



Papers for Council Meeting

5 April 2016

InternetNZ

AGENDA – COUNCIL MEETING

Tuesday, 5th April 2016

InternetNZ Wellington office / Online			
12.30pm	Meeting start		
2pm	Meeting close		
Section 1 - Council Governance			
12:30pm – 12:40pm	1.1	Apologies	-
	1.2	Councillors’ Declarations of Interest	3
	1.3	Confirm Minutes – February 2016 Meeting	7
Section 2 – Strategic Priorities			
12:40pm	2.1	2016/17 Activity Plan	18
1:00pm	2.2	Draft 2016/17 Budget	41
Section 3 – Other Matters			
1:20pm	3.1	Other Business	-
1:30pm	3.2	Meeting Review	-

** Section 4 - List of Acronyms*

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:

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: Neil James

Position: Councillor, InternetNZ

Term: AGM 2013 - AGM 2016

Declaration Date: 20 November 2013

Interests:

- Fellow of IITP
- Member of the Dunedin Computers in Homes Steering Group
- Councillor's Honorarium for InternetNZ

Name: Brenda Wallace

Position: Councillor, InternetNZ

Term: AGM 2012 - AGM 2018

Declaration Date: 26 January 2016

Interests:

- Member of Green Party of Aotearoa New Zealand
- A gazillion .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)
- 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 2016

Declaration Date: 14 December 2015

Interests:

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

Name: Amber Craig

Position: Councillor, InternetNZ

Term: AGM 2013 - AGM 2016

Declaration Date: 12 February 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
- 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: 12 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 names registrations
- Councillor's honorarium for InternetNZ

Name: Kelly Buehler

Position: Councillor, InternetNZ

Term: AGM 2015 –AGM 2016

Declaration Date: 4 August 2015

Interests:

- Councillor's Honorarium for Internet NZ

The register was last updated in February 2016 (no changes added since the last Council meeting).

DRAFT MINUTES OF COUNCIL MEETING

Status: Draft

Present: Jamie Baddeley (President), Joy Liddicoat (Vice President), Neil James (*audio*), Dave Moskovitz, Hayden Glass, Sarah Lee, Amber Craig, Rochelle Furneaux, Kelly Buehler, Richard Wood and Richard Hulse.

In Attendance: Jordan Carter (Chief Executive), Maria Reyes (minute taker), Richard Currey (NZRS Chair, *in part*), Jay Daley (NZRS CE, *in part, audio*), Debbie (Domain Name Commissioner, *in part*), Andrew Cushen (InternetNZ, *in part*), Ellen Strickland (InternetNZ, *in part*), Mary Tovey (InternetNZ, *in part*), Keith Davidson (InternetNZ, *in part*).

Meeting Opened: 10am

1. Welcome
2. Council only
3. Council and CE only

Hayden left the meeting at 10.30am

4. Apologies

An apology was received from Brenda Wallace.

RN01/16: THAT the apologies be received.

(President/Vice President)
CARRIED U

5. Declaration of Interest

RN02/16: THAT Council received the Councillors' Declarations as at 12 February 2016 as updated.

(President/Vice President)
CARRIED U

6. Approval of minutes

RN03/16: THAT the minutes of the meeting held on 11 December 2015 be received and adopted as a true and correct record.

(Vice President/Cr Craig)
CARRIED U

7. Outstanding action points

Noted actions still requiring attention were:

- AP08/15: Health & Safety policies and Risk Register for Council and staff functions [Work is still currently underway.]
- AP30/15: Reporting requirements for NZRS regarding segmentation of costs for delivering core functions of the company as per the SOE [Due by May 2016]
- AP31/15: Discuss with subsidiaries re adding SoE review in quarterly reports [Due by May 2016]
- AP35/15: Letter to AUDA Board Chair re board-level dialogue between AU and NZ on Internet Governance [In progress. Will discuss with AUDA at the next ICANN meeting.]
- AP39/15: Briefing on GCSB issue [Will be expanded to be a members meeting as part of the Activity Plan for next year.]
- AP43/15: Public consultation on the draft .nz Framework Policy as per the PDP [Jordan to discuss with Debbie and will provide update/feedback to Council before end of March]

8. Membership update

Discussions held whether the members report could include the figures for the second quarter or do a year on year comparison. Jordan advised that improvements can be made to how the report can be presented and the info it contains.

RN04/16: THAT the new members list be approved.

(President/Cr Furneaux)
CARRIED U

9. Evote ratification

AP01/16: Add who the mover and seconder were for the motions to the report.

RN05/16: THAT the evote ratification update be noted.

(President/Cr Moskovitz)
CARRIED U

10. Industry Scan

Discussion held on issues and opportunities for InternetNZ. For any further comments, Council was advised that they can send it either to Jordan or Andrew.

11. Priorities 2016

Jordan gave a brief summary on the proposed priorities for 2016/17 and advised that he was pleased with the focus areas that were identified.

More broadly, he said the team will focus this year on:

- Delivering on the call for **better outreach and engagement** agreed by Council at its strategy day last year;
- Improved **communications** of InternetNZ's work and story;
- Ongoing **professionalisation** of the work that we do.

These priorities will feed into the 2016/17 Activity Plan which will be circulated to Council and members towards end of March for comments/discussion, and then adoption at the Council meeting scheduled for 5 April.

12. Focus Areas - feedback

Jordan spoke to his paper and gave a summary on the feedback received from staff and members who participated at the recent membership meetups. The paper sets out the changes to be made based on the feedback and further refinement by staff.

This agenda item also relates to item 4.1 (Other Activity 2016 Plan Items). The team are thinking about the outputs for next year and this will be lined up with the proposed focus areas.

Hayden re-joined the meeting at 11.15am.

13. Managing InternetNZ's balance sheet

This paper was presented to Council for discussion and to draw their attention to the level of financial reserves that we currently hold, and the absence of a strategic direction for this. Jordan advised that the point of raising this with Council is not to make any decisions yet but just to discuss the options.

Council discussed the factors to guide whether reserves should be increased, maintained or decreased. For some Councillors it's not a question of increasing or decreasing the amount of reserves but should be on what to do with these funds.

There was a wide variety of view from Council and therefore Jordan suggested that as a next step, staff can take on board what was discussed at this meeting and come back with a proposal on the approach to take for debate at the May Council meeting.

AP02/105: Staff to draft a paper with a recommended approach for managing INZ's balance sheet and present it at the May Council meeting.

14. Products and Services Development – next steps

Discussions were held on the proposed approach for the next steps around the Products and Services Development which also includes the pros and cons for two options.

Comment was raised that the paper provided a good summary which included the feedback from members and also keeping track on what was happening.

The general view around the table was to proceed largely in line with the recommendations presented, but to get a staff summary of the competition issue rather than setting up a working group.

RN06/16 THAT Council receive the paper on next steps for product and services development.

(Cr Hulse/Cr Craig)
CARRIED U

RN07/16: THAT Council agree in principle to proceed with product and services development as agreed at this meeting, with the key changes being:

- broadening the strategic goal to include .nz related revenue
- restoring the link to the objects
- improving the transparency applicable to this work

(Cr Hulse/Cr Craig)
CARRIED U

RN08/16: THAT staff revise and publish a Final Draft Product and Service Development Strategy and Policy, and related changes to the Group Strategic Plan, consistent with the approach agreed at this meeting, AND seek comments on the draft documents.

(Cr Hulse/Cr Craig)
CARRIED U

RN09/16: THAT Council note its thanks to members and others who have participated in the discussion on business, product and service development, and its appreciation for the range and variety of positions outlined and views expressed, as the discussion and input has significantly changed and improved the approach.

(Cr Hulse/Cr Craig)
CARRIED U

RN10/16: THAT an evaluation framework for the approach to product and services development be developed, with a draft to be considered at the May meeting.

(Cr Hulse/Cr Craig)
CARRIED U

AP03/16: Draft evaluation framework for the approach to product and services development and present at the May Council meeting.

RN11/16: THAT staff examine the "competition test" suggestion presented in this paper, find out what .uk has done with the suggestion, and report back at the May meeting.

(Cr Hulse/Cr Craig)
CARRIED U

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.

15. Governance Policy: document confidentiality

Discussions were held responding to the draft Policy, including on what can be considered as a confidential paper and whether the Policy also covers information that can be withheld due to privacy reasons, such as personal matters as per the Privacy Act.

AP05/16: Jordan to amend/finalise the policy and send to Council for adoption as a draft, and then for consultation with members.

16. Internet Research Community Grant Round 2015-16

Council went into committee to discuss the Grants Committee’s recommended decisions for the Internet Research Community Grant Round.

RN12/16: THAT Council approve the use of the remaining On Demand grants budget for this Grant Round.

(Cr Wood/Cr Buehler)
CARRIED U

RN13/16: THAT Council approve the Grants Committee recommendations for funding as detailed in the paper.

(Cr Wood/Cr Buehler)
CARRIED U

Note: this paper will be published on the Council website once the recommendations are announced.

17. CE Report

Report was taken as read.

A question was raised regarding the feedback on APRICOT and in response, Jordan advised that the feedback from delegates have been good. There were some issues with the wifi connections, however these were resolved quickly.

One issue that Jordan raised was that some of the delegates have had problems with their visa applications with Immigration NZ. APNIC has been asked if they can add a question in the survey (which will be sent to all the delegates after the conference) regarding dealing with Immigration to get more feedback on this. Jordan advised that he will write to relevant Government Ministers calling for improved visa treatment for conference attendees, especially given the investment being made in a new conference centre in Auckland.

Jordan also applauded the positive feedback on **Yvonne Shelton's** outstanding performance in managing the event, including her working relationship with the APNIC and APIA teams in planning and organising the event. He commended the whole team involved in the success of the event.

RN14/16: THAT the Chief Executive's report for the two months to 31 January 2016 be received.

(President/Cr Furneaux)
CARRIED U

Keith Davidson joined the meeting at 12.45pm

18. Management Reporting

Reports were taken as read.

Jordan took the opportunity to thank Keith Davidson for his work, which concludes at the end of March. He gives up his role as a member of the ccNSO Council at ICANN in a couple of weeks, being replaced by Debbie Monahan. Jordan set out Keith's work in New Zealand and internationally, and thanked him for all that work – as well as for his personal support as a mentor for Jordan in his career.

Council thanked Keith with applause.

RN15/16: THAT the management reports (Internet Issues, Community Programme, International, and Operations) be received.

(President/Vice President)
CARRIED U

19. Group Financials

Report was taken as read.

RN16/16: THAT Council approve the InternetNZ Consolidated Financial Report for the quarter ended 31 December 2015.

(Cr Buehler/Cr Glass)
CARRIED U

Council took a lunch break from 1:04pm to 1.30pm

Richard Currey joined the meeting at 1.30pm

Council went into committee until 1.49pm for the Council, CE and Chairs discussion.

Neil James left the meeting at 1.45pm. Andrew Cushen, Mary Tovey and Maria Reyes joined the meeting at 1.49pm

20. Travel Working Group update

Kelly Buehler spoke to her paper and advised that the main things that were considered in drafting the guidelines were first around health & safety, ability to perform, and lastly, the cost and comfort.

There was a brief discussion on whether the policy should deal with perceptions by public and not just members (the answer being yes, but that there is a more direct accountability to members), as well as whether the guidelines need a discretion for CE to approve childcare cost arising from someone travelling on behalf of InternetNZ. The Chief Executives suggested that there could be more detail regarding the exceptions clause to ensure consistent treatment of travellers across the group, as well as adding a section in the guidelines/policy regarding travel insurance.

Councillors asked whether instead of guidelines, there should be a Group Travel Policy that is in line with these guidelines and can be applied across the group.

RN17/16: THAT Council adopt the draft International Travel Policy Guidelines as the basis for travel policy for InternetNZ at the staff/contractor and governance levels; AND THAT staff prepare a draft Group Policy on Travel consistent with the guidelines for consideration at a future Council meeting.

(President/Vice President)
CARRIED U

AP06/16: Staff prepares a draft Group Policy on Travel consistent with the guidelines.

21. .nz MOU progress update

Jordan gave a brief update on the .nz MOU and advised that the three CEs are currently working on the hopefully final wording on this and that it is nearly finished.

22. Policy Consultation updates

Debbie Monahan gave an update on WHOIS and advised that the DNCL Board has agreed in principle that while WHOIS should remain as a public register, there should be a policy and process for individuals to be able to have their details withheld from publication if they have circumstances where this is warranted. She also advised that they are working on the details for the policy and a proposal will be discussed at the April board meeting, followed by a public consultation after.

Richard Currey briefly left the meeting at 2.09pm.

Rochelle Furneaux briefly left the meeting at 2.10pm

23. Boards appointment process 2016

Council considered how to proceed with this year's appointments round – whether positions should be advertised or whether to do reappointments instead.

In summary, Council agreed that the Appointments Panel should convene and provide a recommendation to Council on how to proceed with the 2016 appointments round.

It was noted that Richard Hulse and Kelly Buehler expressed an interest to be members of the Committee along with the President, the current Chair and an independent member. Where the question is the Chair, as per the policy, the Chair of the other subsidiary will be the fourth member of the Panel for that discussion.

Kelly was agreed as the other Council member

Rochelle and Richard joined the meeting.

24. Joint .nz 3rd quarter report

Report was taken as read.

RN18/16: THAT the Joint .nz report for the third quarter 2015/16 be received.

(Cr Craig/Cr Hulse)
CARRIED U

25. DNCL 3rd quarter report

Report was taken as read.

RN19/16: THAT the DNCL report for the third quarter 2015/16 be received.

(Cr Craig/Cr Lee)
CARRIED U

26. DNCL 2016/17 Statement of Directions and Goals

Paper was taken as read.

RN20/16: THAT Council note and received the 2016/17 Statement of Directions and Goals from DNCL, and approve the 2016/17 Budget.

(Cr Craig/Cr Lee)
CARRIED U

Council went into committee to discuss the in-confidence papers from NZRS – Product and Services Report and the Technical Research report.

RN21/16: THAT Council thanks NZRS for the Product and Service report and Technical Research report (which were both papers circulated in-confidence) and agrees to release these papers to the public.

(President/Cr Craig)
CARRIED U

AP07/16: Jordan to draft cover papers for the release of the Product and Services Report, and the Technical Research report.

Debbie Monahan left the meeting at 2.52pm.

27. NZRS Draft 2016/17 Statement of Directions and Goals

This Draft SoDaG will be replaced by a final once budget information is available.

RN22/16: THAT the 2016/17 Draft Statement of Directions and Goals for NZRS be received.

(Cr Buehler/Cr Hulse)
CARRIED U

28. NZRS 3rd quarter report

Report was taken as read.

RN23/16: THAT the NZRS report for the third quarter 2015/16 be received.

(President/Cr Hulse)
CARRIED U

29. Other (subsidiaries) General Items

Amber Craig gave a brief update on what the Audit & Risk Committee has discussed regarding the legal advice/recommendation received from the lawyers regarding the new Health & Safety legislation and advised that a meeting will be arranged with the subsidiaries Chair & CE to discuss the possibility of conducting a gap analysis across the group.

Jordan also advised he will circulate the Health and Safety advice received from the lawyers.

Jay left the meeting at 3pm

Council took a short afternoon break from 3pm to 3.20pm

30. Audit & Risk Committee update

Amber gave a brief update on behalf of the Audit & Risk Committee. Key

points she noted were:

- the Committee is looking at doing a Health & Safety gap analysis;
- approval of the new PBE reporting template; and
- review of the risk register.

31. Grants Committee update

After Richard Wood gave a brief update on the Grants Committee; the President raised a point to Council regarding the workload for the Committee and noted the Committee's intense time commitment and heavy workload.

Discussions were held on how to address this and Council agreed to the suggestion that staff draft a proposal for the Committee and for Council on the best approach that will help the Grants Committee ease some of their workload.

AP08/16: Community Programme staff to draft a paper with a recommended approach on how to deal with the increasing workload for the Grants Committee, for discussion with the Committee and with Council.

32. Māori Engagement Committee update

Sarah Lee spoke to her paper and some of the key points she highlighted were:

- the proposed dates for the Marae visit
- proposed bilingual version of the logo

It was noted that the proposed bilingual logo is not final yet and that this presentation is for Council information only as this is still a work in progress. It would be appropriate for whatever Māori advisory approach is agreed to consider any such logo before it is implemented.

33. Membership Committee update

Kelly Buehler advised that one of the main things that the Membership Committee is currently working on is around the kaupapa (code of conduct) which has now been sent to members for comments. She advised that there's been good discussion online and that she has also received feedback directly from some members.

Another important work that she noted was around Committee's aim to improve communication with members, and focus on looking at resources available and how we can make it more useful to our members.

34. CE Review Committee update

The President commented that at the December Council meeting, it was noted that this will be re-formed this year however; he advised that the Committee is yet to convene.

AP09/15: President to convene the CE Review Committee.

35. Matters for Communication

Products & Services discussion and papers

Summary on the product and services discussion and cover letter for the release of the in-confidence papers from NZRS (i.e. Technical Research Report and Product & Services Report)

36. General Business

April Council Meeting

April Council meeting which will be held online, will focus on the Focus Areas for 2016/17 and the Draft Budget.

After a brief discussion on the options for the meeting, Council agreed to the suggestion that the papers be sent to Council by 24 March and have the discussion online. A 2-hour meeting will still be scheduled however; Council can make a call the day before the meeting whether this meeting is still required.

Dave Moskovitz raised a question regarding the financial transparency on DNCL and NZRS reports, and Jordan confirmed that for both subsidiaries, the reports for the 2016/17 year should be presented in a way that breaks costs down as per the core and secondary roles for the company set out in the SoE.

Jordan advised Council regarding an upcoming change in management responsibilities that is designed to allow Jordan a more outward focus. He advised that Andrew will be picking up the overall Operational management responsibility as well as continue to manage the Internet Issues Programme. In the next few months, subject to staff consultations, there will be a transition in the management reporting lines to reflect this, with the revised structure likely to evolve gradually after Easter.

Next Meeting: The next scheduled Council meeting is 5 April 2016 via web or audio conference.

Meeting Closed: 4.04pm

Plan for 2016

Activity Plan and Budget

5 April 2016



Summary

This 2016/17 Activity Plan sets out an ambitious agenda for InternetNZ. Highlights include the following:

- New **Focus Areas** with keystone projects – these will blend Issues and Community team members and involve policy, technical and collaboration approaches:
 - **Access to the Internet**
 - Mapping and solving digital divides
 - Internet infrastructure – the Telco Act review
 - **Use of the Internet for everyone's benefit**
 - Protecting creative potential – the Copyright Act review
 - Sharing stories about innovative Internet use
 - **Identity, privacy and security in the Internet age**
 - Controlling your data online
 - Improving the security of data online
- An expanded **community funding** envelope (up by 20% to \$600k)
- A new approach to **NetHui**, with three regional events in 2016 leading into a classic national event in 2017
- A proposed **Oceania Internet Governance School** in collaboration with regional and global partners
- A boost to our **Communications** capacity in order to enhance the quantity and quality of communications for all stakeholders, members and the general public
- Ongoing baseline work in our **Issues, Community and International Programmes** – doing the basics right
- Improvements to our **Operations** capability, with new responsibilities for Andrew Cushen in this area

In doing this work, the team has three overall goals in mind:

- Communicating our work and perspectives more effectively
- Better and broader Outreach to more of the Internet community
- An increased professionalism in all that we do

The **Budget** to finance this year's Activity Plan includes an **overall expenditure increase of 4%** (\$169k) to a total of **\$4.551m**. The budget forecasts an **operating deficit of \$294k**. The total **staffing** funded to deliver the plan **risks from 11 FTE to 14 FTE**. Based on currently available information, the **balance sheet** would (on a conservative basis) be approximately **\$4.5m at 31 March 2017**.

We welcome your feedback – Council will finalise this plan on 5 April 2015.

Jordan Carter
Chief Executive

Introduction

This Activity Plan and Budget for 2016/17 sets out InternetNZ's plans for the year.

This year, we build on the presentation of our work for last year by introducing a new outward focus for our work. The first part of this Activity Plan outlines key projects in three Focus Areas:

- Access to the internet
- Use of the Internet for everyone's benefit
- Identity, privacy and security in the Internet age

These Focus Areas will link work across the organisation, in both our Issues and Community programmes. We will foster collaboration in these areas with the Internet community, in order to gain additional perspectives in our work and learn from other organisations. This insight will, in turn, drive the policy work in these projects.

In addition to the Focus Areas, we set out information about our usual Issues, Community and International programmes. There is a wide array of "business as usual" activity.

Underpinning all our work in 2016 are three core themes: **professionalism**, **outreach** and **communication**. Council has asked us to focus on **outreach** improvements and better engagement: to do this, we need a stronger **communications** function. To do all our work as effectively and efficiently as we can, a sharper sense of **professionalism** will be our watch-word.

These Focus Areas and operational themes reflect the feedback that we have received from members and the broader community, as well as our own analysis of where InternetNZ can make most difference in delivering our vision of **a better world through a better Internet**.

When these Focus Areas and operational themes are taken together, this Activity Plan represents solid progress in our delivery of the 2015-2018 Strategy.

We present this Activity Plan with summary Budget information so that members and other interested stakeholders may clearly see what we intend to do and how we intend to resource those commitments. For more detail, please read the companion paper setting out the detail of Budget 2016/17.

As always, we welcome feedback on this Activity Plan. It will be presented to the Council for discussion and adoption or revision at a meeting being held on 5 April.

Jordan Carter
Chief Executive

Contents

Introduction..... 3

Focus Areas 5

Internet Issues Programme12

Community Programme13

International Programme15

Communications and Outreach.....16

Governance and Membership17

Operations.....18

Budget Summary 20

Stakeholder Overview22

Projects and Events Delivery Calendar.....23

Focus Areas

We have developed a proposed new approach to our proactive outward-facing work this year. Through a process of discussion among members and stakeholders, and analysis of the Internet and the broader environment, we've identified three areas to focus our work on. These are:

- Access to the Internet
- Use of the Internet for everyone's benefit
- Identity, privacy and security in the Internet age

In each Focus Area, we note two or three projects we will do, along with supporting activities. Each of the projects has a goal we'll seek to bring about during the year, or significantly work towards.

Each has a number of activities setting out, at quite a granular level, what we will do in each project area for the year. There is a mix of collaboration, policy work and "doing stuff" in each project, blending all of InternetNZ's ways of working to bring about the desired goals.

We have presented these areas in considerable depth in this Activity Plan, because they form the core of our proactive agenda, and because it is a new mode of presentation. We look forward to your feedback.

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.

In this area of work we'll focus on two projects in 2016-17:

- understanding digital divides
- improving Internet infrastructure.

Project 1-A: Understanding digital divides

We have an opportunity to make a meaningful contribution to deepening the understanding of digital divides in New Zealand. We can do this through using our tools, analysis and relationships to produce new datasets that analyse and communicate the issues.

We can combine these and other tools and datasets into new analysis and tools that show where and how people are excluded from participating in the Internet in New Zealand. With that information on hand, New Zealand will have a better idea of what sorts of digital divides exist – and can develop a greater understanding of which of these can and should be closed, and how.

Our proposed goal in 2016/17 is to become recognised as the authority on digital divides in New Zealand, enabled by our data-driven approach and analysis on the issues. This will help ensure that there is evidence to argue that addressable divides be solved.

To achieve this goal in this project, we will deliver the following activities:

World Internet Project

Utilise and promote the World Internet Project 2015 survey and other relevant New Zealand research which supports understanding of digital divides in New Zealand.

Digital Inclusion Map

Develop the Digital Inclusion Map with the 2020 Trust (www.digitalinclusion.nz) into being the authoritative source of information about the digital divide in New Zealand, and about initiatives that seek to address those divides.

Fostering Use of Inclusion Map

Foster effective utilisation of that new Digital Inclusion Map by the Internet community, though encouraging new community forums to collaborate on addressing divides and utilising the data available to target, measure and celebrate inclusion initiatives.

Project 1-B: Improving Internet infrastructure

New Zealand's Internet infrastructure is broad and varied. A critical component is the means by which people can connect to the Internet. In this, the country is reliant upon telecommunications networks. Telecommunications network operators need to be able to build and maintain networks that can cater for the requirements of the modern Internet; that have sufficient coverage to include as many New Zealanders as possible, and to do all this at prices that New Zealanders can afford. Meanwhile, the fundamental economics of these networks is changing: the Internet means value is realised over the top, in ways network operators cannot easily monetise.

This exposes a number of challenges that will play out in New Zealand, just as they are playing out overseas:

- how to incentivise investment in Internet infrastructure, when the value of that to network builders is sometimes hard to capture
- how to prevent network builders from introducing charging mechanisms and other behaviours that challenge the Internet as a global "commons" for communication
- how to ensure that decisions about resources that allow communication (especially spectrum) are made with openness, diversity and competition in mind
- how networks can transition toward Internet-centric design and economics from their current, telephony focussed base.

Many of these issues are playing out in New Zealand in the current review of the Telecommunications Act. Participating in this review will be a focus in 2016/17.

Our **proposed goal** in 2016/17 is to ensure that the Review of the Telecommunications Act results in legislative changes that support the development of high quality connectivity to all New Zealanders, at reasonable prices, and in a manner that allows for Internet innovation.

To achieve this goal in this project, we will deliver the following activities:

Telco Act Review

Lead discussion in the Telecommunications Act Review to ensure a wider range of perspectives are taken into account, through collaborating with MBIE in creating broad discussion forums and in preparing submissions, ideas and contributions to this policy debate consistent with our principles.

Independent Access Review

Create our own analysis of the state of access networks in New Zealand to both “keep the industry honest” about the state of delivery and performance, but also focus attention where necessary on those New Zealanders that may still miss out from the Internet in New Zealand.

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.

In this Focus Area of encouraging the use of the Internet for everybody's benefit, we will focus on two projects in particular that are consistent with our unique role as a voice for the Internet as a holistic system:

- protecting the Internet's creative and economic potential
- demonstrating and exploring the changes in society due to the Internet

Project 2-A: Protecting the Internet's creative and economic potential

The Internet is a powerful tool for the creation, as well as for the consumption, of various media. It is the creative or generative character of the Internet that makes it the seedbed for so much innovation and change, and in turn provides the platform for social and economic benefits for New Zealand.

One particular example of a challenge in this regard is in the ways the law protects content through copyright. The new modes of distribution the Internet allows, and its power as a "copying machine," challenges the historic model of owners of content completely controlling distribution.

Powerful interests with much at stake see to extend regulatory models that worked in the physical world into the online world, and pressure to do this arises both locally and overseas (e.g. the freezing of intellectual property regulation in trade agreements like the Trans Pacific Partnership). In so doing, obsolete models of intellectual property policy can become locked in place. This in turn risks harming the generative and creative potential that comes from transformation, remix, reuse and renewal that the Internet allows. On the other hand, the set of rights copyright grants to performers and creators is a real incentive to production and creation of new ideas, expressions of culture and so on. The balance is forever changing, and needs to be re-considered with the public interest in mind as technology changes over time.

Our **proposed goal** in 2016/17 is to shape the discussion on intellectual property - copyright in particular - in recognition of this need for balance in the public interest. When the review does happen, the concept of the generative Internet should be seen as an important one, with a knowledgeable and mobilised community that can argue for the potential of the Internet at the heart of the balance that is required.

To achieve this goal in this project, we will deliver the following activities:

Copyright and TPP

Respond to the ongoing legislative agenda in copyright and intellectual property rights, in response both to the Trans-Pacific Partnership and to the ongoing wider legislative reform agenda in copyright, with the goal of delivering flexible, adaptable, incentivising and realistic legislation in these areas.

Digital Regulation

Work with the New Zealand Initiative on a Digital Regulation project, and how the New Zealand Government, local government and our economic actors could better enable the economically beneficial use of the Internet through sensible digital regulation.

Project 2-B: Society and the Internet

The Internet is changing the way our society operates, just as it is opening up ever more opportunities for our communities to use the Internet to create, share and collaborate. It is also changing the lives of the people in our communities.

People learn about what they can do on the Internet best from other people. To share stories is, simple as it sounds, critical to the diffusion and uptake of these new ideas for all kinds of economic and social benefits of the Internet. Showcasing an array of ideas and providing forums, collaborations and resources that allow others to replicate those successes, or further refine these uses for their own purposes, is one of the most incredible untapped opportunities for the Internet in New Zealand.

Our **proposed goal** for 2016/17 is to work together with the Internet community and a range of organisations including our Strategic Partners, to demonstrate and explore usages of the Internet that can unlock new potential and present both opportunities and challenges, and make these available to the general public.

To achieve this goal in this project, we will deliver the following activities:

Speaker Series

An enhanced Speaker Series of events, where we will showcase perspectives of different parties involved in a particular issue relating to the Internet in New Zealand, augmented with specific community resources and discussion documents that perpetuate the learnings from these events and InternetNZ's own positions on key issues related to the topics.

Collaborations

Specific targeted collaborations with our Strategic Partners and other like minded organisations, to explore issues in depth and strength together – like the Internet of Things with TUANZ, open data uses through the Internet with FigureNZ, effective Government use of the Internet with the Innovation Partnership.

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.

We also live in an ever more challenging world when considering Internet security in general. As more of our lives and economies move online, illegitimately accessing information becomes an ever more attractive prospect for organisations and individuals that may seek to do harm.

The open Internet is not, by design, “safe” or “secure.” But people on the edges of the network can use technology and shape their behaviour in ways that support their ability to be safe, private, and in control of their identities. To the extent that they do so, other more dangerous pressures to render the Internet “safe” at the expense of its ability to remain an open infrastructure for innovation and change are more easily resisted.

We will respond to these challenges through two projects:

- controlling your data online
- securing data online.

Project 3-A: Controlling your data online

We will lead a series of conversations with the Internet community around expectations of privacy and control of personal data in the age of freemium (user is the product) services, ever-more-extensive sensor infrastructure and surveillance possibilities. InternetNZ can lead change by pushing for the following concepts (as examples) to become widely accepted:

- compulsory disclosure on security breaches that include leaking of personal information
- encrypted storage of personal information
- easy, genuine and guaranteed account closure and deletion of personal information.

Such conversations and actions can help identify directions for legislative and policy change, as well as commercial and individual behaviour, to maximise people’s autonomy and the integrity of their personal information.

Leading such debates will have flow-on effects on the work of others. For instance, the review of the Privacy Act is likely to make progress in 2016, and leading these debates will help us, and others, make the most effective possible contribution to the review.

Our **proposed goal** in 2016/17 is to provide leadership, alongside others, about privacy and anonymity that help New Zealanders to decide what the issues are. From there, people will be able to make informed choices about the information they share, in exchange for a clear understanding of the benefits that such sharing will entail.

To achieve this goal in this project, we will deliver the following activities:

Easy Transparency

Develop a series of resources that make it easy for New Zealand organisations to inform the public information about how many times government agencies ask them for information - aka transparency reports.

Easy Encryption

Develop a series of resources that explain how New Zealanders can make use of readily available encryption tools to increase their privacy online.

Project 3-B: Securing data online

The information security environment continues to develop rapidly in New Zealand, in response to ever emerging threats and opportunities around securing data online. Simultaneously, understanding about how to secure data online is not high, creating new challenges and obligations for organisations that hold data about and for New Zealanders. Added to this are ever changing and evolving expectations from the public about how their data is handled, protected and secured. The Government is also increasingly interested in Internet security, as reflected in the Government Cyber Security Strategy released in December 2015, and in the ongoing work being done by the Government through the ConnectSmart initiative.

InternetNZ is well positioned to add our own initiatives into this mix, that both make a meaningful contribution to the Government's Strategy and to the ConnectSmart ecosystem. In doing so, we will seek to work through those organisations that hold data, to lift their understanding and capability to secure the information of New Zealanders. In future Activity Plans we will augment this work with further, public facing initiatives.

Our **proposed goal** in 2016/17 is to increase the understanding of responsibility that New Zealand organisations have in securing information about New Zealanders online.

To achieve this goal in this project, we will deliver the following activities:

Am I a Network Operator?

Develop a series of resources clarifying the law around network operators and how and when particular legal obligations around information security apply.

Information Security Makeover

A campaign around information security makeovers, where we will demonstrate how organisations can secure their data online through practical demonstrated actions in a competition like setting.

Internet Issues Programme

The primary strategic transformation for 2015-2018 for the Issues Programme remains to “**be an authority on Internet Issues.**”

This 2016-17 Activity Plan represents the second year of our delivery of that goal. We met our primary goal in the 2015/16 Activity Plan by building a team to deliver the Programme. We successfully created an “engine room” in the Issues team – this year is about what that engine is capable of.

The main delivery on issues is in the Focus Areas set out above. Beyond this, our goals in the 2016/17 Activity Plan represent the next step in fulfilling this strategy as well as reflect the operational themes mentioned earlier in this document. 2016/17 is about:

- **Professionalism:** committed timetable of clear outputs
- **Outreach:** working collaboratively with partners
- **Communications:** communicating our work for maximum impact.

Activities – Baseline

- **Updating the State of the Internet Report (SOTI):** Continue to develop this Report as an authoritative source for information about the Internet in New Zealand by publishing the 2017 edition.
- **Response to emerging Internet issues:** We will retain capacity where possible, and otherwise reprioritise as required, to ensure that InternetNZ is able to respond to emerging Internet issues during the year.

Activities – New Outputs

The Activities that the Issues team will deliver are primarily covered in the Focus Areas part of this document.

Community Programme

The Internet community is made up of all the New Zealanders who can shape the Internet's growth, development and use, including in business, government, academia, technical and community-based organisations and as individuals. We work to empower and develop that Internet community, as integral to the ongoing development of the Internet in the public interest.

The Community Programme activities for 2016/17 continue towards achieving the strategic transformations and goals for the 2015-18 Strategic Plan, while community focused activities are part of the Focus Areas for 2016/17 as well. The primary strategic transformation for the Community Programme which this plan supports is that **the Internet community is well developed, connected, collaborating and contributing as much as it can to the development of the Internet for New Zealand**. We work to empower and develop the Internet community to take responsibility for and to shape the future of the Internet in New Zealand.

Highlights of the community programme activities this year include trailing a new approach to NetHui, and a focus on community grants professionalisation, as well as ongoing support through community grants and strategic partnerships, continuing development of the New Zealand Internet Research Forum, our sponsorship of events, and support of community organisations.

These highlights reflect community programme goals in the 2016/17 Activity Plan which reflect the operational themes mentioned earlier in this document. 2016/17 is about:

- **Professionalism:** working to continue professionalising community grants processes
- **Outreach:** reaching out more broadly into New Zealand communities with our NetHui events, as well as a focus on building strong understanding of and relationships within the research sector
- **Communications:** improving communications around community funding and seeking new channels to reach out more broadly into New Zealand on community engagement events

Activities – Baseline

- **Community Grants:** two funding rounds (one focused on Internet research and one on community projects, with a conference attendance grant component of each round) coordinated with community engagement events. Additionally, community grants work includes on-going engagement with existing and potential grant recipients.
- **Strategic Partnerships:** community funding support of partners and collaborate on areas of focus, facilitating interaction between partners and the Internet community. Engaging with and reviewing potential future partnership opportunities.
- **Community Sponsorship:** reach new communities and events through strategic sponsorship to support community events and awards.
- **Community Organisation Support:** providing ongoing support as committed and building and maintaining effective working relationships with TUANZ, NZITF, NZNOG, and Kiwicon, as well as managing ad hoc and other requests for support.
- **New Zealand Internet Research Forum:** this year the focus will be on supporting the New Zealand Internet research community by supporting an online NZIRF open research hub, as scoped at NZIRF 2016, as well as meet-ups and connections within the community, looking to hold the next NZIRF event in late 2017. Also, collaboration with e-research conference and broadened Internet research events and groups will be explored and delivered.

Activities – New Outputs

The Activities that the Issues team will deliver are primarily covered in the Focus Areas part of this document.

- **NetHui 2016:** deliver a series of three NetHui events across New Zealand as a new format, designed to increase the visibility and participation of NetHui in new locations and communities.
- **NetHui Collaborations:** collaborate with ITX and Open Source Open Society Collaborations in Wellington in July and August 2016 to deliver 'NetHui Sessions' at these events as well as increase access and engagement from broader communities through supporting scholarships and livestreaming for the events.
- **Māori Engagement Project:** support the work of the Māori Engagement Committee of Council and engage tikanga and language expertise and training to support governance and operational practices.
- **Community Grants Professionalisation Project:** new reporting and communications processes will be implemented to increase outreach with grants recipients and information about grants into the broader community. Also the policy framework, including assessment process, will be reviewed to ensure scalability and appropriate resourcing. Additionally, an Impact Assessment framework will be developed for adoption.

International Programme

The International Programme is the area of work that seeks to connect local discussion about Internet issues and technology with what is happening globally, to meet our responsibilities as the designated manager for the .nz ccTLD, and to reflect New Zealand interests and views outside New Zealand to shape the Internet's growth and development.

Our focus in this year's Activity Plan is to continue to engage in and support Internet governance processes as InternetNZ, while building New Zealand Internet community leadership capacity in Internet governance.

Activities – Baseline

- **International Internet governance organisations and forums:** Internet Governance Forum, Australia IGF, Asia-Pacific regional IGF, Pacific Islands IGF, APRICOT, IETF etc.
- **ICANN engagement:** as ccTLD manager for .NZ and as a civil society organisation.
- **Support of New Zealand Internet Governance engagement:** We will continue to support the work of the New Zealand Government in Internet governance, with an ongoing focus on ITU, ICANN and World Summit on the Information Society (WSIS) follow-up processes.
- **International Group Strategy:** Supporting growing professionalism and coordination in outreach across the InternetNZ Group by reinvigorating the Group International strategy.

Activities – New Outputs

- **Oceania Summer School of Internet Governance:** Having progressed discussions with a range of international partners on the concept of an Oceania School of Internet Governance (OSIG), we plan to convene a project committee of partners to develop and host an inaugural event for the region, including New Zealand, Australia and the Pacific Islands. Confirmed organisations interested in participating include University of Queensland, APC, ISOC, PICISOC, ICANN and Internet Australia, with other key partnerships in the region likely. Details will be committee led but early 2017 is anticipated for the event, if hosted at the University of Queensland. The delivery of an Oceania Summer School of Internet Governance will help to deliver both community development transformations and international transformations, developing leadership capacity in the Internet community of New Zealand as well as providing opportunity to share knowledge, debate and share ideas with others from the region and international partners.

Communications and Outreach

As an organisation, we communicate to project our voice outward into the environment so that our views can be known, through a strategic, professional and consistent approach to communications with the right set of audiences.

The primary strategic transformation for 2015-2018 for the Communications function is to deliver messages to our **membership and wider range of stakeholders that are effective and consistent**. In the second year of delivering that plan, and with reference to the operational themes for this activity plan year, the next phase of that development primarily deals with:

- **Communications:** delivering another step change in the quantity and quality of communications for all audiences, both external and internal (members), and through further professionalising our voice.
- **Outreach:** delivering on stakeholder management through utilising tools and processes to ensure appropriately targeted ongoing outreach and communications to specific audiences and stakeholder groups integrated into our programmes, projects and business as usual work.

This represents a significant step up from the current Baseline of activity. This Activity Plan and Budget therefore recommends that additional staffing be put into Communications to support this additional workload.

Activities – Baseline

- **Core Communications:** Regular communication goes out to all internal and external stakeholders with work updates on Issues, Community and International Programmes.
- **Stakeholder Planning:** A plan is developed to shape perceptions among key stakeholders to explain our mandate and encourage dialogue and two-way relationships.
- **Stakeholder Outreach:** Ongoing organisational wide improvements in managing stakeholder outreach.

Activities – New Outputs

- **Communications pipeline:** Delivering a managed set of communications media and assets that supports an improved pipeline of delivery from the programmes, and allows high quality content to be produced and delivered quickly.
- **Website Phase 2:** Delivery of the second phase of InternetNZ's website redevelopment, as launched at the end of 2014, by improving and enhancing core functionalities to make it operationally workable, user-friendly and professional.

Governance and Membership

As an incorporated society, InternetNZ is made up of members – both individuals and organisations. The members elect the Council: the governing body of the organisation. This part of our Activity Plan deals with our work in these areas.

Membership

Our strategic transformation for 2015-18 is that **members are clear about their role in InternetNZ, and understand the value in joining.**

Our goal in delivering to this transformation in this Activity Plan is to continue the transition from our historical position of a volunteer-based non-governmental organisation to the professional, widely-connected organisation that we are now. The role of members is less to “do the work” of the organisation, but is no less important for that: it is to add depth and perspectives, identify issues and help foster a community of people supportive of our objects and our work.

Advancing that transition requires some clear decisions about how members can continue to meaningfully contribute their ideas, energy and insights in ways that work for everyone.

Activities – Baseline

- **Membership Survey:** done six-monthly rather than annually
- **Members Meetings:** done twice a year in planning and review

Activities – New Outputs

- **Membership Process Improvements:** working with Council and members to identify ways to improve the membership offer, implementing these during the year, and reflecting on successes and lessons learned next year.

Governance

Governance change is not a significant focus of this year’s Activity Plan, though we note the new pattern of Council meetings with four quarterly meetings dealing with standard reporting and accountability matters, a Strategic session and a meeting to determine the annual plan and Budget.

Operations

The Operations team provides the administrative and operational support that makes the organisation work. This is a significant area of baseline, business as usual work, in many cases performed in support of other parts of the Group.

One of the inputs into this 2016/17 Activity Plan is a comprehensive assessment of the workload required maintaining this scope of Operations in a sustainable way, and therefore to have an accurate baseline from which the rest of the new activity can be measured and loaded. The Operations team underpins everything that the organisation does, and managing these functions correctly is an important enabler of the rest of the organisation's work.

The primary strategic transformation for 2015-2018 for the Operations team is to be **recognised as capable, organised and trusted**. In the second year of delivering that plan, and with reference to the operational themes for this Activity Plan year, the next phase of that development is centred around continually improving the professionalism of service delivery, through:

- **Capacity:** clear understanding, measurement and balancing of capacity to support the organisation.
- **Efficiency:** reviewing core processes to ensure that these are as efficient as possible, in light of wider organisational changes and greater expectations.

In the immediate term, the capacity challenge is the most pronounced. Once the Baseline responsibilities are taken into account, Operations is already working at capacity. This Activity Plan therefore recommends maintaining last year's budget provision for additional staffing capacity in Operations to support the delivery of this plan.

Activities – Baseline

- **Financial Management:** full responsibility for all aspects of financial management and administration for InternetNZ and for significant components of DNCL and of supported partner organisations (NZITF, NZNOG, and IPv6).
- **Human Resource management:** managing our obligations as an employer.
- **Governance Support:** organise and provide support for the AGM, elections, Council meetings, strategy retreats, subsidiary board appointments, and committee secretariat support.
- **Subsidiary services and support:** including reception, meeting coordination, financials and IT for DNCL, and facilities management.
- **Statutory compliance obligations:** including all business legislation and in particular charities, health and safety and human resources legislation.
- **Chief Executive administrative support** as needed.
- **Overall office support** including reception functions, facilities management and support, and administration support (as needed).
- **IT management:** responsible for managing both internal IT assets and supplier relationships that provide them.
- **Travel management:** the centralised responsibility for managing all travel requests.
- **Internal policy development:** ownership and responsibility for maintenance of both operational and governance policies.
- **Event delivery:** supporting the programmes through full project management of standing external event commitments – budgeting, facilities, catering, programming, logistics – across the following events:

- NetHui (three events in 2016 – see projects)
- ANZIAs
- NZNOG
- ITx support
- Internal events as capacity allows.
- **Membership support and administration:** managing the full operational support requirements of our ~400 members, including:
 - subscription management of members optional mailing list (i.e. PAG, members-discuss) via their members profile or manually
 - membership renewal processes
 - membership joining and approval processes.
- **Programme support:** working with the Issues, Community and International Programmes to support their activities by:
 - grants administration: provide grants assessment process support and contract management
 - specific ad-hoc tasks as requested.

Activities – New Outputs

We plan the following new outputs in 2016/17:

- **Internal phone system replacement:** replacing the PABX based system used internally.
- **NetHui:** project management of the NetHui series of events nationwide in October.
- **IT asset management:** develop an asset management process and policy detailing timeframes for replacement of office IT.
- **System interoperability:** develop integrations between various business and financial systems for efficiency (e.g. accounting and membership systems links).

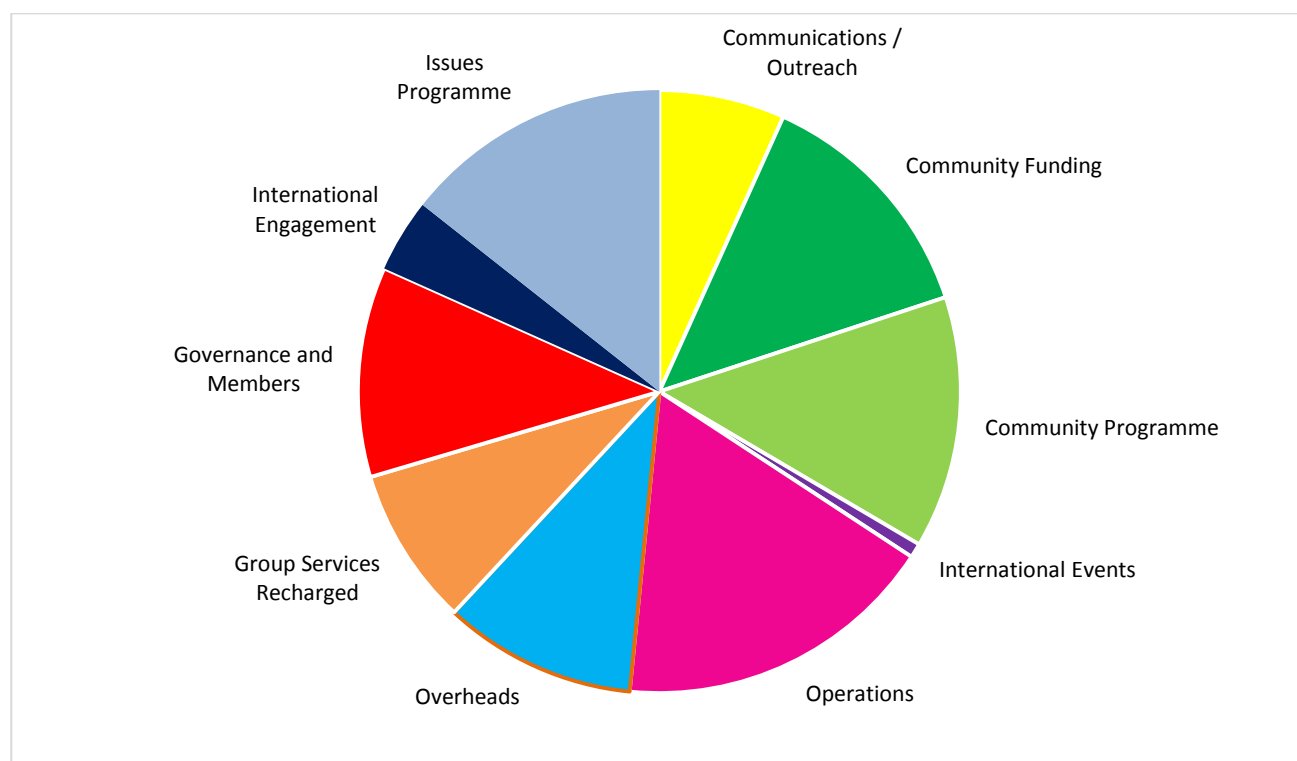
Budget Summary

The budget has been prepared to resource the preceding Activity Plan for 2016/17. The draft 2016/17 budget results in a 4% increase in expenditure compared to 2015/16. Other than the reallocation to funding of \$100,000 from international events, the other areas requiring additional resourcing to achieve the Activity Plan are: Issues, Community Programme, Communications/Outreach, Operations, and Governance and Members. Details by area are provided in the full budget paper, being presented at this meeting.

Comparison report with 2015/2016

2016/17 Draft Budget	2015/16	2016/17	Change over Last Year	
	Budget	Draft Budget	Amount	%
Income				
	4595	4257	-338	-7%
Expenses				
Internet Issues	594	654	60	10%
Community Funding (2015/16 figure includes the \$90k carried over from 2014/15 RN18/15)	590	600	10	2%
Community Programme	567	616	49	9%
International Engagement	249	179	-70	-28%
Communications/Outreach	205	307	102	50%
Operations	995	1176	181	18%
Overheads (2015/16 includes a \$80k one off amount for the move)	501	471	-30	-6%
Governance and Members	426	513	87	20%
International Events	255	35	-220	-86%
Total Expenses \$000s	4382	4551	169	4%
Net Ordinary Income \$000s	213	-294	-507	-238%
Operational Expenditure reconciliation				
Total Expenses \$000s	4382	4551		
Less subsidiaries reimbursement of shared services	-282	-387		
Total Expenses \$000s	4100	4164		

The following chart and table provide a visual of the financial and staffing allocation of the proposed budget across the work areas.



Activity	People FTE	
International Engagement	0.4	3%
Issues Programme	2.4	17%
Communications/Outreach	2.15	15%
Community Funding	1.25	9%
Community Programme	1.55	11%
International Events	0.1	1%
Operations	3.9	28%
Group Services Recharged	0.7	5%
Governance and Members	1.55	11%
Total	14	100%

Stakeholder Overview

To demonstrate how we are delivering to the traditional “five key constituencies” utilised in international Internet governance circles, we have mapped the intended deliverables in this 2016/17 Activity Plan against the following stakeholder groups:

Stakeholder group	Project or activity
Government	Focus Area Access: Telco review project, Digital regulation project, International UN and ICANN engagement
Business	ITx NetHui collaboration, Digital regulation project, ISP scorecard project
Academia	NZ Internet Research Forum, community grants
Technical community	ITx NetHui collaboration, Kiwicon support, Focus Areas: access and use (security)
Civil society	Community funding, NetHui, sponsorship, Focus Area: use

Additionally, a range of projects will work to mix all stakeholders including NetHui, the Focus Area Access: Understanding the Digital Divide, and Focus Area Use: Speaker series project.

Projects and Events Delivery Calendar

This delivery calendar provides a high-level summary of when some of the key projects and activities listed in this plan will be delivered. A more detailed Activity Plan Report will be provided every quarter, following Council meetings.

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Focus Areas	1-A: World Internet Project 2-A: Copyright & TPP 2-B: Collaborations: Tech Economy 3-B: Am I a Network Operator? 2-B: Speaker Series	1-B: Independent Access Review 2-B: Collaborations: Internet of Things 2-B: Speaker Series 3-A: Easy Transparency	1-B: Telco Act Review 2-A: Digital Regulation 2-B: Speaker Series 3-A: Easy Encryption 3-B: Information Security Makeover	1-A: Digital Inclusion Map 1-A: Fostering Use of Inclusion Map
Issues Programme				State of the Internet 2017
Community Programme	Grants Professionalisation Project	NetHui Collaborations: ITx and Open Source, Open Society NZIRF online	NetHui 2016 Events Grants round TBC	Grants round TBC NZIRF events NZNOG support
International Programme	ICANN		ICANN IGF	Oceania School of Internet Governance ICANN
Communications and Outreach	Communications pipeline		Website phase 2	
Governance and Members	Council meeting	Council meeting	Council meeting	Council meeting
Operations		IT Asset management	Internal Phone system replacement	System Interoperability

Draft 2016/17 Budget

Author: Jordan Carter, Chief Executive

Purpose of Paper: Seek Council agreement to the proposed budget for 2016/17.

Introduction

This paper sets out the proposed strategy for the 2016/17 Budget, the background information regarding that budget, and proposes for Council's agreement a draft budget along with associated notes. It should be read alongside the 2016/17 Activity Plan.

1. Budget Strategy 2016/17

The proposed 2016/17 Budget presented is based on the following:

- A dividend reduction from that paid in 2015/16 of nearly 9% as was always forecast, and that has been confirmed in the draft 2016-17 NZRS Statement of Direction and Goals.
- With the knowledge that NZRS have exceeded their budgeted sales figures for 2015/16 (from which the 2015/16 dividend was calculated) which should result in a wash-up payment for 2015/16 in the next financial year.
- A degree of reassurance that globally, new gTLDs are still not placing as much pressure on ccTLD markets as seemed possible or likely
- A strategic direction across the group to seek additional revenue.
- The reality that over the last five years, areas that were projects have become baseline activities for the organisation, as illustrated in the Community and Communications section of the 2016/17 Activity Plan – and acknowledging this in baseline capacity.
- Recognising the resources needed to deliver the current baseline activities and the activities outlined in the 2016/17 Activity Plan, with an emphasis on *professionalism*, *outreach* and *communication*.

2. 2015/16 December Draft Budget

The draft 2016/17 budget presented at the December Council meeting proposed expected expenditure of \$4.225 million, leading to a surplus of \$49k.

With the finalization of the Activity Plan, the final draft Budget varies from that presented by 8%, an increase of \$356k in expenses, and resulting in a deficit of \$294k.

The December budget was developed from a conservative approach, and when one considers the new work planned for the coming year as well as the reality of current ongoing commitments arising from the projects of previous years, it has proved impossible to maintain that previously proposed spending limit.

3. Comparison 2015/16 vs 2015/16 Budget

2016/17 Draft Budget	2015/16	2016/17	Change over Last Year	
Internet New Zealand Incorporated	Budget	Draft Budget	Amount	%
Income				
	4595	4257	-338	-7%
Expenses				
Internet Issues	594	654	60	10%
Community Funding (2015/16 incl \$90k carried over from 2014/15)	590	600	10	2%
Community Programme	567	616	49	9%
International Engagement	249	179	-70	-28%
Communications/Outreach	205	307	102	50%
Operations	995	1176	181	18%
Overheads (2015/16 includes a \$80k one off amount for the move)	501	471	-30	-6%
Governance and Members	426	513	87	20%
International Events	255	35	-220	-86%
Total Expenses \$000s	4382	4551	169	4%
Net Ordinary Income \$000s	213	-294	-507	-238%
Operational Expenditure reconciliation				
Total Expenses \$000s	4382	4551		
Less subsidiaries reimbursement of shared services	-282	-387		
Total Expenses \$000s	4100	4164		

The budget proposes an operational budget expenditure limit of \$4.551 million for 2016/17, an increase of 4% or \$169,000 compared with the 2015/16 operating limit of \$4.382 million.

Details of the changes in expenditure are presented under the work areas that follow.

4. 2016/17 Executive Summary

The following tables provide a visual breakdown of InternetNZ's 2016-17 financial and staffing resources over the work areas.

Activity	Expenses (\$000s)	
International Engagement	\$179	4%
Issues Programme	\$654	14%
Communications/Outreach	\$307	7%
Community Funding	\$600	13%
Community Programme	\$616	14%
International Events	\$35	1%
Operations	\$789	17%
Overheads	\$471	10%
Group Services Recharged	\$387	9%
Governance and Members	\$513	11%
Total	\$4,551	100%

Activity	People FTE	
International Engagement	0.4	3%
Issues Programme	2.4	17%
Communications/Outreach	2.15	15%
Community Funding	1.25	9%
Community Programme	1.55	11%
International Events	0.1	1%
Operations	3.9	28%
Group Services Recharged	0.7	5%
Governance and Members	1.55	11%
Total	14	100%

5. Detail Budget breakdown by Area

- International Engagement budget**

This area of work has scaled back with the exit of Keith Davidson, and the expenditure has been reduced by \$70k. There is however a new collaboration planned with the Oceania Internet Governance Summer/Spring School, this has a budget of \$35k.

International Engagement

Oceania Internet Governance Summer/Spring School	10	35	25	250%
International Collaboration	239	144	-95	-40%
International Engagement	249	179	-70	-28%

- Internet Issues and Focus Areas**

The issues area has budgeted an increase in expenditure of \$60k compared to 2015/16, this is a result of incorporating more Community outreach, and delivering three Speaker's Series events. Total remuneration for Issues has decreased with more of Andrew Cushen's time being expensed into Operations.

Internet Issues

Internet Issues Programme	60	30	-30	-50%
Access	20	55	35	175%
Use	100	80	-20	-20%

Security	65	50	-15	-23%
Issues Operating Costs	349	439	90	26%
Internet Issues	594	654	60	10%

• Communication and Outreach

The reporting of the Communication/Outreach separately from the Issues and Community Programmes is a change from previous years, this will provide visibility on our work in outreach and communications. The increase of \$102k is to provide another FTE in this area, and to support more work.

Communication/Outreach				
Annual Stakeholder Event	20	15	-5	-25%
Communication Strategy & Outreach	45	65	20	44%
Communication Operating Costs	140	227	87	62%
Communication/Outreach	205	307	102	50%

• Community Programme

The Community Programme is reporting an overall increase of \$59k, this amount is understated by the fact that there was a carried forward amount of \$90k from 2014/15 in funding. Funding has been increase by \$100k as per the overall five-year strategic plan to increase funding to \$1 million, assuming diversification in revenue.

The Community Programme is also budgeting for an increase in people, but has reduced costs in other areas to partly accommodate the extra cost.

Community Funding

Funding Rounds (2015/16 includes a carry-over of \$90k from 2014/2015 RN18/15)	330	280	-50	-15%
Strategic Partnerships	260	220	-40	-15%
Funding Other	0	100	100	100%
Community Engagement				
NetHui	130	130	0	0%
Sponsorship	50	50	0	0%
NetHui community initiatives: NZIRF	10	15	5	50%
Community Programme Operating Costs	377	421	44	12%
Community Programme	1157	1216	59	5%

• International Events

The allocation of fund for the APRICOT Event have been redirected to increase the funding budget for 2016/17, and to support the increase in costs in other areas.

International Events				
Apricot	195	0	-195	-100%
ANZIA	60	35	-25	-42%
International Events	255	35	-220	-86%

- **Operations**

Operations is budgeting an increase of \$151k, of which \$196k or 32% is an increase in remuneration. This increase is attributable to Andrew Cushen given in his new role of Deputy Chief Executive, and the reallocation of the Events Lead into Operations.

It also allows for the additional FTE in the Operations area we explored in 2015/16, which will ensure the Operations team can provide the support required for the work areas to deliver the activity plan while keeping workloads realistic. Depreciation is also increased due to more planned website development.

Operations

Remuneration	611	807	196	32%
Depreciation	60	93	33	55%
Operating Expenses	324	276	-48	-15%
Overhead (2015/16 includes a one off moving cost for 2015/16 of \$80k)	501	471	-30	-6%

Operations

1496	1647	151	10%
-------------	-------------	------------	------------

- **Governance & Members**

Governance and Members has increase by \$87,000, for support developing the culture in the team and potentially (subject to agreement) across the InternetNZ group.

Governance and Members

Council & Members	396	513	117	30%
.nz Stewardship	30	0	-30	-100%

Governance and Members

426	513	87	20%
------------	------------	-----------	------------

5. Capital Expenditure Budget

The proposed capital budget is \$118,000 (c.f. current year \$65,000), made up of the following items:

Item	Amount
Website development phase 2	\$40k
New phone system	\$25k
Auckland Office (Air Con, lighting, storage, sofa)	\$25k
80 Boulcott Kitchen/Reception area	\$15k
Issue Team Software	\$5k
Computer replacement	\$8k

6. Other Matters

a) Funding Operational Expenditure

As noted above, the major source of funding operational expenditure is the dividend from NZRS. A payment of \$3.806 million is currently projected for 2016/17, as forecast in the Draft NZRS Statement of Direction and Goals dated February 2016.

This figure is subject to change, given the NZRS Statement of Directions and Goals for 2016/17 has not been finalised. Any dividend impact arising from the SoDaG should be clearly understood and agreed before that document is finalised, due to the flow-on effect on InternetNZ's cash position.

Any deficit resulting from a dividend adjustment along with the budget deficit of \$294,000 will be funded from retained earnings (expected to be \$4.9m at 31 Mar 2016).

b) Reserves

Based on projected operational expenditure limits the financial reserves for 2016/17 as required by the Reserves Policy are to be maintained at a level of \$1,610,000 (current year: \$1,220,000). This is higher due to the higher rent for the group in the new premises, and growing InternetNZ staffing.

c) Community Funding

In the three-year projection 2016-2019 the Community Funding budget has been increased by \$300k, with a further \$200 planned for 2019-2020, achieving the targeted \$1 million as per the Strategic Plan, assuming the realisation of diversified revenue.

7. Three-year Profit & Loss projections

Below is a high level, three-year profit and loss projection. The critical underlying assumption is that dividends from NZRS are broadly in line with the amounts forecast in the draft NZRS Statement of Directions and Goals dated February 2016.

3 Year Profit and Loss		2016/17	2017/18	2018/19
Internet New Zealand Incorporated		Draft Budget	Draft Budget	Draft Budget
Income				
		4257	4523	4794
Expenses				
Internet Issues		654	674	694
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	4530	4675
Net Ordinary Income \$000s	-294	-7	119

Recommendations

1. That Council **receive** this paper and **agree** the strategy and high level composition of expenditure for the 2016/17 Budget.
2. That Council **approves** for 2016/17 an operational budget limit of \$4.551 million and a capital budget limit of \$118,000.
3. That Council **note** and **agree in principle** that should income turn out to be lower than expected, the operational and capital budget limits will be maintained, with funding to come from retained earnings.

Jordan Carter
Chief Executive

24 March 2016