Select Committee on the Inquiry into the 2017 General Election (focused on foreign interference)		
Future of work - we made a submission to the Productivity Commission inquiry into the future of work.		
Q2 Planned		
All planned work is in the Goals section above.		

Technical Research Sebastian Castro - Chief Scientist	Overall Status:	
Q1 Achievements		
Datawork flows automation - As part of the work related to the Fake Web Shop detection, the team started organizing and implementing automated data collections and analysis using Apache Airflow. Airflow is a state-of-the-art tool to orchestrate data processes and it's used by big organizations that rely in data as well as some of the European ccTLDs.		
Registry Augmentation Platform - Development of the platform continues, the Chief Scientist presented about this work at the CENTR Jamboree 2019.		

Chief Scientist attending industry meetings in Asia and Europe - A long stint overseas saw the Chief Scientist attending ICANN Registry Operations Workshop, ICANN DNS Symposium and DNS-OARC Workshop in Bangkok, Thailand. Then moved to Iceland to attend the RIPE 78 meeting in Reykjavik and finally head to Amsterdam to attend and present at the CENTR Jamboree 2019.	
Hadoop Hardware Replacement - Although scheduled for Q1, no progress was made on the design of a cloud solution to replace our aging Big Data cluster.	
Q2 Planned	
Hadoop Hardware Replacement - Work has started to document existing data collection and workflows where the Hadoop cluster plays a critical role and in proposing a new design with a cloud solution in the center.	
Registry Augmentation Platform - Development will be completed and medium to large collection will be tested in a testing environment.	
Farewell to Gerard and Hadis - During August both Gerard and Hadis fixed-term contracts will expire, the Research Team will be working to wrap up the work they have been doing.	
Welcome back to Huayi and Jing - Also during August both Huayi and Jing will be returning from Maternity Leave, arrangements are being made to accommodate scheduling with the responsibilities of the mothers.	

Commercial David Morrison - Director	Overall Status:	
Q1 Achievements		
Peak Domain Analytics - Due to range of factors (low update from beta being a key aspect) and a number of significant cross organisation dependencies to enable this to reach a production ready state, we have made the difficult decision to cease this product in its current form. In the coming quarter and once we have a Product Manager in place, we will review the elements of the value proposition to determine if and how we can pivot the use of DNS popularity data and Health Check data to meet a defined need in the market.		
BBMap - As part of a wider roadmap of improvements the Broadband Map website rebuild has commenced. This rebuild will provide an improved user experience, greater control of performance, reduce operational costs and provide foundational improvements to allow future enhancements.		
.nz activity - We successfully completed our annual .nz conference in Auckland.		

Recruitment - During this quarter we made some structural changes to how the commercial team will operate. This has led to the creation of a business development manager role and a product manager role. These two roles were advertised late in the quarter with a view to finding suitable candidates in July.

Q2 Planned

- **Broadband Map** - this project will continue with a view to a relaunch in September/October
- **DNS Firewall** - The DNS Firewall project will continue with a view to launching as soon as practical.
- **.nz activity** - the key focus for .nz this quarter will be on getting channel and direct marketing initiatives underway.
- **Recruitment** - we hope to have new staff in place which will significantly increase capacity in the team.

Staffing

Catherine Fenwick - Organisational Services Director

Overall
Status:

Q1 Update

New Starters included

- Kim Connolly-Stone as Policy Director
- Maria Skatova joining the Communications team as an Advisor.
- Aurelien Goffi joined the Technical Services team as a Systems Administrator.
- Kate Townsend as Policy advisor supporting the .nz policy review.

The following staff left

- Tracy Johnson - left as the position of Channel manager was disestablished as part of the new Commercial Structure.
- Celestina Sumby completed her contract as Communications Advisor.
- Maria Ludgate left following her term as the Office Manager standing in for Maria Reyes.

Other Changes

- Ellen Strickland moved to her new position as Chief Advisor, International.
- Marie Reyes - returned as Office Manager from Maternity leave.

Q2 Planned

The following roles are new roles that are in the recruitment phase for Q2

- Chief Security Officer
- Business Development Manager
- Product Manager
- DNS Specialist
- Junior System Administrator

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

18 July 2019

12 August 2019

Jamie Baddeley
President
InternetNZ

Dear Jamie,

First Quarter 2017/18 Report

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

Financial

	Apr - June 2019				Year-to-Date			
	Q1 Act (\$)	Q1 Bud (\$)	Q1 Var (\$)	Q1 Var (%)	YTD Act (\$)	YTD Bud (\$)	YTD Var (\$)	FY Bud (\$)
INCOME								
5050 · Authorisation Fees	3,000	3,000	0	0%	3,000	3,000	0	6,000
5080 · DRS Complaint Fees	4,000	6,000	(2,000)	0%	4,000	6,000	(2,000)	34,000
5100 · Management Fees	335,001	335,001	(0)	0%	335,001	335,001	(0)	1,340,000
7010 · Interest Income	105	30	75	250%	105	30	75	13,500
1540 · Sundry Income	0	0	0	0%	0	0	0	0
Total Income	342,106	344,031	-1,925	-1%	342,106	344,031	(1,925)	1,393,500
EXPENDITURE								
DNCL Board	7,175	7,248	(73)	-1%	7,175	7,248	(73)	36,000
Communications	2,972	5,750	(2,778)	-48%	2,972	5,750	(2,778)	25,000
Compliance	0	6,000	(6,000)	0%	0	6,000	(6,000)	69,000
Dispute Resolution Services	6,596	10,476	(3,880)	-37%	6,596	10,476	(3,880)	103,000
Registrars	6,077	8,349	(2,272)	-27%	6,077	8,349	(2,272)	24,000
International	37,577	38,000	(423)	-1%	37,577	38,000	(423)	143,800
Office and Administration	66,291	70,844	(4,553)	-6%	66,291	70,844	(4,553)	283,200
Personnel and Staff	106,898	141,164	(34,266)	-24%	106,898	141,164	(34,266)	604,114
Professional Services **	41,190	8,502	32,688	384%	41,190	8,502	32,688	45,000
Projects	0	8,700	(8,700)	100%	0	8,700	(8,700)	35,000
Total Expenditure	274,774	8,700	266,074	3058%	274,774	305,033	-30,259	1,368,114
Depreciation	3,832	4,800	(968)	-20%	3,832	4,800	(968)	30,000
Other Comprehensive Items	0	0	0	0%	0	0	0	0
Net Profit/Loss	63,499	330,531	267,032	81%	\$63,499	\$34,198	\$29,301	(\$4,614)

Notes: The DNCL budget is apportioned evenly per quarter.

Q1 spend was underbudget as due to some delay in phasing of projects and staff recruitment

Professional services include litigation costs of \$30,310

Independent Review

Council have previously been provided with Mr Pickens' draft report into the independent review of the Domain Name Commission.

At the DNCL Board meeting of 14 August 2019 the Board will receive Mr Pickens' final report. The Board will also be considering the Commission's response to the Independent review. The Board intends to release the final report and the Commission's response shortly after the Board meeting.

DNCL looks forward to InternetNZ's views on the recommendations and DNCL's responses to them.

Security

DNCL staff attended the Ministerial launch of New Zealand's cyber security strategy 2019. DNCL has been very supportive of the Strategy.

Dispute Resolution as a service consultation

The Commission has launched our public consultation on reimagining dispute resolution services see <https://www.dnc.org.nz/consultation/drs-review>. The consultation is running till late August and seeks community input on appropriate dispute resolution services.

DNCL Governance – Board skills matrix

The DNCL skills matrix for the Board will be discussed at the DNCL Board meeting and is an agenda item for the Council meeting in August. The creation of the skills matrix is an opportunity for reflection on how the DNCL Board is constituted currently and how it believes it should best be constituted in the future to align with the DNCL's strategic objectives.

Other Matters

DNCL defended its Domain Tools appeal against DNCL being awarded a preliminary injunction in the Ninth Circuit. The appeal was dismissed.

DNCL has also successfully settled its legal proceedings against WhoisAPI which resulted in Whois API destroying historically stored .nz registrant information and agreeing to comply with the Terms of Use with respect to any and all .nz WHOIS records or data.

Yours sincerely

Jordan Carter
Chair
[Domain Name Commission](#)

Financial Summary

For the QE 30 June 2019

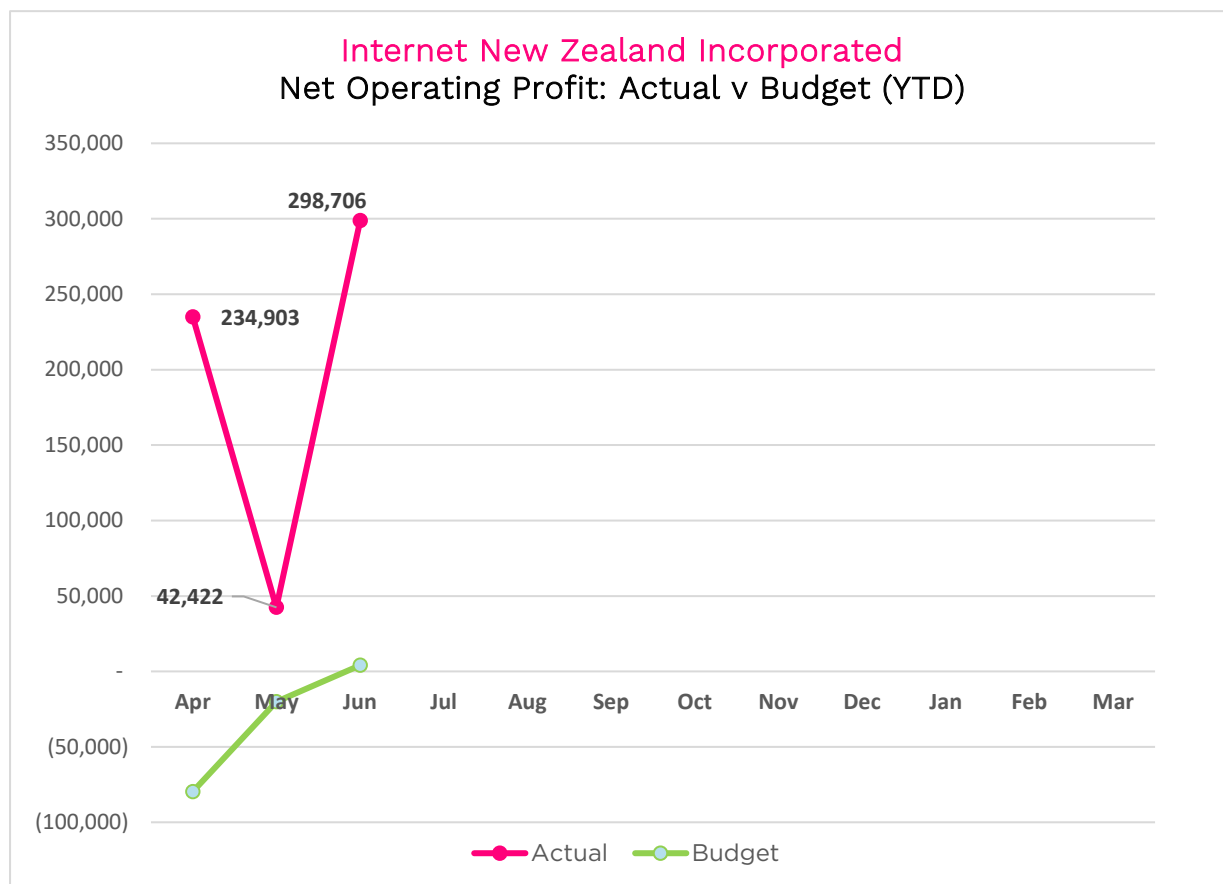


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Summary of the result for QE 30 June 2019

For the quarter ending 30 June 2019, the accounts reported a surplus result of \$576,031 against a budgeted deficit of (\$9,450). This outcome reflects an increase in revenue of \$155,343 against budget, coupled with an underspend of \$413,958 against the expenses budget.



Revenue detail for the quarter

Operating Revenue was over compared to budget by \$33,723 (1%). Most of the remaining increase was seen in Investment activities, totalling \$119,462 (172%) over against budget. Overall, total the revenue result was \$155,343 against a budgeted expectation of \$2,818,080.

Revenue	Actual	Budget	Variance	% Total Sales
Registry Fees	2,711,497	2,673,750	37,747	91%
BBM	9,725	13,749	(4,024)	0%
Events	164	-	164	0%
Membership	5,063	2,502	2,561	0%
Recharge	57,984	58,551	(567)	2%
Investment	188,990	69,528	119,462	6%
Total Revenue	2,973,423	2,818,080	155,343	100%

Expenditure detail for the quarter

Expenditure was under compared to budget across all areas of the organisation. Actual expenditure of \$1,871,349 was recorded against budgeted expenditure of \$2,285,309, resulting in an underspend of (\$413,960) (-18%) for the quarter. The two identified reasons for the underspend to date are a misalignment of spend phasing, actual versus budget, and tighter controls on expenditure, while maintaining a focus on spend to support the agreed goals and workplan for 2019/20.

The following areas have been impacted by the spend phasing misalignment, and will be re-forecast into future quarters:

1. Employment – delayed recruitment \$100k.
2. Membership fees - \$35k.
3. Marketing - \$58k.
4. Professional Fees – \$30k.

Expenditure breakdown by Function and Goal

Area	Actual	Budget	Variance	% of Expenditure
Commercial	174,805	295,563	(120,758)	7%
Engagement	68,860	77,757	(8,897)	3%
Funding	97,121	120,880	(23,759)	4%
International	150,742	189,565	(38,823)	6%
Policy	289,644	411,823	(122,179)	12%
Investment	10,276	13,263	(2,987)	0%
Technical Research	132,758	137,391	(4,633)	6%
Technology Services	986,415	1,034,278	(47,863)	41%
Communications	135,325	225,870	(90,545)	6%
Org. Services	344,236	310,796	33,440	14%
Security	7,208	10,345	(3,137)	0%
Total Revenue	2,397,390	2,827,531	(430,141)	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, but we are aiming to develop activity based financials during the course of this year to enable tracking and reporting all expenditure by Strategic Goals, Projects and BAU.

For more details on what we have been working on please see the Q1 Activity report.

https://internetnz.nz/sites/default/files/2019-Q1-Activity-Report_0.pdf
<https://internetnz.nz/sites/default/files/dotnz-Q1-report.pdf>

Goal	Actual	Budget	Variance	% of Expenditure
Improve .nz Policy/Security	75,146	107,222	(32,076)	66%
New non .nz Products	3,895	48,750	(44,855)	3%
Ensuring Openness	34,676	16,248	18,428	30%
Intervention to bridge the Digital Divide	217	18,750	(18,533)	0%
Total Revenue	113,934	190,970	(77,036)	100%

Balance Sheet

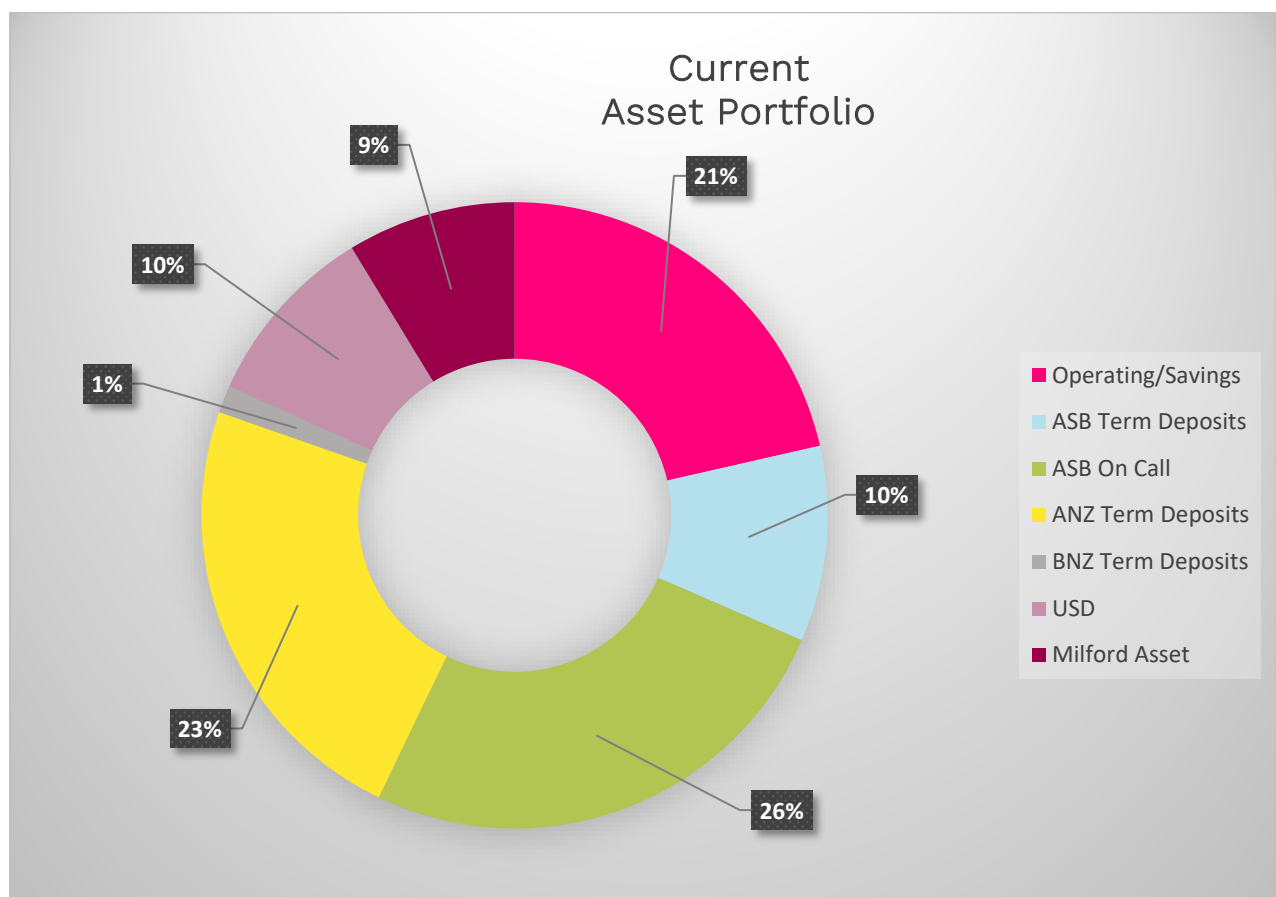
A detailed Balance sheet report for INZ Group is available for review (link below). We would like to provide to provide detail on two specific areas of note in this report:

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

Link to [Q1 Group Financial Statements](#)

Investments

The graph below represents the percentage spread of our investments (\$18,344,563) across all institutes.

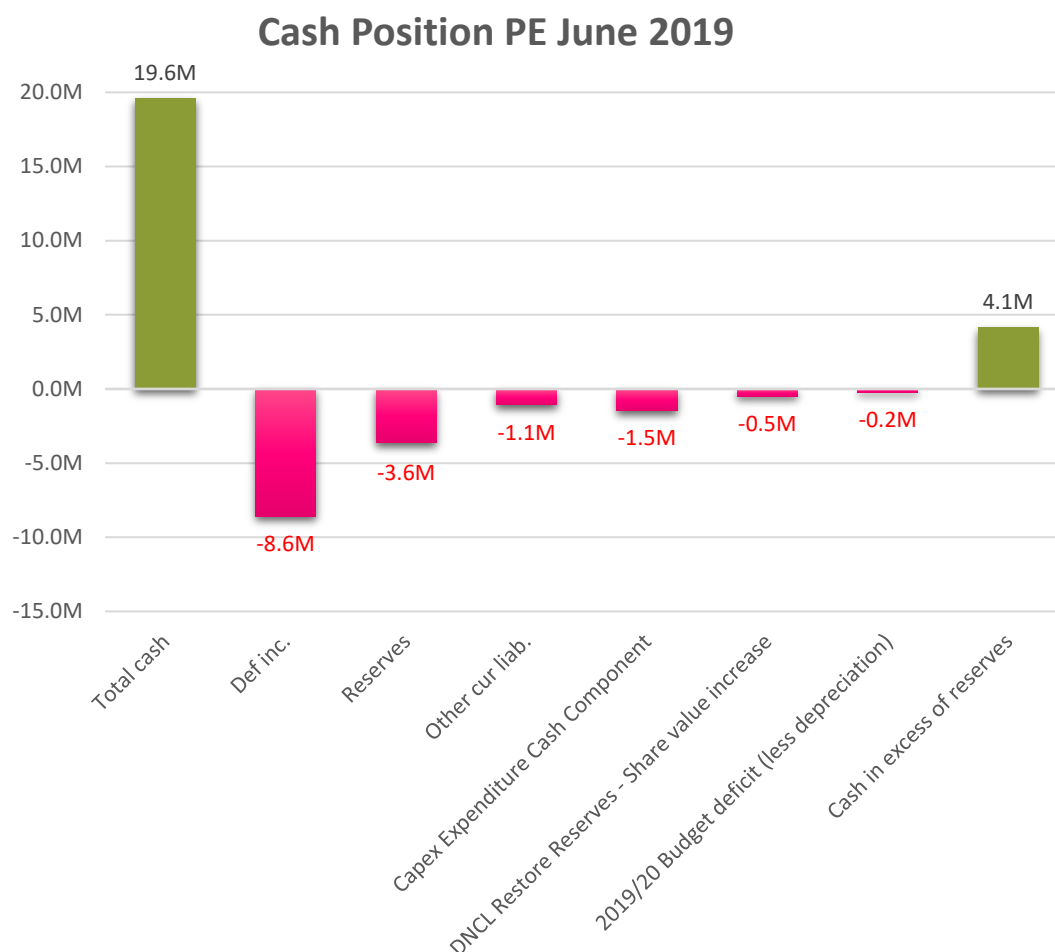


Cash in Excess of Reserves as at QE June 2019

At the AGM this year we shared information about the Cash Reserves, as at 31 March 2019. Following is an update of this information as at 30 June 2019:

As at the end of June the Cash in Excess of Reserves were \$4.1m this is made up as follows: -

Total Cash & Current Assets	\$19,569,574
Less Deferred Income	(\$8,586,892)
Less Reserves as per the policy	(\$3,608,069).
Less Other Current Liabilities	(\$1,056,103)
Budget Capex 2019/20	\$1,450,660
DNCL reserves (restore)	(\$ 500,000)
Deficit budget 2019/20	(\$ 231,786)
 Cash in excess of reserves	 \$4,100,000



Group financial statements

For the quarter ended 30 June 2019



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Internet New Zealand Group
Consolidated Income Statement
For the Quarter Ended 30 June 2019

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income						
Registry Fees	2,711,497	2,711,497	2,711,497	2,711,497	-	-
Broadband Map	9,725	9,725	9,725	9,725	-	-
Management Fees	-	-	-	-	335,001	335,001
Interest Received	66,632	66,632	66,527	66,527	105	105
Managed Funds Income	122,463	122,463	122,463	122,463	-	-
Sundry Income	13,403	100,213	63,211	63,211	7,000	7,000
Total Income	2,923,720	2,810,104	2,973,423	2,973,423	342,106	342,106
Less Direct Expenses						
DNC Fee	-	-	335,001	335,001	-	-
.nz Costs	135,733	135,733	135,733	135,733	-	-
Other IT	55,307	55,307	55,307	55,307	-	-
Total Direct Expenses	191,040	191,040	526,041	526,041	-	-
Less Other Expenses						
Audit Costs	-	-	-	-	-	-
Governance Costs	27,015	27,015	19,840	19,840	7,175	7,175
International Travel	113,842	113,842	76,265	76,265	37,577	37,577
International Membership	42,880	42,880	42,880	42,880	-	-
Community Investment	10,795	10,795	10,795	10,795	-	-
Legal Fees	39,012	39,012	31,176	31,176	7,836	7,836
Office Costs	321,389	207,773	311,906	311,906	66,291	66,291
Employment Costs	1,250,358	1,250,358	1,143,460	1,143,460	106,898	106,898
Other Operating Expenses	257,552	257,552	235,028	235,028	22,524	22,524
Other Comprehensive Items	30,393	30,393	-	-	30,393	30,393
Total Expenses	2,093,236	1,979,620	1,871,350	1,871,350	278,694	278,694
Net Profit (Loss) Before Tax	639,444	639,444	576,032	576,032	63,412	63,412
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	\$639,444	\$ 639,444	\$576,032	\$ 576,032	\$63,412	\$63,412

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
Consolidated Income Statement - Activity Based
For the Quarter Ended 30 June 2019

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income						
Registry Fees	2,711,497	2,711,497	2,711,497	2,711,497	-	-
Broadband Map	9,725	9,725	9,725	9,725	-	-
Management Fees	-	-	-	-	335,001	335,001
Interest Received	66,632	66,632	66,527	66,527	105	105
Managed Funds Income	122,463	122,463	122,463	122,463	-	-
Sundry Income	13,403	13,403	63,211	63,211	7,000	7,000
Total Income	2,923,720	2,923,720	2,973,423	2,973,423	342,106	342,106
Less Activity Expenditure						
Policy	289,644	289,644	289,644	289,644	-	-
Outreach & Engagement						
Funding	97,121	97,121	97,121	97,121	-	-
Communications	135,325	135,325	135,325	135,325	-	-
Engagement	68,860	68,860	68,860	68,860	-	-
.nz Operations	316,033	316,033	508,041	508,041	199,801	199,801
Commercial	174,805	174,805	174,805	174,805	-	-
Broadband	18,000	18,000	18,000	18,000	-	-
Technology Services	460,374	460,374	460,374	460,374	-	-
Technical Research	132,758	132,758	132,758	132,758	-	-
International Engagement	188,319	188,319	150,742	150,742	37,577	37,577
Organsational &	294,542	294,542	287,367	287,367	7,175	7,175
Other Operating Expenses	78,186	78,186	74,354	74,354	3,832	3,832
Other Comprehensive	30,309	30,309	-	-	30,309	30,309
Total Expenses	2,284,276	2,284,276	2,397,391	2,397,391	278,694	278,694
Net Profit (Loss) Before Tax	639,444	639,444	576,032	576,032	63,412	63,412
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	\$639,444	\$639,444	\$576,032	\$576,032	\$63,412	\$63,412

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 30 June 2019

	Group		INZ			DNCL	
	Qtr	YTD	Qtr	YTD		Qtr	YTD
Equity at start of period							
Opening Retained Earnings	10,857,817	10,857,817	11,001,040	11,001,040	-	143,223	- 143,223
Shares Subscribed	-	-	-	-		580,000	580,000
	10,857,817	10,857,817	11,001,040	11,001,040		436,777	436,777
Net Profit (Loss) After Tax	639,444	639,444	576,032	576,032		63,412	63,412
Equity at end of period	\$ 11,497,261	\$ 11,497,261	\$ 11,577,072	\$ 11,577,072		\$ 500,189	\$ 500,189

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 30 June 2019

	Group	INZ	DNCL
	Qtr	Qtr	Qtr
Current Assets			
Cash and Cash Equivalents	15,727,705	15,161,049	566,656
Managed Funds	3,183,514	3,183,514	-
Other Current Assets	1,625,655	1,573,843	51,812
Total Current Assets	20,536,874	19,918,406	618,468
Property, Equipment & Software			
Fixed Assets at Cost	2,790,148	2,737,802	52,346
Less Accumulated Depreciation	(2,240,179)	(2,197,802)	(42,377)
Intangible Assets	182,127	182,127	-
Investments	-	-	-
Shares and Loans	-	580,000	-
Total Assets	21,268,970	21,220,533	628,437
Less Liabilities:			
Deferred Income	8,586,892	8,586,892	-
Trade and Other Payables	1,184,821	1,056,573	128,248
Total Liabilities	9,771,713	9,643,465	128,248
Net Assets	\$ 11,497,257	\$ 11,577,068	\$ 500,189
Represented By:			
Total Equity	\$ 11,497,257	\$ 11,277,139	\$ 500,189

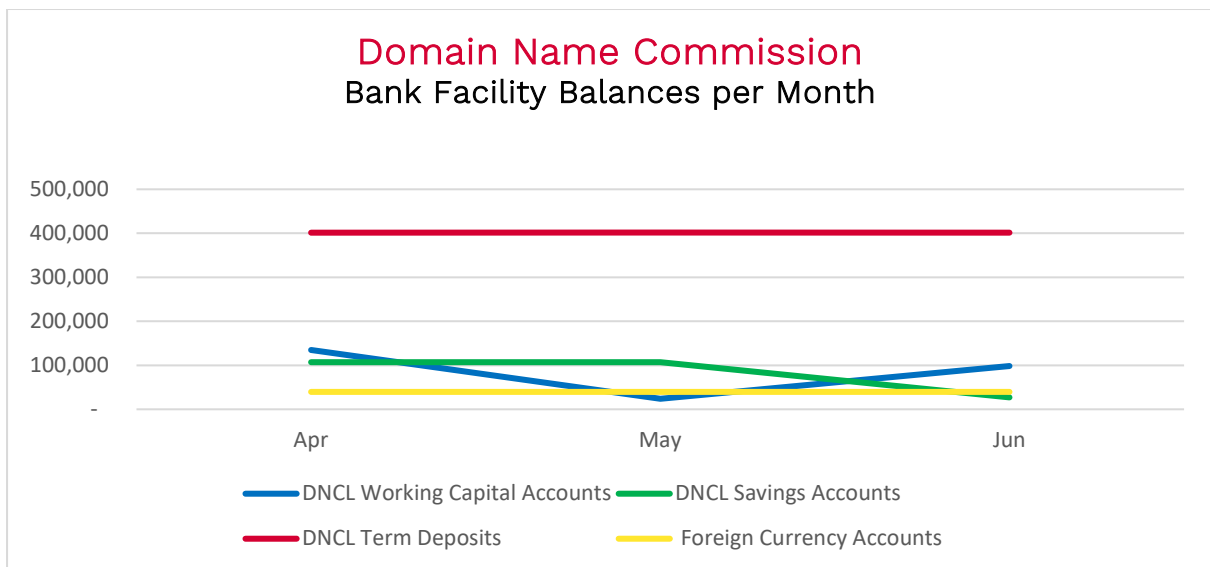
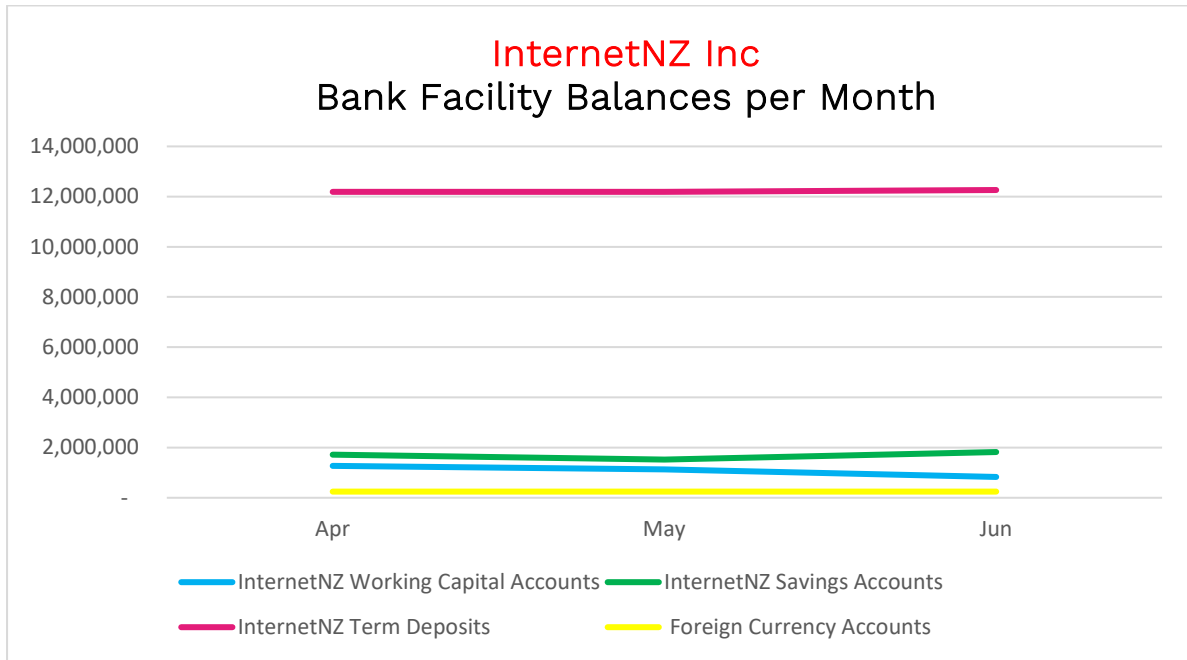
Notes:

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 3 months ended 30 June 2019

	GROUP Apr-Jun 2019	INZ Apr-Jun 2019	DNCL Apr-Jun 2019
Operating Activities			
Receipts from customers	3,407,466	3,014,473	392,993
Payments to suppliers and employees	(\$3,635,600)	(\$2,992,272)	(\$643,328)
Movement from other operating activities	\$35,351	\$37,469	(\$2,118)
Net Cash Flows from Operating Activities	(192,783)	59,669	(252,452)
Investing Activities			
Payment for property, plant and equipment	(78,004)	(78,004)	0
Other Asset cash item activities	(73,815)	(78,606)	4,791
Net Cash Flows from Investing Activities	(151,819)	(156,610)	4,791
Net Cash Flows	(344,602)	(96,941)	(247,661)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	16,072,306	15,257,990	814,317
Cash and cash equivalents at end of period	15,727,704	15,161,049	566,656
Net change in cash for period	(344,602)	(96,941)	(247,661)





COMMUNITY GRANT REPORTING UPDATE

August 2019

Below is a brief update on the progress of our awarded grant projects and work by the Community Team relating to grants. The Community Team have awarded the first “Follow Up Grant” to Philippa Smith from AUT, to continue her research on various online counterspeech and to attend conferences overseas and in New Zealand to present her research funded by InternetNZ. You can read the final report of the original research [here](#).

We are still working on the new processes for 2019/20 grants round. Hopefully we will be able to announce the Conference Attendance Awards over the next months, followed by the first new grant round.



Mitimiti on the Grid







MOA Kluster








Grantee Philippa Smith
with Vint Cerf

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
Faucet Foundation	\$12,000	<i>To establish the Faucet Foundation Incorporated.</i>	Final report	Project has successfully established the foundation as well as some initial activities. It is an ongoing project.	
Digits	\$8,970	<i>Digital Inclusion Community Hub - through a drop-in-centre pilot</i> To develop a drop-in-centre pilot project in Palmerston North and to create a business study for the broad Digits Hub idea. The centre aims to be the backbone of the community hub which will focus on helping the community by solving a range of digital inclusion issues.	Mid project report	Project is progressing well with few delays due to volunteer resource model and approach. They are just about to launch. Operations Manager has been employed. Are in the process of consulting with another company to help clarify their proposal to target the right grant funding.	
Te Ora Hou Wellington East	\$10,000	<i>Digital Bridge</i> To connect some of the most disadvantaged groups to increase their digital literacy. This project will	Mid project report	Project is going well, however progress has been hindered due to late payment. Have identified many key insights to	

		support local people to understand more about what computers and the Internet can do, and the positive impact this can have on their lives; achieved by using a community-led development approach and building the leadership within the community to help their own people.		consider in terms of reaching all of their goals.	
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.	Mid project report	Project is going very well. Tower network has been established with signal testing carried out. Installation of dishes and routers completed for first 49 households. Phase 1 is now complete, moving on to phase 2.	
TenForward Technology Lounge	\$5,000	<i>Beginner Tech Workshops for Non-Tech Adults/Seniors</i> To help members of the community who are experiencing the 'digital divide'. Mostly due to age and lack of technology exposure, they will be able to learn and perform tasks on the internet that are of a variety of topics in daily workshop sessions.	Mid project report	Project is progressing very well. Have delivered 10 workshops per week and are continuing more. The Library and Citizens Advice Bureau have been keen to promote their services to the community.	




Internet Research


Name	Amount awarded	Purpose	Report	Comments	Status
Auckland University	\$22,450	<i>Exploring the role of technology when users become service providers in the sharing economy</i> To research the role of Internet-enabled technologies (for example websites and apps) within the sharing economy/collaborative economy/peer-to-peer marketplace.	Final report - request email update in Nov 2019	Project timeline altered due to changes in researchers approach and methodology. This research is still reviewing some of the collected data as one of the major hurdles was collecting data from US-based companies like Uber.	

Dr Aniket Mahanti, independent	\$10,000	<i>Longitudinal study of the adoption of the Top-level Domain (TLD) Names and Domain Name System Security Extensions (DNSSEC)</i> To build on past research that has primarily focused on understanding the technical behaviour and properties of DNS requests and responses, DNS security, and usage of TLDs.	Final Report	Project completed. Were able to collect a lot of data and utilise several tools to analyse data and gain insights into usages of TLDs, DNS security etc.	
Paua Interface	\$35,000	<i>Marae Connectivity - critical success factors to getting an innovation domino effect</i> To research and measure the impact of telecommunications and connectivity on micro-economies, along with lessons learned, technical approaches, the establishment and management of the remote tech team, network and wifi - and the potential to scale for multiple marae sites based on Mitimiti on the Grid.	Mid project report	Project is progressing very well and ahead of schedule. Two whitepapers have been published and data is now being analysed.	
Dr Maggie Hartnett from Massey University	\$20,000	<i>The Library as a Space for Digital Inclusion: Connecting Communities Through Technology</i> To research the role of public libraries in promoting digital inclusion and overcoming the digital divide. The <i>Equity Through Education Centre</i> recognises the role of technology in bringing about equitable societies.	Mid project report	Project progressing well, ethical approval from Massey University has been granted. The two surveys have been conducted and the data will be analysed shortly.	
Laurence Zwimpfer from DIAA	\$25,000	<i>Measuring Digital Divides in Disadvantaged Communities: A Pilot Study</i> This research will explore an innovative approach for measuring and monitoring the digital divide for identified digitally disadvantaged groups. A comprehensive measure of digital inclusion must address all four dimensions - motivation, access, skills and trust. This research progresses a recommendation for developing robust measures of digital capabilities and digital inclusion, from the " Pulse of our Nation " digital inclusion report.	Mid project report	Project progressing well and focuses on seniors as the disadvantaged technology user group. Most of the workshops have been completed with a few more to go.	


Dr Claire Henry from Massey University	\$25,130	<i>Preventing child sexual offending online through effective digital media</i> This research will investigate the potential for online advertisements to prevent potential offenders accessing Child Sexual Abuse Material (CSAM) via the Internet. First time or novice offenders often use search engines to look for CSAM, which presents an opportunity to use online advertisements to intervene before they view abuse material.	Mid project report	Research project is going well and on schedule. Mock up ads and photos have been created and trialed on focus groups.	
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Conference Attendance

Name	Amount awarded	Purpose	Report	Comments	Status
Dr Elizabeth Berryman from the University of Otago	\$3,500	<i>To attend the International Conference on Digital Health 2019.</i> The conference will be held in Houston, U.S., April 24-25. The theme of the conference is an innovative bridging for modern healthcare. By innovating in digital health and care, the event hopes to support an ambition towards reducing inefficiencies in healthcare delivery, improving access, reducing costs, increasing quality of care, making health services more person-centered, personalizing medicine for each patient's unique needs.	Final report	Their main takeaway from this conference was the fact that digital health is the way of the future and it surprised them that New Zealand was such a leader in this field. They were a guest speaker at the Dargaville Rotary Club and spoke about what they had learned at this conference.	
Cameron Findlay	\$3,375	<i>To attend the Creative Commons Global Summit held in Lisbon, Portugal.</i> The 2019 Global Summit runs over 3 full days and features 6 tracks, 120 sessions, 450+ Commoners, 2 evening events including an after-party with Tribe of Noise, and 100+ countries represented.	Final report	Had many many great takeaways from this and plans on blogging about their experience online on both local and overseas forums and blogs.	
Dr Ethan Plaut from University of Auckland	\$3,500	<i>To attend the ACM CompEd 2019.</i> The ACM Global Computing Education Conference (CompEd) is destined to be the leading global conference on computing education. At the intersection of computing and the learning sciences, the event seeks to promote global computing education development.	Final report	Main highlight was the "Teaching of computing ethics: an international review" working group report.	

Dr Grace Wang from AUT	\$3,092	<i>To attend the 6th International Conference on Behavioral Addictions (ICBA).</i> The principal conference theme is "Behavioral addiction: Globally growing issues - the need for innovation in prevention and research". It will provide a unique opportunity to share and improve scientific knowledge on non-substance related addictions. Topics will cover both common and less common behavioural addictions and related behavioural disorders, based on a range of research areas, ranging from biological to psychosocial and behavioural studies.	Final report		
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On-demand 2017/18

Name	Amount awarded	Purpose	Report	Comments	Status
Aleksei Fedorov from University of Otago	\$3,000	<i>To attend the IFIP Networking 2019.</i> The main objectives of Networking are to bring together members of the networking community from both academia and industry, to discuss recent advances in the broad and quickly-evolving fields of computer and communication networks, and to highlight key issues, identify trends, and develop visions for the networking domain.	Final report		

Expected reports prior to next Grants reporting update to Council in November 2019

Round	Name	Amount awarded	Purpose	Report
Internet Research	Dr Yun Sing Koh from University of Auckland	\$10,500	<i>Investigating Changes in Phishing Models for Social Networks</i> To research the development of a robust spam phishing detection system to investigate how the New Zealand community is affected by spam phishing inside social networks.	Final Report
Internet Research	Robyn Kamira from Paua Interface	\$35,000	<i>Marae Connectivity - critical success factors to getting an innovation domino effect</i>	Final report November 2019

			To research and measure the impact of telecommunications and connectivity on micro-economies, along with lessons learned, technical approaches, the establishment and management of the remote tech team, network and wifi - and the potential to scale for multiple marae sites based on Mitimiti on the Grid.	
Community Projects	Blind Foundation	\$30,000	<i>Voice activated access to information - phase 1 implementation</i>	Mid-year report September 2019
Community Projects	Richard Nelson	\$20,000	<i>OpenLI - Open Source Lawful Interception</i>	Mid-year report October 2019
Community Projects	Lillian Pak from Hutt City Library	\$6,720	<i>Stepping Out to Grow Stepping UP</i>	Mid-year report September 2019
Community Projects	Laurence Zwimpfer from DIAA	\$21,000	<i>Building Digital Well-Being: A Community Pilot in Hutt City</i>	Mid-year report October 2019
Conference Attendance	Dr Farkhondeh Hassandoust from AUT	\$3,500	<i>Pacific Asia Conference on Information Systems</i>	Final report
Conference Attendance	Dr Leon Slater from Massey University	\$1,549.52	<i>ANZCA (Australian & New Zealand Communication Association)</i>	Final report

Council Report: ICANN 64

This is a report from Councillors Kelly Buehler, Amber Craig and Joy Liddicoat who attended ICANN 64 meeting in Kobe, Japan in March 2019.

Background

Council approved an ICANN attendance policy at its meeting in February 2019. This policy provides that the role of Council member attendees is to focus their attendance and involvement in the following aspects of the meetings:

- Country Code Name Supporting Organisation members meetings
- At Large Advisory Committee meetings
- Public forums and community wide sessions
- Identified other sessions
- Bilateral events as requested by staff

The policy also provides that Council members attending ICANN meetings will:

- commit to working with staff to develop a meaningful programme for their attendance
- undertake a mixture of solo sessions and joint attended sessions
- not speak for InternetNZ in any ICANN-organised session without the specific prior agreement of relevant on-site staff
- join shared communications platforms during the event
- check in with staff on a regular, as-agreed basis
- keep a written record of their attendance, including session notes and memorials of people met
- provide a written report of their experience within two weeks of returning to Aotearoa New Zealand.

Attendees

Joy went as Vice President to support the participation of Kelly and Amber who were attending their first ICANN meeting. Councillors were extremely grateful for the excellent support with travel, accommodation and on site both by staff who attended and by others who assisted in our preparation for the meeting.

Delegation meeting participation and collaboration

During the ICANN meeting we met each morning over breakfast to discuss and agree where each member of the delegation would participate, who needed support for different sessions and where we would meet up during and at the end of each day. A shared google doc was created on which notes of sessions and meetings with various people were

kept:<https://docs.google.com/document/d/1NB5JZGevZRxz8SFigTkWduEwmWUdomqVb9ITQ8nVB0/edit#>. We attended some sessions together and some separately, particularly as the week developed and various delegates gained more confidence to attend a diverse range of sessions. We shared online communications space both for internal discussions and to comment on events at the meeting, such as on the meeting's twitter hashtag.

ICANN 64 Meeting participation

We arrived on Friday 8 March and were able to attend a number of pre-meeting events that took place over the weekend. These included orientation to the conference venue (all), the GAC meeting on WHOIS (Amber and Joy), the At-Large Leadership Group (Amber), the GAC Opening Session (Amber), the ccNSO meeting on ccTLD Retirement (Joy), the Emoji working group (Kelly).

Throughout the week we focused on the ccNSO meetings, ALAC, APAC and other meetings. Joy and Amber attended a number of NCUC / NSCG meetings to assist with orientation to a range of stakeholder groups. Amber made several useful interventions relating to indigenous rights issues. Particular highlights were the sessions on follow up to the GDPR (privacy related protections), the Internet Governance Forum, GAC meeting, ICANN and human rights cross community working group and the public fora. Throughout the meeting staff had a significant number of side meetings, which we attended as and when they asked us to do so. We also hosted the Australian AUDA board members in the traditional Australia/New Zealand dinner event.

The meeting participation was very successful, with good links being made in the ccNSO community. There is considerable benefit in other ccTLDs seeing the confidence we have in our Chief Executive and staff. The timing of this was particularly helpful given the changes to our INZ structure are still relatively new and we were able to demonstrate that these are working well and relationships remain positive. All INZ and DCNL staff worked hard at the meeting (a full list of side meetings and sessions attended is included in their report). Attendance is still very helpful for Councillors to understand how ICANN meetings function, the kinds of topics that are discussed, the processes for policy making and the range of people who participate in diverse community stakeholder groups. We were also able to support our staff in a variety of ways.

Reporting

We note that the ICANN travel policy requires a written report within two weeks of returning. We do apologise for the lateness of this report which was interrupted by the Christchurch terrorist attacks that occurred as we travelled back from the meeting.

AGENDA

Council meeting

Friday 23 August 2019

InternetNZ, Level 11 Boulcott Street, Wellington

- 8.45am Refreshments on arrival
- 9.00am Meeting start
- 10:45am Morning tea
- 12:30pm Meeting closed followed by lunch

Section 1 – Meeting Preliminaries

- 9.00am 1.1 Council only **(in committee)**
- 9:10am 1.2 Council and CE alone time **(in committee)**
- 9:40am 1.3 Karakia, apologies, interests register and agenda review
- 9:45am 1.4 Welcoming aimee whitcroft to Council
- 1.5 Environment Scan

Section 2 – Strategic Priorities

- 10:00am 2.1 .nz Registry Replacement Project Initiation
- 10:25am 2.2 Goal 5 - Digital Inclusion Update
- 10:45am - Morning tea

Section 3 – Matters for Decision

- 11:00am 3.1 Council Committees - Members and Terms of Reference
- 11:15am 3.2 Council Skills and Diversity Matrix
- 11.30am 3.3 DNCL Board Skills Matrix and Appointments

11:40am 3.4 2020 Meetings Programme

Section 4 – matters for discussion

11.45am 4.1 President's Report

11.50am 4.2 Management Items for Discussion

4.2.1 Q1 At A Glance - Strategic Goals Summary

4.2.2 Election System Issue paper

Section 5 – Consent Agenda

12:15pm 5.1 Confirm Minutes – 17 May 2019

5.2 Actions Register

5.3 Membership Update

5.4 E-vote Ratification

5.5 Health and Safety and Wellbeing Update

5.6 Update from Council Committees

5.7 Operational Reports for Quarter 30 June 2019

5.7.1 Quarterly Activity Report

5.7.2 .nz Quarterly Report

5.7.3 DNCL Quarterly Report

5.7.4 Financial Quarterly Reports
Group | InternetNZ

5.7.5 Grants Reporting

5.8 International Report from Councillors & Staff

Section 6 – Other Matters

- | | | |
|---------|-------|---|
| 12:20pm | 6.1 | CONTINGENCY (for any overflow) |
| | 6.2 | Matters for communication – key messages |
| | 6.2.1 | Communications in general |
| | 6.2.2 | Upcoming events |
| | 6.3 | General business |
| | 6.4 | Meeting review |
| | 6.5 | Meeting close (waiata), followed by lunch |
| 12:45pm | | Lunch |

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: 4 October 2018

Interests:

- Holder of .nz domain name registrations
- Holder of .com domain name registrations
- Member of the New Zealand Law Society
- Member, 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
- Member of Pacific Chapter, Internet Society (PICISOC)
- Started a new job at University of Otago, researching human rights and artificial intelligence for this project:
<https://www.cs.otago.ac.nz/research/ai/AI-Law/index.html> The project also links with the recently established Centre for Artificial Intelligence and Public Policy
- Officer's honorarium for InternetNZ

Name: Dave Moskovitz

Position: Councillor, InternetNZ

Term: AGM 2011 - AGM 2020

Declaration Date: 24 August 2018

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: ~~May~~ August 2019

Interests:

- Consultant and organiser of some corporate un conferences
- Holds .nz domain name registrations
- Trust Chair of Whare Hauora Charity
- ~~• Co-Chair of WWGSD Charitable Trust~~
- ~~• Co-creator and owner of Metimeti~~
- Receives additional honoraria for being Chair of the Audit and Risk Committee
- ~~• Co-opted Trustee of Kohunui Marae~~
- Co-opted Trustee Pāpāwai Marae
- Trustee of Rangitāne o Wairarapa Rurunga
- Co-creator of Te Rua o Mahara
- 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~~
- 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: 11 September 2018

Interests:

- Employee of GS1 New Zealand
- Director of Eduvac Limited
- Holder of .nz domain name registrations
- Councillor's honorarium for InternetNZ

Name: Don Stokes

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2020

Declaration Date: 16 August 2017

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
- 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
- Councillor's Honorarium for Internet NZ

Name: aimee whitcroft

Position: Councillor, InternetNZ

Term: AGM 2019 – AGM 2022

Declaration Date: 30 July 2019

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
- Councillor's Honorarium for InternetNZ

The register was last updated in August 2019.

COUNCIL MEETING - 23 AUGUST 2019

.nz Registry Replacement Project Initiation

AUTHOR: Dave Baker, Jordan Carter
FOR: Council
PURPOSE: To set out an approach for the future direction of the registry system. Also in scope would be a WHOIS service and RDAP service. The authoritative DNS service is not in scope at this time.
DATE WRITTEN: 14 August 2019

Introduction

The Shared Registry System or SRS is the core technology system for the operation of the .nz registry. Together with the .nz DNS, the system is at the heart of .nz.

The SRS application was originally developed in 2002. It has evolved and upgraded since, and after some years being hosted by Catalyst IT, it has been operated in-house since 2014.

The mix of technologies involved in the system are showing their age, and the costs and risks of continuing with it are rising. Based on the analysis set out in this paper, our view is that it is time to start planning for the system's replacement.

This paper sets out the background and assumptions behind the need for change. It then looks at the strategic and operational outcomes a new registry system would set out to deliver. It moves to consider the customer impact of any change, and explains how we propose to develop the project.

This paper closes by proposing that the project be financed by retained earnings, not by current income.

Our intention is to come back to Council in October with a business case for the replacement project, including the likely costs - current budgets do not provide for a project of this scale. Please note that, as such, the analysis in this paper is preliminary and not exhaustive.

Background and assumptions

Current Constraints

The existing registry system is reaching end of life. The core system is written in Perl. Over the last few years and into the future we will see an increase in maintenance and operating costs

due to a combination of aging technology, legacy code and high costs for Perl programmers (and these skills are becoming increasingly hard to find). New features and enhancements for supporting growth and change beyond what the original system was designed to do are hard to implement in a timely manner due to the inflexibility of the current registry platform.

In summary, the current system is inflexible, and difficult to maintain which results in increased risk, maintenance costs and low speed of change.

The key points in the above summary are expanded here:

- A number of external dependent Perl modules and libraries are receiving little maintenance and support. This will increase the security and reliability risk for the registry system.
- There are two protocol interfaces to the registry system, maintenance, enhancements and new features require twice as much effort because they need to be implemented for both protocols.
- Business rules have been closely integrated into the code when the SRS was originally developed. This makes simple changes to business rules not an easy task and requires the full change management life cycle.
- Technical debt in the codebase. This inevitably increases the maintenance work. And an increasing technical debt equates to increasing maintenance costs.

Some additional points regarding the interfaces to the registry systems are in **Appendix 1**.

Assumptions

We assume the following, with a reasonably high level of confidence:

- There will not be a sea-change in the use of Perl, to improve the libraries noted above or to increase the supply of Perl developers.
- EPP will continue to be the industry standard protocol, meaning that future demand for .nz names will increasingly come from EPP registrars (not SRS registrars).
- Ongoing market consolidation among .nz registrars will continue, and larger registrars are used to registries making changes, that is really just BAU for them.
- Legacy registrars, which are typically SRS registrars, are exiting the domain registration market.
- The expansion in the number of global top level domains (gTLDs) will continue, meaning the market for provision of registry services and systems will continue to expand. This in turn means the array of and competition between various service and system providers will be robust in the medium term.
- Flexibility and enhanced insight of a register will be an ever-higher priority for ccTLD operators, including .nz, in a situation of lower organic growth. This is because they will assist in delivering value to customers and in supporting marketing efforts.
- Security and stability of this valuable national infrastructure is ever more important, and ccTLD managers have an obligation to be using robust, resilient and modern systems.
- We will not seek to implement the outcomes of the .nz Policy Review in the existing SRS, due to the high cost of doing so, and because there should be a reasonably small timing gap between a new system being available and the conclusion of the policy review.

We have confidence in an assumption that the preferred solution would discount the development of a bespoke registry system. This is due to the standardisation of interface protocol and the growing number of off-the shelf options or service delivery partners making such an approach unnecessarily costly. A qualification to this is that the outcomes of the .nz

policy review are not known. If they produce operational requirements that make such a bespoke solution one of the best options, then it would be considered.

Strategic Outcomes & Linkages

The strategic direction for the registry system for the next 10 years will be a registry system that is built for growth and changing needs, and maintains the confidence of registrants, registrars and stakeholders in the security, privacy, stability and reliability of the .nz domain name space.

Outcomes

To deliver on this direction, the following key strategic outcomes will be sought from a replacement system.

Flexibility

The registry platform will need to be flexible for supporting growth and change, allowing new features and enhancements to be easily implemented in a timely manner.

One essential component will be the externalisation of the business rules and this will allow business users to modify the rules without the need for IT intervention. A business rules engine will give the system flexibility to allow policy changes to be implemented faster. This flexibility of business rules will enable modification of outputs to enable marketing campaigns and cater for changing business needs.

Interfaces

The new platform should support one registry protocol, EPP, which is the industry standard. Access to registry data and BI enhanced data should be made available on an appropriate, secure basis to registrars and other stakeholders using modern APIs / efficient interfaces with other data platforms.

Desirable capabilities may include integration with control panel systems used by smaller registrars or resellers eg: WHMCS Plugin, and a replacement for the WHOIS service to provide registry data via the industry standard RDAP service.

Reliability

The new platform should support the same service level expectations as the current platform. Performance should in fact be higher, given that modern engineering techniques can reduce the need for planned outage windows for system changes, and given that the new system will be more flexible with fewer engineering changes needing to be made.

Security

The registry platform should have security at its heart. Sensitive information relating to the registry data should be secured with appropriate encryption. All transactions that query or make changes to the registry data should be logged, and systems are required to analyse these logs to detect inappropriate activity.

Control

With the importance of this infrastructure for New Zealand, and the unique policy approach .nz takes, InternetNZ must maintain an appropriate degree of control of the system. Today this control is exercised through operating a bespoke application in-house. If we were to choose a different option, control would need to be maintained. This could be achieved through operating a system which we had appropriate rights to, or through a joint ownership structure. A lesser degree of control would be realised through an outsourcing approach, where a third

party was to operate the .nz registry on our behalf using their own registry platform. As part of this project we will test and decide what level of control we need and how to achieve that.

Features

Any new system should be capable of delivering additional features, beyond the basic functional requirements, such as:

- New data, marketing and insight tools
- RDAP
- Registrar APIs
- Supporting multiple TLDs
- Registry Administration
- Registry Lock
- Stats and Reporting
- Registry system is written in modern programming languages that are common, well maintained and supported.
- Automated billing with easy integration into our current financial systems and having the flexibility to adapt to different payment options or changes to billing rules.
- Cutting edge technology that is future proofing .nz and makes it easier to engage and attract staff.

Linkage with the Strategic Framework and Goals

With the Strategic Framework

The SRS is at the core of our .nz ccTLD offering, which is one of our four core areas of activity. It provides over 95% of our annual income, and so is a core system to maintain and invest in over time.

In addition to its importance to continuing to deliver .nz with appropriate quality and security, it represents a foundational investment in our capability as an organisation.

As such, a new registry system is consistent with the Strategic Framework. It supports our core operating activity, which delivers most of the income we use to further all of our goals.

With the Strategic Goals

A new registry system also supports most of the strategic goals established for the period through to 30 September 2020, in direct or indirect ways.

Goal 1 - Growing .nz

- Will improve the reliability of the registry service, and tackle capacity constraints with the existing EPP system which need to be addressed.
- A registry system with separation of business rules from the code base will give the ability to make dynamic changes to the policy rules without having to make time-consuming code changes or system design changes. This will be crucial in a rapidly changing registry market and to meet and react to marketing demands and changes to marketing strategy.
- It will also speed up our ability to innovate, by virtue of having significantly better data and insight capability. This will assist with understanding our customers and improving marketing and promotion efforts - either by us or by our channel partners.
- Reduces risk of achieving this goal.
- Increased growth due to lower entry barrier (simpler onboarding).

Goal 2 - Improving .nz security and policy

- Raising and Improving the security levels which results in better security and stability of the .nz space
- Implement changes to .nz policy that are likely to arise from the .nz Policy Review without expensive, slow change barriers.
- Excellence in a ccTLD through operating modern systems with a system matching to modern requirements.

Goal 3 - New commercial products

- Opportunities for new products and opportunities
- Diversification of income by providing registry services for other TLDs

Goal 5 - Stimulating digital inclusion

- The new registry platform could provide a service to some of the small ccTLDs around the Pacific.

Scope

At this stage, the anticipated scope of this work is to replace the Shared Registry System with a new registry platform. The services which are part of the registry bundle of systems are all in scope.

This means that at this stage, the .nz DNS service is not in scope. It is not slated for replacement in the same way.

The initial phases of the project will test this approach and determine in the course of preparing the Business Case whether this scope is confirmed, or whether a changed scope is needed.

Customer Impact

At a very high level, and based on current levels of planning, we are aware of the following customer impacts:

- Improved reliability and scalability
- The need to change interface protocol for some customers
- Additional data
- Implementing the new .nz framework

Reliability and scalability

With an ongoing migration to EPP among customers, the current EPP front-end is at capacity, and does not offer the full set of .nz transactions and tools. A new registry system will be built for EPP, and so will be a modern implementation of the protocol, will present fewer risks to availability, and recruitment of new customers will be enhanced.

Change interface protocol

For registrars who are currently SRS only, there will be an impact caused by the retirement of the SRS protocol. They will need to change their systems to interact with the registry via EPP.

This will not come as a surprise, and will be managed through discussion with customers. The project will establish timeframes for this change (at least a year from the date of this paper, and probably longer, seems likely), and whether there is a need to provide support for the change over.

Additional data

The additional data and insight available from the system, consistent with the outcomes described in this paper, will give our customers greater insight into their customers, in turn giving them new opportunities to add value and evolve their service offerings.

Implementing the new .nz policy framework

If the new .nz policy framework generates changes to the .nz service, or requires changes to how registrars work with the registry, these will affect registrar customers on implementation of the new system.

Financing

The accumulated assets of InternetNZ have come from .nz domain name fees, earned through the operation of the SRS. The system is fully depreciated. In our view the appropriate financial strategy for its replacement is to fund this from accumulated assets, not from ongoing operating income. Operating income will pay for the costs of the system over time.

While the costs of this project are currently un-developed, our initial ballpark estimates are that the cost will likely be between \$1.0 and \$2.0m. It is highly unlikely that costs would consume all of the available cash in excess of reserves in the balance sheet (approximately \$4.1m at 30 June 2019).

The initiation phase of this project will be funded from current budgets. As such, this paper of itself has no direct financial implications for Council.

Risk Analysis

We are at the initiation phase of this project, and the risk piece has not yet been done. The information above has set out the risks of not moving towards a replacement registry system. Identifying and managing the risks associated with the project, including execution risks, will form part of the initiation phase of the project that is commencing with this paper.

Governance of the Project

Staff will establish a clear Project Structure following Council's discussion at this meeting. An SLT member will be the Project Owner, and we will likely contract in project management resources. As the project proceeds, a mix of internal and contracted resources will be deployed to deliver it.

Our project philosophy will be high quality and low risk, given the importance of the service and the critical impacts of any material failure in the course of the project.

Timeframes

We anticipate this project will kick off in earnest in September 2019, with an initial Business Case available mid-October. That document will set out indicative timeframes for the various phases of the project, but our initial thinking is that we should be aiming to implement a new system early in calendar 2021.

Recommendations

The purpose of these recommendations for Council to consider is to provide some guidance for the staff's establishment of this Project. Council feedback will be taken on board in developing the Business Case paper that will be shared with Council in October.

THAT Council acknowledge the need to replace the Shared Registry System, and ask the Chief Executive to deliver a replacement.

THAT Council acknowledge that a replacement registry system will not include the SRS Protocol.

THAT Council agree in principle that implementation of the updated .nz policy framework resulting from the .nz Policy Review will not be done in the current Shared Registry System.

THAT Council note that staff will develop the project to replace the SRS within existing budget limits, but that once the project is developed, Council will be asked to agree an overall cost envelope as part of a Business Case analysis.

THAT Council agree in principle that the cost to replace the SRS should be met out of retained earnings, not out of current income.

Jordan Carter,
Group Chief Executive

Dave Baker
Technology Services Director

Appendix 1 - Background to the Registry Interfaces

Context

The registry system for the .nz domain space was originally developed in 2002 and called the SRS (Shared Registry System). At that time there was no industry standard registry system and the interfaces to most registry systems around the world were unique to each registry. The SRS protocol was developed as a way for registrars to communicate with the SRS for registering and updating .nz domain names. The protocol was based on the Extensible Markup Language (XML), which is great for sharing structured data between applications.

At around the same time the Internet Engineering Task Force (IETF) working group was working on a similar robust and flexible protocol that could provide communication between domain name registries and registrars. This protocol was called the Extensible Provisioning Protocol and more commonly referred to as EPP. And again this protocol is based on XML.

The IETF published proposed standards for EPP in 2004 and then draft standards in 2007. In August 2009 IETF granted EPP the status of full standard. Since then the majority of domain name registries around the World have adopted the EPP Protocol.

At the beginning of 2011 with EPP starting to become a default standard amongst overseas registrars, NZRS introduced an EPP interface to the SRS to facilitate an easy connection and on boarding process for new overseas registrars and to help grow .nz in these overseas markets.

The proportion of domains by registrar using SRS is 65% and for EPP it is 35%. The proportions for the number of SRS/EPP registrars is approximately the same as the above for domains.

What is our growth in registrars by protocol?

Over the last 8 years the main growth in the protocol usage is EPP. Whilst the number using EPP has not surpassed SRS there has been a bigger push over the last 12 months to grow the registrar numbers and this has resulted in an uptake of the EPP sign-ups. This uptake is also one of the drivers for investing in a new registry system that is based upon the EPP interface.

EPP Frontend

The current EPP frontend accounts for 35% of registrars. The EPP frontend was designed to provide an entry point for new EPP registrars entering the New Zealand market and to encourage existing registrars to move to EPP from SRS. The number of registrars using EPP is now nearing the limit of the original design and the EPP frontend needs to be replaced within the next 2 years.

Billing systems

Our current registrar billing system is semi-automated and not integrated with the current accounts and banking system. Late payments are manually processed and followed up. Future changes for new marketing or product initiatives would be difficult due to the fixed and inflexible design of the current system.

COUNCIL MEETING - AUGUST 2019

DIGITAL INCLUSION - update on next steps

ITEM NO: 2.2
AUTHOR: Kim Connolly-Stone, Policy Director
PURPOSE: For noting
DATE WRITTEN: 15/8/2019

Introduction

This paper provides an update on how we are bringing Goal 5 to life.

Goal 5 provides that “InternetNZ will collaborate with others to identify, agree and effect significant progress on four interventions to bridge different digital divides”. In this paper we talk about the four things we are planning and exploring.

1. Create an effective online home to connect the digital inclusion ecosystem

A key barrier to digital inclusion is a lack of connection and coordination across the digital inclusion ecosystem (providers, policy makers, and researchers). We plan to work in partnership with others to create a new online home for digital inclusion, putting up-to-date and easy-to-access information in one place to enable better ecosystem connections. This website would include information on digital inclusion initiatives being run around New Zealand, research into digital inclusion, and information on funding sources. It would ideally allow the ecosystem to share and update information on what is happening.

We have started talking to a number of stakeholders about this idea, including the 20/20 Trust in relation to data in its digital inclusion map, and the Department of Internal Affairs about its stocktake of digital inclusion initiatives in New Zealand. We are doing initial scoping and design work in-house, and compiling MVP data for the website, in readiness to discuss it with the ecosystem. The next step will be to develop a business case.

2. Put an investment strategy in place for InternetNZ digital inclusion funding

We will overlay our upcoming community funding rounds with a strategic goal of advancing the improvement of digital inclusion evaluation in New Zealand. While the details are still being worked through, this is likely to require funded projects to work with an expert advisory group (that we convene) to create, test and iterate a practical approach to evaluation that meets the needs of evidence-based policy makers and funders. We would provide additional support to funded projects and be mindful of ecosystem context (for example, aiming to build on the digital inclusion outcomes framework published by DIA).

Our next steps are a terms of reference for an evaluation group, and consideration of how the evaluation process will fit with our next funding round.

3. Pursue influencing and policy interventions

We will encourage the Government to invest significantly in digital inclusion in the 2020/21 budget. We are developing two digital inclusion funding proposals which we will recommend. These concern funding for intermediaries acting as ‘digital navigators’, and for affordable connectivity in state housing.

We will make our funding recommendations alongside a policy proposal for a “right to lifelong learning in digital skills”, similar to that introduced in the United Kingdom. We have joined the Digital Skills Forum (a tech sector/government collaboration on digital skills) to help progress this work.

We are meeting with Minister Faafoi on 28 August to discuss these ideas.

4. Engaging the ecosystem to lay the groundwork for future action

The activities we have planned will allow us to make a significant contribution to digital inclusion in the next 12 months. We also need to stay connected to the ecosystem and be aware of what is happening, to feed into our planned activities, and to plan for next year.

We plan to survey the ecosystem. Ideas for how to do this include working through intermediaries, initiative providers, funders, researchers, iwi organisations and local and central government agencies.

The next step will be to frame the survey purpose and objectives, and draft a project plan. We would then analyse responses and use these to produce a report with insights and recommended future actions.

Kim Connolly-Stone

Policy Director

COUNCIL MEETING – August 2019

Annual Review of Committees and Bank Signatories

ITEM NO:	3.1
AUTHOR:	Jordan Carter
PURPOSE:	To review the Council Committees, their Terms of Reference and membership, and to confirm signatories for the bank accounts
DATE WRITTEN:	16 August 2019

Summary

After each AGM, Council reviews and renews the mandate and membership of each Council committee. This is also an opportunity to reconfirm the bank signatories for the organisation.

This paper notes the current members of each committee, and copies of the Terms of Reference for each Committee are attached at the end of this paper.

Councillors are asked to read the ToR to ensure they are familiar with the purpose of each Committee, and to be ready to table any general changes they would like to see at the meeting. Staff will take that and do detailed amendments as required for later evote adoption.

Audit & Risk Committee

Current members are Amber Craig (*Chair*), Don Stokes, Richard Hulse and Kate Pearce. David Wright is assisting the committee at the present time as a former NZRS director.

Keith Davidson left the committee with the AGM

CE Review Committee

Current members are Jamie Baddeley (*Chair*), Joy Liddicoat, Richard Hulse

Kelly Buehler left the committee with the AGM.

MĀORI Engagement Committee/KOMITI WHAKAURU MĀORI

Current members are Sarah Lee (*Chair*), Joy Liddicoat and Amber Craig.

.nz POLICY COMMITTEE

Current members are Kate Pearce (*Chair*), Joy Liddicoat,.

Keith Davidson and Kelly Buehler left the committee with the AGM.

AUTHORISED BANK SIGNATORIES

The following are authorised signatories for authorising bank transactions such as payment for expenses, and setting up automatic payments.

- Jamie Baddeley
- Joy Liddicoat
- Amber Craig
- Keith Davidson
- Richard Hulse
- Dave Moskovitz
- Kate Pearce

For the record, staff signatories who are able to authorise payments as per the Treasury governance policy are:

- Jordan Carter
- Catherine Fenwick
- Dave Baker

Recommendation

THAT Council confirm that it will conduct some of its work through these four committees: Audit and Risk, CE Review, Komiti Whakauru Māori, nz Policy.

THAT the Terms of Reference for each of the committees as attached to this paper be adopted.

THAT the membership of the following Committees be approved:

Audit and Risk Committee: [Names to be confirmed at Council Meeting]

Komiti Whakauru Māori: [Names to be confirmed at Council Meeting]

.nz Policy Committee:[Names to be confirmed at Council Meeting]

Chief Executive Review: [Names to be confirmed at Council Meeting]

THAT the current bank signatories (Jamie Baddeley, Joy Liddicoat, Amber Craig, Keith Davidson, Richard Hulse, Dave Moskovitz, Kate Pearce, Jordan Carter, Catherine Fenwick, Dave Baker) be confirmed.

THAT Keith Davidson be removed as a bank signatory.

Jordan Carter

Group Chief Executive

16 August 2018

ATTACHED: Committee Terms of Reference:

[Audit and Risk](#)

[Chief Executive Review Committee](#)

[Komiti Whakauru Māori](#)

[.nz Policy Committee](#)

COUNCIL MEETING - AUGUST 2019

COUNCIL SKILLS AND DIVERSITY MATRIX

ITEM NO:	3.2
AUTHOR:	Jordan Carter, Group Chief Executive
PURPOSE:	Generate Council input on the key skills and diversity characteristics Council requires to start the development of a Council Skills and Diversity Matrix.
Date Written:	15/08/2019

Summary

As part of the governance reforms of 2018, Council needs to establish a Skills and Diversity Matrix that defines the key skills that Council needs, and the diversity attributes Council seeks. This provides the basis for recruiting any Appointed Council Members, if gaps are identified.

This paper sets out what the Matrix is for, and proposes some of the key skill and diversity areas that InternetNZ requires of Council. These are a discussion starter. To aid in the discussion, AUDA's skills matrix is attached. The paper closes by proposing how to test current Council members' skillsets and attributes against the matrix.

Skills and Diversity Matrix function

The purpose of the Matrix is to ensure Council has thought about the skills and diversity that it must have, and would desire to have, among its members, to allow it to fulfil its role.

The document itself will set out a list of key skills and diversity attributes, and how important they are for Council to have.

It would be used on an annual basis to test the membership of the Council, and revised regularly. If gaps in Council's skills or diversity are identified, that would form the basis for a recruitment process to select one or two Appointed Council Members, as provided for in the constitution.

Publishing the Matrix will also be part of our general transparency approach and help give stakeholders confidence that InternetNZ is well governed.

Initial list to spur discussion

I have separated this initial list into three categories: technical or specialist areas, general governance areas, and diversity areas. They are to start discussion, and are not comprehensive. I have not listed generic “be an effective Board member” skills, these are considered as baseline (see the AUDA examples on the second page for reference).

Questions to help with the discussion:

- Are any of the suggested areas below unnecessary?
- What other areas should be included?
- Which ones are “Critical” for Council to have? (assuming remaining will be desirable, or specialist)

Technical / Specialist areas

(cc)TLD administration / governance

DNS technology

Domain name policy

Software / IT infrastructure and services

Community engagement

Public policy

Internet openness

Trust and security

Digital inclusion

Internet governance

Philanthropy / Social Enterprise

General governance

Legal / compliance

Accounting and finance

Investment

People

ICT/technology

Diversity

Te Ao Māori

Youth / Age

Urban / Rural

Gender identity

Diverse ethnic communities

Regional

Developing the Matrix

Based on the feedback at this meeting, staff will develop the Matrix document and circulate it back to Council for review. We aim to do this by mid September.

Following evote adoption, we will move to the assessment phase. Staff will report back with the proposed approach which might be:

- Based on discussions - either between staff and Council members or the President / VP and Council members
- Based on a self-rating survey - asking Council members to assess their knowledge / characteristics against the matrix
- A combination - first self-rating and then follow up with discussion.

At the October meeting, the findings can be discussed, and a decision made about what level of publication of the results of the analysis is right.

Recommendation

THAT Council note the progress towards developing a Skills and Diversity matrix in this paper, and note that staff will develop the matrix based on the feedback at this meeting and present a draft for online adoption in mid-September 2019.

Jordan Carter

Group Chief Executive

Attached: AUDA Skills Matrix (for reference)

(from <https://www.auda.org.au/assets/Uploads/auDA-Board-Skills-Matrix.pdf>)

COUNCIL MEETING - AUGUST 2019

DNCL SKILLS AND DIVERSITY MATRIX

ITEM NO: 3.3

AUTHOR: Jordan Carter, Group Chief Executive

PURPOSE: Seek Council feedback on the key skills and diversity characteristics Council requires of the independent director positions on the DNCL Board.

DATE WRITTEN: 15/08/2019

Summary

At the DNCL Board meeting of 14 August 2019 the DNCL Board discussed and agreed on a DNCL skills and Diversity Matrix that defines the key skills that the DNCL Board needs, and the diversity attributes the Board seeks. This provides the basis for recruiting any future DNCL Board member.

The Chair of the DNCL Board has brought these to the Council for its consideration.

Initial list for consideration

The DNCL Board identified the following 5 skills:

- Litigation and Legal skills
- Industry knowledge and/or technical experience
- Regulatory strategy and regulatory processes
- Stakeholder communications and management
- Governance

In addition the current Board make-up consists of an independent director being Wellington based and one in Auckland for business continuity purposes.

Given the size of the Board, its budget, issues for the Board's consideration and frequency of meetings, the Board considered having a smaller list of 5 key skills.

The Board also recommended in the application process that an applicant could indicate their skill level in each of the skills ranging from having a basic understanding, intermediate level of understanding or advanced level of understanding in a particular skill area. This would then assist decision-makers determine the make-up of the Board.

The company will consider Council's feedback and finalise the skills matrix documentation, so it can be the basis of the next recruitment round.

Recommendation

THAT Council:

- Agree with the skills mentioned or agree with amendments and
- Agree to recruit replacement DNCL Board members, as and when required, against the agreed skills

Jordan Carter

Group Chief Executive

Schedule of Meetings 2020

Author: Catherine Fenwick, Organisational Services Director

Purpose of Papers: To agree and approve the schedule of Council Meetings and Events in 2020

The table below sets out proposed dates for key internal meetings (Council, Committees, and Members) and external meetings for 2020.

Month	Council Meeting Dates	Other Meeting Dates	Committees	External/Int'l
Jan				NZNOG: Jan / Feb
Feb	Friday 14 th		.nz Policy Committee – 4 Feb Komiti Whakauru Māori – 12 Feb	APRICOT: Feb tbc APTLD 17-21 Feb
Mar	Friday 27 th March (budget and plan)		Komiti Whakauru Māori – 11 Mar Audit & Risk Committee – 19 Mar .nz Policy Committee – 31 March	ICANN 67 th : Cancun, Mexico 7-12 March
Apr			Komiti Whakauru Māori – 8 April	
May	Friday 15 th		Komiti Whakauru Māori – 13 May	Tech Week: 18-24 May Christchurch Call TBC
Jun			Komiti Whakauru Māori – 10 June .nz Policy Committee – 16 June Audit & Risk Committee – 25 June (dependent on yearend)	ICANN 68 th Rightscon 9-12 June Kuala Lumpur 22-25 June 2020
Jul		AGM – Thurs 30 July	Komiti Whakauru Māori – 8 July	
Aug	Friday 14 th		.nz Policy Committee – 6 Aug Komiti Whakauru Māori – 12 Aug	
Sep		Council Retreat: Fri 18 – Sun 20 Sep	Komiti Whakauru Māori – 9 Sept Audit & Risk Committee – 17 Sep	
Oct	Friday 16 th		.nz Policy Committee – 1 Oct Komiti Whakauru Māori – 14 Oct	ICANN 69 th Hamburg, Germany 17-22 October
Nov			Komiti Whakauru Māori – 11 Nov Audit & Risk Committee – 12 Nov	IGF Poland tbc
Dec	Friday 6 th	Year-End Functions – 11 December tbc	.nz Policy Committee – 1 Dec Komiti Whakauru Māori – 16 Dec	

COUNCIL MEETING - AUGUST 2019

MANAGEMENT ITEMS FOR DISCUSSION

ITEM NO: 4.2
AUTHOR: Jordan Carter
PURPOSE: Key items for Council to know / offer guidance on.
DATE WRITTEN: 14/8/2019

Introduction

This paper is designed to raise key issues for Council to give advice, input and share understanding with management. It should be considered alongside the quarterly Activity, .nz and Financial reports (which provide broader context)..

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

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

A. Key Items

A1 - .nz Pricing as a tool to change registrar/public behaviour

Issue:	Our pricing structure is one-size: all domain registrations are billed at \$1.25 per month. There is no variation in any way. Some other ccTLDs use pricing to incentivise behaviour that improves the overall quality and security of the namespace - e.g. incentives to encourage use, increase the quality of what is in the zone and to improve the security posture of their ccTLD.
Our ask:	I am interested in the perspective of Councillors about us moving in this direction.

A2 - Impact Project Framework and what comes next

Issue:	<p>One of the key challenges for us this year was the implementation of our new Strategic Plan, which focussed our work on five goals. While this allowed us to refine our work plan for the year, it also resulted in a significant increase in ideas for new projects without a strong underlying approach to determine priority. To remedy this issue, we are implementing a Portfolio Management Framework that will support achievement of the goals and enable more targeted selection and priority of new initiatives, ensure we are focused on the right things, whilst also providing enough flexibility to keep up with our environment.</p> <p>Key components of the Framework include</p> <ul style="list-style-type: none">• A Project Lifecycle - Thinking, Planning, Doing, and Reviewing.• Prioritisation Criteria - Attractive, Affordable, Achievable (AAA)• A First Pass Proposal - ensuring good 'Thinking' takes place before a new project is commissioned• Guidance, tools, and templates support completion of the project lifecycle stages. <p>Using the AAA Prioritisation Criteria, the Senior Leadership Team was able to undertake a portfolio prioritisation activity. The result of this exercise is that we now have clarity on what organisational projects should be supported and which should be stopped or parked.</p> <p>As we are using this process to funnel all new project work this will allow us to plan future work and review backlog of work for future business planning on a regular basis. We still have work to do on tools and training but the whole team have been supportive of this new approach that allows visibility of work across the teams and an agreed Governance methodology.</p> <p>What this means for the Council, is that you will now be able to see a more targeted business planning process which includes the selection and prioritisation of projects that are most aligned with our strategy. This will enable a clear line of sight between what INZ does on a day-to-day basis and how it's tracking towards the achievement of our strategy.</p>
Our ask:	That you are aware and provide any comments on the approach .

A3 - Product Pricing

Issue:	<p>The recently revised delegation policy is silent on who sets the prices for InternetNZ products.</p> <p>Our intention is that the operating team will set the prices for all products except for .nz registrations. The price structure for .nz will be set by Council.</p>
Our ask:	That you be aware of this, and offer any comments at the meeting.

A4 - Social Media and Post-Christchurch (Goal 4 update)

Issue:	<p>There continues to be ongoing, sustained media and public interest in issues of social media regulation and general progress on matters included in the Christchurch Call. This interest is revitalised each time there is another high profile incident internationally that involves an aspect of social media interaction, and further by different parties implementing partial solutions in lieu of more formal Government policy responses - for example Spark's decision to block 8Chan, and the Chief Censor encouraging more proactive regulatory and policy responses from the New Zealand Government.</p> <p>Jordan is our lead spokesperson on issues related to the Call and to the terrorist attacks in Christchurch.</p> <p>There are three broad streams to InternetNZ's approach:</p> <ol style="list-style-type: none">1. Working with the New Zealand Government via the Ministry of Foreign Affairs on international relations relating to the Call, particularly to ensure international civil society, including the technical and research communities, are included. This work stream is expected to run until May 2020, one year from the Call, with the next milestone a side meeting at the General Assembly of the United Nations, which will have a focus on the progress of work around the Call. This workstream is led by Chief Advisor International, Ellen Strickland.2. Managing domestic perspectives, interests, audiences and intelligence by generating InternetNZ's policy thinking on social media regulatory issues, as well as the work already in train on Internet openness. This workstream is led by Kim Connolly-Stone as Policy Director.3. Convening domestic stakeholders for discussion and collaboration, and working in a multistakeholder fashion. This included gathering stakeholders in June for a debrief on the Call text and process, and action from here, and will include further sessions at NetHui. This workstream is led by Andrew Cushen as Engagement Director.. <p>The New Zealand Government is expected to move publicly into the domestic response in the third quarter, which will require policy response and engagement enabled by the three workstreams above.</p>
Our ask:	<p>We would appreciate Council's intelligence as to additional stakeholder perspectives, as well as engagement and participation in policy outputs and the domestic stakeholder sessions.</p>

A5 - Pickens Independent Review of DNCL and InternetNZ response

Issue:	<p>The Independent Review of the Domain Name Commission has concluded, and DNCL will shortly be releasing the final report along with its responses to the recommendations.. There are no changes to the recommendations presented in the draft, but a new chapter on DNCL's relationship with Te Ao Māori has been drafted, and the reviewer has responded to the submissions received on the draft.</p> <p>The overall review is quite positive. The suggested changes are generally incremental improvements and adjustments. Many of the matters recommended for improvement can be progressed in conjunction with InternetNZ. Some can be made by the Commission. Some would affect .nz policy.</p> <p>InternetNZ (as shareholder) will produce a "response to DNCL's response",. This will welcome the report, provide some context, and identify areas for us to work together in implementation. I anticipate this will be most simply done in the form of a letter from InternetNZ to DNCL. DNCL will lead planning of implementation response.</p> <p>Anticipated timeframe is mid-September for Council review.</p>
Our ask:	Any comments on this approach or alternatives you may wish to suggest to it.

B. Exceptions / Items to Note

B1 - Election System Issue

Issue:	We welcome discussion with Council based on the paper finalised on 31 July and attached to this paper (4.2.1).
Our ask:	Decisions in response to the recommendations presented.

B2 - Update on Grants Evolution

Issue:	Progress continues on implementing the new grants regime, as approved by Council at the February meeting.
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	<p>Later this quarter the Engagement team will recruit the new Grants Panel, which will replace the previous Grants Committee. It will then commission rounds focused on digital inclusion and a more general round associated with broader community interests. The digital inclusion round will be linked to the Policy Team's work on evaluation, under Goal 5 (see paper prepared for agenda item 2.2). As part of this new approach, Council will still receive summary reporting on all grantmaking.</p> <p>This is taking longer than anticipated, due to staffing changes and prioritisation challenges.</p>
Our ask:	This is for information only.

C. Late Changes

None for this paper.

D. Key Q2/Q3 External Commitments

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

5-6 September	APTLD 76 - Malaysia	BC
11-12 September	eSafety Conf (AU-NZ) - Sydney (including Chch Call related content)	JC, ES, DC
20-23 Sept	UNGA Leaders Week Christchurch Call 'Voices for Action Plus' meeting and CVE Research Symposium - New York	ES
13-24 October	RIPE, Internet Measurement Conference, CENTR TECH and R&D - The Netherlands	SC
27 October-1 November	OARC, NANOG - Austin Texas	JS
28 October	Australian IGF initiative- Melbourne	JC
1-7 November	ICANN 66 - Montréal, Canada	JC, ES, BC, DM
11-13 November	Paris Peace Forum (Chch Call related)	ES
17-20 November	IETF Singapore ISOC Policymaker Fellowship	KCS
24 November	UN Internet Governance Forum - Berlin, Germany	JC, ES

Jordan Carter
Group Chief Executive

15 August 2019

At-a-glance: Strategic Goals Progress

Goal 1: Growing .nz	Overall Status:	
.nz Marketing - public and channel marketing efforts		
Registry Frontend Replacement - Scheduled for quarter 2-3.		
.nz website - this work is paused whilst we firmed up our digital strategy for the InternetNZ website.		
Domain Sophistication Index - Work has started.		

Goal 2: Improve .nz policy and security	Overall Status:	
.nz Policy Review - the Review has commenced.		
.nz Security Assessment - the concept was introduced to registrars at the .nz conference in May, and met a warm welcome.		
Risk Radar - under way, to A&R in Q2.		
Domain Abuse Detection - Efforts during Q1 focused on Fake Web Shop Detection.		
Security Review - No work started in this quarter.		

Goal 3: Two new non-.nz services	Overall Status:	
Innovation Pipeline - We published a blog post to provide some public insight to our approach.		
New Product One - Our first product, a DNS Firewall, had its business case approved.		
New Product Two - this product was paused this quarter whilst we focus on the DNS Firewall.		
ANZSIC Classification of the Register - No progress has been made on this work during Q1.		

Goal 4: Christchurch / Openness	Overall Status:	
Christchurch terrorism response - InternetNZ has worked closely with the New Zealand Government in the Christchurch Call process, bringing our Internet policy and governance expertise to the table. We supported domestic stakeholder engagement, and supported the engagement of international civil society voices with the Christchurch Call process.		
Define/explain Internet openness - This document is scheduled to be released for further discussion in August 2019.		

Goal 5: Digital Inclusion	Overall Status:	
Government Engagement - we have: <ul style="list-style-type: none"> • been talking to the Department of Internal Affairs about the possibility of a joint partnership fund (as part of the <i>Digital Inclusion Blueprint and Action plan</i>). • contributed to the Commerce Commission's work to implement the Telecommunications Act. This has included its mobile market study, the fibre input methodology, and the copper withdrawal process. 		
Outcomes and Evaluation Framework - we were consulted by the Department of Internal Affairs on the digital inclusion outcome framework and research agenda.		
Collaboration with Community Organisations - we have been engaging with others in the digital inclusion ecosystem to identify the barriers to, and opportunities for, greater collaboration. We will have more to say about this in Q2.		
Community Access Collaboration - we have been exploring a proposal for collaboration in the telecommunications sector, working with the Telecommunications Carriers Forum.		

Election System Issues

Paper for: Council meeting on 23 August 2019

Date: 31 July 2019

Lead Author: Jordan Carter, Group CEO

1. Introduction

In July 2019, following the AGM and Council elections, members asked questions as to whether the election system operated for InternetNZ was behaving consistent with the guidance provided on the InternetNZ website ([here](#)).

This paper investigates the issue. It has been reviewed by our legal advisors.

2. Key questions to answer

This paper works through the following key questions. If there are other key questions to answer, please let Jordan know.

- a) Is the election system consistent with the InternetNZ Constitution as amended in 2018¹, i.e. “In all elections a preferential and proportional voting system will be used.”?
- b) Is the election system consistent with the guidance provided on the InternetNZ website?
- c) What verification was done to assure that the election system would produce the same results based on the same preferences as the previous InternetNZ system?
- d) How was the decision made to proceed with the new system - by who, on what advice, with what supporting input?

¹ For 2018 and prior elections, the requirement was that “in all elections a preferential voting system will be used”.

3. Background

The following points of background are useful context.

- A working party of InternetNZ members reported on the election system following the 2014 AGM. Their report was published by Colin Jackson on 31 March 2015, recommending no changes to the then-current system (called the “old system” in this paper).
- The old system is described as follows on the website “InternetNZ operates what might be referred to as a *“multiple-member majoritarian preferential voting” model, with a few minor variations.*”
- During the 2017 election process, concerns were raised about security; specifically the sending of voting credentials by email in plain text. These concerns prompted a review of the election platform to increase security of the solution. Technical staff operating the old system also advised in late 2017 that the old system was obsolete, potentially insecure and essentially no longer fit for purpose.
- Staff reviewed options for alternatives that would support InternetNZ’s voting processes in a more secure manner. The current provider was identified as a potentially suitable party following this review.
- In early 2018, two members experienced in election systems met with staff and the election system provider, and the ballots cast in the 2017 election were run using the new calculator, to verify that it would produce the same results (it did).
- In 2018 the new system was used to fill one vacancy on Council. The President and Vice President roles were uncontested.
- In 2019, the new system was used to fill two vacancies on Council.
- In both cases, people noted the reference to the “Droop” count, which is part of an STV system. This reference was present in the 2018 results and in the testing done in early 2018. The “System” reference changed in the results outputs between 2018 and 2019 because 2018 was a single vacancy election, but 2019 was multiple vacancy.
- In the run up to the 2019 AGM, Andrew Cushen sought legal advice as part of assuring that the system matched the constitution. The

advice suggested it did, which we questioned given our understanding that the system was not STV.

4. Answers to key questions above

a) Is either system consistent with the constitution?

Up until 2018, the constitution required the election system to be “preferential.”

- The **old** election system accumulated voters’ preferences, and so can be described as preferential. It complied with the constitution before the 2018 change.
- The **new** election system accumulates voters’ preferences, and so can be described as preferential. It complies with the constitution either before or after the 2018 change.

The constitution was changed in 2018 to require the election system to be “preferential and proportional.”

- The **old** election system is preferential but is not proportional, and so would not comply with the constitution.
- The **new** election system operates an STV counting method, which is preferential and proportional, which means it **does** comply with the constitution.

b) Is either system consistent with the guidance presented on the InternetNZ website?

The **old** system **was** consistent with the [guidance](#) on the website. It brought all votes back for subsequent positions, treating each election as a separate election. That is why it was accurately described as a “*multiple-member majoritarian preferential voting*” model, with a few minor variations.”

The **new** system is **not** consistent with the guidance on the website. It is an STV system which only redistributes surplus votes, and which treats the election as a single election for multiple vacancies.

c) What verification or testing was done on the new system?

In selecting and implementing the new system a number of steps were taken.

- The new calculator was provided with the raw ballot information from the 2017 Council elections (for four positions) and generated the same results.
- The results of that test were shared with two InternetNZ members with significant knowledge of election systems, who helped us be assured that the count led to the same results.
- Those test results mentioned the Droop quota.
- Emails from Jordan to the two members mentioned above, in asking for their input, mention the STV counting method, but none of us appear to have picked that up as a change to the electoral system.

d) How was the decision made to proceed with the new system - by who, on what advice, with what supporting input?

- Maria Reyes led the process to select a new election system operator.
- There was no competitive tender or contestable process due to the small financial impact of the system. There was a less formal review of available solutions and providers in the market.
- This review process involved:
 - Staff researching available providers.
 - Generation of a requirements document.
 - Invitation from potential providers to provide a proposal on how they would fulfil InternetNZ's requirements, including the specific characteristics of the InternetNZ voting system.
- The current election system provider received briefings and documentation that included the constitutional requirements and the guidance on how the electoral system works.
- The testing described in c) above was integral to deciding to proceed with the new system.
- Maria and Andrew recommended going ahead with the new system.
- Jordan made the decision to proceed with the new system, based on the process and the advice described here.
- Council was notified of the work on the new system in the Organisational Update [dated](#) 16 May 2018. The minutes of the subsequent meeting on 25 May note no discussion touching on this subject.

5. Analysis

After reviewing the background and the interactions described above, and considering the key questions, I offer the following tentative conclusions and considerations:

- The election system used at all times was consistent with the constitution, including (unknowingly) in 2019.
- There is no question about the formal legitimacy of the results of the 2018 or 2019 elections - with one vacancy in 2018 either system would have produced the same result, and the STV system used in 2019 is compliant with the constitution.
- The election system advice on the website was not updated following the change to the election system. As such, it correctly describes the old system but incorrectly describes the new system.
- My email to members in July asserting that we had not had time to implement the constitutional changes was incorrect and reflected our understanding of the system at that time, as no work had been done following the 2018 AGM to implement the constitutional change.
- That the system, already implemented at the time the constitutional amendment was proposed, gave effect to that constitutional change, is what has just been identified in the past few days.
- We cannot know the impact on voters' decisions - whether they would have ranked their preferences differently had they known the electoral system was counting them differently.
- The election system selected in 2018 relied on reasonable assumptions that:
 - The new election system operator would provide a system compatible with the requirements they were given; and
 - the review by internal experts to check that the results generated by both systems were the same would validate the appropriateness of the new system.
- In hindsight, these assumptions were not adequate to assure that the entire system was fully compliant with our requirements. The new system meets the constitution, but we did not know it didn't follow the guidance.
- The whole purpose of preparing the guidance was to increase voter understanding of the election system. Through not matching the

system, it has not achieved that goal.

- The process of scrutinising the election results did not formally check the validity of the election system against the constitution or the guidelines.
- Responsibility for the election system has not been clearly enough assigned at an SLT level - different directors have different assumptions about who is responsible for it, and how those responsibilities align with the Returning Officer role described in the Constitution.
- That lack of clarity is my responsibility.

6. Next Steps

a) Election System

Based on the analysis in this paper, it appears that the electoral system that electionz.com have been running for us in 2018 and 2019 - STV with the Droop quota - **is** consistent with the constitutional requirement introduced in 2018 for the election system to be “preferential and proportional”.

Three options have been considered in terms of what to do next with the voting system:

1 - Keep the current system

As suggested by Don Stokes, one option would be validate the STV counting process for all future elections, and to update our guidance documents to reflect this clearly.

This option:

- Minimises impact operationally, since the system is in use
- Complies with the Constitution

However, there may be questions about the reputational impact of keeping the system following the current discussion.

2 - Go to market for a system that is compliant with the constitution (as the current system is)

Staff could go to market to seek availability of online voting systems that, like the current system, are compliant with the constitution.

This option:

- Requires effort and testing the market, a project that has not been scheduled in the work plan.
- Would comply with the constitution.
- Could see the current provider reappointed.
- Does not add to the practical outcomes of option 1.

3 - build a new system in-house compliant with the constitution

The organisation could develop/build a new online voting system compliant with the constitution.

This option:

- Would require a choice of electoral system.
- Would require new technical resources to implement.
- Would replicate systems offered by other specialist organisations for no apparent reason.
- Would lose the benefits of using a provider that is a subject expert in electoral systems.
- Would add further diversity to the already complex diverse set of systems InternetNZ operates.

Recommended option

My recommendation is that we keep the current online voting system with electionz.com. It meets our requirements as set out in the constitution and has the least operational impact to implement.

Note that there are still some issues with integrating the new election system with the internetnz.nz website and the CiviCRM database, to resolve the original challenge of avoiding emailing plain text voting credentials.

Those issues are separate from the election system itself, and will be solved as part of the website platform project that is currently underway. It will be a new web interface that people are using by the 2020 election.

b) Other next steps

As well as making a decision on the electoral system, I am intending to take the following steps:

- Assign overall accountability for the electoral system and all associated processes to **Catherine Fenwick**, Organisational Services Director, with assistance as required from Technology Services and internal & outsourced IT functions.
- Ask electionz.com to provide a detailed plain language explanation of how their system counts votes, and test this with members and others with expertise in this area to assure that the system is described correctly and meets the constitutional requirements.
- Ask Catherine to work with Andrew / comms and election system experts among members to develop clear guidance on the operation of the electoral system, and publish this to members and the public.
- Ask Catherine to own the development of an appropriate formal description of the electoral system, and to review and revise the scrutineering process, so that it includes checks of the system operating in compliance with the formal description of the system.

This paper will be formally tabled for the Council meeting so that it is on the record. It will be shared with members on the website in advance, to solicit any further comments or input that Council can consider at the meeting.

7. Apology

In closing this paper, I offer my **sincere apologies** to the Council and to the members. We have not handled this system with the priority that it deserves, and the result has been unnecessary uncertainty about the election system, and reputational damage for us with members.

I regret this and apologise for it, and I hope that the steps proposed in this paper will suitably resolve the issue in a sustainable way. I welcome additional suggestions as to what we can do.

8. Recommendations

THAT Council receive this report and note the background, analysis and options it sets out.

THAT Council formally approve STV with the Droop quota as being the appropriate electoral system for InternetNZ.

THAT Council note the “Other Next Steps” in the paper, and note that there will be a report back on progress at the October 2019 Council meeting.

Jordan Carter
Group CEO

31 July 2019

DRAFT MINUTES OF COUNCIL MEETING

Status:	Draft
Present:	Jamie Baddeley (President), Joy Liddicoat (<i>video</i>), Kate Pearce, Don Stokes, Keith Davidson, Amber Craig, Kelly Buehler, David Moskovitz Sarah Lee, Richard Hulse and Richard Wood (<i>video</i>),
In Attendance:	Jordan Carter (Chief Executive, Video), Catherine Fenwick, Andrew Cushen, Brent Carey, David Morrison, Dave Baker and Diane Robinson (minute taker)
	Member Mark Thomas, Managing Director, Serviceworks Group Ltd

Meeting Opened: 9:00am

1.1 Formal Opening (Karakia), Apologies

Council was in committee from 9:00am to 10:14am for the Council only session; and for the Council and CE alone time.

InternetNZ Staff joined the meeting at 10.14am

The President thanked the four Council members coming to the end of their terms at the AGM in July 2019 for their hard work.

A special acknowledgement was made to Keith Davidson for his length of service. Keith will not be re-standing for Council. It was agreed by Council that Keith will receive recognition for his service at the AGM.

Member Mark Thomas was welcomed to the meeting.

1.3 Interests Register

Amber advised that she had a new position as a Research Assistant for Victoria University project Ngā Takahuringā ō te ao.

2.1 Christchurch Follow Up

Jordan advised that the revised [Goal 4](#) and [Policy Propositions](#) were disseminated to Members for discussion and feedback over the past few weeks.

Goal 4: Support New Zealand's online community safety, inclusion and wellbeing while ensuring that the essential openness of the Internet's governance, technology and architecture is taken into account

Andrew advised that there have been conversations with Members in Auckland, Wellington and Christchurch and he provided a summary of these discussions:

- Not a great deal of feedback about the revised Goal 4. So therefore, it will stand as written.
- There has been vast commentary regarding the policy propositions amongst the Membership and Stakeholders. About two thirds of the propositions came through the process largely with agreement. The policy propositions that stood out with the diversity of opinion in a significant way were:
 - Live-streaming – with those questions about practicality, censorship, what can be done?
 - Hate speech – has been talked about extensively, about the right balance.
 - White supremacy – on whether that's the right target?
 - Algorithms has been questioned in terms of what that actually even means?
 - Jurisdictions – practicalities around recognising that there is an issue but what New Zealand as a country can do to influence a global issue?

Further analysis to be undertaken on the Christchurch meeting that took place on the 16th May 2019.

Feedback from Council is that it's important for InternetNZ to pursue Goal 4. The President asked Jordan to consider re-prioritisation of workloads with the other goals, should further work fallout of Goal 4.

Council acknowledged and thanked the Domain Name Commissioner for the [letter](#) of 10 May 2019, noting the good work carried out.

RN38/19 THAT Council adopt Goal 4 for Internet NZ's 2019-20 plan.

2.2 Danny Aerts visit follow up (discussion)

Jordan invited Council to share any feedback or observations from meeting with Danny Aerts (Danny is the Chief Executive of .se and was here for the .nz conference as a speaker, he spent time with staff, council and management).

Council commented:

- Really enjoying hearing from people working in other ccTLDs and encourages InternetNZ to keep engaging in these activities.
- The world is changing around us with other ccTLDs and InternetNZ needs to keep evolving.
- This engagement with .se and with Danny has been very useful it has helped InternetNZ gain both at governance and operational level, gain access to new and very interesting perspectives.
- Jordan will visit .se (Sweden) in July 2019 to talk to more of the staff at the foundation.

2.3 Commercial Goals (Goal 3) – Measures Improvement (discussion)

David asked Council whether the measures met the expectation of Council and asked for feedback and how we can sharpen up the measurements:

***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*

Current Measures:

- Business processes that generate a pipeline of ideas, and develop these in reasonable timeframes, are established and operating.
- Two new services are planned, built, launched and have earned first sale revenue.
- Each new service has reached net profit within 24 months of first sale.

Council commented:

- What processes are in place to stop ideas or product development. Staff talked through the pipeline process and its objective to eliminate ideas that don't have a market or are not feasible.
- Council commented that we need to ensure that our product approach focuses on the problem that is trying to be solved, rather than being a technical solution we are wanting to apply.
- No need for measures to be changed.

Richard Hulse left the meeting at 10:45am.

3.1 Updated Chief Executive Delegated Authorities

RN40/19 THAT Council agree and confirm the changes to the Chief Executives Delegated Authorities.
(President / Cr Liddicoat)
CARRIED

3.2 Acting Chief Executive: May – Jul 2019

RN41/19 THAT Council agree and confirm Catherine Fenwick, Organisation Services Director to Act as Acting Chief Executive for the period of 12 May to 7 July 2019.
(Cr Lee / Cr Craig)
CARRIED

AP15/19: Meetings to be scheduled for Acting Chief Executive and the President to catch up during this period.

4.1 President's Report

- For the first three weeks of July 2019 the President will be on leave, during this period the Vice President will be acting.
- Regular catch ups with Chief Executive Jordan Carter. The President commended Jordan on his performance for the Christchurch Call for Action.
- Recognition to InternetNZ staff for going above and beyond the call of duty and working outside of normal hours to support Jordan/Ellen with the Christchurch Call for Action.
- Andrew received a special mention from regarding the support he provided to Jordan and Ellen in Paris.

4.2 Management Items for Discussion

David advised Council that there has been a decrease in growth in .nz names from 10 May to 712,622 a decrease on our year beginning number of 712,894. The key contributing factors to the increase of cancellations were:

- Exit of some legacy registrars from the market. Uncovering names that have been maintained by registrars but should have been cancelled long ago.
- Gradual decline in reduction in creates and new business.
- Some further reduction is expected in the first half of this year as there is some further market consolidation in progress. Decline is expected in the several thousands of domains.

RN42/19 THAT Council note the Management Items.
(Cr Craig / Cr Lee)
CARRIED

RN43/19 THAT Council appointed Andrew Cushen as Returning Officer
for the 2019 Annual General Meeting Council Elections

(Cr Craig / Cr Moskovitz)
CARRIED

RN44/19 THAT Catherine Fenwick is appointed as an observer to the
DNCL Board during the period of her role as Acting Group
Chief Executive.

(President / Cr Craig)
CARRIED

AP16/19: Acting Chief Executive to confirm who is Chairing the DNC
Board in the absence of the Chair overseas. Catherine to
advise Council by email.

4.3 Product Decision Making (deferred from March)

David advised that Council had requested a paper for further clarity around what the product decision process would look like for product investment. It was deferred from March for discussion.

Council commented:

- Some Council members wanted to be more hands on with decision making around new products being agreed upon.
- It was good to see a no surprises approach, this provided a level of comfort.
- A process on how we define a product is succeeding or not and when to make the decision to stop and not to pursue.
- That Council will advise if they are ever uncomfortable and will be supported by the President to raise any issues.
- Important to ensure that Council and the Executive management work well together to manage overall expectations.
- Excited about DNS Firewall product.

David advised that as InternetNZ matures the product framework and management, he will bring to Council some very clear metrics how InternetNZ measures the success of product, both in terms of lead and lag indicators.

RN45/19 THAT Council agree and confirm that decision-making for product development, including business case approvals for new products or services, rest with the Group Chief Executive.

(Cr Buehler / Cr Pearce)
CARRIED

5.1 Health Safety and Wellbeing Update

The report was taken as read. There were three incidents reported.

RN46/19 THAT Council received the [Health Safety](#) and Wellbeing update.

(President / Cr Stokes)
CARRIED

5.2 Consent Agenda Items

Council acknowledged the appointment of new staff members:

- Kim Connolly-Stone, Policy Director, starting 24 June 2019
- Vanisa Dhiru, Community Manager

Noted that Branding work is behind schedule, a soft launch will be initiated soon.

Nethui theme to be confirmed, relating to Openness and launched in the next couple of weeks. The work is slightly behind due to re-prioritising workloads to support the Christchurch Call for Action.

Broadband Map additional service is being explored to serve map layers of broadband technologies to GIS teams with an initial focus on territorial authorities.

The Chair of the Audit and Risk Committee gave an informal update on the Crowe Horwath report. InternetNZ are comfortable with the report and findings. There were no major recommendations.

Community Grants Reporting - Council discussed reading the final reports on the grants and the success stories and sharing that more widely. The need for more engagement with regional areas and holding community meetings was also discussed.

RN47/19 THAT the minutes of the meetings held 15 February 2019 and 29 March be received and adopted as a true and correct record.

RN48/19 THAT the new members be noted.

- RN49/19 THAT the Evotes are ratified.
- RN50/19 THAT the Operational Reports be received.
- RN51/19 THAT Council note the Community Grants Process.

Consent Agenda Block (Cr Craig / Cr Buehler)
CARRIED

- AP17/19 Staff to ensure acronyms are written in full the first time they are used in a paper and then they can be abbreviated.
- AP18/19 Activity Report - staff to note Council feedback on reporting on staff roles and appointments. Catherine to feedback to management.

Richard Hulse returned to the meeting at Noon.

6.1 Matters for Communication – key messages

The President to work with Acting Chief Executive to discuss key messages after the meeting.

6.2 General Business

Note that the following conferences were attended by Councillors:

- [ISPANZ Annual Conference](#) and AGM that was held on Wednesday 15 May (Don Stokes).
- [ICANN](#) Kobe Japan 9-14 March 2019 - recurring themes discussed on the inclusion and protection of indigenous cultures to be able to engage at ICANN. (Amber Craig, Kelly Buehler and Joy Liddicoat).

With no other business raised the President declared the meeting closed at 12:20pm

	2019 Action Point Register			
Action	Who	Status	Due by	
	OPEN FROM 2018			
AP20/18	Staff to work with DNCL around the .nz Fee Review and for the .nz Policy Committee to come back to Council with some advice on this.	Jordan Carter	Superseded	Nov-18
AP22/18	Jordan to get clarity on the obligations of the ALAC membership and set some goals on how to manage membership, and share these back with Council next meeting.	Jordan Carter	Complete	Nov-18
	FEBRUARY			
AP01/19	2.1 Interests Register - Kate and Amber to send an email to Diane for updating the Interests Register. Kate now works for TradeMe (not Cisco). Amber is unemployed.	Kate Pearce/Amber Craig	Completed	Before 29 March
AP02/19	2.2 2019/20 Plan: Goals & Measures - Staff to develop a one-page summarisation for Council to review at each meeting reports on a) Goals b) Measures c) Timeframe d) Reporting against progress (milestones)	Catherine Fenwick	Complete	Each Month
AP03/19	2.3 2.3 2019/2020 Plan Key Financial Trends - Staff to draft a supplementary paper for transparency on what Council reviewed and upload to INZ website.	Catherine Fenwick	Completed	Feb-19
AP04/19	2.5 Commercial Matters - The President and staff will draft and disseminate communication re the new commercial structure and decision-making process to the members list.	David Morrison	Deferred May	
AP05/19	2.5 Commercial Matters - A future paper from staff on the measuring the marketing of the .nz domain names.	David Morrison	Completed	
AP06/19	2.5 Commercial Matters - Develop a paper on product development approach to provide appropriate review time for Council.	David Morrison	Completed	
AP07/19	2.5 Commercial Matters - Provide a one-page monthly report to Council for awareness.	David Morrison	Ongoing	Each Month

Action	Who	Status	Due by	
	MARCH			
AP08/19	5.2 Consent Agenda - Further investigation into Indigenous forums at international events. Ellen Strickland to follow up by end March.	Ellen Strickland	TBA	End March
AP09/19	5.2 Consent Agenda - Councillor Photos to be organised by Andrew Cushen	Andrew Cushen	In progress	
API0/19	5.2 Consent Agenda - Evote Council Attendance - ICANN to be implemented and timetable to be sent to Council.	Jordan Carter	Completed	
API1/19	2.1 Recommendation from .nz Policy Committee on the interim change to policy to be sent after the .nz policy committee meeting on 2 April 2019 for Evote from Council.	Kate Pearce	Completed	April
API2/19	4.1 Email the Pickens Review to Council	Brent Carey	Completed	March
API3/19	5.1 Defer the discussion on the Product Decision Making paper to Council meeting in May 2019.	David Morrison	Completed	May
API4/19	5.1.3 Staff to recommend removal of the NZRS Limited after checking criterion ensuring that the name is secured for the meantime, even when removed from the companies register.	Catherine Fenwick	Completed	June
	MAY			
API5/19	3.2 Meetings to be scheduled for Acting Chief Executive and the President to catch up during the period between May and end June 2019.	Catherine Fenwick	Completed	
Ap16/19	4.2 Acting Chief Executive to confirm who is Chairing the DNC Board in the absence of the Chair overseas. Catherine to advise Council by email.	Catherine Fenwick	Completed	
API7/19	5.2 Staff to ensure acronyms are written in full the first time they are used in a paper and then they can be abbreviated.	Staff	Completed	
API8/19	5.2 Activity Report - staff to note Council feedback on reporting on staff roles and appointments. Catherine to feedback to management.	Catherine Fenwick	Completed	

InternetNZ Membership Report

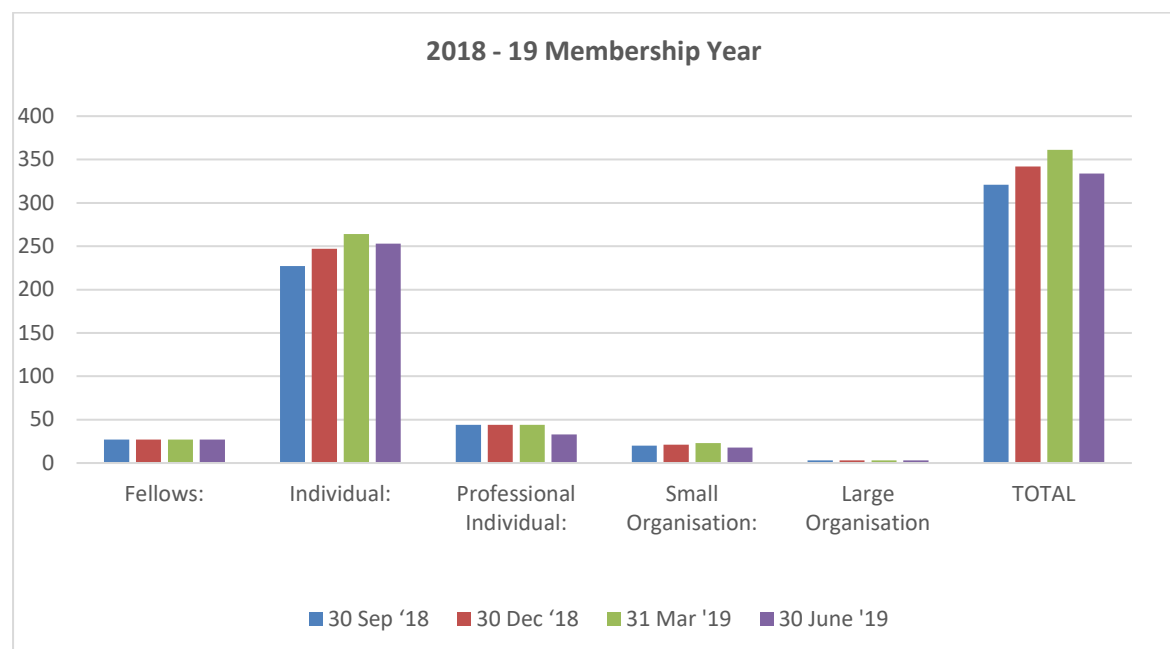
Status: Final
Author: Maria Reyes, Office Manager

Current Membership *(as at 13 August 2019)*

Fellows	Individual	Individual Plus	Small Organisation	Large Organisation	TOTAL
27	254	33	18	3	335

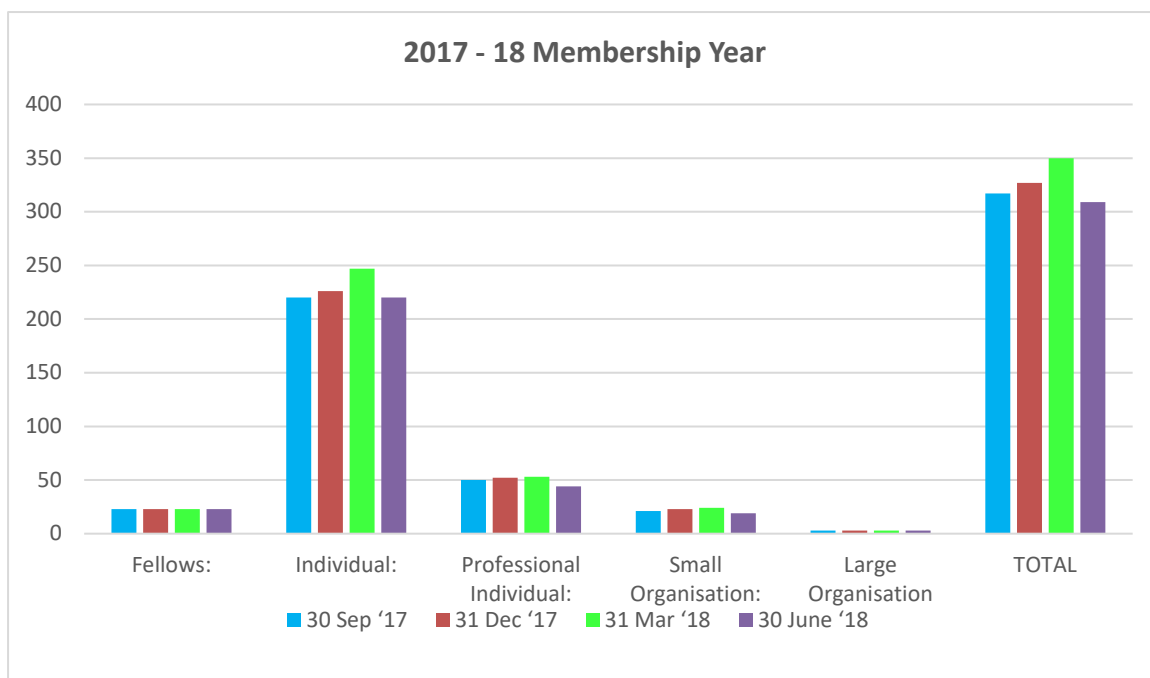
2018 – 19 Membership Year

	30 Sep '18	30 Dec '18	31 Mar '19	30 June '19
Fellows:	27	27	27	27
Individual:	227	247	264	243
Individual Plus:	44	44	44	33
Small Organisation:	20	21	23	18
Large Organisation:	3	3	3	3
Total Membership:	321	342	361	324



2017 - 18 Membership Year

	30 Sep '17	31 Dec '17	31 Mar '18	30 June '18
Fellows:	23	23	23	23
Individual:	220	226	247	220
Individual Plus:	50	52	53	44
Small Organisation:	21	23	24	19
Large Organisation:	3	3	3	3
Total Membership:	317	327	350	309



Recommendation:

THAT the new members be noted.

E-votes Ratification

Author: Diane Robinson

There have been five e-votes conducted since the last Council Meeting:

Evote:	Motion:	For:	Against:	Abstain:
25052019	THAT council send the CEO performance review and FY19/20 performance expectations letter (tabled 22 May 2019) by the CEO Review committee to the CEO.	Jamie Baddeley Joy Liddicoat Amber Craig Dave Moskovitz Don Stokes Kate Pearce Keith Davidson Kelly Buehler Richard Hulse Richard Wood Sarah Lee		
21062019_1	THAT the Audit & Risk Committee recommends to Council to receive and approve the InternetNZ Annual Financial Report for the year ended 31 March 2019	Richard Hulse Dave Moskovitz Richard Wood Jamie Baddeley Amber Craig Keith Davidson Kelly Buehler Don Stokes Kate Pearce Joy Liddicoat Sarah Lee		
21062019_2	THAT the Audit & Risk Committee recommends to Council to receive and approve the InternetNZ Annual Management Report from the Auditors for the year ended 31 March 2019.	Richard Hulse Dave Moskovitz Richard Wood Jamie Baddeley Amber Craig Keith Davidson Kelly Buehler Don Stokes Kate Pearce Joy Liddicoat Sarah Lee		
21062019_3	THAT the renewal of the lease for the Auckland Office be approved.	Richard Hulse Dave Moskovitz Jamie Baddeley Richard Wood Keith Davidson Kelly Buehler Don Stokes Amber Craig Kate Pearce Joy Liddicoat Sarah Lee		

150719	<p>THAT the following members be appointed to the .nz Policy Review Panel:</p> <p>Ms Nita Wirepa Ms Alma Hong Mr Mark Boddington Mr Matt Brown Mr Mark Thomas Mr Tim Johnson Mr Ty Kahu Ms Charlie Gavey Mr Robert Rolls</p>	<p>Dave Moskovitz Don Stokes Joy Liddicoat Richard Hulse Richard Wood Jamie Baddeley Kate Pearce Kelly Buehler</p>		
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Recommendation: THAT the e-votes be ratified.

COUNCIL MEETING -August 2019

Health Safety and Wellness Report

Month	Number of Near Misses reported/or identified	Number of Incidents reported/or identified	First Aid Incidents reported/or identified
September 2018	0	1	0
October 2018	0	0	0
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

Summary

There were no incidents reported since the last Council meeting.

- Monthly Hazard walks have taken place. A thorough checking was done to the whole office, headed by some of the members of the Health Safety and Wellbeing Committee, to ensure that all potential hazards are noted are now included in the Hazard Register. This will then be the guide that will be used for doing the monthly hazards check.

- Annual check for the Fire Extinguishers had been done on 14 August 2019. There were three that were identified as due for a compression check and had to be taken offsite, however a temporary fire extinguisher was provided in place for these in the meantime.
- The INZ Group Health, Safety & Wellbeing Committee met on 8 August 2019.

Health and Safety System

We have a new H&S policy which we will introduce to staff over the coming weeks. After this the next step is supporting staff to be fully engaged in their own health and safety and how they can positively contribute to HS&W in the workplace. Regular reviews are planned for H&S equipment, hazard identification, emergency preparedness, policies.

Three staff are to attend H&S rep training in the coming weeks

Wellbeing

The HS&W committee is working to a new matrix to look at a range of areas of wellbeing.

The focus areas been on Environmental, Physical, Social and Psychological

We are currently looking at the environment through the refit project taking into consideration elements including quite space, collaborative areas, comfortable working areas, good light and consistent temperatures.

The social side of all staff have been through both feedback training and training on the new bullying / harassment policies and processes. All employees have a volunteer day which they can use in the community each year. This is aimed ideally at Internet related work and the Community team are assisting to help staff into suitable volunteering roles as required.

Recommendation

THAT the Health Safety and Wellbeing update be received.

Summary of Council Committee Activity

ITEM NO: 5.6

AUTHOR: Jordan Carter

PURPOSE: To provide a staff summary of Council Committee activity

DATE WRITTEN: 14 August 2019

Summary

Audit and Risk Committee

The members of the committee are Amber Craig (Chair), Don Stokes, Richard Hulse, Kate Pearce and David Wright advising. Keith Davidson was a member until the recent Council election.

The committee met in May and June with the primary focus on the Annual Financial statement and audit clearance. The June meeting was attended by the audit team for Crowe and the team from Deloitte. Both organisations provided feedback to the committee on the audit finding where had no issues that required management comment on.

Other areas the committee has focused on over this period is Health, Safety and Wellbeing issues, Policies under review and Security/Risk review. Please note CSO will join the committee going forward also.

The Committee has also been reviewing the new reporting requirement under PBE FRS 48 From 1 January 2021, Tier 1 and Tier 2 charities will need to include non-financial information alongside the financial statements they file with Charities Services

.NZ Policy Committee

The members of the committee are Kate Pearce (Chair) and Joy Liddicoat. Kelly Buehler and Keith Davidson were members until the recent Council election.

The Committee's most recent meetings were in July and August. The next meeting is 1 October.

Background to the .nz policy review

In November 2018 Council agreed to a review of the policies that regulate the .nz domain name space (“the review”). It was further agreed (in February 2019) that an independent panel (“the Panel”) would be appointed to carry out the review. The Panel would engage with a wide range of New Zealanders as it carries out its work. The .nz Policy Committee was established to provide the governance for this work.

Update

The focus of .nz Policy Committee, since the last Council meeting, has been on supporting the Policy Team with the establishment phase of the review. Following a recent Council e-vote [Evote 15-07-2019 refers] the Panel members have been appointed.¹

The first meeting of the Panel was on 31 July. This meeting was an opportunity for the Panel to get to know each other, discuss how they will work together, and better understand the context for the review. The Panel appointed a Vice Chair, Alma Hong².

The second meeting (being held on 27 August) will involve an initial deep dive into the issues. The Panel will also discuss its plan for engaging New Zealanders. The Policy Team is preparing an initial briefing to assist the Panel (“the initial briefing”). The initial briefing will provide background information on how .nz works, and a series of issues we are already aware of. Council will receive a copy of the initial briefing, for information and noting, when it is complete (expected in the next week or so).

Next Steps

The Panel will work together for 12 months, to provide InternetNZ with advice on how to make the .nz policies more fit for purpose and in line with today’s thinking. More specifically it has been asked to:

- Provide a report identifying any issues with the current .nz policies (by October 2019)
- Provide a final report suggesting solutions to address the issues it finds (by June/July 2020)
- Engage with a wide range of New Zealanders as it identifies issues and suggests solutions.

The Panel’s work will end once it has provided its solutions report. InternetNZ will then consider the recommendations and make decisions about changes to the .nz policies.

Now that the Panel is appointed and has started its work, the focus of the .nz Policy Committee will be to provide governance and support to the Policy Team as the review progresses.

¹ The Panel Members are: Ms Sue Chetwin (Chair), Ms Alma Hong (Vice Chair), Ms Nita Wirepa, Mr Mark Boddington, Mr Matt Brown, Mr Mark Thomas, Mr Tim Johnson, Mr Ty Kahu, Ms Charlie Gavey, Mr Robert Rolls.

² Alma has demonstrated success in the ICT industry and has worked in senior roles with central and local government in telecommunications, media and broadcasting. Most recently, Alma was Chief Information Officer at Radio New Zealand.

Komiti Whakauru Māori

The current members of this Komiti are Sarah Lee (Chair), Amber Craig and Joy Liddicoat. The Committee has met twice since the last Council meeting.

Focus has been on the continued implementation of the plan agreed to late in 2018 (albeit later than outlined by staff by a quarter); specifically:

1. Research and engagement into people and parties active in the Māori Internet Community. Busby Ramshaw Grice has provided a research plan that the Committee asked for substantial amendment to. These amendments were made and discussed at the August meeting of this Komiti, with agreement that an iterative approach may now be taken and commissioned with BRG. Staff will report back once an initial phase of this research has been done as to how this relationship and approach is working.
2. Development of internal capability plans. Staff are developing these with the support of Kūwaha Limited, as recommended by members of the Komiti. The initial focus of this work is to provide support to staff in pronunciation of te reo Māori, moving into language training and wider tikanga appreciation. In addition, support and advice will be provided to members of the SLT developing their role as event hosts and how to greet parties. This proposal is expected by the end of August, and will then be inspected and operationalised by Organisational Services, alongside the wider organisational capability plan.
3. Translation of the website into Te Reo Māori. The Komiti has agreed that this work should be deferred on advice from Kūwaha; that to proceed with translation alone, not grounded in the other two phases of work as outlined above, risks tokenism. Translating the website is also very expensive and operationally very complex. The Komiti will return to considering translation requirements later in 2019 as the other two workstreams progress.

The Komiti has also considered approaches to Haerenga Whakamua at NetHui this year, and is disappointed that the full extent of this event is not doable for this year's NetHui. An alternative plan of a smaller, meetup style event at NetHui, accompanied by a larger stand alone event before the end of the financial year, is now in development.

Fellows Working Group

This Working Group has not met since the last meeting of Council.

The Working Group is still seeking a manner to incorporate advice from Māori perspectives in terms of appropriate terms that convey the appropriate mana as bestowed by the Society. This links with the above plans around capability and relationships as outlined via the Komiti Whakauru Māori in terms of relationships and capability to provide this advice.

Recommendation

THAT Council receive the Update from Council Committees

Jordan Carter
Chief Executive

.nz quarterly report

April - June
2019

Quarter in review

This quarter saw some minor shrinkage in the registry due to a small drop in registrations and some registrars auditing accounts under their management against the registry and removing inactive accounts. The registrar market is also going through some significant consolidation with global acquisitions affecting the ownership of several .nz registrars.

The Domain Name Commission has worked with the InternetNZ Technical Research team to identify how .nz domain names may be used for “fake” webshops. These domain names are being added to the data validation process that the Domain Name Commission operates.

Compliance

- **32** names cancelled
- **9** disputes started
- **4** disputes closed

domain name
commission **.nz**

Domains

710,982
**total
domains**
at the end of
the quarter

- **507,890 .co.nz**
- **140,129 .nz**
- **62,963 all others**

Activity this quarter

27,928 creates

29,218 cancellations

262,558 renewals this quarter

-0.25% growth

Infrastructure

DNS queries for the quarter:

34.4 billion

DNS service level

100%

SRS service level

100%

Incidents of note

All planned work was conducted during standard notified maintenance windows. During this quarter we conducted PGP Key changeovers on our Test (in May) and Production (in June) environments.

People

87 authorised registrars

Market share → top 4 registrars **43.39%**
→ next 4 registrars **20.11%**
→ everyone else **36.50%**

**312,715
unique
registrants**

122,303 individuals
190,412 organisations

**30,296
unique registrants
using privacy
option**



**54,389
domain registrations
with privacy
option enabled**

.nz

Activity Report: Q1 2019-2020

1. Introduction

Welcome to this Activity Report for the period from 1 April to 30 June 2019. This report gives readers a sense of what InternetNZ has been working on, and priorities for the second quarter of the new business year.

This report has a changed format to past reports. The next section is a few words from the Chief Executive. The third section deals with our five Strategic Goals and associated projects. The fourth section covers BAU activity across our functional areas. Both of these final sections look at what was done in the quarter, and priorities for Q2. Next quarter we will incorporate metrics.

2. Across the Organisation

It has been a busy quarter across the Group. I'd like to start this intro with a couple of people things. First, to thank Catherine Fenwick for her role as Acting Chief Executive from May to July while I was travelling. Second, to thank Ellen Strickland for all her work as Policy Director - she has moved into a new role as Chief Advisor, International, during the quarter. Welcome to Kim Connolly-Stone, who has joined as our new Policy Director.

One of the exciting projects that has been happening in the past few months is developing a new project management methodology for the organisation. This is giving us a better way of sizing and prioritising projects, and understanding the resources required to make them happen. My thanks to Kimberly and the team who have been doing this work - it will be a great platform to making us a more effective and well-functioning team.

The early lesson is that we have too many projects on our plate for the size of our organisation and for the amount of business-as-usual work we have to do. In the next quarter's report we'll outline how we have responded to that in deferring or changing some projects, and making sure we are focused on the most important work.

I welcome your feedback on anything in this report, which sets out the wide array of goals related projects and BAU work we have under way. Thanks for reading.

Jordan Carter, Group CEO
18 July 2019

3. Strategic Goals - Q1 Progress, Q2 Plans

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](#).

Goal 1: To fund increased public good investment, drive higher sustainable growth in registrations of .nz domain names. Lead: David Morrison, Commercial Director	Overall Status:	
Q1 Progress		
.nz Marketing - This quarter we focused on shaping the requirements of our marketing initiatives for the .nz name space. This is structured as two key initiatives: <ul style="list-style-type: none"> • a .nz public focused campaign driving leads for participating registrars and the other • a marketing co-fund for registrars to encourage .nz campaigns from across our channel. 		Registry Frontend Replacement - Scheduled for quarter 2-3. Some initial discussions have taken place.
.nz website - this work is paused whilst we firmed up our digital strategy for the InternetNZ website. A tactical approach decided upon is to create a .nz microsite to support .nz marketing activity. The build of this is planned for Q2.		Domain Sophistication Index - Work has started with an initial set of existing and new elements to identify per domain based on data we collect.
Q2 Planned		
.nz Marketing - <ul style="list-style-type: none"> • The .nz marketing co-fund will be launched with our registrar channel with a view to establishing several registrar driven campaigns over the remainder of the calendar year. • The .nz direct campaign will be prepared and planned to deliver when registrar campaigns are not running. <p><i>The results of these two approaches will be assessed to determine what approaches to marketing .nz are most effective and feed into our planning for the next financial year.</i></p> Domain Sophistication Index <ul style="list-style-type: none"> • A first draft and analysis will be available during July 2019. 		

.nz website

- Other than development of a microsite to support marketing activity, .nz website activity will be paused whilst the wider InternetNZ website strategy is firmed up.

Registry Frontend Replacement

- An assessment of the project scope, purpose, business impact, benefits and risks is starting in July 2019.

Goal 2: Modernise and improve the policy and security environment for .nz, consistent with our aim of being a globally excellent ccTLD. Lead: Jordan Cater, Group Chief Executive	Overall Status:	
Q1 Progress		
.nz Policy Review - the Review is about to get underway. Sue Chetwin has been appointed as Chair of the review panel, and recruitment of the other panellists is nearly complete. An initial briefing for the panel is being prepared.		
.nz Security Assessment - the concept was introduced to registrars at the .nz conference in May, and met a warm welcome. Dean Pemberton is leading this work while a CSO is recruited.		
Risk Radar - representation from all teams have been working with Price Waterhouse Coopers (PWC) this quarter to review and update our Risk Radar based on our new Strategy. Once complete it will be shared with Audit & Risk Committee for discussion/feedback. Planned Q1 finish not achieved.		
Domain Abuse Detection - Efforts during Q1 has been focused on Fake Web Shop Detection. The Research Team is now generating a weekly report of potential Fake Web Shop detected from the latest registrations for DNCL compliance and enforcement.		
Security Review - No work started on this as the focus has been on the Ubuntu upgrade from the Technology Services team. Recruitment has started for a CSO that will play a key role in this work.		
Q2 Planned		
<ul style="list-style-type: none"> • .nz Policy Review - panel will be appointed and begin work on the issues phase of the review. 		

- **.nz Security Assessment** - during the coming quarter, discussions with registrars will continue and feed into drafts of a system-wide threat assessment, risk analysis and minimum viable security practices.
- **Risk Radar** - develop mitigations and work through Risk Radar with Audit and Risk Committee.
- **Domain Abuse Detection** - The focus for Q2 will be detection of phishing attempts and deceitful registrations trying to match worldwide events or known brands.
- **Bastion Hosts** - Security enhancement to provide a single point of access that must be used for accessing production systems.
- **Registry Backup** - Existing hardware and technology is approaching end of life and this project will either extend the life of the existing system or replace it with a new solution.
- **Centralised logging for registry systems** - The aim of this project is to centralise all logs from the production registry systems. This would then enable future planned security, monitoring and reporting projects.

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:	
Q1 Progress		
Innovation Pipeline - Our process for developing and testing ideas is now in an operational state. Whilst we seek to recruit a product manager our exploration and validation activity has slowed with our focus at present on launching the first product in relation to this goal. We published a blog post to provide some public insight to our approach.		
New Product One - Our first product, a DNS Firewall had its business case approved. This quarter has focussed on initiating the project which will continue in Q2.		
New Product Two - this product was paused this quarter whilst we focus on the DNS Firewall. There are a few candidates for Product Two to explore when we have a Product Manager on board.		
ANZSIC Classification of the Register - No progress has been made on this work during Q1.		
Q2 Planned		
Innovation Pipeline <ul style="list-style-type: none"> • In Q2 we expect to fill the Product Manager role which will increase team capacity to focus on increased Explore and Validate activity. 		

New Product One

- The DNS Firewall project will continue in Q2 with a view to launching as soon as practical. We are targeting sometime in September/October.

New Product Two

- We will progress with exploring possible options for our next product.

ANZSIC Classification of the register

- No activities are planned for this project during Q2, likely to be scheduled during Q3 due to other pieces of work taking higher priority.

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:

Q1 Progress

Christchurch terrorism response - InternetNZ has worked closely with the New Zealand Government in the Christchurch Call process. We hosted two gatherings of stakeholders from the New Zealand Internet community to support government engagement with diverse local voices in developing the Christchurch Call.

We have also worked to involve and engage international civil society voices with the Christchurch Call process, including through setting up an online space and meetings and liaising closely with the Ministry of Foreign Affairs and Trade.

A member of our Policy Team partnered with the Government Chief Digital Office (part of the Department of Internal Affairs) to share our expertise as the Government worked through its initial response.

Define/explain Internet openness - Work is well underway for a discussion document presenting a definition and explanation of Internet openness, its layers, importance and challenges. This document is scheduled to be released for further discussion in August 2019.

Q2 Planned

- **Define/explain Internet openness** - Finalisation and release of the Define/explain Internet openness report, as outlined above.

- **Christchurch Call domestic policy response** - Development of a document including analysis of domestic policy issues following the Christchurch Call. The InternetNZ Policy team will lead this development.
- **Convening domestic and international stakeholders on the Christchurch Call** - we will continue to work with and convene stakeholders to gather perspectives on the Christchurch Call, and on related international coordination and action as well as domestic responses.

The Christchurch Call is a Government initiative, which is taking an ambitious and novel approach to governments, companies and broader stakeholders collaboratively addressing Internet related issues. We are involved because of the Internet issues involved and because we support multistakeholder Internet governance and policy making. As such we are working to offer our expertise on the issues, as well as to help encourage participation or engagement between the government, companies and broader civil society, and advise government on how best to do this. To be clear, we have limited influence over the government's approach.

Goal 5: Collaborate with others to identify, agree and effect significant progress on four interventions to bridge different digital divides. Lead: Kim Connolly-Stone, Policy Director	Overall Status:	
Q1 Progress		
Government Engagement - we have: <ul style="list-style-type: none"> • been talking to the Department of Internal Affairs about the possibility of a joint partnership fund (as part of the <i>Digital Inclusion Blueprint and Action plan</i>). • contributed to the Commerce Commission's work to implement the Telecommunications Act. This has included its mobile market study, the fibre input methodology, and the copper withdrawal process. 		
Outcomes and Evaluation Framework - we were consulted by the Department of Internal Affairs on the digital inclusion outcome framework and research agenda.		
Collaboration with Community Organisations - we have been engaging with others in the digital inclusion ecosystem to identify the barriers to, and opportunities for, greater collaboration. We will have more to say about this in Q2.		
Community Access Collaboration - we have been exploring a proposal for collaboration in the telecommunications sector, working with the Telecommunications Carriers Forum.		

Q2 Planned

- **Government Engagement** - the focus for Q2 will be on government funding for digital inclusion initiatives.
- **Collaboration with Community Organisations** - the focus will be on how we can support greater awareness and collaboration in the digital inclusion ecosystem.

4. Ongoing Business - Q1 Progress, Q2 Plans

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:	
Q1 Achievements		
The approved Consolidated Group Financials were completed in record time this year - June 30th and the Management letter has no material issues/feedback. Well done to the team as this is a great indicator of the work the team have done all year to consolidate the Financials of both organisations and continued to support DNCL to a high level.		We have completed Phase 1 of our Project Framework review - with the introduction with organisational wide Portfolio Pipeline approach. Phase 1 (Thinking) introduced new disciplines like First Pass proposal, AAA Priority and Thinking checklist. Phases 2 and 3 will look Planning, Doing and Reviewing.
Security - there has been some good work also from the security team on areas across the business including Governance, Physical, Personnel, Travel and Technology over the last 3 months. We have also started the recruitment process for the CSO position and have a number of excellent candidates to consider.		We have also been busy supporting the organisation with new areas such as <ul style="list-style-type: none"> • .nz panel recruitment/selection and administration (100 plus applicants) • Redraft of H&S Policies with support of WorkSI • Training in staff in areas such as First Aid, Team and Leadership skills, Active feedback as examples. • Selection of Vendor to work with us on Office refit - final design and price is still a work in progress
Q2 Planned		
<ul style="list-style-type: none"> • We will focus on Phase 2 of our Project Framework with implementation and looking at Planning, Doing and Reviewing. In Q1 we have developed a Priority list of Projects that will be used in Q2 to drive our work across the organisation. • Security - Recruitment for the CSO position during Q2 will be key to drive forward the current work plan. The top priority projects include the .nz 		

security assessment work and also key work internally on security levels and testing.

- **Office Refurbishment** - This project is to ensure we have an environment that is fit for purpose for our new organisation and will allow us to work and grow effectively over the coming years. Q2 work will focus on final design and budget

Technology Services Dave Baker - Director	Overall Status:	
Q1 Achievements		
New DNS Anycast Site - Addition of a second anycast site for NS4 located in Wellington to add to the redundancy and network diversity of the local .nz DNS anycast network.		
Ubuntu upgrade - Completed all updates to our production facing systems to the latest LTS version of Ubuntu. Remaining internal systems will be updated as part of ongoing BAU work.		
Registrar Portal - Two releases completed this quarter for security updates, bug fixes and new features. The new features that were added were registrar profile details and a Geo heat map of registration locations.		
SRS PGP Key rollover - Successfully completed the rollover of the PGP key used to sign SRS responses.		
SRS - One SRS release completed containing a number of improvements and fixes. Majority of the work for the next SRS release completed which has focussed on a major database software update.		
CA Replacement - Completed installation of a new internal certificate authority which will greatly improve the management and support of our certificate signing infrastructure and registrar certificate signing requests.		
Q2 Planned		
In addition to operational BAU, the technology services team are involved with a number of strategic goal projects this quarter, including: registry frontend replacement, registry backup, centralised logging, DNS firewall, .nz website, .nz marketing activity and the commercial broadband map update.		
Registrar Portal - Further updates are planned for the registrar portal but this would depend on resourcing that are currently being utilised for other projects.		

Engagement (was Outreach & Engagement) Andrew Cushen - Director	Overall Status:	
Q1 Achievements		
Finalising and deploying the new brand framework - the new finalised brand framework is completed and deployment has started. Soft launch involves application to the work of the organisation to show the new brands in that context.		
Ongoing development of new funding approach - continuing implementation of the new approach to community funding, including the development of the approach to the Funding Panel, learning from the approach taken to the .nz Policy Review Panel.		
NetHui 2019 - preparation for NetHui 2019 continued, including setting the theme of <i>Safety, inclusion and wellbeing on the open Internet</i> . Early bird pricing of \$70 for NetHui tickets ends 30 July 2019. Over three dozen suggestions via the community engagement portion of programme development.		
Sponsorship revamp - revamp of internal sponsorship processes to support the new brand and strategy. More focus on tactical opportunities to leverage InternetNZ visibility for brand and audience outcomes.		
Website rebuild strategy phase complete - working with an external agency to complete the strategy/requirements/concept phase of a new combined web platform for all InternetNZ activity.		
Christchurch Call media support - supporting the Chief Executive's role and presence during the Paris component of the Christchurch Call process, and executing the three phase messaging and media plan around this.		
Q2 Planned		
<ul style="list-style-type: none"> • Brand architecture deployment - finishing the rollout of the new brand framework; commissioning and deployment of new assets, and new content and brand governance processes. • Māori Engagement - delayed work on this needs to be a priority in Q2, working with external support. • New Funding approach - further work to develop the new funding approach. • NetHui 2019 - programme finalisation, logistics and ticket sales - the event is on at the start of Q3, from 3-4 October. Over three dozen different sessions have been proposed from the Internet community during the expressions of internet phase. 		

Policy Kim Connolly-Stone - Director	Overall Status:	
Q1 Achievements		
Copyright Review - we made a submission on the issues paper released by the Ministry of Business Innovation and Employment, which sought views on how well the copyright regime is functioning. Feedback on the issues paper will inform the Ministry's development of options for reform of the Copyright Act 1994.		
Classification - we made a submission on the review of the film, video and publication classification system.		
Disinformation and foreign interference - we presented to the Ministry of Business Innovation and Employment on disinformation and the Internet. We made a written and in person submission to the Justice Select Committee on the Inquiry into the 2017 General Election (focused on foreign interference)		
Future of work - we made a submission to the Productivity Commission inquiry into the future of work.		
Q2 Planned		
All planned work is in the Goals section above.		

Technical Research Sebastian Castro - Chief Scientist	Overall Status:	
Q1 Achievements		
Datawork flows automation - As part of the work related to the Fake Web Shop detection, the team started organizing and implementing automated data collections and analysis using Apache Airflow. Airflow is a state-of-the-art tool to orchestrate data processes and it's used by big organizations that rely in data as well as some of the European ccTLDs.		
Registry Augmentation Platform - Development of the platform continues, the Chief Scientist presented about this work at the CENTR Jamboree 2019.		

Chief Scientist attending industry meetings in Asia and Europe - A long stint overseas saw the Chief Scientist attending ICANN Registry Operations Workshop, ICANN DNS Symposium and DNS-OARC Workshop in Bangkok, Thailand. Then moved to Iceland to attend the RIPE 78 meeting in Reykjavik and finally head to Amsterdam to attend and present at the CENTR Jamboree 2019.	
Hadoop Hardware Replacement - Although scheduled for Q1, no progress was made on the design of a cloud solution to replace our aging Big Data cluster.	
Q2 Planned	
Hadoop Hardware Replacement - Work has started to document existing data collection and workflows where the Hadoop cluster plays a critical role and in proposing a new design with a cloud solution in the center.	
Registry Augmentation Platform - Development will be completed and medium to large collection will be tested in a testing environment.	
Farewell to Gerard and Hadis - During August both Gerard and Hadis fixed-term contracts will expire, the Research Team will be working to wrap up the work they have been doing.	
Welcome back to Huayi and Jing - Also during August both Huayi and Jing will be returning from Maternity Leave, arrangements are being made to accommodate scheduling with the responsibilities of the mothers.	

Commercial David Morrison - Director	Overall Status:	
Q1 Achievements		
Peak Domain Analytics - Due to range of factors (low update from beta being a key aspect) and a number of significant cross organisation dependencies to enable this to reach a production ready state, we have made the difficult decision to cease this product in its current form. In the coming quarter and once we have a Product Manager in place, we will review the elements of the value proposition to determine if and how we can pivot the use of DNS popularity data and Health Check data to meet a defined need in the market.		
BBMap - As part of a wider roadmap of improvements the Broadband Map website rebuild has commenced. This rebuild will provide an improved user experience, greater control of performance, reduce operational costs and provide foundational improvements to allow future enhancements.		
.nz activity - We successfully completed our annual .nz conference in Auckland.		

Recruitment - During this quarter we made some structural changes to how the commercial team will operate. This has led to the creation of a business development manager role and a product manager role. These two roles were advertised late in the quarter with a view to finding suitable candidates in July.

Q2 Planned

- **Broadband Map** - this project will continue with a view to a relaunch in September/October
- **DNS Firewall** - The DNS Firewall project will continue with a view to launching as soon as practical.
- **.nz activity** - the key focus for .nz this quarter will be on getting channel and direct marketing initiatives underway.
- **Recruitment** - we hope to have new staff in place which will significantly increase capacity in the team.

Staffing

Catherine Fenwick - Organisational Services Director

Overall
Status:



Q1 Update

New Starters included

- Kim Connolly-Stone as Policy Director
- Maria Skatova joining the Communications team as an Advisor.
- Aurelien Goffi joined the Technical Services team as a Systems Administrator.
- Kate Townsend as Policy advisor supporting the .nz policy review.

The following staff left

- Tracy Johnson - left as the position of Channel manager was disestablished as part of the new Commercial Structure.
- Celestina Sumby completed her contract as Communications Advisor.
- Maria Ludgate left following her term as the Office Manager standing in for Maria Reyes.

Other Changes

- Ellen Strickland moved to her new position as Chief Advisor, International.
- Marie Reyes - returned as Office Manager from Maternity leave.

Q2 Planned

The following roles are new roles that are in the recruitment phase for Q2

- Chief Security Officer
- Business Development Manager
- Product Manager
- DNS Specialist
- Junior System Administrator

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

18 July 2019

12 August 2019

Jamie Baddeley
President
InternetNZ

Dear Jamie,

First Quarter 2017/18 Report

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

Financial

	Apr - June 2019				Year-to-Date			
	Q1 Act (\$)	Q1 Bud (\$)	Q1 Var (\$)	Q1 Var (%)	YTD Act (\$)	YTD Bud (\$)	YTD Var (\$)	FY Bud (\$)
INCOME								
5050 · Authorisation Fees	3,000	3,000	0	0%	3,000	3,000	0	6,000
5080 · DRS Complaint Fees	4,000	6,000	(2,000)	0%	4,000	6,000	(2,000)	34,000
5100 · Management Fees	335,001	335,001	(0)	0%	335,001	335,001	(0)	1,340,000
7010 · Interest Income	105	30	75	250%	105	30	75	13,500
1540 · Sundry Income	0	0	0	0%	0	0	0	0
Total Income	342,106	344,031	-1,925	-1%	342,106	344,031	(1,925)	1,393,500
EXPENDITURE								
DNCL Board	7,175	7,248	(73)	-1%	7,175	7,248	(73)	36,000
Communications	2,972	5,750	(2,778)	-48%	2,972	5,750	(2,778)	25,000
Compliance	0	6,000	(6,000)	0%	0	6,000	(6,000)	69,000
Dispute Resolution Services	6,596	10,476	(3,880)	-37%	6,596	10,476	(3,880)	103,000
Registrars	6,077	8,349	(2,272)	-27%	6,077	8,349	(2,272)	24,000
International	37,577	38,000	(423)	-1%	37,577	38,000	(423)	143,800
Office and Administration	66,291	70,844	(4,553)	-6%	66,291	70,844	(4,553)	283,200
Personnel and Staff	106,898	141,164	(34,266)	-24%	106,898	141,164	(34,266)	604,114
Professional Services **	41,190	8,502	32,688	384%	41,190	8,502	32,688	45,000
Projects	0	8,700	(8,700)	100%	0	8,700	(8,700)	35,000
Total Expenditure	274,774	8,700	266,074	3058%	274,774	305,033	-30,259	1,368,114
Depreciation	3,832	4,800	(968)	-20%	3,832	4,800	(968)	30,000
Other Comprehensive Items	0	0	0	0%	0	0	0	0
Net Profit/Loss	63,499	330,531	267,032	81%	\$63,499	\$34,198	\$29,301	(\$4,614)

Notes: The DNCL budget is apportioned evenly per quarter.

Q1 spend was underbudget as due to some delay in phasing of projects and staff recruitment

Professional services include litigation costs of \$30,310

Independent Review

Council have previously been provided with Mr Pickens' draft report into the independent review of the Domain Name Commission.

At the DNCL Board meeting of 14 August 2019 the Board will receive Mr Pickens' final report. The Board will also be considering the Commission's response to the Independent review. The Board intends to release the final report and the Commission's response shortly after the Board meeting.

DNCL looks forward to InternetNZ's views on the recommendations and DNCL's responses to them.

Security

DNCL staff attended the Ministerial launch of New Zealand's cyber security strategy 2019. DNCL has been very supportive of the Strategy.

Dispute Resolution as a service consultation

The Commission has launched our public consultation on reimagining dispute resolution services see <https://www.dnc.org.nz/consultation/drs-review>. The consultation is running till late August and seeks community input on appropriate dispute resolution services.

DNCL Governance – Board skills matrix

The DNCL skills matrix for the Board will be discussed at the DNCL Board meeting and is an agenda item for the Council meeting in August. The creation of the skills matrix is an opportunity for reflection on how the DNCL Board is constituted currently and how it believes it should best be constituted in the future to align with the DNCL's strategic objectives.

Other Matters

DNCL defended its Domain Tools appeal against DNCL being awarded a preliminary injunction in the Ninth Circuit. The appeal was dismissed.

DNCL has also successfully settled its legal proceedings against WhoisAPI which resulted in Whois API destroying historically stored .nz registrant information and agreeing to comply with the Terms of Use with respect to any and all .nz WHOIS records or data.

Yours sincerely

Jordan Carter
Chair
[Domain Name Commission](#)

Financial Summary

For the QE 30 June 2019

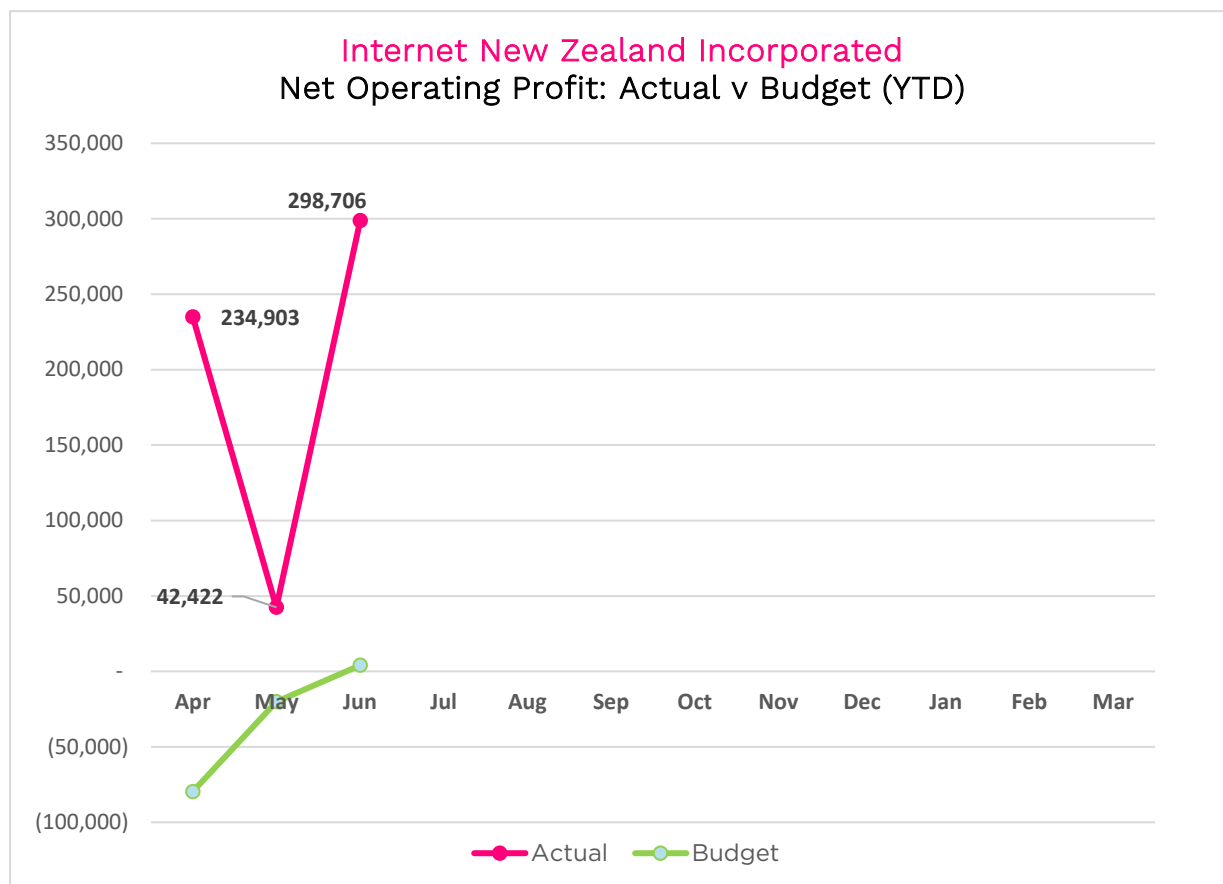


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Summary of the result for QE 30 June 2019

For the quarter ending 30 June 2019, the accounts reported a surplus result of \$576,031 against a budgeted deficit of (\$9,450). This outcome reflects an increase in revenue of \$155,343 against budget, coupled with an underspend of \$413,958 against the expenses budget.



Revenue detail for the quarter

Operating Revenue was over compared to budget by \$33,723 (1%). Most of the remaining increase was seen in Investment activities, totalling \$119,462 (172%) over against budget. Overall, total the revenue result was \$155,343 against a budgeted expectation of \$2,818,080.

Revenue	Actual	Budget	Variance	% Total Sales
Registry Fees	2,711,497	2,673,750	37,747	91%
BBM	9,725	13,749	(4,024)	0%
Events	164	-	164	0%
Membership	5,063	2,502	2,561	0%
Recharge	57,984	58,551	(567)	2%
Investment	188,990	69,528	119,462	6%
Total Revenue	2,973,423	2,818,080	155,343	100%

Expenditure detail for the quarter

Expenditure was under compared to budget across all areas of the organisation. Actual expenditure of \$1,871,349 was recorded against budgeted expenditure of \$2,285,309, resulting in an underspend of (\$413,960) (-18%) for the quarter. The two identified reasons for the underspend to date are a misalignment of spend phasing, actual versus budget, and tighter controls on expenditure, while maintaining a focus on spend to support the agreed goals and workplan for 2019/20.

The following areas have been impacted by the spend phasing misalignment, and will be re-forecast into future quarters:

1. Employment – delayed recruitment \$100k.
2. Membership fees - \$35k.
3. Marketing - \$58k.
4. Professional Fees – \$30k.

Expenditure breakdown by Function and Goal

Area	Actual	Budget	Variance	% of Expenditure
Commercial	174,805	295,563	(120,758)	7%
Engagement	68,860	77,757	(8,897)	3%
Funding	97,121	120,880	(23,759)	4%
International	150,742	189,565	(38,823)	6%
Policy	289,644	411,823	(122,179)	12%
Investment	10,276	13,263	(2,987)	0%
Technical Research	132,758	137,391	(4,633)	6%
Technology Services	986,415	1,034,278	(47,863)	41%
Communications	135,325	225,870	(90,545)	6%
Org. Services	344,236	310,796	33,440	14%
Security	7,208	10,345	(3,137)	0%
Total Revenue	2,397,390	2,827,531	(430,141)	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, but we are aiming to develop activity based financials during the course of this year to enable tracking and reporting all expenditure by Strategic Goals, Projects and BAU.

For more details on what we have been working on please see the Q1 Activity report.

https://internetnz.nz/sites/default/files/2019-Q1-Activity-Report_0.pdf
<https://internetnz.nz/sites/default/files/dotnz-Q1-report.pdf>

Goal	Actual	Budget	Variance	% of Expenditure
Improve .nz Policy/Security	75,146	107,222	(32,076)	66%
New non .nz Products	3,895	48,750	(44,855)	3%
Ensuring Openness	34,676	16,248	18,428	30%
Intervention to bridge the Digital Divide	217	18,750	(18,533)	0%
Total Revenue	113,934	190,970	(77,036)	100%

Balance Sheet

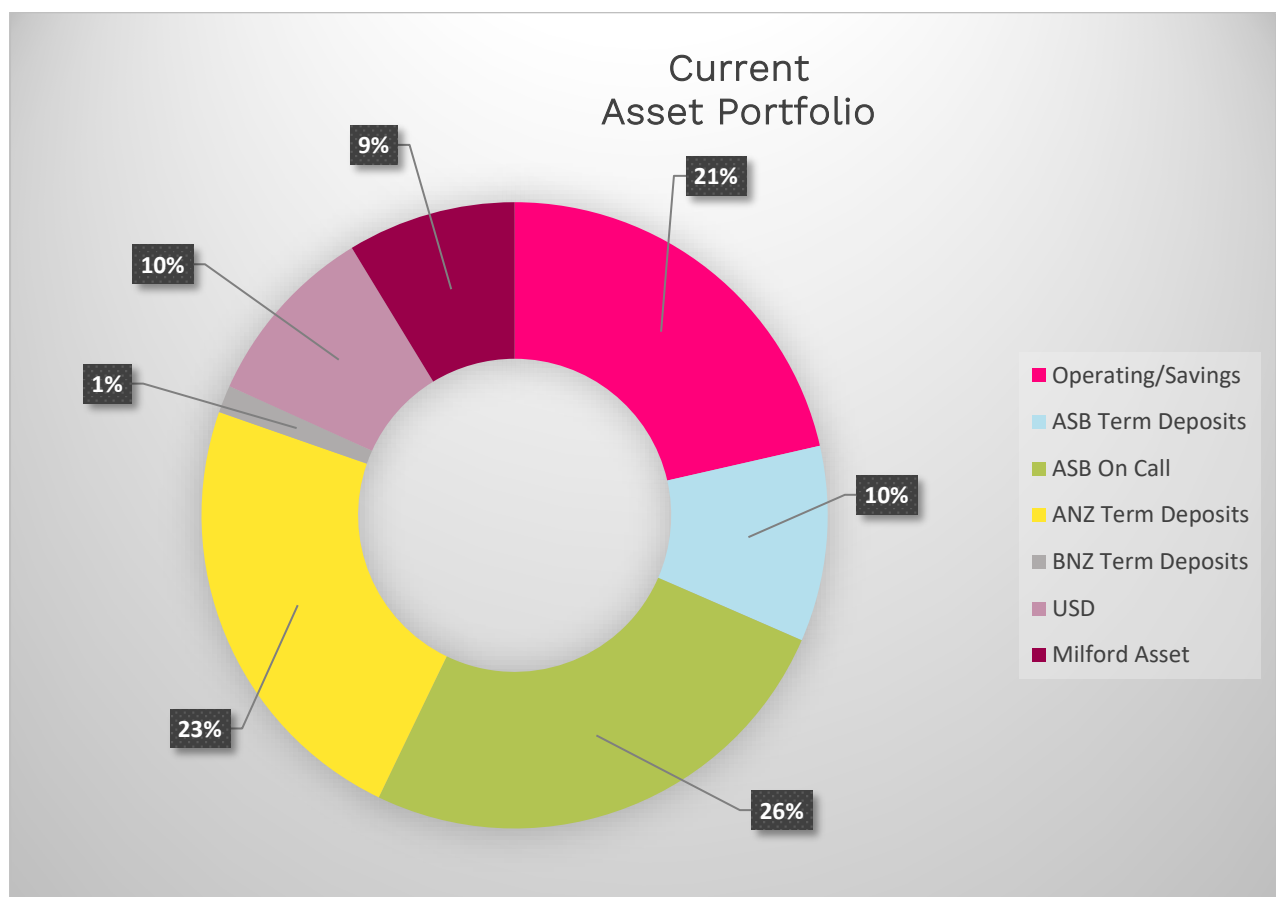
A detailed Balance sheet report for INZ Group is available for review ([link below](#)). We would like to provide to provide detail on two specific areas of note in this report:

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

Link to [Q1 Group Financial Statements](#)

Investments

The graph below represents the percentage spread of our investments (\$18,344,563) across all institutes.

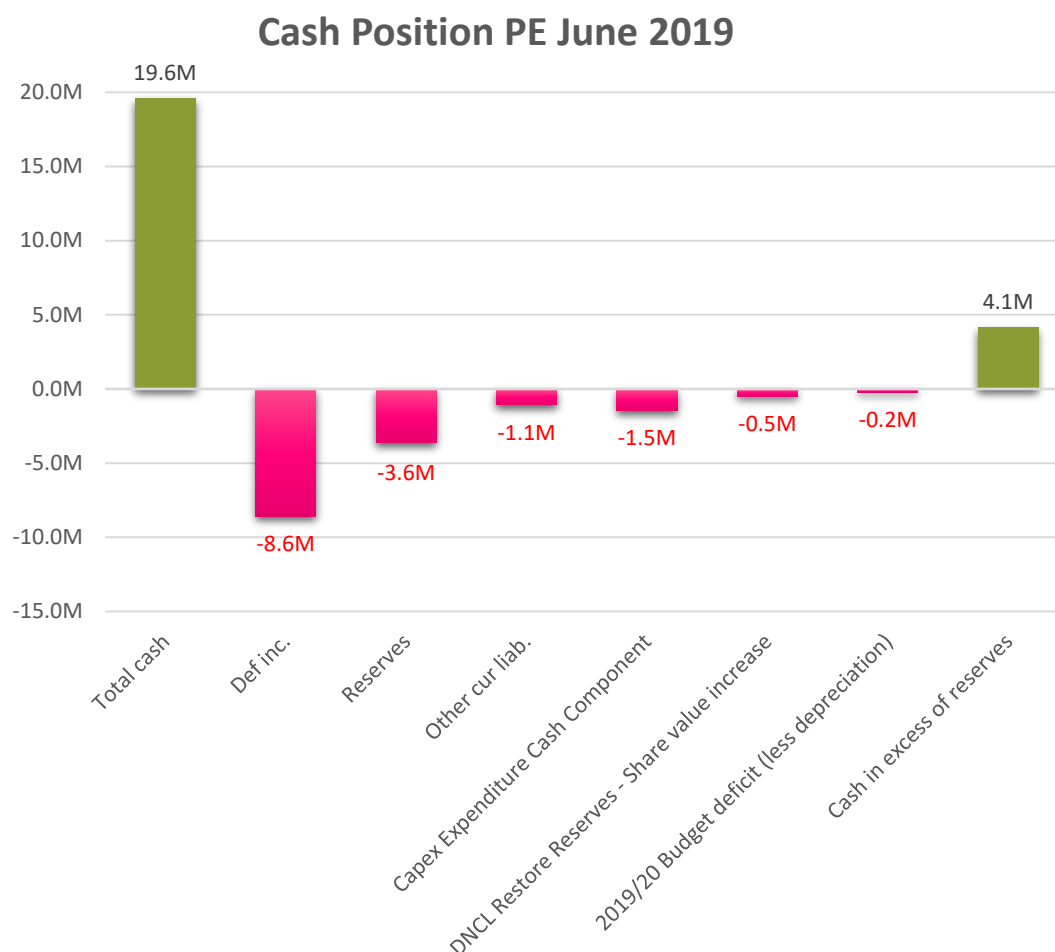


Cash in Excess of Reserves as at QE June 2019

At the AGM this year we shared information about the Cash Reserves, as at 31 March 2019. Following is an update of this information as at 30 June 2019:

As at the end of June the Cash in Excess of Reserves were \$4.1m this is made up as follows: -

Total Cash & Current Assets	\$19,569,574
Less Deferred Income	(\$8,586,892)
Less Reserves as per the policy	(\$3,608,069).
Less Other Current Liabilities	(\$1,056,103)
Budget Capex 2019/20	\$1,450,660
DNCL reserves (restore)	(\$ 500,000)
Deficit budget 2019/20	(\$ 231,786)
 Cash in excess of reserves	 \$4,100,000



Group financial statements

For the quarter ended 30 June 2019



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Internet New Zealand Group
Consolidated Income Statement
For the Quarter Ended 30 June 2019

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income						
Registry Fees	2,711,497	2,711,497	2,711,497	2,711,497	-	-
Broadband Map	9,725	9,725	9,725	9,725	-	-
Management Fees	-	-	-	-	335,001	335,001
Interest Received	66,632	66,632	66,527	66,527	105	105
Managed Funds Income	122,463	122,463	122,463	122,463	-	-
Sundry Income	13,403	100,213	63,211	63,211	7,000	7,000
Total Income	2,923,720	2,810,104	2,973,423	2,973,423	342,106	342,106
Less Direct Expenses						
DNC Fee	-	-	335,001	335,001	-	-
.nz Costs	135,733	135,733	135,733	135,733	-	-
Other IT	55,307	55,307	55,307	55,307	-	-
Total Direct Expenses	191,040	191,040	526,041	526,041	-	-
Less Other Expenses						
Audit Costs	-	-	-	-	-	-
Governance Costs	27,015	27,015	19,840	19,840	7,175	7,175
International Travel	113,842	113,842	76,265	76,265	37,577	37,577
International Membership	42,880	42,880	42,880	42,880	-	-
Community Investment	10,795	10,795	10,795	10,795	-	-
Legal Fees	39,012	39,012	31,176	31,176	7,836	7,836
Office Costs	321,389	207,773	311,906	311,906	66,291	66,291
Employment Costs	1,250,358	1,250,358	1,143,460	1,143,460	106,898	106,898
Other Operating Expenses	257,552	257,552	235,028	235,028	22,524	22,524
Other Comprehensive Items	30,393	30,393	-	-	30,393	30,393
Total Expenses	2,093,236	1,979,620	1,871,350	1,871,350	278,694	278,694
Net Profit (Loss) Before Tax	639,444	639,444	576,032	576,032	63,412	63,412
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	\$639,444	\$ 639,444	\$576,032	\$ 576,032	\$63,412	\$63,412

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
Consolidated Income Statement - Activity Based
For the Quarter Ended 30 June 2019

	Group		INZ		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income						
Registry Fees	2,711,497	2,711,497	2,711,497	2,711,497	-	-
Broadband Map	9,725	9,725	9,725	9,725	-	-
Management Fees	-	-	-	-	335,001	335,001
Interest Received	66,632	66,632	66,527	66,527	105	105
Managed Funds Income	122,463	122,463	122,463	122,463	-	-
Sundry Income	13,403	13,403	63,211	63,211	7,000	7,000
Total Income	2,923,720	2,923,720	2,973,423	2,973,423	342,106	342,106
Less Activity Expenditure						
Policy	289,644	289,644	289,644	289,644	-	-
Outreach & Engagement						
Funding	97,121	97,121	97,121	97,121	-	-
Communications	135,325	135,325	135,325	135,325	-	-
Engagement	68,860	68,860	68,860	68,860	-	-
.nz Operations	316,033	316,033	508,041	508,041	199,801	199,801
Commercial	174,805	174,805	174,805	174,805	-	-
Broadband	18,000	18,000	18,000	18,000	-	-
Technology Services	460,374	460,374	460,374	460,374	-	-
Technical Research	132,758	132,758	132,758	132,758	-	-
International Engagement	188,319	188,319	150,742	150,742	37,577	37,577
Organsational &	294,542	294,542	287,367	287,367	7,175	7,175
Other Operating Expenses	78,186	78,186	74,354	74,354	3,832	3,832
Other Comprehensive	30,309	30,309	-	-	30,309	30,309
Total Expenses	2,284,276	2,284,276	2,397,391	2,397,391	278,694	278,694
Net Profit (Loss) Before Tax	639,444	639,444	576,032	576,032	63,412	63,412
Less Provision for Tax	-	-	-	-	-	-
Net Profit (Loss) After Tax	\$639,444	\$639,444	\$576,032	\$576,032	\$63,412	\$63,412

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 30 June 2019

	Group		INZ			DNCL	
	Qtr	YTD	Qtr	YTD		Qtr	YTD
Equity at start of period							
Opening Retained Earnings	10,857,817	10,857,817	11,001,040	11,001,040	-	143,223	- 143,223
Shares Subscribed	-	-	-	-		580,000	580,000
	10,857,817	10,857,817	11,001,040	11,001,040		436,777	436,777
Net Profit (Loss) After Tax	639,444	639,444	576,032	576,032		63,412	63,412
Equity at end of period	\$ 11,497,261	\$ 11,497,261	\$ 11,577,072	\$ 11,577,072		\$ 500,189	\$ 500,189

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 30 June 2019

	Group	INZ	DNCL
	Qtr	Qtr	Qtr
Current Assets			
Cash and Cash Equivalents	15,727,705	15,161,049	566,656
Managed Funds	3,183,514	3,183,514	-
Other Current Assets	1,625,655	1,573,843	51,812
Total Current Assets	20,536,874	19,918,406	618,468
Property, Equipment & Software			
Fixed Assets at Cost	2,790,148	2,737,802	52,346
Less Accumulated Depreciation	(2,240,179)	(2,197,802)	(42,377)
Intangible Assets	182,127	182,127	-
Investments	-	-	-
Shares and Loans	-	580,000	-
Total Assets	21,268,970	21,220,533	628,437
Less Liabilities:			
Deferred Income	8,586,892	8,586,892	-
Trade and Other Payables	1,184,821	1,056,573	128,248
Total Liabilities	9,771,713	9,643,465	128,248
Net Assets	\$ 11,497,257	\$ 11,577,068	\$ 500,189
Represented By:			
Total Equity	\$ 11,497,257	\$ 11,277,139	\$ 500,189

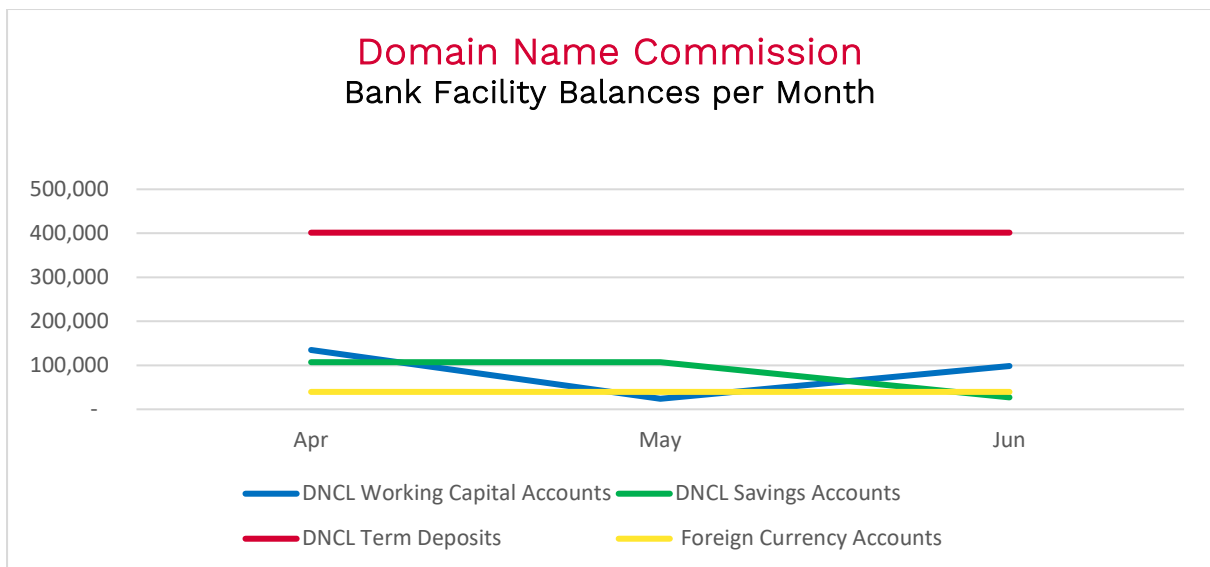
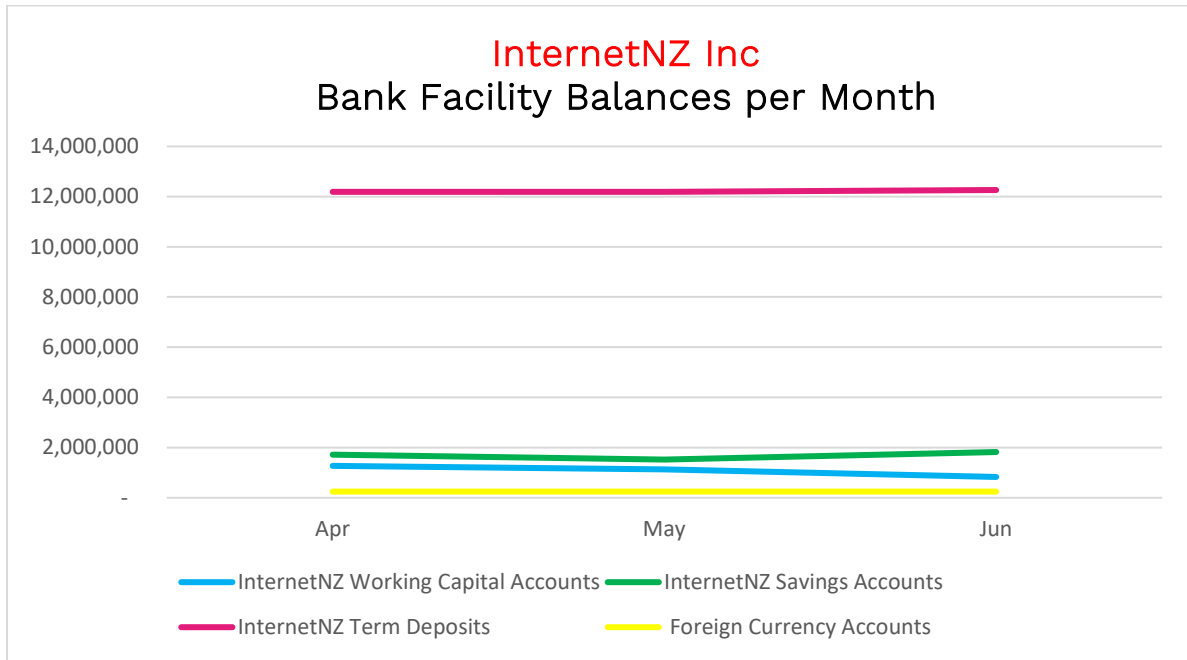
Notes:

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 3 months ended 30 June 2019

	GROUP Apr-Jun 2019	INZ Apr-Jun 2019	DNCL Apr-Jun 2019
Operating Activities			
Receipts from customers	3,407,466	3,014,473	392,993
Payments to suppliers and employees	(\$3,635,600)	(\$2,992,272)	(\$643,328)
Movement from other operating activities	\$35,351	\$37,469	(\$2,118)
Net Cash Flows from Operating Activities	(192,783)	59,669	(252,452)
Investing Activities			
Payment for property, plant and equipment	(78,004)	(78,004)	0
Other Asset cash item activities	(73,815)	(78,606)	4,791
Net Cash Flows from Investing Activities	(151,819)	(156,610)	4,791
Net Cash Flows	(344,602)	(96,941)	(247,661)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	16,072,306	15,257,990	814,317
Cash and cash equivalents at end of period	15,727,704	15,161,049	566,656
Net change in cash for period	(344,602)	(96,941)	(247,661)





COMMUNITY GRANT REPORTING UPDATE

August 2019

Below is a brief update on the progress of our awarded grant projects and work by the Community Team relating to grants. The Community Team have awarded the first “Follow Up Grant” to Philippa Smith from AUT, to continue her research on various online counterspeech and to attend conferences overseas and in New Zealand to present her research funded by InternetNZ. You can read the final report of the original research [here](#).

We are still working on the new processes for 2019/20 grants round. Hopefully we will be able to announce the Conference Attendance Awards over the next months, followed by the first new grant round.



Mitimiti on the Grid







MOA Kluster








Grantee Philippa Smith
with Vint Cerf

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
Faucet Foundation	\$12,000	<i>To establish the Faucet Foundation Incorporated.</i>	Final report	Project has successfully established the foundation as well as some initial activities. It is an ongoing project.	
Digits	\$8,970	<i>Digital Inclusion Community Hub - through a drop-in-centre pilot</i> To develop a drop-in-centre pilot project in Palmerston North and to create a business study for the broad Digits Hub idea. The centre aims to be the backbone of the community hub which will focus on helping the community by solving a range of digital inclusion issues.	Mid project report	Project is progressing well with few delays due to volunteer resource model and approach. They are just about to launch. Operations Manager has been employed. Are in the process of consulting with another company to help clarify their proposal to target the right grant funding.	
Te Ora Hou Wellington East	\$10,000	<i>Digital Bridge</i> To connect some of the most disadvantaged groups to increase their digital literacy. This project will	Mid project report	Project is going well, however progress has been hindered due to late payment. Have identified many key insights to	

		support local people to understand more about what computers and the Internet can do, and the positive impact this can have on their lives; achieved by using a community-led development approach and building the leadership within the community to help their own people.		consider in terms of reaching all of their goals.	
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.	Mid project report	Project is going very well. Tower network has been established with signal testing carried out. Installation of dishes and routers completed for first 49 households. Phase 1 is now complete, moving on to phase 2.	
TenForward Technology Lounge	\$5,000	<i>Beginner Tech Workshops for Non-Tech Adults/Seniors</i> To help members of the community who are experiencing the 'digital divide'. Mostly due to age and lack of technology exposure, they will be able to learn and perform tasks on the internet that are of a variety of topics in daily workshop sessions.	Mid project report	Project is progressing very well. Have delivered 10 workshops per week and are continuing more. The Library and Citizens Advice Bureau have been keen to promote their services to the community.	




Internet Research


Name	Amount awarded	Purpose	Report	Comments	Status
Auckland University	\$22,450	<i>Exploring the role of technology when users become service providers in the sharing economy</i> To research the role of Internet-enabled technologies (for example websites and apps) within the sharing economy/collaborative economy/peer-to-peer marketplace.	Final report - request email update in Nov 2019	Project timeline altered due to changes in researchers approach and methodology. This research is still reviewing some of the collected data as one of the major hurdles was collecting data from US-based companies like Uber.	

Dr Aniket Mahanti, independent	\$10,000	<i>Longitudinal study of the adoption of the Top-level Domain (TLD) Names and Domain Name System Security Extensions (DNSSEC)</i> To build on past research that has primarily focused on understanding the technical behaviour and properties of DNS requests and responses, DNS security, and usage of TLDs.	Final Report	Project completed. Were able to collect a lot of data and utilise several tools to analyse data and gain insights into usages of TLDs, DNS security etc.	
Paua Interface	\$35,000	<i>Marae Connectivity - critical success factors to getting an innovation domino effect</i> To research and measure the impact of telecommunications and connectivity on micro-economies, along with lessons learned, technical approaches, the establishment and management of the remote tech team, network and wifi - and the potential to scale for multiple marae sites based on Mitimiti on the Grid.	Mid project report	Project is progressing very well and ahead of schedule. Two whitepapers have been published and data is now being analysed.	
Dr Maggie Hartnett from Massey University	\$20,000	<i>The Library as a Space for Digital Inclusion: Connecting Communities Through Technology</i> To research the role of public libraries in promoting digital inclusion and overcoming the digital divide. The <i>Equity Through Education Centre</i> recognises the role of technology in bringing about equitable societies.	Mid project report	Project progressing well, ethical approval from Massey University has been granted. The two surveys have been conducted and the data will be analysed shortly.	
Laurence Zwimpfer from DIAA	\$25,000	<i>Measuring Digital Divides in Disadvantaged Communities: A Pilot Study</i> This research will explore an innovative approach for measuring and monitoring the digital divide for identified digitally disadvantaged groups. A comprehensive measure of digital inclusion must address all four dimensions - motivation, access, skills and trust. This research progresses a recommendation for developing robust measures of digital capabilities and digital inclusion, from the " Pulse of our Nation " digital inclusion report.	Mid project report	Project progressing well and focuses on seniors as the disadvantaged technology user group. Most of the workshops have been completed with a few more to go.	


Dr Claire Henry from Massey University	\$25,130	<i>Preventing child sexual offending online through effective digital media</i> This research will investigate the potential for online advertisements to prevent potential offenders accessing Child Sexual Abuse Material (CSAM) via the Internet. First time or novice offenders often use search engines to look for CSAM, which presents an opportunity to use online advertisements to intervene before they view abuse material.	Mid project report	Research project is going well and on schedule. Mock up ads and photos have been created and trialed on focus groups.	
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Conference Attendance

Name	Amount awarded	Purpose	Report	Comments	Status
Dr Elizabeth Berryman from the University of Otago	\$3,500	<i>To attend the International Conference on Digital Health 2019.</i> The conference will be held in Houston, U.S., April 24-25. The theme of the conference is an innovative bridging for modern healthcare. By innovating in digital health and care, the event hopes to support an ambition towards reducing inefficiencies in healthcare delivery, improving access, reducing costs, increasing quality of care, making health services more person-centered, personalizing medicine for each patient's unique needs.	Final report	Their main takeaway from this conference was the fact that digital health is the way of the future and it surprised them that New Zealand was such a leader in this field. They were a guest speaker at the Dargaville Rotary Club and spoke about what they had learned at this conference.	
Cameron Findlay	\$3,375	<i>To attend the Creative Commons Global Summit held in Lisbon, Portugal.</i> The 2019 Global Summit runs over 3 full days and features 6 tracks, 120 sessions, 450+ Commoners, 2 evening events including an after-party with Tribe of Noise, and 100+ countries represented.	Final report	Had many many great takeaways from this and plans on blogging about their experience online on both local and overseas forums and blogs.	
Dr Ethan Plaut from University of Auckland	\$3,500	<i>To attend the ACM CompEd 2019.</i> The ACM Global Computing Education Conference (CompEd) is destined to be the leading global conference on computing education. At the intersection of computing and the learning sciences, the event seeks to promote global computing education development.	Final report	Main highlight was the "Teaching of computing ethics: an international review" working group report.	

Dr Grace Wang from AUT	\$3,092	<i>To attend the 6th International Conference on Behavioral Addictions (ICBA).</i> The principal conference theme is "Behavioral addiction: Globally growing issues - the need for innovation in prevention and research". It will provide a unique opportunity to share and improve scientific knowledge on non-substance related addictions. Topics will cover both common and less common behavioural addictions and related behavioural disorders, based on a range of research areas, ranging from biological to psychosocial and behavioural studies.	Final report		
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On-demand 2017/18

Name	Amount awarded	Purpose	Report	Comments	Status
Aleksei Fedorov from University of Otago	\$3,000	<i>To attend the IFIP Networking 2019.</i> The main objectives of Networking are to bring together members of the networking community from both academia and industry, to discuss recent advances in the broad and quickly-evolving fields of computer and communication networks, and to highlight key issues, identify trends, and develop visions for the networking domain.	Final report		

Expected reports prior to next Grants reporting update to Council in November 2019

Round	Name	Amount awarded	Purpose	Report
Internet Research	Dr Yun Sing Koh from University of Auckland	\$10,500	<i>Investigating Changes in Phishing Models for Social Networks</i> To research the development of a robust spam phishing detection system to investigate how the New Zealand community is affected by spam phishing inside social networks.	Final Report
Internet Research	Robyn Kamira from Paua Interface	\$35,000	<i>Marae Connectivity - critical success factors to getting an innovation domino effect</i>	Final report November 2019

			To research and measure the impact of telecommunications and connectivity on micro-economies, along with lessons learned, technical approaches, the establishment and management of the remote tech team, network and wifi - and the potential to scale for multiple marae sites based on Mitimiti on the Grid.	
Community Projects	Blind Foundation	\$30,000	<i>Voice activated access to information - phase 1 implementation</i>	Mid-year report September 2019
Community Projects	Richard Nelson	\$20,000	<i>OpenLI - Open Source Lawful Interception</i>	Mid-year report October 2019
Community Projects	Lillian Pak from Hutt City Library	\$6,720	<i>Stepping Out to Grow Stepping UP</i>	Mid-year report September 2019
Community Projects	Laurence Zwimpfer from DIAA	\$21,000	<i>Building Digital Well-Being: A Community Pilot in Hutt City</i>	Mid-year report October 2019
Conference Attendance	Dr Farkhondeh Hassandoust from AUT	\$3,500	<i>Pacific Asia Conference on Information Systems</i>	Final report
Conference Attendance	Dr Leon Slater from Massey University	\$1,549.52	<i>ANZCA (Australian & New Zealand Communication Association)</i>	Final report

Council Report: ICANN 64

This is a report from Councillors Kelly Buehler, Amber Craig and Joy Liddicoat who attended ICANN 64 meeting in Kobe, Japan in March 2019.

Background

Council approved an ICANN attendance policy at its meeting in February 2019. This policy provides that the role of Council member attendees is to focus their attendance and involvement in the following aspects of the meetings:

- Country Code Name Supporting Organisation members meetings
- At Large Advisory Committee meetings
- Public forums and community wide sessions
- Identified other sessions
- Bilateral events as requested by staff

The policy also provides that Council members attending ICANN meetings will:

- commit to working with staff to develop a meaningful programme for their attendance
- undertake a mixture of solo sessions and joint attended sessions
- not speak for InternetNZ in any ICANN-organised session without the specific prior agreement of relevant on-site staff
- join shared communications platforms during the event
- check in with staff on a regular, as-agreed basis
- keep a written record of their attendance, including session notes and memorials of people met
- provide a written report of their experience within two weeks of returning to Aotearoa New Zealand.

Attendees

Joy went as Vice President to support the participation of Kelly and Amber who were attending their first ICANN meeting. Councillors were extremely grateful for the excellent support with travel, accommodation and on site both by staff who attended and by others who assisted in our preparation for the meeting.

Delegation meeting participation and collaboration

During the ICANN meeting we met each morning over breakfast to discuss and agree where each member of the delegation would participate, who needed support for different sessions and where we would meet up during and at the end of each day. A shared google doc was created on which notes of sessions and meetings with various people were

kept:<https://docs.google.com/document/d/1NB5JZGevZRxz8SFigTkWduEwmWUdomqVb9ITQ8nVB0/edit#>. We attended some sessions together and some separately, particularly as the week developed and various delegates gained more confidence to attend a diverse range of sessions. We shared online communications space both for internal discussions and to comment on events at the meeting, such as on the meeting's twitter hashtag.

ICANN 64 Meeting participation

We arrived on Friday 8 March and were able to attend a number of pre-meeting events that took place over the weekend. These included orientation to the conference venue (all), the GAC meeting on WHOIS (Amber and Joy), the At-Large Leadership Group (Amber), the GAC Opening Session (Amber), the ccNSO meeting on ccTLD Retirement (Joy), the Emoji working group (Kelly).

Throughout the week we focused on the ccNSO meetings, ALAC, APAC and other meetings. Joy and Amber attended a number of NCUC / NSCG meetings to assist with orientation to a range of stakeholder groups. Amber made several useful interventions relating to indigenous rights issues. Particular highlights were the sessions on follow up to the GDPR (privacy related protections), the Internet Governance Forum, GAC meeting, ICANN and human rights cross community working group and the public fora. Throughout the meeting staff had a significant number of side meetings, which we attended as and when they asked us to do so. We also hosted the Australian AUDA board members in the traditional Australia/New Zealand dinner event.

The meeting participation was very successful, with good links being made in the ccNSO community. There is considerable benefit in other ccTLDs seeing the confidence we have in our Chief Executive and staff. The timing of this was particularly helpful given the changes to our INZ structure are still relatively new and we were able to demonstrate that these are working well and relationships remain positive. All INZ and DCNL staff worked hard at the meeting (a full list of side meetings and sessions attended is included in their report). Attendance is still very helpful for Councillors to understand how ICANN meetings function, the kinds of topics that are discussed, the processes for policy making and the range of people who participate in diverse community stakeholder groups. We were also able to support our staff in a variety of ways.

Reporting

We note that the ICANN travel policy requires a written report within two weeks of returning. We do apologise for the lateness of this report which was interrupted by the Christchurch terrorist attacks that occurred as we travelled back from the meeting.