

## AGENDA – COUNCIL MEETING

Friday 25<sup>th</sup> August 2017

InternetNZ, Level 11, 80 Boulcott St, Wellington			
8.45am		Refreshments (coffee, tea, & scones) on arrival	
9.00am		Meeting start	
10.45am		Break	
12.00pm		Lunch	
2:00pm		Break	
4.00pm		Meeting Close	
<b>Section 1 – Meeting Preliminaries</b>			
09:00	1.1	Council only (in committee)	-
09:10	1.2	Council and CE alone time (in committee)	-
09:25	1.3	Apologies, Interests Register and Agenda Review	3
<b>Section 2 – Ordinary Business</b>			
09:30	2.1	Consent Agenda: <ul style="list-style-type: none"> <li>Confirm Minutes – May 2017 meeting</li> <li>Action Register</li> <li>Membership Update</li> <li>Evote Ratification</li> </ul>	9 17 19 21
09:35	2.2	Health & Safety update	23
09:40	2.3	President's Report	-
09:55	2.4	Chief Executive's Report Organisational Report <ul style="list-style-type: none"> <li>Programmes</li> <li>Operations</li> <li>Governance and Members</li> </ul> <i>Appendices</i> - Quarterly Media and Social Report - Council report: priorities in light of the organisational review	25 31  37 39
10:05	2.5	Grants Update Report	45
10:10	2.6	Council Committee Reports <ul style="list-style-type: none"> <li>Audit &amp; Risk</li> <li>Grants</li> <li>Māori Engagement</li> <li>CE Review</li> </ul> TOR confirmation (if required)	51

10:15	2.7	Future of NetHui plan	55
10:30	2.8	Budget 2017/18 Update	61
10:45	2.9	Group Consolidated Report	69
10:50		Tea Break	
<b>Section 3 – Subsidiaries</b>			
11:00	3.1	Subsidiaries: <ul style="list-style-type: none"> <li>Joint.nz Quarterly Report for NZRS/DNCL</li> <li>Quarterly Reports (DNCL, NZRS) – Q1 2017/18</li> <li>Tech Research – Q1 2017/18</li> <li>Product and Services Dev't – Q1 2017/18</li> </ul>	77 85 , 87 101 111
<b>Section 4 – Organisational Review</b>			
11:30	4.1	Organisational Review	-
12:00		LUNCH	
12:30		Organisational Review continued	
14:00		Tea Break	
14:15		Organisational Review continued	
<b>Other Matters</b>			
15:30	-	CONTINGENCY <i>(for any overflow)</i>	-
	5.1	Matters for Communication – key messages <ul style="list-style-type: none"> <li>Organisational Review</li> <li>Communications in general</li> <li>Upcoming events</li> </ul>	-
	5.3	General Business <ul style="list-style-type: none"> <li>Council Strategy Day</li> </ul>	-
	5.4	Meeting Review	-
16:00 (latest)	-	Meeting close	-

**\* Section 5 - List of Acronyms and Annotated Agenda**

## Council Register of Interest

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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 - \$30,000

Vice President - \$18,750

Councillor - \$15,000

**Name:** Jamie Baddeley

**Position:** President, InternetNZ

**Term:** AGM 2014 - AGM 2018

**Declaration Date:** 11 December 2015

**Interests:**

- Officer's Honorarium for InternetNZ

**Name:** Joy Liddicoat

**Position:** Vice President, InternetNZ

**Term:** AGM 2014 - AGM 2018

**Declaration Date:** 31 July 2015

**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)
- Assistant Commissioner, Policy and Operations at the Office of the Privacy Commissioner
- Due to her role at work, Joy recuses herself from any policy decisions that may span the interests of the Office of the Privacy Commissioner
- Officer's honorarium for InternetNZ

**Name:** Brenda Wallace

**Position:** Councillor, InternetNZ

**Term:** AGM 2012 - AGM 2018

**Declaration Date:** 8 November 2016

**Interests:**

- Member of Green Party of Aotearoa New Zealand
- Many .nz domain names
- Employee and shareholder of Rabid Tech
- NZRise member
- Trustee of Whare Hauora project
- Councillor's Honorarium for InternetNZ
- Trustee, Kahurangi School

**Name:** Dave Moskovitz

**Position:** Councillor, InternetNZ

**Term:** AGM 2011 - AGM 2017

**Declaration Date:** 27 May 2017

**Interests:**

- Registrant of .nz, .com, .org, .pe domains
- Director, Domain Name Commission Limited

**Board memberships:**

- Think Tank Consulting Limited
- WebFund Limited
- Hyperstart Limited
- Golden Ticket Limited
- MusicHype Inc.
- Publons Limited
- Open Polytechnic

**Shareholdings (all of the above except for *Open Polytechnic*, plus):**

- Lightning Lab 2013 Limited Partnership
- Lightning Lab 2014 Limited Partnership
- WIP APP Limited
- Ponoko Limited
- Celsias Limited
- 8interactive Limited
- Admin Innovations Limited
- DIY Father Limited
- Smartshow Limited
- Common Ledger Limited
- Cloud Cannon Limited
- Debtor Daddy Limited
- Small holdings in numerous publicly listed companies

**Non-profit Activity:**

- Global Facilitator, Startup Weekend
- Think Tank Charitable Trust (Co-Chair)
- Wellington Abrahamic Council of Jews, Christians and Muslims

**Other memberships:**

- NZ Open Source Society
- NZ Rise
- Royal Society
- Registered marriage celebrant
- Councillor's Honorarium for InternetNZ

**Name:** Richard Wood

**Position:** Councillor, InternetNZ

**Term:** AGM 2013 - AGM 2019

**Declaration Date:** 15 November 2016

**Interests:**

- Holds .nz and .net domain name registrations
- Member of ISOC, PICISOC
- Employee of Parts Trader Markets Ltd
- Investor in Parts Trader Markets Ltd
- Councillor's Honorarium for InternetNZ

**Name:** Amber Craig

**Position:** Councillor, InternetNZ

**Term:** AGM 2013 - AGM 2019

**Declaration Date:** 27 May 2017

**Interests:**

- Consultant and organiser of some corporate unconferences
- Holds .nz domain name registrations
- Employee of ANZ
- An immediate family member works at NZRS occasionally
- Trust Chair of Whare Hauora Charity
- Co-Chair of WWGSD Charitable Trust
- Councillor's Honorarium for InternetNZ

**Name:** Rochelle Furneaux

**Position:** Councillor, InternetNZ

**Term:** AGM 2014 - AGM 2017

**Declaration Date:** 23 November 2015

**Interests:**

- An employee of Quest Integrity NZ Ltd.
- Member of New Zealand Law Society
- Non-financial shareholder of Enspiral Foundation Ltd.
- Trustee at Fabriko Trust
- Councillor's Honorarium for InternetNZ

Name: Sarah Lee

Position: Councillor, InternetNZ

Term: AGM 2014 - AGM 2017

Declaration Date: 11 February 2016

Interests:

- Contractor to 2020 Communications Trust
- Member of New Zealand Māori Internet Society
- Māori Advisory Group member for Injury Prevention Network
- Board member Injury Prevention Aotearoa
- Councillor's Honorarium for InternetNZ

~~Name: Hayden Glass~~

~~Position: Councillor, InternetNZ~~

~~Term: AGM 2014 - AGM 2017~~

~~Declaration Date: 10 October 2015~~

~~Interests:~~

- ~~• Consulting Economist with the Sapere Research Group. Clients generally telco/media/Internet companies and government agencies, and have included Chorus, Sky TV, Google, TUANZ, MBIE, and The Treasury, as well as the Innovation Partnership and InternetNZ~~
- ~~• Convenor of the Moxie Sessions, tech economy discussion group~~
- ~~• Founder and Director of Kuda Ltd, a (very slow moving) big data analytics startup~~
- ~~• COO at Figure.NZ~~
- ~~• Member of Techliberty~~
- ~~• Registrant of .org, .com and .nz domains~~
- ~~• Councillor's Honorarium for InternetNZ~~

Name: Richard Hulse

Position: Councillor, InternetNZ

Term: AGM 2015 -AGM 2018

Declaration Date: 2 December 2016

Interests:

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

Name: Kelly Buehler

Position: Councillor, InternetNZ

Term: AGM 2015 -AGM 2016

Declaration Date: 18 May 2016

Interests:

- Holder of .nz domain name registrations
- Councillor's Honorarium for Internet NZ

**Name:** Keith Davidson

**Position:** Councillor, InternetNZ

**Term:** AGM 2016 –AGM 2019

**Declaration Date:** 24 August 2016

**Interests:**

- Domain name registrations including .nz names
- Sole shareholder and Director of KD Services Limited
- Member of numerous clubs, societies and associations, many of which are .nz registrants
- Member of ISOC and PICISOC
- Chartered Member of NZ Institute of Directors
- Member of the ICANN ccNSO FOI Implementation Advisory Team
- Councillor honorarium of 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:** (tba)

**Interests:**

- (To follow)

The register was last updated in August 2017.

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## To be ratified - MINUTES OF COUNCIL MEETING

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<b>Status:</b>	To be ratified
<b>Present:</b>	Jamie Baddeley (President), Joy Liddicoat (Vice President), Amber Craig, Dave Moskovitz, Brenda Wallace, Sarah Lee, Rochelle Furneaux, Hayden Glass, Kelly Buehler, Richard Hulse and Keith Davidson (via Bridge).
<b>In Attendance:</b>	Jordan Carter (Chief Executive), Kimberley Ford (minute taker), Andrew Cushen (InternetNZ via Bridge), Vanisa Dhiru (InternetNZ), Megan Baker (InternetNZ via Bridge), Ellen Strickland (InternetNZ via Bridge), Richard Currey (NZRS Chair), Jonathan Hales (Eleven) and Kenneth Johnston (DNC Board).
<b>Apologies:</b>	Richard Wood

**Meeting Opened:** 9:00am

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### Section 1: Meeting Preliminaries

*Council was in Committee from 09:00 to 09:45 for Council only time and Council and CE alone time.*

#### 1.3 Register of Interests

Amber Craig advised that the following items can be removed from her register of interest:

- Creator & Director of Beyond the Achievements
- Co-Founder of Diversity Consulting NZ
- Co-organiser of WWGSD HQ Unconferences
- Provisional member of the New Zealand Labour Party

She also advised that the following item can be added to her register of interest:

- Co-Chair of WWGSD Charitable Trust

Dave Moskovitz advised that the following items can be removed from his register of interest:

- A Board member of Startup New Zealand Limited
- A Board member of Learn Coach Limited
- Startup Weekend (Trustee)
- Pacific Internet Partners (Trustee)

He also advised that the following items can be added to his register of interest:

- Lightning Lab 2014 Limited Partnership
- Debtor Daddy Limited

Jamie Baddeley advised that the following item can be removed from his register of interest:

- Trustee of NZNOG

Joy Liddicoat advised that the following item can be removed from her register of interest:

- Non-Government Advisory Committee to Public Interest Registry .org

*Vanisa Dhiru joined the meeting at 9:45am*

## Section 2: Strategic Priorities

### 2.1 Strategic Framework for 2017 Strategy Review

Jordan presented this paper and then discussion happened point by point.

Council decided that the scope of the review should be to deal with the Group strategy as well as the InternetNZ strategy, since any changes to the InternetNZ strategy would inevitably affect the Group one.

Council discussed the foundations for the strategy review and made some additional points for the staff to take into account.

Council discussed their own role in the strategy review process. The general view was to make sure Council is owning and shaping the strategy, helped by high quality staff thinking and inputs – not to allow Council to become detached from the process.

In respect of subsidiary involvement, Council's general view was that the subsidiaries should be considered in this process and provide input to be a part of this picture. The Councillors agree this will make the process work much better.

Discussion noted that it is the Council's responsibility to be clear about InternetNZ's overall vision and direction for the long haul. Within that, staff should have flexibility in managing a shorter term strategic plan.

Jordan introduced Jonathan Hales from Eleven. The presentation was to test the thinking generated so far in the work and to assess the instant response "hot/cold" from Council – not to seek any decisions.

Jonathan presented to the meeting the key findings of his research on InternetNZ's purpose, based on individual interviews with an array of stakeholders and members and staff. The key findings were distilled into a proposed value statement and narrative.

Councillors generally responded warmly and staff agreed to take into account the feedback in next steps for the strategy review.

- RN30/17:** THAT Council notes the paper from the Chief Executive and agrees with the amended approach to reviewing InternetNZ's strategy.
- (Cr Craig/Cr Lee)  
**CARRIED U**
- RN31/17:** THAT the Chief Executive report back to Council in a timely way with any implications for this process arising from the Organisational Review should they arise (along with proposed ways to adjust the process if required), and with an updated plan for the Strategy Review.
- (Cr Craig/Cr Lee)  
**CARRIED U**
- RN32/17:** THAT the President confirm with the chairs of subsidiary boards the approach to subsidiary involvement in the InternetNZ strategy development process.
- (Cr Craig/Cr Lee)  
**CARRIED U**
- AP08/17:** Amber to work with Jordan on adding a "Council Communication Tooling" item to the agenda for a future meeting.

### Section 3: Matters for Decision

#### 3.1 Grants Policy Framework Review

Vanisa took Council through the paper covering the three sections and then asking for any questions or discussion. The meeting noted that the proposed approach has been discussed with Councillors informally before, and is consistent with the direction previously signalled.

Council agreed to add words to the end of draft clause 6.4 of the policy "and will be determined by the Committee." This will make it clearer that the weightings between different criteria in assessing grant application is under the control of the Committee.

- RN33/17:** THAT Council note and endorse the proposal to make Stage 1 of the grants process staff-led rather than committee-led.
- (Cr Moskovitz/Cr Craig)  
**CARRIED U**
- RN34/17:** THAT Council approve the Grants Policy as amended, subject to any revisions arising from feedback before Friday 2 June.
- (Cr Moskovitz/Cr Craig)  
**CARRIED U**

#### *Marae visit and training*

The marae visit scheduled for 25 & 26 May was discussed. Unfortunately the hosts of this event were unwell and the event had to be cancelled. It was

discussed and agreed that we would now look at a new date later in the year. Councillors discussed and agreed that it was not a good idea to combine the marae visit with a Council meeting as this was too much. So it was agreed to keep these two separate.

It was also agreed the marae visit would be postponed and would take place after the next Council meeting scheduled for 25 August, especially as we may have some new Councillors on board by then after the AGM. It was raised that some staff or Councillors who were going to attend this marae visit that was cancelled may now miss out on the next one through having departed their roles, and that perhaps we should still include these people.

**AP09/17:** Kimberley to work with other staff, and the Māori Engagement Committee of Council, to organise new dates for the marae visit and training.

### 3.2 Review of Governance Policies

Andrew summarised the changes to the policies outlined in the agenda and asked for any questions or discussion.

Councillors asked about how the Funds Investment Management policy deals with non-bank related deposits. Staff advised that this would be resolved through a full review of the policy once the Financial Strategy is finalised.

Councillors decided to further amend the Chief Executive's Delegations policy (keeping the draft's proposed changes) with the following additional changes:

- To remove the words "no limit" from the end of the Opex and Capex within-budget delegations, on the basis it was already clear there is no limit within Budget.
- To add to the sub-delegation authority the words "*, except for the power of sub-delegation itself.*", on the basis that the Chief Executive should remain the only person who can further sub-delegate authority granted to them under the delegations policy.

**RN35/17:** THAT Council approves the updates to the Treasury, Audit Services Tender, Funds Investment Management and Chief Executive delegations policies and the changed review dates for the other Tranche Three policies.

(P Baddeley/Cr Craig)  
**CARRIED U**

## Section 4: Matters for Discussion

### 4.1 President and CE Briefing

Jordan spoke to his paper, and confirmed that Ellen or Vanisa would be acting Chief Executive while he and Andrew were away on annual leave in June (a period of four days).

## Section 5: Consent Agenda

### 5.5 Health & Safety

Nothing to report in addition to the written report.

### 5.8 Council Committee Reports

Nothing to discuss beyond the written reports. The rescheduling of the marae visit and training had already been discussed.

### 5.1 Confirm Minutes – February & April 2017 Meetings

Minutes were taken as read.

**RN36/17:** THAT the minutes of the meeting held on 24 February 2017 be received and adopted as a true and correct record.

(P Baddeley/VP Liddicoat)

**CARRIED U**

**RN37/17:** THAT the minutes of the meeting held on 7 April 2017 be received and adopted as a true and correct record.

(P Baddeley/VP Liddicoat)

**CARRIED U**

### 5.3 Membership Update

The list of new members was omitted from this meeting but could be supplied at the next meeting in August.

P Baddeley had a query around late members being impacted regarding the elections, Jordan advised this would be discussed via email and an evote could be made to avoid any problems.

### 5.4 Evote Ratification

The evotes since the previous meeting were taken as read.

**RN38/17:** THAT the evotes be ratified.

(Cr Hulse/Cr Furneaux)

**CARRIED U**

## Section 4: Matters for Discussion (cont'd)

### 4.2 Report from Cr Davidson on Pacific IGF

Keith gave a brief verbal summary on the Pacific IGF and thanked InternetNZ for supporting his attendance and participation in the event.

**RN39/17:** THAT the report provided by Cr Davidson be taken as read.

(Cr Davidson/VP Liddicoat)

**CARRIED U**

## 4.3 Subsidiaries

### **.nz Quarterly Report**

*Joy left the room at 12:05 due to a conflict of interest (WHOIS policy review content in the joint report).*

Ken spoke to this report and briefly went through the 5<sup>th</sup> round of consultation. A DNCL Board meeting was held on Thursday for the approved final draft of the WHOIS policy. This has been a long and difficult process – and an announcement is expected to come out towards the end of next week.

**RN40/17:** THAT the .nz Joint 2016/17 fourth quarter report be received.

(VP Liddicoat/Cr Buehler)

**CARRIED U**

*Joy re-entered the room at 12:12.*

### **DNCL Quarterly Report**

The company's report for the fourth quarter of the 2016/17 year was taken as read.

**RN41/17:** THAT the DNC quarterly report be received.

(VP Liddicoat/Cr Buehler)

**CARRIED U**

### **NZRS Quarterly Report**

The company's report for the fourth quarter of the 2016/17 year was taken as read.

**RN42/17:** THAT the NZRS quarterly report be received.

(VP Liddicoat/Cr Buehler)

**CARRIED U**

Jay shared with Council that the Registrar Conference went very well and was research heavy (in respect of sharing NZRS research with registrars). The new Peak Analytics product was introduced also, with many interested in signing up.

### **Technical Research Report**

The NZRS report on technical research dated April 2017 was taken as read.

**RN43/17:** THAT the Technical Research report be received.

(VP Liddicoat/Cr Buehler)

**CARRIED U**

## Product & Services Development

The NZRS report on product and services development dated April 2017 was received. Jordan asked Jay what future opportunities the company was considering to keep the flow of possible new opportunities moving. Jay outlined a few ideas that are starting to be considered.

**RN44/17:** THAT the Product & Services Development report be received.

(VP Liddicoat/Cr Buehler)  
**CARRIED U**

*Council went into committee at 12:24pm for an item raised by DNCL, and left committee and broke for lunch at 12.35pm.*

*The meeting resumed at 1.21pm for the confidential item on the Organisational Review. This discussion was confidential to Councillors and the external consultant only: staff were not privy to the paper nor present for the discussion.*

## Organisational Review

Council welcomed Robyn Ward from MartinJenkins to join the Council for the discussion.

The President noted that he had invited Adam Hunt, as a Working Group member, to join the meeting and to give his perspective as part of the WG. Adam was unable to attend, and provided a useful opinion paper to Council in his place. As a consequence of Adam's unavailability, Jamie had invited David Farrar to join the meeting. He was also not available.

Richard Currey, as a Working Group member, had also been invited to attend and participate in the discussion. As neither Adam nor David were available to attend, Council decided it would be best in the interests of balance to not to include Richard in the discussion.

At the close of the meeting the President acknowledged the four Councillors whose terms come to an end at the 2017 AGM. Sarah Lee, Hayden Glass, Rochelle Furneaux and Dave Moskovitz. He thanked them for their work around the Council table and expressed his thanks for the contribution they have made to InternetNZ.

*Council came out of committee at 3.55pm and recorded the following recommendations:*

**RN45/17:** THAT council receive the Organisational Review Working Group paper.

(P Baddeley/VP Liddicoat)  
**CARRIED U**

**RN46/17:** THAT council note the Working Group's recommendations.

(P Baddeley/VP Liddicoat)  
**CARRIED U**

**RN47/17:** THAT council appoint the President, Vice President and Cr Davidson as a working group of council to support the next steps of the review.

(P Baddeley/VP Liddicoat)  
**CARRIED U**

**RN48/17:** THAT council develop a plan for the next steps in line with the recommendations.

(P Baddeley/VP Liddicoat)  
**CARRIED U**

**RN49/17:** THAT council disestablish the Organisational Review Working Group.

(P Baddeley/VP Liddicoat)  
**CARRIED U**

## Section 6: Other Matters

### 6.3 General Business

The President acknowledged the four Councillors whose terms come to an end at the 2017 AGM: Sarah Lee, Hayden Glass, Rochelle Furneaux and Dave Moskovitz. He thanked them for their work around the Council table and expressed his thanks for the contribution they have made to InternetNZ.

**Meeting closed:** 3.58pm

**Next scheduled meeting:** Friday 25 August 2017, at 9.00am, in Wellington.

Signed as a true and correct record:

.....  
Jamie Baddeley, President, Chair



## Action Point Register

	Action	Who	Status	Due by	Comment
May Council Meeting					
AP08/17	Amber to work with Jordan on adding a "Council Communication Tooling" item to the agenda for future meeting	Amber/Jordan	In progress	Aug-17	
AP09/17	Kimberley to work with other staff, and the Māori Engagement Committee of Council to organise new dates for the Marae visit and training	Maria	In progress	Aug-17	

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## InternetNZ Membership Report

Status: Final  
 Author: Maria Reyes, Office Manager

### Current Membership *(as at 17 August 2017)*

Fellows	Individual	Individual Plus	Small Organisation	Large Organisation	TOTAL
23	224	49	20	3	319

For this year's membership renewals, out of the 232 expiring members 66% have renewed prior to the end of the Grace period on 30 June.

At the InternetNZ Annual General Meeting held on 27 July 2017, Rick Shera was appointed as the newest Fellow of InternetNZ.

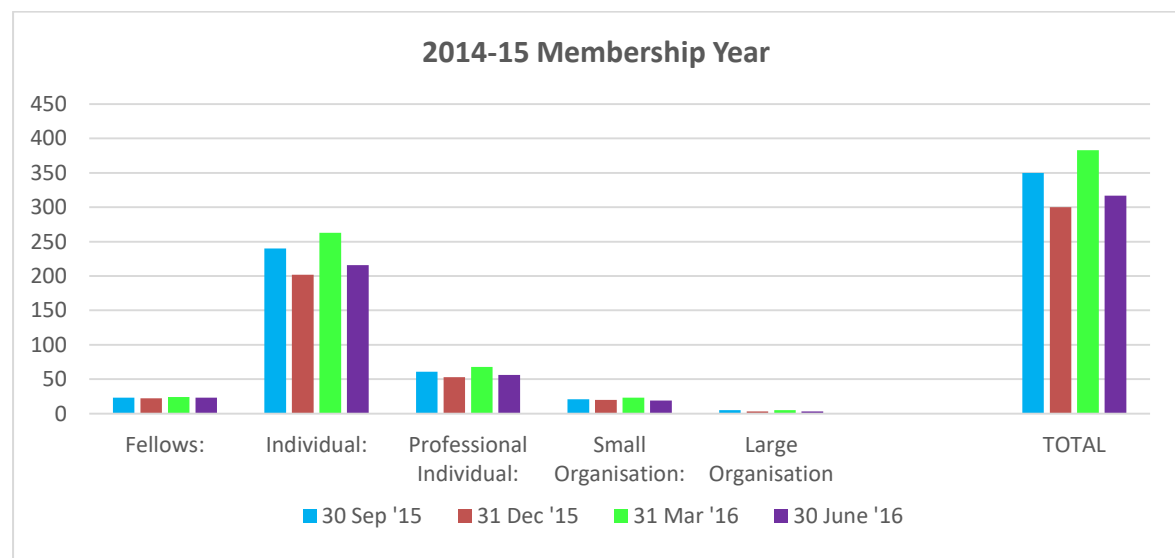
### 2015-16 Membership Year

	30 Sep '16	31 Dec '16	31 Mar '17	30 Jun '17
Fellows:	22	22	22	22
Individual:	225	240	257	210
Individual Plus: <i>(previously Professional Individual)</i>	59	63	62	50
Small Organisation:	21	22	23	21
Large Organisation:	3	3	3	3
<b>Total Membership:</b>	<b>330</b>	<b>350</b>	<b>367</b>	<b>306</b>



## 2014-15 Membership Year

	30 Sep '15	31 Dec '15	31 March '16	30 June '16
Fellows:	23	22	24	23
Individual:	240	202	263	216
Individual Plus: (previously Professional Individual)	61	53	68	56
Small Organisation:	21	20	23	19
Large Organisation:	5	3	5	3
<b>Total Membership:</b>	<b>350</b>	<b>300</b>	<b>383</b>	<b>317</b>



## Membership by region\* (based on Current Membership as at 17 August 2017)

Joined in	NORTH ISLANDS		SOUTH ISLANDS	
	Northern	Southern	Northern	Southern
2016-2017	24	34	6	2
2013-2015	23	50	6	2
2010-2012	21	42	13	3
2005-2009	26	41	3	1
Foundation-2004	3	6	0	2
<b>TOTAL</b>	<b>97</b>	<b>173</b>	<b>28</b>	<b>10</b>

\*International members – 11

**Recommendation:**  
 THAT the new members be approved.

## E-vote Ratification

**Author:** Maria Reyes, Office Manager

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

Evote:	Motion:	For:	Against:	Abstain:
31052017	<p>THAT Council approve the list of new members since 25 November 2016.</p> <p><i>(Cr Lee / Cr Davidson)</i></p>	<p>Richard Hulse Hayden Glass Keith Davidson David Moskovitz Jamie Baddeley Richard Wood Rochelle Furneaux Amber Craig Joy Liddicoat Sarah Lee Kelly Buehler</p>		
16062017	<p>THAT the Audit &amp; Risk Committee recommends to Council to receive and approve the InternetNZ Annual Financial Report for the year ended 31 March 2017.</p> <p><i>(Cr Hulse / Cr Furneaux)</i></p>	<p>Keith Davidson Jamie Baddeley Hayden Glass Richard Hulse Rochelle Furneaux Joy Liddicoat Richard Wood Kelly Buehler David Moskovitz Sarah Lee</p>		
29062017	<p>THAT Council approve the recommendation of the Fellows of InternetNZ, which is to appoint Mr Richard (Rick) John Simon Shera as a fellow of InternetNZ at the 2017 Annual General Meeting.</p> <p><i>(President / Vice President)</i></p>	<p>David Moskovitz Sarah Lee Keith Davidson Kelly Buehler Richard Wood Hayden Glass Richard Hulse Amber Craig</p>		
12072017	<p>THAT Kenneth Johnston be reappointed to the DNCL Board for a further term of two years until 2019.</p> <p><i>(President / Vice President)</i></p>	<p>Dave Moskovitz Sarah Lee Brenda Wallace Hayden Glass Keith Davidson Richard Wood Kelly Buehler Amber Craig Rochelle Furneaux</p>		

130720171	<p>THAT the Audit &amp; Risk Committee recommends to Council to receive and Approve the InternetNZ Annual Management Report from the Auditors for the year ended 31 March 2017</p> <p><i>(Cr Craig / Cr Hulse)</i></p>	<p>Sarah Lee Richard Hulse Hayden Glass Keith Davidson Rochelle Furneaux Jamie Baddeley Dave Moskovitz Richard Wood Kelly Buehler Joy Liddicoat Amber Craig</p>		
130720172	<p>THAT Maureen Milburn be appointed as the election scrutineer for the 2017 InternetNZ election.</p> <p><i>(Cr Craig / Cr Hulse)</i></p> <p>Note: As we only received half of Council to vote 'FOR' for this motion, we are assuming that the President's vote is the deciding vote for this motion to be declared carried.</p>	<p>Richard Wood Jamie Baddeley (President) Kelly Buehler Amber Craig Joy Liddicoat Brenda Wallace</p>		<p>Dave Moskovitz Sarah Lee</p>
02082017	<p>THAT Dave Moskovitz be appointed to the board of Domain Name Commission Ltd for a one year term, ending on 30 July 2018.</p> <p><i>(Cr Hulse / Cr Craig)</i></p>	<p>Brenda Wallace Kate Pearce Amber Craig Kelly Buehler Joy Liddicoat Richard Wood Sarah Lee Jamie Baddeley Don Stokes</p>		<p>Dave Moskovitz</p>

## Recommendation

- THAT the e-votes be ratified.

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## Health & Safety Update

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Author: Laura Turnbull, Organisational Development Adviser

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Month	Number of Near Misses reported/or identified	Number of Incidents reported/or identified	First Aid Incidents reported/or identified
May	0	0	0
June	0	0	0
July	0	0	0

## Summary

- No incidents have been reported since May.
- Monthly Hazard walks have taken place and no hazards or issues were identified.
- Health and Safety is a standing agenda item at team meetings and staff are repeatedly encouraged to report any incidents or hazards.
- 16 members of staff from across the group attended a Level 1 First Aid course in June.

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## CHIEF EXECUTIVE'S REPORT

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**Author:** Jordan Carter, Chief Executive

**Purpose of Paper:** To update Council on progress in the three months since the last meeting on 27 May 2017, and to set out goals and priorities for the next three months.

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This report is in the new format introduced to the last meeting of Council. It contains the following sections:

1. Critical and potential risks
2. General situation
3. Recent Chief Executive priorities
4. Future Chief Executive priorities
5. Staffing matters
6. Other matters

The updates on Community, Issues and International work, Operations and Governance & Members are contained in the Organisational Report, which follows this report in the papers. InternetNZ financial reporting is unchanged, though this quarter you will see the new, more detailed group financial reports in this set of Council papers.

I welcome your feedback or questions on any matters raised in this report.

### 1. Critical & Potential Risks

There are no critical risks to advise the Council of as at 16 August 2017.

In respect of other risks:

- The **organisational review** continues. Since the last meeting you have consulted staff on a proposal to change the way we are structured, and considered feedback from staff and stakeholders on that proposal. I understand that a further paper suggesting changes to the proposal will be tabled at this meeting.

As Identified in my previous report, the lack of management input into the review means we cannot easily identify or manage risks that may arise. To minimise any such risks, I simply urge you to assure yourselves of the quality of analysis you are getting, and to announce decisions arising from your work at this meeting as quickly as can be done consistent with documentation of an appropriate standard.

I look forward to this management-excluded phase of the review

coming to an end, so that if changes are agreed upon, we can all move to a collective implementation phase where staff can assist.

- The freeze on some projects brought into place during the organisational review consultation phase is having impacts as documented for Council in July. We will continue to manage so as to provide least possible disruption to the agreed Activity Plan, and will come to Council if we see a need to do activities that would be impacted by the freeze. In particular we think there are risks around not delivering promised improvements to the membership process, so aim to work on this while respecting the hiring freeze by use of contractors for the initiation part of this work.
- The strategy review that was due to kick off next month has of necessity been deferred until organisational arrangements are clear, but the strategic plan still comes to an end on 31 March. The risk is that of a “strategic vacuum” while organisational changes are made. If significant organisational changes are made, an interim strategy to guide the new configuration will be needed. A longer-term process to evolve and consult on a fresh strategic approach will be a key work item early in the new year.
- In the period between this and the next regular meeting in November, two staff will be leaving for maternity leave. We aim to provide suitable replacements on fixed term engagements and will keep Council abreast of the recruitment process. We will aim to minimise any risks to work scheduling.

## 2. General situation

Since the last meeting, and for the next few weeks, attention is being paid to the New Zealand general election. The election seems likely now to be more dynamic and possibly more competitive than we had anticipated due to leadership changes in some parties. The impact on Internet policy is yet to be seen, but we will be ready to respond or to take advantage of any initiatives to advance our objects.

Operationally, our focus has been on:

- Getting the work of the 2017/18 activity plan under way
- Council elections and the AGM
- Developing NetHui 2017
- Implementing community funding rounds
- Preparation of the 2017 State of the Internet report
- Preparing for arrivals / departures of staff related to parental leave

## 3. Recent Chief Executive Priorities

Since the May meeting of Council, my priorities have been as follows, in descending priority order.

1. **Focus Area Projects:** I am project sponsor for a number of these projects and will be telling the story of these in regular stakeholder

engagements. A number of these projects are under way, and plans are in place for all.

2. **Strategy / “Why”:** Background work on the strategy review is under way, but as noted in the risks section, the organisational review means we cannot commence the full review of strategy to develop a new 2018-2021 plan. As part of that any further “why” work is on hold, and the proposed Strategy Retreat has been postponed.
3. **Organisational review:** Staff were consulted on a proposal to change in this period, with primary impacts on me and other group Chief Executives. The main work has been on managing our team to ensure that we continue delivering on current plans while openly working through the challenge and uncertainty created by the review process. I have also spent time thinking about implementation, if the proposal is in whole or part agreed.
4. **Staff matters:** welcoming Ellen and Maria back from parental leave has been a fairly smooth process with good planning helping minimise any disruption.
5. **Our AGM / new Council:** the elections and AGM were conducted with a solid turnout at the AGM and in the electoral process. We received feedback that our online voting system needs improvements to be consistent with current security norms, and will be working on that in the coming months.
6. **General Election:** the joint manifesto document mentioned last meeting was launched, and we maintain a watching brief on policy related to Internet issues. There are no significant issues arising at the date of this report, but that could change between now and 23 September.
7. **International:** I was the sole .nz participant in the ICANN meeting, held in South Africa at the end of June. Main focus was on representing us in the ccNSO, and on participating in the ICANN accountability workstream. I also MCd an ICANN-wide session on how the organisation can set priorities across its diverse constituencies.

With the organisational review proposing a far-reaching change, the first priority in the end was in assuring delivery of our planned work and in supporting our team of staff to carry on. That priority flows through into the next three months.

#### 4. Chief Executive priorities for the next three months:

These are ranked in descending order of priority for the period 15 August – 15 November:

1. **Leading team and activity plan delivery:** Assuring delivery of committed work and looking after our team in the context of a possible second consultation on organisational review matters is my first priority.
2. **Strategy:** We will continue with background work in preparation for future strategy development processes, so that we are ‘ready to go’ when Council is. .
3. **Organisational review:** I anticipate some implementation work will

be done during the coming quarter, and delivering anything needed on this front will be a priority.

4. **Staff matters:** Megan and Laura will be leaving for periods of parental leave end September. Recruiting temporary replacements and bringing them on board effectively will be a focus.
5. **General Election:** We will support ongoing assessment of parties' promises as they relate to Internet issues, and help measure these against the joint manifesto document.
6. **International:** The next ICANN meeting is end October in Abu Dhabi. The group's participation is yet to be clarified, given concerns about staff wellbeing related to the location of the meeting. I will give Council a verbal update at the meeting.

I welcome Council's comments and feedback on these priorities.

## 5. Staffing Matters

As noted above, **Megan** and **Laura** will be leaving for parental leave end of September. We are looking to fill these positions in different ways:

- Laura's role will be covered by a part time Accounting Assistant, to undertake finance duties supporting Mary. This part time role will not seek to cover the broader elements of Laura's role. Once the end of the Organisational Review is in sight, we will work out which other aspects to pick up, possibly via contracting.
- Megan's role will likely be filled by a contracted person who is senior and experienced in communications – recruitment is almost complete and I will give Council a briefing at the meeting.

**Nicola Brown** will be joining our team on 11 September in the role of Issues Advisor, joining Ben and James in that team. She joins us from MBIE and we are looking forward to her starting.

**Nicole Skews-Poole** resigned as Community Liaison, and has been engaged as a contractor on NetHui related matters through to the end of the year.

**Vanisa Dhiru** has been retained for a short term contract focused on continuing work on impact assessment of our Grants programme.

**Vivian Chandra** has been contracted to assist with further development of the membership proposition. This has included defining the membership role funded in this year's Budget.

We have resolved that the skills needed to implement the changes to membership are different to those that will be needed to work on this once implemented, and so will use contractors to do the set-up phase of this work. By the time we are ready to recruit the permanent staff member for this work, we anticipate that the organisational review hiring freeze will have come to an end.

## 6. Other Matters

- The **new group quarterly financial reporting** is in this set of Council papers. Feedback is welcome.
- Welcome to Kate and Don, who joined the Council along with returning Councillors Sarah and Dave. I record here fond farewell wishes to Rochelle and Hayden who made a great contribution while on the Council.

Thank you for reading!

Jordan Carter

**Chief Executive**

16 August 2017

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## ORGANISATIONAL REPORT

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**Author:** Jordan Carter, Andrew Cushen

**Purpose of Paper:** To update Council on work across the organisation since the last meeting of Council on 27th May 2017.

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This report functions as a summary and highlights report for Council in understanding InternetNZ's programmes and operations since the last meeting. For detailed information regarding progress against the annual Activity Plan, refer to the Progress Reports published on the website at <https://internetnz.nz/reports>

Attached to this report as Appendix One is the Media and Social Media Trend Report for February - July 2017.

Also attached to this report is a paper prepared in July outlining to Council the changes to the Activity Plan arising from the impact of the Organisational Review. It is attached and published in this set of papers for the public record.

### 1. Community Programme: Ellen Strickland

The Community Programme has been focused on the transition back to Ellen's leadership, and delivering the large number of Activity Plan commitments for the year.

#### Points of Note:

NetHui planning is in full swing, alongside a longer view of where NetHui could go over the next few years presented elsewhere in this Council pack.

A key challenge in the Community team is understaffing. With Nicole moving on, and with no move yet in hiring on the additional staff members planned and budgeted for in the year, the Community team is underresourced. To resolve this, a number of different contract relationships have been entered to sustain activity. This however has also limited the move of membership into the Community team.

#### Highlights:

- The third Speaker Series event on *Democracy and the Internet* will have been held in Auckland by the time of this Council meeting, on the 22<sup>nd</sup> of August. This is the first time a Speaker Series event has been held in Auckland, which may lead to lower attendance; like the Wellington event, this will likely grow as we hold more in Auckland.
- NetHui planning is continuing, and we are pleased with the progress we are making this far out from the event. NetHui Second Keynote for Friday 10 November confirmed as Pia Waugh from Lab+ at DIA, community programme building work now underway.
- NetHui Fellowships Applications open. Timeline for applications: opened early July and close end of September (to fit when we are likely to get more applicants).

- Community Projects and Conference Attendance round opened on 5 July, close on 21 August. Timeframes for assessment and review have been planned, New assessment process to be implemented with staff assessing round one, with Vanisa Dhiru contracted to assist in assessment.
- Grants Impact Assessment: Philanthropy NZ is providing report to InternetNZ in August on grantee session and their evaluation of INZ grants processes regarding impact, including recommendations. Vanisa contracted to liaise with grants committee on their feedback on this paper and their take on impact assessment and Vanisa to prepare her recommendations on this. Gertrud working on Impact Mapping to showcase INZ grants by location and other variables for last few years.
- Māori Engagement: Committee meeting held 18 July. Staff to progress training options and take potential marae dates to Council in August. Committee to encourage NetHui involvement. Other work on hold until September after Council.
- Sponsorship: Approved 8 sponsorships in 2017/18. Sponsored events coming up include:
  - o Canterbury Tech Summit in September in Christchurch
  - o UX New Zealand in October in Wellington
  - o National Digital Forum in November in Wellington
  - o B-sides (security event- using some of Kiwicon budget) in November

#### Lowlights:

- Limited uptake of *sponsorship for NetHui*. As summarised in the Budget changes, NetHui sponsorship has not met the budgeted targets that were set and these have been adjusted, with a greater InternetNZ financial contribution, to assure the production of the event.

#### Next Priorities:

- *NetHui* organisation will continue as the key priority.
- *Māori Engagement Committee* will continue with its plans to develop an earlier round of engagement with Māori Internet organisations, to assess the current state of InternetNZ's relationships and potential for collaboration.
- *Community Grants: Project grants round* – specifically the evaluation, scoring and decision making around those projects to fund. *Research grants round* – will be opened at NZIRF.
- *NZ Internet Research Forum* remains planned for Day Zero (8 November) of NetHui. Online platform options paper from Vanisa to be reviewed by Ellen/Nicole/Aimee. Next step is NZIRF member polling (on which option to implement) to be arranged by Nicole/Aimee.

## 2. Issues Programme: Andrew Cushen

The Issues team is currently at capacity, managing a range of commitments in the Activity Plan as well as other issues that have arisen.

#### Points of Note:

The Issues team has been focussed on the start of our own strategy process, as a contribution to future strategy work across the organisation. Our objective in the previous quarter has been to manage the change in reporting lines, with Ben taking



more of a leadership role in the Issues team, and to continue to meet the deliverables in the Activity Plan during this period of change.

## Highlights

- **Nicola Brown** is joining the issues team in September. Nicola has an impressive background from working with MBIE and previously in a web development role. We intend her to pick up work around access, digital divides and the Telecommunications Act.
- Release of the two documents relating to **Encryption** received a great deal of positive press, including the National Business Review describing them as “required reading”. We have prepared further distribution of these following the election, as this is likely to be an issue for the next parliament.
- Completing the drafting of the **State of the Internet** report for 2017. This has been harder and longer work than we anticipated. We’ve engaged external review to assist with lifting the draft further, and are working with a team across InternetNZ and NZRS to finish the document.
- Completing the first stage of the next discussion document on **Copyright** in New Zealand, as part of our Creative Use Focus Area. James has been leading some deep engagement with the Copyright Coalition we have built to engage and lead change.
- Completed peer review of the **Digital Regulation** project with the New Zealand Initiative, with final stage of drafting happening now. We will time the launch of this project after the election to maximise its impact.
- The amendment Bill for the **Telecommunications Act** represents the next stage in this process, and confirmation of the policy changes we recommended. We remain disappointed that the anchor products in the Bill are not sufficiently ambitious; otherwise, this Bill is sound.
- Release of the **Internet of Things – Accelerating a Connected New Zealand** report with the IOT Alliance, of which InternetNZ is a founding Board member.
- Confirmation that **Vodafone and Sky** will not be proceeding with their proposed merger. To be clear, InternetNZ has no opinion on whether these companies should merge; the submissions we lodged were clear that our concerns related to the competitive impacts of such a merger, particularly the net neutrality issues that may arise. In the end, ourselves and more importantly the Commerce Commission remained unsatisfied by these risks. The decision by the parties to abandon this merger resolves these questions.

## Lowlights:

- While we are pleased with having drafted the **State of the Internet** a lowlight is missing when we intended to have this launched. We want to ensure that this is a good quality piece of work – we would rather take more time to get that right.
- We’ve also slipped on releasing the **Digital Inclusion Map**, despite this project being completed. Discussing and agreeing with 2020 Trust around the most impactful way to launch, and the scope and timing of further work, have been the limitations here. We’ve resolved these as of very recently, and intend to release this shortly.

## Next Priorities:

- Inducting **Nicola Brown** as the new Issues Advisor

- Finishing the *State of the Internet Report* for 2017
- Kicking off the *Multi-factor authentication Focus Area* project
- Kicking off the *Trust Framework Focus Area* project.

### 3. International Programme: Jordan Carter

#### Points of Note:

- Jordan was the sole staff member from the group that participated in the most recent **ICANN** meeting, held in Johannesburg South Africa 26-29 June 2017.
- The main focus of his participation was in three areas:
  - the ongoing work of the Cross-Community Working Group on Enhancing ICANN Accountability, of which he is a co-chair for the ccNSO
  - participation in the ccNSO meeting including carrying the .nz vote
  - being a co-moderator for a cross-community session on how ICANN should establish and set its priorities.
- The usual set of networking and contacts happened on the side of the meeting.
- We did not send staff representation to the Asia Pacific Regional IGF at the end of July, due to the clash with our AGM. We hope to organise participation in this in Vanuatu in 2018, given its close hosting.

#### Next Priorities

- Preparations for the next ICANN meeting, being held in Abu Dhabi at the end of October.
- The global IGF is happening in December, and one or two staff will participate in that.
- Bringing Ellen back into the international programme following her return to work.
- International priorities for the subsidiaries will be outlined by them.

### 4. Operations: Andrew Cushen

The Operations team are focussed on both continuing to support the wide range of BAU activity done in this team, alongside implementing the next stages of our strategic transformations.

#### Points to Note:

The Operations team is possibly the most impacted by projects being on hold during the Organisational Review process. While this is logical given the scope of Operations work it is also challenging, as these projects were designed to make improvements and increase efficiency in these functions.

#### Highlights:

- Development of a revised *Operations strategic plan*, both as an input into wider organisational strategy for after the organisational review, but also to focus the team's efforts on continuing to improve the services provided. The team is energised about these potential changes.

- *Annual General Meeting and Elections* processes
- Finalisation of the *2016/17 Accounts and Audit*
- Support for *NetHui* as the planning for this event ramps up
- Revising the *Human Resources* project to scale back given the Organisational Review, and focus on standardisation.
- Development of a series of new *guides and manuals*, standardising processes and giving clarity about how Operations supports work in the organisation. These are underway for events, finance and administration.
- Developing a new proactive set of improvements, reports and monitoring for *internal IT systems* with Think Concepts.
- Revamping *core membership systems*, including support from Fuzion, to increase confidence and system performance.

#### Lowlights:

- None to report.

#### Next Priorities:

- Hiring *additional finance support* to cover Laura during her maternity leave.
- Actioning the *internal training schedule* as designed from earlier in the HR process.
- Continuing implementation of the *IT system and membership* improvements, including revising external support agreements.
- Ongoing support for *NetHui* as this enters the final phase of delivery.

## 5. Governance and Members: Jordan Carter

The significant work in this area has been on the Organisational Review, which remains being led by the Council. Staff are ready to work on whatever comes out of the August meeting on this.

#### Points of Note:

- The transition of membership to the Community team has not been done due to the resource constraints in Community. This is rather in a development phase being led by Andrew.

#### Highlights:

- Delivery of the 2017 *Annual General Meeting*, election processes and membership renewals.
- *Presentation of the Membership Survey results* to the Annual General Meeting. We were pleased that these results showed a similar trend to previous years.
- *Membership system stability* has been a focus and priority given reported instances of failed applications to join. We have been working on a design to replace this functionality, alongside working with Fuzion to improve their support and management of the current arrangements.
- *Membership design* - picking up from where Vanisa left this project, designing how to implement the proposed model of flowing to membership from public engagement, to support enrolment, to membership.

**Lowlights:**

- None to report.

**Next Priorities:**

- Next phase of the *Organisational Review* process.
- Complete the *transition of membership* to the Community Team, and resource this function to deliver to our plans.
- *Membership recruitment planning*, using the new model of 'engagement to membership' approach.
- *Online voting system*: defining our requirements for a review of the system, as promised in the course of the 2017 elections process.

Jordan Carter  
Chief Executive

Andrew Cushen  
Deputy Chief Executive

16 August 2017

**ATTACHMENTS:**

APPENDIX 1 – Media and Social Media Trend Report (February - July 2017).

APPENDIX 2 – Priorities in light of the Organisational Review (July 2017)

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## Quarterly media and social report

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**Author:** Sarah George, Communications Advisor

**Purpose of Paper:** To update Council on key media, social media, website and dotNews trends and learnings in the three months since the last meeting. This is an overview of the monthly reports sent to Council via email.

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### Key trends

- In the recent May - July quarter we featured in **56** media articles. This compares to **83** articles in the Feb – April quarter (February had a large increase due to the Vodafone/SKY merger).
- The media outlets that included our stories the most in the May - July quarter were National Business Review and Radio New Zealand.
- Our Twitter followers **increased by 117** from 5,172 at the beginning of May to 5,289 at the end of July. This compares to an increase of **170** in the Feb – April quarter.
- Our Facebook page likes **increased by 114** from 764 at the beginning of May to 878 at the end of July. This compares to an increase of **39** in the Feb – April quarter.
- Our average facebook post reach in the May – July quarter quarter is **355** people. This compares to **275** in the Feb – April quarter.
- dotNews subscribers **increased by 116** from 1,004 at the beginning of May to 1,120 at the end of July. This compares to an increase of **57** in the Feb – April quarter.
- The average page views on the InternetNZ website from the last quarter is **12,076**. This compares to **9,487** average page views in the Feb – April quarter.

### Key learnings

- Our social media followers enjoy and engage with posts of more humanised content such as our Pink Ribbon Breakfast in May and images of our Māori word of the week wall.
- Posts about our community grant programmes have also proven popular.
- Boosted Facebook advertising has proved very effective for InternetNZ as many people like and share our boosted posts and like our page as a result.
- Our Google Adword campaigns have resulted in increased traffic to our website. We will continue to use our \$10,000 USD grant from Google to create campaigns and drive new users.
- Content with images perform well, video content performs even better.

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# Council report: priorities in light of the organisational review

18 July 2017

## Introduction

The purpose of this report is to outline in our main areas of work the priorities for us, things we will progress if we can, and projects or areas of work that are simply on hold - all arising from the impact of the organisational review.

Council feedback on the proposed priorities will help us to work out whether we need to change course in any areas, and this report does form part of our usual “no surprises” approach. We felt leaving this discussion to the August meeting would be leaving it too late.

The organisational review is having a broad-based and significant impact on operations across InternetNZ. The main reasons for this impact relate to the uncertainty about the future state of the organisation at the date of this report. Without knowing how the organisation will be changing (or whether it will be changing), we cannot:

- hire staff into new roles, in case they then change substantially almost immediately
- make business systems improvements, because we don't know the scope and scale of these systems beyond the very short term
- make commitments on projects that see us at full speed, because we have to preserve our ability to implement changes that could arise from the review.

The main areas where there are changes are in Community (incl membership) and Operations. Issues and International are less affected.

We have tried to take a prudent approach, and keep as much of our Activity Plan in place as possible.

I look forward to your thoughts and input, on this and if matters are still unresolved at the August meeting.

**Jordan Carter**  
**Chief Executive**

## Community

This team is down staff - we can't recruit a replacement for Nicole or fill the membership role due to the staff hiring freeze. This means Ellen and Gertrud will be focused on 'the basics' with baseline activity commitments continuing including strategic partnerships, sponsorship, and community organisational support. Projects will need to be prioritised to fit capacity and the following is proposed:

### PRIORITIES

#### **Jul-Sep:**

- NetHui preparations
- Projects Grants round execution
- Speaker Series event in August
- Scoping membership role and finalising plan of work for the role
- NZIRF event preparation and online community project

#### **Oct-Dec:**

- NetHui - the event
- NZIRF - the event and online community project
- NetHui - multiyear plan and documentation
- Projects Grants Round finalised and Research Grants round execution

### PROGRESS IF ABLE

- Support Digital Map promotion
- Māori engagement plan (but with limited scope: NetHui engagement, tikanga training)
- Marae visit and Council training
- VUW(?) Scholarship for 2018

### ON HOLD

- Grants impact assessment work
- Youth champions project
- Roundtables on Internet Infrastructure
- Hiring membership staffer
- Membership systems in place
- Scoping and hiring replacement for Nicole
- Future work on the Māori engagement plan
- Speaker Series additional event for 17-18

## Issues

This team is about to grow with the new Issues Advisor replacing contract time from Reg, and some "doing" and analysis time from Ben and Andrew (and adding further capacity, as is full time, though at a lower skill/experience level than Reg on telco matters).



## PRIORITIES

### **Jul-Sep:**

- State of the Internet report
- Launch Digital Divides map
- Launch of the Digital Regulation project with NZ Initiative
- Assisting tech sector groups assess party policies vs Manifesto
- Position paper: Copyright

### **Oct-Dec**

- Position paper: Open society, open Internet
- *Multi-factor authentication* project
- *Trust Framework* project

## PROGRESS IF ABLE

- Digital mapping phase 2

## ON HOLD

- Device health check
- Issues contributions to *Showcasing Creativity* project

## Operations

This team has some changes coming up with Maria's recent return and Kim's departure, and Laura leaving for parental leave in September. It is also most tied up with the potential impact of the organisational review. There are many interrelationships between various systems that it makes sense only to address when the scope of those systems is better known.

## PRIORITIES

### **Jul-Sep:**

- Ongoing financial and governance reporting and payments etc
- HR project - standardisation and process improvements
- team responsibility reallocation
- Strategic development in prep for post organisational review
- Plan annual stakeholder functions
- Launch annual market research from UMR

### **Oct-Dec:**

- Stakeholder functions - the events

## PROGRESS IF ABLE

-

## ON HOLD

- HR project - HR strategy, employee value proposition
- Telephone system replacement
- Tables
- Core ICT system improvements
- Website development
- Membership system
- Joan meeting room assistants
- ICT replacement
- Progressing the 'why' project
- New communications collateral including an 'about us' video for website and general promotion

## International

We are treating this as "on hold" - minimal attendance at relevant events, no new commitments, no staff going to new events. In the two quarters to 31 Dec, attendance will involve staff at the next ICANN meeting (unless we decide the venue isn't safe enough) and at the Internet Governance Forum in Geneva in December. It is unlikely we will send anyone to the Asia Pacific Regional IGF at the end of July in Thailand.

## Governance and members

In this area, the basics of operating Council meetings will continue. I'll send a separate update regarding strategic planning.

## PRIORITIES

### **Jul-Sep:**

- Annual General Meeting and elections
- Inducting new Council members
- August Council meeting
- Organisational review - finalisation, implementation
- Council Strategy retreat (s/t confirmation)
- New Council committees

### **Oct-Dec:**

- November Council meeting
- Self-review of Council performance?

## PROGRESS IF ABLE

- Revise the constitution

ON HOLD

- Nothing

## Feedback Please

If you read this report and notice:

- A significant piece of work missing you think we should make a priority
- Something listed as a priority you think should be downgraded

Please share your thoughts with me or on the Council list.

Jordan Carter  
18 July 2017

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## August 2017 Grants Reporting Update for Grants Committee





InternetNZ grants impact work is continuing. We have held a workshop for previous grantees and are working together with Philanthropy New Zealand to find out where our grants are, where they could be and what we need to do to improve. We are also working on mapping out our grants to have a better understanding where InternetNZ's support is going and where it is low or lacking all together.

Overall, other contracts are progressing and acceptable reporting has been received on time. There are however three overdue mid-year reports from the Community Projects 2016/17 round. The Homely NZ project has lost their original project lead Brittany Travers, but have found a replacement for her. With those changes the project has been held up and they have received extension until September to get the project going. Staff has followed up with Brent Wood regarding the other two overdue reports and we are confident that we will have them by the next Council meeting.

From the recently received grantee reports, we will consider pursuing additional communications activities around these projects:

- Internet Research 2015/16: Aniket Mahanti – Final report – Aniket's research looked into to the content sharing dynamics in the piracy ecosystem using Internet measurements. The findings from this research together with some further information might be useful to share with MBIE.
- Community Projects 2016/17: Matt Hampton for Waimate Digital Development Project – Mid-year report. This project has already had media interest and will probably receive further interest in the later stage of the project.
- Community Projects 2016/17: Novia Ng for Gather – Mid-year report. Gathers rural workshops have started now and we will be working together with Gather on a blog post as well as further media opportunities.

### Legend

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

## Internet Research 2015/16

Name	Amount awarded	Purpose	Report	Comments
Aniket Mahanti	\$9,000	To study the content sharing dynamics in the piracy ecosystem using Internet measurements, and gauge the online media consumption characteristics of New Zealanders through a survey.	<a href="#">Final report</a>	★ <i>Interesting, results and further information could be useful to share with MBIE and others as part of the copyright policy reforms.</i>

## Community Projects 2016/17

Name	Amount awarded	Purpose	Report	Comments
Chris Rows from Project De-Vine Trust	\$16,450	To create a Geospatial database system to manage the many properties that Project De-Vine visits with its weed busting projects.	<a href="#">Mid-year report</a>	● <i>Nothing to note yet, project is developing as planned.</i>
Matt Hampton from Waimate Digital Development Project	\$15,000	For the <i>Waimate Digital Development Project</i> is all about Education and Community. The aim is to provide faster cheaper internet to residents of the Waimate District and utilize any revenue to expand the network and provide discounted digital devices to 6 - 18-year-old students in Waimate.	<a href="#">Mid-year report</a>	★ <i>Project has had already a lot of media coverage and we will continue the relationship for future opportunities.</i>

Novia Ng from Gather	\$22,500	For the <i>Gather Workshops Outreach</i> is a programme for rural and low- decile students which aims to increase the number of students in these areas who consider becoming an IT professional.	<a href="#">Mid-year report</a>	★ <i>This project has a great media potential. We have made contact with them and once more workshops have been completed Tanya will provide a guest blog for INZ webiste and social with potential media pitch for education journals.</i>
Brent Wood	\$5,000	To implement a self-maintaining production metadata catalogue describing NZ WMS and WFS services.	Mid-year report	● <i>Report overdue due from 31 May, staff has followed up.</i>
Brent Wood	\$4,500	To deploy & support an R-Shiny server for NZ.	Mid-year report	● <i>Report overdue due from 31 May, staff has followed up.</i>
Brittany Travers for Homely NZ	\$5,000	For <i>Homely</i> , a cloud platform service to sources donations for new refugees' state houses, supporting refugee resettlement in New Zealand.	Mid-year report	● <i>Original project lead has left, they have found a replacement.</i>

## Conference Attendance 2016/17

Name	Amount awarded	Purpose	Report	Comments
Edgar Pacheco	\$2,670	To attend the CONF-IRM2017: Democratization and Participation: People's Roles in the Digital World.	<a href="#">Final report</a>	●
Liang Yang	\$3,000	To attend the IFIP/IEEE International Symposium on Integrated Network Management.	<a href="#">Final report</a>	●
Shane O'Connell	\$3,000	To attend the Next Web (TNW) Conference, a conference in Europe where internet and technology leaders from all over the globe come together and share knowledge, ideas, and experiences.	<a href="#">Final report</a>	★ <i>Main part of this report is Shanes' blog post which we have shared through our channels too.</i>
Dong Seong Kim	\$3,000	To attend the 47 IEEE/IFIP International Conference on Dependable Systems and Networks (DSN) 2017. The subject of the conference is dependable and secure systems and networks including architectures, protocols, and algorithms, as well as experimentation.	<a href="#">Final report</a>	●



**We are expecting the following reports prior to the next Grants Reporting Update in November 2017**

<b>Round</b>	<b>Date signed</b>	<b>Name</b>	<b>Amount awarded</b>	<b>Purpose</b>	<b>Report due</b>
On-demand grant	4 August 2017	Aimee Whitcroft	\$2,500	To attend the “#CivicTechFest” a week-long collection of events coordinated by the Open Culture Foundation alongside the WCIT. It’s also Asia’s first ever civic tech conference!	<b>Final report</b> <b>October 2017</b>
Internet Research 2016/17	5 May 2017	Chris Hails	\$9,715	To evaluate the programmatic identification of cyber security risk profiles that may in future facilitate the delivery of targeted or personalised risk mitigation interventions.	<b>Mid-year report</b> <b>October 2017</b>
Internet Research 2016/17	19 April 2017	Dr Bodo Lang	\$22,450	To research project will investigate the role of Internet enabled technologies (for example websites and apps) within the sharing economy/collaborative economy/peer-to-peer marketplace.	<b>Mid-year report</b> <b>October 2017</b>

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## SUMMARY OF COMMITTEE ACTIVITY & AGREEMENT OF 2017/18 COMMITTEES AND THEIR MEMBERSHIP

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**Author:** Jordan Carter, Chief Executive

**Purpose of Paper:** To provide a staff summary of Committee activity in the three months 15 May – 16 August 2017, and to have Council confirm the committees and their membership for 2017/18.

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### Audit and Risk Committee

- The Committee has met once since the last Council meeting. One other meeting was inquorate and business was conducted via email.
- The Committee **requests** that five Councillors are appointed to Audit and Risk to ensure that quorum is met at all meetings.
- The Committee has been focused on completing the End of Financial Year processes for the Group Consolidated Accounts, as was otherwise presented to the Annual General Meeting. In doing so, two issues were noted and addressed:
  - The first amendment was requested by the auditors and is in relation to a term deposit and how it is reflected in our accounts. If a deposit is maturing within 90 days it is determined cash, and if it matures any later than that it is considered an investment. This was resolved.
  - The second amendment is requested by staff regarding an invoice that was incorrectly entered into the system with the wrong date, which means it is now sitting in the wrong financial year. This was also successfully resolved.
- The Committee noted that this year during the audit the auditors interviewed CEs and some staff members. This impressed the Committee by this new action taken by the auditors in relation to checking for fraud.
- Health and Safety has been regularly discussed and reported on and a separate report is provided for Council in these papers.
- The next meeting will take place on 5 September 2017.

### Grants Committee

- The Committee has not met since the last Council meeting. One meeting regarding Grants Impact was intended but not able to be arranged due to member availability.
- The Committee reviewed and approved one on-demand grant application via email.
- Staff have managed grants round applications opening and the committee will be meeting to assess and make recommendations on the Community Projects Round in the coming quarter.

- Staff continued Grants Impact work, working with Philanthropy NZ, with plans to reengage the Committee on this work when appointments are made in August.

## **Māori Engagement Committee**

- The Committee has met twice since the last Council meeting.
- Focus has been developing a new Māori engagement plan. This plan seeks to discuss with a range of organisations the current state of relationships between InternetNZ and Māori organisations, to form a baseline for further engagements.
- Engagement with key organisations and people regarding NetHui has taken place by the committee Chair and staff
- The Whakataukī gifted to InternetNZ by Takawai Murphy has been launched, and a recommendations paper with guidelines for how this is to be used is under development.
- Group-wide Staff training is currently underway in Te Reo, being led by Piripi Rangihaeta. The scope of this training includes:
  - Recite your FULL Mihimihi. (greeting)
  - Recite your FULL Whakapapa. (genealogy)
  - Converse in Te Reo Māori about a given topic for a minimum of 15mins.
  - Able to explain in Te Reo Māori set tasks (example: What is the hongi?).
  - Complete translation exercises between English and Māori.
- Additional tikanga training is being arranged with Piripi Rangihaeta for senior leadership from Council and staff before NetHui
- Rescheduling of postponed Marae visit and training for staff and Council to be arranged with new Council.

## **Chief Executive Review Committee**

- The committee conducted the annual performance review of the Chief Executive and concluded an agreement regarding remuneration and key performance indicators for the coming year.

## **Committees in the coming year**

Council discussion on the email list has indicated that the current set of Committees should continue, and some Council members have shared their intentions for which Committees they would like to serve on.

The committee membership resolution below should be amended to finally record the full membership of each committee, and so are placeholders for the time being.

THAT the Terms of Reference for the Audit and Risk, Chief Executive Review, Māori Engagement and Grants committees be confirmed for the 2017/18 year with no amendments.

THAT the membership of the Council Committees be as follows:

- Audit and Risk - Amber Craig (Chair), Richard Hulse, Keith Davidson (**Two members sought** - Rochelle was a member, has left Council)
- Grants - Richard Wood (Chair), Sarah Lee, Dave Moskovitz, Kelly Buehler
- Māori Engagement - Sarah Lee (Chair), Brenda Wallace, Amber Craig
- Chief Executive Review - Jamie Baddeley (Chair), Joy Liddicoat, (**Two members sought** - Rochelle and Hayden were members, both have left Council)

Jordan Carter  
Chief Executive

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## Future of NetHui

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**Author:** Jordan Carter, Ellen Strickland

**Purpose of Paper:** To set out a roadmap for the future of NetHui over the next four years. This will provide clarity for our partners and for the Internet community about how the event will work, letting everyone plan more easily for the events.

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### 1. Introduction

InternetNZ has been running NetHui for six years. We experimented with regional NetHui events in 2016 and this year we are back in Auckland for a national event.

Each year we have made a decision about whether to continue the event the following year and what sort of event it will be. This has fit our annual planning cycle but introduces an unnecessary degree of uncertainty about our commitment to the event and what it will look like the following year.

We consulted the NetHui community last year about their desires for the event's future, and have been reflecting carefully as a staff team about the event. We believe it has considerable value for InternetNZ and for New Zealand, and we think it should be put on a firmer footing.

The time is right to commit to an agreed roadmap for NetHui for the next 4 years. Doing so will give us, our partners, sponsors and the broader community clarity about where NetHui is going and what the shape of it is over a longer time horizon.

This paper sets out what the event is and why we do it, reflects on the community that has developed around the event, canvasses options for the future approach, and recommends a roadmap for the next four years for Council agreement.

### 2. What is NetHui for / why do we do it

NetHui is, first and foremost, a forum for the Internet Community to come together and talk about the Internet, and the issues that matter to them.

#### What we want(ed) NetHui to be

When we first started NetHui it was with a goal to set up a national IGF in New Zealand. We have designed it to be similar to the IGF in that the agenda is driven by the community, and that it is not limited in the Internet-related topics it covers. NetHui is our national IGF - imbued with New Zealandness. This means it:

- Is a space for talking about the things that matter to New Zealand's Internet Community

- Brings together the different groups that are shaping the Internet, to engage with each other & collaborate
- Is networking & relationship focussed: we all make new connections with groups and people we wouldn't otherwise meet.

## Reflection on 6 years of community development

The 50-60 people who facilitate the sessions build relationships and collaborations across silos. NetHui sessions are most successful when there are enough people, with enough perspectives to have a robust discussion that airs the concerns, and differences of opinion amongst kiwis on any particular issue.

The community that has developed from this intensive preparation process, as well as the broader community of those who attend and participate in the event, value it – and it provides a unique insight for us as an organisation into what a broad cross-section of the Internet community is thinking and doing on a range of topics.

## Why we have the format we have

NetHui has developed a distinct pattern to it.

- Day Zero exists for individual communities to have time by themselves
- We start and finish each day together with a keynote (am) and a panel discussion (pm) to create togetherness and a shared space.

This format enables genuine community discussions and engagement on issues, as well as hearing from inspirational leaders and debates on issues by panels of expert.

## What does InternetNZ get out of NetHui?

NetHui has considerable benefits for InternetNZ.

1. We learn about what people are talking and thinking about: NetHui enables us to listen to the concerns of the Internet community, to take its pulse and listen intensively
2. It demonstrates our ability to professionally and visibly run an event, boosting our exposure (NetHui is one of the things we do that is most well known)
3. NetHui boosts our mana internationally (NetHui is one of the largest national IGFs in the world).

## 3. What could NetHui be?

Previously we have raised with Council a number of options and ways forward related to:

- National NetHui vs roadtrips
- The concept of building “NetHui-in-a-box”
- Running a 2-3 year NetHui cycle (biennial national event w regionals on off year(s)).

This paper sets out, in a concrete way, options for the future of NetHui, taking



a first principles consideration of NetHui into account.

## Options for the future of NetHui

We have identified four options for the future of NetHui.

1. **Stop NetHui (Option 1)**
2. **Phase out InternetNZ leadership of NetHui (Option 2)**  
Move to NetHui-in-a-box and step away
3. **Put NetHui on a four-year cycle (Option 3) [PREFERRED]**  
Alternative a national NetHui with a series of regionals on the off-years
4. **Go big on NetHui (Option 4)**  
Host both an National NetHui and regional NetHui each year.

These options, and our analysis of each, are set out below.

### Option 1 - Stop NetHui

Stopping NetHui is, in effect, the “do nothing” option.

Costs	Opportunities	Benefits	Risks	Analysis
Financially, this is the lowest cost option	We would be able to spend time from the Events Manager, Comms team and Community teams on other things	There are no clear benefits to this option	We would risk a backlash from the Internet Community, and lose the insight NetHui delivers	We should not take this option further

We think that simply stopping NetHui would not be tenable and would create reputational damage for InternetNZ and lead to a lessening of trust and closeness with the Internet Community. It would also mean that we knew less about the views and issues for the community, and so would harm our issues and community programmes.

### Option 2 - Phase ownership of NetHui to the Internet Community

Part of the original concept of NetHui was to eventually shift the running and ownership of NetHui to the Internet Community and that InternetNZ could move to a supporting role, applying some resources to enable a NetHui-in-a-box approach.

Costs	Opportunities	Benefits	Risks	Analysis
Costs of building NetHui-in-a-box resources would be low	The Internet Community, and other organisations would be able to lead NetHui, allowing our staff to focus on other	The number of NetHui happening around New Zealand could grow dramatically, driven by local	No-one might run a NetHui due to lack of capacity, funding or capability	We do not think there is capacity of capability in the Internet Community to take ownership and stewardship

	things	communities.	NetHui brand could be misused, affecting our reputation	of NetHui.
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### Option 3 - NetHui on a four-year cycle [Preferred option]

The NetHui roadtrip was a success, but we also hear that many people in the Internet Community enjoy the national “classic” event. We think that alternating between national and regional NetHui each year, and moving cities over a four-year timeframe where we:

- alternate between regional and national NetHui each year
- move the national NetHui so once a cycle it is in Auckland (year 2) and then in year four it is somewhere else (e.g. Wellington, Christchurch)

Costs	Opportunities	Benefits	Risks	Analysis
Estimated cost of \$125,000 for regional year and \$250,000 in National year	We could leverage great discussions and facilitators from regional into national NetHui  Leverage regional to national to International discussion	Greater assurance for community about when to expect events  Integrate experience and outcomes from regional to national events	Lowest risk option – essentially status quo of the past two years	‘Sharing’ NetHui across Aotearoa will enable us to build community capacity and capability so that in the future option two could be viable

Organising this on committed four-year cycle would enable us to spread our efforts on sponsorship and rather than annual sponsorship, we think that taking a biennial approach would enable us to seek NetHui funding partners on a two- or four-year commitment (each at \$20-\$25,000).

### Option 4 - Go Big with multiple events

This option would see us host a National NetHui each year as well as regional events each year. It would mark a significant expansion of the concept beyond what we have identified demand for based on consultations to date.

Costs	Opportunities	Benefits	Risks	Analysis
Most expensive option, would require additional staffing as well as direct funding of around \$350k/year	To catalyse further development of the Internet community and take the NetHui concept to more	Greater contact with the community through NetHui and the	We risk conflicting with ITx either in timing, or funding and	This option is a “big growth” with unclear community demand for this. We

	communities sooner	possibility to apply this throughout our work	sponsorship	think it should be considered after running a four-year cycle as per Option 3.
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## Sponsorship

Over the years, sponsorship received for NetHui has varied. The original vision was that over time InternetNZ's financial contribution would fall, picked up by a diverse group of community sponsors. For a range of reasons that vision has not come about – and we could place a renewed effort on achieving it, or we could use the staff time and energy on engaging partners to participate with less of a financial imperative.

Our preference is the second approach – to commit to a level of funding that is supported by, but not dependent on, sponsorship.

## 4. Preferred Option

Our preferred option is Option 3, a four-year cycle. We think that this is the best balance of work given the other events our community sustains, the scope and financial resources of the InternetNZ team, and what we have heard through community views.

We would implement this option through this year's Classic NetHui, and signalling an event on the Classic approach for out-of-Auckland in 2019, with regional events in 2018.

The financial impact of this model will see us largely business-as-usual for this part of the community programme. We would increase InternetNZ's financial contribution to the Classic event, and be able to effectively support the regional events, with the two-year cost around the same as the cost of annual classic NetHui on today's more limited financial support.

## 5. Recommendation

We recommend:

THAT Council agree that NetHui will proceed on a four year cycle, with classic NetHui every second year (one in Auckland, one elsewhere) and regional events in the in-between years.

THAT Council note that future annual Activity Plans and Budgets will be prepared in line with this cycle, with 2017 being the first year of the cycle (hosting a classic NetHui in Auckland in November).

Jordan Carter  
Chief Executive

25 August 2017

Ellen Strickland  
Community Programme Director

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## 2017/18 BUDGET REVIEW AND UPDATE

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**Author:** Jordan Carter, Chief Executive and Mary Tovey, Finance Manager

**Purpose of Paper:** A number of factors (including higher than expected income, and changed expenses due to Organisational Review impacts) mean that it is timely to update this year's Budget. This paper sets out recommended adjustments to the Budget for 2017/18.

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### Introduction and Background

The context for this paper is a desire on my part to manage our Budget more closely, to assure that we are making best use of the resources we use and that the budgeted plan matches changes to the activity plan in the course of the year. It is also in recognition of the fact that the final major portion of our income, the NZRS dividend, is only known after the budget is adopted and well into the financial year.

To give effect to this tighter budget management, we have introduced a process to review the Budget on a quarterly basis, to ensure that expenditure is correctly allocated in accordance with requirements and delivery.

This and future first quarterly Budget reviews include a full look at the Budget, taking the final dividend into account. Changes to the Budget will be proposed for Council consideration, and this will create a new base Budget with a committed expenditure limit which we plan to commit to for the remainder of the financial year.

Subsequent quarterly reviews could lead to proposed reallocation within and between areas of spending, but as a matter of practice will respect the overall expenditure commitment made in the first quarterly review, as per Council's previous resolutions.

This should achieve better scrutiny of the budget from management and from Council, and ensure it remains an up to date statement of our intentions.

In this first quarterly review, as otherwise approved by the Council, a number of the commitments in the 2017/18 Activity Plan have been suspended or deprioritised due to the Organisational Review process. This review reflects these decisions, with our best judgement about likely expenditure timing and scale after the review process applied.

## Significant recommended adjustments

Major areas of income or expenditure will change in the revised budget as follows:

**1. Total Income: increased by \$434,000 (8.9%)**

This is due to higher-than-expected dividends received from NZRS (\$521,000 increase) offset by a decrease in expected NetHui Sponsorship income (\$85,000 decrease).

**2. Total Expenditure: increased by \$11,000 (0.2%)**

Significant areas of change are highlighted below.

**3. Issues expenditure: increased by \$36,000 (5.5%)**

This replenishes the contingency fund for emerging Issues, in light of the otherwise unbudgeted expenditure already this financial year on the Vodafone/Sky merger.

**4. Community Funding expenditure: unchanged**

The total funding available across Strategic Partnerships and Grants is recommended to remain at \$700,000 in this financial year.

**5. Community Engagement expenditure: decreased by \$84,000 (9.2%)**

This reflects a number of different decisions. Firstly, expenditure on Sponsorship is recommended to increase from \$35,000 to \$50,000. Decreases in budget are due to de-scoping of the Community Programme's contributions to a number of Activity Plan commitments, reflecting the decisions made around activities during the Organisational Review. This budget includes allowance to hire and pay people in the membership and engagement roles that are currently on hold - in our view it is likely these roles can be filled by the end of the calendar year. The Community Engagement budget has also had a number of smaller areas of spend optimised reflecting expenditure year to date, which is reflected in this total decrease.

**6. International Engagement expenditure: decreased by \$41,000 (27.7%)**

This reflects a number of changes to Internet Governance events we should attend, and a removal of provisions for ITU-related travel as this does not any longer require our participation at this point.

**7. Governance and Membership expenditure: increased by \$98,000 (20.8%)**

This increase reflects the anticipated expenses of continuing with the Organisational Review process through to this Council meeting, and then provides a budget allowance of \$50k for consultation on an updated proposal or other related costs. I would appreciate Council's guidance as to whether additional budget is required for further work following this month's meeting, once those decisions have been made.

All other operating areas - Communications/Outreach, Operations and Overheads remain largely as budgeted, with less than 1% change recommended to the budget approved in April.

## Overall Impact

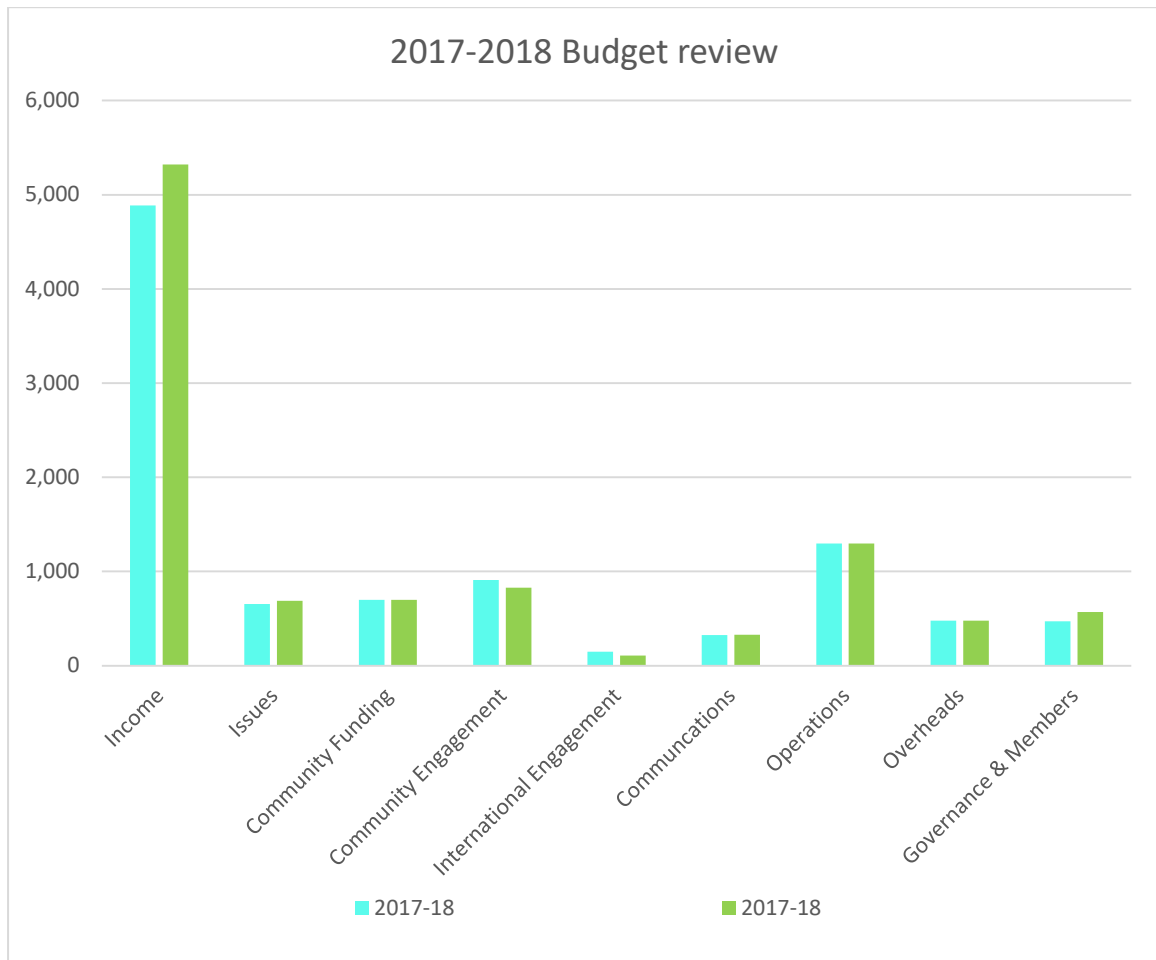
The overall financial impact of these changes is:

- An increase in income of \$434,000
- An increase in expenditure of \$22,000

Compared with the approved budget deficit of \$98,000, this revised Budget would see a surplus of \$326,000. Excluding organisational review costs, our budget process generally leads to lower-than-budget expenditure, so it is likely the year end outcome would be more positive.

## 2017/18 Budget Review Summary Table

2017/18 Budget	2017/18	2017/18	Revision change	
Internet New Zealand Incorporated	Approved Budget	Proposed Revised	+/-	+/-
<b>Income</b>	4,887	5,321	434	8.9%
<b>Expenses</b>				
Internet Issues	654	690	36	5.5%
Community Funding	700	700	0	0.0%
Community Engagement Programme	911	827	-84	-9.2%
<b>** Gross NetHui Costs **</b>				
International Engagement	148	107	-41	-27.7%
Communications/Outreach	325	328	3	0.9%
Operations	1297	1296	-1	-0.1%
Overheads	478	478	0	0.0%
Governance & Membership	471	569	98	20.8%
<b>Total Expenses \$000s</b>	<b>4985</b>	<b>4995</b>	<b>11</b>	<b>0.2%</b>
<b>Net Ordinary Income \$000s</b>	<b>-98</b>	<b>326</b>	<b>423</b>	
<b>Operational Expenditure reconciliation</b>				
<b>Total Expenses \$000s</b>	<b>4985</b>	<b>4995</b>		
Less subsidiaries reimbursement of shared services	-387	-387		
<b>Total Expenses \$000s</b>	<b>4598</b>	<b>4608</b>		



## Resolutions

THAT Council approve the revised Budget for financial year 2017/18.

Jordan Carter  
Chief Executive

Mary Tovey  
Finance Manager

16 August 2017

ATTACHED: Updated Income and Expenditure Budget 2017/18



InternetNZ Income and Expenditure 2017/18  
Budget review

Ordinary Income/Expense

Income

Operating Income

Shared Group Services	387,000.00	387,035.91
Group Staff Activity Recharge	14,454.00	12,448.24
Membership - Corporate	4,583.34	4,584.00
Membership - Individual	9,016.66	8,916.00
<b>Total - Operating Income</b>	<b>415,054.00</b>	<b>412,984.15</b>

NetHui Sponsorship & Registration

165,000.00 80,000.00

Sundry Income

350.00 350.00

Investment Income

Dividends

4,281,000.00 4,801,987.00

Interest

25,460.00 25,460.00

**Total - Investment Income**

**4,306,460.00 4,827,447.00**

**Total**

**Income**

**4,886,864.00 5,320,781.15**

Expense

Remuneration

ACC Levy	5,527.38	4,287.20
Miscellaneous Staff Costs	33,264.69	32,278.59
Recruitment	97,956.00	49,922.00
Staff Training	59,087.84	56,682.34
Internal Training	25,500.00	22,500.00
Wages & Salaries	1,611,302.51	1,567,962.88
Contractors and Casual	6,000.00	53,600.00

**Total - Remuneration**

**1,838,638.42 1,787,233.01**

Operating Expenses

Accountancy Fees	20,000.00	20,000.00
Advertising & Marketing	20,000.00	20,000.00
Audit Fees	7,400.00	7,400.00
Conferences	16,000.00	14,000.00
Consultants	180,000.00	180,000.00
Depreciation	140,000.00	119,850.00
Group Staff Activities	18,600.00	18,600.00
General Office Expenses	37,550.00	47,000.00
Governance Training	19,200.00	19,400.00
Honoraria	203,250.00	203,250.00
Legal Fees	50,000.00	49,000.00
Meeting Costs	119,500.00	99,000.00
Repairs and Maintenance	4,000.00	4,000.00
R & M - Software	6,000.00	6,000.00
Printing & Stationery	19,000.00	15,500.00
Subscriptions	64,336.81	64,334.00
Telecommunications	70,268.37	72,000.00
Travel & Accom - International	14,000.00	14,000.00
Travel & Accom - National	72,064.00	89,000.00
Web Site Updates & Hosting	3,000.00	3,000.00
Internet Governance Portfolio		
ICANN	45,000.00	42,500.00
United Nations (IGF, WSIS)	42,000.00	22,000.00
Other (NetMundial, Pacific, Cont)	30,000.00	20,000.00
Internet Governance fora - Other	8,000.00	0.00

Total - Internet Governance fora	125,000.00	84,500.00
<b>Total - Internet Governance Portfolio</b>	<b>125,000.00</b>	<b>84,500.00</b>
<b>Issues Programme</b>		
<b>Internet Issues Programme</b>		
Develop State of the Internet	12,000.00	25,000.00
ISP Spotlight	10,000.00	10,000.00
Elections		20,000.00
Position papers	5,000.00	10,000.00
Internet Issues Programme - Other	0.00	0.00
<b>Total - Internet Issues Programme</b>	<b>27,000.00</b>	<b>65,000.00</b>
<b>Access Focus Area</b>		
Contingency	5,000.00	5,000.00
Digital Inclusion Map /Divides renamed	40,000.00	40,000.00
VodaSky	0.00	28,000.00
Internet Infrastructure	20,000.00	10,000.00
<b>Total - Access Focus Area</b>	<b>65,000.00</b>	<b>83,000.00</b>
<b>Creative Potential Focus Area</b>		
Contingency		
Copyright & TPP	5,000.00	5,000.00
Collaboration	40,000.00	40,000.00
Engagement on the Open Internet	10,000.00	10,000.00
Digital Regulation	25,000.00	25,000.00
<b>Total - Creative Potential Focus Area</b>	<b>80,000.00</b>	<b>80,000.00</b>
<b>Trust Focus Area</b>		
Contingency		
Easy Encryption	5,000.00	5,000.00
Framework for Trust measurement	40,000.00	40,000.00
Device Health Check	20,000.00	20,000.00
Craft approach to being Consumer	15,000.00	0.00
<b>Total - Trust Focus Area</b>	<b>80,000.00</b>	<b>65,000.00</b>
<b>Total - Issues Programme</b>	<b>252,000.00</b>	<b>293,000.00</b>
<b>Community Funding</b>		
Strategic Partnerships	400,000.00	400,000.00
Funding Rounds	230,000.00	230,000.00
On Demand Grants	5,000.00	5,000.00
Community Funding Review process	20,000.00	20,000.00
Sponsorship	35,000.00	50,000.00
<b>Total - Community Funding</b>	<b>690,000.00</b>	<b>705,000.00</b>
<b>Community Engagement</b>		
NetHui (National)	255,000.00	255,000.00
NetHui Initiatives NZIRF	10,000.00	10,000.00
Speaker Series	25,000.00	25,000.00
Business Round tables	10,000.00	0.00
Strategic Interest	10,000.00	10,000.00
Scholarship (Trust)	15,000.00	15,000.00
Member Engagement	10,000.00	20,000.00
Member Meetups	25,000.00	25,000.00
Stakeholder Event	20,000.00	20,000.00
Youth Champions	25,000.00	0.00
Maori Engagement Activities	30,000.00	30,000.00
<b>Total - Community Engagement</b>	<b>435,000.00</b>	<b>410,000.00</b>

Communications/Outreach		
Brand Identity	10,000.00	10,000.00
Digital Content/Video	20,000.00	20,000.00
Media briefings (e.g. UMR)	2,000.00	2,000.00
UMR research	25,000.00	25,000.00
<b>Total · Communications/Outreach</b>	<b>57,000.00</b>	<b>57,000.00</b>
Organisational Review		
Misc.	1,000.00	15,000.00
Consultants	24,200.00	100,000.00
<b>Total · Organisational Review</b>	<b>25,200.00</b>	<b>115,000.00</b>
<b>Total · Operating Expenses</b>	<b>2,668,369.18</b>	<b>2,729,834.00</b>
Overheads		
Cleaning Costs	52,300.00	52,300.00
Electricity	17,500.00	17,500.00
Insurance	11,000.00	11,000.00
Rent Paid	394,584.85	394,584.85
Security	3,000.00	3,000.00
<b>Total · Overheads</b>	<b>478,384.85</b>	<b>478,384.85</b>
<b>Total Expense</b>	<b>4,985,392.45</b>	<b>4,995,451.86</b>
<b>Net Ordinary Income</b>	<b>-98,528.45</b>	<b>325,329.29</b>
Other Income/Expense		
Other Income		
Investment Income		
Investment Funds Management Income	135,540.00	135,540.00
<b>Total · Investment Income</b>	<b>135,540.00</b>	<b>135,540.00</b>
<b>Total Other Income</b>	<b>135,540.00</b>	<b>135,540.00</b>
Other Expense		
Other Expenses		
Investment Funds Management Income Fee	9,898.99	9,898.99
<b>Total · Investment Expenses</b>	<b>9,898.99</b>	<b>9,898.99</b>
<b>Total Other Expense</b>	<b>9,898.99</b>	<b>9,898.99</b>
<b>Net Other Income</b>	<b>125,641.01</b>	<b>125,641.01</b>
<b>Net Income</b>	<b>27,112.56</b>	<b>450,970.30</b>

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**Internet New Zealand  
Consolidated Financial Statements  
For the Quarter Ended 30 June 2017**



**Internet New Zealand**  
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**For the Quarter Ended 30 June 2017**

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**Internet New Zealand  
Compilation Report  
For the Quarter Ended 30 June 2017**

**1. Scope**

On the basis of information you provided, we have compiled the Financial Statements, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, for Internet New Zealand. These are special purpose financial statements.

**2. Responsibilities:**

You are solely responsible for the information contained in the Financial Statements and have determined that the Financial Reporting Act 1993 used is appropriate to meet your needs and for the purpose that the Financial Statements were prepared. The Financial Statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the Financial Statements.

**3. No Audit or Review Engagement Undertaken:**

Our procedures use accounting expertise to undertake the compilation of the Financial Statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

**4. Disclaimer of Liability:**

Neither we nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the information from which the Financial Statements have been compiled nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

Deloitte  
Wellington NZ  
14-Aug-17

**Internet New Zealand**  
**Consolidated Income Statement**  
**For the Quarter Ended 30 June 2017**

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Registry Fees	2,590,248	2,590,248	0	0	2,590,248	2,590,248	0	0
Broadband Map	25,200	25,200	0	0	25,200	25,200	0	0
Management Fees	0	0	0	0	0	0	467,460	467,460
Dividends Received	0	0	0	0	0	0	0	0
Interest Received	87,235	87,235	8,446	8,446	78,676	78,676	113	113
Managed Funds Income	46,028	46,028	46,028	46,028	0	0	0	0
Sundry Income	41,134	41,134	130,625	130,625	0	0	7,000	7,000
Total Income	2,789,845	2,789,845	185,099	185,099	2,694,124	2,694,124	474,573	474,573
Less Direct Expenses								
DNC Fee	0	0	0	0	467,460	467,460	0	0
Other IT	192,084	192,084	0	0	192,084	192,084	0	0
Total Direct Expenses	192,084	192,084	0	0	659,544	659,544	0	0
Less Other Expenses								
Audit Costs	4,314	4,314	414	414	3,900	3,900	0	0
Governance Costs	89,925	89,925	16,537	16,537	37,832	37,832	35,556	35,556
International Travel	25,847	25,847	0	0	26,055	26,055	(208)	(208)
Legal Fees	40,093	40,093	14,665	14,665	8,164	8,164	17,264	17,264
Office Costs	140,476	140,476	118,078	118,078	61,978	61,978	56,911	56,911
Staff Costs	1,175,710	1,175,710	375,029	375,029	481,234	481,234	319,447	319,447
Other Operating Expenses	621,233	621,233	379,349	379,349	207,148	207,148	34,736	34,736
Total Expenses	2,097,598	2,097,598	904,072	904,072	826,311	826,311	463,706	463,706
Net Profit (Loss) Before Tax	500,163	500,163	(718,973)	(718,973)	1,208,269	1,208,269	10,867	10,867
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	500,163	500,163	(718,973)	(718,973)	1,208,269	1,208,269	10,867	10,867



**Internet New Zealand**  
**Consolidated Income Statement - Activity Based**  
**For the Quarter Ended 30 June 2017**

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Registry Fees	2,590,248	2,590,248	0	0	2,590,248	2,590,248	0	0
Broadband Map	25,200	25,200	0	0	25,200	25,200	0	0
Management Fees	0	0	0	0	0	0	467,460	467,460
Dividends Received	0	0	0	0	0	0	0	0
Interest Received	87,235	87,235	8,446	8,446	78,676	78,676	113	113
Managed Funds Income	46,028	46,028	46,028	46,028	0	0	0	0
Sundry Income	41,134	41,134	130,625	130,625	0	0	7,000	7,000
<b>Total Income</b>	<b>2,789,845</b>	<b>2,789,845</b>	<b>185,099</b>	<b>185,099</b>	<b>2,694,124</b>	<b>2,694,124</b>	<b>474,573</b>	<b>474,573</b>
Less Activity Expenditure								
Issues Programme	117,811	117,811	117,811	117,811	0	0	0	0
Community Funding	150,274	150,274	150,274	150,274	0	0	0	0
Community Engagement	69,860	69,860	69,860	69,860	0	0	0	0
International Engagement	19,627	19,627	19,835	19,835	0	0	(208)	(208)
Governance & Members	124,971	124,971	89,415	89,415	0	0	35,556	35,556
.nz Operations	826,052	826,052	0	0	973,661	973,661	416,342	416,342
.nz Marketing	44,213	44,213	0	0	44,213	44,213	0	0
Technical Research	90,638	90,638	0	0	90,638	90,638	0	0
Business Development	41,020	41,020	0	0	41,020	41,020	0	0
Other Operating Expenses	805,216	805,216	456,877	456,877	336,323	336,323	12,016	12,016
<b>Total Expenses</b>	<b>2,289,682</b>	<b>2,289,682</b>	<b>904,072</b>	<b>904,072</b>	<b>1,485,855</b>	<b>1,485,855</b>	<b>463,706</b>	<b>463,706</b>
<b>Net Profit (Loss) Before Tax</b>	<b>500,163</b>	<b>500,163</b>	<b>(718,973)</b>	<b>(718,973)</b>	<b>1,208,269</b>	<b>1,208,269</b>	<b>10,867</b>	<b>10,867</b>
Less Provision for Tax	0	0	0	0	0	0	0	0
<b>Net Profit (Loss) After Tax</b>	<b>500,163</b>	<b>500,163</b>	<b>(718,973)</b>	<b>(718,973)</b>	<b>1,208,269</b>	<b>1,208,269</b>	<b>10,867</b>	<b>10,867</b>

**Internet New Zealand**  
**Statement of Movements in Equity**  
**For the Quarter Ended 30 June 2017**

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	9,975,339	9,975,339	6,386,107	6,386,107	3,102,827	3,102,827	486,405	486,405
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	500,163	500,163	(718,973)	(718,973)	1,208,269	1,208,269	10,867	10,867
Less:								
Dividend Paid	0	0	0	0	0	0	0	0
Closing Equity	10,475,502	10,475,502	5,667,134	5,667,134	4,341,096	4,341,096	1,077,272	1,077,272

**Internet New Zealand**  
**Balance Sheet**  
**As at 30 June 2017**

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	14,669,536	2,439,157	11,087,487	1,142,892
Managed Funds	2,701,044	2,701,044	0	0
Other Current Assets	1,419,029	61,964	1,335,534	21,531
Total Current Assets	18,789,609	5,202,165	12,423,021	1,164,423
Property, Equipment & Software	977,401	312,029	626,767	38,605
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	0	610,000	0	0
Total Assets	19,767,010	6,124,194	13,049,788	1,203,028
Less Liabilities:				
Deferred Income	8,380,287	0	8,380,287	0
Trade and Other Payables	911,221	457,060	328,405	125,756
Total Liabilities	9,291,508	457,060	8,708,692	125,756
Net Book Value of Assets	10,475,502	5,667,134	4,341,096	1,077,272
Represented By:				
Total Equity	10,475,502	5,667,134	4,341,096	1,077,272

**Internet New Zealand  
Statement of Cashflows  
For the Quarter Ended 30 June 2017**

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,722,084	2,722,084
Interest Received	87,235	87,235
Managed Funds Income	46,028	46,028
Total Received	2,855,347	2,855,347
Cash was distributed to:		
Payments to Suppliers and Employees	2,290,439	2,290,439
Total Payments	2,290,439	2,290,439
Net Flows From Operating Activities	564,908	564,908
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	145,795	145,795
Net Cash Flows From Investing & Financing Activities	(145,795)	(145,795)
Net Increase Decrease in Cash & Cash Equivalents	419,113	419,113
Plus Opening Cash	16,951,467	16,951,467
<b>Closing Cash Carried Forward</b>	<b>17,370,580</b>	<b>17,370,580</b>
<b>Closing Cash Comprises</b>		
Cash & Cash Equivalents	14,669,536	14,669,536
Managed Funds	2,701,044	2,701,044
	<b>17,370,580</b>	<b>17,370,580</b>
<b>Cash Flow Reconciliation</b>		
Net Profit (Loss) After Tax	500,163	500,163
Plus (Less) non cash items		
Depreciation	145,215	145,215
Subtotal	645,378	645,378
Movement in Working Capital		
(increase) decrease in receivables	188,458	188,458
increase (decrease) in payables	(334,431)	(334,431)
increase (decrease) in deferred income	65,502	65,502
Net Cash Flows From operations	564,907	564,907

# **.nz Quarterly Report**

## **First Quarter ended 30 June 2017**

### **Introduction**

This is the first joint .nz Quarterly Report for the 2017/18 financial year. There is nothing in this report that is confidential.

### **1. Global Domain Name Environment**

At the end of the quarter a total of 311m domain names had been registered among all TLDs. A further breakdown of this figure is provided in the table below:

<b>Domain name registrations as at</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>Annual Growth %</b>
ccTLDs	147.3m	124.9m	-15.21%
gTLDs (pre 2012)	162.5m	161.5m	-0.62%
gTLDs (post 2012)	21.3m	24.6m	15.49%

.kiwi	10,938	202,065	1,747.37%
.nz	661,917	689,139	4.11%

There are currently 202,065 .kiwi registrations – an increase of 1,747.37% during the quarter. There was a very significant increase as .kiwi reserved 200,000 names in November 2016 as part of a marketing campaign. These names are generally not paid for by registrants. Ideally comparisons would be between paid names only, but these breakdowns are not readily available.

### **2. Activities**

*Supports transformations 1.2, 1.6, 1.7 and 1.8*

#### **a) Research**

#### **b) .nz Promotion and Marketing**

DNCL's new Communications Advisor, Henry Williams, started with the office on 3 April 2017.

The DNCL May Newsletter covered the Conflicted Names Process, in which Registrants need to have lodged a preference by Wednesday 18 October 2017, the Registrar Conference and Advisory Group meetings on Thursday 4 and Friday 5 May 2017, and further reminders regarding the Change of Registrant and Reseller policies were included.

A highly successful registrar conference was held in Auckland on Wednesday 3 May 2017. 32 people attended in person, with a further 15 people opting to dial-in remotely to some or all of the sessions. Presentations were given on the following topics:

- Organisational operating reviews from all 3 organisations.
- The domain name market.
- Technical updates on the registry.
- NZRS product and service updates.
- Technical research team updates.

The presentations were very well received and are available here: <https://vimeo.com/nzrs>.

A Registrar Advisory Group meeting (RAG) was held on Friday 5 May, with all RAG members in attendance.

### c) .nz Policy Consultation

#### **WHOIS Review**

The fifth and final WHOIS consultation closed on 9 May 2017. A total of 14 submissions were received, with none requesting their details to be withheld when published. For the most part the submissions supported the proposed changes.

The submissions were discussed at the Board meeting on Thursday 25 May and the policy changes were approved. The key change is that individual registrants not in trade will be able to opt to have some of their contact details not publicly published.

The consultation material and submissions can be viewed at <https://dnc.org.nz/nz-whois-review-fifth-consultation>.

### d) Registrations at the Second Level

A total of 211 conflict sets were resolved between April and the end of June. In addition to those conflict sets that are resolved, each month a number of conflict sets cease to exist when all names in the conflict are released. The following table shows the progress in reducing conflict sets:

	Jan	Feb	Mar	Total for Q4	Apr	May	Jun	Total for Q1
<b>Conflicts Resolved</b>	146	96	105	347	79	112	226	211
<b>Total Conflicts</b>	14,926	14,807	14,675	-	14,575	14,431	14,417	-

The total number of domains in the conflict sets is 14,258 as at the end of the quarter.

### **3. Policy Framework**

*Supports transformation 1.5*

#### **a) .nz policy**

Updates were made to the DNCL website in line with the policy changes, and the site rolled over to a new hosting provider. This change went smoothly with no problems.

The DNCL office sent emails to the 27,350 registrants who were in a conflict set, but had not lodged a preference. Registrants were advised that if they would like to have a say in what happens to the shorter version of their name, they need to lodge a preference before 18 October 2017, or they will lose their Preferential Registration Eligibility to the shorter name.

The amendment to the Operations and Procedures (OP) Policy for the Conflicted Names Process came into effect on 18 April 2017.

More information regarding the Conflicted Name Process can be found at <https://www.dnc.org.nz/cnp>.

### **4. Registrar Market**

*Supports transformation 1.3*

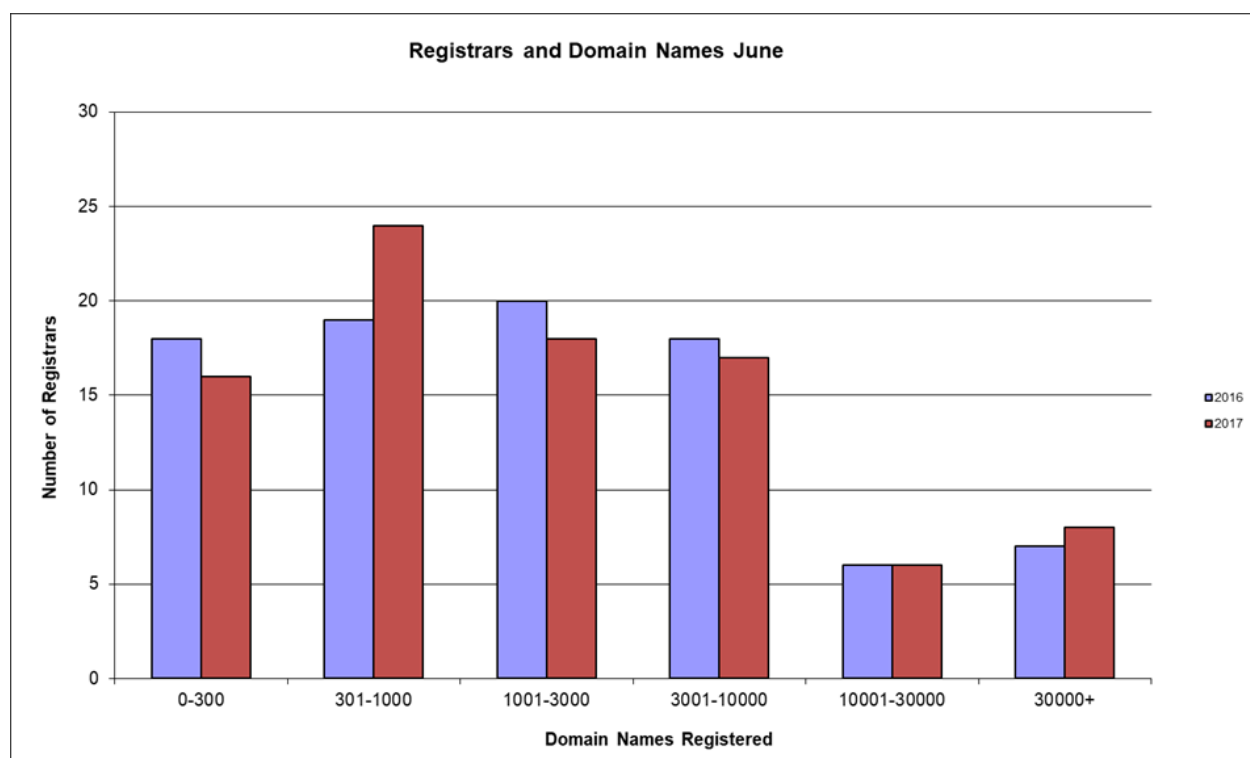
Registrars authorised	92
Registrars connected	90

Number connected during the quarter: 0

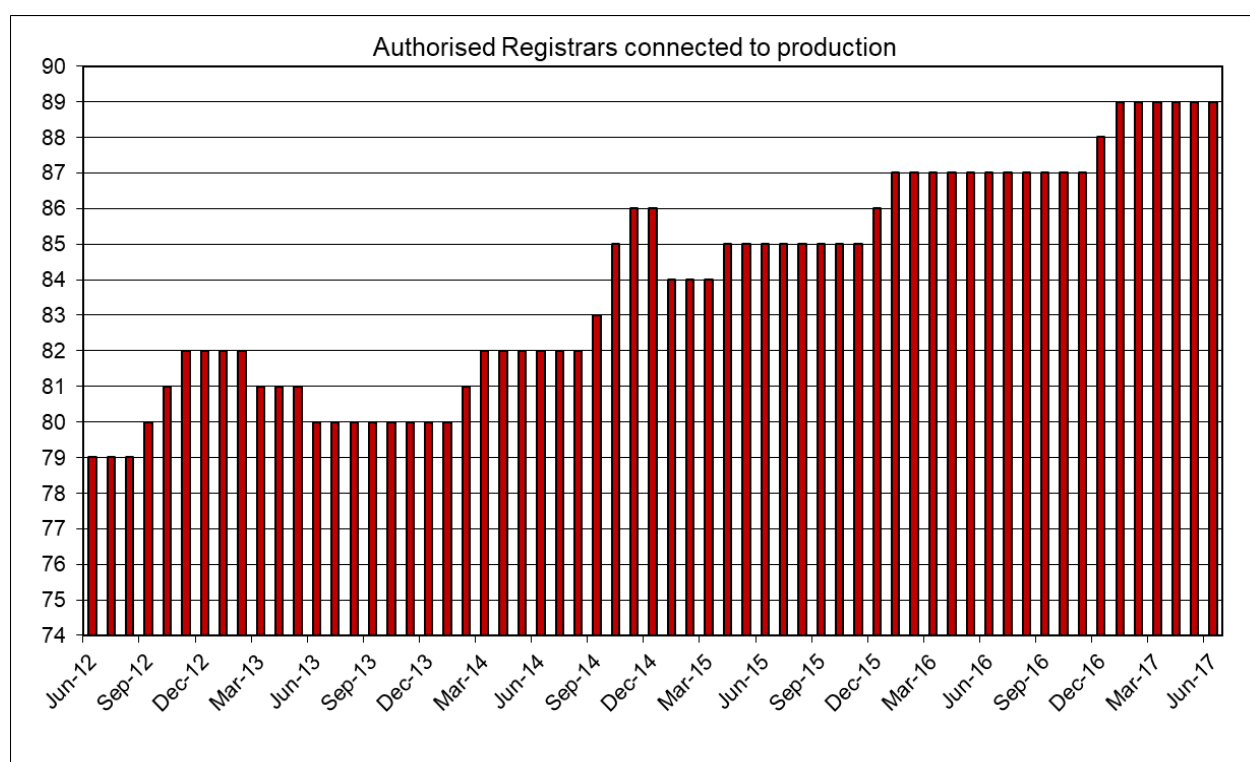
Number authorised during the quarter: 1

Number de-authorised during the quarter: 0

The following chart shows the spread of registrars across the level of domain name registrations:



The following chart shows the number of registrars (excluding the DNC) connected to the SRS:





## 5. Performance and Best Practice

*Supports the primary transformation, 1.1 and 1.4*

### a) International

- NZRS staff attended the ICANN GDD Marketing Summit in Madrid on 9-11 May 2017 and visited registrars based in London on 12 and 15 May.
- NZRS staff attended the RIPE 74 conference in Budapest on 8-12 May 2017 and the ICANN DNS Symposium on 13 May and OARC conferences in Madrid on 14-15 May.
- NZRS staff attended the Site Reliability Engineering (SRE) Conference in Singapore on 22-24 May 2017.
- NZRS staff attended CENTR 2017 Jamboree in Frankfurt on 29-31 May 2017 and made presentations to the Legal and Regulatory Working Group, the Marketing Working Group and the Research & Development Working Group as well as presentations on the combined working group days. Their input was highly commended by other attendees.

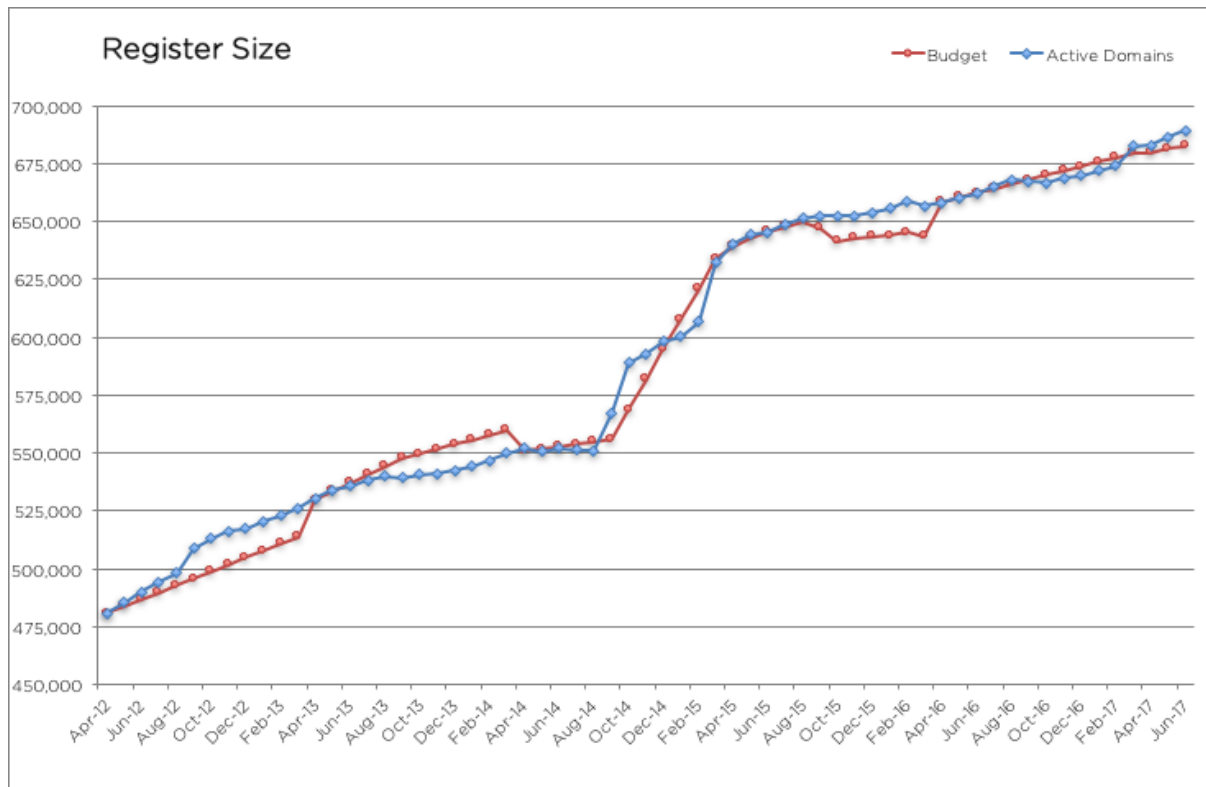
### b) Registry Performance

SLA targets were met throughout this quarter. SRS, DNS and Whois availability is noted in the table below:

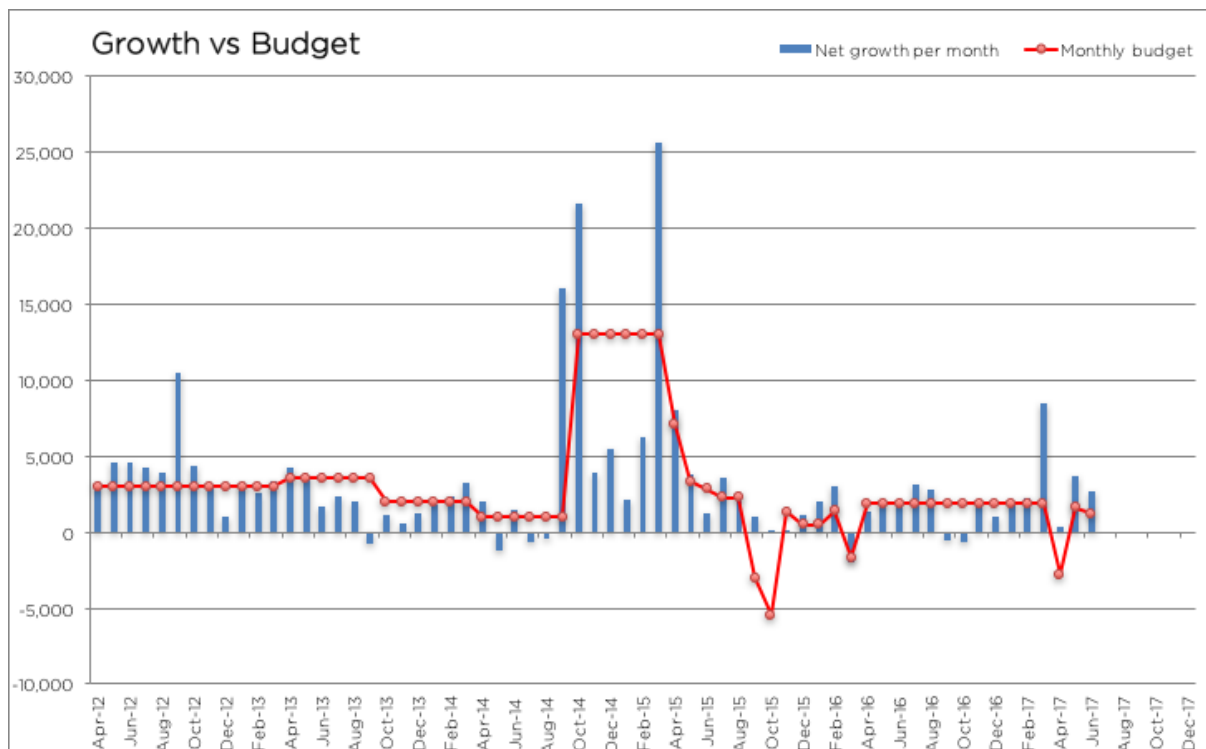
System	SLA %	Apr	May	Jun
SRS	99.9	100	100	100
DNS	99.9	100	100	100
WHOIS	99.9	99.98	100	99.97

### c) Domain Names

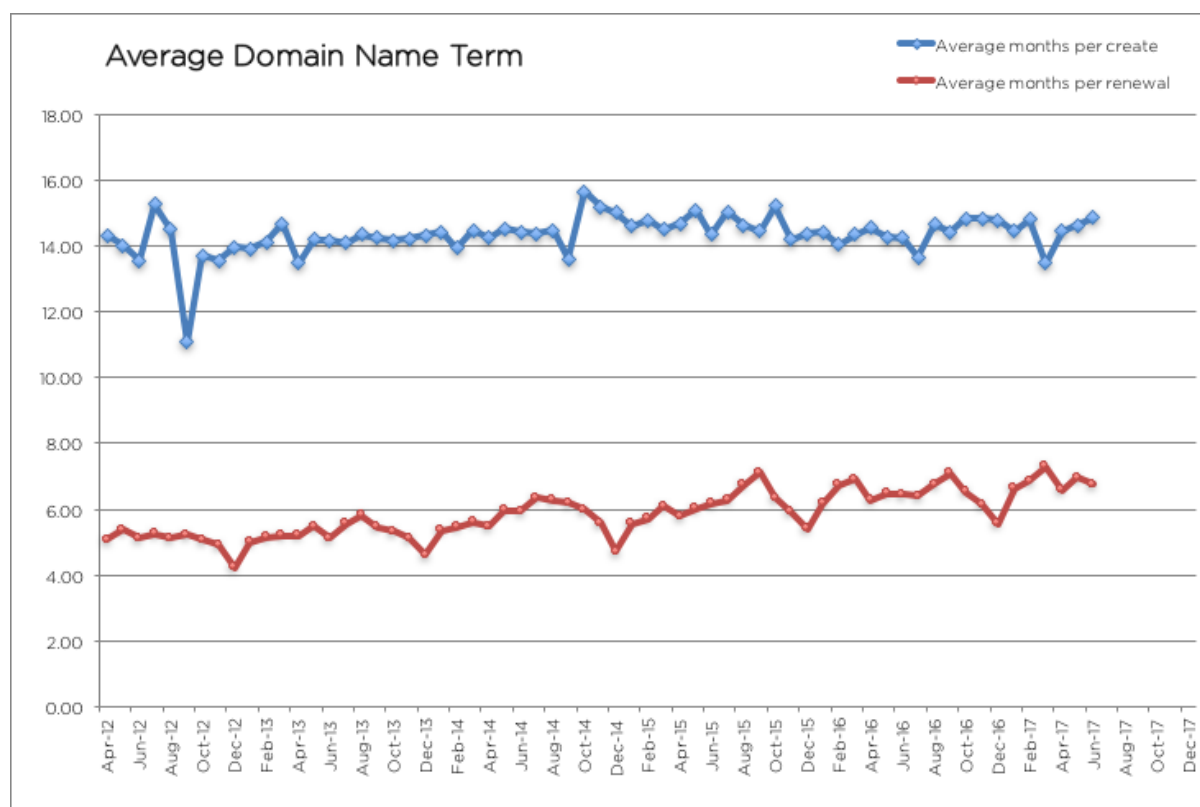
The size of the register against NZRS budgeted growth is shown in the chart below:



The actual growth against NZRS budgeted growth is shown in the chart below:



The average term (average number of months a domain is registered/renewed for) is shown in the chart below:



## 6. .nz Data

The breakdown of domain name growth by second level is noted in the table below:

	Apr 17	May 17	June 17
<b>.nz</b>	122,396	124,035	125,440
<b>.co.nz</b>	493,125	495,201	496,491
<b>.org.nz</b>	27,811	27,828	27,801
<b>.net.nz</b>	24,568	24,504	24,441

*David Farrar*

David Farrar  
Chair, DNCL

*Richard Currey*

Richard Currey  
Chair, NZRS

## Joint .nz Strategy Transformations

### Primary Transformation

Transformation	
From	To
.nz operates as a successful ccTLD held in high regard domestically and internationally.	InternetNZ is widely recognised as a successful ccTLD manager and .nz is held in high regard domestically and Internationally.

### Underlying Transformations

Transformations		
	From	To
1.1	Global benchmarks or best practice regarding what a world-class ccTLD is are varied and partly documented.	There are agreed global benchmarks and best practice for what a world-class ccTLD is, and .nz excels in assessments against these standards.
1.2	.nz is the default choice for New Zealanders.	.nz remains the preferred choice for New Zealanders in a highly competitive market.
1.3	The market for .nz registration services (among registrars and resellers) is competitive.	The market for .nz registration services (among registrars and resellers) is sophisticated and competitive.
1.4	Roles and responsibilities in managing .nz are being clarified.	Roles and responsibilities in managing .nz are clear, well documented and transparent.
1.5	The .nz policy framework has evolved from its origins in 2002.	The .nz policy framework has been reviewed and updated for current needs, and is validated as meeting the needs of the New Zealand Internet community.
1.6	Inconsistency in the articulation of the role, purpose and mandate for the operation of .nz across the Group - resulting in a lack of clarity among stakeholders.	The whole Group is confident in consistently articulating our role and purpose, and the mandate for our operation of .nz - resulting in the wider Internet community being clear about and supportive of our role.
1.7	InternetNZ has limited knowledge of the purchasing behaviour of registrants.	InternetNZ has good knowledge of the full sales channel including resellers and influencers, and the purchasing behaviours of registrants.
1.8	.nz is not a widely known brand.	.nz is a well recognised brand.

4 August 2017

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. If Council requires any further information please let me know so I can include it in future reports.

### Financial

	Apr - Jun 2017			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>INCOME</b>						
Management Fees	467,460	467,460	0	467,460	467,460	0
Authorisation Fees	3,000	3,000	0	3,000	3,000	0
DRS Complaint Fees	4,000	6,000	(2,000)	4,000	6,000	2,000
Interest Income	0	0	0	0	0	0
<b>Total Income</b>	<b>113</b>	<b>500</b>	<b>(387)</b>	<b>113</b>	<b>500</b>	<b>(387)</b>
<b>EXPENSES</b>						
Staff and Office Costs	376,359	370,370	(5,989)	376,359	370,370	(5,989)
Professional Services and Communications	21,318	26,010	4,692	21,318	26,010	4,692
Dispute Resolution Services	8,845	10,855	2,010	8,845	10,855	2,010
DNCL and DNC activities	45,377	47,591	2,214	45,377	47,591	2,214
International	(208)	21,000	21,208	(208)	21,000	21,208
<b>Total Expenditure</b>	<b>451,691</b>	<b>475,826</b>	<b>24,135</b>	<b>451,691</b>	<b>475,826</b>	<b>24,135</b>
<b>Depreciation</b>	12,017	12,425	408	12,017	12,425	408
<b>Net Profit/Loss</b>	<b>10,865</b>	<b>(11,291)</b>	<b>22,156</b>	<b>10,865</b>	<b>(11,291)</b>	<b>22,156</b>

Notes: The DNCL budget is not phased, so a number of areas were under budget for April 2017.

There was a credit under International which reflected the refund for the DNC not attending the ICANN meeting in Johannesburg which was due to the InternetNZ Organisation Review being announced to all staff.

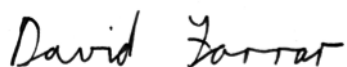
## ***Security and Training***

DNCL staff were invited to attend the Ministerial Launch of CERT NZ and separately the Technical Introduction to CERT NZ. It is good to finally see a national CERT for NZ after so many years of work by the InternetNZ group. The Domain Name Commissioner's role on the CERT Advisory Board was well noted during the event as was the work of NZITF in helping make the CERT a reality; something which DNCL has also supported.

## ***Other Matters***

A Board meeting was held in May and the minutes of the meeting are published at <https://www.dnc.org.nz/node/1511>.

Yours sincerely

A handwritten signature in black ink that reads "David Farrar". The signature is written in a cursive, slightly stylized font.

David Farrar  
Chair, DNCL

30 June 2017

Jamie Baddeley  
President  
InternetNZ  
PO Box 11 881  
Wellington

Dear Jamie

Re: 1<sup>st</sup> Quarter 2017 – 2018 Report

We enclose our first quarterly report of the 2017 - 2018 year; the quarter ended 31 March 2018. The report, which I submit on behalf of the Board, consists of the summarised management accounts and a commentary on financial, operational, and strategic issues in relation to the company's performance. There is nothing in the report that we regard as confidential.

This report meets the requirement of the Reporting Policy incorporated in the July 2008 INZ - NZRS Operating Agreement.

All reporting on .nz is found in our joint report with DNCL.

## **1. Financial**

Enclosed are Statements of:

- Financial performance; and
- Financial position

These statements are based on our management accounts for the quarter.

As requested our financial performance statements include a breakdown of expenditure by activity.

The net profit before tax of \$1,208,269 for the quarter was 14.0% above the budgeted \$1,056,362.

Domain name growth was above budget for the quarter. Growth was 6,612 versus a budgeted growth of 9. This was due to budgeted growth in April being negative following the reservation period that ended in March. April's net growth was 319, May's net growth was 3,650 and June's net growth was 2,643.

Actual domain name fee income for the quarter was above budget by \$35,778 (actual \$2,590,248 versus budgeted \$2,554,470).  
Broadband Map income of \$25,200 was also recorded in this quarter.

Expenses for the quarter were \$117,267 below budget (actual \$1,485,855 versus budgeted \$1,603,122).

The company's liquidity ratio was met.

There were no dividends paid during this quarter.

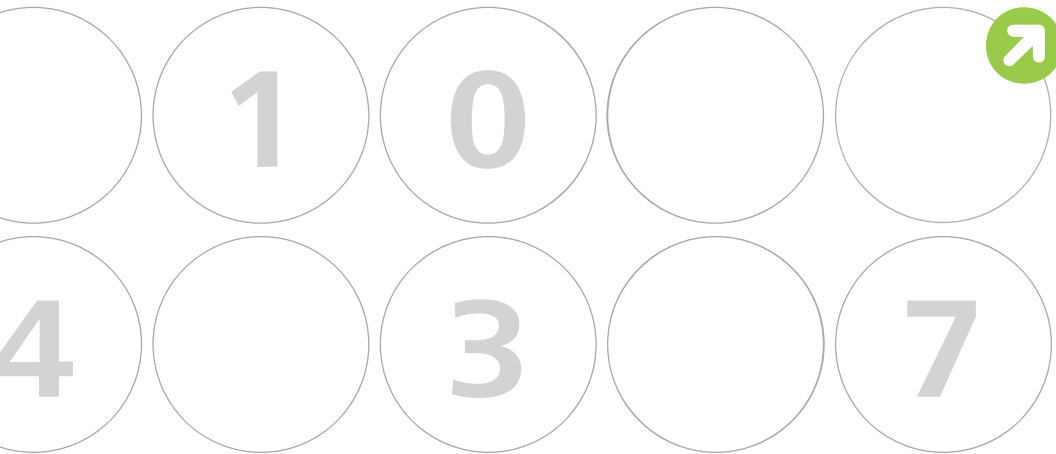
Please do not hesitate to contact me if you have any queries.

Yours sincerely



Richard Currey  
Chair





# Financial Statements

NZRS Ltd

For the Quarter Ended 30 June 2017

NZRS Ltd  
Financial Statements  
For the Quarter Ended 30 June 2017

Statement of Financial Performance

Balance Sheet

Liquidity Report

Statement of Cash Flows

Capital Expenditure Report

Activity Based Expenditure Report

Broadband Map Profit & Loss Statement

Domain Analytics Profit & Loss Statement

# Profit & Loss

## NZRS Ltd For the 3 months ended 30 June 2017

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
<b>Income</b>								
Broadband Map Revenue (82701)	25,200	19,950	5,250▲	26.3%▲	25,200	19,950	5,250▲	26.3%▲
Domain Analytics Revenue (82702)	-	9,000	(9,000)▼	-100.0%▼	-	9,000	(9,000)▼	-100.0%▼
Registry Fees	2,590,248	2,554,470	35,778▲	1.4%▲	2,590,248	2,554,470	35,778▲	1.4%▲
<b>Total Income</b>	<b>2,615,448</b>	<b>2,583,420</b>	<b>32,028</b>	<b>1.2%</b>	<b>2,615,448</b>	<b>2,583,420</b>	<b>32,028</b>	<b>1.2%</b>
<b>Less Cost of Sales</b>								
Broadband Map	9,346	9,494	(148)▼	-1.6%▼	9,346	9,494	(148)▼	-1.6%▼
DNC Fee (348)	467,460	467,460	-	0.0%	467,460	467,460	-	0.0%
DNS Expenses	42,817	41,735	1,082▲	2.6%▲	42,817	41,735	1,082▲	2.6%▲
Domain Analytics	-	3,242	(3,242)▼	-100.0%▼	-	3,242	(3,242)▼	-100.0%▼
ISP/Hosting/Networking	85,595	89,535	(3,940)▼	-4.4%▼	85,595	89,535	(3,940)▼	-4.4%▼
Other IT	54,325	75,565	(21,240)▼	-28.1%▼	54,325	75,565	(21,240)▼	-28.1%▼
<b>Total Cost of Sales</b>	<b>659,544</b>	<b>687,031</b>	<b>(27,487)</b>	<b>-4.0%</b>	<b>659,544</b>	<b>687,031</b>	<b>(27,487)</b>	<b>-4.0%</b>
<b>Gross Profit</b>	<b>1,955,904</b>	<b>1,896,389</b>	<b>59,515</b>	<b>3.0%</b>	<b>1,955,904</b>	<b>1,896,389</b>	<b>59,515</b>	<b>3.0%</b>
<b>Less Operating Expenses</b>								
Depreciation & Amortisation	111,673	115,048	(3,375)▼	-2.9%▼	111,673	115,048	(3,375)▼	-2.9%▼
Overhead Expenses	714,638	801,043	(86,405)▼	-10.8%▼	714,638	801,043	(86,405)▼	-10.8%▼
<b>Total Operating Expenses</b>	<b>826,311</b>	<b>916,091</b>	<b>(89,780)</b>	<b>-9.8%</b>	<b>826,311</b>	<b>916,091</b>	<b>(89,780)</b>	<b>-9.8%</b>
<b>Operating Profit</b>	<b>1,129,593</b>	<b>980,298</b>	<b>149,295</b>	<b>15.0%</b>	<b>1,129,593</b>	<b>980,298</b>	<b>149,295</b>	<b>15.0%</b>

# Profit & Loss

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	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
<b>Non-operating Income</b>								
Interest Received (203)	78,676	76,064	2,612▲	3.4%▲	78,676	76,064	2,612▲	3.4%▲
<b>Total Non-operating Income</b>	<b>78,676</b>	<b>76,064</b>	<b>2,612</b>	<b>3.4%</b>	<b>78,676</b>	<b>76,064</b>	<b>2,612</b>	<b>3.4%</b>
<b>Net Profit</b>	<b>1,208,269</b>	<b>1,056,362</b>	<b>151,907</b>	<b>14.0%</b>	<b>1,208,269</b>	<b>1,056,362</b>	<b>151,907</b>	<b>14.0%</b>

# Balance Sheet

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## NZRS Ltd As at 30 June 2017

30 Jun 2017      31 Mar 2017

### Assets

<b>Bank</b>		
Cash and Cash Equivalents	11,087,487	9,726,668
<b>Total Bank</b>	<b>11,087,487</b>	<b>9,726,668</b>
<b>Current Assets</b>		
Accounts Receivable	990,286	1,235,301
Interest Receivable (688)	101,163	73,599
Prepayments/Credits (687)	244,085	215,072
<b>Total Current Assets</b>	<b>1,335,534</b>	<b>1,523,973</b>
<b>Fixed Assets</b>		
Fixed Assets	626,767	640,155
<b>Total Fixed Assets</b>	<b>626,767</b>	<b>640,155</b>
<b>Total Assets</b>	<b>13,049,788</b>	<b>11,890,796</b>

### Liabilities

<b>Current Liabilities</b>		
Accounts Payable	273,093	335,661
Credit Cards	12,004	14,591
GST	43,309	92,933
<b>Total Current Liabilities</b>	<b>328,406</b>	<b>443,184</b>
<b>Non-Current Liabilities</b>		
Deferred Income - Registry Fees	8,380,287	8,314,785
<b>Total Non-Current Liabilities</b>	<b>8,380,287</b>	<b>8,314,785</b>
<b>Total Liabilities</b>	<b>8,708,693</b>	<b>8,757,969</b>
<b>Net Assets</b>	<b>4,341,095</b>	<b>3,132,827</b>

### Equity

30,000 Ordinary Shares (60100)	30,000	30,000
Current Year Earnings	1,208,269	4,267,574
Retained Earnings (638)	3,102,827	(1,164,747)
<b>Total Equity</b>	<b>4,341,095</b>	<b>3,132,827</b>

## NZRS Ltd For the Quarter Ended 30 June 2017

	End of This Quarter	
	Actual	Original Budget
BNZ First Oncall Account	47	11,056,285
ASB Bank Cheque Account	949,808	
ASB Bank Call Account	1,058,084	
ANZ Online Account	263	
Term Deposits	9,079,285	
<b>Adjusted Asset Total</b>	<b>11,087,487</b>	<b>11,056,285</b>
Accounts Payable	130,358	295,121
Holiday Leave Accrued	142,734	119,512
Sick Leave Accrued	-	-
GST	43,309	74,451
ASB Credit Cards	12,004	-
<b>Total Minor Liabilities</b>	<b>328,406</b>	<b>489,084</b>
MinorLiab x 1.5	492,609	733,626
Deferred Income - Registry Fees	8,380,287	8,314,785
Business Development Provision	114,140	126,653
<b>Total Adjusted Liabilities</b>	<b>8,987,036</b>	<b>9,175,064</b>
Cash held over Liquidity Percentage (excl bus dev provision)	2,214,591	2,007,874
Liquidity (excl business dev provision)	125%	122%
Cash held over Liquidity Percentage (incl bus dev provision)	2,100,451	1,881,221
Liquidity (incl business dev provision)	123%	121%

**New Zealand Domain Name Registry Limited**  
**Statement of Cash Flows**  
**For the Quarter Ended 30 June 2017**



	Actual	This Quarter Budget	Variance	Actual	Year to Date Budget	Variance	Last Year (YTD)	Budget	Full Year LY Actual
<b>Cash Flows From Operating Activities</b>									
<b>Cash Was Provided From:</b>									
Registry Fees Received	3,177,923	3,213,992	(36,069)	3,177,923	3,213,992	(36,069)	2,948,112	12,212,861	11,207,137
Other Receipts	52,492	76,064	(23,572)	52,492	76,064	(23,572)	72,140	290,648	457,647
	3,230,416	3,290,056	(59,640)	3,230,416	3,290,056	(59,640)	3,020,252	12,503,509	11,664,784
<b>Cash Was Distributed To:</b>									
Payments to Suppliers and Employees	1,652,557	1,619,167	33,390	1,652,557	1,619,167	33,390	1,590,510	6,514,094	6,424,781
Net Taxation Paid	-	-	-	-	-	-	-	-	-
Net Dividend Paid	-	-	-	-	-	-	-	4,778,236	4,334,136
Net GST Paid	184,447	241,030	(56,583)	184,447	241,030	(56,583)	180,358	843,492	479,664
	1,837,004	1,860,197	(23,193)	1,837,004	1,860,197	(23,193)	1,770,868	12,135,822	11,238,581
<b>Net Cashflows from Operating</b>	1,393,411	1,429,859	(36,448)	1,393,411	1,429,859	(36,448)	1,249,384	367,687	426,203
<b>Cash Flows from Financing Activities</b>									
<b>Cash was Provided From:</b>									
Share Capital	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Cash was Distributed To:</b>									
Repayment of Redeemable Preference Shares	-	-	-	-	-	-	-	-	-
Inland Revenue Use of Money Interest	-	-	-	-	-	-	-	-	-
<b>Net Cash flows from Financing</b>	-	-	-	-	-	-	-	-	-
<b>Cash Flows from Investing Activities</b>									
<b>Cash was Provided From:</b>									
Fitout Contribution	-	-	-	-	-	-	-	-	-
<b>Cash was Distributed To:</b>									
Purchase of Fixed Assets & Formation Expenses	44,596	100,242	(55,646)	44,596	100,242	(55,646)	87,374	551,328	355,214
<b>Net Cash flows from Investing Activities</b>	(44,596)	(100,242)	55,646	(44,596)	(100,242)	55,646	(87,374)	(551,328)	(355,214)
Net Increase (Decrease) in Cash Held	1,348,815	1,329,617	19,198	1,348,815	1,329,617	19,198	1,162,010	(183,641)	70,989
Plus Opening Cash Balance	9,726,668	9,726,668	-	9,726,668	9,726,668	-	9,641,088	9,726,668	9,641,088
<b>Closing Cash Carried Forward</b>	11,075,483	11,056,285	19,198	11,075,483	11,056,285	19,198	10,803,099	9,543,027	9,712,078
<b>Closing Cash Comprises</b>									
BNZ First Oncall Account	47	-	-	47	-	-	87	-	47
ASB Bank Cheque Account	949,808	-	-	949,808	-	-	707,328	-	396,449
ASB Bank Call Account	1,058,084	-	-	1,058,084	-	-	1,893,138	-	300,935
ANZ Online Account	263	-	-	263	-	-	327	-	328
Term Deposits	9,079,285	-	-	9,079,285	-	-	8,222,768	-	9,028,910
ASB Credit Cards	(12,004)	-	-	(12,004)	-	-	(20,548)	-	(14,591)
<b>Total Cash Held (Including Credit Cards)</b>	11,075,483	11,056,285	19,198	11,075,483	11,056,285	19,198	10,803,099	9,543,027	9,712,078
Plus ASB Credit Cards	12,004	-	-	12,004	-	-	20,548	-	14,591
<b>Total Cash &amp; Cash Equivalents</b>	11,087,487	11,056,285	19,198	11,087,487	11,056,285	19,198	10,823,647	9,543,027	9,726,668

**NZRS Ltd**  
**Capital Expenditure**  
**For the Quarter Ended 30 June 2017**



	This Quarter			Year to Date			Full Year	
	Actual	Original Budget	Variance	Actual	Original Budget	Variance	Original Budget	Reforecast Budget
D17.2 SRS Systems Review (80555)	-	18,250	(18,250)	-	18,250	(18,250)	73,000	-
WhoISD Rewrite - Budgeted as part of SRS Sys Review 80555 (80580)	6,801	-	6,801	6,801	-	6,801	-	-
D17.3 SRS UI Rewrite (80557)	15,259	6,250	9,009	15,259	6,250	9,009	25,000	-
D17.4 .nz Real Time Dashboard (80561)	-	2,750	(2,750)	-	2,750	(2,750)	11,000	-
D17.5 Database Servers Hardware Refresh (80596)	-	25,000	(25,000)	-	25,000	(25,000)	100,000	-
D17.6 Registrar Portal New Features (80565)	16,741	10,000	6,741	16,741	10,000	6,741	40,000	-
D17.8 RDAP Implementation (80582)	-	10,000	(10,000)	-	10,000	(10,000)	40,000	-
D17.9 WHOIS Privacy Changes (80583)	-	2,750	(2,750)	-	2,750	(2,750)	11,000	-
D17.10 .nz Mobile App (80588)	-	10,000	(10,000)	-	10,000	(10,000)	40,000	-
D17.11 Nameserver Routers Hardware Refresh (80590)	-	8,250	(8,250)	-	8,250	(8,250)	33,000	-
M17.2 Consolidate .nz Online Presence (80592)	-	1,250	(1,250)	-	1,250	(1,250)	5,000	-
T17.1 Publishing Technical Research Outputs (80569)	-	1,250	(1,250)	-	1,250	(1,250)	5,000	-
P17.1 Domain Analytics (80535)	54,011	-	54,011	54,011	-	54,011	-	-
P17.2 Broadband Measurement (80584)	-	-	-	-	-	-	-	-
C17.1 Marketing Lesser Known Services (80553)	-	2,500	(2,500)	-	2,500	(2,500)	10,000	-
BB Map Phase 2 (80595)	720	-	720	720	-	720	-	-
Product and Services Development Capex	-	20,000	(20,000)	-	20,000	(20,000)	80,000	-
Total Projects etc	93,532	118,250	(24,718)	93,532	118,250	(24,718)	473,000	-
Other Capital (Misc HW/SW & Office Furniture)	4,753	12,500	(7,747)	4,753	12,500	(7,747)	50,000	-
Total Capital Expenditure	98,286	130,750	(32,464)	98,286	130,750	(32,464)	523,000	-
Plus Opening Fixed Assets Book Value	640,155	640,155	-	640,155	640,155	-	640,155	-
Less Depreciation	(111,673)	(115,048)	3,375	(111,673)	(115,048)	3,375	(453,543)	-
Less Assets Written Off	-	-	-	-	-	-	-	-
Fixed Assets Balance per Balance Sheet	626,768	655,857	(29,089)	626,768	655,857	(29,089)	709,612	-



**NZRS Ltd**  
**Activity Based Expenditure Report**  
**For the Quarter Ended 30 June 2017**



		<b>This Quarter</b>		<b>Total</b>	<b>Year to Date</b>		<b>Total</b>
		Specific to this Activity	Apportionment of Shared Costs		Specific to this Activity	Apportionment of Shared Costs	
<b>.NZ</b>							
	Actual	973,661	265,208	1,238,869	973,661	265,208	1,238,869
	Budget	1,041,135	266,081	1,307,216	1,041,135	266,081	1,307,216
	Variance	67,474	873	68,347	67,474	873	68,347
<b>.NZ Marketing</b>							
	Actual	44,213	18,329	62,542	44,213	18,329	62,542
	Budget	81,724	19,696	101,421	81,724	19,696	101,421
	Variance	37,511	1,368	38,879	37,511	1,368	38,879
<b>Technical Research</b>							
	Actual	90,638	32,611	123,248	90,638	32,611	123,248
	Budget	92,178	36,783	128,961	92,178	36,783	128,961
	Variance	1,540	4,172	5,712	1,540	4,172	5,712
<b>Business Development</b>							
	Actual	41,020	20,175	61,196	41,020	20,175	61,196
	Budget	44,594	20,931	65,525	44,594	20,931	65,525
	Variance	3,574	756	4,329	3,574	756	4,329
<b>Total</b>							
	Actual	1,149,533	336,322	1,485,855	1,149,533	336,322	1,485,855
	Budget	1,259,631	343,491	1,603,122	1,259,631	343,491	1,603,122
	Variance	110,098	7,169	117,267	110,098	7,169	117,267

# Profit & Loss Statement

## Broadband Map

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### NZRS Ltd

#### For the Quarter Ended 30 June 2017

	30-Jun-17	YTD
<b>Income</b>		
Availability API Income	25,200	25,200
<b>Total Income</b>	<b>25,200</b>	<b>25,200</b>
<b>Less Cost of Sales</b>		
Cloud Services	9,346	9,346
<b>Total Cost of Sales</b>	<b>9,346</b>	<b>9,346</b>
<b>Gross Profit</b>	<b>15,854</b>	<b>15,854</b>
<b>Operating Expenses</b>		
Personnel Costs	13,218	13,218
Depreciation - Software & Intangibles	7,240	7,240
<b>Total Operating Expenses</b>	<b>20,457</b>	<b>20,457</b>
<b>Net Profit</b>	<b>(4,604)</b>	<b>(4,604)</b>

# Profit & Loss Statement

## Domain Analytics

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### NZRS Ltd

#### For the Quarter Ended 30 June 2017

	30-Jun-17	YTD
Income	-	-
<b>Total Income</b>	<b>-</b>	<b>-</b>
<b>Less Cost of Sales</b>		
Cloud Services	-	-
<b>Total Cost of Sales</b>	<b>-</b>	<b>-</b>
<b>Gross Profit</b>	<b>-</b>	<b>-</b>
<b>Operating Expenses</b>		
Personnel Costs	4,030	4,030
Depreciation - Software & Intangibles	15,247	15,247
<b>Total Operating Expenses</b>	<b>19,277</b>	<b>19,277</b>
<b>Net Profit</b>	<b>(19,277)</b>	<b>(19,277)</b>

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# Technical Research Report

## Introduction

This is the July 2017 issue of the Technical Research Report, setting out the research projects being undertaken by NZRS and their status. This document is updated quarterly.

## Scope and output of technical research

Technical research aims to expand the frontiers of our knowledge about the Internet within NZ and make that new knowledge openly available to all. Projects are drawn from the wide range of topics within this broad ambit. Key considerations in this endeavour are:

- **Data availability** – research projects require data for analysis and therefore data availability is critical to progressing the project. NZRS has built a significant data collection and analysis infrastructure for .nz and therefore many projects lever off this infrastructure.
- **New knowledge, uses and outputs** – new projects need to consider why the research is being undertaken and how it might be used (including commercialisation) by NZRS or others.
- **No guarantees** – for all novel research there is risk of not achieving the outcome or that objectives adapt to ongoing research outcomes. This is inherent in research.
- **Openness** - wherever possible the outputs of technical research projects will be open knowledge all under a Creative Commons license (open code published on our GitHub repository and open data published on our Internet Data Portal (IDP)). The limitations on this are: a) to respect the privacy inherent in any data used; b) to preserve the security of the Internet; and c) to comply with .nz policies and procedures.

## Project status

The following sections give the status of research projects. Full details of each project are given in the Project Summaries section of this document.

### In progress

Project	Progress this Quarter
ANZIC Classification of the register	Manual classification of more diverse set of training data. Close to completion.
Domain Retention Prediction	Reporting of results at registrar conference and in blog posts. Model has been successfully used by CENTR to model .be registry growth.
Domain Popularity Algorithm	Investigated effects of different DNS parameters on popularity calculation. Full traffic data from a .nz overseas DNS provider is being sought to check bias.
.nz HTTPS scan	Regular process running every second month.

### On hold

Project	Next Steps
NZ Topology Map	The projects “NZ IP Topology Map” and “NZ BGP Topology Map” will be combined in one, showing a single view from different data sources.
DGA Detection Algorithm	Proof of concept needs to be tested at a larger scale.
Register Word Decomposition	Requires a valid Te Reo Māori corpus to increase accuracy.
Full Web Scan of .nz	A proof of concept for the deep scan is available.
Zone Scan v2	Developer time required to replace the zone scan engine.

### Complete

Project	Final Outputs
Registrant Classification	Working model complete and ready to be deployed into production.
DNS Statistics Publication Using IDP	Basic DNS stats uploaded into IDP. Blog post written interpreting results of scan.

## Project Summaries

Title	NZ Topology Map			Status	On Hold
Description	Mapping the internal structure of the Internet in New Zealand, using a combination of active and passive data collections. Passive data comes from BGP feeds from RouteViews, RIPE and Internet Exchanges. Active data collection uses RIPE Atlas probes in the country.				
Potential uses	There are a few outstanding questions about the structure of the NZ Internet whose answers can drive useful policy debate. For example, are there routes where traffic between one NZ site and another NZ site is forced to sub-optimally ‘trombone’ out of the country and back again because of the way that some providers interconnect?				
Planned outputs	Form	Done	Details		
	Web site	<input checked="" type="checkbox"/>	Website at <a href="http://ip.topology.net.nz">http://ip.topology.net.nz</a> updated with new version.		
	Open data	<input checked="" type="checkbox"/>	Resulting network representation made available via the project’s website.		
	Open code	<input checked="" type="checkbox"/>	Code available in NZRS GitHub account.		
Presented	Proof of Concept presented at First NZIRF. Working version presented at Second NZIRF. Introduced as project seeking involvement at the RIPE 72 Hackathon. Presented a Spain-centric version at the Spain Network Operators Group in October 2016. Presented the methodology at the RIPE 73 meeting in Madrid in the same month. Presented the New Zealand Internet view at NZNOG 2017.				
Collaborators	No active collaborators at this time.				
Progress	Needs work to run a regular collection. Make the raw data available via IDP.				

Title	ANZSIC classification of the register	Status	In progress
<b>Description</b>	Using web content from each domain web page, and a set of hand curated domain names mapped to an economic activity code (ANZSIC), train a machine learning model and classify every domain in the register. This allow us to augment our understanding of the register. This work now has been extended to classify non-for profit organization using the New Zealand Standard Classification of Non-Profit Organizations (NZSCNPO) from StatsNZ. A combination of domain classifiers based on this work is being prepared for the Domain Analytics project.		
<b>Potential uses</b>	The data could be provided to registrars for their Domains under management (DUMs) in the registrar portal and so help them		

	understand their customers better. The same data could also be made available to registrants through a new product or service.		
<b>Planned outputs</b>	<i>Form</i>	<i>Done</i>	<i>Details</i>
	Open data	<input type="checkbox"/>	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	<input type="checkbox"/>	Will publish code on GitHub
<b>Presented</b>	Concept presented at 2015 Registrar conference. Preliminary results presented at the “Domain Usage Session” at CENTR Jamboree 2017.		
<b>Collaborators</b>	Initial data used for the training was bought from two companies one of which, WholsWhere, participated in the first round of analysis of the results.		
<b>Progress</b>	<p>As this work is being integrated with Domain Analytics, all efforts have been concentrated on obtaining higher accuracy and training more models. There are now 7 models derived from this work in Domain Analytics with the following objectives:</p> <ul style="list-style-type: none"> <li>to distinguish if a domain name is parked or not</li> <li>to determine if it's For Profit or Non-for Profit</li> <li>to determine the domain name's economic activity based on ANZSIC at three different levels, or determine the domain name's Non-for Profit activity at two levels.</li> </ul> <p>Additionally, work has been done to improve data collection from web scans - solving several issues that made them unreliable. In the short term, efforts will be focused on making the models run on a distributed platform.</p> <p>The original dataset acquired was not accurate enough. A larger and more diverse set of domains was therefore manually classified. New models have been trained using this dataset and work is close to completion.</p>		

<b>Title</b>	<b>Domain Retention Prediction</b>		<b>Status</b>	<b>On Hold</b>
<b>Description</b>	Project to generate a probabilistic model that will tell us: <ul style="list-style-type: none"> <li>Which elements of a registration are best predictors of their likelihood to be stay in the register</li> <li>Probability of a domain to be stay in the register in the future, and by extension, determine the forward value of a domain in the register</li> </ul>			
<b>Potential uses</b>	Can be provided to registrars for their DUMs to enable them to understand their customers better. This work may also allow NZRS to produce a better income forecasting model.			
<b>Planned outputs</b>	<i>Form</i>	<i>Done</i>	<i>Details</i>	
	Report	<input checked="" type="checkbox"/>	A couple of blog posts are published in NZRS's blog.	



	Open code	<input type="checkbox"/>	Will publish code on GitHub.
<b>Presented</b>	Concept presented at Registrar Conferences in 2014 and 2015. Results were presented at Registrar Conference 2017		
<b>Collaborators</b>	Some of the insights obtained in this work has been shared and discussed with staff at .CA. People from .IE (Ireland), Netherlands (.NL), and Austria (.AT) are following up this work closely.		
<b>Progress</b>	<p>The combined forecast model to estimate the register size has been refreshed with new data. A new tool made available by Facebook has been incorporated that speeds up the computation and some of the decisions around outliers. The new model is accurately tracking 2017.</p> <p>The individual domain retention model is currently on hold, waiting for data from the register to be available.</p> <p>The model has been shared with CENTR and successfully used to model the .be registry.</p>		

Title	Registrant Classification		Status	Complete
Description	Machine Learning classifier to determine if a registrant is a person or an organization based on the registrant name.			
Potential uses	Augment our understanding of the register, as this information is not available at registration. Likely this will feed into other research projects rather than have much utility on its own.			
Planned outputs	Form	Done	Details	
	Open data	<input type="checkbox"/>	Will consider aggregated and anonymised data on IDP.	
	Open code	<input type="checkbox"/>	Will be published on GitHub.	
Presented	The results were presented at the Registrar Conference 2017 and it was voted as the best presentation.			
Collaborators	None.			
Progress	The Deep Learning solution requires more training data and efforts are focused on hand classifying 30,000 unique registrant names.			
	A working model is available to be deployed to production.			

Title	Domain Popularity Algorithm	Status	In Progress
<b>Description</b>	Algorithm using DNS data to determine if a domain name is more popular than others.		
<b>Potential uses</b>	Can be shared with registrars to help them understand their customers better. Can be used for interesting information about the .nz namespace for the public in press releases and the like. Can be used to develop new products/services that allow		

	registrants to see how their actions affect their domain name popularity. This work has been integrated into Domain Analytics.		
<b>Planned outputs</b>	<i>Form</i>	<i>Done</i>	<i>Details</i>
	Report	<input type="checkbox"/>	
	Web site	<input checked="" type="checkbox"/>	Some selected data sets are publicly visualized at <a href="http://domain-rank.nzrs.net.nz/popular.html">http://domain-rank.nzrs.net.nz/popular.html</a> and <a href="http://domain-rank.nzrs.net.nz/bank.html">http://domain-rank.nzrs.net.nz/bank.html</a>
	Open data	<input type="checkbox"/>	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	<input type="checkbox"/>	Will be published on GitHub.
<b>Presented</b>	Presented as Proof of Concept at DNS-OARC 22 in Amsterdam. Presented at the CENTR Jamboree in Brussels in May 2016. Follow up work presented at the DNS-OARC 25 in Dallas, October 2016.		
<b>Collaborators</b>	Seeking collaboration within the CENTR group, as suggested by the CENTR R&D Chair.		
<b>Progress</b>	An experiment was designed to determine how different DNS parameters and software implementation affect DNS traffic volume, to account for that effect in the calculations. Full access to traffic from one of the .nz DNS offshore providers is being collated to provide us with data to check for bias.		

Title	DGA detection algorithm			Status	On Hold
Description	We gave our summer intern relatively free rein to explore our DNS data set and what he came up with is the bones of an algorithm to automatically detect traffic generated by botnets using DGAs (Domain Generation Algorithms) using DNS traffic.				
Potential uses	Can be used for early detection of infected hosts. Can be used to assess the overall health of .nz. Can be used to assess the likelihood that a new registration is nefarious in intent.				
Planned outputs	Form	Done	Details		
	Report	<input type="checkbox"/>			
	Open code	<input type="checkbox"/>	Will be published on GitHub.		
Presented	The concept was presented at the New Zealand Internet Research Forum 2015.				
Collaborators	Details have been exchanged with SIDN Labs as they are working in similar ideas.				
Progress	The proof of concept needs to be tested at a larger scale, possibly using a different language.				

Title	Register word decomposition	Status	On Hold
<b>Description</b>	Decompose every domain in the register into their word components (aucklandaccountants.org.nz into "Auckland accountants").		
<b>Potential uses</b>	Largely as a building block for other potential projects, such as identifying prevalence of geographic terms (and thereby understanding potential for a new geographic TLD), detecting trending words in registrations and identifying use of Te Reo.		
<b>Planned outputs</b>	<i>Form</i>	<i>Done</i>	<i>Details</i>
	Report	<input type="checkbox"/>	
	Open data	<input type="checkbox"/>	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	<input type="checkbox"/>	Will be published on GitHub.
<b>Presented</b>	None.		
<b>Collaborators</b>	None.		
<b>Progress</b>	Using a curated list of 2000 domains, and using the LINZ Gazetteer data as input, the classifier achieves an 88% accuracy. Requires a valid Te Reo Māori corpus to increase accuracy.		

Title	Full web scan of .nz	Status	On Hold
<b>Description</b>	Capture web content published under .nz domains to feed the ANZSIC classification project. Investigate tools to do a deeper gathering of content.		
<b>Potential uses</b>	Multiple possible uses including a general report on the state of the .nz web space; information for registrars on their DUMs; information for registrants as part of a new product or service; and as an input into another research projects.		
<b>Planned outputs</b>	<i>Form</i>	<i>Done</i>	<i>Details</i>
	Report	<input type="checkbox"/>	
	Open data	<input type="checkbox"/>	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	<input type="checkbox"/>	Will be published on GitHub.
<b>Presented</b>	None		
<b>Collaborators</b>	We have discussed this project with the National Library who have a contract for a web scan using similar technology and are looking at techniques to mine that data once gathered.		
<b>Progress</b>	A first working version is available and being used for ad-hoc shallow web scans. A second version is available to identify the cases where sites require Javascript to render content, to fetch them using a different tool. A Proof of Concept for the deep scan is available using Hadoop, Heritrix and HBase.		

Title	Zone Scan V2			Status	On Hold
Description	The regular zone scan is using code that is no longer maintained. The replacement version allows faster scanning, and easier ways to run custom collections. This work aims to investigate, test and eventually replace the engine used by the zone scan.				
Potential uses	NZRS development team already working on building outputs from v1 into the registrar portal to provide registrars with information on their domains with a view to improving quality. Data could also be provided to registrants in a new product or service.				
Planned outputs	Form	Done	Details		
	Open data	<input type="checkbox"/>	Will publish aggregated and anonymised data on IDP.		
	Open code	<input type="checkbox"/>	Will be published on GitHub.		
Presented	None				
Collaborators	IIS, the .SE register are collaborators as authors of the engine currently in use, and developers of the replacement.				
Progress	Missing tests have been added and require testing.				

Title	DNS statistics publication using IDP		Status	Complete
Description	Make data from the DNS traffic for .nz available using the Internet Data Portal			
Potential uses	Researchers and Policy makers are always interested in data. DNS data is rich and vast, and can be useful to observe the uptake of new technologies. Making data from the DNS traffic for our ccTLD available in an open format can help the community to answer some questions, like the uptake of IPv6 or DNSSEC. We aim to make some of that data available on a regular basis.			
Planned outputs	Form	Done	Details	
	Report	<input checked="" type="checkbox"/>	Blog post showing long term trends in the data.	
	Open data	<input checked="" type="checkbox"/>	Data available in IDP.	
	Open code	<input type="checkbox"/>	Will be published on GitHub.	
Presented	Some high level statistics were presented at the Registrar Conference 2017. A private exchange with CZ.NIC comparing statistics for Q1 2017 at .cz and .nz.			
Collaborators	SIDN is publishing some interesting counters from their DNS data, using a platform powered by Hadoop, inspired by the work we did with Hadoop			

<b>Progress</b>	<p>Basic DNS stats covering 2017 has been produced and uploaded to IDP. DNS stats upload is happening automatically. Additional statistics will be produced in the future.</p> <p>A blog has been posted analysing these statistics.</p>
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Title	.nz HTTPS scan			Status	In Progress
Description	Using our growing expertise on scanning the .nz namespace for data, we prepared a scan covering all active .nz domains and checked for HTTPS support and other related features.				
Potential Uses	There is increasing interest from the security community to understand how prevalent HTTPS support is in New Zealand. This data also gauges the presence of Certificate Authorities, adoption on new protocol features, and the operators’ reaction to recent discovered vulnerabilities.				
Planned outputs	Form	Done	Details		
	Report	<input type="checkbox"/>			
	Web site	<input type="checkbox"/>			
	Open data	<input checked="" type="checkbox"/>	Available in IDP <a href="https://idp.nz/Domain-Names/-nz-SSL-scan-results/cmxt-74aq">https://idp.nz/Domain-Names/-nz-SSL-scan-results/cmxt-74aq</a>		
	Open code	<input type="checkbox"/>	Scanning code to be published on our Github account		
Presented	Summaries presented by Barry Brailey, Manager Security Policy for DNCL, at APRICOT 2017. Summary of results presented at the Registrar Conference 2017.				
Collaborators	None.				
Progress	Initial collection and data processing completed. Regular process running every second month.				

## Glossary

Botnet	A network of compromised PCs that are remotely controlled, generally for criminal purposes.
DGA	Domain Generation Algorithm. A technique used by botnets to automatically generate domains names that they can register and use for their command and control servers.
DNS-OARC	The main membership organisation focused on DNS research.
GitHub	The main web site used in our industry for sharing code.
IDP	Our Internet Data Portal at <a href="https://idp.nz">https://idp.nz</a>
NZIRF	New Zealand Internet Research Forum. Organised by InternetNZ.
NZNOG	New Zealand Network Operators Group, a NZ-based organization gathering network operators, government and academy that organizes an annual meeting.
Hadoop	Big Data Platform
Deep Learning	Branch of Machine Learning using a set of algorithms that attempt to discover high level abstractions of the data.

# Product and Service Development Report July 2017

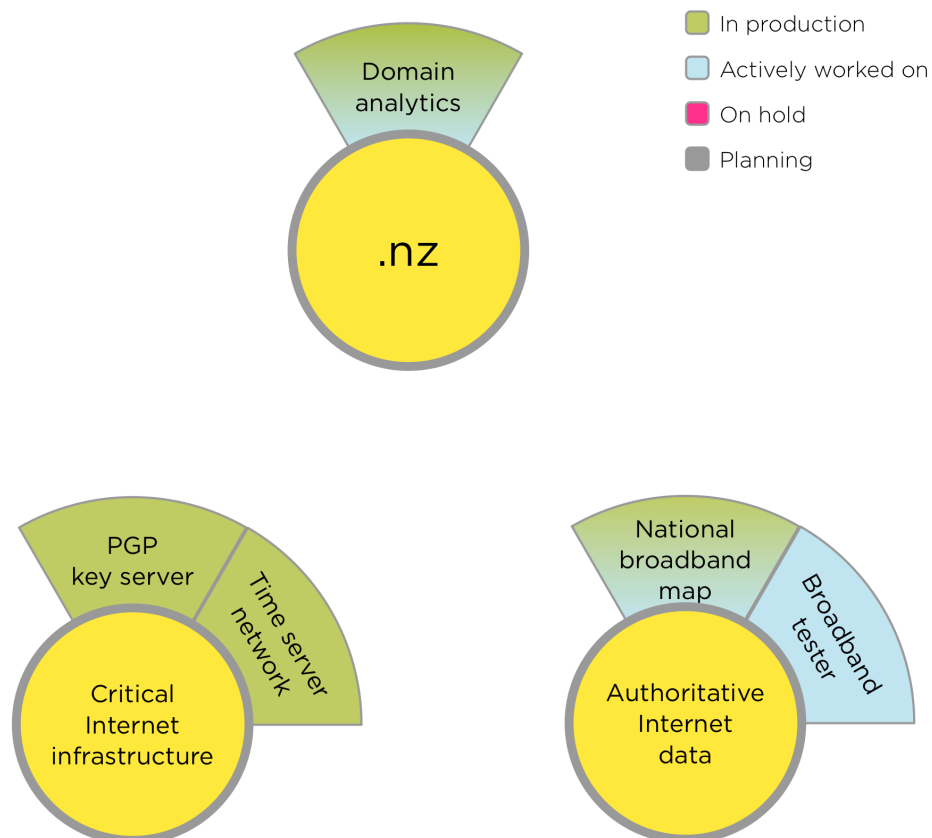
## 1 Introduction

NZRS has a three-legged stool of product and service development that is based on our mission statement:

*“To provide world class critical Internet infrastructure and authoritative Internet data.”*

Where .nz sits in the nexus as both critical Internet infrastructure and authoritative Internet data.

The diagram below shows the opportunities that are sufficiently well defined to be tracked and their stage in the pipeline. Activity for these is detailed unless they are in production with no further work under consideration.



The following have been removed since the last report as they are no longer considered viable opportunities:

- ISP Plan Comparison.

## 2 Progress

### 2.1 Domain Analytics

Current status:	IN PRODUCTION / ACTIVELY WORKED ON
Possible risk	Low to Medium
Possible income:	High to Very High
BD expenditure:	None
Synopsis:	<p>A product for registrants that they purchase through their registrars as an add-on to their domain name that provides usage data and popularity ranking based on traffic observed on ISP and NZRS nameservers. The ranking can then be compared against anonymised and aggregated data of other registrants based on several factors including ANZ Standard Industry Code.</p> <p>This is unique in that it allows a registrant to measure the impact of the promotional spend independent of factors that affect their market overall (e.g. seasonal changes).</p>
Issues and Risks	<ul style="list-style-type: none"> <li>• The expectations around privacy must be met.</li> <li>• The ranking algorithm has to be robust.</li> </ul>
Key actions since last report	<ul style="list-style-type: none"> <li>• Presented to registrars at our annual conference. Met with many individually afterwards. Also discussed with registrars at our annual Registrar Advisory Group.</li> <li>• Received significant feedback on integration mechanism and user experience improvements necessary for them to sell. Long way into completing those changes.</li> <li>• Employed temps to manually classify domains to improve performance of our machines learning classifiers. This has raised accuracy to 90% across the board.</li> </ul>



Next steps	<ul style="list-style-type: none"> <li>• Complete integration and UX work.</li> <li>• Market the product.</li> </ul>
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## 2.2 National Broadband Map

Current status:	IN PRODUCTION / ACTIVELY WORKED ON
Possible risk	Medium
Possible income	Low
Synopsis:	This is a two stage opportunity. Stage 1 is to build a site that enables anyone to find out what broadband technology is available at a particular location and what access speeds that supports. Stage 2 is to make that financially self-sustaining by charging for API access.
Issues and Risks	<ul style="list-style-type: none"> <li>• That all data providers are happy with a small level of monetisation in order to make the site self-sustaining and not an ongoing cost.</li> </ul>
Key actions since last report	<ul style="list-style-type: none"> <li>• Launched new customised reports for data providers.</li> <li>• Presented at TUANZ and ran a booth, which saw renewed and new interest from several data providers.</li> </ul>
Next steps	<ul style="list-style-type: none"> <li>• Add satellite and community wireless operators.</li> <li>• Identify new customers</li> </ul>

## 2.3 Broadband Tester

Current status:	ACTIVELY WORKED ON
Possible risk	Medium
Possible income	Medium
BD expenditure:	None
Synopsis:	<p>Broadband testing is in its infancy and there is still no best way to carry it out. The three forms currently employed are:</p> <ul style="list-style-type: none"> <li>• Over the top (OTP) - such as Speedtest.net</li> </ul>

	<ul style="list-style-type: none"> <li>• Edge – such as Truenet</li> <li>• Infrastructure – such as WAND AMP</li> </ul> <p>It is likely that some form of tender will appear for broadband testing capability using OTP or infrastructure methods to complement that edge based testing already used by ComCom. With extensive experience of infrastructure management in this area (we have managed some WAND AMP probes for many years) this provides a number of opportunities:</p> <ul style="list-style-type: none"> <li>• To become the central/neutral repository of published broadband tests.</li> <li>• To develop or contribute to the development (as we have with WAND AMP) of open source broadband testing tools.</li> <li>• To become a neutral operator of a infrastructure based broadband testing network.</li> </ul>
Issues and Risks	<ul style="list-style-type: none"> <li>• May be perceived by some members as competition.</li> <li>• Ensuring that we have a neutral role and do not get into the judgemental space.</li> </ul>
Key actions since last report	<ul style="list-style-type: none"> <li>• Tender has been issued but focused solely on in-home testing.</li> <li>• Met with partners to consider our options</li> </ul>
Next steps	<ul style="list-style-type: none"> <li>• Evaluating tender.</li> </ul>

### 3 Financial summary

The total capital expenditure to the end of June of the \$400,000 committed to product and service development is as follows:

Opportunity	Year	Item	Spent
National Broadband Map	2014-15	Development	\$46,325
	2015-16	Development	\$37,183
	2016-17	Development	\$23,598
	2017-18	Development	\$720

		<b>SUB-TOTAL</b>	<b>\$107,826</b>
Domain Analytics	2013-14	Prototype	\$4,500
	2016-17	UX Design	\$34,762
		Development	\$82,121
		Security Audit	\$2,640
	2017-18	Development	\$35,287
		Classification temps	\$18,724
		<b>SUB-TOTAL</b>	<b>\$178,034</b>
<b>TOTAL</b>			<b>\$285,860</b>
<b>REMAINING FUND</b>			<b>\$114,140</b>

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