

InternetNZ Group - Feedback on change proposals

Response ID:72 Data

1. (untitled)

1. Submissions from this consultation process may be made public. Please indicate here if you would like your submission to be kept private.

I am happy for my submission to be made public

2. Which of the following best describes the perspective your submission represents?

Employee

2.

3. Is this a group or individual submission?

Individual

3. (untitled)

4. Individual

Name : Jordan Carter

Title : Chief Executive

Organisation : InternetNZ

12. (untitled)

5. Would you like to provide any comment on the case for change?

I largely agree with the material set out in the "Case for Change" section of the document.

From my perspective, the complex web of relationships between governors and senior staff across the group is a key contributor to a lack of agility. The structural divisions underneath this web of relationships add further complexity and rigidity.

Simplifying this structure seems likely to mean there will be less time demanded on internal coordination and relationship management. This would lead to a more effective and agile organisation, and allow us to be more outwardly focused.

13. (untitled)

6. What do you think are the strengths of the proposal to merge the three organisations into one, governed by one Council?

The key strength of this proposal is that it removes the complexity of the three-way relationship between the three governing bodies, and the complicated relationship between the three Chief Executives (where the InternetNZ CE in particular faces conflicting expectations as both a peer of the other group CEs, and as an agent of the parent organisation).

With the greater simplicity of the proposed merging of the three organisations, people's time and attention can be re-focused on pursuing organisational goals. We should be able to get more done with given resources as a result.

7. What do you think are the limitations of the proposal to merge the three organisations into one, governed by one Council?

A number of points:

- the proposal is not clear that if registrars were elected to the InternetNZ Council they would need to stand aside from any decisions relating to .nz policy, .nz contracts or enforcement, and a range of decisions

regarding registry services.

- the proposal is unspecific about the role of the proposed domain experts group.
- the proposal is not clear about the nature of independence in .nz policy making and contractual enforcement and how this will be provided for in the new structure.
- the proposal does not discuss in detail ways to provide public assurance of the quality of service of the .nz product set.
- the proposal does not discuss costs & benefits in a quantitative way, or provide a clear risk analysis from the proposed changes.

14. (untitled)

8. Do you have any suggestions on how to address these limitations?

Yes.

- The proposal should include a clear Conflict of Interest policy that specifically and publicly excludes Registrars from any decisions in which they might have a conflict of interest.
- The review should consider whether the proposed domain policy experts group should have a role related to establishing reporting or quality standards for the .nz product set and providing assurance on the reporting on these. Such reporting would be an organisational function, but a suitable expert and arms-length role could help provide stakeholders and public with assurance that there will be transparency in QoS reporting. This helps deal with the fact the proposed structure would have the ability to be less transparent than the status quo (the status quo has separate governance for DNCL which reports jointly with NZRS on the SLA).
- The staff member responsible for enforcing compliance with the .nz policy framework should have the relationship with the proposed domain policy experts group described above. Their terms and conditions of employment should empower them to use their judgement in dealing with enforcement issues. The delegated authorities of the Chief Executive, as a public document and part of the governance policy framework, should specifically exclude any right of the Chief Executive to impose their judgement or views on the responsible staff member relating to this area of work.
- On costs and benefits, it is difficult to quantify these in the current environment because there is no single role that has access to sufficient detailed financial and operational information/understanding to show the cost changes from implementation of the proposed structure. For the same reason it does not appear simple to create an estimate of the cost of implementing the proposal. I do not regard the absence of such analysis as a critical factor: the financial costs of any change could be contained through rigorous imposition of cost limits on the new CEO in dealing with the transition to the new structure. The proposal's analysis of the non-financial benefits of the proposal seem sound to me.
- On risk analysis, the Council could work with its external consultants and the management (as applicable or appropriate) to further develop a risk assessment, explaining how the various operational and other risks of a) the proposed structure and b) a transition to the proposed structure) would be acknowledged and mitigated. This would help with staff and stakeholder confidence by assuring everyone that there was a broad-based risk assessment done before the proposal is finalised. To my mind one risk that felt under-considered was stakeholder and public views about the quality of service and how that would be assured in the proposed structure, given that it ends the separation between the service specification entity (DNCL) and the service provider (NZRS). The suggestion I have made above regarding an enhanced role for the proposed domain experts policy group is designed to help mitigate this risk and provide everyone with assurance regarding QoS.

15. (untitled)

9. Do you have any comments on the proposed approach to protecting the independence of .nz policy and regulation?

"Independence" is a term that is used a lot regarding .nz and the current structure. There are desirable and undesirable features of the nature of the current structure on independence. The key drawback is fundamental to the case for change in the review - that institutional separation and the complexity that arises from it makes the group less agile, and absorbs resources on internal focus and issues.

The critical independence matters in the .nz ccTLD in my view are these:

- the registry should never be a registrar
- registrars should not set the .nz policy framework
- registrars should not set the fee for .nz domain name registrations
- enforcement of the policy framework (compliance, disputes etc) should not be subject to oversight or interference by registrars
- there should be transparency over the quality of service in the .nz domain

The independence that .nz policy and regulation demand therefore is mainly independence from registrar control.

That said, there are reputational and practical advantages to the proposed domain policy experts group being involved in .nz policy and regulation in the right way. The reputation gain is that there would be a specified group of people, appointed by Council, who can focus on "what is the best .nz policy / regulatory decision" rather than being bound to consider all the interests of the organisation in making such decisions. The practical gain is that the organisation could gain the expert insight, community linkages and specific balance of skills and expertise that may not arise through the democratic electoral process for the Council.

To deliver these benefits, I offer the following suggestions about the proposed domain policy experts group:

- the group should have a functional (but not governance) relationship with the staff member responsible for developing and maintaining the .nz policy framework. There should be a terms of reference for the group that creates a clear expectation of expertise and arms-length operation from the Council. The review should consider a co-decision model, where the Council cannot finalise .nz policy changes (as the sole governing body, it will have to have the formal decision role) without the concurrence or assent of the group.
- the group should also provide a sounding board for the staff member responsible for enforcing compliance with the .nz policy framework in the course of them making decisions about how to do so, as the DNCL Board does today for the Domain Name Commissioner. There are close links between policy and enforcement and a broader role here could help recruit and retain suitable experts.

This approach has similarities to the 2002-2008 model, where the .nz Oversight Committee was a committee appointed by the Council under a terms of reference. That Committee had sole decisional roles on policy and decisional matters, and the Domain Name Commissioner reported to them directly while being a staff member of InternetNZ.

I do not suggest re-instating that past approach in totality: the gains the proposal is designed to achieve rely on there being only one governing body, and on all staff reporting for e.g. performance and development, reporting and resourcing purposes to the single governing body through a single CEO.

The proposals I suggest above should give assurance that there is a suitable degree of independence in

.nz policy and regulation.

16.

10. Do you have any comments on the proposed two-phased approach to bringing the three organisations together?

The first phase, the appointment of a single CEO, makes sense.

- It is likely that a CEO will have the right incentives to conduct phase two and start the ongoing development of the integrated organisation, since they will be responsible for leading it. It would have been problematic to, for instance, employ a change manager or for the Council to design the organisation in detail, given the lack of ownership and lack of knowledge of the details of operation that would have entailed.

- I support the proposal to disestablish the existing Chief Executive roles and employ a new Chief Executive as preferable to somehow allocating the new role to an existing CEO as a matter of simple transfer. It is right that Council interview candidates and determine whether an existing staff member can fill the role, or whether external recruitment will be required.

- The timing of disestablishment should be considered carefully. The proposal says that the existing management tiers under the CEs can manage the organisation through the new CEO coming on board and getting up to speed. I am confident InternetNZ can operate fine if the CE is disestablished and quickly leaves. I am not in a position to judge whether that is also the case with DNCL and NZRS, but if not then there should be a staged transition that assures ongoing operations.

The second phase and review process will need to allow time for the new CE to understand the full range of functions and work across the group, since no appointee, internal or external, has that understanding. They would need to do this before developing a revised operating structure. The proposed changes to governance of the subsidiary companies in the interim also appear workable, though in respect of DNCL it may be preferable to maintain full membership of the Board if it is expected that members of that Board would be the core of the proposed domain policy expert group.

11. Do you have any comments on the proposed interim organisational structure (figure 2, page 11 of the consultation document)?

The changes generally appear appropriate, subject to clarity about whether incumbent CEs may have some transitional role also reporting directly to the new Chief Executive.

The one change that is difficult to understand is the disposition of the DNCL Communications Advisor's reporting line. In the interim period where only reporting lines are changing and the work is intended to largely be "business as usual", the focus of that role will remain on providing communications services for the work done by DNCL. As such, the person managing that work - the COPO - should be the person to whom line management of the DNCL Comms Advisor is allocated. It will add complexity for no benefit to allocate them instead to the InternetNZ communications manager.

12. Do you have any comments about the impact of the proposal on current positions? Please be clear about which role(s) you are referring to when providing feedback

No specific comments. See comments previously about flexibility of current CEs during the transition.

13. Do you have any comments about the proposed new Chief Executive role?

The role appears to be appropriately described and scoped.

17.

14. Please provide any comments on the consultation process and timeframes

Of necessity, to preserve the Council's ability to make decisions on this proposal, the impact of the consultation process is that some work planned across the group has been deferred.

Until the identity of the new Chief Executive is established, and even after that, this impact will continue. So will uncertainty on staff across the group.

It would be preferable for this reason, as well as to minimise the negative impact of uncertainty on staff across the group, that the Council proceed as expeditiously as possible with its review of input and either a) arriving at decisions or b) consulting on a revised proposal.

18.

15. Please provide any comments on the change protocols, including the selection, redeployment and recruitment process

The protocol appears to be comprehensive and appropriate.

It would be helpful for there to be clarity about the following:

- the appointment process for the new Chief Executive, including who will be conducting interview/s.
- whether the change protocol only applies to the establishment of the Phase One, interim organisational structure. I assume that this is the case because of the identity of the panel identified as making decisions regarding reassignment. If this protocol applied beyond phase one, the new CE would need to be involved in decisions, not only the governance layer.

19. (untitled)

16. Do you have any other comments you would like to make?

Overall, this proposal is a bold set of changes to the status quo.

I believe that the group should take this opportunity to be clear that the proposal, if adopted, would be a chance to take the best of the three organisations to build something new. None of our three organisations has the right culture or ethos to be the new organisation as they are today - for good reasons, given our respective remits and histories.

I urge the Council to work through the feedback and provide back to the community a comprehensive summary of the feedback, and how the feedback does or does not lead to changes in the proposal.

Especially for staff, there is a natural attraction to the status quo. Being clear about the drivers for change, demonstrating an accurate understanding of how things work today and managing the risks of change of this sort, will help people adjust to the proposed changes if they are confirmed.