DRAFT MINUTES OF COUNCIL MEETING

Status:	Final
Present:	Jamie Baddeley (President), Joy Liddicoat (Vice President), Amber Craig, Brenda Wallace, Dave Moskovitz *(in part)*, Kelly Buehler, Hayden Glass, Richard Hulse, Richard Wood, Rochelle Furneaux *(in part)*, and Sarah Lee
In Attendance:	Jordan Carter (Chief Executive), Maria Reyes (minute taker), David Farrar (DNCL Chair, *in part*), Debbie Monahan (Domain Name Commissioner, *in part*), Richard Currey (NZRS Chair, *in part*), Jay Daley (NZRS CE, *in part*), Andrew Cushen (InternetNZ, *in part*), Ellen Strickland (InternetNZ, *in part*) Mary Tovey (InternetNZ, *in part*), and Monika Wakeman (Deloitte, *in part*)
Meeting Opened:	The President formally opened the meeting at 9.30am.

1. Welcome

2. Council only

3. Council and CE only

4. Apologies

Apologies were received from Neil James as he's unable to attend the entire meeting. Dave Moskovitz and Rochelle Furneaux have also sent their apologies as they are unable to attend the morning session of the meeting.

RN90/15: THAT the apologies be received.

(President/Vice President)
CARRIED U

5. Declaration of Councillors interests

Changes noted are as follows:

- Jamie asked that his IPv6 Steering Group membership be removed.
- Amber and Brenda advised to include their NZ Rise membership in their register of interests.
- Richard Wood advised that there's been a change in his employment and will send the details to Maria for updating.

A comment was raised to show tracked changes each time the Register is presented in the papers, so Council and others can see the changes made in the list.

AP36/15: Maria to update the register of interests as per above changes.

RN91/15: THAT Council receives the Councillors' Declaration of Interests as at 1 December 2015

(President/Vice President)
CARRIED U

6. Approval of minutes

Joy raised a typo error on section 5 of the minutes which should state "recent changes in their *register of* interests".

RN/15: THAT the minutes of the meeting held on 10th October 2015, as amended, be received and adopted as a true and correct record.

(President/Cr Craig)
CARRIED U

7. Outstanding action points

Jamie noted that his action point for engaging with AUDA has not been included in the action point register and should be noted.

He advised that this is currently in progress and discussion was held whether we should do the same with other Pacific ccTLDs – i.e. engage with organisations equivalent to InternetNZ. Jordan advised that he is currently drafting the International Strategy and that this issue will be covered in this paper.

AP37/15: Maria to note and add the missing action point for Jamie (relating to RN88/15 – letter to AUDA) in the action point register.

RN92/15: THAT the action point register as at 30 November 2015 be received.

(Vice President/Cr Hulse)
CARRIED U

8. Membership update

Discussion held whether the drop of membership numbers should be of concern (down 39 on the same time last year).

A comment was raised that adding a graph as well as adding the percentage of members who have rejoined would be helpful to see the trend of the membership at a quick glance.

AP38/15: Add graph and percentage of people rejoining in the membership report.

RN93/15: THAT the new members be approved.

(Cr Craig/Cr Lee)
CARRIED U

9. Evote ratification

RN94/15: THAT the evotes noted as at 30 November 2015 be ratified.

(President/Vice President)
CARRIED U

Note: after the meeting, staff identified an omission from the listed evotes regarding decisions by Council to authorise license agreements with DNCL and NZRS about copyright in the .nz register. This will be included in the evotes summary presented to the February 2016 meeting.

10. Industry Scan

Discussion held on issues and opportunities for InternetNZ specifically around the Cybersecurity issues including GCSB's Project Cortex. A question was raised whether we can get a briefing from NZITF regarding this matter and invite Barry and Dean to do so at the February Council meeting. Jordan also noted the suggestion for members of a briefing by the GCSB.

Jamie also made a comment on the Telco sector consolidation and whether the consolidation would lead to price rises or diminished competition.

AP39/15:   Jordan to speak with Barry/Dean as to whether they can give a briefing on the GCSB issue at the February Council meeting.

11. Group Strategy Day Summary

Jordan spoke to his paper and highlighted the proposed next steps section of the paper and asked Council for any comments.

After a brief discussion, Council were happy with the summary however it was noted that better communication should be included more clearly. Jamie also noted that we need to be conscious of the possibility that there might be new Councillors next year so there should be a provision for this as well in doing any review of the Strategic Plan in September.

RN95/15:   THAT Council receive this paper showing conclusions of the 2015 Strategy Day.

(Cr Craig/Cr Hulse)
CARRIED U

RN96/15:   THAT Council note the proposed Next Steps to put the conclusions into practice.

(Cr Craig/Cr Hulse)
CARRIED U

12. 2016 Focus Areas for InternetNZ

Joy recused herself from the discussion around the Privacy Act due to conflict of interest arising from her employment in the Office of the Privacy Commissioner.

Sarah have also recused herself from the discussion on the focus area on accessibility due to conflict of interest – she's currently involve with 2020 Communications Trust.

Jordan gave a summary on his paper and commented that for next year the proposed plan is to have smaller number of focus areas and have a number of activities for each of these areas. These will be a brief way to highlight InternetNZ's priorities.

Discussions were held around the idea of having focus areas as outlined, as well as the specific proposed focus areas. The discussion provided was very helpful input to staff to re-draft the proposed areas before further consultation happens. The next step is

discussion with members at meet-ups due in late January, and staff plan to seek the views of other stakeholders as well.

RN97/15:   THAT Council note the changes to the approach proposed by staff, and agree that Focus Areas should be used to highlight work priorities in 2016/17.

(President/Cr Craig)
CARRIED U

RN98/15:   THAT Council support the proposed Focus Areas set out in this paper (law reform, access and security) are a suitable basis for the further consultation.

(President/Cr Wallace)
CARRIED U

Morning tea break at 10.51am – 11.05am

Mary Tovey and Monika Wakeman (Deloitte) have joined the meeting at 11.05am

13. Health & Safety Policies update

Amber gave a brief update on the Health & Safety policies following the release of the new Health & Safety (H&S) legislation. She then introduced Monika Wakeman, who is a Health & Safety Risk Advisor at Deloitte, and whom the Audit & Risk Committee have invited to present to Council about the impact of the new health and safety legislation on the governance board and individual members of a Board or Council.

The following were the topics covered in Monika's presentation:
- Background – the case for change
- Changes in the H&S legislation
- Due diligence and accountability
- Obvious risks for the officer (or decision-makers), PCBU (Person Conducting the Business or Undertaking) and employee
- What can be done to make a difference
- Integrating H&S; and
- Tips for consideration.

After the presentation Council raised a question whether they, as the governing body, are liable or responsible for the subsidiaries. Monika advised that it depends on the level of influence but she advised that it would be best to seek legal advice on this to have some clarity.

Council thanked Monika for her presentation.

Monika and Mary left the meeting at 11.23am.

Amber advised that the Terms of Reference for the Audit & Risk Committee have been updated to reflect the changes to the Health & Safety in Employment Act. She also mentioned that the Health & Safety Policy will be amended and tabled at the February Council meeting for discussion.

The amended TOR will be discussed later at this meeting (during the Committee update section).

AP40/15   Staff to seek legal advice on the liability issues for Council in regards to the new Health & Safety legislation, and check how these responsibilities relate to insurance.

Mary joined the meeting.

14. 2016 Budget – First Discussion

Jordan gave an overview on the draft budget and advised that the final version will be tabled at the April Council meeting. The overall proposal sees a small (1.6%) increase for 2016/17 compared with the current year, with $100k more for community funding and $50k more for community outreach and collaboration.

Jordan also noted that there was a depreciation error in the current year's budget (relating to the fitout for the previous premises in Willis St) and that this issue will be discussed with the accountants as it is an error that shouldn't have happened.

RN99/15:   THAT Council note the 2015/16 End-of-year Forecast.

(President/Vice President)
CARRIED U

RN100/15:   THAT Council note the 2016/17 Draft Budget

(President/Vice President)
CARRIED U

15. Approach to dealing with Commercial In-confidence papers

Jordan spoke to his paper and discussion was held on the proposed approach for Council to consider with dealing with commercial-in-confidence material.

RN101/15:   THAT Council ask the Chief Executive to prepare a governance policy relating to document confidentiality as set out in the paper for consideration at the next meeting.

(Vice President/Cr Lee)
CARRIED U

RN102/15:   THAT the CEO report back to the next meeting on implementation options.

(Vice President/Cr Lee)
CARRIED U

AP41/15:   CE to prepare a draft governance policy relating to document confidentiality for consideration at the February meeting and report back on implementation options.

16. NetHui 2016 Approach

Ellen gave a summary of her paper and highlighted the proposed approach for NetHui 2016 which allows a broader engagement with the Internet community around New Zealand, and focus on collaboration with other organisations across sectors.

Discussions were held around the proposed new model of having three regional NetHui (i.e. NetHui 'on tour').

Some concerns that were raised with the proposed new model were:
- we might not get the same impact compared to as national event
- there's a risk of confusion with the classic NetHui which might not meet participants' expectations
- discussion around the NetHui brand and whether this pertains to the event or is it the principles and approach behind the event.

Due to the timing constraints, Council agreed to go over the other items in the agenda and continue the discussion on this topic towards the end of the meeting.

Andrew Cushen joined the meeting at 12.05pm

Hayden left the meeting at 12.25pm

17. Updated Strategic Partner Framework

Ellen spoke to her paper and noted that 4 out of 5 partners are up for renewal next year. She advised that this framework will be used in discussion with the current partners and potential partners over the next few months. A proposed Strategic Partnership slate will presented to Council at the February meeting.

Council were keen understand more about the inter-relationships and pipeline that we use (pipeline of prospective partners) and praised the strategic partner framework.

A question was raised regarding the lack of timeline in the framework (that is, what time period is expected for new and renewed partnerships). In response, Ellen advised that this will depend on the discussions with each partner as this needs to relate to their other funding and plans.

Discussion was also held around the options for Kiwicon funding and Ellen commented that discussions are being held with Kiwicon and that a proposal will be developed with them for an ongoing commitment. More details will be provided to Council on this once it's available.

RN103/15:   THAT Council approves the updated Strategic Partnership Framework and that staff present a recommended state of Strategic Partnership to the February 2016 Council meeting.

(Cr Buehler/Cr Wood)
CARRIED U

Hayden joined the meeting.

18. CEO Report

Report was taken as read.

RN104/15:   THAT the Chief Executive's report for the two months to 30 November 2015 be received.

(President/Vice President)
CARRIED U

19. Management Reporting

Reports were taken as read.

A comment was raised that it would be helpful if the Grants summary paper includes a brief summary regarding the satisfaction level on the expectations for the project or add traffic lights to indicate status of grants.

RN105/15:   THAT the management reports (Internet Issues, Community, International, and Operations) be received.

(President/Cr Craig)
CARRIED U

20. Consolidated Financial Report – Quarter ended 30 September 2015

The group quarterly financial report was taken as read.

RN106/15:   THAT Council approves the InternetNZ Consolidated Financial Report for the quarter ended 30 September 2015.

(Cr Hulse/Vice President)
CARRIED U

21. October InternetNZ Financial Report

The InternetNZ monthly financial report was taken as read.

RN107/15:   THAT the monthly financial report to 31 October 2015 be received.

(Cr Hulse/Vice President)
CARRIED U

Lunch break at 12.32pm – 1pm.

Rochelle Furneaux arrived at 12.32pm.

David Farrar and Richard Currey joined the meeting at 1pm.

Council went into committee between 1pm and 1.15pm for the Chairs, CE and Council alone time.

Dave Moskovitz joined the meeting at 1.05pm.

Debbie Monahan, Jay Daley, David Morrison, Andrew Cushen, Mary Tovey and Ellen Strickland joined the meeting at 1.15pm.

22. Business Development Strategy Policy

Jordan spoke to his paper and clarified his comment about recent engagement – actually last March was recent and he wished he hadn't included his comment that the current discussion was the first substantive discussion "in recent times".

Jamie noted that there had been extensive discussions on this via the members list and asked Council for their insights from the discussion.

Discussion and comments raised included the following:

- Taking the emotions out of it, one theme that was picked out was the separation of concerns and risk around NZRS being 'compromised' or losing focus through business development.
- In favour of the $400k experiment and see how it works, however concerned that we're not taking the membership with us.
- Members are generally in favour of the diversification, however with business development it has become polarised. Would it be better served for a robust discussion with membership around diversification and start from there?
- This has been put out to members to test again the thinking that began well over 4-5 years ago and to update where we are at. The aim was to listen really hard, and get some new and good ideas.
- Have a 'sustainability' strategy rather than a business development strategy – this might help members understand the context and the demands of it.
- We need to be careful to not just listen to the loud voices as many people would tend not to speak in such environment.
- We do need to continue doing the good things and support it in the very long term – the Objects outlive the .nz role.
- Concerned about the mandate, however there is enough support for diversification. During the membership survey presented at the AGM, the numbers in favour of diversification were strong; however there was also a large number in the neutral category – do we need information to be more accessible to get them to support and do we need to ask members again?
- While overall support might be possible, doing development that relates more closely to the Objects might be more supported.
- Referendum vs Consultation with members.
- Have to be aware that the members list (and twitter) is not representative of all members, and that more communication should be done.
- We should communicate effectively about how we are delivering this – what we are doing, what is the change marked version of the Strategy and Policy – and ask for thoughts but keep going. Explicitly look into using the forums and tools available to keep people informed of our delivery on this – it's best to get on with it and prove through delivery.
- Reframing the strategy framework towards longer sustainability, include the Objects and addressing some of the issues. With the right framing, we could ask the members again to get their comments/feedback – i.e. provide a number of propositions with scale agreement would be more useful and informative rather than a yes/no question.

After the discussion, the possible approach that was proposed were to:
- Communicate debate to members following this meeting
- Revise and update the strategy along the following lines:
  - Sustainability theme
  - Use of the money for the $1m community funding goal
  - Experimental nature of this part
  - In line with the Objects
  - Transparency
- Discussion at members meet-ups
- Decision at the February meeting
- And in the meantime, no hold on current business development activity

RN108/15:   THAT the Chief Executive or President communicates to members the summary of this discussion; updates the strategy and policy about transparency, objects alignment, and outputs of discussion; and explicitly discuss with members at the meetups in January.

(Cr Moskovitz/Cr Lee)
CARRIED U

AP42/15:   CE or President to email members the summary of this discussion; update the strategy and policy about transparency, objects alignment, and outputs of discussion; and explicitly discuss with members at the meetups in January.

23. .nz Framework Policy

Jordan spoke to his paper and advised that this has been discussed with the subsidiaries Board.

Brief discussion was held around section 4.4.5 of the policy to get clarity on what exactly is being monitored and reported on.

It was noted that the framework is not trying to change anything but reflects the status quo.

Joy congratulated the team for getting it done.

RN109/15:   THAT Council approve the draft .nz Framework Policy as a new draft .nz Governance Policy, and ask the Chief Executive to commence a public consultation on the draft Policy as per the PDP.

(President/Vice President)
CARRIED U

AP43/15:   CE to commence public consultation on the draft Policy as per the PDP, after the New Year.

24. NZRS Letter – re additional staff in technical research

Richard Currey gave a summary on the purpose of the letter which is to seek Council's comments regarding having additional staff in Technical Research.

Comment was raised that there needs to be better transparency and communications on research and objectives of research.

In response, Jay advised that they are intending to rebuild their website and expand on the technical research so the information can be made available via the website.

A question was raised around the risks with going ahead, and Richard commented that possible risks are moving to research areas that other people may have been doing already and the perceived cross-over between the technical research and business development. These can be addressed through transparency and having the high-level research plan being publicly available and understandable.

NZRS advised that they can provide a Technical Research update at the February Council meeting.

AP44/15: President/CE to respond to this letter as per discussion at this meeting, preferably by email.

25. Statements of Expectations 2016/17 – DNCL & NZRS

Changes noted are as follows:
- Rename "Group Project" as "Projects" in both SoEs
- Adding dates to both SoEs (i.e when the document was finalised)
- Adding the XRB reporting under the financial requirements

RN110/15: THAT Council adopt the Statement of Expectations for Domain Name Commission Limited for 2016-17.

(Cr Craig/Cr Furneaux)
CARRIED U

RN111/15: THAT Council adopt the Statement of Expectations for NZRS Limited for 2016-17.

(Cr Craig/Cr Hulse)
CARRIED U

26. Business Development update

Council received a commercial-in-confidence written report from NZRS on business development initiatives and discussed it in committee.

AP45/15: Jordan & Jay to discuss public reporting for Business Development by January.

27. DNCL 2nd quarter report & Joint .nz 2nd quarter report

David Farrar gave a summary of both reports.

Discussion was held around the first two stages of the WHOIS consultation. The second stage is open until the end of January. To date there have been 36 submissions in stage one and two.

There was a discussion over how to get more submissions, and David said that if there is a third stage with specific options, then they expect even greater engagement. Debbie commented that there have been a good number of submissions with a wide range of views, and a good range of entities.

RN112/15: THAT the DNCL report for the second quarter 2015/16 be received.

(President/Cr Buehler)
CARRIED U

RN113/15: THAT the Joint .nz report for the second quarter 2015/16 be received.

(President/Cr Buehler)
CARRIED U

28. NZRS 2nd quarter report

Richard Currey gave a summary and highlighted the addition of the new reporting section of their report which Council might find useful – as requested previously, this breaks down NZRS costs by broad functional area.

RN114/15:   THAT the NZRS report for the second quarter 2015/16 be received.

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(President/Cr Buehler)
CARRIED U

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David Farrar, Debbie Monahan, Richard Currey, Jay Daley and David Morrison left the meeting at 2.57pm.

29. Report from Council Committees

<u>Audit & Risk Committee</u>

Amber gave an update on the new PBE (Public Benefit Entity) reporting requirements and advised that the Committee have asked Crowe Horwath to send through a reporting template and will discuss it with Council at the February meeting.

She also gave a brief summary on the changes made in the Committee's Terms of Reference in light of the finalisation of the new Health & Safety legislation. Other highlights that she noted were the progress in the Committee's work plan, the work underway for new Committee members' induction pack, and the Committee's plan to improve how the risk register can be presented to Council better.

Lastly, she asked Councillors each to go through the Health & Safety Tips Checklist, as per Deloitte's suggestion during their presentation at this meeting.

AP46/15:   Mary to circulate a copy of the presentation from Deloitte to Council.

RN115/15:   That, for statutory financial reporting purposes, InternetNZ is a Public Benefit Entity and will prepare annual financial statements in accordance with Tier 2 PBE Accounting Standards as issued by the XRB (External Reporting Board) for the year ended 31 March 2016.

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(Cr Glass/Cr Furneaux)
CARRIED U

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RN116/15:   That InternetNZ as the Parent entity for financial reporting purposes will require its subsidiaries (NZRS Limited and Domain Name Commission Limited) to prepare their separate annual financial statements in accordance with Tier 2 PBE Accounting Standards for the year ended 31 March 2016 AND notes that they have already agreed to do so.

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(Cr Buehler/Cr Hulse)
CARRIED U

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RN117/15:   THAT Council adopt the changes to the Audit & Risk Committee's Terms of Reference.

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(President/Cr Hulse)
CARRIED U

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RN118/15:   THAT Council receives the Audit & Risk Committee's draft minutes for October and November.

(Cr Glass/Cr Buehler)
CARRIED U

Māori Engagement Committee

Sarah gave a brief update on behalf of the Committee and highlighted that since the last meeting, the Committee's Terms of Reference has been drafted and is presented at this meeting. Contingent on approval of the TOR, the Committee will then meet early in 2016 to draft a community engagement plan for creation of the Māori Advisory Group.

Ellen also highlighted that in comparison to the other Committees, there's a strong focus on staff engagement – i.e. emphasis on the governance and operations.

RN119/15:   THAT a Māori Engagement Committee be created and the Māori Engagement Working Group be retired.

(Vice President/Cr Moskovitz)
CARRIED U

RN120/15:   THAT the draft Terms of Reference for the Māori Engagement Committee be approved, and that the members of Council appointed as members of the Committee be: Joy Liddicoat, Sarah Lee and Amber Craig.

(Vice President/Cr Moskovitz)
CARRIED U

Membership Committee

Kelly gave an update on the Membership Committee and highlighted the publication of the membership post cards which includes a short statement on the role of members' as well as a short statement on who we are and what we do.

She advised that the Committee will reconvene in January and focus will be around improving members' engagement.

Travel Committee

Kelly noted that progress is being made and some benchmarks have been chosen. They are now talking about how these can be used to address the issues identified.

Terms of Reference is yet to be done, however once this is finalised, the Committee will send it to Council and the subsidiary boards.

CE Review Committee

Jamie noted that the CE review will happen in the new year.

30. NetHui and Business Development discussion (continuation)

More discussion was held on the proposed approached for NetHui in 2016.

Jordan commented that the essence of the proposal is distribution around the country in the next year, and that this is a proposal for consultation with members and community.

Ellen also added that staff can go away and discuss the options, see what the community thinks and report back accordingly for decision in February.

RN121/15:   THAT Council support the proposed approach for NetHui 2016 and for the activities to be detailed in the 2016-17 Activity Plan.

(Cr Buehler/Cr Wood)
CARRIED U

AP47/15:   Jordan/Ellen to draft communications plan for NetHui 2016 for discussion at the February meeting.

Next Meeting: The next scheduled Council meeting is 26 February 2016.

Meeting Closed: The meeting closed at 3.30 pm

Signed as a true and correct record:

Jamie Baddeley, CHAIR