



# **InternetNZ Annual Report 2011-2012**



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InternetNZ (Internet New Zealand Inc) is an open membership incorporated society, established to protect and promote the Internet for New Zealand. InternetNZ is an advocate for an “open and uncaptureable” Internet so that it continues to be a platform for innovation.

InternetNZ is also the delegated manager of the .nz domain name space. Two wholly-owned subsidiaries ensure .nz is run effectively and in the interests of registrants: the Domain Name Commission Ltd (DNCL) develops and enforces policies for .nz domain names; and New Zealand Domain Name Registry Ltd trading as .nz Registry Services (NZRS) maintains and publishes the register of .nz names, and operates the Domain Name System for .nz



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# President's Report



This has been another eventful year for InternetNZ, with the organisation continuing to make significant and influential contributions to ongoing public policy debates.

Our policy and advocacy work has never been more relevant to the New Zealand Internet community. With the UFB fibre implementation getting underway this year, “content” issues have tended to dominate the public debates but we will never lose sight of the need to ensure that the underlying Internet infrastructure is preserved and maintained as an open system.

Of special note was the inaugural NetHui, which took place just before the 2011 AGM. NetHui proved to be a great success, and exceeded our most optimistic expectations. It gave our organisation a platform for an exchange of ideas that set the scene for the rest of the year.

I am also proud of our record in providing community funding grants for projects in line with our objectives. During the past 12 months we have given just under one million dollars to individuals and organisations to enable them to carry out projects that InternetNZ sees as desirable and useful but which we are not able to do ourselves. Of particular significance is the \$500,000 we put towards projects assisting with the rebuild of Christchurch. It was particularly satisfying that we were able to partner with representatives of Christchurch business and community organisations to ensure that projects selected for funding also met Christchurch's own priorities.

A major interest for members this year was the debate around whether InternetNZ should apply to ICANN to operate a new gTLD. After some consideration the issue boiled down to: should we apply for the dot Kiwi string? The discussion around this issue was robust, though never acrimonious. Such a healthy exchange of views represented the best of what a diverse and well-intentioned membership body can provide towards an informed debate.

In the end, Council decided not to proceed with an application. While InternetNZ will not be entering the new gTLD market, we cannot afford to ignore the potential impact that a flood of new gTLDs will have on our stewardship of dot nz. We must continue to operate our own TLD according to world best practice. At the same time we need to ensure that our policies and practices continue to make .nz an attractive domain for New Zealand Internet users to purchase.

I thank Vikram and his team for the great work they have done over the past 12 months. My thanks also go to all of InternetNZ's Council and Board members for another year of effective work. I particularly thank Donna Hiser who is retiring after nine years as a director on the NZRS Board. Her service to InternetNZ extends back to 2000, at a rather difficult time for our organisation, when she stepped in at short notice as Acting CE of Domainz.

Finally I would like to again take this opportunity to thank the InternetNZ membership, especially those who have worked in the Policy Advisory Group for their support and commitment to InternetNZ during a busy year.

Frank March

A handwritten signature in black ink, appearing to read 'Frank March', written over a light grey, textured background.

President  
InternetNZ

# Chief Executive's Report



Looking back over the last year, it's hard to decide if we should be optimistic or pessimistic about the future of the Internet. Have we reached a tipping point where it's become widely accepted that openness and a lack of centralised control makes the Internet what it is? Or, should we worry that the very success of the Internet carries with it the seed of its downfall - that governments and powerful corporates are capturing the Internet for their own narrow interests?

We need to consider this question as InternetNZ's goal is to keep the Internet open and 'uncaptureable'. It is the context for the work we have done and for the work we need to do.

There are many grounds for optimism with Internet users around the world raising their voices against laws that threaten Internet freedom. The 18th of January 2012 may go down in history as the day 'ordinary' Internet users stood up to the awesome might of Hollywood's relentless efforts to control the threat the Internet poses to its traditional business models. Over 4.5 million people signed Google's online petition to the US Congress against SOPA and PIPA; 162 million people visited Wikipedia's blackout landing page. InternetNZ, in view of the threat to our national interests, also blacked out its website that day.

Subsequently, the White House issued a statement that it would "not support legislation that reduces freedom of expression, increases cybersecurity risk, or undermines the dynamic, innovative global internet." That was the last nail in SOPA's and PIPA's coffin. 'Ordinary' Internet users had given notice that they care about keeping the Internet open and 'uncaptureable'.

Similar signals came from Europe, where thousands of people took part in street protests to oppose ACTA. InternetNZ was an early participant in protesting against the secrecy and negative impacts of ACTA on the Internet. We were part of the coalition that organised PublicACTA on 10th April 2010 which led to the "Wellington Declaration" calling for greater transparency in the negotiation process and limitation in the scope of the treaty's subject matter.

There were several other signals over the past year to inspire optimism about the Internet's future. For example, studies confirmed the role the Internet and social media played in accelerating protests in the early stages of the "Arab Spring" in Tunisia, Egypt and elsewhere in the Middle East. Internet freedom has become an essential element of democracy.

However, there are equally compelling grounds to be pessimistic. We may, in fact, be at a tipping point but not quite the one we've been working towards.

It's estimated that the number of governments that censor Internet content has grown to 41 today from about 4 in 2002. There are several motives or rationales for Internet censorship: politics and power; social norms and morals; security concerns; and protecting intellectual property rights and legacy economic interests. In addition, networking tools and applications that allow the sharing of information related to these motives are themselves subject to filtering and blocking.

Perhaps the starkest expression of intentions of some governments came from then-Prime Minister Vladimir Putin who stated the goal of Russia and its allies as "establishing international control over the Internet." The chosen vehicle for control is the International Telecommunications Union (ITU), a body of the United Nations. The ITU is an inter-governmental treaty organisation where each country gets an equal vote. It is conducting a review of the international agreements governing telecommunications and seeks to expand regulatory authority to the Internet at a summit scheduled for the end of this year.

The massive amount of information available online is leading to the rise of new gatekeepers as people search for relevant information. Convenience and the commercial value of tracking people's digital footprints are increasingly leading to information and service silos. For all the vaunted vastness of the Internet, one study shows that media concentration online is greater than the physical equivalent.

New Zealand is substantially better off on the openness scale than most other countries. Yet, we are one of the few nations that have a 3 strikes law, backed by harsh penalties and deemed guilt on accusation. Our low data caps and media concentration makes threats to net neutrality a real possibility. There is a significant threat to the open Internet from a political deal accepting extremely restrictive provisions being pushed in the Trans-Pacific Partnership Agreement negotiations, particularly by the United States. So we have our own challenges on top of the international threats.

Whether or not the Internet remains open and 'uncaptureable' is not an academic discussion. It is a 'general purpose technology' creating a platform for step change - much like railroads and electricity networks have done before. The open and layered nature of the Internet has meant that permission is not required to develop new and innovative services on the Internet, leading to tremendous growth and innovation. That is why the critical aspects of an open Internet are worth protecting. Otherwise, the Internet would simply not be what it is and we would not have the many online services that make our lives better.

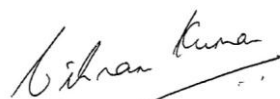
InternetNZ's goal of keeping the Internet open and 'uncaptureable' continues to be critical. Our role has never been more important. Our need to do our bit to protect the Internet from being captured by narrow interests while also promoting the benefits - economic, social, cultural, and environmental - have never been more vital.

This is the backdrop for the work InternetNZ did last year; the highlights are in the next section of this Annual Report. This is also the context driving our work in the year ahead. InternetNZ's efforts are powered by an excellent team of staff, supplemented by the expertise and experience of a number of people on-tap. A similar width of skills and perspectives at the governance layer provides for sound governance and strategic direction.

In the last year we were not able to go beyond these resources. The inaugural NetHui conference has however created a way for the wider community to come together and be a future force multiplier. As this community evolves in the way the community members want it to, InternetNZ has the responsibility and opportunity to provide support and be a catalyst. This is the essence of the Internet and InternetNZ - built from the bottom up; powered by people; and building consensus from multiple, valuable perspectives.

And so, as I weigh up last year and think about the year ahead, I am on balance optimistic. There will be new and unexpected challenges in the year ahead but our commitment to the wider community and their support for us may well decide the balance between openness and control of the Internet.

Vikram Kumar



Chief Executive  
InternetNZ

# Work Highlights 2011-2012

## NetHui 2011



InternetNZ's inaugural NetHui conference was held in June 2011, attracting over 500 people for three days of stimulating discussion on the Internet and its impact on society. A defining feature of the conference was its strong level of attendee participation, where participants came together in facilitated community-led streams to discuss and understand the major issues facing today's Internet.

The event's keynote speaker – Harvard Law Professor Lawrence Lessig – proved enormously popular. Professor Lessig delivered a stirring address on the complexities of digital copyright, corruption in US government law-making, and the power of commercial vested interests in the law-making process. Information about this year's NetHui event can be found at [www.nethui.org.nz](http://www.nethui.org.nz).

## Ultra-fast broadband

2011/2012 was a watershed year for ultra-fast broadband in New Zealand, with the Government significantly progressing its Ultra-Fast Broadband and Rural Broadband Initiatives. With an initial focus on schools, hospitals and businesses, the three Local Fibre Companies (Enable Networks, Northpower Fibre and Ultrafast Fibre) and Chorus have been rolling out fibre in their coverage areas. In regional New Zealand, some schools and hospitals have already received fibre. InternetNZ's focus has been on ensuring both of these initiatives are technically robust, with attention now turning to potential barriers to fibre uptake.

## Election year & Future: Digital

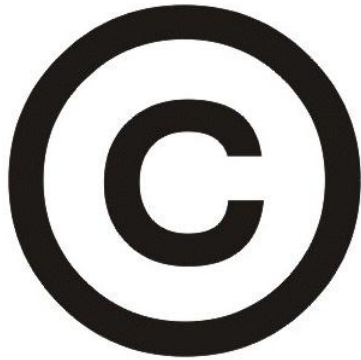
In late-2011, InternetNZ held an election debate in which ICT spokespeople from the major political parties discussed New Zealand's digital future. The debate was streamed live online. In addition, InternetNZ published a comprehensive discussion document, called *Future: Digital*. This was intended as a discussion starter on priorities for a future Government and encouraged development of a 'vision' of New Zealand's digital future. It stressed the importance of Internet technologies in realising economic growth and of fostering a digitally-inclusive society.

## InternetNZ Lifetime Achievement Award



In 2011, InternetNZ instituted a new award recognising outstanding individuals who have made a significant contribution to the development of the Internet in New Zealand. The winner of the inaugural InternetNZ Lifetime Achievement Award was Richard Naylor, who was instrumental in promoting a vision of a 'networked city, networked world'. Richard commands enormous respect in New Zealand's ICT community; not least because of his ongoing championing of open standards and open peering – values that lie at the very heart of the Internet.

## Trans-Pacific Partnership Agreement



InternetNZ continues work to mitigate the potentially devastating impact of the Trans-Pacific Partnership (TPP) Agreement on the Internet. New Zealand is one of nine countries negotiating the TPP which, if passed in accordance with leaked negotiating positions, could undermine an efficient and open Internet. Maintaining a presence as a stakeholder at three separate TPP negotiation rounds, InternetNZ has appealed to negotiators to craft an intellectual property chapter that works with the Internet, not against it. InternetNZ is primarily concerned by the digital copyright provisions of the TPP and, in late-2011, documented its views in a position paper.

The paper notes that in submitting to United States' demands for stronger intellectual property laws, New Zealand's Internet and the future of our weightless economy could be seriously compromised. InternetNZ will only support the TPP if independently verifiable evidence suggests the agreement will bring net benefit to New Zealand without prejudicing an open Internet.

### Digital copyright

Digital copyright featured heavily in 2011/2012, with rights-holder groups and open Internet advocates remaining in conflict. In September 2011, the Copyright (Infringing File Sharing) Amendment Act, colloquially known as the 3strikes law, entered into force. This law provides rightsholders with an easy and expedited way to send notices via ISPs to Internet account holders for their alleged infringing file-sharing. Should an account holder receive three strikes, the rights-holder may seek damages of up to \$15,000 from the Copyright Tribunal. To help people and organisations understand the impact of the new law, InternetNZ set up a dedicated website and associated social media (3strikes.net.nz) as an information resource. The site and its discussion forum proved extremely popular.



### The ANZIAS

Last year, InternetNZ continued its Australia & New Zealand Internet Awards (ANZIAS) collaboration with auDA – the body responsible for the .au domain name space. The ANZIAS are an annual event that recognises the achievements of organisations, businesses and individuals that have made significant contributions to the development and use of the

Internet in New Zealand and Australia. The 2011 Awards saw six New Zealand organisations honoured – Otaki-based Aura Redeye Security, Upper Hutt-based DTS, Victoria University's NZSL Online, Wellington-based beek.co, the Department of Internal Affairs' igovt service, and Wellington-based PaperKut Paperless Receipts.

### Data caps

There has been discussion for quite some time about monthly limits of Internet usage (data caps) that are typical in New Zealand. Against this backdrop, InternetNZ commissioned a report on peoples' and organisations' views about the existence of data caps. Recording and articulating these views was a first step towards considering our goals and initiatives in this area.

## Grants funding rounds

In 2011/2012, InternetNZ granted hundreds of thousands of dollars to various Internet-related projects through two dedicated funding rounds. The Community Projects Funding Round in mid-to-late 2011 saw \$46,000 granted to three research projects: an evaluation of 'white-space' wireless technology for rural telecommunications; a map of New Zealand's Internet infrastructure; and a free wireless project in Cannons Creek. The Christchurch Funding Round, in late 2011 / early 2012 saw \$500,000 granted to build new videoconferencing capabilities in Christchurch schools; free wireless in Sydenham / Lyttelton; a digital literacy training service; and a consortium of digital archiving initiatives. Of this amount, \$63,000 has been earmarked for further free community wireless Internet projects. More information on these projects can be found at [www.internetnz.net.nz/our-work/funding](http://www.internetnz.net.nz/our-work/funding).

## IPv6



Throughout 2011/2012, InternetNZ continued to advocate for implementation of Internet Protocol version 6 (IPv6) – the next generation Internet addressing protocol. As the principal funder and Secretariat for the New Zealand IPv6 Task Force, InternetNZ strongly supports the adoption of IPv6 by New Zealand's public and private sectors. The work of the Task Force has been invaluable in achieving an

increased general awareness of IPv6 implementation and creating a better understanding of the state of New Zealand's IPv6 readiness. The Task Force organised a dedicated IPv6 event to give an impetus to government adoption. More information about the Task Force can be found at [www.ipv6.org.nz](http://www.ipv6.org.nz).

## Changes to the Criminal Procedure Bill

We called for, and subsequently in July 2011 welcomed, changes to the Criminal Procedure (Reform and Modernisation) Bill. InternetNZ had strongly opposed section 216 of the bill, which sought to impose new criminal liability on Internet Service Providers (ISPs) for breach of name suppression by their customers. The Justice and Electoral Committee recommended deletion of this clause. The Committee also recommended a new clause 215(3) "which would ensure that internet content hosts were not liable unless they knew or were aware of a risk the information was suppressed."

## Formal submissions

As a part of its 'protect' the Internet goals, InternetNZ made several submissions to government and regulators. The areas for major submissions over the course of the year included demand-side fibre, the digital divided, the Copyright (Infringing File Sharing) Regulations, rural and urban broadband discussion and technical documents, and new media and privacy-related issues. All InternetNZ submissions are available at [www.internetnz.net.nz/our-work/submissions](http://www.internetnz.net.nz/our-work/submissions).



# InternetNZ Directory 2011-2012



**1. Frank March**  
President 2009 – 2012  
Vice President 2007 – 2009  
Secretary 1997 – 2001  
Council 1994 – 1997, 2006 – 2007  
InternetNZ Fellow – awarded 2001

**2. Jamie Baddeley**  
Vice President 2009 – 2012  
Council 2006 – 2009

**3. Don Christie**  
Council 2010 – 2013

**4. Donald Clark**  
Council 2008 – 2014

**5. Michael Foley**  
Council 2007 – 2012

**6. Neil James**  
Council 2008 – 2013  
InternetNZ Fellow – awarded 2001

**7. Hamish MacEwan**  
Council 2007 – 2012

**8. Jonny Martin**  
Council 2006 – 2013

**9. Dave Moskovitz**  
Council 2010 – 2014

**10. Nathan Torkington**  
Council 2009 – 2014

**11. Michael Wallmannsberger**  
Council 2002 – 2003, 2008 – 2014  
Treasurer 2006 – 2008  
Secretary 2003 – 2006

**12. Lance Wiggs**  
Council 2010 – 2013