



AGENDA - DRAFT

Council Meeting: Friday 1 December 2023, 9:00am - 3:00pm
Venue: InternetNZ, Level 13, 18 Willis Street, Wellington.

NOTE: all timings are estimates, the meeting will run according to the needs of the meeting as it progresses.

Section 1 – Meeting Preliminaries

8:45am	0.0	Arrival and coffee
9:00am	1.1	Council only (in committee)
9:15am	1.2	Council and Tumu Whakarae (CE) alone time (in committee) - CE report
9.30am	1.3	Karakia, welcome, apologies, interests register
	1.4	Agenda review, Actions Register

Section 2 – Strategic Priorities Discussion

9:45am	2.1	2023 strategic goal review and introducing draft themes for 2024 - Review of current goals and how they are working - Environmental scan - Draft goals for 2024 - Ask from Council - to participate in developing, add value to process in prep to sign off in March 2024
10:45am	-	Break
11.00 am	2.2	Investment advisors workshop Strategic financial discussion (30 mins) Workshop with Bancorp Treasury and EriksensGlobal (external parties)
12:15pm	2.3	Internet Governance - Strategy Paper (Jodi)
12.45pm	-	Lunch Break

Section 3 – Matters for Decision

1:15pm	3.1	.nz Standing Report (confidential) Implementation plan for the purposes of the next DNSSEC key rollover (Tim)
1:30pm	3.2	Special resolution - Altering DNCL Constitution - Number of directors

Section 4 – Matters for Discussion

1.45pm	4.1	President’s Report
	4.2	Report back from Committees

Section 5 – Consent Agenda

2:00 pm	5.1	Health, Safety and Wellbeing Update
	5.2	Ratify the minutes of the 13 October 2023
	5.3	E-vote Ratification DNCL Director recommendations to Council
	5.4	Quarterly and Operational Reports 5.4.1 Group Financial Report 5.4.2 Membership Update 5.4.3 InternetNZ Quarterly Report - July to September 2023 - DNCL Quarterly Report

Section 6 – Other Matters

2:50pm	6.1	CONTINGENCY (for any overflow)
	6.2	Matters for communication – key messages
	6.3	General business Mis/disinformation funding: Phase1
	6.4	Meeting review
3:00pm	6.5	Meeting close (karakia or waiata)



Council Register of Interest

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

Officers and Councillors receive the following annual honoraria:

President - \$38,500

Vice President - \$24,062

Councillor - \$19,250*

**Sub-Committee Chairs also receives additional 10% of their honoraria*

Name: Joy Liddicoat

Position: President, InternetNZ

Term: AGM 2021 - AGM 2024

Declaration Date: 11 August 2023

Interests:

- Secretary of the Peter Rule Foundation
- Holder of .nz domain name registrations
- Member of the 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
- Affiliate of the Centre for Law and Policy in Emerging Technologies, Faculty of Law, University of Otago.
- Member of the Association for Progressive Communications

Name: Brenda Wallace

Position: Vice President

Term: AGM 2022 - AGM 2024

Declaration Date: 10 February 2023

Interests:

- Employee of Artella/AnimationMentor/YellowBrick.co
- Trustee Strathmore Park Community Trust
- .nz Domain name registrant
- Various small shareholdings via Sharesies
- Receives additional honoraria for being Chair of InternetNZ Risk and Compliance Committee .

Name: Richard Hulse

Position: Councillor, InternetNZ

Term: AGM 2021 – AGM 2024

Declaration Date: 2 December 2022

Interests:

- Holder of .nz domain name registrations
- Receives additional honoraria for being Chair of the InternetNZ Governance Committee.

Name: Kate Pearce

Position: Councillor, InternetNZ

Term: AGM 2023 - AGM 2026

Declaration Date: 11 August 2023

Interests:

- Employee of TradeMe
- Member of the New Zealand Labour Party
- Holder of .nz, .com, .org, .net domain registrations
- Member of NZ Internet Task Force
- Receives additional honoraria for being Chair of the InternetNZ .nz Policy Committee

Name: Potaua Biasiny-Tule

Position: Councillor, InternetNZ

Term: AGM 2023 - AGM 2026

Declaration Date: 10 February 2023

Interests:

- Founder / Director of Digital Basecamp
- Trustee of Digital Natives Academy
- Co-Founder 4CompanyB (4CB) Digital Animation Studios Limited
- Board Member for Te Tatau o Te Arawa (partnership with Rotorua Lakes Council).
- Trustee of Te Takinga Marae Komiti
- Kaitiaki for numerous .co.nz and .iwi.nz whanau domains
- Receives additional honoraria for being Chair of the InternetNZ Te Komiti Whakauru Māori (Māori Engagement Committee).
- Te Papa Mati Hiko

Name: Jeff Montgomery

Position: Councillor, InternetNZ

Term: AGM 2022 – AGM 2025

Declaration Date: 31 March 2023

Interests:

- Holder 14 .nz domain names
- Past Employee of Service Delivery and Operations, Department of Internal Affairs
- Employee of the Pacific Community in a Ministry of Foreign Affairs and Trade funded role
- Statutory Officer - Registrar General of Births, Deaths and Marriages.
- Chair, Pacific Civil Registrars Network
- Owner and Director City Bed and Breakfast Ltd.
- Member of Netsafe

- Member of TohaToha

Name: Anthony Bow

Position: Councillor, InternetNZ

Term: AGM 2022 – AGM 2024

Declaration Date: 2 December 2022

Interests:

- Holder of .nz and .com domain names
- Director of Whai Rawa Fund Ltd
- Independent chair of Maungaharuru-Tangitū Ltd
- Deputy Chair and Board Member of the Medical Radiation Technologists Board.
- Chair and Director of Medical Sciences Secretariat Ltd
- Director and Shareholder of Waimana Capital Ltd
- Shareholder in private companies; Big Splash Ltd and Talent Propeller Ltd
- Member of the New Zealand Blood and Organ Service Board

Name: Whetū Fala

Position: Councillor, InternetNZ

Term: AGM 2022 – AGM 2024

Declaration Date: 10 February 2023

Interests:

- Board Member, Māori TV
- Board Member, Creative NZ
- Board Member, Te Paepae Ataata Aōtearoa NZ Film Heritage Trust
- Chair, Whanganui District Creative Communities Assessment Panel
- Founding Member, Ngā Aho Whakaari Māori Screen Aōtearoa
- Founding Member, Wellington Women in Film & TV
- Founding Member, Taki Rua Theatre Wellington
- Pou Arahi Tikanga, Playmarket Inc Wellington
- Company Director, Fala Media Taki Rua Film'
- Shareholder Parininihi ki Waitotara Inc
- Morikau Nui Inc
- Atihau, Whanganui
- Wharanga Hakopa Kiwa Whanau Trust

Name: Alpana Roy

Position: Councillor, InternetNZ

Term: AGM 2022 – AGM 2025

Declaration Date: 2 December 2022

Interests:

- Employee of the University of Waikato.
- Member of the NSW Law Society.
- Member of InternetNZ.
- Admitted to practice law in NSW, and is on the Roll of Legal Practitioners for the High Court of Australia.
- Member of the Intellectual Property Society of Australia and New Zealand (IPSANZ).
- Member of the International Trademark Association (INTA).
- Member of the Copyright Society of Australia (CSA).
- Member of the Internet Society of Australia.
- Member of .au Domain Administration Ltd (auDA).
- Executive Member of the Asian Pacific Copyright Association.

- Committee Member of the Indigenous Knowledge Forum.

Name: Anjum Rahman

Position: Councillor, InternetNZ

Term: AGM 2022 – AGM 2025

Declaration Date: 2 December 2022

Interests:

- Co-Lead, Inclusive Aotearoa Collective Tāhono
- Contractor to Shama, Ethnic Women’s Trust
- Co-Chair, Christchurch Call Advisory Network
- Trustee, Trust Waikato (Waikato Community Trust)
- Vice Chair, Independent Advisory Committee of the Global Internet Forum to Counter Terrorism.
- Holds a .nz domain name.
- Receives additional honoraria for being Chair of InternetNZ Audit, Finance and Investment Committee.

Name: Stephen Judd

Position: Councillor, InternetNZ

Term: AGM 2023 – AGM 2026

Declaration Date: 11 August 2023

Interests:

- Trustee of the Fight Against Conspiracy Theories Aotearoa Trust
- Holds a .nz domain name

The register was last updated on 2 November 2023.



Council Actions Register 2023

As at December 2023			
Action No#	Action	Owner	Status
AP07/23	Develop a Council training programme for 2023/24 a focus on technology related to .nz	Tim Johnson	Day scheduled 30 November
AP08/23	Add Council workshop Constitutional Objects as part of the Constitutional Review project plan	Catherine Fenwick	To be actioned
AP11/23	Moving forward with regular review of Governance Policies at future meetings.	Catherine Fenwick	Noted
AP15/23	The CE identify the date and make an announcement for Net Hui 2024	Vivien Maidaborn	Nov 30th announcement
AP14/22	International Strategy Paper	Vivien Maidaborn	Complete
AP24/22	Governance Committee to work on the Appointment Process the DNCL Directors	Chair, Richard Hulse	Complete
AP25/23	Explore options for displaying changes to the risk register so that Council can see point-in-time snapshots or, potentially, changes over time in addition to the current most up-to-date version.	Catherine Fenwick	In progress with expected update in January 2024
AP26/23	Provide a further iteration of a framework to align with INZ's Te Tiriti o Waitangi centric goals at the next Council meeting	Vivien Maidaborn/ Whitiaua Ropitini	In progress with TKWM and paper expected at February meeting
AP27/23	Amend the Skills & Diversity matrix to add internet governance skills, particularly DNS skills.	Catherine Fenwick	To be actioned

AP28/23	Present implementation plan for the purposes of the next DNSSEC key rollover to Council by 1 December 2023.	Tim Johnson	Paper in December meeting
---------	---	-------------	---------------------------



2024-25: Draft Strategic Goals

AUTHOR: Vivien Maidaborn
 PURPOSE: Early Council input into Strategic Goals 2024-2025
 DATE WRITTEN: 22 November 2023

	Alignment
Ipurangi Aotearoa Strategy 2022-2025	This paper connects the overall strategy with specific goals for 2024, based on learning from 2023 goals.
Te Tiriti o Waitangi	Centering Te Tiriti o Waitangi is a Strategic Priority. Proposed Annual Goals for 2024 also identify opportunities for centering Te Tiriti and distribute this responsibility throughout the organisation.

Purpose of this paper

This year the strategic goals are being shared with three stakeholder groups simultaneously; Council, staff and members. They are based on the 2022-2025 InternetNZ Strategy, and priorities that TKT have drafted for 2024/25. They have also been developed out of learnings from 2023/24 both in terms of process and quality of the goals. The process from here is to receive feedback from Council, staff and members from now to year end, then develop the next version for discussion at the Feb Council meeting and Wananga for staff early March. All this development work will be presented to Council at the March Council meeting for signoff as part of the budget process.

The strategic goals for 2024/25 see us to the end of this strategic plan and usher us into a year of developing the next strategic plan 2025- 2028. [The strategic plan is linked here for your reference.](#)

To progress the development of the goals, TKT have developed a draft PESTLE environmental scan. This includes considering the environment from a political, economic, social, technology, legal and environmental point of view and how this might impact Ipurangi Aotearoa.

PESTLE Environmental Scan

	EXTERNAL FACTORS TO CONSIDER	FACTORS WITHIN INZ GROUP SECTOR(S)	HOW IMPORTANT IS THIS TO INZ GROUP
POLITICAL	<p>Incoming National/Act/NZ First coalition government.</p> <p>Pressure to downsize government services and increasing pressure to deliver more services online</p> <p>Unknown priority of the internet for Government although economic growth will be a driver</p> <p>Diminished focus on Te Tiriti centric policies and ways of working</p> <p>Less priority on welfare and equity for underserved and marginalised populations e.g. rural, elderly</p> <p>Current Opposition parties have more expressed concern for digital sovereignty and equity</p>	<p>The internet is critical infrastructure A strong internet is needed for economic footing.</p> <p>Te Tiriti o Waitangi maybe less used in Government and therefore Ipurangi Aotearoa need to strengthen our commitment and actions</p> <p>Whether the Government continue with regulation review underway through SOS&MP is unknown and likely to be a lesser priority</p> <p>Unknown commitment to digital society</p> <p>Engagement in UN processes unknown</p> <p>Risk oversight</p>	<p>Need to build strong narrative for internet as lifeblood of economic growth / infrastructure</p> <p>Advice on core internet issues. Be seen as an authoritative voice, source of trusted information for gov on internet issues nationally, internationally.</p> <p>Mis/disinformation shifts in NZ are affected by Gov</p> <p>SOS&MP process through DIA may change</p> <p>No links to National Party</p> <p>Risk loss of Te Tiriti centric focus due to competing pressures.</p>

	EXTERNAL FACTORS TO CONSIDER	FACTORS WITHIN INZ GROUP SECTOR(S)	HOW IMPORTANT IS THIS TO INZ GROUP
	Increased presence/investment from other countries in the Pacific	Christchurch call commitment may change Strong tech sector peak bodies exist - time to strengthen or form alliances on core issues	May affect our national and international effectiveness. Internet NZ may need to hold strong to commitment to equitable digital society because Government may not be
ECONOMIC	Slow economy and cost of living constraints. Medium term outlook positive. Increasing impacts from global/humanitarian crises or war/s.	Economy runs on the internet. Registrations growth of national ccTLDs at -0.1% this year Current swift decrease in Domain Names under Management Lower new business growth in slow economy Growth / sustainability of domain name registrations is an immediate concern	Assumptions on revenue available need to be reviewed - cost/business model. As economy improves, domain targeted marketing with Registrars and public on value of .nz is an immediate priority Brand value of .nz. Diversify revenue
SOCIAL	As cost of living increases, philanthropic funders prioritise areas other than digital (digital still seen as a luxury) Lack of core connectivity and access to devices continue to create a digital divide in NZ Increase in: <ul style="list-style-type: none"> Dis/misinformation 	Increasing pressure on INZ grants for digital equity, mis/dis information Digital inequities will not be addressed, increasing the accessibility divide People are worried about their data and who has access Increase in online harm More sophisticated cybersecurity	Need to identify priorities as community needs rise. Explore more funding partnerships More interest in filtering or shielding access to the internet as a way of managing harmful activities will require careful InternetNZ responses Must reconsider stand on 'use' of domain names and security/risk

	EXTERNAL FACTORS TO CONSIDER	FACTORS WITHIN INZ GROUP SECTOR(S)	HOW IMPORTANT IS THIS TO INZ GROUP
	<ul style="list-style-type: none"> • Cybersecurity risks • DNS abuse, scams, cybercrime <p>Increased interest in holding social platform organisation (ie, Meta) to account for mental health, online harms etc</p>	<p>hacks</p> <p>Expectations are changing that registrars and registries/regulator will do more to monitor and combat it</p>	<p>appetite to ensure the .nz space is able to be secure, trusted and resilient</p> <p>Get ahead of the big public policy debates and formulate our stance early</p>
TECHNICAL	<p>Internet governance</p> <ul style="list-style-type: none"> • GDC and WSIS+20 upcoming <p>Technology developments</p> <ul style="list-style-type: none"> • Exponential growth of AI use • Internet of things continues to expand • Cyber Security • Web 3.0 • 2025/26 New Round of gTLDs • Blockchain, crypto and decentralisation <p>Trading directly from Facebook Instagram, LinkedIn and other sites that do not require a domain name are increasing for business and directly competing with DNS</p>	<p>Increased engagement over next 2 years based on GDC/WSIS</p> <p>AI is making waves in how it could change the way humans interact and consume content online.</p> <p>The evolving Global Threat Landscape</p> <p>Positives of a DNS, you have control, is not well known and important for us to partner with others to explain</p>	<p>New technology undermines, minimises or replaces domain name services</p> <p>Telling the DNS and specifically the .nz value proposition is critical to our future</p> <p>Investment in security remains critical to us proving critical infrastructure</p>
LEGAL	<p>Incorporated society legislation change</p> <p>Te Tiriti claim being developed on digital equity</p>	<p>INZ Constitutional review needed by 2026.</p> <p>The Online Safety Act - UK - The Act creates a new duty of care of online platforms</p>	<p>Constitutional change is an Opportunity to centre Te Tiriti o Waitangi in INZ constitution, including addressing recommendations of Hana O'Regan report</p>

	EXTERNAL FACTORS TO CONSIDER	FACTORS WITHIN INZ GROUP SECTOR(S)	HOW IMPORTANT IS THIS TO INZ GROUP
	<p>Māori data sovereignty groups and thinkers have a view on .iwi.nz and use of Māori words in domain names</p> <p>Legal and regulatory frameworks don't keep pace with exponential tech change (pre-digital world)</p> <ul style="list-style-type: none"> • Harassment • Harm 	<p>Regulating AI (Bletchley Declaration and White House Exec Order)</p>	<p>INZ may have increased Legal risk if we fail to understand and be proactive on DNS abuse</p>
ENVIRONMENTAL	<p>Increasing awareness that use of internet has carbon impact</p> <ul style="list-style-type: none"> • travel costs • Data centres in Australia use coal-fired energy and are backup for NZ energy sources as databases backed up there • Some ccTLD's can now say they are carbon neutral • Papatūānuku and Māori environmental approaches are available <p>Increased disruptions due to weather events and ongoing recovery efforts</p>	<p>Reduce carbon footprint is a completely new journey for INZ</p> <p>Internet as a lifeline and comms during emergency management</p> <p>Increased support to Pacific neighbours</p> <p>Finding balance between participation, relationship development and business requirements and environment</p>	<p>Review data centre and location for renewable energy use</p> <p>Focus on the internet as core infrastructure for NZ Inc</p> <p>Identify the Aotearoa environmental maps we want to use within INZ</p>

Strategic Priorities

The Strategic Priorities link the annual goals to the strategic plan. They help us check that the goals deliver on our ability to achieve our Strategy.

- 1. Centering Te Tiriti o Waitangi**
- 2. Engaging the NZ Internet Community in all its diversity**
- 3. Strengthening the Home of .nz**
- 4. Growing InternetNZ as a modern Incorporated Society strongly connected to its members**
- 5. Effectively regulating the .nz domain name space**
- 6. Our identity reflects the importance of Internet NZ as a provider of critical infrastructure in Aotearoa**

Draft 2024/25 Goals	Strategic Priority
<p>Goal 1 - A thriving .nz operation that is resilient and sustainable</p>	<p>SP 1, 3 and 6</p>
<p>Goal 2 - Revenue growth year-on-year by:</p> <ul style="list-style-type: none"> • growing diverse and active registrars in our channel • increasing the scope of wholesale domain name services 	<p>SP 3</p>
<p>Goal 3 - Centering Te Tiriti o Waitangi in organisational structures, policies and work processes</p>	<p>SP 1, 3, 5 and 6</p>
<p>Goal 4 - Our NZ voice is heard and contributes to strong global internet governance</p>	<p>SP 1, 4, 5 and 6</p>
<p>Goal 5 - Revitalised InternetNZ through</p> <ul style="list-style-type: none"> • modernising our constitution • refreshing our brand/identity 	<p>SP 1, 2, 4 and 6</p>
<p>Goal 6 - The Domain Name Commission is a modern regulator</p>	<p>SP 1, 3 and 6</p>
<p>Goal 7 - Partnership and collaboration with diverse communities for an internet that benefits all of Aotearoa</p>	<p>SP 1, 2, 3, 4 and 5</p>

Outline of Council Annual Goals Workshop (1 hour)

Explore if the goals connect to strategy

It is important that Council feels the mandate from members for the 2022-2025 Strategy is continued in the annual goals. This exercise will check this out.

Are there goals missing? (considering the on PESTLE and knowledge in the room)

We have shifted from 9 to 6 goals. Are all the priorities covered?

Expanding our shared understanding of each goal

What improvements, measures should be included here?

Council may have views on how the goals can be improved, and what measures of success enable clear progress reporting. We introduced the new Quarterly report this year that directly reports progress on Annual Goal measures. What did we like about that? What could be improved?

Understanding Next Steps



Recommendations

That Council receives the paper.



COUNCIL MEETING - December 2023

Investments - Strategic Discussion

ITEM NO: 2.2

DATE WRITTEN: 23/11/2023

Background/Introduction

At this Council meeting we have two main areas we would like to focus on around investments.

For the first 30 minutes - Anjum will lead a group discussion addressing the following:

- a. What does the financial future for InternetNZ look like, 10 years into the future and beyond? In other words:
 - What would be our sources of income?
 - And what would we be spending it on?
- b. How does our investment strategy fit into that vision?

Bancorp and EriksensGlobal have then been invited to run workshop on:

- Getting a common understanding of the investment environment for Ipurangi Aotearoa
- Understanding the risk profiles of various investment categories
- Reaching an agreed position on passive vs active investment
- Reaching some agreement as to where we want to be around responsible investment and ESG¹ (with a focus on the S & G)

The attached presentation from Bancorp and EriksensGlobal will be used for this session

Recommendations

That Council receives the paper.

¹ <https://www.cfainstitute.org/en/rpc-overview/esg-investing>



Investment Review

– Bancorp & EriksensGlobal

December 2023

STRICTLY PRIVATE AND CONFIDENTIAL



BANCORP

BANCORP TREASURY SERVICES LIMITED

Existing investment framework

1. Investment Policy (1 March 2020)

- *InternetNZ endeavours to hold investments which generate consistent returns while carrying prudent levels of risk. ✓*
- *Long term – We should assume the organisation has a role at least for the next decade and possibly longer. ✓*
- *We take an ethical investment approach. ✓*
- *Our risk appetite is varied - for prepaid domain name fees it is low/conservative, and for other assets it is medium/moderate. ?*

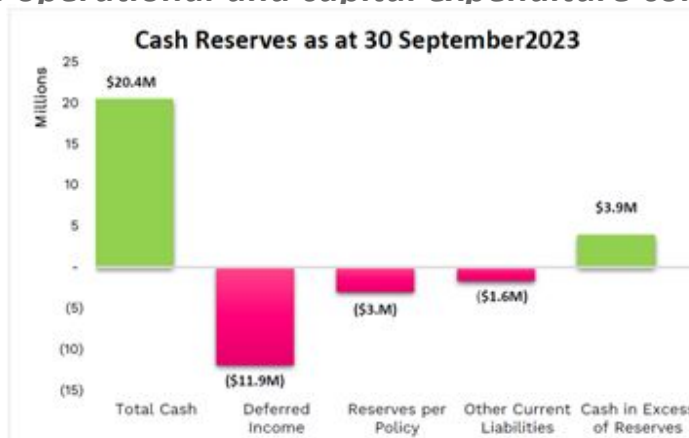
Investment Categories		
Operational Reserves	Funds set aside to stabilise finances / cover unexpected cash flow shortages	Cash at bank
Funds Held on Trust	Domain name prepayments (a registration of up to 10 years)	Cash fund
Discretionary Reserves	Funds available to invest	Growth fund

2. Treasury Policy (25 June 2020)

- *InternetNZ will ensure sufficient liquidity to enable operational and capital expenditure commitments to be met.*

Reserves Policy / calculation:

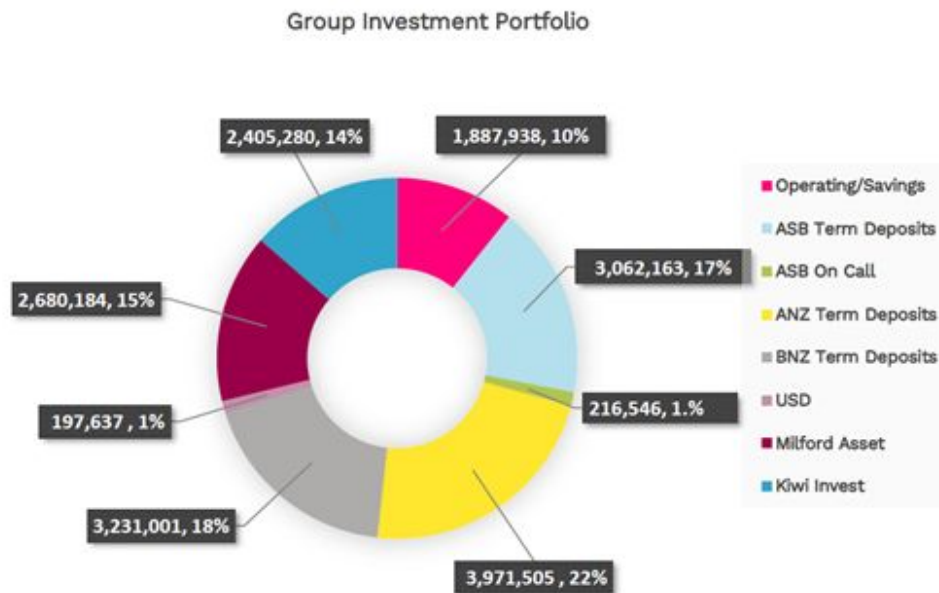
- Deferred income
- + 1.5x current liabilities
- + 1 month's salaries
- + estimated redundancy
- + 12 months lease obligations
- + \$500k of working capital



Investment position

Group Investments as of 30 September 2023

The chart below shows the percentage spread of funds invested (\$17,652,254) across all institutions as of 30 September 2023.



- Term deposits (TDs)
 - All currently with 'AA' rated banks (ANZ/ASB/BNZ)
 - Staggered maturity profile. ~\$5m maturing within the next 6 months and all <12 month term to maturity. Could consider longer tenors?
 - Inability to break TDs early?
 - TDs currently returning 5-6%
- Existing Milford/Kiwi Invest managed funds
 - 'Sound and run by good managers'
 - Liquid - 5-10 days notice on managed funds

Other considerations / discussion points

4

1. Constitution, and Council bylaws
 - Non-profit charitable society
 - *The Society may borrow money only in accordance with a resolution of the members in General Meeting (section 12.3 of the Constitution)*
 - *Funds approved for investment shall be managed in strict accordance with the formal Treasury Policy that has been approved and adopted by the Society's Council (section 10.3 of the Council bylaws)*
2. Generally predictable revenue / expenses (foreseeable liquidity needs)
3. Deferred income
 - Accounting concept as opposed to a liquidity need (Internet NZ has a 'Zero refund' policy)
4. Ability to change registry fees (control over revenue)

Investment landscape

1. Investment landscape – risk profiles of investment categories
2. Responsible investment / ESG
3. ‘Typical’ investment approach – risk tolerance / time horizon / capital preservation / active vs passive
4. Target return – CPI + 3%

Alternative approaches:

- Keep the status quo
- Take a portion of deferred income, e.g. 20%, 50% or 80% to invest more aggressively in diversified managed funds including alternative assets. Private equity, private debt, etc.
- Form an endowment/Foundation to invest a modest portion for the longer term (+10yrs). Such a time horizon allows higher volatility risks to be taken since market cycles are smoothed out (e.g. targeting CPI + 5%). It also permits investors to capture the illiquidity premia of private equity, property, infrastructure etc.

Economic update

6

Cash rates have peaked except for Japan. However, war in the Middle East is pushing up oil prices. So, inflation will be higher for longer. This makes it harder for central banks to cut cash rates.

Liquidity is tightening, dampening investor sentiment. Global equities, especially tech stocks, are selling off. There is huge geopolitical uncertainty and potential market volatility.

We now prefer cash and unlisted assets.

We recommend keeping balanced funds run by good managers.

Market Returns to 30 September 2023

Sector	1 Year %	3 Years %pa	10 Years %pa
NZ Equities	2.1	-0.5	10.2
Global Equities (local)	19.4	8.4	11.1
Global Equities Unhedged	13.7	10.3	11.1
NZ Listed Property	-4.5	-4.9	6.9
NZ Government Stock	-1.7	-6.6	1.9
NZ A-Grade Corporate Bonds	2.5	-2.8	3.1
Global Fixed Interest	4.0	-5.5	2.8
Cash	4.9	2.2	2.3

IMPORTANT NOTICE

Statements and opinions contained in this report are given in good faith, but in its presentation, Bancorp has relied on primary sources for the information's accuracy and completeness. Bancorp New Zealand Limited, Bancorp Corporate Finance Limited nor Bancorp Treasury Services Limited ("Bancorp") does not imply, and it should not be construed, that it warrants the validity of the information. Moreover, our investigations have not been designed to verify the accuracy or reliability of any information supplied to us.

It should be clearly understood that any financial projections given are illustrative only. The projections should not be taken as a promise or guarantee on the part of Bancorp.

Bancorp accepts no liability for any actions taken or not taken on the basis of this information and it is not intended to provide the sole basis of any financial and/or business evaluation. Recipients of the information are required to rely on their own knowledge, investigations and judgements in any assessment of this information. Neither the whole nor any part of this information, nor any reference thereto, may be included in, with or attached to any document, circular, resolution, letter or statement without the prior written consent of Bancorp as to the form and content in which it appears.

CONFIDENTIALITY

The information provided herein is provided for your private use and on the condition that the contents remain confidential and will not be disclosed to any third party without the consent in writing of Bancorp first being obtained.

GET IN TOUCH

Bancorp Treasury Services Ltd
Head Office, Level 3, 30 Customs Street, Auckland
09 912 7600

www.bancorp.co.nz



COUNCIL MEETING - December 2023

Everything we do is Internet Governance

AUTHOR: Jodi Anderson/Vivien Maidaborn
 PURPOSE: Create shared understanding between Te Kahui Tumu and Council on the approach to internet governance within InternetNZ
 DATE WRITTEN: 22 November 2023

	Alignment
Ipurangi Aotearoa Strategy 2022-2025	<p>All of the Strategic Priorities are engaged in the internet governance work programme for 2023.</p> <ol style="list-style-type: none"> 1. Centering Te Tiriti o Waitangi 2. Engaging the NZ Internet Community 3. Ensuring the Home of .nz 4. Moving towards Constitutional Change 5. Building Mana Mahi Tahī 6. Maintaining Domain Name Commission (DNCL)
Te Tiriti o Waitangi	<p>In addition to focussing on engaging early and often with Māori in the tech community as part of multi stakeholder work, this internet governance paper seeks to prioritise working alongside Māori to amplify the perspectives of tangata whenua within our public policy work, and to model an Aotearoa multistakeholder approach through our national forum (NetHui). We aspire to lead on work in international forums that will draw attention and action in relation to indigenous voices in the multistakeholder model, and build recognition and support for indigenous people as a discrete and critical voice in the multi stakeholder</p>

	model. All this work aligns with Article Two and Three of Te Tiriti.
--	--

Introduction

We are a values based ccTLD, and as such a member of the international technical community of ICANN. Internet governance is our core business and is critical to sustaining the Internet. It includes technical, policy and engagement work, and is undertaken both in New Zealand and globally. We take an integrated and coherent approach to this work across our domestic and international work programmes.

Purpose of this paper:

1. Present to Council InternetNZ's intended approach to internet governance work for 2024 and 2025¹ and
2. Seek Council's engagement on this approach through discussion of the questions at the end of the paper.

Format of this paper:

- The first section sets out how we propose to engage in internet governance work across our domestic and international work programmes.
- The second section sets out the areas of work that InternetNZ will need to focus or improve on over the next 2 years, to support the proposed approach.

We will be facilitating conversations at the .nz Strategy day that will support understanding of and engagement with this paper and the approach it proposes.

Understanding the work of internet governance

To operate a world class ccTLD we need to be an active part of the international community of our peers ...

Operating a world class ccTLD requires excellence in .nz Rules development, technical infrastructure support, and regulator capabilities, as well as sustainable commercial growth and expertise on internet governance policy issues. Our peers and our industry are global, so we will engage in international forums both in person and virtually to:

Ensure a viable commercial business that brings in revenue to sustain the .nz infrastructure. Face-to-face account management helps to renew and energise registrars' promotion of .nz, and prospecting for new business is crucial for sustaining existing business relationships and the development of new business opportunities.

¹ Following this previous paper: [[May 22 Council paper](#)]

Build a peer network that will enable us to achieve outcomes we cannot achieve working alone, and that we can call on in times of crisis.

Learn and share insights and best practice to build our own competency, build the capacity of others for the betterment of the overall system, and scan for emerging threats and opportunities. For example, we engage in domain name abuse conversations at ICANN and APTLD in order to understand best practice for .nz rules and compliance monitoring tools. And we learn about registrar licensing practices which tightens our own standards and improves the efficiency of DNCL.

... and we need to influence Internet norms, policies, rules and processes ...

Rules, norms and processes that shape the evolution and use of the Internet are developed in international forums, as well as here in Aotearoa by our government and other bodies. They can affect our core business and our internet communities, so we look to influence their development through:

Being active in the key decision- and standards-making forums so that rules and procedures developed internationally for the technical layer of the Internet will not adversely affect our local infrastructure and the way we operate .nz.

Influencing the NZ government approach to domestic internet public policy issues and relevant international negotiations. For example, we are engaging with relevant government officials to offer our insights and support for negotiating the GDC and WSIS+20 outcomes², so they are in line with the views of the international technical community and the New Zealand internet community.

Advocating for strategic priorities that are important to our internet communities. For example, our aspiration is to take a lead in introducing a stronger indigenous voice into international internet governance multistakeholder forums and processes, and role model that through our Te Tiriti approaches, our grants, NetHui, and engagement with tangata whenua on key internet issues.

... including supporting the multistakeholder model of internet governance.

The multi-stakeholder model of internet governance is the foundation of an open, global, safe and interoperable Internet. InternetNZ looks to sustain and support it in a number of ways, including:

Being active participants in international multistakeholder internet governance processes and forums so that they remain effective. If we choose not to participate, we weaken the overall system that sustains the Internet that benefits our country, and we deny that system the benefit of our country's views, analysis and input.

² This work relates to multilateral negotiations for the Global Digital Compact (GDC) which is to be agreed at the Summit of the Future in September 2024 and the twentieth anniversary of the World Summit on the Information Society (WSIS+20) taking place in New York in 2025.

Advocating for the multi-stakeholder model in international forums and processes.

The multistakeholder model is under increasing threat from states that want technical discussions to take the form of multilateral processes. We work with others in a number of forums to defend this approach and avoid inter-state control.

Modelling multistakeholderism in Aotearoa to showcase its effectiveness, lead the way on best practice, and share community views into international processes.

The focus for internet governance work in 2024/25

InternetNZ will need to prioritise and focus our attention over the next 2 years. The priorities are:

- We will prioritise the **.nz Rules review** and the development of an active and engaging work programme using multi stakeholder approaches.
- In line with being a Te Tiriti centric organisation, we will continue to work alongside Māori to **amplify the perspectives of tangata whenua** within our public policy work, and to model a Aotearoa multistakeholder approach through our national forum (NetHui). We aspire to lead on work in international forums that will build recognition and support for indigenous people as a discrete and critical voice in the multistakeholder model.
- We will **grow our engagement in international networks**, through in person and virtual attendance at internet governance forums and meetings, in order to develop strong relationships, exchange information and build a peer network for the benefit of InternetNZ.
- We will engage in processes and work to **defend and improve multistakeholderism** and to ensure that the views of the New Zealand internet community are heard in this space.
- Using our research and community insights, we will continue to **use multistakeholder approaches to inform a public policy agenda** including through avenues such as Hui Kōkiri, membership engagement and the revival of Nethui.

Recommendations

1. That Council receives the paper.
2. That Council discuss the approach proposed in this paper using the following prompts:
 - a. How does this approach to internet governance inform or change Council's thinking about strategic priorities?
 - b. Are there risks in identifying our areas of interest and our priorities through an internet governance lens?

- c. In 2024/25 there are four significant new priorities that require financial commitment. NetHui, constitutional review, building the .nz rules work programme and consultations, and international travel to internet governance forums. How would Council prioritise these in terms of investment?
- d. At the top of this paper we describe InternetNZ as a values based ccTLD, signalling a stronger focus on our core identity as a member of the technical community, for the purpose of our strategy and our priorities. What benefits or risks do you see in InternetNZ defining our identity in this way?

Vivien Maidaborn

Tumu Whakarae | Chief Executive



COUNCIL MEETING - DECEMBER 2023

DNSSEC Implementation Overview

AUTHOR: Tim Johnson

PURPOSE: To present implementation plan for the purposes of the next DNSSEC key rollover

DATE WRITTEN: 23 November 2023

Key Introductory Points

- The risk associated with being in a “paused DNSSEC operational state”, is low and is mitigated further through the available options to switch to the backup keychain or rolling the keys.
- It would be possible at any time to roll the keys without experiencing the downstream outages associated with the May 2023 incident. (You can read why this is the case later in the document) There is however no need to do so presently.
- Implementation of the independent report recommendations has been split into multiple implementation phases. Some of these phases are not linear, but are occurring via multiple projects in parallel.
- Of the independent report recommendations that we will adopt and the additional DNSSEC related work we are planning, it is expected that the majority will be completed by the end 2024.
- Referenced in this document are the acronyms KSK and ZSK, these refer to Key Signing Key, and Zone Signing Key respectively, they are an operational implementation of DNSSEC, Key Signing Keys link zones together and secure the Zone Signing Key records, Zone Signing Keys secure the individual DNS Records.

Context

The following implementation table refers specifically to the DNSSEC incident and the recommendations that came from the independent report.

It is important to note that other DNSSEC and DNS maintenance and improvement projects are also planned (see Appendix II) and underway, that are parallel to the below plan. Some of these projects are significant and critical, such as the once in ten year replacement of the HSM (Hardware Security Modules) that sit at the core of DNSSEC systems. This project requires integrating refreshed DNSSEC signing systems.

Work that must take place in these parallel projects, specifically the HSM project, are in the initial stages. Work planned in 2024 for those projects will be affected by some of the recommendations found in the independent report. *We currently intend to implement a number of the recommendations as part of this rebuild/refresh project as opposed to modifying the existing legacy DNSSEC environment.* A number of recommendations¹ have been identified that will be relevant to this project scope, with further analysis underway.

So when considering the below phased implementation planning, DNSSEC incident actions should be considered one of a small number of significant projects being implemented to strengthen our DNSSEC operations.

Phased Implementation Planning

Summary

- Key Rollover Solution in place by March 2024
- HSM Project completion December 2024

Detail of Plan:

Phase (State)	Start Date	End Date	Risk	Can Roll Key
Initial Phase (Paused DNSSEC Ops)	May 2023	Nov 2023	Unlikely Major	Yes - If required with manual safeguards
<p>All production DNSSEC operations remain in a change freeze and we have not rolled either KSK or ZSK since the May 2023 DNSSEC incident. It was technically feasible to conduct the key rollover earlier but it was considered best practice for the .nz team to take the opportunity to review the external independent DNSSEC report prior to making any changes relating to DNSSEC operations.</p> <p>Our goal for the current phase remains to safely and securely transition back to normal day to day operations of key lifecycle procedures. Until we make that transition back, there is a small but gradually increasing risk that the current paused state of key lifecycle operations will result in short lived ZSK keys being</p>				

¹ Recommendations [7], [11], [14], [15], [16], [22], [23], [24], [26]

<p>used for much longer than their intended design life. This would potentially create an opportunity for a motivated adversary with significant resourcing to compromise current keys. This would lead to a number of possible undesirable scenarios.</p> <p>We have mitigated this risk by ensuring the process in which we would switch to the backup keychain remains valid. The outcome of switching to the backup key chain would be that DNS services remain unaffected with no user impact being observed. This process could be completed within a rapid timeframe, usually under an hour for manual verification and switchover.</p> <p>During this phase, some progress was made on recommendation “[18] Review and Update the Business Continuity Plan”, for the 2023 BCP update. Further work will be mapped out and completed for the inclusion in the 2024 update.</p>				
<p>Current Phase (Paused DNSSEC Ops)</p>	<p>Nov 2023</p>	<p>Jan 2024</p>	<p>Unlikely Major</p>	<p>Yes - If required with manual safeguards</p>
<p>In this phase we are making the necessary preparations for transitioning back to normal day to day operations of key lifecycle procedures. The risk mitigations for this phase remain unchanged from those applying to the Initial Phase.</p> <p>We are progressing our work to rebuild our DNS testing infrastructure for DNSSEC to properly align with the IRS infrastructure. This work is now completed as of November 21st. The testing infrastructure is required to validate the critical path changes needed to resume DNSSEC lifecycle operations.</p> <p>With the completion of the testing infrastructure realignment we can fully test and validate the critical path changes to the existing production systems. We must first validate the changes in our testing environment before any changes are made in production. This would form the first phase of the work.</p> <p>Relevant report recommendations to this phase of work include [1], [5], [8] detailed in Appendix I</p>				
<p>Transition Phase (Paused DNSSEC ops)</p>	<p>Feb 2024</p>	<p>Mar 2024</p>	<p>Possible Major</p>	<p>Yes - if required with existing safeguards</p>
<p>In this phase we are actively transitioning back to normal day to day operations of key lifecycle procedures. The risk mitigations for this remain unchanged from those applying to earlier phases. We do note that the risk in this phase is moderately elevated. This is due to the actual work being performed to make changes to the production system. We will use change management processes and best practice techniques to mitigate these temporary risks.</p> <p>The change to the system equates to a reconfiguration of OpenDNSec signing software configuration policy file timers in our internal source control to synchronise the configuration with the IRS output, then the application of that configuration to the relevant production systems.</p> <p>This will allow the KSK key role procedure to operate as expected allowing us to safely perform a KSK role procedure on the backup signing chain to complete</p>				

<p>the process started in May 2023.</p> <p>ZSK roll operations will be able to be resumed from this point as well.</p>				
<p>Post-transition Phase (Normal lifecycle ops)</p>	<p>Mar 2024</p>	<p>N/A</p>	<p>Rare Moderate</p>	<p>Yes - if required with existing safeguards</p>
<p>At this phase, we have safely and securely transitioned back to normal DNSSEC lifecycle operations. This results in a return to pre-incident risk levels. General mitigations provided by the ability to switch to the backup keychain remains valid for a variety of scenarios that have always existed.</p> <p>Day to day lifecycle operations will resume, KSK and ZSK keys will be rolled when their lifecycle timers expire using existing SOP.</p>				
<p>HSM Project (Parallel work)</p>	<p>Sep 2023</p>	<p>Dec 2024</p>		<p>Yes - with improved safeguards</p>
<p>The HSM Refresh project which is the first of a number of DNS related projects requires the building of parallel infrastructure for all environments where existing signing infrastructure exists.</p> <p>Integration of the parallel infrastructure then needs to be integrated with the new HSM hardware.</p> <p>The build of this parallel zone signing system will encompass a number of modernisation sub-projects of existing sections of the signing pipeline, this includes software, scripting and automation updates, it is the best opportunity to integrate any required improvements to the system and processes as they will be implemented using modern software design requirements, allowing us to maintain the system into the future.</p> <p>A full review of all DNSSEC related procedures, policies, design considerations, architecture documents, and DR/BCP updates is also in scope and required.</p> <p>Extensive testing and validation of the new implementation is required before we move to notify of the changes and cut over to the new solution, of which there must be zero impact to .nz availability and operation.</p>				
<p>Strengthening Phase (Normal lifecycle ops)</p>	<p>Jan 2024</p>	<p>Dec 2024</p>	<p>Rare Moderate</p>	<p>Yes - with improved safeguards</p>
<p>In this phase we will be planning and considering the remaining report recommendations not already covered by the HSM project and prior work.</p> <p>It is premature to say whether these recommendations will be included in the future planning of project work that is detailed in Appendix II. Alternatively dedicated plans/projects will be set up and prioritised.</p>				

Recommendation

THAT Council receive the report noting the project phases and timelines provided

Vivien Maidaborn

Tumu Whakarae | Chief Executive

Appendix I - Independent Report Recommendations

Rec	Recommendation title (in report order)
1	High impact risk infrequent maintenance should be notified in advance
2	High impact risk tasks should be done by multiple people together
3	Handle unexpected symptoms during maintenance as “an incident”
4	Formalise communication channels to recursive DNS server operators
5	Ensure OpenDNSSEC “DS” configuration to match DNS reality
6	Configure OpenDNSSEC and DNS “DS” timers from a single source
7	Add guard rails around OpenDNSSEC commands
8	Document change of “DS” TTLs in .nz zones since November 2022
9	Consider reducing “DS” TTLs back to 1h for faster recovery
10	Consider aligning the “DS” / “DNSKEY” TTLs to simplify timing analysis
11	Document how to safely "pause" a DNSSEC key rollover
12	Create “worst case caching” recursive DNS server for monitoring rollover progress
13	Validate production change process with a true “canary” rollover
14	Automate safety checks around DNSSEC KSK rollovers
15	Automate the “manual safety checks” before publishing standby zones
16	Further automate swapping between active and standby signers
17	Develop a process to ensure BAU task prerequisites are completed before BAU tasks
18	Review and Update the Business Continuity Plan
19	Support .nz Operations Team to build and use their international network
20	Review .nz Operations Team resourcing regularly
21	Status sites should be hosted to not rely on monitored infrastructure
22	Consider doing KSK Rollover on standby signer first
23	Consider only doing KSK Rollover on standby signer (then swap)
24	Consider doing KSK rollovers in two batches, six months apart
25	Consider moving ns[1-7].dns.net.nz to names under .nz TLD
26	Consider building procedure to reinject old KSK into OpenDNSSEC signing

Appendix II - Planned and Proposed INZ DNS Projects

1. HSM Refresh (Underway)
 - a. DNS Pipeline rebuild
 - b. OpenDNSSec software upgrade
 - c. Decommissioning old HSM and signing systems
2. DNSSEC Algorithm Roll
 - a. Algo 8 (RSA) -> Probably Algo 13 (ECDSA)
3. DNS Primary Distribution Server Rebuild
4. DNS NZ Anycast Server Rebuild/Refresh
 - a. Refreshing EOL Servers
 - b. Review NZ based server presence requirements
 - c. Anycast node design and software implementation
 - d. Anycast network design and peering considerations
5. Anycast DNS software genetic diversity
 - a. Operating Systems
 - b. DNS Software



COUNCIL MEETING - December 2023

Special Resolution - Altering DNCL Constitution

ITEM NO: 3.2

DATE WRITTEN: 23/11/2023

Background

Amendment to the Constitution of Domain Name Commission Limited

In a Council meeting on 17 October 2017, the Council agreed that the DNCL Board would transition to a size of three directors, consisting of two independent directors and the Chair of Board, being the new InternetNZ CEO (RN 71/17).

This change requires an amendment to be made to the DNCL Constitution, which currently states that the number of directors shall “ordinarily be between four and six”. Section 32(2) of the Companies Act 1993 requires a special resolution to amend the Constitution to be passed by DNCL’s shareholder/s. As the 100% shareholder of DNCL, InternetNZ therefore needs to pass a special resolution to amend the DNCL Constitution.

A written special resolution, attaching a marked-up version of the DNCL Constitution which reflects the change to the number of directors, and includes some other minor amendments, was tabled and discussed.

Recommendation

THAT the Council agrees to pass a special resolution, in InternetNZ’s capacity as 100% shareholder of DNCL, to amend the DNCL Constitution .

Certified as the Constitution of **Domain Name Commission Limited**

COMPANIES ACT 1993

**CONSTITUTION
OF
DOMAIN NAME COMMISSION LIMITED**

A

IZARD WESTON
SOLICITORS
WELLINGTON

1.0 EFFECT OF CONSTITUTION

- 1.1 The Company, the Board, the Shareholders and each of the Directors and Shareholders of the Company have rights, powers, duties and obligations set out in the Act except to the extent that they are negated or modified by this Constitution.

2.0 DEFINITIONS

2.1 Interpretation

In this constitution (including the schedules), unless the context otherwise requires:

"**Act**" means the Companies Act 1993;

"**Balance Date**" means the date adopted by the Company at which the balance sheet of the Company prepared for the purpose of its annual financial statements is prepared;

"**Board**" means the Directors numbering not less than the required quorum acting together as a board of directors;

"**Company**" means Domain Name Commission Limited;

"**Constitution**" means this Constitution of the Company as amended from time to time;

"**Director**" means the person appointed for the time being in accordance with the Constitution as a Director of the Company;

"**Distribution**" has the meaning given to it in the Act;

"**Dividend**" has the meaning given to it in the Act;

"**Interest Group**" has the meaning given to it in the Act;

"**InternetNZ**" means the incorporated society 692906, a society incorporated under the Incorporated Societies Act 1908 and is to be registered a charitable entity with the Charities Commission;

"**InternetNZ Directors' Policy**" means the current Directors' Policy of InternetNZ to the extent that it is not inconsistent with this Constitution and the Act;

"**Major Transaction**" has the meaning given to it in the Act;

"**Month**" means calendar month;

"**Ordinary Resolution**" means a resolution of shareholders approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the question;

"**Related Person**" for the purposes of clause 16 and in accordance with section CW 42(1)(c) of the Income Tax Act 2007, means a person specified in paragraphs (i) to (iv) of subsection (5)(b) of that section, the persons currently specified being:

- (a) A settlor or trustee of the trust by which the business is carried on;
- (b) A shareholder or director of the company by which the business is carried on;
- (c) A settlor or trustee of a trust that is a shareholder of the company by which the business is carried on; or
- (d) A person associated with a settlor, trustee, shareholder, or director referred to in any of subparagraphs (a) to (c).

"Shareholder" means a person whose name is entered in the Share Register as the holder for the time being of one or more shares in the Company;

"Share Register" means the register kept pursuant to the Act and includes any division of such register;

"Solvency Test" has the meaning given to it in the Act;

"Special Meeting" means any meeting (other than an annual meeting) of Shareholders entitled to vote on an issue called at any time by the Board or by any other person who by this Constitution is entitled to call meetings of shareholders; and

"Special Resolution" means a resolution approved by a majority of 75% of the votes of those Shareholders entitled to vote and voting on the question.

2.2 **No Definition**

Any expression not defined in this Constitution but defined in the Act shall bear the same meaning in this Constitution as in the Act.

2.3 **Singular and Plural, Persons and Firms**

In this Constitution, if it is not inconsistent with the context:

2.3.1 words importing the singular number also include the plural, and vice versa; and

2.3.2 words importing persons include firms and corporations and a firm includes a partnership.

2.4 **Headings**

Headings shall not affect the interpretation of this Constitution.

2.5 **Statutes**

Unless the context otherwise requires, references to a statute mean a statute of New Zealand and include any term defined in a statute, as well as:

2.5.1 amendments to that statute;

2.5.2 a statute passed in substitution for that statute; and

2.5.3 regulations passed thereunder.

2.6 Reference to Shares

A reference to a share means a share in the Company.

2.7 References to Clause, Paragraph or Schedule

2.7.1 A reference to a clause means a clause in this Constitution.

2.7.2 A reference to a paragraph means a paragraph within a clause of this Constitution or a paragraph of a schedule to this Constitution.

2.7.3 A reference to a schedule means a schedule to this Constitution.

3.0 CHARITABLE OBJECTS

3.1 The intention is that the Company will operate as a charitable company and be registered with the Charities Commission.

3.2 The Company's charitable objects are those of its Shareholders and the profits, benefits or other income and property (if any) of the Company shall be distributed solely for the benefit of the Shareholders.

3.3 The Company's activities which are intended to achieve its objects are:

3.3.1 Providing effective management and oversight of the .nz domain space.

3.3.2 Developing policies and procedures for .nz and monitoring compliance with those, while protecting the rights and relationships of all parties in the .nz market, thereby enabling the Shareholder to meet its obligations and responsibilities under RFC 1591 - Domain Name System Structure and Delegation.

4.0 SHARES

4.1 Section 45 of the Act does not apply to the Company. Shares, or options to acquire securities, in the Company may only be issued to or held by InternetNZ, or another registered charitable entity.

4.2 The Board of Directors must obtain the approval of InternetNZ prior to making any decision that relates to the issue, transfer, cancellation or redemption of shares or options, or that alters the rights attaching to such shares or options

4.3 Additional Shares

Different Classes of Shares may be issued and (without limiting the foregoing) shares may:

4.3.1 be redeemable;

4.3.2 confer preferential rights to distributions of capital income;

4.3.3 confer special, limited, or conditional voting rights;

4.3.4 not confer voting rights; or

4.3.5 have limitations or restrictions on transferability.

4.4 Redeemable Shares

The Board may issue shares that are redeemable:

4.4.1 at the option of the Company;

4.4.2 at the option of the holder of the shares;

4.4.3 on a date determined by the Board;

for a consideration that is:

4.4.4 determined by the Board;

4.4.5 to be calculated in accordance with a formula; or

4.4.6 required to be fixed by a suitably qualified person who is not associated with or interested in the Company.

4.5 Options

The Board may issue options to acquire securities on such terms and conditions as shall be determined by the Board at the time when such options are granted. No options may be issued which confer the right on holders to vote other than at meetings of option-holders.

5.0 ISSUE OF SHARES

5.1 Initial Shares

As at the date of this Constitution, the number of initial shares and their class, issued pursuant to section 41(a) of the Act, are those currently on issue.

5.2 Types of Shares

Subject to the Act and this Constitution, the Board may issue shares at any time, to any person, and in any number it determines.

5.3 Consent to Issue

While InternetNZ is the holder of not less than 50% of all the ordinary shares in the Company, the Board may not issue any additional shares or rights or options for any class of shares unless prior to such issue InternetNZ has formally consented in writing to such issue after full and fair disclosure of the proposed issue (including number of shares, issue price, terms of issue and names of the issues).

5.4 Time of Issue

A share is issued when the name of the Shareholder is entered on the Share Register in respect of that share.

5.5 Consideration for Issue of Shares

Subject to clause 4.3, before the Board issue shares, it must:

- 5.5.1 decide the consideration for which the shares will be issued and the terms on which they will be issued;
- 5.5.2 if the shares are to be issued other than for cash, determine the reasonable present cash value of the consideration for the issue;
- 5.5.3 resolve that, in its opinion, the consideration for the shares and their terms of issue are fair and reasonable to the Company and to all existing Shareholders; and
- 5.5.4 if the shares are to be issued other than for cash, resolve that, in its opinion, the present cash value of that consideration is not less than the amount by which the shares will be credited as paid up.

5.6 Clause 5.5 does not apply to

5.6.1 the issue of shares that are fully paid up from the reserves of the Company to all Shareholders of the same class and in proportion to the number of shares held by each such Shareholder; nor

5.6.2 the consolidation or subdivision of shares.

5.7 Amount Owing on Issue of Shares

Where money or other consideration is due to the Company on shares in accordance with their terms of issue, such an amount does not comprise a call and no notice is required to be given to the holder or other person liable under the terms of issue in order for the Company to enforce payment of the amount due.

5.8 Bonus Shares

The Board may authorise the allotment to Shareholders of shares issued as fully or partly paid up from the assets of the Company.

5.9 Company Paying up Partly Paid Shares

Subject to the Distribution meeting the Solvency Test and to section 47(3) of the Act, the Board may authorise the payment from the assets of the Company any amount unpaid on shares already issued by the Company.

6.0 COMPANY MAY ACQUIRE ITS OWN SHARES

6.1 Purchase of Own Shares

The Company may purchase or otherwise acquire its own shares in accordance with the Act.

The Company may hold shares acquired in accordance with sections 67A to 67C of the Act.

7.0 REDEMPTION OF SHARES

7.1 Power to Redeem

The Company may, pursuant to its terms of issue, redeem any share which is issued as redeemable.

7.2 Cancellation of Shares Redeemed

Shares that are redeemed by the Company are deemed to be cancelled immediately on redemption.

8.0 TRANSFER OF SHARES

8.1 Shareholder May Transfer Shares

A Shareholder may transfer shares, subject to clause 8.2.

8.2 Board's right to refuse registration of transfer

8.2.1 The Board may, within 30 Working Days of the receipt of a transfer of shares, refuse or delay the registration of the transfer if the Board considers that it is not in the best interests of the Company to register the transfer.

8.2.2 A resolution of the Board to refuse or delay a transfer of shares must set out in full the reason for doing so, and a copy of the resolution must be sent to the transferor and transferee within five Working Days of the date of the resolution being passed.

8.3 Form of Transfer

8.3.1 Every form of transfer shall be in any usual common form or other form which the Board may approve and shall be executed by or on behalf of the transferor to the satisfaction of the Board. If a share is not fully paid up, the form of transfer (or a separate transferee's acceptance document in any usual form or common form or other form which the Board may approve) shall also be executed by or on behalf of the transferee to the satisfaction of the Board.

8.4 Transferor Holder Until Transferee Registered

The transferor shall remain the holder of the share until the name of the transferee is entered in the Share Register.

8.5 Registration of Transfer

Subject to clause 8.3, on receipt of a duly completed form of transfer the Company must enter the name of the transferee on the Share Register as holder of the shares unless the Board has resolved in accordance with clause 8.2 to refuse or delay the transfer of the shares.

9.0 DISTRIBUTION TO SHAREHOLDERS

9.1 Satisfaction of Solvency Test

The Board, if it is satisfied on reasonable grounds that the Company will immediately after the Distribution satisfy the Solvency Test, may authorise a Distribution at a time, and of an amount, and to any Shareholders it determines and otherwise than in accordance with the terms of issue.

9.2 No Interest on Distribution

No Distribution shall bear interest against the Company.

9.3 Deductions from Distribution

The Board may deduct from any Distribution payable to a shareholder all such money as may be due from that Shareholder to the Company on account of:

9.3.1 unpaid calls and instalments and any interest payable on such amounts in respect of shares for which the Distribution is being paid; and

9.3.2 such amounts as the Company may be called upon by law to pay in respect of those shares including withholding and other taxes.

10.0 NOTICES AND INFORMATION FOR SHAREHOLDERS

10.1 Notices, Reports, Financial

Shareholders of all Classes shall be entitled to attend meetings of Shareholders and to receive copies of all notices, reports and financial statements issued by the Company to holders of securities carrying votes.

10.2 Shareholders may request Information

10.2.1 A Shareholder may at any time make a written request for information held by the Company.

10.2.2 A Shareholder may question, discuss and comment on the management of the Company at a meeting of Shareholders.

11.0 MEETINGS OF SHAREHOLDERS

11.1 Proceedings at Meetings

The provisions of the first schedule to the Act shall govern the proceedings at meetings of Shareholders.

12.0 POWERS AND DUTIES OF THE BOARD

12.1 Management by the Board

The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Board.

12.1.1 The Board has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company.

12.1.2 The Board may delegate its powers in accordance with the Act.

12.1.3 The Board will, at all times, act in the best interests of the Shareholders.

12.2 Director duties

Subject always to the provisions of the ~~Companies Act 1993~~Act, as the Company is a wholly-owned subsidiary, a Director shall (even when exercising powers or performing duties as a Director), act in a manner which he or she believes is in the best interests of its Shareholders, even though it may not be in the best interests of the Company.

12.3 Delegation by Board

The Board may delegate to a committee of Directors, a Director, or an employee of the Company any one or more of its powers, other than the powers referred to in the second schedule to the Act.

13.0 APPOINTMENT AND REMOVAL OF DIRECTORS

13.1 Directors are appointed and removed according to the InternetNZ Directors' Policy.

13.2 Number of Directors

~~The number of Directors shall be three, comprising two independent Directors and the person holding the position for the time being of CEO of InternetNZ, who shall be the Chair of Directors. The number of Directors shall ordinarily be between four and six at the discretion of the Shareholder.~~

13.3 First Directors

The first Directors of the Company are the persons named as the Directors in the application for registration of the Company.

13.4 Appointment and Removal by Notice

13.4.1 The Directors are the persons appointed from time to time as Directors by a notice in writing signed by the Shareholders and who have not been removed, resigned or disqualified from office under this Constitution.

13.4.2 A Director may be removed from office at any time by notice in writing signed by the shareholder.

13.4.3 A notice given under 13.3.1 or 13.3.2 takes effect upon receipt of it (including receipt of a facsimile copy) at the registered office of the Company, unless the notice specifies a later time at which the notice will take effect. The notice may comprise one or more similar documents separately signed by the Shareholder.

13.4.4 A Director holds office until his or her retirement, disqualification or removal in accordance with this Constitution.

13.5 Appointment and Removal of Directors by Resolution

13.5.1 A Director may also be appointed or removed from office by an Ordinary Resolution.

13.5.2 A resolution to appoint two or more Directors may be voted on as one resolution without each appointment being voted on individually.

13.6 Disqualification and Removal

The office of Director is vacated if the person holding that office:

13.6.1 is removed from office in accordance with the Act or under clauses 13.3 or 13.4;

13.6.2 resigns in writing;

13.6.3 becomes disqualified from being a director pursuant to the Act;

13.6.4 dies;

13.6.5 becomes a protected person under the Protection of Personal and Property Rights Act 1988; or

13.6.6 is an undischarged bankrupt;

13.6.7 is disqualified from being an officer of a charitable entity under section 16(2) of the Charities Act 2005; or

13.6.8 reaches the expiry of their term of appointment as defined in the InternetNZ Directors' Policy.

13.7 Resignation

A Director may resign office by signing a written notice of resignation and delivering it to the Company. The notice takes effect upon the later of the receipt of it at the registered office of the Company (including receipt of a facsimile copy), (where InternetNZ is a Shareholder) receipt of a copy of such notice at its registered office or by its President, and at any later time specified by notice.

13.8 Qualification of Director

A director shall not hold shares, but is required to be a member of InternetNZ.

14.0 PROCEEDINGS OF THE BOARD

14.1 Proceedings and Powers of the Board

14.1.1 A meeting of the Board may be held either:

14.1.1.1 By a number of Directors sufficient to form a quorum, being assembled together at the place, date, and time appointed for the meetings, or

14.1.1.2 By means of audio, or audio and visual communication by which all the directors participating in the meeting and constituting a quorum, can simultaneously hear each other throughout the meeting.

14.1.2 Where a meeting of the Board is held pursuant to clause 14.1.1.2, at the commencement of the meeting each Director participating must acknowledge his or her presence to all the other Directors participating. A Director may not leave the meeting by disconnecting his or her means of communication unless he or she has previously obtained the express consent of the chairperson.

14.2 For the purposes of clause 14.1.1 a quorum for a meeting of the Board is a majority of the Directors.

14.3 The provisions of the Third Schedule to the Act shall govern the proceedings of the Board, subject to clause 14.1.

15.0 REMUNERATION AND OTHER BENEFITS OF DIRECTORS

15.1 As a restriction to the powers conferred on the Board by the Act, the Board may only authorise the payment of remuneration or the provision of other benefits by the Company to a Director:

15.1.1 For services as a Director;

15.1.2 Where the payment is reasonable;

15.1.3 Where the relevant action has been approved by written notice signed by the Shareholders; and

15.1.4 Where that payment is consistent with the InternetNZ Directors' Policy.

15.2 The Director who is interested in the transaction referred to at clause may not:

15.2.1 Vote on a matter relating to the transaction; or

15.2.2 Sign a document relating to the transaction on behalf of the Company;

however that Director may, subject to the consent of the other Directors, attend or continue attendance at a meeting of the Directors at which a matter relating to the transaction is discussed provided that the Director is not included among the Directors present at the meeting for the purpose of a quorum.

15.3 Clause 15.1 does not prevent a Director being reimbursed for reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as a Director of the Company, provided that the expenses incurred

are not more than would be incurred for such reasonable expenses in a normal commercial transaction.

16.0 PECUNIARY PROFIT

16.1 In carrying on business under this Constitution no benefit, advantage or income shall be afforded to, or received, gained, achieved or derived by any Director, Related Person or person having control where that person, in his or her capacity as a Director, Related Person or person having control, is able in any way (whether directly or indirectly) to determine, or to materially influence the determination of:

16.1.1 The nature or amount of that benefit, advantage or income; or

16.1.2 The circumstances in which that benefit, advantage or income is, or is to be, so afforded, received, gained, achieved or derived.

16.2 A person, who is in the course of, and as part of the carrying on of his or her business of a professional public practice, shall not, by reason only of him or her rendering professional services to the Company, be in breach of the terms of this clause 16.

17.0 INDEMNITY AND INSURANCE

17.1 Indemnity of Directors and Employees

The Company shall indemnify every Director and employee of the Company and every wholly-owned subsidiary (and indemnify any Director or employee of a related company) in respect of:

17.1.1 any costs incurred by him or her in any proceedings:

17.1.1.1 that relates to liability for any act or omission in his or her capacity as a Director or employee; and

17.1.1.2 in which judgment is given in his or her favour, or in which he or she is acquitted, or which it is discontinued;

17.1.2 liability to any person other than the Company or related Company for any act or omission in his or her capacity as a Director or employee; and

17.1.3 costs incurred by that Director or employee in defending or settling any claim or proceeding relating to any such liability,

not being criminal liability or liability in respect of a breach, in the case of the Director, of the duty specified in Section 131 of the Act, or in the case of an employee, of any fiduciary duty owed to the Company or a related company.

17.2 Insurance Against Liability

The Company may, with the prior approval of the Board, effect insurance for a Director or employee of the Company or related company in respect of:

17.2.1 liability, not being criminal liability, for any act or omission in any Director's or employee's capacity as a Director or employee;

17.2.2 costs incurred by that Director or employee in defending or settling any claim or proceeding relating to any such liability; or

17.2.3 costs incurred by that Director or employee in defending any criminal proceedings in which he or she is acquitted.

17.3 Definitions

For the purpose of this clause 17, the words "Director", "effect insurance", "employee", "indemnify" and "indemnity" shall have the respective meanings given to them in section 162(9) of the Act.

18.0 LIQUIDATION

18.1 Distribution of Surplus Assets

Subject to the terms of issue of any shares, on the liquidation of the Company, any assets of the Company remaining after payment of the debts and liabilities of the Company and the costs of liquidation shall be distributed to the Shareholders in proportion to their shareholding.

18.2 Distribution in Specie

Upon the liquidation of the Company, the liquidator may with the sanction of an Ordinary Resolution and any other sanction required by law, distribute the assets to the Shareholders. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trust for the benefit of the Shareholder as the liquidator thinks fit (but so that no Shareholders shall be compelled to accept any shares or other securities whereon there is any liability).

19.0 NOTICE

19.1 In addition to any other means of notice authorised by the Act or recognised at law, a notice is deemed duly served in the following circumstances:

19.1.1 Upon a Director, if served at the place of residence of such Director, or at his or her last known place of residence, employment or business;

19.1.2 Upon Shareholders at their address as shown on the share register and in the case of InternetNZ, at its registered office or served upon its President.

and service may be effected by:

- 19.1.3 Leaving the notice at the premises where service is authorised with a person applying to have charge of such place or securely affixing such notice to or within such premises.
- 19.1.4 Transmitting a copy of the notice by facsimile or similar means to a receiving machine at the premises where a person or body may be served.
- 19.2 Any notice not delivered personally to the recipient shall be deemed served at the commencement of the business day next following the date in which the notice is left at or faxed to the appropriate premises, or at such earlier time as the recipient acknowledges.
- 19.3 Without limiting the ways in which InternetNZ may issue any notice, a notice of InternetNZ is sufficiently authorised if signed by the President of InternetNZ or someone to whom such President has authorised in writing to give such notice, notices of that particular class, or notices in general, or in the case of service by facsimile, is endorsed with a copy of such signature.
- 19.4 A recipient of any notice from InternetNZ shall not be entitled or obliged to enquire into the authority of the President for giving such notice. A recipient of a notice signed by a delegate of the President may only enquire into the authority of the delegate if a copy of the delegation authority is not exhibited to the notice and is not supplied in response to a request made by the recipient promptly after service.

This document is certified as the Constitution of Domain Name Commission Limited.

MRKR3923-507947.1

DOMAIN NAME COMMISSION LIMITED
("the Company")

**SPECIAL RESOLUTION ALTERING CONSTITUTION IN TERMS OF
SECTION 32(2) OF THE COMPANIES ACT 1993**

RESOLVED as a Special Resolution in accordance with section 122 of the Companies Act 1993 that the Company alter its Constitution by amending it in accordance with the marked-up version **attached** and marked "A".

DATED 2023

SIGNED

THE COMMON SEAL of **INTERNET NEW ZEALAND INCORPORATED** is affixed in the presence of:

.....
Joy Liddicoat
InternetNZ President

.....



INZ Council - November 2023

Health, Safety and Wellbeing Report

AUTHOR: Vivien Maidaborn, Tumu Whakarae

PURPOSE: To provide Council with a retrospective update on Health Safety and Wellbeing (HSW) issues for the InternetNZ Group over the period 1 September 2022 to 22 November 2023

This report is prepared for InternetNZ Group and all information is based on group Staff (INZ and DNCL) and activities of the Group HSW Committee.

Period	Number of Near Misses reported/or identified	Number of Incidents reported/or identified	First Aid Incidents/ Accidents reported/or identified
1 Sep 2022 - 17 Nov 2022	1	0	0
18 Nov 2022 - 8 March 2023	2	1	1
9 March 2023 - 3 May 2023	0	2	0
4 May 2023 - 28 July 2023	0	2	0
29 July 2023 - 11 Sep 2023	0	0	0
12 Sep 2023 - 22 Nov 2023	1	4	0

Summary

Three of the incidents and the near miss were low level of risk. These have been actioned and mitigations put in place.

The other incident, a medium level risk, relates to exposure of INZ staff to public opinion/scrutiny via social network due to work related to the organisation. We have mitigations in place and there is work being undertaken by the Head of Security and Risk Assurance to manage this on an ongoing basis.

Recommendation

That the Health, Safety and Wellbeing Report be received.



COUNCIL MEETING - 13 October 2023

MINUTES

COUNCIL MEETING

Status:

[Draft to be ratified]

Date

13 October 2023 / 9:00am

Present:

Joy Liddicoat (President), Brenda Wallace (Vice President), Richard Hulse, Kate Pearce, Potaua Biasiny-Tule, Anthony Bow, Jeff Montgomery Whetu Fala, Anjum Rahman and Alpana Roy

In attendance:

Catherine Fenwick, Tim Johnson, Whitiaua Ropitini and Michael Elwood-Smith (Pou Ārahi | Council Secretary).

Member: N/A

Meeting opened: 9:15am

Section 1 - Meeting Preliminaries

1.1 Council only (in committee)

1.2 Council and CE alone time (in committee)

1.3 Karakia, apologies, interests register

Cr Potaua opened the meeting with Karakia.

Apologies for partial participation by:

- Cr Whetu present from 9:45am to 11:30am, and
- Cr Bow present from 9:00am to 10:20am.

Apologies from Tumu Whakarae who is attending the IGF in Kyoto

The interest register to be updated:

- Chair of InternetNZ Audit, Finance and Investment Committee has transferred from Anthony Bow to Anjum Rahman

1.4 Agenda Review and Action Register

Agenda was reviewed. [Action register](#) was discussed and updated.

Section 2 – Matters for Decision - Part 1

<p>2.1</p>	<p>Audit and Risk Committee Update</p> <p>Cr Rahman briefed the Council on discussions at the recent committee meeting including the:</p> <ul style="list-style-type: none"> - Audit Tender Policy and, - No refund policy related to InternetNZ’s investment strategy. <p>RN61/23 That the Council receive the confidential report.</p> <p>RN62/23 That the Council approve the Group Audit Tender Policy.</p> <p>RN63/23 That Council note the risks related to the no refund policy and the plan to mitigate these.</p> <p>RN64/23 That Council approve the consolidation and review of the Treasury, Investment and Reserves policy, to be conducted by staff.</p> <p>RN65/23 That Council approve a workshop on investment and risk at the December Council meeting.</p> <p style="text-align: right;">(Cr Rahman / Cr Hulse) CARRIED</p>
<p>2.2</p>	<p>Risk Register - Internal / Not public</p> <p>Mike Gray presented the new Risk Register tool and described how it can be used to bring risk management into daily work and responded to questions from Council.</p> <p>Tim Johnston outlined specific risks and controls for review and responded to questions.</p> <p>RN66/23 That Council receive the updated risk register.</p>

	<p>RN67/23 Council recommend CE to revise the risk policy.</p> <p>RN68/23 That Council agree to ongoing quarterly reporting and thank the team for excellent work.</p> <p>AP25/23 CE to explore options for displaying changes to the risk register so that Council can see point-in-time snapshots or, potentially, changes over time in addition to the current most up-to-date version.</p> <p style="text-align: right;">(Cr Wallace / Cr Hulse) CARRIED</p>
--	--

Section 3 - Strategic Priorities and Discussion

<p>3.1</p>	<p>Te Tiriti o Waitangi Framework</p> <p>Whitiaua introduced an update of the mahi (work) to develop a framework for Council, to be assured that the organisation was applying a Te Tiriti lens to its work.</p> <p>Council discussed the update noting:</p> <ul style="list-style-type: none"> • That Council are seeking a way to assess that Te Tiriti o Waitangi is being considered in the analysis of, and used as a lens for, decision making in Council. • The mahi is a work in progress, and that the hauora (health) Te Whare Tapa Whā framework by Mason Durie, amongst others, could be a helpful resource. • The work should be considered a living document. • The importance of building a culture that understands and respects Te Tiriti o Waitangi first - then the frameworks don't become a tick box exercise. • The challenge of interpreting mātauranga Māori (knowledge) correctly and seeking advice. • A proposal to record INZ's Te Tiriti whakapapa over the last 20 years, and to create a statement of intent as we go forwards. • Council agreed a Te Tiriti decision making framework would be helpful so Council can be held accountable if it makes decisions not aligned with Te Tiriti. <p>RN69/23 That Council receive the update.</p> <p>RN70/23 That Council request a further iteration at the next council meeting.</p> <p>AP26/23 CE to provide a further iteration of a framework to align with INZ's Te Tiriti o Waitangi centric goals at the next Council meeting.</p> <p style="text-align: right;">(Cr Fala / Cr Pearce) CARRIED</p>
-------------------	--

<p>3.2</p>	<p>.nz Standing report (confidential)</p> <p>Tim Johnson presented an update report on .nz services, noting:</p> <p>DNSSEC incident. The experience of how the incident was handled has been shared with the international community at three events and was well received.</p> <p>Registrars. New registrars applying, including large, international registrars coming into New Zealand. There have been challenges in the process of authorising registrars, and appreciate that DNC are looking at the registrar application process for improvements.</p> <p>Domains under management (DUM). There has been a drop in DUM, largely due to two registrars who dropped 2,000 to 4,000 names. Seasonality may also be impacting a little earlier this year.</p> <p>Council discussed the independent DNSSEC report including the details of availability metrics. These will be discussed further at the upcoming Council .nz strategy day.</p> <p>RN71/23 That Council receive the report.</p> <p style="text-align: right;">(Cr Montgomery / Cr Hulse) CARRIED</p>
<p>3.3</p>	<p>Community Funding Update</p> <p>Rose Jamieson provided a verbal brief on the \$1M DPMC fund to strengthen Aotearoa’s resilience to mis and disinformation. \$650k has been committed to community providers faster than expected.</p> <p>The list of organisations funded is unlikely to be published due to DPMC restrictions, however a summary of what has been funded and how much should be made available.</p> <p>Council also noted that:</p> <ul style="list-style-type: none"> ● \$805,000 has been allocated or committed of \$1.2M available. ● Whakapapa of increasing funding to Māori-led organisations or individuals identifying as tangata whenua, with funding increased to >39%. ● Funding process moving to a Te Tiriti centric and collaborative partner funding approach.

	<p>Council discussed the update and thanked the team for a remarkable achievement on receiving the DPMC fund and disbursing funds quickly.</p> <p>RN72/23 That Council receive the Community Funding Update report.</p> <p style="text-align: right;">(Cr Hulse / Cr Fala) CARRIED</p>
--	---

Section 4 – Matters for Decision

4.1	<p>Skills and Diversity Matrix</p> <p>Catherine Fenwick shared the current Skills and Diversity Matrix for review by Council, for any changes or recommendations. The constitution requires that after each election the council review the matrix to be used in the 2024 Council survey to identify any gaps.</p> <p>The Council discussed the matrix as a tool for members to assess the make-up of the Council as a whole, and the level of detail in the matrix.</p> <p>It is not a checklist for individual Councils; it is a signal to members where there are gaps and a guide on the need to appoint an independent Councillor.</p> <p>Council noted the matrix should be strengthened with Internet governance and DNS experience.</p> <p>RN73/23 That Council approve the paper to include new council members for the survey 2024.</p> <p>RN74/23 That Council amend the matrix to add internet governance skills, particularly DNS skills, and make it clear it is a matrix to assess board make-up and that not every skill is expected from every Councillor.</p> <p>AP27/23 CE to amend the Skills & Diversity matrix to add internet governance skills, particularly DNS skills.</p> <p style="text-align: right;">(Cr Wallace / Cr Fala) CARRIED</p>
------------	--

	<p>Council Election Returning Officer Report</p> <p>Council discussed the returning officer’s report by Andrew Cushen and experiences of the election, including the level of member engagement and experience of candidates seeking election.</p> <p>Council also discussed how candidates might canvas members for election, noting members' privacy concern and messages to members.</p> <p>RN75/23 That Council receive the report.</p> <p>RN76/23 That Council note feedback about exemplary support provided by the returning officer and staff.</p> <p>RN77/23 That Council recommend CE to consider the report recommendations and observations within the constitution review process.</p> <p style="text-align: right;">(Cr Wallace / Cr Rahman) CARRIED</p>
<p>4.2</p>	<p>DNSSEC Incident - Independent review</p> <p>Tim Johnson introduced the DNSSEC review report commenting on how it has been received internally; that there were no surprises and it relies on internal analysis of review. The recommendations are helpful and have been prioritised.</p> <p>Council received the independent review, which affirms INZ internal analysis of what happened. The review commended how the incident was handled, and reviewers identified some improvements that could be made regarding communications, and key rollover.</p> <p>Reviewers did not find any direct evidence of harm to users and made some helpful recommendations that are being assessed.</p> <p>To assure the community, Council requests an implementation plan for the purposes of the next DNSSEC key rollover.</p> <p>RN78/23 That Council receive the independent DNSSEC report.</p> <p>RN79/23 That Council notes that the report</p> <ul style="list-style-type: none"> (i) affirmed the InternetNZ root cause analysis of the incidents (ii) commended how the incident was handled by Council and the InternetNZ staff; and (iii) made 11 key recommendations for prevention of a similar incident.

	<p>RN80/23 That Council notes the steps have already been taken to address issues raised in the report.</p> <p>RN81/23 That Council directs the Chief Executive to present an implementation plan to Council no later than 1 December 2023.</p> <p>AP28/23 CE to present an implementation plan for the purposes of the next DNSSEC key rollover to Council by 1 December 2023.</p> <p style="text-align: right;">(Cr Hulse / Cr Pearce) CARRIED</p>
<p>4.3</p>	<p>Mid-year Financial Update</p> <p>Catherine introduced a mid-year financial summary update at the end of August 2023 and an insight for the second half of the year noting:</p> <ul style="list-style-type: none">● Finances are positive compared to the budget.● Investments are performing well.● Overall progress to budget is on track and expenses are expected to be managed within budget to year end.● Staff turnover 34% and there are 6 vacancies. <p>Council asked questions to clarify financial report details.</p> <p>The President noted that at the December 2023 meeting the Council could expect to receive preliminary strategic goals for 2024. After consultation with members in December, and feedback to Council in February, the final budget is brought to Council in March 2024 for sign-off.</p> <p>RN82/23 That Council receive the mid-year financial update report.</p> <p style="text-align: right;">(Cr Hulse / Cr Biasiny-Tule) CARRIED</p>

Section 5 – Matters for Discussion

<p>4.1</p>	<p>President’s Report</p> <p>The President noted in particular the meeting with auDA, Australia’s .au domain administrator, and the value of developing the relationship. The President has invited auDA representatives to observe an InternetNZ Council meeting.</p> <p>RN83/23 That Council receive the President’s report.</p> <p style="text-align: right;">(Cr Hulse / Cr Biasiny-Tule) CARRIED</p>
<p>5.2</p>	<p>Report Back from Committees</p> <p>5.2.2 Governance Committee (Chair, Cr Hulse)</p> <p>A DNCL recruitment panel formed to recruit one new director to the DNCL board.</p> <p>5.2.3 Komiti Whakauru Māori (Chair, Cr Biasiny-Tule)</p> <p>Komiti met to discuss a number of updates, including a suggestion to invite rangatahi leaders to November wananga.</p> <p>5.2.4 .nz advisory (Chair, Cr Roy)</p> <p>Committee discussed conflicted names resolution and .nz policy review.</p> <p>RN84/23 That Council receive the reports back from Committees</p>

Section 6 - Consent Agenda

<p>6.1</p>	<p>Health, Safety and Wellbeing Update</p> <p>No new major risks to highlight.</p> <p>RN85/23 That Council receive the Health Safety and Webelling Update.</p>
<p>6.2</p>	<p>Minutes of the previous meeting</p> <p>RN86/23 That Council approve the minutes of 11 August 2023</p> <p>Block consent 5.2, 6.1 and 6.2 (Cr Biasiny-Tule / Cr Montgomery) CARRIED</p>

6.3	<p>E-vote Ratification</p> <p>There were no evotes.</p>
6.4	<p>Membership Update</p> <p>Rose presented the membership update, noting a problem with member reporting has been identified and under investigation.</p>

Section 7 – Other Matters

7.1	CONTINGENCY (for any overflow)
7.2	Matters for communication – key messages
7.3	<p>General business</p> <p>Note change of date for the March 2024 meeting to 22 March 2024.</p>
7.4	Meeting review
7.5	Meeting close (karakia or waiata)



Group financial statements

to the quarter ended 30 September 2023

Table of Contents

Consolidated Income Statement	3
Function-Based Consolidated Income Statement	4
Consolidated Movements in Equity	5
Consolidated Balance Sheet	5
Revenue Analysis	6
Expenditure Analysis	6 - 7
Investment Analysis	8
Cash in Excess of Reserves	9

[Type here]

Consolidated Income Statement

Internet New Zealand Group
Consolidated Income Statement
to the year ended 30 Sept 2023

Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
Income - Operating								
Registry Fees	6,780,054	6,777,245	2,809	0%	6,780,054	6,777,245	2,809	0%
Broadband Map	23,650	21,000	2,650	13%	23,650	21,000	2,650	13%
Sundry Income	2 (a) 82,174	42,990	39,184	91%	179,238	167,254	11,984	7%
Total Operating Income	6,885,879	6,841,235	44,644	1%	6,982,942	6,965,499	17,443	0%
Less Direct Expenses								
Domain Name Commission Fee	1 (a) -	-	-	-	817,500	817,500	0	0%
.nz Costs	975,494	1,014,409	38,915	4%	975,494	1,014,409	38,915	4%
Other	66,361	70,875	4,514	6%	66,361	70,875	4,514	6%
Total Direct Expenses	1,041,855	1,085,284	43,429	4%	1,859,355	1,902,784	43,429	2%
Less Other Expenses								
Audit	-	-	-	-	-	-	-	-
Amortisation & Depreciation	185,787	186,324	537	0%	156,815	157,500	685	0%
Registrar Engagement	7,484	8,202	718	9%	2,784	4,200	1,416	34%
Communications	37,017	49,500	12,483	25%	-	-	-	-
Community Investment	629,254	639,725	10,471	2%	629,254	639,725	10,471	2%
Domain Name Commission	66,278	67,716	1,438	2%	-	-	-	-
Employment	3,361,465	3,510,217	148,752	4%	2,886,499	3,037,534	151,035	5%
Governance	192,945	177,061	(15,884)	-9%	170,412	151,025	(19,387)	-13%
International	139,205	140,000	795	1%	114,925	115,000	75	0%
Legal	49,219	69,502	20,283	29%	46,587	44,500	(2,087)	-5%
Operational	882,358	1,024,011	141,653	14%	844,464	949,653	105,189	11%
Projects	4,125	7,500	3,375	45%	-	-	-	-
Security	11,515	11,898	383	3%	11,515	11,898	383	3%
Total Expenses	5,566,652	5,891,656	325,004	6%	4,863,256	5,111,035	247,779	5%
Net Operating Profit (Loss) Before Tax	277,372	(135,705)	413,077	-304%	260,332	(48,320)	308,652	-639%
Net Operating Profit (Loss) Before Tax	\$277,372	(\$135,705)	\$413,077	-304%	\$260,332	(\$48,320)	\$308,652	-639%

Notes:

The income and expenditure lines for the individual entities

Do not add to the Group totals due to the following intra-group entries being eliminated.

1 (a) The DNCL fee paid by INZ (\$817,500) to DNCL.

2 (a) GSE paid by DNCL (\$138,264) to INZ

FOR INFORMATION PURPOSES ONLY

	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
Investing Income								
Interest Received	154,312	115,158	39,154	0	151,123	111,600	39,523	35%
Fair Value Gains/(Losses) on Managed Funds	106,960	146,619	(39,659)	-27%	106,960	146,619	(39,659)	-27%
Realised gains on Foreign Exchange	-	-	-	-	-	-	-	-
Total Investment Income	261,272	261,777	(505)	0%	258,083	258,219	(136)	0%
Managed Funds Fees	8,074	7,956	(118)	-1%	8,074	7,956	(118)	-1%
Total Expenses	8,074	7,956	(118)	-1%	8,074	7,956	(118)	-1%
Net proceeds from Investing Activities	\$253,197	\$253,821	(\$624)	0%	\$250,009	\$250,263	(\$254)	0%

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Consolidated Income Statement – By Function

Internet New Zealand Group
Consolidated Income - Function Based
to the year ended 30 Sept 2023

	Notes	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
		YTD	Budget	\$	%	YTD	Budget	\$	%
Income - Operating									
DNCL Sundry		41,200	11,000	30,200	275%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)		6,803,705	6,798,245	5,460	0%	6,803,705	6,798,245	5,460	0%
Te Puni Whiriaa (Public Impact)		38,182	28,690	9,492	33%	62,283	52,768	9,515	18%
Te Puni Raupa (Organisational Performance)		2,792	300	2,492	0%	116,955	114,486	2,469	2%
Total Operating Income		6,885,879	6,838,235	47,644	1%	6,982,943	6,965,499	17,444	0%
Less Activity Expenditure									
.nz Operations (DNCL)	2 (a)	703,396	780,621	77,225	10%	-	-	-	-
Te Puni Whakawhanake Rawa (Customer and Product)	1 (a)	2,337,636	2,466,065	128,429	5%	3,155,136	3,283,565	128,429	4%
Te Puni Whiriaa (Public Impact)		1,472,127	1,558,895	86,768	6%	1,472,127	1,558,895	86,768	6%
Te Puni Māori		213,758	246,798	33,040	13%	213,758	246,798	33,040	13%
Te Puni Raupa (Organisational Performance)		1,881,590	1,924,561	42,971	2%	1,881,590	1,924,561	42,971	2%
Total Expenses		6,608,507	6,976,940	368,433	5%	6,722,611	7,013,819	291,208	4%
Net Operating Profit (Loss) Before Tax		277,372	(138,705)	416,077	-300%	260,332	(48,320)	308,652	-639%
Net Operating Profit (Loss) Before Tax		\$277,372	(\$138,705)	\$416,077	-300%	\$260,332	(\$48,320)	\$308,652	-639%

Notes:

The income and expenditure lines for the individual entities

Do not add to the Group totals due to the following intra-group entries being eliminated.

1 (a) The DNCL fee paid by INZ (\$817,500) to DNCL.

2 (a) GSE paid by DNCL (\$138,264) to INZ

FOR INFORMATION PURPOSES ONLY

	Group	Group	+/-	+/-	Parent	Parent	+/-	+/-
	YTD	Budget	\$	%	YTD	Budget	\$	%
Investing Income								
Interest Received	154,312	115,158	39,154	34%	151,123	111,600	39,523	35%
Realised gains on Foreign Exchange	0	0	0	0%	0	0	0	0%
Fair Value Gains/(Losses) on Managed Funds	106,960	146,619	(39,659)	-27%	106,960	146,619	(39,659)	-27%
Total Investment Income	261,272	261,777	(505)	0%	258,083	258,219	(136)	0%
Managed Funds Fees								
	8,074	7,956	(118)	-1%	8,074	7,956	(118)	-1%
Total Expenses	8,074	7,956	(118)	-1%	8,074	7,956	(118)	-1%
Net proceeds from Investing Activities	\$253,197	\$253,821	(\$387)	0%	\$250,009	\$250,263	(\$18)	0%

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Consolidated Movements in Equity

Internet New Zealand Group
Statement of Movements in Equity
to the year ended 30 Sept 2023

	GROUP	INZ	DNCL
Equity at start of period			
Opening Retained Earnings	10,539,128	10,248,305	290,823
Shares Subscribed	-	-	580,000
	10,539,128	10,248,305	870,823
Net Profit (Loss) After Tax	530,570	510,341	20,229
Equity at end of period	\$11,069,697	\$10,758,646	\$891,052

Consolidated Balance Sheet

Internet New Zealand Group
Balance Sheet
As at 30 Sept 2023

	GROUP	INZ	DNCL
Current Assets			
Cash and Cash Equivalents	12,566,791	11,731,849	834,941
Managed Funds	5,085,464	5,085,464	-
Other Current Assets	2,577,456	2,536,032	41,424
Total Current Assets	20,229,711	19,353,345	876,366
Non-current Assets			
Property, Equipment & Software	3,654,645	3,256,133	398,512
less: Accumulated Depreciation	(2,100,040)	(1,874,165)	(225,874)
Intangible Assets	4,223,276	4,223,276	-
less: Amortisation	(995,776)	(995,776)	-
Investments	-	-	-
Shares and Loans	-	580,000.00	-
Total Assets	25,011,817	24,542,814	1,049,003
Less Liabilities:			
Deferred Income	11,900,732	11,900,732	-
Trade and Other Payables	2,041,387	1,883,436	157,951
Total Liabilities	13,942,119	13,784,168	157,951
Net Assets	\$11,069,697	\$10,758,646	\$891,052

Represented By:

Total Equity	\$11,069,697	\$10,758,646	\$891,052
---------------------	---------------------	---------------------	------------------

Notes:

The following items have been removed upon consolidation.

1 Share in DNCL wholly owned by InternetNZ.

2 Share subscription with respect to shares issued to InternetNZ by DNCL

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Group Revenue Analysis to the Period ending 30 September 2023

Consolidated Revenue	Actual	Budget	Variance	% of Total Sales
Registry Fees	6,780,054	6,777,245	2,809	99.1%
BBM	23,650	21,000	2,650	0.3%
Sundry - Membership	3,747	2,690	1,057	0.1%
Sundry - Recharge & Misc	37,227	26,300	10,927	0.5%
Total Operating Revenue	6,844,679	6,827,235	17,444	100%

FOR INFORMATION PURPOSES ONLY

Net proceeds from Investing Activities	253,197	253,821	(624)	3.7%
---	---------	---------	-------	------

- Revenue is reported excluding investment activities to reduce market distortion.
- Fair value losses of **(\$76k)** on managed funds for the second quarter saw a complete turnaround from the gains in Q1 of **\$183k**, resulting in a YTD return of **\$99K** after fees. Term deposits returns for the quarter were **\$89k**, YTD **\$151k**. Total investment returns to the end of Q2 **\$250k**.
- The accounts report a Total Operating revenue for the quarter of **\$3.4M**, and **\$6.8M** YTD, up by \$100k compared to the same period last year.

Group Expenditure Analysis by Function to the Period ending 30 September 2023

Consolidated Expenditure by Function	Actual	Budget	Variance	% of Total Expenditure
Domain Name Commission	703,396	780,621	77,225	10.6%
Te Puni Whakawhanake Rawa/Cust & Prod	2,337,636	2,466,065	128,429	35.4%
Te Puni Whiria/Public Impact	1,472,127	1,558,895	86,768	22.3%
Te Puni Maori	213,758	246,798	33,040	3.2%
Te Puni Raupa/Organisational Performance	1,881,590	1,924,561	42,971	28.5%
Total Operating Expenditure	6,608,507	6,976,940	368,433	100.0%

Notes:

DNCL expenditure excludes
2 (a) GSE paid by DNCL (\$138,264) to INZ

Underspend variances are attributable to recruitment delays and budget phasing.

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Summary reporting by functional areas of expenditure: -

All functional areas of the organisation were underspent in the first quarter of the new financial year, which is quite often the case, due to budget phasing and delays in recruitment.

Outlined below is a summary of each function.

Te Puni Whakawhanake Rawa/ Customer and Product

- Running of the .nz registry, and Broadband Map services.
- Data insights and analytics
- IT infrastructure and product technology

Te Puni Whiria/Public Impact

- Funding, Public policy, internet governance, including international
- Community Engagement, including membership, Communications – External and brand and Events Management

Te Puni Māori

- Māori sector partnership and relationships
- Rautaki Māori
- Māori cultural intelligence and cultural capability

Te Puni Raupa/Organisation Performance

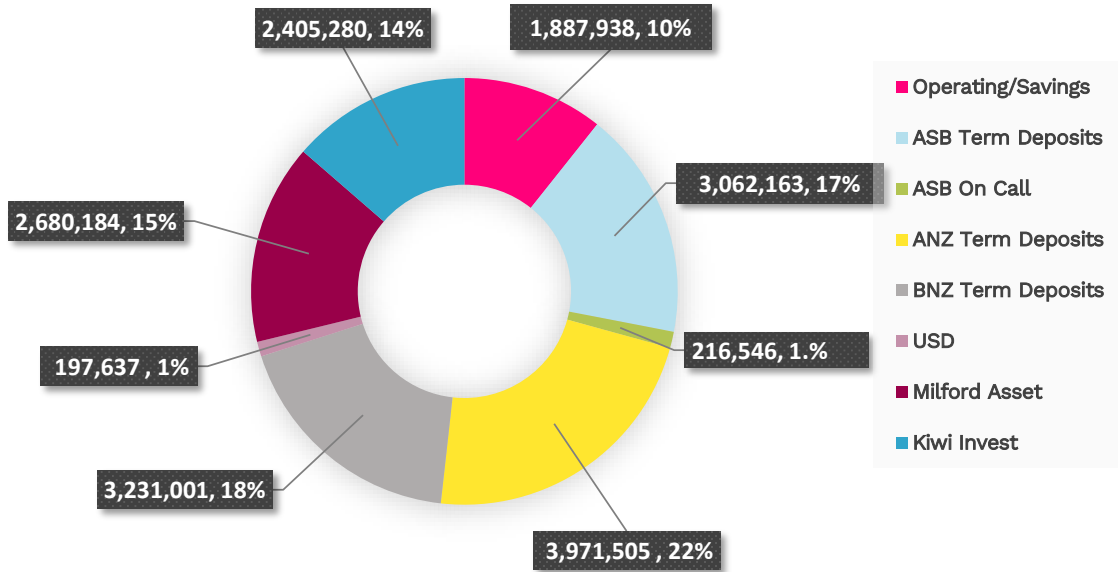
- Governance, Strategy, planning and performance.
- Security, compliance (including legal) and Privacy.
- HR and Finance, Technology Strategy, and Internal IT

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Group Investments as of 30 September 2023

The chart below shows the percentage spread of funds invested (**\$17,652,254**) across all institutions as of 30 September 2023.

Group Investment Portfolio

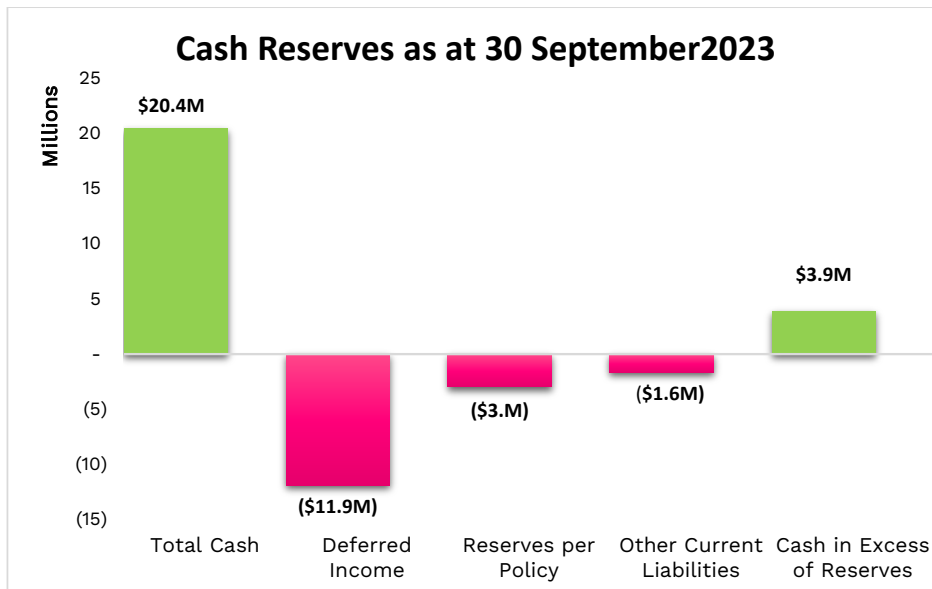


Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.

Group Cash in Excess of Reserves as of 30 September 2023

We report the Cash in Excess of Reserves position as of 30 September 2023 at **\$3.9M** as provided below:

Total Cash & Current Assets	\$20,445,791
less: Deferred Income	(\$11,900,732)
less: Reserves as per the policy	(\$2,975,849)
less: other Current Liabilities	(\$1,680,767)
Cash in Excess of Reserves	\$3,888,444



The close for the quarter-ended Sept 2023-24 financial year sees **Net Equity at \$11.M** (reported at quarter-ended 31 July 2023 as \$11.M) and the **Net Equity minus Reserves** position at **\$7.2M** (\$7.4M in the previous quarter).

This exceeds the measure currently required by the *Financial and Investment Strategy Policy*, which sets the Net Equity minus Reserves target at \$5.5M.

Due to rounding of cents, numbers presented throughout this report may not add up precisely to the totals provided in dollars.



COUNCIL MEETING - December 2023

Membership Report

PURPOSE: Progress and work for membership of InternetNZ

DATE WRITTEN: 21 November 2023

Executive Summary

Current membership (at 21 November 2023)

	31 Mar 2022	30 June 2022	30 Sept 2022	31 Jan 2023	31 July 2023	31 Sept 2023	30 Nov 2023
Fellows	29	29	32	32	35	38	38
Individual	348	289	306	311	297	303	305
Individual Plus	13	11	11	11	11	9	9
Small organisation	19	17	19	20	22	16	15
Large organisation	2	1	2	2	2	1	1
Total Membership	411	346	370	376	367	370	370

Items to Note

Activities to support membership engagement

Since the last report in October 2023 we have:

- 2 New members signed up in October
- 1 Small Organisation has cancelled due to closing down

Recommendation

THAT the new members be noted.



QUARTERLY REPORTING

REPORT ON Q2 2023/24

Introduction from Tumu Whakarae

Kia ora,

The purpose of this report is to summarise delivery on our strategies and plans, and highlight the key metrics that matter to the ongoing health of our organisation.

July to September 2023 were strong months for InternetNZ. We had a focus on filling key positions in the team in order to build momentum in constitutional review, membership engagement, public policy team, and a better resourced Te Puni Whakawhanake Rawa | Customer and Product team. We sent our submission on the DIA 'Safer Online Services and Media Platforms' (SOSaMP) discussion, and reached agreement on a one off fund with DPMC and set up to distribute this over October. Internet Governance was also a key activity with a group of Councillors and staff attending the Asia Pacific Regional Internet Governance Forum. This trip helped us with key strategic goals and put us in a great position to make the most of the Internet Governance Forum in October..

After the DNSSEC incident in Q1, we received the independent report, considered the recommendations and prioritised actions beginning with those that we considered critical to minimising future risks.

Market research has been a major deliverable too as we move to build an active marketing plan for .nz.

The Community Engagement Team along with Te Puni Maori continue to grow relationships across Kaupapa Maori organisations leading to many more Maori receiving support from us through our grants programme.

***Rei kura: treasured teeth* - The focus of our action and mahi**

Our plan for 2023-2025 includes nine key strategic goals. The status of our work is summarised below :

Goal 1 - A 3-6 year vision is developed for .nz and related registry products, that inform business decisions and future investment

<p>The vision document for .nz and related registry products, is in place by Dec 2024</p>	<p>We continue to track well with the development of our registry related product strategy and vision. A number of key inputs into the strategy were completed during the reporting period:</p> <ul style="list-style-type: none"> • Completion of customer persona research • Completion of registrant behavioural audit • Completion of the first of three Te Puni Whakawhanake Rawa Customer and Product strategy workshops • Briefing for addressable market sizing research • Briefing for market pricing sensitivity research <p>This work ensures that our strategy and vision can be grounded on genuine market insights and opportunities.</p>																		
<p>Service Availability</p>	<table border="1"> <thead> <tr> <th></th> <th>July</th> <th>August</th> <th>September</th> </tr> </thead> <tbody> <tr> <td>DNS</td> <td>100.00%</td> <td>100.00%</td> <td>100.00%</td> </tr> <tr> <td>Registry (EPP)</td> <td>100.00%</td> <td>100.00%</td> <td>100.00%</td> </tr> <tr> <td>Registry (Portal)</td> <td>100.00%</td> <td>100.00%</td> <td>100.00%</td> </tr> </tbody> </table>				July	August	September	DNS	100.00%	100.00%	100.00%	Registry (EPP)	100.00%	100.00%	100.00%	Registry (Portal)	100.00%	100.00%	100.00%
	July	August	September																
DNS	100.00%	100.00%	100.00%																
Registry (EPP)	100.00%	100.00%	100.00%																
Registry (Portal)	100.00%	100.00%	100.00%																

	WHOIS (Port 43)	100.00%	100.00%	100.00%
	It was identified as part of the DNSSEC incident review that downstream measures for availability could give us a more comprehensive view. This work will begin in Q.3&4.			

Goal 2 - Grow the volume of registrars in our channel and Revenue growth year on year.

Registrar Growth	<p>As at the end of the reporting period:</p> <ul style="list-style-type: none"> • There were 74 individual .nz authorised registrars as at the end of the reporting period. This represents no change from the previous period. • There were 2 applying registrars with active applications in process to become .nz authorised. • There are 3 registrars undertaking the testing process that would result in them becoming fully authorised. This is an increase of 3 from the previous period. 																																										
Revenue - Growth	<table border="1"> <thead> <tr> <th></th> <th>July 22</th> <th>July 23</th> <th>Aug 22</th> <th>Aug 23</th> <th>Sep 22</th> <th>Sep 23</th> </tr> </thead> <tbody> <tr> <td>Creates</td> <td>12,697</td> <td>8,030</td> <td>12,331</td> <td>8,511</td> <td>10,794</td> <td>7,273</td> </tr> <tr> <td>Renews</td> <td>84,522</td> <td>55,848</td> <td>82,456</td> <td>57,718</td> <td>82,160</td> <td>57,579</td> </tr> <tr> <td>Cancels</td> <td>11,773</td> <td>11,304</td> <td>11,361</td> <td>12,803</td> <td>10,758</td> <td>11,771</td> </tr> <tr> <td>Uncancels</td> <td>2,950</td> <td>2,272</td> <td>2,581</td> <td>2,647</td> <td>2,328</td> <td>2,225</td> </tr> <tr> <td>DUM*</td> <td>744,404</td> <td>757,325</td> <td>747,865</td> <td>755,350</td> <td>750,200</td> <td>752,965</td> </tr> </tbody> </table> <p><i>*Domains Under Management</i></p>		July 22	July 23	Aug 22	Aug 23	Sep 22	Sep 23	Creates	12,697	8,030	12,331	8,511	10,794	7,273	Renews	84,522	55,848	82,456	57,718	82,160	57,579	Cancel s	11,773	11,304	11,361	12,803	10,758	11,771	Uncancel s	2,950	2,272	2,581	2,647	2,328	2,225	DUM*	744,404	757,325	747,865	755,350	750,200	752,965
	July 22	July 23	Aug 22	Aug 23	Sep 22	Sep 23																																					
Creates	12,697	8,030	12,331	8,511	10,794	7,273																																					
Renews	84,522	55,848	82,456	57,718	82,160	57,579																																					
Cancel s	11,773	11,304	11,361	12,803	10,758	11,771																																					
Uncancel s	2,950	2,272	2,581	2,647	2,328	2,225																																					
DUM*	744,404	757,325	747,865	755,350	750,200	752,965																																					

	<p>Note: The decrease in renewals from 2022 is due to the change from monthly to yearly renewals. As such these figures are not strictly comparable. Upon the first year anniversary of the registry replacement (Nov 2023), renewal figures will be directly comparable.</p>
--	--

Goal 3 - Engaging in regional ccTLD collaboration and support, including advocating for ccTLD sovereignty for Pacific islands

<p>Two Pacific countries are supported towards ccTLD sovereignty and/or independence in registry management</p>	<p>In September, InternetNZ attended a meeting in Brisbane with other regional organisations and governments. The purpose of the meeting was to discuss collaboration and coordination of future initiatives being undertaken in the pacific - with a specific focus on DNS. This was a very useful forum to learn about the significant amount of work that is already underway in the region, but also where potential needs exist. The small group that met have committed to ongoing information sharing activities.</p> <p>Independently, InternetNZ now has ongoing engagement with two pacific island nations. This new and existing engagement will continue at the upcoming ICANN meeting in Germany.</p>
---	--

Goal 4 - Make changes within InternetNZ toward ending racism and becoming Te Tiriti o Waitangi centric

<p>Share progress made with the Māori Internet Community, staff and stakeholders on SRR recommendations March 2024.</p>	<p>Next update on progress due in Q3.</p>
---	---

Increase the percentage of funding given to partners who work within a 'by Māori, for Māori' approach by 10% year on year over next 3 years.

A key initiative during the quarter was kōrero with Kaupapa Maori partners to identify the need for regional focus and develop participatory grants to create better reach into communities, and devolving power back to Māori. For example, through Akoranga | Programmes, Whakawhanake | Relationship Development and Awhi Hangarau Ipurangi - Supporting Internet Technologies.

By the end of Q2 approximately \$805,000 has been allocated or committed funding as per agreements, multi-year agreements and current agreement development. Partnerships \$305,000 and Grants \$500,000.

Approximately 34% of the funding allocated was to Māori led organisations or individuals identifying as tangata whenua.

Throughout our community funding process, we continue to test and iterate our funding mechanisms. We are moving towards a Te Tiriti centric approach to funding in order to give practical effect to Articles 2 and 3 through moving to collaborative and 'by Māori, for Māori, as Māori' approaches to partnering, supporting kaupapa Māori relationships, amplifying Māori perspectives and voices, and partnering with iwi, hapū and whānau.

One-off fund to build resilience to disinformation

The Department of the Prime Minister and Cabinet | Te Tari o te Pirimia me te Komiti Matua has partnered with InternetNZ | Ipurangi Aotearoa to establish a one-off fund. The fund supports community efforts to build resilience against the harms of disinformation in Aotearoa. Initiatives to develop domestic expertise and capability and initiatives for education and community outreach will be supported.

As at 30 September, \$650,000 had been committed to initiatives, outreach activities and educational resources, with 76% of the funds being allocated to Māori kaupapa or organisations.

Partnerships (*confirmed Partnership funding agreements to 30 September 2023*):

Whakapapa Māori Partners: (Māori founders, owners or trustees)

- Te Matarau - Māori Tech Association and Te Kōhanga Reo National Trust

	<p>Kaupapa Māori Partners: (Non-Māori organisations who undertake programmes with Māori community)</p> <ul style="list-style-type: none"> • FigureNZ, Digital Equity Coalition Aotearoa (DECA) via Kaihatu Māori and Stewardship Group representation and 20/20 Trust
--	--

Goal 5 - Maintaining the Domain Name Commission

<p>The Domain Name Commission carries out its functions under the Operating Agreement</p>	<p>Link to DNC Q2 Report</p>
---	--

Goal 6 - Design and implement an approach to collaboration, and partnering toward an internet that benefits everyone

<p>Protocol to guide collaboration and partnering is consulted and published by October 2023.</p> <p>Membership Plan is consulted and published by 1st April 2024.</p> <p>.nz rules development has input from members and the wider community.</p> <p>Internet Governance Strategy and approach is in place for InternetNZ Group by Quarter 4 23/24</p>	<p>Protocol to guide collaboration will be worked on alongside constitutional review and internet governance multi stakeholder processes with a first report in quarter 3.</p> <p>Progress in Q2 on .nz rules has identified first .nz rule priorities to work on, and in Q3 there will be more public consultation visible on the priority areas..</p> <p>Participation at Asia Pacific regional Internet Governance Forum has set up the InternetNZ team for a strong start at the IGF 2023 towards a draft strategy to Council in December 2023.</p>
--	---

Goal 7 - Modernise the InternetNZ Constitution to reflect legal requirements and being Te Tiriti centric organisation

<p>Project Plan is documented and milestones reported on over the next two years</p> <p>Members have multiple opportunities to be involved in the process and development of proposed constitutional changes.</p> <p>Legal requirements are met Membership demographics are reported on.</p>	<p>The programme manager for the review and modernisation of the Constitution is now on board - commencing work at the end of September.</p> <p>The focus of work is on developing a framework for the constitutional review.</p> <p>Members will be invited to express interest in joining a Constitutional Review group before the end of November 2023</p>
--	---

Goal 8 - Diversify the membership base

<p>Targets are reported on including increasing the number of Māori members by 50 individual and 5 organisational members per year over the next 2 years</p>	<p>During quarter 2 the project to select a new CRM to support work with members has been underway. Once a selection is made adding ethnicity data to that collected by new members will help us identify and support new Maori members.</p>
--	--

Goal 9 - Mana Whakahaere processes are developed to achieve codesign with Māori for SRR recommendations 5&6 with Te Komiti Whakauru Māori (TKWM) and external parties

<p>Mana Whakahaere process through Te Komiti Whakauru Māori (TKWM) recommends to Council changes to the Constitution that support Māori members equal right to stand and be elected to Council</p>	<p>Developing strong and ongoing relationships with Iwi, Hapū and whānau requires significant investment in building relationships. Te Puni Maori have had this focus in Q2. This work will form the foundation in Q3 for further work in constitutional reform, internet governance and .nz rules consultations.</p>
--	---



31 October 2023

Ms Joy Liddicoat

President
InternetNZ

Via email president@internetnz.net.nz

Dear Joy

Quarter 2 (Q2) Report 1 July – 30 September 2023

This report is for the three months 1 July to 30 September 2023. It includes the Domain Name Commission Ltd (DNC) quarterly Profit and Loss Statement and a summary of some of the core activities the DNC have been focused on.

Financials:

Q2 resulted in a net profit of \$8,112.75 against a budgeted loss of \$44,781.00. Total Operating cost savings of \$28,158.00 were achieved due to reduced spend on communications, compliance reporting, moderator fees (due to the resignation of .iwi.nz moderator in August), professional services and office and admin expenses.

We have used 78% of the mediator fee budget as at the end of Q2 and, subsequently, in early Q3 this was exhausted. We will look to redistribute an additional \$9,000 from other line items where savings have been made to facilitate a budget for an additional six meditations for the remainder of the financial year.

The profit and loss statement is presented on Page 8.

Summary of DNC's performance of functions under the Operating Agreement:

Dispute Resolution Service

The table below shows the number of **new .nz domain name disputes filed** over the last two quarters.

	April	May	June	TOTAL Q1	July	Aug	Sept	TOTAL Q2
DRS Complaints Filed	1	7	6	14	1	8	6	15
Mediations commenced	1	1	1	3	1	2	1	4
Mediation - Settlement	0	1	0	1	0	2	0	2
Mediation - no settlement	0	0	0	0	0	2	0	2
Expert Determinations(total)	1	3	4	8	2	3	1	6

DRS Complaints that are filed require triaging and correspondence to be sent to the parties involved. At times, some of these are triaged as not meeting the DRS eligibility criteria or as a potential breach of .nz Rules which would lead to the DNC determining whether to commence an investigation (eg: resellers registering registrant domains in the reseller's name).

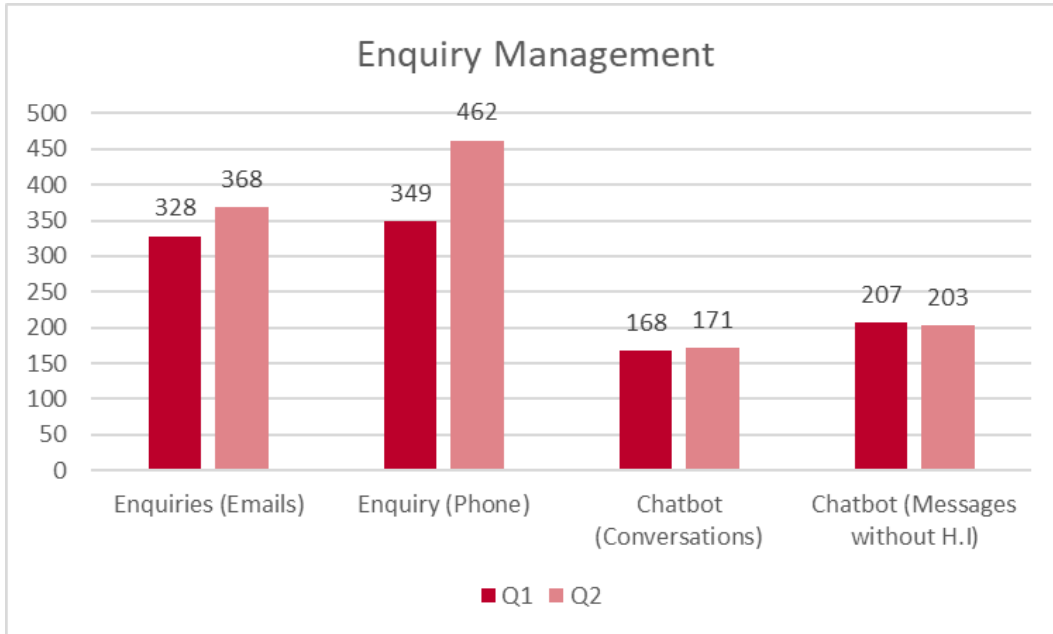
Mediations are the total number of mediations that have commenced that month. The reporting on Mediation Settlement/ No settlement relates to mediations that have concluded that month (potentially started the month prior).

Expert Determinations are reported in the table when the decision is issued to the parties.

The number of new DRS complaints remains consistent across both quarters. Of note, during Q2 the DNC received its first appeal of an expert determination in a number of years and only the fourth since inception (this is still in progress).

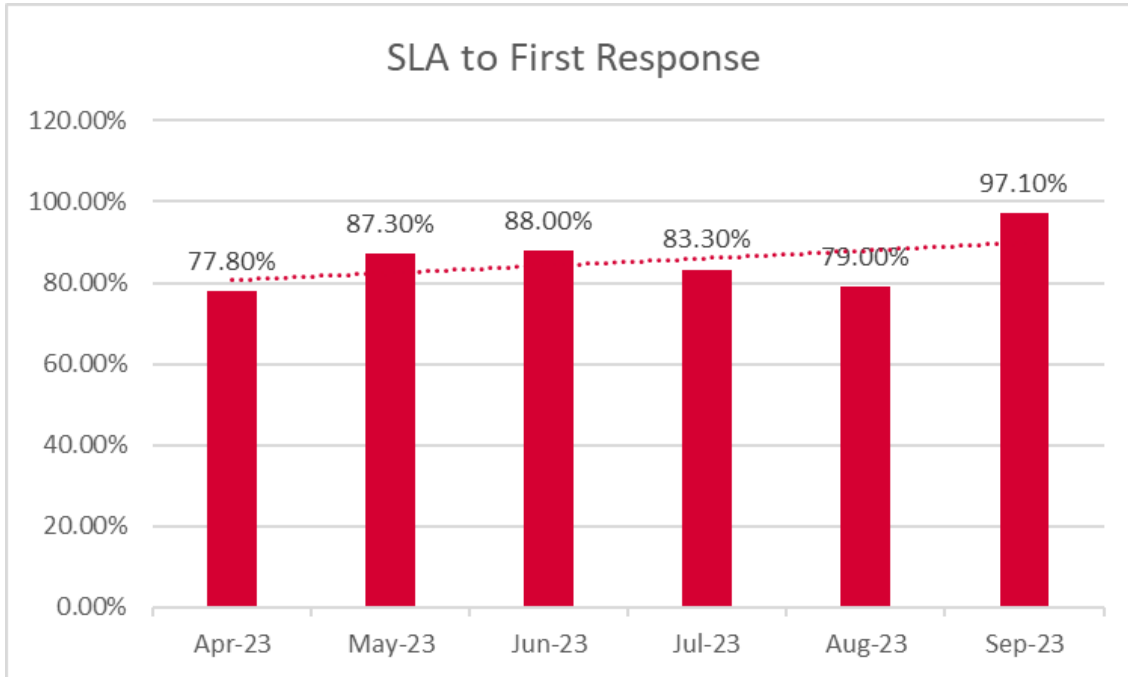
Customer Services/ Enquiry Management.

The DNC receives enquiries via multiple channels as set out in the following table, which provides comparisons over the first two quarters.



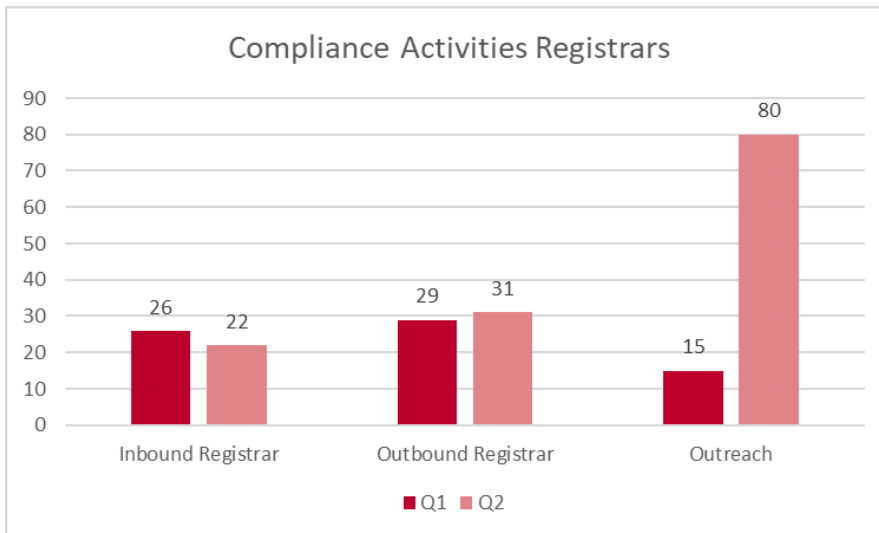
The table shows an 11% increase in email and 24% increase in phone enquiries in Q2 from Q1 which was largely due to the Discount Domains/Free Parking Major Outage that occurred on 29 September 2023. Other topics of enquiries are largely consistent across both Q1 and Q2 and include intelligence on suspicious .nz domain names, requests for help to change registrant details and reports on difficulties obtaining authorisation codes from registrars.

One of the DNC’s goals in Q1 was to establish a new SLA to assess and resolve general enquiries within two business days, 80% of the time. This acknowledges that complex and technical enquiries and issues will generally take longer to investigate and resolve. The graph below shows that the DNC has generally been able to meet the new SLA. The slight dip in August was due to resources being diverted into improving our reporting capability.



Compliance Activities - Registrars

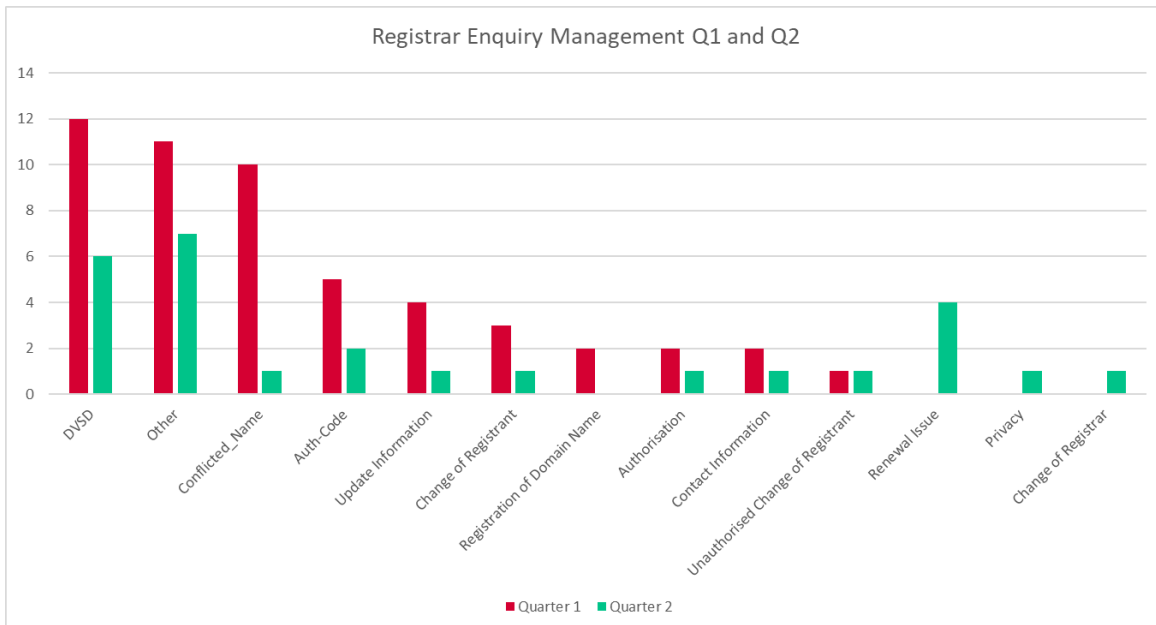
The DNC works with .nz registrars to resolve issues that are raised by registrants or other related parties (Outbound to Registrars). We also receive enquiries from registrars regarding the .nz rules or processes the DNC administers (Inbound from Registrars). The Outbound category relates to proactive communication by the DNC to registrars for various purposes. The following table shows the number of enquiries by type and compares across Q1 and Q2.



The spike in ‘Outreach’ in Q2 relates to the DNC proactively emailing registrars in August to set expectations around the time it should take registrars to respond to registrant requests for authorisation codes (i.e. within two business days). This was due to a consistently large number of complaints received on a monthly basis that registrars were not being responsive enough. While early days, this outreach seems to have had a positive effect with a slight decrease in the number of authorisation code enquiries in September (as shown in the classifications table below).

Breakdown of classifications

The table below shows the types of issues and complaints the DNC received across Q1 and Q2. Over time we expect to see certain issues and complaints reduce (and ideally disappear) as we take a more proactive approach to outreach and education initiatives with registrars.



We saw the emergence of Renewal Issues being referred to Registrars in Q2. This is an issue that we will continue to monitor for any ongoing trends.

The ‘Other’ enquiry type is the catch-all for all other domain name-related enquiries. This can typically include account/fee queries with registrars, referrals out to InternetNZ (eg: technical issues) as well as enquiries that are not commonly encountered. This classification type is constantly reviewed to ensure that no emerging issues are being missed.

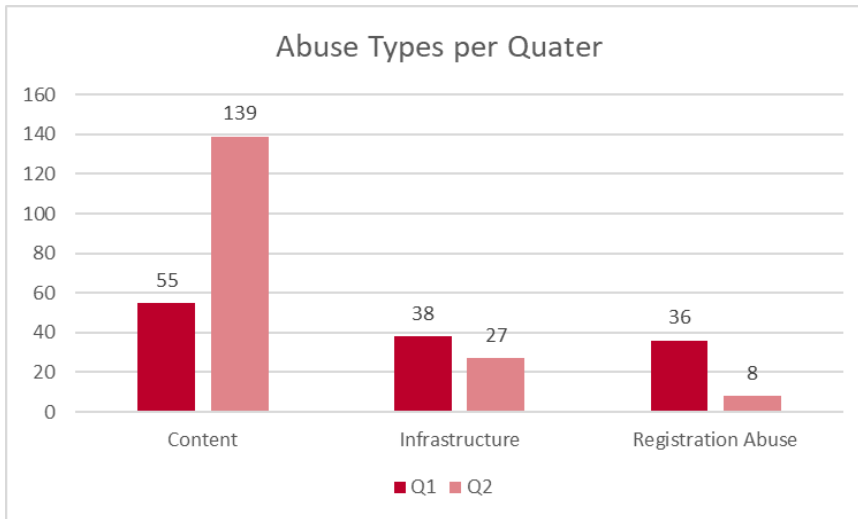
The reduction in Conflicted Name enquiries is likely due to proactive communication the DNC did via the DNC April newsletter which provided information for Registrars on the new process to register conflicted names.

Compliance Activities: Registrant Data Verification

Under .nz rules, registrants of .nz domain names need to be identifiable individuals over the age of 18 or lawfully constituted entity and, contactable at the registration details they provide.

If the DNC is unable to verify the identity of a domain name holder through this process, the .nz domain name is suspended.

Over Q2, we have suspended 82% of the .nz domain names run through the DVSD process for failing the data validation checks. This was an increase from 66% percent in Q1.



Trends and Analysis:

The spike in the Q2 Content-related abuse was due to referrals from NZ Police CyberCrime Unit relating to suspected “fake webshops” (selling well-known branded goods such as Allbirds shoes, Skims, Tiffanys etc). While NZ Police had evidence of customer harm relating to some domain names, the DNC has not undertaken any assessment nor formed any views on whether the domain names are being used fraudulently or illegally. The DNC’s activities in relation to these referrals is limited to validating the registration information. Interestingly, none of the registration information relating to the domain names referred by NZ Police were validated by the relevant registrants.

Registrar Authorisations

A project was commenced in Q2 to review the registrar authorisation process and collateral, which has not been significantly reviewed since inception. This is to ensure that our application form and processes are fit for purpose, identify any gaps and enable the DNC to appropriately manage the risk associated with authorising registrars as effectively and efficiently as possible.

In Q1 **two** new registrar applications were received and another **four** were received in Q2. To date **three** applications have been approved by the DNC and have now been referred to InternetNZ for registry testing. **Two** applications remain under assessment with the DNC at the end of Q2 and **one** was rejected as it did not meet the minimum standards at initial triage. In addition, **one** Registrar joined the market in Q2 post meeting the InternetNZ testing requirements (this related to an application received in the previous financial year) taking the total number of .nz accredited registrars to 74.

Other Activities

In Q2 the Commissioner attended the **APriGF in Brisbane** as part of an InternetNZ Group delegation. This facilitated the introduction to key stakeholders relevant to the DNC's functions and also led to an invitation by auDA to attend its annual **Registrar Summit in Melbourne**. The Registrar Summit provided valuable insights into auDA's licensing and compliance activities and to compare DNS abuse issues and an opportunity for both ccTLDs to continue to work together on matters of joint interest such as policy development.

The Commissioner also attended **ICANN78 in Hamburg** which spanned across Q2/Q3 and was able to meet with a number of vendors, registrars and ccTLD peers. The Commissioner was able to attend over twelve meetings with key stakeholders (in addition to conference sessions) to start to build mutually beneficial relationships to facilitate on-going shared learning and development opportunities.

The DNC Board held a **Strategy Day** in early September and a number of refinements are proposed to the current strategy to ensure more consistency across the InternetNZ Group where relevant and to provide for a review of the DNC's processes for its core regulatory functions to ensure they are fit for purpose and able to be implemented in an effective and efficient manner. An update on the proposed new strategy will be provided in due course.

Yours sincerely



Vivien Maidaborn

Chair, Domain Name Commission

Profit & Loss

Domain Name Commission Limited
For the quarter ended 30 September 2023

Account	Q2 Actual	Q2 Budget	Q2 Variance	Q1 Actual	Q1 Budget	Q1 Variance	YTD Actual	YTD Budget	YTD Variance	Overall Budget 2023-2024
Trading Income										
Authorisation Fees	9,000.00	3,000.00	6,000.00	3,000.00	3,000.00	-	12,000.00	6,000.00	6,000.00	12,000.00
Income - DRS Complaint Fees	19,200.00	0.00	19,200.00	10,000.00	8,000.00	2,000.00	29,200.00	8,000.00	21,200.00	12,000.00
Management Fees	408,750.00	408,750.00	-	408,750.00	408,750.00	-	817,500.00	817,500.00	0.00	1,635,000.00
Total Trading Income	436,950.00	411,750.00	25,200.00	421,750.00	419,750.00	2,000.00	858,700.00	831,500.00	27,200.00	1,659,000.00
Gross Profit	436,950.00	411,750.00	25,200.00	421,750.00	419,750.00	2,000.00	858,700.00	831,500.00	27,200.00	1,659,000.00
Operating Expenses										
Total Communications	17,126.59	24,750.00	(7,623.41)	19,890.22	24,750.00	(4,859.78)	37,016.81	49,500.00	(12,483.19)	99,000.00
Total Compliance	5,934.99	15,000.00	(9,065.01)	12,271.05	15,000.00	(2,728.95)	18,206.04	30,000.00	(11,793.96)	60,000.00
Total Director Expenses	11,836.10	13,018.00	(1,181.90)	10,697.45	13,018.00	(2,320.55)	22,533.55	26,036.00	(3,502.45)	52,070.00
Total Dispute Resolution Service	24,687.51	4,776.00	19,911.51	12,637.51	17,776.00	(5,138.49)	37,325.02	22,552.00	14,773.02	57,600.00
Total Memberships	2,826.06	3,450.00	(623.94)	3,596.49	3,450.00	146.49	6,422.55	6,900.00	(477.45)	13,800.00
Total Moderators	1,495.00	5,826.00	(4,331.00)	5,634.37	5,826.00	(191.63)	7,129.37	11,652.00	(4,522.63)	23,300.00
Total Office and Administration Expense	106,028.58	111,312.00	(5,283.42)	88,756.76	110,310.00	(21,553.24)	194,785.34	221,622.00	(26,836.66)	443,081.00
Total Personnel and Staff Costs	237,004.99	237,938.00	(933.01)	237,960.52	234,745.00	3,215.52	474,965.51	472,683.00	2,282.51	944,383.00
Total Professional Services	5,478.79	23,808.00	(18,329.21)	0.00	13,806.00	(13,806.00)	5,478.79	37,614.00	(32,135.21)	65,228.00
Total Projects	2,625.00	3,750.00	(1,125.00)	1,500.00	3,750.00	(2,250.00)	4,125.00	7,500.00	(3,375.00)	15,000.00
Total Registrars	2,349.99	2,001.00	348.99	2,349.99	2,001.00	348.99	4,699.98	4,002.00	697.98	8,000.00
Total Depreciation	14,489.40	14,412.00	77.40	14,482.69	14,412.00	70.69	28,972.09	28,824.00	148.09	57,648.00
Total Operating Expenses	431,883.00	460,041.00	(28,158.00)	409,777.05	458,844.00	(49,066.95)	841,660.05	918,885.00	(77,224.95)	1,839,110.00
Surplus from Investing Activity	3,045.75	3,510.00	(464.25)	143.02	48.00	95.02	3,188.77	3,558.00	(369.23)	30,000.00
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE	8,112.75	(44,781.00)	52,893.75	12,115.97	(39,046.00)	51,161.97	20,228.72	(83,827.00)	104,055.72	(150,110.00)