

AGENDA – COUNCIL MEETING

Friday 7th April 2017

InternetNZ, Level 11, 80 Boulcott St, Wellington	
8:45am	Refreshments (coffee, tea, & scones) on arrival
9:00am	Meeting start
11:00am	Meeting Close
9:00am– 10:00am	Activity Plan & Budget <ul style="list-style-type: none"> - 2017/18 Activity Plan & Budget: Introduction - AP1: Our Plan for 2017/18: Activity plan & Budget Summary - AP2: 2017/18 Activity Plan: Focus Areas Strategic Background - B1: 2017/18 Budget Explanation Paper
10:00am–11:00am	Organisational Review (confidential) <ul style="list-style-type: none"> - Introduction - InternetNZ Organisational Review Working Group Case for Change

*** Section 7 - List of Acronyms and Annotated Agenda**

2017/18 Activity Plan and Budget: Introduction

Author: Jordan Carter, Chief Executive

Purpose of Paper: To explain and provide context for the set of papers for this meeting that propose the 2017/18 Activity Plan and Budget.

The main purpose of this short April meeting is to finalise the 2017/18 Activity Plan and Budget. The following papers are provided:

	Paper	Purpose
AP1	Activity Plan	Sets out the main projects for the year, including rolling detail for Focus Area projects, and new initiatives & business as usual across our main programmes and areas of work (Issues, Community, International, Operations, Governance & Members).
AP2	Focus Areas Strategic Background	Sets out the strategic background for the Focus Areas.
B1	2017/18 Budget Explanation	Explains the strategy and the key information about the proposed 2017/18 Budget.

Once the approach is finalised at the meeting, we will prepare public-facing documents as follows:

- **Full Activity Plan 2017/18** (similar to AP1 but with less detail about the Focus Areas projects & the methodology underlying them)
- **Activity Plan 2017/18** (a shorter, key points document, designed to be the main public-facing statement of work)
- **Activity Plan Summary** (one pager)
- **Budget Summary** (a high level summary of the budget)
- **Focus Areas: Strategy and Detail** (similar to AP2 but with some material added from AP1)

Jordan Carter

29 March 2017



Our Plan for 2017-18

Activity Plan & Budget Summary

7 April 2017



Summary

The key elements of our plan for 2017 are:

Focus on **Access**

- Complete our **Digital Inclusion Map** and draw insights from it
- Contribute to the review of the **Telecommunications Act**

Focus on **Trust**

- Encourage the public to use **multi-factor authentication** where available
- Build a credible **trust framework** that identifies how to improve trust

Focus on **creative use**

- Work towards **more open copyright law**
- **Share stories** of innovative creative use of the Internet

We will:

- Host NetHui 2017 in Auckland (8-9 November)
- Host an Internet Research Forum
- Expand our Community Funding to \$700k
- Update and re-launch the State of the Internet report
- Publish quarterly position papers to shape the Internet debate
- Support a Pacific Internet Governance Forum
- Continue a wide range of partnerships and support of community organisations

This Plan contains the detail, including of other activities in our Issues and Communities areas of work, and a summary Budget for your information.

We look forward to working with you in a busy year ahead!

Jordan Carter
Chief Executive

Introduction & context

This Activity Plan and Summary Budget for 2017/18 is our plan for this year.

We continue to implement the three-year Strategic Plan adopted by Council at the start of 2015. The five main goals in that Strategic Plan are:

1. to be the authority on Internet issues
2. to support an Internet community that is well developed, connected, collaborating and contributing as much as it can to the development of the Internet for New Zealand (including lifting community funding to \$1m/yr)
3. to contribute effectively to global Internet debates to preserve the open Internet, and effectively share those debates and lessons at home
4. to deliver core operations at a high standard
5. to deliver clear roles and expectations for members.

This year's Activity Plan represents the third year of delivering the strategy - and therefore, we will also be taking time this year to reflect on what we have achieved in those three years towards delivering to our vision of a better world through a better Internet.

This vision is ever more important to interpreting this Activity Plan. We have focused on what changes we want to see in the world around us, and how a better Internet enables that. We have used that lens to guide the activities that we propose for this year in the three Focus Areas we have carried over, and refined, from the 2016/17 Activity Plan.

Those Focus Areas are:

1. **Access** to the Internet
2. **Trust** on the Internet
3. **Creative use** of the Internet.

In each of these areas, we have described the contributions we aim to make in terms of the changes we seek to effect in the stakeholder environment (a better Internet) that then support wider, more fundamental changes (a better world).

We are taking another step this year in having these Focus Areas work across the organisation, supported by both our issues and community teams. We will continue to foster collaboration in these areas with the Internet community, in order to gain additional perspectives in our work and learn from others. That also means that we will look to community insights to inform the work we do ourselves in the issues team.

We have also refreshed the themes that we will be building through our organisation and how we work. In 2017/18 we will be:

1. **Focussed:** We will continue to do more on fewer things, and take deliberate action on the things we do focus on.
2. **Simple:** We will drive efficiency in our internal systems; provide a good experience of InternetNZ for members and stakeholders and share simple messaging out to the wider Internet community.
3. **Reaching out:** We will deepen our links with the wider Internet community, grow our presence with the general public and increase the relevance and trust of the

organisation.

We present this Activity Plan with Summary Budget information so that anyone interested in our work can clearly see what we intend to do and how much it will cost.

For more detail, please read the companion paper setting out the detail of Budget 2017/18. Both papers can be found at: <https://internetnz.nz/strategic-and-business-plans>

Reports on progress against this Plan are delivered to each meeting of the Council, and those reports are published at: <https://internetnz.nz/activity-financial-reports>

Please feel welcome to contact me direct with any feedback or questions you have about our plan for 2017/18.

Jordan Carter
Chief Executive

Contributions to the Focus Areas

This plan sets out two contributions that we will make towards each Focus Area. The work that we do on the Focus Areas is led by the Chief Executive, and serviced by the Community, Communications and Issues teams.

For each contribution, the plan defines the current state and desired states for 2018, 2019 and 2020 with respect to a better world, a better Internet and InternetNZ projects and results.

The approach in this year's Activity Plan is to use the 2018 states in these contributions to guide actions taken in 2017-18 and to determine how to measure success.

Access to the Internet - Internet infrastructure

The networks that New Zealanders use to access the Internet are critical to modern life and business. We continue to focus on the markets and the relevant regulations that shape how people access the Internet - whether it is mobile or fixed line Internet markets, competition law, network neutrality issues or industry agreements - we will be there as a voice for New Zealand's Internet community, ensuring that the potential of the open Internet is heard, seen and protected.

This year, we will be continuing to work with the Government on its 2020 Telecommunications Act review and seeking changes that operate in everyone's best interests

Success in 2017-18: Parliament passes a Telco Act that supports competition and effectively controls monopoly behaviour.

Date - year ending	A better world (uses and benefits)	A better Internet (stakeholder projects and results)	InternetNZ projects and results
31 Mar 2017	Internet is available to nearly everyone. Low quality plans are unaffordable to some, exacerbating access issues. Many New Zealanders aren't choosing the best available connectivity, hampering innovation.	The current Telco Act fails to provide a suitable framework for the fibre broadband era. As result, competition could be harmed. Government stakeholders endorse many of InternetNZ's ideas for change.	InternetNZ continues to participate in the Telecommunications Act review to encourage a framework that supports competition and controls monopoly behaviour.
31 Mar 2018	No changes yet - prices are stable and quality continues to improve.	Parliament passes a Telco Act that supports competition and effectively	InternetNZ participates in completing the legislative process by

		controls monopoly behaviour.	providing arguments and evidence that support a consensus for an improved Telco Act that supports competition and controls monopoly behaviour.
31 Mar 2019	<p>No changes yet - prices are stable and quality continues to improve.</p> <p>Users continue to move from copper to more attractive options.</p>	Commerce Commission makes decisions in developing input methodologies that support competition and control monopoly behaviour with user interests and fair prices prioritised.	InternetNZ works with the Commerce Commission as it works through the input methodologies process of the new Telco Act so that decisions support competition and effectively controls monopoly behaviour.
31 Mar 2020	<p>There is no price shock for users when the new regulated fibre broadband prices take effect. The digital divide won't be widened and innovation can keep flowing.</p> <p>Users continue to move from copper to more attractive options. Users limited to copper are protected against price increases and quality decreases.</p>	Regulated prices for fibre broadband under the new Telco Act are in place, serving user interests.	InternetNZ scrutinises and advises the Commerce Commission as they finalise regulated prices for fibre broadband.

Access to the Internet - digital divide

Last year we worked with 20/20 Trust to build a Digital Inclusion Map, showing the divides across New Zealand for Internet access, use, skill and social deprivation. There are digital divides in New Zealand in the types of Internet access that are available, the gap between those skilled enough to use the Internet, and those who don't know how, those who could get it, if only they could afford an Internet connection. We want to identify these divides, understand them, and help local, regional and national decision makers address the

divides, and the unmet needs that stop some New Zealanders using the Internet to help them realise their full potential.

Success in 2017/18: the Digital Inclusion Map is being used, insights derived from it shared and at least two communities have used the map to address a digital divide they face.

Date - year ending	A better world (uses and benefits)	A better Internet (stakeholder projects and results)	InternetNZ projects and results
31 Mar 2017	Certain groups of New Zealanders make less use of the Internet due to usability and accessibility issues.	The digital divide is not understood in detail by stakeholders, making interventions difficult to plan and target.	InternetNZ made the revised and expanded Digital Inclusion Map focusing on illustrating the digital divide.
31 Mar 2018	More people, that were previously digitally excluded, are active online.	Stakeholders use this insight to design more targeted digital inclusion initiatives.	InternetNZ uses the new Digital Inclusion Map to highlight divides and the associated economic and social indicators that those divides are correlated with.
31 Mar 2019	More people that were previously digitally excluded are active online - the situation continues to improve.	Stakeholders use this insight to design more targeted digital inclusion initiatives.	InternetNZ continues to use the new Digital Inclusion Map as outlined above.
31 Mar 2020	Everyone that wishes to be online is online, or the solutions for getting them online are known and in train.	Stakeholders use this insight to design more targeted digital inclusion initiatives.	InternetNZ continues to use the new Digital Inclusion Map as outlined above.

Trust on the Internet - multi-factor authentication (MFA)

Our background work last year showed us that authentication and access control is hard. Getting people to use, and remember, strong, unique passwords is a challenge, and relying on username and passwords alone is not good enough anymore. We will be promoting MFA both directly to New Zealanders (encouraging them to take it up) and by engaging with New Zealand's developer community to encourage them to implement MFA for their systems, helping New Zealanders be more secure.

Success in 2017/18: InternetNZ and stakeholders have promoted MFA resources to New Zealanders, and more New Zealanders tell us they use MFA to secure their accounts. We will measure the second part through public opinion polling.

Date - year ending	A better world (uses and benefits)	A better Internet (stakeholder projects and results)	InternetNZ projects and results
31 Mar 2017	New Zealanders do not make much use of MFA, leaving vulnerabilities in password use and increasing risk online.	MFA is increasingly available and used by a growing number of predominantly-global online service providers as a method for greater security.	InternetNZ has not focused on MFA.
31 Mar 2018	New Zealanders begin to use MFA more often.	InternetNZ and stakeholders promote MFA resources to New Zealanders.	InternetNZ develops/promotes resources about MFA and partners to increase the visibility of these solutions to the NZ public.
31 Mar 2019	New Zealand public is more aware of MFA and its relevance to them and has more choices to deploy it.	Resources and documentation increase the number of MFA solutions available, including some developed in New Zealand.	InternetNZ continues and refines the public awareness work and introduces resources and documentation for MFA developers.
31 Mar 2020	New Zealand public has greater confidence in passwords and corresponding use of the Internet because utilisation of MFA is high.	Local MFA developer ecosystem is mature. MFA is becoming standard on New Zealand websites.	InternetNZ promotes MFA to New Zealand website owners.

Trust on the Internet - trust framework

Trust is not an easy concept to understand or measure. Our starting point is Schneider's 1999 Trust in Networked Systems model, which breaks trust down into Correctness, Reliability, Security, Privacy, Safety and Survivability. We will work with others to develop (or adopt) a common understanding of what online trust means, and find some agreed

metrics we can all use to measure and track trust online. This is a significantly difficult goal - something no-one else in New Zealand has managed to successfully do. We think that with the right partners and focus we can build a common, measured, understanding of trust online in New Zealand.

Success in 2017/18: we have developed a framework with partners, and there is broad agreement among security/trust stakeholders that the framework provides new and valuable insight about what can be done to improve trust online.

Date - year ending	A better world (uses and benefits)	A better Internet (stakeholder projects and results)	InternetNZ projects and results
31 Mar 2017	We think New Zealanders are losing trust online but we don't know - and we don't know how to change it.	Web service providers are not involved in a coherent conversation about trust online because the intervention model is unclear.	InternetNZ has no framework for measuring or developing trust on the Internet.
31 Mar 2018	No change.	Stakeholders find value in the framework and start applying insights from it.	In collaboration with domestic and/or international partners, InternetNZ develops a definition and intervention model for trust on the Internet.
31 Mar 2019	New Zealand public starts to see improved trust in the Internet because of better targeted projects.	The New Zealand Internet industry begins to use the new model and metrics to develop trust on the Internet.	InternetNZ promotes the new model and metrics to Internet industry players.
31 Mar 2020	Framework for intervention is leading to improved climate of trust both in New Zealand and in other participating jurisdictions.	Interventions using the model are refined and expanded.	InternetNZ refines the model and reports on its effectiveness to stakeholders.

Creative use of the Internet - creation enabling copyright

New Zealand's copyright law needs changing. We want to see a broad, principles-based approach to copyright, with exceptions anchored around the concept of fair use. We want to highlight the creative and economic opportunities that a fair use regime would bring

and work with like-minded organisations to influence policy thinking before the long-awaited Copyright Act review starts.

Success in 2017/18: New Zealand's debate changes so that more open, tech-neutral exceptions form part of the expected direction of change in copyright policy.

Date - year ending	A better world (uses and benefits)	A better Internet (stakeholder projects and results)	InternetNZ projects and results
31 Mar 2017	New Zealanders experience barriers to being creative online due to a lack of appropriate, tech-neutral exceptions in copyright law.	ICT industry and civil society are not mobilised. Litigation is common. Change to implement more open and tech-neutral exceptions in copyright law is contentious.	InternetNZ has a long history of working on copyright reform.
31 Mar 2018	New Zealanders experience barriers to being creative online due to a lack of fair use of copyright. Main political parties have committed to opening up copyright.	New Zealand's debate changes, so that opening up copyright is the expected direction of changes in copyright policy.	InternetNZ enables and participates in a coalition of interested parties to change the debate in favour of open, tech-neutral exceptions in copyright law.
31 Mar 2019	More user awareness of the barriers no fair use creates and innovation online is less constrained by the updated copyright law.	Government changes Copyright Act consistent with technology neutrality and more openness.	InternetNZ participates in the legislative process, alongside other coalition participants.
31 Mar 2020	Innovation permitted by the new Copyright Act becomes possible and new creative uses of the Internet and copyright materials emerge.	Stakeholders promote the new opportunities made possible by the new Copyright Act.	Uncertain.

Creative use of the Internet - showcasing creativity

Our work with the Innovation Partnership has shown the benefits that creative, productive use of the Internet can bring us as a country. We want to get out into New Zealand's diverse communities to find and tell stories about how New Zealanders are using the

Internet in powerful and creative ways. Why? So we have some powerful examples to showcase and help us, and others, steepen the adoption curve of the Internet. We will also uncover and grow our understanding of how New Zealanders are using (and could be using) the Internet.

Success in 2017/18: we have run a youth dedicated event (or stream at NetHui) and shared the powerful stories from a more diverse audience about how the Internet can make a difference.

Date - year ending	A better world (uses and benefits)	A better Internet (stakeholder projects and results)	InternetNZ projects and results
31 Mar 2017	There are a number of under activated groups of users of the open Internet.	Stimulating creative use of the Internet is a focus of few stakeholders.	InternetNZ has not developed outreach activities designed to stimulate creative uses of the Internet in particular communities.
31 Mar 2018	Dozens of new uses developed by diverse sectors and communities, and there is increased visibility and celebration of these initiatives.	Stories showcased by InternetNZ are being shared by a wider network and more people know about them.	InternetNZ runs a dedicated stream at NetHui, and works with partners to showcase the stories that are shared.
31 Mar 2019	Dozens of new uses developed by new communities, and there is increased visibility and celebration of these initiatives.	Other stakeholder groups co-design useful resources for their communities.	Continued development of action and showcasing approach.
31 Mar 2020	The creative, generative potential of the Internet is widely appreciated. Creativity online is more commonplace.	Other stakeholder groups co-design useful resources for their communities.	Continued development of action and showcasing approach.

Internet issues

The primary strategic transformation for 2015-2018 for the issues team remains **to be an authority on Internet issues**.

This 2017-18 Activity Plan represents the third year of our delivery of that goal. Last year we showed what the issues team is capable of. We produced a mix of policy focussed documents and projects, projects targeting the general public and some more technical projects, building useful resources for the Internet Community.

This year, we will continue to deliver high quality projects under the Focus Areas (sets out above). Beyond this, our goals in the 2017/18 Activity Plan represent the next step in fulfilling this strategy as well as reflect the operational themes mentioned earlier in this document. In 2017/18 the issues team will:

- **focus** on delivering high quality outcomes in the activity plan
- keep our core messages **simple** so that we can more easily reach the wider Internet community
- **reach out** to the wider Internet community, listening and providing a voice for the open Internet across New Zealand society.

Activities - New Outputs

The Activities that the issues team will deliver are primarily covered in the Focus Areas part of this document. One part of being an authority on Internet issues is seeking to predict and shape policy debates about issues that matter to InternetNZ's work to promote the Internet's benefits and protect its potential.

Building off of our successful papers in 2016/17 (Towards a world without mass surveillance, Encryption: what it is and why it's important, Intelligence and Security in a Free Society review) a new output from the issues team will be quarterly position papers.

Activities - Baseline

- **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.
- **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. We are moving the SOTI to a mid-year product, where we can launch it at an event attached to the InternetNZ AGM.
- **Maintaining the ISP Spotlight:** we will continue to monitor the ISP Spotlight, adding new ISPs and updating information as ISPs change relevant policies (routine review). Any new efforts to modify or improve the ISP Spotlight will be done as a part of the Access Focus Area project: Informing choices for Internet users.

Community

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 primary strategic transformation for the community area 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 community activities this year include broadening our engagement methods to support the business community and encouraging diverse attendees at NetHui. We will continue our community grants and funded strategic partnerships, continue development of the New Zealand Internet Research Forum (NZIRF); and support events and initiatives that align with our focus areas through sponsorships and on-demand grants.

These highlights reflect community goals in the 2017/18 Activity Plan which reflect the operational themes mentioned earlier in this document. 2017/18 is about:

- **Encouraging participation in our focus areas:** linking and encouraging the community and our partners to participate and use our existing projects and initiatives; as well as a focus on building relationships within the copyright and research communities
- **Building diversity:** developing our the internal team in order to support diverse New Zealand sectors and communities to attend our events, such as NetHui and Speaker Series
- **Acknowledging and encouraging achievement:** improving communications around community funding, and seeking new channels to reach out more broadly into New Zealand through awards, scholarships or leadership ambassador initiatives.

Activities - New Outputs

- **Encourage use of the Digital Map by others:** We will invest in communities to encourage active use and conservation about our Digital Map, and promote at our engagement events, like Speaker Series and roundtable discussions.
- **Diversify NetHui 2017 attendees and building our membership:** We will inspire diverse people and communities to attendees at our national NetHui event in Auckland, and inspire communities to host regional NetHui in their own backyard in 2018. By broadening our approach to engagement, we aim to increase our membership base.
- **Build tikanga Māori across InternetNZ's work:** We will support the mahi (work) of the Māori Engagement Committee of Council, and continue our tikanga training in order to build networks with tangata whenua and other communities, to support governance and operational practices.

- **Develop a pilot youth champions programme:** We will develop and pilot a programme with current or new strategic partners for tomorrow's leaders who are interested in the Internet and inspire others through celebrating their creative thinking. This may include awards, scholarships or leadership ambassador initiatives.

Activities – Baseline

- **Strategic partnerships:** Our community funding will support our partners and collaborate on areas of focus, facilitating interaction between partners and the Internet community. We will engage with and review potential future partnership opportunities with the issues team and the wider community.
- **Community grants:** Two funding rounds (one focused on Internet research and one on community projects, with a conference attendance grant component of each round) will be coordinated with community engagement events. We will also begin implementation of our impact assessment framework.
- **Community sponsorship:** We will reach new communities and events through strategic sponsorship to support community initiatives that align with our focus areas.
- **Community organisation support:** We will provide ongoing support and are committed to building and maintaining effective working relationships with organisations like TUANZ, NZITF and NZNOG as well as managing ad hoc and other requests for support.
- **New Zealand Internet Research Forum (NZIRF):** We will launch the NZIRF online research forum, as well host the NZIRF event at NetHui 2017; and build a fair use copyright coalition.

International

The Internet is a global resource, with many key decisions about how it works being made outside New Zealand. Our international work acknowledges that reality. We aim to connect local discussion about Internet issues and technology with what is happening globally. By doing so, we can help reflect New Zealand interests and views in shaping the Internet's growth and development, and we can help make sure that New Zealand has access to the leading thinking happening offshore.

Our focus in this year's Activity Plan is a little different. The focus of recent years on securing the ongoing community control of the global Domain Name System through ICANN reform is easing. We can move our focus to the broader challenges facing the Internet and its use, in particular how to derive maximum gain, and to mitigate the security and trust issues that have been receiving more attention than before.

Activities – New Outputs

- **Pacific IGF:** We would like to support a Pacific Internet Governance Forum if one emerges, to help ensure that regional and Pacific voices and perspectives are heard in the shaping of the global Internet. The proposed Oceania School of Internet Governance (in last year's plan) did not come to fruition.
- **New Zealand collaboration:** We will strengthen our collaboration with agencies including the Ministry of Foreign Affairs and Trade and NCPO in the Department of Prime Minister and Cabinet, to respond to the ongoing developments in global and regional perspectives and activity on Internet issues.
- **ICANN 2020:** We will encourage ICANN to hold one of its global public meetings in New Zealand in 2020 or beyond. Today there is no convention center that can host meetings of that scale, but once the NZ International Convention Center is operating that will change. The last ICANN public meeting held in New Zealand was in 2006 and having another meeting here would help to enable strong national and regional participation in ICANN's work.

Activities – Baseline

- **Participation in international Internet governance organisations and forums:** InternetNZ people will participate in the global Internet Governance Forum, the Asia-Pacific Regional IGF, and any nearby national initiatives (there will be no AU-IGF this year).
- **ICANN engagement:** As ccTLD manager for .nz, and as a civil society organisation, our main focus (distinct from our subsidiary companies) is in making sure the ICANN environment is accessible and accountable to the public and its customers.
- **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 the ITU and ICANN.
- **Attendance at other events:** Where it will assist our work in our Focus Areas, we will participate or support participation in other events.

Communications and Outreach

The purpose of the communications function is to help position InternetNZ as the authoritative voice for any matters relating to the Internet in New Zealand. We work with InternetNZ staff to ensure all work outputs are engaging, easily understandable and visible to the right 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**.

Since the introduction of the strategic transformation, we have increased both the quality and quantity of communications. It is our goal in 2017/18 to continue this trend. We will do this by focussing on our new baseline initiatives below and also introducing some new outputs to continue raising InternetNZ's profile.

Activities – New Outputs

- **Why InternetNZ exists:** We are good at describing what we do, but our story about why we do it is not agreed or consistent. We will confirm the words that can connect New Zealanders to InternetNZ and help to raise awareness of why we exist and why this is important.
- **New community section on the website:** We will make ongoing improvements to the InternetNZ website with a key focus on a refreshed community section which helps to encourage the community and our partners to participate, and showcase our community work in an engaging way.
- **About us video:** We will produce a video that utilises our new vision statement. This video will showcase who we are, what we do, and more importantly - WHY we do it.

Activities – Baseline

- **Core communications:** Regular communication will go out to members, stakeholders, media and the wider public. This showcases our work and positions InternetNZ as the authoritative voice for any matters relating to the Internet in New Zealand.
- **Creative and output:** We will work with staff to ensure all project content is easily digestible, engaging, aesthetically pleasing and is delivered to the right audience through the right channels.
- **Reporting and analysis:** We will produce regular reports that analyse and show trends of communications and engagement work output - including social media, media, website and advertising reporting.

Operations

The operations team provides the administrative and operational support that makes the organisation work. This is a significant area of baseline and business as usual work, in many cases performed in support of other parts of the group. The growing activities in the rest of the InternetNZ organisation also impact this team.

The primary strategic transformation for 2015-2018 for the operations team is to be recognised as capable, organised and trusted. In the third 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:

- **Focus:** Having a clear understanding, measurement and balancing of capacity to support the organisation.
- **Simple:** We will simplify and clarify processes - doing things once and properly in both systems and interactions, to support an excellent experience both internally and externally.

Activities – New Outputs

- **Internal phone system replacement:** We will replace the PABX based system used internally. This was deferred from last year to allow for capital expenditure on other items.
- **Internal organisation:** We will review systems and support processes to support productivity across the organisation, and ensure that staff are trained to use these systems well.
- **Human resources:** We will build a full-service, internal HR function to more comprehensively support what is now a larger InternetNZ, including internal training.

Activities – Baseline

The Operations team will continue to provide the wide variety of services both to InternetNZ and to subsidiary companies and partner organisations. A brief summary of the extent of this baseline activity is:

- **Financial management:** We will take 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:** We will manage our obligations as an employer and professional development planning.
- **Governance support:** We will organise and provide support for the AGM, elections, Council meetings, strategy retreats, subsidiary board appointments, and committee secretariat support.
- **Subsidiary services and support:** We will manage reception, meeting coordination, financials and IT for DNCL, and facilities management.

- **Statutory compliance obligations:** This includes all business legislation and in particular charities, health and safety and human resources legislation.
- **Overall office support:** This includes reception functions, facilities management and support, travel management and administration support (as needed).
- **IT management:** We will be responsible for managing both internal IT assets and supplier relationships that provide them, and support development of systems where required.
- **Internal policy development:** We will have ownership and responsibility for maintenance of both operational and governance policies.
- **Event delivery:** We will support the organisation's work through full project management of standing external event commitments including budgeting, facilities, catering, logistics.
- **Membership support and administration:** We will support the full operational support requirements of our current members and expected growth.
- **Team support:** working with the issues, community and international teams to support their activities.

Governance and Membership

With around 400 members, InternetNZ is the biggest “Internet” organisation in New Zealand. We are in the middle of renovating our membership offer and seeking to grow our community and our membership. Governance is connected with the membership system as members elect the Council, responsible for InternetNZ’s governance. Four Council members are elected at each AGM. This section of the Activity Plan deals with how the organisation supports members and Council.

Membership

This plan delivers the last year of work on our three-year strategic transformation: that **members are clear about their role in InternetNZ, and understand the value in joining.**

Last year we canvassed a research exercise that gave greater clarity about member expectations, and we added to that some thinking about how community development approaches to our organisation can expand our reach. This year’s plan will see that thinking piloted in an array of changes: to how members engage with our work, how we communicate, and how we can support members to share perspectives and learn from each other.

We are making a change this year in tasking the community team to be the unit that is functionally responsible for leading our work in engaging our members.

Activities – New Outputs

- **Membership improvements:** Learning from the outcomes of our research, we will pilot and test new ways to engage current and potential members, communicate with and between members and share perspectives/networking. Some examples of ideas to consider:
 - **a hackathon:** apply the Hackathon format to an open event for members to help shape InternetNZ stances on a wide range of issues
 - **a Facebook group:** a more user-friendly forum for some members than email lists, and another way for people to share perspectives and ideas
 - **more networking sessions:** besides those for stakeholders, doing an array of events that bring members together
 - **policy seminars:** an in-depth look at an area of policy over the course of a couple of hours, for those interested in the area to learn more and share ideas.

More ideas are more than welcome!

Activities – Baseline

- **Membership survey:** We will do three surveys this year, one with a focus on Internet issues (as input into the review of Strategy) and another to test how the

piloting of new membership activity (in 2018). The third will be the AGM-timed baseline survey.

- **Members meetings:** Subject to the piloting process above, we will keep making these more informal and friendly gatherings, and less “work intensive.”

Governance

Council commissioned an organisational review at the end of 2016. That covers the structure and operations of the whole InternetNZ group. It is expected to reach conclusions for discussion with members and stakeholders in the first quarter of this plan. That may then lead to changes but there is no assumption about what such changes, if any, might be.

Besides that process, the Council will be working with the Chief Executive to conduct a review of InternetNZ strategy. The three-year strategic plan adopted in 2015 comes to an end next year and so re-considering our direction in the years ahead is a task for 2017.

As usual, Council will have its four quarterly meetings dealing with standard reporting and accountability matters, and a meeting to determine the annual plan and budget.

Our work in governance will continue to be led by the Chief Executive, supported by the operations team.

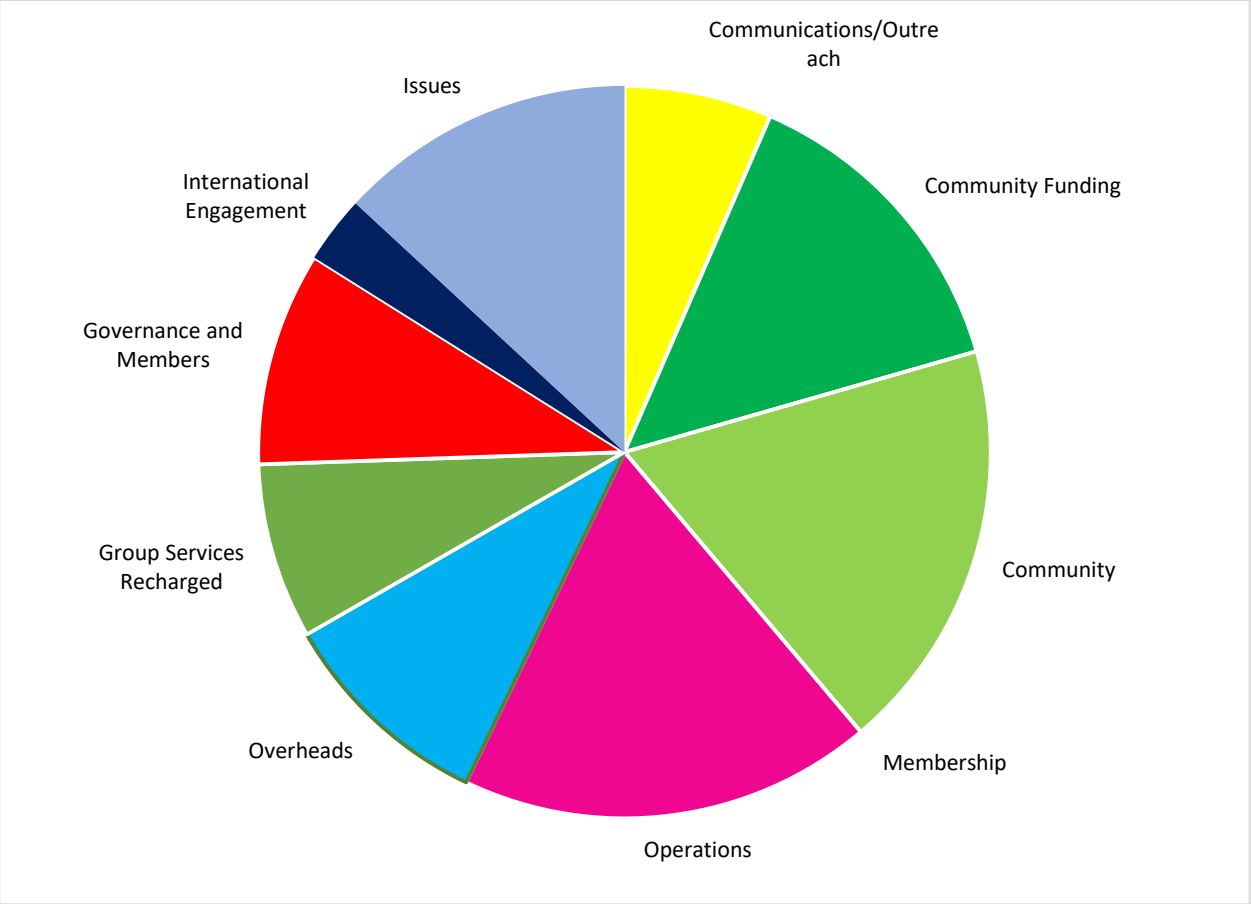
Budget summary

A summary of the Budget is presented below. For full detail, please consult the Budget Explanation Paper and the full 2017/18 Budget.

2017/18 Draft Budget	2016/17	2017/18	Change over Last Year	
Internet New Zealand Incorporated	Budget	Draft Budget	Amount	%
Income	4,287	4,887	600	14%
Expenses				
Internet Issues	654	654	00	0%
Community Funding	600	700	100	17%
Community Engagement	646	911	265	41%
** NetHui costs grossed **				
International Engagement	179	148	-31	-17%
Communications/Outreach	307	325	18	6%
Operations	1,157	1,297	140	12%
Overheads	471	478	7	1%
Governance & Membership	513	471	-42	-8%
International Events	54	0	-54	-100%
Total Expenses \$000s	4,581	4,985	404	9%
Net Ordinary Income \$000s	-294	-98	196	-67%
Operational Expenditure reconciliation				
Total Expenses \$000s	4,581	4,985		
Less subsidiaries reimbursement of shared services	-387	-387		
Total Expenses \$000s	4,194	4,598		

Activity	Expenses (\$000s)	
Issues	\$654	13%
Community Funding	\$700	14%
Community Engagement	\$911	18%
International Engagement	\$148	3%
Communications/Outreach	\$325	7%
Operations	\$911	18%
Overheads	\$478	10%
Group Services Recharged	\$387	8%
Governance & Membership	\$471	9%
Total	\$4,985	100%

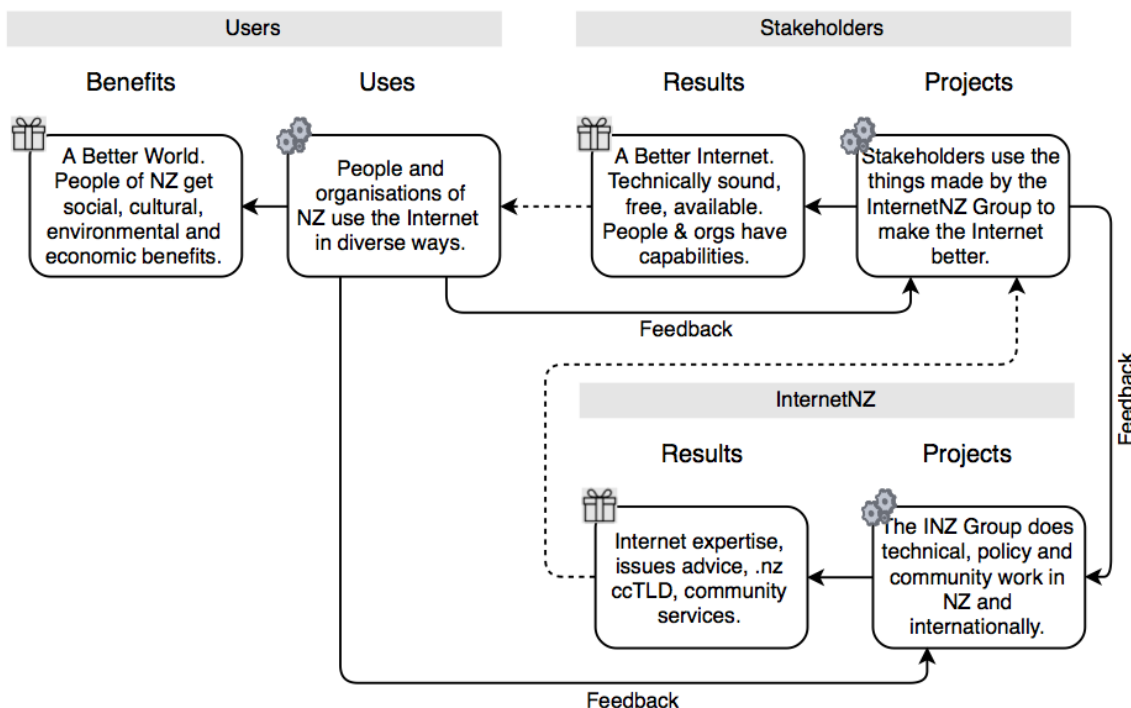
Activity	People FTE	
Issues	2.9	18%
Community Funding	1.6	10%
Community Engagement	2.62	16%
International Engagement	0.25	2%
Communications/Outreach	2.3	14%
Operations	3.87	24%
Group Services Recharged	0.8	5%
Governance	1.29	8%
Membership	0.57	4%
Total	16.2	100%



Appendix: planning methodology

InternetNZ operating model

This plan uses the operating model summarised in following diagram.



This map shows the following processes that are used as the basis for this plan.

- **A better world (uses and benefits):** People and organisations use the Internet to create benefits for themselves.
- **A better Internet (stakeholder projects and results):** Stakeholders voluntarily use those results in their own projects to create a better Internet.
- **InternetNZ projects and results:** The InternetNZ group gauge user needs and carry out projects that create various results.

This plan uses this model to define desired future states at three levels of detail:

- InternetNZ
- Focus areas
- Contributions

AP2: 2017/18 Activity Plan: Focus Areas Strategic Background

Author: Jordan Carter, Chief Executive

Purpose of Paper: To explain and allow verification of the linkages between the 2017/18 Activity Plan and the 2015-2108 Strategy.

The 2017/18 Activity Plan further develops and refines the three Focus Areas we identified last year:

1. **Access** to the Internet
2. **Trust** on the Internet
3. **Creative use** of the Internet (was formerly “Use of the Internet”)

This Background paper briefly summarises the strategic goals for each Focus Area. Council feedback is welcome but our main reason for sharing this paper is so you can verify that the longer-term thinking has been done to set up the specifics proposed in the main Activity Plan paper.

For each Focus Area, the Activity Plan paper sets out the rolling three year table that shows the specific work we will do, and its expected impact, for each Focus Area project.

After the Council finalises the Plan, we will update this paper as explained in the cover paper for the Activity Plan and Budget papers set.

Strategic Transformations for Focus Areas

The following tables define the current state and a desired 2020 state with respect to a better Internet and to a better World. They use a similar format to those already in our Strategic Plan. All of the content here is consistent with the 2015/18 Strategic Plan; it is just targeted at goals to achieve in the Focus Areas.

Access to the Internet

Area	2017 (current state)	2020 (goal state)
A better World (or a better NZ)	Access is about 90%. Around 10% can't afford or use (or both) the Internet. Rural and urban users are not choosing, or do not have available, the best connections.	96% of NZers are using the Internet competently. In urban areas most users take advantage of 1GB Internet. Rural users have a wider range of choices >50mbps.
A better Internet	The Telco Act is keeping NZ's infrastructure throttled. Connection is still too expensive through diminished competition. Capability support is insufficient.	1gbps Internet is standard. ISPs are competing and prices are low. Training is widely available in communities with low capability.

Trust on the Internet

Area	2017 (current state)	2020 (goal state)
A better World (or a better NZ)	There are a lot of risks that most Internet users aren't aware of. Even if they are aware, they don't know how to manage these risks. Meanwhile, the number of risks is increasing. The fear and other impacts of these risks chill people's participation online.	People are commonly aware of the risks of being online and confident in managing them. Because it is common practice to manage security online, people typically use the Internet without fear or harmful impacts.
A better Internet	NZ has good cyber-security institutions but they lack reach and relevance to typical Internet users.	Cyber-security institutions and resources are widely known about and most Internet users regularly use them to update their security measures.

Creative use of the Internet

Area	2017 (current state)	2020 (goal state)
A better World (or a better NZ)	NZers are gaining significantly less from Internet use than people in comparable countries that are less geographically isolated.	There are widespread conversations about the diverse potential of using the Internet, and the ways of realising that potential. People are finding out about beneficial uses quicker and are applying those uses more broadly.
A better Internet	Conversations about Internet use primarily focus on consumption, not creation. Limited awareness and encouragement of incentives to create.	The Govt and industry actively encourage innovative creative use of the Internet as a viable career pathway and outlet for New Zealanders

Jordan Carter

29 March 2017

B1: 2017/18 Budget Explanation Paper

Author: Jordan Carter, Chief Executive

Purpose of Paper: To set out the strategy, summary and detail of the proposed 2017/18 Budget and seek Council approval.

Introduction

This paper sets out the strategy for the 2017/18 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 2017/18 Activity Plan.

1. Budget Strategy 2017/18

The proposed 2017/18 Budget is based on the following key points:

- Context of ongoing reviews to develop financial strategy and our organisation, which will lead to clearer direction during the course of the year and which may give rise to changes in approach.
- Stability in the approach to our work, with Focus Areas and our Issues, Community and International work evolving but not markedly changing from 2016/17.
- A desire to deliver high quality work whether on new projects or on ongoing work.
- A dividend expectation of \$4.281m (as set out in the NZRS draft 2017/18 Statement of Direction and Goals), a decrease of \$53k compared with 2016/17's forecast (\$4.334m)
- No expectation of significant year-end changes to the predicted 2016/17 dividend.
- A degree of reassurance that globally, new gTLDs are still not placing as much pressure on ccTLD markets as seemed possible or likely – and this assumption holds despite the recent lift in .kiwi registrations, due to the way the registrations came about.
- Ongoing product and service development to seek additional revenue.
- Recognising the resources needed to deliver the current baseline activities and the activities outlined in the 2017/18 Activity Plan, with an emphasis in all our work on *focus, outreach* and *simplicity*.

2. 2016/17 EOY Forecast

The preliminary result for the year-ending 2016/17 is a surplus of \$499k, compared to a budgeted deficit of \$294k; an improvement of \$793k.

This positive variance is predominantly explained by two major movements:

1. Receipt of an unbudgeted dividend wash-up payment in July of \$665k,
2. Under-spend of expenditure of \$256k.

This is offset by the budgeted usual dividend payment being \$136k lower than budgeted.

Note that there are also myriad other smaller movements as explained in the detailed financial information that fully account for the differences.

The following table highlights the areas that are over or under.

2016/17 EOY Forecast	2016/17	2016/17	Variance	
Internet New Zealand Incorporated	EOY Forecast	Budget	Amount	%
Income	4,834	4,257	577	12%
Expenses				
Internet Issues	797	694	103	13%
Community Funding	577	600	-23	-4%
Community Engagement	533	616	-83	-15%
International Engagement	106	179	-73	-70%
Communications/Outreach	213	307	-94	-44%
Operations	1,122	1,157	-35	-3%
Overheads	467	471	-4	-1%
Governance & Membership	478	513	-35	-7%
International Events	42	54	-12	-28%
Total Expenses \$000s	4,335	4,591	-256	-6%
Issues Grant funding		-40		
Net Ordinary Income \$000s	499	-294	793	159%
Operational Expenditure reconciliation				
Total Expenses \$000s	4,335	4,551		
Less subsidiaries reimbursement of shared services	-387	-387		
Total Expenses \$000s	3,948	4,164		

3. 2017/18 Budget Summary compared with 2016/17

2017/18 Draft Budget	2016/17	2017/18	Change over Last Year	
Internet New Zealand Incorporated	Budget	Draft Budget	Amount	%

Income	4,287	4,887	600	14%
Expenses				
Internet Issues	654	654	0	0%
Community Funding	600	700	100	17%
Community Engagement	646	911	265	41%
** Gross NetHui costs <u>in</u>ct. **				
International Engagement	179	148	-31	-17%
Communications/Outreach	307	325	18	6%
Operations	1,157	1,297	140	12%
Overheads	471	478	7	1%
Governance & Membership	513	471	-42	-8%
International Events	54	0	-54	-100%
Total Expenses \$000s	4,581	4,985	404	9%
Net Ordinary Income \$000s	-294	-98	196	-67%
Operational Expenditure reconciliation				
Total Expenses \$000s	4,581	4,985		
Less subsidiaries reimbursement of shared services	-387	-387		
Total Expenses \$000s	4,194	4,598		

The budget proposes an operational budget expenditure limit of \$4.985 million for 2017/18. This represents an increase of 9% or \$404,000 compared with the 2016/17 operating limit of \$4.581 million.

This increase represents an increase of \$100k of funding, new FTE's in both Community and the Internet Issues, and the costs associated with recruiting new staff. It also includes an increase in capex expenditure (as detailed under the capex heading) for 2017/18 that will increase depreciation by \$47k.

In previous years, we reported a net figure for NetHui (only the difference between income and expenditure was reported). This year, for greater transparency, we include gross income and expenditure from the event, and have amended 2016/17 amount to be like-for-like.

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

4. 2017/18 Budget: Breakdown by Area

Internet Issues and Focus Areas

The issues area has budgeted the same as last year, \$654k, there will be a new FTE to do work previously done by contractors, and more Community outreach. Total remuneration will decrease due to more of the Deputy Chief Executive's time being spent on Operations.

2016/17	2017/18	Change over Last Year
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Internet Issues	Budget	Draft Budget	Amount	%
Internet Issues	30	27	-3	-10%
Access	55	65	10	18%
Creative Potential	80	80	0	0%
Trust	50	80	30	60%
Issues Operating Costs	439	402	-37	-8%
Internet Issues	654	654	0	0%

Community Funding & Engagement

The Community area of work is reporting an overall increase of \$365k, due to increased community funding, another staff member to reflect greater work on membership issues (now located in the community team), and more transparent accounting for NetHui.

Community funding is being increased by \$100k as per the overall five-year strategic plan to increase funding to \$1 million, assuming diversification in revenue.

Recruitment of an additional FTE and associated recruitment costs contribute to the remaining increase, a reduction in costs in other areas have been achieved to partly accommodate the extra cost.

The Annual stakeholder event and speaker series are budgeted for in the Community engagement area, this event and membership engagement will be managed by Operations and Community.

NetHui has been grossed up for greater transparency, as outline earlier, and the costs associated with a national NetHui are greater than those associated with the Roadshow last year.

	2016/17 Budget	2017/18 Draft Budget	Change over Last Year Amount	%
Community Funding				
Funding Rounds	280	230	-50	-18%
Strategic Partnerships	220	400	180	82%
Funding Other	100	70	-30	-30%
Community Engagement				
NetHui **Gross costs**	130	255	125	96%
NetHui community initiatives	30	0	-30	-100%
Sponsorship	50	40	-10	-20%
Speaker Series	0	25	25	100%
Annual Stakeholder event	0	20	20	100%
Community Operating Costs	436	571	135	31%
Community	1246	1611	365	29%

International Engagement

This area of work has once again been scaled back, reducing costs by 17%.

	2016/17 Budget	2017/18 Draft Budget	Change over Last Year Amount	%
International Engagement				
Oceania Internet Governance Summer/Spring School	10	0	-10	-100%
Pacific IGF	0	10	10	100%
International Collaboration	169	138	-31	-18%
International Engagement	179	148	-31	-17%

Communication and Outreach

Communications and Outreach is reporting an overall increase of \$18k, this is attributable to the costs associated to the commissioning and promoting of a promotional video, increasing our brand identity and promotion of our Community Grants, marketing our WHY, and promoting the UMR results. The UMR research has been moved from Governance to Communication and has been increased by \$5k.

As indicated in the Community engagement section the annual stakeholder events have been re-allocated from Communications to Community, as has the budget.

	2016/17	2017/18	Change over Last Year	
	Budget	Draft Budget	Amount	%
Communication/Outreach				
Annual stakeholder event	15	0	-15	-100%
Communication Strategy & Outreach	65	97	32	49%
UMR research	0	25	25	100%
Communication Operating Costs	227	203	-24	-11%
Communication/Outreach	307	325	18	6%

Operations

Operations is budgeting an increase of \$147k, this is due to a number of factors. In part, it relates to a 51% increase in depreciation costs, based on the additional capex purchases of \$185k for the financial year 2017/18. As per policy we apply the depreciation rates advised by Inland Revenue for different types of capital expenditure. Much of our CAPEX is software or similar, which is depreciated at rates of 48-50% per annum – thus driving larger total depreciation.

Remuneration which is attributable to the additional allocation of Deputy Chief Executive time to Operations, and 100% of the Events Lead (last year a percentage was allocated to International Events).

Other increases amount to \$10k, this is the net amount of decreases in accounting fees, advertising & marketing (now in Communications), consultants, printing and stationary, subscriptions and telecommunications, and increases in the general office, legal, and national travel which have been based on actual expenditure for 2016/17

Overheads have increased due to rent increase on the Auckland Office, and a cost reduction in other services.

	2016/17	2017/18	Change over Last Year	
	Budget	Draft Budget	Amount	%
Operations				
Remuneration	788	870	82	10%
Depreciation	93	140	47	51%
Operating Expenses	277	287	10	4%
Overheads	470	478	8	2%
Operations	1628	1775	147	9%

Governance & Members

Governance and Members costs have been reduced due to the UMR [research](#) being reallocated to Communications, and other costs being reduced in-line with actual historic expenditure. Membership engagement will be managed by Community and Operations.

	2016/17	2017/18	Change over Last Year	
	Budget	Draft Budget	Amount	%
Governance and Members				
Governance	513	435	-78	-15%
Membership	0	36	36	100%
Governance and Members	513	471	-42	-8%

International Events

There are no International Events planned for the financial year 2017/18.

5. 2017/18 Budget

The following tables provide a summary breakdown of 2017-18 financial and staffing resources over the work areas.

Activity	Expenses (\$000s)	
Issues	\$654	13%
Community Funding	\$700	14%
Community Engagement	\$911	18%
International Engagement	\$148	3%
Communications/Outreach	\$325	7%
Operations	\$911	18%
Overheads	\$478	10%
Group Services Recharged	\$387	8%
Governance & Membership	\$471	9%
Total	\$4,985	100%

Activity	People FTE	
Issues	2.9	18%
Community Funding	1.6	10%
Community Engagement	2.62	16%
International Engagement	0.25	2%
Communications/Outreach	2.3	14%
Operations	3.87	24%
Group Services Recharged	0.8	5%
Governance	1.29	8%
Membership	0.57	4%

Total	16.2	100%
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6. Capital Expenditure Budget

The proposed capital budget is \$185,000 (c.f. current year \$118,000), made up of the following items:

Item	Amount
Reception Furniture	\$22k
Telephone System	\$25k
Joan Meeting Room Assistant	\$4k
ICT Replacement	\$28k
Furniture & Fitting Wgtn (New staff)	\$10k
Core ICT improvements	\$20k
Furniture & Fitting Akld (New staff)	\$10k
Event Chairs & Trolleys	\$11k
Website development phase 3	\$30k
Membership System	\$25k

7. Other Matters

a) Funding Operational Expenditure

As noted above, the major source of funding operational expenditure is the dividend from NZRS. A payment of \$4.281 million is currently projected for 2017/18, as forecast in the NZRS Draft 2017/18 Statement of Direction and Goals (SoDaG) dated February 2017.

This figure is subject to change, given the SoDaG has not been finalised – but we are not expecting any significant changes as it moves towards finalisation and approval at the May 2017 meeting of Council.

Any deficit resulting from a dividend adjustment along with the budget deficit of \$98,000 will be funded from retained earnings (expected to be \$6.1m at 31 Mar 2017, as noted this compares with the \$4.6m planned for in last year's Budget process).

b) Reserves

Based on projected operational expenditure limits the financial reserves for 2017/18 as required by the Reserves Policy are to be maintained at a level of \$1,770,000 (2016/17: \$1,610,000). This is higher due to growing InternetNZ staffing.

c) Community Funding

In the three-year projection 2017-2020 the Community Funding budget comes close to the \$1m target set out in the Strategic Plan. This year's Budget shows a further \$100k increase in funding, to \$700k.

8. Three-year Profit & Loss projections

Below is a high level, three-year profit and loss projection. The critical underlying assumptions are:

1. That dividends from NZRS are broadly in line with the amounts forecast in the draft NZRS SoDaG dated February 2017.
2. That InternetNZ continues to operate the same scope of activities in 2018/19 and 2019/20. Significant changes in organisational scope would change these forecasts.

3 year Forecast 2017-2020	2017/18	2018/19	2019/20
Internet New Zealand Incorporated	Draft Budget	Draft Budget	Draft Budget
Income	4,887	5,114	5,342
Expenses			
Internet Issues	654	659	679
Community Funding	700	800	900
Community Engagement *	911	861	886
International Engagement	148	152	156
Communications/Outreach	325	335	345
Operations **	1,297	1,336	1,306
Overheads	478	492	507
Governance & Membership ***	471	459	474
Total Expenses \$000s	4,985	5,094	5,253
Net Ordinary Income \$000s	-98	20	89
Retained Earnings Opening	6,214	6,116	6,136
Retained Earnings Closing	6,116	6,136	6,225
Cashflow Opening	6,100	5,957	5,947
Cashflow Closing	5,957	5,947	6,035

* Community Engagement expenses reduce in 2018/19, as recruitment costs reduce

** Operations costs reduce in 2019/20, as depreciation reduce.

*** Governance and Member costs reduce in 2018/19, as the org review will be complete

Recommendations

1. That Council **receive** this paper and **agree** the strategy and high level composition of expenditure for the 2017/18 Budget.
2. That Council **approves** for 2017/18 an operational budget limit of \$4.985 million and a capital budget limit of \$185,000.
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

29 March 2017