

AGENDA – COUNCIL MEETING

Friday, 26th February 2016

SkyCity Auckland Convention Centre, Level 4 (Epsom room 2)			
9.45am		Refreshments (coffee, tea) on arrival	
10am		Meeting start	
1.00pm		Lunch	
3.00pm		Afternoon Tea	
4pm		Meeting close	
Section 1 - Council Governance			
10am	1.1	Council Only	-
	1.2	Council and CE only	-
10.30 – 10.40am	1.3	Apologies	-
	1.4	Councillors' Declarations of Interest	3
	1.5	Confirm Minutes – December 2015 Meeting	7
	1.6	Actions Register review	21
	1.7	Membership update	23
	1.8	Evote ratification	27
	1.9	Industry Scan – Issues & Opportunities	-
Section 2 – Strategic Priorities			
10.40am	2.1	Priorities in 2016	-
10.55am	2.2	Focus Areas – feedback	29
11.05am	2.3	Product & Services development – next steps	35
11.20am	2.4	Managing InternetNZ's balance sheet	43
Section 3 – Matters for Decision			
11.25am	3.1	Governance Policy on document confidentiality	45
11.40am	3.2	Internet Research Community Grant Round 2015-16 (<i>Confidential paper – separate</i>)	-
Section 4 – Matters for Discussion			
11.50am	4.1	Other 2016 Activity Plan Items <ul style="list-style-type: none"> brief on proposed approach 	49
12.05pm	4.2	CEO Report	51
12.20pm	4.3	Management reporting: <ul style="list-style-type: none"> Internet Issues Programme Report Community Programme Report <ul style="list-style-type: none"> - Strategic Partnerships update - Kiwicon Funding - NetHui 2016 	55 57

		<ul style="list-style-type: none"> • International Programme Report • Operations Report • Governance and Members Report 	63 65 -
12.45pm	4.4	Group Financials	67
1.00pm	-	Lunch	-
Section 5 – Subsidiaries			
1.30pm	5.1	Alone time (Chairs, CE and Council - confidential)	-
1.40pm	5.2	Travel Working Group - update	75
1.50pm	5.3	Subsidiaries <ul style="list-style-type: none"> • .nz MOU: progress update • Policy consultation updates • Boards appointment process 2016 • Joint .nz 3rd Quarterly report 	- - 85 87
2.10pm	5.4	DNCL <ul style="list-style-type: none"> • DNCL 3rd Quarterly report • Draft 2016/17 Statement of Directions and Goals 	95 97
2.25pm	5.5	NZRS <ul style="list-style-type: none"> • NZRS 3rd Quarterly report • Draft 2016/17 Statement of Directions and Goals (<i>Late Paper</i>) • Product and Services Report (<i>Confidential paper – separate</i>) • Technical Research Report (<i>Confidential paper – separate</i>) 	107 - - -
2.50pm	5.6	Any other general items	-
3.00pm	-	Afternoon Tea	-
Section 6 – Other Matters			
3.15pm	6.1	Report from Council Committees <ul style="list-style-type: none"> • Audit and Risk <ul style="list-style-type: none"> - Draft minutes of January meeting - Health & Safety Advice • Grants Committee • Māori Engagement • Membership Committee • Chief Executive Review 	115 - - 117 121 -
3.30pm	6.2	Matters for Communication – key messages <ul style="list-style-type: none"> • Communications in general • Upcoming events 	-
3.40pm	6.3	General Business	-
3.50pm	6.4	Meeting Review	-

* Section 7 - List of Acronyms and Annotated Agenda

Council register of interest

Officers and Councillors are required to register any interests, commercial, political or organisational, which they believe may be relevant to the perception of their conduct as a Councillor or Officer. Officers and Councillors are, however, still required to declare a Conflict of Interest, or an Interest, and have that recorded in the Minutes.

Officers and Councillors receive the following annual honoraria:

Honoraria

President - \$30,000

Vice President - \$18,750

Councillor - \$15,000

Name: Jamie Baddeley

Position: President, InternetNZ

Term: AGM 2014 - AGM 2018

Declaration Date: ~~29 May 2015~~ 11 December 2015

Interests:

- ~~Member of the New Zealand IPv6 Steering Group~~
- NZNOG Trustee
- Officer's Honorarium for InternetNZ

Name: Joy Liddicoat

Position: Vice President, InternetNZ

Term: AGM 2014 - AGM 2018

Declaration Date: 31 July 2015

Interests:

- Holder of .nz domain name registrations
- Holder of .com domain name registrations
- Member of the New Zealand Law Society
- Member, Non Commercial Users Constituency of ICANN
- Founding Director and Shareholder of Oceania Women's Satellite Network (OWNSAT) PTE Limited. OWNSAT is a shareholder in Kacific Broadband Satellite
- Member of Pacific Chapter, Internet Society (PICISOC)
- Assistant Commissioner, Policy and Operations at the Office of the Privacy Commissioner
- Member, Non-Government Advisory Committee to Public Interest Registry .org
- Due to her role at work, Joy recuses herself from any policy decisions that may span the interests of the Office of the Privacy Commissioner
- Officer's honorarium for InternetNZ

Name: Neil James

Position: Councillor, InternetNZ

Term: AGM 2013 - AGM 2016

Declaration Date: 20 November 2013

Interests:

- Fellow of IITP
- Member of the Dunedin Computers in Homes Steering Group
- Councillor's Honorarium for InternetNZ

Name: Brenda Wallace

Position: Councillor, InternetNZ

Term: AGM 2012 - AGM 2018

Declaration Date: ~~29 May 2015~~ 26 January 2016

Interests:

- Member of Green Party of Aotearoa New Zealand
- A gazillion .nz domain names
- Organiser of Girl Geek Dinners Wellington
- Member and volunteer for Tech Liberty
- Employee and shareholder of Rabid Tech
- Volunteer Organiser for GovHack Wellington
- Volunteer Organiser for HackMiramar
- NZ Rise member
- Member of Strathmore Park Community Working Group (Wellington City Council)
- Councillor's Honorarium for InternetNZ

Name: Dave Moskovitz

Position: Councillor, InternetNZ

Term: AGM 2011 - AGM 2017

Declaration Date: 31 July 2015

Interests:

- Registrant of .nz, .com, .org, .pe domains
- Director, Domain Name Commission Limited

Board memberships:

- Think Tank Consulting Limited
- WebFund Limited
- Hyperstart Limited
- Golden Ticket Limited
- MusicHype Inc.
- Publons Limited
- Startup New Zealand Limited
- Open Polytechnic

Shareholdings (all of the above except for *Open Polytechnic*, plus):

- Lightning Lab 2013
- WIP APP Limited
- Learn Coach Limited
- Ponoko Limited
- Celsias Limited
- 8interactive Limited
- Admin Innovations Limited
- DIY Father Limited
- Smartshow Limited
- Common Ledger Limited
- Cloud Cannon Limited
- Small holdings in numerous publicly listed companies

Non-profit Activity:

- Global Facilitator

- Startup Weekend (Trustee)
- Pacific Internet Partners (Trustee)
- Think Tank Charitable Trust (Co-Chair)
- Wellington Council of Christians and Jews

Other memberships:

- NZ Open Source Society
- NZ Rise
- Royal Society
- Registered marriage celebrant
- Councillor's Honorarium for InternetNZ

Name: Richard Wood

Position: Councillor, InternetNZ

Term: AGM 2013 - AGM 2016

Declaration Date: ~~March 2015~~ 14 December 2015

Interests:

- Holds .nz and .net domain name registrations
- Member of ISOC, PICISOC
- ~~Employee of and investor in Parts Trader Markets Ltd~~ TradeMe Group Ltd
- Investor in Parts Trader Markets Ltd
- Councillor's Honorarium for InternetNZ

Name: Amber Craig

Position: Councillor, InternetNZ

Term: AGM 2013 - AGM 2016

Declaration Date: ~~31 July 2015~~ 12 February 2016

Interests:

- Consultant and organiser of some corporate unconferences
- Holds .nz domain name registrations
- Employee of ANZ
- Creator & Director of Beyond the Achievements
- ~~An immediate family member works at NZRS occasionally~~
- NZRise member
- Co-Founder of Diversity Consulting NZ
- Councillor's Honorarium for InternetNZ

Name: Rochelle Furneaux

Position: Councillor, InternetNZ

Term: AGM 2014 - AGM 2017

Declaration Date: 23 November 2015

Interests:

- An employee of Quest Integrity NZ Ltd.
- Member of New Zealand Law Society
- Non-financial shareholder of Enspiral Foundation Ltd.
- Trustee at Fabriko Trust
- Councillor's Honorarium for InternetNZ

Name: Sarah Lee

Position: Councillor, InternetNZ

Term: AGM 2014 - AGM 2017

Declaration Date: ~~23 September 2014~~ 12 February 2016

Interests:

- Contractor to 2020 Communications Trust
- Member of New Zealand Māori Internet Society
- ~~• Māori Advisory Group member for Injury Prevention Network~~
- Board member Injury Prevention Aotearoa
- Councillor's Honorarium for InternetNZ

Name: Hayden Glass

Position: Councillor, InternetNZ

Term: AGM 2014 - AMG 2017

Declaration Date: 10 October 2015

Interests:

- Consulting Economist with the Sapere Research Group. Clients generally telco/media/Internet companies and government agencies, and have included Chorus, Sky TV, Google, TUANZ, MBIE, and The Treasury, as well as the Innovation Partnership and InternetNZ
- Convenor of the Moxie Sessions, tech-economy discussion group
- Founder and Director of Kuda Ltd, a (very slow moving) big data analytics startup
- COO at Figure.NZ
- Member of Techliberty
- Registrant of .org, .com and .nz domains
- Councillor's Honorarium for InternetNZ

Name: Richard Hulse

Position: Councillor, InternetNZ

Term: AGM 2015 -AGM 2018

Declaration Date: 4 August 2015

Interests:

- Employee at Radio New Zealand Limited
- Holder of .nz domain names registrations
- Councillor's honorarium for InternetNZ

Name: Kelly Buehler

Position: Councillor, InternetNZ

Term: AGM 2015 -AGM 2016

Declaration Date: 4 August 2015

Interests:

- ~~• Employee at New Zealand Post~~
- Councillor's Honorarium for Internet NZ

The register was last updated in February 2016.

DRAFT MINUTES OF COUNCIL MEETING

Status:	Draft
Present:	Jamie Baddeley (President), Joy Liddicoat (Vice President), Amber Craig, Brenda Wallace, Dave Moskovitz (<i>in part</i>), Kelly Buehler, Hayden Glass, Richard Hulse, Richard Wood, Rochelle Furneaux (<i>in part</i>), and Sarah Lee
In Attendance:	Jordan Carter (Chief Executive), Maria Reyes (minute taker), David Farrar (DNCL Chair, <i>in part</i>), Debbie Monahan (Domain Name Commissioner, <i>in part</i>), Richard Currey (NZRS Chair, <i>in part</i>), Jay Daley (NZRS CE, <i>in part</i>), Andrew Cushen (InternetNZ, <i>in part</i>), Ellen Strickland (InternetNZ, <i>in part</i>) Mary Tovey (InternetNZ, <i>in part</i>), and Monika Wakeman (Deloitte, <i>in part</i>)
Meeting Opened:	The President formally opened the meeting at 9.30am.

1. Welcome
2. Council only
3. Council and CE only
4. Apologies

Apologies were received from Neil James as he's unable to attend the entire meeting. Dave Moskovitz and Rochelle Furneaux have also sent their apologies as they are unable to attend the morning session of the meeting.

RN90/15: THAT the apologies be received.

(President/Vice President)
CARRIED U

5. Declaration of Councillors interests

Changes noted are as follows:

- Jamie asked that his IPv6 Steering Group membership be removed.
- Amber and Brenda advised to include their NZ Rise membership in their register of interests.
- Richard Wood advised that there's been a change in his employment and will send the details to Maria for updating.

A comment was raised to show tracked changes each time the Register is presented in the papers, so Council and others can see the changes made in the list.

AP36/15: Maria to update the register of interests as per above changes.

RN91/15: THAT Council receives the Councillors' Declaration of Interests as at 1 December 2015

(President/Vice President)
CARRIED U

6. Approval of minutes

Joy raised a typo error on section 5 of the minutes which should state "recent changes in their *register of interests*".

RN/15: THAT the minutes of the meeting held on 10th October 2015, as amended, be received and adopted as a true and correct record.

(President/Cr Craig)
CARRIED U

7. Outstanding action points

Jamie noted that his action point for engaging with AUDA has not been included in the action point register and should be noted.

He advised that this is currently in progress and discussion was held whether we should do the same with other Pacific ccTLDs - i.e. engage with organisations equivalent to InternetNZ. Jordan advised that he is currently drafting the International Strategy and that this issue will be covered in this paper.

AP37/15: Maria to note and add the missing action point for Jamie (relating to RN88/15 - letter to AUDA) in the action point register.

RN92/15: THAT the action point register as at 30 November 2015 be received.

(Vice President/Cr Hulse)
CARRIED U

8. Membership update

Discussion held whether the drop of membership numbers should be of concern (down 39 on the same time last year).

A comment was raised that adding a graph as well as adding the percentage of members who have rejoined would be helpful to see the trend of the membership at a quick glance.

AP38/15: Add graph and percentage of people rejoining in the membership report.

RN93/15: THAT the new members be approved.

(Cr Craig/Cr Lee)
CARRIED U

9. Evote ratification

RN94/15: THAT the evotes noted as at 30 November 2015 be ratified.

(President/Vice President)
CARRIED U

Note: after the meeting, staff identified an omission from the listed evotes regarding decisions by Council to authorise license agreements with DNCL and NZRS about copyright in the .nz register. This will be included in the evotes summary presented to the February 2016 meeting.

10. Industry Scan

Discussion held on issues and opportunities for InternetNZ specifically around the Cybersecurity issues including GCSB's Project Cortex. A question was raised whether we can get a briefing from NZITF regarding this matter and invite Barry and Dean to do so at the February Council meeting. Jordan also noted the suggestion for members of a briefing by the GCSB.

Jamie also made a comment on the Telco sector consolidation and whether the consolidation would lead to price rises or diminished competition.

AP39/15: Jordan to speak with Barry/Dean as to whether they can give a briefing on the GCSB issue at the February Council meeting.

11. Group Strategy Day Summary

Jordan spoke to his paper and highlighted the proposed next steps section of the paper and asked Council for any comments.

After a brief discussion, Council were happy with the summary however it was noted that better communication should be included more clearly. Jamie also noted that we need to be conscious of the possibility that there might be new Councillors next year so there should be a provision for this as well in doing any review of the Strategic Plan in September.

RN95/15: THAT Council receive this paper showing conclusions of the 2015 Strategy Day.

(Cr Craig/Cr Hulse)
CARRIED U

RN96/15: THAT Council note the proposed Next Steps to put the conclusions into practice.

(Cr Craig/Cr Hulse)
CARRIED U

12. 2016 Focus Areas for InternetNZ

Joy recused herself from the discussion around the Privacy Act due to conflict of interest arising from her employment in the Office of the Privacy Commissioner.

Sarah have also recused herself from the discussion on the focus area on accessibility due to conflict of interest – she's currently involve with 2020 Communications Trust.

Jordan gave a summary on his paper and commented that for next year the proposed plan is to have smaller number of focus areas and have a number of activities for each of these areas. These will be a brief way to highlight InternetNZ's priorities.

Discussions were held around the idea of having focus areas as outlined, as well as the specific proposed focus areas. The discussion provided was very helpful input to staff to re-draft the proposed areas before further consultation happens. The next step is

discussion with members at meet-ups due in late January, and staff plan to seek the views of other stakeholders as well.

RN97/15: THAT Council note the changes to the approach proposed by staff, and agree that Focus Areas should be used to highlight work priorities in 2016/17.

(President/Cr Craig)
CARRIED U

RN98/15: THAT Council support the proposed Focus Areas set out in this paper (law reform, access and security) are a suitable basis for the further consultation.

(President/Cr Wallace)
CARRIED U

Morning tea break at 10.51am – 11.05am

Mary Tovey and Monika Wakeman (Deloitte) have joined the meeting at 11.05am

13. Health & Safety Policies update

Amber gave a brief update on the Health & Safety policies following the release of the new Health & Safety (H&S) legislation. She then introduced Monika Wakeman, who is a Health & Safety Risk Advisor at Deloitte, and whom the Audit & Risk Committee have invited to present to Council about the impact of the new health and safety legislation on the governance board and individual members of a Board or Council.

The following were the topics covered in Monika's presentation:

- Background – the case for change
- Changes in the H&S legislation
- Due diligence and accountability
- Obvious risks for the officer (or decision-makers), PCBU (Person Conducting the Business or Undertaking) and employee
- What can be done to make a difference
- Integrating H&S; and
- Tips for consideration.

After the presentation Council raised a question whether they, as the governing body, are liable or responsible for the subsidiaries. Monika advised that it depends on the level of influence but she advised that it would be best to seek legal advice on this to have some clarity.

Council thanked Monika for her presentation.

Monika and Mary left the meeting at 11.23am.

Amber advised that the Terms of Reference for the Audit & Risk Committee have been updated to reflect the changes to the Health & Safety in Employment Act. She also mentioned that the Health & Safety Policy will be amended and tabled at the February Council meeting for discussion.

The amended TOR will be discussed later at this meeting (during the Committee update section).

AP40/15 Staff to seek legal advice on the liability issues for Council in regards to the new Health & Safety legislation, and check how these responsibilities relate to insurance.

Mary joined the meeting.

14. 2016 Budget – First Discussion

Jordan gave an overview on the draft budget and advised that the final version will be tabled at the April Council meeting. The overall proposal sees a small (1.6%) increase for 2016/17 compared with the current year, with \$100k more for community funding and \$50k more for community outreach and collaboration.

Jordan also noted that there was a depreciation error in the current year's budget (relating to the fitout for the previous premises in Willis St) and that this issue will be discussed with the accountants as it is an error that shouldn't have happened.

RN99/15: THAT Council note the 2015/16 End-of-year Forecast.

(President/Vice President)
CARRIED U

RN100/15: THAT Council note the 2016/17 Draft Budget

(President/Vice President)
CARRIED U

15. Approach to dealing with Commercial In-confidence papers

Jordan spoke to his paper and discussion was held on the proposed approach for Council to consider with dealing with commercial-in-confidence material.

RN101/15: THAT Council ask the Chief Executive to prepare a governance policy relating to document confidentiality as set out in the paper for consideration at the next meeting.

(Vice President/Cr Lee)
CARRIED U

RN102/15: THAT the CEO report back to the next meeting on implementation options.

(Vice President/Cr Lee)
CARRIED U

AP41/15: CE to prepare a draft governance policy relating to document confidentiality for consideration at the February meeting and report back on implementation options.

16. NetHui 2016 Approach

Ellen gave a summary of her paper and highlighted the proposed approach for NetHui 2016 which allows a broader engagement with the Internet community around New Zealand, and focus on collaboration with other organisations across sectors.

Discussions were held around the proposed new model of having three regional NetHui (i.e. NetHui 'on tour').

Some concerns that were raised with the proposed new model were:

- we might not get the same impact compared to as national event
- there's a risk of confusion with the classic NetHui which might not meet participants' expectations
- discussion around the NetHui brand and whether this pertains to the event or is it the principles and approach behind the event.

Due to the timing constraints, Council agreed to go over the other items in the agenda and continue the discussion on this topic towards the end of the meeting.

Andrew Cushen joined the meeting at 12.05pm

Hayden left the meeting at 12.25pm

17. Updated Strategic Partner Framework

Ellen spoke to her paper and noted that 4 out of 5 partners are up for renewal next year. She advised that this framework will be used in discussion with the current partners and potential partners over the next few months. A proposed Strategic Partnership slate will presented to Council at the February meeting.

Council were keen understand more about the inter-relationships and pipeline that we use (pipeline of prospective partners) and praised the strategic partner framework.

A question was raised regarding the lack of timeline in the framework (that is, what time period is expected for new and renewed partnerships). In response, Ellen advised that this will depend on the discussions with each partner as this needs to relate to their other funding and plans.

Discussion was also held around the options for Kiwicon funding and Ellen commented that discussions are being held with Kiwicon and that a proposal will be developed with them for an ongoing commitment. More details will be provided to Council on this once it's available.

RN103/15: THAT Council approves the updated Strategic Partnership Framework and that staff present a recommended state of Strategic Partnership to the February 2016 Council meeting.

(Cr Buehler/Cr Wood)

CARRIED U

Hayden joined the meeting.

18. CEO Report

Report was taken as read.

RN104/15: THAT the Chief Executive's report for the two months to 30 November 2015 be received.

(President/Vice President)

CARRIED U

19. Management Reporting

Reports were taken as read.

A comment was raised that it would be helpful if the Grants summary paper includes a brief summary regarding the satisfaction level on the expectations for the project or add traffic lights to indicate status of grants.

RN105/15: THAT the management reports (Internet Issues, Community, International, and Operations) be received.

(President/Cr Craig)

CARRIED U

20. Consolidated Financial Report – Quarter ended 30 September 2015

The group quarterly financial report was taken as read.

RN106/15: THAT Council approves the InternetNZ Consolidated Financial Report for the quarter ended 30 September 2015.

(Cr Hulse/Vice President)

CARRIED U

21. October InternetNZ Financial Report

The InternetNZ monthly financial report was taken as read.

RN107/15: THAT the monthly financial report to 31 October 2015 be received.

(Cr Hulse/Vice President)

CARRIED U

Lunch break at 12.32pm – 1pm.

Rochelle Furneaux arrived at 12.32pm.

David Farrar and Richard Currey joined the meeting at 1pm.

Council went into committee between 1pm and 1.15pm for the Chairs, CE and Council alone time.

Dave Moskovitz joined the meeting at 1.05pm.

Debbie Monahan, Jay Daley, David Morrison, Andrew Cushen, Mary Tovey and Ellen Strickland joined the meeting at 1.15pm.

22. Business Development Strategy Policy

Jordan spoke to his paper and clarified his comment about recent engagement – actually last March was recent and he wished he hadn't included his comment that the current discussion was the first substantive discussion "in recent times".

Jamie noted that there had been extensive discussions on this via the members list and asked Council for their insights from the discussion.

Discussion and comments raised included the following:

- Taking the emotions out of it, one theme that was picked out was the separation of concerns and risk around NZRS being 'compromised' or losing focus through business development.
- In favour of the \$400k experiment and see how it works, however concerned that we're not taking the membership with us.
- Members are generally in favour of the diversification, however with business development it has become polarised. Would it be better served for a robust discussion with membership around diversification and start from there?
- This has been put out to members to test again the thinking that began well over 4-5 years ago and to update where we are at. The aim was to listen really hard, and get some new and good ideas.
- Have a 'sustainability' strategy rather than a business development strategy - this might help members understand the context and the demands of it.
- We need to be careful to not just listen to the loud voices as many people would tend not to speak in such environment.
- We do need to continue doing the good things and support it in the very long term - the Objects outlive the .nz role.
- Concerned about the mandate, however there is enough support for diversification. During the membership survey presented at the AGM, the numbers in favour of diversification were strong; however there was also a large number in the neutral category - do we need information to be more accessible to get them to support and do we need to ask members again?
- While overall support might be possible, doing development that relates more closely to the Objects might be more supported.
- Referendum vs Consultation with members.
- Have to be aware that the members list (and twitter) is not representative of all members, and that more communication should be done.
- We should communicate effectively about how we are delivering this - what we are doing, what is the change marked version of the Strategy and Policy - and ask for thoughts but keep going. Explicitly look into using the forums and tools available to keep people informed of our delivery on this - it's best to get on with it and prove through delivery.
- Reframing the strategy framework towards longer sustainability, include the Objects and addressing some of the issues. With the right framing, we could ask the members again to get their comments/feedback - i.e. provide a number of propositions with scale agreement would be more useful and informative rather than a yes/no question.

After the discussion, the possible approach that was proposed were to:

- Communicate debate to members following this meeting
- Revise and update the strategy along the following lines:
 - Sustainability theme
 - Use of the money for the \$1m community funding goal
 - Experimental nature of this part
 - In line with the Objects
 - Transparency
- Discussion at members meet-ups
- Decision at the February meeting
- And in the meantime, no hold on current business development activity

RN108/15: THAT the Chief Executive or President communicates to members the summary of this discussion; updates the strategy and policy about transparency, objects alignment, and outputs of discussion; and explicitly discuss with members at the meetups in January.

(Cr Moskovitz/Cr Lee)

CARRIED U

AP42/15: CE or President to email members the summary of this discussion; update the strategy and policy about transparency, objects alignment, and outputs of discussion; and explicitly discuss with members at the meetups in January.

23. .nz Framework Policy

Jordan spoke to his paper and advised that this has been discussed with the subsidiaries Board.

Brief discussion was held around section 4.4.5 of the policy to get clarity on what exactly is being monitored and reported on.

It was noted that the framework is not trying to change anything but reflects the status quo.

Joy congratulated the team for getting it done.

RN109/15: THAT Council approve the draft .nz Framework Policy as a new draft .nz Governance Policy, and ask the Chief Executive to commence a public consultation on the draft Policy as per the PDP.

(President/Vice President)

CARRIED U

AP43/15: CE to commence public consultation on the draft Policy as per the PDP, after the New Year.

24. NZRS Letter – re additional staff in technical research

Richard Currey gave a summary on the purpose of the letter which is to seek Council's comments regarding having additional staff in Technical Research.

Comment was raised that there needs to be better transparency and communications on research and objectives of research.

In response, Jay advised that they are intending to rebuild their website and expand on the technical research so the information can be made available via the website.

A question was raised around the risks with going ahead, and Richard commented that possible risks are moving to research areas that other people may have been doing already and the perceived cross-over between the technical research and business development. These can be addressed through transparency and having the high-level research plan being publicly available and understandable.

NZRS advised that they can provide a Technical Research update at the February Council meeting.

AP44/15: President/CE to respond to this letter as per discussion at this meeting, preferably by email.

25. Statements of Expectations 2016/17 – DNCL & NZRS

Changes noted are as follows:

- Rename “Group Project” as “Projects” in both SoEs
- Adding dates to both SoEs (i.e when the document was finalised)
- Adding the XRB reporting under the financial requirements

RN110/15: THAT Council adopt the Statement of Expectations for Domain Name Commission Limited for 2016-17.

(Cr Craig/Cr Furneaux)
CARRIED U

RN111/15: THAT Council adopt the Statement of Expectations for NZRS Limited for 2016-17.

(Cr Craig/Cr Hulse)
CARRIED U

26. Business Development update

Council received a commercial-in-confidence written report from NZRS on business development initiatives and discussed it in committee.

AP45/15: Jordan & Jay to discuss public reporting for Business Development by January.

27. DNCL 2nd quarter report & Joint .nz 2nd quarter report

David Farrar gave a summary of both reports.

Discussion was held around the first two stages of the WHOIS consultation. The second stage is open until the end of January. To date there have been 36 submissions in stage one and two.

There was a discussion over how to get more submissions, and David said that if there is a third stage with specific options, then they expect even greater engagement. Debbie commented that there have been a good number of submissions with a wide range of views, and a good range of entities.

RN112/15: THAT the DNCL report for the second quarter 2015/16 be received.

(President/Cr Buehler)
CARRIED U

RN113/15: THAT the Joint .nz report for the second quarter 2015/16 be received.

(President/Cr Buehler)
CARRIED U

28. NZRS 2nd quarter report

Richard Currey gave a summary and highlighted the addition of the new reporting section of their report which Council might find useful – as requested previously, this breaks down NZRS costs by broad functional area.

RN114/15: THAT the NZRS report for the second quarter 2015/16 be received.

(President/Cr Buehler)
CARRIED U

David Farrar, Debbie Monahan, Richard Currey, Jay Daley and David Morrison left the meeting at 2.57pm.

29. Report from Council Committees

Audit & Risk Committee

Amber gave an update on the new PBE (Public Benefit Entity) reporting requirements and advised that the Committee have asked Crowe Horwath to send through a reporting template and will discuss it with Council at the February meeting.

She also gave a brief summary on the changes made in the Committee's Terms of Reference in light of the finalisation of the new Health & Safety legislation. Other highlights that she noted were the progress in the Committee's work plan, the work underway for new Committee members' induction pack, and the Committee's plan to improve how the risk register can be presented to Council better.

Lastly, she asked Councillors each to go through the Health & Safety Tips Checklist, as per Deloitte's suggestion during their presentation at this meeting.

AP46/15: Mary to circulate a copy of the presentation from Deloitte to Council.

RN115/15: That, for statutory financial reporting purposes, InternetNZ is a Public Benefit Entity and will prepare annual financial statements in accordance with Tier 2 PBE Accounting Standards as issued by the XRB (External Reporting Board) for the year ended 31 March 2016.

(Cr Glass/Cr Furneaux)
CARRIED U

RN116/15: That InternetNZ as the Parent entity for financial reporting purposes will require its subsidiaries (NZRS Limited and Domain Name Commission Limited) to prepare their separate annual financial statements in accordance with Tier 2 PBE Accounting Standards for the year ended 31 March 2016 AND notes that they have already agreed to do so.

(Cr Buehler/Cr Hulse)
CARRIED U

RN117/15: THAT Council adopt the changes to the Audit & Risk Committee's Terms of Reference.

(President/Cr Hulse)
CARRIED U

RN118/15: THAT Council receives the Audit & Risk Committee's draft minutes for October and November.

(Cr Glass/Cr Buehler)
CARRIED U

Māori Engagement Committee

Sarah gave a brief update on behalf of the Committee and highlighted that since the last meeting, the Committee's Terms of Reference has been drafted and is presented at this meeting. Contingent on approval of the TOR, the Committee will then meet early in 2016 to draft a community engagement plan for creation of the Māori Advisory Group.

Ellen also highlighted that in comparison to the other Committees, there's a strong focus on staff engagement – i.e. emphasis on the governance and operations.

RN119/15: THAT a Māori Engagement Committee be created and the Māori Engagement Working Group be retired.

(Vice President/Cr Moskovitz)
CARRIED U

RN120/15: THAT the draft Terms of Reference for the Māori Engagement Committee be approved, and that the members of Council appointed as members of the Committee be: Joy Liddicoat, Sarah Lee and Amber Craig.

(Vice President/Cr Moskovitz)
CARRIED U

Membership Committee

Kelly gave an update on the Membership Committee and highlighted the publication of the membership post cards which includes a short statement on the role of members' as well as a short statement on who we are and what we do.

She advised that the Committee will reconvene in January and focus will be around improving members' engagement.

Travel Committee

Kelly noted that progress is being made and some benchmarks have been chosen. They are now talking about how these can be used to address the issues identified.

Terms of Reference is yet to be done, however once this is finalised, the Committee will send it to Council and the subsidiary boards.

CE Review Committee

Jamie noted that the CE review will happen in the new year.

30. NetHui and Business Development discussion (continuation)

More discussion was held on the proposed approach for NetHui in 2016.

Jordan commented that the essence of the proposal is distribution around the country in the next year, and that this is a proposal for consultation with members and community.

Ellen also added that staff can go away and discuss the options, see what the community thinks and report back accordingly for decision in February.

RN121/15: THAT Council support the proposed approach for NetHui 2016 and for the activities to be detailed in the 2016-17 Activity Plan.

(Cr Buehler/Cr Wood)
CARRIED U

AP47/15: Jordan/Ellen to draft communications plan for NetHui 2016 for discussion at the February meeting.

Next Meeting: The next scheduled Council meeting is 26 February 2016.

Meeting Closed: The meeting closed at 3.30 pm

Signed as a true and correct record:

Jamie Baddeley, CHAIR

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Action Point Register

	Action	Who	Status	Due by	Comment
FEBRUARY					
APRIL					
AP08/15	New Health and Safety policies (for Council function and staff function) and a Risk Register to be developed and then added to the Governance Manual.	Jordan	In progress	Dec-15	Briefing Dec '15; Policy Feb '16
JUNE					
AP18/15:	A brief report to be prepared on measuring, transformations and prioritisation of initiatives for the joint .nz strategy	Jay/Debbie	In progress	Feb-16	Deferred to February 2016
AP20/15:	Draft .nz Framework Policy planned to be presented at the October Council meeting.	Jordan	In progress	Feb-16	Deferred to February 2016
AUGUST					
OCTOBER					
AP30/15	Jordan to look into the reporting requirements for NZRS regarding the segmentation of costs for delivering the core functions of the company, and discuss with Jay.	Jordan	In progress	May-16	Review Reporting Policy in 2016
AP31/15	Jordan to discuss with the subsidiaries CE regarding adding SoE review in each company's quarterly report.	Jordan	In progress	May-16	Review Reporting Policy in 2016
AP34/15	CE to explore options on how to support the Kiwicon event.	Jordan	In progress	Feb-16	Included in the Community Programmes update
AP35/15	President to write to AUDA Board Chair seeking a Board-level dialogue between AU and NZ on a range of Internet Governance matters including ICANN accountability to further mutual understanding of each other positions.	President	In progress	Feb-16	
DECEMBER					
AP36/15	Maria to update the register of interests as per above changes.	Maria	Complete	Feb-16	
AP37/15	Maria to note and add the missing action point for Jamie (relating to RN88/15 – letter to AUDA) in the action point register.	Maria	Complete	Feb-16	(refer to AP35/15)
AP38/15	Add graph and percentage of people rejoining in the membership report.	Maria	Complete	Feb-16	
AP39/15	Jordan to speak with Barry/Dean as to whether they can give a briefing on the GCSB issue at the February Council meeting.	Jordan	In progress	Feb-16	Broader member briefing still to come
AP40/15	Staff to seek legal advice on the liability issues for Council in regards to the new Health & Safety legislation, and check how these responsibilities relate to insurance.	Mary	In progress	Feb-16	
AP41/15	CE to prepare a draft governance policy relating to document confidentiality for consideration at the February meeting and report back on implementation options.	Jordan	Complete	Feb-16	Paper included in Feb Council papers
AP42/15	CE or President to email members the summary of the Business Dev Strategy Policy discussion; update the strategy and policy about transparency, objects alignment, and outputs of discussion; and explicitly discuss with members at the meetups in January.	Jordan	In progress	Feb-16	
AP43/15	CE to commence public consultation on the draft .nz Framework Policy as per the PDP, after the New Year.	Jordan	In progress	Feb-16	
AP44/15	President/CE to respond to NZRS letter (re additional Tech Research staff) as per discussion at this meeting, preferably by email.	Jordan/President	Complete	Feb-16	Jordan sent a reply via email to NZRS on 21 Dec
AP45/15	Jordan & Jay to discuss public reporting for Business Development by January.	Jordan/Jay/Debbie	Complete	Feb-16	
AP46/15	Mary to circulate a copy of the presentation from Deloitte to Council.	Mary	Complete	Feb-16	
AP47/15	Jordan/Ellen to draft communications plan for NetHui 2016 for discussion at the February meeting.	Jordan/Ellen	In progress	Feb-16	Paper included in Feb Council papers

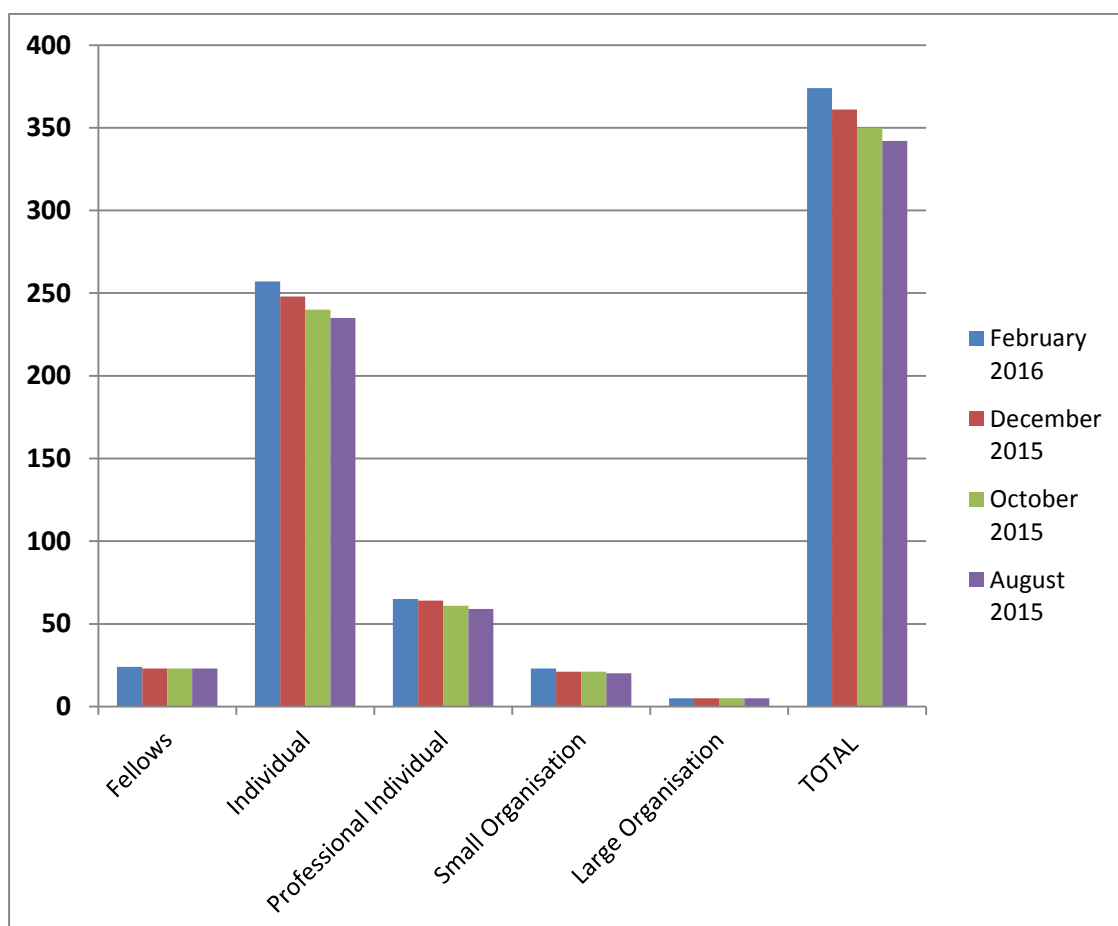
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INTERNETNZ MEMBERSHIP REPORT

Status: Final
Author: Maria Reyes, Administration Coordinator

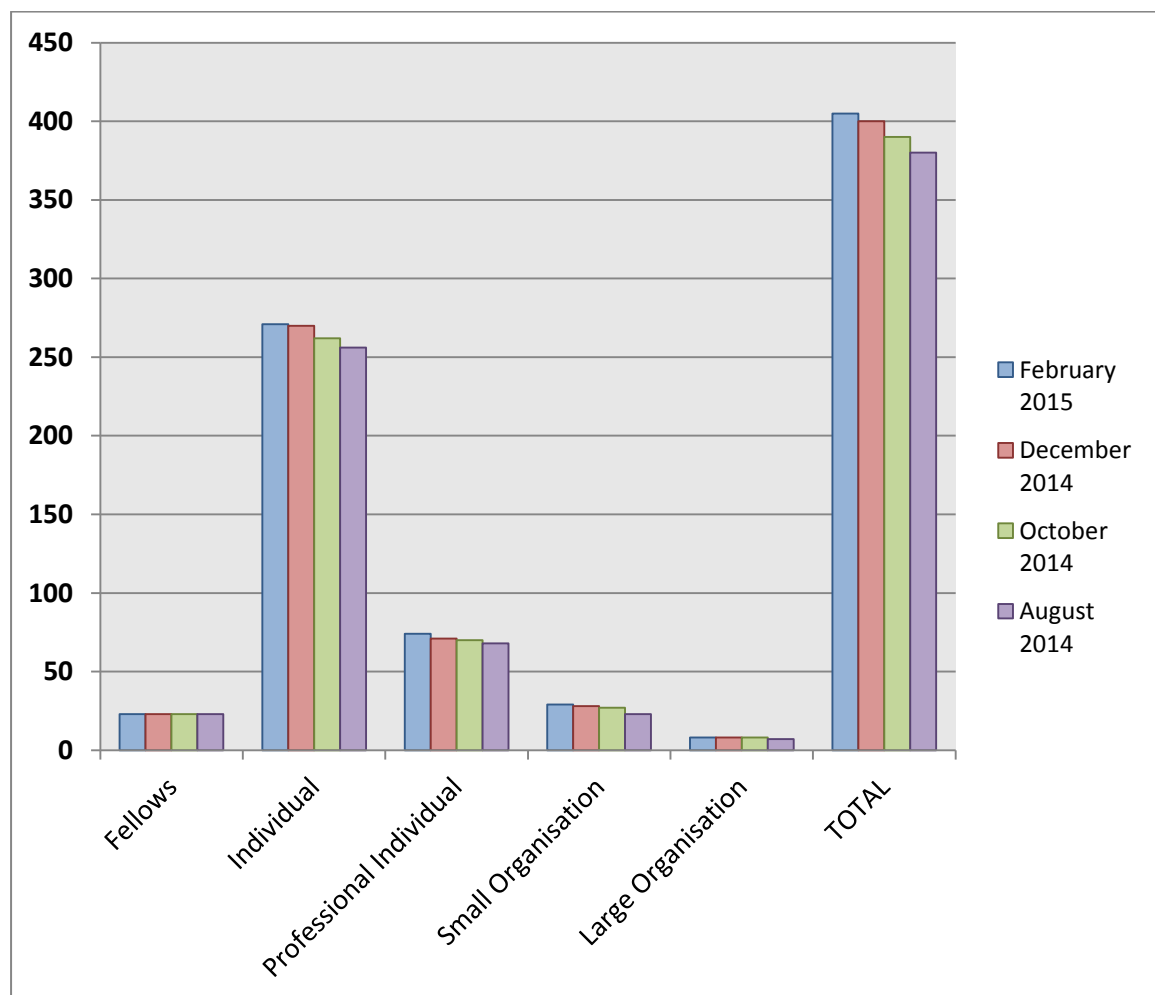
2015-16

	February 2016	December 2015	October 2015	August 2015
Fellows:	24	23	23	23
Individual:	257	248	240	235
Professional Individual:	65	64	61	59
Small Organisation:	23	21	21	20
Large Organisation:	5	5	5	5
Total Membership:	374	361	350	342



2014-15

	February 2015	December 2014	October 2014	August 2014
Fellows:	23	23	23	23
Individual:	271	270	262	256
Professional Individual:	74	71	70	68
Small Organisation:	29	28	27	26
Large Organisation:	8	8	8	7
Total Membership:	405	400	390	380



Membership by region

North Islands (Northern):

Joined in	Number
2016	1
2013-2015	44
2010-2012	29
2005-2009	31
Foundation-2004	3
<i>TOTAL</i>	<i>108</i>

North Islands (Southern):

Joined in	Number
2016	6
2013-2015	85
2010-2012	56
2005-2009	54
Foundation-2004	7
<i>TOTAL</i>	<i>208</i>

South Islands (Northern):

Joined in	Number
2016	0
2013-2015	13
2010-2012	17
2005-2009	4
Foundation-2004	1
<i>TOTAL</i>	<i>35</i>

South Islands (Southern):

Joined in	Number
2016	0
2013-2015	3
2010-2012	6
2005-2009	3
Foundation-2004	1
<i>TOTAL</i>	<i>13</i>

** International members - 10*

Recommendation:

THAT the new members be approved.

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E-votes Ratification

Author: Maria Reyes, Administration Coordinator

There have been **two** e-votes conducted since the last Council Meeting:

Evote:	Motion:	For:	Against:	Abstain:
10112015	<p>THAT Council authorises the officers signing and affixing the common seal to license agreements with Domain Name Commission Ltd and NZRS Ltd regarding intellectual property rights in the .nz register.</p>	<p>Neil James Amber Craig Hayden Glass Dave Moskovitz Richard Wood Brenda Wallace Sarah Lee Richard Hulse Kelly Buehler Joy Liddicoat Jamie Baddeley</p>		
23122015	<p>(1) THAT Dr William Liu be awarded \$5,000 from the Conference Attendance funding round.</p> <p>(2) THAT Stephen Sheehan be awarded funding of \$1,500 from the Conference Attendance funding round.</p> <p>(3) THAT Dr Tobias Langlotz be awarded funding of \$4,889 from the Conference Attendance funding round.</p> <p>(4) THAT Robyn Moore (Te Mana o Kupe Trust) be awarded \$3,611 from the Conference Attendance funding round.</p>	<p>Sarah Lee Hayden Glass Brenda Wallace Dave Moskovitz Neil James Joy Liddicoat Richard Hulse Jamie Baddeley Richard Wood Amber Craig Kelly Buehler</p>		

Recommendation: THAT the e-votes be ratified.

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Focus Areas – Feedback and Proposed Changes

Author: Jordan Carter, Chief Executive & Andrew Cushen, Work Programme Director

Purpose of paper: To summarise the feedback received to date on the draft Focus Areas for 2016/17 and propose some changes for the next version.

This paper summarises the feedback on the proposed Focus Areas received from InternetNZ members at the member engagement sessions held in February 2016.

There has been wide support for this “focused” approach for the 2016/17 Activity Plan. That said, there is also the need for us to clearly communicate that the Focus Areas are not the only work we will be doing – and the Activity Plan and various comms materials to highlight our work plan will respond to this.

Even with this focus, a number of comments were made relating to the implementability and prioritisation of the Focus Areas to ensure they’re all done sufficiently, and whether sufficient resources will remain to respond to other, emerging issues. The Activity Plan will show how this is to be done.

In terms of the broad framing:

- **Access** is seen as core business for InternetNZ and there was acknowledgement that the telecommunications regulation project is one where our voice is important; and wide support for the digital divides information project.
- **Use** could probably be re-framed as “**Benefits**” – or “Benefits of the Open Internet” or similar, and there was some feedback that this area is less important.
- **Trust** if it continues to be used, has to be clearly in context – we believe in the Open Internet, and we are not trying to make the Internet trusted per se. Instead this Area is about giving people confidence in how they can use the Open Internet in a manner that promotes trust and confidence.

Staff propose to reframe the Focus Areas consistent with the above, and then to further refine them to take the following feedback in particular into account:

1. The **Access** Focus Area is quintessentially InternetNZ, and there was particular enthusiasm for working on the Digital Divides project. There is a vitally important definitional role here though – defining and explaining what these divides are is as important as measuring and working on them.

2. In the **Use** Focus Area, the Trans-Pacific Partnership (TPP) continues to be a matter of significant concern and interest, but we believe this to be BAU and not deserving of a particular Project. We have been challenged to conceive further of how we interact and support the use of the Internet by the New Zealand creative industry, rather than just explore this in a copyright sense. We are continuing to follow up with this conversation.
3. Further on the **Use** Focus Area, we need to carefully conceive of what InternetNZ's particular addition is on promoting **business use**. Instead, there is potentially more value in exploring the wider set of benefits of Internet use, either with an economic lens or wider to social as well. Our view is that of the six Focus Area projects, this will attract the least time and effort from us, but is important in terms of the breadth of Internet community outreach we have been tasked with.
4. In **Trust**, our previously (2015/16) Activity Plan Project on a Computer Emergency Response Team (CERT) has largely been supplanted by the Government's work, and so this Project now proposes us playing a supporting role in guiding their efforts. There is a wider piece of work that remains here around Internet Security, which will remain as part of the ongoing work in this portfolio of the Issues Team's work.

Our **next steps** are, following discussion with you, to revise and send out the Focus Areas for any further comments, and then to embed them in the Activity Plan and Budget for 2016/17 which Council will consider at its meeting on 5 April 2016.

Jordan Carter
Chief Executive

Andrew Cushen
Work Programme Director

18 February 2016

Note: the notes showing the comprehensive feedback from the member meetups is available here:

https://docs.google.com/document/d/1Cfn_JaNpLsDvUVfYngDANPRneQc_I8-Boinr89XjG60/edit

InternetNZ Member Meetups - February 2016 (notes of points from staff & member participants - draft)

Topic	Auckland (3 Feb)	Wellington (11 Feb)	Christchurch (9 Feb)
Focus Areas	<ul style="list-style-type: none"> ● Should we include a project that is “responding” to emerging issues, to make clear to stakeholders that we are, and preserve resourcing. ● Working with others in the field is a good thing, to explore through collaboration and alliance. TUANZ on use; AUT/Unitec on cyber security for example. ● Intending to keep the community funding work as separate to the Focus areas, but referencing and aware of them. ● Social impact? Balance across the five segments on the multistakeholder model. For example, impact of the Internet on SHAs. ● Major legal issues emerging? Insurance issues of driverless cars. Software having appropriate security built in, in our IoT era. Visibility of power meter consumption by appropriately authorised people. BUT: how do these things relate to the Internet? Driverless cars aren't on the Open Internet. ● Make sure these plug into the organisational strategy. 	<ul style="list-style-type: none"> ● How are we going to align with other organisations: Do we add to their work, influence what they think through advocacy. ● What are we doing in education sector? With schools? We've predominantly supported other organisations that are more active in education (e.g. Netsafe, 20/20, Computers in Homes, Creative Commons). Could we be doing more with education sector? ● What is our prioritisation? Is there resource to do all 6 justice? Need to protect staff time for reactive work. ● In principle all 6 'sound great', will they each have staff taking responsibility for them? Do we have staff who have the skills for each? ● Would we contract in someone to lead something if we don't have the staff? ● Are there other areas that the TPPA will be bringing in that INZ should be focussing on? ● Are there new issues that we should be getting ready for? e.g. <ul style="list-style-type: none"> - trust and security stuff - what is going to be the regulatory environment for encryption ● Would have thought the privacy project would cover the encryption debate & issues. ● Data Futures Partnership ● Government monitoring beneficiaries Internet use: does InternetNZ have a watchdog role in use/misuse of ● As ppl start to get better tools & more information out of the data going to be ● What are the social impacts of Big Data & advanced analytics? ● What about a statement calling for a general security standard for IoT? <ul style="list-style-type: none"> ○ reference to US FTC ● Social contract issues with Government organisations who are leaning very heavily on Internet channels but potentially leave people behind. 	<p>On Access:</p> <ul style="list-style-type: none"> ● We need to explain what the divide/s are, for example the skills divides, the knowledge divides, as well as the obvious economic exclusion ones ● there is a definitional/educational role here <p>On Use:</p> <ul style="list-style-type: none"> ● App development and walled gardens - to what degree is this an enabling, use of the Internet versus the building of a closed platform and ecosystem? ● What is InternetNZ's relationship to the “maker culture” and should we further enable or participate in this? <p>On Trust</p> <ul style="list-style-type: none"> ● What is the IT analogue to Surf Lifesaving - and should we build it? <p>Other potential areas of Interest</p> <ul style="list-style-type: none"> ● Sensing cities/urban transformation potential of the Internet ● Our relationship with ConsumerNZ, and how we can enable them to play more of a role in tech. ● TPPA and its implications for NZ internet ● Open laws, and the “right to do things” ● We should align ourselves with the people/Internet community, explicitly

InternetNZ Member Meetups - February 2016 (notes of points from staff & member participants - draft)

<p>Prod & Serv Dev't</p>	<ul style="list-style-type: none"> • What about the issue of competing against our member's commercial interests? Divided opinions - commerce act and charities issues if non-compete is a rule? • Should we be focusing on under-served areas of commercial development, rather than jumping into busy markets. • Worry about IntNZ being seen to chill innovation by squashing new business through stealing ideas. • We need to be careful about creating an expectation that members can veto ideas through their own interests - this could be misused. • No or badly insufficient product availability is probably a better space to be in. • Should we even be going after things that are income generating? We have a reliable revenue stream in .NZ • Diversification preserves the organisation in the event of substantial decline in domain name revenues. Our cause and objects are long run - it is prudent to preserve an income base that is likewise. • The Broadband Map is a good example of developing a useful product, in an underserved area, where there is a monetisable opportunity for product development alongside providing a community service. This is a good example. This should be the model? 	<ul style="list-style-type: none"> • Some oppose on principle, others think that the constraints mean that it'll be very hard to succeed. • Our policy and community work needs to be funded somehow. We need to ensure that InternetNZ can continue to be funded and do its essential work for the question. • Anything we do will probably put us in competition with our members - but we think that competition is good - within a market. • Having a rule that said we can't ever compete with members wouldn't work. Jordan highlighted UK example of a <i>Competition Impact Assessment</i>. Aim to avoid market distortions or initiatives that could be reasonably seen to knowingly advantage some members and disadvantage others. • The key isn't competition, it's unfair competition. • Is the first call that's made 'we will end up competing'. Therefore, are there other things we can do with our skills that can bring in \$\$\$. • How much of the objection is about the theory and uncomfortableness with the abstract? Will we still be doing things that are good, even if they don't make profits? • Endorse the use of the term 'humble servants' as the approach. 	<ul style="list-style-type: none"> • What are the OPEN opportunities here? "turnpikes versus public roads" • Don't use commercial pressure to reduce competition. • OK with the numbers - no concerns about the size of investment • Don't seek to disrupt areas where we are aware that innovation is already happening- what is our unique offerings? • How are other TLDs approaching these challenges? More to share here?
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InternetNZ Member Meetups - February 2016 (notes of points from staff & member participants - draft)

NetHui 2016	<ul style="list-style-type: none"> • In part a response to demand to take NH to other parts of new Zealand. • The national model remains useful, but there is value in smaller conversations too. • Linking these together on the Internet unfortunately doesn't necessarily work well across the entire event. • NetHui is something unique in its focus and approach, across topics and sociality. That's something we should try to preserve, even when collaborating. 	<ul style="list-style-type: none"> • Not discussed, out of time 	<ul style="list-style-type: none"> • There is demand around areas, and a useful story to tell • Examples - Nelson, Timaru, West Coast - these are places we could target in the south.
General	<ul style="list-style-type: none"> • Communications are good! Informative, well organised, well presented. • Having an Auckland presence and holding events like this are a good thing. • Commitment of the membership? It's a shame that we don't have more attendance from our membership in participating in important discussions like this. We should look across timing - school holidays, and holiday breaks for example. 	<ul style="list-style-type: none"> • Wasn't aware that InternetNZ existed until 4-5 days ago. Is InternetNZ looking at more outreach to try and link into tertiary students and broader parts of the Internet Community? • Send to Jordan! • The people who know about us respect us. • If InternetNZ has a position to send out to tertiary institutions. Pitch and rock up to tertiary institutions to give them the Gospel. 	<ul style="list-style-type: none"> • Comms have improved - website is better, and the information products we produce useful • We should encourage TED talk style things for funding recipient - share the knowledge we have helped to create • We should have a travel round related to nethui to encourage participation? • Diversity of InternetNZ membership • Indigenous advisory group for InternetNZ?

Online Meeting - 10 Feb

From one participant:

Detailed discussion on Use Focus Areas:

One in particular that gets attention - use of the Internet for everyone's benefit. Goals don't reflect everyone. Challenge of individual use versus business use of the Internet.

InternetNZ Member Meetups - February 2016 (notes of points from staff & member participants - draft)

Economic gains piece partially balances, but not quite. it would be useful for us to think about what business and economic and creator use of the internet means, and how some of that is threatening to some of these interests. there is a tension there - do we intend to work in that tension?

Jordan: the open internet. Intention is not to close off capacity of generative internet. We reconcile the tensions against our principles of support for OI. Send SC paper

Leveraging the creative potential of the internet is different from the promoting and protecting. there is a piece about encouraging the creative sector to use the internet effectively, and that is a point of collaboration about where we could work together. There is a non-conflicting angle of common interest here. Andrew and participant to discuss that further.

By email from one intending participant:

- support of Product and Service Development approach
- on Focus Areas:
 - Access: supportive
 - Use: beyond InternetNZ remit and capability, not necessary
 - Trust: InternetNZ supports Open, let others develop Safe in that context.

Product and Service Development: Next Steps

Author:	Jordan Carter, Chief Executive
Purpose of paper:	To propose a way ahead for Product and Service Development, taking account of feedback on the November draft strategy & policy for Business Development, and on the changes proposed in January. Included is a proposal for a Working Group on competition issues associated with product and services development.

Introduction

This paper follows on from the discussion at the December 2015 meeting regarding next steps for Business Development. As per the Council's decisions at that meeting, I prepared some proposed changes to our approach to what will in future be called product & service development, and set these out in a pack to solicit member and public input and views.

This paper:

- summarises the approach proposed in November;
- notes the feedback on the November approach;
- summarises the changes proposed in January, based on that feedback;
- notes the feedback on the January changes;
- confirms and extends in some ways the proposed changes;
- considers the two main options at the Council's disposal – to proceed as proposed, or to not to proceed with product & service development;
- recommends going ahead with updating the Strategy and Policy so they are consistent with the proposed changes, and doing a final round of member and public consultation on those while implementing some other aspects of the new approach.

In all this, I want to record how impressed I am that a debate which arouses some high passions has largely been conducted in good faith, with contributions of a constructive nature from a wide range of people & points of view.

For completeness, attached to this paper is the presentation pack on changes to the approach published in January, and the notes from members meet-ups earlier in February on this subject. The original November proposal is available at <https://internetnz.nz/about/governance>

Summary of the November Proposal

The core elements of the November draft Strategy and Policy were as follows:

- A strategic goal of \$1m/year new income by 2020
- New income not related to .nz
- A limited investment of \$400k in new, direct costs 2014-2017 (c. 2% of turnover)
- Completely free to go beyond InternetNZ's Objects (but not clash with them)
- NZRS as the development vehicle, with NZRS Board making decisions on specific projects
- NZRS an incubator but not an operator – new services or products won't live there, either spun off or sold (Council decides)
- Council decides on bigger investments and final 'location' of a new service/product
- Transparency: open reporting on all business development initiatives

Feedback on the November proposal

A wide range of feedback was received on the November draft Strategy and Policy. This feedback can be roughly broken down into three categories:

- Broad support
- Opposition
- Concerns and Queries

The detailed summary of the feedback received was presented in the slide pack published in January and is reproduced here:

Support:

- *Limited experiment/commitment worth trying*
- *Could deliver new services of value to the community*
- *Could deliver new income to advance InternetNZ objects*
- *Sensible to reduce dependence on .nz as sole source of income*

Opposition:

- *Principled view that we should not do business development / product development / service development*

Concerns/queries:

- *Underlying concern with a 'black box' of NZRS making decisions*
- *Commercial motivations might undermine broader mission*
- *Products/services not required to deliver InternetNZ objects*
- *Products/services might compete with members*
- *NZRS the right vehicle? (culture, distraction from core purpose)*

- *Should InternetNZ be doing it?*
- *Should we be doing other, lower risk things instead?*
- *Will doing this put stewardship of the .nz delegation at risk?*

All Councillors and members are able to access the archives of the mail list on which the subject was primarily discussed.

Summary of Changes Proposed in January

As requested by Council, I considered the feedback received on the November proposal, the Council discussion of it, and proposed on my own initiative some changes for member discussion in February. I note that these changes were “on my own initiative” because I want to be clear that they did not represent the settled collective view of Council.

The main proposed changes are as follows:

- **Adjust the strategic goal:** same \$ figure (\$1m/year by 2020/21), but not restricted to non-.nz revenue (so: new .nz services could count)
- **Restore the Objects link:** new products or services must advance InternetNZ Objects in some way (note: these are broad)
- **More extensive Transparency and engagement:** round tables every six months, open to all, to help shape (and fully share) product and service development.

The rest of the framework would remain as proposed in November. I explicitly identified that these changes were aimed at tackling the concerns and questions that members raised in the discussion. They were not aimed at, and could not, resolve the concerns of those who felt that InternetNZ simply should not do work in this area.

I also proposed some principles that should guide this work on product and services development:

- Shared and public development path and direction
- Competition in products/services is valued and supported: we won't engage in anti-competitive behaviour
- Service to the Internet community tested against InternetNZ Objects
- Value could be delivered in a range of ways – we don't mind others running with ideas, and don't seek to be a “poacher” of others' ideas
- A robust assessment of success or failure for this initiative

In discussing this proposal with members at the meetups held in February, I sought to characterise “success” as being a situation where InternetNZ and the group would act in ways that see it as a trusted supporter of the Internet community, with services of value offered in a reliable and open way, and where ideas for new products and services consistent with our objects that need development can find a home and support.

I also characterised failure: InternetNZ and the group would act in ways that would be seen as commercially motivated, secretive, isolated from parts of the Internet community, failing to deliver real value and persisting with the effort to continue this work long after it was clear it was not succeeding.

Feedback on the January changes

At the date of this paper, the feedback I have heard from individuals and in the discussion at meetups on the January changes as broadly positive. People have appreciated the changes proposed in January as a serious effort to take the concerns on board and change the proposal in response.

I note for completeness that Council has not formally discussed the proposed changes so that stage is yet to occur. Detailed notes on the discussion with members at meetups are attached to this paper. Along with my brief summary of that feedback above and what Councillors have heard from members, this should give some assurance of the rough consensus in favour of the refined approach.

Confirming the Proposed Changes

To re-state in a little more detail, I propose as the main option for Council to consider, proceeding to amend the November draft Strategy and Policy to reflect these changes (already noted above):

- **Adjust the strategic goal:** the revised Strategy should include the same \$ figure (\$1m/year by 2020/21), but should be re-worded so that that new income is not restricted to non-.nz revenue. That brings .nz-related service and product development into the goal, so that improvements to the .nz service over time that raise revenue aside from ongoing registration fees will count. The 2015-2020 Group Strategic Plan should also be updated along these lines and consistent with the changed approach.
- **Restore the Objects link:** the revised Strategy should require that new products or services must advance InternetNZ Objects in some way. The Objects are section 2 of the Constitution found at <https://internetnz.nz/about/constitution>. The primary guiding text is at the start of section 2 and reads:

to maintain and extend the availability of the Internet and its associated technologies and applications in New Zealand, both as an end in itself and as means of enabling organisations, professionals and individuals to more effectively collaborate, cooperate, communicate and innovate in their respective fields of interest.

Some of the more detailed Objects also may apply to this work, including:

2.1 To promote the competitive provision of Internet access, services and facilities in an open and uncaptureable environment.

2.5 To coordinate activities at a national level pertaining to good management of

centralised systems and resources which facilitate the development of the Internet, including but not limited to the Domain Name System.

2.9 To promote widely and generally available access to the Internet.

- **More extensive transparency and engagement:** building on the transparency requirements already proposed in the November strategy, the basic approach is upgraded. The revised Strategy and Policy should require open product and service market selection and development path. To help shape that, it will include round tables every six months, open to all, to help shape (and fully share) product and service development. Reporting will also be comprehensive, consistent with the previous proposal.

Taken together, these changes respond to the feedback received in quite far-reaching ways. They retain the imperative to conduct development of new products and services, but tie these more closely to InternetNZ's objects, and do so in a manner that implements the openness and transparency the community has asked for.

I note one other suggestion for Council to consider that has come up since the January changes were proposed, which helps to respond to another concern raised. A report by Sir Michael Lyons into the governance of the .UK ccTLD was published by Nominet recently. Nominet is, like InternetNZ, a steward of a ccTLD that has embarked on developing new products and services. Members of Nominet who are registrars access discounted .UK domain name registrations, and so their membership is somewhat more commercially motivated in some ways than ours.

As part of his report¹, Lyons considers the broader question of Nominet's public impact as a not-for-profit company, and in particular the impact on competition its decisions could have (noting here that Nominet is a much bigger organisation than the InternetNZ group in financial and personnel terms).

Lyons identifies in particular that competition is an issue of significant concern to members, especially in a context of diversification:

Few argue that Nominet should deny itself the opportunity to introduce new products or services just because they might involve competition with some members. It is clear that such a policy would virtually rule out diversification. But it can, I think, be argued strongly that Nominet should take a close interest in its competitive impact and especially where new products or services, or changes in business practice, would consistently have a negative impact on some part of the membership, and even more so if that effect reinforced the economic strength of other member companies.

¹ See the report by Sir Michael Lyons dated October 2015: "Report to the Board of Nominet UK on the Governance and Operating Systems of the Company" available at: <<http://www.nominet.uk/wp-content/uploads/2016/02/Sir-Michael-Lyons-Report-2016.pdf>>

He concludes his thoughts as follows:

My conclusion is that the board should consider this issue, actively, and perhaps introduce a competitive impact test particularly focused on exposing the impact of its commercial decisions on its members. This could be coupled with a commitment to ensuring that Nominet will always seek to increase public value in its work.

It would seem reasonable to find out Nominet's response to the suggestion Lyons makes (bearing in mind they have had them since October last year), to consider how such an effort at considering competitive impact could work in New Zealand, and report back to Council. It would also seem reasonable to incorporate something along these lines in the updated draft Strategy and Policy.

To work through this issue in more depth it would be useful for a working group to do a focused discussion of the matter over a number of weeks. I suggest we form such a group from Council, staff and members, to do so. The recommendations section of this paper seeks a decision to do so.

Options Consideration

The Council faces two clear options in its decision-making at this meeting:

Option	Description
A	<p>Proceed – as follows:</p> <ul style="list-style-type: none">• decide in principle to proceed with Product and Service Development as set out in the preceding section;• ask the CEO to re-draft the Strategy and Policy in line with this, and seek a last round of member and public comments;• implement the transparency requirements from 1 March 2016.
B	<p>Decide not to proceed – as follows:</p> <ul style="list-style-type: none">• decide in principle not to proceed with Product and Services Development; and• commence discussions with the NZRS Board on the implications of this decision.

A third option – to place product and services development on hold pending ongoing discussion – is not recommended and not further considered for these reasons:

- The issues have been considered in great depth with extensive engagement within and outside InternetNZ for long enough that new, additional perspectives are unlikely to arise from more discussion;

- This strategy development and consultation process was intended to surface and validate the strategy – the proposed approach meets that threshold; it was not designed to secure unanimous agreement;
- Continued limbo in resolving this question will drive ongoing conflict among and between members and other stakeholders without any offsetting gain to anybody;
- The continued uncertainty and non-decision causes uncertainty for a wide range of stakeholders – it is not apparent based on the feedback what the rationale for delay would be.

In considering Options A and B as set out above, I note the following pros and cons of each – not as a comprehensive list but to spur your thinking:

Option	Pros	Cons
A Proceed	<ul style="list-style-type: none"> • Consistent with direction of past six years, and with similar ccTLDs • Feedback supports proceeding • Realises goals of product & service development for the Group 	<ul style="list-style-type: none"> • Risk of further ongoing concern from small number of members or others opposed to approach •
B Stop	<ul style="list-style-type: none"> • Will meet concerns from small number of members opposed to proceeding. 	<ul style="list-style-type: none"> • Not justified by the input received • Would represent a change in strategic direction without support of members or stakeholders for that change • Would fail to achieve goals agreed in 2015-2020 Group Strategy • Would deny Group the benefits of this approach as set out in the November draft and elsewhere

I would like to note that I have taken all of the views expressed in this debate seriously. I know that Councillors will do the same.

The discussion and the ideas offered have covered the go/no go decision, managing the risks of proceeding, identifying and dealing with possible down-sides, other possibilities instead of this work, improving the framework within which any work would be done, and has clarified the overall purpose of this work. It is proof of the value of membership scrutiny and contribution to InternetNZ's strategic decisions. Thank you to all who contributed. Ideas beyond the focus of this paper will be picked up elsewhere, e.g. in the discussion on managing InternetNZ's balance sheet on the agenda for this meeting.

From the summary of feedback presented in this paper and from the discussions that have been held, the arguments point towards proceeding, consistent with the Group Strategic Plan and the direction Council has set.

It would be fair to describe some of those opposed to proceeding as holding very strong views. That is to be expected on any important issue facing InternetNZ. The changes proposed to the approach, and the limited and almost 'experimental'

nature of this project, may help reduce those concerns – though they cannot respond to the principled objection that InternetNZ should not do this work at all.

It is my hope that those with continuing concerns about or objections to the approach proposed in this paper – either of principle, or of implementation – will help with the ongoing task of monitoring and scrutinising this product and services development work, including by participating through the new transparency approaches proposed. All of us – Council, staff, members – have a role in making sure that the direction set out turns into the “what success looks like” vision I set out above.

Overall, my recommendation, on balance, is that the Council should proceed – it should decide in principle to do so, and it should then seek final comments on a revised version of the Strategy and Policy consistent with the approach set out in this paper (or as amended in discussion at the meeting).

Recommendations

THAT Council **receive** the paper on next steps for product and service development.

THAT Council **agree** in principle to proceed with product and service development as agreed at this meeting.

THAT staff **revise and publish** a Final Draft Product and Service Development Strategy and Policy, and related changes to the Group Strategic Plan, consistent with the approach agreed at this meeting, AND seek comments during a two week public and member comment period.

THAT Council **establish** a short-term Working Group to examine the “competition test” suggestion presented in this paper and invite participation from members, NZRS and staff, AND THAT staff prepare a very brief draft Terms of Reference for such a group for Council review before inviting participation.

THAT Council **note** its thanks to members and others who have participated in the discussion on business, product and service development, and its appreciation for the range and variety of positions outlined and views expressed, as the discussion and input has significantly changed and improved the approach.

Jordan Carter
Chief Executive

18 February 2016

Managing InternetNZ's Balance Sheet: discussion starter

Author:	Jordan Carter, Chief Executive
Purpose of paper:	To start Council thinking about the purpose of InternetNZ reserves, to allow the subsequent development of investment strategy and policy.

To increase, maintain or decrease reserves?

InternetNZ at 31 March 2016 is forecast to hold around \$5.4m in assets. According to our reserves policy around \$1.4m are required to be held – and so the remaining \$4m is excess to the requirements of policy.

These reserves have been accumulated from NZRS dividends exceeding InternetNZ expenditure over a period of time. Contributing to this was a policy decision a number of years ago that NZRS cash in excess of required reserves should not be held by NZRS – it should be transferred to the shareholder.

The **purpose** of these reserves has never been clearly agreed. As such, it is difficult to agree the best strategy for managing them.

The desired direction of the **level** of these reserves has also not been clearly stated. Implicitly we are operating on a “maintain current levels” basis, through the general approach to running a balanced budget in this and future years.

Two key questions need clear answers:

- What purpose does InternetNZ hold these reserves for?
- Does InternetNZ seek to increase, maintain or decrease its reserves?

The **purpose** could be singular or varied, and might include:

- To generate income (i.e. fund InternetNZ activities from the return on these assets, perhaps by reducing the call on other sources of income)
- To provide a buffer against future shocks (i.e. be available for spending if there is a reduction in other income)

There may be other purposes. Council should discuss this to discern a common view or identify options.

The **level** and direction of flow could be to increase, maintain or decrease the level of reserves:

Approach	Implications for operations
Increase	<ul style="list-style-type: none"> • InternetNZ would need to run a budget surplus to allow assets to accumulate • Require cuts to programmes or further operational efficiencies • Deferring gains for Internet community to the future

Approach	Implications for operations
Maintain	<ul style="list-style-type: none"> • InternetNZ would need to run balanced budgets to keep assets steady • Current income and current expenditure match, assets remain at current levels
Decrease	<ul style="list-style-type: none"> • InternetNZ would need to run a budget deficit to allow assets to decrease • Allow increases to programmes or new initiatives on a short / medium term basis

Besides the operational implications of any decision are a wider set of reputational and other implications. Councillors should consider the following questions:

- What would members, stakeholders and the public think about a changed approach to increase or decrease assets?
- Does the current level of assets create any risks for the organisation in your view?

Following the discussion this paper generates with Council, I expect to come back to the next meeting with a proposed approach. This would then be discussed with Members at the 2016 Annual General Meeting (and/or via other means), and would shape the 2017/18 Budget.

That is why there are no staff recommendations in how to answer the questions this paper poses. The discussion will drive the answers.

Recommendation

THAT Council receive this paper aimed at spurring discussion on how best to manage InternetNZ's balance sheet, AND THAT the Chief Executive prepare a recommended approach for Council, based on the discussion, for consideration at the May 2016 meeting.

Jordan Carter
Chief Executive

Document Information Disclosure Policy

Policy	DID: Document Information Disclosure Policy
Version	0.2 (Draft)
Date in force	TBC
Planned review	TBC + 2 years

1 Introduction

- 1.1 This policy sets out the Council's Document Information Disclosure process.
- 1.2 It is an InternetNZ Governance Policy, and applies to InternetNZ.
- 1.3 It explains how the Council will manage confidential information, and when and how that is then disclosed to the public.
- 1.4 The approach this DIDP takes is to default to openness and only to withhold information when there is a particularly significant reason to do so. In that event, any withholding will be time specified and reviewed to check whether it may now be released.
- 1.5 Nothing in this DIDP will require the Council to disclose information that is protected under the Privacy Act.
- 1.6 This policy will apply to documents that were submitted to Council one year prior to the date it takes effect.

2 Submitting Confidential papers to Council

- 2.1 InternetNZ staff or Subsidiaries may submit to the Council items that are clearly marked as Confidential, and specify the timeframe that that item must be withheld from the public.
- 2.2 This status is for matters that are truly confidential, for example:
 - 2.2.1 To protect the privacy of members (e.g. when lists of new members are approved) or other people
 - 2.2.2 To protect the organisation's ability to act (e.g. if legal advice or tactics/strategy were being discussed related to a dispute or campaign)
 - 2.2.3 To protect the organisation's reputation or ability to function (e.g. if a security flaw was discovered, or an employment dispute was being managed, or a newly-realised operational risk was being tackled)
 - 2.2.4 To protect the organisation's commercial interests (e.g. negotiation of a lease for premises)
 - 2.2.5 As required for the proper administration of the .nz ccTLD (e.g. recommendations to change the wholesale fee for domain names from DNCL and NZRS are confidential until the decision is made).

- 2.3 If no timeframe is specified, the default release will be two years later. Two years is the maximum time before review.
- 2.4 In doing so, the author of the item must justify why that item is Confidential and why the specified time period for that status is required.
- 2.5 The Chief Executive must approve any item being lodged as a Confidential item, and satisfy themselves that it meets the threshold and reasons for confidentiality set out in this policy before giving such approval.
- 2.6 Any Confidential items for the Council will be distributed to Council separately from the rest of the documentation for the Council Meeting, and will not be provided to the public in advance of that Council Meeting.
- 2.7 Councillors may challenge the justification for Confidential status of an item. They could make a decision to release such a item by resolution. In the event that such a resolution is passed and the paper is no longer Confidential, it will be released to the public alongside the Minutes from the Council Meeting.

3 Administration, review and disclosure

- 3.1 InternetNZ staff will keep a register of all Confidential items and their specified timeframe for being withheld.
- 3.2 At each Council meeting, staff will make a recommendation as to which pending items should be released, and which should continue to be withheld beyond the initial timeframe. Staff will develop the recommendation in consultation with the item's author.
- 3.3 The only justification for continued Confidential status beyond the maximum / default two-year period would be that release would be seriously prejudicial to InternetNZ. An extension could only be authorised by Council resolution specifying what the item is and why release would be seriously prejudicial.
- 3.4 Items that are no longer Confidential will be published on a page on the InternetNZ website following the Council meeting, and indication will be made in the minutes of the meeting and in notice of the minutes that the material has been released.

4 Appeals

- 4.1 If anyone believes that a document should be disclosed because they do not agree it should have been confidential (i.e. that this policy has been mis-applied), or for any other reason, the Council will consider the request on a case-by-case basis.

- 4.2 In general the Council will seek to interpret this policy with a bias towards being as “open as is possible”.

5 Excluded material

- 5.1 For clarity, the following information is not covered by this policy:
 - 5.1.1 The Council's email lists
 - 5.1.2 Staff email
 - 5.1.3 Staff drafts of documents, where finals do get released or where the documents are never presented to Council

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Approach to 2016 Activity Plan

Author:	Andrew Cushen, Work Programme Director
Purpose of paper:	To set out for Council the approach so far, and to come, in generating the 2016/17 Activity Plan and Budget.

To reiterate the process that we are using to generate the Activity Plan for 2016/17:

1. Brief Council and receive approval for Focus Areas approach - **December meeting**
2. Draft, discuss and consult upon the proposed Focus Areas - **this meeting**
3. Refine Focus areas from feedback and generate Activity Plan across the organisation, alongside the Final Budget for 2016/17 - **April meeting**

The purpose of this paper is to present and confirm our approach to Step 3 of this process:

1. We will update the Focus Areas from Council feedback and that received from Members as summarised in the paper for item 2.2. of this Agenda.
2. The Issues Team will lead Activity generation for these Focus Areas, in consultation with the rest of the staff team, the Group, our Strategic Partners and the wider Internet Community. Our goal is to truly explore the range of potential activities and collaborations that may be possible in these Focus Areas.
3. Simultaneously, the rest of the staff team will be generating their Activities for the year, which will be as is required to continue to implement the InternetNZ strategy.
4. In all cases, these Activities will be fully scoped and tested in terms of:
 - a. Potential collaborations and partners
 - b. Investment/time/money required for delivery
 - c. Timing of delivery
 - d. Alignment to the Focus Areas (for Issues) and Strategy (for Issues and all other areas)
5. As in the 2015/16 Activity Plan, there will be clarity between Business As Usual activities and those which are new or changed in the coming year.

This process will be completed by 11th March. Thereafter:

1. These different Activities will be combined into the Activity Plan
2. The Budget will be finalised according to what these Activities require.

These pieces will combine into the Final Activity Plan for the 2016/17 year, to be presented to Council at the April Meeting. Following that, the usual process of establishing the work calendar for the year and assigning activities and priorities to staff will be done.

We will make best efforts to ensure that the proposed Activity Plan and Budget are finalised and published to Council and to members on Thursday 24 March, before Easter, to allow for a longer than usual period of membership scrutiny and Council consideration before the sole-purpose Council meeting on 5 April to sign off the Plan.

Staff welcome any questions or suggestions on this approach.

Andrew Cushen

Work Programme Director

Chief Executive's Report

Author:	Jordan Carter, Chief Executive
Purpose of paper:	To update Council on progress in the two months to 31 January 2016, and to set out goals and priorities for the coming quarter.

Introduction

This report sets out critical risks or other risks Council should be aware of, my priorities in the period since the December Council meeting, longer range priorities for 2016, planned priorities for the three months from now until the end of May 2016, and a brief update on staffing and contractor issues.

The order is changed in this report: longer range priorities are set out before those for the next few months. This report, as ever, should be read in conjunction with the management reports.

1: Critical / Other / Potential Risks

There are no critical risks to advise the Council of at the reporting date.

The discussion around product and service / business development is occasionally tense, and managing the process and any problems it may give rise to is ongoing.

2: Recent Priorities

Chief Executive

Since the December meeting of the Council, I have been focused on the following issues, generally in descending priority order:

- Kicking off 2016 with the team
- Planning for the 2016/17 year, including developing the Focus Areas proposal
- Consultation on proposed changes to strategy for product and service (formerly business) development
- Meetups with members around the country
- APRICOT 2016 project ownership/oversight, with the event concluding the same day as the Council meeting
- Team reporting changes (conceptual so far) as part of team development
- Ongoing ICANN Accountability work, especially intense through January

Of the priorities identified in my December 2015 report, most have been advanced in the past two months.

I have made less progress than hoped on three priorities identified last report:

- Stakeholder management – this continues to lag in terms of implementation of our new stakeholder management system, and this will be a focus post-ICANN as noted below.
- Communications – while we continue to make step by step improvements, we will do a more thorough general look at this next year – now after the Activity Plan and Budget are resolved.
- .nz Stewardship – to avoid overload for members or others, I have not commenced consultation on the new .nz Framework policy.

Operating team

The separate reports on the Internet Issues, Community and International programmes, along with Operations, set out the detail. In this report I no longer summarise those (already summarised) reports, as noted in my December 2015 report.

The team has been productive and happy since returning from the Christmas break.

Huge thanks to Yvonne in particular for the successful management of APRICOT, which at the time of writing was well over 600 registrations, and to Megan for her role in making the sponsorship budget hum.

3: Longer Range Priorities

The big picture issues on my mind are as follows:

- **Team and Group culture and dynamics:** getting the best bang-for-buck across the group is important, now that we are in common premises again.
- **Telling the story:** seeing InternetNZ living up to the new brand identity and “spreading the word” on this, so that our public profile becomes clearer and so that we attract and retain a larger membership.
- **Professionalising, including of the role of and relationship with members:** there is a good deal to do to better understand our members and make us relevant to our existing, and new, constituencies of involvement and support. We need to do this in a way that is professional and accountable.
- **Outreach and Engagement:** across all we do, the Council’s strategic imperative to broaden and deepen our engagement with the Internet community is important. In doing this, we have to make sure not to lose touch with communities where relationships are, or have been, strong – and we need to do this particular part better.
- **Senior Team Development:** in 2016 I will continue to grow the capability and responsibility of the senior team. Andrew will step up with new responsibilities in the operational area, to free some of my time for use on outreach, engagement and more visible InternetNZ presence. Ellen will have her first experience as Acting CE.

I welcome your thoughts and feedback on this longer-run picture.

3: Priorities for the next three months

Chief Executive

Consistent with the longer run priorities identified above, here are my key priorities for my work to the end of May. These are in my intended priority order:

1. **2016 Planning:** Preparing next year's Activity Plan and Budget for Council approval, and then leading the team in turning that into our team and individual work plans for the year, with the Focus Areas a nice centre of attention.
2. **Outreach and Engagement:** the strategic priority
3. **Stakeholder & Member Engagement:** we will continue to make reference to celebrating 20 years through to the middle of the year, and be using the "A Voice for the Open Internet" tagline. Professionalising the membership offering is ongoing work and will receive more of my time in April and May.
4. **Product and Services Strategy:** whatever next steps are agreed at this meeting, I will be ready to implement.
5. **Communications:** our overall approach will be reassessed this year, with the Activity Plan setting out the approach.
6. **International:** ICANN accountability work has finally reached a sign off point at the meeting in March, and from then on my international effort will move to more of a watching brief in ICANN, refreshing our international Strategy, and broadening our engagement.
7. **Subsidiary and .nz stewardship:** public consultation on the ".nz Framework policy" arising from the .nz Framework review will commence in March; and, still hopefully, finalisation for debate and approval of an MOU between MBIE and InternetNZ regarding .nz (there have been discussions since the last meeting with Hon Adams and subsequently with officials).

I particularly welcome Council feedback on this set of priorities.

Operating Team

The following priorities are set out in the separate reports. I will highlight:

- **Team wide:** Finalising 2016 plans and shaping the work we will do, and developing a calendar that assures delivery across the year.
- **Community:** Preparing for 2016 funding rounds and the future of NetHui, and other items as noted in the management report.
- **Internet Issues:** Making the Focus Areas work and integrating business as usual activity with this.
- **International:** Reorienting from the heavy ICANN focus of the past few years into a broader take that supports the other programmes and our broader objectives.
- **Operations:** Continued development of and professionalisation of our operations under the new leadership of Maria and Andrew.

- **Communications and Events:** Fresh takes on the communications function are coming, and the events portfolio will be developed as part of the planning process.

5: Staffing and Contractor matters

Maria is stepping up well into her new role as Administration Coordinator, taking on management of the Meetings Coordinator. Over the next few months, Andrew will continue to develop responsibility for operations as well as issues, as a broadening of his areas of responsibility and development of his role as my deputy.

The team returned from the break bright and happy, and the vibe around the offices in Wellington and Auckland has been positive, productive and happy. We are looking forward to the year!

6: Other matters

- I along with James will attend the Australian Digital Alliance's annual Forum in Canberra in March, keeping up links in the digital rights and copyright area in Australia.
- I will attend the ICANN meeting in Marrakech 4-10 March, along with Debbie, Jay and Dave.

I hope you all have had a grand start to 2016.

Jordan Carter
Chief Executive

18 February 2016

Issues Programme Management Report to the February 2016 Council Meeting

Author: Andrew Cushen, Work Programme Director

Purpose of paper: To outline work undertaken since the last report (1 Dec 2015 – 31 Jan 2016).

The Issues team has been focused on three matters of note since the last meeting. Firstly, having a well-earned holiday break; secondly on generating detailed activity plans that bring the Focus Areas projects to life, and thirdly on closing out our commitments for 2015/16.

On the second item, the Issues team intends to make the next meaningful step in realising our strategic goal to *become the Internet issues authority in New Zealand*. Having built the team in 2015/16 and developed our ways of working together, and delivering some focused, high quality work this year, our next step is to really demonstrate and deliver to our potential as a team. The Focus Areas are one part of this conversation; the other part is how we work. Our planning for the coming year will be just as focused on *how we communicate* our work for impact as it is on production; on ensuring that we have a *regular, committed timetable* for production of our work, and that we are utilising our *relationships and partners* to reach new audiences in new ways. Our full plan will be presented to the Council in the Activity Plan for 2016/17 at the April meeting. We're excited by it.

With regard to closing out the current year; most notable is the completion of the Copper Pricing process. The Commerce Commission announced the Final Determination on the Final Pricing Principle process for Unbundled Copper Local Loop (UCLL) and Unbundled Bitstream Access (UBA) – the two products that underpin copper-based Internet service provision in New Zealand. These prices are set higher than we believe are reasonable, and are currently working through the market as ~\$5 per month increase in access costs. We have considered a range of further responses on this matter which I will brief Council on in the meeting.

In more positive news, James has finished the analysis of the Internet-relevant sections of the Trans-Pacific Partnership (TPP), as per his invitation to collaborate with other academics through the Law Foundation. This is *the* detailed analysis of the text from New Zealand civil society, and for James to be invited to collaborate in this is both a testimony to his growing credibility as an Internet advocate in New Zealand, and that of InternetNZ's credibility as well.

Highlights:

- Nearing soft launch of the State of the Internet report.
- Exciting and positive collaboration on designing a potential Internet Law Observatory, with the Law Foundation at the NZ Internet Research Forum.
- Engagement from the Ministry of Business, Innovation and Employment (MBIE) on how InternetNZ should continue to be an engagement partner in the Telecommunications Act review.
- Trans-Pacific Partnership text analysis work delivered to the Internet community as a resource for guiding submissions and interactions on public consultation.
- Design work done on ISP comparison project – comparing features in ISP configuration to inform more consumers about their importance and allow them to make more informed choices between ISPs.
- Internet Exchange Point survey designed; awaiting launch post-APRICOT.
- CSIRT project and our work on Internet Security reflected well in the new Government Cyber Security Strategy (but see below re CSIRT).
- Quick spin up on Digital Inclusion mapping experiments and data availability survey.
- Energy, enthusiasm and excitement about Focus Areas in 2016/17.

Lowlights:

- FPP pricing announcement leading to price rises for New Zealanders. This outcome is a large contributor to our planning in the Access area of next year's Activity plan.
- No Go Decision on the CSIRT project, and instead dovetail in behind the Government led initiative for a New Zealand CERT.

Next Priorities:

- Implement and Launch our new ISP Scorecard research
- Full release of the State of the Internet Report
- TPP submission to Parliament
- IXP survey release
- Further collaboration with the Law Foundation on an Internet Law Observatory
- Finalising Activity Planning for 2016/17

Community Programme Management Report to the February Council Meeting

Author: Ellen Strickland, Community Programme Director

Purpose of paper: To summarise activity undertaken in this reporting period

Commentary

The focus of the last two months has included:

- NZ Internet Research Forum 2016 (NZIRF) successfully held at AUT 4-5 February (item in What's Up)
- Community Grants management including Stage 2 of the 2015-16 Internet Research Round (separate paper)
- Discussions with Strategic Partners around Focus Areas and potential partnerships
- NetHui 2016 community consultation and discussion
- APRICOT support: fellowships, Code of Conduct and Tech Girls session
- Planning work for 2016-17

Strategic partnerships update reports are available to Council through OwnCloud and I encourage you to read these. Of special note:

- AUT ICDC are now completing analysis of the WIP 2015 survey and a launch of the report is planning for March, including a Wellington event at InternetNZ. AUT was an excellent partner in organising the NZIRF event.
- Discussions with the five potential strategic partners approved at the last Council meeting (2020, NetSafe, CCANZ, FigureNZ and Victoria University School of Engineering and Computer Science) are ongoing and a paper on proposals will be put to Council when meetings with the Issues team, related to areas of focus, are complete.

The NetHui 2016 concept discussed by Council in December was shared with the community, NetHui participants, members and through social media. We have received a range of feedback, including from past sponsors and participants, through emails, on social media, and in discussion at members meetings. All feedback except one tweet was positive and enthusiastic about the concept and benefits of broader outreach, while a few have acknowledged they will miss the big annual event this year (which was the sentiment in the unhappy tweet). The commitment to a 2017 large NetHui event was appreciated. We have received a range of suggestions for events to possibly collaborate with, which are being

considered in Activity Planning work. We are very keen to hear any feedback which has come to Councillors on the concept.

Kiwicon support from InternetNZ on an ongoing basis was raised with the organisers, who appreciate the support and are keen to draft an agreement with us. The Kiwicon organising committee meets in early March and will discuss and then meet again with staff. A potential new category of funding, Community Event Partnership, is likely to be proposed to Council, for two years at a similar funding level to last year's \$20k.

We are continuing working as part of the steering committee for ITX2016 in Wellington in July. We are still scoping options for a NetHui-style event as part of Itx, which will be discussion sessions on topic led by attendee facilitators, including an Internet of Things session collaboration with TUANZ.

Community Grants reporting update is attached separately. There are a few outstanding reports being chased and reporting and communications processes are being updated by end of year 31 March. All reports are available to Council through OwnCloud.

Highlights:

- December Speaker Series Event - was a really excellent event, with a packed room and about 30 online participants.
- NZ Internet Research Forum 2016 (NZIRF) at AUT 4-5 February had a great engaged group of attendees and excellent content. The use of a programme committee added community ownership to the event and we are looking at next steps for supporting the Internet Research community in the 2016-17 activity plan.
- APRICOT: InternetNZ has supported APIA to include a Code of Conduct for the first time at APRICOT

Lowlights:

- Having to extend the Internet Research Round timing out around Christmas which has made getting decisions in time for February Council difficult and pressured for the Grants Committee

Next Priorities:

- Finalise 2016-17 Planning
- Community Grants contracts for 2016-17 all finalised and reporting processes updated
- Next Speaker Series Event in April
- ITx planning for July

Issues on the Radar:

- HDC Approved Agency decision process still ongoing

Grants reporting for Management Report – February Council Meeting

Round	Date signed	Name	Amount awarded	Purpose	Report received
Conference Attendance March 2015	17/3/2015	Natalie Dudley	\$4,800	Conference Attendance Grace Hopper Celebration of Women in Computing. 14-16 Oct 2015 (Texas, US)	Final report
Conference attendance March 2015	17/3/2015	Mark Frater	\$5,050	Conference Attendance Broadband World Forum. 20-22 Oct 2015 (London, UK)	Final report
Conference Attendance March 2015	17/3/2015	Adon Moskal	\$3,000	Conference Attendance Association of Internet Researchers: IR16 21-24 Oct 2015 (Arizona, US)	Final report
Research 2014/15	15/5/2015	Winston Seah (The Research Trust of Victoria University of Wellington)	\$30,000	Traffic classification in Enterprise Networks using Software Defined Networking	Mid-year report
Projects 2014/15	29/6/2015	Rose Wilkinson (Association of Blind Citizens of New Zealand Incorporated)	\$15,000	To further develop initiatives like CAPTCHA and to introduce them to a much wider audience at grass roots level.	Mid-year report

In addition, we are expecting the following reports prior to April 2016

Research 2013/14 Final reports:

Date signed	Name	Amount awarded	Purpose
06/06/14	Qiang Fu (Research Trust of Victoria Uni of Wellington)	\$20,000	Understanding the Practical Issues on the Adoption of SDN in Production Networks

Canterbury 2014 Final reports:

Date signed	Name	Amount awarded	Purpose
02/04/2015	Greg Smith (Addington.net)	\$3,000	Funding for IT support for Addington.net - a community computing centre established in 2001 as a practical solution to help bridge the digital divide and to bring free/low cost computer access to a community suffering the effects of low income and low skill levels.
15/04/2015	Carl Pavletich (Fabriko)	\$3,500	Suite of laptops for delivering technology workshops to low decile schools and communities.
15/04/2015	Carl Pavletich (Fabriko)	\$15,000	Utilising the Internet of Things to gather data on cycling
15/04/2015	Michael Trengrove (Code Club Aotearoa)	\$20,000	Expand Code Club Aotearoa (a network of volunteer-led after school coding clubs for kiwi kids aged 8 -12), particularly to rural areas and lower-decile urban areas.
16/04/2015	Linda Tame (Greater Christchurch Schools' Network Trust)	\$47,500	Funding to employ someone with experience to manage the establishing of a low cost leasing option for those families over a three year period and also to provide financial backing for some bad debts which could occur.
14/08/2015	Pref. Tim Bell (University of Canterbury, Computer Science Education Research Group)	\$20,000	Improving the CS Field Guide (and include more emphasis on internet technologies), to make the Unplugged website more useful for educators (particularly tying it in better with new curricula), and having a subsidised service available for Canterbury schools where we work with the school to introduce these subjects into their mainstream programme.

The following reports are outstanding and being chased up by staff

Round	Date signed	Name	Amount awarded	Purpose	Report due
Conference attendance March 2015	11/3/2015	Tanya Gray (Gather Workshops)	\$1,200	Conference Attendance ULearn 2015 7-9 October (Auckland)	Final report due: 16/10/2015

Community Projects 2014/15	09/01/2015	Tanya Gray (Gather Workshops)	\$15,000	Funding for Rural Workshops: to extend their reach outside of Auckland to rural high schools through a series of workshops	Final report due: 31/01/2016
Community Projects 2014/15	16/02/2015	Holly Snape (Web Access Waikato: Computer in Homes Waikato)	\$9,000	Provide an affordable pre-pay internet service that will allow those on low or unreliable incomes to access the internet without financial over-commitment.	Final report due: 31/01/2016
Research 2015/16	08/05/2015	Syed Faraz Hasan (Massey University)	\$15,000	Establishing the foundations of Future Software-Defined Mobile Internet	Mid-year report: 21/01/2016
Conference attendance July 2015	05/10/2015	Dr Qiang Fu (Victoria University of Wellington)	\$3,500	IEEE GLOBECOM 2015 (6-10 Dec. 2015, San Diego, USA) - Presenting "Selected Areas in Communications - Software Defined Networking (SDN) and Network Functions Virtualisation (NFV)." Which is designed to engage with the international SDN/NFV community and present what we New Zealand is doing in this area.	Final report due: 10/01/2016
Community Projects 2015/16	17/11/2015	Simon Howard (KiwiCon)	\$20,000	Kiwicon was awarded \$20,000 for the provision of its ninth New Zealand Information Security (infosec) community conference, to be run in Wellington on 10-11 December 2015.	Final report due: January 2016

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International Programme Report to the February 2016 Council Meeting

Author:	Jordan Carter, Chief Executive
Purpose of paper:	To summarise the activity undertaken in this reporting period (1 Dec 2015-31 Jan 2016).

Commentary

In the reporting period the United Nations debated and agreed conclusions to the WSIS+10 review, and its decisions included a renewed mandate for the Internet Governance Forum, and no success for those countries which seek to undermine the multistakeholder model at ICANN.

ICANN's Accountability and IANA Stewardship Transition tracks continued, with a third Public Comment Period on the Accountability proposals, and then a very intense flurry of work in January taking those comments into account and refining the proposal.

It looks likely at the date of this report (18 Feb) that the twin tracks of IANA Stewardship and ICANN Accountability work will conclude at ICANN 55 in Marrakech (5-10 March), and that this will allow the transition to occur – assuming the United States is able to consider and sign off on the plans in time.

Highlights:

- Accountability group heading towards completion in time for adoption at the next ICANN meeting, after extremely intensive work in January. See blog post: <https://internetnz.nz/blog/icann-accountability-final-hurdle-looms>
- Internet Governance Forum mandate extended, WSIS+10 concluded.

Lowlights:

- None to report.

Next Priorities:

- ICANN 55 in Marrakech (4-10 March).
- Designing International Programme for the 2016/17 year.

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Operations Team Management Report to the February 2016 Council Meeting

Author: Maria Reyes, Administration Coordinator

Purpose of paper: To summarise the activity undertaken in this reporting period

Commentary

Since the December Council meeting the Operations team have been working on the preparations for APRICOT, implementation of the Contact Management System for internal use, and seeking legal advice and review of the Health and Safety policy.

Highlights:

- APRICOT Workshops (15-19 Feb) & Conference (21-26 Feb)
- APRICOT sponsorship target reached and exceeded
- Contact management system up and running (Insightly)
- First lot of member meet-ups done
- 2015/16 Audit Timetable
- Seeking legal advice re Health & Safety for Council
- Group Consolidation Financial reporting QE December 2015
- Finalising the new Group Annual Financial reporting template

Lowlights:

- APRICOT back end and registration system was poor
- Problems with the APRICOT registration system credit card payment process
- Health & Safety Plan – delayed due to the regulations not being finalised yet.

Next Priorities:

- APRICOT clean-up
- ITX conference in July
- New format for NetHui
- Secure media attendance and liaise with media at APRICOT
- Manage sponsors of APRICOT before and during event
- New 'subscribable' system for communication with non-members
- ISP compare project communicated and promoted effectively
- January and February financial reporting
- Finalisation of APRICOT's finances
- Preparation of 2016/17 INZ budget
- Preparation with auditors/accounts for year-end audit
- On-going work on the Audit and Risk Committee
- Membership renewal process

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**Internet New Zealand
Consolidated Financial Statements
For the Quarter Ended 31 December 2015**

**Internet New Zealand
Table of Contents
For the Quarter Ended 31 December 2015**

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Balance Sheet	4
Statement of Cash Flows	5
Cash Flow Reconciliation	5

**Internet New Zealand
Compilation Report
For the Quarter Ended 31 December 2015**

1. Scope

On the basis of information you provided, we have compiled the Financial Statements, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, for Internet New Zealand. These are special purpose financial statements.

2. Responsibilities:

You are solely responsible for the information contained in the Financial Statements and have determined that the Financial Reporting Act 1993 used is appropriate to meet your needs and for the purpose that the Financial Statements were prepared. The Financial Statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the Financial Statements.

3. No Audit or Review Engagement Undertaken:

Our procedures use accounting expertise to undertake the compilation of the Financial Statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

4. Disclaimer of Liability:

Neither we nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the information from which the Financial Statements have been compiled nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

Deloitte
Wellington NZ
9-Feb-16

Consolidated Income Statement
For the Quarter Ended 31 December 2015

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income	2,486,379	7,405,137	107,552	265,341	2,468,471	7,354,559	484,660	1,445,580
Other Income	174,064	174,409	174,064	174,409	0	0	0	0
Dividends Received	0	0	1,300,000	2,870,058	0	0	0	0
Interest Received	96,517	309,536	21,139	31,560	74,431	267,197	947	10,779
Managed Funds Income	59,747	87,957	59,747	87,957	0	0	0	0
Total Income	2,816,707	7,977,039	1,662,502	3,429,325	2,542,902	7,621,756	485,607	1,456,359
Less Expenses								
Direct Expenses	201,126	554,384	0	0	668,586	1,956,764	0	0
Other Expenses	2,474,608	7,190,764	1,203,503	3,315,373	870,586	2,789,224	507,363	1,344,130
Total Expenses	2,675,734	7,745,148	1,203,503	3,315,373	1,539,172	4,745,988	507,363	1,344,130
Net Profit (Loss) Before Tax	140,973	231,891	458,999	113,952	1,003,730	2,875,768	(21,756)	112,229
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	140,973	231,891	458,999	113,952	1,003,730	2,875,768	(21,756)	112,229

Notes:

The income and expenditure lines for the individual entities do not add to the Group totals due to the following intra-group entries being eliminated:

1. GSE paid by NZRS and DNCL to INZ
2. The DNCL fee paid by NZRS to DNCL
3. The dividend paid by NZRS to INZ

The Group year to date net profit is \$2,870,058 (quarter \$1,300,000) less than the sum of the individual entities due to the dividend received by INZ from NZRS being removed from income while the payment by NZRS shows under their statement of movements in equity on page 3.

Internet New Zealand
Statement of Movements in Equity
For the Quarter Ended 31 December 2015

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	8,983,105	8,892,187	4,816,884	5,161,931	3,766,661	3,464,681	399,560	265,575
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	140,973	231,891	458,999	113,952	1,003,730	2,875,768	(21,756)	112,229
Less:								
Dividend Paid	0	0	0	0	1,300,000	2,870,058	0	0
Closing Equity	9,124,078	9,124,078	5,275,883	5,275,883	3,500,391	3,500,391	957,804	957,804

**Internet New Zealand
Balance Sheet
As at 31 December 2015**

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	13,294,203	1,971,936	10,265,653	1,056,614
Managed Funds	2,461,705	2,461,705	0	0
Other Current Assets	862,310	10,184	826,613	25,513
Total Current Assets	16,618,218	4,443,825	11,092,266	1,082,127
Property, Equipment & Software	1,210,857	435,073	704,719	71,065
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	0	610,000	0	0
Total Assets	17,829,075	5,488,898	11,796,985	1,153,192
Less Liabilities:				
Deferred Income	7,879,684	0	7,879,684	0
Trade and Other Payables	825,313	213,015	416,910	195,388
Total Liabilities	8,704,997	213,015	8,296,594	195,388
Net Book Value of Assets	9,124,078	5,275,883	3,500,391	957,804
Represented By:				
Total Equity	9,124,078	5,275,883	3,500,391	957,804

**Internet New Zealand
Statement of Cashflows
For the Quarter Ended 31 December 2015**

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,394,196	7,712,155
Interest Received	96,517	309,536
Managed Funds Income	59,747	87,957
Total Received	2,550,460	8,109,648
Cash was distributed to:		
Payments to Suppliers and Employees	1,904,466	6,632,757
Total Payments	1,904,466	6,632,757
Net Flows From Operating Activities	645,994	1,476,891
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	107,833	277,734
Net Cash Flows From Investing & Financing Activities	(107,833)	(277,734)
Net Increase Decrease in Cash & Cash Equivalents	538,161	1,199,157
Plus Opening Cash	15,217,747	14,556,751
Closing Cash Carried Forward	15,755,908	15,755,908
Closing Cash Comprises		
Cash & Cash Equivalents	13,294,203	13,294,203
Managed Funds	2,461,705	2,461,705
	15,755,908	15,755,908
Cash Flow Reconciliation		
Net Profit (Loss) After Tax	140,973	231,891
Plus (Less) non cash items		
Depreciation	185,666	595,577
Subtotal	326,639	827,468
Movement in Working Capital		
(increase) decrease in receivables	623,900	950,736
increase (decrease) in payables	(38,298)	(433,922)
increase (decrease) in deferred income	(266,247)	132,609
Net Cash Flows From operations	645,994	1,476,891

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Travel Working Group Report & Outcome

Author:	Kelly Buehler, Convenor of the Working Group
Purpose of paper:	To share with Council the conclusions of the Working Group, and to put the conclusions and the terms of reference on the record.

Last year the Council and Subsidiaries Boards set up a review of travel policy across the group, to look into class of travel and other associated matters.

The aim was to ensure consistency of approach between the various parts of InternetNZ, and to make sure the approach taken is appropriate.

The review concluded by producing a set of proposed International Travel Policy Guidelines, which once finalised should form a common basis for each business unit's own travel policy.

The Guidelines, and the Terms of Reference for the review, are attached to this paper.

I would like to thank my fellow WG members (Rochelle Furneaux from Council, Adam Hunt from DNCL and Mark Vivian from NZRS), the staff supporting this work (Laura Turnbull from DNCL) and the CEs across the group for helping with this work.

Recommendation

THAT Council **adopt** the draft International Travel Policy Guidelines as the basis for travel policy for InternetNZ at the staff/contractor and governance levels.

Kelly Buehler

19 February 2016

Attached:

1. International Travel Policy Guidelines
2. Terms of Reference for the Review

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International Travel Policy Guidelines

Purpose

As representatives of a not-for-profit, charitable society it is particularly important that we are careful to use resources prudently. Those who arrange and undertake travel for InternetNZ must make careful and informed decisions balancing our need to represent our members while using funds carefully, cognizant of how such actions may be perceived by members.

Scope

The policy applies to those travelling on behalf of InternetNZ or its subsidiaries. Henceforth reference to InternetNZ includes subsidiaries.

Traveler includes staff, Directors, or others travelling for the business purposes of, and wholly or partly funded by InternetNZ.

Objectives

- To ensure the health and safety of individuals travelling on behalf of InternetNZ or subsidiaries.
- To ensure all individuals have a clear and consistent understanding of policies regarding international travel
- To provide a reasonable level of service and comfort at an affordable cost

Principles

The following principles underpin this policy:

- The safety and security of the individual is paramount.
- No individual should be out of pocket as a result of undertaking business related travel.
- Wherever practicable, individuals are expected to:
 - prepare a travel plan that requires least (paid) time away from the office
 - take the most direct route to the destination
 - use the most cost-effective options
- Travel costs should be prepaid by, or directly charged to InternetNZ where possible.
- International travel is defined as travel beyond New Zealand.

Guidelines

The following areas should be suitably addressed in the policy:

Air Travel

Visas and Passports

Travelers are responsible for passports and that appropriate visas are obtained. InternetNZ will reimburse visa and related costs, and fees for a standard Adult NZ Passport. Where the traveler uses another passport, additional costs must be borne by the traveler.

Reservations

- Advice should be sought from the InternetNZ travel agent as to the best time to book travel
- That travel arrangements are made at least 14 days in advance of travel
- That travel itineraries are based on, and in order of:

- o reasonable overall travel time
- o lowest possible fare available at time of booking subject to a prudent view of flexibility requirements

Air Mileage Loyalty Programs

- That managing the employee's personal accounts is the responsibility of the employee.
- That personal miles earned while travelling on business are retained by the employee to be used as they wish, although corporate rewards will be retained by InternetNZ
- That air miles or upgrades used for business travel are not reimbursable.

International Flights

- That business class may be booked for flights of more than six hours actual airtime.
- That if a medical condition necessitates upgraded travel, employees should obtain a physician's order prior to booking.

Accommodation

Reservations and payment

- That accommodation for business travel must be co-ordinated through InternetNZ.
- That any personal expenses (e.g. mini-bar) must be paid by the individual.

Selection

- That accommodation should be reasonable both in terms of standard and price. In deciding what is reasonable, take account of:
 - o safety and security of the individual.
 - o availability
 - o the nature of the work being undertaken
 - o the proximity of the accommodation to the place of work

Long-term stays

- That individuals staying a week or longer should enquire about long term discounts.
- That when possible, alternatives such as serviced apartments should be considered.

Maximum Rates

- That the lodging selected not exceed the reasonable local cost of a 4 star hotel.
- That there is a policy in place for when accommodation cannot be found within these limits.

Meals and Entertainment

Business Meals

- That a policy is in place for a meal where business is discussed.
- That these meals meet the following guidelines:
 - o Meeting should be intentional
 - Deliberate with a clear, reasonable, specific business purpose
 - Have a pre-established agenda
 - o Meal expense must be ordinary and necessary
 - An ordinary expense is an expense that is common and accepted in the course of business
 - A necessary expense is one that is appropriate for the business

- o Meeting should only be conducted over meal time if the invited attendees schedules provide no other alternative and not for the primary purpose of consuming a meal

Who pays

- That when more than one employee is present at a business meal, the employee with the highest ranking job level should pay the bill.

Meal limits

- That the money spent on meals and snacks per day not exceed the daily balances listed below: Please note that this is a maximum, not a per diem.
 - o \$150NZD When traveling and dining in any location other than the cities cited below
 - o \$225NZD When traveling in the following: Amsterdam, Berlin, Brussels, Davos, Dubai, Frankfurt, Geneva, London, Paris, Stockholm, Tokyo, Zurich, New York City, San Francisco (other high-cost cities will be recognised as required)
- That there is a policy in place for when meal costs exceed the daily limit.

Official entertainment

- That expense claims be subjected to the test of whether the expenditure was reasonably related to the objectives of InternetNZ, and is not extravagant. Staff should bear in mind that any test of reasonableness should include a consideration of how the expenditure account would appear to members of InternetNZ.
- That catering and other costs incurred in connection with stakeholder liaison or team exercise be appropriate to its business purpose, such as:
 - o building relationships that are important to InternetNZ
 - o representation of InternetNZ
 - o reciprocity of hospitality where this has a clear business purpose and is within normal bounds
 - o recognising significant achievement
 - o supporting internal organisational or skills development.
- That all hospitality expenditure over \$500 must have the prior approval of the CE

Ground Transportation

- That the safest, most cost-effective, and efficient ground transportation is to be used.

Taxi and town car

- That taxis are the preferred ground transportation method.

Rental Car

- That safety is paramount
- That in general, a smaller car is preferred;
- That the size and type of the rental car should be appropriate for the number of people in the car and the road conditions on which it will be used.
- That when renting a car internationally, insurance is purchased at the time of the rental.
- That individuals planning to rent a car understand when rental agencies require an international driver's license.
- That the cost to acquire this license is reimbursable.

Rail

- That standard class of rail is preferred.
- That business class and high speed rail may be reserved when more flexibility is necessary.

Combining Business and Personal Travel

Airfare

- That InternetNZ recognises the active travel schedules of employees,
- That as a convenience benefit, employees may add and pay for a personal leg to a business itinerary.
- That flight arrangements can be made to include a non-business guest, with the cost of that travel charged to the employee.
- That business and personal expenses must be clearly distinguished.
- That the request must be made at the same time as the original travel request.
- That if a combined business/personal itinerary is equal to or less than the cost of a business-only airfare, there is no cost to the employee (downgrading flights to reduce the cost of travel is not acceptable).
- That if a combined business/personal itinerary is greater than the cost of a business-only airfare, the personal portion will be charged to the employee.
- That Chief Executives retain discretion on a case-by-case basis for addressing specific family needs of employees where that requires deviation from this section of the guidelines (e.g. staff with young children, or staff who have been travelling a great deal). Where CE travel is involved, they will consult with their Chair.

Lodging

- That lodging may be shared with non-business guests.
- That lodging costs of non-business guests are not reimbursable.
- That accommodations such as different room types, extra rooms, and other special amenities for personal guests should be arranged by the employee and paid directly to the hotel upon checkout.

Ground Transportation

- That ground transportation costs of non-business guests are not reimbursable.

Speaking Engagements

- That to avoid potential conflict of interest issues, InternetNZ should pay all travel expenses for an employee who is asked to speak publicly on internet-related business.
- That on occasion, the invitee organization may offer to pay for an InternetNZ employee's travel expenses. This is allowable as long as there is no obvious conflict of interest.

Other Expenses

Telephone, fax and email charges

- That reasonable telephone, fax, and email charges incurred for official business will be reimbursed.
- That individuals are expected to use their best judgment in limiting personal calls to a reasonable length while traveling on business.
- That mobile devices should be used whenever possible.

- That individuals consider whether they should purchase a local SIM card or add an international plan to their mobile device.

Tipping

- That tips are a reimbursable expense and should be appropriate to the location, service level and local protocol and never to exceed 20% of the total bill.

Emergencies and acts of God

- That policies be in place to deal with an employee needing to make snap decisions reacting to an emergency situation.

Laundry

- That laundry costs, including pressing and dry-cleaning, incurred while undertaking official travel of more than two nights, may be claimed to a reasonable cost.

Excess baggage

- That individuals may not claim for excess baggage, except where travelling with heavy or bulky items is necessary for business purposes or medical reasons.

Tolls, congestion charges and parking fees

- That tolls, congestion charges, and parking fees are reimbursable.

Home and family maintenance and expenses

- InternetNZ will not pay any costs you may incur to maintain your home and family while you are away. This includes any pet minding or other household matters.

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InternetNZ Group: Class of Travel Review

Introduction

InternetNZ Group entities (InternetNZ, DNCL and NZRS) together expend significant sums on international travel and accommodation. Approaches to travel expenditure control, including the class of travel, are broadly consistent across the Group, but have not been reviewed for some time.

InternetNZ, DNCL and NZRS agreed in August to conduct a review to look at the class of travel issue, model recent travel with a range of different class choices, and report findings to the Council and Boards.

The review commences in September 2015 and should be complete in time for its findings to be considered by Council/Boards as they finalise 2016/17 budgets.

Proposed methodology

The working group (consisting of Amber Craig, Kelly Buehler, Adam Hunt and Mark Vivian) is expected to work through the following key steps:

- a. Receive data from CEs (or their agents) on past 12 months travel data (flights plus costs) of international flights taken by all staff.
- b. Interview the CEs (or take a written submission) on their views, as to issues with their respective travel policies and suggested improvements.
- c. Obtain travel policies from several relevant NZ organisations, to be used as guidelines where relevant.
- d. Make recommendations to Council and subsidiaries as to the benefits of keeping status quo vs recommended alternative approach, combined with an approximate quantitative view of the benefit.
- e. Provide top level summary of the pros/cons of either approach.
- f. Steps c. onwards are independent of staff (who are affected by the policy).

It is expected most discussion will be by email and/or by video meetings as required.

Powers and budget

The working group has the power to:

- seek information regarding travel itineraries and expenditure from the business units back to 1 April 2013;
- approach our current travel agent and seek their assistance with costing and modelling as required;
- discuss its proposed findings with other Board / Council members, and with the Chief Executives of the business units
- prepare recommendations for initial discussion at Chairs and CEs and then with governing bodies across the Group

To resource its activity, the following arrangements apply:

- working group members can rely on resources from the nominating business units to fund attendance at meetings if required.
- The direct costs of any analysis by agents, or any other analysis, will be shared equally between the three business units.

Timeframe

The working group should flesh out a plan at its first meeting to deliver its report to governing bodies by 1 February 2016, to allow the findings to flow into 2016/17 budgets as or if required.

Staff support

The working group should identify whether it requires staff support. This can be provided by non-travelling InternetNZ staff.

Subsidiary Boards Appointment Process 2016

Author:	Jordan Carter, Chief Executive
Purpose of paper:	To identify directors on subsidiary boards whose terms expire in 2016 and gain direction from Council about how to proceed with the 2016 appointments round.

At the 2016 AGMs of InternetNZ subsidiaries, the following Directors will come up for appointment. Each is eligible for reappointment.

Domain Name Commission Ltd:

- David Farrar (Chair) (since 2010)
- Lucy Elwood (since 2014)

NZRS Ltd:

- Richard Currey (Chair) (since 2010)
- Linda Robertson (since 2015)
- Mark Vivian (since 2012)

The Board Appointments and Roles policy at <https://internetnz.nz/sites/default/files/SUB-APT-Board-Appt-Roles.pdf> sets out the process for appointments, including the re-appointment of incumbent directors.

In all cases a recommendation to Council should come from the Appointments Panel, and so Council should now decide how to proceed for 2016.

Jordan Carter
Chief Executive

18 February 2016

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.nz Quarterly Report

Third Quarter ended 31 December 2015

Introduction

This is the third joint .nz quarterly report for the 2015/16 financial year. Council is asked for feedback on this report and what changes, if any, Council would like to see for reports for the remainder of the year. It is the intention of DNCL and NZRS to continue to provide a joint report to prevent the ongoing duplication of .nz information. There is nothing in this report that is confidential.

1. Global Domain Name Environment

At the end of the quarter a total of 311.5m domain names had been registered among all TLDs. A further breakdown of this figure is provided in the table below:

Domain name registrations as at	31 December 2015	31 December 2014
ccTLDs	141.7m	133.9m
Legacy gTLDs (created before 2012)	158.7m	150.5m
New gTLDs (created after 2012)	10.9m	3.4m

There are currently 10,333 .kiwi registrations – an increase of 38 during the quarter.

2. Activities

Supports transformations 1.2, 1.6, 1.7 and 1.8

a) Research

The third iteration of Colmar Brunton's research commissioned by NZRS was completed and published in the form of infographics, video and long form story published at getyourselfonline.nz, [NZRS Blog](#) and [Youtube](#). Sponsored stories referencing the research were also commissioned in [Techday](#) and in Retail NZ magazine.

Reseller and registrant surveys were conducted by NZRS on behalf of participating registrars and presented at the annual Registrar Conference. This research yielded interesting results in the awareness of registrations at the second level, registrant satisfaction with their registrars and reasons for using a domain name.

b) .nz Promotion and Marketing

A number of media enquires were received during the quarter, including from The National Business Review (asking about the .nz WHOIS review) and Stuff.co.nz (asking about a name with incorrect registration details). .nz was additionally mentioned in NBR articles referencing two recent DRS decisions.

Communications continued around conflicted names, with approximately 5,000 update emails sent to registrants who have lodged a preference for their conflicted name, but where others in their conflict set are yet to do so.

The annual .nz Registrar conference was held in November with good attendance in person attendance and via a live stream. Registered attendance on the day covered over 77% of market share. The conference covered a wide range of topics all of which can be found at nzrs.net.nz/presentations. In addition to the conference day, training was provided as two half day sessions covering Conversion Rate Optimisation and DNSSEC. These too were well attended and received positive feedback.

c) .nz Policy Consultation

The two-stage review of the .nz WHOIS service began during the quarter (Details below), with awareness material produced and distributed for the review's public consultations. Advertisements for the public meetings were in regional newspapers, online and in publications. NZRS and InternetNZ assisted with disseminating this messaging via their social media channels.

d) Registrations at the Second Level

A total of 496 conflict sets were resolved between 1 October and the end of December. In addition to those conflict sets that are resolved, each month a number of conflict set cease to exist when all names in the conflict are released. The following table shows the progress in reducing conflict sets:

	July	Aug	Sept	Total for Q2	Oct	Nov	Dec	Total for Q3
Conflicts Resolved	175	210	165	550	137	210	149	496
Total Conflicts	18,505	18,206	17,992	-	17,804	17,526	17,320	-

The total number of domains in the conflict sets is 40,464 as at the end of the quarter.

Reservations were offered as an alternative to registration and a number of registrants took up this option. Reservations are guaranteed until September 2016

but no decision has yet been made on whether they expire then or after that date. The following table shows the number of reservations:

	July	Aug	Sept	Oct	Nov	Dec
Reservations	18,336	18,151	18,030	17,874	17,649	17,515

3. Policy Framework

Supports transformation 1.5

a) .nz policy

- The first stage of the WHOIS Review consultation began in October, asking for people's views as to why there should be a .nz WHOIS service that makes available the information we collect when registering a .nz domain name. This consultation closed on 6 November 2015. All submissions are published on the DNC website - <http://dnc.org.nz/whois-review-consultation-1>
- Stage two of the WHOIS review began in November, with the launch of a public consultation asking for people's views on the 'how' and 'what' of WHOIS.

Submissions close 29 January 2016, with comment sought on information disclosed in response to a WHOIS search, who disclosures should be made to, and how information should be provided. Associated public meetings were held in November in Christchurch, Auckland and Wellington. An online public meeting was also held. All submissions are published on the DNC website- <http://dnc.org.nz/whois-review>.

- The revised .nz Policy Framework came into effect on 9 November 2015.

4. Registrar Market

Supports transformation 1.3

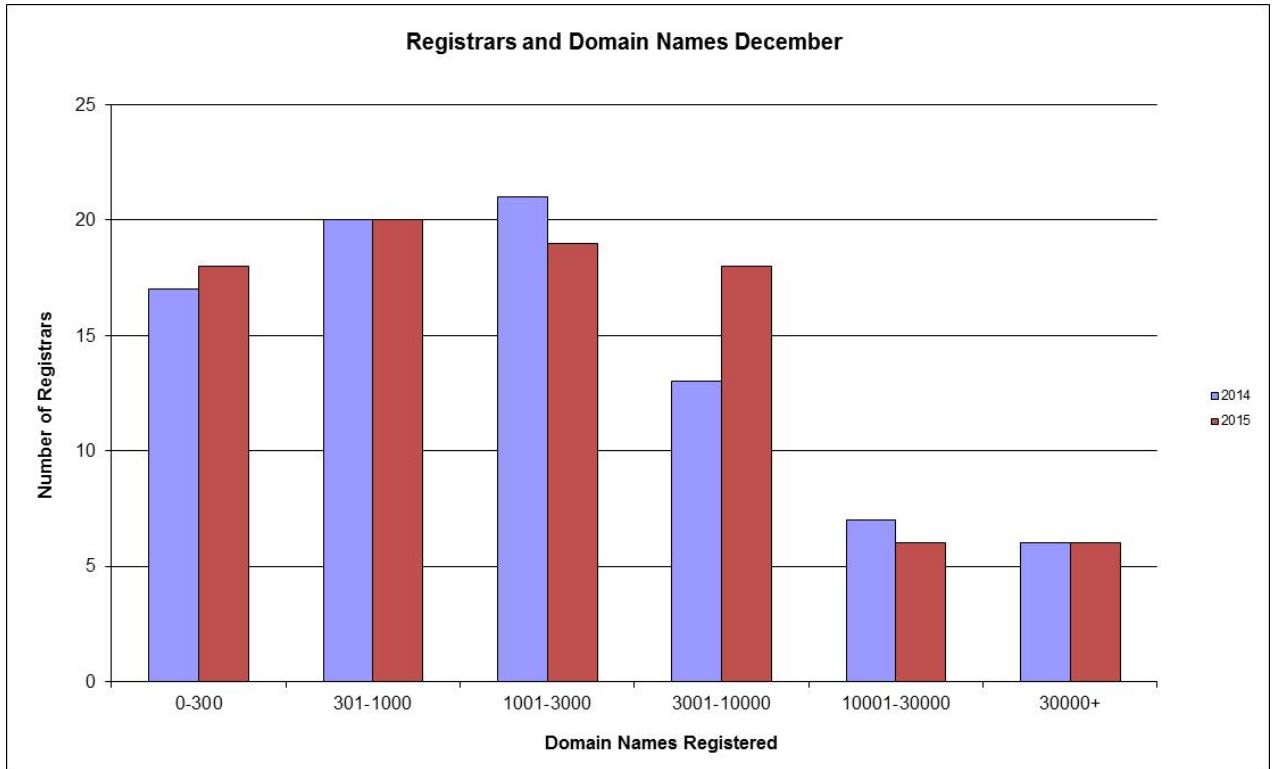
Registrars authorised	90
Registrars connected	87

Number connected during the quarter: 1

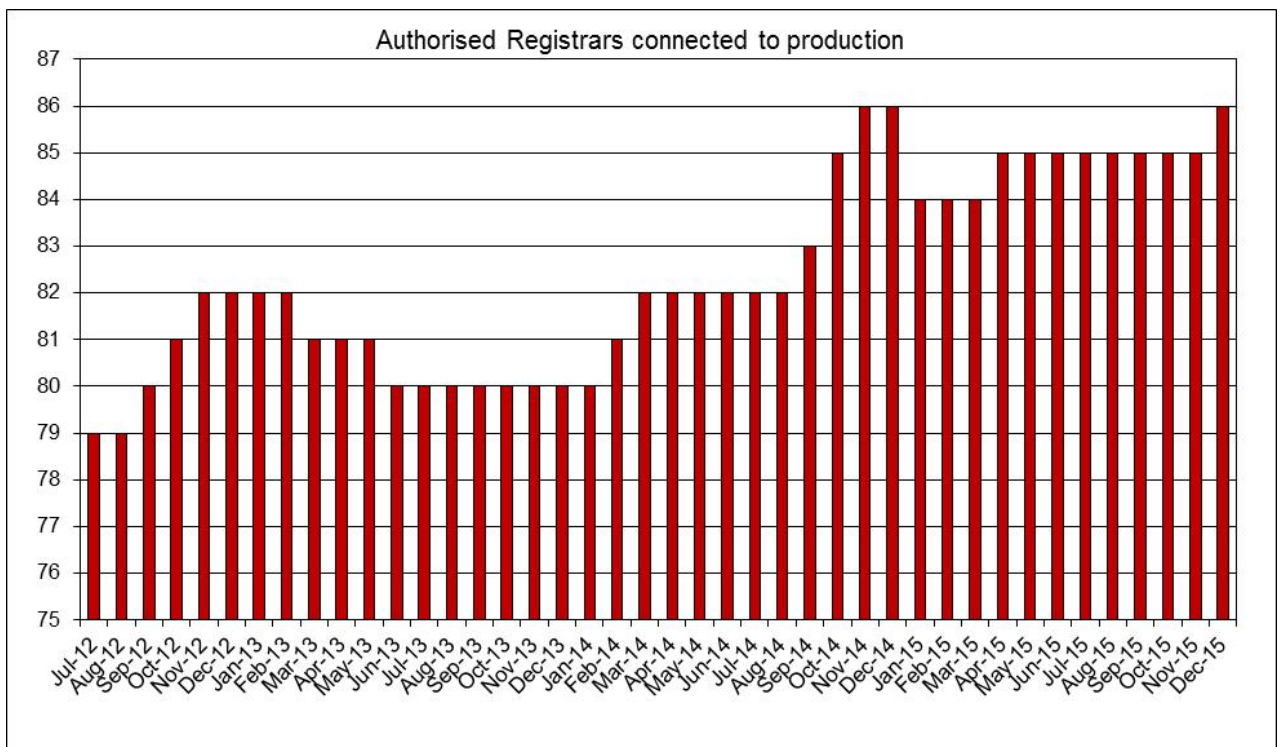
Number authorised during the quarter: 1

Number de-authorised during the quarter: 0

The following chart shows the spread of registrars across the level of domain name registrations:



The following chart shows the number of registrars (excluding the DNC) connected to the SRS:



5. Performance and Best Practice
Supports the primary transformation, 1.1 and 1.4

a) International

- DNCL and NZRS staff and chairs attended ICANN in Dublin. A joint report from the three CEs who attended was provided to council at the December meeting.

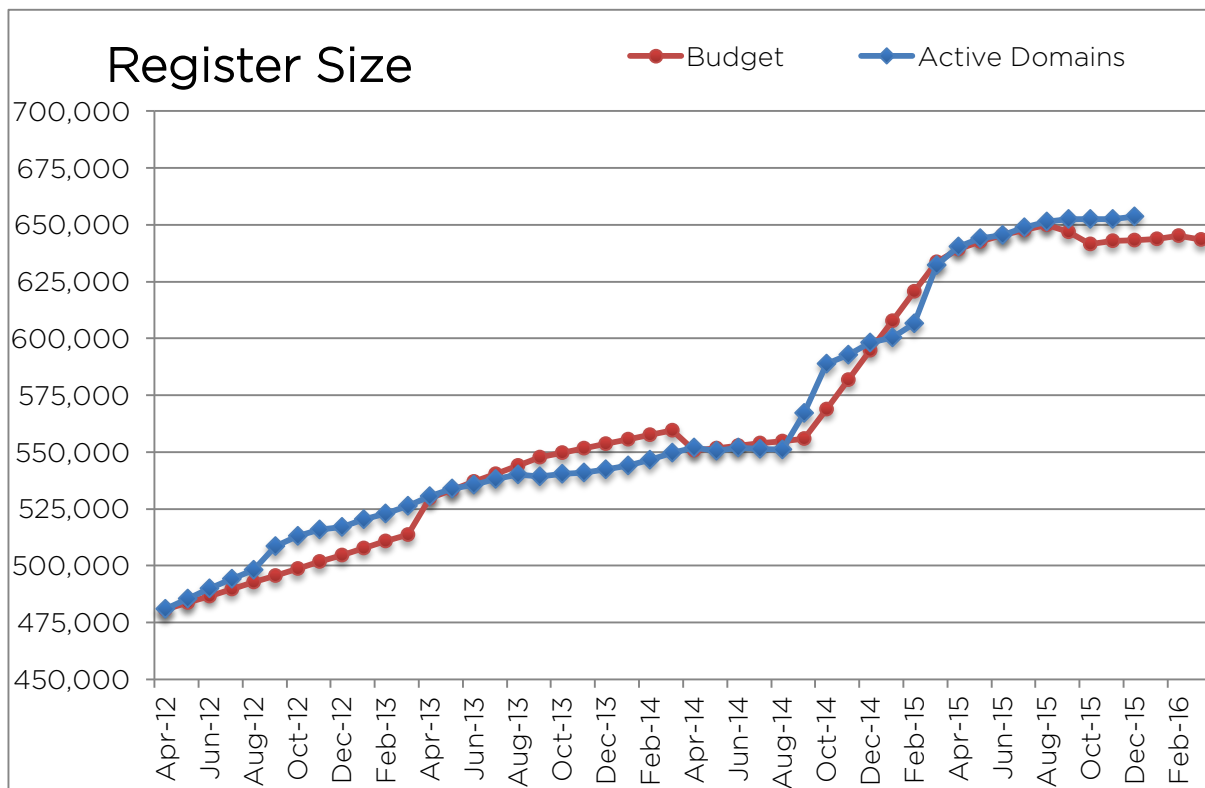
b) Registry Performance

SLA targets were met throughout this quarter. SRS, DNS and Whois availability is noted in the table below:

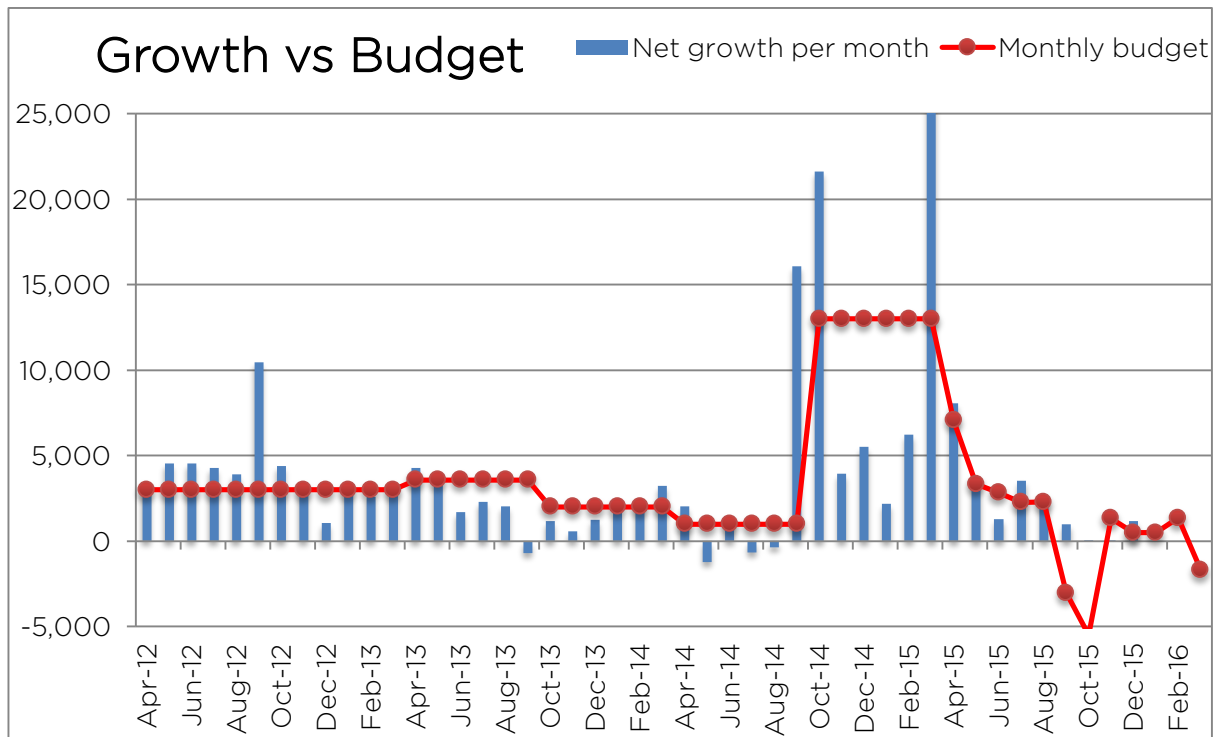
System	SLA %	Oct-15	Nov-15	Dec-15
SRS	99.90%	100%	100%	100%
DNS	100%	100%	100%	100%
Whois	99.90%	100%	100%	100%

c) Domain Names

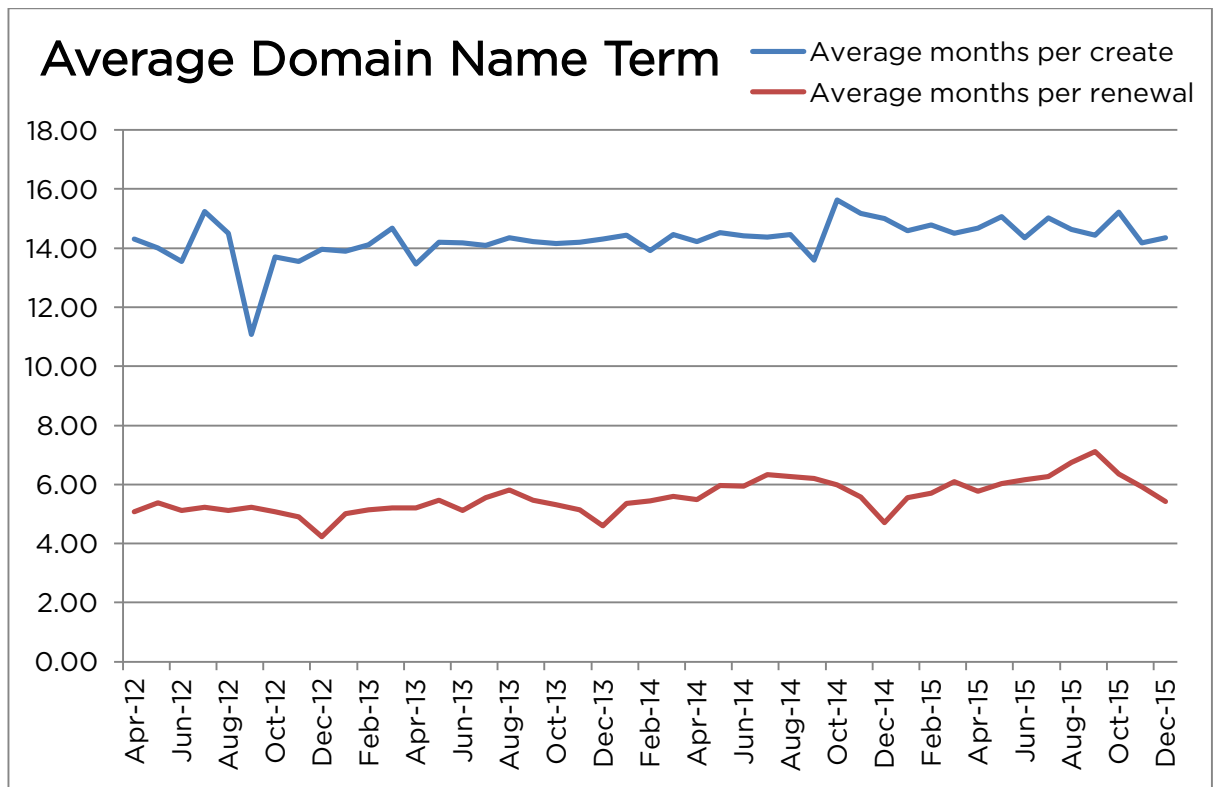
The size of the register against NZRS budgeted growth is shown in the chart below:



The actual growth against NZRS budgeted growth is shown in the chart below:



The average term (average number of months a domain is registered/renewed for) is shown in the chart below:



6. .nz data

The breakdown of domain name growth by second level is noted in the table below:

	Oct-15	Nov-15	Dec-15
.nz	101,775	102,401	104,123
.co.nz	479,707	479,442	479,190
.org.nz	28,173	28,062	27,972
.net.nz	26,645	26,474	26,323



David Farrar
Chair, DNCL



Richard Currey
Chair, NZRS

Joint .nz Strategy Transformations

Primary Transformation

From	To
.nz operates as a successful ccTLD held in high regard domestically and internationally	InternetNZ is widely recognised as a successful ccTLD manager and .nz is held in high regard domestically and Internationally

Underlying transformations

Transformation/s		
	From	To
1.1	Global benchmarks or best practice regarding what a world-class ccTLD is are varied and partly documented	There are agreed global benchmarks and best practice for what a world-class ccTLD is, and .nz excels in assessments against these standards
1.2	.nz is the default choice for New Zealanders	.nz remains the preferred choice for New Zealanders in a highly competitive market
1.3	The market for .nz registration services (among registrars and resellers) is competitive	The market for .nz registration services (among registrars and resellers) is sophisticated and competitive
1.4	Roles and responsibilities in managing .nz are being clarified	Roles and responsibilities in managing .nz are clear, well documented and transparent
1.5	The .nz policy framework has evolved from its origins in 2002	The .nz policy framework has been reviewed and updated for current needs, and is validated as meeting the needs of the New Zealand Internet community
1.6	Inconsistency in the articulation of the role, purpose and mandate for the operation of .nz across the Group - resulting in a lack of clarity among stakeholders	The whole Group is confident in consistently articulating our role and purpose, and the mandate for our operation of .nz - resulting in the wider Internet community being clear about and supportive of our role
1.7	InternetNZ has limited knowledge of the purchasing behaviour of registrants	InternetNZ has good knowledge of the full sales channel including resellers and influencers, and the purchasing behaviours of registrants
1.8	.nz is not a widely known brand	.nz is a well recognised brand



February 2016

Jamie Baddeley
President, InternetNZ

Dear Jamie,

Third Quarter 2015/16 report

This report includes DNCL's quarterly Profit and Loss Statement and other DNCL activities not included in the joint .nz report. If Council requires any further information please let me know so I can include it in future reports.

Financial

**Domain Name Commission Limited
Profit and Loss Statement
For Quarter Ending 31 Dec 2015**

	Oct - Dec 2015			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
<u>INCOME</u>						
Management Fee	467,460	467,460	0	1,402,380	1,402,380	0
Authorisation Fees	6,000	3,000	3,000	12,000	6,000	6,000
DRS Complaint Fees	11,200	12,000	(800)	31,200	32,000	(800)
Other Income	0	0	0	0	0	0
Interest Income	947	1,900	(953)	10,779	5,700	5,079
Total Income	485,607	484,360	1,247	1,456,359	1,446,080	10,279
<u>EXPENSES</u>						
Staff and Office Costs	316,031	316,879	848	931,562	940,743	9,181
Professional Services and Communications	30,235	40,251	10,016	92,008	148,249	56,241
Dispute Resolution Services	27,016	39,688	12,672	53,891	79,062	25,171
DNCL and DNC activities	44,517	52,813	8,296	120,194	153,436	33,242
International	78,318	99,999	21,681	116,484	197,999	81,515
Total Expenditure	496,117	549,630	53,513	1,314,139	1,519,489	205,350
Depreciation	11,246	13,376	2,130	29,992	40,126	10,134
Net Profit/Loss	(21,756)	(78,646)	56,890	112,228	(113,535)	225,763

Activities around producing guides to the Dispute Resolution Service and other areas will see expenses in the Communications area increase closer to budget by year end. Under International expenditure the ICANN contribution has not yet been paid, we are following up on the invoice for this.

Security and Training

DNCL engaged with and attended the launch event of the Government's new cyber security strategy.

Other matters

A Board meeting was held in December and the minutes of the meeting are published at http://dnc.org.nz/content/Minutes_3_December_2015.html.

Yours sincerely

A handwritten signature in black ink that reads "David Farrar". The signature is written in a cursive, slightly slanted style.

David Farrar
Chair, DNCL



Statement of Direction and Goals

February 2016

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Introduction

This DNCL Statement of Direction and Goals responds to the InternetNZ Statement of Expectations and sets out the key areas that DNCL will be focusing on in the 2016-2017 financial year.

Background

InternetNZ holds the delegation for the .nz ccTLD. Under the terms of the Operating Agreement between DNCL and InternetNZ, DNCL manages this delegation and has been appointed to manage and administer the .nz domain name space on behalf of InternetNZ. DNCL operates as the regulator of the .nz domain name space and, as such, oversees the operation of .nz aspects of the registry. In doing so, DNCL ensures the operation of a competitive market for the provision of registration services to the local Internet community, including .nz registrants. DNCL's functions and responsibilities include approving operational policies, authorising registrars, reviewing the performance of the shared registry service to ensure a competitive market, approving technical changes and providing information to the public about the operation of .nz.

The DNCL policy framework operates through private contractual arrangements between the DNCL and Registrars, NZRS and Registrars and between Registrars and Registrants. That .nz policy framework sets out the requirements for those wishing to operate registration businesses in the .nz domain name space. These policies are the foundation of formal agreements, such as the Authorisation Agreement between DNCL and authorised Registrars. A component of this policy framework is oversight of the shared registry service that Authorised Registrars may access in order to provide services to .nz registrants.

All .nz policies are subject to regular, public reviews with the latest undertaken in 2015 revisiting the whole .nz policy framework. This significant review led to fourteen policies being rationalised down to four with two new main policies (Principles and Responsibilities Policy and the Operations and Procedures Policy) coming into effect in November 2015.

Oversight of the shared registry services, operated by NZRS, is maintained through a Service Level Agreement that sets out the standards the shared registry service must meet, and the requirement for it to report to DNCL. The registry reports separately to Council as the shareholder on its company performance. This SLA is currently being reviewed following the completion of the .nz Framework. It is expected that the revised SLA will be signed and in effect by the start of the 2016-17 financial year.

All DNCL policies and related agreements reflect the principles for operating .nz as defined by InternetNZ and the requirements of a ccTLD manager. These include protecting the rights of registrants, operating fairly to ensure a competitive market in which the registry does not, for example, offer registrations to the public or discriminate between Registrars, and respecting the rights of all those associated with the .nz domain name space. It is within this overall regulatory framework that DNCL has developed strategic goals for the management and administration of the .nz domain name space.

Environmental Factors

Views of .nz registrants

.nz has always prided itself on considering the views of the local Internet community and DNCL continues to monitor community views of how .nz functions and consider whether change may be beneficial. Following on from the work on registrations at the second level, the last year has seen a major rework of the whole .nz policy framework to ensure it remains current. Another significant review was then commenced around the WHOIS (the WHOIS review is still ongoing as this document is being developed).

The process around the WHOIS review again demonstrates DNCL's commitment to open, public consultation with submissions properly considered as part of the decision making process. Two separate consultations have been undertaken. The first focused on why we collect information and make it available, and the second stage asked questions around what information is displayed in the WHOIS and how it is obtained. If any change is proposed as part of the review it will lead to a third consultation so that people have a chance to comment on specific amendments.

It's important that DNCL continue to consult widely and openly. It has been encouraging that interest in the WHOIS consultation has been relatively high with over 50 submissions received from a range of different people and organisations. We hope for a similar response when we go out later in the year undertaking our review of the policies around second level registrations.

Security

Retaining, and extending, confidence in .nz continues to be very important. There will be a continued focus on security matters given this remains an area of concern for many especially as the reliance on the Internet for business and trade increases.

Over the last year, there has been a significant increase in DNCL's engagement with Law Enforcement, Regulators and teams involved in investigations (both in the public and private sectors). This engagement has primarily involved DNCL briefing and training them about Domain Names and sources of information to support their work. However, this also promotes confidence in .nz and has numerous other positive outcomes. This work will continue and is something DNCL is sharing and promoting across the AP region.

Work has also continued promoting the benefits of DNSSEC to Registrars, Registrants and DNS Operators. The rollout of DNSSEC is continually being reviewed and its implementation closely monitored as part of an ongoing project. DNCL will continue to provide an experienced security resource for the InternetNZ Group to contribute to projects identified, and overseen, by InternetNZ. This will include involvement in Government security related strategies.

Changing environment with new gTLDs

With ever increasing numbers of new gTLDs, the changing environment provides opportunities and challenges. Promoting and marketing the benefits of .nz is seen to be important as the range of open gTLD registration options increases. Promoting the benefits of .nz and raising general awareness of why .nz is a sensible and safe

choice for Registrants is an ongoing task for DNCL. Registrants, and potential Registrants, should be informed about domain names and what having a domain name can do for them, their business or organisations.

In this dynamic environment of expanding choice for registrants, a key challenge is to ensure that the benefits of .nz registrations remain strong, clear and up to date. We have reviewed the strategic goals for .nz and have set ourselves challenges around defining what we mean by being successful, and how that might be measured. DNCL's goals remain appropriate for the .nz ccTLD manager, and are critical to ensure a fair and competitive market for .nz registrations and to uphold core InternetNZ principles.

DNCL will ensure that the fundamental policy framework that governs .nz remains robust and that .nz registrants continue to be supported within strategic objectives and regulatory oversight. A major review of the policy framework was completed in 2015 and changes made to it that now allow NZRS to undertake some additional services. That is an example of policy evolving to fit with changing circumstances.

We have recently expanded the range of choices within the .nz domain name space and, in doing so have strengthened the .nz experience and open competition and choice for registrants. Reviewing the policies around this change is part of our work for this year. We need to make sure whatever we do we keep it current and relevant as this is part of the environment we find ourselves in.

Managing legal risks

The holder of any TLD delegation is exposed to serious and significant risks, including litigation from third parties and action by law enforcement and other government authorities. InternetNZ has taken steps to protect itself from this risk by delegating management of the ccTLD space to DNCL. DNCL manages this risk through principled, fair and impartial administration of .nz in the public good, as outlined in RFC 1591. Management of this legal risk remains a high priority for DNCL.

In the court of public opinion, the credibility of the .nz domain name space also rests on strong dispute resolution policies, fair, competitive contractual arrangements that ensure properly authorised and competent Registrars, and upholding compliance of our policy framework and oversight of NZRS in respect of .nz. Changes in gTLD policy as well as new and emerging security issues mean that DNCL must be extremely vigilant in managing legal risks to .nz and continuing to maintain high levels of regulatory standard setting and oversight.

Now that the licencing around WHOIS and copyright has been resolved, DNCL plans over the year to review the terms of use of WHOIS and look to use the exclusive licence granted it by InternetNZ to enforce the behaviour expected of parties to ensure the privacy of .nz registrants is respected.

Contribution to INZ group

DNCL is committed to supporting InternetNZ Group strategies and awareness of issues affecting the wider strategic focus. This is demonstrated by the addition of a new strategic transformation that sets an expectation of proactive engagement of DNCL in this area. Though it generally has only a minor impact on DNCL day to day activities with our "business as usual" functions around policy and compliance

remaining the clear priority and major work requirement, it is important that the skills and knowledge of the DNCL team work to the benefit of the Group.

Functions and Expectations of DNCL

Council has noted in its Statement of Expectations that DNCL's core role is to operate, maintain, develop and enforce the policy framework for the .nz ccTLD, and to monitor and hold accountable NZRS's performance against SLA standards of operation for .nz.

In advancing this core role, DNCL is expected to provide the following core functions:

- Maintain and develop the policy framework that sets out how .nz operates, and enforce its requirements on relevant parties.
- Provide a service for resolving disputes between registrants consistent with the .nz policy framework.
- Monitor and develop as required the SLA that specifies the service levels required for the operation of the SRS and the DNS.
- Oversee the .nz market and provide support and advice for members of the public.

DNCL is also expected, along with NZRS, to provide:

- .nz international representation consistent with the group international strategy and plan
- Development of the .nz product consistent with the group strategy goal regarding .nz being a world-class ccTLD.

A secondary function for DNCL is to provide a resource for the InternetNZ unit to contribute to Issues Programme work on security matters.

In particular, for the 2016-17 year, InternetNZ expects DNCL will work on the following specific tasks:

- Conduct the planned review of the policies related to second level registrations.
- Work with the shareholder to revise and update the Operating Agreement.
- Work with the shareholder to review group policies relating to reporting.

General expectations on DNCL by the shareholder reflect the vision that the Group is highly collaborative, committed to working together and to building a vibrant, collegial and inclusive culture to maximise the Group's success.

DNCL Strategy

DNCL's goal is to provide effective and trusted governance and management of the .nz domain name space to ensure our vision that .nz is the registration of choice for New Zealand registrants is achieved.

DNCL has identified the following Strategic Transformations:

1. Transformation one - DNCL manages .nz to the highest standard

Transformation/s		
	From	To
1.1	Having an effective regulatory process.	DNCL is recognised and acknowledged as managing .nz well.
1.2	DNCL has no objective measure of our success as a regulator.	Performance indicators have been developed and implemented to measure the effectiveness of our regulatory operations.

2. Transformation two - DNCL contributes effectively to other Group Strategies

Transformation/s		
	From	To
2.1	DNCL contributes as requested in Group strategies.	DNCL is aware of Group strategies and proactively identifies areas where it can contribute within existing resources.
2.2	DNCL contributes to Group security related strategies.	DNCL continually shares information with respect to security related matters and is confident that relevant knowledge and issues are shared across the Group.

In addition to these transformations DNCL has also worked with NZRS on developing a joint .nz strategy that forms part of the InternetNZ Group Strategy around .nz. In conjunction with NZRS, DNCL contributes to:

Primary Transformation of Joint .nz Strategy

From	To
.nz operates as a successful ccTLD held in high regard domestically and internationally.	InternetNZ is widely recognised as a successful ccTLD manager and .nz is held in high regard domestically and internationally.

Underlying Transformations of Joint .nz Strategy

From	To
3.1 Global benchmarks or best practice regarding what a world-class ccTLD is are varied and partly documented.	There are agreed global benchmarks and best practice for what a world-class ccTLD is, and .nz excels in assessments against these standards.
<i>Technical standards are easier to benchmark than measuring policy but DNCL is committed to research options that may be applicable to policy and also to contribute to the discussion and document what may be an applicable benchmark.</i>	

3.2 .nz is the default choice for New	.nz remains the preferred choice for
--	--------------------------------------

	Zealanders.	New Zealanders in a highly competitive Market.
	<i>DNCL's role in this is through operating an effective market protecting registrants and raising awareness of the benefits of this. We need to continue to ensure that our policies and processes support this transformation and that they remain current to reflect the market.</i>	
3.3	The market for .nz registration services (among registrars and resellers) is competitive.	The market for .nz registration services (among registrars and resellers) is sophisticated and competitive.
	<i>DNCL needs to ensure our management and oversight of the registrars maintains the current competitive environment</i>	
3.4	Roles and responsibilities in managing .nz are being clarified.	Roles and responsibilities in managing .nz are clear, well documented and transparent.
	<i>DNCL will contribute to the finalising of the .nz Framework and the Operating Agreements that define the roles within .nz.</i>	
3.5	The .nz policy framework has evolved from its origins in 2002.	The .nz policy framework has been reviewed and updated for current needs, and is validated as meeting the needs of the New Zealand Internet community.
	<i>The revised .nz policy framework is now operational and within that DNCL will continue its regular reviews of key policy matters such as WHOIS, while also maintaining regular reviews of the policies themselves</i>	
3.6	Inconsistency in the articulation of the role, purpose and mandate for the operation of .nz across the Group - resulting in a lack of clarity among stakeholders.	The whole Group is confident in consistently articulating our role and purpose, and the mandate for our operation of .nz - resulting in the wider Internet community being clear about and supportive of our role.
	<i>DNCL ensures all our publications use appropriate language and will identify opportunities to further educate regarding how .nz operates.</i>	
3.7	InternetNZ has limited knowledge of the purchasing behaviour of registrants.	InternetNZ has good knowledge of the full sales channel including resellers and influencers, and the purchasing behaviours of registrants.
	<i>Working with NZRS, DNCL will identify areas where it is appropriate for DNCL to seek information that improves our knowledge of registrant behaviour.</i>	
3.8	.nz is not a widely known brand.	.nz is a well-recognised brand.
	<i>Though DNCL is not responsible for the visual .nz brand, it is responsible for the reputation and knowledge of .nz and so will identify options for raising awareness of that.</i>	

“Business as usual” functions around policy and compliance are a clear priority and it is undertaking this work to a high level that goes a long way towards delivering on our strategic goals and longer term strategic transformations.

A number of activities have been identified as giving effect to the strategic transformations some of which are identified in the key priorities and performance indicators section. One focus for 2016-17 will be on explaining how we will define and measure success.

Key Priorities and Performance Indicators

1. DNCL's main focus remains the effective oversight and administration of the .nz domain name space on behalf of InternetNZ. This involves, in part, managing the operation of the .nz domain name space, including monitoring activity and regulating the use of the space as necessary. It also includes overseeing the performance of NZRS in line with the standards set out in the Service Level Agreement between DNCL and NZRS.
 - DNCL will report quarterly to InternetNZ Council regarding core activities so that Council can monitor DNCL performance.
 - DNCL will report on NZRS' performance against the SLA, both to InternetNZ Council and publicly through the DNCL website.
 - No upheld complaints or successful court action against DNCL should result from DNCL's operations.
2. Key projects will be the review of the policies around the implementation of second level registrations.
 - DNCL will review the second level registrations policies and report on any proposed changes.
 - DNCL will complete a public review of WHOIS principles and operations in .nz.
 - DNCL will contribute to the review of the Operating Agreement with InternetNZ.
 - DNCL will contribute to a review of the policy around reporting in the InternetNZ Group.
3. DNCL will proactively develop and implement steps to strengthen the public perception and value proposition of .nz. We will focus on three areas:
 - Promoting DNSSEC as a valuable security tool; and
 - Implementing, with NZRS, joint initiatives for promoting .nz.
 - Identifying, with NZRS, additional products that will enhance the .nz space.
4. DNCL will work towards giving effect to the strategic transformation and will report on activities towards this goal.
 - DNCL will clearly articulate what it defines as 'success' and how this will be measured.
5. DNCL will promote .nz objectives internationally. We will support international developments that align with .nz objectives and share the .nz experience and success at an international level, in conjunction with NZRS.
 - Reports relating to international meeting attendance, presentations and assistance to other ccTLDs will be provided as part of DNCL's reporting to Council. These will demonstrate the contribution .nz is making internationally including the role of the DNC on the ccNSO Council.
6. DNCL will focus on a greater contribution to wider industry DNS trust and security matters.

- Contribution to Internet security matters will be demonstrated in reports to Council and Council will be advised of policy developments in respect of security matters.
7. As part of the InternetNZ Group, DNCL will contribute to initiatives undertaken in respect of group strategic priorities, including advising InternetNZ where such initiatives have implications for the policy and compliance framework of the .nz domain name space. Key activities will include the ongoing development of a .nz strategy in conjunction with NZRS
- .nz strategy reviewed and presented to the InternetNZ Council regularly

Draft Three Year Budget

Under the terms of the Operating Agreement between DNCL and InternetNZ, the company operates on a “break even” basis and sets the management fee to ensure the current contingency fund of around \$800,000 does not increase significantly, and also does not breach the requirement that it not exceed 60% of the annual operating budget.

Additionally, the Statement of Expectations states that DNCL is to manage expenditure so as to maintain or reduce nominal expenditure from 2014-15 levels once registrations direct at the second level project work is complete. The three year budget outlined below meets this expectation as expenditure in 2014-15 was \$2,002,965 and it is not expected to reach this level over any of the next three years.

	2016/17 Draft Budget	2017/18 Draft Budget	2018/19 Draft Budget
INCOME			
Management Fee	\$1,869,840	\$1,869,840	\$1,869,840
Authorisation Fees	\$9,000	\$6,000	\$6,000
DRS Complaint Fees	\$36,000	\$36,000	\$36,000
Interest	\$15,000	\$15,000	\$15,000
Total	\$1,929,840	\$1,926,840	\$1,926,840
EXPENSES			
Staff and Office Costs	\$1,247,278	\$1,280,225	\$1,317,734
Professional Services and Communications	\$146,300	\$129,300	\$133,300
Dispute Resolution Service	\$101,150	\$101,150	\$101,150
DNCL and DNC activities	\$168,250	\$170,250	\$176,588
International	\$218,000	\$218,000	\$218,000
Total	\$1,880,978	\$1,898,925	\$1,946,772
Capital depreciation	\$47,719	\$35,712	\$9,832
Gross surplus/deficit	\$1,143	-\$7,797	-\$29,764

David Farrar

David Farrar
Chair, DNCL

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31 December 2015

Jamie Baddeley
President
InternetNZ
PO Box 11 881
Wellington

Dear Jamie

Re: 3rd Quarter 2015 - 2016 Report

We enclose our third quarterly report of the 2015 - 2016 year; the quarter ended 31 December 2015. The report, which I submit on behalf of the Board, consists of the summarised management accounts and a commentary on financial, operational, and strategic issues in relation to the company's performance. There is nothing in the report that we regard as confidential.

This report meets the requirement of the Reporting Policy incorporated in the July 2008 INZ - NZRS Operating Agreement.

All reporting on .nz is found in our joint report with DNCL.

All reporting on Business Development is found in our separate report.

1. Financial

Enclosed are Statements of:

- Financial performance; and
- Financial position

These statements are based on our management accounts for the quarter.

As requested our financial performance statements include a breakdown of expenditure by activity.

The net profit before tax of \$1,003,730 for the quarter was 17.0% above the budgeted \$860,387.

Domain name growth was above budget for the quarter. Growth was 1,256 versus a budgeted -3,663. October's net growth was 35, November's net growth was 65 and December's net growth was 1,156. While the growth of the second level met expectations, the drop off in registrations within .co.nz was much less pronounced than budgeted for. At this time it is unclear if this is the new normal or if a drop will come later than expected.

Actual domain name fee income for the quarter was above budget by \$58,776 (actual \$2,468,471 versus budgeted \$2,409,695).

Expenses for the quarter were \$110,823 below budget (actual \$1,539,172 versus budgeted \$1,649,995) due to a combination of the timing of expenditure and savings identified during the year.

The company's liquidity ratio was met.

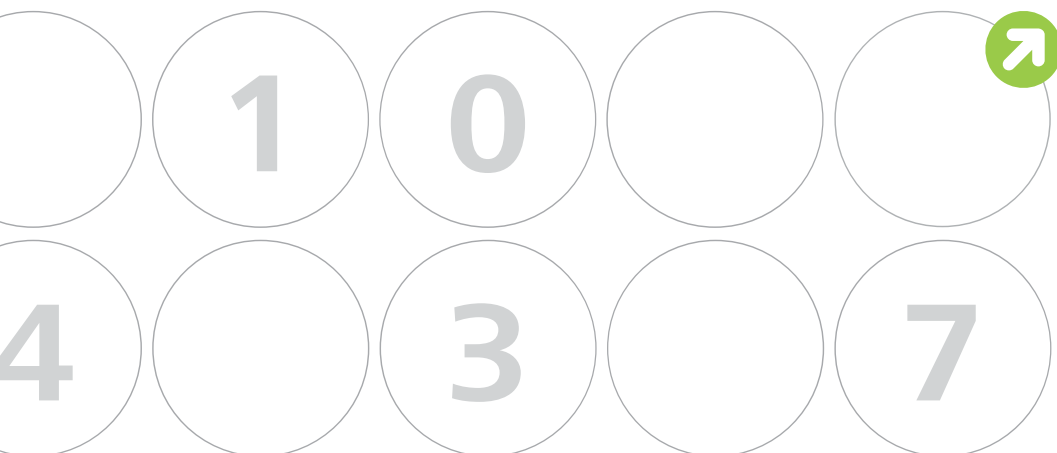
\$1,300,000 was paid in dividends during this quarter.

Please do not hesitate to contact me if you have any queries.

Yours sincerely



Richard Currey
Chair



NZRS Ltd

Financial Statements

For the Quarter Ended 31 December 2015

NZRS Ltd
Financial Statements
For the Quarter Ended 31 December 2015

Statement of Financial Performance

Balance Sheet

Statement of Cash Flows

Activity Based Expenditure Report

Profit & Loss

NZRS Ltd For the 3 months ended 31 December 2015

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Income								
Registry Fees	2,468,471	2,409,695	58,776▲	2.4%▲	7,354,559	7,250,084	104,475▲	1.4%▲
Total Income	2,468,471	2,409,695	58,776	2.4%	7,354,559	7,250,084	104,475	1.4%
Less Cost of Sales								
DNC Fee (348)	467,460	467,460	-	0.0%	1,402,380	1,402,380	-	0.0%
DNS Expenses	50,070	38,750	11,320▲	29.2%▲	114,438	116,250	(1,812)▼	-1.6%▼
ISP/Hosting/Networking	96,648	93,773	2,875▲	3.1%▲	290,747	281,318	9,429▲	3.4%▲
Other IT	54,408	62,477	(8,069)▼	-12.9%▼	149,199	187,696	(38,497)▼	-20.5%▼
Total Cost of Sales	668,586	662,460	6,126	0.9%	1,956,764	1,987,644	(30,880)	-1.6%
Gross Profit	1,799,885	1,747,235	52,650	3.0%	5,397,796	5,262,440	135,356	3.0%
Less Operating Expenses								
Depreciation & Amortisation	159,420	181,051	(21,631)▼	-11.9%▼	520,585	560,465	(39,880)▼	-7.1%▼
Overhead Expenses	711,166	806,484	(95,318)▼	-11.8%▼	2,268,639	2,419,450	(150,811)▼	-6.2%▼
Total Operating Expenses	870,586	987,535	(116,949)	-11.8%	2,789,224	2,979,915	(190,691)	-6.4%
Operating Profit	929,299	759,700	169,599	22.0%	2,608,572	2,282,525	326,047	14.0%
Non-operating Income								
Interest Received (203)	74,431	100,687	(26,256)▼	-26.1%▼	267,196	297,875	(30,679)▼	-10.3%▼
Total Non-operating Income	74,431	100,687	(26,256)	-26.1%	267,196	297,875	(30,679)	-10.3%
Net Profit	1,003,730	860,387	143,343	17.0%	2,875,768	2,580,400	295,368	11.0%

Balance Sheet

NZRS Ltd As at 31 December 2015

	31 Dec 2015	30 Sep 2015
Assets		
Bank		
Cash and Cash Equivalents	10,265,653	10,160,981
Total Bank	10,265,653	10,160,981
Current Assets		
Accounts Receivable	667,897	1,146,477
Interest Receivable (688)	91,660	96,104
Prepayments/Credits (687)	67,055	87,686
Total Current Assets	826,613	1,330,267
Fixed Assets		
Fixed Assets	704,719	817,900
Total Fixed Assets	704,719	817,900
Total Assets	11,796,985	12,309,147
Liabilities		
Current Liabilities		
Accounts Payable	237,725	242,582
Credit Cards	17,395	15,811
Deferred Income - Registry Fees	7,472,481	7,738,728
GST	161,790	108,163
Total Current Liabilities	7,889,392	8,105,283
Non-Current Liabilities		
Deferred Income - Adjustment (81700)	407,203	407,203
Total Non-Current Liabilities	407,203	407,203
Total Liabilities	8,296,595	8,512,486
Net Assets	3,500,390	3,796,661
Equity		
30,000 Ordinary Shares (60100)	30,000	30,000
Current Year Earnings	2,875,768	1,872,038
Retained Earnings (638)	594,623	1,894,623
Total Equity	3,500,390	3,796,661

NZRS Ltd
Statement of Cash Flows
For the Quarter Ended 31 December 2015



	This Quarter			Year to Date			Last Year Year To Date	Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance		Budget	LY Actual
Cash Flows From Operating Activities									
Cash Was Provided From:									
Registry Fees Received	2,897,717	3,029,686	(131,969)	9,013,870	9,529,774	(515,904)	8,325,586	12,561,057	10,647,837
Other Receipts	78,874	100,687	(21,813)	265,092	297,875	(32,783)	258,749	396,995	303,295
	2,976,591	3,130,373	(153,782)	9,278,961	9,827,649	(548,688)	8,584,335	12,958,052	10,951,132
Cash Was Distributed To:									
Payments to Suppliers and Employees	1,533,733	1,612,172	(78,439)	4,713,509	4,834,135	(120,626)	4,583,986	6,446,308	6,148,484
Net Taxation Paid (Refunded)	-	-	-	-	-	-	-	-	-
Net Dividend Paid	1,300,000	1,300,000	-	2,870,058	2,870,058	-	2,055,776	4,170,058	2,755,776
Net GST Paid	44,683	310,085	(265,402)	328,594	740,296	(411,702)	185,062	894,611	305,525
	2,878,415	3,222,257	(343,842)	7,912,161	8,444,489	(532,328)	6,824,824	11,510,977	9,209,784
Net Cashflows from Operating	98,176	(91,884)	190,060	1,366,800	1,383,160	(16,360)	1,759,511	1,447,075	1,741,348
Cash Flows from Financing Activities									
Cash was Provided From:									
Share Capital	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cash was Distributed To:									
Repayment of Redeemable Preference Shares	-	-	-	-	-	-	-	-	-
Inland Revenue Use of Money Interest	-	-	-	-	-	-	-	-	-
Net Cash flows from Financing	-	-	-	-	-	-	-	-	-
Cash Flows from Investing Activities									
Cash was Provided From:									
Fitout Contribution	-	-	-	-	-	-	-	-	-
Cash was Distributed To:									
Purchase of Fixed Assets & Formation Expenses	(4,913)	140,588	(145,501)	77,596	374,900	(297,304)	689,596	515,488	899,518
Net Cash flows from Investing Activities	4,913	(140,588)	145,501	(77,596)	(374,900)	297,304	(689,596)	(515,488)	(899,518)
Net Increase (Decrease) in Cash Held	103,089	(232,472)	335,561	1,289,205	1,008,260	280,945	1,069,915	931,587	841,831
Plus Opening Cash Balance	10,145,170	10,199,785	(54,615)	8,959,053	8,959,053	-	8,099,572	8,959,053	8,099,572
Closing Cash Carried Forward	10,248,258	9,967,313	280,945	10,248,258	9,967,313	280,945	9,169,489	9,890,640	8,941,403
Closing Cash Comprises									
BNZ First Oncall Account	127	-	-	127	-	-	-	-	-
ASB Bank Cheque Account	860,479	-	-	860,479	-	-	1,207,616	9,890,640	918,966
ASB Bank Call Account	509,079	-	-	509,079	-	-	1,276,570	-	1,286,395
Term Deposits	8,895,969	-	-	8,895,969	-	-	6,703,371	-	6,741,486
ASB Credit Cards	(17,395)	-	-	(17,395)	-	-	(18,068)	-	(5,444)
Total Cash Held	10,248,258	9,967,313	280,945	10,248,258	9,967,313	280,945	9,169,489	9,890,640	8,941,403
Plus ASB Credit Cards	17,395	-	-	17,395	-	-	18,068	-	5,444
Total Cash & Cash Equivalents	10,265,653	9,967,313	280,945	10,265,653	9,967,313	280,945	9,187,557	9,890,640	8,946,847

NZRS Ltd
Activity Based Expenditure Report
For the Quarter Ended 31 December 2015



		This Quarter			Year to Date		
	Specific to this Activity	Apportionment of Shared Costs	Total	Specific to this Activity	Apportionment of Shared Costs	Total	
.NZ							
Actual	1,078,193	213,175	1,291,369	3,260,612	660,159	3,920,771	
Budget	1,107,861	236,320	1,344,181	3,345,624	709,015	4,054,639	
Variance	29,668	23,144	52,812	85,012	48,856	133,868	
.NZ Marketing							
Actual	102,324	27,542	129,867	375,222	82,140	457,363	
Budget	133,289	27,451	160,740	400,129	77,558	477,687	
Variance	30,965	(91)	30,874	24,907	(4,583)	20,324	
Technical Research							
Actual	69,442	34,933	104,376	224,351	105,781	330,132	
Budget	93,622	38,752	132,374	280,867	116,265	397,132	
Variance	24,180	3,819	27,998	56,516	10,484	67,000	
Business Development							
Actual	2,835	10,726	13,561	3,807	33,915	37,722	
Budget	1,275	11,425	12,700	3,825	34,276	38,101	
Variance	(1,560)	699	(861)	18	361	379	
Total							
Actual	1,252,795	286,377	1,539,172	3,863,992	881,996	4,745,988	
Budget	1,336,047	313,948	1,649,995	4,030,445	937,114	4,967,559	
Variance	83,252	27,571	110,823	166,453	55,119	221,571	

DRAFT MINUTES OF AUDIT AND RISK COMMITTEE MEETING

Status:	Draft
Present:	Neil James (Chair, <i>via video conference</i>), Amber Craig (<i>via video conference</i>), and Richard Hulse
In Attendance:	Jordan Carter, Maria Reyes (minute taker).
Apologies:	Mary Tovey, Amber Craig (<i>late attendance at the meeting</i>), Joy Liddicoat

The Chair opened the meeting at 12.05pm

1. Minutes from previous meeting held 20 November

Minutes held on 20 November 2015 were approved.

2. New reporting template by Crowe Howarth

Neil advised he was not sure what needs to be done with this paper other than for the Committee to look into and asked Jordan if he had any comments on it.

In response, Jordan commented that it seems to be a reasonable template from his point of view and have noted the sections that have been highlighted for the Committee to look at.

Richard raised a question whether this needs to be endorsed or would noting it at this meeting would suffice. After a brief discussion, the Committee agreed to note this paper at this meeting and if further discussion is needed or if there's any action that needs to be done (e.g. formally approve, etc) it can be tabled at the February meeting.

3. Update on H&S liability and structure with subsidiaries

Mary and Maria have met with a senior solicitor at Minter Ellison Rudd Watts (MERW) early this month to seek legal advice on the H&S liability and structure with the subsidiaries, and whether these responsibilities relate or are covered in our insurance policy. A paper will be circulated to the Committee as well as to Council once we hear back from MERW.

Amber joined the meeting at 12.15pm

Jordan also raised a couple of points relating to Health & Safety – one was an update on his action regarding looking into the policy review and internal policy documents and operational procedure review. He advised that his understanding was that Andrew, Maria and Mary are working together and picking up from the work that Clare has done towards the end of last year re updates in policies in compliance with the legislation.

He also mentioned that after Deloitte's presentation at the December Council meeting on H&S legislation, a letter of engagement was received from them with a proposal to do a gap analysis on InternetNZ's H&S policy and practices. Jordan noted that it's a bit costly however he advised that it will be valuable at this stage with the change of legislation to have an external scrutiny on our current H&S policies and practices.

After a short discussion, the Committee agreed with Jordan's suggestion that he will send the letter of engagement from Deloitte to the Committee so they can review/discuss online and make final call on this after a couple of days.

4. Year-end audit timetable

The Committee were happy with the timetable however a comment was raised that most of the tasks included in the timetable are assigned to Mary and that it might be too much workload for her. Jordan advised that this has been discussed with Mary and she has assured that the tasks are within scope of her work.

5. Audit & Risk work plan

A comment was raised that the work plan is very useful and that having short frequent meetings is better than having one big long meeting as the Committee are able to tackle issues better and have the discussion earlier rather than later.

The Committee agreed to have the next meeting in February preferably prior to the next Council meeting and asked Jordan to provide some options or proposed dates for the succeeding meetings and discuss it at the Feb meeting.

ACTION POINTS:

- Jordan to email the Committee re options for the February meeting (i.e. Thursday afternoon or Friday morning)
- Jordan/Mary to provide proposed dates for the succeeding meetings.

6. Other Business

No further comments received from the Committee.

The Chair closed the meeting at 12.25pm

Date of next meeting: 25 or 26 February 2016 (TBC)

Signed as a true and correct record:

Neil James, Chair

Māori Engagement Committee Update

Since the last meeting of the Council in December, the Committee has been focused on:

- **Plan to develop a Māori Advisory Group:** the Committee has been fleshing out its plans to discuss the idea of a Māori Advisory Group with Māori. This work has included engagement of some professional assistance to design an appropriate engagement plan: InternetNZ does not have the skills or expertise to design this in-house. Draft timeframes have also been developed, but depend on the result of the engagement.
- Seeking advice on the **Māori translation** for InternetNZ - “Ipurangi Aotearoa” - and sought drafts of logo concepts including both the English and Māori names from staff. Examples are attached to this report and should be discussed at this meeting.
- Developing a Māori **Stakeholder** list.
- Exploring options for Treaty training and Marae visit for Council and staff- see note at the end of this report.
- Translation of formal election documents into Māori - quotes sought by staff.

Following from this current work, between now and the next quarterly Council meeting, the Committee will focus on:

- **Engagement re Māori Advisory plan** - this would be the outward focused part of the engagement. It may validate our proposal of appointing a Māori Advisory Group, or different suggestions might arise. Council in May will get a report back on what the engagement resulted in, and proposed next steps.
- Any follow up work on a Māori language logo.

For next year’s Activity Plan the Committee would like to see resources provided so that a Marae Visit and associated training can be done. This would be tentatively scheduled around the **May 2016** Council meeting.

I welcome any questions or comments.

Sarah Lee
Chair, Māori Engagement Committee

Marae and Treaty Training Option

The committee looked at options that would meet the cultural awareness training needs that Council has expressed in previous meetings. We recommend the following option be considered:

Te Pumaomao

This is a husband and wife team who have been offering quality facilitation around Māori and Treaty for over 20 years. They have worked with Government agencies, Regional Councils, DHB's, Educators and many other audiences, who have provided glowing testimonials.

The programme

This course explores Treaty relationships, promotes people understanding each other and working together, and takes racial misunderstandings and turns them into strategies for pathways forward. It weaves in the facilitators' own journey as a Māori-Pakeha couple, striving to overcome their own hurdles. It is presented a touching and humorous way, using accelerated learning tools.

Programme outline:

- The programme provides participants with a coherent framework of knowledge and understanding of the Māori world; past, present and future
- Participants are able to begin constructing for themselves, and informed and personal view of how the collective energies of all cultures might be harnessed to build a better society
- The programme unravels many of the myths and mis-truths we have grown up with in New Zealand
- It is comprised of interactive activities, where the emphasis is placed on enjoyment, participation and honesty. Transformative tools are employed which bring enlightenment. Participants' dignity is respected at all times.

Graduates can expect to:

- Develop better relationships with Māori
- Understand and converse in a Māori framework
- Transfer this knowledge to other cultural frameworks
- Understand the full story of New Zealand's history
- Contribute towards building an equitable society

Marae Option

Hongoeka Marae, Plimmerton

Benefits of this utilising this Marae:

- Easily accessible to most Council and staff members living in Wellington
- A beautifully adorned carved house about 17 years old with good facilities

- Hosts can do all the catering onsite at a reasonable cost
- Available 26 and 27 May

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Membership Committee Update

Since the last meeting of the Council in December, the Committee has been focused on:

- the **discussion norms** piece of work is with members, and by the time of the meeting we will have a reasonable set of feedback on this and some direction for how to update and revise the proposal based on that feedback.
- there's a need for **better information** for members so they can see how to engage topic by topic. An example: the google doc used for discussion norms, launched with a specific email and generating the resulting email thread. In each case the effort here, which will be experimental, is to make it easy for a member interested in a topic to find out how to have their say, and to do so without clutter.
- regarding **engagement tools**, we are focusing more on how we are using the tools and trialling them, rather than "choosing a new tool" etc. For example: how we can use our Facebook presence more effectively; how we can use Loomio for a piece of work. Experimentation and learning of lessons, rather than a procurement exercise, is the approach we are taking.

Following from this current work, between now and the next quarterly Council meeting, the Committee will focus on:

- Continuing with the above work, and forming it into a work plan for the Committee for the year.

I welcome any questions or comments.

Kelly Buehler
Chair, Membership Committee

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Glossary of Terminology	
2020	2020 Communications Trust
2TLD	Second Level Domain
3TLD	Third Level Domain
ACCC	Australian Competition & Consumer Commission
ACTA	Anti-Counterfeiting Trade Agreement
ADA	Australian Digital Alliance
ANZIAs	Australia New Zealand Internet Awards
APEC	Asia-Pacific Economic Cooperation
APIA	Asia Pacific Internet Association
APNIC	Asia Pacific Network Information Center (<i>RIR for the Asia Pacific region</i>)
APRICOT	Asia Pacific Regional Internet Conference on Operational Technologies
APTLD	Asia Pacific Top Level Domains Associations (<i>organisation for ccTLD registries in Asia Pacific region</i>)
auDA	.au Domain Administration Ltd (<i>Australian equivalent of DNCL</i>)
BCOP	Best Current Operational Practices
BIM	Brief to Incoming Minister
CCANZ	Creative Commons Aotearoa New Zealand
ccNSO	County Code Names Supporting Organisations
ccTLD	Country Code Top Level Domain (<i>such as .nz for New Zealand, .uk for United Kingdom</i>)
CCWG-Accountability	Cross Community Working Group on Enhancing ICANN Accountability
CDMA	Code Division Multiple Access (<i>server</i>) (<i>a means to transmit bits of information</i>)
CERT	Computer Emergency Reponse Team
CFH	Crown Fibre Holdings
CIRA	Canadian Internet Registry Authority (<i>operators of the .ca ccTLD</i>)
CSIRT	Computer Security Incident Response Team
DHB	District Health Boards
DIDO	Distributed-Input Distributed-Output (<i>wireless protocol system</i>)
DNCL	Domain Name Commission Limited
DNS	Domain Name System
DNSSEC	DNS Security (<i>adds security to the Domain Name System</i>)
DSLAM	Digital Subscriber Line Access Multiplier
DRS	Dispute Resolution Service
FTTH	Fibre To The Home
GAC	Government Advisory Committee

Glossary of Terminology	
GCSN	Greater Christchurch Schools Network Trust
GNSO	Generic Name Supporting Organisation (<i>makes recommendations re gTLD to ICANN</i>)
gTLD	Generic Top Level Domain (<i>such as .com / .edu</i>)
HDC	Harmful Digital Communications
IANA	Internet Assigned Numbers Authority
ICANN	Internet Corporation for Assigned Names and Numbers
ICG	IANA Stewardship Transition Coordination Group
ICT	Information and Communications Technologies
IGF	Internet Governance Forum
ISOC	Internet Society
ISPANZ	Internet Service Provider Association of New Zealand
ITAC	Internet Technical Advisory Committee
ITU	International Telecommunications Union
ITR	International Telecommunications Regulations
LFC	Local Fibre Company
MAG	Multistakeholder Advisory Group
MBIE	Ministry of Business, Innovation and Employment
MTR	Mobile Termination Rates
NCSG	Non-Commercial Stakeholders Group (<i>committee under ICANN's GNSO</i>)
NH	NetHui
NTIA	U.S. Commerce Department's National Telecommunications and Information Administration
NZIRF	New Zealand Internet Research Forum
NZITF	New Zealand Internet Task Force
NZNOG	New Zealand Network Operators Group
OECD	Organisation for Economic Co-operation and Development
OFDM	Optical Frequency Division Multiplexing
PAG	Policy Advisory Group
PCBU	Person Conducting a Business or Undertaking
PBE	Public Benefit Entity
PIP	Pacific Internet Partners (<i>group revived by Keith to help IGF</i>)
RBI	Rural Broadband Initiative
RIR	Regional Internet Registry
SDN	Software-defined Networking
STD	Standard Terms Determination

Glossary of Terminology	
TCF	Telecommunications Carriers' Forum
TLD	Top Level Domain
TPP	Trans-Pacific Partnership
TPPA	Trans-Pacific Partnership Agreement
TSO	Telecommunications Services Obligation
TUANZ	Telecommunications Users Association of New Zealand
UBA	Unbundled Bitstream Access
UCLL	Unbundled Copper Local Loop
UFB	Ultra Fast Broadband
WSA	Wholesale Services Agreement
WSIS	World Summit on the Information Society
W3C	World Wide Web Consortium