

22 June 2017

Jamie Baddeley
President
InternetNZ
PO Box 11 881
Wellington

Dear Jamie

Re: InternetNZ Organisational Review – Change Proposal

Having reviewed the Public Consultation Document (Version 2), the NZRS Board wishes to make the following comments:

1. The Board agrees that due to external and internal changes since our current structure was implemented it is appropriate to have an Organisational Review now.
2. The Board agrees that while the InternetNZ Group is performing well it can do better.
3. The Board agrees with the proposal that places all current functions and responsibilities of the InternetNZ Group in one organisation with a single Chief Executive. The Board believes that this is likely to create a more efficient and agile organisation than we currently have and is better than any other alternative structure.
4. The Board agrees that during the proposed interim period the current legal company entities remain in place but would advise that as a priority these structures should be dis-established to ensure that the projected efficiencies are achieved as soon as practical. The Board believes that many of these benefits would be significantly diluted or lost if the proposal were only partially implemented and separate organisations, however limited in scope, were still part of the structure.
5. The Board notes the intention to review the size and composition of Council next year and agrees that this is appropriate. However the Board would advise that Council is likely to see a significant increase in workload once both subsidiary Boards are dis-established and further assessment of the most appropriate way of managing and structuring the governance arrangements is required.
6. The Board notes that the Organisational Review has not considered the fiduciary and other legal obligations currently provided by the limited liability company, which may be required by the commercial Registry function. The Board further notes clause 6.9 of the InternetNZ Constitution that covers Councillor Indemnity however we recommend that expert legal

advice is sought before any decision is taken to incorporate the governance of the Registry functions within the incorporated society.

7. The Board notes that in the Organisational Review Working Group options paper there is a recommendation that should Council wish to consider reviewing the Registry function in its current form, then the Registry function should remain legally separated within InternetNZ. While the Board is always in favour of benchmarking of any internally provided services we believe that selling or outsourcing the Registry function would be detrimental to the synergies that the proposed Organisational Change is expecting to achieve. In that context we agree with the decision of Council not to include that recommendation in the proposal.

Yours sincerely



Richard Currey
Chair