AGENDA – COUNCIL MEETING

Friday 25th November 2016

InternetNZ, Level 11, 80 Boulcott St, Wellington	
8.45am	Refreshments (coffee, tea, & scones) on arrival
9.00am	Meeting start
11.15am	Break
12.35pm	Lunch
3.00pm	Meeting Close

Section 1 – Meeting Preliminaries			
9.00am	1.1	Council only (in committee)	-
	1.2	Council and CE alone time (in committee)	-
9.30am	1.3	Apologies, Interests Register and Agenda Review	3

Section 2 – Strategic Priorities			
9.35am	2.1	Industry Scan	-
9.45am	2.2	Follow up from Strategy Day – decision	9
10.15am	2.3	Financial Strategy – discussion	-

Section 3 – Matters for Decision			
10.30am	3.1	Framework for 2017-18 Activity Plan and Budget	15
		3.1.1 2016/17 Budget Update	21
10.50am	3.2	Review of Governance Policies: • Policy Development Policy • Treasury Policy (final) • Code of Ethics • Councillor Role Description • Council Role and Functions • Conflicts of Interest • Document Information Disclosure Group Policies – Planning & Reporting timetable and annual planning cycle (final) Draft Governance Policy: Information Sharing	23 25 31 35 37 39 43 45 49 55
11.15am		Tea Break	
11.30am	3.3	Community Funding – Projects Round Grants	57
11.40am	3.4	NetHui activities: 2017 and onwards	65

Section 4 –Matters for Discussion			
12.00pm	4.1	President and CE briefing	-
12.10pm	4.2	Strategic Partnership Options for 2017/18	69
12.20pm	4.3	Council representation on DNCL/NZRS Boards	73

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12.35pm		LUNCH	
1.05pm	4.4	2017/18 Statement of Expectations – DNCL/NZRS *(draft documents for approval)*	75
1.20pm	4.5	Subsidiaries Reports: • Joint .nz 2nd quarter Report • DNCL 2nd quarter Report • NZRS 2nd quarter Report • Technical Research Report • Product and Services Development Report	89 97 99 109 117
1.45pm	4.6	Group Consolidated Financial Report (QE Sept 2016)	125
		Section 5 – Consent Agenda	
1.55pm	5.1	Confirm Minutes – August 2016 Meeting	133
	5.2	Actions Register	141
	5.3	Membership update	143
	5.4	Evote ratification	145
	5.5	Health & Safety update	147
	5.6	Chief Executive's Report • Overview and Key Issues • Programmes • Operations • Governance and Members	149
	5.7	Council Committee Reports • Audit & Risk • Grants • Māori Engagement • Membership • CE Review	
		Section 6 – Other Matters	
2.20pm	-	CONTINGENCY *(for any overflow)*	-
2.30pm	6.1	Matters for Communication – key messages • Communications in general • Upcoming events	-
	6.2	Participation by members in Council meetings (if req'd)	159
2.45pm	6.3	General Business	-
2.50pm	6.4	Meeting Review	-
3.00pm	-	Meeting close	-

* Section 7 - List of Acronyms and Annotated Agenda

Council register of interest

Officers and Councillors are required to register any interests, commercial, political or organisational, which they believe may be relevant to the perception of their conduct as a Councillor or Officer. Officers and Councillors are, however, still required to declare a Conflict of Interest, or an Interest, and have that recorded in the Minutes.

Officers and Councillors receive the following annual honoraria:

President - $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:
- NZNOG Trustee
- 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
- Member, Non-Government Advisory Committee to Public Interest Registry .org
- 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: ~~5 April 2016~~ 8 November 2016

Interests:

- Member of Green Party of Aotearoa New Zealand
- ~~A gazillion~~ Many .nz domain names
- ~~Organiser of Girl Geek Dinners Wellington~~
- ~~Member and volunteer for Tech Liberty~~
- Employee and shareholder of Rabid Tech
- ~~Volunteer Organiser for GovHack Wellington~~
- ~~Volunteer Organiser for HackMiramar~~
- NZRise member
- ~~Member of Strathmore Park Community Working Group (Wellington City Council)~~
- ~~Volunteer organiser~~ Trustee of Whare Hauora project
- Councillor's Honorarium for InternetNZ

Name: Dave Moskovitz

Position: Councillor, InternetNZ

Term: AGM 2011 - AGM 2017

Declaration Date: 31 July 2015

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
- Startup New Zealand Limited
- Open Polytechnic

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

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

Non-profit Activity:

- Global Facilitator
- Startup Weekend (Trustee)
- Pacific Internet Partners (Trustee)
- Think Tank Charitable Trust (Co-Chair)
- Wellington Council of Christians and Jews

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: ~~14 December 2015~~ 15 November 2016

Interests:

- Holds .nz and .net domain name registrations
- Member of ISOC, PICISOC
- Employee of ~~TradeMe Group Ltd~~ 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: ~~5 April 2016~~ 18 November 2016

Interests:

- Consultant and organiser of some corporate unconferences
- Holds .nz domain name registrations
- Employee of ANZ
- Creator & Director of Beyond the Achievements
- An immediate family member works at NZRS occasionally
- ~~NZRise member~~
- Co-Founder of Diversity Consulting NZ
- ~~Organiser~~ Co-organiser of WWGSD HQ Unconference~~s~~
- ~~Volunteer organiser of GovHack Wellington~~
- ~~Volunteer organiser~~ Trust Chair of Whare Hauora Charity ~~project~~
- Provisional member of New Zealand Labour Party
- 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 - AMG 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: 4 August 2015

Interests:

- Employee at Radio New Zealand 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
- Member of the IANA Stewardship Transition Group (ICG), as representative of the ccTLD community
- Member of the ICANN Cross Community Working Group on the IANA Stewardship Transition
- 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

The register was last updated in August 2016.

STRATEGY DAY FOLLOW UP: REVIEWING OUR STRUCTURE

Author:	Jordan Carter, Chief Executive
Purpose of Paper:	To propose actions following the discussion at the Strategy Day held in September 2016.

Introduction

At its annual Strategy Day retreat in September 2015, attendees noted five areas of concern related to InternetNZ structure and operations:

- role clarity

- duplication of work

- necessary demarcation

- lost synergy

- clarity of story

The meeting arrived at these through a day-long discussion and exchanges of views. It tasked me with proposing next steps to take these areas forward.

I have shared some preliminary views with Council and appreciated the feedback received: this paper crystallises my thinking and proposes what should be done next.

In this paper, InternetNZ is generally used broadly to refer to InternetNZ, NZRS and DNCL.

Context

InternetNZ's current operating structure was designed in 2001-2002 to solve a set of problems existing in the local Internet community at that time. A review in 2007-08 took a look at this model but didn't propose major changes.

The Strategy Day considered whether it was time to take another look, and identified the issues noted above.

All the issues listed are neither novel nor specific: they exist in any organisation and would exist to some level however InternetNZ structured its operations.

Nonetheless, in my judgement there are some quite high costs to our current approach that mean, across the group, we are not realising our potential. It may be that structural change could help us to do better.

Given the time since the last thorough look at our structure, my central recommendation is that it is time to take a thorough look at it: to set out what we want the organisation to deliver, design some options that could do so, test these against our current approach and then decide whether – and if so how – to change.

I do not assume and urge Council not to assume that the outcome of this review would necessarily be to change our structure or approach. If the analysis proposed below suggests change should happen, we should be open to that. If it validates our current approach, we should be open to that as well.

Proposed Approach

Overall, my proposal to you is that we review and reflect on our structure, which would involve setting out what we want to achieve, designing some options that could do this, testing these against the status quo, and changing if we need to.

The review would bear in mind the issues raised in the Strategy Day:

- role clarity

- duplication of work

- necessary demarcation

- lost synergy

- clarity of story

It would not however simply be aimed to "solve problems" in these areas. That approach would miss the overall aim of maximising our ability to achieve InternetNZ's purpose.

We need to take a clear-eyed look at whether other options for how we organise ourselves deal better with the concerns raised than our status quo approach does.

The **purpose** of doing such a review needs to be clear. Here is a draft for consideration:

The way the InternetNZ group is organised to do its work hasn't been tested since 2007-08.

It should be reviewed to test the status quo against other reasonable options, using agreed design principles, with the objective being to have an organisation that can be as effective and efficient as possible in delivering InternetNZ's purpose.

InternetNZ's purpose is set out in the objects of the Society:

[t]o maintain and extend the availability of the Internet and its associated technologies and applications in New Zealand, both as an end in itself and as means of enabling organisations, professionals and individuals to more effectively collaborate, cooperate, communicate and innovate in their respective fields of interest.

We fulfil our purpose in a range of ways, including (importantly) by operating the .nz domain on behalf of the local Internet community. We bring the community together to discuss Internet issues. We offer policy information and advice. We provide community funding.

How can we do this work as well as possible?

Steps for the Review

The process I propose we take for a review is as follows:

1. Develop design objectives / principles and a purpose statement for the review (a draft purpose statement is above), and agree these.

Design principles or objective set out how we want the organisation to be - they set the parameters for organisational design. Being clear about the purpose of the review is vital to make sure it stays on track.

2. Design a few structural options that give effect to the agreed design principles and can meet the agreed purpose of the review.

There is a wide range of options available, with one key distinction being between more and less integrated ways to group the functions of InternetNZ. Our current approach is more in the separated direction. There are more separated options and more integrated options, with the extremes being a fully integrated organisation or even more separation than we have today.

3. Test the pros and cons of the options v the status quo.

The options can be tested against the design principles, and against the issues we discussed at the strategy day. Different options will have different benefits and costs. Testing these transparently and rigorously, with no inbuilt assumption about whether things will need to change, is the right approach.

4. Choose preferred approach and consult.

If there is a preferred option that is not the status quo, design and cost it, and then seek public, member and stakeholder views about whether to make a change. If the status quo is preferred, we can explain why.

5. Decide and implement (if change is agreed).

In a situation where changes were agreed, they would be implemented in a timely way.

The five steps above represent a very conventional approach to organisational review and design.

Ownership: a Working Group

There should be a Working Group to own the review. I would work with the working group as project manager, drawing on external advice and assistance as and when necessary in consultation with the WG.

The group would prepare decisions for full Council consideration and decision - it would not be delegated to conduct the review in full.

Based on the process set out above, the major check in points for Council deliberation and decision would be:

- testing and agreeing the design principles
- testing and agreeing the options for alternative structures, including testing and critique of the pros and cons the review group had agreed
- deciding on a preferred option/s for consultation
- deciding on any change to be implemented

In the first instance, I consider that that the skills and experience needed to do this review are largely available in house. I anticipate devoting some time and energy to this.

We would need to plan on and secure external assistance and advice for each phase of the review, which I would manage working with the working group.

The alternative of a fully independent external review does not seem to be the right approach at this stage. If the need for that sort of scrutiny emerged in the course of discussion, it could be considered at that time.

The Working Group could be comprised in a range of ways, including:

- a group of Councillors
- a group of Councillors and subsidiary company directors
- a group of governors and staff from across the group

My recommendation is the second option.

It is important that the perspectives across the group are drawn together in the work of the Working Group.

It is also important that those most directly affected by considerations of our structure are slightly removed from the development of the review.

The balance of making sure there are governors from each part of the group doing the WG role is the right balances in this case.

Staff should – must - be consulted and engaged by the WG in doing its work – staff across the group. This would most likely be the CEs of the business units but would be at each unit's discretion.

Timeframe

As noted above the main check points for Council discussion would be considering the design principles and then the options, and making any decisions about whether to consult on an option/s, and final decisions about whether to proceed.

A timeframe as follows could work:

Date	Step
Nov-16	Agree process and select WG
Dec-16 to early Feb-17	WG develops review purpose and design principles / objectives
Feb-17	Council agrees purpose, design principles / objectives
Mid Feb-17 to end Mar-17	WG develops structure options that comply with design principles and prepares pros/cons analysis of these options c.f. status quo
Apr-17	Council tests options and pros/cons, and decides whether to consult members on an option/s or whether to retain status quo
Mid Apr-17 to mid May-17	Consultation (if agreed to test a change)
May-17	Council makes a final decision (if a change is an option)

If we decide to change

If the outcome of the review process is an intent to change how we organise, and that in principle decision stands following consultation, then there would be an implementation project. That would deal with:

- implementing any legal structural changes
- stakeholder management
- development of an integrated strategy for the new structure (if it is a more integrated structure)

I would expect that more detail on implementation requirements, constraints and so on would be developed **before** any in principle decisions to change were finalised. Obligations as a good employer and for fair consultation with affected staff would be important.

If we decide not to change

If the outcome of the review process is an intent to retain the status quo, then we will do so knowing we are on solid ground, and can move on to other processes that will fall due or that can take up some of the advantages tested in the review process.

These might include:

- the "clarity of story" or group/individual entity brands

- the strategy review due for next year

- more formally tightened collaboration between the three business units in agreed areas

Recommendations

THAT a Working Group be established to review the structure of the InternetNZ Group consistent with the approach, steps, process, ownership and time frame set out in this paper, comprised of the following individuals: <NAMES>.

THAT the Chief Executive be the project manager for the Review, working with the Working Group, AND THAT he be authorised to commission necessary external advice (with the agreement of the WG) to help the review take place.

Jordan Carter
Chief Executive

16 November 2016

FRAMEWORK FOR 2017/18 ACTIVITY PLAN AND BUDGET

Author: Andrew Cushen, Deputy Chief Executive

Purpose of Paper: To propose a framework and timeframe for delivery of the 2017/18 Activity Plan and associated Budget.

Introduction

This paper sets out our approach to developing next year's Activity Plan. In brief, our proposal is to largely follow the same approach as last year but to:

- Be more restrained in the number of Focus Area projects
- Be more specific about what we are seeking to achieve in each main area of work (that is, be clearer about goals)

Focus Areas

We propose that we maintain the Focus Areas from 2016/17 for a further year. These have been valuable in summarising and describing our work both internally, and with our members and wider stakeholders.

More importantly however, we believe them to still be the main areas where InternetNZ should be focusing our resources over the next financial year.

These Focus Areas are:

Focus Area 1: Access to the Internet

Being able to get online is a precondition to being able to gain from the Internet. Through fixed and wireless networks, more New Zealanders than ever before are online, and there are a growing set of choices about how to get online. Since the Internet is ever more important to being able to participate in society, the "digital divide" between those who are online and those who aren't is widening, even as the number of people without access is falling.

Focus Area 2: Use of the Internet for everyone's benefit

The beneficial potential of the Internet is nowhere near fully realised. Its ability to foster communication, collaboration and creativity has much, much more to deliver New Zealand - both for economic and social ends. InternetNZ's role is to protect this potential and to promote these benefits and uses. Once connectivity is provided, this effective utilisation challenge is the next frontier.

Focus Area 3: Identity, privacy and security in the Internet age

Security and privacy on the Internet is one of the primary challenges of our time. Our understanding of what it means to be private is changing in the online world, as more people willingly exchange personal information for enhanced, Internet enabled services. However, we also increasingly deal with the risks and challenges presented by this reality through making informed choices about our privacy online. This reshaping of our environment creates challenges in terms of how all New Zealanders manage their online identities.

In turn, there is a huge learning process to go through for society in establishing new norms of behaviour – for people at work and at home, for companies and governments – to protect human rights and freedoms in an environment where trust is both reasonable, and deserved.

For each Focus Area, in the Draft Activity Plan we will specify an overarching goal with a two year timeframe, against which progress can be measured.

Activity Plan Concept

While we intent to retain these Focus Areas, we propose that in 2017/18 we take a different approach to how we build Projects to contribute to them.

Our proposal is:

- To build RESEARCH and ENGAGEMENT as the bedrock of our work and delivery on the Focus Areas.

    o We will utilise the **research** capabilities of NZRS, and commission our own research, to present new and unique insights into these Focus Areas, and provide an evidence base for our work.

    o Our work will be primarily focused on driving change in our environment through external **engagement** with our stakeholders. We recognise that InternetNZ cannot achieve our goals alone; instead, we must focus on using engagement to build partnerships for action and delivery of change.

- To COLLABORATE as our norm, and to best utilise the skills and specialities in our organisation to deliver to our Focus Areas

    o **Communications**: Continue our theme of lifting our outreach, visibility and communications reach through quality, timely and relevant communications, resources and commentary.

    o **Events**: Delivering engaging events that are a meeting place of the Internet Community, and provide opportunity to hear diverse perspectives and drive collaboration more than before.

    o **Issues**: To deliver a policy programme that effectively manages and leads our wide set of Government stakeholders to protect and build a legal environment that supports the Focus Area outcomes.

    o **Partnerships**: To maintain and build mutually beneficial relationships with specialist organisations in our community, and to achieve work with those Partners that would otherwise not be possible.

    o **Funding**: To use our funding to explore other conceptions of these Focus Areas, other objectives for the Internet in New Zealand and provide our Community with a source of funding to develop their own objectives (to the extent these are consistent with our Objects).

    o **International**: To leverage our International involvement to ensure that we are representing New Zealand perspectives in a range of International forums, and bringing the learning from

these engagements back home to share.

- To keep our Baseline of work in InternetNZ as EFFICIENT as possible.
    o We have an ever growing list of established resources, commitments and deliverables. This is a consequence of a growing team and a growing set of assets that we are proud of having built.
    o We want to ensure that we are keeping what works well, but also not building too much work in just maintaining the status quo.
    o This is particularly relevant for our Operations team, but is a factor in all parts of our work.

The core elements of the plan – the key topics, research proposals and engagement opportunities – will, we hope, fit on a one-pager and provide an easy and comprehensive summary of what InternetNZ is focused on during the year.

Activity Plan Development Timetable

DATE	PROCESS STEP	OUTCOME
25 NOVEMBER	Council meeting to discuss and approve this Activity Planning and Budget approach.	Approval to proceed with Activity Planning Framework, Focus Areas and high level Budget.
BALANCE OF 2016	Staff discuss, debate proposed Focus Area projects, goals and objectives for 2017/18, following Council feedback and as a result of wider environment scan, stakeholder feedback throughout year, market research and strategic relevance.	Focus area Projects (no more than six) developed on a cross-programme basis, with proposed goals and objectives.
DURING JANUARY AND FEBRUARY 2017	Socialisation of the Focus Areas with key stakeholders – internal and external	Refinement of Focus Area Projects in accordance with Stakeholder Feedback.
15 JANUARY 22 JANUARY 29 JANUARY 5 FEBRUARY	Workshops on Focus Area contributions and other activity. Four workshops over four weeks: - Community - Issues - Operations & Governance and Members - International & Communications	A full set of proposed activities for the 2017/18 year; scoped, budgeted and planned.
12 FEBRUARY	Collation of inputs.	Full draft of Activity Plan presented for discussion and decision

25 FEBRUARY	Council meeting and validation of Full Draft Activity Plan	This will then confirm the projects and objectives for the year, or focus on any refinement.
BETWEEN 28 FEBRUARY AND 10 MARCH	Member discussions on Full Draft Activity Plan (Must be here in order to discuss before ICANN in March, and to allow for any thoughts to build through into plan.)	Member engagement, briefing and contribution to Activity Planning.
31 MARCH	Plan finalised, and then presented to Council for review	
7 APRIL	Council meeting to approve the Plan and Budget	Approved Activity Plan for 2017/18.

Proposed Budget

We propose a different approach to Budgeting for FY2017/18.

In previous years, we have sought to present a full draft budget for the next financial year at this meeting, and amend and refine this as we develop the plans and projects that we will deliver in that year.

That results in a budget that often changes significantly from the November draft through to the April final. These changes increase the operational workload considerably, while not adding to Council's ability to make meaningful decisions on InternetNZ activity or financial commitments.

Instead of doing this this year, we are re-presenting the Council with the three-year forecast budget that was agreed in April, with the intent to test its assumptions with you. In our judgement, they remain appropriate, with the following yet to be taken into account (which will affect the allocations between lines and possibly the total level of spending):

- Costs of any follow up work from the Strategy Day
- Realistic provision for the research work in the Activity Plan

If you agree with this approach, we intend to build within the parameters that this forecast presents. If not, the discussion will inform a different approach.

We will then work to present a full, detailed budget alongside the full, detailed Activity Plan, in draft in February, and in Final in April.

Regarding the budget forecast itself; the three-year projection below has been amended (from that presented at the April 2016 Council meeting) to:

- include the updated dividend payment as forecast in the NZRS June 2016 Statement of Direction and Goals, and
- reflect a budgeted increase in expenditure of $65k in 2017/18 and 2018/19 for the Issues programme, as this more accurately reflects the level of work being done today and expected in the future.

The underlying assumption of this projection is that of a status quo approach to the work flow in other areas, and that the dividends from NZRS are broadly in line with the amounts forecast in the NZRS Statement of Directions and Goals dated June 2016.

Over the page is the proposed high-level Budget.

3 Year Profit and Loss		2016/17	2017/18	2018/19
Internet New Zealand Incorporated		Approved Budget	Draft Budget	Draft Budget
Income				
		4257	4731	5017
Expenses				
Issues Programme		654	739	759
Community Funding		600	700	800
Community Programme		616	573	584
International Engagement		179	149	153
Communications/Outreach		307	326	325
Operations		1176	1165	1171
Overheads		471	484	498
Governance and Members		513	409	415
International Events		35	50	35
	Total Expenses $000s	4551	4595	4740
	Net Ordinary Income $000s	-294	136	277

Recommendations

1. THAT Council approves continuity of the Focus Areas as the basis for the 2017/18 Activity Plan, and the Approach proposed for the plan.
2. THAT Council notes and agrees the proposed timeframe and stages for developing the 2017/18 Activity Plan.
3. That Council approves the adjusted three year budget forecast as the basis for constructing the detailed budget for the 2017/18 year.

Andrew Cushen
Deputy Chief Executive

17 November 2016

2016/17 BUDGET UPDATE

Author:	Jordan Carter, Chief Executive
Purpose of Paper:	To seek Council approval for some mid-year changes to the operating budget for 2016/17.

As reported in the September financials, we are currently reporting an organisational underspend of $855,530. This is comprised, at 30 September, of income being above budget (+$681,727) and expenses being below budget ($173,803). The detailed breakdown is as per the table that follows.

The table also outlines the approved 2016/17 budget and the year-end forecast.

Activity	Sept Actual $	Sept Budget $	Variance $	Approved 2016/17 Budget	YE Forecast $	YE Forecast Variance $
Income	2,173,894	1,492,167	681,727	4,257,000	4,803,723	546,723
Communications/Outreach	68,405	124,256	-55,851	307,000	270,000	-37,000
Community Funding	205,450	227,124	-21,674	600,000	600,000	0
Community Engagement	127,944	143,716	-15,772	616,000	616,000	0
Governance and Members	191,664	209,695	-18,031	513,000	459,000	-54,000
International Engagement	28,030	44,000	-15,970	179,000	137,000	-42,000
International Events	43,679	54,000	-10,321	54,000	49,879	-4,121
Issues Programme	381,763	371,410	10,353	654,000	719,000	65,000
Operations	762,961	809,498	-46,537	1,628,000	1,560,000	-68,000
Expenditure - total	1,809,896	1,983,699	-173,803	4,551,000	4,410,879	-140,121
Total	363,998	-491,532	855,530	-294,000	392,844	686,844

Forecast commentary

A total underspend of $140,000 is forecast for the year-end 2016/17, with all areas except for the Issues programme predicting an underspend. Combined with a year-end forecast of income being $546,723 higher than forecast, this is forecast to result in a surplus of $392,844, compared to the budgeted deficit of $294,000.

Communications/Outreach:

As outlined in the September financials, Communication and Outreach work has been resourced internally, and they forecast that the remaining of their activities can be achieved with a year-end underspend of $37,000.

Community Programme:

At this stage the Community programme has not been reviewed, so the forecast remains the same as the approved budget. However, there is expected to be a reallocation between expenditure lines later.

Governance and Members:

Consultants, training, and national travel activities all expecting to come in under budget, though this may change with follow up work from the Strategy Day.

International Engagement:

Some budgeted travel not going ahead (due in part to some expected travellers not travelling) results in lower costs.

International Events:

ANZIA costs came under budget by $4k.

Issues Programme:

The Issues Programme is forecasting an overspend of $65,000 this is reduced to $35,000 when offset by the $30,000 funding received as a grant from the data future partners project on mapping digital inequality. It also reflects the increased work within the Issues area for 2016/17, with the Vodafone-Sky merger, and the Telco Act review.

A review of the Issues budget resulted in $21k of costs cut in the areas of consultants, legal fees and meeting costs, to allow for the additional resources required to complete the 2016/17 Activity Plan.

Operations:

Remuneration, advertising, bank charges, conferences, depreciation, R&M software, printing and stationery, and Māori Engagement activities are all areas expected to come in below budget.

Recommendation

THAT Council **note** this mid-year financial update for the 2016/17 year.

Jordan Carter
Chief Executive

REVIEW OF GOVERNANCE POLICIES

Author: Andrew Cushen, Deputy Chief Executive

Purpose of Paper: To propose amendments to the Policy Development Policy, and establish a schedule for reviewing Governance Policies.

Background

In accordance with the Policy Development Policy, at a minimum Governance Policies must be reviewed on a two-year basis. Many these Governance Policies are overdue for review and renewal.

The purpose of this paper is to:

- Gain approval to modify the Policy Development Policy, instituting a three year review period for these Governance Policies.
- Establish three "tranches" of Governance policies, for review in blocks on a three-yearly cycle.
- Approve the first "tranche" of these policies, on the basis that no substantive changes are required.
- Propose a timetable for further approvals of policies, establishing a rolling timetable of Governance policies across a three-year Council term.

Proposed "Tranches"

We propose that the current Governance policy set is split into three "tranches", to allow a cycle of review to be established. We will either move policies onto this timetable as they come up soon, or push them for review per the following timetable.

Tranche One: Review this meeting, then at November Council meetings in 2017, 2020, 2023 and so on. This Tranche consists of the Council (CNL) policy set:

- PDP: Policy Development Policy (currently due for review Aug 17)
- CRF: Council Roles and Functions (currently due for review Feb 16)
- CRD: Councillor Role Descriptions (currently due for review Feb 16)
- ETH: Code of Ethics (currently due for review Feb 16)
- COI: Conflict of Interest (currently due for review Feb 16)
- DID: Document Information Disclosure (currently due for review Jun 18)

Tranche Two: Review at the February 2017 Council meeting, then at the November Council meetings in 2018, 2021, 2024 and so on. This Tranche consists of the Group (GRP) policy set:

- AST: Audit Services Tender (currently due for review Jun 15)
- BUS: Product and Services Development (currently due for review May 18)
- CTR: Contracting for Councillors and Directors (currently due for review Apr 15)
- REM: Remuneration Council and Boards (currently due for review Apr 15)
- PRT: Planning and Reporting Timetable (currently due for review Aug 15 – this will come to the November meeting, but be part of Tranche Two)
- PLC: Planning Cycle (currently due for review Aug 15 – this will come to the November meeting, but be part of Tranche Two)

Tranche Three: Review at the April 2017 Council meeting, then at the November Council meetings in 2019, 2022, 2025 and so on. This Tranche consists of the

Subsidiary (SUB) policy set, the Financial (FIN) policy set and the Other (OTH) policy set:

- TSY: Treasury, including (this will come to the November meeting, but be part of Tranche Three):
    - o RES: Financial Reserves (currently due for review Oct 15)
    - o INV: Funds Investment Management (currently due for review Oct 15)
- MIS: Reporting Cases of Misappropriation (currently due for review Oct 15)
- DEL: Chief Executive Delegations (currently due for review Feb 16)
- GRT: Grants Policy (currently due for review Aug 17)

Specific Amendments

(CNL-PDP) Policy Development Policy - Proposed Amendment

The Policy Development Policy (PDP) states, at clause 2.3:

> *All policies are reviewed on a regular basis (and no less frequently than every two years) with the review date agreed at the time the policy is adopted, or as changed by Council from time to time.*

We recommend that this clause is amended to change the minimum frequency of review to three years.

The rationale for this change is as follows:

1. That Council terms are for three years and aligning these review timetables seems logical. Keeping the minimum frequency at three years means that any Councillor serving a three-year term sees all Governance policies at least once.
2. That there are several Governance Policies, and we are clearly currently not maintaining the current two-year review timetable. Establishing a three-year pattern means that we can spread these policies out over a longer time period, and spend less time in Council meetings on this business.
3. That these are minimum review frequencies; Council will reserve the right to amend these Governance policies at any time, as required.
4. That many of these policies are not changed upon review.

Note that these changes should not apply to the Committees Terms of References policies. In practice, these are reviewed after each Council election.

(CNL-CRF) Council Roles and Functions; (CNL-CRD) Councillor Role Descriptions; (CNL-COE) Code of Ethics; (CNL-COI) Conflict of Interest; (CNL-DID) Document Information Disclosure – Proposed Amendments

These policies have been renewed with no changes to their wording proposed. This change aligns them with the tranche proposal.

(OTH-TSY) Treasury Policy – Proposed Amendments

This policy has been amended pursuant to Council Resolution **RN47/16** from the August meeting of Council:

> *THAT Council approves an amendment to the Reserves Policy, as set out in this paper, which has the effect of adding a working capital reserve (equivalent to one month of the year's planned Operating Expenditure) to the required financial reserves.*

This amendment was approved by the Audit and Risk Committee on 27th October 2016.

(GRP-PRT) Planning and Reporting Timetable and (GRP-PLC) Planning Cycle – Proposed Amendments

Please see separate papers.

Policy Development Policy

Policy	PDP: Policy Development Policy
Version	1.~~01~~
Date in force	~~May 2015~~November 2016
Planned review	~~June~~ November 2017

1 Introduction

1.1 This policy sets out the Council's Policy Development process.

1.2 It explains the various types of governance policy created by the Council, and how the Council establishes them.

1.3 It also specifies the consultation and approvals processes required for each policy type.

1.4 Generally speaking the Council will abide by this PDP. If an extraordinary situation demands swift changes, the approach in section 6 applies.

2 Types of policy in this PDP

2.1 The policies the Council will establish generally fall into one of the following categories:

2.1.1 **Governance policies:** policies which set out how the Council fulfils its governance role for InternetNZ, or relating to the Boards of subsidiaries. This PDP is an example of such a policy.

2.1.2 **Group policies:** policies which are to apply across the InternetNZ Group, creating obligations for subsidiaries as well as for InternetNZ. These will generally set out a high-level framework, with individual business units detailing the implementation of that framework themselves. The Business Development Policy is an example of such a policy.

2.1.3 **.nz governance policies:** policies which set out the structure for the management of the .nz domain name space. The .nz Framework Policy is an example of such a policy.

2.2 All of the policies will be listed in the Governance Policy Register.

2.3   All policies are reviewed on a regular basis (and no less frequently
       than every ~~two~~ three years) with the review date agreed at the time
       the policy is adopted, or as changed by Council from time to time.

3   Governance policies

3.1   Governance policies are created by the Council to manage its
       governance responsibilities.

3.2   Governance policies are generally instigated InternetNZ Council, staff
       or members.

3.3   The general approach to the creation and revision of such policies is
       as follows:

   3.3.1 InternetNZ staff will prepare a draft of the policy for Council
          review, with an explanatory cover note setting out the rationale
          for the policy and/or the rationale and impact of proposed
          changes to existing policy.

   3.3.2 The draft/revisions will be provided to Council two weeks
          before a meeting and notified to members at that time so that
          input can be provided if required.

   3.3.3 Council will consider the draft/revisions and any feedback from
          members or subsidiaries, and either adopt the draft/revised
          policy, make minor changes and adopt the policy, or send it
          back for redrafting and consideration at a subsequent meeting.

3.4   Where a governance policy has, in the Council's view, a direct or
       significant impact on subsidiaries, the Chief Executive will involve
       subsidiary CEs in its development prior to initial presentation to
       Council. Subsidiary Board comments will be solicited in the two week
       period before the meeting or where practical before the proposal is
       finalised.

4   Group policies

4.1   Group policies are created by the Council to apply across the
       InternetNZ Group, to drive consistent behaviour across the group.

4.2   Group policies may be instigated by any part of the Group, with
       InternetNZ instigating the regular scheduled review.

4.3   The general approach to the creation and revision of group policies is as follows:

   4.3.1   The initiating entity in the group will identify the need for such a policy or revision to existing policy and communicate it to other parts of the group through CEs.

   4.3.2   InternetNZ staff will prepare a draft of the policy in collaboration with other CEs.

   4.3.3   All group governance bodies will be consulted across a meeting cycle on the draft policy/revisions.

   4.3.4   Following such consultation and amendments as required, InternetNZ staff will finalise the draft policy/revisions and provide these to Council two weeks before a meeting and notified to members at that time so that input can be provided if required.

   4.3.5   Council will consider the draft/revisions and any feedback from members or subsidiaries, and either adopt the draft/revised policy, make minor changes and adopt the policy, or send it back for redrafting and consideration at a subsequent meeting.

4.4   If a subsidiary has a fundamental objection to the final draft (as communicated by its board chair to the President within one week of the Council meeting), the group policy concerned will not be introduced or will remain in force without amendment until the subsequent Council meeting (which may be an intersessional meeting called to resolve the issue). If the Council recommits to its decision, then the revised/new policy is then in force.

5   .nz governance policies

5.1   .nz governance policies are created by the Council to set out the structure through which InternetNZ acts as designated manager for the .nz country code top level domain.

5.2   .nz governance policies as approved by the Council under this PDP should not be confused with, and do not form part of, the policy framework that Domain Name Commission Ltd establishes and enforces for the operation of the .nz domain (see www.dnc.org.nz/policies).

5.3 .nz governance policies may be instigated by any part of the Group, with InternetNZ instigating the regular scheduled review.

5.4 The general approach to the creation and revision of such policies is as follows:

5.4.1 The initiating entity in the group will identify the need for such a policy or changes to existing policy and communicate it to other parts of the group through CEOs.

5.4.2 InternetNZ staff will prepare a draft of the policy in collaboration with other Chief Executives.

5.4.3 All group governance bodies will be consulted across a meeting cycle on the draft policy. If the policy change is of a fundamental nature in the view of the Council or any subsidiary, two meeting cycles will be allowed for discussion and debate.

5.4.4 Once a draft is agreed, Council will approve it and seek input from members and from the public at large on that draft, for at least four weeks. Council will also identify whether it is appropriate to ask DNCL to participate in, share, or conduct entirely the public consultation process.

5.4.5 Feedback will be taken into account by staff across the group in preparing a revised draft.

5.4.6 Council will consider the revised draft and discuss it with the subsidiaries at its next meeting, and make any changes.

5.4.7 A final version of the policy will be adopted by the subsequent Council meeting, to allow a considerable period of time for public input.

5.5 If a subsidiary has a fundamental objection to the final draft (as communicated by its board chair to the President within one week of the Council meeting), the .nz governance policy concerned will not be introduced or will remain as previously in force until the subsequent ordinarily-scheduled Council meeting. If the Council recommits to its decision, then the revised/new policy is then in force.

6   General matters

6.1   Any of the timeframes set out in this PDP may be extended, but not shortened unless in the case of a clear emergency required by circumstances beyond the control of the Council.

6.2   Where shorter timeframes are required by such circumstances, best efforts will be used to ensure the views of relevant parties are taken into account before decisions are made. Further, the decision will be placed on the agenda for the subsequent Council meeting with the intention of then following the normal policy development process as set out in this policy.

6.3   All policies come into force at the date specified by the Council resolution adopting them.

Treasury Policy

Policy	**FIN-TSY** – Treasury Policy
Version	1.0
Date in force	???
Planned review	March 2016

Purpose and Scope

This policy has been developed to enable treasury risks within InternetNZ to be prudently managed.

InternetNZ will ensure sufficient liquidity to enable operational and capital expenditure commitments to be met and will invest in investments with a reasonably low risk of short term (annual) loss.

Responsibilities

While the Council has final responsibility for the policy governing the management of InternetNZ's risks, it delegates overall responsibility for the day to day management of such risks to the Chief Executive.

Council acknowledges that there are various financial risks such as interest rate risk, currency risk, liquidity risk and credit risk arising from its treasury activities.

InternetNZ is a risk averse entity and does not wish to incur additional risk from its treasury activities.

The Chief Executive of InternetNZ shall have the responsibility to explore, establish and manage investments in accordance with this policy.

Cash Management

Managers with budget delegations will provide the Finance Manager timely information regarding planned expenditure, and "no surprises information regarding changes.

The Finance Manager will:
- calculate and maintain comprehensive cash flow projections on a monthly basis. These cash flow projections will determine InternetNZ's borrowing requirements and surplus for investment.

- maximise the return from available funds by ensuring significant payments are made within the vendor's payment terms, but no earlier than required, unless there is a financial benefit from doing so.

Financial Reserves

Required reserves will be calculated on the basis of:

- Two years of lease obligation. This allows for considerable time to sub-lease and provides some flexibility should it not be possible to sub-lease at the same rate as the current lease.

- Three months of operating expenses, including staff remuneration. Operating expenses should not include all costs, but those that will be required to be paid during a wind up process. Excluded should be:
  - Advertising/marketing
  - Consultants
  - Depreciation
  - Entertainment
  - Repairs & maintenance for computers and office equipment
  - Subscriptions where ceasing payment would make operational and financial sense

- One additional month of Operating expenses to provide working capital to meet contractual commitments (including Community Grants), operating expenditure and any other operating cost shortfall created by the timing of dividend payments.

- One month of staff remuneration to cover holiday pay owed

Financial Reserves are to be held in interest bearing call and term deposit accounts with major financial institutions.

Foreign Exchange Bank Accounts

All foreign currency bank accounts are to be held with a registered NZ trading bank.

InternetNZ will only hold foreign currency received from trading in a foreign-currency-denominated New Zealand bank account up to the amount of the transaction.

Authorised signatures on the account will be as per the authorised signatories section that follows.

Funds will be held in the account and converted at the most advantageous rate available to InternetNZ, or when the funds are needed.

Foreign Currency will be recorded in the accounting system at the rate as provided on: http://www.oanda.com/currency/converter/ or other recognised rates such as the Inland Revenue rates or those of an accounting software provider.

InternetNZ will not deal in speculative foreign currency trading of any sort.

Authorised Signatories

The authorised signatories to the bank accounts of InternetNZ are as follows:
- Chief Executive
- Nominated councillors

ANZ Direct On-line authorisers are as per bank account authorisations.

Cheque, Savings and Call Deposit Accounts

- All payments, whether by cheque, telegraphic transfer or direct credit must be authorised by two approved account signatories.

- Under no circumstances is an account signatory to sign a blank cheque.

- InternetNZ bank accounts must be in the name of Internet New Zealand Incorporated only.

- Operational expenditure is funded from the InternetNZ Current a/c (cheque) only.

- Interest-bearing savings accounts are to be used to hold a buffer of cash that can be applied should finance be required in the short term.

- All bank accounts must be with a registered NZ trading bank.

Community Funding Management Bank Accounts

These accounts will be used to manage the Community Funding, as defined payment dates are unknown, funds will be transferred to the higher interest-bearing account at the time the grant has been approved by Council.

Authorised signatures on the account are per those identified in the authorised signatories section.

All banks accounts must be with a registered NZ trading bank.

Term Deposits

All Term deposits will be with registered NZ trading bank.

InternetNZ shall not invest more than 50% or $1,000,000, whichever is the lower value, of its financial reserves with a single entity without an explicit vote of Council approving such investment.

Returns earned on term deposits shall be added back to the investment funds unless there is Council agreement directing otherwise.

Maturity dates of Term deposits will be spread sufficiently to enable InternetNZ's Financial commitments to be met.

New banking requirements now require 31 days' notice to break term deposits before their maturity date.

Managed Funds

InternetNZ shall adhere to the Constitution, Council Bylaws and to all relevant laws governing Incorporated Societies in its undertaking of managed funds.

Managed Funds are invested in line with InternetNZ's Investment Policy.

Petty Cash

Petty cash funds provide a convenient way to pay for small expenses, but keeping cash in any office entails risk of misuse or theft. This policy provides procedures designed to mitigate these risks.

Petty cash funds should not to be used as an operating fund, i.e., to pay invoices for goods or services, to pay salaries or wages, or to make advances or loans.

Petty cash funds provide cash to cover minor expenses, such as reimbursement of staff members and visitors for small expenses like such as taxi fares, postage, milk, newspaper, office supplies, generally not to exceed $50.

The Wellington office of InternetNZ has a petty cash float of $400. Petty cash is to be kept in a lockbox in a locked cabinet.

Borrowings

In the event that InternetNZ borrows funds, this will need to be approved by Council as part of the Annual Planning process or by resolution of Council before the borrowing is undertaken.

The term borrowing includes a bank overdraft facility.

Code of Ethics

Policy	CNL-ETH: Code of Ethics
Version	1.2~~1~~
Date in force	~~Apr 2015~~November 2016
Planned review	~~Feb 2016~~November 2017

The Council is committed to ethical conduct in all areas of its responsibilities and authority.

Accordingly, this policy sets out the Code of Ethics and Proper Practice that members of the Council as individuals are bound to.

Councillors will:

1. act honestly and in good faith at all times in the best interests of InternetNZ

2. carry out their duties in a lawful and business-like manner and ensure that InternetNZ carries out its business likewise

3. avoid conflicts of interests in as far as this is possible and where such conflicts arise, will act within the terms of the Council's Conflict of Interests policy as set out in this document

4. attend Council and sub-group meetings and devote sufficient time to preparation for Council meetings to allow for full and appropriate participation in the Council's decision making

5. observe the confidentiality of non-public information acquired by them in their role as Council members, and not disclose confidential information that might be harmful to InternetNZ or any of its subsidiaries

6. interact with the Council and staff in a positive and constructive manner

7. not do anything that in any way denigrates InternetNZ or harms its image

Councillor Role Descriptions

Policy	CNL-CRD: Councillor Role Descriptions
Version	1.2~~1~~
Date in force	~~Apr 2015~~November 2016
Planned review	~~Feb 2016~~November 2017

Introduction

This policy sets out the role and responsibilities that Councillors hold.

Council member skills

A successful Council will have Councillors with a mix of skills and attributes which include the following:

- a passion for the objectives of the Society, and an interest and enthusiasm for the range of activities the Society and its subsidiaries are involved in

- governance skills and experience or an understanding of governance skills

- common sense, wisdom and judgement

- integrity and commitment to ethical behaviour

- business acumen (including financial literacy) and a track record in his/ her professional field

- independent thought and the ability to debate and defend viewpoints

- objectivity and the ability to take a broader perspective – the "helicopter view"

- ability to work as part of a team and support the collective view of the Council

- risk management appreciation and experience

- project governance or project management experience

All Council members must have time to commit to the role. This includes attending Council meetings and preparing adequately for these meetings, sitting on Council committees (as required), and keeping abreast of issues facing the Society and relevant to the Society's objectives.

President of InternetNZ

Key Functions

In addition to the requirements set for Council Members, the President has the following additional functions:

- chair the Council and as such, has the lead role for assuring the integrity of the Council's governance processes

- lead the Council in its strategic planning processes

- act as the face of the InternetNZ Council and spokesperson on strategic issues and Council issues when this is required in matters of accountability to members and other key stakeholders

- will, from time to time, represent the full membership of the Society and not only the Council itself

- chair the Nominations Committee of Council

- convene a regular (quarterly) forum of the chairs of the subsidiary boards to discuss areas of common interest, to avoid duplication and to ensure each subsidiary is aligned with each other and with the strategic direction of the Society

- act as the chair of all General Meetings of the Society

- representation at national and international fora on InternetNZ group issues

- other duties and responsibilities specifically defined in the Constitution

This is a non-executive role but requires considerable commitment.

Vice-President of InternetNZ

Key Functions

In addition to the requirements set out for Council Members, the Vice-President has the following additional functions:

- act in the absence or incapacity of the President

- attend the quarterly forum (convened by the President) of the chairs of subsidiary boards

- other duties and responsibilities specifically defined in the Constitution

Council Role and Functions

#

Policy	CNL-CRF: Council Role and Functions
Version	1.~~1~~2
Date in force	~~Apr 2015~~November 2016
Planned review	~~Feb 2016~~November 2017

Council's Role

Under the Constitution, the Council of InternetNZ conducts the affairs of the Society. The role of the Council is to provide quality governance and strategic leadership of InternetNZ, while the day-to-day work of the Society is carried out by the InternetNZ Office and subsidiaries.

Approach

As the peak governance body of an Incorporated Society with related, but diverse, operations, Council will maintain an emphasis on:

- outward vision rather than inward focus

- strategic leadership rather than administrative detail

- collective rather than individual decisions

- future focus

- a clear distinction between the roles of the Council, InternetNZ staff, the subsidiary boards and their staff.

The members of the InternetNZ Council are elected directly by members of the Society, as are the President and Vice-President of the Society. Council members are expected to represent the interests and concerns of the Society's membership as a proxy for the broader interests and concerns of the entire local Internet community.

InternetNZ has three units:

- InternetNZ Office reporting to the Council through a Chief Executive

- New Zealand Domain Name Registry Limited reporting to a board appointed by InternetNZ

- Domain Name Commission Limited reporting to a board appointed by InternetNZ

Council Functions

Council members must contribute collectively, as one of twelve members of Council, in an effective manner to the Council undertaking its functions. These include:

Maintaining a future focus – providing leadership and a sense of direction for the Society.

Specific tasks for Council include:
- setting the vision, mission and high-level strategy for the Society

- agreeing and approving of the strategy, business plans and budgets, ensuring these are consistent with those of the Society as a whole

- ensuring adequate resources and delegations to enable achievement of the Society's objectives

- approving the long term strategy for .nz domain name space

Approving and monitoring policies
Specific tasks for Council include:

- agreeing the top-level policies of the Society

- approving any changes to the policy framework underlying the allocation and use of domain names in the .nz domain name space and/or the key principles that underpin the .nz policy

- approving the monthly fee charged by the registry to register a domain name

- approving changes to the .nz position on international issues

Ensuring effective issues management and communication
Specific tasks for Council include:

- regularly communicating strategy and performance with members and key stakeholders

- identifying new issues and ensuring processes are in place to address these

- represent members' interests and be responsive to members' issues

Ensuring the ongoing viability of subsidiaries
Specific tasks for Council include:

- developing and approving formal Operating Agreements with the subsidiaries

- appointing (and removing) the chairs and directors of the subsidiary boards

- ensuring appropriate subsidiary board composition, experience and skills

- developing an annual Statement of Expectations for each subsidiary

- ensuring accurate, timely and relevant reporting, to enable effective monitoring of the key performance targets and the financial aspects of each subsidiary's activities

- monitoring progress towards meeting agreed business plan and budget objectives and holding the board accountable for the performance of the subsidiary

Compliance and risk management
Specific tasks for Council include:

- ensuring conformance with constitutional, legislative and regulatory requirements and best practice

- ensuring adequate processes for identifying, assessing and mitigating risks to the Society, its systems and processes, and staff

- ensuring adequate internal controls and processes are in place to protect the Society's assets (physical, financial, human and intellectual capital).

Ensuring effective Council performance
Specific tasks for Council include:

- annually reviewing the functions and performance of the Council and its members, and any Council Committees

- complying with the Code of Ethics and Conflict of Interest policies

Council's Obligations to Members

Background

The stated benefits from membership of InternetNZ are:

- The opportunity to participate in wide ranging discussions concerning the ongoing development of the Internet.

- The opportunity to participate in the development of the information society by encouraging responsible policy making and an open and orderly development.

- The opportunity to have your say in the management of the New Zealand domain (.nz).

- Access to up to date information and expertise.

- The opportunity to network with other members of the NZ Internet community.

- The opportunity to identify directions in important areas such as education, commerce, and inter-national relationships through our public forum process.

Membership entitles you to vote at our AGM at which the Society Council members are elected and as an "Ordinary" member you will be eligible for nomination to stand for Council yourself.

Council's obligations

Council's obligations to members include:

- Conducting the affairs of the Society in accordance with the Constitution and the resolutions of Members of the Society in General Meetings

- Sending to members an annual report, the financial statements for the immediately preceding financial year and the auditor's report on those statements, for consideration at the Annual General Meeting

- Sending to members a business plan and budget of income and expenditure for the current financial year and recommendations for levels of subscription for the membership classes of the Society, for approval at the Annual General Meeting

Members are able to provide input on public policy and critical Internet issues through the policy consultation process.

Council will consult members annually about what they see are the key issues to be addressed and included in the annual Statements of Expectation for the subsidiaries. The various mailing lists run by InternetNZ will provide some sense of the "hot" issues.

The Council itself may wish to have a regular (e.g. quarterly) newsletter to members reporting on its own activities, and key achievements for the Society and its subsidiaries.

For its own information, Council should receive regular information (monthly or quarterly) on membership numbers, key changes by class of membership etc, as one way of measuring the ongoing "health" and relevance of the Society.

Conflict of Interests

Policy	CNL-COI: Conflict of Interests
Version	1.21
Date in force	Apr 2015November 2016
Planned review	Feb 2016November 2017

Council places importance on making clear any existing or potential conflicts of interest for its members.

Accordingly:

1. Any business or personal matter which is, or could be, a conflict of interest involving the individual and his/her role and relationship with InternetNZ, must be declared and registered in the Conflicts of Interest register

2. The Register will be presented to the Council and formally received. Where a conflict of interest is identified and/or registered, the Council member concerned shall not vote on that issue, and may only with unanimous agreement participate in any Council discussion on that topic

3. The President must take whatever steps are necessary to ensure that any conflict is managed in an appropriate manner according to this policy

4. Individual Council members, aware of a real or potential conflict of interest of another Council member, have a responsibility to bring this to the notice of the Council

Examples of such conflicts of interest are:

- When a Council member, or his/her immediate family or business interests, stands to gain financially from any business dealings, programmes or services of InternetNZ or any of its subsidiaries

- When a Council member him or herself offers a professional service to InternetNZ or any of its subsidiaries

- When a Council member stands to gain personally or professionally from any insider knowledge if that knowledge is used to his or her personal or professional advantage

- Where a Council member is on another body that may have competing or conflicting interests or where knowledge of InternetNZ views or information might unduly favour the member's other appointment/organisation.

Document Information Disclosure Policy

Policy	CNL-DID: Document Information Disclosure Policy
Version	1.~~01~~
Date in force	~~1 June 2016~~November 2016
Planned review	~~1 June 2018~~November 2017

1   Introduction

1.1   This policy sets out the Council's Document Information Disclosure process.

1.2   It is an InternetNZ Governance Policy, and applies to InternetNZ.

1.3   It explains how the Council will manage confidential information, and when and how that is then disclosed to the public.

1.4   The approach this DIDP takes is to default to openness and only to withhold information when there is a particularly significant reason to do so. In that event, any withholding will be time specified and reviewed to check whether it may now be released.

1.5   Nothing in this DIDP will require the Council to disclose information that is protected under the Privacy Act or that relates to personnel matters.

1.6   This policy will apply to documents that were submitted to Council on or after 1 July 2015.

2   Submitting Confidential papers to Council

2.1   InternetNZ staff or Subsidiaries may submit to the Council items that are clearly marked as Confidential, and specify the timeframe that that item must be withheld from the public.

2.2   This status is for matters that are truly confidential, for example:

2.2.1   To protect the privacy of members (e.g. when lists of new members are approved) or other people

2.2.2   To protect the organisation's ability to act (e.g. if legal advice or tactics/strategy were being discussed related to a dispute or campaign)

2.2.3   To protect the organisation's reputation or ability to function (e.g. if a security flaw was discovered, or an employment dispute was being managed, or a newly-realised operational risk was being tackled)

2.2.4   To protect the organisation's commercial interests (e.g. negotiation of a lease for premises)

2.2.5   As required for the proper administration of the .nz ccTLD (e.g. recommendations to change the wholesale fee for domain names from DNCL and NZRS are confidential until the decision is made).

2.3 An "item" for this policy is any sort of document presented to Council for its consideration or agreement – examples include a policy document, a report, draft correspondence, a review. Unless something is excluded (see section 5) it will be counted as an "item" covered by this Policy.

2.4 If no timeframe is specified, the default release will be two years later. Two years is the maximum time before review.

2.5 In doing so, the author of the item must justify why that item is Confidential and why the specified time period for that status is required.

2.6 The Chief Executive must approve any item being lodged as a Confidential item, and satisfy themselves that it meets the threshold and reasons for confidentiality set out in this policy before giving such approval.

2.7 Any Confidential items for the Council will be distributed to Council separately from the rest of the documentation for the Council Meeting, and will not be provided to the public in advance of that Council Meeting.

2.8 Councillors may challenge the justification for Confidential status of an item. They could make a decision to release such an item by resolution. In the event that such a resolution is passed and the paper is no longer Confidential, it will be released to the public alongside the Minutes from the Council Meeting.

3 Administration, review and disclosure

3.1 InternetNZ staff will keep a register of all Confidential items, the grounds on which they are Confidential, and their specified timeframe for being withheld.

3.2 At each Council meeting, staff will make a recommendation as to which pending items should be released, and which should continue to be withheld beyond the initial timeframe. Staff will develop the recommendation in consultation with the item's author.

3.3 The only justification for continued Confidential status beyond the maximum / default two-year period would be that release would be seriously prejudicial to InternetNZ. An extension could only be authorised by Council resolution specifying what the item is and why release would be seriously prejudicial.

3.4 Items that are no longer Confidential will be published on a page on the InternetNZ website following the Council meeting, and indication will be made in the minutes of the meeting and in notice of the minutes that the material has been released.

4 Appeals

4.1 If anyone believes that a document should be disclosed because they do not agree it should have been confidential (i.e. that this policy has been mis-applied), or for any other reason, the Council will consider the request on a case-by-case basis.

4.2 In general, the Council will seek to interpret this policy with a bias towards being as "open as is possible".

5 Excluded material

5.1 For clarity, the following information is not covered by this policy:

5.1.1 The Council's email lists

5.1.2 Staff email

5.1.3 Staff drafts of documents, where finals do get released or where the documents are never presented to Council

GOVERNANCE POLICIES – PLANNING & REPORTING / PLANNING CYCLE

Author: Jordan Carter, Chief Executive

Purpose of Paper: To finalise updates to Group Governance Policies - the Planning and Reporting Timetable and Annual Planning Cycle.

Updates to the above-mentioned Governance Policies were put before Council for draft approval at the August 2016 meeting.

Feedback and input from subsidiaries was sought as required by the PDP. None was received, as expected (the drafts were prepared with subsidiary input).

As such, these policy documents are ready to be brought into force.

Recommendation

THAT the revised Group Policies – Planning and Reporting Timetable and Annual Planning Cycle – be adopted and brought into effect as of today.

Jordan Carter
Chief Executive

17 November 2016

Group Policy: Planning and Reporting Timetable

Policy	GRP-PRT: Group Policy – Planning and Reporting Timetable
Version	Version 1.2
Date in force	November 2016
Planned review	November 2018

Planning Cycle

Activity	Date/Month	Comment
InternetNZ finalises Statement of Expectations for each subsidiary	By end November	Sets out Councils strategic direction, goals and expectations for each company (including dividend payments for the following year)
DNCL submits Statement of Direction and Goals for the next three years for approval	By early February	SoDaG contains the broad strategy for the company, the key performance targets for which the company will be held accountable and the budget for next 3 years
InternetNZ considers DNCL Statement of Direction and Goals, and approves it (or asks for revisions)	By end February	Where revisions are required, they are approved in between Council meetings
NZRS submits Statement of Direction and Goals for the next three years for approval	By early May	
InternetNZ considers NZRS Statement of Direction and Goals, and approves it (or asks for revisions)	By end May	If .nz fee is changed, may push NZRS SoDaG approval to June

Reporting Cycle

Activity	Date/Month	Comment
Fourth quarter reports from each subsidiary	By 10 May	Feedback is given to the subsidiaries where appropriate
Delivery of audited financial statements from each subsidiary to InternetNZ to enable the consolidation of InternetNZ group accounts	By end of May	Note – current practice is for the Society's auditor to audit all subsidiaries of the group
Annual report from each subsidiary is delivered to InternetNZ	By 20 June	Note – this date will change annually depending on the date of the Society's AGM
First quarter reports from each subsidiary	By 10 August	Feedback is given to the subsidiaries where appropriate
Second quarter reports from each subsidiary	By 10 November	Feedback is given to the subsidiaries where appropriate
Third quarter reports from each subsidiary	By 10 February	Feedback is given to the subsidiaries where appropriate

Note: Quarterly reports are on matters agreed between InternetNZ and subsidiaries from time to time.

At the time this policy was adopted (Nov 2016), they consist of:
- Governance reporting to the shareholder (incl financials)
- A joint report on the .nz domain name space
- NZRS reports on technical research and product & services development

Group Policy: Annual Planning Cycle

November 2016

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
IntNZ - Governance	Appointments panels for subsidiaries set up.	Council meets – reports mtg (after 15th)	Appointments made.	AGM & Council elections.	Council meets – reports mtg (after 15th). Induction of new councillors and directors (incl subsidiary inductions).	Council meets: Strategy/Team Building. Draft SoEs for subsidiaries considered.		Council meets – reports mtg (after 15th). SoEs for subsidiaries agreed.			Council meets – reports mtg (after 15th).	
IntNZ - Strategy					Scope of strategy discussion agreed by Council.	Strategy Retreat.	Strategic meet-ups.					
IntNZ – Bus Plan or Budget	Staff Work Planning.	Final Budget and Activity Plan approved.	Audit completed.		Staff environment scan, prep for Strat Retreat.			Budget window set. 6 mth activity plan review.		Staff Activity Planning.	Draft Budget and Activity Plan Approved.	Operational meet-ups.
Joint .nz	.nz Fee Recommendation to Council.								.		.nz Fee Workshop.	
NZRS	Final budget (only if fee or other assumptions changed).	SoD&G (incl budget) to InternetNZ.	NZRS Final SoD&G if delayed due to a change in the .nz Fee.			Strategy day.	Draft strategy.	Staff business plan day.	Final strategy. Draft budget.		Final business plan. 2nd draft budget.	
DNCL						Strategy day.	Draft strategy.	Staff business plan day.	Final strategy. Draft budget.		SoD&G (incl budget) to InternetNZ.	

DRAFT: Internal Information Sharing Policy

Policy	SUB-INF: Internal Information Sharing Policy
Version	Version 1.0
Date in force	November 2016
Planned review	November 2019

Purpose

It has been agreed across the InternetNZ Group that each business unit should maintain a policy on information sharing with the other business units. This is that policy.

Scope

This policy only applies to information that InternetNZ already collects as an ordinary part of its work.

The responsibility to ensure this policy is carried out rests with the Chief Executive. That is, the responsibilities set out here are not imposed on individual Council members, though to the extent it is reasonable they are encouraged to act consistent with this policy.

Outcomes

The intended outcomes of information sharing are:

- To maintain an efficient and productive working relationship across the three business units.
- To enable each business unit to correctly plan their work and effectively respond to the changing environment.
- To provide all business units confidence that they are working towards common goals.
- To prevent problems from arising or to mitigate the impact of any problems that arise across the business units.

General Approach

InternetNZ will share all information needed to deliver the outcomes set out above.

In particular, InternetNZ will share information that either DNCL or NZRS:
- Needs to know; or
- Would expect to have shared with them in compliance with other group policies; or

- Would be disappointed not to have had shared with them.

Exceptions

Information may not be shared if it falls into any of the following categories:

- Information that needs to be kept confidential for legal reasons.
- Information that needs to be kept confidential for current commercial reasons.
- Information that has been provided by a third party to whom a commitment of confidentiality has been given.
- Information at such an early stage of development that sharing it may undermine the process in which it is developed.
- Information at a level of detail that sharing it would be contrary to best practice and/or undermine the responsibilities of Council members and of management.
- Information relating to InternetNZ's ownership interests in subsidiary companies or systemic role as steward for .nz (that is not yet ready for sharing with other business units).
- Private or confidential information about members or about staff/contractors (personnel issues).

COMMUNITY PROJECT GRANT RECOMMENDATIONS

Author: Ellen Strickland Community Programme Director

Purpose of Paper: To seek Council approval of Community Projects Funding
Round funding decisions.

Background

InternetNZ's Community Projects Funding Round for 2016-17 was launched on
1 July 2016. We received 43 applications for over $900k in projects and with
the $100k funding round limit, after assessment by the Grants Committee a
small portion were shortlisted and invited to go through to Stage Two.

The 15 applications that were shortlisted were asked to complete a detailed
application form which asks for more details on their project proposal as well
as submit at least two reference letters from their nominated referees
addressing the applicant's experience and capacity to deliver on their
proposed project.

Stage Two closed 19 October. 11 Stage Tow applications were received.
Following Grants Committee consideration, 7 applications are recommended
by the Committee to be funded through this round.

The process the Grants Committee followed in making its recommendations is
attached at Appendix 1.

Funding Recommendations

After the Grants Committee reviewed all applications, the Committee has
agreed to recommend providing full funding for all 7 applications.

The remaining four applications are recommended to be declined due to lack
of available funds.

Community Projects Recommended for Funding (Total $103,536.59)

- *Novia Ng for Gather Workshops ($22,500)*
  The aim of this rural and low-decile initiative is to bring the success we
  see in all our workshops to students who don't have access to this
  opportunity on their own. We want to go to as many rural and low-
  decile schools as possible, to give as many young New Zealanders as
  possible the opportunity to consider joining our exciting and high-
  growth industry.

  *Grants committee comment: "The committee really likes the project and
  looks forward to supporting Gather in their aim."*

- *Brent Wood for New Zealand Open Source Society ($5,000)*
  Most CRI's, local & central government agencies and other research
  agencies in New Zealand follow the LINZ SDI Cookbook and NIWA

EODP guidelines to use OGC web services to provide machine readable access to their environmental data holdings, following the requirements of the 2011 Declaration on Open and Transparent Government. However, there is a lack of any central discovery service, enabling potential users to find these data services. Any potential user needs to make an institution by institution search to find what is available and how to access them. Tools such as data.govt.nz catalogue only Most CRI's, local & central government agencies and other research agencies in New Zealand follow the LINZ SDI Cookbook and NIWA EODP guidelines to use OGC web services to provide machine readable access to their environmental data holdings, following the requirements of the 2011 Declaration on Open and Transparent Government.

Tools such as data.govt.nz catalogue only government datasets, yet throughout NZ, NGO's and other non-government agencies (local botanical societies, Maori groups, systems such as Ebird and Naturewatch also manage (and increasingly provide OGC based access to) valuable, reusable datasets, which will never be listed on data.govt.nz.

Grants committee comment: "Great value for money. Committee believes that this project promises more effective use of the Internet to access open geo data."

- *Chris Rowse for Project De-Vine Trust ($16,450)*
  Project De-Vine Trust (PDVT) is a Charitable Trust established to eradicate or progressively control noxious vines and other invasive plants throughout Golden Bay. Currently targeted vine species include old man's beard, banana passion vine, and climbing asparagus.

  Established in 2007, the project has grown quickly from a small group holding weed busting working bees in Clifton, to the first funding in 2010.

  To date in 2016, 400 properties have been assessed and/or are under control and overall, covering 2000 hectares of controlled land, with 7500 hectares awaiting control work as funding allows.

  The project relies on funding or support from multiple sources, local landowners, DOC's Community Fund, Lotteries, Tasman District Council, local businesses and many others.

  Perhaps unsurprisingly, the project's use of technology has often been reactive.
  This is particularly true of its adoption of GIS (Geographical Information Systems) technology, or 'Geospatial' technology.

  Such technology places emphasis on the geography of a project's elements and allows them to be viewed, analysed, updated and reported on based on their location. Indeed, geography is inherent in core elements including property ownership, health and safety, tracking seedlings, and the control treatments, all core elements of a vine control operation.

  PDVT has used geospatial tools to a limited extent, albeit in an ad hoc

fashion and with reliance on manual data management and mapping processes.

This document proposes that a purpose built integrated geospatial system is introduced and become a core management tool, addressing inefficiencies with current processes around planning, surveillance, control and reporting.

Grants committee comment: "The committee feels it's a great project and especially likes the use of open data and the way it enables collaboration."

- *Matt Hampton for Community Wireless Trust ($15,000)*
  The project aim is for a Collaborative, Connected Community for all. Included future projects could see an FM radio station, a collaboration space for community groups to share local information, free wifi throughout the main business area and the utilisation of CIP cameras to give live streaming of events such as Waimate 50, Strawberry Fair and Waimate Rodeo.

  Grants committee comment: "The committee feels it is a valuable project focusing on connectivity for this community. We are keen to see and enable learnings from this grant being shared with other small, rural communities."

- *Brent Wood for New Zealand Open Source Society ($4,500)*
  CRI's, government agencies and councils make extensive use of the Open Source statistical and modelling tool "R" to model and plot/graph/visualise data. Staff have developed considerable expertise using R for a range of such purposes, generally for fixed graphical output in reports and other documents.

  A new R based technology - Shiny - allows R outputs to be interactive web graphics, rather than static images. Interactive data visualisations van be embedded in web pages directly by researchers, with no need for web designers, developers or java programmers, etc.

  The R user community is an active, self-help community, and this application is for funding to help establish and maintain a NZ Shiny server which people from a range of agencies can prototype and share R code to do this, as well as implement production visualisations which can be embedded in agency websites.

  In the last 12 months, NIWA, Landcare Research, GNS, MBIE and Statistics NZ have all started to use Shiny to provide new ways of turning data into online visualisations. Councils and other agencies are also starting to explore this approach.

  This project is largely volunteer based, but needs resources to stand it up as a production capability. It is to set up a NZ Shiny server, where individuals and agencies can develop, showcase, share and deploy production instances of Shiny visualisations.

  This project is building on existing web based data delivery systems, to provide graphical and interactive visualisations of those data.

Grants committee comment: "The Committee feels it's a useful project that supports a common resource to enable interactive visualisation of data on the Internet. Great to see build on NZ IP."

- *Brittany Travers for Homely New Zealand Ltd ($5,000)*
Homely is a cloud platform service that links donors with registered recipients, to source household donations for new refugees' state houses.

  Homely maps out the placement of refugees across New Zealand in order to create an impetus on people living in those regions to donate to charities and furnish houses that refugees are about to arrive in.

  The project aligns with New Zealand humanitarian organisations' and Government's efforts to support refugee resettlement in New Zealand.

  Homely's mission to strengthen community resilience and refugee resettlement aligns strongly with InternetNZ's ethos of promoting and protecting human rights on the Internet.

  Grants committee comment: "The Committee feels it's a valuable project using the Internet for the benefit of communities, especially a disadvantaged community."

- *Cheryl Smeaton for WestREAP ($35,086.50)*
"Establishing WiFi internet connections for families residing in the South Westland communities from Fox Glacier through Paringa and with priority to the whanau of Te Tauraka Waka a Maui Marae based in Bruce Bay. Estimated number of resident households would be 50."

  Grants committee comment: "The Committee sees the value in enabling access for this isolated area and how it will benefit the community."

Community Projects Recommended Funding Declined (due to lack of funding)

- *Suresh Swamy for Yali Ltd ($20,000)*
"Community networking, where communities of citizens build, operate, and own open IP-based networks. Internet service companies are usually reluctant to extend their network outside cities due to a combination of high infrastructure costs, low population density, limited ability to pay for services, and an unreliable or non-existent electricity infrastructure. Remote regions of the country internet connectivity isn't always available. The current roll out of Ultra-Fast Broadband will cover 75% of New Zealanders by 2019. Rural Broadband Initiative (RBI) will cover the rest of NZ. For people living in areas outside UFB and RBI initiative the only options are a broadband service of less than 5 Mbps or a satellite service. Rural wireless or satellite broadband is expensive, sometimes unreliable. The Government is technology neutral on how best to facilitate the upgrade of services in rural and remote areas. The basic model is simple, reliable and inexpensive and it uses well-proven technology. A small wireless antenna is used to connect premises to a community node which is, in turn, connected to transmission links to one of the national data networks (backhaul). A distribution system of

this kind can support broadband services of 8 – 50 Mbps provided that the capacity of the backhaul is sufficient. Once the community nodes are provided, additional premises can be connected on a DIY basis. Routine setup, maintenance and administration can easily be performed by someone with average computer skills, so that overheads can be kept to a minimum."

Grants committee comment: "The committee felt that the plan needed more development and lacked details."

- *Linda Tame for Greater Christchurch Schools' Network ($20,000)*
  "This project aims to establish a hardship fund to help subsidise the cost of providing chromebooks to parents and whānau who cannot afford to purchase or lease these devices and who are ineligible for WINZ advances. Whilst schools can loan devices during the school day, our focus with this project is on using devices 24/7, both within school and at home. We are seeking funding of $20000 to create a financial reserve that can be called upon by any of the 31 schools in the five lower decile communities which comprise the Te Tihi o te Mātauranga (TToM) project."

  Grants committee comment: "The committee found the application lacked details about the budget and timeline. For any future applications, it would be useful to provide more detailed budget and plan of action."

- *Dan Milward for Gamelab Limited ($24,104)*
  "Deepening opportunities for young New Zealanders, particularly those from low socio-economic backgrounds, to develop coding skills, and see pathways into careers involving computer science. Workshops offered will help bridge the digital divide and skills gap by enabling young people and teachers to learn the basics of coding, computational thinking, and digital game design. We want to enhance communities' capabilities to sustain their own STEM learning hubs."

  Grants committee comment: "The committee felt that the alignment with the round purpose was weaker than other applications and impacted the final assessment."

- *Alanna Krause for Loomio ($40,000)*
  "Loomio is an open source web app for collaborative decision-making, already used by thousands of people in New Zealand and around the world. We have received clear feedback from users that providing a Loomio mobile app would meaningfully improve access and impact of online collaborative decision-making. Especially in current under-served communities like youth, Maori/Pacifica, and developing economies, people often have more access to mobiles than to computers.

  This project is about creating a Loomio mobile app, so more people can use it in the way most accessible to them, and participate in decisions that affect them."

  Grants committee comment: "The Committee felt that the alignment with round purpose and benefit were weaker than other applications.

Also, high cost of the project lowered value for money and impacted the assessment scoring. "

Next Steps

After Council's decision regarding recommendations, staff will communicate Council decisions to successful and unsuccessful applicants and arrange community grant contacts and payment to recipients.

Recommendation

THAT Council approve the Grants Committee recommendations for funding as detailed in this paper, with the additional $3535.50 in funding coming from the On-Demand Grants line of the Community Grants Budget (which has extra funds available due to a roll over from last year unused funding for this line) and from a Conference Attendance grant unable to be accepted by an applicant earlier in this round.

Ellen Strickland

Community Programme Director

for the Grants Committee.

Appendix 1: Grants Committee decision-making process & evaluation criteria

- Via the Smarty Grants system, staff provide the Grants Committee access to all applications and comments from the Grants Input List (i.e. selected staff from INZ and the subsidiaries)
- The Grants Committee meeting was held on 1 November to assess applications and make recommendations on funding to Council.
- Applications were assessed against the following **criteria:**
    - **Alignment with Purpose**

      This criterion relates to the extent to which the Community project is aligned with the community grant purpose and related to community goals and objectives.

    - **Potential Benefit**

      With this criterion the committee is assessing the outcomes and potential benefit of the community project, including value for money.

    - **Likelihood of Success**

      With this criterion the committee is assessing the likelihood of the community project successfully delivering the outcomes and benefits intended.

- Grants Committee scores each application against each criterion on a 7-point scale (7 being the highest). Applications need to have a consensus score of 2 or in each category for the proposal to be considered.
- Where an application scores less than 2 in any of the criteria, this means it will not be funded.
- For the remaining applications, the score for each criterion are then weighted equally and summed to determine total score. The applications are then ranked.
- Proposals are then funded in sequence from highest to lowest until available funds are exhausted.

NetHui Activities: Approach 2017 and onwards

Author: Ellen Strickland, Community Programme Director

Purpose of Paper: Outline proposed approach for NetHui activities in 2017 and onwards, seeking agreement by Council on the timing and form of NetHui 2017 and a proposed path ahead for community consultation and discussion, both on the form of that event and on a longer run multi-year schedule for NetHui events.

Summary

This paper outlines a proposed approach for NetHui 2017 activities, based on NetHui events in the past. These include the NetHui 2016 Roadtrip and collaborations approach taken this year, and previous national and single regional events. The discussion includes feedback from participants and staff recommendations.

Proposed Approach

After reflection on past NetHui events, including the different approach to NetHui in 2016, staff recommend a balance in NetHui events which aims to build engagement with the Internet community around New Zealand, collaborate with other organisations and across sectors, as well as recognising the value of a distinct national event which provides a space for a national Internet community discussion and gathering on the future of the Internet.

For the coming year, this approach recommended would contain two components:

- NetHui 2017 'classic' event
- Potential additional regional or local community NetHui events, to be decided after community consultation and discussion

We also propose that a decision be made after community consultation and discussion to establish a NetHui events pattern for the next 2-3 years, to create clarity of expectations among the community and allow planning and execution to be optimised for Both InternetNZ and the community. We recommend that a 2-3 year cycle should include both national and regional events, even if they are not both part of each year's activities.

National NetHui event for 2017

Staff recommend that the national event 'classic' model of NetHui successfully developed over the last few years, and which is very popular to many in the community, be a continuing commitment.

NetHui 2017 will be planned as a NetHui 'classic' which will be a three day event in either Wellington or Auckland in 2017. Staff have identified a small number of viable venue options in Auckland and Wellington for a 2017 event and are progressing option assessment.

Staff recommend one change for the national NetHui event in 2017: moving the timing of event from July to later in the year. After discussion and analysis of the impacts of timing, staff believe that an October/November event has advantages over a July event. The following table considers this question:

	Mid-year July week (tradition)	Later in Oct/Nov (proposed)
Pros	- Consistency - Could be more political event with election upcoming - Gather collaboration timing works, is in same week	- Avoids ITx clash (in out years) - After election - avoids political NetHui, allows operational space for INZ election-related activities - Could build off other, sector specific event - International keynote easier - have few past declines keen if in Northern 'spring/summer' - NZIRF could be Day-0 - Kiwicon collab?
Cons	- Harder to get international keynote - ITx clash every 2nd year (unless we do regional cycle) - Could be very political event (which some NetHui attendees disliked in past election years)	- More potential clashes to manage - Kiwicon etc - May create expectation of additional other events earlier in year?

When announcing a venue and date for NetHui 2017, staff intend opening up a community discussion and calling for input and ideas around themes, topics and programme, to tease out how to evolve and refine the format and approach.

Other NetHui events in 2017 - for community consultation

Following the NetHui Roadtrip we have had expressions of interest from other regional centres, as well as from hosts of the NetHui Roadtrip events, to host another NetHui event in the coming year.

We are mindful of the workload and capacity which this might require, both from InternetNZ and local communities. Having worked with the communities on the

Roadtrip, we feel that any such events need to be approached thoughtfully and specifically based on discussion with the community.

Staff think potentially with a national NetHui later in the year, there could be benefit to having small, local NetHui events earlier in the year, as lead-in events. However staff recommend that any decisions on NetHui events besides a national event should be made following consultation and discussion with the community.

NetHui in 2018/2019

We recommend that NetHui events be a continuing commitment by InternetNZ, comprised of both a regular, longer national NetHui event, as well as some regional and local community NetHui events being supported by InternetNZ, working with local communities.

A two- or three-year NetHui cycle is a way to balance managing one large national event biannually, as well as a year of regional and sector based collaboration. There is not yet a clear picture about how best to do this: we have received a range of ideas from the community, from eagerness for a broad range of NetHui events every year to interest in an alternating model.

We recommend further engagement with the community to clarify options and thoughts, before agreeing on an approach which is implementable for staff and creates clarity and serves the community as best as possible.

Summary of next steps

Staff will, with Council's agreement:

- confirm a date and venue for a national NetHui 2017 and announce it by the end of the year or early 2017.
- undertake community consultation and engagement around details of the event, as well as other potential regional/local NetHui 2017 activities, and present plans for these as part of the detailed 2017-18 Activity Plan
- solicit community input and feedback on NetHui events in 2018/19 and provide an update to Council for discussion in the first half of 2017.

Recommendation

THAT the staff proposal for NetHui 2017 as a national event in late 2017 be agreed, and the next steps regarding staff consultation on the event's details and other potential regional/local activities in 2017 be noted.

Ellen Strickland
Community Programme Director

Strategic Partnership Options for 2017/18

Author: Ellen Strickland, Community Programme Director

Purpose of Paper: This paper recommends retaining the current Strategic Partnership Framework unchanged, and suggests possible Strategic Partners for 2017-18 onwards. It seeks Council's suggestions for other possible Strategic Partners for staff to consider and talk with.

Summary

This paper outlines proposed organisations for consideration and is intended to prompt open discussion around options for Strategic Partnerships commencing in 2017-18 utilising the current Strategic Partnership Framework Criteria.

Proposed Approach

Staff recommend stability in the approach to Strategic Partners and recommend continuation of the Strategic Partnership Framework Approach (attached as appendix and as used in the last three years with minor adjustment last made in review in December 2015).

Applying this framework, staff have identified existing partner organisations as well as a few other potential strategic partnership options, where we have strong relationships and where we believe the organisation might meet criteria of the framework and contribute to a valuable and balanced set of partnerships for InternetNZ.

We would like Councillors to consider these staff suggestions, and to raise other organisations that could be potential strategic partners.

Current Partnership Commitments

Current partnership commitments are as follows:

- NetSafe (two year partnership term expires 31 March 2018)
- 2020 Communications Trust (three year partnership term expires 31 March 2019)
- FigureNZ (two year partnership term expires 31 March 2018)

Proposed Strategic Partnership Organisations for Consideration in 2017 Onwards

The following existing partnerships are coming to term (and can be re-selected):

- Auckland University of Technology, related to the World Internet Project (two year partnership term expires 31 March 2017, with previous one year partnership)
- Creation Commons Aotearoa (one year partnership term expires 31 March 2017, with previous two year partnership)

The following prospective partnerships have been identified by staff:

- Gather Workshops
- New Zealand Centre for ICT Law, University of Auckland
- Victoria University Wellington, School of Engineering and Computer Science

Next Steps

Staff will use the Framework and talk with the list of current & prospective partners noted above, plus those identified by Councillors, over the next few months.

This will lead to a proposed Strategic Partnership slate being presented to Council at the February 2017 meeting.

Recommendation

THAT the Chief Executive present a recommended slate of Strategic Partnerships to the February 2017 Council meeting from among those organisations agreed in this paper/discussion.

Ellen Strickland
Community Programme Director

Appendix: Strategic Partnership Criteria

The following criteria were adopted by Council (updated in December 2015) as the framework for Strategic Partnership decisions, to ensure alignment of proposed partnerships with InternetNZ's purpose as well as to identify the foundations for and mechanisms of partnership.

1. Strategic Fit

Strategic Partnerships represent the largest financial and time commitment of any of InternetNZ's Community Funding mechanisms. As such, Strategic Partnerships need to have the strongest links to InternetNZ's strategy.

This criterion is assessed by:

- Each potential partnership being assessed and related to both the InternetNZ Objects and current InternetNZ strategy. Only partnerships which clearly contribute to these will be entered into.

- All current and prospective partnerships are then assessed as a Portfolio, to ensure that we have a range of partner organisations which relate to a broad variety of the Objects and areas of work canvassed by the current strategy. Recommendations on Strategic Fit are therefore made on the Portfolio as a whole.

2. Additionality

Experience gained through current partnerships indicates that InternetNZ has the most tangible impact in achieving its objects through partnership funding when such funding is linked to clear outputs enabled by the strategic partnership, which would not be possible without Partnership Funding, and which align to shared goals and objectives.

This criterion seeks to capture the opportunity for new activity and new outputs enabled by the funding proposed, as opposed to the baseline of not entering into a partnership funding arrangement.

These is assessed by:

- Preferring partnership opportunities which support new or additional outputs or capacity as of greater benefit to InternetNZ than supporting existing capacity.

- Preferring partnership opportunities which support activities that would otherwise not be possible, or not possible in a way which aligns to InternetNZ goals and objects, without such funding support.

3. Capacity to Deliver

For any proposed partnership, InternetNZ must have confidence that the other party has the ability to deliver on the work envisioned by the partnership, within the overall resource base available to it including the proposed partnership funding.

This criterion is assessed based on:

- Performance on past deliverables and relationship with InternetNZ.

- Experience in working relationship with InternetNZ.

- Overall organisational performance and working relationships with other partners.

- The proposed partner's ability to continue to operate over the envisioned term of the partnership, as demonstrated by analysis of the organisation's financials and commitment of their leadership.

4. Partners and Community Links

This criterion links to the value of deepening our networks and community engagement through partnerships. In general, InternetNZ wishes to widen and deepen links across the Internet community.

This is assessed by:

- Understanding and valuing other institutional and funding relationships, particularly those which are complementary to InternetNZ relationships.

- Valuing links to community which support the organisation's work and are aligned and potentially beneficial to InternetNZ and vice versa.

- Spread of impact across key stakeholder groups.

COUNCIL REPRESENTATION ON SUBSIDIARY BOARDS

Author: Jordan Carter, Chief Executive

Purpose of Paper: To identify the current policy setting out the terms of Council members of subsidiary company boards and to spur Council discussion of the suggestion of shorter terms for these directors.

Introduction

At the August 2016 meeting, the President raised a suggestion that the length of terms of Councillor members of subsidiary boards be changed. Rather than current practice, they would be limited to one two-year term.

The approach is set out in the Governance Policy: "SUB-APT: Board Appointments and Roles". The third section of that policy makes it clear that Council appointees are for the same term as other directors, and are eligible to complete terms should they finish their term on Council.

Pros and cons of shorter terms

There are advantages and disadvantages of shorter terms. The following are provided as discussion starters – they do not represent my opinion per se on the question:

Pros	Cons
- More Councillors will gain understanding of the subsidiaries through more rapid turnover. - Councillor directors less likely to be "embedded" in the subsidiary's approach / culture.	- It takes time to get up to speed – Councillor directors may never have the chance to be truly effective. - A different approach compared with other directors might signal a "second class" role cf independent directors.

Recommendation

My recommendation is that Council **discuss** this suggestion and initiate any policy changes as per the PDP if change is sought.

Jordan Carter
Chief Executive

16 November 2016

STATEMENTS OF EXPECTATIONS 2017/18

Author: Jordan Carter, Chief Executive

Purpose of Paper: To propose draft Statements of Expectations for NZRS and DNCL for the 2017/18 year, arising out of discussions with the companies. These are for adoption at this meeting.

Each year, InternetNZ establishes Statements of Expectations for our subsidiary companies.

These documents identify our priorities for each company in the coming year. The subsidiary responds with a Statement of Directions and Goals that explains how it will deliver the expectations & what it will cost to do so (i.e. the budget).

The longer-term role of each company is specified in a range of policy, strategy and operating documents (e.g. the Group Strategy; the Subsidiaries and .nz Framework policies; the Operating Agreements).

I have worked with each company and with relevant Councillors to propose updated SoEs for the coming year:
- For NZRS, this involved me meeting with the CEO and COO of the company.
- For DNCL, this involved a meeting of me and Hayden Glass with the CEO and a number of directors.

The Statements of Expectations were comprehensively re-written for the 2015/16 year. My approach this year has been a modest one: I have not proposed structural changes to these documents, simply updating them instead.

Marked up copies showing the proposed changes, along with explanatory comments where necessary, are attached. These have been circulated to the subsidiaries and are ready for approval.

Recommendation

That the draft Statements of Expectations for NZRS and DNCL for the 2017/18 year be [approved / approved as amended].

Jordan Carter
Chief Executive

Statement of Expectations: DNCL

2017-2018

1.   Introduction

This draft Statement of Expectations sets out InternetNZ's expectations for the 2017-18 year for Domain Name Commission Ltd (DNCL).

It provides clarity for the company regarding its core role and the functions the shareholder expects the company to deliver. As well as a formal communication of shareholder expectations, to which the company will be held to account, it is also therefore an input to the company's strategic and business planning.

As sole shareholder InternetNZ's interest is in DNCL operating effectively and efficiency to achieve its core role and required functions. The detail of how that role and those functions are to be provided and the cost of doing so is determined by the company, and is to be set out in the company's Statement of Direction and Goals as detailed in section 8.

This document will be considered for approval by Council on 25 November 2016.

2.   Strategic Framework

For 2015-2020 InternetNZ has created a Group Strategic Plan. It sets out the overall role of the InternetNZ group and assigns lead responsibility for areas of work to different units. The plan is available in the register of governance documents at www.internetnz.nz.

Of particular relevance to DNCL is strategic **Area 1: .nz as a world-class ccTLD that meets the needs of the local Internet community**.

The shareholder expects the company to give effect to this area as its core strategic imperative. It should however consider the whole strategy as an input to its own planning process.

The more detailed joint strategy guiding the development of .nz is a shared responsibility for DNCL and for NZRS. The strategy was jointly developed by both companies, and was approved by the Council in June 2015.

3. Core Role

The core role for DNCL is:

- To operate, maintain, develop and enforce the policy framework for the .nz ccTLD, and to monitor & hold accountable NZRS's performance against SLA standards of operation for .nz.

This description is a brief summary of the role set out for the company in the **.nz Framework Policy** and in the **DNCL Operating Agreement**. These documents are available in the register of governance documents at www.internetnz.nz.

4. Core functions

In advancing the company's core role, the shareholder expects the functions set out below to be provided.

Function	Explanation
DNCL	
.nz policy framework	Maintain and develop the policy framework that sets out how .nz operates, and enforce its requirements on relevant parties.
.nz dispute resolution	Provide a service for resolving disputes between registrants consistent with the .nz policy framework.
.nz Service Level Agreement	Monitor and develop as required the SLA that specifies the service levels required for the operation of the SRS and the DNS.
.nz oversight and assistance	Oversee the .nz market and provide support and advice for members of the public.
ALONG WITH NZRS	
.nz international representation	Consistent with the group international strategy and plan, represent .nz at relevant international events and cooperate with international partners.
.nz product development	Continue to develop the .nz product offering consistent with the group strategy goal regarding .nz being a world-class ccTLD.

Functions additional to these, or the commencement of new functions, or significant changes to the resources applied to the functions set out in this SoE, all require explicit prior shareholder agreement.

Such approval could occur through approval of the annual Statement of Direction and Goals (SoDaG) where such changes are set out, or on a case by case basis through an exchange of letters.

Consistent with the no-surprises approach outlined below, where changes of this sort are contemplated they should be raised early with shareholder.

5.   Specific projects in 2017-18

The shareholder expects the following group projects to be addressed by the company in the 2017-18 year, and welcomes advice from the company as part of the Statement of Directions and Goals as to how these will be progressed in the coming year.

- Develop the benchmarks approach set out in the Joint .nz Strategy
- Implement any changes in reporting (activity and financial) as agreed among the three business units.
- Prepare for a review of the Joint .nz Strategy in 2018-19

6.   Financial Requirements

The shareholder expects efficiency to be a key goal for the company. The most efficient and effective use of resources is important. By minimising costs consistent with delivering required functions, the company will assist the shareholder with maximising its ability to pursue its objectives, and will help give the public confidence that the group is a responsible steward for .nz.

The shareholder notes the following factors in respect of financial goals, practice and information for and from the company:

- Manage expenditure so as to maintain or reduce nominal expenditure from 2014-15 levels in 2017-18 and beyond once registrations direct at the second level project work is complete.
- Return any cash in excess of reserves to the shareholder following the conclusion of each financial year.

Council generally expects subsidiaries to:

A.   adopt sound organisational and financial management practices so as to safeguard and enhance InternetNZ's investment in the company;

B.   operate within the financial and operational scope of the Statement of Direction and Goals as agreed with InternetNZ while meeting the requirements of specific company policies and relevant provisions of Operating Agreements; and

C.   provide meaningful output and financial information reporting against the Statement of Direction and Goals (including changes to plans and priorities) to facilitate the monitoring of the organisation's performance.

7.   General Expectations

The shareholder's vision for the group is that it is highly collaborative, committed to working together and to building a vibrant, collegial and inclusive culture to maximise the group's success. Council, subsidiary Boards and all Chief Executives have an obligation to work together in leading the ongoing realisation of this vision.

Consistent with this vision, the shareholder expects subsidiaries to:

A.   maximise the contribution they can make to the group's overall objectives;

B.   continue to maintain a high standard of corporate governance;

C.   maintain an open and transparent approach to their activity, and operate a no-surprises policy across the group;

D.   operate consistent with established group strategy and policies, including by bringing group policies into effect in their own policy frameworks where required and practical, as well as collaborating with other units across the group to develop and implement group strategy and policies;

E.   adopt a sound risk management strategy for all areas of their activities, including the timely reporting of critical operating and financial risks to InternetNZ, and contribution to the maintenance of the Group Risk Register;

F.   ensure that there are effective and productive day-to-day working relationships between all units and actively explore and implement ways to achieve greater co-operation and collaboration between units to the benefit of the wider Internet community; and

G.   operate in accordance with InternetNZ's core values – openness and transparency, leadership, ethical behaviour & stewardship and a can-do attitude.

8.   Statement of Direction and Goals

The shareholder requires the company to prepare and present a Statement of Direction and Goals (SoDaG) for the 2017-18 year. The purpose of the SoDaG is to set out how the company intends to meet the expectations set out in this document.

The core components of the SoDaG are as follows:

A.   an outline of the company's long term strategy;

B.   an outline of the environmental factors that feed into the company's strategic planning;

C.   an outline of the key priorities and projects that the company has identified for 2017-18, including those set out in this Statement;

D.   an outline of proposed measures by which the shareholder can judge the company's performance against the requirements set out in this Statement; and

E.   a proposed budget for the 2017-18 financial year, as well as draft budgets for 2018-19 and 2019-20 (subject to adjustments for 2016-17 year end results).

The SoDaG must be presented to the Council as soon as convenient, and no later than its **February 2017** meeting.

The shareholder requires the company's SoDaG to be agreed with the Council.

This is the key mechanism by which Council ensures that the scope of activity and the resources deployed by the company are in keeping with its expectations. Early discussions with the shareholder about core priorities and scope of financial requirements are encouraged.

Statement of Expectations: NZRS

2017-2018

1. Introduction

This draft Statement of Expectations sets out InternetNZ's expectations for the 2017-18 year for New Zealand Domain Name Registry Ltd, trading as NZRS (NZRS).

It provides clarity for the company regarding its core role and the functions the shareholder expects the company to deliver. As well as a formal communication of shareholder expectations, to which the company will be held to account, it is also therefore an input to the company's strategic and business planning.

As sole shareholder InternetNZ's interest is in NZRS operating effectively and efficiency to achieve its core role and required functions. The detail of how that role and those functions are to be provided and the cost of doing so is determined by the company, and is to be set out in the company's Statement of Direction and Goals as detailed in section 8.

This document will be considered for approval by Council on 25 November 2016.

2. Strategic Framework

For 2015-2020 InternetNZ has created a Group Strategic Plan. It sets out the overall role of the InternetNZ group and assigns lead responsibility for areas of work to different units. The plan is available in the register of governance documents at www.internetnz.nz.

Of particular relevance to NZRS are:

- strategic **Area 1: .nz as a world-class ccTLD that meets the needs of the local Internet community**.
- **strategic Area 5: Business development and diversification.**

The shareholder expects the company to give effect to these as its core strategic imperative. It should however consider the whole strategy as an input to its own planning process.

The more detailed joint strategy guiding the development of .nz is a shared responsibility for DNCL and for NZRS. The strategy was jointly developed by both companies, and was approved by the Council in June 2015.

The separate Product and Services Development Strategy guides NZRS in its work on product and service development. It was approved by Council in May 2016.

3.   Core and Secondary Roles

The core role for NZRS is:

- To operate, maintain and develop the Shared Registry System and the .nz Domain Name System as part of the .nz ccTLD.

This description is a brief summary of the role set out for the company in the **.nz Framework Policy** and in the NZRS Operating Agreement. These documents are available in the register of governance documents at www.internetnz.nz.

In addition to its primary role, the secondary roles for NZRS are:

- Promotion and marketing of the .nz product.
- Technical research.
- Assist the shareholder with business development strategy, policy and implementation.

4.   Core functions

In advancing the company's core role, the shareholder expects the functions set out below to be provided.

Function	Explanation
NZRS	
Shared Registry System (SRS)	Maintain and develop the Shared Registry System, the core infrastructure of the .nz register.
Domain Name System (DNS)	Maintain and develop the core DNS infrastructure for .nz.
.nz marketing and promotion	Develop the .nz product brand and promote it so as to increase awareness of and registration of .nz domain names.
ALONG WITH DNCL	
.nz international representation	Consistent with the group international strategy and plan, represent .nz at relevant international events and cooperate with international partners.
.nz product development	Continue to develop the .nz product offering consistent with the group strategy goal regarding .nz being a world-class ccTLD.

The shareholder expects that the commencement of new core functions, or significant changes to the resources applied to the functions set out in this SoE, require explicit prior shareholder agreement.

Such approval could occur through approval of the annual Statement of Direction and Goals (SoDaG) where such changes are set out, or on a case by case basis through an exchange of letters.

Consistent with the no-surprises approach outlined below, where changes of this sort are contemplated they should be raised early with shareholder.

Secondary Functions

In addition to the primary functions set out above, the shareholder expects the secondary function/s set out below to be provided. It notes that performance of secondary functions must be managed in a manner that does not risk the company's ability to perform its primary functions.

Function	Explanation
NZRS	
Technical Research	Maintain a technical research capacity which contributes authoritative information about the New Zealand Internet or Internet technologies, and coordinate its work programme with InternetNZ's Internet Issues programme.
Product and Service Development	Be the lead unit in advancing product and service development priorities, consistent with the agreed Group Product and Service Development Strategy and Policy.

As for primary functions, the commencement of new secondary functions, or significant changes to the resources applied to the functions set out in this SoE, require explicit prior shareholder agreement.

5.   Specific projects in 2017-18

The shareholder expects the following projects to be addressed by the company in the 2017-18 business year, and welcomes advice from the company as part of the Statement of Directions and Goals as to how these will be progressed in the coming year.

- Develop the benchmarks approach set out in the Joint .nz Strategy
- Implement any changes in reporting (activity and financial) as agreed among the three business units.

InternetNZ also notes that NZRS should prepare for a review of the Joint .nz Strategy in 2018-19.

6. Financial Requirements

The shareholder expects efficiency to be a key goal for the company. The most efficient and effective use of resources is important. By minimising costs consistent with delivering required functions, the company will assist the shareholder with maximising its ability to pursue its objectives, and will help give the public confidence that the group is a responsible steward for .nz.

The shareholder notes the following factors in respect of financial goals, practice and information for and from the company:

- Achieve an EBIT ratio of **40%** in 2017-18 in respect of .nz operations.
    - o This ratio applies to revenue from registrations of .nz domain names
    - o The costs of the management fee to DNCL are excluded from calculating this target, as that is outside the company's control.
    - o 25% of the costs of the technical research function should be included in calculating this target, as research is required for the ongoing development of the company's core functions.
- Achieve an EBIT ratio of **30%** by the end of the 2015-2017 period in respect of new business development opportunities pursued by the company.
    - o This ratio applies to all other revenue from commercial operations.
    - o 25% of the costs of the technical research function should be included in calculating this target, as research is required in developing new business opportunities, products and so on.
- Retain a maximum exposure of **$400,000** for business development purposes (in terms of direct costs) and utilise this consistent with group strategy and policy requirements.
- Aim for a dividend of **$4.263m** to the shareholder in 2017-18 (subject to finalisation of the company's growth forecasts and 2017-18 budget).
- Return any cash in excess of reserves to the shareholder following the conclusion of each financial year.

Council generally expects subsidiaries to:

A.   adopt sound organisational and financial management practices so as to safeguard and enhance InternetNZ's investment in the company;

B.   operate within the financial and operational scope of the Statement of Direction and Goals as agreed with InternetNZ while meeting the requirements of specific company policies and relevant provisions of Operating Agreements; and

C.	provide meaningful output and financial information reporting against the Statement of Direction and Goals (including changes to plans and priorities) to facilitate the monitoring of the organisation's performance.

## 7.	General Expectations

The shareholder's vision for the group is that it is highly collaborative, committed to working together and to building a vibrant, collegial and inclusive culture to maximise the group's success. Council, subsidiary Boards and all Chief Executives have an obligation to work together in leading the ongoing realisation of this vision.

Consistent with this vision, the shareholder expects subsidiaries to:

A.	maximise the contribution they can make to the group's overall objectives;

B.	continue to maintain a high standard of corporate governance;

C.	maintain an open and transparent approach to their activity, and operate a no-surprises policy across the group;

D.	operate consistent with established group strategy and policies, including by bringing group policies into effect in their own policy frameworks where required, as well as collaborating with other units across the group to develop and implement group strategy and policies;

E.	adopt a sound risk management strategy for all areas of their activities, including the timely reporting of critical operating and financial risks to InternetNZ, and contribution to the maintenance of the Group Risk Register;

F.	ensure that there are effective and productive day-to-day working relationships between all units and actively explore and implement ways to achieve greater co-operation and collaboration between units to the benefit of the wider Internet community; and

G.	operate in accordance with InternetNZ's core values – openness and transparency, leadership, ethical behaviour & stewardship and a can-do attitude.

## 8.	Statement of Direction and Goals

The shareholder requires the company to prepare and present a Statement of Direction and Goals (SoDaG) for the 2017-18 year. The purpose of the SoDaG is to set out how the company intends to meet the expectations set out in this document.

The core components of the SoDaG are as follows:

A.   an outline of the company's long term strategy;

B.   an outline of the environmental factors that feed into the company's strategic planning;

C.   an outline of the key priorities and projects that the company has identified for 2017-18, including those set out in this Statement;

D.   an outline of proposed measures by which the shareholder can judge the company's performance against the requirements set out in this Statement; and

E.   a proposed budget for the 2017-18 financial year, as well as draft budgets for 2018-19 and 2019-20 (subject to adjustments for 2016-17 year end results).

The SoDaG must be presented to the Council as soon as convenient, and no later than its **May 2017** meeting.

The shareholder requires the company's SoDaG to be agreed with the Council.

This is the key mechanism by which Council ensures that the scope of activity and the resources deployed by the company are in keeping with its expectations. Early discussions with the shareholder about core priorities and scope of financial requirements are encouraged.

.nz Quarterly Report
Second Quarter ended 30 September 2016

Introduction

This is the second joint .nz quarterly report for the 2016/17 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 325.9m domain names had been registered among all TLDs. A further breakdown of this figure is provided in the table below:

Domain name registrations as at	30 September 2015	30 September 2016	Annual Growth %
ccTLDs	137.2m	140.2m	2.2%
gTLDs (pre 2012)	153.7m	163.5m	6.4%
gTLDs (post 2012)	7.7m	22.2m	288.3%
.kiwi	10,295	10,631	3.3%
.nz	652,385	667,295	2.3%

A total of 1,500 TLDs in the root as at end of the quarter.

2.   Activities
Supports transformations 1.2, 1.6, 1.7 and 1.8

a)   Research

b)   .nz Promotion and Marketing

Early in the quarter a new research survey closed – the 2016 .nz Registrant Survey. This survey was developed and run by NZRS in cooperation with registrars who sent the survey link to customers soon after their registration or renewal. The focus of the survey was largely on why they chose .nz, what went into that choice and how they found the experience. 934 responses were received making this a very valuable survey.

The private data behind the survey has been distributed to participating registrars and a public report prepared on the insights gathered from that data. https://nzrs.net.nz/sites/default/files/2016%20dotNZ%20Registrant%20Survey.pdf

This quarter also saw a change to way that NZRS develops and delivers its marketing, communications and channel management strategy coming as the conclusion of a review that began last year. Following the departure of the Chief Marketing Officer that post was disestablished and a new post of Channel Manager created as our primary role engaging with registrars. In addition NZRS has recruited a new Chief Operating Officer and part of her role includes developing a framework for recording and analysing market intelligence. This, together with the results of recent surveys, will be used to develop more evidence-based marketing activities.

Work begun and ended on a 10th anniversary infographic of the .nz DRS (Dispute Resolution Service). This features a number of interesting facts and figures from 10 years of the service, as well as supporting educational text.

In September the DNCL office completed a guide to the Expert DRS decisions published to date. The target audience is those people involved with, or soon to be involved with the .nz DRS process including complainants, respondents and their representatives. While the guide has not been designed to be an academic document or aimed solely at the legal community it should be of value to them.

It is in a Q&A format with 65 questions and will be published on our website dnc.org.nz/drs, Guide to DRS Expert Decisions and will be promoted as part of the 10 year anniversary of the DRS.

Work also began on a .nz Guide for Liquidators. In the early stages of drafting, the Guide will provide an overview of how liquidators and receivers, etc. should deal with .nz domain name/s held by companies they're appointed to.

A number of media enquiries regarding .nz DRS cases were received during the quarter, including from Stuff.co.nz, the National Business Review and the Taranaki Daily News.

c) .nz Policy Consultation

DNCL released the fourth .nz WHOIS consultation on 27 September 2016. This consultation proposed two options with regard to withholding details for registrants that are individuals. The consultation closes 8 November 2016 and by the end of September seven submissions had been received.

d) Registrations at the Second Level

A total of 396 conflict sets were resolved between July and the end of September. Most of the conflicts were resolved due to only one name remaining in the conflict and not due to any action by that registrant. 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:

	Apr	May	Jun	Total for	Jul	Aug	Sep	Total for

				Q1				Q2
Conflicts Resolved	120	138	150	**408**	119	148	129	**396**
Total Conflicts	16,639	16,448	16,241	-	16,094	15,866	15,702	-

3. Policy Framework
Supports transformation 1.5

a) .nz policy

An amendment to the Operations and Procedures Policy came into effect on 28 July 2016. The change amended clause 9.2 to: "All reserved names that have not been registered two years after the final date for reservations, namely 30 March 2017, will be released and become available to any Registrant on a first come, first served basis". This change was to provide clarity over what occurs to a reserved name if not registered by the required date.

4. Registrar Market
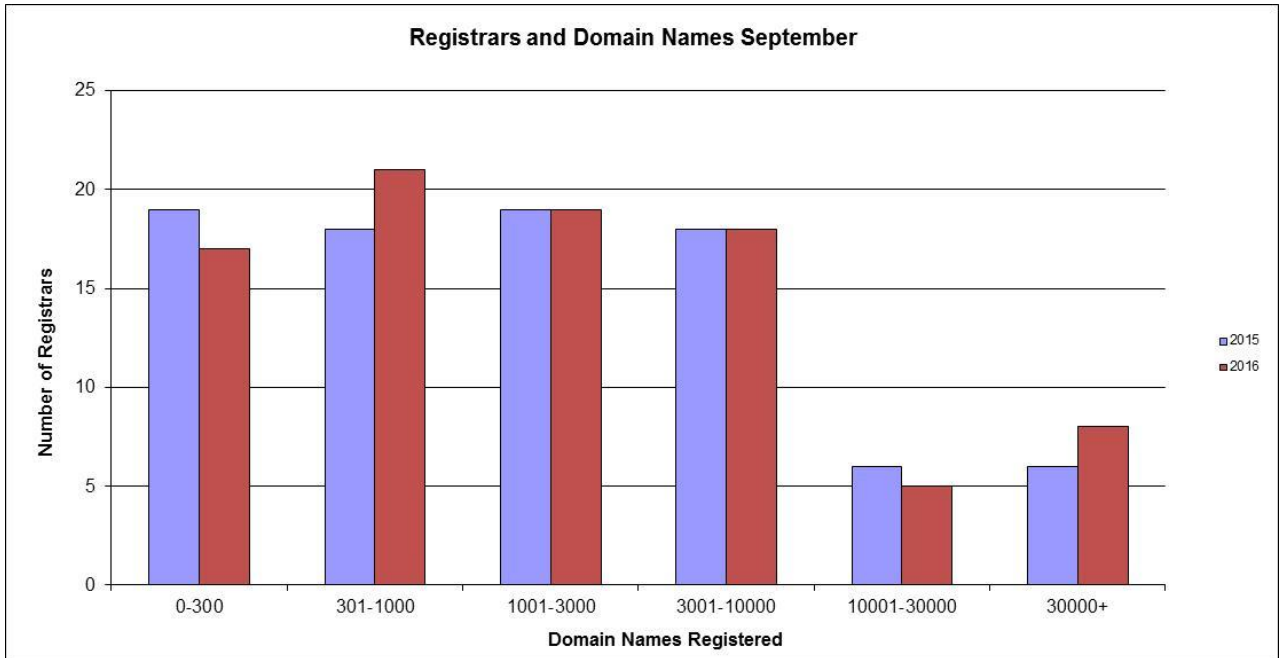*Supports transformation 1.3*

Registrars authorised	91
Registrars connected	88

Number connected during the quarter: 2
Number authorised during the quarter: 1
Number de-authorised during the quarter: 2

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

Registrars and Domain Names September

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

Authorised Registrars connected to production
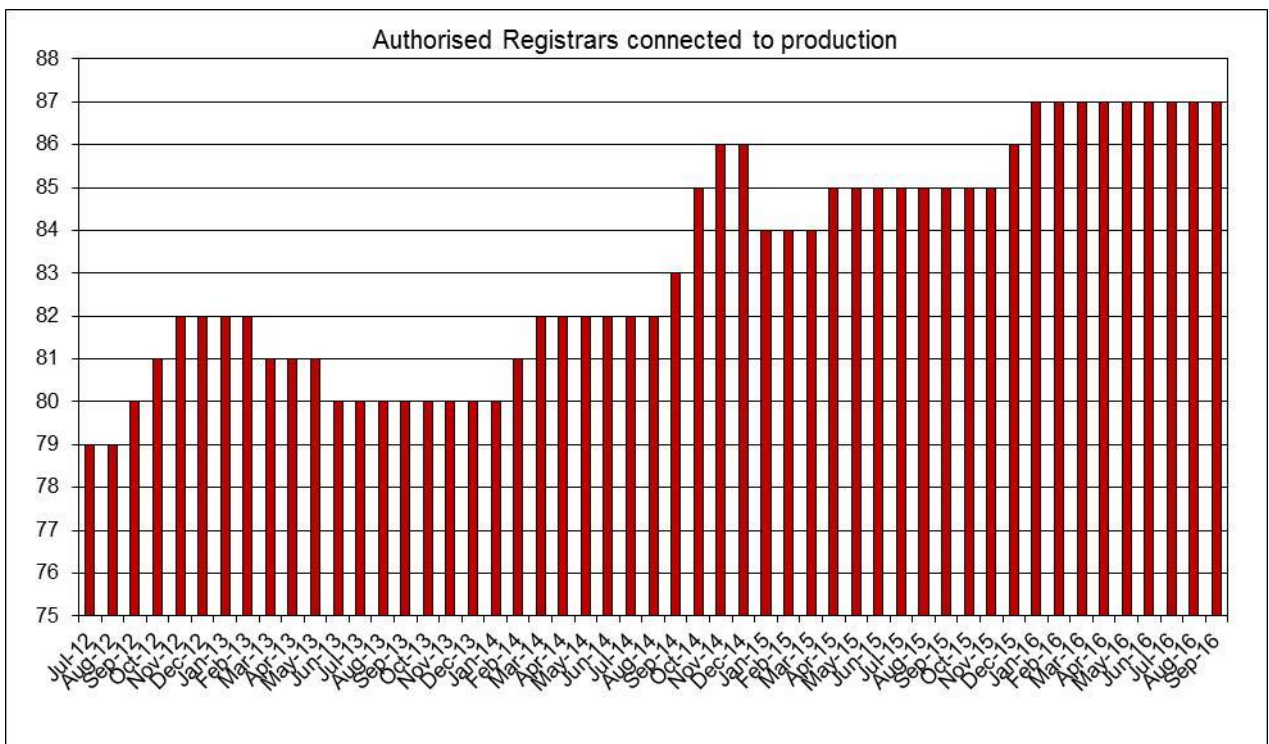
5.   Performance and Best Practice
Supports the primary transformation, 1.1 and 1.4

a) International

- Staff from DNCL attended the APTLD meeting in Bangkok and presented on the recent MOU signed with the government.
- Staff from NZRS attended the DNS Forum in Washington, DC organised jointly by PIR (owners of .org) and CENTR.

In addition, two staff from NZRS were invited to Vietnam by VNNIC when they met at the Auckland APTLD conference, to provide training on DNSSEC and provide expert opinion on their plans to implement DNSSEC. This visit went very well and a letter of thanks and gratitude was received from the Director General of VNNIC.
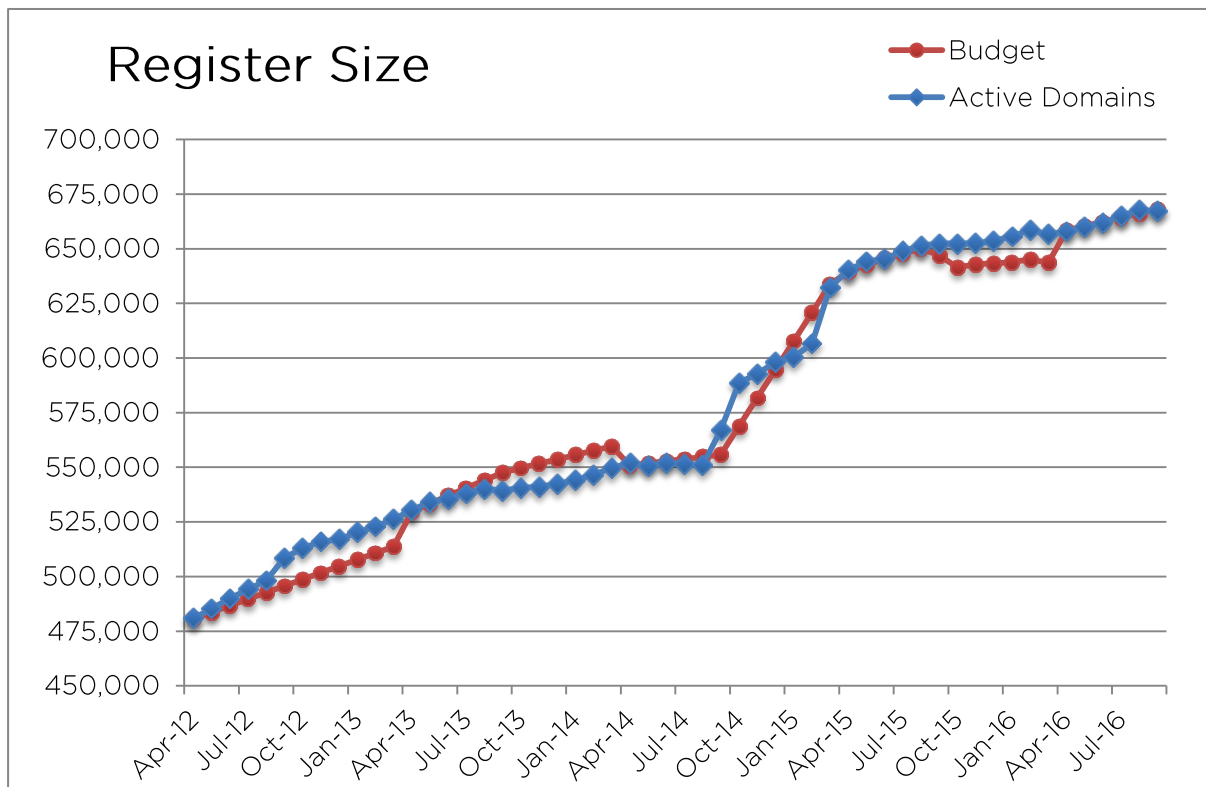
b) Registry Performance

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

System	SLA %	Jul	Aug	Sep
SRS	99.9	100	100	100
DNS	99.9	100	100	100
Whois	99.9	100	99.97	99.96

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:

Growth vs Budget

- Net growth per month
- Monthly budget
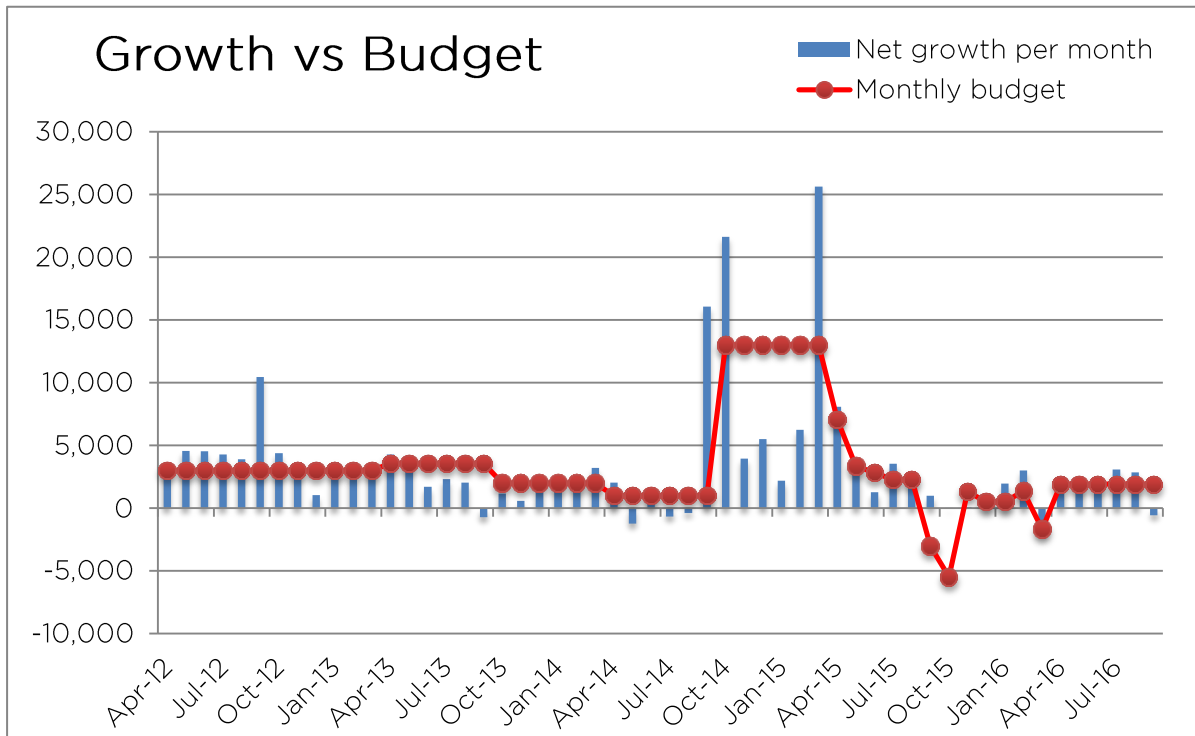
The average term (average number of months a domain is registered/renewed for) is shown in the chart below:

Average Domain Name Term

- Average months per create
- Average months per renewal

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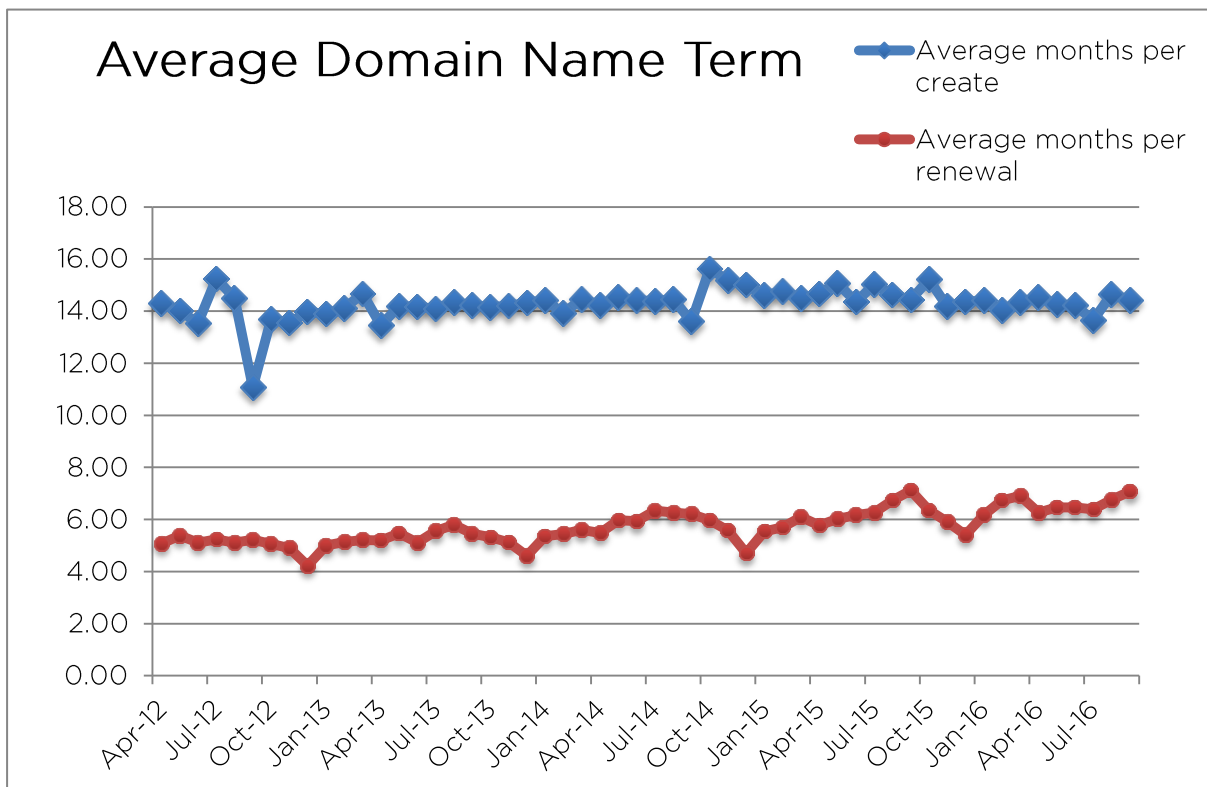
The breakdown of domain name growth by second level is noted in the table below:

	Jul-16	Aug-16	Sep-16
.nz	111,042	112,793	113,358
.co.nz	484,979	486,132	485,747
.org.nz	27,955	27,948	27,795
.net.nz	25,431	25,403	25,144

David Farrar
Chair, DNCL

Richard Currey
Chair, NZRS

Joint .nz Strategy Transformations

Primary 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

Transformation/s		
	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

November 2016

Jamie Baddeley
President, InternetNZ

Dear Jamie,

Second Quarter 2016/17 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

	July - Sept 2016			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
INCOME						
Management Fees	467,460	467,460	0	934,920	934,920	0
Authorisation Fees	12,000	3,000	9,000	18,000	6,000	12,000
DRS Complaint Fees	8,000	9,000	(1,000)	12,000	18,000	6,000
Interest Income	6,633	3,750	2,883	6,932	7,500	(568)
Total Income	**494,093**	**483,210**	**10,883**	**971,852**	**966,420**	**5,432**
EXPENSES						
Staff and Office Costs	294,502	305,107	10,605	587,613	621,909	34,296
Professional Services and Communications	14,545	34,871	20,326	30,107	67,745	37,638
Dispute Resolution Services	13,100	14,038	938	18,237	28,075	9,838
DNCL and DNC activities	34,657	42,061	7,404	70,813	84,123	13,310
International	19,971	31,249	11,278	44,283	62,499	18,216
Total Expenditure	**376,774**	**427,326**	**50,552**	**751,054**	**864,351**	**113,297**
Depreciation	11,833	14,930	3,097	25,075	29,858	4,783
Net Profit/Loss	**105,486**	**40,954**	**64,532**	**195,723**	**72,211**	**123,512**

Notes: Communications expenditure is expected to increase with the development of the DRS ten year infographic currently being produced.

Security and Training

The Domain Name Commissioner was appointed to the CERT Establishment Advisory Board.

DNCL re-signed a memorandum of understanding with the Internet Security Awards New Zealand (iSANZ) for provision of communications support for the Awards. This is the second year DNCL has provided this support to iSANZ.

DNCL is participating on the industry reference group for the proposed Cyber Credentials scheme.

DNCL provided training on Domain Names, DNS and Security to a small group of audit and risk staff from NZ Post.

Other Matters

A Board meeting was held in August and the minutes of the meeting are published at https://dnc.org.nz/node/1153.

Yours sincerely

David Farrar
Chair, DNCL

30 September 2016

Jamie Baddeley
President
InternetNZ
PO Box 11 881
Wellington

Dear Jamie

Re: 2nd Quarter 2016 – 2017 Report

We enclose our second quarterly report of the 2016 - 2017 year; the quarter ended 30 September 2016. 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 $1,074,736 for the quarter was 9.0% above the budgeted $981,822.

Domain name growth was below budget for the quarter. Growth was 5,378 versus a budgeted 5,730. July's net growth was 3,087, August's net growth was 2,850 and September's net growth was -559.

Actual domain name fee income for the quarter was above budget by $11,172 (actual $2,509,261 versus budgeted $2,498,089).

Business Development income of $26,200 was also recorded in this quarter.

Expenses for the quarter were $63,199 below budget (actual $1,539,648 versus budgeted $1,602,847).

Fixed assets relating to the leasehold improvements made to our previous office premises at Grand Arcade Tower, Level 14, 16 Willis Street were written down during this quarter. This occurred following the decision by INZ requiring us to move to new premises. As a result a write down of $62,383.74 was charged to the accounts.

The company's liquidity ratio was met.

Dividends paid during this quarter totalled $1,934,136.

2. Other Key Strategic and Operational Activities

During this quarter the Chief Marketing Officer resigned and that post was disestablished and two new posts created, those of a Chief Operating Officer and a Channel Manager. By the end of the quarter recruitment to these posts had completed with Angela Ogier and Tracy Johnson due to start in the next quarter.

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

Yours sincerely

Richard Currey

Chair

Deloitte*private*

We're all about you ↗

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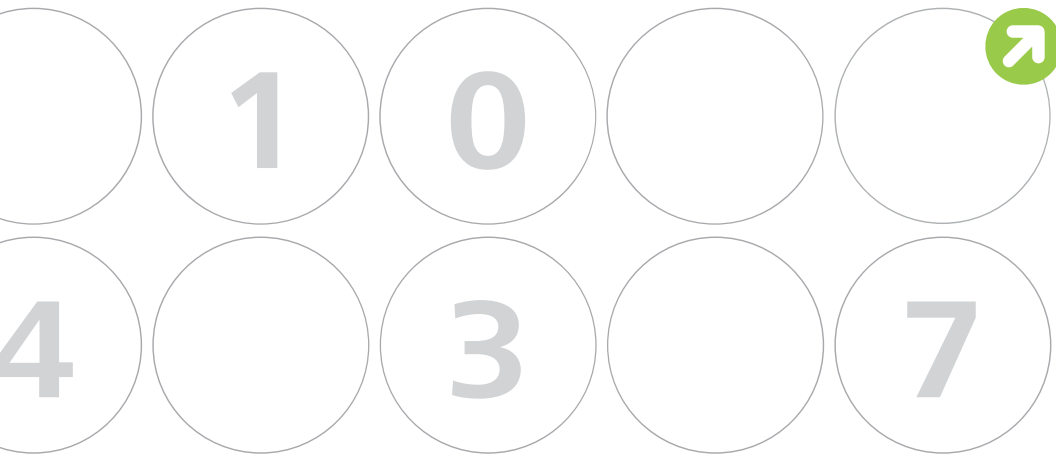
Financial Statements

NZRS Ltd
For the QuarterEnded 30 September 2016

Deloitte.

Deloitte.

NZRS Ltd
Financial Statements
For the Quarter Ended 30 September 2016

Statement of Financial Performance

Balance Sheet

Statement of Cash Flows

Activity Based Expenditure Report

Profit & Loss

NZRS Ltd
For the 3 months ended 30 September 2016

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Income								
Business Development (82700)	26,200	-	26,200▲	0.0%	51,200	-	51,200▲	0.0%
Registry Fees	2,509,261	2,498,089	11,172▲	0.4%▲	5,001,019	4,974,690	26,329▲	0.5%▲
Total Income	**2,535,461**	**2,498,089**	**37,372**	**1.5%**	**5,052,219**	**4,974,690**	**77,529**	**1.6%**
Less Cost of Sales								
DNC Fee (348)	467,460	467,460	-	0.0%	934,920	934,920	-	0.0%
DNS Expenses	40,769	37,848	2,921▲	7.7%▲	93,888	75,695	18,193▲	24.0%▲
ISP/Hosting/Networking	85,133	102,709	(17,576)▼	-17.1%▼	183,565	205,420	(21,855)▼	-10.6%▼
Other IT	45,529	74,553	(29,024)▼	-38.9%▼	78,811	149,371	(70,560)▼	-47.2%▼
Total Cost of Sales	**638,891**	**682,570**	**(43,679)**	**-6.4%**	**1,291,184**	**1,365,406**	**(74,222)**	**-5.4%**
Gross Profit	**1,896,570**	**1,815,519**	**81,051**	**4.0%**	**3,761,035**	**3,609,284**	**151,751**	**4.0%**
Less Operating Expenses								
Depreciation & Amortisation	132,238	146,985	(14,747)▼	-10.0%▼	276,357	300,811	(24,454)▼	-8.1%▼
Overhead Expenses	768,519	773,292	(4,773)▼	-0.6%▼	1,524,218	1,546,577	(22,359)▼	-1.4%▼
Total Operating Expenses	**900,757**	**920,277**	**(19,520)**	**-2.1%**	**1,800,576**	**1,847,388**	**(46,812)**	**-2.5%**
Operating Profit	**995,813**	**895,242**	**100,571**	**11.0%**	**1,960,459**	**1,761,896**	**198,563**	**11.0%**
Non-operating Income								
Interest Received (203)	78,924	86,580	(7,656)▼	-8.8%▼	156,738	176,589	(19,851)▼	-11.2%▼
Total Non-operating Income	**78,924**	**86,580**	**(7,656)**	**-8.8%**	**156,738**	**176,589**	**(19,851)**	**-11.2%**

Profit & Loss

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Net Profit	**1,074,736**	**981,822**	**92,914**	**9.0%**	**2,117,197**	**1,938,485**	**178,712**	**9.0%**

Balance Sheet

NZRS Ltd
As at 30 September 2016

	30 Sep 2016	30 Jun 2016
Assets		
Bank		
Cash and Cash Equivalents	10,200,827	10,823,647
Total Bank	**10,200,827**	**10,823,647**
Current Assets		
Accounts Receivable	1,111,414	932,813
Interest Receivable (688)	106,839	152,372
Prepayments/Credits (687)	123,970	122,915
Total Current Assets	**1,342,223**	**1,208,099**
Fixed Assets		
Fixed Assets	515,196	600,913
Total Fixed Assets	**515,196**	**600,913**
Total Assets	**12,058,246**	**12,632,659**
Liabilities		
Current Liabilities		
Accounts Payable	241,571	249,024
Credit Cards	13,144	20,548
Deferred Income - Registry Fees	7,879,336	7,652,358
GST	110,061	37,195
Total Current Liabilities	**8,244,112**	**7,959,126**
Non-Current Liabilities		
Deferred Income - Adjustment (81700)	431,683	431,683
Total Non-Current Liabilities	**431,683**	**431,683**
Total Liabilities	**8,675,795**	**8,390,809**
Net Assets	**3,382,450**	**4,241,850**
Equity		
30,000 Ordinary Shares (60100)	30,000	30,000
Current Year Earnings	2,117,197	1,042,461
Retained Earnings (638)	1,235,253	3,169,389
Total Equity	**3,382,450**	**4,241,850**

NZRS Ltd
Statement of Cash Flows
For the Quarter Ended 30 September 2016

Deloitte.

	This Quarter			Year to Date				Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Last Year Year To Date	Budget	LY Actual
Cash Flows From Operating Activities									
Cash Was Provided From:									
Registry Fees Received	2,863,862	3,125,224	(261,362)	5,811,974	6,270,288	(458,314)	6,116,153	12,602,588	11,461,376
Other Receipts	132,993	86,580	46,413	205,134	176,589	28,545	186,218	355,110	335,042
	2,996,856	3,211,804	(214,948)	6,017,108	6,446,877	(429,769)	6,302,371	12,957,698	11,796,418
Cash Was Distributed To:									
Payments to Suppliers and Employees	1,498,596	1,600,989	(102,393)	3,091,825	3,227,408	(135,583)	3,179,776	6,422,543	6,250,875
Net Taxation Paid	-	-	-	-	-	-	-	-	-
Net Dividend Paid	1,934,136	1,934,136	-	1,934,136	1,934,136	-	1,570,058	4,334,136	4,170,058
Net GST Paid	88,288	159,928	(71,640)	268,646	407,592	(138,946)	283,911	896,868	529,823
	3,521,021	3,695,053	(174,032)	5,294,607	5,569,136	(274,529)	5,033,745	11,653,547	10,950,756
Net Cashflows from Operating	(524,166)	(483,249)	(40,916)	722,500	877,741	(155,241)	1,268,625	1,304,151	845,662
Cash Flows from Financing Activities									
Cash was Provided From:									
Share Capital	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cash was Distributed To:									
Repayment of Redeemable Preference Shares									
Inland Revenue Use of Money Interest	-	-	-	-	-	-	-	-	-
Net Cash flows from Financing	-	-	-	-	-	-	-	-	-
Cash Flows from Investing Activities									
Cash was Provided From:									
Fitout Contribution	-	-	-	-	-	-	-	-	-
Cash was Distributed To:									
Purchase of Fixed Assets & Formation Expenses	91,251	175,375	(84,124)	175,906	292,292	(116,386)	82,509	643,042	178,863
Net Cash flows from Investing Activities	(91,251)	(175,375)	84,124	(175,906)	(292,292)	116,386	(82,509)	(643,042)	(178,863)
Net Increase (Decrease) in Cash Held	(615,418)	(658,624)	43,207	546,594	585,449	(38,855)	1,186,116	661,109	666,799
Plus Opening Cash Balance	10,803,099	9,439,122	1,363,977	9,641,088	9,641,088	-	8,959,053	9,641,088	8,959,053
Closing Cash Carried Forward	10,187,682	8,780,498	1,407,184	10,187,682	10,226,537	(38,855)	10,145,170	10,302,197	9,625,852
Closing Cash Comprises									
BNZ First Oncall Account	57	-	-	57	-	-	-	-	117
ASB Bank Cheque Account	894,219	-	-	894,219	-	-	334,677	10,302,197	965,976
ASB Bank Call Account	962,199	-	-	962,199	-	-	907,154	-	813,382
ANZ Online Account	328	-	-	328	-	-	-	-	392
Term Deposits	8,344,024	-	-	8,344,024	-	-	8,919,150	-	7,861,222
ASB Credit Cards	(13,144)	-	-	(13,144)	-	-	(15,811)	-	(15,236)
Total Cash Held	10,187,682	8,780,498	1,407,184	10,187,682	10,226,537	(38,855)	10,145,170	10,302,197	9,625,852
Plus ASB Credit Cards	13,144	-	-	13,144	-	-	15,811	-	15,236
Total Cash & Cash Equivalents	10,200,827	8,780,498	1,407,184	10,200,827	10,226,537	(38,855)	10,160,981	10,302,197	9,641,088

NZRS Ltd
Activity Based Expenditure Report
For the Quarter Ended 30 September 2016

Deloitte.

	This Quarter			Year to Date		
	Specific to this Activity	Apportionment of Shared Costs	Total	Specific to this Activity	Apportionment of Shared Costs	Total
.NZ						
Actual	1,053,705	274,033	1,327,738	2,137,064	522,557	2,659,621
Budget	1,092,635	242,337	1,334,972	2,190,366	486,067	2,676,433
Variance	38,930	(31,696)	7,234	53,302	(36,489)	16,812
.NZ Marketing						
Actual	53,146	20,733	73,879	107,282	45,372	152,654
Budget	98,706	23,096	121,802	197,677	46,308	243,985
Variance	45,560	2,363	47,923	90,395	936	91,331
Technical Research						
Actual	92,971	34,763	127,734	175,774	78,013	253,786
Budget	93,459	39,786	133,246	186,917	79,805	266,722
Variance	488	5,023	5,512	11,143	1,792	12,935
Business Development						
Actual	-	10,298	10,298	-	25,698	25,698
Budget	-	12,828	12,828	-	25,655	25,655
Variance	-	2,530	2,530	-	(43)	(43)
Total						
Actual	1,199,822	339,827	1,539,649	2,420,120	671,639	3,091,759
Budget	1,284,800	318,047	1,602,847	2,574,960	637,834	3,212,794
Variance	84,978	(21,780)	63,199	154,840	(33,805)	121,035

Technical Research Report

Introduction

This is the November 2016 Technical Research Report, setting out the research projects being undertaken by NZRS. This is the fourth issue of this report. An updated version of this document will be provided at each Council meeting.

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.

One of the earliest considerations is what data is available as data analysis is the cornerstone of research activity. This explains the inevitable heavy emphasis on .nz research in the projects listed below as the data is readily available after a number of years building a data collection and analysis infrastructure for .nz.

Research projects are initiated with an idea of what might be achieved, how that might be used and in what forms the output might be delivered. The identification of potential uses looks beyond research team to consider how other researchers might build on that knowledge and how that knowledge might be commercialised, both within and without NZRS, to aid the growth of the NZ economy.

As with all true research though, there is no guarantee that this is what will be achieved or that the project will not change radically over time and it is not uncommon for a project to change focus or even name during its lifetime.

Wherever possible the outputs of technical research projects will be open knowledge, open code published on our GitHub repository and open data published on our Internet Data Portal (IDP), all under a Creative Commons license. 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.

Projects

Title	NZ IP Topology Map		Status	In Progress
Description	Mapping the internal structure of the Internet in New Zealand. This project uses the RIPE Atlas probes to do active measurement and discovery of Internet Topology.			
Potential uses	There are a number of outstanding questions about the structure of the NZ Internet whose answers can drive useful policy debate. For example, are their 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	☒	Website at http://ip.topology.net.nz updated with new version.	

	Open data	☒	Resulting network representation made available via the project's website.
	Open code	☒	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.		
Collaborators	No active collaborators at the moment.		
Progress	Needs work automating the execution to make it a regular collection. Make the raw data available via IDP.		

Title	NZ BGP Topology Map		Status	On Hold
Description	Mapping the structure of the Internet in New Zealand using publicly available data sources. Uses BGP feeds from RouteViews, RIPE and data made available by the Internet Exchanges.			
Potential Uses	Understand how the structure of the Internet in New Zealand changes with the pass of time, how different IXs gain/loose peers, etc.			
Planned outputs	*Form*	*Done*	*Details*	
	Report	☐		
	Web site	☐	http://bgp.topology.net.nz A new faster version will be made available soon.	
	Open data	☒	Collected data made available via IDP	
	Open code	☒	Code available in NZRS Github account	
Presented	Presented at First NZIRF and previous version at NZNOG 2014.			
Collaborators	None.			
Progress	A new version was written to allow using publicly available APIs, and to store the collected data in IDP. A better visualization, easier to use has been produced and will be deployed to production soon.			

Title	ANZSIC classification of the register	Status	In progress
Description	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 be able to 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.		
Potential uses	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.		
Planned outputs	*Form*	*Done*	*Details*
	Open data	☐	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	☐	Will publish code on GitHub
Presented	Concept presented at 2015 Registrar conference.		
Collaborators	Initial data used for the training was bought from two companies one of which, WhoIsWhere, participated in the first round of analysis of the results.		
Progress	Using a strict mapping from domain to activity code, 50% (+/- 1%) of the testing data was mapped correctly. If using fuzzy matching (any of the top 3 most probable categories), this value increases up to 78% +/- 1% accuracy. Future steps include a better text collection from the webpages to support JavaScript, and better input data clean-up. The non-profit classification is currently at 95% accuracy using strict matching.		

Title	Domain Retention Prediction	Status	In Progress
Description	Project to generate a probabilistic model that will tell us: • Which elements of a registration are best predictors of their likelihood to be stay in the register • 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		
Potential uses	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.		

Planned outputs	*Form*	*Done*	*Details*
	Report	☒	A couple of blog posts are published in NZRS's blog.
	Open code	☐	Will publish code on GitHub.
Presented	Concept presented at Registrar Conferences in 2014 and 2015.		
Collaborators	Some of the insights obtained in this work has been shared and discussed with staff at .CA. People from .IE (Ireland) and Netherlands (.NL) are following up this work closely.		
Progress	A rigorous creation forecast model has been produced and published. An analysis and model of domain survivability is available using open data and open code. The following task will be Machine Learning to identify the most relevant elements in a domain affecting cancellations.		

Title	Registrant Classification	Status	On Hold

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	☐	Will consider aggregated and anonymised data on IDP.
	Open code	☐	Will be published on GitHub.
Presented	None.		
Collaborators	None.		
Progress	Code refactored to improve accuracy and quality of documentation, achieving 96% accuracy. Currently 60.6% of the domains are registered by Organizations, 39.4% by Individuals.		

Title	Domain Popularity Algorithm	Status	In Progress
Description	Algorithm using DNS data to determine if a domain name is more popular than others.		
Potential uses	Can be shared with registrars to help them understand their customers better. Can be used for interesting information about the .nz namespace for the general 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.		
Planned outputs	*Form*	*Done*	*Details*
	Report	☐	
	Web site	☒	Some selected data sets are publicly visualized at http://domain-rank.nzrs.net.nz/popular.html and http://domain-rank.nzrs.net.nz/bank.html
	Open data	☐	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	☐	Will be published on GitHub.
Presented	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.		
Collaborators	Seeking collaboration within the CENTR group, as suggested by the CENTR R&D Chair.		
Progress	A review of the algorithm has been done and we are now working with a different approach that produces better results. A sample of DNS traffic from one of your offshore providers will be used to test for bias. Working in identifying well known sources of traffic to treat that traffic in a different way.		

	Google Analytics figures from 4 different domain names to be used to test correctness.

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	☐			
	Open code	☐	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
Description	Decompose every domain in the register into their word components (aucklandaccountants.org.nz into "Auckland accountants").				
Potential uses	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.				
Planned outputs	*Form*	*Done*	*Details*		
	Report	☐			
	Open data	☐	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants		
	Open code	☐	Will be published on GitHub.		
Presented	None.				
Collaborators	None.				
Progress	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

Description	Capture web content published under .nz domains to feed the ANZSIC classification project. Investigate tools to do a deeper gathering of content.		
Potential uses	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.		
Planned outputs	*Form*	*Done*	*Details*
	Report	☐	
	Open data	☐	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	☐	Will be published on GitHub.
Presented	None		
Collaborators	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.		
Progress	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	Not started
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	☐	Will publish aggregated and anonymised data on IDP.	
	Open code	☐	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	Not Started			

Title	DNS statistics publication using IDP		Status	Not started
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	☐	
	Open data	☐	Will publish aggregated and anonymised data on IDP.
	Open code	☐	Will be published on GitHub.
Presented	None.		
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		
Progress	Not started		

Title	Digital Journey publication using IDP		Status	Finished
Description	Make data collected from the Digital Journey website about businesses self-assessment of their use of digital technologies available using the Internet Data Portal			
Potential Uses	Data collection started in 2014, and could provide a consistent view on how businesses have evolved their preparedness around digital technologies.			
Planned outputs	*Form*	*Done*	*Details*	
	Report	☐		
	Web site	☐		
	Open data	☐	Available in IDP https://idp.nz/Users-and-Use/Digital-Journey/sp2s-ukz9	
	Open code	☐		
Presented	None.			
Collaborators	MBIE as drivers of the initiative, Firebrand as developers and maintainers of the website.			
Progress	Initial upload of data completed with data from March 2014 to July 2016. Monthly updates scheduled.			

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 https://idp.nz
NZIRF	New Zealand Internet Research Forum. Organised by InternetNZ.
Hadoop	Big Data Platform

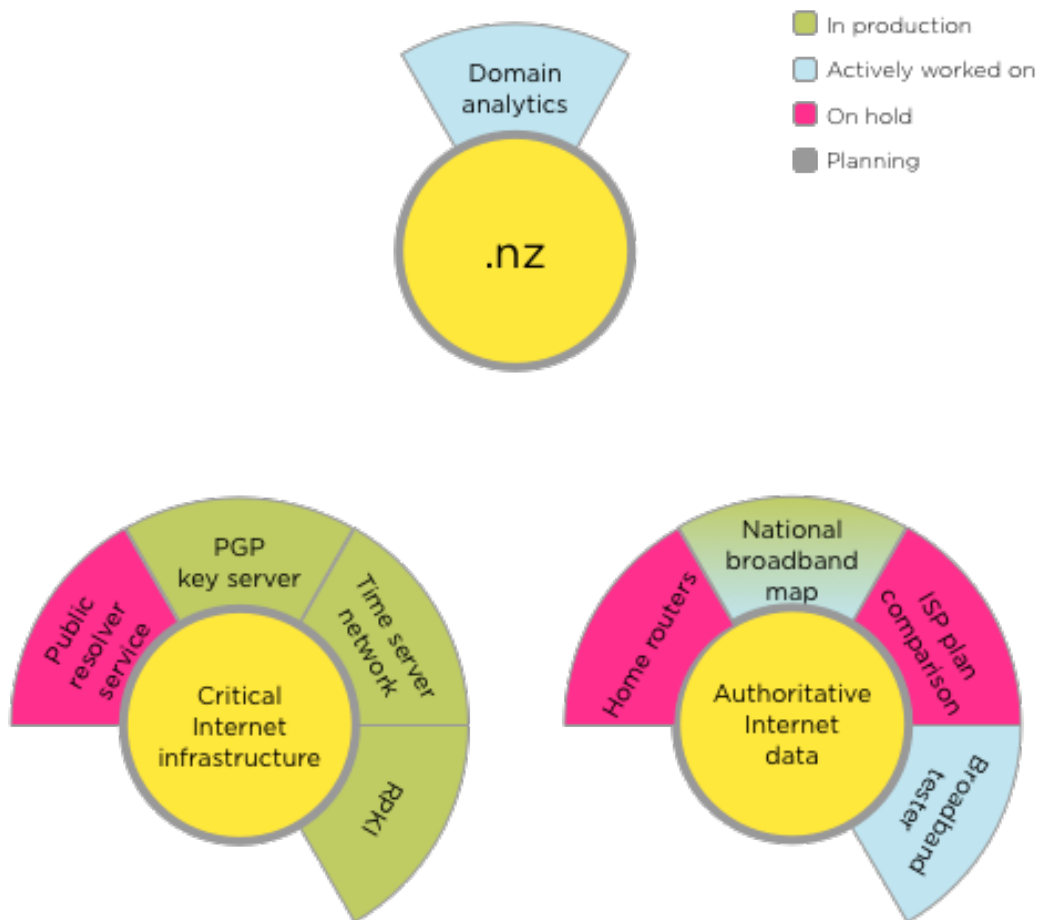# Product and Service Development Report November 2016

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. Progress on each is detailed below. Please note that this is an operational report and is not intended to explain the strategy or process by which opportunities are chosen.

2 Progress

2.1 Domain Analytics

Current status:	ACTIVELY WORKED ON
Possible risk	Low to Medium
Possible income:	High to Very High
BD expenditure:	None
Synopsis:	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. 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).
Issues and Risks	• The anonymisation has to be good to ensure that individual registrants cannot be identified by their competitors. Good examples of how to do this exist in the credit card data market. • The ranking algorithm has to be robust.
Key actions since last report	• Business plan approved by NZRS board. • Completed first cut of UX design and backend architecture.
Next steps	In development. Aiming for working UI with fake data by Jan/Feb.

2.2 Public Resolver Service

Current status:	ON HOLD
Possible risk:	Medium to High
Possible income:	Medium to High
BD expenditure:	None

Synopsis:	A public resolver service akin to 8.8.8.8 from Google that
	1. allows people to access to their full resolver data (useful for identifying infections, access to phishing sites, etc);
	2. to add-on custom filtering services and geo-ip blocking circumvention;
	3. to use a DNSSEC enabled resolver if their company/ISP does not provide one;
	4. to use new DNS privacy features being developed by IETF if otherwise not able to do so.
Issues and Risks	• Robust authorisation process required to ensure that people only see the data that belongs to them.
	• Preventing law enforcement thinking of this as a good place to serve an interception warrant.
Key actions since last report	• None
Next steps	On hold due to other priorities with no urgency to reprioritise. This will be re-evaluated when new DNS privacy features are available to see if a gap exists nationally.

2.3 PGP Keyserver

Current status:	IN PRODUCTION
Possible risk	Low
Possible income	None (current) to Medium (possible future)
BD expenditure:	None
Synopsis:	This was initially launched in 2009 as a free service filling a gap in the Internet infrastructure of NZ. Since then a watching brief has been kept on identity technologies and services to see how this service can be built on.
	There is an opportunity to develop as a more general identity platform.
Issues and Risks	• None.

Key actions since last report	• None
Next steps	No further work planned

2.4 Time Server Network

Current status:	IN PRODUCTION
Possible risk	Low
Possible income	None (current) to Low (possible future)
BD expenditure:	None
Synopsis:	This was initially launched in 2010 as a free service filling a gap in the Internet infrastructure of NZ. This service is capable of serving more accurate time (using Precision Time Protocol) and more secure time (using Autokey) but neither feature is turned on. Since then a watching brief has been kept on the need for more accurate or secure time to see how this service can be built on.
Issues and Risks	• None
Key actions since last report	• Fourth server installed.
Next steps	Announce availability of fourth server. Look at turning Autokey back on.

2.5 RPKI

Current status:	IN PRODUCTION
Possible risk	Medium
Possible income	None (current) to Medium (possible future)
BD expenditure:	None
Synopsis:	Over time we expect most if not all of the global Internet routing system to want to be protected by RPKI. For some NZ holders of large IP address blocks this may be costly for them to achieve because of the restricted practices of APNIC. By launching a free RPKI validation service we have a chance to

	establish our credibility and then publish an RPKI signing key into the global system along with ccTLD/DNS operator partners operating in the same space. With this we could then offer RPKI signing to NZ IP address holders in a less expensive way that RIRs.
Issues and Risks	• Competition and modernisations by RIRs may obviate the need for cheaper signing.
Key actions since last report	• None
Next steps	Concentrating on promoting the free service and encouraging people to use it, in order to establish the site. Current usage is minimal, reflecting a general apathy towards RPKI.

2.6 Home Routers

Current status:	ON HOLD
Possible risk	Medium to High
Possible income	High
BD expenditure:	None
Synopsis:	A home router that puts the consumer in complete control of their Internet connection. Features include: • Monitoring your own traffic • Identifying locally infected devices • Measuring your internet service performance • Circumventing geo-IP blocks • Comparing your traffic against anonymised and aggregated data of other users • Time/device based blocking of Internet use • Local content filtering
Issues and Risks	• Expensive project to undertake. • Relies on specialist skills that are in short supply. • Taken so long to get to this stage that first mover advantage may be lost.

Key actions since last report	• None
Next steps	On hold due to other priorities with no urgency to reprioritise. This is a big project and would be considered as the project to follow Domain Analytics.

2.7 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	• 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.
Key actions since last report	• Further confirmed sales. • Work begun on developing new interface for high volume users. • New version of open source tool, Wavetrace, released. • Wavetrace made it as finalist in 2015 Open Source Awards.
Next steps	Adding satellite, extensible fibre and community wireless. Adding new high-volume API.

2.8 ISP plan comparison

Current status:	ON HOLD
Possible risk	Low
Possible income	Low

BD expenditure:	None
Synopsis:	Telme was an established price comparison site for consumers to choose the best ISP/Telco for their need. This was a complex site and expensive to run with no commercialisation. The plan is to redevelop it into a much simpler site and make it financially self-sustaining through the sale of the pricing data collected, as other price comparison web sites do.
Issues and Risks	• TelMe was not financially self-sustaining. • Complexity of providing results in a way that meets both Consumer requirements on correctness/authority and NZRS requirements on usability/simplicity.
Key actions since last report	• None
Next steps	On hold waiting to see what impact Glimp and BroadbandCompare have on the market and in particular if a new site can be made financially viable.

2.9 Broadband Tester

Current status:	ACTIVELY WORKED ON
Possible risk	Medium
Possible income	Medium
BD expenditure:	None
Synopsis:	Broadband testing is in its infancy and there is still no best way to carry it out. The three forms currently employed are: • Over the top (OTP) – such as Speedtest.net • Edge – such as Truenet • Infrastructure – such as WAND AMP 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: - To become the central/neutral repository of published broadband tests. - To develop or contribute to the development (as we have with WAND AMP) of open source broadband testing tools. - To become a neutral operator of a infrastructure based broadband testing network.
Issues and Risks	- May be perceived by some members as competition. - Ensuring that we have a neutral role and do not get into the judgemental space.
Key actions since last report	None
Next steps	Waiting for a tender to be issued.

3 Financial summary

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

Year	Opportunity	Item	Spent
2014-15	National Broadband Map	Development	$43,036
2015-16	National Broadband Map	Development	$36,183
2016-17	National Broadband Map	Development	$7,690
2016-17	Domain Analytics	UX Design	$16,632
TOTAL			**$103,541**
REMAINDER			**$296,459**

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Internet New Zealand
Consolidated Financial Statements
For the Quarter Ended 30 September 2016

Deloitte.

Internet New Zealand
Table of Contents
For the Quarter Ended 30 September 2016

Internet New Zealand
Compilation Report
For the Quarter Ended 30 September 2016

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 informtaion 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
15-Nov-16

Internet New Zealand
Consolidated Income Statement
For the Quarter Ended 30 September 2016

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income	2,513,399	5,008,289	100,915	200,825	2,509,261	5,001,018	467,460	934,920
Other Income	76,545	111,545	30,345	30,345	26,200	51,200	20,000	30,000
Dividends Received	0	0	1,934,136	1,934,136	0	0	0	0
Interest Received	88,180	172,258	2,623	8,588	78,924	156,738	6,633	6,932
Managed Funds Income	66,611	78,004	66,611	78,004	0	0	0	0
Total Income	2,744,735	5,370,096	2,134,630	2,251,898	2,614,385	5,208,956	494,093	971,852
Less Expenses								
Direct Expenses	171,431	356,263	0	0	638,891	1,291,183	0	0
Other Expenses	2,232,877	4,193,043	1,040,289	1,809,893	900,757	1,800,575	388,608	776,129
Total Expenses	2,404,308	4,549,306	1,040,289	1,809,893	1,539,648	3,091,758	388,608	776,129
Net Profit (Loss) Before Tax	340,427	820,790	1,094,341	442,005	1,074,737	2,117,198	105,485	195,723
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	340,427	820,790	1,094,341	442,005	1,074,737	2,117,198	105,485	195,723

Notes:

The income and expenditure lines for the individual entities do not add to the Group totals due to the following
intra-group entries being eliminated:
1. GSE paid by NZRS and DNCL to INZ
2. The DNCL fee paid by NZRS to DNCL
3. The dividend paid by NZRS to INZ

The Group year to date net profit is $1,934,136 (quarter $1,934,136) less than the sum of the individual entities due to the
dividend received by INZ from NZRS being removed from income while the payment by NZRS shows under their
statement of movements in equity on page 3.

Internet New Zealand
Statement of Movements in Equity
For the Quarter Ended 30 September 2016

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	9,683,343	9,202,980	5,040,998	5,693,334	4,211,850	3,169,389	430,495	340,257
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	340,427	820,790	1,094,341	442,005	1,074,737	2,117,198	105,485	195,723
Less:								
Dividend Paid	0	0	0	0	1,934,136	1,934,136	0	0
Closing Equity	10,023,770	10,023,770	6,135,339	6,135,339	3,382,451	3,382,451	1,115,980	1,115,980

Internet New Zealand
Balance Sheet
As at 30 September 2016

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	14,397,807	2,991,424	10,200,827	1,205,556
Managed Funds	2,527,245	2,527,245	0	0
Other Current Assets	1,405,116	45,882	1,342,223	17,011
Total Current Assets	18,330,168	5,564,551	11,543,050	1,222,567
Property, Equipment & Software	840,407	266,017	515,196	59,194
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	0	610,000	0	0
Total Assets	19,170,575	6,440,568	12,058,246	1,281,761
Less Liabilities:				
Deferred Income	8,311,019	0	8,311,019	0
Trade and Other Payables	835,786	305,229	364,776	165,781
Total Liabilities	9,146,805	305,229	8,675,795	165,781
Net Book Value of Assets	10,023,770	6,135,339	3,382,451	1,115,980
Represented By:				
Total Equity	10,023,770	6,135,339	3,382,451	1,115,980

Internet New Zealand
Statement of Cashflows
For the Quarter Ended 30 September 2016

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,816,922	5,413,341
Interest Received	88,180	172,258
Managed Funds Income	66,611	78,004
Total Received	2,971,713	5,663,603
Cash was distributed to:		
Payments to Suppliers and Employees	2,289,542	4,363,533
Total Payments	2,289,542	4,363,533
Net Flows From Operating Activities	682,171	1,300,070
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	74,700	136,022
Net Cash Flows From Investing & Financing Activities	(74,700)	(136,022)
Net Increase Decrease in Cash & Cash Equivalents	607,471	1,164,048
Plus Opening Cash	16,317,581	15,761,004
Closing Cash Carried Forward	16,925,052	16,925,052
Closing Cash Comprises		
Cash & Cash Equivalents	14,397,807	14,397,807
Managed Funds	2,527,245	2,527,245
	16,925,052	16,925,052
Cash Flow Reconciliation		
Net Profit (Loss) After Tax	340,012	820,790
Plus (Less) non cash items		
Depreciation	161,179	340,731
Subtotal	501,191	1,161,521
Movement in Working Capital		
(increase) decrease in receivables	(102,610)	173,844
increase (decrease) in payables	56,612	(328,802)
increase (decrease) in deferred income	226,978	293,507
Net Cash Flows From operations	682,171	1,300,070

DRAFT MINUTES OF COUNCIL MEETING

Status:	To be ratified
Present:	Jamie Baddeley (President), Joy Liddicoat, Amber Craig, Dave Moskovitz, Brenda Wallace, Sarah Lee, Richard Wood, Rochelle Furneaux, Hayden Glass, Keith Davidson *(audio)*.
In Attendance:	Jordan Carter (Chief Executive), Maria Reyes (minute taker), Mary Tovey (InternetNZ), Andrew Cushen (InternetNZ), Ellen Strickland (InternetNZ), David Farrar (DNCL Chair, *in part*), Debbie Monahan (Domain Name Commissioner, *in part*)
Meeting Opened:	10.06am

1.1. Subsidiaries Reports

Reports were taken as read.

Question was raised on the DNCL budget and whether they are confident on expectations for year-end given spending to date is showing as under budget. In response, Debbie advised that they don't phase their budget but simply split it evenly across months; they also carry a contingency for their legal budget and don't spend it unless they need to.

David provided an update on WHOIS and mentioned that since the last Council meeting, the Board have met twice and at the last meeting the Board have decided in principle that for the 4th consultation in the Review they will be consulting on two options around the required contact information from registrants – i.e. name and email only as the first option; or name, email and location (city/region) as the second option. However, David advised that they will be open still for other suggestions that might be raised during the consultation period. He advised that the consultation paper is currently being drafted and most likely will be going out in a few weeks. The consultation period will run for about 6 weeks.

No questions were raised regarding the NZRS reports, however a comment was raised whether the format for both the Technical Research Report and the Product & Services Report could be amended so that the reports include updates and how much progress has been done since the last report has been submitted to Council. Jordan advised that he will have a discussion with Jay Daley (NZRS CE) regarding this matter, and Councillors were asked to raise any thoughts with him by email.

Council recognised and congratulated Jay Daley (NZRS CE) on his appointment as one of the ccTLD representatives on the new IANA Customer Services Committee, and Debbie Monahan (Domain Name Commissioner) for being appointed to the CERT establishment board.

Debbie Monahan and David Farrar left the meeting at 10.20am

Council went into Committee between 10.20am to 11am for the Council only and Council & CE alone time.

2.3a. Apologies
Council noted the apologies received from Richard Hulse and Kelly Buehler who were unable to attend the meeting.

2.3b. Council Register of Interest
Joy declared that she still needs to recuse herself on WHOIS decisions due to her employment with the Privacy Commission, who she mentioned are doing a submission on the policy consultation.

3.1. Industry Scan
Discussion held on issues and opportunities for InternetNZ. Council were advised that for any further comments, they can send it or discuss it with either Jordan or Andrew.

3.2. Strategy Day 2016
Jordan spoke to his paper and advised that the purpose of the paper was to suggest an approach and subject area options for Council to consider for the Strategic Planning Day due to be held on 24th September.

After a brief discussion, Council have agreed that the two main topics for that day are around InternetNZ strategy / operations / structure and membership engagement / involvement.

It was also agreed that a small group be created – including Brenda, Amber, Hayden, Dave and Rochelle – to work with CE and staff around the preparations and details for the Strategy Day.

RN43/16: THAT the paper on Strategic Planning in 2016 be received, and that Council agree the following topics for a one-day discussion between Council members and senior InternetNZ staff on 24 September:
- the way membership engagement happens at InternetNZ - reviewing the staff project and direction, providing input to this.
- the way the InternetNZ group does its work - a look at the environment and how it has changed since the last structural review was done in 2007-08, what similar organisations are doing in other countries, and starting discussion about whether there are strategic, structural or operational changes that should be looked at or considered further.

(Vice President/Cr Craig)
CARRIED U

3.3. Evaluation Framework: Product and Services Development

Jordan gave a summary on the paper which proposes a revised approach to the evaluation of NZRS Product and Services Development activities.

Discussions were held on the proposed high level approach to conducting assessment, whether there should be quantitative measures as well as how frequent the review should be done.

Overall Council agreed with the framework but wanted to retain flexibility about whether a "go/no go" decision would be made annually or less frequently, and would consider this further in discussion with NZRS at this year's review.

RN44/16:   THAT the High Level Approach for evaluating Product & Service Development on an annual basis, as set out in this paper, be agreed.

(Cr Craig/President)

CARRIED U

RN45/16:   THAT the Chief Executive document the approach and formally convey it to NZRS, and that in doing so he invites the company to discuss the details and seek mutual agreement of any inconsistencies or issues, and report back on these to Council as or if required.

(Cr Lee/Cr Furneaux)

CARRIED U

RN46/16:   THAT Council agree that the 2016 assessment to be done in November 2016 will be aimed at establishing goals that InternetNZ want to see achieved by NZRS in the subsequent annual assessment.

(Vice President/Cr Glass)
CARRIED U

3.4a. Amended Reserves Policy

Jordan spoke to his paper and advised that this was in follow-up to the discussion held at the May Council meeting.

The President advised that prior to the meeting Kelly Buehler have also expressed that she was in favour of the motions noted in the paper.

RN47/16:   THAT Council approves an amendment to the Reserves Policy, as set out in this paper, which has the effect of adding a working capital reserve (equivalent to one month of the year's planned Operating Expenditure) to the required financial reserves.

(Cr Moskovitz/Cr Wood)
CARRIED U

3.4b. Reserves Utilisation and Treasury Policy

The President raised that he had a discussion with new Cr Keith Davidson (who had an expertise on this matter due to his financial background) and advised that Keith was happy to provide some thought on this which Council can consider before they vote on the recommendations raised in the paper.

He also commented that one of the pending items that have been raised in Council previously was around having a Information Sharing Policy across the InternetNZ group. There is currently one between DNCL and InternetNZ; NZRS does not currently have such arrangements in place with InternetNZ.

Jordan raised that one of the suggestions noted in the paper, which was raised at the recent meeting of group Chairs and CEs, is to have an integrated accounting approach across the group to generate more coherent and simpler financial reporting. Council would need to be clear whether it wants to proceed with this.

RN48/16:   THAT Council ask the CE to draft an Information Sharing Policy for discussion at the November meeting.

THAT the President write to NZRS and DNCL advising that Council wishes to see a more integrated approach to group financial reporting, and inviting their CEs to work with the Chief Executive in developing an approach.

THAT the CE report back to the November 2016 meeting on more integrated group financial reporting at the November meeting with assistance from DNCL and NZRS.

(Cr Craig/Cr Furneaux)
CARRIED U

AP20/16:   CE to draft an Information Sharing Policy for discussion at the November meeting.

AP21/16:   President to write to NZRS and DNCL advising that Council wishes to see a more integrated approach to group financial reporting, and inviting their CEs to work with the CE in developing an approach.

AP22/16:   CE to report back on more integrated financial reporting with the assistance from DNCL and NZRS at the November meeting.

7.3. Reflection on Marae Experience

Council had a short discussion on what everyone thought on about the Te Pumaomao training held the day before. Overall, everyone enjoyed the sessions held and the experience of staying at the Marae.

A comment was raised that it was also great having it held after the AGM and prior to the Council meeting as a teambuilding activity. It would be good to explore the idea of conducting this workshop again in 6-8 months even just for a day and discuss the follow-up or progress of the action points noted from the previous workshop.

AP23/16: Staff to help collate the responses received via the Evaluation Survey Form circulated to all after the course and send it to the Māori Engagement Committee for review.

4.1. Scheduled Meetings for 2017

Jordan gave a summary on his paper and advised that the purpose of this was to provide an indication to Council as to the timing of the Council meeting and other events for 2017. This provides as a skeleton for any other events that needs to be added (e.g. NetHui 2017, once the date has been confirmed).

He also noted that the Council meetings are all held in Wellington. However, if Council prefer to have a meeting in Auckland that this can be considered too.

RN49/16: THAT Council adopt the Schedule of Meetings for 2017.

(President/Cr Lee)
CARRIED U

4.2. Group Policies – Planning and Reporting, and Planning Cycle

Jordan gave a brief summary of the paper and highlighted the changes proposed for the Group Planning and Reporting timetable and annual planning cycle due to the change in Council's meeting cycle – from a two-monthly meeting to quarterly meetings.

RN50/16: THAT the revised Group Policies – Planning and Reporting Timetable and Annual Planning Cycle – be adopted as consultation drafts for subsidiary input, and return to Council for final consideration at the November meeting.

(Cr Moskovitz/Cr Wallace)
CARRIED U

6.8. Māori Engagement Strategy

Discussed the proposed strategy that was circulated to Council in confidence. Sarah Lee, Chair of the Māori Engagement Committee advised that the paper was not made public as the Committee decided to discuss the propose draft with Council first for discussion, before releasing it to the members for review/comments.

After a brief discussion, Council agreed that the paper be amended, taking into account the points raised at the discussion and send the revised draft to members for input/comments. However, it should be made clear to members that we will do an engagement process and consult with the Māori groups/iwis as well regarding the strategy, after the consultation with members is done.

4.3. Committees of Council

It was noted that staff will liaise with the Committee Chairs for any changes on the relevant Terms of References (TOR) and send the amended versions to Council for review. Once finalised, an evote will be sent for Council to approve the amended TORs.

RN51/16: THAT the following appointments are made to each Committee:

- Audit and Risk Committee – Amber Craig (Chair), Richard Hulse, Rochelle Furneaux, and Keith Davidson

- CE Review Committee – Jamie Baddeley (Chair), Joy Liddicoat, Hayden Glass, and Rochelle Furneaux

- Grants Committee – Richard Wood (Chair), Dave Moskovitz, Sarah Lee, Kelly Buehler, and Jamie Baddeley (as ex officio member)

- Māori Engagement Committee – Sarah Lee (Chair), Amber Craig, and Joy Liddicoat

- Membership Committee – Kelly Buehler (Chair) and Hayden Glass

(President/Vice President)
CARRIED U

RN52/16: THAT Amber Craig, Keith Davidson, and Brenda Wallace be added to the bank signatories and that Neil James be removed from the list.

(President/Vice President)
CARRIED U

AP24/16: Staff to liaise with the Committee Chairs for any changes on the relevant Terms of References (TOR) and send the amended versions to Council for review.

5.1. President and CE Briefing
Jordan advised that there were no major issues to report to Council other than the updates and information noted on his CE report.

5.3. Future Partnership with NetSafe
Discussions were held whether InternetNZ should review the strategic partnership with NetSafe. Now that they've appointed as the approved agency under the Harmful Digital Act, pressure may result on their current role and approach to Internet safety.

Ellen advised that all partners are thoroughly reviewed once the agreement is due for renewal, as well as there are monthly catch-up with all partners to identify any issues as well as monitor progress on projects agreed with the partners. Staff have not identified any major issues with continuing a partnership with NetSafe; the time to review this will be towards the end of 2017 when the current two-year partnership comes up for consideration, and when the Approved Agency role has been being done for some time.

5.2. Council and Chair Evaluations Survey Results
A brief discussion was held around the process issue encountered at the recent Council and Chair survey and identified opportunities for improvement for the next evaluation survey.

6.1. Minutes of the previous meeting
Minutes were taken as read.

RN53/16:   THAT the minutes of the meeting held on 27 May 2016 be
              received and adopted as a true and correct record.

(Vice President/Cr Glass)
CARRIED
Abstain: Cr Davidson

6.2. Actions Register
Noted actions still requiring attention were:
- AP08/15: Health & Safety policies and Register for Council and staff
  functions [Work is still underway. A follow-up review/audit on the
  Health and Safety policies and procedures is due to be conducted
  soon.]
- AP35/15: Letter from the President to the AUDA Board Chair re board-
  level dialogue between AU and NZ on Internet Governance. [Discussion
  in person to be held next week during the ANZIAs, AP counts as
  completed.]

6.3. Membership Report
Report was taken as read.

RN54/16:   THAT the new members be approved.

(Vice President/Cr Glass)
CARRIED
Abstain: Cr Davidson

6.4. Evote Ratification
Report was taken as read.

RN55/16:   THAT the evotes noted as at 18 August 2016 be ratified.

(Vice President/Cr Glass)
CARRIED
Abstain: Cr Davidson

6.5 Health and Safety Updates
It was noted that for the next Council meetings, a summarised Incident Report
(noting any major issues that Council needs to note) be included in the Council
papers.

AP25/16:   Staff to draft a Health & Safety Incident Report summary at
              November meeting.

6.6. CE Report
Jordan spoke to his report and highlighted the key points noted in the
International Programme report.

Ellen also gave a summary on the Community Programme update and highlighted key updates and changes from the strategic partners – specifically for 2020 Communications Trust and CCANZ. She also gave a brief update on the NetHui Roadtrip held in October and commented that there needs to be a discussion as to who will be attending from Council.

Andrew summarised activity in the Issues Programme and Operations, with specific reference to recent activity on the Telecommunications Act, ISP Spotlight and the Regional Comprehensive Economic Partnership.

AP26/16:   Staff to review budget for Council attendance and participation in NetHui and put forward a discussion to the Council list with regards to who will be attending.

6.7. Group Financials
Report was taken as read, with a note about the limited detail on expenditure.

6.8. Council Committee Reports
Report was taken as read.

7.2. General Business
The President commented that the terms for the Council representative on the subsidiaries Board needs to be reviewed. He advised that it would be good that more Councillors have the experience being part of the subsidiaries Board, and therefore suggested to change the term limit to 2 years.

After a short discussion, Council agreed with this suggestion and the President asked if the CE could look into revising the policy. It was noted that the appointment of Council representatives should be within the same timing as the appointment of other Board members is reviewed. Council did also note that even with a consistent process, Council will be looking for different things for Council directors and this needs to be incorporated in the revised policy.

AP27/16:   CE to review the policy around Council representation on the NZRS and DNCL board and forward the revised policy to Council for review/discussion.

Next Meeting: The next scheduled Council meeting is 25 November 2016, and the Strategy Day is Saturday 24 September 2016.

Meeting Closed: 2.26pm

Action Point Register

	Action	Who	Status	Due by	Comment
**APRIL 2015**					
AP08/15	New Health and Safety policies (for Council function and staff function) and a Risk Register to be developed and then added to the Governance Manual.	Jordan	In progress	Dec-15	Risk Register is being updated and discussed via the Audit &Risk Cmte
**FEBRUARY 2016**					
AP04/16	Staff to examine the "competition test" suggestion presented at this meeting and find out what .uk has done and report back at the May Council meeting.	Jordan/INZ staff	In Progress	May-16	Haven't heard back from .UK but will follow up at the next ICANN meeting which JC will be attending
**AUGUST 2016**					
AP20/16	CE to draft an Information Sharing Policy for discussion at the November meeting.	CE	**Complete**	Nov-16	Paper for discussion at Nov meeting
AP21/16	President to write to NZRS and DNCL advising that Council wishes to see a more integrated approach to group financial reporting, and inviting their CEs to work with the CE in developing an approach.	President	In Progress	Nov-16	
AP22/16	CE to report back on more integrated financial reporting with the assistance from DNCL and NZRS at the November meeting.	CE	In Progress	Nov-16	Jordan to report back at CE's meeting. It won't be in a position to finalise this before Feb but is coming along well
AP23/16	Staff to liaise with the Committee Chairs for any changes on the relevant Terms of References (TOR) and send the amended versions to Council for review.	Maria	**Complete**	Nov-16	
AP24/16	Staff to help collate the responses received via the Evaluation Survey Form circulated to all after the course and send it to the M āori Engagement Committee for review.	Maria	**Complete**	Nov-16	
AP25/16	Staff to draft a Health & Safety Incident Report summary at November meeting.	Andrew/Maria	**Complete**	Nov-16	
AP26/16	Staff to review budget for Council attendance and participation in NetHui and put forward a discussion to the Council list with regards to who will be attending.	Community Prog staff	**Complete**	Nov-16	
AP27/16	CE to review the policy around Council representation on the NZRS and DNCL board and forward the revised policy to Council for review/discussion.	CE	In Progress	Nov-16	Paper for discussion at Nov meeting

INTERNETNZ MEMBERSHIP REPORT

Status: FINAL
Author: Maria Reyes, Office Manager

Current Membership *(as at 17 November 2016)*

Fellows	Individual	Professional Individual	Small Organisation	Large Organisation	TOTAL
22	231	62	21	3	339

Andy Linton resigned his fellowship (which was awarded in 2004) in September 2016, wishing to draw a line under his involvement in all forms of Internet governance.

2015-16 Membership Year

	31 Dec '15	31 March '16	30 June '16	30 Sep '16
Fellows:	22	24	23	22
Individual:	250	263	216	225
Professional Individual:	64	68	56	59
Small Organisation:	23	23	19	21
Large Organisation:	5	5	3	3
Total Membership:	365	383	317	330
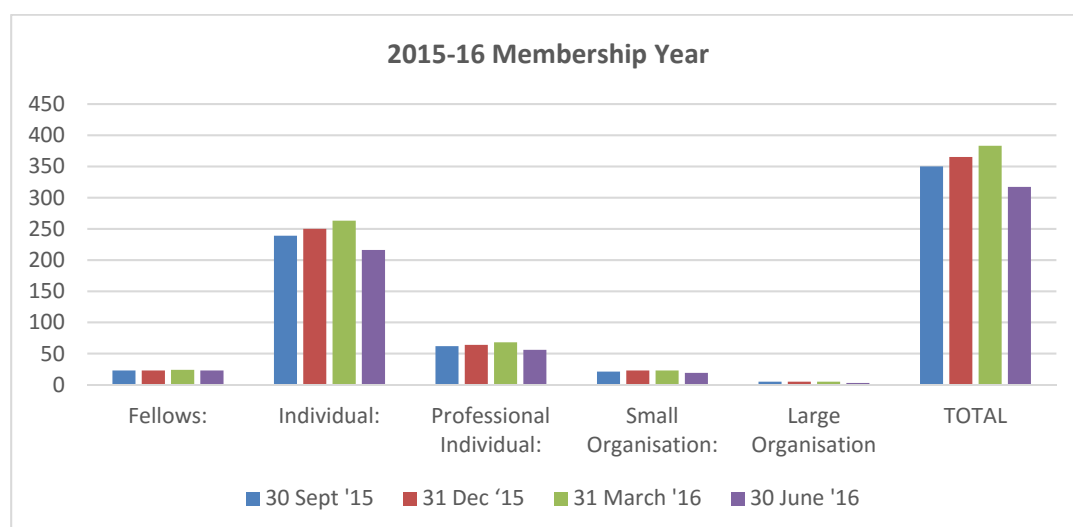
2014-15 Membership Year

	30 Dec '14	31 March '15	30 June '15	30 Sep '15
Fellows:	23	23	23	23
Individual:	270	284	289	240
Professional Individual:	71	76	75	61
Small Organisation:	29	29	29	21
Large Organisation:	8	8	8	5
Total Membership:	401	420	424	350
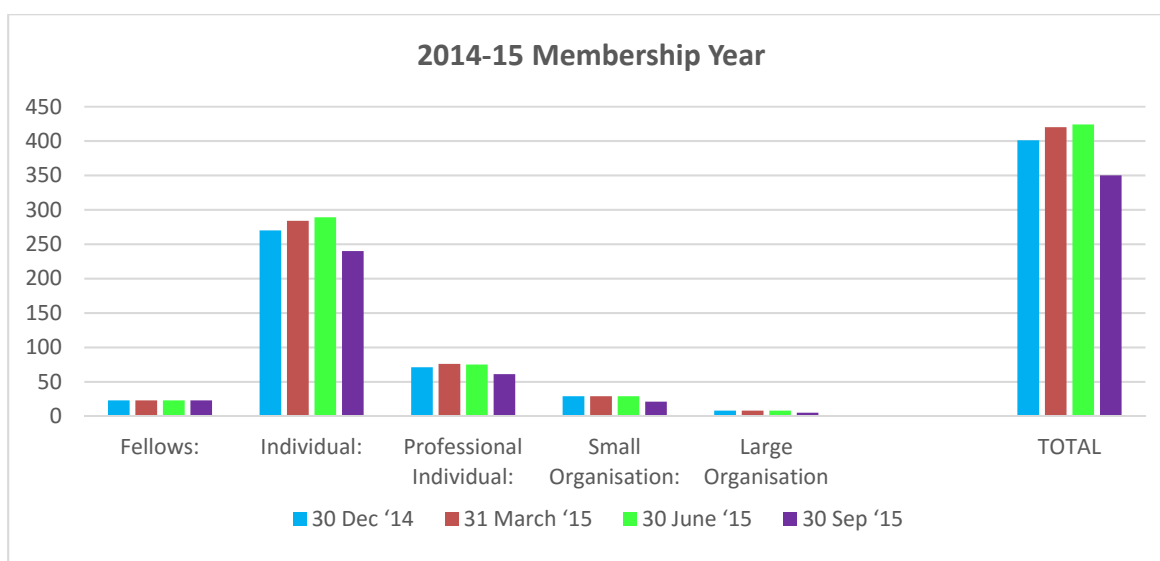
Membership by region *(based on Current Membership as at 17 November 2016)*

Joined in	NORTH ISLANDS		SOUTH ISLANDS	
	Northern	Southern	Northern	Southern
2016	18	18	2	3
2013-2015	29	59	8	2
2010-2012	28	48	14	5
2005-2009	29	49	4	4
Foundation-2004	3	6	0	0
TOTAL	*107*	*180*	*28*	*14*

*International members – 10

Recommendation:
THAT the new members be approved.

E-votes Ratification

Author:	Maria Reyes, Office Manager

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

Evote:	Motion:	For:	Against:	Abstain:
26092016	(1) THAT Dr Kevin Wang of University of Auckland be awarded $3,100 from the Conference Attendance funding round (2) THAT Linda Lew be awarded $2,750 from the Conference Attendance funding round. (3) THAT Bryan Ng be awarded $3,500 from the Conference Attendance funding round. (4) THAT Jonathan Brewer be awarded $3,500 from the Conference Attendance funding round. (5) THAT Aimee Whitcroft be awarded $2,182 from the Conference Attendance funding round. *(Cr Craig / Vice President)*	Dave Moskovitz Hayden Glass Sarah Lee Richard Wood Richard Hulse Rochelle Furneaux Kelly Buehler Brenda Wallace Jamie Baddeley		
27092016	THAT the .nz Framework Policy be adopted, to come into force on 1 October 2016. *(President / Cr Furneaux)*	Dave Moskovitz Hayden Glass Sarah Lee Richard Wood Richard Hulse Rochelle Furneaux Kelly Buehler Brenda Wallace Jamie Baddeley		

| 21102016 | THAT Council adopt the changes to the Terms of References for the Audit & Risk Committee, CE Review Committee, Grants Committee and the Māori Engagement Committee.

(Cr Lee / Cr Furneaux) | Kelly Buehler
Richard Hulse
Amber Craig
Dave Moskovitz
Brenda Wallace
Joy Liddicoat
Hayden Glass
Richard Wood
Sarah Lee | | |

Recommendation

- THAT the e-votes be ratified.

HEALTH AND SAFETY UPDATE

Author:	Laura Turnbull, Organisational Development Advisor
Purpose of Paper:	To inform Council of progress on Health and Safety process development and report on any incidents.

Health and Safety Process Development

A review of the Health and Safety practices took place, with new templates and processes implemented.

The following processes include:

- New templates and processes for recording any incidents and the action that was taken to rectify the problem
- Health and Safety is now a standing item on the team meeting agenda
- Monthly hazard walks and checks have been conducted since August and will continue to take place on a monthly basis
- A monthly meeting between management and InternetNZ's Health and Safety officer has been taking place and will continue to take place
- DNCL and NZRS have their own appointed Health and Safety Officers and fortnightly meetings have been taking place between the three of them.

InternetNZ is in contact with a Health and Safety auditing company, and is in the process of undertaking this audit before the end of the year. The timing of this audit is constrained by the availability of suitably qualified external advisors. We are assured that not only do we continue to be low risk, but that our approach is adequate in that we are clearly showing an intent to comply and taking action accordingly. Council will also recall that we did a full Health and Safety Audit in Q2 of 2015/16; this new audit will serve to address only the small number of new obligations that have changed.

The Institute of Directors offers a two-hour webinar for Directors on Health and Safety. If any members of Council would like to attend a webinar please let our Health and Safety Officer, Laura Turnbull know by emailing laura@internetnz.net.nz.

Health and Safety Reporting

There have been no incidents reported and no near misses since 1st April 2016.

CHIEF EXECUTIVE'S REPORT

Author:	Jordan Carter, Chief Executive
Purpose of Paper:	To update Council on progress in the three months since the last meeting on 26 August 2016, and to set out goals and priorities for the next three months.

This report functions as a summary and highlights report for Council in understanding InternetNZ's programmes and operations since the last meeting.

For further detail, refer to the Activity Plan Programme Report for the first quarter on the website: https://internetnz.nz/reports

Financial reporting is not repeated in this report – it is done separately and published quarterly at the same URL.

1. Overview and priorities

A: *Critical & Potential Risks*

There are no critical risks to advise the Council of as at the reporting date.

B: *Recent Chief Executive Priorities*

Since the last meeting of Council in August 2016, my priorities have been as follows, generally in descending priority order.

1. **Strategy Day 2016:** Preparations for and reflections following the 2016 Strategy Day.
2. **Membership Renovation:** we have begun the research phase of the membership improvements we need to do. This work has been providing thought-provoking feedback from members.
3. **Recruiting new staff:** As further explained below under staffing matters.
4. **NetHui 2016:** we have successfully carried out the three regional events which were warmly received. I was MC for half of each day, with Ellen doing this for the other half.
5. **Next steps on our culture:** Dan Randow engagement has continued as he works with the InternetNZ team, the InternetNZ Management Team, and with Jordan and Andrew on further development of the organisational culture. In addition, the InternetNZ team took an away-day at the end of October to keep developing our culture.
6. **dotNZ:** final adoption of the .nz Framework Policy, and preparation of the 2017/18 Statements of Expectations for NZRS and DNCL.
7. **Communications strategy:** Substantive progress toward refreshing the InternetNZ website has been stalled, but is continuing. A refreshed Communications Strategy has been developed as well.
8. **Product and Services Evaluation:** did some preparatory work for the evaluation as agreed at the August meeting, with conduct of the evaluation now deferred to February.

9. **International:** I attended the Australia NZ Internet Awards in Melbourne at the end of August, the Australian IGF in October, and the ICANN meeting and Internet & Jurisdiction Project conference in November. This included low key contributions to ICANN accountability.

There was less progress than hoped on profile for InternetNZ and our Focus Areas work (noted as a priority in my August report), though I did have the chance to address the Canterbury Tech Summit in September.

C: Chief Executive priorities for the next three months:

These are generally ranked in descending order of priority:

1. **Planning for 2017:** this is the time of year when we do our planning and budgeting for the coming financial year. Getting the Activity Plan right is important.
2. **Membership Renovation:** continued work with the project team dealing with improving our membership processes and engagement across the organisation.
3. **Stakeholder outreach:** we have our end of year stakeholder functions coming up in November, along with reaching out to various media to lift InternetNZ's profile. I've also been keeping in touch with strategic partners in the run-up to Ellen's departure.
4. **Review of InternetNZ structure:** anticipating Council decides to proceed with the review recommended at this meeting, I will be devoting considerable energy to this project.
5. **Staffing:** with Ellen and Maria departing on maternity leave in this period and new staff to bring on board, I will be focused on working with their temporary replacements to get them on board as quickly as possible.
6. **International:** ongoing participation in ICANN accountability work, and preparations for the next ICANN meeting (Mar-17).

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

D: Staffing Matters

As noted in the last report, several new recruits are settling in well. As also noted, two staff are taking maternity leave starting just after this meeting. **Vanisa Dhiru** has been appointed to the Community Programme Director role on a fixed term basis to cover Ellen. **Kimberley Ford** has been appointed to the Office Manager role on a fixed term basis to cover Maria.

2. Programmes

A: Community Programme: Ellen Strickland

The Community Programme has had a very busy quarter, with both grants processes and NetHui Roadtrip at workload peaks, as well a range of other work underway.

Points of Note:

The Community Programme Director will on parental leave from early December to late May, with a temporary replacement as noted. She offered to work 'keeping in

touch' time as per parental leave legislation (working up to 4 hours per week) from February for Activity planning, any strategic work and other items as useful to the team.

Highlights:

- *NetHui Roadtrip 2016* successfully delivered – over 300 participants, very positive feedback and a valuable experience for InternetNZ in terms of outreach and discussion. As well as a great team effort! The final programmes, videos and published report are found at https://2016.nethui.nz

- A **Speaker Series** event was held in the Wellington offices on 8 September, featuring Niels ten Oever, Head of Digital at Article 19 in a discussion on *Harassment and the Internet*. It was a thought provoking sessions, with strong media uptake and engagement and an good round of meetings and side events with the international guest, Neil ten Oever.

- Asssement of the first 2016/17 *Community Grants* round, for projects and conference attendance has been completed, with Council decision made by evote for conference attendance and a paper going to this meeting with Community Project recommendations.

- Additional productive discussion was had around the **Grants Policy Framework** which concluded with agreement to put recommendations to Council at end of next round.

- In the last three months we agreed *sponsorship* for:

    o Great Southern Unconference, November 2016, Chch

    o Net Squared event, date TBC, Wellington

    o Confronting Online Harm Together Conference (Netsafe recognised us as sponsors as part of strategic partnership), November Auckland

    o Mobile Tech, March 2017, Rotorua

Lowlights:

- Due to sickness, which she is now recovering from, Nicole was not able to participate in the NetHui Roadtrip events, however we were fortunate to have good contractor support which was able to step in while she was sick.

Next Priorities:

- *NZ Internet Research Forum* pizza evenings wil be held in Auckland and Wellington in late November/early Devember to engage that network and plan online NZIRF forum/presence as well as next year's event

- Final Speaker Series event of the year will be on 8 December: *Things and the Internet*

- *Māori Engagement Committee* to progress Māori engagement strategy towards engagement and consultation phase

- Internet Research and Conference Attendance *Community Grants Round* is now open with promotion , application support underway with recommendations to Council in January and then late March. Grants work will also be undertaken around building an impact assessment, as well as finalising recommendations to Council for the Policy Framwork for 2017-18 .

- *NetHui 2017* community consultation to take place and planning and promotion work to begin.

- *Strategic Partnerships:* proposal development for 2017 onwards as well as ongoing work with existing partners.

B: Issues Programme: Andrew Cushen

The Issues Programme has been pushed in the most recent quarter. Two large two large matters have come to the fore since the last report – one known in the Telecommunications Act, and the other unknown in the Vodafone Sky merger. Responding to these, the existing additional commitments and the Activity Plan has been challenging, but a challenge that the team has risen to.

Points of Note:

The Issues Programme is well on track to deliver the full set of commitments made as part of the Focus Areas, as well as the eight additional items that have already arisen during the year. As noted in the previous report, this workload has strained our budgets; this is reflected in the Budget rescoping presented elsewhere to Council.

Highlights:

- Work on the *Telecommunications Act* is a major deliverable under our Access Focus area. We are quite proud of the submission that we pulled together, in consultation with a wide range of stakeholders. The approach of maximising the benefits of copper; driving efficiencies and in improved service for rural NZ is resonating well as we continue to socialise our ideas. Next steps are currently unclear; awaiting decision from Government. A commendation here for James for stepping in as the lead author in this work.

- Discussion Starter on the *Internet of Things* is a new activity in this year's plan. It builds off our earlier engagements at ITx, and leads in to the Speaker Series event in December. The goal is to encourage a wider set of conversations and considerations, and to produce a further recommendations report in the new year.

- Ongoing development of the *Digital Inclusion Map*, which is now a Catalyst Project with the Data Futures Forum. We are well on track with this work, and are pretty excited about moving into the next build phase.

- Our focus on Network Neutrality as part of the *Vodafone Sky* merger application has had a meaningful impact on the Commissions considerations of the impact on competition if this merger was to proceed. We continue to follow this process through to announcement in December.

- A submission on the *Intelligence and Security Bill* to Parliament, where we received commendations from the Committee around the utility of our work. We have focused on improvements to the definition of National Security, and to the need for warrants – two measures that if introduced will help maintain the confidence in the Internet in New Zealand.

- *Am I a Network Operator* has been refocused, reflecting on how this resource can be of most use to the Internet Community. The work here has reflected how difficult the law in this area is to unpick; it will be released alongside an appropriate event in the balance of the financial year.

- Alongside many others, a focused piece of work encouraging changes to the *Land Access* provisions in the Telecommunications Act. This has the potential to dramatically change the economics of fibre rollout in rural New Zealand.

Lowlights:

- The *Digital Regulation* work with the New Zealand Initiative has stalled due to changing priorities on the partner side. This work will more likely take place in 2017.

- We have completed the *Independent Access Review.* We are however unable to release this without permission from the data providers of the Broadband Map. We are still in negotiations with them.

Next Priorities:

- *Telecommunications Act –* continuing to focus on this process as it moves to legislation.
- Following the Speaker Series and Discussion starter on the *Internet of Things* with a further set of recommendations and analysis in the near year.
- *Planning* 2017/18.
- Delivering our work on *Easy Encryption*, as a guide to using these technologies,
- Delivery of the *Digital Inclusion Map* work.

C: *International Programme (Jordan Carter)*

Points of Note:

- As noted, the IANA Stewardship transition completed in early October.
- ICANN 57 was held in Hyderabad, India 3-9 November. It was a low key meeting without major issues of controversy, with considerable community attention focused on implementing the new accountability framework. The usual joint ICANN report will be circulated as soon as complete and included in the Feb 2017 Council papers for the record.
- I attended the AU IGF in Melbourne in mid-October. This was the first held under the new leadership that has been in place at AUDA since late August. It was an interesting event in that it provided an opportunity to understand more the changes in direction AUDA is doing, and was otherwise a good chance to catch up with contacts in the Australian Internet community. One outcome was a catch up w the chair of the Australian Digital Alliance about some joint work on copyright, which has since been followed up.
- Relatedly, AUDA has indicated they do not wish to continue with the ANZIAs concept next year, a decision that I am relaxed about. (I have always been ambivalent about high-cost awards functions, but enjoyed recent events in this series.)
- Australia will also no longer host the APrIGF which had been expected to be in Melbourne next year. The organisers are looking for a new host.
- Further developments in the Oceania School of Internet Governance – I am no longer confident that this event will occur, but the underlying aim for supporting Pacific access to IG discussion and participation may be able to be realised in a different way e.g. through supporting involvement with the APrIGF and with a possible Pacific IGF.
- The Global Internet and Jurisdiction Conference was held in Paris, France from 14-16 November. I attended and found it to be a useful gathering. The essence of the project is to help develop norms that deal with the problems of clashing jurisdictions. I focused on the Domains and Jurisdiction workstream, and will provide relevant feedback and lessons to Council and subsidiaries. Website: http://conference.internetjurisdiction.net/
- I will also attend some OECD Internet policy meetings for the balance of the week.
- The ITU remains an alternative venue for Internet policymaking in the eyes of some governments. The recently completed World Telecommunications Standardization Assembly (WTSA) showed further evidence of some efforts to arrogate Internet policymaking to that forum. These did not succeed, but

the Internet community needs to remain engaged and interested in ITU processes to ensure things don't change in a manner that weakens the multistakeholder approach.

Next Priorities (mid-November to mid-February)

- In the ICANN world, there is ongoing work in kicking off of new post-transition entities (e.g. Customer Services Ctte) and ICANN accountability framework
- Improved domestic discussion on international and Internet Governance work.
- Sorting out the Pacific / OSIG question
- Preparation for the APTLD meeting to be held in Viet Nam in early March
- Preparation for the ICANN meeting to be held in Denmark in mid March

3. Operations

Since the August Council meeting the Operations team have been working on organising the logistics for the December Speaker Series, ongoing work on the website improvements, preparations for the NZNOG conference in January, audit review for Q2 done, report to follow, and the completion of Q2 reporting as presented in these Council papers.

Points to Note:

Work on Membership Project Planning is ongoing with the help of Katherine Hall of Pie Comms. An Email has been sent to current members notifying them that a Pie Comms representative will be in touch by phone to seek their feedback regarding their membership. Council will be notified with any updates regarding this work when it's available.

Highlights:

- Completion of the recruitment for the temporary Office Manager covering for Maria when she's away on maternity leave.
- Completion of the NetHui Roadtrip held on 13-17 October in Nelson, South Auckland and Rotorua.
- Ongoing trial for upgrading the VC system in the Wellington office which now enables Skype and other web conferencing tools (e.g. Adobe Connect) – so far trial has been good.
- ICANN 2020 proposal has been submitted and most likely going to get some response/update by early next year.
- Audit site visit for Q2 review completed, report will be available for next audit and risk meeting in December.

Lowlights:

- Chasing outstanding invoices for unpaid NetHui registrations
- Website project is taking longer than expected.

Next Priorities:

- NZNOG sponsorship and ongoing work on preparing for the conference.
- October financial reports

- Activity budget planning
- Financial strategy planning
- Handover of any outstanding tasks to the temporary Office Manager.
- Ongoing work on website project.

4. Governance and Members

The research phase of the membership project has taken longer than anticipated, so progress is slow here.

Points of Note:

- Membership numbers are covered in a separate report for this meeting.
- The public opinion research has been released and generated some news. NZRS, DNCL and InternetNZ have informally agreed to collaborate in opinion research in future, given that all have an interest in knowing the thinking of the Internet community, and two (NZRS and InternetNZ) currently commission research.

Highlights:

- Publication of the UMR public research
- Council committees established and under way.
- Good round of membership engagement events in October. Good feedback on these from those who attended, and moderate attendance.

Lowlights:

- None to report.

Next Priorities:

- Follow up post-Strategy Day
- Ongoing Membership Project work.

5. Other Matters

- In my last report I advised Council that following the ITx collaboration in July, Paul Matthews has pulled together a **sector-wide leadership group**. The group has met twice so far and will have a third meeting just prior to Council. It is proving to be a useful meeting ground. We will be considering what common issues we might advance in 2017 relating to the general election before wrapping up for Christmas.
- The **IANA Stewardship transition** completed in October, with a last minute lawsuit failing to derail the ending of the contract between the U.S. government and ICANN. This was celebrated in a low key fashion at the subsequent ICANN meeting in October.
- I have been working with NZRS and DNCL on progressing changes to **group financial reporting,** to make sure the quarterly group financial reports present more comprehensive and detailed information. We are making good progress with this, and anticipate Council being able to sign off a new approach at the February meeting.
- I am very pleased with how our team is functioning, including dealing with the impact of the **Kaikoura Earthquake** on 14 November. There is a

wonderful team spirit and vibe, with several recent recruits fitting in really well, and the team supporting each other and working together effectively.

- The change to **Andrew's role (becoming Deputy CE**), with a more internal focus, and me taking a more outward focus, is being generally well received. Implementation has remained patchy on my part – I work on internal matters a little more than I expected. I will be changing my approach to managing my time to make more of a success of this.

Finally, since this is the last meeting of the Council before Christmas, I would like to wish all Councillors a very happy holiday season on behalf of all the staff and contractors on the InternetNZ team.
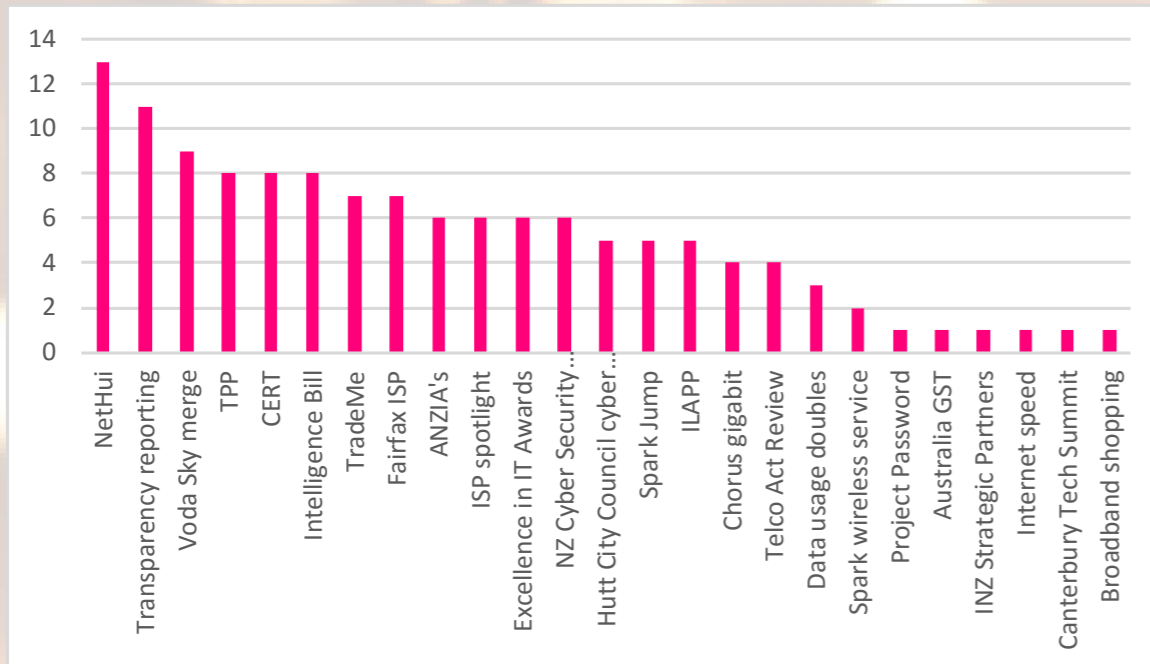
Jordan Carter

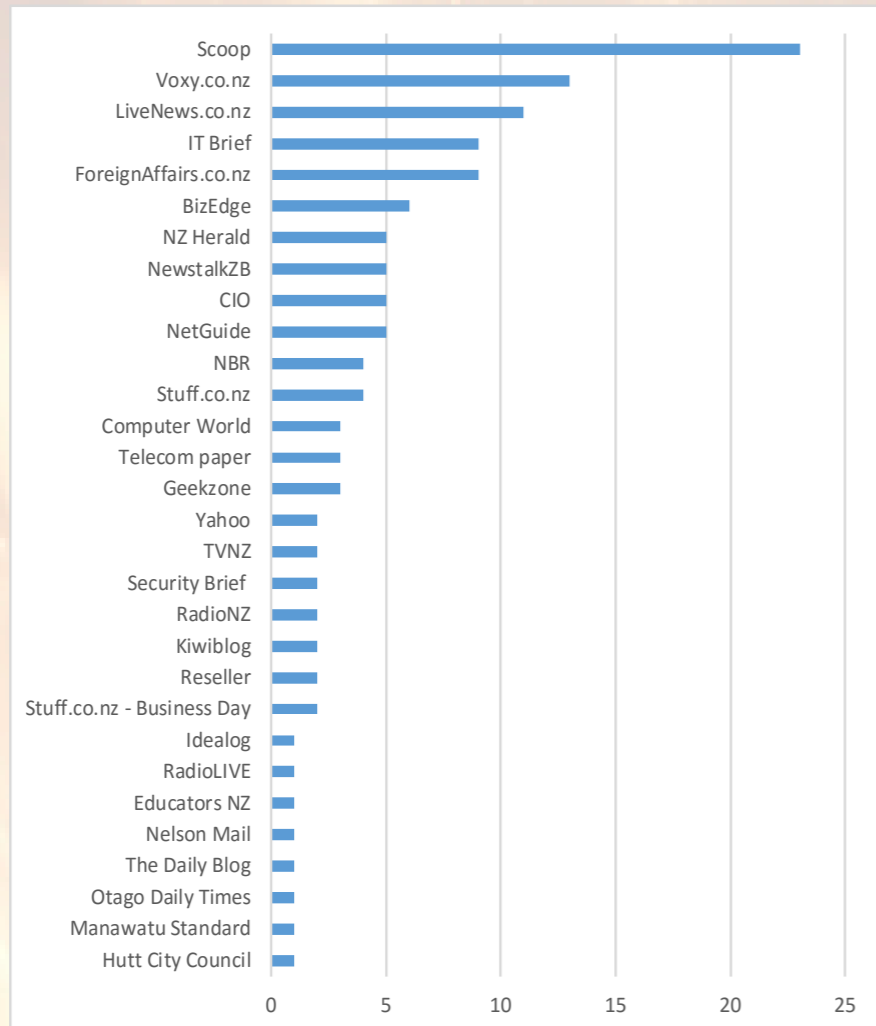**Chief Executive**

16 November 2016

ATTACHMENTS:

APPENDIX 1 - Media Monitoring Report (Jul-Sep)

MEDIA REPORT 1 JULY - 30 SEPTEMBER 2016

Media articles by topic

Bar chart (vertical). Y-axis: 0 to 14.

- NetHui: 13
- Transparency reporting: 11
- Voda Sky merge: 9
- TPP: 8
- CERT: 8
- Intelligence Bill: 8
- TradeMe: 7
- Fairfax ISP: 7
- ANZIA's: 6
- ISP spotlight: 6
- Excellence in IT Awards: 6
- NZ Cyber Security...: 5
- Hutt City Council cyber...: 5
- Spark Jump: 5
- ILAPP: 5
- Chorus gigabit: 4
- Telco Act Review: 4
- Data usage doubles: 3
- Spark wireless service: 2
- Project Password: 1
- Australia GST: 1
- INZ Strategic Partners: 1
- Internet speed: 1
- Canterbury Tech Summit: 1
- Broadband shopping: 1

Media articles by outlet

Horizontal bar chart. X-axis: 0 to 25.

- Scoop: 23
- Voxy.co.nz: 13
- LiveNews.co.nz: 11
- IT Brief: 9
- ForeignAffairs.co.nz: 9
- BizEdge: 6
- NZ Herald: 5
- NewstalkZB: 5
- CIO: 5
- NetGuide: 5
- NBR: 4
- Stuff.co.nz: 4
- Computer World: 3
- Telecom paper: 3
- Geekzone: 3
- Yahoo: 2
- TVNZ: 2
- Security Brief: 2
- RadioNZ: 2
- Kiwiblog: 2
- Reseller: 2
- Stuff.co.nz - Business Day: 2
- Idealog: 1
- RadioLIVE: 1
- Educators NZ: 1
- Nelson Mail: 1
- The Daily Blog: 1
- Otago Daily Times: 1
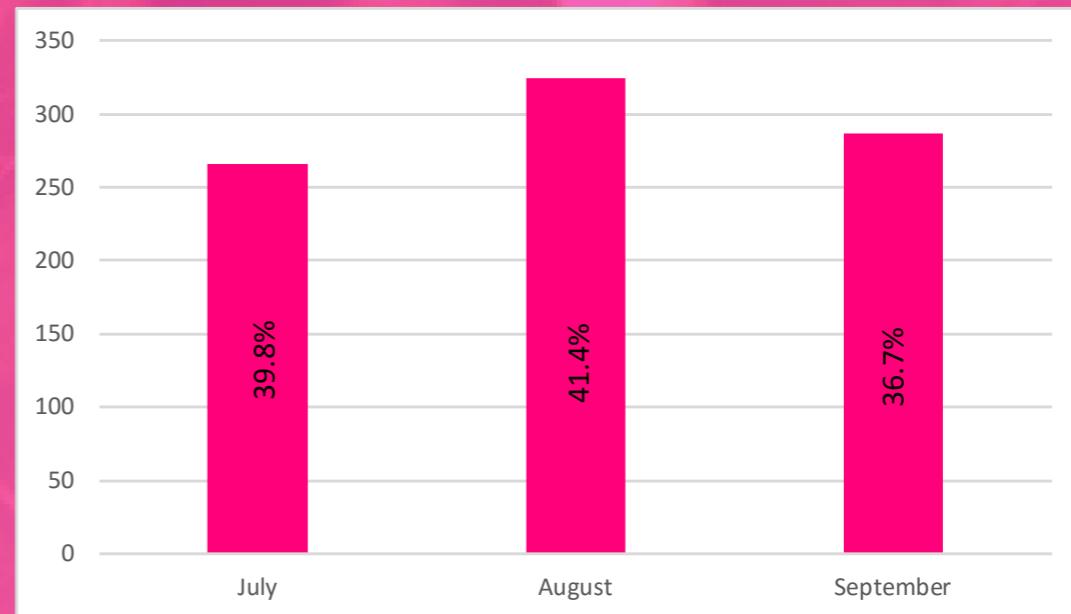- Manawatu Standard: 1
- Hutt City Council: 1

129 media articles
(83 in last quarter)

An op-ed by Jordan Carter on transparency reporting was in the NZ Herald

25 topics in media
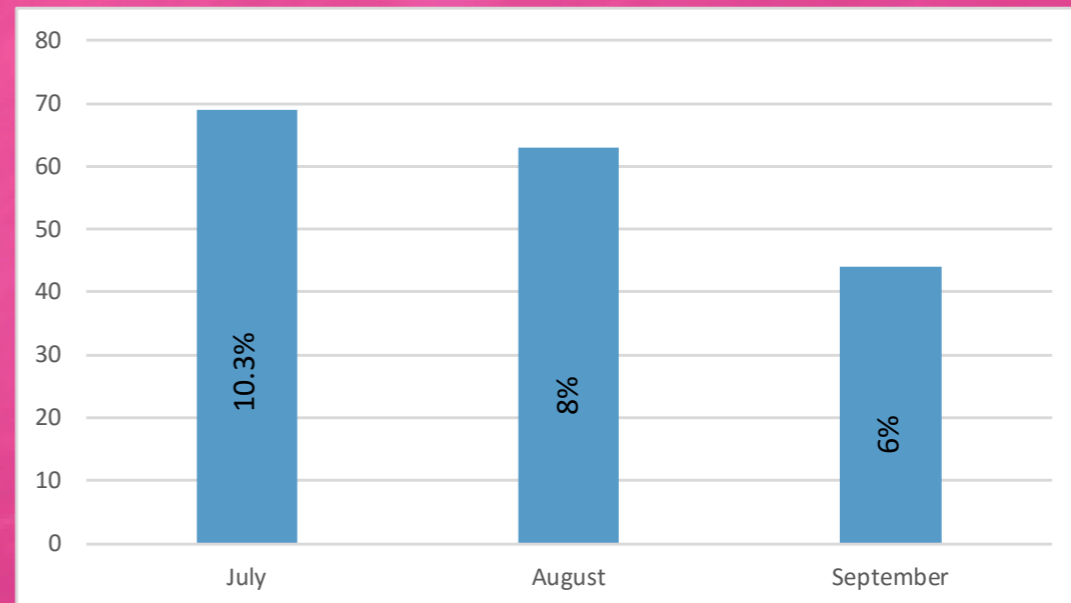(17 in last quarter)

dotNews open rates (# and % of recipients)
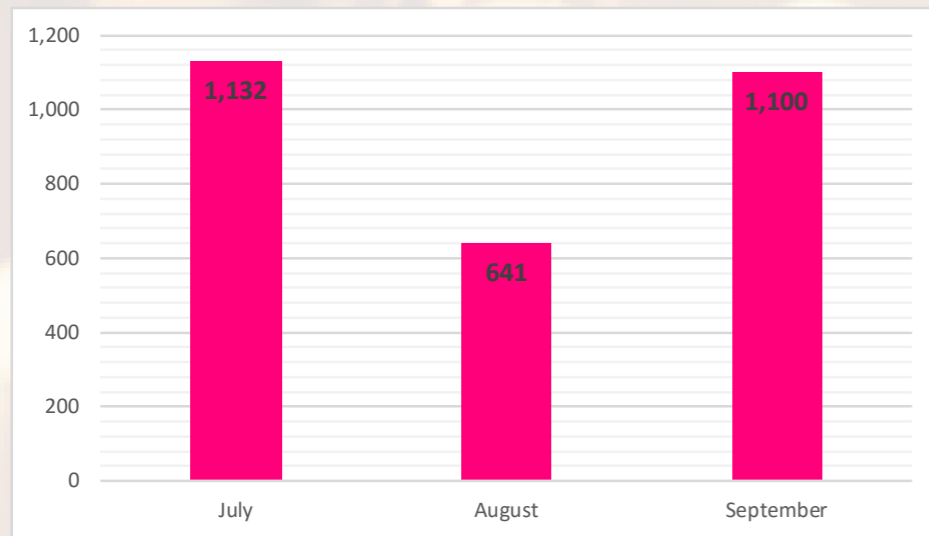

Bar chart. Y-axis: 0 to 350.

- July: ~265 (39.8%)
- August: ~325 (41.4%)
- September: ~287 (36.7%)

dotNews click rates (# and % of recipients)

Bar chart. Y-axis: 0 to 80.

- July: ~69 (10.3%)
- August: ~63 (8%)
- September: ~44 (6%)

MEDIA REPORT 1 JULY - 30 SEPTEMBER 2016

Twitter engagement (on average by post)

Month	Value
July	1,132
August	641
September	1,100
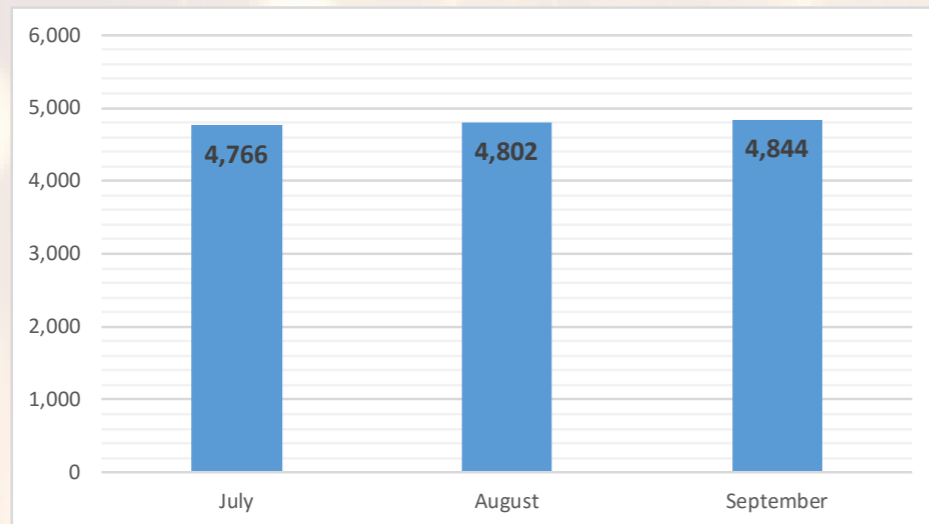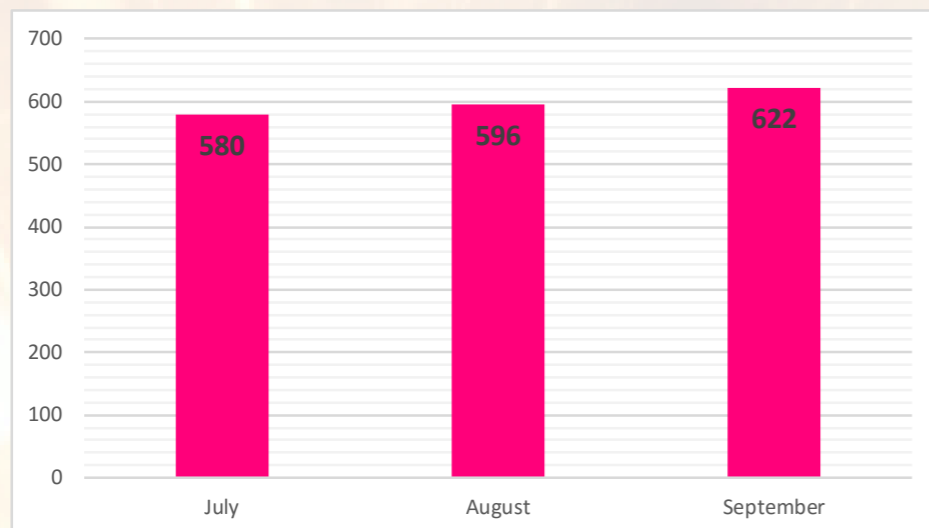
Facebook reach (on average by post)

Month	Value
July	365
August	385
September	353

Twitter followers

Month	Value
July	4,766
August	4,802
September	4,844

Facebook likes

Month	Value
July	580
August	596
September	622
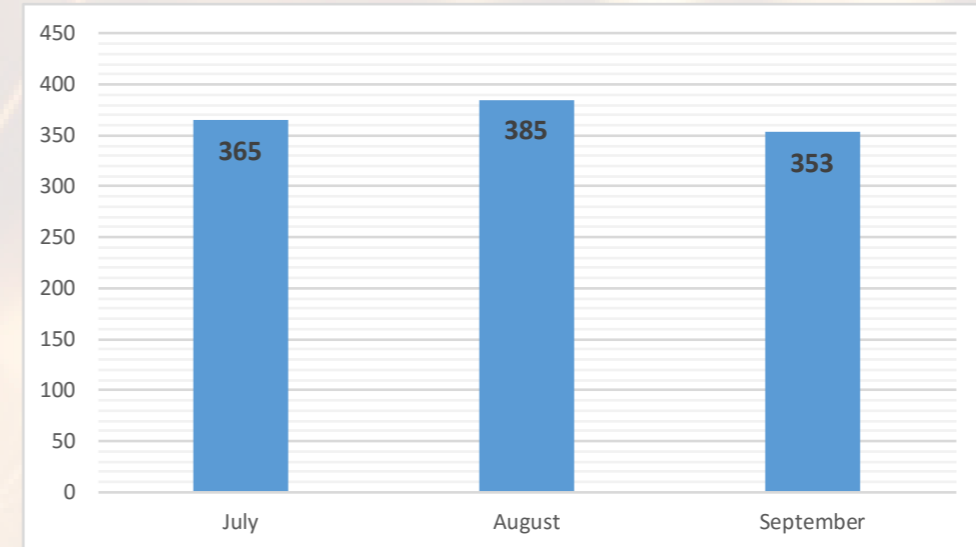
Transparency reporting

11 media articles on transparency reporting

7 media articles on Trade Me's transparency reporting

nzherald.co.nz

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Jordan Carter: Transparency reporting - time to get on board

By Jordan Carter

12:00 PM Wednesday Aug 10, 2016

Business   IT Security   Internet   NZ Government   ...   SHARE: f t G+ in ☆

Online convenience comes with responsibilities to keep our personal information safe. Photo / Getty Images

Our lives are increasingly being played out in the digital space. We sign up for online services with banks and Internet providers, and we buy and sell our goods online, amongst many other things.

We spend so much time online, going about our daily lives, because the Internet has made things like banking easier and more convenient than the old systems we used to rely on. However, with this convenience comes new and additional responsibilities to keep our personal information safe.

It is easier than ever for the Government to request customer information from organisations such as banks or Internet service providers, and for these companies to hand over this information.

Main outlets

NZ Herald

Stuff

Otago Daily Times

Northern Advocate

NewstalkZB

Security Brief

IT Brief

Geekzone

REMOTE PARTICIPATION OF MEMBERS AT COUNCIL MEETINGS

Author:	Laura Turnbull, Organisational Development Advisor
Purpose of Paper:	To promote discussion on remote participation in Council meetings by members.

Background

InternetNZ endeavours to be a highly transparent organisation and welcomes all members to attend meetings either in person or by video/audio conference. InternetNZ recognises that we are an Internet based organisation and that we should provide options for our members to allow them to participate in meetings remotely.

What InternetNZ currently does

InternetNZ currently invites members to all meetings of Council through the members-announce email list and asks that any member who wishes to attend contact the office to let them know. Members who wish to observe the meeting are able to do so in person, or by video or audio conference. Regardless of how a member attends, if the meeting goes into committee the member will be asked to leave the meeting during this time.

At this stage in time there is a relatively low and almost non existent demand from members to attend these meetings despite the "on demand" attendance options that are in place. Consideration of additional remote participation options therefore concerns whether to go beyond "on demand" to consider what should be enabled by default.

The Council papers and minutes are published online and are publicly available to both members and the general public. This provides members with the opportunity to review the documents that were put to Council and see what decisions and outcomes came out of the meeting.

What InternetNZ has done in the past

In the past, InternetNZ has invited members to attend all Council meetings AND contracted a third party to record the audio of the meeting which was then published on the InternetNZ website. The cost to have the audio equipment at each meeting was considerably high and an additional staff member was required to be in the meeting to manage the audio function. The team undertook a review to see how many times the audio had been played and found that the it had only been played once throughout its entire duration on the website.

When the team discovered how little the audio recordings were listened to, it was decided that the recording of Council meetings should be stopped as it was a waste of financial and human resource. As the papers and minutes are still published and available online, both members and the general public are still provided with the details of the meeting.

Options InternetNZ could look at

Increasing the availability of "by default" remote accessibility options would require us to consider:

- Additional staff support during Council meetings to manage the technology
- Additional expense in streaming/allowing audio
- Investment in improved technology in the Moa meeting room to allow participation to be more successful
- Limit the Council's ability to move meetings to other locations AND provide the same level of remote participation options.

InternetNZ could create a code of conduct for members who are observing the meeting remotely. This would outline the process, their responsibilities and our expectations of their behaviour while they are in attendance of the meeting.

The impact on subsidiaries

While InternetNZ is able to be flexible with how they manage remote participation, NZRS and DNCL have different core functions and decision making processes and should be able to determine how they manage remote participation based on their activities.

There are no recommendations for this paper.

Glossary of Terminology	
2020	2020 Communications Trust
2TLD	Second Level Domain
3TLD	Third Level Domain
ACCC	Australian Competition & Consumer Commission
ACTA	Anti-Counterfeiting Trade Agreement
ADA	Australian Digital Alliance
ANZIAs	Australia New Zealand Internet Awards
APEC	Asia-Pacific Economic Cooperation
APIA	Asia Pacific Internet Association
APNIC	Asia Pacific Network Information Center *(RIR for the Asia Pacific region)*
APRICOT	Asia Pacific Regional Internet Conference on Operational Technologies
APrIGF	Asia Pacific Regional Internet Governance Forum
APTLD	Asia Pacific Top Level Domains Associations *(organisation for ccTLD registries in Asia Pacific region)*
auDA	.au Domain Administration Ltd *(Australian equivalent of DNCL)*
BCOP	Best Current Operational Practices
BIM	Brief to Incoming Minister
CCANZ	Creative Commons Aotearoa New Zealand
ccNSO	County Code Names Supporting Organisations
ccTLD	Country Code Top Level Domain *(such as .nz for New Zealand, .uk for United Kingdom)*
CCWG-Accountability	Cross Community Working Group on Enhancing ICANN Accountability
CDMA	Code Division Multiple Access *(server) (a means to transmit bits of information)*
CERT	Computer Emergency Reponse Team
CENTR	Council of European National Top-Level Domain Registries
CFH	Crown Fibre Holdings
CIRA	Canadian Internet Registry Authority *(operators of the .ca ccTLD)*
CSIRT	Computer Security Incident Response Team
DHB	District Health Boards
DIDO	Distributed-Input Distributed-Output *(wireless protocol system)*
DNCL	Domain Name Commission Limited
DNS	Domain Name System
DNSSEC	DNS Security *(adds security to the Domain Name System)*
DRS	Dispute Resolution Service

Glossary of Terminology	
DSLAM	Digital Subscriber Line Access Multiplier
FTTH	Fibre To The Home
GAC	Government Advisory Committee
GCSN	Greater Christchurch Schools Network Trust
GNSO	Generic Name Supporting Organisation *(makes recommendations re gTLD to ICANN)*
gTLD	Generic Top Level Domain *(such as .com / .edu)*
HDC	Harmful Digital Communications
IANA	Internet Assigned Numbers Authority
ICANN	Internet Corporation for Assigned Names and Numbers
ICG	IANA Stewardship Transition Coordination Group
ICT	Information and Communications Technologies
IDP	Internet Data Portal
IGF	Internet Governance Forum
ISOC	Internet Society
ISPANZ	Internet Service Provider Association of New Zealand
ITAC	Internet Technical Advisory Committee
ITU	International Telecommunications Union
ITR	International Telecommunications Regulations
LFC	Local Fibre Company
MAG	Multistakeholder Advisory Group
MBIE	Ministry of Business, Innovation and Employment
MTR	Mobile Termination Rates
NCSG	Non-Commercial Stakeholders Group *(committee under ICANN's GNSO)*
NH	NetHui
NTIA	U.S. Commerce Department's National Telecommunications and Information Administration
NZIRF	New Zealand Internet Research Forum
NZITF	New Zealand Internet Task Force
NZNOG	New Zealand Network Operators Group
OECD	Organisation for Economic Co-operation and Development
OFDM	Optical Frequency Division Multiplexing
PAG	Policy Advisory Group
PCBU	Person Conducting a Business or Undertaking
PBE	Public Benefit Entity
PIP	Pacific Internet Partners *(group revived by Keith to help IGF)*

Glossary of Terminology	
RBI	Rural Broadband Initiative
RIR	Regional Internet Registry
SDN	Software-defined Networking
SRS	Shared Registry System (.nz Register system)
STD	Standard Terms Determination
TCF	Telecommunications Carriers' Forum
TLD	Top Level Domain
TPP	Trans-Pacific Partnership
TPPA	Trans-Pacific Partnership Agreeement
TSO	Telecommunications Services Obligation
TUANZ	Telecommunications Users Association of New Zealand
UBA	Unbundled Bitstream Access
UCLL	Unbundled Copper Local Loop
UFB	Ultra Fast Broadband
WHOIS	An electronic facility used to query the details of a specific domain name in the .nz Register
WSA	Wholesale Services Agreement
WSIS	World Summit on the Information Society
W3C	World Wide Web Consortium

ANNOTATED AGENDA – COUNCIL MEETING

Friday 25th November 2016

InternetNZ, Level 11, 80 Boulcott St, Wellington			
8.45am	Refreshments (coffee, tea, & scones) on arrival		
9.00am	Meeting start		
11.15am	Break		
12.35pm	Lunch		
3.00pm	Meeting Close		
Section 1 – Meeting Preliminaries			
9.00am	1.1	Council only (in committee)	-
	1.2	Council and CE alone time (in committee)	-
9.30am	1.3	Apologies, Interests Register and Agenda Review	3
Section 2 – Strategic Priorities			
9.35am	2.1	Industry Scan	-
9.45am	2.2	Follow up from Strategy Day – decision *THAT a Working Group be established to review the structure of the InternetNZ Group consistent with the approach, steps, process, ownership and time frame set out in this paper, comprised of the following individuals: <NAMES>.* *THAT the Chief Executive be the project manager for the Review, working with the Working Group, AND THAT he be authorised to commission necessary external advice (with the agreement of the WG) to help the review take place.*	9
10.15am	2.3	Financial Strategy – discussion	-
Section 3 – Matters for Decision			
10.30am	3.1	Framework for 2017-18 Activity Plan and Budget	15
		3.1.1 2016/17 Budget Update *THAT Council approves continuity of the Focus Areas as the basis for the 2017/18 Activity Plan, and the Approach proposed for the plan.* *THAT Council notes and agrees the proposed timeframe and stages for developing the 2017/18 Activity Plan.* *That Council approves the adjusted three year budget forecast as the basis for constructing the detailed budget for the 2017/18 year.* *THAT Council **note** this mid-year financial update for the 2016/17 year.*	21

10.50am	3.2	Review of Governance Policies: • Policy Development Policy • Treasury Policy (final) • Code of Ethics • Councillor Role Description • Council Role and Functions • Conflicts of Interest • Document Information Disclosure Group Policies – Planning & Reporting timetable and annual planning cycle (final) Draft Governance Policy: Information Sharing *THAT the revised Group Policies – Planning and Reporting Timetable and Annual Planning Cycle – be adopted and brought into effect as of today.* *THAT Council approve the Grants Committee recommendations for funding as detailed in this paper, with the additional $3535.50 in funding coming from the On-Demand Grants line of the Community Grants Budget (which has extra funds available due to a roll over from last year unused funding for this line) and from a Conference Attendance grant unable to be accepted by an applicant earlier in this round.*	23 25 31 35 37 39 43 45 49 55
11.15am		Tea Break	
11.30am	3.3	Community Funding – Projects Round Grants	57
11.40am	3.4	NetHui activities: 2017 and onwards *THAT the staff proposal for NetHui 2017 as a national event in late 2017 be agreed, and the next steps regarding staff consultation on the event's details and other potential regional/local activities in 2017 be noted.*	65
Section 4 –Matters for Discussion			
12.00pm	4.1	President and CE briefing	-
12.10pm	4.2	Strategic Partnership Options for 2017/18 *THAT the Chief Executive present a recommended slate of Strategic Partnerships to the February 2017 Council meeting from among those organisations agreed in this paper/discussion.*	69
12.20pm	4.3	Council representation on DNCL/NZRS Boards *My recommendation is that Council **discuss** this suggestion and initiate any policy changes as per the PDP if change is sought.*	73

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12.35pm		LUNCH	
1.05pm	4.4	2017/18 Statement of Expectations – DNCL/NZRS *(draft documents for approval)* *That the draft Statements of Expectations for NZRS and DNCL for the 2017/18 year be [approved / approved as amended].*	75
1.20pm	4.5	Subsidiaries Reports: • Joint .nz 2nd quarter Report • DNCL 2nd quarter Report • NZRS 2nd quarter Report • Technical Research Report • Product and Services Development Report *THAT the .nz Joint 2016/17 second quarter report be received.* *THAT the DNCL 2016/17 second quarter report be received.* *THAT the NZRS 2016/17 second quarter report, Technical Research report, and Product and Services Development report be received*	89 97 99 109 117
1.45pm	4.6	Group Consolidated Financial Report (QE Sept 2016)	125
		Section 5 – Consent Agenda	
1.55pm	5.1	Confirm Minutes – August 2016 Meeting *THAT the minutes of the meeting held on 27 August 2016 be received and adopted as a true and correct record.*	133
	5.2	Actions Register	141
	5.3	Membership update *THAT the new members be approved.*	143
	5.4	Evote ratification *THAT the e-votes be ratified.*	145
	5.5	Health & Safety update	147
	5.6	Chief Executive's Report • Overview and Key Issues • Programmes • Operations • Governance and Members *THAT the Chief Executive's report for the three months to 31 October 2016 be received.*	149
	5.7	Council Committee Reports • Audit & Risk • Grants • Māori Engagement	

InternetNZ

		• Membership • CE Review	
Section 6 – Other Matters			
2.20pm	-	CONTINGENCY *(for any overflow)*	-
2.30pm	6.1	Matters for Communication – key messages • Communications in general • Upcoming events	-
	6.2	Participation by members in Council meetings (if req'd)	159
2.45pm	6.3	General Business	-
2.50pm	6.4	Meeting Review	-
3.00pm	-	Meeting close	-

* Section 7 - List of Acronyms and Annotated Agenda