

QUARTERLY REPORT

APRIL - JUNE 2020

1. Summary

This report is prepared for the Council to provide a single view of outcomes we have delivered in the past quarter. This report will also be made available to the membership.

Pursuant to the reporting framework changes presented to Council at the March 2020 meeting, this new report presents a summary to Council of the entirety of InternetNZ’s operations. This report replaces the following previous reports:

- Quarterly Activity Report
- Product Development Report
- Grants Report
- Measures of Strategic Goals Report.

This new Quarterly Report will continue to evolve from here. Our next objective is to present this information in a more dynamic, pictorial and informative manner as well as respond to feedback received.

2. Strategic Goals 2020/21 - Q1 Progress

This section of the report gives Council an update on the projects related to our five Goals for the year. You can find the plan here.

https://internetnz.nz/assets/Archives/Activity_plan_2020-2021.pdf

Goal 1: Develop an Internet for good	ON TRACK
<i>Measure 1: Engagement with relevant national and international stakeholders to develop a shared vision of what an Internet for Good is.</i>	THE STATUS OF THESE MEASURES WILL BE UPDATED IN Q2 & Q4
<i>Measure 2: Stakeholder awareness and engagement with the vision for an Internet for Good increases over time.</i>	

<i>Measure 3: Action taken by us and by other stakeholders, nationally and internationally, changes and improves the Internet in line with our shared vision.</i>	
Q1 Progress	
In response to the Government’s plans to introduce a Covid-19 contact tracing app, we prepared two discussion papers and hosted an online event for New Zealanders to share their views.	ON TRACK
We provided commentary on the newly introduced Bill that will amend the Films Videos and Publications Classification Act. This Bill is part of the Government’s domestic policy response to the Christchurch terror attacks and could allow the Department of Internal Affairs to impose a new Internet filter.	ON TRACK
In anticipation of wider policy work to address online harm we produced two discussion papers canvassing options governments are using or considering to address harmful conduct or content online.	ON TRACK
Christchurch Call related work continues with Advisory Network and government engagement ongoing- we participated in discussions around the functioning of the network, as well as on the developments of ongoing GIFCT reform, progress on focus areas of work, and some COVID-19 related developments which relate to violent extremist and terrorist material online.	ON TRACK

Q2 Planned	
<p>In quarter two we will:</p> <ul style="list-style-type: none"> ● Participate in the Select Committee debate on the Bill amending the Films Videos and Publications Classification Act (depending on the Parliamentary timetable). ● Engage with government on the planned review of media regulation (which will include social media). ● Release our discussion papers on regulatory options for addressing harmful conduct or content online. ● Start work on the project that will create a vision for an Internet for Good. ● Participate in RightsCon session around The Christchurch Call- including one government organised multistakeholder panel and an Advisory Network session which will seek to broaden civil society input into the work. 	

Goal 2: Improve Digital Inclusion	ON TRACK
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<p><i>Measure 1: Digital inclusion investment by government and others reaches \$20m/year, and directly affects 50,000+ people.</i> <i>-Measure at 30/9/20 from previous goals.</i> <i>(Note - may not be able to measure impact on # of people at that time.)</i></p>	<p>THE STATUS OF THESE MEASURES WILL BE UPDATED IN Q2 & Q4</p>
<p><i>Measure 2: The Online Home for Digital Inclusion is attracting use and positive stakeholder feedback.</i></p>	
<p>Q1 Progress:</p> <p>Substantial progress made toward the Digital Inclusion goal in Quarter 1, in particular due to the investments announced by the Government in Budget 2020, and the focus on digital inclusion driven by Covid-19.</p>	
<p>Working with the digital inclusion community we developed the five point plan for digital inclusion: COVID-19 and beyond. https://internetnz.nz/blog/five-point-plan-digital-inclusion-covid-19-and-beyond/. Forty-six organisations have signed on to the plan.</p>	<p>ON TRACK</p>
<p>In the community funding area we followed up on the decisions made via the Grants Round in Q4 with relationship building and contract negotiation with the successful recipients.</p>	<p>ON TRACK</p>
<p>Decision made to create a fixed-term role to support the launch of the new online home, in response to the Covid-19 delay.</p>	<p>OFF TRACK</p>

<p>Q2 Planned</p>	
<p>In quarter two the focus will be on supporting greater collaboration and coordination within the digital inclusion community and with government. This will include getting our new digital inclusion website live (this project was delayed due to Covid-19). The development of the digital inclusion evaluation toolkit will continue.</p>	

<p>Goal 3: Grow .nz</p>	<p>ON TRACK</p>
<p><i>Measure 1: increased revenue from domain name registrations.</i> <i>-More than 15% in the two year period to 31/3/22.</i> <i>-Flexible between registration numbers and price.</i></p>	<p>THE STATUS OF THESE MEASURES WILL BE UPDATED IN Q2 & Q4</p>
<p><i>Measure 2: active use of domain names is increased, improving retention and registration term.</i></p>	
<p><i>Measure 3: share of revenue devoted to public good investment.</i></p>	

Q1 Progress:

Despite the impacts of COVID19 we made good progress with .nz priorities of new website, policy review and registry replacement. We also saw an unexpected increase in domain names as the importance of a web presence was realised by the NZ public. This has resulted in growth of ~1.6% which is good news following four quarters of negative growth. We are cautiously optimistic with this trend but do expect some retraction depending on NZ economic performance in the coming year.

New InternetNZ website live	DONE
.nz Policy Review - completion of options paper for consultation in Q2	ON TRACK
Registry Replacement - RFT and Technical documents completed and issued, including: <ul style="list-style-type: none"> - Review of all documentation by IT Operations - Contributions from around the organisation on detail and review 	ON TRACK
The Value of .nz	NOT STARTED

Q2 Planned

Priorities for Q2 are:

- **.nz Policy Review.** Public consultation on the .nz Advisory Panel's options paper and supporting the Panel to prepare its final recommendations (due at the end of September).
- **Registry Replacement Project.** The RFT has been released to respondents, the main activities to be completed this quarter are RFT briefings, handling queries from respondents, building the assessment framework, completing the assessments and the evaluation of the submitted RFT responses.
- **InternetNZ Website** - post go live tidyup and consolidation of old sites
- **Fake Webshop Update** - workflow refresh and data model update

Should time allow further activity will be progressed on the following items:

- The .nz story. Begin the work to do some deep thinking on the nature of .nz and how to drive preference
- Progressing the restructure/rewrite of the .nz policies
- Implementation of CENTR Low content taxonomy to augment scan data

Goal 4: Sell new Products	OFF TRACK
<i>Measure 1: Registry Lock is for sale in the 2020-21 financial year.</i>	THE STATUS OF THESE MEASURES WILL BE
<i>Measure 2: The Broadband Map is covering its costs by 31 March 2021.</i>	

Measure 3: Defenz reaches net profit in the 2021-22 financial year.	UPDATED IN Q2 & Q4
Measure 4: New products reach net profit within 24 months of first sale.	
<p>Q1 Progress</p> <p>COVID19 in Q1 had a material impact on the sales pipeline for Defenz DNS Firewall with virtually all potential customers halting discussions and naturally focussing on their own survival or supporting an impacted customer base. We also slowed activity on product development on Registry Lock and Digital Identity during the lockdown stages to reduce impact on our staff and customers. For the DNS Firewall we launched an extended trial service to engage organisations in protecting their customers. This will progress through to the end of September 2020.</p> <p>Status set to Amber due to slowed progress and lack of sales in new products</p>	
Defenz - launched an extended trial to stimulate interest. CERTNZ threat feed added to service	OFF TRACK
Registry Lock - progress slowed	OFF TRACK
Digital Identity - progress on prototyping slowed	OFF TRACK

Q2 Planned
<p>Priorities for Q2 are:</p> <ul style="list-style-type: none"> ● DNS Firewall: Increasing the number of trial customers and progressing commercial discussions when they are ready ● Broadband Map: Implementing new Data Sharing Agreements with Broadband Map Data Providers ● .nz Registry Lock: progressing detailed design, policy review and trusted contact verification <p>Should time allow further activity will be progressed on the following items:</p> <ul style="list-style-type: none"> ● Digital identity exploration and possible prototype ● BBMap API sales development ● Defenz Infrastructure Update and DoH rollout.

Goal 5: Improved InternetNZ's performance	ON TRACK
Measure 1: Staff baseline feedback from March 2020 is improved by March 2022	THE STATUS OF THESE

<p><i>-Perceptions on high performance and great place to work</i> <i>-Improvements in areas such as Internal Communications, Staff development, Organisational Learning</i></p>	<p>MEASURES WILL BE UPDATED IN Q2 & Q4</p>
<p><i>Measure 2: Resource planning and BAU/Project Management tools established and drives demonstrable changes.</i></p>	
<p><i>Measure 3: Staff churn / turnover measures.</i></p>	
<p>Q1 Progress</p> <p>The first quarter of the year was dominated with our focus on wellbeing of staff. We are proud of the way the organisation reacted to the pandemic and our transition to a different way of working. This worked well, with all systems accessible and we have maintained an exceptional level of output given the circumstances.</p>	
<p>People Strategy: Our focus for Q1 was People first - the Health, Safety and Wellbeing was the primary goal to ensure we support all staff through a difficult period. We did this by adjusting our strategy to focus on short term needs.</p>	<p>ON TRACK</p>
<p>Better Tools: In this period of change we were able to test how robust our tools were in a remote environment and pleased to say all functioned well. It has also given us a great starting point to plan requirements to better support new ways of working for a dispersed workforce.</p>	<p>ON TRACK</p>

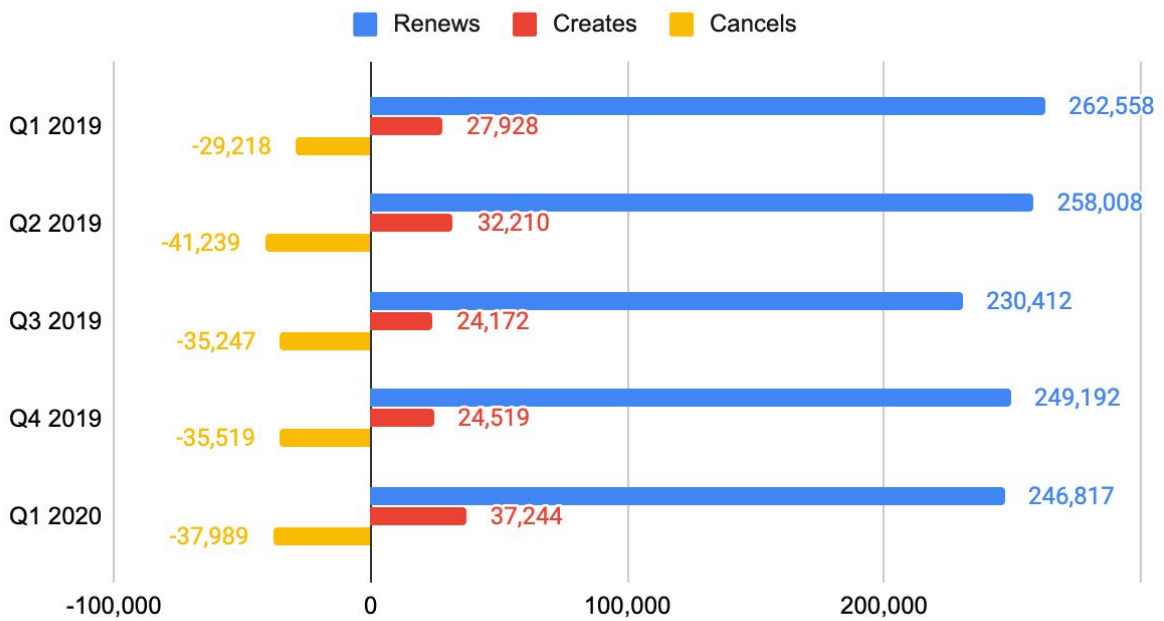
<p>Q2 Planned</p> <p>Q2 will focus on our transition to Flexible First approach to our work. We are approaching this in three phases and from three aspects. Phase 1 = now, Phase 2 = 3 Months Phase 3 = new Calendar year. The areas we are focusing on are Flexibility options (location, times), Common commitments and tools and practices. All of these will allow us to improve performance and make INZ a great place to work.</p> <p>We will complete our first baseline survey for all staff to allow us to focus our work in areas to improve engagement. The survey will cover all areas of our work and structure..</p>

3. .nz Summary

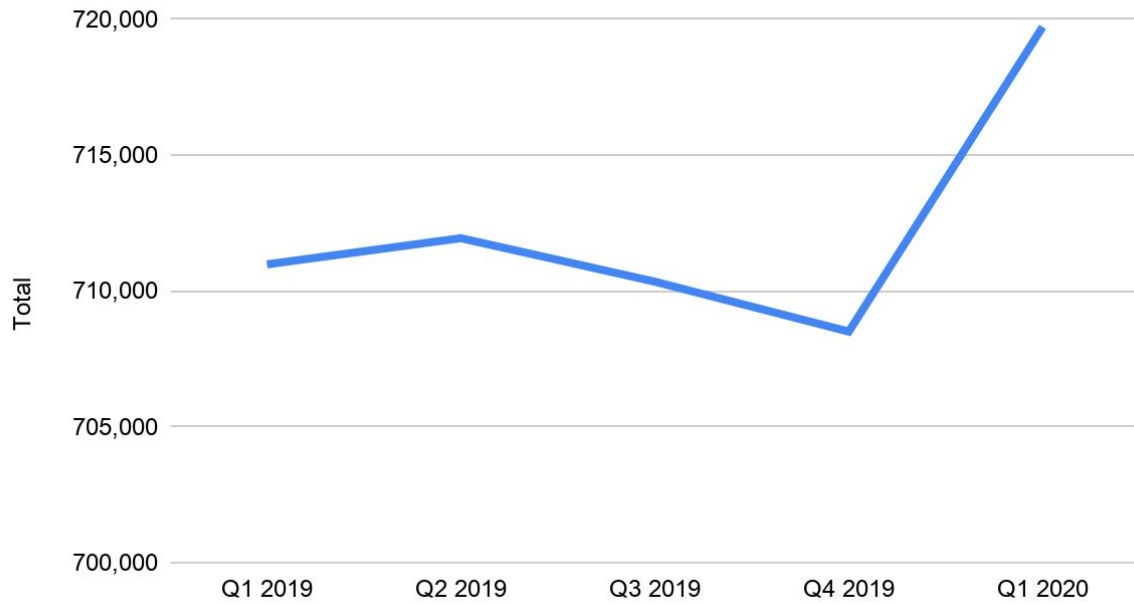
The April to June Quarter featured NZ in lockdown and then easing of internal restrictions as New Zealand responded to the impacts of Covid19. For the .nz domain name space we have seen a positive change in the growth trend with creates of new names up 33% when compared to the same quarter last year. This has resulted in overall registry growth of 1.6% for the quarter.

Domains

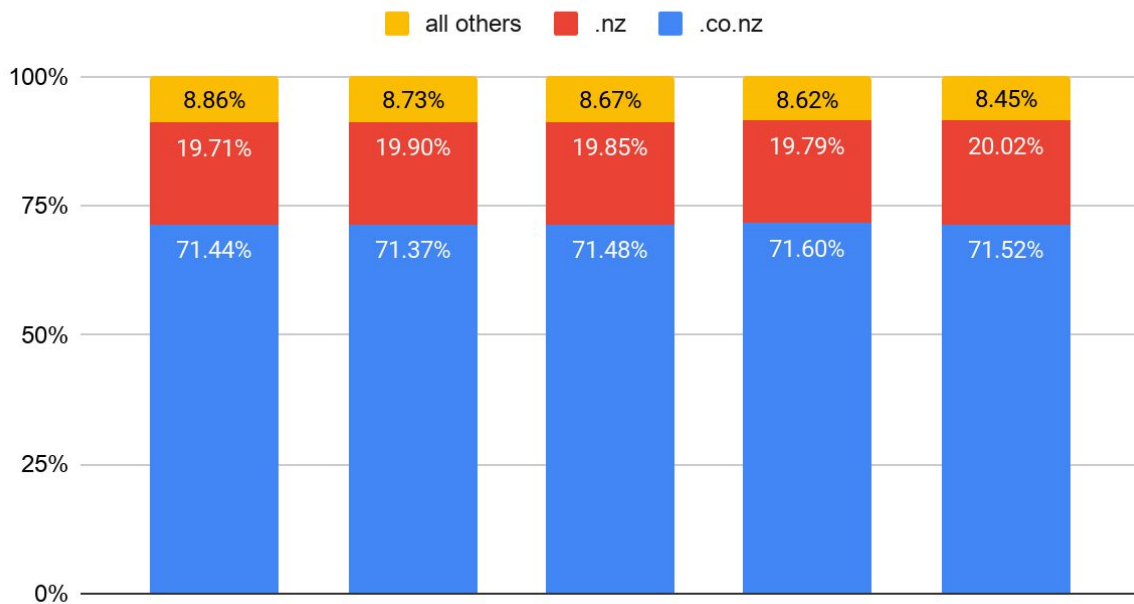
Creates, Cancels and Renewals



Total .nz Domains

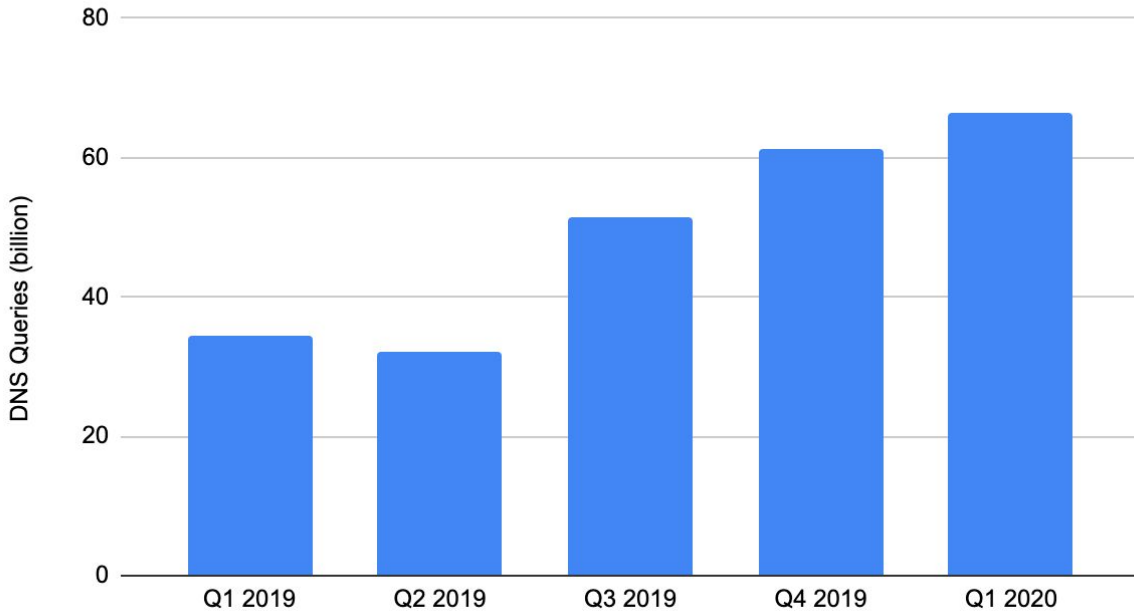


2nd & 3rd Level Registrations



Infrastructure

DNS Queries



Please note: the methodology used for calculating DNS queries improved between Q2 and Q3 2019, incorporating more accurate data from overseas servers.

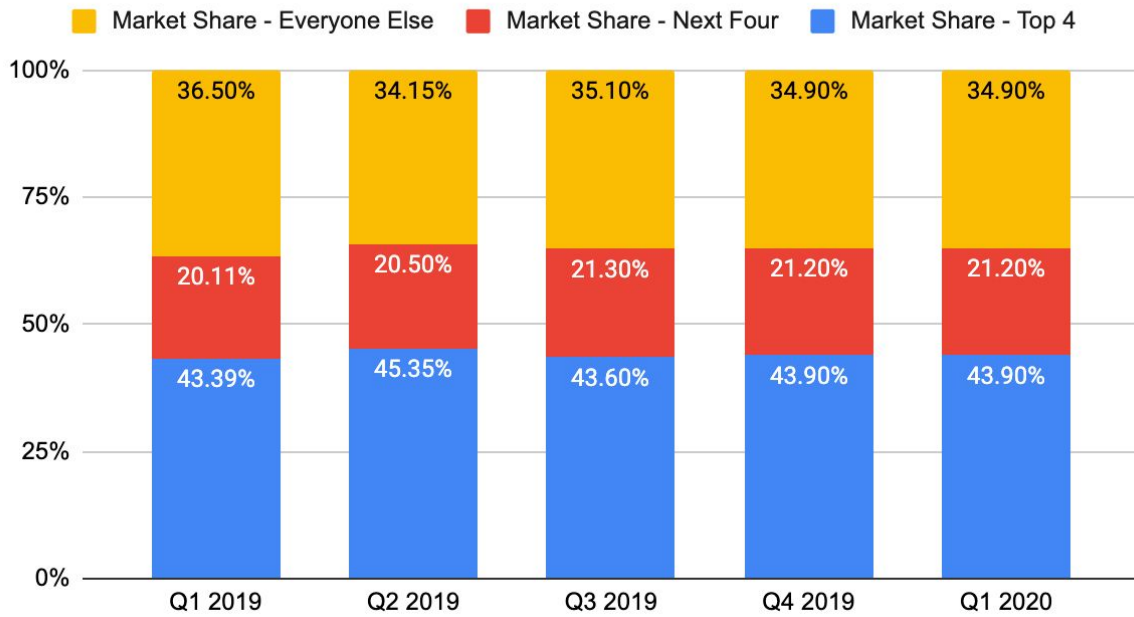
Service Levels

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
DNS	100%	100%	100%	100%	100%
SRS	100%	100%	100%	100%	100%

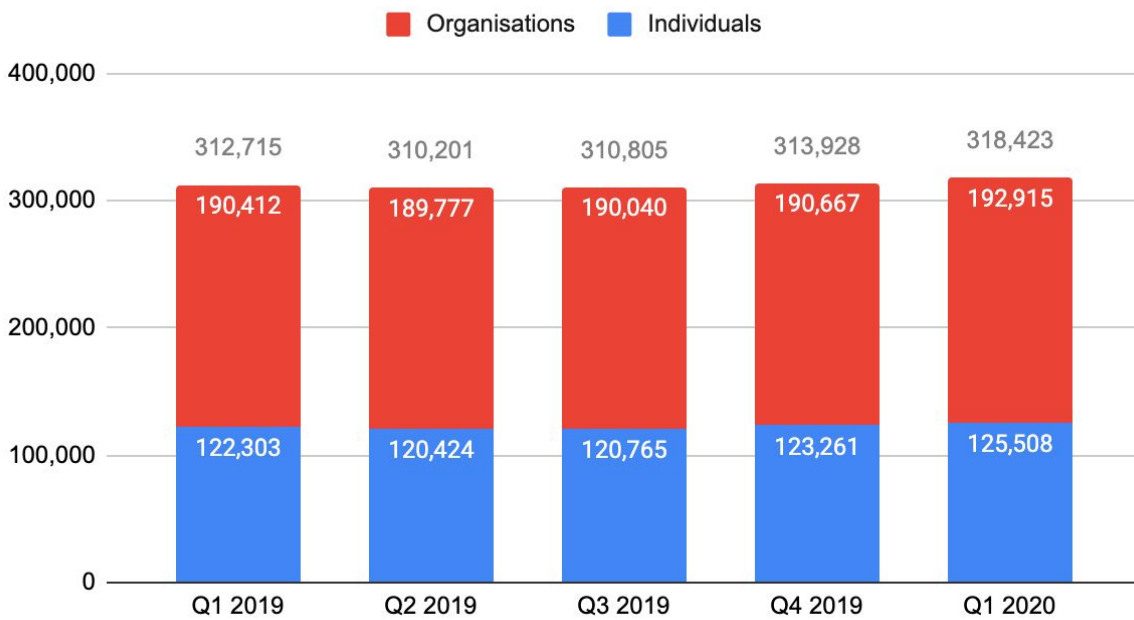
Market

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
# of Registrars	87	90	87	87	87

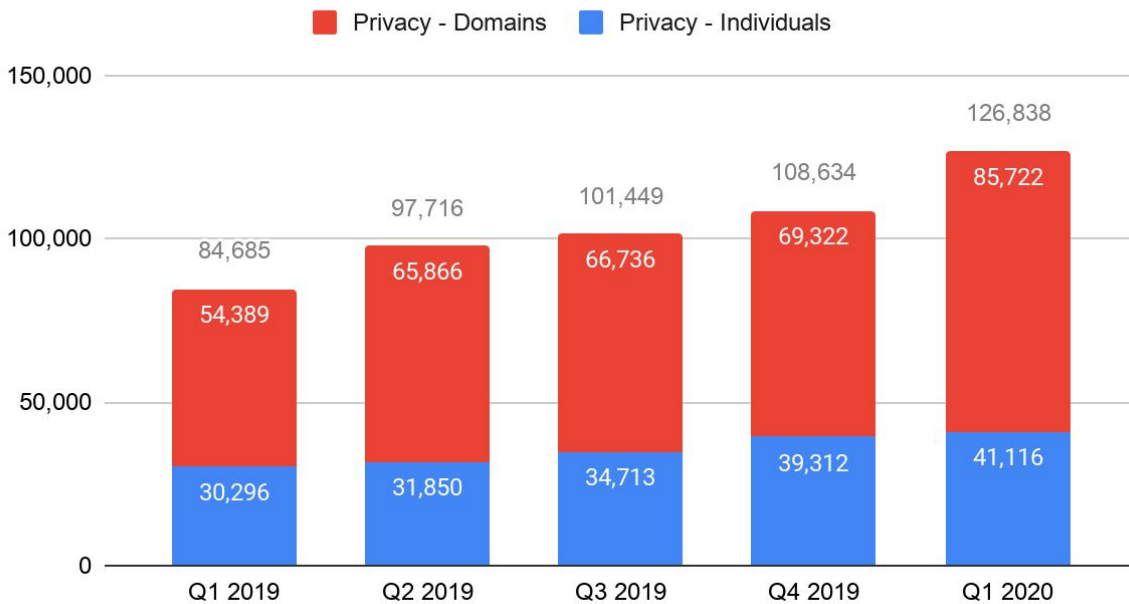
Market Share



Unique Registrants, Individuals and Organisations

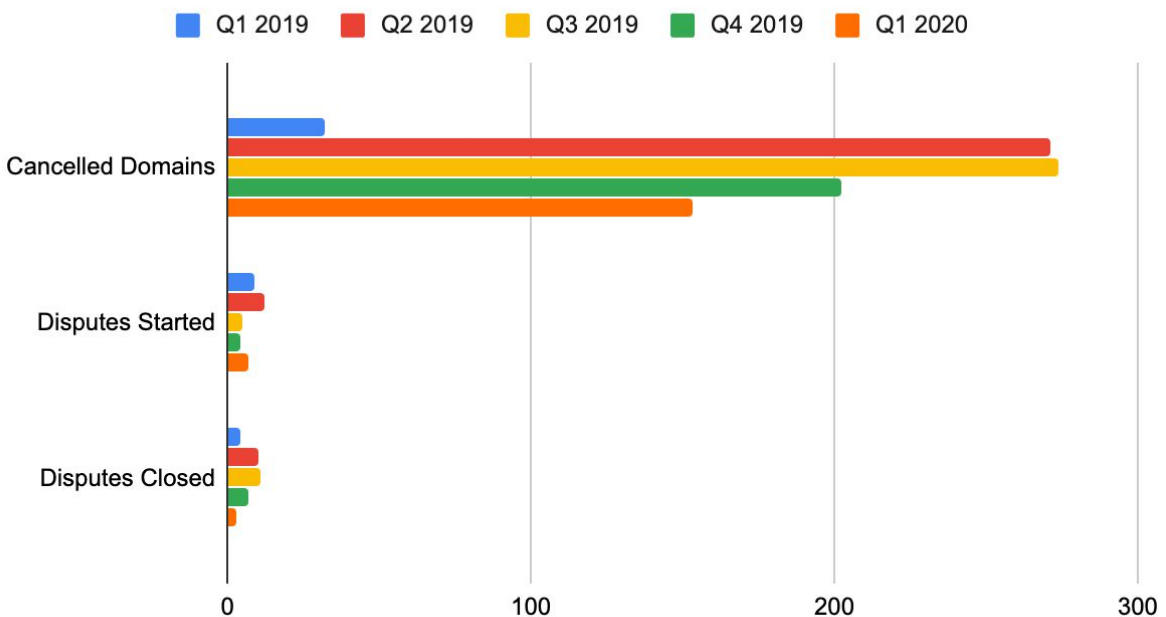


Individual Registrant Privacy Option Uptake



Compliance

Compliance (Domain Name Commission Data)



4. New Product Development Summary

This past quarter saw us navigating various stages of lockdown and remote work due to Covid19. This disruption affected our customers, potential customers and staff. We slowed much of our activity down during the quarter to allow focus on

staff and customer well-being and critical organisational functions. We still managed some progress however

1. Our pipeline of interest for the Defenz DNS Firewall was significantly impacted as potential customers focused on delivery of essential services to help their customers pivot to respond to COVID-19. In response to the impacts of Covid19 we launched an [extended trial](#) of the service which is available through to the end of September. 50% of leads have progressed onto trial.
2. We continued progress on a registry lock service focussing on business model and starting the design process for technical, policy and service delivery aspects.
3. One of the themes we continue to explore is to understand InternetNZ's role in an identity ecosystem. The team have built on the identity wallet prototype started last quarter and are adapting it to test some InternetNZ specific use cases to help shape our understanding of the potential.
4. The broadband map continued to be updated with coverage data from infrastructure providers around the country and some additional features to improve the user experience of the product.

Product development pipeline

IDEAS BACKLOG	EXPLORE & VALIDATE	BUILD	ACTIVE	STOPPED
15	3	1	3	0
<ul style="list-style-type: none"> ● Themes: ● Digital identity ● Broadband ● Data products ● .nz features ● Security 	<ul style="list-style-type: none"> ● Registry lock design 	<ul style="list-style-type: none"> ● Broadband Map v2 	<ul style="list-style-type: none"> ● .nz ● Broadband Map v1 ● Defenz 	

5. Operations Summary

This section of the report summarises other notable operational deliveries for the quarter, over and above those directly related to the goals.

Organisational Services

Catherine Fenwick - Director

Q1 Progress:

Finance: Year End successfully completed and clean audit received

Governance: Elections nominations and online AGM preparation. Appointed Councillors recruitment process.

Risk Management: Development of a COVID-19 specific risk register; completion for Risk Management Policy and appraisal of new Governance, Compliance and reporting tool (slower than planned).

Employee Engagement: Internal communication and tools such as internal surveys have been key to ensure we are listening to staff and taking appropriate actions.

Implementation of new processes: to support staff and work in new ways of working. Focus on moving work and approvals online only.

Q2 Planned:

Finance: Reforecast of Budget based on Q1 performance and environment changes.

Governance: Elections/AGM July 30th. Induction of new Councillors

Risk Management: Next steps in Risk management process and tools

Flexible First: consultation and implementation of new ways of working.

IT Operations

Dane Foster - Director

Q1 Progress:

Distributed management VPN: More redundancy to management network removing single points of failure and enabling of full-remote working styles.

Centralised Logging (.nz) - Taken off hold mid-Q1, staff training has been undertaken. Project definition and scope of delivery now underway.

Commercial Monitoring Platform - a new platform designed for monitoring our commercial products has been developed, deployed and is now in use.

Q2 Planned:

Service level: targets defined and agreed upon by relevant stakeholders

Internal service catalogue: what services we have, who owns them, and how do we make changes to them

.nz Backup hardware: deployed, and software in use.

Security Operationalisation: 3 Security related “detection” projects planned and implemented

IT Resilience: New DR scenario runbook and testing framework

Technology Strategy

Dave Baker - Director

Q1 Progress:

Project Mimosa/Registry Replacement: Issuance of the Request for Tender phase of the process.

Q2 Planned:

Project Mimosa/Registry Replacement: Support, questions and responses to the RFT

Engagement

Andrew Cushen - Director

Q1 Progress:

Community Funding: Execution of the first tranche of the Community Funding plan for 2020/21, incorporating the extended \$1.5m for COVID support. As per this plan, the focus has been on supporting existing relationships.

NetHui: Rebuilding the event to an online format for October 14/15.

New Website: Development of the new InternetNZ website.

Q2 Planned:

NetHui: Programme development

Māori Engagement: Recruitment of the Chief Advisor Māori and establishment of this new function.

Community Funding: Next grants round.

New Website: Launch on the new platform (Silverstripe)

Policy

Kim Connolly-Stone - Director

Q1 Progress:

.nz Policy Review: As detailed above.

Digital Inclusion 5 Point Plan: As detailed above.

Q2 Planned:

.nz Policy Review: Launch of the public consultation phase of the Independent Review.

Technical Research

Sebastian Castro - Chief Scientist

Q1 Progress:

Research: In collaboration with SIDN (.nl registry) and a root server operator submitted an academic paper to a peer-reviewed conference on Internet centralization

Covid-19: Series of data analysis around CoVid-19 activity in New Zealand, from the DNS and registry point of view, leading to publications and conference presentations

Fake Webshop: Fully refreshed the Fake Web Shop Detection model using historical data from the past year

Q2 Planned:

Domain Name Sophistication Index: Preparation to use RAP

CENTR Low Content taxonomy: Implementation

Registry Augmentation Platform: deploy into production

Commercial

David Morrison - Director

Q1 Progress:

DEFENZ DNS Firewall: extended trial offer live in June

Digital Identity: IRMA prototype operational

Registrar relations: Significant .nz Bulk Transfer activity between registrars

Q2 Planned:

Registry Lock: Progress as per new product development

Digital Identity: Exploration and prototype

DEFENZ: Trial and sales transition

Security

Sam Sargeant - Chief Security Officer

Q1 Achievements:

Software: Setup trial access to a software service for Governance, Risk, and Compliance [GRC]

Team: Signed off new position for a Security Operations Lead

Support to internal projects: Registry replacement, risk assessments, website replacement, risk management policy

Q2 Planned:

Concept of operations: for SLT consideration in development of Information Security Management System [ISMS]

Governance, Risk and Compliance (GRC): Initiate project to implement GRC platform and security risk management process

International

Ellen Strickland - Chief Advisor, International

Q1 Achievements:

International travel pandemic response: suspension reviewed and extended, trip cancellations and arrangements managed

Remote participation and engagement planning: started for 20-21 using events to iteratively improve our capability and impact in remote engagement during the Pandemic

ICANN: Group participation in ICANN68 remotely

Q2 Planned:

Events: RightsCon, Asia Pacific regional Internet Governance forum (online)

Internet Governance: Convening an International Internet Governance discussion group with InternetNZ and key government departments involved in IG, to look at coordination and support for New Zealand engagement across stakeholder groups

Pacific IGF 2021: Ellen joining the coordination committee

This is an InternetNZ report. Matters related to DNCL are covered in the report from the company to InternetNZ as shareholder, or in the joint .nz report.

Jordan Carter
Group Chief Executive

August 2020