

Submission on the Second Proposal InternetNZ Organisational Review

Jordan Carter, Chief Executive

18 September 2017

Thank you for the opportunity to offer feedback on the second Organisational Review proposal (the “revised proposal” in this submission), released to staff for consultation on 31 August 2017.

Summary

Overall the proposal provides a workable and improved framework for InternetNZ’s governance and management. The Internet community and the public of New Zealand need us to be the skilled and effective voice for the Internet this proposal would help us to be.

I support it and recommend the Council proceed to implement it. The streamlining of management and governance across the group this revised proposal would bring compared with the status quo will make it easier for InternetNZ to develop and execute a top-notch strategy, working together to build what will be in some ways a new organisation founded on our current strengths and successes.

While this revised proposal does less to realise the design objectives and principles the Council has established, it does show that the feedback received in response to the initial Proposal has been seriously considered, leading to material changes. The tradeoffs inherent in that process seem reasonable and do not mean this proposal needs further change or revision.

Specifics

I offer a number of specific comments for consideration, some of which outline issues with the revised proposal that are significant enough to draw to your attention. These comments are generally presented in the same order as they first arise in the paper.

- I support the separation at a governance level of decisions on .nz policy from enforcement. This is a conventional split in a range of sectors and regulatory/policy frameworks. To make it work and to avoid duplication, it will be important to ensure that all of the operational experience in the proposed structure is able to contribute to policy work – be it technical experience from registry operations or enforcement experience. The way to achieve this is to take care that the final decisions do not prevent DNCL staff being involved in developing .nz policy or assisting with any related process, under the leadership and responsibility of the new Chief Executive.

- Retaining a separate corporate structure for the policy/contractual enforcement and dispute resolution roles for .nz responds to stakeholder concerns in terms of perception, and may have some benefits in protecting the group from liability if policy/contractual enforcement is challenged. It will be important to commence and operate this structure in a way that maximises these benefits.
- There should be no decisions at this stage about the public-facing brands of the group. Regardless of the legal structure, there needs to be consideration given to how our identity is presented to our various stakeholders and audiences. Resolving these isn't a first-order matter in the implementation process.
- The changes proposed to Council should strengthen its ability to do its role, including hold the Chief Executive to account, by assuring that the right balance of skills and experience are available. Further reductions, e.g. to nine Council members, could be contemplated. I raise two specific matters:
 - Council should proceed with the revised Proposal whether or not the changes to Council composition are agreed through an SGM. The changes proposed for Council stand on their merit regardless of the operating structure of the group. The gains from implementing the bulk of the revised proposal will accrue regardless, and the need to incorporate the array of skills that would come from Appointed Council Members in the revised proposal could if necessary be achieved other ways (e.g. through appointing independent members to Committees).
 - The proposal should change so that the Appointed Council members are appointed for three-year terms (staggered replacement, one per year), renewable twice. Each Council could then decide on one Appointed member post-AGM. To have one-year terms for these members changes their status compared with Elected Council members; the initial one-year term isn't long enough to understand the business and make a true contribution; and the three one-year terms limit is too short.
- Some details about the approach to managing .nz could be strengthened, consistent with the overall approach, along these lines:
 - the .nz policy committee should not be the sole decisional body for changes to .nz policy. That is a responsibility for Council as governing body.
 - the .nz policy committee should not be the sole decisional body for the registration fee for .nz domain names. That is a responsibility for Council as the governing body.
 - the .nz domain name fee should not be decided based on a recommendation only from DNCL – the whole organisation should provide a joint recommendation, or clearly separate advice if there are

different views.

- besides matters specified in the revised proposal as being the responsibility of DNCL or the .nz policy committee, there are other matters where registrars or others may have an interest in Council decisions – e.g. commercial matters such as payment terms for registrars, or technology matters such as software choices. Council should develop and adopt a comprehensive and rigorous Conflict of Interest policy to ensure such interests do not influence or make decisions on such matters.
- Some parts of the proposed implementation approach (section 6) could be clarified or changed:
 - The new Chief Executive should be the main decision-maker regarding any ongoing engagement of outgoing Chief Executives. The availability of those people for specific projects, knowledge-sharing or other roles will best be managed by the person developing InternetNZ's future organisation in consultation with the new management team and the staff.
 - The new Chief Executive will have to quickly understand and assess the operational reality of the group across the whole span of its work. To allow for this, I do not recommend you implement the changes to DNCL and NZRS management and governance on the day that the new role begins (proposed in p. 21). At least a month's time should be allowed for the new CE to speak with staff and governors across the organisation before the formal changes are implemented. This is also the case if the transition to a new CE occurs just before the Christmas break. The date/s of transition could be finalised with the new CE once they are appointed.
 - To the extent it is possible and reasonable, staff across the group should be empowered to work on implementation preparation once there is clarity about changes to the structure, even before the Chief Executive is known. A great deal can be done to prepare the ground for the new CE if our organisations are asked to do it. Council should with the Boards and non-CE managers, as well as existing CEs, to get this moving as soon as can be.
 - An important part of this work is in communicating the decisions and the logic behind them. Confusion will be avoided and stakeholder confidence increased if people are clearly and simply told what changes are being made and why, and how success will be tested over time.

This proposal provides a structure that will drive InternetNZ's evolution. It will in turn be assessed in a few years. If any of the details are not perfect, they can in future be changed. I hope we avoid any temptation to see this Proposal or the decisions

resulting from it as cast in stone. Today's world demands ongoing review and change, not settlements for-all-time.

Finally: the sooner the identity of the new Chief Executive is known, the better it will be for the group as a whole. I urge the Council to take the most expeditious possible process to the recruitment to the role, consistent with a fair and open process.

If there are any matters in this submission that you need more information on or would like to discuss, I am happy to do so. I regard this submission as public and am happy for this to be published.

A handwritten signature in black ink, appearing to read 'Jordan Carter', with a stylized flourish at the end.

Jordan Carter
Chief Executive