AGENDA – COUNCIL MEETING

Saturday 27th August 2016

Hongoeka Marae, Plimmerton	
9.45am	Coffee following Powhiri
10.00am	Meeting start
12.30pm	Lunch
2.40pm	Meeting Close

		Section 1 – Subsidiaries	
10.00am	1.1	Subsidiaries Reports: • .nz Joint 1st Quarterly Report • DNCL 1st Quarterly Report • NZRS 1st Quarterly Report • Technical Research Report • Product and Services Development Report	3 11 17 27 35
		Section 2 – Meeting Preliminaries	
10.20am	2.1	Council only (in committee)	-
	2.2	Council and CE alone time (in committee)	-
	2.3	Apologies, Interests Register and Agenda Review	-
		Section 3 – Strategic Priorities	
10.50am	3.1	Industry Scan	-
11.00am	3.2	Strategy Day 2016 – topic/s, venue and participation	43
11.30am	3.3	Evaluation framework: product and services development	45
11.50am	3.4	Amended Reserves Policy Reserves Utilisation and Treasury Policy	49 51
		Section 4 – Matters for Decision	
12.10pm	4.1	Schedule of Meetings 2017	53
12.15pm	4.2	Review of Governance Policies: • Revised Planning & Reporting Policy • Revised Group Planning Cycle	55 57 59
12.30pm		LUNCH	
1.00pm	4.3	Committees of Council • Review of Committee's Terms of Reference • Appointment of Committee members	61
		Section 5 –Matters for Discussion	
1.15pm	5.1	President and CE briefing	-
1.30pm	5.2	Council and Chair Evaluation Survey Results	-

1.45pm	5.3	Future partnership with NetSafe (2018-19) (This item to identify more structured discussion for Nov)	-
		Section 6 – Consent Agenda	
1.55pm	6.1	Confirm Minutes – May 2016 Meeting	83
	6.2	Actions Register	93
	6.3	Membership update	95
	6.4	Evote ratification	97
	6.5	Health and Safety updates (new)	-
	6.6	Chief Executive's Report - Overview and Key Issues - Programmes: - Community - Internet Issues - International - Operations - Governance and Members	101
	6.7	Group Financials	117
	6.8	Council Committee Reports - Audit & Risk - Grants - CE Review - Māori Engagement – *Confidential Paper* - Membership	123
		Section 7 – Other Matters	
2.05pm	-	CONTINGENCY *(for any overflow)*	-
	7.1	Matters for Communication – key messages - Communications in general - Upcoming events	-
	7.2	General Business	-
2.20pm	7.3	Meeting Review and Reflection on Marae Experience	-
2.40pm	-	Meeting close	-

* Section 8 - List of Acronyms and Annotated Agenda

.nz Quarterly Report
First Quarter ended 30 June 2016

Introduction

This is the first joint .nz quarterly report for the 2016/17 financial year. There is nothing in this report that is confidential.

1.   Global Domain Name Environment

At the end of the quarter a total of 331.1m 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	30 June 2015	30 June 2016	Annual Growth %
ccTLDs	135.8m	147.3m	8.47%
gTLDs (pre 2012)	151.1m	162.5m	7.54%
gTLDs (post 2012)	5.9m	21.3m	261.02%
.kiwi	11,857	10,938	-7.75%
.nz	645,379	661,917	2.56%

There are currently 10,938 .kiwi registrations – a decrease of -7.7% during the quarter.

2.   Activities
Supports transformations 1.2, 1.6, 1.7 and 1.8

a)   Research

b)   .nz Promotion and Marketing

The NZRS review of marketing moved into the next phase during this quarter, the collection of evidence, through customer surveys, to create a validated marketing strategy for the next few years. The first survey was of registrars and asked about their current marketing activities, future plans and ways in which NZRS could support that. This was responded to by 50% of registrars covering 88% of market share.

The second survey was of registrants and presented to them by their registrar as soon after they bought or renewed a .nz domain name. 1,000 responses were collected to provide statistically robust answers.

The data from these surveys is now being analysed. Already some valuable insights are emerging.

Significantly, the quarter saw DIA make an announcement about the signing of approximately 300 .govt.nz names with DNSSEC. DNCL and NZRS collaborated with the DIA on the announcement, providing quotes for its public statement – subsequently picked up by Computerworld NZ and Security Brief.

A number of media enquiries from NBR, Radio NZ and Te Waha Nui (AUT online student journalism publication) were received during the quarter. These were promptly responded to, with all published articles reflecting .nz well.

Elsewhere an animated video overview of the .nz Dispute Resolution Service was published (available at https://www.dnc.org.nz/drs) and work began on an infographic that will celebrate the 10th anniversary of the DRS – showcasing facts and figures that tell the success story of the DRS over time.

c)   .nz Policy Consultation

Reserved Names

DNCL's public consultation on reserved names closed 2 June 2016. Two submissions were received and considered by the DNCL Board at its June meeting where the proposed amendments were agreed.

The amendment to the Operations and Procedures Policy concerning reserved names was then publicly notified - clarifying the date that these be registered by. The amended policy will come into effect on 28 July 2016.

WHOIS Review

DNCL's third .nz WHOIS consultation closed on 7 June 2016, with 65 submissions received and considered by the DNCL Board at its June meeting.

Further work will be done on the viable options concerning the display of registrant information in the WHOIS and options will be put to the August DNCL Board meeting.

d)   Registrations at the Second Level

A total of 408 conflict sets were resolved between April and the end of June. In addition to those conflict sets that are resolved, each month a number of conflict sets cease to exist when all names in the conflict are released. The following table shows the progress in reducing conflict sets:

	Jan	Feb	Mar	Total for Q4	Apr	May	Jun	Total for Q1
Conflicts Resolved	133	138	131	**402**	120	138	150	**408**
Total Conflicts	17,156	16,951	16,796	-	16,639	16,448	16,241	-

The total number of domains in the conflict sets is 16,241 as at the end of the quarter.

3.   Policy Framework
Supports transformation 1.5

a) .nz policy

No changes were made to the policy framework this quarter.

4.   Registrar Market
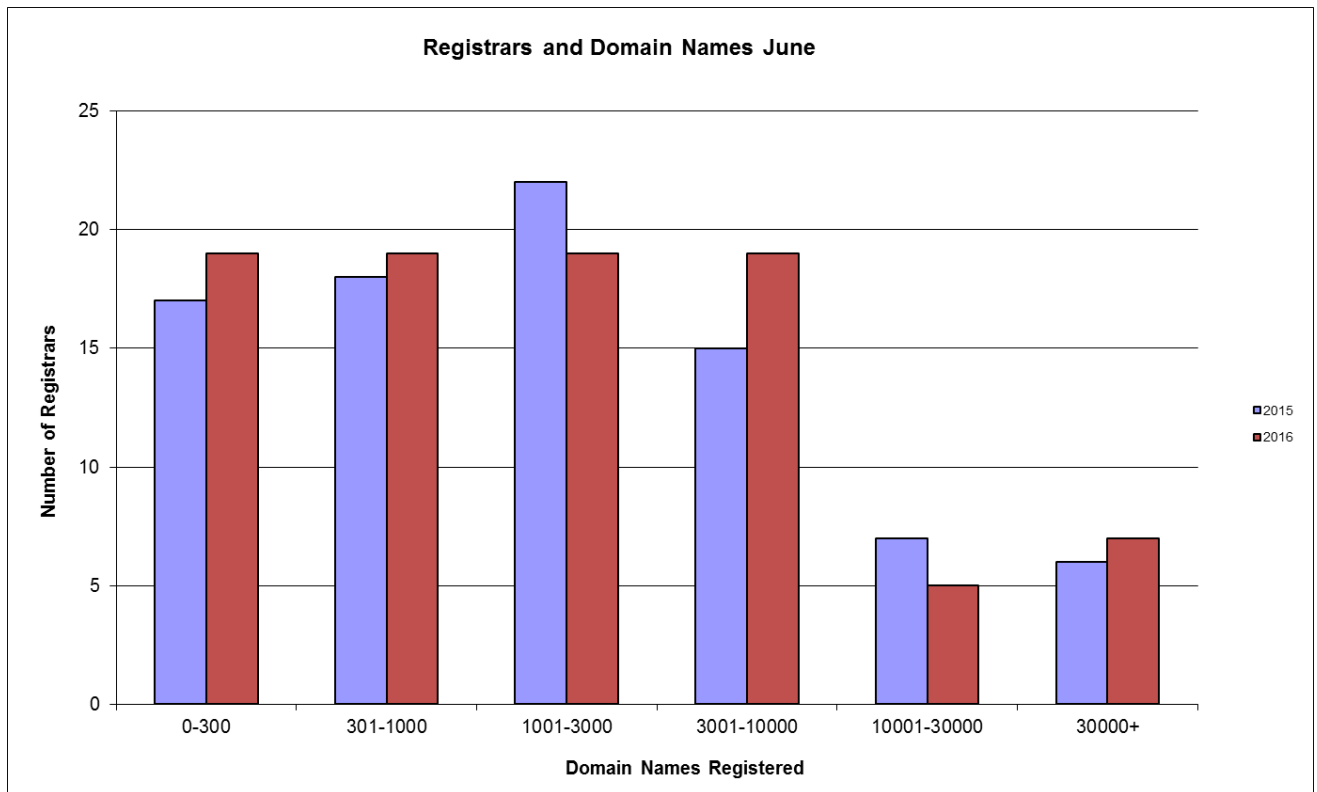*Supports transformation 1.3*

|	
Registrars authorised	91
Registrars connected	88

Number connected during the quarter: 0
Number authorised during the quarter: 0
Number de-authorised during the quarter: 0

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

Registrars and Domain Names June

The following chart shows the number of registrars (excluding the DNC) connected to the SRS:
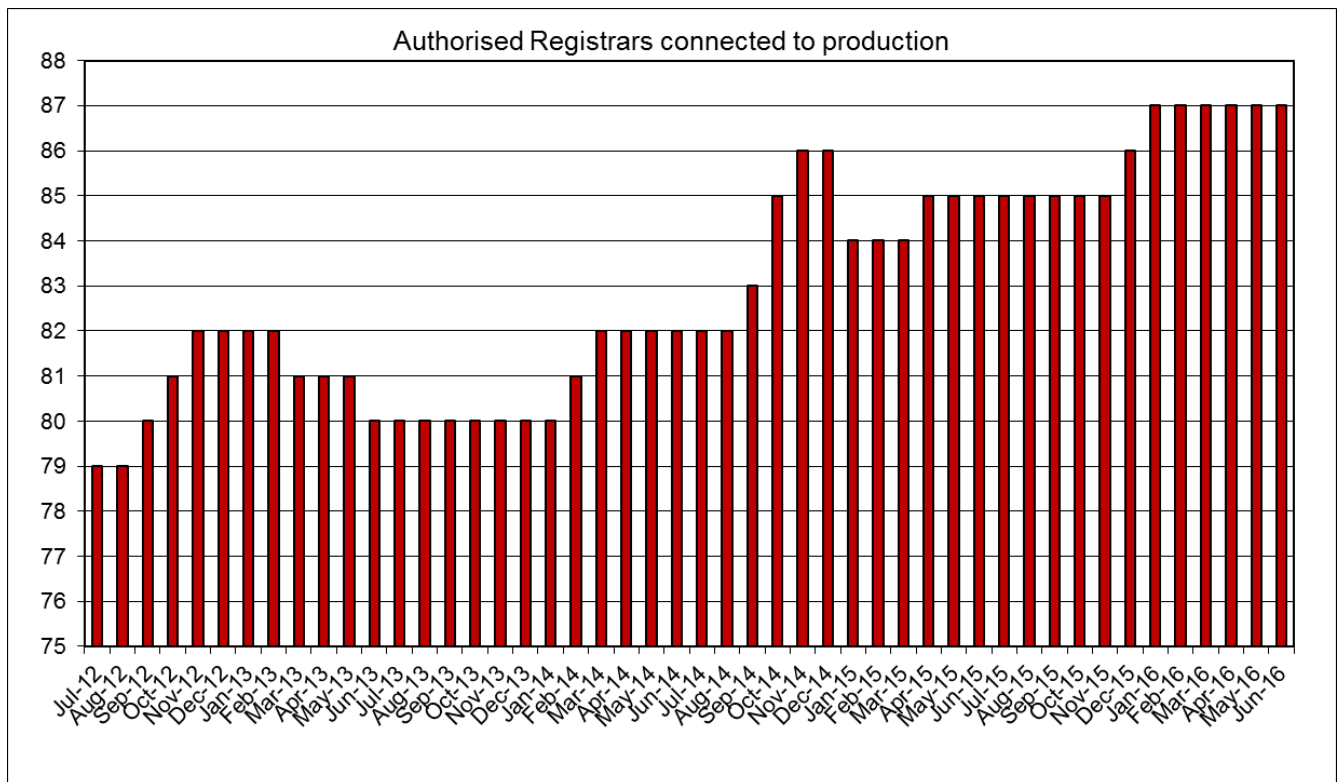
5.   Performance and Best Practice
Supports the primary transformation, 1.1 and 1.4

a) International

- The Chair of the NZRS Board and Staff members from both DNCL and NZRS attended ICANN 56 in Helsinki.

- Staff members from DNCL and NZRS attended CENTR 2016 Jamboree in Brussels and made presentations to the Legal and Regulatory Working Group and the Research & Development Working Group.
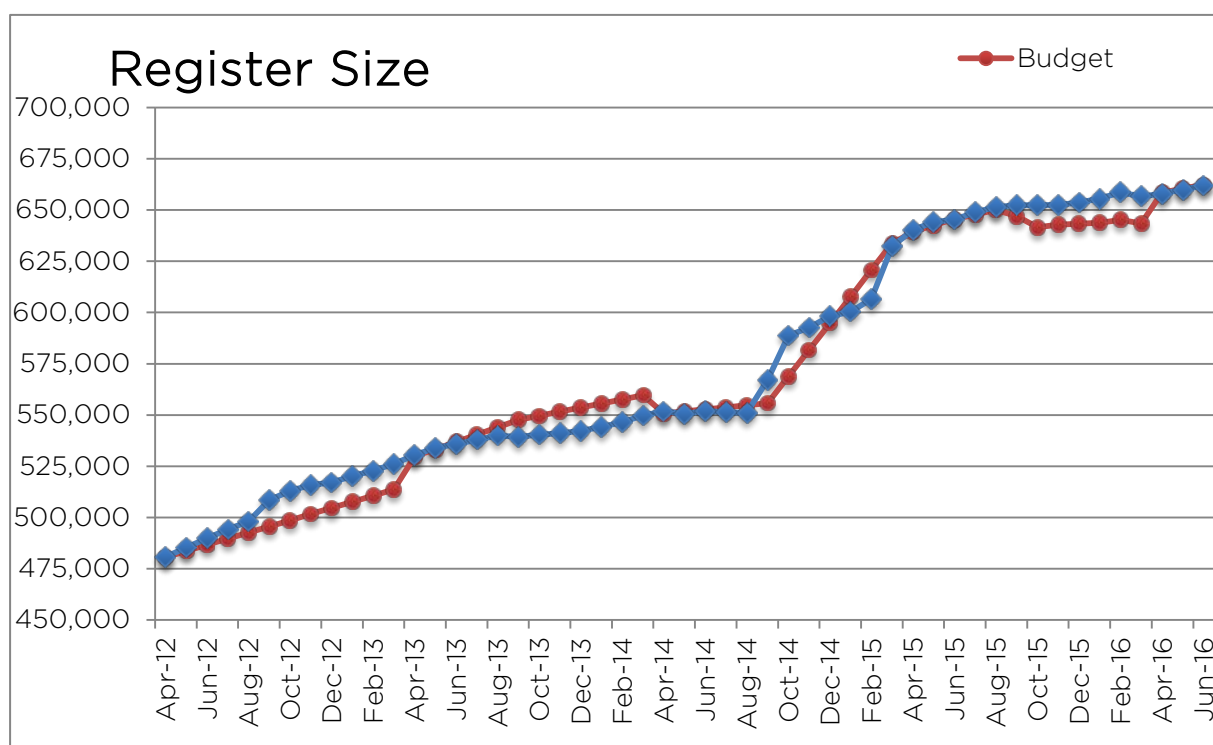
b) Registry Performance

SLA targets were met throughout this quarter. SRS, DNS and Whois availability is noted in the table below:
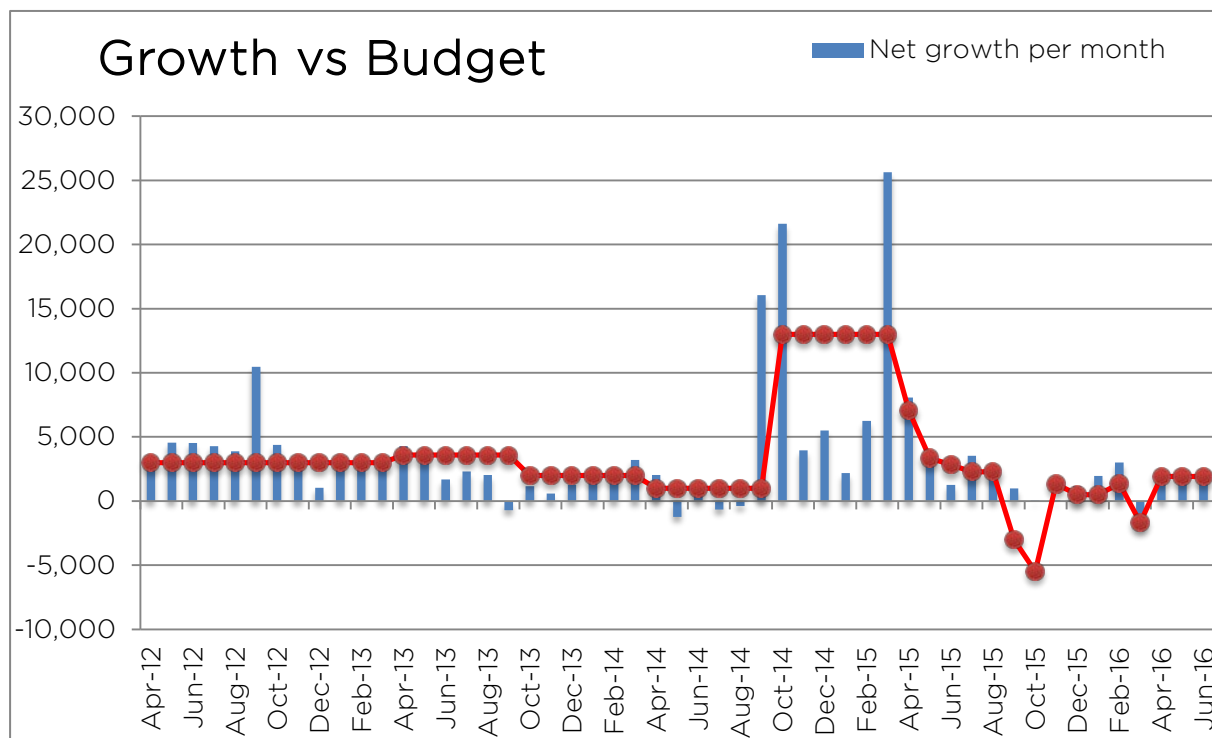
| System	SLA %	Apr	May	Jun
SRS	99.9	100	100	100
DNS	99.9	100	100	100
Whois	99.9	99.99	100	99.98

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:

Growth vs Budget

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

Average Domain Name Term
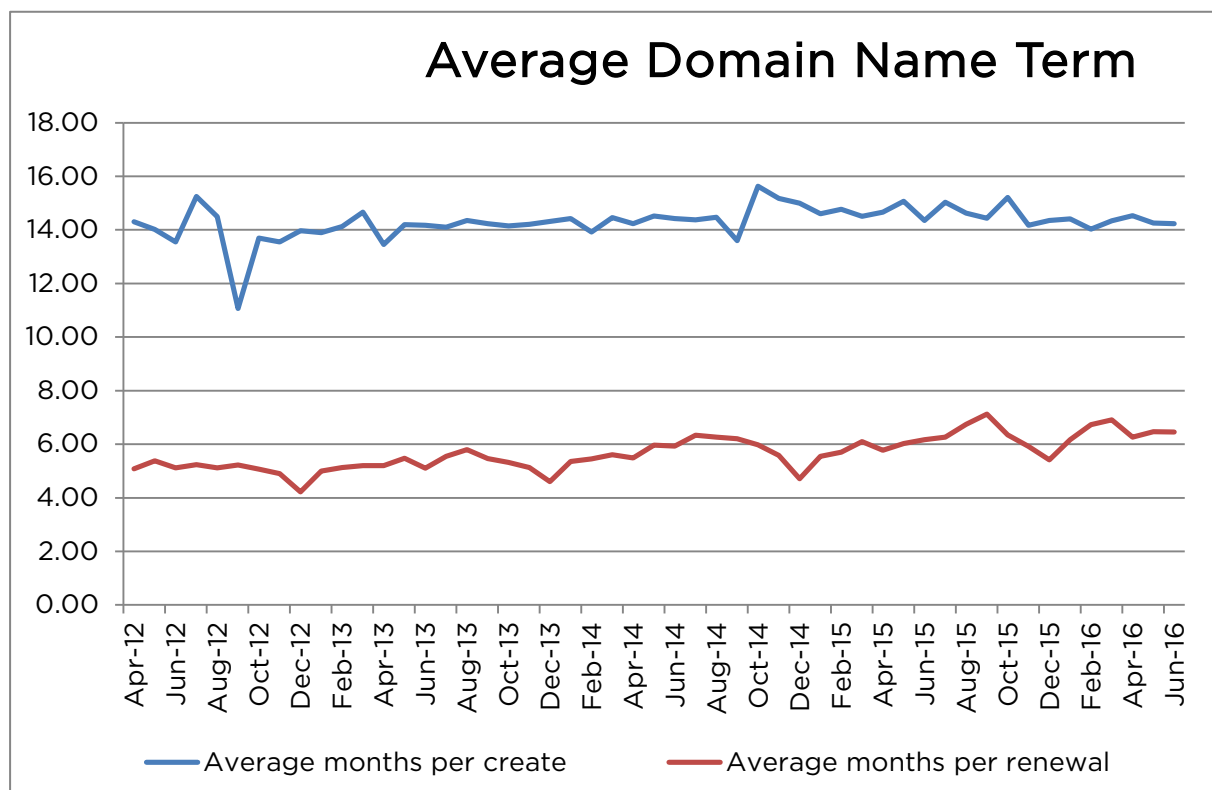
6.   .nz data

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

	Apr-16	May-16	June-16
.nz	106,295	107,595	109,282
.co.nz	482,055	483,093	483,565
.org.nz	28,007	27,982	27,940
.net.nz	25,760	25,666	25,521

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

August 2016

Jamie Baddeley
President, InternetNZ

Dear Jamie,

First Quarter 2016/17 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

	Apr - Jun 2016			Year-to-Date		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
INCOME						
Management Fees	467,460	467,460	0	467,460	467,460	0
Authorisation Fees	6,000	3,000	3,000	6,000	3,000	3,000
DRS Complaint Fees	4,000	9,000	(5,000)	4,000	9,000	5,000
Interest Income	299	3,750	(3,451)	299	3,750	(3,451)
Total Income	**477,759**	**483,210**	**(5,451)**	**477,759**	**483,210**	**(5,451)**
EXPENSES						
Staff and Office Costs	293,111	316,802	23,691	293,111	316,802	23,691
Professional Services and Communications	15,562	32,874	17,312	15,562	32,874	17,312
Dispute Resolution Services	5,137	14,037	8,900	5,137	14,037	8,900
DNCL and DNC activities	36,157	42,062	5,905	36,157	42,062	5,905
International	24,312	31,250	6,938	24,312	31,250	6,938
Total Expenditure	**374,280**	**437,025**	**62,745**	**374,280**	**437,025**	**62,745**
Depreciation	13,241	14,928	1,687	13,241	14,928	1,687
Net Profit/Loss	**90,238**	**31,257**	**58,981**	**90,238**	**31,257**	**58,981**

Notes: Expenditure is under budget in most areas due to budget phasing. Expenditure will fall into line throughout the year as planned projects proceed.

Security and Training

A large number of govt.nz names are now DNSSEC-signed. This has been an ongoing piece of work by DIA, supported by both NZRS and DNCL over the last 3 years. DIA's activity has resulted in an additional 360 domain names with DS records in the SRS.

The InternetNZ Group Chief Executives and Chairs were invited to attend the Cyber Security Summit in Auckland in May. Budget details regarding the National CERT were announced at the Summit. A National CERT has been a long-standing focus area for the group. It has been influenced by involvement and input from several INZ group staff and is excellent to see nearing fruition.

Other Matters

A Board meeting was held in June and the minutes of the meeting are published at https://www.dnc.org.nz/node/1130

Yours sincerely

David Farrar
Chair, DNCL

18 July 2016

Jamie Baddeley
President
InternetNZ   via email: jamie.baddeley@vpc.co.nz

Dear Jamie

InternetNZ's TLD Principle 5

At our recent meeting, the DNCL Board discussed the current WHOIS review and the options that had come out of the submissions received in the third consultation. As part of the discussion we noted the TLD Principles adopted by InternetNZ and, in particular, Principle 5 that states "Registrant data should be public". This letter is to seek clarification from Council as to how the DNCL Board should interpret this principle as it looks to identify viable options for the .nz WHOIS.

It was agreed by the Board that the registry should continue to collect registrant data, and also agreed that the status quo of all registrant details being published with no exceptions was not appropriate going forward. The question then, is what registrant data is published and how?

The Board has made an in principle decision that we do not envisage a situation where absolutely no registrant data at all is displayed on a WHOIS record. With the TLD principle stating 'Registrant data should be public" the question we have is how much information needs to be displayed for this principle to be met?

For example, Is it sufficient for the registrant name only to be published so that people know the identity of the registrant even if they are unable to contact them? What if it is the email address only displayed so the registrant can be contacted even if people don't know the identity of that person? Alternatively does both the identity and a means of contact have to be published to meet the requirement of having data public?

Each of these represent options that came out of the latest submission and which DNCL are considering. We would appreciate your advice as to how Council would want us to interpret your TLD Principle 5.

Note we are not asking Council to nominate a preferred policy option. We are seeking advice on what is the minimum level of data to be made public that would comply with InternetNZ's TLD Principle No 5.

If you have any questions about this request please feel free to contact me.

David Farrar
Chair
DNCL

2 August 2016

David Farrar
Chair
Domain Name Commission Ltd
WELLINGTON

By email: david@farrar.com

Dear David

TLD Principle 5

Thank you for your letter of 18 July regarding your request for clarification from InternetNZ "as to how the DNCL Board should interpret this principle as it looks to identify viable options for the .nz WHOIS". As you note, this question relates to the ongoing review of WHOIS being conducted by DNCL.

The principle concerned is Principle 5 of the TLD Principles adopted by InternetNZ in May 2012. It is a requirement of DNCL's operation of the .nz ccTLD on InternetNZ's behalf that the policy framework the company establishes for the domain is consistent with certain principles, including these principles. This requirement is confirmed in the draft .nz Framework Policy, currently open for public comments.

Principle 5 is as follows:

> *5.   Registrant data should be public.*
> *Registering a domain name is a public act, for provision of a useful service on the public Internet. All TLDs should maintain a public and free register lookup service (such as WHOIS), so that members of the public can contact a registrant or their registrar for technical, operational or other reasons.*
>
> *TLD operators should of course maintain adequate security, restriction and monitoring of such WHOIS services, to prevent practices such as address harvesting. Registrants must use their own name or that of another legal entity for domain name registrations, and must include contact details through which they can be reached. They do not necessarily have to use their own personal or residential contact details, which they may wish to keep private.*

The summarised version of the principle is also presented on our website, as follows:

> *Registrant data should be public.*
> *A free and publicly available register lookup service (such as WHOIS) should be maintained, with relevant authoritative information about the registrant, registrar and DNS servers for the domain.*

internetnz.nz

The core requirement established by this principle is that a registrant is contactable. That is why the text says the purpose of a public and free register lookup service like WHOIS is "so that members of the public can contact a registrant or their registrar for technical, operational or other reasons."

DNCL must apply its own judgement, consistent with its role as the maker of policy for the .nz ccTLD, as to the appropriate means of contact and extent of information collected from registrants and published in a register lookup service.

The current WHOIS output is one example that is consistent with this principle. It is not the only acceptable approach. Since the output shown by WHOIS today was decided, the DNS has become more widely used, and the general DNS knowledge of the average DNS user has likely become less detailed.

Your signal that the company believes the status quo is not acceptable is one that InternetNZ is comfortable with. We also note that there are a range of register lookup services available, and that you may choose to deploy a variety of systems with different levels of information available.

In practical terms, Principle 5 establishes one minimal constraint on your decisions in this area. If DNCL concludes that <u>no</u> contact details should be published, that would likely breach this principle. Any change to the TLD principles would likely take between four and eight months to consider, and would involve a public consultation as per our Policy Development Process.

InternetNZ looks forward to the ongoing progress of the WHOIS review, and to hearing your conclusions in due course.

If you have further questions on this matter, please direct them to the Chief Executive in the first instance.

Yours sincerely,

Jamie Baddeley
President

30 June 2016

Jamie Baddeley
President
InternetNZ
PO Box 11 881
Wellington

Dear Jamie

Re: 1st Quarter 2016 – 2017 Report

We enclose our first quarterly report of the 2016 - 2017 year; the quarter ended 30 June 2016. 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.

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 $1,042,877 for the quarter was 9.0% above the budgeted $956,663.

Domain name growth was below budget for the quarter. Growth was 5,310 versus a budgeted 5,730. April's net growth was 1,311, May's net growth was 2,091 and June's net growth was 1,908.

Actual domain name fee income for the quarter was above budget by $15,156 (actual $2,491,757 versus budgeted $2,476,601).

Business Development income of $25,000 was also recorded in this quarter.

Expenses for the quarter were $58,252 below budget (actual $1,551,695 versus budgeted $1,609,947).

The company's liquidity ratio was met.

There were no dividends paid during this quarter.

2. Other Key Strategic and Operational Activities
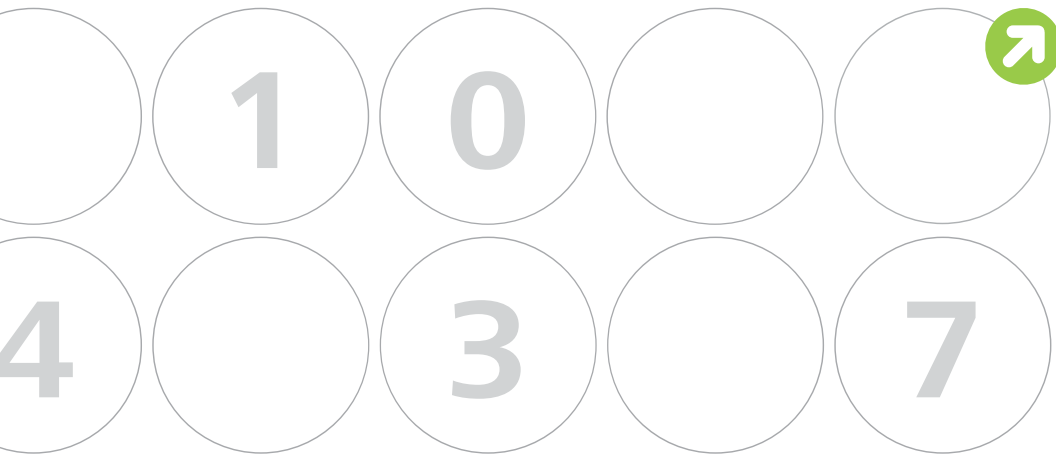
During this quarter we recruited a Junior Data Scientist taking the Technical Research team to its full complement of three staff.

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

Yours sincerely

Richard Currey
Chair

Deloitte*private*

We're all about you ↗

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Financial Statements

NZRS Ltd

For the Quarter Ended 30 June 2016

Deloitte.

Deloitte.

NZRS Ltd
Financial Statements
For the Quarter Ended 30 June 2016

Statement of Financial Performance

Balance Sheet

Statement of Cash Flows

Activity Based Expenditure Report

Profit & Loss

NZRS Ltd
For the 3 months ended 30 June 2016

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Income								
Business Development (82700)	25,000	-	25,000▲	0.0%	25,000	-	25,000▲	0.0%
Registry Fees	2,491,757	2,476,601	15,156▲	0.6%▲	2,491,757	2,476,601	15,156▲	0.6%▲
Total Income	**2,516,757**	**2,476,601**	**40,156**	**1.6%**	**2,516,757**	**2,476,601**	**40,156**	**1.6%**
Less Cost of Sales								
DNC Fee (348)	467,460	467,460	-	0.0%	467,460	467,460	-	0.0%
DNS Expenses	53,118	37,847	15,271▲	40.3%▲	53,118	37,847	15,271▲	40.3%▲
ISP/Hosting/Networking	98,432	102,711	(4,279)▼	-4.2%▼	98,432	102,711	(4,279)▼	-4.2%▼
Other IT	30,918	74,818	(43,900)▼	-58.7%▼	30,918	74,818	(43,900)▼	-58.7%▼
Total Cost of Sales	**649,928**	**682,836**	**(32,908)**	**-4.8%**	**649,928**	**682,836**	**(32,908)**	**-4.8%**
Gross Profit	**1,866,829**	**1,793,765**	**73,064**	**4.0%**	**1,866,829**	**1,793,765**	**73,064**	**4.0%**
Less Operating Expenses								
Depreciation & Amortisation	146,068	153,826	(7,758)▼	-5.0%▼	146,068	153,826	(7,758)▼	-5.0%▼
Overhead Expenses	755,699	773,285	(17,586)▼	-2.3%▼	755,699	773,285	(17,586)▼	-2.3%▼
Total Operating Expenses	**901,767**	**927,111**	**(25,344)**	**-2.7%**	**901,767**	**927,111**	**(25,344)**	**-2.7%**
Operating Profit	**965,063**	**866,654**	**98,409**	**11.0%**	**965,063**	**866,654**	**98,409**	**11.0%**
Non-operating Income								
Interest Received (203)	77,814	90,009	(12,195)▼	-13.5%▼	77,814	90,009	(12,195)▼	-13.5%▼
Total Non-operating Income	**77,814**	**90,009**	**(12,195)**	**-13.5%**	**77,814**	**90,009**	**(12,195)**	**-13.5%**

Profit & Loss

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Net Profit	**1,042,877**	**956,663**	**86,214**	**9.0%**	**1,042,877**	**956,663**	**86,214**	**9.0%**

Balance Sheet

NZRS Ltd
As at 30 June 2016

	30 Jun 2016	31 Mar 2016
Assets		
Bank		
Cash and Cash Equivalents	10,823,647	9,641,088
Total Bank	**10,823,647**	**9,641,088**
Current Assets		
Accounts Receivable	932,813	1,076,741
Interest Receivable (688)	152,372	115,862
Prepayments/Credits (687)	122,915	111,341
Total Current Assets	**1,208,099**	**1,303,943**
Fixed Assets		
Fixed Assets	601,329	689,618
Total Fixed Assets	**601,329**	**689,618**
Total Assets	**12,633,075**	**11,634,650**
Liabilities		
Current Liabilities		
Accounts Payable	249,024	313,156
Credit Cards	20,548	15,236
Deferred Income - Registry Fees	7,652,358	7,585,829
GST	37,195	89,357
Total Current Liabilities	**7,959,126**	**8,003,577**
Non-Current Liabilities		
Deferred Income - Adjustment (81700)	431,683	431,683
Total Non-Current Liabilities	**431,683**	**431,683**
Total Liabilities	**8,390,809**	**8,435,261**
Net Assets	**4,242,266**	**3,199,389**
Equity		
30,000 Ordinary Shares (60100)	30,000	30,000
Current Year Earnings	1,042,877	3,874,767
Retained Earnings (638)	3,169,389	(705,377)
Total Equity	**4,242,266**	**3,199,389**

New Zealand Domain Name Registry Limited
Statement of Cash Flows
For the Quarter Ended 30 June 2016

Deloitte.

	This Quarter			Year to Date				Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Last Year (YTD)	Budget	LY Actual
Cash Flows From Operating Activities									
Cash Was Provided From:									
Registry Fees Received	2,948,112	3,145,064	(196,952)	2,948,112	3,145,064	(196,952)	3,305,812	12,602,588	11,461,376
Other Receipts	72,140	90,009	(17,869)	72,140	90,009	(17,869)	63,271	355,110	335,042
	3,020,252	3,235,073	(214,821)	3,020,252	3,235,073	(214,821)	3,369,084	12,957,698	11,796,418
Cash Was Distributed To:									
Payments to Suppliers and Employees	1,590,510	1,626,419	(35,909)	1,590,510	1,626,419	(35,909)	1,592,701	6,422,543	6,250,875
Net Taxation Paid	-	-	-	-	-	-	-	-	-
Net Dividend Paid	-	-	-	-	-	-	-	4,334,136	4,170,058
Net GST Paid	180,358	247,664	(67,306)	180,358	247,664	(67,306)	210,168	896,868	529,823
	1,770,868	1,874,083	(103,215)	1,770,868	1,874,083	(103,215)	1,802,869	11,653,547	10,950,756
Net Cashflows from Operating	1,249,384	1,360,990	(111,606)	1,249,384	1,360,990	(111,606)	1,566,215	1,304,151	845,662
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	87,374	116,917	(29,543)	87,374	116,917	(29,543)	29,744	643,042	178,863
Net Cash flows from Investing Activities	(87,374)	(116,917)	29,543	(87,374)	(116,917)	29,543	(29,744)	(643,042)	(178,863)
Net Increase (Decrease) in Cash Held	1,162,010	1,244,073	(82,062)	1,162,010	1,244,073	(82,063)	1,536,470	661,109	666,799
Plus Opening Cash Balance	9,641,088	9,641,088	-	9,641,088	9,641,088	-	8,959,053	9,641,088	8,959,053
Closing Cash Carried Forward	10,803,099	10,885,161	(82,062)	10,803,099	10,885,161	(82,063)	10,495,524	10,302,197	9,625,852
Closing Cash Comprises									
BNZ First Oncall Account	87	-	-	87	-	-	-	-	117
ASB Bank Cheque Account	707,328	-	-	707,328	-	-	2,413,958	-	965,976
ASB Bank Call Account	1,893,138	-	-	1,893,138	-	-	1,300,036	-	813,382
ANZ Online Account	327	-	-	327	-	-	-	-	392
Term Deposits	8,222,768	-	-	8,222,768	-	-	6,803,323	-	7,861,222
ASB Credit Cards	(20,548)	-	-	(20,548)	-	-	(21,793)	-	(15,236)
Total Cash Held (Including Credit Cards)	10,803,099	10,885,161	(82,062)	10,803,099	10,885,161	(82,062)	10,495,524	10,302,197	9,625,852
Plus ASB Credit Cards	20,548	-	-	20,548	-	-	21,793	-	15,236
Total Cash & Cash Equivalents	10,823,647	10,885,161	(82,062)	10,823,647	10,885,161	(82,062)	10,517,317	10,302,197	9,641,088

Deloitte.

	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	1,081,074	250,019	1,331,093	1,081,074	250,019	1,331,093
Budget	1,097,731	243,730	1,341,461	1,097,731	243,730	1,341,461
Variance	16,657	(6,289)	10,368	16,657	(6,289)	10,368
.NZ Marketing						
Actual	54,136	24,763	78,900	54,136	24,763	78,900
Budget	98,972	23,212	122,183	98,972	23,212	122,183
Variance	44,835	(1,552)	43,284	44,835	(1,552)	43,284
Technical Research						
Actual	82,803	43,499	126,302	82,803	43,499	126,302
Budget	93,458	40,018	133,476	93,458	40,018	133,476
Variance	10,655	(3,481)	7,174	10,655	(3,481)	7,174
Business Development						
Actual	-	15,400	15,400	-	15,400	15,400
Budget	-	12,827	12,827	-	12,827	12,827
Variance	-	(2,573)	(2,573)	-	(2,573)	(2,573)
Total						
Actual	1,218,013	333,682	1,551,695	1,218,013	333,682	1,551,695
Budget	1,290,160	319,787	1,609,947	1,290,160	319,787	1,609,947
Variance	72,147	(13,895)	58,252	72,147	(13,895)	58,252

Technical Research Report

Introduction

This is the August 2016 Technical Research Report, setting out the research projects being undertaken by NZRS. An updated version of this document will be provided at each Council meeting.

Scope and output of technical research

Technical research aims to expand the frontiers of our knowledge about the Internet within NZ and make that new knowledge openly available to all. Projects are drawn from the wide range of topics within this broad ambit.

One of the earliest considerations is what data is available as data analysis is the cornerstone of research activity. This explains the inevitable heavy emphasis on .nz research in the projects listed below as the data is readily available after a number of years building a data collection and analysis infrastructure for .nz.

Research projects are initiated with an idea of what might be achieved, how that might be used and in what forms the output might be delivered. The identification of potential uses looks beyond research team to consider how other researchers might build on that knowledge and how that knowledge might be commercialised, both within and without NZRS, to aid the growth of the NZ economy.

As with all true research though, there is no guarantee that this is what will be achieved or that the project will not change radically over time and it is not uncommon for a project to change focus or even name during its lifetime.

Wherever possible the outputs of technical research projects will be open knowledge, open code published on our GitHub repository and open data published on our Internet Data Portal (IDP), all under a Creative Commons license. The limitations on this are: a) to respect the privacy inherent in any data used; b) to preserve the security of the Internet; and c) to comply with .nz policies and procedures.

Projects

Title	NZ IP Topology Map		Status	On Hold
Description	Mapping the internal structure of the Internet in New Zealand. This project uses the RIPE Atlas probes to do active measurement and discovery of Internet Topology.			
Potential uses	There are a number of outstanding questions about the structure of the NZ Internet whose answers can drive useful policy debate. For example, are there routes where traffic between one NZ site and another NZ site is forced to sub-optimally 'trombone' out of the country and back again because of the way that some providers interconnect?			
Planned outputs	*Form*	*Done*	*Details*	
	Web site	☒	Website at http://ip.topology.net.nz updated with new version.	

	Open data	☒	Resulting network representation made available via the project's website.
	Open code	☒	Code available in NZRS GitHub account.
Presented	Proof of Concept presented at First NZIRF. Working version presented at Second NZIRF. Introduced as project seeking involvement at the RIPE 72 Hackathon.		
Collaborators	No active collaborators at the moment.		
Progress	Needs work automating the execution to make it a regular collection. Make the raw data available via IDP.		

Title	NZ BGP Topology Map		**Status**	On Hold
Description	Mapping the structure of the Internet in New Zealand using publicly available data sources. Uses BGP feeds from RouteViews, RIPE and data made available by the Internet Exchanges.			
Potential Uses	Understand how the structure of the Internet in New Zealand changes with the pass of time, how different IXs gain/loose peers, etc.			
Planned outputs	*Form*	*Done*	*Details*	
	Report	☐		
	Web site	☒	http://bgp.topology.net.nz A new faster version will be made available soon.	
	Open data	☒	Collected data made available via IDP	
	Open code	☒	Code available in NZRS Github account	
Presented	Presented at First NZIRF and previous version at NZNOG 2014.			
Collaborators	None.			
Progress	A new version was written to allow using publicly available APIs, and to store the collected data in IDP. A better and easier to use visualization has been produced and will be deployed to production soon.			

Title	ANZSIC classification of the register		**Status**	On hold
Description	Using web content from each domain web page, and a set of hand curated domain names mapped to an economic activity code (ANZSIC), train a machine learning model and be able to classify every domain in the register. This allow us to augment our understanding of the register			
Potential uses	The data could be provided to registrars for their Domains under management (DUMs) in the registrar portal and so help them understand their customers better. The same data could also be made available to registrants through a new product or service.			
	Form	*Done*	*Details*	

Planned outputs	Open data	☐	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	☐	Will publish code on GitHub
Presented	Concept presented at 2015 Registrar conference.		
Collaborators	Initial data used for the training was bought from two companies one of which participated in the first round of analysis of the results.		
Progress	Using a strict mapping from domain to activity code, 50% (+/- 1%) of the testing data was mapped correctly. If using fuzzy matching (any of the top 3 most probable categories), this value increases up to 78% +/- 1% accuracy. Future steps include a better text collection from the webpages and better input data clean-up.		

Title	Domain Retention Prediction		Status	In Progress
Description	Project to generate a probabilistic model that will tell us: • Which elements of a registration are best predictors of their likelihood to be stay in the register • Probability of a domain to be stay in the register in the future, and by extension, determine the forward value of a domain in the register			
Potential uses	Can be provided to registrars for their DUMs to enable them to understand their customers better. This work may also allow NZRS to produce a better income forecasting model.			
Planned outputs	*Form*	*Done*	*Details*	
	Open code	☐	Will publish code on GitHub.	
Presented	Concept presented at Registrar Conferences in 2014 and 2015.			
Collaborators	Some of the insights obtained in this work has been shared and discussed with staff at another ccTLD.			
Progress	As introductory/exploratory phase, made progress on a rigorous model for creation forecast that's close to completion, as well as a model for domain survivability. The following task will be Machine Learning to identify the most relevant elements in a domain affecting cancellations.			

Title	Registrant Classification		Status	In Progress
Description	Machine Learning classifier to determine if a registrant is a person or an organization based on the registrant name.			
Potential uses	Augment our understanding of the register, as this information is not available at registration. Likely this will feed into other research projects rather than have much utility on its own.			
	Form	*Done*	*Details*	

Planned outputs	Open data	☐	Will consider aggregated and anonymised data on IDP.
	Open code	☐	Will be published on GitHub.
Presented	None.		
Collaborators	None.		
Progress	Code refactored to improve accuracy and quality of documentation, achieving 96% accuracy. Currently 60.6% of the domains are registered by Organizations, 39.4% by Individuals.		

Title	Domain Popularity Algorithm		Status	In Progress
Description	Algorithm using DNS data to determine if a domain name is more popular than others.			
Potential uses	Can be shared with registrars to help them understand their customers better. Can be used for interesting information about the .nz namespace for the general public in press releases and the like. Can be used to develop new products/services that allow registrants to see how their actions affect their domain name popularity.			
Planned outputs	*Form*	*Done*	*Details*	
	Report	☐		
	Web site	☒	Some selected data sets are publicly visualized at http://domain-rank.nzrs.net.nz/popular.html and http://domain-rank.nzrs.net.nz/bank.html	
	Open data	☐	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants	
	Open code	☐	Will be published on GitHub.	
Presented	Presented as Proof of Concept at DNS-OARC 22 in Amsterdam. Accepted presentation for CENTR Jamboree in Brussels in May 2016.			
Collaborators	Seeking collaboration with ccTLDs.			
Progress	A review of the algorithm has been done and we are now working with a different approach that produces better results. A sample of DNS traffic from one of your offshore providers will be used to test for bias. Working in identifying well known sources of traffic to treat that traffic in a different way. Google Analytics figures from different domain names to be used to test correctness.			

Title	DGA detection algorithm	Status	On Hold
Description	We gave our summer intern relatively free rein to explore our DNS data set and what he came up with is the bones of an		

algorithm to automatically detect traffic generated by botnets using DGAs (Domain Generation Algorithms) using DNS traffic.

Potential uses	Can be used for early detection of infected hosts. Can be used to assess the overall health of .nz. Can be used to assess the likelihood that a new registration is nefarious in intent.		
Planned outputs	*Form*	*Done*	*Details*
	Report	☐	
	Open code	☐	Will be published on GitHub.
Presented	The concept was presented at the New Zealand Internet Research Forum 2015.		
Collaborators	Details have been exchanged with SIDN Labs as they are working in similar ideas.		
Progress	The proof of concept needs to be tested at a larger scale, possibly using a different language.		

Title	Register word decomposition		Status	In Progress
Description	Decompose every domain in the register into their word components (aucklandaccountants.org.nz into "Auckland accountants").			
Potential uses	Largely as a building block for other potential projects, such as identifying prevalence of geographic terms (and thereby understanding potential for a new geographic TLD), detecting trending words in registrations and identifying use of Te Reo.			
Planned outputs	*Form*	*Done*	*Details*	
	Report	☐		
	Open data	☐	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants	
	Open code	☐	Will be published on GitHub.	
Presented	None.			
Collaborators	None.			
Progress	Using a curated list of 2000 domains, and using the LINZ Gazetteer data as input, the classifier achieves an 88% accuracy. Requires a curated Te Reo Māori corpus to increase accuracy.			

Title	Full web scan of .nz		Status	On Hold
Description	Capture web content published under .nz domains to feed the ANZSIC classification project. Investigate tools to do a deeper gathering of content.			
Potential uses	Multiple possible uses including a general report on the state of the .nz web space; information for registrars on their DUMs;			

	information for registrants as part of a new product or service; and as an input into a other research projects.		
Planned outputs	*Form*	*Done*	*Details*
	Report	☐	
	Open data	☐	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	☐	Will be published on GitHub.
Presented	None		
Collaborators	We have discussed this project with the National Library who have a contract for a web scan using similar technology and are looking at techniques to mine that data once gathered.		
Progress	A first working version is available and being used for ad-hoc shallow web scans. A second version is available to identify the cases where sites require Javascript to render content, to fetch them using a different tool. A Proof of Concept for the deep scan is available using Hadoop, Heritrix and HBase.		

Title	Zone Scan V2	**Status**	Not started
Description	The regular zone scan is using code that is no longer maintained. The replacement version allows faster scanning, and easier ways to run custom collections. This work aims to investigate, test and eventually replace the engine used by the zone scan.		
Potential uses	NZRS development team already working on building outputs from v1 into the registrar portal to provide registrars with information on their domains with a view to improving quality. Data could also be provided to registrants in a new product or service.		
Planned outputs	*Form*	*Done*	*Details*
	Open data	☐	Will publish aggregated and anonymised data on IDP.
	Open code	☐	Will be published on GitHub.
Presented	None		
Collaborators	IIS, the .SE ccTLD are collaborators as authors of the engine currently in use, and developers of the replacement.		
Progress	Not Started		

Title	DNS statistics publication using IDP	**Status**	Not started
Description	Make data from the DNS traffic for .nz available using the Internet Data Portal		
Potential uses	Researchers and Policy makers are always interested in data. DNS data is rich and vast, and can be useful to observe the uptake of new technologies. Making data from the DNS traffic		

	for our ccTLD available in an open format can help the community to answer some questions, like the uptake of IPv6 or DNSSEC. We aim to make some of that data available on a regular basis.		
Planned outputs	*Form*	*Done*	*Details*
	Report	☐	
	Open data	☐	Will publish aggregated and anonymised data on IDP.
	Open code	☐	Will be published on GitHub.
Presented	None.		
Collaborators	None.		
Progress	Not started		

Title	Digital Journey publication using IDP		Status	Finished
Description	Make data collected from the Digital Journey website about businesses self-assessment of their use of digital technologies available using the Internet Data Portal			
Potential Uses	Data collection started in 2014, and could provide a consistent view on how businesses have evolved their preparedness around digital technologies.			
Planned outputs	*Form*	*Done*	*Details*	
	Open data	☒	Available in IDP https://idp.nz/Users-and-Use/Digital-Journey/sp2s-ukz9	
Presented	None.			
Collaborators	MBIE as drivers of the initiative, Firebrand as developers and maintainers of the website.			
Progress	Initial upload of data completed with data from March 2014 to July 2016. Monthly updates scheduled.			

Glossary

Botnet   A network of compromised PCs that are remotely controlled, generally for criminal purposes.

DGA   Domain Generation Algorithm. A technique used by botnets to automatically generate domains names that they can register and use for their command and control servers.

DNS-OARC	The main membership organisation focused on DNS research.
GitHub	The main web site used in our industry for sharing code.
IDP	Our Internet Data Portal at https://idp.nz
NZIRF	New Zealand Internet Research Forum. Organised by InternetNZ.
NZNOG	New Zealand Network Operator Group. Includes most network operators in New Zealand, organize an annual conference.
Hadoop	Big Data Platform
BIND	Most used DNS server software in the world, maintained by ISC

Product and Service Development Report
August 2016

1   Introduction

NZRS has a three-legged stool of product and service development that is based on our mission statement:

"To provide world class critical Internet infrastructure and authoritative Internet data."

Where .nz sits in the nexus as both critical Internet infrastructure and authoritative Internet data.

The diagram below shows the opportunities that are sufficiently well defined to be tracked. Progress on each is detailed below. Please note that this is an operational report and is not intended to explain the strategy or process by which opportunities are chosen.
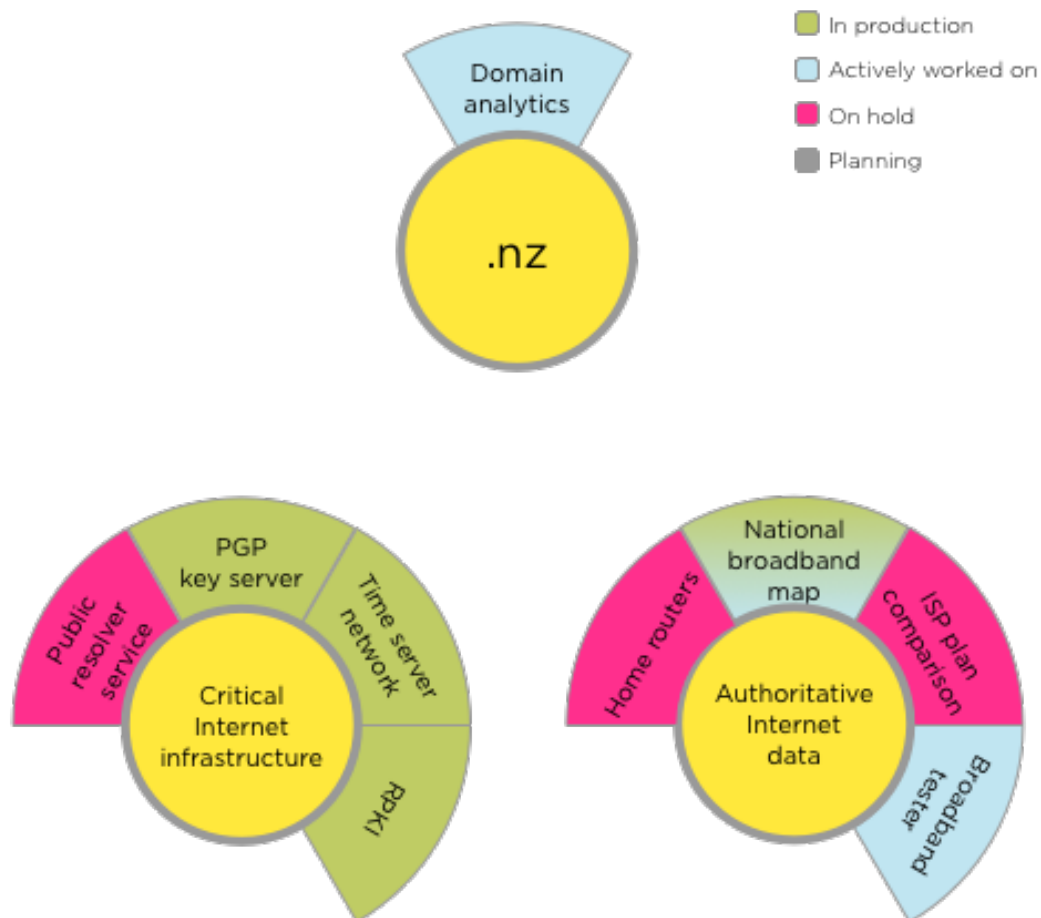
2 Progress

2.1 Domain Analytics

Current status:	ACTIVELY WORKED ON
Possible risk	Low to Medium
Possible income:	High to Very High
BD expenditure:	None
Synopsis:	A product for registrants that they purchase through their registrars as an add-on to their domain name that provides usage data and popularity ranking based on traffic observed on ISP and NZRS nameservers. The ranking can then be compared against anonymised and aggregated data of other registrants based on several factors including ANZ Standard Industry Code. This is unique in that it allows a registrant to measure the impact of the promotional spend independent of factors that affect their market overall (e.g. seasonal changes).
Issues and Risks	• The anonymisation has to be good to ensure that individual registrants cannot be identified by their competitors. Good examples of how to do this exist in the credit card data market. • The ranking algorithm has to be robust.
Key actions since last report	• Business plan approved by NZRS board. • Completed first cut of UX design and backend architecture.
Next steps	In development -

2.2 Public Resolver Service

Current status:	ON HOLD
Possible risk:	Medium to High
Possible income:	Medium to High
BD expenditure:	None
Synopsis:	A public resolver service akin to 8.8.8.8 from

	Google that allowing people to access to their full resolver data (useful for identifying infections, access to phishing sites, etc) and to add-on custom filtering services and geo-ip blocking circumvention. Also enables a jump start in NZ DNSSEC usage. Potential to include new privacy features being developed by IETF.
Issues and Risks	• Robust authorisation process required to ensure that people only see the data that belongs to them. • Preventing law enforcement thinking of this as a good place to serve an interception warrant.
Key actions since last report	• None
Next steps	On hold due to other priorities.

2.3 PGP Keyserver

Current status:	IN PRODUCTION
Possible risk	Low
Possible income	None (current) to Medium (possible future)
BD expenditure:	None
Synopsis:	This was initially launched in 2009 as a free service filling a gap in the Internet infrastructure of NZ. Since then a watching brief has been kept on identity technologies and services to see how this service can be built on. There is an opportunity to develop as a more general identity platform.
Issues and Risks	• None.
Key actions since last report	• None
Next steps	No further work planned

2.4 Time Server Network

Current status:	IN PRODUCTION
Possible risk	Low
Possible income	None (current) to Low (possible future)
BD expenditure:	None
Synopsis:	This was initially launched in 2010 as a free service filling a gap in the Internet infrastructure of NZ. This service is capable of serving more accurate time (using Precision Time Protocol) and more secure time (using Autokey) but neither feature is turned on. Since then a watching brief has been kept on the need for more accurate or secure time to see how this service can be built on.
Issues and Risks	• None
Key actions since last report	• None
Next steps	Hardware has arrived and in discussions with planned site about installation.

2.5 RPKI

Current status:	IN PRODUCTION
Possible risk	Medium
Possible income	None (current) to Medium (possible future)
BD expenditure:	None
Synopsis:	Over time we expect most if not all of the global Internet routing system to want to be protected by RPKI. For some NZ holders of large IP address blocks this may be costly for them to achieve because of the restricted practices of APNIC. By launching a free RPKI validation service we have a chance to establish our credibility and then publish an RPKI signing key into the global system along with ccTLD/DNS operator partners operating in the same space. With this we could then offer RPKI signing to NZ IP address holders in a less expensive way that RIRs.

Issues and Risks	• Competition and modernisations by RIRs may obviate the need for cheaper signing.
Key actions since last report	• None
Next steps	Concentrating on promoting the free service and encouraging people to use it, in order to establish the site. Current usage is minimal, reflecting a general apathy towards RPKI.

2.6 Home Routers

Current status:	ON HOLD
Possible risk	Medium to High
Possible income	High
BD expenditure:	None
Synopsis:	A home router that puts the consumer in complete control of their Internet connection. Features include: • Monitoring your own traffic • Identifying locally infected devices • Measuring your internet service performance • Circumventing geo-IP blocks • Comparing your traffic against anonymised and aggregated data of other users • Time/device based blocking of Internet use • Local content filtering
Issues and Risks	• Expensive project to undertake. • Relies on specialist skills that are in short supply. • Taken so long to get to this stage that first mover advantage may be lost.
Key actions since last report	• None
Next steps	On hold due to other priorities

2.7 National Broadband Map

Current status:	IN PRODUCTION / ACTIVELY WORKED ON

Possible risk	Medium
Possible income	Low
Synopsis:	This is a two stage opportunity. Stage 1 is to build a site that enables anyone to find out what broadband technology is available at a particular location and what access speeds that supports. Stage 2 is to make that financially self-sustaining by charging for API access.
Issues and Risks	• That all data providers are happy with a small level of monetisation in order to make the site self-sustaining and not an ongoing cost.
Key actions since last report	• Embeddable widget launched. • Service now used by realestate.co.nz for showing broadband availability by properties for sale. • Service now used by BroadbandCompare as well as Glimp.
Next steps	Adding new interface for high volume users and continuing sales efforts for API.

2.8 ISP plan comparison

Current status:	ON HOLD
Possible risk	Low
Possible income	Low
BD expenditure:	None
Synopsis:	Telme was an established price comparison site for consumers to choose the best ISP/Telco for their need. This was a complex site and expensive to run with no commercialisation. The plan is to redevelop it into a much simpler site and make it financially self-sustaining through the sale of the pricing data collected, as other price comparison web sites do.
Issues and Risks	• TelMe was not financially self-sustaining. • Complexity of providing results in a way that meets both Consumer requirements on

	correctness/authority and NZRS requirements on usability/simplicity.
Key actions since last report	• None
Next steps	On hold waiting to see what impact Glimp and BroadbandCompare have on the market and in particular if a new site can be made financially viable.

2.9 Broadband Tester

Current status:	ACTIVELY WORKED ON
Possible risk	Medium
Possible income	Medium
BD expenditure:	None
Synopsis:	Broadband testing is in its infancy and there is still no best way to carry it out. The three forms currently employed are: • Over the top (OTP) – such as Speedtest.net • Edge – such as Truenet • Infrastructure – such as WAND AMP It is likely that some form of tender will appear for broadband testing capability using OTP or infrastructure methods to complement that edge based testing already used by ComCom. With extensive experience of infrastructure management in this area (we have managed some WAND AMP probes for many years) this provides a number of opportunities: • To become the central/neutral repository of published broadband tests. • To develop or contribute to the development (as we have with WAND AMP) of open source broadband testing tools. • To become a neutral operator of a infrastructure based broadband testing network.
Issues and Risks	• May be perceived by some members as competition. • Ensuring that we have a neutral role and do

	not get into the judgemental space.
Key actions since last report	• None
Next steps	Waiting for a tender to be issued.

3 Financial summary

The total capital expenditure to the end of March of the $400,000 committed to product and service development is as follows:

Year	Opportunity	Item	Spent
2014-15	National Broadband Map	Development	$43,036
2015-16	National Broadband Map	Development	$36,183
2016-17	Domain Analytics	UX Design	$14,400
TOTAL			**$93,619**
REMAINDER			**$306,381**

Strategic Planning 2016

Author:	Jordan Carter, Chief Executive
Purpose of paper:	To suggest an approach and some subject area options for Council to consider in deciding what Strategic Planning to do at the 2016 Strategy Day.

InternetNZ's annual planning cycle schedules any Strategic Planning to be done in September or October. We have a date confirmed of **Saturday 24 September** but nothing in terms of approach, venue, time etc. This paper makes some suggestions for Council consideration.

Strategic matters for attention

1 October marks 18 months since the three-year InternetNZ and five-year Group Strategic Plans were adopted. Staff plan to give Council an assessment of progress to date on both as an input around the time of the Strategy Day, as an input.

Aside from looking at such reviews and testing them, the following topics may be useful to focus on, or occur to the management team as worth further exploration. Those with a * appeared on this list last year.

- **Group identity and culture*** – with the group hitting one year back on one floor, it would be useful to tease out Council's expectations for the culture it wishes to see.

- **International strategy*** – making sure the resources the group spends in international work are targeted at the right areas and well connected to our overall Strategy.

Councillors have also raised the following:

- **Member engagement and involvement*** – with a target of 1000 members in eighteen months, how should we shape ways of engaging and involving (current, new, former) members?

- **Environmental scan** – taking WHOIS and membership engagement as examples, do a broader scan of the environment to work out whether there are other things coming we should prepare for in advance.

- **Financial strategy** – teasing out the discussion started at Council about what to do with financial reserves in the long term.

- **Group structure** – our current organisational structure was established in 2002, and reviewed in 2007. Assessing whether it remains fit for purpose in today's environment, whether changes or a review is needed.

- **Strategy reform** – the current strategy could be seen as too tactical and immediate, and could be refined and changed so that it is a better long term guiding vision for the work of the organisation.

Council members may have other areas of suggested focus spurred by these suggestions.

Staff are continuing to consider these suggestions and will be able to offer a sense of how we see the priority between and among these items at the August meeting.

At the end of the discussion, I seek clarity in the topics we will discuss at the 2016 Strategy Day and the sorts of staff inputs that are desired. Depending on the topic, Council may want to appoint a small group to work with staff in prepping for the Day.

The Strategy Day: where, duration, participation

As noted above, the date proposed is **Saturday 24 September.**

Our initial proposal is that this year, the meeting is a full-day meeting in the Wellington office (9am to 5pm), preceded by dinner on the Friday.

Independent facilitation will help to ensure everyone present can participate equally in the discussion without having to worry about a) facilitation or b) note taking.

Participation should be Council and the staff leadership team.

Council should consider any participation by subsidiary board members or staff in deciding which topics to discuss.

Recommendations

THAT this paper on Strategic Planning in 2016 be received, and that Council agree the following topic/s for a one-day discussion between Council members and senior InternetNZ staff on 24 September:

-
-

Jordan Carter
18 August 2016

EVALUATING PRODUCT AND SERVICES DEVELOPMENT

Author:	Jordan Carter, Chief Executive
Purpose of Paper:	To propose a revised approach to the evaluation of NZRS Product and Services Development activities for decision.

Council agreed earlier this year to develop a framework for the evaluation of product and service development that would be used to make a decision about the future of the activity. A decision of some sort is required prior to the expiration of the $400,000 fund for direct (opex or capex) costs on 31 March 2017, a limit that was re-stated in the Product and Services Development Policy adopted in May.

Andrew Cushen, Deputy Chief Executive, presented a paper on this subject to Council in May. Following that discussion and reflection since, this paper is my effort at bringing a more concrete proposal to Council for consideration.

Context

InternetNZ has spent a huge amount of time and energy in discussing and agreeing a strategy for product and services development. There are frameworks in place at the policy and strategy level that guide and constrain what NZRS can do in terms of use of resources and financial targets.

Because the policy sets a time limit on funding availability for p&s development, a decision needs to be made about it – either continuing that financial envelope, taking a different approach or stopping p&s dev.

To come to a reasonable decision, an evaluation of progress to date against agreed targets is a natural approach to take.

Targets/Limits in place

The Product and Services Development Strategy and Policy and the Statement of Expectations provide a clear set of targets and limits for this area of work, as summarised in this table:

Target/Limit		Source
A	$1m in group revenue (by 2020)	Strategy
B	3 commercial products developed and in production generating positive cashflow (by 2018)	Strategy
C	1-3 commercial products in development at any one time (by 2017)	Strategy

	Target/Limit	Source
D	Dual channel/customer base of registrars/registrants and ISPs/Internet users	Strategy
E	InternetNZ group recognized as succeeding at product and services development.	Strategy
F	Achieve an EBIT ratio of **30%** by the end of the 2015-2017 period in respect of new business development opportunities pursued by the company. • This ratio applies to all other revenue from commercial operations. • 25% of the costs of the technical research function should be included in calculating this target, as research is required in developing new business opportunities, products and so on.	Statement of Expectations 2016/17
G	Retain a maximum exposure of **$400,000** for business development purposes (in terms of direct costs) and utilise this consistent with group strategy and policy requirements.	Statement of Expectations 2016/17
H	$400,000 (either opex or capex) from 1 April 2014 to 31 March 2017 on overall gross direct expenditure on product and services development.	Group Policy: P&S Dev't

Assessment: Proposed High Level Approach

I propose the following high level approach to conducting the assessment:

- **Purpose** of assessment is to decide whether product & services development is to continue in the coming financial year.

- **Timing** of assessment is November each year, since the decision involved is materially connected to decisions about the annual SOE.

- **Form** of assessment is Council consideration of a report from staff based on information provided by NZRS.

- **Information** provided by NZRS is:
    - P&S Revenue, Expenses, EBIT (as per F above) actuals for H1 (to 30 Sep) and forecast for H2, for each P&S Product/Service and for the portfolio as a whole
    - Planned P&S projects for the coming financial year, along with high level estimates for Revenue and Expenses for each project
    - Balance in $400k fund of direct (opex or capex costs) at H1, forecast for H2, and forecast for end of coming FY
    - Actual H1, forecast H2 and forecast next financial year commitment of indirect costs for product & services development
    - Statement of delivery/progress against Targets A, B, C and D
    - Statement of assessment or measures to evidence Target E

- The Chief Executive will prepare a report that assesses the information from the company, other information available to the shareholder at the time of writing, and makes a recommendation to Council:
  - Whether and why P&S development should or should not continue in the coming year
  - Where it should continue, propose the limit for direct (opex or capex) costs should be (i.e. retain $400k limit, increase, decrease)
- Council will consider the report, discuss with staff and with NZRS, and make a decision.

Starting this assessment process

With the Strategy and Policy only being approved in May 2016, and the uncertainty from previous strategic ambiguity having played a limiting role in progress before that time, a substantive go/no go decision in November 2016 seems of limited utility.

NZRS should be asked to provide the information noted above and the discussion in 2016 should be to test and query that information and plans for the coming financial year. This will iron out any issues in the assessment process and generate baseline goals to which the company can be held to account.

Recommendation

THAT the High Level Approach for evaluating Product & Service Development on an annual basis, as set out in this paper, be **agreed**.

THAT the Chief Executive **document** the approach and formally convey it to NZRS, and that in doing so he invites the company to discuss the details and seek mutual agreement of any inconsistencies or issues, and report back on these to Council as or if required.

THAT Council **agree** that the 2016 assessment to be done in November 2016 will be aimed at establishing goals for which NZRS can be held to account in the subsequent annual assessment.

Jordan Carter

Chief Executive

18 August 2016

AMENDMENT TO THE RESERVES POLICY

Author: Andrew Cushen, Deputy Chief Executive

Purpose of Paper: To propose amendments to the Reserves Policy following decisions made at the May 2016 Council Meeting

Introduction

At the May 2016 Council meeting, staff presented a paper recommending that InternetNZ should review the level of financial reserves that are held to allow for additional working capital.

This discussion resulted in the following resolution of Council.

> *RN31/16: THAT Council requests the Chief Executive prepare an amended Reserves Policy to be presented to the August 2016 Council meeting.*

This paper presents the recommendations to Council as to how the Reserves Policy should be amended, for decision.

Current Policy

According to our Reserves Policy, approximately $1.4m is required to be held. This is calculated taking into account the following requirements:

> *Two years of lease obligation. This allows for considerable time to sub-lease and provides some flexibility should it not be possible to sub-lease at the same rate as the current lease.*

> *Three months of Opex, including staff remuneration. Opex should include all costs, but those that will be required to be paid during a wind up process. Excluded should be Advertising/marketing, Consultants, Depreciation, Entertainment, Repairs and Maintenance for computers and office, subscriptions.*

> *One month of staff remuneration to cover holiday pay owed.*

Discussion

The paper presented to the May meeting included a recommendation that an additional ~$400,000 be added to these reserves required in the Reserves Policy to provide additional working capital. The rationale presented for this is was as follows:

> *Working Capital: due to the timing of cashflows from subsidiaries an additional $400,000 is recommended to be held as working capital.*

> *Recent changes to Anti-Money Laundering (AML) practice with our banks have limited our ability to draw down on Term Deposits in a timely manner. This means there is less flexibility than there has been in the past in managing cashflow.*

$400,000 is approximately 10% of InternetNZ's operating budget. Keeping this as cash on hand seems a prudent change to this reserves policy. Such an amendment would allow InternetNZ to maintain budgeted expenditure and meet contractual commitments while awaiting the timing of dividend payments, and should be held in addition to the wind up reserve amount.

Staff also recommended an additional $400,000 for Operational Deficit funding. However, the discussion in the meeting confirmed that this was effectively doubling up on the Working Capital amount, and thus this second tranche of another $400,000 added to these required reserved was not required.

Recommended Policy Amendments

The operating budget is currently approximately $4.5m per year. The Reserves Policy currently works on time-based proportions of this amount – i.e. months or years of different types of expenditure. This means that the Reserves Policy continues to be relevant regardless of the particular operating budget for any given year.

The recommended additional $400,000 is rather close to one month's Opex, at current budget levels (1/12 of $4.5m is $375,000).

Therefore, to maintain the consistency in this Reserves Policy this amendment is presented as an additional One Month of Opex rather than a fixed $400,000 amount.

Amended Policy

I recommend that this Reserves Policy be amended by adding the following statement, as highlighted in **bold** against the current policy wording:

Two years of lease obligation. This allows for considerable time to sub-lease and provides some flexibility should it not be possible to sub-lease at the same rate as the current lease.

Three months of Opex, including staff remuneration. Opex should include all costs, but those that will be required to be paid during a wind up process. Excluded should be Advertising/marketing, Consultants, Depreciation, Entertainment, Repairs and Maintenance for computers and office, subscriptions.

One additional month of Opex to provide working capital to meet contractual commitments (including Community Grants), operating expenditure and any other operating cost shortfall created by the timing of dividend payments.

One month of staff remuneration to cover holiday pay owed.

Recommendation

THAT Council approves an amendment to the Reserves Policy, as set out in this paper, which has the effect of adding a working capital reserve (equivalent to one month of the year's planned Operating Expenditure) to the required financial reserves.

Andrew Cushen
Deputy Chief Executive
17 August 2016

RESERVES UTILISATION AND TREASURY POLICY

Author: Jordan Carter, Chief Executive

Purpose of Paper: To defer consideration of the approach to managing financial reserves until after a discussion about group financial planning (with a proposal for how to begin such a discussion).

Introduction

At the May 2016 meeting, staff presented a paper continuing the discussion about how to manage/utilise cash held in excess of required reserves. The discussion resulted in the following from the minutes:

> *After a brief discussion on the options for the proposed approached on how the financial reserves can be spent, Council agreed with the suggestion to amend the paper so that it also includes some advice from a financial expert/specialist regarding our reserves and adding scenarios that would fit with the proposed options.*
>
> *AP13/16: Staff to amend the paper on the recommended approach for using the financial reserves and table it at the August Council meeting for discussion/decision. This paper presents the recommendations to Council as to how the Reserves Policy should be amended, for decision.*

The Reserves Policy matter is dealt with in a separate paper at this meeting. This paper considers the broader issue of Reserves Utilisation and Treasury policy.

Group Financial Discussion

One of the challenges in considering how best to manage the reserves of the Group is that they are not held by one entity: they are held by three legal entities with separate governance bodies and risk preferences.

Further, there is no coordinated financial planning across the group. Reporting, in aggregate, only happens at the highest level and on a quarterly basis.

A recent discussion between the Chairs and CEs of the three parts of the group indicated the need for a broader discussion of Group finances, without specifying what might be in scope for such a discussion.

Without prejudging what other items or issues might be covered in such a conversation, it seems inevitable that the topic of how to best manage financial reserves in InternetNZ's interests will be part of the mix.

A clear linkage between the Group's overall strategy and its overall financial strategy seems likely to deliver better outcomes Group-wide and for each of the entities in the Group as well.

We can develop an appropriate and effective strategy for how to maximize gains from retained funds once we have greater clarity about the bigger picture.

One possible approach would be the establishment of an informal working group of staff, councilors and directors, to develop the scope and timeframe for such a discussion.

All in all, the conversations related to this matter have evolved in a manner that provides a better path forward than that agreed in May. That is why this paper does not follow the AP agreed in May and instead proposes a different approach.

Councillors are of course completely welcome to propose any other approach, or combinations of approaches. My hope is that this paper will help instigate a discussion that gets us where we need to be.

Recommendation

THAT Council:

- notes and endorses the suggestion of a broader discussion of Group finances; AND

- agrees that this should happen before further work at the InternetNZ level on how best to manage reserves; AND

- asks the Chief Executive to work with relevant Councillors (NAMES), and subsidiary staff and directors as agreed by each subsidiary, to convene the discussion; AND

- notes that Council input and decision on the approach for such a discussion will be sought by email in the next few weeks.

Jordan Carter
Chief Executive

17 August 2016

![InternetNZ logo]

Schedule of Meetings for 2017

Author:	Maria Reyes, Office Manager
Purpose of paper:	To agree and approve the schedule of Council meetings and events in 2017.

The table below sets out proposed dates for key internal meetings (Council, members) and external meetings for 2017. Previous consultation with subsidiaries has suggested that meeting dates at the end of the month would enable quarterly reports to be ratified at their board meetings prior to presentation to the Council. This would ensure a timely presentation to Council within two calendar months from the period end.

Schedule of Meetings for 2017

Month	Date	Internal	External/Int'l
2017			
Jan			NZNOG 23-27th Jan
Feb			APRICOT Vietnam 20th Feb – 2nd Mar
Mar	Fri 3rd	**Council** – Quarterly Meeting (WLG)	
Mar		**Members** Meetups Operational focus	ICANN 58 Copenhagen 11-16th March
Apr	Fri 7th (Half day)	**Council** Activity Plan & Budget Meeting	
May	Fri 26th	**Council** – Quarterly Meeting (WLG)	
Jun			ICANN 59 Johannesburg 26-29th June
Jul	Thu 27th *(option: Mon 31st)*	**AGM** (WLG + online)	
Aug	Fri 25th	**Council** – Quarterly Meeting (WLG)	
Sep	Sat 23rd	**Council** - Strategy Retreat	
Oct		**Members** Meetups Strategic focus	ICANN 60 (19th AGM) Abu Dhabi 28th Oct – 3rd Nov
Nov	Fri 24th	**Council** – Quarterly Meeting (WLG)	
Dec		**Members** Meetups – Xmas	

Recommendation:

THAT Council adopt the Schedule of Meetings of 2017.

Governance Policies: Planning and Reporting / Planning Cycle

Author: Jordan Carter, Chief Executive

Purpose of paper: To propose updates to Group Governance Policies on Planning and Reporting Timetable and the Annual Planning Cycle that make small changes to bring them up to date.

It is some time since the Planning and Reporting policy and Annual Planning Cycle were reviewed.

I have led discussions with DNCL and NZRS staff to make adjustments to both policy documents, and the updated drafts follow this paper.

The need for change has arisen from the change to Council's meeting cycle, from roughly two-monthly meetings to quarterly meetings. The proposed changes aim to simplify and clarify expectations for NZRS and DNCL, and the main changes are:

- Date changes to match the quarterly meeting cycle
- NZRS SoDaG due for InternetNZ at May meeting (was draft in Feb, next draft in May)
- Added a fourth quarter report to the reporting cycle

You should consider whether you wish to maintain the status quo of "one pass" on the Statements of Direction and Goals, which is what this draft of the policy provides. The alternative is to table a draft for review and then approval at the next meeting. Each company could be treated differently or the same. The nature of the documents and the limited experience of feedback means I have a slight preference for the one-pass approach, as proposed in these drafts.

Once Council settles on the drafts, between now and the November meeting the Policy Development Process provides for subsidiaries to consider and raise any issues. Council will consider feedback and finalise at the November meeting.

Recommendation

THAT the revised Group Policies – Planning and Reporting Timetable and Annual Planning Cycle – be adopted as consultation drafts for subsidiary input, and return to Council for final consideration at the November meeting.

Jordan Carter
18 August 2016

Group Policy: Planning and Reporting Timetable

Policy	GRP-PRT: Group Policy – Planning and Reporting Timetable
Version	Version 1.2
Date in force	November 2016
Planned review	November 2018

Planning Cycle

Activity	Date/Month	Comment
InternetNZ finalises Statement of Expectations for each subsidiary	By end November	Sets out Councils strategic direction, goals and expectations for each company (including dividend payments for the following year)
DNCL submits Statement of Direction and Goals for the next three years for approval	By early February	SoDaG contains the broad strategy for the company, the key performance targets for which the company will be held accountable and the budget for next 3 years
InternetNZ considers DNCL Statement of Direction and Goals, and approves it (or asks for revisions)	By end February	Where revisions are required, they are approved in between Council meetings
NZRS submits Statement of Direction and Goals for the next three years for approval	By early May	
InternetNZ considers NZRS Statement of Direction and Goals, and approves it (or asks for revisions)	By end May	If .nz fee is changed, may push NZRS SoDaG approval to June

Reporting Cycle

Activity	Date/Month	Comment
Fourth quarter reports from each subsidiary	By 10 May	Feedback is given to the subsidiaries where appropriate
Delivery of audited financial statements from each subsidiary to InternetNZ to enable the consolidation of InternetNZ group accounts	By end of May	Note – current practice is for the Society's auditor to audit all subsidiaries of the group
Annual report from each subsidiary is delivered to InternetNZ	By 20 June	Note – this date will change annually depending on the date of the Society's AGM
First quarter reports from each subsidiary	By 10 August	Feedback is given to the subsidiaries where appropriate
Second quarter reports from each subsidiary	By 10 November	Feedback is given to the subsidiaries where appropriate
Third quarter reports from each subsidiary	By 10 February	Feedback is given to the subsidiaries where appropriate

Note: Quarterly reports are on matters agreed between InternetNZ and subsidiaries from time to time.

At the time this policy was adopted (Nov 2016), they consist of:
- Governance reporting to the shareholder (incl financials)
- A joint report on the .nz domain name space
- NZRS reports on technical research and product & services development

Group Policy: Annual Planning Cycle

November 2016

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
IntNZ - Governance	Appointments panels for subsidiaries set up.	Council meets – reports mtg (after 15th)	Appointments made.	AGM & Council elections.	Council meets – reports mtg (after 15th). Induction of new councillors and directors (incl subsidiary inductions).	Council meets: Strategy/Team Building. Draft SoEs for subsidiaries considered.		Council meets – reports mtg (after 15th). SoEs for subsidiaries agreed.			Council meets – reports mtg (after 15th).	
IntNZ - Strategy					Scope of strategy discussion agreed by Council.	Strategy Retreat.	Strategic meet-ups.					
IntNZ – Bus Plan or Budget	Staff Work Planning.	Final Budget and Activity Plan approved.	Audit completed.		Staff environment scan, prep for Strat Retreat.			Budget window set. 6 mth activity plan review.		Staff Activity Planning.	Draft Budget and Activity Plan Approved.	Operational meet-ups.
Joint .nz	.nz Fee Recommendation to Council.								.		.nz Fee Workshop.	
NZRS	Final budget (only if fee or other assumptions changed).	SoD&G (incl budget) to InternetNZ.	NZRS Final SoD&G if delayed due to a change in the .nz Fee.			Strategy day.	Draft strategy.	Staff business plan day.	Final strategy. Draft budget.		Final business plan. 2nd draft budget.	
DNCL						Strategy day.	Draft strategy.	Staff business plan day.	Final strategy. Draft budget.		SoD&G (incl budget) to InternetNZ.	

Policy	GRP-PLC: Group Policy – Planning Cycle
Version	Version 1.2
Date in force	November 2016
Planned review	November 2018

Review of Committees and Bank Signatories

Author: Jordan Carter, Chief Executive

Purpose of Paper: To review the Council Committees, their Terms of Reference and membership, and to seek additional Bank Signatories.

Prior to the August Council meeting, an email was sent to the Council list regarding the review of the Committees' Terms of Reference as well as the list of current members for each Committee who are up for review or re-appointments.

Council were asked to look at the list of committees, review the terms of reference if they are interested in changing how a committee works or to find out more, and share with the list:

- which committee/s they would like to be on
- any committee/s they would like to leave
- any suggestions they have for changing a committee or establishing a new one / closing an existing one.

Below are the list of current members, as well as list of Councillors who are interested to be members of each Committee.

Most members of each Committee are keen to continue and stay in the group that they are currently included. However, Joy advised that she would like to reduce her committee commitments to just one and is open to discuss with Council as to which Committee she should be on. Keith Davidson, the new Councillor, offered to fill any roles left vacant by Neil.

Copies of the Terms of Reference for each Committee are attached at the end of this paper.

> Councillors are asked to read the ToR to ensure they are familiar with the purpose of each Committee, and to be ready to table any general changes they would like to see at the meeting. Staff will take that and do detailed amendments as required for later evote adoption.

AUDIT & RISK
Current members are Amber Craig, Richard Hulse and Joy Liddicoat.

With Neil James retiring from Council, the Committee are one member short, and a new Committee Chair needs to be appointed as well.

Councillors who noted their interest to be part of this committee are as follows:
- Kelly Buehler
- Rochelle Furneaux
- Keith Davidson

CE REVIEW COMMITTEE
Current members are Jamie Baddeley *(Chair)*, Joy Liddicoat, Hayden Glass and Rochelle Furneaux.

GRANTS COMMITTEE
Current members are Richard Wood *(Chair),* Dave Moskovitz, Sarah Lee, and Jamie Baddeley *(ex officio member)*.

The following Councillors have put their hand up to be part of this Committee to fill-in for Neil's resignation:
- Kelly Buehler
- Keith Davidson

MĀORI ENGAGEMENT COMMITTEE
Current members are Sarah Lee *(Chair),* Amber Craig, and Joy Liddicoat.

MEMBERSHIP COMMITTEE
Current members are Kelly Buehler *(Chair),* Amber Craig, Hayden Glass, and Joy Liddicoat.

> This Committee's ToR should be reworked to reflect the more governance-level focus it is now adopting.

AUTHORISED BANK SIGNATORIES
The following are authorised signatories for authorising bank transactions such as payment for expenses, and setting up automatic payments.
- Jamie Baddeley
- Joy Liddicoat
- Hayden Glass
- Richard Hulse

With Neil leaving the Council, the Finance Manager requested if anyone from Council would be interested to take Neil's place.

Recommendations

- THAT the current set of Council committees as set out in this paper continue in existence with their current Terms of Reference.
- THAT the following appointments are made to each Committee: (list committee with names for each).
- THAT the Chief Executive draft updated Terms of Reference for the following committee/s (name of committee, nature of update) and share these with Council for discussion and decision in September.

Jordan Carter, Chief Executive
18 August 2016

Audit and Risk Terms of Reference

Policy	COM-AUR: Audit and Risk Terms of Reference
Version	Version 1.1
Date in force	5 December 2014
Planned review	June 2015

Constitution

The Audit and Risk Committee *("the Committee")* is a committee of Council with specific delegated powers as set out in this Terms of Reference.

Objectives

The purpose of the Committee is to assist the InternetNZ Council ("Council") in the effective discharge of its responsibilities for financial reporting, internal controls, risk management, statutory compliance and external audit. The committee is also responsible for oversight and development of financial policies at the governance level – those related to expenditure control, investment and treasury functions and delegated authorities. Within the boundaries of this purpose, the Committee's scope is direct oversight of InternetNZ operations while, in relation to the subsidiary organisations, it has the same scope as Council has as shareholder.

The Committee provides the opportunity for Councillors to dedicate specific time to consider audit, risk management and related issues.

The Committee does not relieve any Councillors of their responsibilities for these matters.

Membership

The Committee shall consist of between three and five Councillors who have, between them, relevant skills and experience, including finance, risk management and accounting.

Council shall appoint members and a Chair ("the Chair") of the Committee and review these appointments annually at its first ordinary meeting after the Annual General Meeting of the Society.

Members of the Committee:

1. shall be Councillors;

2. must be able to read and understand financial statements;

3. are not necessarily financial or accounting experts;

4. are not personally required to conduct accounting reviews or audits;

5. are entitled to rely on employees of the Society and professional advisers where they reasonably believe that the employee or adviser is reliable and competent and the reliance was made in good faith and after making an independent assessment of the information.

6. Any member who ceases to be a Councillor ceases to be a member of the Committee.
7. The InternetNZ President is not a member of the Committee ex-officio and is not eligible to be the Chair of the Committee.

Any policy of Council on conflicts of interest applies to the Committee. At its discretion, the Committee may exclude a Councillor who, in the Committee's view, has a conflict of interest with an item of business before the Committee or who is the subject of an investigation by the Committee from proceedings that are relevant to that conflict or investigation.

Attendance

The Committee shall, in consultation with the Chief Executive, appoint a member of staff to act as Committee Secretary.

The Chief Executive and Committee Secretary shall normally attend meetings of the Committee but shall not be members of the Committee. Other staff may be invited to attend meetings at the discretion of the Committee.

At its discretion, the Committee may choose to meet in whole or in part without staff or advisers present.

Councillors who are not members of the Committee shall have the right of attendance (except in the case of a conflict of interest, as determined by the Committee).

Meetings

The Committee shall meet at least three times each year but shall otherwise itself determine the frequency of its meetings.

Meetings of the Committee shall be scheduled by agreement with the Chair and with due regard to reasonable notice, the availability of Committee members and staff and so as to avoid unnecessary re-scheduling of meetings.

Any member of the Committee may request that a meeting of the Committee be convened.

A majority of Committee members, present in person or by using any technology, shall constitute a quorum.

Unless directed by the Chair, the Committee Secretary shall distribute an agenda and any related papers in advance of a meeting to:

a) members of the Committee;
b) Councillors who are not members of the Committee; and
c) the Chief Executive.

Minutes

The Committee Secretary shall prepare minutes of meetings and have them approved by the Chair.

Minutes of meetings shall be confirmed at the next meeting of the Committee.

Responsibilities

The Committee shall consider any matters it thinks relevant to the audit, financial affairs and risk management of the Society and the policies applicable to these.

The duties of the Committee are to:

Annual Report and Financial Statements

a) Review the Annual Report and financial statements, and recommend them to Council for approval.

b) Review and assess the appropriateness of the Society's accounting policies and principles.

c) Review and monitor compliance with statutory responsibilities relating to financial reporting and with accounting policies.

Risk Management

d) Review risks facing InternetNZ and the shared risks facing the group to ensure that there are appropriate levels of mitigation.

e) Consider whether the Society has effective risk management systems in place to review, assess and manage business, financial and operational risk.

f) Review and consider the policy and processes used by management to monitor and ensure compliance with laws, regulations and other requirements.

g) Monitor and advise the Council on the implementation and maintenance of the Council's risk management strategy, framework and procedures.

h) Recommend risk management policies to be approved by Council.

Audit

i) Review and agree with the auditor the terms of engagement for the auditor.

j) Review the scope of the external audit with the auditor, including identified risk areas and approve external audit plans.

k) Review the findings of the external audit.

l) Review and monitor management's responsiveness to the external audit findings.

m) On a regular basis, meet with the auditor without management present.

n) Monitor the effectiveness and independence of the auditor.

o) Review and assess the provision of non-audit services by the auditor, considering any potential to impair, or appear to impair, the auditor's judgment or independence of the Society.

p) Make recommendations to Council on the appointment, reappointment or replacement of the auditor and any fees.

Council Policies

q) Maintain an oversight of policies relating to the Committee's role and where appropriate provide advice to Council on proposed amendments or updates.

r) Review Council policies periodically to ensure compliance.

s) Review Council resolutions periodically to ensure consistency and compliance.

Other Matters

t) To review and advise Council on material changes advised by subsidiaries in policies and forecasts that have a material impact on the financials and risks of InternetNZ and its subsidiaries as a whole.

u) Supervise or initiate any special investigations.

v) Consider any other matters that are referred by staff where these are generally consistent with the Committee Terms of Reference.

w) Consider any other matters referred by Council.

Authorities

The Audit and Risk Committee is an advisory body with no executive powers.

The Committee shall have the authority to seek any information it requires from any employee of the Society and from the Society's accountants and auditors.

The Committee is authorised to obtain such independent professional advice as it considers necessary at expense of the Society.

The Committee is authorised to make reasonable arrangements as it considers necessary for travel, accommodation, meals and meeting facilities for members of the Committee, advisers to the Committee and staff at the expense of the Society.

The Committee must exercise the powers delegated to it in accordance with any directions of Council.

The Committee can invite other parties to attend meetings from time to time as circumstances require.

The Committee may initiate special investigations as it sees fit in relation to matters set out in this Terms of Reference or as directed by Council, or the President.

Reporting

After each Committee meeting, the Chair shall report the Committee's findings and recommendations to Council.

Unless directed by the Chair, the minutes of all committee meetings shall be circulated to Councillors, the Chief Executive, the Society's accountants, the external auditors and to such other persons as the Committee directs.

At its discretion, the Committee may from time-to-time choose to specify that parts of its proceedings are confidential and that the record of those proceedings is not to be included in the minutes of the Committee circulated to the Chief Executive, the Society's accountants, the external auditors and such other persons. Except in the case of a conflict of interest, Councillors shall be entitled to have access to the confidential proceedings of the Committee by whatever means the Chair deems appropriate.

Communication

The Chief Executive and the Society's accountants shall be responsible for drawing to the Committee's immediate attention any material matter that relates to the financial condition of the Society, any material breakdown in internal controls, and any material event of fraud or malpractice.

The committee shall maintain direct lines of communication with the external auditors, the Chief Executive, the Society's accountants and with staff generally including those responsible for non-financial risk management.

Review

This Terms of Reference document and the performance of the Committee shall be subject to annual review by Council.

Chief Executive Review Committee
Terms of Reference

Policy	COM-CEO: Chief Executive Review Committee
Version	Version 1
Date in force	October 2013
Planned review	June 2015

Constitution

The Chief Executive Review Committee ("the Committee") is a committee of Council with the specific delegated powers as set out in this Terms of Reference.

Objectives

The Committee acts on behalf of Council in all dealings with the CE on matters relating to terms of employment, key performance measures and disciplinary matters.

Membership

Membership of the Committee is reviewed annually at the first Council meeting following the AGM. Current membership: President, Vice President, Councillors MacEwan and Furneaux.

Council shall appoint members of the Committee and review these appointments annually at its first ordinary meeting after the Annual General Meeting of the Society. The Chair of the Committee is the President and in his/her absence the Vice President.

Any member who ceases to be a Councillor ceases to be a member of the Committee.

Responsibilities

1. From time to time negotiate and amend as necessary the key performance objectives of the CE
2. Report on a confidential basis the performance of the CE against the key performance objectives
3. At the appropriate time, conduct a review of the CE's overall performance and make recommendations to Council on remuneration and appropriate bonus payments.
4. Monitor and where necessary act on any other matters relating to the conditions of employment of the CE.

Council Policies

Review this Terms of Reference annually prior to the Annual General Meeting and recommend any updates as/if required for Council to consider at its subsequent meeting.

Other Matters

Consider any other matters referred to the Committee by Council.

Authorities

The Committee shall have the authority to seek any information it requires from any employee of the Society.

The Committee is authorised to obtain such independent professional advice as it considers necessary at expense of the Society.

The Committee is authorised to make reasonable arrangements as it considers necessary for travel, accommodation, meals and meeting facilities for members of the Committee, advisers to the Committee and staff at the expense of the Society.

The Committee must exercise the powers delegated to it in accordance with any directions of Council.

The Committee can invite other parties to attend meetings from time to time as circumstances require.

The Committee may initiate special investigations as it sees fit in relation to matters set out in this Terms of Reference or as directed by Council, or the President.

Reporting

In additional to the annual review of the CE's overall performance, at each council meeting, the Chair shall verbally report the Committee's findings and recommendations to Council in 'council alone' time.

Communication

The President and Vice President, with the support of the other committee members when required, shall maintain direct lines of communication with the Chief Executive throughout the year on a regular basis.

Review

This Terms of Reference document and the performance of the Committee shall be subject to annual review by Council.

Grants Committee
Terms of Reference

Policy	COM-GRT: Grants Committee Terms of Reference
Version	Version 2.1
Date in force	December 2014
Planned review	June 2015

Constitution

The Grants Committee ("the Committee") is a committee of Council with the specific delegated powers as set out in this Terms of Reference.

Objectives

The purpose of the Committee is to be the decision-making body for aspects of InternetNZ's Community Funding Grants programme, and to be the recommendation-making body for other aspects of the same programme. Overall, it provides Council with ongoing oversight of the Community Funding Grants programme.

Membership

The Committee shall consist of four Councillors and the President as ex-officio who have, between them, relevant skills and experience, including funding programme management, understanding of community organisations and prospective partners, and general due diligence experience.

The President generally will abstain from the votes on Grants, except in very exceptional circumstances (such as a member absent, or believes that there has not adequate discussion on the matter and/or would benefit from a broader council review)

Council may decide to co-opt other Officers of the Society, Directors of its Subsidiaries or appoint an external independent person to the Committee should it wish, to ensure these skills are represented.

Council shall appoint members of the Committee and review these appointments annually at its first ordinary meeting after the Annual General Meeting of the Society. The Committee shall appoint its own Chair from among its members, who shall have a deliberative and a casting vote.

Members of the Committee:
- shall be Councillors;
- must be able to read and understand applications for funding grants and rounds;
- are not necessarily financial or accounting experts;
- are entitled to rely on employees of the Society and professional advisers where they reasonably believe that the employee or adviser is reliable and competent and the reliance was made in good faith and after making an independent assessment of the information.

Any member who ceases to be a Councillor ceases to be a member of the Committee.

Any policy of Council on conflicts of interest applies to the Committee. At its discretion, the Committee may exclude a Councillor who, in the Committee's view, has a conflict of interest with an item of business before the Committee.

Attendance

The staff member who holds responsibility for the Community Funding work programme will be the principal advisor to the Committee from among the staff. This will generally be the Collaboration and Community Lead.

The Committee shall, in consultation with the Collaboration and Community Lead and with agreement of the Chief Executive, nominate a member of staff to act as Committee Secretary. This will generally be the Administration Support staff member.

The Collaboration and Community Lead and the Committee Secretary shall normally attend meetings of the Committee but shall not be members of the Committee. The Chief Executive will participate in the Committee on an as-required basis on the same terms as other staff. Other staff may be invited to attend meetings at the discretion of the Committee.

Councillors who are not members of the Committee shall have the right of attendance (except in the case of a conflict of interest, as determined by the Committee).

Meetings

The Committee shall meet as frequently as required for the effective operation of the Community Funding Grants programme and the discharge of the Committee's responsibilities.

Meetings of the Committee shall be scheduled by agreement with the Chair and with due regard to the requirements of the community funding programme, the need for reasonable notice, the availability of Committee members and staff and so as to avoid unnecessary re-scheduling of meetings.

Any member of the Committee may request that a meeting of the Committee be convened.
A majority of Committee members, present in person or by using any technology, shall constitute a quorum.

Unless directed by the Chair, the Committee Secretary shall distribute an agenda and any related papers in seven days prior to the meeting to:
- Members of the Committee; and
- The Collaboration and Community Lead; and
- The CE of InternetNZ and any staff members delegated by the CE.

Minutes

The Committee Secretary shall prepare notes of meetings and have them approved by the Committee by email in between meetings.

Minutes of meetings shall be confirmed at the next meeting of the Committee.

Responsibilities

The Committee generally oversees InternetNZ's Community Funding programme. It is responsible for making decisions or recommendations relating to funding applications that have been processed and come with advice from the staff, as set out in the processes and procedures contained in the Community Funding Grants Operations Manual.

The role for the Committee (decision or recommendation) is set out specifically in the detailed framework that applies to each particular Funding Round or type of community funding available as agreed by Council. These detailed frameworks are set out as Policy components of the Community Funding Grants Operations Manual, which otherwise details the administrative processes and procedures involved in the operation of the Community Funding programme.

The duties of the Committee are to:

- Make **decisions** when required to do so by the framework for a particular Funding Round or type of Community Funding Grants.
- Make **recommendations** when required to do so by the framework for a particular Funding Round or type of Community Funding Grants.
- Sit as an expanded **Assessment Committee** including external experts, when required to do so by the framework for a particular Funding Round or type of Community Funding Grants.
- In collaboration with staff, develop recommendations to the Council on an annual basis regarding the following year's Community Funding Grants programme.
- Recommend updates or changes to the specific criteria applicable to a particular Funding Round or type of Community Funding Grants.
- Monitor and assure itself of the effectiveness of the promotion and reporting aspects of the Community Funding Grants programme.
- Maintain a general overview of the Community Funding Grants programme, and help generate ideas for its ongoing development and improvement.
- Contribute suggestions to staff in the ongoing development of the Community Funding Grants Operations Manual.

Council Policies

Review this Terms of Reference annually prior to the Annual General Meeting and recommend any updates as/if required for Council to consider at its subsequent meeting.

Other Matters

Consider any other matters referred by Council.

Authorities

The Grants Committee's authority is limited to the approvals and recommendations set out for each type of Community Funding Grant or each specific Funding Round.

In general and in summary, these are as follows:

Funding Round	Approvals / Recommendations
Community Projects	Make recommendations to Council
Internet Research	Make recommendations to Council
Conference Attendance	Make recommendations to Council
On-Demand Grants under $5k	Grants Committee to decline/approve applications

In fulfilling its other responsibilities as set out above, it is an advisory body only.

The Committee must exercise the powers delegated to it in accordance with any directions of Council.

The Committee can invite other parties to attend meetings from time to time as circumstances require.

Reporting

After each Committee meeting, the Chair shall report the Committee's findings and recommendations to Council. Therefore, unless directed by the Chair, the notes of all Committee meetings shall be circulated to Councillors, the Chief Executive, and to such other persons as the Committee directs.

Communication

The Committee shall maintain direct lines of communication with the Community and Collaboration Lead, the Chief Executive, his/her delegated staff member, and with staff generally.

Review

This Terms of Reference document and the performance of the Committee shall be subject to annual review by Council.

Terms of Reference for the Māori Engagement Committee

Policy	COM-MOR: Māori Engagement Committee Terms of Reference
Version	Version 1.1
Date in force	December 2015
Planned review	June 2016

Constitution

The Māori Engagement Committee ("the Committee") is a committee of Council with the specific delegated powers as set out in this Terms of Reference.

Objectives

The purpose of the Committee is to be the recommendation-making body for InternetNZ's formal Māori Engagement processes. Overall, it provides Council with ongoing support for formal Māori Engagement processes.

Membership

The Committee shall consist of three Councillors who have, between them, relevant skills and experience, including community engagement, understanding of community organisations and prospective partners, and general due diligence experience, as well as attendance by three senior Employees, including the Chief executive, the Work Programme Director, and the Community Programme Director, who participate actively in the Committee's work.

Council may decide to co-opt other Officers of the Society, Directors of its Subsidiaries or appoint an external independent person to the Committee should it wish, to ensure necessary skills and expertise are represented.

Council shall appoint members of the Committee and review these appointments annually at its first ordinary meeting after the Annual General Meeting of the Society. The Committee shall appoint its own Chair from among the members of Council on the committee, who shall have a deliberative and a casting vote.

Members of the Committee:
   a. shall be Councillors with senior Staff in attendance and participating as outlined;
   b. are entitled to rely on employees of the Society and professional advisers where they reasonably believe that the employee or adviser is reliable and competent and the reliance was made in good faith and after making an independent assessment of the information.

Any member who ceases to be a Councillor or Employee ceases to be a member of the Committee.

Any policy of Council on conflicts of interest applies to the Committee. At its discretion, the Committee may exclude a member who, in the Committee's view, has a conflict of interest with an item of business before the Committee.

Attendance

The Committee shall, in consultation with and agreement of the Chief Executive, nominate a member of staff to act as Committee Secretary. This will generally be the Community Programme Liaison staff member.

The Committee Secretary shall normally attend meetings of the Committee but shall not be a member of the Committee. Other staff may be invited to attend meetings at the discretion of the Committee.

Councillors who are not members of the Committee shall have the right of attendance (except in the case of a conflict of interest, as determined by the Committee).

Meetings

The Committee shall meet as frequently as required for the effective operation of formal Māori Engagement Processes and the discharge of the Committee's responsibilities.

Meetings of the Committee shall be scheduled by agreement with the Chair and with due regard to the requirements of current work, the need for reasonable notice, the availability of Committee members and staff and so as to avoid unnecessary re-scheduling of meetings.

Any member of the Committee may request that a meeting of the Committee be convened.

A majority of Committee members, present in person or by using any technology, shall constitute a quorum.

Unless directed by the Chair, the Committee Secretary shall distribute an agenda and any related papers in advance of a meeting to members of the Committee.

Minutes

The Committee Secretary shall prepare notes of meetings and have them approved by the Committee by email in between meetings.

Minutes of meetings shall be confirmed at the next meeting of the Committee.

Responsibilities

The Committee generally oversees InternetNZ's formal Māori Engagement process. Its primary responsibility is for making decisions or recommendations relating to establishing and the ongoing working of an InternetNZ Māori Advisory Group.

The duties of the Committee are to:
- In collaboration with staff, develop **recommendations** to the Council as required regarding a Māori Advisory Group (MAG) and its creation.
- Monitor effectiveness of the Māori Engagement processes.

- Maintain a general overview of Māori Engagement processes, and help generate ideas for ongoing development and improvement.
- Review this Terms of Reference annually prior to the Annual General Meeting and recommend any updates as/if required for Council to consider at its subsequent meeting.

Other Matters

- Consider any other matters referred by Council.

Authorities

The Grants Committee's authority is limited to the approvals and recommendations set out below.

In general and in summary, these are as follows:

Activity	Approvals / Recommendations
MAG Creation Process	Make recommendations to Council
MAG membership	Make recommendations to Council
Other Māori Engagement processes	Make recommendations to Council

In fulfilling its other responsibilities as set out above, it is an advisory body only.

The Committee must exercise the powers delegated to it in accordance with any directions of Council.

The Committee can invite other parties to attend meetings from time to time as circumstances require.

Reporting

After each Committee meeting, the Chair shall report the Committee's findings and recommendations to Council. Therefore, unless directed by the Chair, the notes of all Committee meetings shall be circulated to Councillors, the Chief Executive, and to such other persons as the Committee directs.

Communication

The Committee shall maintain direct lines of communication with the members of the Committee and with staff generally.

Review

This Terms of Reference document and the performance of the Committee shall be subject to annual review by Council.

Membership Committee Terms of Reference

Policy	COM-MEM: Membership Committee Terms of Reference
Version	Version 1
Date in force	October 2014
Planned review	June 2015

Constitution

The Membership Committee ("the Committee") is a committee of Council with the specific purpose and delegated powers as set out in this Terms of Reference.

This Committee's work is intended to be of limited duration, and the Committee and these Terms of Reference expire on 30 April 2015 unless Council agrees to extend them.

Purpose and Objective

The purpose of the Committee is to review InternetNZ's membership offer through studying all relevant issues and leading a conversation with members about the topic.

The objective is to improve clarity regarding the role(s) of members, and to improve the effectiveness of members' engagement with the organisation consistent with the agreed role(s).

Membership

The Committee shall consist of three Councillors appointed by the Council. The Committee shall appoint its own Chair from among its members, who shall have a deliberative and a casting vote.

Any member who ceases to be a Councillor ceases to be a member of the Committee.

Any policy of Council on conflicts of interest applies to the Committee. At its discretion, the Committee may exclude a Councillor who, in the Committee's view, has a conflict of interest with an item of business before the Committee.

Attendance

Support will be provided to the Committee by the Chief Executive and designated staff member (Maria Reyes, who will function as the Committee's Secretary). Other staff whose responsibilities intersect with membership engagement (particularly the Work Programme Director and the Collaboration and Community Lead) will be invited to participate in the Committee's work.

Councillors who are not members of the Committee shall have the right of attendance.

Meetings

The Committee shall meet as frequently as required for the effective discharge of the Committee's responsibilities as set out in this document.

Meetings of the Committee shall be scheduled by agreement with the Chair and with due regard to the availability of Committee members and staff and with reasonable notice, so as to avoid unnecessary re-scheduling of meetings.

Any member of the Committee may request that a meeting of the Committee be convened.

A majority of Committee members, present in person or by using any technology, shall constitute a quorum.

Unless directed by the Chair, the Committee Secretary shall distribute an agenda and any related papers in advance of a meeting to:
  a. Members of the Committee; and
  b. The CE of InternetNZ or his/her delegated staff member/s.

Minutes

The Committee Secretary shall prepare notes of meetings and have them approved by the Committee by email in between meetings.

Minutes of meetings, where required, shall be confirmed at the next meeting of the Committee.

Responsibilities

Consistent with the purpose and objective of the Committee, its responsibilities are:

- To analyse and assess the current constitutional, operational and other role/s of InternetNZ members
- To share its analysis and organise conversations with members in a range of mediums and forums to spark a conversation about these matters
- To prepare a report that sets out its findings and any recommendations arising
- To conduct a further dialogue and engagement with members to ascertain views regarding the findings and/or recommendations

Work methods the Committee may undertake include but are not limited to the following:

- Discussion with members or groups of members at other events or at specifically established events
- Discussion on the membership email lists
- Use of other online tools to share information, test opinion and solicit ideas
- Use of the InternetNZ website as applicable

The Committee will flesh out these responsibilities into a work programme, which it will share with Council.

Council Policies

- This Committee has no role in respect of Council policies.
- The question of the electoral system is being dealt with by another group, and falls outside the scope of this Committee.

Other Matters

Consider any other matters referred by Council.

Authorities

The Committee's authority is to fulfil the responsibilities outlined above.

The Committee has no budget authority and there is no budget for its work.

If it requires funding to achieve its work programme, it will submit a proposal to Council.

Reporting

After each Committee meeting, the Chief Executive shall prepare a short report on progress and circulate it to the Council.

Review

This Terms of Reference document and the performance of the Committee shall be reviewed at the conclusion of its work.

DRAFT MINUTES OF COUNCIL MEETING

Status:	Draft
Present:	Jamie Baddeley (President), Joy Liddicoat Amber Craig, Kelly Buehler, Dave Moskovitz, Brenda Wallace, Sarah Lee *(in part)*, Richard Wood, Neil James, and Hayden Glass.
In Attendance:	Andrew Cushen (Acting Chief Executive), Maria Reyes (minute taker), Mary Tovey (*in part,* InternetNZ), David Farrar (*in part,* DNCL Chair), Debbie Monahan (*in part,* Domain Name Commissioner), Richard Currey (*in part,* NZRS Chair), Jay Daley (*in part,* NZRS Chief Executive), and Andy Linton (*in part,* INZ member)
Meeting Opened:	9am

Council went into committee for the Council-only discussion and for the Council and Chief Executive alone time until 9.55am.

Māori Engagement Committee update

The President advised that due to Sarah not feeling well, that the Maori Engagement Committee update be discussed first.

Sarah spoke to her paper and highlighted after further meetings between the Committee and BRG Consulting regarding Māori Engagement, they have agreed to take a step back from the initial idea of establishing a Māori Advisory Group and focus on developing an overarching framework or strategy. Sarah also mentioned that during one of their workshops, they had considered a report from MBIE which relates to the Māori community and the Internet. Although this report is already finished, this has not been officially launched yet. However, Sarah advised that she could ask the author of the report whether this can be shared, and if so, she will send it to the Council's list for information.

Council discussed a few comments raised regarding the report but overall they support what the Committee has proposed. Discussion was also held whether INZ members need to be engaged on this matter and it was agreed to not engage the members just yet, however there should be an initial communication sent to them regarding this so they are aware of the work being done.

After considering the proposal from the Committee to do a Marae visit prior to the August Council meeting, Council have agreed to do a poll for the proposed dates to get preference from Council.

AP11/16: Māori Engagement Committee to send do poll for the proposed dates for the Marae visit and August Council meeting – i.e. Thursday 26th and Friday 27th August; or Friday 27th and Saturday 28th August.

RN29/16: THAT Council note the changes to the approach proposed by this committee, and support the development of a Māori responsiveness strategy.

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(Cr Lee/Cr Wallace)
CARRIED U

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RN30/16: THAT Council confirm the cultural training date and approve the August 2016 Council meeting will be held at Hongoeka Marae.

<div align="right">

(Cr Lee/Cr Moskovitz)
CARRIED U

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Andy Linton joined the meeting at 10.15am.

2.1   Membership at InternetNZ (Andy Linton)

The President gave a brief introduction on Andy Linton. Andy has been awarded fellowship by InternetNZ due to his big contribution to the Internet community. The President advised that during a catch-up with Andy prior to the APRICOT conference, Andy have raised some comments regarding his INZ membership and decided to invited Andy to attend the Council meeting to share his thoughts and raise his concerns to the group.

After Andy introduced himself and gave a brief background on his involvement in the Internet community, he raised some of his concerns regarding his membership with INZ. He commented that he is opposed to the notion of broadening our source of revenue as he believes that InternetNZ's mandate is managing the .nz domains, and that if the income decreases or runs out due to lack of .nz registrations, then this mandate should finished as well. However, he mentioned that he prefers not to engaged in this discussion, but due to him being a fellow, he's been awarded with a lifetime membership with INZ and therefore can't help but be associated with the organisation.

He advised that he would like to step back from his membership, but as there is no current policy or procedure on this, he is not sure how to do so. He suggested if it's possible that he "resign" from the Fellowship and have this officially noted, so that he can fully cease any involvement with InternetNZ.

Council have acknowledged Andy's comments and a comment was raised that his contribution to InternetNZ as well as to the Internet community should still be acknowledged even though he is stepping back and prefers not to be involved anymore.

Sara Lee left the meeting at 10.38am.

Council thanked Andy for attending the meeting and commented that it was good to hear his perspective. The President advised that he will be thinking about this matter and will consider Andy's suggestion to resign or retire from the Fellowship, and will come up with a recommendation to amend the section in the Constitution regarding Fellows' membership and have it noted at the next Annual General Meeting.

AP12/16:   The President to look into amending the section in the Constitution regarding Fellows' membership – for decision at the next AGM.

Council took a 10-minute break at 11am.

2.4   Managing InternetNZ's balance sheet and financial reserves

Andrew gave a brief summary on his paper and highlighted that there were two parts in his paper – the first part provides an update on the reserves specifications, and second part provides a proposed approach for using the accumulated financial reserves.

A question was raised regarding the Anti-Money Laundering practices and asked for some clarity on this. Mary responded that one of the changes in the practices that limits our ability to drawn down on the Term Deposit, is that there should now be a 30-day written notice to use the term deposit prior to withdrawing funds.

Discussions were held around the working capital and the short-term operational deficit funding, and it was noted that there were a few concerns raised from Council on this matter and Andrew advised that these concerns have been noted and will amend the paper as per discussion at this meeting.

RN31/16:   THAT Council requests the Chief Executive prepare an amended Reserves Policy to be presented to the August 2016 Council meeting.

(President/Cr Wood)
CARRIED U

After a brief discussion on the options for the proposed approached on how the financial reserves can be spent, Council agreed with the suggestion to amend the paper so that it also includes some advice from a financial expert/specialist regarding our reserves and adding scenarios that would fit with the proposed options.

AP13/16:   Staff to amend the paper on the recommended approach for using the financial reserves and table it at the August Council meeting for discussion/decision.

2.3   Evaluation Framework – Products and Services Development

Andrew spoke to his paper and advised that this was an outcome to the resolution/action point noted at the February Council meeting (RN10/16) and would like to seek Council's thoughts on how to proceed.

Discussions were held on the options for the review criteria noted in the paper. Council were happy with the proposed timing for undertaking the review, however, there as a discussion on the criteria that matter for this review, against the options proposed in the paper. In particular, the key question that this evaluation framework should assess is the revenue opportunities realised, and the potential revenue opportunities available, measured against the investments made to date. Andrew will work with Councillors in order to develop this approach, and will also discuss with NZRS in terms of the best way to proceed.

Andrew have noted Council's comments and will take on board when they draft the review framework paper for New Product and Services Development for the August meeting. The objective of this work remains to have this Evaluation process concluded to allow clarity for the 2017/18 Financial Year.

RN32/16:   THAT Council note the timings required regarding the expiry of the $400,000 fund.

(Vice President/Cr Furneaux)
CARRIED U

RN33/16:   THAT Council request a paper for the August 2016 Council meeting providing a review framework for New Product and Service Development, capturing the criteria from this discussion.

(Vice President/Cr Furneaux)
CARRIED U

AP14/16:   Staff to prepare a paper for the August 2016 Council meeting providing a review framework for New Product and Service Development, capturing the criteria from the May Council meeting discussion.

1.3   Apologies and Declaration of Interest

Apologies noted were from Richard Hulse who was unable to attend the meeting due to his travel overseas and from Sarah Lee who had to leave early from the meeting due to feeling unwell.

There were no changes to the register of interest noted at this meeting.

3.2   InternetNZ Travel Policy and Group Application

Andrew advised that this paper is the amended version of the same paper that was discussed at the February Council meeting and seek Council's endorsement of an updated travel policy for InternetNZ, and its direction on the general applicability of this framework across the Group.

One comment that was raised and which Andrew has also noted is that it should be clear in the policy that any downgraded fare should not be used or put forward to any personal travel.

RN34/16:   THAT Council supports the Chief Executive updating the travel policy (a management policy) so that is consistent with the May 2016 International Travel Policy Guidelines, and advise the Subsidiaries though the Chief Executive that it expects their Travel Policies to be made consistent with the Guidelines.

(Cr Buehler/Cr Furneaux)
CARRIED U

David Farrar, Debbie Monahan, Adam Hunt, Richard Currey and Jay Daley joined the meeting at 11.55am.

4.2   Subsidiaries Report

Quarterly Reports
The quarterly reports for 2015/16 received from the subsidiaries have been taken as read.

RN35/16:   THAT the .nz Joint 2015/16 fourth quarter report be received.

(Cr Wood/Cr Buehler)
CARRIED U

RN36/16:   THAT the DNCL report for the fourth quarter 2015/16 be received.

(Cr Wood/Cr Buehler)
CARRIED U

RN37/16:   THAT the NZRS report for the fourth quarter 2016/16 be received.

(Cr Wood/Cr Buehler)
CARRIED U

Review of the registrations at the Second Level Project
Debbie spoke to her paper and highlighted how each entity had worked together and that as a whole, the project went really well and was a success. It was good for the .nz domain.

WHOIS Review Consulting Paper

David gave a brief summary of his paper and highlighted the process that they've used for the consultation which includes collating submissions as well as conducting public consultation meetings.

Discussions were held around comments and strong views received regarding the WHOIS consultation. Council shared the feedback, concerns and commendations that they were aware of from stakeholders, some of which had not yet been reflected in formal submissions. Council outlined their expectation that this process should be undertaken in an open, transparent and consultative manner. DNCL confirmed that that will continue to be their objective, and even more so given the range of feedback received in this latest stage of the consultation.

DNCL outlined their plans for how to proceed with this process, noting the submissions made throughout the process to date, and the additional engagements made by DNCL in informing their approach, and taking that range of perspectives into account in preparation for a further, new consultation stage, likely in July/August this year. Design of this next stage will be informed in particular once the third consultation period closes in early June.

Council is fully expecting and has confidence that DNCL will have no further regrets on the process nor the execution of the WHOIS consultation.

Technical Research Report

Report was taken as read.

A comment was made that the report was well put together. There was a question raised regarding projects that have been marked "on hold" and how it is decided when to stop or cease a project. Jay responded that this is due to prioritising the work that they are doing and that the research projects are driven by a variety of factors that go with it such as the project's likelihood of success.

4.3   Product and Services Report

Report was taken as read.

Council noted the report and commended NZRS for embracing the new approach to transparency, as outlined in the revised Products and Services Strategy.

Council discussed a number of the products and services in development, and the potential revenue opportunities and delivery of those initiatives. Jay advised Council about progress made on a number of these, with particular reference to potential utilisations and collaborations on the Broadband Map.

David Farrar, Debbie Monahan, Adam Hunt, Richard Currey and Jay Daley left the meeting at 12.45pm

Council took a lunch break at 12.45pm until 1.19pm

3.1   2016/17 Strategic Partnership

On behalf of Ellen, Andrew have updated Council regarding the review of the 2016/17 Strategic Partnership and advised that the some of the current partners are in flux and due to staff changes, it constraints them from being involved in our partnership review. However, there are two Strategic Partners that are ready to be reviewed, and Andrew asked Council if they could seek their guidance whether to go ahead with reviewing the two proposed partners or should it be done once all the partners are ready for review.

After a brief discussion, Council were happy to go ahead with the review for the two proposed strategic partners and that decisions can be made online via an evote.

AP15/16:   Andrew and Community Programme staff to draft a paper on the Strategic Partners and send it to Council for discussion and decision by an evote.

3.3   Governance Policy: Document Information Disclosure

Paper has been taken as read.

RN38/16:   THAT Council approves the Council Governance Policy – Document Information Disclosure, with the "Date in Force" to be 1 June 2016.

(Vice President/Cr Furneaux)
CARRIED U

AP16/16:   Andrew to ensure that subsidiaries are familiar with this policy and use it.

5.1   Confirm Minutes – April 2016 meeting

RN39/16:   THAT the minutes of the meeting held on 5 April 2016 be received and adopted as a true and correct record.

(President/Cr Furneaux)
CARRIED U

5.3   Membership update

A comment was raised whether the membership report could include five quarters instead of four to capture the current membership (or is timed with the Council meeting period)

There was a brief discussion on the membership trend especially around the membership renewal and Andrew advised staff have commissioned external support and advice on membership renewals and proposition review, and that these questions will be considered as part of this work.

RN40/16: THAT the new members be approved.

(President/Cr Glass)
CARRIED U

5.4   Evote Ratification

RN41/16: THAT the evotes noted as at 18 May 2016 be ratified.

(President/ Cr Furneaux)
CARRIED U

5.5   Chief Executive report

Council congratulated staff for the management and concluding the MOU with MBIE. They also commended the team for the Speaker Series event and looks forward to the future speaker series sessions.
Brief discussion was held regarding the next steps for the Group Culture work for the whole InternetNZ team. It was noted that that report on this work has been received by the Chief Executive and currently in discussion with the President and Vice President on how this will be communicated to the other subsidiaries.

Question was raised regarding the difference of the NetHui collaboration and the planned NetHui roadshow, and Nicole responded that the NetHui collaborations are just NetHui-liked sessions that will be held as part of a bigger conference such as the ITx conference, and topic or discussion held at these sessions will be fed into the NetHui Roadshows which will be held in October this year.

RN42/16: THAT the Chief Executive's report for the three months to 30 April 2016 be received.

(Cr Moskovitz/Cr Furneaux)
CARRIED U

5.6   Council Committee Reports

Audit and Risk Committee
Neil gave a brief update on the Audit and Risk Committee and highlighted the following key focus for the Committee:
- Looking at the business cover insurance
- Working on the liability issues
- Risk register specific to InternetNZ
- Process for the year-end accounts which is very comprehensive
- Issues with the auditors raised by the Finance Manager at the recent Committee meeting. Auditors have been made aware and the Committee are keeping a close eye on this by adding a standard item in their agenda for to get updates on this issue.
- Working on the induction process for the Committee

With Neil's advice that he is stepping down as Chair of the Audit & Risk Committee, the President recognised Neil's contribution and have thanked him for all the work he had done not just as Chair of this Committee, but as a member of Council. Council also recognised his work both to the Committee, Council and the wider advanced networking community in New Zealand, with acclamation.

Subject to Amber's re-election at this year's AGM, the President have noted that Amber has been recommended to be appointed as the new Chair of the Audit & Risk Committee.

CE Review Committee

The President mentioned that the questions for the CE Review is being amended so that this is aligned with the CE's KPI, and advised Council to expect some communication on this regarding the evaluation soon.

Joy Liddicoat left the meeting at 1.45pm

Grants Committee

Richard gave a brief update on behalf of the Grants Committee and have highlighted that the Committee are looking at reviewing the Grants Policy Framework and how they are looking at how the Committee's workload can be reduced. They are also working on having a strategy in place that will help manage this workload and advised the they are confident that this will be achieved.

Membership Committee

Kelly advised that the Committee are currently trying to wrap up the work around amending the Code of Conduct for members and have it trialled for a year and see how it works.

The Committee are also offering to amend the Terms of Reference so that the Committee are able to step back and change its role from being operational to a governance role.

5.7   Matters for Communication and key messages

AP17/16:   Andrew to send bullet point summary to the President regarding the key points and decisions discussed at this meeting.

Upcoming events that were noted are as follows:
- Speaker Series (Death in the Internet) – held at the InternetNZ Wellington office on 9 June.
- InternetNZ AGM held on 29 July in Wellington. Venue is yet to be confirmed.

6.2   General Business

With the new Health & Safety legislation in place, Dave commented that there should be a standing Health and Safety item in the agenda for future Council meetings that outlines any incidents, risks that have been identified and how these are mitigated. With a short summary paper to be included in the set of papers.

AP18/16:   Staff to add Health and Safety item in the next agenda.

He also mentioned that during a meeting with the DNCL Board he encountered a technical issue with the video bridge and raised that this has been an issue in the past and that it really needs to be resolved. Andrew advised that staff are currently looking at other means for the video conferencing (such as Skype).

A short discussion was held regarding Amber's suggestion for Council to try using Slack, Loomio, or any other communication tool for better communication and online discussion.

Andrew requested that when Councillors wish to join staff from around the Group in social occasions that they should communicate that they are coming in advance so staff are given a heads up of such attendance.

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

Meeting Closed: 2:10 PM

Action Point Register

	Action	Who	Status	Due by	Comment
	APRIL 2015				
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/Andrew	In progress	Dec-15	
	OCTOBER 2015				
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	**Complete**	May-16	Paper for decision at Aug meeting
AP31/15	Jordan to discuss with the subsidiaries CE regarding adding SoE review in each company's quarterly report.	Jordan	**Complete**	May-16	Paper for decision at Aug meeting
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	
	FEBRUARY 2016				
AP04/16	Staff to examine the "competition test" suggestion presented at this meeting and find out what .uk has done and report back at the May Council meeting.	Jordan/INZ staff	In Progress	May-16	Awaiting news from .UK following their board meeting
AP08/16	Community Programme staff to draft a paper with a recommended approach on how to deal with the increasing workload for the Grants Committee, for discussion with the Committee and with Council.	Ellen/Nicole	In Progress	May-16	
	MAY 2016				
AP11/16	Māori Engagement Committee to send do poll for the proposed dates for the Marae visit and August Council meeting – i.e. Thursday 26th and Friday 27th August; or Friday 27th and Saturday 28th August.	Sarah Lee	**Complete**	Aug-16	
AP12/16	The President to look into amending the section in the Constitution regarding Fellows' membership – for decision at the next AGM.	President	**Complete**	Aug-16	
AP13/16	Staff to amend the paper on the recommended approach for using the financial reserves and table it at the August Council meeting for discussion/decision.	CE/Mary	In Progress	Aug-16	Paper for decision at Aug meeting
AP14/16	Staff to prepare a paper for the August 2016 Council meeting providing a review framework for New Product and Service Development, capturing the criteria from the May Council meeting discussion.	Andrew/CE	In Progress	Aug-16	Paper for discussion at Aug meeting
AP15/16	Andrew and Community Programme staff to draft a paper on the Strategic Partners and send it to Council for discussion and decision by an evote.	Andrew/Community Programme staff	**Complete**	Aug-16	
AP16/16	Andrew to ensure that subsidiaries are familiar with this policy and use it.	Andrew	In Progress	Aug-16	
AP17/16	Andrew to send bullet point summary to the President regarding the key points and decisions discussed at this meeting.	Andrew	**Complete**	Aug-16	
AP18/16	Staff to add Health and Safety item in the next agenda.	INZ staff (Maria)	**Complete**	Aug-16	
AP19/16	Andrew and Jamie to meet and arrange the meeting between new Council and Fellows after the AGM.	Andrew/Jamie	In Progress	Aug-16	

INTERNETNZ MEMBERSHIP REPORT

Status: FINAL
Author: Maria Reyes, Office Manager

Current Membership *(as at 16 August 2016)*

Fellows	Individual	Professional Individual	Small Organisation	Large Organisation	TOTAL
23	222	59	21	3	**328**

After the membership renewals, out of the 214 expiring members, 65% have renewed their membership prior to the end of the Grace period on 30 June, and less than 1% have renewed few days after this date.

We didn't receive much feedback from those who decided not to renew their membership, however for most of the ones who did, their main reasons were due to them moving overseas or they prefer to focus on their own specialist areas (which is not InternetNZ related).

2015-16 Membership Year

	30 Sept '15	31 Dec '15	31 March '16	30 June '16
Fellows:	23	23	24	23
Individual:	239	250	263	216
Professional Individual:	62	64	68	56
Small Organisation:	21	23	23	19
Large Organisation:	5	5	5	3
Total Membership:	350	365	383	317

2014-15 Membership Year

	30 Sept '14	30 Dec '14	31 March '15	30 June '15
Fellows:	24	23	23	23
Individual:	244	270	284	289
Professional Individual:	74	71	76	75
Small Organisation:	23	29	29	29
Large Organisation:	6	8	8	8
Total Membership:	371	401	420	424
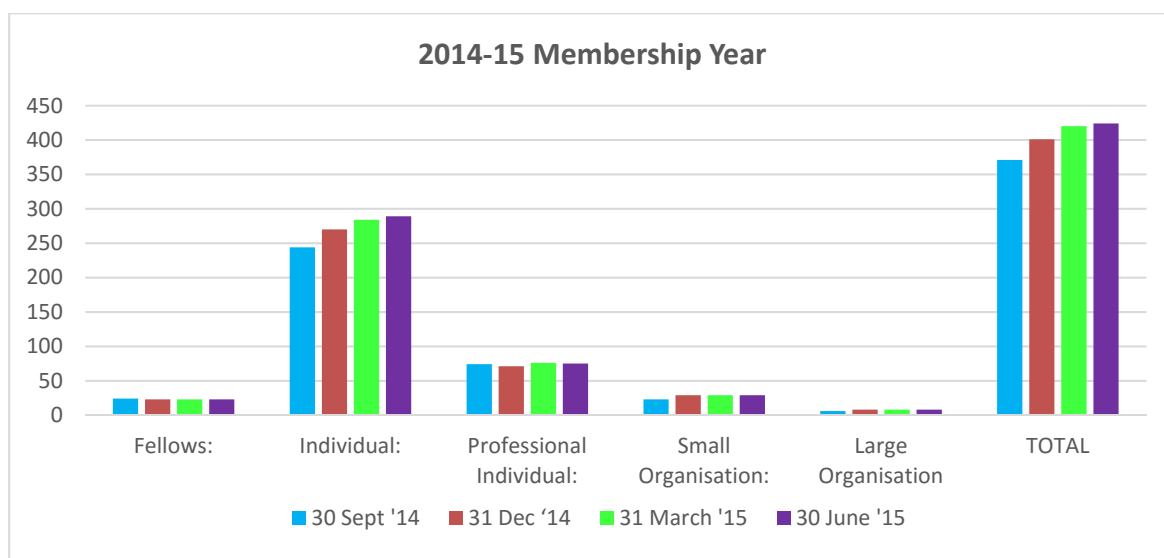
Membership by region *(based on Current Membership)*

Joined in	NORTH ISLANDS		SOUTH ISLANDS	
	Northern	Southern	Northern	Southern
2016	8	16	2	3
2013-2015	29	59	8	2
2010-2012	28	48	14	5
2005-2009	29	49	4	4
Foundation-2004	3	7	0	0
TOTAL	*97*	*179*	*28*	*14*

*International members – 10

Recommendation:
THAT the new members be approved.

E-votes Ratification

Author:	Maria Reyes, Office Manager

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

Evote:	Motion:	For:	Against:	Abstain:
20062016	The Audit & Risk Committee recommends that Council receive and approve the InternetNZ Annual Report for the year ended 31 March 2016. *(Cr James/Cr Craig)*	Neil James Jamie Baddeley Kelly Buehler Sarah Lee Dave Moskovitz Rochelle Furneaux Hayden Glass Richard Wood Richard Hulse Joy Liddicoat Brenda Wallace Amber Craig		
05072016	(1) THAT Council receives these survey results for 2016. (2) THAT Council wishes to pass on the survey results for 2016 and the comparison with previous years to the incoming Council. *(Cr Moskovitz/Cr Buehler)*	Hayden Glass Rochelle Furneaux Neil James Brenda Wallace Dave Moskovitz Amber Craig Richard Wood Kelly Buehler Richard Hulse Jamie Baddeley Joy Liddicoat Sarah Lee		
07072016	THAT Maureen Milburn be appointed as the election scrutineer for the 2016 InternetNZ election. *(Cr Lee/Cr Furneaux)*	Neil James Hayden Glass Brenda Wallace Sarah Lee Dave Moskovitz Richard Hulse Jamie Baddeley Joy Liddicoat		Richard Wood Kelly Buehler Amber Craig

250720161	THAT the Chief Executive be authorised to execute the continuation of strategic partnership agreements with NetSafe, 2020 Communications Trust, Figure.NZ and CCANZ as outlined in the paper circulated to Council. *(Cr Craig/Cr Wallace)*	Amber Craig Sarah Lee Dave Moskovitz Richard Hulse Kelly Buehler Neil James Joy Liddicoat Jamie Baddeley Brenda Wallace Richard Wood Hayden Glass Rochelle Furneaux		
250720162	THAT Council approves a funding package for NetSafe as part of the strategic partnership for the amount of $90,000 for 2016-17 and $100,000 for 2017-18. *(Cr Craig/Cr Wallace)*	Amber Craig Sarah Lee Dave Moskovitz Richard Hulse Kelly Buehler Neil James Jamie Baddeley Brenda Wallace Richard Wood Hayden Glass Rochelle Furneaux		Joy Liddicoat
250720163	THAT Council approves a funding package for 2020 Communications Trust as part of the strategic partnership for the amount of $90,000 for 2016-17, and $100,000 for 2017-18 and 2018-19. *(President/Cr Wallace)*	Amber Craig Dave Moskovitz Richard Hulse Kelly Buehler Neil James Joy Liddicoat Jamie Baddeley Brenda Wallace Richard Wood Hayden Glass Rochelle Furneaux		Sarah Lee
250720164	THAT Council approves a funding package for Figure.NZ as part of the strategic partnership for the amount of $50,000 for 2016-17 and $60,000 for 2017-18. *(President/Cr Wallace)*	Amber Craig Sarah Lee Dave Moskovitz Richard Hulse Kelly Buehler Neil James Joy Liddicoat Jamie Baddeley Brenda Wallace Richard Wood Rochelle Furneaux		Hayden Glass

250720165	THAT Council approves a funding package for CCANZ as part of the strategic partnership for the amount of $50,000 for 2016-17. *(Cr Craig/Cr Wallace)*	Amber Craig Sarah Lee Dave Moskovitz Richard Hulse Kelly Buehler Neil James Jamie Baddeley Brenda Wallace Richard Wood Hayden Glass Rochelle Furneaux		

Recommendation

THAT the e-votes be ratified.

CHIEF EXECUTIVE'S REPORT

Author:	Jordan Carter, Chief Executive
Purpose of Paper:	To update Council on progress in the three months since the last meeting on 25 May, and to set out goals and priorities for the next three months.

This is the new format for the Chief Executive's Report first introduced to the May 2016 meeting. As a reminder, this report is now fully integrated with the other management reports that were previously presented separately.

The sections of this new Chief Executive Report are as follows:

1. Overview and priorities
    a. Critical and potential risks
    b. Recent Chief Executive priorities
    c. Chief Executive Priorities for the next three months
    d. Staffing Matters
2. Programmes:
    a. Community
    b. Issues
    c. International
3. Operations
4. Governance and members

This report functions as a summary and highlights report for Council in dealing with programmes and operations. For further detail, refer to the Activity Plan Programme Report for the first quarter on the website: https://internetnz.nz/reports

1. Overview and priorities

A: Critical & Potential Risks

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

B: Recent Chief Executive Priorities

Since the last meeting of Council in May 2016, Andrew was Acting CE for six weeks and Jordan returned on 6 July. Their priorities have been as follows, generally in descending priority order.

1. **Operational delivery and stability:** Our team has continued to make excellent progress on the 2016/17 Activity Plan, with by-and-large great quality outputs across the team and positive feedback from our stakeholders.
2. **Building and implementing improved workflows:** We've taken a positive step in integrating work across our teams; in particular between Issues and Communications, as demonstrated in the number of launches we have made thus far in 2016/17. The next step is furthering this integration to include the Community team through the Focus Area projects.
3. **Annual General Meeting & Elections:** Both functions delivered appropriately. Congratulations to our newly appointed Councillor, Keith Davidson!
4. **Recruiting new staff:** As further explained below under staffing matters.

5. **Performance and Development Planning:** Most of the staff now have Performance and Development Plans now in place for the forthcoming year.

6. **Next steps on our Culture:** Dan Randow engagement has continued as he works with the InternetNZ team, the InternetNZ Management Team, and with Jordan and Andrew on further development of the organisational culture.

7. **Strategy work in 2016:** Further information and proposals will be shared about this at the meeting.

8. **WHOIS policy:** The review by DNCL continues, and InternetNZ has helped with comms as appropriate.

9. **.NZ Framework Policy:** consultation was opened on a capstone policy setting out current roles and responsibilities in the operation of .NZ, following up the review that began in 2014. Subs are due on 5 September.

10. **Communications strategy:** Substantive progress toward refreshing the InternetNZ website for September, followed by a further phase of work to review and improve the performance and design of the site. Focus otherwise has been on hiring and demonstrating the workflow with Issues in delivering work.

C: Chief Executive priorities for the next three months:

These are generally ranked in descending order of priority:

1. **Strategy Day 2016:** providing high quality inputs on Council's chosen topics for discussion at the Strategy Day in September.

2. **Membership Renovation:** leading the project team dealing with improving our membership processes and engagement across the organisation.

3. **Focus Areas promotion:** lifting our visibility and engagement in the key areas of work we have called Focus Area projects this year will take some time and energy in the coming months. This sees me "out and about", more aware of media and conference opportunities, and doing more stakeholder catch ups.

4. **Team culture and programme "deep dives":** with newly settled teams in Operations and Community, and a year-established team in Issues, I am stepping in for some deep discussion and insight on how things are working at a detailed level, to make sure there is coherence across the organisation and between teams. We are also inducting new staff and continuing to strengthen our own team culture.

5. **Programme work:** I have a role in a number of projects (NetHui, the review of the Telco Act) at a project sponsor or operational level.

6. **Governance Policies:** a number of reviews have been on the back burner and need to be completed in the next few months, to bring the framework up to date and fill some gaps.

7. **IANA Stewardship / ICANN Accountability:** NTIA has announced it plans to let the IANA Functions Contract expire on 1 October. The run up to this and the immediate period after will bear close watching. I continue to be active in the Accountability WG, with a focus on staff accountability to the community which has implications for our work here in NZ.

I welcome Council's comments and feedback on these priorities.

D: Staffing Matters

We have successfully filled the three new roles that we have allocated in the 2016/17 Budget, and replaced Georgia who departed for her OE in late June. We have hired the following new staff members:

1. **Maryann Robertson** as Office Coordinator, who started with us on the 11th of July.
2. **Gertrud Kikajon** as Community Funding Administrator, who started with us on the 18th of July.
3. **Laura Turnbull** as Organisational Development Advisor, who will fully start with us from 29th August, following a period of partially working with us from her current role in the Domain Name Commission Ltd.
4. **Sarah George** as Communications Advisor, who will start with us on the 5th of September.

With the release of the Discussion Document on the Telecommunications Act, we have also extended Reg Hammond's work beyond the departure date reported to the Council at the last meeting.

Two staff will be taking periods of maternity leave coming up to the end of the year, and we are working through our approach to managing that.

2. Programmes

A: Community Programme: Ellen Strickland

The Community team has been focused on leading the NetHui Roadtrip 2016, as well as NetHui Collaborations (ITX and OSOS, which are almost complete) and the Speaker Series (which has planning and promotion well underway). The first Community Grants round, for projects and conference attendance, opened for applications in July and applications close 28 August.

NetHui Roadtrip 2016 venues and dates were confirmed for Nelson, South Auckland and Rotorua, and community engagement building the programme is well underway, as well as promotional activities. All the details are found at https://2016.nethui.nz

NetHui Sessions, barcamp-like sessions hosted in the NetHui discussion style, were held successfully at ITX in late July, as well as InternetNZ sponsoring student fellowships to attend ITX. A similar collaboration hosting NetHui Sessions with Open Source Open Society (OSOS) in late August will see NetHui Sessions on the final day of the event, as well as InternetNZ sponsoring the livestreaming of the event.

Community Grants reporting improvements, which were approved by the Grants Committee in April, are now being implemented, with the arrival of Gertrud Kikajon, the new Community Funding Coordinator.

The Māori Engagement Committee met to review for Council discussion a draft Strategy document. We are looking forward to the Marae visit and training.

Lastly, we've been updating our sponsorship committee with Gertrud now running the committee. In the last three months we agreed sponsorship for:

- Gather 2016 in Auckland
- The New Zealand Cyber Security Challenge 2016 in Hamilton (both in July)
- Kiwi PyCon in September in Dunedin

Points of Note:

The next Speaker Series event for 2016 will be held in the Wellington offices on 8 September, featuring Niels ten Oever, Head of Digital at Article 19 in an interactive panel discussion on Harassment and the Internet.

Proposed changes to the grants framework are being discussed by the Grants Committee, to lighten the Grants Committee's workload, which would see staff become involved in some applications assessment. This will be discussed with the incoming Grants Committee before a proposal put to Council for discussion and decision.

Highlights:

- NetHui Roadtrip 2016 launch - website up, dates confirmed, programme process underway and registrations open.
- Death and the Internet Speaker Series event was a huge success, for those attending as well as excellent social media uptake and engagement.
- Strategic Partnerships agreed and signed with 2020, NetSafe, CCANZ and Figure.NZ
- Gertrud Kikajon joining as the Community Funding Coordinator in late July, who now looks after Community Funding and sponsorship process and serves as Grants Committee secretary

Lowlights:

- Delay in Strategic Partnership finalisation and grants policy framework development (to reduce the workload of the Grants Committee)

Next Priorities:

- Promoting and planning for upcoming events (e.g. Speaker Series on 8 Sept, NetHui Road Trip 13-17 October)
- Assessment process for Community Grants Round and Conference Attendance 2016/17
- The new Grants Committee will continue to review and update grants policy framework
- Māori Engagement Committee progressing Māori engagement strategy towards engagement and consultation phase

B: Issues Programme: Andrew Cushen

The Issues team has been focused on production. We're really proud of the amount of work and output we've done so far this year – professionally delivered, useful, insightful and well interlinked with our Communications function. We're delighted by the feedback that we are receiving as well, from our members and the wider community.

Points of Note:

Workload and budgets. We are approaching the limit currently of what our hands can currently handle, and what our budgets for the year can afford. The Issues team will be constrained in responding to other emerging issues during the balance of this financial year. We will respond to this by increasing our efficiency, but also by clearly prioritising our work to ensure delivery of this year's plan.

Highlights:

- *ISP Scorecard*. We drove media attention, users to our website and change amongst the ISP community. We've received really positive feedback too from our members and community about building a useful, tangible resource.
- Releasing our review of the Electronic Frontier Foundation's *Game Plan to End Global Surveillance*, and the response we had from the Attorney General in understanding our point of view, and seeking to engage with it further.
- Successfully receiving a matching grant from the Data Futures Forum making our work with 2020 on Digital Inclusion Mapping a *Catalyst Project* for demonstrating the potential in data use in New Zealand. This doubles the size

of the budget for this work, and will allow 2020 to engage in a specialist economic researcher to join us in delivering it.

- Releasing our collaboration with NZTech, on the *Economic Contribution of Technology to New Zealand*; a sector wide report on the size of the New Zealand technology industry, its role as an export contributor and employer of New Zealanders.

- Delivering a short-notice, specialist event for negotiators alongside the *Regional Comprehensive Economic Partnership (RCEP)* negotiations in Auckland, designed to highlight and explore the interests and concerns of the Internet Community in this process. Over 50 negotiators attended this event, which we are led to believe is notable in terms of attendance at such a side event.

- We commissioned a piece exploring the Network Neutrality implications of *Vodafone & Sky merger*, to keep these front of mind for the Commission as they evaluate the competitive impacts of this deal.

- We released our toolkit called *Easy Transparency*; our guide to how more New Zealand companies can follow TradeMe's example of giving more visibility of what they're asked to disclose about their customers, and therefore enhance the trust in the Internet in New Zealand.

Lowlights:

- We've deliberately rephased our work and release of our guide to *Am I a Network Operator*?, which is a series of flow charts that help smaller organisations quickly discern whether they have responsibilities under various pieces of legislation, and how they may meet those responsibilities. This work will be released in the next month.

- Website configuration issues hampering the launch of the *ISP Scorecard*. Easily fixed, but embarrassing and frustrating.

Next Priorities:

- *Telecommunications Act* – this process is now in full swing, with us taking the opportunity to upskill James as the project lead on this work. Our submission is due in early September.

- Releasing our follow up Discussion Document on the *Internet of Things*, following the sessions at ITX and in the lead up to the Speaker Series event on the same in December.

- Further work to refine our project with the *New Zealand Initiative on Digital Regulation in New Zealand.*

- Finalising the *State of the Internet Report* for this year, due by the end of August.

- Delivering our work on *Easy Encryption*, as a guide to using these technologies, potentially alongside ConnectSmart week in October.

C: *International Programme (Jordan Carter)*

Points of Note:

- The United States has at the time of writing announced it will end the IANA Functions Contract on 1 October, bringing the two and a half year IANA Stewardship Transition to a major milestone. From now on, we as a part of the global Internet community assume full responsibility for making ICANN work.

- Jay Daley has been appointed as one of two ccTLD representatives on the new Customer Services Committee for the IANA Functions, a testament to the high regard in which he and his technical nous are held globally.

- Keith Davidson was awarded the prestigious Multistakeholder Ethos Award at ICANN (in absentia) in June, recognising the significant contribution he has made to ICANN and the global Internet community over many years.
- It looks likely the proposed Oceania School of Internet Governance will be deferred to the 2017/18 year, due to congestion in the global scheme of such events and the wishes of partner organisations.
- Nicola Treloar has moved on from primary responsibility for .nz matters at MBIE after a number of years in the role. Her replacement is Harry Chapman, with whom we are building new relationships. Nicola is involved with the building of the new CERT.

Highlights:

- APrIGF attendance and participation (Ellen Strickland)
- ICANN attendance and participation (ES from InternetNZ, Debbie Monahan from DNCL, Richard Currey and Jay Daley from NZRS), and Jordan Carter remote attendance for ICANN Accountability work.

Lowlights:

- Delay on Oceania School of IG as noted above

Next Priorities (mid-August to mid-November)

- Monitoring IANA Stewardship transition
- Kicking off of new post-transition entities (e.g. Customer Services Ctte)
- ICANN 57 in Hyderabad, India
- Attendance at Global Internet and Jurisdiction Conference in mid November

The usual group-wide joint ICANN Trip report is at Appendix A, and a report on the APrIGF is at Appendix B.

3. Operations

Since the May Council meeting the Operations team have been working on finalising the venue and dates for NetHui, organising the AGM, preparations for the Speaker Series, phase two for the website improvements, received an unqualified audit report on the group financial reports for the year-end 2016 as presented in the Annual report, and the completion of Q1 reporting as presented in these Council papers. The Annual Report was also completed and published.

Points to Note:

As of 1 July, out of the 214 expiring members, 35% have not renewed their membership. We didn't receive much feedback from those who decided not to renew, however for most of the ones who did, their main reasons were due to them moving overseas or they prefer to focus on their own specialist areas (which is not InternetNZ related).

Highlights:

- Completion of the AGM and the Council elections held on 29th July at Amora Hotel Wellington.
- Completion of the recruitment for the additional resources for the Operations Team – i.e. Maryann Robertson (Office Coordinator) and Laura Turnbull (Organisational Development Advisor).

- Completion of the year-end accounts, and presentation of the Annual report at the AGM.
- The start of better media monitoring and reporting – see first outcomes of this at Appendix 3.

Lowlights:
- Postponement of the Phone System Review and allocate the budget for other urgent and more important telecommunications upgrade and fixes instead (i.e. VC system upgrade, Network refresh, and solution to the Skype TV issue)
- Discovery that NZITF had to comply with the new Public Benefit Entity (PBE) reporting; as secretariat providers to NZITF this created demand of additional unplanned resources.

Next Priorities:
- Membership Project Planning (working with Katherine Hall of Pie Comms)
- Preparations for upcoming events (i.e. Speaker Series on 8 Sept, NetHui Road Trip on 13, 15, & 17 October.
- Promotion of NetHui 2016
- NetHui sponsorship
- Working on INZ website improvements
- Working with TourismNZ to place a bid for ICANN 2020
- July Financial reports
- Annual Charities returns, INZ, DNCL, NZNOG, NZITF and IPv6
- Audit and Risk work plan 2016/17

4. Governance and Members

The Membership Report attached to this meeting's Council papers shows a noticeable decline in InternetNZ's membership. The AGM and elections process revealed ideas and energy, but the overall numbers subscribing is down.

We have some ideas of the causes of this, and the Membership Project is designed to tackle it. It is the main area of work in this area of the activity plan. If we are to increase, let alone avoid a decrease in member numbers, people's experience of InternetNZ has to be positive in the membership role. Today we aren't at that standard.

This area of work is important for a wide range of reasons: it affects material participation and contribution to our work; it affects our reputation as an organisation that is constructive and pleasant to belong to; it affects how the staff and Council can pitch and encourage new people to join. That won't solve a community lack of interest in joining, but it will mean that we can stand proud and say that we are doing our part in attracting and retaining membership.

The consequence of a long period of neglect of this area has been that the bump of earlier NetHui, which roughly doubled InternetNZ membership from 2010 to 2014, is fading. We should not accept that as inevitable or natural.

Points of Note:
- Membership numbers and plans as noted above.
- With the signing of the .nz MOU with Government complete, we also conducted the first set of public opinion polling we committed to in that and in the Activity Plan. It will be released this month.

Highlights:

- Delivery of the UMR public research
- Member survey results to correspond to the UMR piece as a compare and contrast.
- Smooth delivery of the Council Election and AGM processes.

Lowlights:

- None to report

Next Priorities:

- Member proposition work
- Membership engagement events in October/November
- Council Strategy Day work and outputs

5. Other Matters

From the ITx collaboration in July, Paul Matthews has pulled together a sector-wide leadership group that plans its first meeting next month. This is a potentially exciting milestone: the whole IT sector, if it can found and use a common voice, will be able to make more of an impact on things that matter to us.

I really valued and appreciated the chance to take some leave and do some skills training in negotiations that the Council agreed to earlier this year. I am pleased with how Andrew did as Acting CE in my absence and feedback from you indicates Council is too.

The skills I learned are in use almost every day, and then chance to step back and reflect on how InternetNZ is going as I pass three years in this job was greatly appreciated.

Thank you, and thanks in advance for the hard work to come in tackling the big strategic issues we face.

Jordan Carter

Chief Executive

17 August 2016

ATTACHMENTS:

APPENDIX 1 – Joint ICANN Report (Jul 2016)

APPENDIX 2 – APrIGF Report (Aug 2016)

APPENDIX 3 – Media Monitoring Report (Apr-Jun)

Joint Report: ICANN 56 – Policy Forum

The 56th ICANN meeting was held in Helsinki from 27-30 June 2016. Attendance from across the group was as follows:

- Ellen Strickland from InternetNZ

- Richard Currey and Jay Daley from NZRS

- Debbie Monahan from DNCL

Jordan Carter attended the CCWG-Accountability meeting on Sunday 26th remotely.

Summary

This was the first ICANN Policy Forum, the new name and format for the midyear meeting of the Internet Corporation for Assigned Names and Numbers (ICANN).

Keith Davidson, long standing InternetNZ member and recently re-re-elected Councillor was awarded the ICANN Multistakeholder Ethos award jointly with Chuck Gomes of Verisign. This recognises the many years of work that Keith has put into the ICANN community including his recent stint as a ccNSO councillor where he led on the Framework of Interpretation report.

Jay Daley from NZRS presented to the ccNSO on the recently signed MoU for .nz between the Government and InternetNZ. This generated great interest with several ccTLDs asking for details and an editable copy of the document for them to discuss with their governments. This talk was also jointly rated the most informative and interesting of the ccNSO meeting. New Zealand's Government representative to ICANN, Nicola Treloar from MBIE, was in attendance in Helsinki as well, and discussed with a number of GAC colleagues.

Some hot topics in sessions in At-Large and GNSO included ongoing discussions about the potential uses of the funds generated from the last top level domain name auctions, as well as discussion around plans being drawn up for a next round of auctions and how past processes can be improved to better serve diverse Internet users.

ICANN Accountability and IANA Stewardship

As the plan for this transition, which was drafted by the global multistakeholder ICANN community, was successfully approved by the US Government's NTIA earlier this year, a range of workstreams with a large diverse set of community stakeholders are now working on the steps required to implement this plan.

- The Stewardship group continues to work on the implementation ready for the 30 September date when the IANA Functions contract expires. If the USG approves the transition, everything's expected to be in place.

- The Accountability group is working on its second Workstream, longer run issues that did not have to be sorted out before the transition. Jordan is a part

of the leadership of that group, with a focus on staff accountability (since that issue has relevance here in NZ as well).

- The meeting in June of the Accountability group was basically a familiarisation meeting for the work to be done, and pitches about how to deal with the topics in Workstream 2.

Reports from individual participants

Debbie Monahan

My focus for the meeting was on the ccNSO related activities, from my involvement with the SOPWG (Strategic and Operating Plan Working Group) through to my commitments as a ccNSO Councillor.

The usual programme for ICANN includes a ccNSO SOPWG meeting on the Sunday before the main meeting formally starts on the Monday. Under the new meetings format introduced for this 'B' meeting, the day for the working group meetings was on Monday, the first full day of meetings and after an informal ceremony at the start of the day where Keith Davidson was presented his Ethos Award. I was privileged to be able to collect the award on Keith's behalf and read his acceptance speech.

The Operating Plan discussed is a much improved document over previous years. Though there are still some areas of concern and where more discussion is required, the ICANN staff have largely responded to the comments received in consultations on the Strategic Plan and there are now identified targets that are regularly measured against. The reporting against the KPIs was one of the things we discussed at our Helsinki meeting and it is expected that further refinements will be made. It is good to see progress being tracked openly on line at https://www.icann.org/progress. People are encouraged to review the material and pass on any ideas for future improvement or recording.

The other new public report that ICANN have produced was also discussed at our SOPWG meeting. This is the gTLD Marketplace Health Index (beta) which can be seen at https://www.icann.org/en/system/files/files/gtld-marketplace-health-index-beta-19jul16-en.pdf. The measurements in the report have been established to track progress against ICANN's goal of having a domain name market that has robust competition, market stability and is trusted.

One of the intentions of the B meeting format is to have topic based sessions with a cross constituency target audience. The SOPWG worked with Xavier Calvez, ICANN's Chief Financial Officer, on planning a session on the Operating Plan and the Budget. This was held on the Tuesday afternoon https://icann562016.sched.org/event/7NWP/cross-community-operational-planning-session and though it wasn't the most popular of the cross community sessions, still provided some interesting information for the SOPWG and ICANN staff involved in this.

The ccNSO Council held a prep meeting on the Sunday, before the Council meeting on the Thursday morning. The Council meeting followed the two day members' meeting on the Tuesday and Wednesday which contained some interesting presentations on a range of topics including the IANA transition. I was involved with ccNSO Council activities which included meetings with the gNSO Council and with representatives from the GAC.

Jay Daley

Together with the NZRS board chair I met the Chief Executives of a number of the more advanced registries: .uk (UK), .se (Sweden), .ca (Canada), .fr (France), .eu (Europe). We discussed registration growth, marketing, business development, contribution to society and security of the TLD. The key points to emerge on the business front were:

- fr (France) convinced that the model of "buy a domain then build your site" is dead and being replaced with "build your site and then buy your domain" and so are working with the emerging breed of web site builders.

- .ca (Canada) have a profitable direct marketing funnel that has reduced its cost per conversion by two thirds after three years for this year is expected to be halve it again. Estimate 110k leads will be supplied this year, up from 75k the year before.

- A year after increasing their price .se (Sweden) had more sales, better renewal rates and higher registrar satisfaction.

- .eu (EU) facing negative growth of -1% and unable to increase sales despite extensive discounting. Aiming for 100% trust with significant effort going into data quality and eliminating bad registrations.

- .uk (UK) also in negative growth but renewal rate up. Aiming to concentrate on industry verticals through brand ambassadors but finding it impossible to measure.

None of the above have the equivalent of InternetNZ and there were some notable differences in approach from us as a result:

- All of the above were far later that us to begin product and service development (except .se who were always ahead) but have been able to move considerably faster than us with significantly more funds invested and are now ahead, in some cases quite far.
- None of the above have any equivalent of the issues team submitting on government policy.
- All of the above take a very direct approach to contributing to society. For example, .se have put 6,000 students through an Internet training course and are now developing course material for universities.

Earlier in the week I jointly led a session with two ICANN directors and presented to most of the ICANN board and senior staff on the Importance of Data to the ICANN community. This covered the importance of data to:

- Evidence based policy
- Organisational and community development through transparency
- Cleaner and safer DNS
- Improving business
- Developing and maintaining public trust.

All NZRS presentations are published at https://nzrs.net.nz/presentations

Ellen Strickland

My focus for this ICANN was on our broader engagement as a Civil Society organisation, including on ICANN processes and issues which impact or are of importance to the Internet community and Internet users. Within ICANN, Internet users' interests are represented by the At Large constituency, and InternetNZ are currently at At Large organisation. At Large, and how it functions within ICANN, is

currently being reviewed, and I attended sessions and had some meetings around this, as we are taking a keen interest in this review, in assessing our ongoing commitment as an At Large organisation.

I am also currently involved in a cross community working party on ICANN and Human Rights, which met over the week to progress work on scoping and communicating the issues and potential solutions related to corporate and social responsibilities of ICANN in relation to human rights. Further details can be found in my blog from the event: https://internetnz.nz/blog/icann56-policy-forum-helsinki

Jordan Carter

I was on leave during this meeting and stepped back into work mode for the Accountability meeting as noted in that topic area above.

Asia Pacific Regional Internet Governance Forum (APrIGF) 2016

Summary

The 2016 Asia- Pacific Regional Internet Governance Forum (APrIGF) meeting was held in Taipei from 27-29 July. The APrIGF is one of a few regional events held globally which are linked to the UN Internet Governance Forum events. The APrIGF was initiated in 2010 to serve as a platform for discussion, exchange and collaboration in Internet issues and policy at a regional level. This year the APrIGF was hosted by Taipei, as cities around Asia have hosted each year. There were about 300 participants from about 20 countries. Past APrIGF were attended by Keith Davidson, as International Director, and Susan Chalmers, as Policy Lead. This was my first time participating as in past years the timing has been too close to our own big Internet event in New Zealand, NetHui, to attend.

The overarching theme of APrIGF 2016 is 'A New Internet Era – Merging Physical Space with Cyberspace.' There were a few sessions sharing ideas and best practice for national Internet events like New Zealand's NetHui and I also attended some sessions and side meetings where I could hear broader regional perspectives and share NZ experience on Internet issues including human rights, privacy, connectivity and security.

The content of much of the programme, and the focus of discussion was geared towards issues and policies which are pressing for many in the Asia region. Censorship and Internet shutdowns were hot topics, which luckily are not pressing issues in New Zealand. I attended a side meeting on transparency reporting and shared our work with participants from around Asia, however much of the meeting was focused, appropriately, on challenges which New Zealand.

One interesting element of the APrIGF is a Youth IGF which is run at the same time, in different sessions, and which there are fellowships to bring a range of young people of university age to learn about Internet Governance through the event.

Winston Roberts from New Zealand National Library was a participant and facilitator at the APrIGF, the only other New Zealand participant. He was funded by the International Federation of Library Associations (IFLA), not the New Zealand government. There were a few other participants from Oceania included from AUDA and Internet Australia, as well as representatives from the Cook Islands and Vanuatu.

The full meeting programme and details can be found at https://2016.aprigf.asia/

Regional and National Initiative Meeting

There was a specific meeting and session of regional and national initiatives (NRIs), which I spoke at informally, sharing our experience interacting with other initiatives through the IGF process and informally. I recommended that formal mechanisms and support are valuable to connect regional and national initiatives to each other, to coordinate input into the global IGF but also to learn from and support each other in innovating, ground-up Internet governance practices. I talked informally with a number of other initiative coordinators, about their events and what is happening with NetHui this year.

Panel: Getting SMEs Online

I was a panelist on a session hosted by the Internet Society on getting small to medium businesses online. I briefly presented an overview of the variety of issues we see related to this, including access, skills and realising benefits, as well as the range of work we as InternetNZ do which is aimed at contributing to addressing these issues, including policy work, grants, strategic partnerships, community events and campaigns like Get Yourself Online.

APrIGF 2017

The next APrIGF is planned to be hosted by AUDA in Melbourne, most likely in October. This will be the first APrIGF held outside Asia, and this will increase opportunities for New Zealand and New Zealanders to engage in the event. This event would most likely be alongside or following the AuIGF next year. A collaboration of particular interest in the Youth IGF and fellowships, as the bulk of Youth IGF participants usually come from countries closer to the host country, so getting interest from and supporting Australia and New Zealand students to attend is a potential area of collaboration. The APrIGF is run by a volunteer multistakeholder steering group, which Keith Davidson used to be on for InternetNZ, and with the 2017 event coming to Australia having someone participate actively again in this event will be considered.

Oceania School of Internet Governance

Some side meetings were held regarding the Oceania School of Internet Governance (OSIG) project. An Asia-Pacific regional SIG has recently been hosted, with some difficulties and reservations about the process and event, which has contributed to some reluctance to commit to other SIGs by some of our preferred partners.

However, through discussion, I believe most of these reservations have been worked through, and in the next month we plan to convene a working party on the OSIG. Paul Wilson from APNIC, who would be a very valuable if not essential partner in the event, has become very interested in the concept of the OSIG, with InternetNZ and AUDA, as well as the Pacific Island region, working on a week-long SIG for 2017. This is of particular interest with the APrIGF coming to Australia next year, as well. Timing for the OSIG, from meetings seems better for July 2017, to take place before NZ, Aus, APrIGF and international IGF, but allow sufficient time for coordination and preparation.

Ellen Strickland
Community Programme Director

August 2016

MEDIA REPORT 1 APRIL - 30 JUNE 2016

Media articles by topic

Chart categories (left to right): Broadband providers, DNC, ANZIA's, From Tech Sector to Digital Nation..., Intelligence & security in free society..., Keith Davidson ICANN award, Keynote at conferences, Harmful Digital Communications Act, Streaming of Parker fight, ISP Spotlight, TPP, Telco review, Hawiki cable, WIPNZ, .nz, Sky/Vodafone merger, ITx

Media articles by outlet

Outlets (top to bottom): Yahoo! NZ, Whale Oil, Voxy.co.nz, Timaru Herald, NZ Herald, SunLive, Stuff, Sharechat.co.nz, Scoop, Radio NZ, Otago Daily Times, NZ City, NetGuide, NBR, MSN NZ, Manawatu Standard, Livenews.co.nz, Kiwiblog, IT Brief, Guide2.co.nz, Geekzone, ForeignAffairs.co.nz, Fair Go, bizEDGE

83 media articles

Andrew Cushen appeared on FairGo talking pricing and plan choices

17 topics in media

dotNews open rates (# and % of recipients)

April	May	June
41.6%	41.9%	41.1%
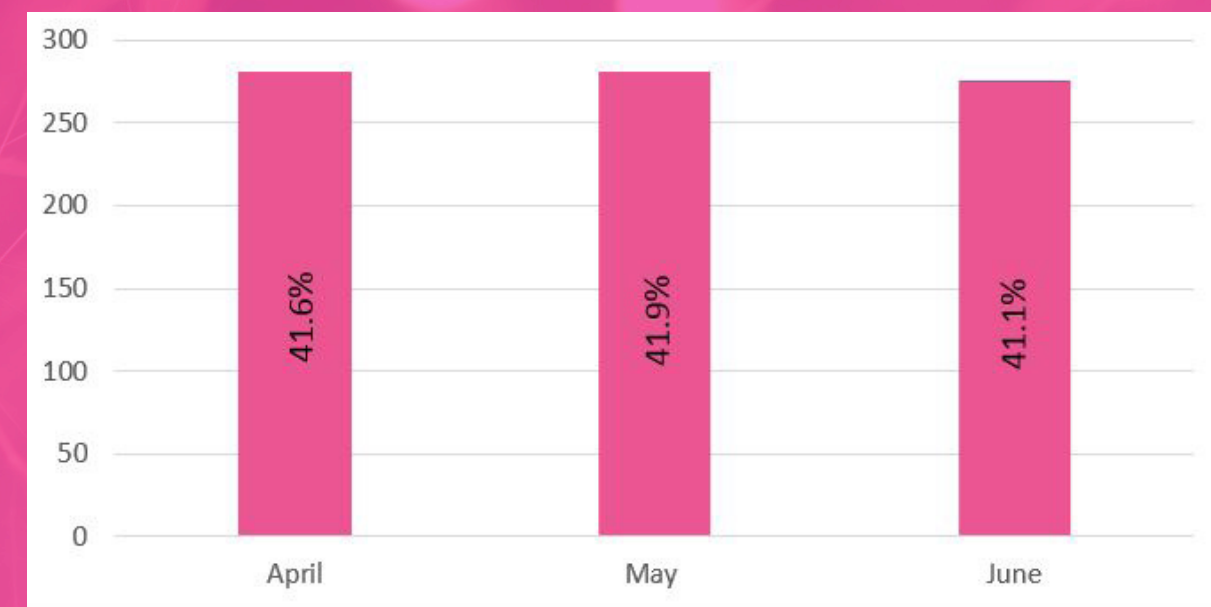
dotNews click rates (# and % of recipients)

April	May	June
8.7%	8.9%	8.0%
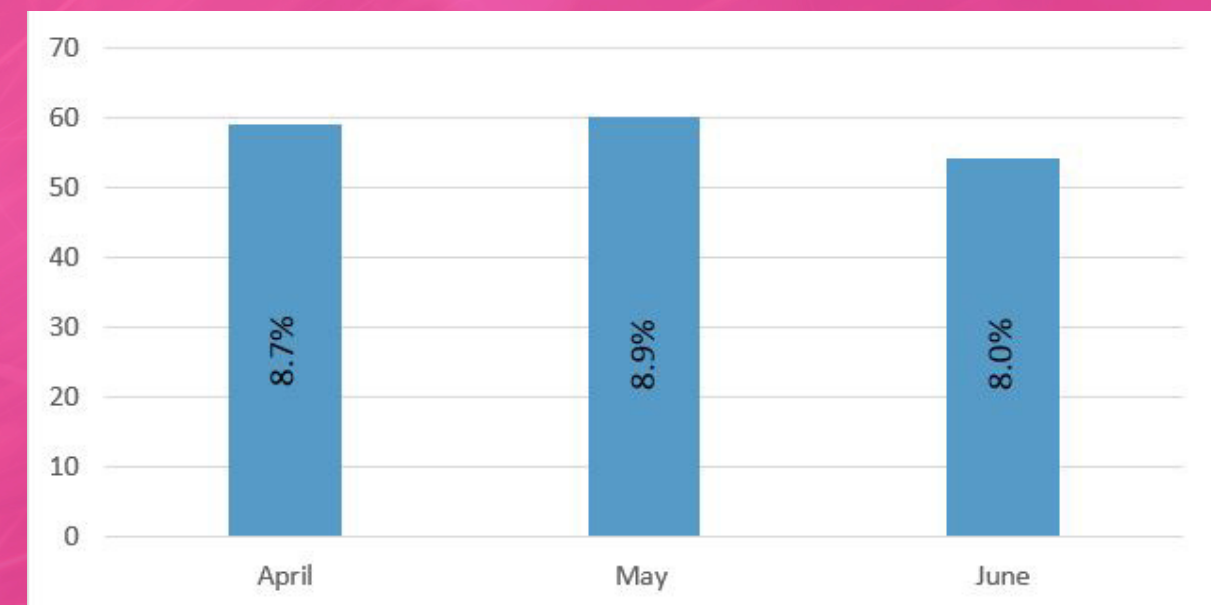
MEDIA REPORT 1 APRIL - 30 JUNE 2016

Twitter engagement (on average by post)

April	May	June
765	1,033	1,150

Twitter followers

April	May	June
4,657	4,688	4,717

Facebook likes

April	May	June
480	498	531
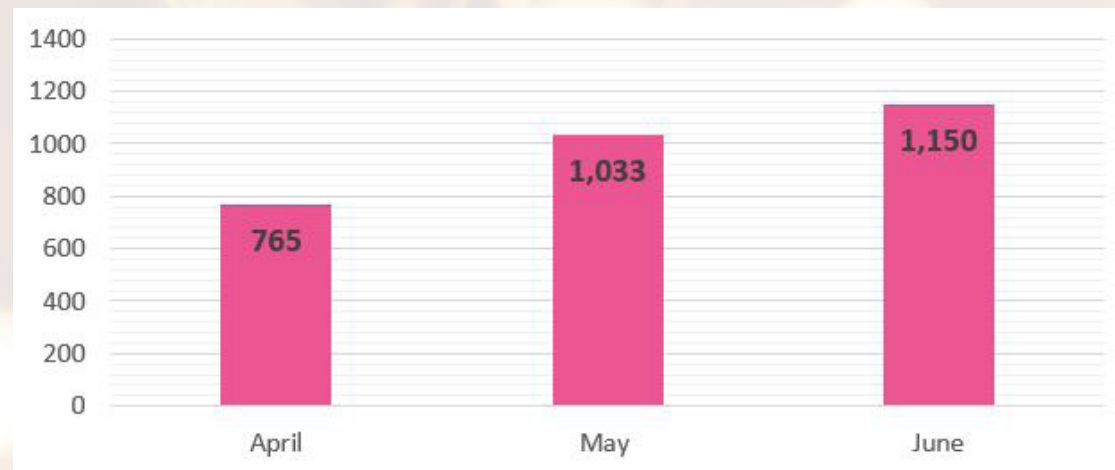
Facebook reach (on average by post)

April	May	June
187	157	206
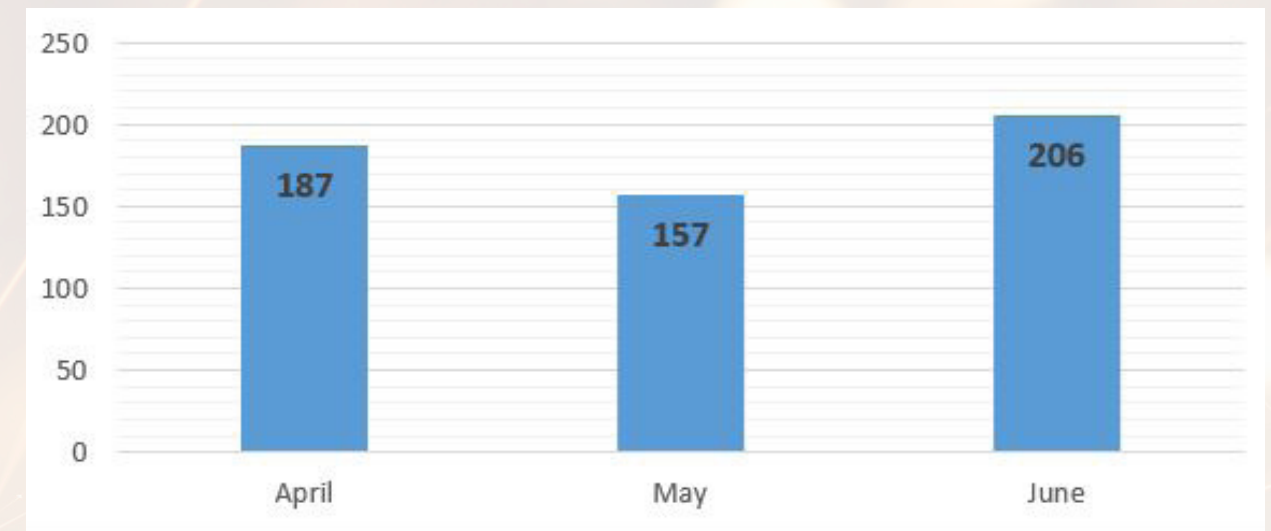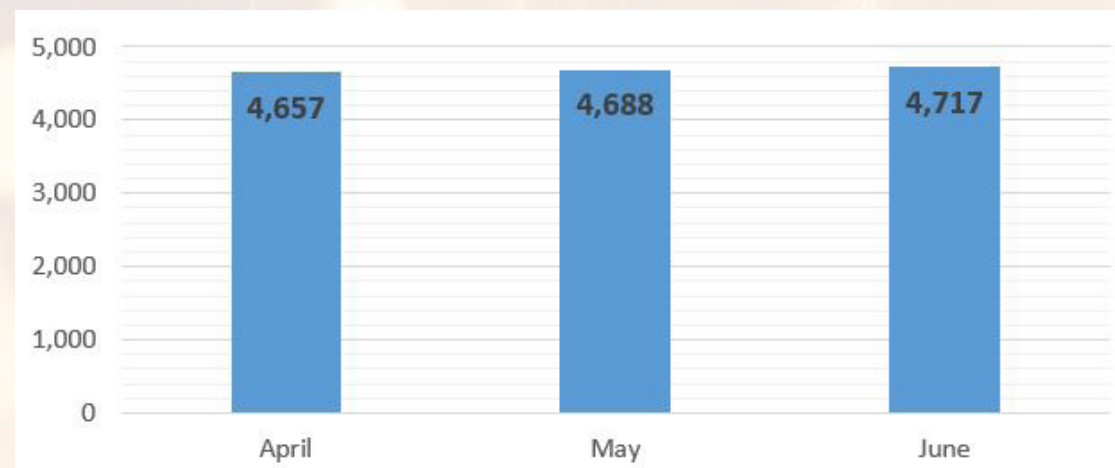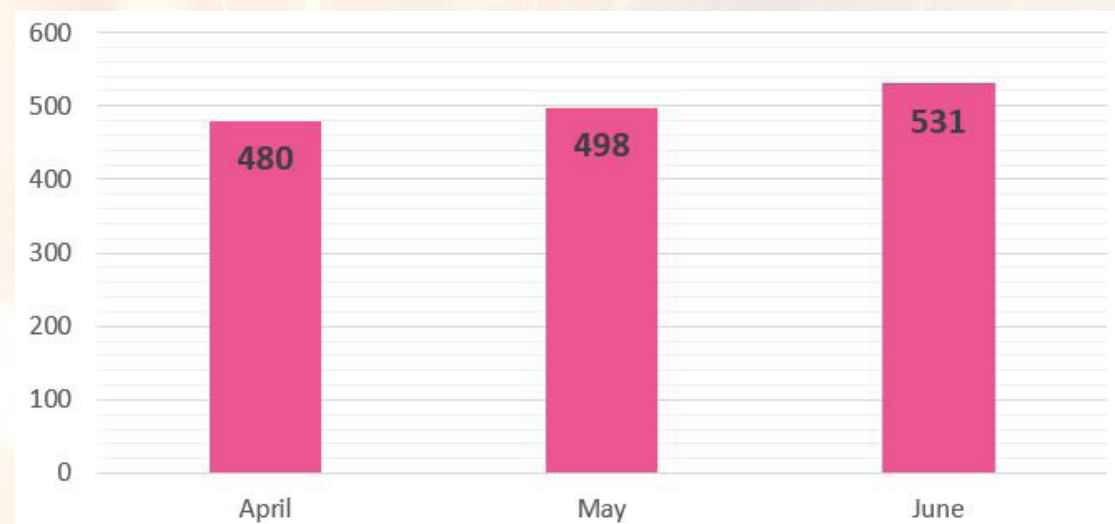
ISP Spotlight

9817 page views over one month from launch date on 30 June

44 seconds is the average time spent on a page

Top 3 ISPs visited
1. Spark
2. 2 degrees
3. Vodafone

Top 3 issues visited
1. IPv6
2. Digital Child Exploitation Filter
3. Transparency reports

Internet New Zealand
Consolidated Financial Statements
For the Quarter Ended 30 June 2016

Internet New Zealand
Compilation Report
For the Quarter Ended 30 June 2016

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 informtaion 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-Aug-16

Deloitte.

Internet New Zealand
Consolidated Income Statement
For the Quarter Ended 30 June 2016

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income	2,494,890	2,494,890	99,910	99,910	2,491,757	2,491,757	467,460	467,460
Other Income	35,000	35,000	0	0	25,000	25,000	10,000	10,000
Dividends Received	0	0	0	0	0	0	0	0
Interest Received	84,078	84,078	5,965	5,965	77,814	77,814	299	299
Managed Funds Income	11,393	11,393	11,393	11,393	0	0	0	0
Total Income	2,625,361	2,625,361	117,268	117,268	2,594,571	2,594,571	477,759	477,759
Less Expenses								
Direct Expenses	182,468	182,468	0	0	649,928	649,928	0	0
Other Expenses	1,962,115	1,962,115	769,604	769,604	901,767	901,767	387,521	387,521
Total Expenses	2,144,583	2,144,583	769,604	769,604	1,551,695	1,551,695	387,521	387,521
Net Profit (Loss) Before Tax	480,778	480,778	(652,336)	(652,336)	1,042,876	1,042,876	90,238	90,238
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	480,778	480,778	(652,336)	(652,336)	1,042,876	1,042,876	90,238	90,238

Deloitte.

Internet New Zealand
Statement of Movements in Equity
For the Quarter Ended 30 June 2016

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	9,202,980	9,202,980	5,693,334	5,693,334	3,169,389	3,169,389	340,257	340,257
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	480,778	480,778	(652,336)	(652,336)	1,042,876	1,042,876	90,238	90,238
Less:								
Dividend Paid	0	0	0	0	0	0	0	0
Closing Equity	9,683,758	9,683,758	5,040,998	5,040,998	4,242,265	4,242,265	1,010,495	1,010,495

Deloitte.

Internet New Zealand
Balance Sheet
As at 30 June 2016

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	13,856,780	1,979,074	10,823,647	1,054,059
Managed Funds	2,460,801	2,460,801	0	0
Other Current Assets	1,302,506	70,998	1,208,099	23,409
Total Current Assets	17,620,087	4,510,873	12,031,746	1,077,468
Property, Equipment & Software	926,886	254,530	601,329	71,027
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	0	610,000	0	0
Total Assets	18,546,973	5,375,403	12,633,075	1,148,495
Less Liabilities:				
Deferred Income	8,084,041	0	8,084,041	0
Trade and Other Payables	779,174	334,405	306,769	138,000
Total Liabilities	8,863,215	334,405	8,390,810	138,000
Net Book Value of Assets	9,683,758	5,040,998	4,242,265	1,010,495
Represented By:				
Total Equity	9,683,758	5,040,998	4,242,265	1,010,495

Deloitte.

Internet New Zealand
Statement of Cashflows
For the Quarter Ended 30 June 2016

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,596,419	2,596,419
Interest Received	84,078	84,078
Managed Funds Income	11,393	11,393
Total Received	2,691,890	2,691,890
Cash was distributed to:		
Payments to Suppliers and Employees	2,073,991	2,073,991
Total Payments	2,073,991	2,073,991
Net Flows From Operating Activities	617,899	617,899
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	61,322	61,322
Net Cash Flows From Investing & Financing Activities	(61,322)	(61,322)
Net Increase Decrease in Cash & Cash Equivalents	556,577	556,577
Plus Opening Cash	15,761,004	15,761,004
Closing Cash Carried Forward	16,317,581	16,317,581
Closing Cash Comprises		
Cash & Cash Equivalents	13,856,780	13,856,780
Managed Funds	2,460,801	2,460,801
	16,317,581	16,317,581
Cash Flow Reconciliation		
Net Profit (Loss) After Tax	480,778	480,778
Plus (Less) non cash items		
Depreciation	179,552	179,552
Subtotal	660,330	660,330
Movement in Working Capital		
(increase) decrease in receivables	276,454	276,454
increase (decrease) in payables	(385,414)	(385,414)
increase (decrease) in deferred income	66,529	66,529
Net Cash Flows From operations	617,899	617,899

Deloitte.

SUMMARY OF COMMITTEE ACTIVITY

Author:	Jordan Carter, Chief Executive
Purpose of Paper:	To provide a staff summary of Committee activity since the previous meeting of Council.

Audit and Risk Committee

Since the last meeting of Council, the Committee has been focused on the completion of the audit process for the 2015/16 financial year, the results of which were provided to the membership at the Annual General Meeting. We also said farewell to Neil James from his role as Chair, given his retirement from Council at the 2016 AGM.

Chief Executive Review Committee

A summary of this Committee will be shared separately by the President.

Grants Committee

The Grants Committee has had a quieter quarter without any Grants Rounds for assessment. A schedule of 2016/17 Community Grant rounds was agreed with staff and publicised. Updated reports on grant recipient projects, reporting and ongoing work with Grants recipients are produced quarterly for the committee by Staff and are in the I Drive for other Councillors interested.

Recent committee activity includes:
- Online discussion of updating Community Grants Policy Framework to address workflows and workload of the Committee.
- Meeting scheduled for Friday 19 August to discuss this and the grants report for the quarter.

Māori Engagement Committee

The Māori Engagement Committee has provided a separate paper detailing their work, which since it is a first draft strategy is submitted to this Council meeting as a confidential paper.

Recent activity:
- Creation of Draft Strategy for Council discussion
- Preparation for August Council Meeting at Hongoeka Marae

Membership Committee

As noted to Council at the last meeting, the Committee is shifting to more of a governance mode in overseeing staff work on the membership project.

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 *(RIR for the Asia Pacific region)*
APRICOT	Asia Pacific Regional Internet Conference on Operational Technologies
APrIGF	Asia Pacific Regional Internet Governance Forum
APTLD	Asia Pacific Top Level Domains Associations *(organisation for ccTLD registries in Asia Pacific region)*
auDA	.au Domain Administration Ltd *(Australian equivalent of DNCL)*
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 *(such as .nz for New Zealand, .uk for United Kingdom)*
CCWG-Accountability	Cross Community Working Group on Enhancing ICANN Accountability
CDMA	Code Division Multiple Access *(server) (a means to transmit bits of information)*
CERT	Computer Emergency Reponse Team
CENTR	Council of European National Top-Level Domain Registries
CFH	Crown Fibre Holdings
CIRA	Canadian Internet Registry Authority *(operators of the .ca ccTLD)*
CSIRT	Computer Security Incident Response Team
DHB	District Health Boards
DIDO	Distributed-Input Distributed-Output *(wireless protocol system)*
DNCL	Domain Name Commission Limited
DNS	Domain Name System
DNSSEC	DNS Security *(adds security to the Domain Name System)*
DRS	Dispute Resolution Service

Glossary of Terminology	
DSLAM	Digital Subscriber Line Access Multiplier
FTTH	Fibre To The Home
GAC	Government Advisory Committee
GCSN	Greater Christchurch Schools Network Trust
GNSO	Generic Name Supporting Organisation *(makes recommendations re gTLD to ICANN)*
gTLD	Generic Top Level Domain *(such as .com / .edu)*
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
IDP	Internet Data Portal
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 *(committee under ICANN's GNSO)*
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 *(group revived by Keith to help IGF)*

Glossary of Terminology

RBI	Rural Broadband Initiative
RIR	Regional Internet Registry
SDN	Software-defined Networking
SRS	Shared Registry System (.nz Register system)
STD	Standard Terms Determination
TCF	Telecommunications Carriers' Forum
TLD	Top Level Domain
TPP	Trans-Pacific Partnership
TPPA	Trans-Pacific Partnership Agreeement
TSO	Telecommunications Services Obligation
TUANZ	Telecommunications Users Association of New Zealand
UBA	Unbundled Bitstream Access
UCLL	Unbundled Copper Local Loop
UFB	Ultra Fast Broadband
WHOIS	An electronic facility used to query the details of a specific domain name in the .nz Register
WSA	Wholesale Services Agreement
WSIS	World Summit on the Information Society
W3C	World Wide Web Consortium