

InternetNZ Council December 2021

AGENDA

Council Meeting: Friday 3 December 2021

9:00am	Strategy Session start
10:45am	Morning tea / Video Break
11:00am	Formal Council Meeting begins
12.45pm	Council Meeting close (tentative)

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

Strategy Session: Membership and Engagement - 9am

Opening Karakia

Strategy Session: This session is facilitated by Piripi Winiata if required, and deals with the topic of Membership and Engagement.

Formal Council Meeting: 11am onwards

Section 1 – Meeting Preliminaries

11:00am	1.1	Council only (in committee)
11:10am	1.2	Council and CE alone time (in committee)
11:20am	1.3	Karakia, apologies, interests register
11:20am	1.4	Action Items and Agenda Review

Section 2 – Strategic Priorities

11:25am	2.1	Strategy: Update on work so far, next steps
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11.45am or when done - 5 mins video / comfort break

Section 3 – Matters for Decision

11:50am	3.1	Update to our 2021/22 Plan and Budget
12:10pm	3.2	Adopting the new Council Charter and governance policies Draft - Council Charter and governance policies

12.25pm or when done - 5 mins video / comfort break

Section 4 – Matters for Discussion

12:40pm	4.1	President's Report
	4.2	Management Items for Discussion

Section 5 – Consent Agenda

12:50pm	5.1	Health, Safety and Wellbeing Update
	5.2	Confirm the Minutes of 15 October 2021
	5.3	E-vote Ratification
	5.4	Quarterly and Operational Reports <ul style="list-style-type: none">• 5.4.1 Membership Update• 5.4.2 Project Mimosa Update• 5.4.3 DNCL Quarterly Reporting (Q2)
	5.5	Skills and Diversity Self-Assessment findings

Section 6 – Other Matters

12:55pm	6.1	CONTINGENCY (for any overflow)
	6.2	Matters for communication – key messages
	6.3	General business
	6.4	Meeting review
1:00pm	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 - \$35,470

Vice President - \$22,169

Councillor - \$17,735*

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

Name: Joy Liddicoat

Position: President, InternetNZ

Term: AGM 2021 - AGM 2024

Declaration Date: 29 July 2021

Interests:

- Secretary of the Peter Rule Foundation
- Holder of .nz domain name registrations
- Member of the New Zealand Law Society
- Member Otago Women Lawyers Society
- 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.
- Senior Corporate Counsel, Silver Ferns Farms (part-time position)
- Member of the Association for Progressive Communications

Name: Jay Daley

Position: Vice President, InternetNZ

Term: AGM 2021 - AGM 2024

Declaration Date: 4 August 2021

Interests:

- Employed as IETF Executive Director
- Member of the Board of Whare Hauora
- Registrant of multiple domains.

Name: Sarah Lee

Position: Councillor, InternetNZ

Term: AGM 2014 - AGM 2022

Declaration Date: 24 August 2018

Interests:

- Member of New Zealand Māori Internet Society
- Receives additional honoraria for being Chair of the Māori Engagement Committee

Name: Richard Hulse

Position: Councillor, InternetNZ

Term: AGM 2021 – AGM 2024

Declaration Date: 29 July 2021

Interests:

- Employee of GS1 New Zealand
- Holder of .nz domain name registrations
- Receives additional honoraria for being Chair of the Audit and Risk Committee for InternetNZ.

Name: Jeff Montgomery

Position: Councillor, InternetNZ

Term: AGM 2021 – AGM 2022

Declaration Date: 8 August 2021

Interests:

- Holder 14 .nz domain names
- Employee of Service Delivery and Operations, Department of Internal Affairs
- Statutory Officer - Registrar General of Births, Deaths and Marriages.
- Chair, Pacific Civil Registrars Network
- Owner and Director City Bed and Breakfast Ltd.

Name: Don Stokes

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2023

Declaration Date: 6 December 2019

Interests:

- Shareholder/Director, Knossos Networks Ltd, an authorised .nz registrar
- Shareholder / director of several inactive companies
- Registrant of .nz and .net domains
- Consultant of Liverton Security

Name: Kate Pearce

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2023

Declaration Date: 15 February 2019

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
- Board Member of New Zealand Internet Task Force (NZITF)
- Member and Co-leader of Aotearoa Tech Union
- Receives additional honoraria for being Chair of the .nz Policy Committee

Name: aimee whitcroft

Position: Councillor, InternetNZ

Term: AGM 2019 – AGM 2022

Declaration Date: 11 October 2021

Interests:

- Employee of Waka Kotahi NZ Transport Agency
- Holder of .nz domain names
- Open Data Charter Board Member
- Organiser for unconferences and related events
- Have previously been employed by InternetNZ on contractual basis
- Have previously been awarded an InternetNZ conference grant
- Wildlife.ai Board Advisor
- Global Data Barometer Advisor, Research Advisory Committee
- Toha .NZ Advisor

Name: Anthony Bow

Position: Councillor, InternetNZ

Term: Appointed 2020 – 2022

Declaration Date: 18 May 2021

- Holder of .nz and .com domain names
- Director of Whai Rawa Fund Ltd
- Director 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

Name: Potaua Biasiny-Tule

Position: Councillor, InternetNZ

Term: Appointed 2021 – 2023

Declaration Date: 8 November 2021

- 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

The register was last updated in November 2021.

Council Actions Register 2021

As at December 2021			
Action No#	Action	Owner	Status
AP29/20	The governance framework and work plan to be presented at the Council meeting February 2021.	Org Services Director	This work is being progressed by the President.
AP07/21	Staff to prepare an online webinar and information exchange on Digital Identity and the group's work on this so far, to be shared with Council on the list.	Commercial Director	To be scheduled.
AP15/21	Note the draft work plan which will be updated at the October Council Meeting. Deferred	President/ Council	In progress
AP16/21	Skills and Diversity Matrix Report - Deferred to December 2021.	Executive Assistant	Completed
AP17/21	Mid Year Budget and Plan Update for December Council Meeting	Organisational Services Director	Completed
AP18/21	A review of the CE Review Committee's Terms of Reference	President/ Council	Under review

Strategy: Update on work so far, next steps

ITEM NO: 2.1

PURPOSE: To summarise strategic developments since the 2021 Annual General Meeting, and agree next steps in this work.

DATE WRITTEN: 26 November 2021

A - Introduction

InternetNZ's current strategic framework was established in 2018, and the current strategic goals were updated in 2020. Much has changed in the operating environment, in our society and on the Internet since then.

This means our strategy is up for renewal, and to that end the Council and management have been working together since the 2021 AGM to consider strategic issues and develop our next strategy.

This paper sets out the progress made so far on some key strategic shifts, sets out the current state of discussion of purpose, and shares some thinking about the need to focus next on clear goals within the framework. It also explains initial thinking on the framework approach that I have in mind.

B - Agreements so far

There are four areas where Council has arrived at clear points of strategic intent, which are set out here to be clear about what they are. They will form part of the updated strategy.

Area	Strategic intent
Product Development	Any new products contribute directly to our overall purpose as their main objective. If they raise revenue alongside this that is welcome, but revenue is not the goal. The previous intent, to raise significant new revenue, does

	not continue.
Te Tiriti o Waitangi	Explore and commit to our model of honouring Te Tiriti o Waitangi, at a governance level. This will involve dialogue with the Māori Design Group as part of the work.
Online Harm / Dangerous Speech	Concerns about these problems are in scope for our work, and the overall goal should be to minimise the impact of such problems and challenges on people's wellbeing. (note - this is creative license)
Māori Engagement	The Pou Whenua strategy prepared by Raniera Albert (Tumuaki Māori) has been welcomed by Council, and Council asks staff to ensure it is woven into the overall strategic framework.

C - Current focus: purpose & areas of interest; member engagement

Purpose

A sub-group of Council members (Liddicoat, Daley, Stokes, Montgomery) was asked to do ongoing work following the Council retreat sessions in September and October. Along with some staff, they have been discussing organisational purpose, which was not resolved at the retreat.

So far this work has, in my view, clarified the following:

- That we exist to serve all of Aotearoa New Zealand's peoples and communities
- That our focus is people-centric not technology-centric - we care about the Internet due to the impact it has on people.
- That we care deeply about these areas of interest:
 - Ensuring everyone can make the most of the benefits the Internet can offer
 - Dealing with the challenges to people's safety and wellbeing that the Internet throws up
 - Digital equity, so that all can participate in today's society and have a say in what the Internet looks like

There is also agreement that we don't want, at this level of the strategic framework, to pin the organisation down on the methods it uses to conduct its work. In other words the purpose level of strategy should not require or prohibit specific actions or methods.

The areas of interest noted above have been long standing in InternetNZ strategy frameworks and they are probably the right ones.

Discussion is ongoing about whether a suitable overarching purpose statement can be found.

I think that such a statement can and should be found, because it serves a useful purpose. It can create a focusing and orienting point for the rest of the framework. It

would distil something significant about our essence and intent as an organisation, from which the rest of the strategy can grow. It does not have to be perfect, but it does need to exist, whatever its label (purpose, mission, vision).

Membership Engagement

A strategy session on this topic is being conducted before the formal Council meeting on Friday 3 December. The outcome should provide some strategic intent in this area.

D - Next focus: clear goals

The most significant weakness in our existing strategic framework is not the areas of focus, but instead in pinning down some clear goals within them.

Done well, this work will answer the question: what do we want to achieve as matters of priority, and how will we measure whether we are achieving it?

We have in the past had goals that were

- Too reductive - things we knew would happen, and so there was a lack of stretch.
- Too big - goals that were so broad it was impossible to meaningfully achieve them.
- Out of our control - goals over which we had next to no, or no, influence.

One reason that agreement on such goals has been difficult in the past is, I think, because making commitments to them involves necessarily not pursuing other goals. The result has been a broad work portfolio with diffuse efforts and a lot of stakeholder goodwill earned, but less achieved in relation to any particular area than could be driven by greater focus.

My ideal outcome of the next phase of our strategy work is that we have three or four very clear strategic goals or imperatives, expressed in a way that includes clear indications of what success means.

These touchstones will guide our work, and give me and my team the ability to think creatively about how we achieve them, and provide that thinking to you in the annual plan we prepare.

E - The framework to pull it together

In thinking about the overall framework for our strategy, I see it performing the following tasks for us:

- Giving clarity of purpose and strategic intent
- Establishing key goals pursued in a 2-3 year timeframe
- Setting out how we will measure success against those goals
- Grounding important contextual factors that shape the strategy

It should provide a ready check against which you can assess a responding Annual Plan and Budget produced by me and my team.

In an ideal world, this framework can fit on a page, though more material will be needed to explain it and tease it out. At this stage, it will not be a communications tool per se - it is an artefact that we agree between governance and management has clear, shared meaning to effectively guide our work (including work to communicate our strategy).

F - What happens next?

For me to be able to meaningfully respond to an updated Strategy with an effective Plan, I need Council to approve it in substance no later than the February 2021 meeting.

To achieve this will likely require intersessional work on deriving goals and measures for the framework.

To do this mahi most effectively, a partnership of governance and staff should work together to develop it.

This can take a classical iterative approach where my team and I prepare a draft which we review with a sub-group and then revise, or it could be a co-creation process. Let's agree the approach today.

Recommendations

THAT Council confirm the matters of strategic intent agreed so far and set out in section B of this paper, for inclusion in the draft strategy framework.

THAT Council support the approach to the strategy framework set out in sections D and E of this paper, and how to develop these as set out in section F.

The following recommendation depends on the outcome of the discussion on Purpose scheduled for Thursday 2 December 2021:

THAT Council confirm the approved statement of purpose being incorporated in the draft strategic framework.

Jordan Carter
Group Chief Executive

Update to our 2021/22 Plan

ITEM:	3.1
PURPOSE:	To seek Council's agreement to an updated Plan and Budget for the remainder of the financial year, the need arising from changes to operating conditions since this year's plan was approved.
DATE:	26 November 2021

Introduction

In the period since Council approved the annual Plan and Budget in March, the organisation and the country have experienced a range of disruptions and changes in environment. The ongoing COVID-19 pandemic, starting last year, has exacerbated the impact of these.

It is now clear that we need to more firmly pivot our way of working to one that is compatible with COVID-19 being in our communities, and a long term period of disruption to business-as-usual in aspects of our work. We also need to acknowledge the events associated with this year's AGM and the impact on the organisation, including with turnover of some experienced and senior staff.

We are doing work on renewing our strategy, and this will flow through into next year's plan. We are also consulting staff on updating our operating structure, which has an inevitable impact through disruption while the process happens.

To take account of all of these factors, it is timely to update our plan so that it more accurately sets out what the organisation will do for the rest of this business year. We will take the opportunity to update how we are working to meet these new environmental realities and our new strategy, coming online from next March.

This paper sets out the re-prioritisation of our work plan to March 2022 and re alignment the budget requirements to support this work plan. There is also some supporting material on work completed to date and, for transparency and clarity, explanation of previously planned work that will not be completed in 2021/22.

Once agreed, we will re-publish the stand-alone work plan and post it on the website.

The following sections are presented:

- Key operational priorities
- What is new in this plan?
- Our plan for the rest of the year
- High level updated budget

An Annex shows work which had been planned but which will no longer be done.

Key operational priorities to March 2022

Our plan presented in March had these as our top priority projects, in priority order:

1. Building and deploying a replacement .nz registry system
2. Concluding the .nz policy review
3. Working Together Better - building our more flexible operating model

We have made steady progress on all three projects. OTE for the new registry system is now available as part of Mimosa; the .nz policy review has seen new .nz rules agreed that will come into effect with the new registry; a major plank of Working Together Better in moving our Wellington premises is under way now, with the new office opening early December.

As well, the direction the new Council is setting leads us to adopting these as our top three operational priorities for the remainder of the business year:

1. **Building and deploying a replacement .nz registry system**

Mimosa continues, with a decision due in January 2022 about committing to a planned transition date.

2. **Work towards the goal of Ipurangi Aotearoa committing to become a Te Tiriti o Waitangi honouring organisation.**

Doing the work associated with developing the knowledge and practices that move us to this goal is important for a wide range of reasons canvassed in previous discussion with Council. This will ensure the organisation can support strategic decisions on what we commit to, developed in partnership with the Māori Design Group.

3. **Organisational development changes**

We are working through a change process at the executive level, and we will be doing work across the organisation on the ways we work to further build our ability to be sustainably effective and productive in the COVID-19 environment.

These priorities guide us when other work contends resources that would otherwise be focused on these.

2021 has been a long and difficult couple of years for people throughout Aotearoa as well as other places. To acknowledge this reality, one of the things we can do for our staff is make sure we go into the Christmas break, and start 2022, with manageable and achievable work commitments. This will also leave spaces in people's work days for the incidental serendipity and creativity that can arise when people aren't in a rush.

What is new in this plan compared with March?

The significant new items in this plan compared with the previous one:

- The Te Tiriti-honouring work noted above
- The organisational development process noted above
- New capability for our work in Te Ao Māori, including supporting the Māori Design Group
- Training and policies on diversity and inclusion matters related to the structural racism challenge
- Community funding focus on Dangerous Speech (money from on demand round)
- Some experiments in marketing of .nz domain name services
- Rebuilding and refocusing the previous Technical Research function on Data and Insights

Our Plan for the rest of 2021/22

This section of the paper is the substance of the revised plan. Where an item is new, we've identified it as such. This might be new work, or new resourcing.

A - In relation to our current Strategic Goals

Public Good Area

Goal 1: Develop an Internet for Good <i>Work in Aotearoa and globally to help develop an Internet for Good.</i>	
What is an Internet for Good?	We are commissioning research about "what an Internet for good means for New Zealanders".
Misinformation	We are working in partnership to address the challenges of online misinformation.
Dangerous Speech	On demand grantmaking underway in Community, and designed to inform a larger grantmaking round in 2022/23. Policy is keeping a watching brief on issues and responses. (New)
Goal 2: Improved digital equity (note: was 'inclusion') <i>New investment and community-driven action drives significant improvements to digital equity across Aotearoa.</i>	
Digital Equity Coalition Aotearoa	Continue our support of the foundation and establishment of the Digital Equity Coalition Aotearoa (DECA).
Funding	Contributing to digital equity initiatives through our community funding round, underway now.

Product Area

Goal 3: Grow .nz <i>To fund increased public good investment, grow the use, value and revenue from .nz domain names.</i>	
.nz Registry Replacement	Implementation of the .nz registry replacement system, key focus on registrar engagement, infrastructure build, change impacts, testing and migration preparation.
Policy Framework Projects	Planning for the next round of policy consultations on the second tranche of recommendations from the Independent Review Panel.
.nz marketing trials	Execute two low-cost tactical initiatives to stimulate domain name creates, designed to achieve revenue neutrality. (New)

Goal 4 - all on hold - refer to Annex at end of paper.

Organisational Capability Area

Goal 5: Improving InternetNZ's performance <i>Develop InternetNZ as a high performing organisation and an excellent place to work.</i>	
Risk management improvements	New systems to manage enterprise and IT risk, to improve reporting and management of risks and the relevant mitigations across the group.
Moving premises	Relocating the Wellington office from Boulcott St to Willis St.
Information Sharing - Intranet	Establishing a central point of reference, to provide staff access to the right information at the right time, wherever they are. The importance of this has been highlighted because of our experiences with COVID-19 over the last 18 months. (New)

B - Other Work

Area	Information
Public Good Area	
Māori aspirations	<p>Work underway for becoming a Te Tiriti o Waitangi honoring organisation. Operational plans noted previously in this document. Governance approach referred to Te Komiti Whakauru Māori and Māori Design Group (MDG) for consultation. Beyond funds to support the MDG's operation, the only resources committed are within Māori Engagement team budget, which is three FTE in this plan (all in role or started by end of December). (New)</p> <p>Building our capability as an organisation to operate in Te Ao Māori - training has been ongoing through the year to improve staff capacity in this area, and this will continue, along with embedding the new capacity in Raniera's team so that it connects effectively across the organisation. (New)</p>
Product Area	
Data insights work	In light of personnel change and the new capabilities introduced by, and requirements for building, the new Registry platform, we have commissioned external support to guide the direction of the new .nz data structure and data storage and develop InternetNZ's data and analytics strategy and approach. (New)
Organisational Capability Area	
Structural Racism review	When Council concludes its dialogue with the Māori Design Group and makes decisions on the approach and scope of this review, we will support those decisions. No money is set aside in this re-factored budget because at the time of writing it seems unlikely significant expense will arise in 2021/22. (New)

Structure Changes	A change process is now underway with staff being consulted about adjustments to our structure. In the period after Christmas there may be hiring involved, and ongoing work to adjust our broader operating model. Supporting this change is crucial and resources for this are included in the revised budget. (New)
Values Work	We will create an updated set of team values and behaviours, replacing a 2018 creation that is now dated.
Diversity and Inclusion	Diversity and sensitivity training and policy/process development will commence before the end of the financial year. (New)
Communicating these changes effectively	With an updated strategy and ways of working, it is important the organisation shares its story effectively with key audiences. Current comms capacity will largely deliver this, but some external resourcing may be required too, and is included in the revised budget. (New)

Updated Budget 2021/22

The recut budget (Budget November) below reflects an improved financial position based on an updated work plan and available resources to March 2022. With savings primarily driven by projects not continuing, and savings from salaries due to staff turnover, we can resource the updated plan above and also show an overall improvement of \$81k in the bottom line, as follows:

In '000's	Budget March	Budget November
Revenue/Income	\$13,347	\$13,447
Operational Expenditure	\$13,632	\$13,651
Surplus/(Deficit)	(\$285)	(\$204)

No changes are proposed to the capital expenditure budget.

We have adjusted the budget to account for the following major items:

- Change to “sell new products” to provide new products with an emphasis on “public good first” - we have therefore adjusted revenue from new product down for the rest of the year.
- Increased revenue from .nz based on growth, with the register now over 735,000 active domain names, higher than forecast in March.
- Focus on building a Te Ao Māori team to support us in our goal to become a Te Tiriti o Waitangi honouring organisation.
- Supporting the operations of the Māori Design group.
- Reflecting our current staff levels and planned changes before March 31st
- Additional investment in areas such as diversity and inclusion training.

Recommendation

THAT Council adopt the revised Plan for the remainder of the 2021/22 year, and the updated Operational Expenditure limit for the year.

Jordan Carter
Chief Executive

Attached: Annex - previously planned work now removed from plan.

Annex: previously planned work now removed

The work below is noted for transparency. It featured in our original work plan for the year, but in light of changed priorities, resource or staffing constraints, or other factors, it will now not be. The reasons why are generally included with the item.

Related to Strategic Goals 1-5

Goal 3: Grow .nz <i>To fund increased public good investment, grow the use, value and revenue from .nz domain names.</i>	
Registry Lock introduction	Introduction to be delayed to 2022/23, following introduction of the new registry system.
Goal 4: Sell new products <i>Develop new sources of revenue through ongoing investment in and sales of new products.</i>	
Defenz	We are suspending any sales efforts and not planning to onboard new customers, as we review progress after Defenz being in the market for a year. We will investigate further investment and refine focus for the product in the next financial year.
Digital identity	We are continuing with our research into user expectations across otherwise marginalised and under engaged communities, and collaborating with Policy on the trust framework process with Government. We await the response to the DIA RFI process, expected in Q4.
Broadband Map	No improvements to the service are planned for the rest of the year. We are engaging with a range of stakeholders about requirements, aspirations and expectations of the platform from a public utility perspective. This will inform work for next year.

Related to other work

Area	Information
Public Good Area	
NetHui 2021	While there will be no NetHui event in the current financial year due to COVID-19 constraints in events and capacity constraints in the team, we will start the development of a full NetHui for 2022 in this financial year.

Adopting the new Council Charter and governance policies

ITEM NO: 3.2

PURPOSE: To outline the process that has led to the updated Council charter and governance policies framework, and to adopt them for the organisation.

DATE WRITTEN: 26 November 2021

Background

Following the merger of InternetNZ and NZRS in 2018, Council worked with Boardworks to develop a revised Charter and set of governance policies to guide its work. A draft was developed but not evaluated by Council in any depth.

Since the 2021 AGM, Council members have picked this work back up. Discussions on the Council's way of working and values have been part of the team building and strategy dialogues held since August.

The President and Vice President worked with the CE to make some final adjustments and refinements to the document, which has been informally considered by Council and is now ready for formal adoption.

Adopting this framework repeals the following existing policies:

- Policy Development (1.1)
- Council Appointed Member (1.0)
- Council Role and Functions (2.0)
- Councillor Role Descriptions (2.0)
- Code of Ethics (2.0)
- Conflicts of Interest (2.0)
- Board Appointments and Roles (2.0)
- Audit Services Tender (3.0)
- Contracting for Councillors and Directors (2.0)
- Remuneration for Council and Boards (2.0)
- Risk Management (1.1)

- Investment Policy (1.0)
- Reporting Cases of Misappropriation (3.0)
- Treasury Policy (4.0)
- Chief Executive Delegations (3.0)

The Council's Committee terms of reference will be incorporated into the document but are not changed or reviewed at this stage.

The following policies are proposed to remain in place as they appear to cover matters not in the new Charter and framework:

- .nz Framework Policy (2.0) - note, this remains in place until the new .nz Rules come into force in 2022.
- Document Information Disclosure Policy (2.0)
- Risk Management (1.1)
- Investment Policy and Strategy (1.0)
- Reporting Cases of Misappropriation (3.0)
- Treasury Policy (4.0)

Next steps

Following a Council decision to adopt this framework, which repeals the existing governance policies set, we will publish the new framework on the website.

Staff will then support Council in working consistent with the approach in the new framework, and update operational processes to match.

We will pay attention to the impact of this change and conduct a six month retrospective, with a report on the operational experience shared with Council at the meeting scheduled for May 2022.

Recommendations

THAT Council adopt the Council Charter and Governance policies as its governance policy framework with effect from 6 December 2020¹, noting that this repeals the existing governance policies listed in this paper.

Jordan Carter

Group Chief Executive

Attached: Draft - Council Charter and Governance Policies



Council Charter and Policies

Draft 4 - November 2021

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Council Charter

On behalf of members, key stakeholders and the public, the Council of InternetNZ is responsible for the stewardship and future well-being of the organisation.

In summary the Council in discharging its responsibilities:

1. Provides leadership to InternetNZ, ensuring that it achieves continuing success in the best interests of the organisation, its stakeholders and the public.
2. Takes active steps to ensure an appropriate mix of Council members whether through interaction with members and stakeholders resulting in the election of appropriately diverse and skilled people or through the appointment of such individuals.
3. Establishes InternetNZ's purpose, values and sets the strategic direction as the basis for further planning, e.g. annual and longer-term planning.
4. Determines the appropriate culture for InternetNZ and models behaviours that both reflect and promulgate the desired culture.
5. Establishes governance policies that provide the framework for the management of InternetNZ and the broader Group as applicable e.g. financial, human resource, asset management policies, and ensures that internal processes and procedures are designed to provide effective controls and serve as the basis for reporting to the Council as required.
6. Employs the Chief Executive and monitors management and organisation performance against Council-established criteria.
7. Identifies and monitors the management of organisational risks.
8. Ensures that the organisation complies with all internal and externally imposed compliance requirements.
9. Establishes and maintains an effective interrelationship with members and stakeholders.

Responsibilities of the Council

1. Meeting legal requirements

The Council's first duty is to the organisation. In meeting this duty Council members must ensure that all applicable legal requirements are met and that the organisation is protected from harmful situations and circumstances in the interests of current and future stakeholders.

The Council also has a responsibility to its various stakeholders to ensure that the available resources are used to deliver the 'right outcomes' to the 'right people' in the 'right way'.

Councillors in discharging its responsibilities:

Should exercise leadership, enterprise, integrity and judgement in directing the organisation in order to provide assurance of its continuing and lasting success, with the public interest always at the forefront of their minds.

Have a duty to act in the best interests of InternetNZ as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Council members' first duty and loyalty must be to the legal entity.

In particular, Council members have the following legal obligations:

1. A Council member can only exercise a power for a proper purpose.
2. A Council member must not act, or agree to the organisation acting, in a manner that contravenes relevant Acts or the Constitution of the organisation.
3. A Council member cannot agree to the business of the organisation being carried on in a manner likely to create a substantial risk of serious loss to the organisation's creditors.
4. A Council member cannot agree to the organisation incurring an obligation unless the Council member believes at that time on reasonable grounds that the organisation will be able to perform the obligation when it is required to do so.
5. A Council member, when exercising powers or performing duties in that role, has to exercise the care, diligence, and skill that a reasonable person would exercise in the same circumstances.
6. A Council member, when exercising powers or performing duties in that role, can rely on reports, statements, and financial data and other information prepared or supplied, and on professional or expert advice.
7. A Council member must, as soon as they become aware of the fact that they have a personal interest in a transaction or proposed transaction with the organisation, make sure this is noted in the interests register.
8. A Council member who has information in their capacity as a Council member, being information that would not otherwise be available to them, must not disclose that information to any person, or make use of or act on the information, except for the purposes of the organisation or as required by law.

Council members, either individually or collectively, are potentially liable if they act illegally or negligently.

2. Governance philosophy and approach

The Council will govern InternetNZ with an emphasis on:

- serving the legitimate collective interests of the present members / stakeholders / beneficiaries of InternetNZ and accounting to them for the performance of the organisation and for the Council's stewardship;
- remaining up to date about members' and key stakeholders' concerns, needs and aspirations;
- developing a future focus, rather than being preoccupied with the present or the past;
- providing leadership in the exploration of strategic issues, rather than becoming distracted by administrative detail;
- behaving proactively, rather than reacting to events and others' initiatives;
- bringing a diversity of opinions and views to bear on its decisions;
- the development and expression of a collective responsibility for all aspects of the organisation; and
- ensuring there are positive conditions for the motivation of the Chief Executive and that there is adequate training to support them in their role.

3. Other

The Council will perform such other functions as prescribed by law or assigned to the Council under InternetNZ's governing documents. This shall include:

- appointing (and removing) the chair and directors of the Domain Name Commission Limited.
- making key decisions regarding aspects of the .nz domain name space e.g. pricing, policies.

Expectations of Council Members

To execute these governance responsibilities, Council members must, so far as possible, possess certain characteristics, abilities and understandings:

1. Enacting legal duties

Council members must fulfil their fiduciary duty to act lawfully and in InternetNZ's best interest at all times regardless of personal position, circumstances or affiliation. They should be familiar with InternetNZ's constitutional arrangements.

2. Strategic orientation

Council members should be future oriented, demonstrating vision and foresight.

3. Integrity and accountability

Council members must demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on - and remain collectively accountable for - all Council decisions and speak with one voice on all policy and directional matters.

4. Informed and independent judgement

Each Council member must have the ability to provide wise, thoughtful counsel on a broad range of issues.

5. Financial literacy

Council members are jointly accountable for the financial performance of the organisation therefore all Council members must be financially literate.

6. Industry and sector knowledge

Each Council member is expected to bring or acquire a level of industry and sector knowledge sufficient to contribute to the Council's deliberations and considerations on behalf of the organisation and its owners.

7. Participation

Each Council member is expected to enhance the Council's deliberations by actively engaging in value adding Council dialogue and decision-making.

Governance Process Policies

Code of Ethics

The Council is committed to the adoption of ethical conduct in all areas of its responsibilities and authority.

Council members shall:

1. Act honestly and in good faith and honesty at all times in the best interests of InternetNZ as a whole.
2. Declare all interests that could result in a conflict between personal and organisational priorities.
3. Exercise diligence and care in fulfilling the functions of office.
4. Make reasonable enquiries to ensure that InternetNZ is operating efficiently, effectively, legally and ethically in the pursuit of its planned outcomes and strategies.
5. Maintain sufficient knowledge of InternetNZ's business and performance to make informed decisions.
6. Not agree to InternetNZ incurring obligations unless they believe that such obligations can be met as and when they fall due.
7. Attend Council meetings and devote sufficient time to preparation for Council meetings to allow for full and appropriate participation in the Council's decision making.
8. Ensure scrupulous avoidance of deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuit of InternetNZ's business.
9. Not disclose to any other person confidential information other than as agreed by the Council or as required by law.
10. Act in accordance with their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and moral duties of the role.
11. Abide by Council decisions once reached notwithstanding a Council member's right to pursue a review or reversal of a Council decision.
12. Not to make, comment, issue, authorise, offer or endorse any public criticism or statement having or designed to have an effect prejudicial to the best interests of InternetNZ.
13. Demonstrate respectful behaviour towards both colleagues, management and those they come into contact within the course of enacting Council business.

The Council collectively shall:

1. Make every reasonable effort to ensure that InternetNZ does not raise community, supplier or stakeholder expectations that cannot be fulfilled.
2. Meet its responsibility to ensure that all staff employed by InternetNZ are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined in relevant workplace legislation.

3. Carry out its meetings in such a manner as to ensure fair and full participation of all Council members.

Strategic Direction and Planning

An essential element in the Council's leadership role is its responsibility to establish a Statement of Strategic Direction for InternetNZ. Accompanying this is an ongoing responsibility to identify organisational priorities, monitor progress towards the achievement of the stated outcomes and approve the annual budget.

Accordingly, the Council will annually:

1. Establish and review InternetNZ's Purpose, Key Results and governance-level strategies.
2. Review annual business plans to ensure alignment with the Statement of Strategic Direction, priorities and strategies.
3. Schedule a programme of strategic dialogue at Council meetings that reflects the priorities as defined by the Council and creates opportunities for the Council and management to think strategically about future issues relevant to InternetNZ's wellbeing and success.

Financial Governance

The Council has a core duty to ensure the financial integrity and viability of InternetNZ. This entails oversight of all financial processes and systems, regular review of financial results and, annually, adopting InternetNZ's financial plan and budget and financial announcements.

Accordingly, the Council will:

9. Develop, review and monitor the implementation of governance-level financial policies.
10. Provide guidance on budget parameters and priorities, and confirm that the annual budget and financial plan, including capital expenditure, is consistent with those parameters and priorities.¹
11. Approve expenditure outside budget parameters that the Council determines to be material.
12. Review and approve the full-year financial statements, reports and outcomes.
13. Receive and approve the Audit and Risk Committee's annual plan and scheduled reports
14. Receive and review regularly scheduled financial statements, reports and projections to ensure consistency with Council-set parameters

Conflict of Interests

The Council places great importance on making clear any existing or potential conflicts of interest for Council members.

1. Any business or personal matter which could lead to a conflict of interest of a material nature involving a Council member and their role and relationship with InternetNZ, must be declared and registered in the Register of Interests.

¹ The Council does not approve the operating budget. It is the CE's response to the Council's budgeting policy. The Council ensures it is consistent with that policy.

2. All such entries in the Register shall be presented to the Council and minuted at the first Council meeting following entry in the records.
3. All conflicts of interest must be declared by the Council member concerned at the earliest time after the conflict is identified. Normally there will be the opportunity at the commencement of each Council meeting for conflicts of interest to be declared.
4. The Council shall determine whether the conflict is of a material nature and shall advise the individual accordingly.
5. Where a conflict of interest is identified and/or registered, and the Council has declared that it is of material benefit to the individual or material significance to the organisation, the Council member concerned shall not vote on any resolution relating to that conflict or issue.
6. The Council member shall only remain in the room during any related discussion with Council approval.
7. The Council will determine what records and other documentation relating to the matter will be available to the Council member.
8. All such occurrences will be minuted.
9. Individual Council members, aware of a real or potential conflict of interest of another Council member, have a responsibility to bring this to the notice of the Council.
10. For the sake of completeness possible conflicts of interest are outlined and may include;
 - When a Council member, or their immediate family or business interests, stands to gain financially from any business dealings, programmes or services of InternetNZ or any of its subsidiaries
 - When a Council member themselves offers a professional service to InternetNZ or any of its subsidiaries
 - When a Council member stands to gain personally or professionally from any insider knowledge if that knowledge is used to his or her personal or professional advantage
 - Where a Council member is on another body that may have competing or conflicting interests or where knowledge of InternetNZ views or information might unduly favour the member's other appointment/organisation.

Health and Safety at Work

The Council has a core duty to ensure that all relevant elements in the Health and Safety at Work 2015 Act are met.

Accordingly, the Council will:

1. Ensure that all Council members understand and discharge their duties and responsibilities under the Act.
2. Ensure that robust systems are designed so that the Council will receive regular information in the form of written and verbal reports necessary to exercise its duties under the Act.
3. Verify that records are maintained in a timely and accurate fashion enabling tracking of events, trends and responses/actions.

4. Understand the hazards and risks that employees and volunteers are, or might be, exposed to in carrying out their duties.
5. Design a system that ensures that all Council members have the opportunity of personal exposure to workplace processes where there is exposure to risk.
6. Annually undertake a formal assessment of compliance with Council members' duties and responsibilities under the Act.
7. Ensure that budget planning takes account of all requirements under the Act.

Risk Management

The Council will identify and evaluate the principal risks faced by InternetNZ and ensure that appropriate systems are in place to avoid or mitigate these risks including the protection of intellectual capital.

Accordingly, the Council will:

1. Engage actively in characterising and monitoring risks associated with the achievement of its overall objectives.
2. Ensure that robust risk management policies and processes are developed and monitored addressing all areas of organisational risk and that the Council is kept abreast of all key corporate risks areas and strategies in a timely manner.
3. Develop a 'risk aware' culture in which both Councillors and staff are encouraged to identify risks and respond to them quickly and effectively.
4. Make clear the processes required to enable it to keep abreast of all organisation risk areas.
5. Ensure that suitable internal controls are in place and are enacted and monitored to ensure effective and efficient operation and management of the organisation's resources.
6. Ensure that the organisation is governed and managed in accordance with its constitution and policies.
7. Ensure that proper accounting records are kept.
8. Ensure prompt investigation of any material shortfalls or breaches in compliance or risk management standards.

Council Committees and Working Parties

The Council will establish committees and working parties to support it in its governance work.

1. The work of committees and working parties should not conflict with the Chief Executive's delegated responsibilities.
2. Committees and working parties may co-opt outside members from time-to-time in order to bring additional skills, experience or networks.
3. The Council will determine and agree the skills and expertise required to be on a committee.
4. Committees and working parties shall not exercise authority over staff nor shall they delegate tasks to any staff unless the Chief Executive has specifically agreed to such delegations.
5. Unless explicitly empowered by the Council, committees or working parties cannot make binding Council decisions or speak for the Council. For the most

part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Council.

Council Meetings

The majority of Council business will be conducted in Council meetings. In order to ensure effective meetings, the following principles apply:

1. The Council will make the best possible use of its meetings by dealing only with matters that have governance-level significance, by focusing primarily on the future and, within a defined policy framework, by delegating as much as possible to the Chief Executive.
2. The Council / CEO interactions are supported by clear papers that maintain an appropriate governance-level information and analysis style, supporting the Council in doing its work effectively.
3. The Council will develop a work plan covering the next 12 months that;
 - ensures the Council regularly reviews progress towards the achievement of the strategic direction/strategic plan and relevant strategic issues,
 - provides assurance that all relevant compliance requirements are addressed, and
 - improves Council performance through education and continuous focus on its governance effectiveness.
4. The President will, in consultation with the Chief Executive, establish the agenda for each Council meeting although each Council member is free to suggest the inclusion of item(s) on the agenda. The focus of the meeting will be a topic(s) drawn from the work plan. All Council members have the opportunity to contribute to the agenda.
5. The Council will normally meet six times a year; however, Council meetings may be scheduled at other times or at other frequencies as determined by the Council.
6. Council meetings will be conducted in an open and constructive manner, recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions.
7. Council members will receive their Council papers at least five working days prior to the meeting.
8. Others (e.g. staff) may participate in Council meetings at the Council's discretion. Such attendees will respect the Council's integrity and accountability and will accept any constraints imposed by the Council or the President on their participation and presence.
9. The Council may hold 'Council only' sessions at its discretion. Such sessions, which will usually be scheduled prior to or at the commencement of the meeting, should not exclude the Chief Executive from deliberations on matters to which his/her role as the Council's chief adviser would be compromised.

Monitoring Operational Performance

The Council has a duty to oversee and monitor the performance of the operational organisation.

1. The Chief Executive will report to the Council on the performance of InternetNZ at a frequency and to a standard specified by the Council.
2. All such reporting should be targeted at the Council's interests and duties rather than a description of management actions.

Media statements

Interaction with the media, radio, press TV and other media outlets, shall at all times be designed to present an accurate and positive expression of InternetNZ-related matters. It shall be consistent with InternetNZ policy and Council decisions and free from personal opinions and interpretations.

1. The President shall be the spokesperson for governance-related matters and all other matters that the Council determines are best presented by the President.
2. The Chief Executive shall be the spokesperson for all operational matters and all other matters that the Council deems are best presented by the Chief Executive.
 - a. The Chief Executive may permit specified staff to act on his/her behalf but remains accountable for such delegation.

Councillor Induction

The Council will provide all newly appointed Council members with a thorough induction into the affairs of both the Council and InternetNZ at large.

1. All prospective Council members will be provided with all relevant information.
2. Upon appointment/election and prior to attendance at their first Council meeting, new Council members will:
 - a. Receive a copy of the Council Manual including Governance policies, Articles/Constitution and other relevant legal governance documentation, current and recent meeting papers, an organisational chart, contact details for other Council members and key staff, a glossary of key terms, definitions and acronyms, the current year's meeting schedule and the annual agenda.
 - b. Meet with the President for a governance familiarisation. This meeting may be held as a group session or with individuals.
 - c. Meet with the Chief Executive for an operational familiarisation.

Council and Council member Performance Assessment and Professional Development

The Council's value-adding role requires that the Council as a whole and all Council members regularly review their performance and have access to professional development relevant to their role and duties.

1. The Council will undertake a bi-annual structured assessment of its performance and a bi- annual assessment of the performance of individual Council members, including specifically the President.
 - a. The criteria for assessing the Council's performance will be drawn from the documented policies of the Council together with any further criteria agreed by the Council from time-to-time. The outcomes of the assessment will establish the upcoming requirements for the effective governance and Council leadership of the organisation.
 - b. A suitably qualified independent specialist may be used to assist the Council in this process.
 - c. The assessment process shall culminate in a report presented to the Council analysing the data and providing recommendations for improvements as required.
 - d. A Peer and Self-assessment process may be included in the process, the criteria based on a set of competencies agreed by the Council.
2. An annual Council Governance budget will be established that includes provision for both Council and individual Council member performance assessment and professional development together with other governance associated costs. The quantum of this budget item will be determined on a year by year basis. This cost will be made public as part of Council's commitment to transparency.
3. All Council members will be encouraged to undertake relevant professional development. The Council will pay all costs associated with this training, including travel.
4. Council members will be encouraged to attend conferences relevant to their role as Council members or conferences related to other aspects of their role as Council members of InternetNZ. The Council will consider covering all or some of the costs associated with such attendance on a case by case basis.
5. All costs associated with governance effectiveness will be designed to ensure the development of the highest standard of governance including; meeting costs associated with effective communication with owners and other key stakeholders, surveys and associated analysis, focus groups, the costs associated with external audit and other independent third-party reviews or consulting input.

President Role

The President provides leadership to the Council, ensuring that the Council's processes and actions are consistent with its policies. As appropriate, the President represents the Council and the organisation to outside parties. It is expected that the President will promote a culture of stewardship, collaboration and co-operation, modelling and promulgating behaviours that define sound directorship.

1. The President will chair Council meetings ensuring that:

- a. Meeting discussion content is confined to governance matters as defined in the Council's policies.
 - b. All Council members are treated even-handedly and fairly.
 - c. All Council members are encouraged and enabled to contribute to the Council's deliberations.
2. The President has no authority to unilaterally change any aspect of Council policy.
3. The President will ensure that Council meetings are properly planned to include the development and distribution of Council papers in a timely manner and that the minutes accurately reflect the deliberations and decisions of the Council.
4. The President is responsible for ensuring that Council meetings are focused on the right matters and that time is allocated to apply sufficient attention to those.
5. The President will ensure that all Council decisions are understood by Council members and accurately recorded.
6. With the approval of the Council the President may establish a regular communication arrangement with the Chief Executive in which there is an exchange of information. This might also provide an opportunity for the Chief Executive to use such sessions as a sounding out Council for proposed actions or to check interpretations of Council policy. However;
 - a. The President will recognise that such sessions are not used to 'personally' supervise or direct the Chief Executive.
 - b. The President will maintain an appropriate professional distance from the Chief Executive to ensure objectivity and attention to governance matters and concerns,
 - c. The President will not inhibit the free flow of information to the Council necessary for sound governance. Therefore, the President will never come between the Council and its formal links with the Chief Executive.
7. The President may delegate aspects of the authority accompanying the position but remains accountable for the overall role.

Vice-President Role

In addition to the requirements set out for Council Members, the Vice-President has the following additional functions:

- support the President in their role as outlined above.
- act in the absence or incapacity of the President
- other duties and responsibilities specifically defined in the Constitution

Indemnities and Insurance

InternetNZ will provide Council members with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Councillors, to the fullest extent permitted by the relevant legislation. This shall be consistent with Clause 6.12 in the InternetNZ constitution.

Reimbursement of Council members' expenses

InternetNZ will reimburse all reasonable expenses incurred by Council members in the carrying out of their role.

Remuneration of Council members

InternetNZ will remunerate Council members on a basis reviewed every three years by the Council. Rates of remuneration will be reported annually to stakeholders as part of transparency around the wider cost of governance.

Council-Chief Executive Interrelationship Policies

Delegation to the Chief Executive

The Council delegates to the Chief Executive responsibility for delivering the outcomes stated in its Statement of Strategic Direction/Strategic Plan while complying with the Chief Executive Delegation policies.

1. The Chief Executive is the sole linkage and point of accountability between the Council and the operational organisation.
2. The Council will view Chief Executive performance as identical to total management performance so that the achievement of successful organisation outcomes will be regarded as successful Chief Executive performance.
3. Only the Council acting as a body can instruct the Chief Executive. Typically, all instruction to the Chief Executive will be codified as policy.
4. The Council will make clear InternetNZ's strategic direction including performance indicators to be applied by the Council when reviewing the organisation's and the Chief Executive's performance.
5. The Council will make clear to the Chief Executive in writing the conditions and circumstances that the Council deems to be unacceptable, allowing the Chief Executive any reasonable interpretation of these (further defined in the Chief Executive Authority policy).
 - a. As the Council's principal officer, the Council holds the Chief Executive accountable for ensuring that all such conditions and circumstances are avoided.
6. The Chief Executive is responsible for the employment, management and performance management of all staff employed/contracted to the organisation.
 - a. Neither the Council nor individual Council members will 'instruct' staff in any matters relating to their work.
7. Provided that the Chief Executive achieves the outcomes sought by the Council and does so in a manner consistent with the Council's policies and InternetNZ's values, the Council will respect and support the Chief Executive's choice of actions.
8. The expert knowledge and experience of individual Council members is available to the Chief Executive at their initiative.

Chief Executive Authority

1. As long as the Chief Executive applies 'any reasonable interpretation' of the Council's policies, i.e. does not set out to defeat their stated intent or spirit, they are authorised to establish all operational policies, make all operational decisions and design and implement and manage all operational practices and activities.
2. Acknowledging a Council member's right to have access to information necessary to meet his/her duty of care to the organisation, the Chief Executive may refuse instructions or requests from individual Council members or from

unofficial groups of Council members if, in their opinion, such requests or instructions are:

- a. Inconsistent with the Council's policies;
 - b. are deemed to make unjustifiable intrusions into the Chief Executive's or other staff members' time; or
 - c. are an unjustifiable cost to the organisation.
3. The Chief Executive must notify the President of the use of point 2 and the Chief Executive at their own discretion may notify the Council.

Chief Executive Remuneration

Chief Executive remuneration will be decided by the Council based on terms and conditions that reflect the organisation's performance and executive market conditions.

1. Remuneration will be competitive with similar performance within the marketplace based on achievement of the Council's strategic direction and strategic goals while complying with the Chief Executive Delegation Policies.
2. A committee process may be used to gather information and to provide options and recommendations for the Council for its consideration and decision.

Chief Executive Performance Assessment

The Chief Executive's performance will be continuously, systematically and rigorously assessed by the Council against achievement of the Council-determined strategic outcomes and compliance with Chief Executive Delegation policies. The Council will provide regular performance feedback to the Chief Executive.

1. Organisation performance will be defined in terms of the Council's policy criteria and as identified through monitoring those criteria.
2. The standard applied to all facets of the performance assessment shall be that the Chief Executive has met or can demonstrate compliance with the intent or spirit of the Council's policies.
3. The Council shall monitor any policy at any time using any method but will normally base its monitoring on a predetermined schedule outlining the regularity and method of monitoring for each policy.
4. The Council shall use any one or more of the following three methods to gather information necessary to ensure Chief Executive compliance with Council policies and thus to determine its satisfaction with that person's performance:
 - a. Chief Executive reporting,
 - b. Advice from an independent, disinterested third party, or
 - c. Obtained by a Council-appointed Council member, Council committee or working party.

Chief Executive Delegation Policies

Overarching Chief Executive Limitation

As the Council's principal officer, the Council holds the Chief Executive accountable for ensuring that neither he/she or any organisational employees take, allow or approve any action or circumstance in the name of InternetNZ that is in breach of the law, is imprudent, which contravenes any organisation specific or commonly held business or professional ethic or is in breach of generally accepted accounting principles.

Financial Management

The Chief Executive is responsible for the day-to-day financial management of the organisation. In carrying out this duty they must take all reasonable steps to ensure that nothing is done, or authorised to be done, that could in any way cause financial harm or threaten the organisation's financial integrity. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. Organisational funds are committed, contracts entered into or liabilities incurred other than for the implementation of Council-approved purposes and priorities.
2. Expenditure exceeds the revenue received in the financial year or annual budget or policy parameters unless offset by approved borrowings or Council-approved withdrawals from reserves.
3. Undisputed invoices from suppliers of goods and services remain unpaid beyond trade credit terms agreed with those suppliers.
4. Land and buildings are acquired, encumbered or disposed of.
5. Staff have access to credit or other purchasing cards without limitations on expenditure or adequate controls on their use.
6. A transaction is entered into that affects more than 25% of gross assets or 25% of budgeted annual revenue without Council approval.

Budgeting and Financial Planning

Budgeting and financial planning for any financial year or the remaining part of any financial year shall be designed to ensure the achievement of the Council-determined outcomes with no risk of harm to the organisation. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. There is too little available information to enable (a) a credible projection of revenues and expenses, (b) separation of capital and operational items, (c) projection of cash flows, and (d) disclosure of planning assumptions.
2. Financial risks are created that exceed Council-determined parameters.
3. Expenditure is incurred within any financial year that could result in default under any of InternetNZ's financing agreements, or risk insolvency.

4. Could result in the achievement of a 'bottom line' materially different from that determined by the Council, e.g. a predetermined surplus, acceptable deficit or balanced budget.
5. Omits Council developmental and other governance related expenditure.

Remuneration and Benefits

In managing the setting and review of salaries and benefits, the Chief Executive must not make or allow decisions or promises that would in any way cause or threaten financial harm to the organisation. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. There is any change to his/her own remuneration or benefits.
2. Obligations are created that cannot be met over the projected period of an employee's or contractor's term of employment or over a period for which revenues can realistically be projected.
3. Unfunded employee/contractor related liabilities occur that in any way commit InternetNZ to unpredictable future costs that could harm the organisation.
4. Promises or offers of guaranteed long-term employment are made under circumstances when such guarantees or promises cannot realistically be honoured.

Protection of Assets

In managing the protection of InternetNZ's physical and intellectual assets, the Chief Executive shall take all prudent and reasonable actions necessary to ensure that these are protected against all foreseeable damaging circumstances. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. Unauthorised persons are permitted to handle cash.
2. Organisation funds are processed or dispersed outside of controls acceptable to the organisation's official auditor.
3. Assets are insured for less than is necessary for prudent risk-management.
4. Council members and/or staff are unprotected against claims of liability.
5. Goods or services are purchased without protection against conflicts of interest.
6. There is inadequate protection against theft, improper use or significant damage to intellectual property and organisation information or information systems.
7. The organisation's good name and reputation is harmed to the extent that the achievement of its Purpose and Strategic Intent are impeded.
8. The organisation lacks a 'best-state-of-preparedness' necessary for the maintenance of effective and efficient operation in the event of conceivable or unanticipated risk.

Communication & Support to the Council

The Council must not be allowed to be uninformed about issues and concerns an awareness of which is essential to meeting its legal duties, discharging its moral responsibilities and meeting its accountabilities to stakeholders. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. The Council is uninformed about matters critical to its timely and effective governance of the organisation.
2. Financial reports lack adequate detail to enable the Council to interpret and assess the significance of:
 - a. significant trends;
 - b. data relevant to agreed benchmarks and Council-agreed measures; and
 - c. data and information relating to all further financial matters as determined by the Council from time-to-time.
3. The Council is placed in the position of being uninformed about significant external environmental trends, breaches of Acts relating to the organisation's performance and the Council's duties and responsibilities, significant internal issues, adverse media publicity, achievement of, or progress towards the achievement of, the Organisational Outcomes as stated in the Statement of Strategic Direction or changes in the basic assumptions upon which the Council's policies are based.
4. Council members are uninformed when, for any reason, there is actual or anticipated non-compliance with a Council policy.
5. The Council is uninformed about health and safety in the workplace matters that fall within Council members' duties and responsibilities, or about any related matter the Council has made clear it wishes to be informed of, including the results of all internal and external health and safety audits.
6. The Council is uninformed of any serious legal conflict or dispute or potential serious legal conflict or dispute that has arisen or might arise in relation to matters affecting InternetNZ.
7. The Council is unaware of any occasion, action or decision that results in it being in breach of its Governance Process policies particularly when this relates to the Chief Executive's ability to carry out their responsibilities.
8. Council members are treated as individuals rather than as part of the Council-as-a-single-entity, except when responding to individual requests for information or requests from Council committees or working parties. (See also Chief Executive Authority policy point 2)

Emergency Chief Executive Succession

The Council recognises that one of its major risks is the loss of key personnel, particularly its Chief Executive. To this end the Chief Executive must not neglect to ensure that there is an emergency management regime that can operate in the event of unexpected loss of their services. There must also be at least one person capable of responding to Council concerns and requirements at a level necessary to support effective governance.

Employment Conditions

In the management of the organisation's staff and volunteers, the Chief Executive must ensure that the workplace environment is conducive to ethical behaviour consistent with InternetNZ's core values, and sound workplace practices consistent with workplace legislation or its common understanding. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. Employees work under adverse conditions or are managed in a manner that may invite behaviour contrary to InternetNZ's values or that might undermine InternetNZ's trust and reputation with its stakeholders.
2. There are no clear guidelines as to employee rights, entitlements and workplace obligations.
3. Employees are placed in 'inequitable', 'unsafe', 'undignified' or 'unfair' working conditions or circumstances as defined in relevant workplace legislation.
4. Employees and volunteers and others to whom InternetNZ owes a duty of care, are exposed to, unprotected from, or unprepared-for hazardous and risky situations or circumstances that could result in harm as specified in the Health and Safety at Work Act.
5. Staff are denied engagement in planning and review of health and safety policies and procedures.
6. Continuous improvement protocols are omitted in the design and execution of health and safety systems and processes.
7. Employees are denied the right to an approved and fair internal grievance process.
8. Employees are uninformed of their rights under this policy.
9. Employees who report directly to the CEO are appointed, dismissed or subject to a change in their employment out of line with the rest of the organisation without Council first being made aware and given sufficient opportunity to scrutinise the proposed action for any potential conflict of interest.
10. A restructuring is proposed that affects more than 25% of roles without Council first being made aware and being given sufficient opportunity to scrutinise the impact of the restructuring.

Stakeholder Engagement

In engaging with InternetNZ's key stakeholders, the Chief Executive must take all reasonable steps to ensure that the relationships created and maintained are in the best interest of both the organisation and the stakeholder. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. The good name of the organisation is placed at risk as the result of poor quality interpersonal or inter organisational communication.
2. Unrealistic expectations are created or implied that could cause hardship to either party, i.e. deviation from organisation policy.

3. InternetNZ is unaware of the expectations, needs and aspirations of key stakeholders as these relate to the organisations' planning and programme delivery systems.
4. The Council is uninformed of any significant change in relationship status with a key stakeholder, notably in regard to revenue.

Public Affairs

As the Council's principal officer, the Council holds the Chief Executive accountable for ensuring that neither he/she or other organisation personnel undertake, approve or in any way support any action or circumstances that are directly or indirectly demeaning or derogatory or in any way damaging to InternetNZ.

Committee Terms of Reference

The current Terms of Reference for all current Committees:

[Audit & Risk Terms of Reference](#)

[.nz Policy Committee Terms of Reference](#)

[Komiti Whakauru Māori Terms of Reference](#)

[Chief Executive Review Committee Terms of Reference](#)

Governance Committee Terms of Reference

1 Purpose

The purpose of the Committee is to assist the Council to ensure there is robust process for needs assessment, recruitment and development of both Council members and directors of the Domain Name Commission Limited. The Committee will also ensure there is planned and regular review of governance policy.

2. Membership and professional assistance

1. The Committee shall consist of up to four Council members/directors including the President.
2. The Council will appoint the chair of the Committee.
3. The Committee may engage professional advice and assistance as required, in accordance with a budget approved by the Council and or DNCL.
4. The Committee's terms of reference and membership shall be reviewed and confirmed annually at the first meeting of the Council following the Annual Meeting.

3. Principles

1. Both Council and Board are committed to ongoing development that includes evaluation and learning opportunities
2. Candidate search will embrace the widest possible internal and public canvassing to secure the highest quality people possible.
3. Recruitment will reflect InternetNZ's approach to diversity and relationship with Maori.
4. InternetNZ Council members may be appointed to a subsidiary Board but may not chair it

4. Functions

The function of the Committee is to assist the Council to ensure high standards of governance across the organisation. In particular, the Committee shall:

1. Ensure there is a regular review of needs assessment for Council members and DNCL directors
2. Maintain oversight of the recruitment process for Council and DNCL.
3. Ensure a planned and regular review of governance policies.
4. Receive and consider suggestions for new policy. If necessary, draft policy for consideration by Council.
5. Maintain and oversee a schedule of governance efficacy assessment and development.

5. Process

1. All appointed positions are confirmed by the Council. Where Council decides not to make an appointment, it instructs the Committee to conduct the process again. It does not short-cut the process by making its own selection.
2. Elected positions are filled as part of the Annual General Meeting of InternetNZ.
3. The process for nominations and appointments to the Boards of subsidiaries must be consistent with that for appointed Council members.
4. The Committee shall ensure the process commences at least four months prior to the expiry of the current term/s. This to ensure a full consideration by Council of the skills, experience and other attributes it is seeking for the position/s.
5. The Committee shall appoint a separate panel for each recruitment. This shall include two Committee members not standing for reappointment and up to two independents, one expert in senior recruitment and one expert in governance.
6. In the case of appointed positions, the panel shall consider the full long list and select a short list for interview. The panel shall recommend to Council, for approval, those candidates in its opinion that best meet current needs.
7. In the case of elected positions, the panel shall review all nominations. It shall forward all nominations to the Annual Meeting with a preferred short list together with a reasoned recommendation outlining why their suggestions best meet the Council's current requirements.
8. The panel shall treat all candidates with the respect and confidentiality associated with a professional process that reflects well on InternetNZ. Communication shall be prompt and unsuccessful shortlisted candidates shall be contacted by phone. Letters will be used rather than simple email.

President Report

AUTHOR: Joy Liddicoat, President

PURPOSE: To report to Council Members on the President's activities.

Introduction

The national lockdown and Alert Level 3 restrictions in Auckland continued to affect us all. InternetNZ is functioning well and I am pleased with Council's progress to develop a new strategy. The roles of Council are to determine our purpose, develop and maintain effective governance culture, hold the Chief Executive to account (while also supporting him to achieve our strategy) and to ensure effective compliance with our obligations. I'm grateful to Councillors, all of whom are working hard to develop our new strategy and our shared ways of working together.

Comment

Technology related COVID-19 concerns were top of mind among members over the last few months, including use of the Internet to share misinformation and disinformation about COVID-19 vaccinations and security weaknesses in the Ministry of Health COVID-19 app. Members also shared research on a number of topics, including concerns about online abuse against women, a particular concern being the disparate effects of such online content on diverse groups. Councillors are paying close attention to member concerns and to these issues, including any effects on our current strategies. I was pleased to note that, after all of the debate, the Films, Videos and Publications Classification Amendment Act passed in late October with little fanfare and broadly with the policy outcomes InternetNZ was advocating for.

In November I attended a two day Institute of Directors course on Chairing the Board. The course was very useful and included insights from recent case law and statutory changes on director liabilities and the responsibilities of Board Chair.

A key takeaway was the changes that are coming for InternetNZ as an incorporated society. The Incorporated Societies Act 1908 is being reformed with new and much-anticipated legislation likely to be passed by Parliament in 2022. Among other things, the new legislation will impose stronger duties on Councillors, more akin to those of corporate directors, increasing the responsibilities and duties of those elected to Council. While these changes will have a long lead in time (of up to three years) they reinforce the need for us to update our constitution and be

well prepared. A process for engaging with members about this will need to be developed in 2022.

Governance

Council Induction and Support

- Council values and culture inform our shared ways of working and are critical to effective governance. I am pleased with Council's progress to agree on these which has resulted in a new Council Charter and governance policies handbook (tabled elsewhere in these meeting papers).
- Continuing the induction of new councillors, including Potaua Biasiny-Tule, and some Councillors attended IOD courses for new directors
- Hosting regular online informal Council pop-ups for Councillors
- Developing a draft Council work programme and calendar for 2022-2023.

Council Committees

- Councillor Sarah Lee is leading a review of the TOR of Te Komiti Whakauru Māori now that the Māori Design Group has commenced.
- Councillor Potaua Biasiny-Tule has been co-opted to the CE Review Committee to replace Councillor Melissa Davies.

Strategic Planning Process

The national lockdown and Alert Level 3 restrictions in Auckland continue to affect InternetNZ, including Council's strategy discussions. Building on our first two strategy discussion topics (engagement with Te Ao Māori and business development) we completed discussion of online harm and dangerous speech will discuss membership and engagement in early December. Other topics, including Internet access and infrastructure and climate change, will be discussed in early 2022.

A new draft strategy will be tabled at our February council meeting, followed by consultation with members.

Member engagement and representation

- Regular contacts with members on topics of the day.
- Relationship outreach to stakeholders.
- Communicating to members the outcome of the October Council meeting.

I welcome any feedback on this report.

Joy Liddicoat
President

COUNCIL MEETING - DECEMBER 2021

Management items for discussion

PURPOSE: Key items for the Council to know / offer guidance on.

DATE WRITTEN: 25 November 2021

Introduction

This paper is designed to raise key issues for the Council to give advice, input and share understanding with management.

Matters are broadly in order of priority, and there are five sections:

- A. **Key risks** - update on any changes to significant organisational risks.
- B. **Key items** - the matters we'd like you to be aware of.
- C. **Exceptions / items to note** - significant issues in the general reporting we want to be sure you have seen (none in this paper).
- D. **Late changes** - any material changes to conditions or issues that were covered in quarterly reporting (none in this paper).
- E. **Key future commitments** - a look forward to some key events over the next six months.

A. Key Risks

New risks

There are no new material risks to report since the last Council meeting.

Risk focus areas

Since the last report we feel there has been a slight improvement of staff well-being. This however may be offset by new uncertainty introduced with the leadership restructure that is underway. We take a feeling of energy and engagement from the submissions from staff related to the restructure.

We continue to prioritise our focus on:

- **Wellbeing:** INZ staff face inappropriate external criticism that impacts wellbeing.
- **Stakeholder support:** Confidence is lost resulting in loss of revenue and/or government intervention.
- **Organisational capacity:** INZ capacity does not keep track with strategy and stakeholder requirements, resulting in missed delivery opportunities and/or staff turnover.

Risk management system

Our deployment of a new enterprise risk management tool has been completed. The first formal risk assessment of our risks has been commenced and is being undertaken by risk owners. The first reporting from the new system will be with the Audit and Risk Committee in the new year.

Our ask:	Note the risk matters updated in this paper.
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B. Key Items

These are items we'd like Council to be aware of, and we welcome any questions.

B1 - Wellington office move

Issue:	The move of our Wellington premises is under way at the time of writing, with all staff working from home in the fortnight ending 3 December 2021. The new space is at 18 Willis St, the building formerly known as 16 Willis St, and it will be formally blessed for opening around dawn on Monday 6 December by us and mana whenua. We look forward to welcoming the Council, members and others to the new space in the coming months, as pandemic restrictions allow.
Our ask:	Awareness of the move.

B2 - Operating structure change process

Issue:	I am in consultation with staff about a change to our operating structure, to improve the way we function as an organisation. This process has natural impacts on our work, and I am noting it here to signal it in the public papers. Decisions on any changes arising are likely in the new year.
Our ask:	Awareness of this process.

C. Exceptions / Items to Note

There are no items in this section in this paper.

D. Late Changes

There are no items in this section in this paper.

E. Key External Commitments to June 2022

The table below sets out key external commitments over the next two quarters. External events continue to be impacted by the COVID-19 pandemic. We anticipate that participation will continue to be online for all **international** engagement until the middle of next year, after the border re-opens. **Domestic** engagements are changing rapidly in light of the current COVID-19 lockdown in Q2 and Q3, continuing in Auckland up until the day of this meeting.

October to December (Q3)	<p>Remaining international commitments currently include:</p> <ul style="list-style-type: none"> Internet Governance Forum - 2-6 December 2021, online.
January to March (Q4)	<p>Domestic commitments include:</p> <ul style="list-style-type: none"> Māori NetHui preparatory sessions - to be confirmed, and subject to reconsideration of approach and timing for COVID-19 related issues. Welcome to 2022 stakeholder events - to be confirmed, and subject to reconsideration of approach and timing for COVID-19 related issues. <p>International commitments currently include:</p> <ul style="list-style-type: none"> APTLD / APRICOT - February 2022. ICANN - March 2022, online-only once again.
April to June (Q1)	<p>Domestic commitments include:</p> <ul style="list-style-type: none"> Māori NetHui lead-in events - to be confirmed. <p>International commitments include:</p> <ul style="list-style-type: none"> ICANN - June 2022, in The Hague - currently planned to be a hybrid meeting, with the first in-person attendance options since the pandemic began.

Jordan Carter
Group Chief Executive

Health Safety Wellbeing Report

AUTHOR: Audit & Risk Committee

PURPOSE: To provide the Council with an update on Health Safety and Wellbeing (HSW) for the InternetNZ Group.

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

Month	Number of Near Misses reported/or identified	Number of Incidents reported/or identified	First Aid Incidents reported/or identified
Dec 2020 - January 2021	0	0	0
Feb 2021 - 18 June 2021	2	0	1
19 Jun 2021 – 8 Sep 2021	0	0	0
9 Sep 2021 - 9 Nov 2021	1	0	0

Summary

Incidents and Hazards

- Since the last report, there have been one near miss incident reported where a staff member discovered the power lead for one of the electrical standing desks have had bare wires exposed. No one was injured. All similar desks in the office and at staff home work places have been turned off and electrician called to check them.

Update: An electrician has since been and checked all the desks, confirming they are safe and that it was not a systemic fault.

Building and the move (Wellington Office)

- Colliers have arranged a meeting for all remaining tenants at 80 Boulcott St and a Chief Warden has now been appointed.
- Project Ignite team are busy with the preparation for moving to the new premises with a HSW committee member on the team for HSW input.

HSW Committee update

- We've had a few changes to the HSW Committee membership since the last meeting due to some changes in roles as well as some staff leaving. As we farewelled Cam Findlay and Jodi Anderson, we also welcomed Purva Bhatnagar as the newest member to the group. This makes the total number of Committee members to nine (9).
- The INZ and DNCL Health, Safety & Wellbeing Committee met on 9 November 2021 and key topic that was discussed at the meeting was regarding the progress or updates on the work around the staff morale and wellbeing. The HSW committee will continue to track this progress. Tasks have been streamlined to relevant groups such as HSW Committee, SLT, and People Managers so these groups could lead some of the work related to completing the tasks.
- We are grateful for the acknowledgement of the wellbeing and morale concerns raised at the last council meeting. The HSW committee would like to understand the Committee's views of the recommendations provided to Council, which were not agreed.

Recommendation

- THAT the Health, Safety and Wellbeing Report be received.

MINUTES

COUNCIL MEETING

Status:

Draft

Date

Friday 15 October 2021

Held online via Zoom

Present:

Council: Joy Liddicoat (President), Jay Daley (Vice President), Don Stokes, Sarah Lee, Richard Hulse, Kate Pearce, aimee whitcroft, Jeff Montgomery, Anthony Bow and Melissa Davies.

In attendance:

Staff: Jordan Carter (Chief Executive), Catherine Fenwick, Dave Baker, Kim Connolly-Stone, Andrew Cushen, Raniera Albert, Dane Foster, Brent Carey, James Ting-Edwards and Diane Robinson (Council Secretary)

Meeting opened:

The meeting started at 9:02am for Council and Council and CE alone time. The meeting opened publicly at 9:28am.

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, and agenda review

Cr Lee opened the meeting with a Karakia.

Apologies: Cr Biasiny-Tule.

The following updates to the Interest Register were advised:

Name: **Jeff Montgomery**

Position: Council Member

Declaration Date: 13 August 2021

The following updates were advised at the previous Council meeting, but did not get updated:

- Holder of 14 .nz domain names
- Employee Service Delivery and Operations, Department of Internal Affairs

- Statutory Officer – Registrar General of Births, Deaths and Marriages.
- Chair, Pacific Civil Registrars Network
- Owner and Director, City Bed and Breakfast Ltd.

Cr Biasiny-Tule to advise any items for the interests register.

Name: **Potaua Biasiny-Tule**

Position: Council Member

Term: AGM 2021 – AGM 2023

Declaration Date: TBA

Name: **Aimee Whitcroft**

Declaration Date: 15 October 2021

- Amend to Wildlife.ai advisor
- Global Data Barometer Advisor, Research Advisory Committee (new)
- Toha.NZ Advisor (new)

Name: **Joy Liddicoat**

Declaration Date: 15 October 2021

- Change Rule Foundation – amend Chair to Secretary.

The Chair asked if there were conflicts of interests for the papers to be identified. There were none.

The Agenda was reviewed and the section order was changed to the following: 2.1, 2.4, 2.2. 2.5 and 2.3.

The Project Mimosa Update was moved to be discussed under item 4.2.

1.4 Environment Scan

Councillors shared the following:

- General turnover of staff within Wellington public service, public service pay restraint, close border reduction of tech workforce, and likely impact on INZ staffing turnover, availability and cost.
- Covid borrowing by government, likely economic downturn and tightening of public service expenditure in future years – post next election.
- Keep a watching brief on offshore developments with respect to the restrictions and regulations of the Internet for young people.
- Covid-19 – mental wellbeing for those people working from home and alone with the internet the only way to connect.

- Consultation on digital strategy document from the government has been released.
- Acknowledge Covid-19 inequalities starting to bite e.g. health care, education, inequalities.
 - Security community is getting quite agitated about bad spokespeople miscommunicating about the covid app.

Council discussed this the 'environmental scan section' and what it is used for and intentions:

- A macro discussion about what we are seeing in the work around us and whether it might impact on Aotearoa and InternetNZ strategy or operations.
- Keeping a watching brief on trends and big picture stuff
- Future focus strategic Council discussion.

Jordan asked the Council that if items raised in the environmental scan had implications for our strategy these should be advised at the time of raising them, so that they can be dealt with in the right way.

Section 2 - Strategic Priorities

2.1 Overarching Paper on Dangerous Speech, Te Ao Māori and related matters

The President invited Cr Lee, Chair of the Komiti Whakauru Māori to share feedback from the first Māori Design Group (MDG) hui that was held on 6-7 October 2021.

Cr Lee shared the following:

The hui was very positive, the group gelled really quickly and there was an amazing vibe and energy amongst the group. The Chief Advisor Māori, Raniera Albert was acknowledged for coordinating the group and the work put into the Mihi Whakatau and hui. Council was acknowledged for their attendance. During the hui Policy Director Kim Connolly Stone presented a paper to the MDG that posed a question relating to the ongoing .nz policy review - 'Was it the right time to be engaging with Māori right now?' (in light of the past year). Co Chair Sir Pou Temara responded with 'Yes we *are here now*'. Cr Lee advised Council that this was reassuring for us and she felt at that moment '*We had a korowai being wrapped around us as an organisation*'. InternetNZ can now feel we can move forward confidently as we have an incredible group guiding and walking alongside us.

Cr Daley added the outlook from the group was very strategic and forward focus and very broad. So he anticipated very creative things coming out from MDG. It came across as a very solid foundation for taking things forward and broader in scope than was initially envisaged.

Jordan advised that he enjoyed the joy and energy in the room and that the main challenge for us will be to work alongside this group effectively, and not to make too many requests for input from them.

Raniera echoed the sentiments that were shared. That this was the first time the

group had all actually met, but it was like they had known each other for a long time already. A few things that were discussed:

- MDG had some expectations around bringing a new Council member to each hui. They want to keep engaging with different Councillors each time so they can meet us all.
- MDG will meet again in November 2021. In February they will work on the work programme and will also engage with Māori stakeholders, members and Māori staff of InternetNZ.
- They also discussed filling the vacancy in the group - but felt that they will leave this vacant for now. The synergy of the group is working well with five members.

The paper was a summary of the issues in the others, so the Council decided simply to receive it, and move on to substantive consideration of the issues as part of discussing each of the following papers.

RN48/21 THAT Council **receive** the paper.

2.2 Our role in dealing with Dangerous Speech

The President thanked Kim Connolly-Stone, Policy Director and James Ting-Edwards, Senior Policy Advisor for the work that they and other team members have put into the paper which will be used to assist Council in our strategy conversations.

RN49/21 That Council **receive** the paper and defer any substantive discussion on this matter for the Council strategy hui on Saturday 16 October 2021.

NOTE: the paper would form part of a broader discussion about a range of issues in the online environment.

2.3 Structural racism review

The President outlined Council's view about the breadth of what was proposed in the paper, advising that the Council's current view is that the suggested scope is too wide and too deep.

Before making decisions about the scope of and approach to the review, Council will consult with the Māori Design Group. The goal is to sustain some positive momentum of the work thus far with our engagement in Te Ao Māori and the Group, and to agree on an appropriate scope and approach for this review through the partnership we are beginning to build.

RN50/2021 That Council reaffirms its intention to conduct a review relating to structural racism issues, and note that its next step will be to engage with the Māori Design Group to discuss the scope and approach for this review.

(Cr Bow /Cr Pearce)

CARRIED

2.4 Te Ao Māori

Jordan presented the paper and advised that it provided an update and proposals, both strategic and operational, on:

- Increased internal capability of Ipurangi Aotearoa in working with Te Ao Māori.
- Ipurangi Aotearoa becoming a Te Tiriti o Waitangi honoring organisation.
- He Pouwhenua, He Pou Tangata strategy to be embedded into the wider organisation strategy.
- The establishment of the Māori Sector Relationship and Partnerships team.
- The separate governance work that Council undertook at the Council Strategy hui in September on Te Tiriti.

He noted the feedback from Council that the paper covered a number of areas operational, financial and strategic elements, and a preference by Council in future that these areas of work remain separate, with changes made to relevant plans or policies rather than pulled together into single papers. Jordan welcomed this approach, which he sees as making things clearer and simpler.

The Recommendations on **strategic** matters (listed below) rather than being dealt with ad hoc, need to be integrated into the organisation's strategy, and should come back to Council through that process..

- **Agree** to the goal of Ipurangi Aotearoa committing to become a Te Tiriti o Waitangi honouring organisation, and note that engagement with the Māori Design Group about how to go about this would be the next step.
- **Agree** that the He Pouwhenua, He Pou Tangata strategy be embedded into the organisation's wider strategy.
- **Agree** that Te Ao Māori work becomes a top 2 priority for InternetNZ.

The recommendations on **operational** matters (relating to the organisation's capability and how to finance that) should be incorporated in a mid-year update to the annual plan and Budget, which Council would welcome for consideration at its December meeting.

The Māori Design Group will be engaged to assist us with our mahi in this area, through discussion about overall strategy.

Council members discussed what would be involved in committing to become a Te Tiriti o Waitangi organisation. This direction had been discussed at the Council strategy hui in September. While having a shared understanding of what this means was agreed to be important, Council intends to move in this direction, and this will form part of its dialogue with the Māori Design Group. The Chief Advisor, Māori and the Komiti Whakauru Māori will also be able to support greater understanding and progress in these areas.

The Chief Executive advised Council that whatever the process for considering this at a governance and membership level, his commitment is that the organisation will carry on with this direction, by developing and integrating growing elements of tikanga, te reo and other diversity elements as critical patterns of how InternetNZ staff work. It is the right thing to do for any organisation working in Aotearoa in the 2020s, and in addition, doing so will also help us to do our work better.

Finally, Council confirmed the financial scope of support for the Māori Design Group and asked staff to also incorporate this in the revised work plan and Budget.

RN51/2021 **Agree** to the revised budget of \$132,500 needed for the Māori Design Group in the 2021/22 year.

(President / Vice President)

CARRIED

AP17/21 Staff to incorporate material in draft strategic documents and financial and operational matters in a mid-year budget and plan update (for December).C

2.5 Diversity, and communicating these changes

Jordan presented the paper to Council, noting that the organisation has identified the need for training in areas of diversity and sensitivity. This training will be made available to both staff and Council members, and will establish a common baseline of understanding and ways of working that mark a practical and effective commitment to supporting diversity and inclusion in the organisation and the work we do with stakeholders.

The organisation will also embed this work through both operational and governance policy documents.

The paper also noted the importance of effective communication of our work in these areas, and that this would be a priority for us.

RN52/2021 THAT Council **note** the commitment to diversity and sensitivity training and policy/process development, the approach to relationship unblocking, and the approach to strategic communications in this area set out in the paper.

(Vice President / Cr Hulse)

CARRIED

Section 3 – Matters for Decision

3.1 Audit & Risk - Health Safety, Wellbeing Update

This was a confidential paper discussed in committee, with Council being updated on the impacts on staff wellbeing of some of the events with members and stakeholders earlier this year.

Section 4 – Matters for Discussion

4.1 President's Report and CE Review Committee Report

The President's report was taken as read, with Council members thanking her for her mahi in a very busy first few months in the role.

Joy advised that the Chief Executive (CE) Review Committee met in September. The CE Review committee membership is made up of the President, Vice President, Cr Davies and Cr Hulse. The process for the CE review has now been documented and it was advised that the CE's current position description is out of date and is in need of review so that the remuneration can also be reviewed and market assessed.

RN53/21 That the President's report be **received**.

RN54/21 That Council

1. Agree to the CE Performance Assessment process
2. Note that the CE Remuneration has not been reviewed since 2017 and that a market assessment is proposed.
3. Note that the Position Description of the CE needs to be updated and that revisions to this document be circulated to Council for approval.

Block Consent 5.2, 5.3 - (Cr Montgomery / Cr Hulse)
CARRIED

AP18/21 A review of the CE Review Committee's Terms of Reference is due, and this will need to be done by Council.

The Council Members who attended the IOD - Governance Essentials Course on 5 October reported back their learnings from the course, these have been captured and will be used for continuous improvement to the governance structure.

4.2 Management Items for Discussion

There was no discussion of this paper, which was taken as read.

RN55/21 That the management issues paper be **received**.

Section 5 - Consent Agenda

5.1 Confirm Minutes of August 2021

RN56/21 That Council **approve** the minutes of the meeting held on 13 August 2021.

(Cr Lee / Cr Stokes)

CARRIED

5.2 Actions Register

5.3 E-votes Ratification

5.4 Quarterly and Operational Reports

5.4.1 Quarterly Report

Some of the Council asked for clearer criteria and definitions for the traffic light reporting. Specifically about the targets and measures being used to make the judgements. It was noted that this information will be in the CE KPIs and Council would discuss this at a later date.

There was a query about Goal 2.2 Online home for digital equity/inclusion - why is this off track? Jordan advised that the tool is with DECA and that they would follow up and report back.

5.4.2 Membership Update

5.4.3 Project Mimosa Update

This paper was marked as a confidential paper, in case there was discussion of it that went into confidential matters. There was not. The Council agreed that the paper could be released, and so it will be added to the papers pack on the website.

RN57/20 That the E-votes be **ratified**.

RN58/20 That the Quarterly and Operational reporting be **received**.

Block Consent section 5.4 (Cr Stokes/ Hulse)

CARRIED

Section 6 - Other Matters

6.1 CONTINGENCY

6.2 Matters for communication – key messages

6.2.1 Communications in general

6.2.2 Upcoming events

6.3 General business

Council thanked Kim Connolly-Stone for her hard work in the role of Policy Director over the past 2.5 years and wished her well for her future.

6.4 Meeting review

Next meeting:

The next scheduled Council meeting is Friday 3 Dec 2021.

The meeting closed at 11:47am with a karakia.

E-Vote Ratification

There has been one e-vote conducted since the last Council Meeting:

Evote:	Motion:	For:	Against:	Abstain:
911202 1	<p>Final Tranche One .nz Rules and Extension of Emergency Provision:</p> <ol style="list-style-type: none"> 1. Approve the replacement of the existing set of .nz policy documents with the final tranche one .nz rules (dated 27 October 2021, and set out in Appendix 1. 2. Agree to extend the emergency provision up until the new .nz rules are in effect. 	<p>President Vice President</p> <p>Cr Pearce Cr Stokes Cr whitcroft Cr Davies Cr Bow Cr Hulse Cr Lee Cr Montgomery Cr Biasiny-Tule</p>	None	None

Recommendation

THAT the e-votes be ratified.

COUNCIL MEETING - December 2021

Membership Report

PURPOSE: Progress and work for membership of InternetNZ
DATE WRITTEN: 24/11/2021

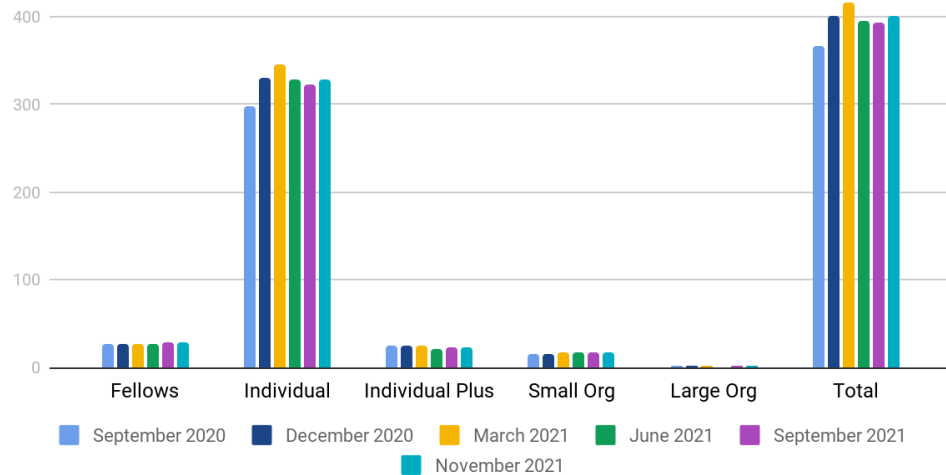
Executive Summary

Since the last Council meeting in October, we have continued our execution of the 2021 membership activity plan.

In the remaining half of this quarter (Oct - Dec), we continue to focus on supporting events members can attend online, and planning for quarter 4.

Current membership (at 24 November 2021)

	30 Sept 2020	30 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sept 2021	24 Nov 2021
Fellows	27	27	27	27	29	29
Individual	297	331	345	328	323	329
Individual Plus	25	25	25	22	23	23
Small organisation	15	15	18	18	17	17
Large organisation	2	2	2	1	2	2
Total Membership	366	400	417	396	394	400



Items to Note

Activities to support membership engagement

Since the last report in October 2021 we have:

- Hosted a Human Rights and the Internet webinar for members + InternetNZ friends
- Support the World Internet Project launch webinar
- Initiated work on upcoming engagement events.

Upcoming Engagement work

The following member inclusive events/initiatives are scheduled:

- December - International Day of People with Disabilities discussion
- January - sending out of new years treats
- February - online community quiz

Due to covid restrictions, our annual stakeholder events are been postponed, date TBC.

Recommendation

THAT the new members be noted.

Andrew Cushen

Engagement Director

19 November 2021

23 November 2021

Ms Joy Liddicoat
President
InternetNZ
PO Box 11881
Wellington

PO Box 11 881
Level 11, 80 Boulcott Street,
Wellington 6011,
New Zealand
Office: +64 4 472 1600
Email: info@dnc.org.nz
www.dnc.org.nz

**domain name
commissionnz**

Dear Joy

Quarter 2 2021/22 Report

This report is for the three months to 30 September 2021. It includes DNCL's quarterly Profit and Loss Statement and other DNCL activities not included in the [InternetNZ Group Activity Report](#).

Domain Name Commission Limited Profit and Loss Statement For the Quarter Ending 30 September 2021

	Q2			Q1			Year-to-Date			FY Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
INCOME										
Accreditation Fees	-	-	-	-	-	-	-	-	-	7,406
Authorisation Fees	3,000	3,000	-	6,900	6,000	900	9,900	9,000	900	15,000
DRS Complaint Fees	8,000	8,000	-	2,000	2,000	-	10,000	10,000	-	27,000
Management Fees	431,525	431,525	0	431,524	431,523	1	863,049	863,048	1	1,726,100
Interest Income	490	625	(135)	217	1,250	(1,033)	707	1,875	(1,168)	7,500
Sundry Income	-	-	-	-	-	-	-	-	-	119,048
Total Income	443,015	443,150	(135)	440,642	440,773	(131)	883,656	883,923	(267)	1,902,054
EXPENDITURE										
DNCL Board	7,510	7,500	10	8,184	8,650	(466)	15,694	16,150	(456)	40,100
Communications	32,401	23,738	8,663	21,559	18,681	2,878	53,959	42,419	11,540	52,851
Compliance	9,684	9,683	1	11,505	13,792	(2,287)	21,189	23,475	(2,286)	112,235
Dispute Resolution Services	15,577	15,558	19	5,325	5,500	(175)	20,902	21,058	(156)	92,951
Memberships	568	568	(0)	167	200	(33)	735	768	(33)	3,000
Registrars	3,806	2,966	840	2,203	2,183	20	6,009	5,149	860	22,500
International	(8,549)	(8,549)	0	-	-	-	(8,549)	(8,549)	0	(8,549)
Office and Administration	87,853	86,618	1,235	84,444	80,212	4,232	172,297	166,830	5,467	323,668
Personnel and Staff	282,714	281,809	905	228,827	218,189	10,638	511,540	499,998	11,542	1,077,298
Professional Services	4,566	3,697	869	1,610	1,834	(225)	6,175	5,531	644	76,000
Projects	27,590	27,590	-	12,750	12,750	-	40,340	40,340	-	95,000
Total Expenditure	463,721	451,178	12,543	376,572	361,991	14,581	840,293	813,169	27,124	1,887,054
Depreciation	15,855	15,769	86	16,993	16,500	493	32,848	32,269	579	45,000
Other Comprehensive Items	-	-	-	-	-	-	-	-	-	-
Net Profit/Loss	(\$36,560)	(\$23,797)	(\$12,763)	\$47,076	\$62,282	(\$15,206)	\$10,516	\$38,485	(\$27,969)	(\$30,000)

The end of September result is a deficit of \$869 against a budgeted surplus of \$9,778 DNCL continues to tightly control its budget and year to date we report a surplus of \$10,516.

**Keeping .nz
fair for everyone.**

Reports released

The DNCL annual report was released in July and is available at <https://dnc.org.nz/about/about-the-commission/corporate-information/dncl-2020-2021-annual-report/>

It was another busy year for the Commission assisting consumers with their problems and helping Registrars to comply with the .nz rules.

In September we also released our annual transparency report, the third one of its kind.

Compliance

We are carrying a vacancy in our compliance area but have commenced discussions with a recruitment agency to fill this role. We are wanting this new person to commence when we move to our new premises.

Market study

This quarter we completed our first study into competition in the .nz market. Mark Cox at BERL reported on the health of the market for consumers in the .nz space following increased market concentration in the .nz registrar market. This follows a period of mergers and acquisitions in the .nz registrar space with a group of registrars sharing common upstream ownership now approaching around 40% of market share.

BERL recommended that the Commission should focus on hearing the consumer voice, including deeply analysing the enquiries it receives. BERL also recommended that the Commission should seek out more information from service providers who deal directly with the ultimate consumers, for example, web hosting and IT service providers.

We are planning to incorporate these recommendations in the company's strategy planning for beyond 2022.

Outreach and engagement

Staff presented and collaborated with a number of international colleagues online at APTLD and the Pacific IGF in September 2021. The Commission and InternetNZ staff played a leading role in helping with the event. We also participated in NetSafety week.

Group project contributions

There is 1 full time equivalent DNCL staff working on major InternetNZ Group Projects, most notably the registry replacement project and .nz policy review. Further DNCL staff are involved in Registrar readiness and testing activities. In addition, DNCL is the lead or involved in approximately 17 of the tranche 2 recommendations of the .nz policy review. These projects extend into the 2022/23 financial year.

Online Dispute Resolution Pilot Project

The customisation of workflows continues for the online dispute resolution project. Overall the project is tracking well and on target to deliver this financial year. Key achievements over this period include a finalised prototype for testing, template sign-off and development of the change and communications strategy.

Upcoming work

The current DNCL Company Strategic plan will finish at the end of year. The DNCL Board, together with DNCL staff, are in the process of developing a strategic plan for beyond 2022. The company intends to finalise this plan as best it can by February 2022 noting there is parallel work happening on InternetNZ's overall strategy. It is likely that once InternetNZ's overall strategy is finalised, tweaks to the company's strategic plan will need to be made especially in relation to joint transformations.

Yours sincerely



Jordan Carter
Chair, Domain Name Commission

Council Skills and Diversity Assessment Report

ITEM:	5.5
PURPOSE:	To share the results of the skills and diversity assessment with Council.
DATE:	26 November 2021

Summary

This report represents the outcome of the recent assessment of skills, experience, and diversity attributes of the current Council, tested against the agreed Skills and Diversity matrix. No individual Council member is expected to have all the identified elements, nor will the Council always have the perfect mix.

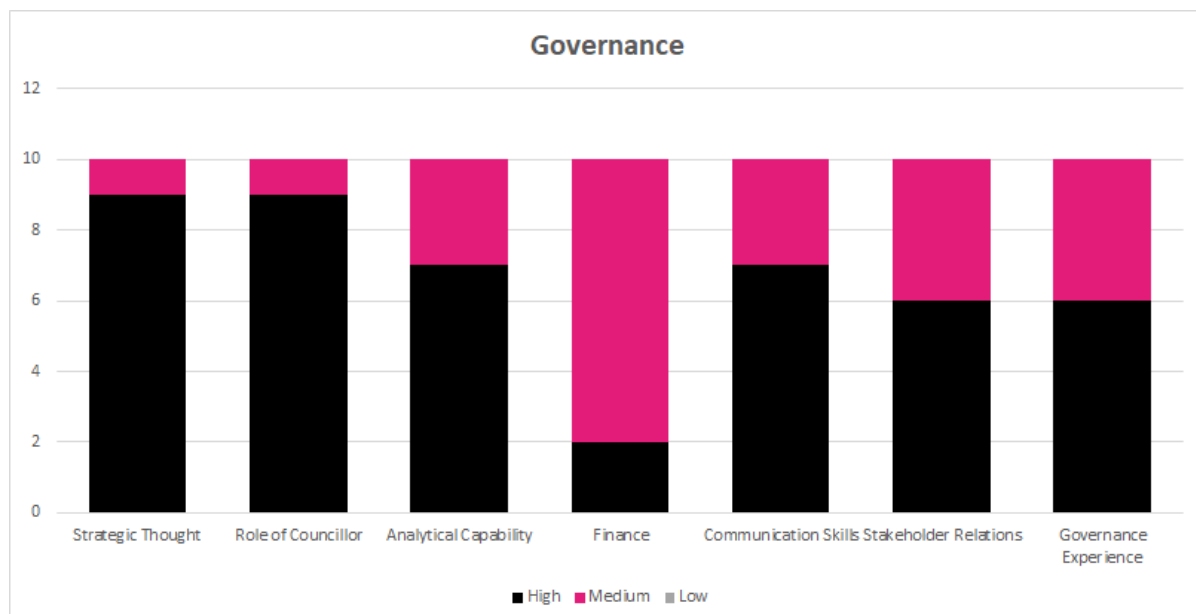
The assessment of the Council's skills and diversity was undertaken to review the requirement for recruitment of appointed Council members based on identified gaps in the current mix council skills, experience and diversity. It was done by a self-completing survey.

The strongest themes in the results below are lower skills/experience in the Diversity Attributes 'Young People'.

Management recommends that at the February 2022 meeting, Council consider appointing one Council member to close the gap.

Governance

These are core skills and areas of knowledge associated with the role of Council as InternetNZ's governing body. The analysis here shows two areas with a High to Medium Mix - Finance, Governance Experience and Stakeholder experience.



Governance Skills / Experience

Strategic thought - Ability to consider an issue in the context of the organisation's stated goals. Keeping at the high level, weighing options with an open mind.

Role of the Councillor - An understanding of the governance function and the value it should add. Clarity on the role of and obligations placed on a Councillor.

Analytical capability A structured approach to problem solving, critical reasoning, an ability to analyse information and importantly ask considered and relevant questions

Finance - The ability to read and comprehend the organisation's accounts and the financial material presented to the board. Financial literacy at a level consistent with minimum expectations placed on directors under the law.

Communication skills - Ability to clearly articulate a point of view in a positive manner.

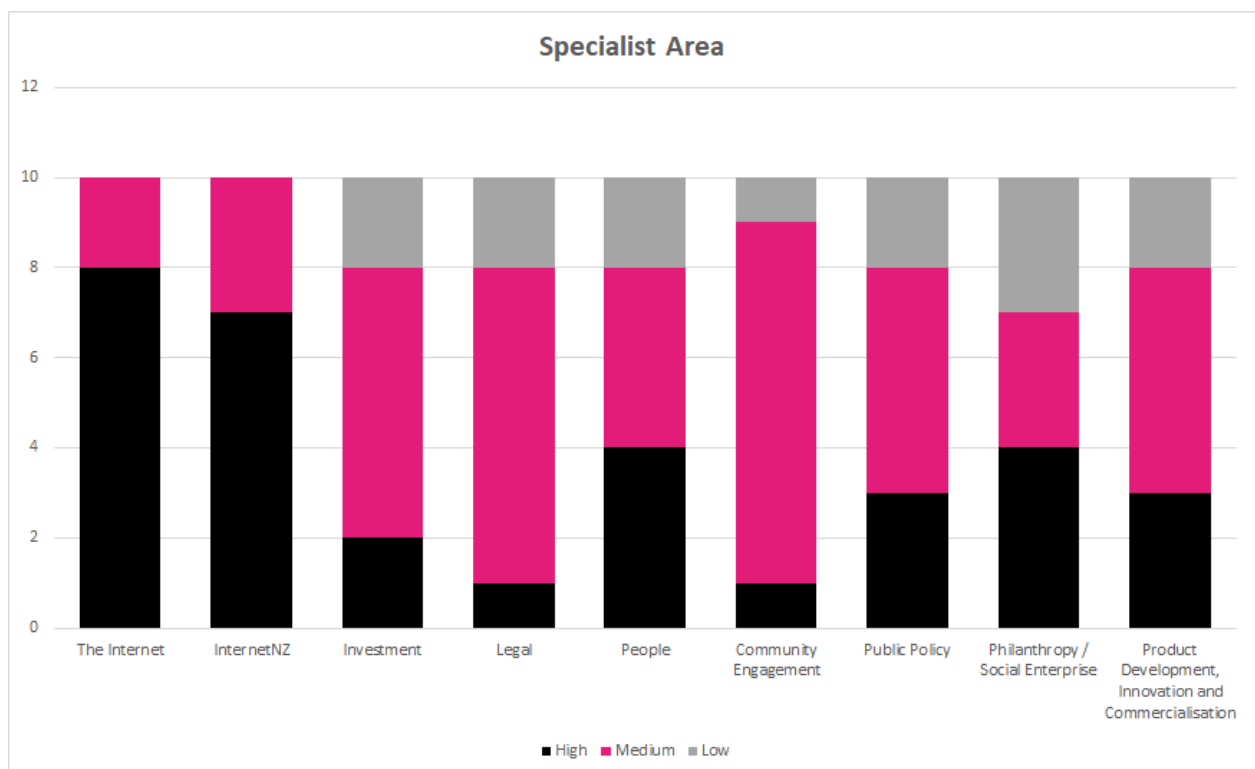
Stakeholder relations - Ability to understand the requirements of owners and stakeholders and as required and relate to those constituencies.

Governance experience - Previous experience in related governance roles.

Specialist Areas

It is desirable to have these skills around the table understanding that in the main these duplicate staff skills. The key attribute is an understanding of or willingness to learn about the business.

The analysis below shows a number of areas with Medium representation specialist skills- Investment, Legal, People, Community, Public and Product.



Specialist Skills / Experience

The Internet - An understanding of the key role that the Internet plays in our world now and into the future.

InternetNZ - An understanding of the specific role that InternetNZ plays in that world.

Investment - Knowledge, understanding and appreciation of Investment advice, practices and framework. Ability to work with management in discerning and driving appropriate investment approaches.

Legal - An understanding of the legal environment as relevant to the internet

People - Experience in evaluating the performance of the chief executive and skills in human resource management, culture, reward and recognition.

Community Engagement - High level reputation and networks in the community including with relevant industry organisations and consumer or business groups, and the ability to effectively engage and communicate with those stakeholders

Public Policy - An understanding of public policy and how it relates to the Internet.

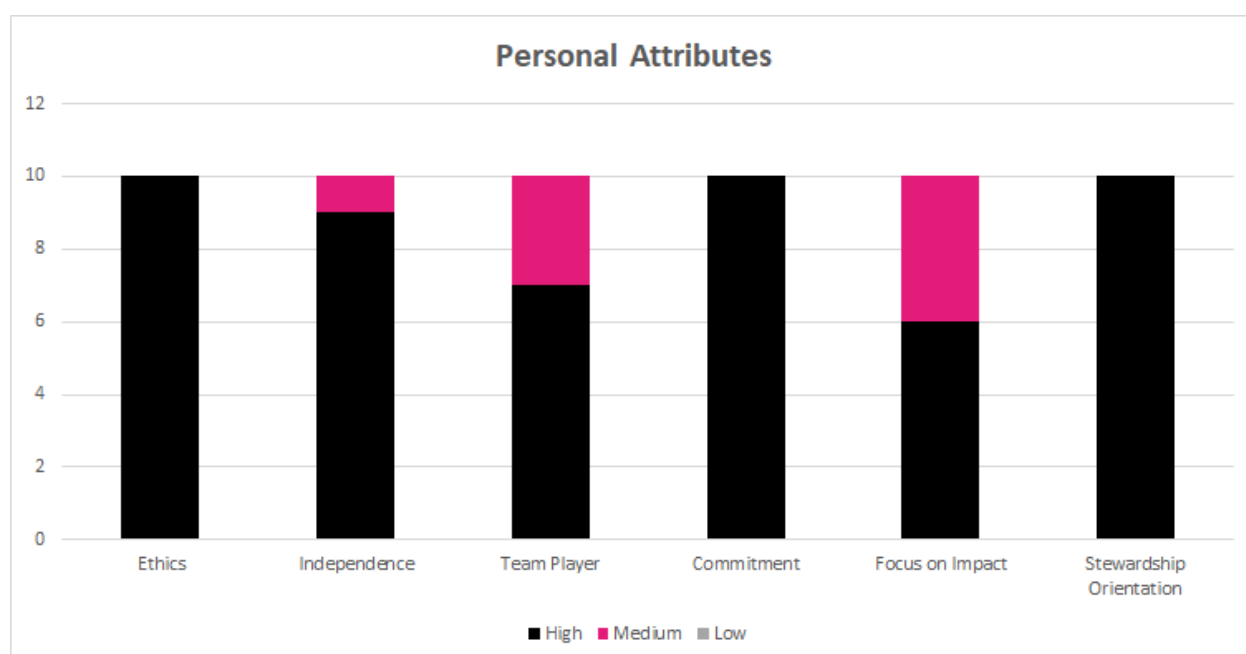
Philanthropy / Social Enterprise - An understanding of granting process and the maximisation of philanthropic funds

Product Development, Innovation and Commercialisation - Technology Innovations:

Understanding the current drivers of innovation in the information technology market. Experience in delivering new product offerings in response to market demand, to achieve market leadership or to take advantage of opportunities for innovation.

Personal Attributes

The results below show a high level of strength in personal attributes - Ethics, Independence, Commitment, Stewardship Orientation.



Attributes:

Ethics - Demonstrating high levels of integrity, ethical behaviour and honesty, Acting always in the interests of the organisation.

Independence - Maintaining an independence of thought. Ability to politely maintain and promote a position and to agreeably disagree as needed.

Team player - Understanding that board work is teamwork, ability to work with others and form productive relationships.

Commitment - To commit the time to prepare, understand the business and make meeting attendance a non-negotiable priority

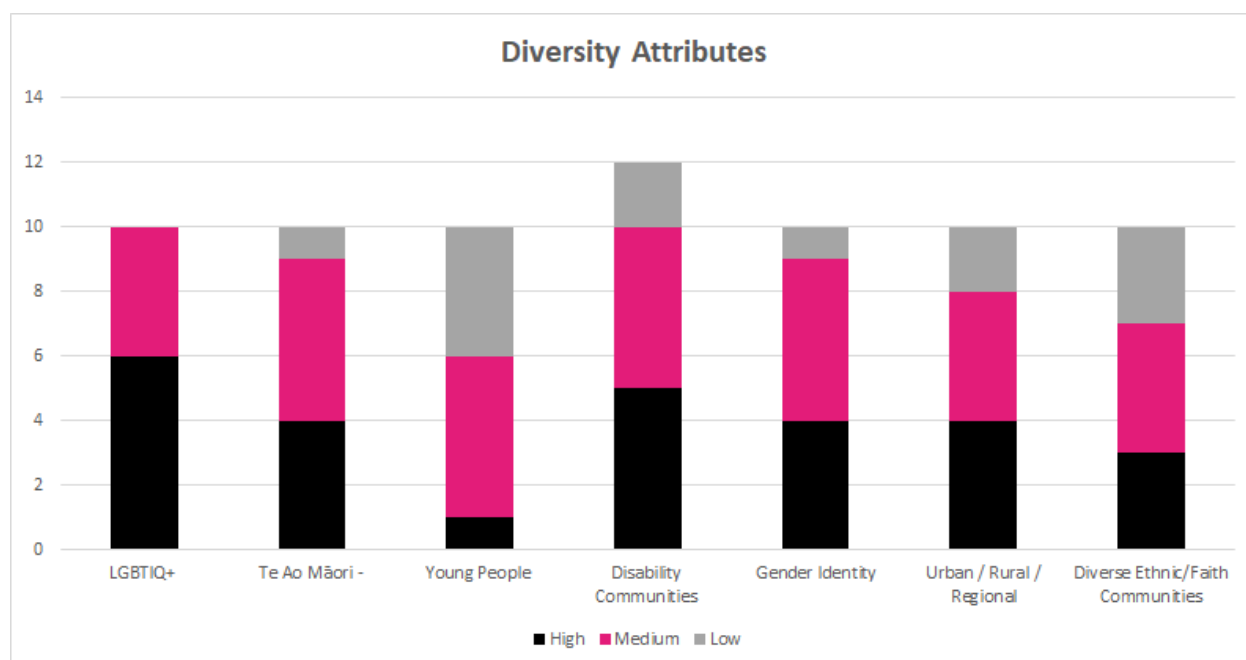
Focus on impact - Always focused on ends and less on the means to get there. Seeking evidence of impact.

Stewardship orientation Understanding that the board operates as a subset of the owners and comprehending its role as fiduciaries (acting for the benefit of others)

Diversity Attributes

InternetNZ has a strong commitment to broad representation at the Council table representing the diversity of the community we serve. We are interested in bringing these perspectives to our governance.

The lowest representation of the diversity attributes at the Council table is in the area of Young People.



Attributes:

LGBTIQ+ - Understanding of the issues facing people from diverse Rainbow communities and the opportunities and challenges that relate to our work.

Te Ao Māori (Indigenous Governance, Te Tiriti o Waitangi) - Understanding aspects of Te Ao Māori that pertain to InternetNZ's role, including concepts of indigenous governance, Te Tiriti, data sovereignty, cultural competence of staff and governors and familiarity with tikanga Māori and Te Reo Māori. Diverse representation around the Council table.

Young people - Internet industries are driven by a younger demographic. We encourage that voice at the Council table.

Disability Communities - Understanding of the issues facing people living with disability and the opportunities and challenges that relate to our work.

Gender Identity - Understanding of the issues facing people of diverse gender identities, and the opportunities and challenges that relate to our work.

Urban / Rural / Regional - A diverse representation from different towns and cities around Aotearoa around the Council table.

Diverse ethnic communities - Understanding of the issues facing people of diverse ethnic identities, and of their communities, and the opportunities and challenges that relate to our work.

Recommendations

THAT Council receive the skills and diversity assessment report.