MINUTES OF COUNCIL MEETING

Status:	FINAL
Present:	Jamie Baddeley (President), Joy Liddicoat, Brenda Wallace, Sarah Lee, Kate Pearce, Dave Moskovitz, Amber Craig, Don Stokes, Richard Hulse, Kelly Buehler, Richard Wood *(video)*, Keith Davidson *(video)*.
In Attendance:	Jordan Carter (Chief Executive), Andrew Cushen (Deputy Chief Executive), Maria Reyes (minute taker), Maryann Robertson (InternetNZ), Ellen Strickland (InternetNZ), Richard Currey (Programme Manager, Organisational Review), Mary Tovey (*in part*, InternetNZ), Dave Baker (*in part*, NZRS), Sebastian Castro (*in part*, NZRS), David Farrar (*in part*, DNCL Chair), Brent Carey (*in part*, DNCL), Ed Strafford (*in part,* INZ member)
Meeting Opened:	9.00am

Section 1: Meeting Preliminaries

Council was in Committee from 09:00 to 09:42 am for Council only time and Council and CE alone time.

Council had a short mihi and waiata lead by Sarah Lee prior to opening of the public session.

1.3   Register of Interests

Council noted that the duration of terms for some of the Councillors are incorrect and requested that this be corrected both on the InternetNZ website as well as for the next set of Council papers.

AP01/17: InternetNZ staff to check and update duration of terms in the Council's register of interest.

Section 2: Ordinary Business

2.1   Big Picture/Big Ideas - Roundtable

Jordan initiated the discussion and raised a few topics that Council could consider regarding the future of InternetNZ which includes the distinction between where we want InternetNZ (as an organisation) to develop versus where we want the Internet (technology) could go; ideas of social enterprise – building an integrated understanding across the group on what this organisational approach means; how to articulate these ideas internally and publicly; how this can help draw new people to be members; and work on how to incorporate the Treaty into the organisation's work in a relevant way.

Council had a good discussion on these topics and others, and the President asked to add this in the agenda as a recurring item in future Council meetings. He commented that this would be a good space to experiment on ideas and explore other areas in the community (e.g. how InternetNZ can maximise its impact in the community and how we can influence the education sector).

2.2 The New InternetNZ

Jordan initiated the discussion by advising Council that in the new merged organisation built from NZRS and InternetNZ, they will be responsible for a wider set of activities than they have been in the past. This is also reflected in the new role of Group Chief Executive. Therefore, business as usual at the governance level is not an option anymore. The Council will need to move to a more strategic approach which focuses on providing direction that will guide the senior leadership team.

Richard Currey then provided some insight on what decisions and strategic discussions the NZRS Board had encountered in the past. Richard also advised that the Board were receiving a lot of standard operational papers to consider for their meetings. and the Directors felt that this was not a good use of the skills that the Board had consequently. the Board requested that the focus of papers and the meeting itself was changed so that staff provide papers that specifically ask the Board for decisions or advice.   He commented that for this change to work, there needs to be a high level of trust between the CE and Council as the governors must focus less on operational aspects of the business. Since then the BAU content, such as reports and financials were included as appendices to their Boardbook system so Board members can access this at any time. Papers requiring decisions or advice were prioritised and given more attention. He recommends that Council would benefit from taking a similar approach and from having an independent governance review in the future.

Councillors discussed this material. Topics raised included the need for an improved Financial Strategy which is more focused on understanding the organisation's capacity (rather than concentrate on how to spend the money that arrives) so that when we are thinking of new ideas, there's a clear understanding on what can be done. Jordan noted the issue with finance is a decision about the desired future balance sheet, and the organisation's tolerance for financial risk.

Ed Strafford left the meeting.

Mary Tovey and Dave Baker joined the meeting at 10.22am

2.3 Strategy & Goals for 2018/19

Paper was taken as read, seeking validation of the current framework of strategic documents as the basis for work in the coming business year, alongside some specific short-term goals related to implementing the decisions of the Organisational Review.

RN01/18:   THAT Council note and endorse the continued effect of the current Strategic Framework as the basis for planning the 2018/19 year, and agree with the specific goals for 2018/19 proposed in this paper.

(President/Cr Craig)
CARRIED U

2.4   2018/19 Activity Plan and Budget - Outline

Jordan gave an overview of the proposed approach to the 2018/19 Activity Plan and Budget and highlighted that the outline Budget includes the provision of the new senior leadership team. The forecast is for a modest surplus in the year ahead.

Andrew also added that this paper is a draft of the approach and is seeking feedback from Council to draw suggestions or any changes that can be made; to get their thoughts on what they think of the proposed activities noted in the plan; and whether the budget to support this plan is reasonable.

Discussions were held on the proposed budget regarding the increase in the staff cost after a question was raised whether some of this budget can be delegated elsewhere instead such for other projects or community funding. The comments raised were taken on board by Jordan, however he commented that this amount includes the ballpark cost for filling in the gaps for staff leaving and new roles to fill in the new organisation structure. It is only in the final proposed plan that the management will have a clear sense of what the right sized staffing structure is to deliver our plan.

Overall Council were pleased with the activity plan and budget outline.

RN02/18:   THAT Council notes the scope and timeframes for development of the Activity Plan and Budget for 2018/19.

(President/Cr Lee)
CARRIED U

2.5   Organisation Design: Update on Staff Leadership Structure

Jordan gave a brief update to Council regarding the consultation now under way with staff on the proposed senior leadership structure. The proposed structure has been presented to staff the day before this Council meeting and consultation is open for comments until Friday 2 March. The feedback received will determine the next steps.

Mary and Dave left the meeting at 10.54am

Council took a short break at 10.54 and reconvened at 11.13am

Section 3: Building the New InternetNZ

3.1   Implementing changes to our organisation

Advisors to Council & NZRS Term Sheet

Council went into committee briefly to discuss the confidential paper that Richard Currey submitted to Council on the NZRS Term Sheet (the approach to the transaction to merge InternetNZ and NZRS) as well as to discuss the recommendations for the Advisors to Council.

AP02/18:   President and Vice President to come back to Council with recommendations as to who could be considered as advisors to Council.

RN03/18: THAT Council approve the appointment of two Advisors to Council, from the current pool of Directors of the subsidiary Boards.

RN04/18: THAT Advisors have access to all Council documentation, but not email discussions, and are expected to attend all Council meetings in a non-voting capacity and the annual Strategy day.

RN05/18: THAT the term of the appointment will be negotiated with the advisors.

RN06/18: THAT the fee for an Advisor to Council is $800 per day.

(Vice President/Cr Hulse)
CARRIED U

RN07/18: THAT Council approve the use of the Term Sheet.

RN08/18: THAT Council establish an Implementation Committee and appoint Jamie Baddeley and Kelly Buehler as Council representatives to the Committee.

RN09/18: THAT Council request that the NZRS Board appoint two members to the Implementation Committee.

RN10/18: THAT Staff instruct MinterEllison to prepare the documentation to implement the transaction in a way that is consistent with the Term Sheet.

(President/Cr Moskovitz)
CARRIED U

AP03/18: Richard Currey to draft a letter addressed to the NZRS Board Chair regarding the Council's request to appointment two NZRS Board members to the Implementation Committee.

Constitution Review

Richard Currey sought from Council agreement on what recommendations can be taken to members regarding the proposed changes noted in the Constitution Review.

After a brief discussion on whether to bundle the recommendations as a whole, or if they should be presented individually, Council have agreed to have three key changes to be voted on – i.e. reduction of Council from 12 to 9 members; appointment of up to two Appointed Council members; and Officer term limit changes – with Council size and Appointed changes be presented together and separate from the Officer term limits changes. The rest of the changes will be bundled for a single decision.

It was noted that these changes will be voted on by members at a proposed Electronic General Meeting (EGM) on 20th of March. A quorum of 50 financial members are required for the meeting to make valid decisions, and two-thirds (⅔) of votes must be in favour of constitutional changes for them to be accepted.

RN11/18: THAT Council confirms that an EGM is called for on 20th March.

RN12/18: THAT the key changes to be voted on are:
  a. Elected Council membership will fall from 12 to 9 as set out in the draft constitution.
  b. Council may choose to have up to 2 Appointed Council Members as set out in the draft constitution.
  c. Officer term limit changes as set out in the draft constitution.

RN13/18: THAT the Council size/Appointed changes and the Officer term limits changes to the Constitution are voted on separately at the EGM.

RN14/18: THAT changes are made to the Objects preamble to incorporate reference to the Local Internet Community.

RN15/18: THAT clause 6.1 does not have the words "and the resolutions of Members of the Society in General Meeting" removed.

RN16/18: THAT staff develop a draft Appointed Councillor process to be circulated to Council for approval that will accompany the draft Constitution for the EGM.

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(Cr Craig/Cr Wallace)
CARRIED U

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Discussions were held on the appointment process for the non-elected Council member(s) and some of the key questions raised were how to develop an appointment process that could also address filling the gap in Council around skill set/experience as well as diversity. Council agreed with the President's suggestion to ask Richard to come back with a proposed Appointment Process and send it to the Council list for review and discussion.

AP04/18: Richard Currey to draft a policy for the appointment process for the appointed Councillor and send it to Council for review and discussion by end of next week.

Richard also raised with Council that Jordan now needs to be formally appointed as Director to the DNCL and NZRS boards.

He also raised that Adam Hunt's (DNCL Board member) term is due to finish this year. Since there is not enough time to hold a formal appointment process to fill in the vacant role, the best option would be to re-appoint Adam as a Director to the DNCL Board.

RN17/18: THAT Council approves the appointment of Jordan Carter as a Director of the NZRS and DNCL Boards.

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(Vice President/Cr Moskovitz)
CARRIED U

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RN18/18: THAT Council approves the re-appointment of Adam Hunt as member of the DNCL Board for a one-year term.

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(President/Cr Buehler)
CARRIED U

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.nz Policy Function development

Ellen Strickland gave a verbal briefing on developing a .nz Policy Function, including the creation of a new Policy Committee. The purpose of the Committee is to lead InternetNZ's responsibility for the overall framework for .nz including commercial matters.

Initial discussions had been held on the expectations for the Committee and a draft Terms of Reference was also being done. There needs to be more work done about scoping appropriate staff support for this function, and that work is under way.

Jordan noted staff will provide more information on this by drafting a paper and send it to Council prior to the meeting in March.

AP05/18: InternetNZ staff to draft a paper on the .nz Policy Function Development and send it to Council for review prior to the March Council meeting.

Council took a lunch break at 12.55pm

Richard Wood and Keith left the meeting at 12.57

Council reconvened at 1.27pm but was held in committee to go through the remaining confidential items in the agenda which includes paper on .nz Fee Setting, Conference Attendance Grant Round Recommendation, and approval for the new members list.

Richard Wood re-joined the meeting at 1.29pm

Section 4: Matters for Decision

4.2 .nz Fee Setting

Council noted Cr Don Stokes' abstention from any decisions regarding the .nz Fee Setting due to conflict of interest.

RN19/18: THAT Council approve the .nz domain name fee remaining at $1.25 per month.

RN20/18: THAT Council note the action for the Chief Executive to provide a new process for setting the .nz domain name fee to the November 2018 meeting of Council.

RN21/18: THAT Council notes the decision on the wholesale Domain Name fee is confidential until such time as there is a public announcement and requests that staff prepare a media release and notification to Registrars in the usual manner.

(President/Cr Craig)
Carried
Abstain: Cr Stokes

Staff Note: as there is no change to the .nz domain name fee, consistent with past practice there will be no announcement made or notification sent.

4.3   Conference Attendance Grant Recommendations

RN22/18:   THAT Council approve the Grants Committee recommendations for funding as detailed in the paper submitted to Council.

(President/Cr Buehler)
Carried
Abstain: Cr Davidson

6.1   Membership Update (Consent Agenda)

RN23/18:   THAT the new members be approved.

(President/Vice President)
Carried
Abstain: Cr Pearce

AP06/18:   InternetNZ staff to come back with recommendation to Council regarding the approval process for new members.

Keith joined the meeting at 1:34pm. Council noted his abstention to vote for the Grants Committee recommendation and approval of new members.

Dave Baker, Brent Carey, and David Farrar joined the meeting at 1:42pm

Council received a confidential briefing from Brent and David regarding the DNCL policy consultation and another matter.

Council came out of committee at 1:45pm.

The President acknowledged the attendance of Brent Carey, the new Domain Name Commissioner, David Farrar (DNCL Chair), Dave Baker (Chief Technology Officer), and Sebastian Castro (Chief Scientist).

Jordan extended his apologies for Linda Robertson's (NZRS Chair) apologies as she was unable to attend the meeting due to another appointment, and he did not organise her attendance. However, he commented that he and Dave Baker can provide update to Linda after the meeting.

Section 5: Subsidiaries

5.1   Subsidiaries Quarterly Reports

Reports were taken as read.

The President commended the work of the subsidiaries on the growth of the .nz domains against the backdrop of the global domain environment.

David Farrar gave a brief summary on the .nz Joint report and the DNCL quarterly report. He also noted the resignation of Kenneth Johnston from the DNCL Board due to his appointment as a Judge, Dave Moskovitz retirement (by resignation) as Council representative to the Board, as well as his retirement as Chair at the coming changeover date on 31 March.

RN24/18:   THAT the Joint .nz and DNCL Quarterly Report for Q3 2017/18 be received.

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(Vice President/Cr Craig)
CARRIED U
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RN25/18:   THAT the NZRS Quarterly Report for Q3 2017/18 be received.

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(Cr Lee/Cr Hulse)
CARRIED U
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A comment was raised whether the reporting format for the Technical Research and Products & Services Development reports can be amended so they focus on the high-level information and less on the operational details as well as includes details on what support or advice is needed from Council

In response, Sebastian Castro advised that the report has been tailored as it is today so that it can be presented to three different audiences (i.e. public, Council, and Board), however he will discuss it with Jordan after the meeting on how this can be presented differently in the new environment.

Jordan noted that all reporting to Council and public will need to be reviewed in the new operating model.

RN26/18:   THAT the Technical Research and Product & Services Quarterly Reports for Q3 2017/18 be received.

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(Cr Wallace/Cr Stokes)
CARRIED U
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Sebastian, Dave, David and Brent left the meeting at 1:58pm.

5.2   Group Consolidated Financials – Q3

Report was taken as read, and no questions asked.

RN27/18:   THAT Council approves the InternetNZ Consolidated Financial Report for the quarter ended 31 December 2017.

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(Cr Craig/Cr Hulse)
CARRIED U
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4.1   Policies – Consequential to Org Review

Andrew suggested that Council put forward the resolution to approve the list of revised policies via evote so that Council can have more time to review the changes made to each of these policies, and recommended that Council consider the other resolutions noted in the paper in this meeting.

RN28/18:   THAT Council refers the following policies to the Audit and Risk Committee for further consideration, and then presented for approval at the March meeting of Council:
- FIN-INV: Investment Management
- FIN-TSY: Treasury (Cr Craig/Cr Hulse)

RN29/18:   THAT Council notes the development of the .nz Framework and Subsidiaries policies are contingent on finalising the Services

Agreement with DNCL, and then presented for approval at the March meeting of Council.

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(Cr Buehler/Cr Pearce)
CARRIED U

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Richard Currey advised that with the InternetNZ and NZRS merger, there is an issue around the change of bank account name from NZRS to InternetNZ. Work to do this in a way that is suitable for the group and our customers is under way and he is hopeful there will be a simple outcome reached.

He also mentioned that the SLA between DNCL and NZRS will need to be replaced. In future there will be a public service commitment from InternetNZ to the Registrars and real-time information will be made available through a public dashboard on service quality via the website. A service commitments approach, with transparent reporting, will allow Registrars and the public to hold InternetNZ to account for delivering the service.

As a last note, he also commented that his contract with InternetNZ will be finishing at the end of March, hence this is his last attendance to the Council meeting before he leaves NZ and move overseas permanently by early April. The President thanked Richard's work for InternetNZ, NZRS and DNCL over the years and he, along with the rest of Council, offered their thanks and appreciation for his contribution to the group.

Section 6: Ordinary Business

6.1 Consent Agenda

Comment was made that the meeting held in December did not officially open until 3.25pm since the morning session was dedicated solely for the CE presentation and interviews. It was agreed that the time be changed to reflect correct record but to retain the note regarding the CE interviews held that morning.

RN30/18:   THAT the minutes of the meetings held on 24 November 2017 be received and adopted as a true and correct record.

RN31/18:   THAT the evotes be ratified.

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(President/Cr Craig)
CARRIED U

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Action Point Register

Andrew gave an update on their action point regarding the defamation on grant matters (i.e. AP14/17) and commented that the advice they received from the lawyers were that the clause we have in the contract given to grant recipients were sufficient to protect InternetNZ from any defamation claims. However, we were advised to make it more explicit and clear in the grant funding page on the website.

Ellen also provided an update on AP15/17 and commented that they have had an internal discussion with NetSafe regarding the strategic partnership and had a mutual agreement to not continue with regards to InternetNZ providing

generalised funding, but will continue to collaborate on work especially around Internet Research.

6.2   Health & Safety Update

InternetNZ and NZRS are proactively working on merging any Health & Safety process and plans as part of the restructure and will continue to coordinate with DNCL.

6.3   President's Report

The President advised that he was initially planning to be at the ICANN Puerto Rico meeting where governors from various ccTLD will discuss governance-level issues, however he received notification that this discussion have been deferred to the meeting in October. Hence, he had cancelled his trip and plans to attend the ICANN meeting in October 2018 instead.

6.4   Chief Executive Report

Report was taken as read.

Jordan also paid tribute to the interim leadership team and staff for they have done a fantastic job of keeping things rolling while going through the organisational review and with the current organisational changes and have expressed his appreciation and thanks.

RN31/18:   THAT the Chief Executive's report for the three months following the last council meeting be received.

(Cr Craig/Cr Stokes)
CARRIED U

6.5   Grants Update Report

Report was taken as read.

6.6   Council Committee Reports

Audit & Risk Committee
Amber gave a brief Committee update on the Committees priorities and noted that the NZRS Board were trained with regards to the BCP practices and the Committee are considering how this can be rolled over with the merge before the 31st of May so they can also advise Council. She also mentioned that the minutes to the Audit & Risk Committee meeting are now available via OwnCloud should Council wish to refer to these.

Grants Committee
Richard Wood commented that the Committee are kicking into the first stage for the Internet Research funding round and are also short of one member to the Committee after Sarah advised that she will be stepping down from the Committee.

Brenda advised that she would be keen to join the Committee and Kate had also expressed her interest, depending on the outcome of the next Council election, she is keen to join the Committee as well.

Māori Engagement Committee
Sarah advised that due to the timing of the implementation of the new organisation structure, that it's best to postpone the Māori course which was supposed to be held on 20-21 March. However, due to Takawai's (facilitator) availability, the new schedule for this will most likely be around September.

CE Review Committee
The President advised that the Committee will reconvene soon to review and discuss the KPIs for Jordan.

Section 7: Other Matters

A comment was raised that the photos used for the Council page on the website are looking a bit out of date hence it was agreed that at the August Council meeting, staff can organise a photographer to come in the office to have the Council and staff's photo taken.

Amber Craig lead a karakia and waiata towards the end of the meeting.

Meeting closed: 2.39pm

Next scheduled meeting: 28 March 2018 (time and venue to be confirmed)

Signed as a true and correct record:

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Jamie Baddeley, President, Chair