

AGENDA – COUNCIL MEETING

Friday 24th February 2017

InternetNZ, Level 11, 80 Boulcott St, Wellington			
8.45am	Refreshments (coffee, tea, & scones) on arrival		
9.00am	Meeting start		
11.15am	Tea Break		
12.45pm	Lunch		
3.20pm	Meeting Close		
9.00-9.30am	Nicole Ferguson, REANNZ – conversation (Nicole will make a presentation on REANNZ priorities, questions and discussion to follow – staff across the group invited.)		
Section 1 – Meeting Preliminaries			
9.30-9.45am	1.1	Council only (in committee)	-
9.45-10.00am	1.2	Council and CE alone time (in committee)	-
10.00-10.05am	1.3	Apologies, Interests Register and Agenda Review	3
Section 2 – Strategic Priorities			
10.05-10.15am	2.1	Industry Scan	-
10.15-10.40am	2.2	Organisation Review Update Report	9
10.40-10.50am	2.3	Strategic Partnerships 2017 <i>(Confidential)</i>	-
10:50-11:15am	2.4	2017-18 Activity Plan <ul style="list-style-type: none">Goals for the yearProjects	13
11.15-11.30am		Tea Break	
Section 3 – Matters for Decision			
11.30-11.40am	3.1	Review of Governance Policies: <ul style="list-style-type: none">AST: Audit Services TenderBUS: Product and Services DevelopmentCTR: Contracting for Councillors and DirectorsREM: Remuneration Council and Boards	29 31 33 37 39
11:40-11:45am	3.2	Conference Attendance Grants Round <i>(Confidential)</i>	-
Section 4 –Matters for Discussion			
11.45-12.00pm	4.1	President and CE briefing	-
12.00-12.20pm	4.2	Financial Strategy	41
12.20-12.45pm	4.3	Membership to Engagement	45
12.45-1.20pm		LUNCH	

1.20-1.40pm	4.4	Subsidiaries Reports: <ul style="list-style-type: none"> NZRS/DNCL Joint .nz Quarterly Report DNCL and NZRS 3rd Quarter reports 2017-2018 Statements of Direction & Goals for DNCL and NZRS Product & Service Development Report Technical Research Report 	55 65/67 77 87 95
1.40-1.45pm	4.5	Group Consolidated Financial Report (QE Dec 2016)	103
1.45-2.00pm	4.6	Evaluation of Products & Services Development <ul style="list-style-type: none"> Framework for evaluation Data from NZRS (<i>Confidential</i>) 	111 115 -
Section 5 – Consent Agenda			
2.00 -	5.1	Confirm Minutes – November 2016 Meeting	119
	5.2	Actions Register	133
	5.3	Membership update	135
	5.4	Media Monitoring update	137
	5.5	Evote ratification	139
- 2.20pm	5.6	Health & Safety update	141
2.20-2.30pm	5.7	Chief Executive's Report <ul style="list-style-type: none"> Overview and Key Issues Programmes Operations Governance and Members 	143
2.30-2.40pm	5.8	Council Committee Reports <ul style="list-style-type: none"> Audit & Risk <ul style="list-style-type: none"> Risk Register Framework Copy of Risk Register (<i>Confidential</i>) Grants Māori Engagement CE Review 	151 153 - - - - -
Section 6 – Other Matters			
2.40-3.00pm	-	CONTINGENCY (<i>for any overflow</i>)	-
3.00-3.05pm	6.1	Matters for Communication – key messages <ul style="list-style-type: none"> Communications in general Upcoming events 	-
3.05-3.10pm	6.2	General Business	-
3.10-3.20pm	6.3	Meeting Review	-
3.20pm	-	Meeting close	-

*** Section 7 - List of Acronyms and Annotated Agenda**

Council register of interest

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

Officers and Councillors receive the following annual honoraria:

President - \$30,000

Vice President - \$18,750

Councillor - \$15,000

Name: Jamie Baddeley

Position: President, InternetNZ

Term: AGM 2014 - AGM 2018

Declaration Date: 11 December 2015

Interests:

- NZNOG Trustee
- Officer's Honorarium for InternetNZ

Name: Joy Liddicoat

Position: Vice President, InternetNZ

Term: AGM 2014 - AGM 2018

Declaration Date: 31 July 2015

Interests:

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

Name: Brenda Wallace

Position: Councillor, InternetNZ

Term: AGM 2012 - AGM 2018

Declaration Date: 8 November 2016

Interests:

- Member of Green Party of Aotearoa New Zealand
- Many .nz domain names
- Employee and shareholder of Rabid Tech
- NZRise member
- Trustee of Whare Hauora project
- Councillor's Honorarium for InternetNZ
- Trustee, Kahurangi School

Name: Dave Moskowitz

Position: Councillor, InternetNZ

Term: AGM 2011 - AGM 2017

Declaration Date: 31 July 2015

Interests:

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

Board memberships:

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

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

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

Non-profit Activity:

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

Other memberships:

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

Name: Richard Wood

Position: Councillor, InternetNZ

Term: AGM 2013 - AGM 2019

Declaration Date: 15 November 2016

Interests:

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

Name: Amber Craig

Position: Councillor, InternetNZ

Term: AGM 2013 - AGM 2019

Declaration Date: 18 November 2016

Interests:

- Consultant and organiser of some corporate unconferences
- Holds .nz domain name registrations
- Employee of ANZ
- Creator & Director of Beyond the Achievements
- An immediate family member works at NZRS occasionally
- Co-Founder of Diversity Consulting NZ
- Co-organiser of WWGSD HQ Unconferences
- Trust Chair of Whare Hauora Charity
- Provisional member of New Zealand Labour Party
- Councillor's Honorarium for InternetNZ

Name: Rochelle Furneaux

Position: Councillor, InternetNZ

Term: AGM 2014 - AGM 2017

Declaration Date: 23 November 2015

Interests:

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

Name: Sarah Lee

Position: Councillor, InternetNZ

Term: AGM 2014 - AGM 2017

Declaration Date: 11 February 2016

Interests:

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

Name: Hayden Glass

Position: Councillor, InternetNZ

Term: AGM 2014 - AMG 2017

Declaration Date: 10 October 2015

Interests:

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

Name: Richard Hulse

Position: Councillor, InternetNZ

Term: AGM 2015 -AGM 2018

Declaration Date: ~~4 August 2015~~ 2 December 2016

Interests:

- ~~Employee at Radio New Zealand Limited~~
- ~~Director of Eduvac Limited~~
- Holder of .nz domain name registrations
- Councillor's honorarium for InternetNZ

Name: Kelly Buehler

Position: Councillor, InternetNZ

Term: AGM 2015 -AGM 2016

Declaration Date: 18 May 2016

Interests:

- Holder of .nz domain name registrations
- Councillor's Honorarium for Internet NZ

Name: Keith Davidson

Position: Councillor, InternetNZ

Term: AGM 2016 –AGM 2019

Declaration Date: 24 August 2016

Interests:

- Domain name registrations including .nz names
- ~~Member of the IANA Stewardship Transition Group (ICG), as representative of the ccTLD community~~
- ~~Member of the ICANN Cross Community Working Group on the IANA Stewardship Transition~~
- Sole shareholder and Director of KD Services Limited
- Member of numerous clubs, societies and associations, many of which are .nz registrants
- Member of ISOC and PICISOC
- Chartered Member of NZ Institute of Directors
- Member of the ICANN ccNSO FOI Implementation Advisory Team
- Councillor honorarium of InternetNZ

The register was last updated in August 2016.

INTENTIONAL BLANK PAGE

ORGANISATIONAL REVIEW WORKING GROUP

Author: Cr Kelly Buehler, Chair – Organisational Review Working Group

Purpose of Paper: To set out the progress the Working Group has made so far on the Organisational Review, and sets out its proposed next step

Process to date

Since the last meeting of Council, the following actions have happened:

- The WG has met three times (Dec, Jan, Feb) with all members now involved.
- The WG has adopted an aggressive work plan for the review, to avoid lengthy uncertainty within the organisation (attached in this report).
- The WG brainstormed strengths to protect in any new iteration of our organisation/structure, and issues to resolve or opportunities to grab.
- A set of external stakeholders were consulted on existing strengths and opportunities/issues for the Review to consider.
- The Chief Executives in the group provided written input on the five topics the Strategy Day had identified as issues for the review to consider.
- Kelly Buehler was agreed as Chair of the group
- Staff across the group were surveyed on similar topics.
- Staff across the group were updated on the review, what it is looking at, and the basic process being followed & timeline expected.
- Work has begun on developing design options.

At the meeting on 13 February, the Working Group and Jordan agreed that Jordan would step aside from project management and drafting of the WG's documents and reports. He and we felt that the role created a conflict of roles between him providing neutral support for the Review, that conflict is removed.

With that change in support, and with a feeling more evidence and analysis is required, the intended milestone for this Council meeting (of asking for input on and approval of design objectives and principles and a case for change) has been delayed.

Next Steps

The WG plans to meet with the consultants who had been assisting staff on Thursday 23 February to determine whether they can provide ongoing support to the Review.

We will provide a verbal update to Council on where we get to on 23 February and on the feedback received so far, and aim to get back on schedule at the meeting the following week.

We will also update Council on future steps for communicating the Review's work, either at the meeting or after our meeting the week following Council.

Besides their joint input, the WG will solicit input from CEs individually, and will consider that carefully in building the case for change, design objectives and design principles.

Progress in this work will determine whether the April Council meeting has available proposed design objectives, or those and strawman options for review. The WG expects to be able to engage Council via the email list between meetings if its work needs input.

We welcome any questions.

Recommendation:

THAT Council receive the report of the Organisational Review Working Group dated 16 February 2017.

Kelly Buehler

Chair, Organisational Review Working Group

16 February 2017

Organisational Review: Work Plan (as at 8 February 2017)

This document sets out a draft Work Plan for the Organisational Review of InternetNZ that kicked off in December. It sets out key deliverables and milestones in more detail so that readers can get a sense of the overall process of the review.

NOTE: The process and timings may evolve as the Working Group conducts the review.

W/B (date)	Item	Note
	Agreement of Eighth Member by Council	Done
23 Jan	Working Group Meeting #2 – key outputs needed <ul style="list-style-type: none">Brainstorm: key insights on a) issues to tackle and b) strengths to keepAgreement on staff and stakeholders consultation approachAgreement of work planAgreement on internal comms approach	Done
30 Jan	Consultation (staff/stakeholders) as agreed begins. Staff begin development of Case for Change / Design Principles / Design Objectives document based off the insights, issues and strengths from the brainstorm.	Done
13 Feb	Working Group Meeting #3 – key outputs needed <ul style="list-style-type: none">Consider and understand results of staff and stakeholder consultationAgreement / changes needed to Case for Change / Design Objectives / Design Principles document	
13 Feb	Finalise Document for Council (by Thu 16 th) – online or brief meeting if needed.	
20 Feb	Council discusses and updates Case for Change / Design Objectives / Design Principles document.	
27 Feb	Working Group Meeting #4 – key outputs needed <ul style="list-style-type: none">Absorb and reflect on Council discussionBrainstorm: design options Staff write up and circulate design options.	
6 Mar	Working Group Meeting #5 – key outputs needed <ul style="list-style-type: none">Test and assess design optionsFirst discussion of consultation approach	

W/B (date)	Item	Note
13 Mar	Further refinement by staff, including pros and cons	
20 Mar	Working Group Meeting #6 – key outputs needed <ul style="list-style-type: none"> • Agreement on pros and cons and design options • Agreement (if possible) on preferred model • Agree proposed consultation approach (internal and external) 	
27 Mar	Finalise Document for Council (by Thu 30 th) – online or brief meeting if required	
3 Apr	Council discusses and approves preferred model for public/stakeholder testing and consultation	
10 Apr	Working Group Meeting #7 – key outputs needed <ul style="list-style-type: none"> • Absorb and reflect on Council discussion • Adjust consultation approach / options as required (e.g. may lead to an evote process) 	
17 Apr	Consultation	
24 Apr	Consultation (WG meeting if required – tentative)	
1 May	Consultation / evaluation	
8 May	Working Group Meeting #8 – key outputs needed <ul style="list-style-type: none"> • Evaluation of consultation outcomes • Finalise model and recommendation for Council 	
15 May	Finalise Document for Council (by Thu 18 th) – online or brief meeting if required	
22 May	Council discusses consultation outcomes and approves preferred model for development and implementation	

FOCUS AREA GOALS AND PROJECTS FOR THE 2017/18 ACTIVITY PLAN

Author: Andrew Cushen, Deputy Chief Executive

Purpose of Paper: To continue the development of the 2017/18 Activity Plan by seeking agreement on the goals for the Focus Areas and feedback on potential projects that will help achieve the goals.

Background

At the November 2016 meeting, Council approved continuing with the three Focus Areas from 2016/17 Activity Plan in 2017/18, subject to further refinement.

The framework for developing this Activity Plan proposed that a draft of the 17/18 plan would be presented at this meeting. We have changed this approach because we wish to be clear about the goals and areas of work before developing the detail of the plan. So we are presenting to you today the following for discussion and decision:

1. A new approach to the Focus Areas and Projects in the 2017/18 Activity Plan, with a three-year rolling approach developed and proposed;
2. Proposed Focus Area Goals;
3. A proposed set of projects to deliver to the Focus Areas;
4. A proposed set of internal themes for 2017/18;
5. Outline the next steps in completing the Activity Planning process for 2017/18 for presentation at the April meeting of Council.

1. A new approach to the 2017/18 Activity Plan

At the last meeting of Council, we discussed using a two-year time horizon for Activity Planning to allow for a longer run at more substantive projects and goals. Upon further development, we recommend increasing that to three years and have prepared this document on that basis.

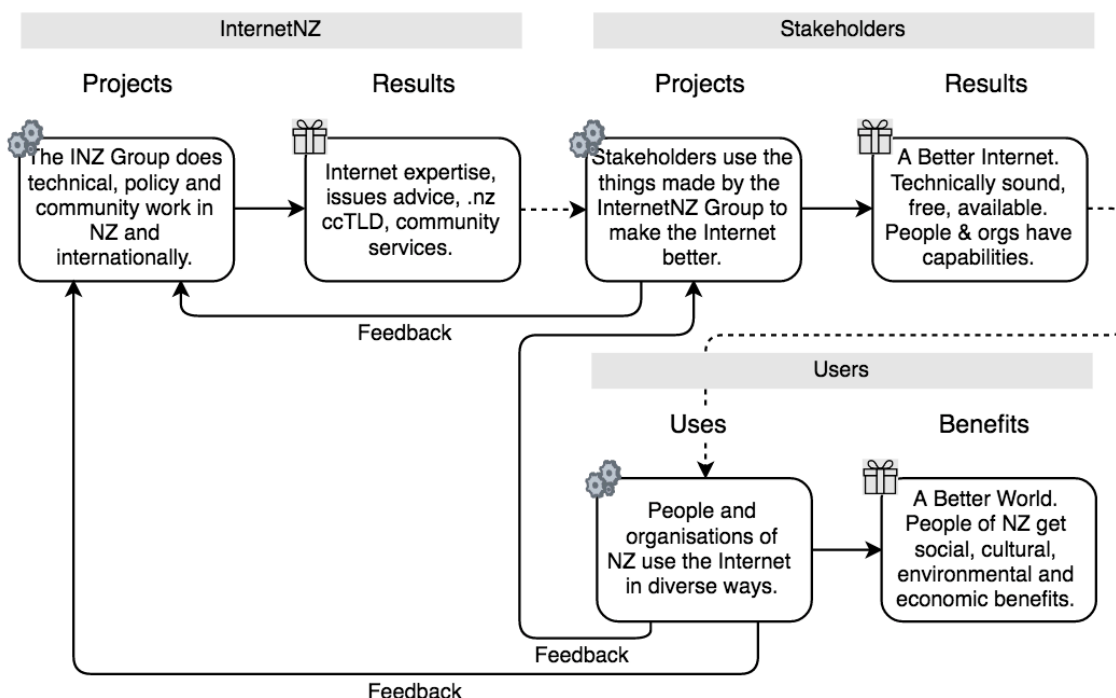
Each of the projects proposed in this document have a three-year rolling time horizon to demonstrate that longer run view. Please note that we intend to introduce a new Activity Plan each year, but with a new three year rolling horizon as we update and/or introduce new initiatives.

We have also used a new method of accounting for how our work creates change, which we have developed with the help of Dan Randow. This approach steps out the work we do, to the stakeholder projects and results that these create, to the changes that those projects then stimulate in the wider Internet community. This is deliberately designed to give effect to InternetNZ's vision of a Better World through a Better Internet.

This method is summarised as:

1 Operating model

The InternetNZ group carry out projects that create various results. InternetNZ's stakeholders use those results in their own projects to create a better Internet. Users use the Internet to create benefits for themselves.



Process

The planning process this year included an open brainstorming/environment scan. We've involved NZRS and DNC in this stage.

Staff have assessed the ideas that came from this process against the Focus Areas, and to assess what we believe we can realistically achieve to deliver to the proposed goals.

The Appendix includes the long list of potential initiatives that came from this process.

Strategic Plan alignment

2017/18 represents the third year of the InternetNZ Strategic Plan 2015-2018. This plan will be assessed and refreshed later this year. Despite proposing a rolling three-year approach to Activity Planning, we are not seeking to foreclose the full assessment of delivery against our Strategic Plan, or foreclose a new Strategic direction coming from that process.

2. Focus Area Goals

These are the goals we propose for the Focus Areas for the 2017/18 Activity Plan. Note that all of these goals have a three year time horizon, matching the three-year rolling basis of the Activity Plan for 2017/18.

- **Access to the Internet Goal:** New Zealand ranks in the top 5 for Universal Access as measured by the Web Index by 2020.
 - **Why:** The recent research done by InternetNZ through UMR shows that household access to the Internet is approximately 91%. Finally, the Web Index reports that New Zealand ranks 8th out of the countries they track.

- **Trust on the Internet Goal:** Develop an understanding of what contributes to trust on the Internet, and build a framework that allows measurable progress in building trust. This goal would then be reframed next year.
 - **Why:** The public research that InternetNZ has done with UMR shows that 72% of respondents are concerned about threats to personal security posed by the Internet. We think this is too high and would like to see it (or other more suitable indicators) showing less public concern.
- **Creative potential on the Internet Goal:** To be in the top 10 countries worldwide, as defined by the Web Index measure of the World Wide Web's contribution to social, economic and political progress in countries across the world.
 - **Why:** The Web Index reports that New Zealand is 12th in the world across their assessment of the World Wide Web's contribution to social, economic and political progress in countries across the world. Underlying that however, we rank 21st in the world on social and environmental impact – the weakest component of New Zealand's score.

We intend that by the end of the planning process these goals should be specific and able to be tested against available (or new) evidence. They have time commitments or will do. Responsibility will be allocated within the organisation and the final Activity Plan will show how the work we will do contributes to these goals.

3. A proposed set of Projects to deliver to the Focus Areas

We have developed a few projects for each Focus Area: substantive pieces of work that are our proposed contribution that InternetNZ can make, alone or with partners, to help achieve these goals. They are set out over the following pages.

Questions for Council

The following questions are those that we would like your views on to help us with the next steps in this process.

1. Are these the right goals for these Focus Areas?
2. Do you agree with the Projects we propose to do; those we propose to do with others and those that we would do if we have capacity?
3. Do the projects proposed advance the goals in your judgement? If not, do you propose different projects that would do a better job?

Focus Area 1: Access to the Internet

What we propose to do: Internet Infrastructure

New Zealand's Internet infrastructure is broad and varied. A critical component is the means by which people can connect to the Internet.

Many of these issues are playing out in New Zealand in the current review of the Telecommunications Act. Participating in this review will continue from the 2016/17 Activity Plan into 2017/18.

How this contributes to the Access to the Internet Goal:

1. The Telecommunications Act defines what terms monopolistic assets may be accessed on. That in turn determines prices, which is a core component of affording access.
2. It also defines the terms upon which other companies may enter the market, by effectively being a large determinant of the range of returns that different investors receive. These policies define how competitive the market is.
3. As new technologies emerge for Internet access, and as the fibre rollout in New Zealand reaches completion, the ways in which New Zealanders will access the Internet will change markedly.

Three year outcomes

When	InternetNZ projects and results	A better Internet (stakeholder projects and results)	A better world (uses and benefits)
Current State	InternetNZ participates in the Telecommunications Act review encouraging efficiency-maximising policy	Internet infrastructure is not efficiency maximising enough because of the Telco Act.	Not all New Zealanders can access and afford Internet that is good enough to innovate on.
Target 2017/18	INZ participates in the legislative process to secure an improved Telco Act	Government makes a better Telco Act.	Not all New Zealanders can access and afford Internet that is good enough to innovate on.
Target 2018/19	INZ influences telcos to act on the certainty provided by the new Telco Act, and participates in discussions about investments from both industry and Government.	Long-term infrastructure planning is improved as a result of the certainty and confidence in new Telco Act.	Innovation is beginning to increase as a result of the new Telco Act.
Target 2019/20	INZ provides evidence of the gains from the new Telco Act.	Long-term infrastructure planning is improved as a result of the certainty and confidence in new Telco Act.	Further targeted interventions are clear to plug gaps that are left after industry and Government investment.

What we propose to do with others: Digital divides

Around 30% of New Zealanders have little or no access to the Internet because they cannot afford it and lack the capability to use it. We will continue to work with the 20/20 Trust on this work, recognising their leadership in this area and our long standing Strategic Partnership.

How this project delivers to the Access to the Internet goal:

1. The biggest challenge in meeting the access goal is addressing those divides that exist now that infrastructure challenges are met, or solutions known.
2. In the long run, we would like to see all New Zealanders online. We have to start talking about these now.
3. We should continue to utilise our established relationships and assets in this area - such as with the 2020 Trust, the Broadband Map and the new Digital Divides Map.

Three year outcomes

When	InternetNZ's projects and results	A better Internet (stakeholder projects and results)	A better world (uses and benefits)
Current State	Digital divides still exist.	Stakeholders are not doing much about this.	Certain groups still do not have access.
Target 2017/18	INZ provides examples and evidence of the digital divide.	Stakeholders review the examples and evidence INZ gave them.	Certain groups still do not have access.
Target 2018/19	INZ influences stakeholders to act on the examples and evidence.	Stakeholders have acted on INZ's examples and evidence.	Those that currently don't have access s are beginning to get better access.
Target 2019/20	INZ provides evidence of impact of stakeholder actions on the digital divide.	Stakeholders continue to act, and review our evidence about the effectiveness of their actions.	The affected groups have gained better access.

What we would do if capacity allows: Informing choices for Internet users

It is sometimes hard for many New Zealanders to make decisions about how to access the Internet. There are nearly 100 different ISPs; there is an ever-increasing number of access technologies on offer; there are a number of other hardware and software choices that New Zealanders have to make to have the best experience online.

Ideally, we would deliver to this through a programme of work with Consumer. We've not discussed it with them in this level of detail and will do so in order to scope further and determine if we can fit it in.

How this contributes to the Access to the Internet goal:

1. More competition in the market increases choice but also increases complexity in providing more choices.

2. Different provider choices have a meaningful impact on the quality of Internet access.
3. Informed, empowered consumers are more likely to engage in switching behaviours, therefore increasing competitiveness in the market and driving improved products and services from ISPs.

Three year outcomes

When	InternetNZ projects and results	A better Internet (stakeholder projects and results)	A better world (uses and benefits)
Current State	INZ launches the ISP Spotlight with the top 15 ISPs. Broadband Map in deployment.	A new resource is available to collate information about ISP configuration.	1300% increase in website traffic as New Zealanders refer to this information.
Target 2017/18	INZ expands ISP Spotlight to cover more ISPs, and develops partnerships with price comparison tools to include this data in their services.	Price comparison tools now have more information to help New Zealanders make informed choices.	More New Zealanders refer to this information in making their choices.
Target 2018/19	INZ continues to expand the ISP Spotlight, covering more ISPs and also introducing new criteria.	More information available both on the InternetNZ website and baked into other tools through partnerships.	More New Zealanders refer to this information in making their choices.
Target 2019/20	INZ continues to expand the ISP Spotlight, covering more ISPs and also introducing new criteria.	Comprehensive information available on the InternetNZ website and through partners.	New Zealanders recognise that InternetNZ is the home for trusted advice on the choices to get online.

Focus Area 2: Trust on the Internet

What we propose to do: Two factor authentication (TFA) campaign

Two Factor Authentication (2FA) is a very useful security protection. We would lead a multi-pronged campaign to encourage 2FA use and provision across New Zealand.

This would be a pilot programme of intervening and trying to drive uptake, use and understanding on what New Zealanders can do to improve their own trust in the Internet.

How this contributes to the Trust on the Internet goal:

1. Educating New Zealanders about how they can secure their accounts
2. Provide New Zealander companies and organisations with tools and resources to help secure their services and customers
3. Provides insight into what works for the research project we outline below.

Three year outcomes

When	InternetNZ projects and results	A better Internet (stakeholder projects and results)	A better world (uses and benefits)
Current State		A variety of solutions are available from online service providers.	2FA is rarely used.
Target 2017/18	InternetNZ starts a public awareness campaign to increase understanding of 2FA.	A campaign and resources encourages the use of tools that are already available.	New Zealand public is aware of 2FA and its relevance to them.
Target 2018/19	InternetNZ continues and refines the public awareness work and introduces new resources and documentation for 2FA developers.	Resources and documentation increase the number of 2FA solutions available, including some developed in New Zealand.	New Zealand public is more aware of 2FA and its relevance to them and has more choices to deploy it.
Target 2019/20	InternetNZ runs/sponsors or encourages a 2FA mini-conference.	Local 2FA community is developed further.	New Zealand public utilisation of 2FA is high and a developer ecosystem built.

What we propose to do with others: Develop a framework and metrics for tracking and improving trust on the Internet.

We propose to do some research in this area, ideally with like-minded organisations in our international network. Building trust in the Internet is a global challenge, and one that we are both aware is on the minds of others but also one that is more front of mind given wider geo-political changes.

The result of this research would be a model and a framework for actively building trust – both on a domestic level, but ideally hooked into a larger international effort.

How this contributes to the Trust on the Internet goal:

1. Provides a framework, clarity around measures and a method for clarifying what initiatives work.
2. Recognises that the trust on the Internet challenge is a global one, and that therefore we need to work through our International networks to fully address it.

Three year outcomes

When	InternetNZ projects and results	A better Internet (stakeholder projects and results)	A better world (uses and benefits)
Current State		Trust on the Internet is not clearly defined and an intervention model unclear.	Growing distrust in the Internet and increasing threat against trust.
Target 2017/18	INZ develops a research programme into defining and measuring trust, in collaboration with international partners.	Trust on the Internet is defined and an intervention model is clear.	No change.
Target 2018/19	INZ implements ideas aligned with the research conducted to trial increasing trust in the Internet in New Zealand, ideally aligned with international partners.	Intervention model is tested, metrics validated.	New Zealand public starts to see improved trust in the Internet because of these ideas and projects.
Target 2019/20	INZ implements more ideas aligned with research and reports on the successes and learnings from the first phase.	Intervention model is refined based on NZ experience and others overseas.	Framework for intervention is leading to improved climate of trust both in NZ and in other participating jurisdictions.

What we would do if capacity allows: Device health check

InternetNZ launches an online service, similar to the EFF's Panopticlick¹, but with a broader mandate. This tool could be shaped to be in line to improve as many of the ASD Essential Eight as possible.

We would need to partner with another organisation, or commission the technical build, to create this resource.

How this contributes to the Trust on the Internet goal:

3. Educating New Zealanders about how much they can trust their device
4. Provide New Zealanders with a way to improve the security of their devices
5. Bolster safety online through helping New Zealanders use modern, up-to-date browsers with the safest versions of common plug-ins available.

Three year outcomes

When	InternetNZ's projects and results	A better Internet (stakeholder projects and results)	A better world (uses and benefits)
Current State	We have existing projects and concepts around information security.	There are limited resources that provide information to users about how to manage.	New Zealanders are using a variety of browsers and devices that are not up to date, or patched
Target 2017/18	We commission the service and launch it.	We see an increase of Kiwis who patch and update their devices.	A small number of New Zealanders access the tool in its first phase, and provide feedback on its utility.
Target 2018/19	We refine the tool for the feedback received and then invest in promotion and uptake of this service.	We see another increase of Kiwis who patch and update their devices.	Promotion means that the tool starts to be widely used by New Zealanders seeking to actively control their information security risks.
Target 2019/20	We refine and continue our promotion of the service to encourage usage.	We see another increase of Kiwis who patch and update their devices.	Use of this tool to actively manage information security risks on devices is commonplace, and New Zealanders are less worried as a result.

¹ <https://panopticlick.eff.org/>

Focus Area 3: Creative potential on the Internet

What we propose to do: Creation-enabling copyright

The new modes of distribution the Internet allows, and its power as a “copying machine,” challenges the historic model of owners of content completely controlling distribution.

This in turn risks harming the generative and creative potential that comes from transformation, remix, reuse and renewal that the Internet allows. The balance is forever changing, and needs to be re-considered with the public interest in mind as technology changes over time.

How this contributes to the Creative Potential of the Internet goal:

1. There are ever more examples of the creative potential of the Internet being hampered by copyright.
2. Copyright reform would give Internet-enabled forms of creation more protection, whilst still protecting traditional creations as well.

Three year outcomes

When	InternetNZ projects and results	A better Internet (stakeholder projects and results)	A better world (uses and benefits)
Current State	InternetNZ has a long history of working on copyright reform.	Pearson sues Rangitoto. Sky sues Fairfax. ICT industry and civil society are not mobilised.	Innovation is constrained by the Copyright Act.
Target 2017/18	INZ collects and shares evidence of the potential with stakeholders, and makes representations to Government.	Stakeholders understand the problem and submit to Government for a better Copyright Act.	Innovation is constrained by the Copyright Act.
Target 2018/19	INZ makes grants targeted at encouraging uses of the Internet permitted by the new Copyright Act.	Government makes a better Copyright Act.	Innovation permitted by the new Copyright Act begins to happen.
Target 2019/20	INZ measures and reports on the gains from the new Copyright Act.	Less litigation. Some stakeholders encourage uses permitted by the new Copyright Act.	Innovation permitted by the new Copyright Act becomes common.

What we propose to do with others: Youth engagement on the open Internet

InternetNZ creates a schools' liaison programme, designed to encourage and activate more young people about the open Internet, and how they can contribute to its development.

InternetNZ would work in partnership with organisations like Network 4 Learning and Netsafe to build a series of resources for schools around use online, and distribute these as widely as possible. InternetNZ would also look to develop specific youth related forums and events, or streams at the likes of NetHui, to enable younger people to explore the benefits and uses of the Internet together.

How this contributes to the Creative Potential of the Internet goal:

1. Young people are digital natives; the Internet has been a constant part of their lives.
2. InternetNZ can encourage them to use that default interest to not be passive consumers of content, and instead explore how to use and create online.
3. Done right, this lifts the bar by having a more capable generation of new Internet-enabled creators in New Zealand.

Three year outcomes

When	InternetNZ's projects and results	A better Internet (stakeholder projects and results)	A better world (uses and benefits)
Current State		Few stakeholders engage youth on benefits and uses of connectivity.	An under activated generation of young people as users of the Open Internet.
Target 2017/18	INZ develops resources for youth and schools, and forms partnerships with organisations that can pilot distribution for validation of resources. Runs a dedicated stream at NetHui.	Teachers, parents and young people have an opportunity to co-design what would be useful resources for them.	Nothing yet.
Target 2018/19	INZ shares the now validated resources across the NZ secondary school system via partnerships.	Resources are now available to teachers, parents and young people themselves on how to explore using the open Internet.	Young people are now using the InternetNZ provided resources to explore new uses and benefits of the Internet.
Target 2019/20	INZ deepens partnerships to activate a presence in schools.	Greater visibility and presence of resources in New Zealand schools.	Young people are confident creators online, and are aware of the opportunities available to them in using the Internet.

What we would do if capacity allows: Internet innovation enablement grants

InternetNZ recognises that the Internet is a powerful tool for innovation of all kinds. This project relates to expanding our grants remit to explicitly encourage more innovation-based projects outside of the parameters of the current three grants rounds.

This project will need significantly more development, guidance and targeting in order to be a useful addition to our community grants work.

How this contributes to the Creative Potential of the Internet goal:

1. Allows adding another string to our bow of community grants
2. Provides another funding inlet for different sorts of projects that may not currently fit in the funding rounds.

Three year outcomes

When	InternetNZ projects and results	A better Internet (stakeholder projects and results)	A better world (uses and benefits)
Current State	INZ makes grants on conference attendance, on community projects and for research.	Stakeholders are not doing things that they could do to encourage innovative use of the Internet.	There is a lot of untapped potential for innovation using the Internet.
Target 2017/18	INZ makes grants targeted at encouraging innovation using the Internet.	Stakeholders do things to encourage innovative use of the Internet.	Some new innovative uses of the Internet are occurring.
Target 2018/19	INZ makes more grants, and begins to provide evidence of the effectiveness of actions to encourage innovative use of the Internet.	Stakeholders do more things to encourage innovative use of the Internet, based on the evidence provided by INZ.	New innovative uses of the Internet are occurring.
Target 2019/20	INZ continues to provide grants and reporting and evidence of the effectiveness	InternetNZ is widely recognised by Stakeholders as a funder and contributor to driving innovation through the Internet in New Zealand.	Innovative uses of the Internet are occurring significantly more than in the current state.

4. Internal themes

These were introduced into the 2016/17 Activity Plan as the themes that we would deliver to internally.

As stated in the last Activity Plan:

Underpinning all our work in 2016 are three core themes: professionalism, outreach and communication. Council has asked us to focus on outreach improvements and better engagement: to do this, we need a stronger communications function. To do all our work as effectively and efficiently as we can, a sharper sense of professionalism will be our watch-word.

We propose that in 2017/18, as follows. We will be:

1. **Focussed:** We will do more on fewer things, and taking deliberate action on the things we do focus on.
2. **Simple:** We will drive efficiency in our internal systems; provide a good experience of InternetNZ for members and stakeholders; share simple messaging out to the wider Internet community.
3. **Reaching out:** We will deepen InternetNZ's our links with the wider Internet community, growing InternetNZ's presence with the general public and increasing the relevance and trust of the organisation.

5. Next steps

At the November 2016 meeting, Council approved continuing with the three Focus Areas from 2016/17 Activity Plan in 2017/18, subject to further refinement.

DATE	PROCESS STEP	OUTCOME
BETWEEN 24 FEB AND 10 MARCH	Member and stakeholder discussions on Focus Area goals and proposed projects (Must be here in order to discuss before ICANN in March, and to allow for any thoughts to build through into plan.)	Member and stakeholder engagement, briefing and contribution to Activity Planning.
BETWEEN 24 FEB AND 10 MARCH	Develop Programme Plans for BAU work; Programme Goals and a review of the overall BAU load	Refined list of carry over activities; programme goals that reflect the Focus Area project and the internal themes.
10 MARCH- 28 MARCH	Update budget and loading for the decisions made about the activity plan.	The Activity Plan is therefore largely complete at this point: <ul style="list-style-type: none">- Focus Areas locked- Projects locked- Timing and balancing locked
31 MARCH	Plan presented to Council for review, incorporating member and stakeholder feedback, full budget and BAU.	Council sees the full scope of activity in 2017/18.
7 APRIL	Council meeting to approve	Approved Activity Plan for 2017/18.

Appendix – Summary of the long list of initiatives

This is a summary of the very many draft potential ideas identified by staff around the InternetNZ Group that reached a threshold of support and interest.

- Develop and industry code of practice for good security and privacy. Support with a model similar to ACC by developing a change in liabilities when appropriate actions are taken.
- Independent Internet testing – fund or design or otherwise enable cheap, distributed devices for testing Internet connectivity around NZ.
- Build outreach with older New Zealanders about increasing their confidence, skills and access online.
- Partner with the MindLab to teach information security.
- Build off PriceWaterhouseCoopers’ “Game of Threats” initiative, perhaps into a university context as a teaching aid.
- Create an online game for younger people to learn about online security and host it on our website. Could be the basis for a whole child-friendly part of our online presence.
- Build a new version of the Connecting the Clouds history of the Internet.
- Work out ways to increase competition in the market by encouraging large ISPs to sell more products from smaller network operators like the Wireless network providers.
- A campaign around tidying up “creepy” behaviours on the Internet like pervasive tracking for advertising, including encouraging more use of content blockers, public awareness campaigns, “naming and shaming” of offending companies.
- Continue work on Data breach notifications by advocating for the California model of exemptions to data breach penalties only if full disk encryption is used.
- Password campaign, around consumer level advice on good passwords, password lockers, highlighting sites with poor password practice and policy.
- Work with other disadvantaged communities such as those differently-abled to secure discounted Internet access.
- A “help” directory for the New Zealand Internet, i.e. where to go when X happens.
- Target groups to train (e.g. Police cadets, Public servants) or we could develop an online training course that explains the basics of the Internet.

- Setting up a social enterprise (possibly in partnership with other organisation) that provides useful, robust security advice to NGOs and charities to help them mitigate security risks, at no (or low) cost.
- Developed a model for developing a consumer advice brand for info security, like the Heart Foundation Tick, for consumer devices.

INTENTIONAL BLANK PAGE

REVIEW OF GOVERNANCE POLICIES – TRANCHE TWO

Author: Andrew Cushen, Deputy Chief Executive

Purpose of Paper: To establish the second tranche of Governance Policies on the new review timetable.

Background

At the November 2016 meeting, Council approved a new three-year timetable for all Governance Policies.

This covering paper accompanies the second tranche of these policies; the Group Policy set.

Tranche Two

Tranche Two¹ consists of the following policies that are attached to this paper,

- AST: Audit Services Tender
- PSD: Product and Services Development
- CTR: Contracting for Councillors and Directors
- REM: Remuneration Council and Boards²

All of these have been fully reviewed; I believe them to be fit for purpose, and that no substantive changes are required. As they are Group policies, and as per the Policy Development Policy, I have also consulted with the Chief Executives of NZRS and DNC. They have not requested any substantive amendments. As such, they have been amended solely to specify the next date of review as November 2018.

Recommendation

1. THAT Council approves the following policies as amended:
 - a. AST: Audit Services Tender
 - b. PSD: Product and Services Development
 - c. CTR: Contracting for Councillors and Directors
 - d. REM: Remuneration Council and Boards

¹ For completeness, Tranche Two also includes two other Group Policies that were approved at the November 2016 meeting of Council, and are already next up for review in November 2018. These were:

- PRT: Planning and Reporting Timetable
- PLC: Planning Cycle

² I was asked to consider whether the GRP-REM should be reviewed annually rather than every three years. It is my recommendation that it should not: the methodology in this policy does not require annual review. It is a different matter if Council wishes to review the rates payable for these positions, in accordance with the method expressed in this policy, on an annual basis.

INTENTIONAL BLANK PAGE

Group Policy: Audit Service Tender

Policy	GRP-AST: Group Policy - Audit Service Tender
Version	1.0
Date in force	April 2011
Planned review	April 2015 November 2018

Audit terms

InternetNZ has a maximum audit service term of five years and will be re-tendered at least once within the term, at any time within the term. InternetNZ should retain the same auditor for at least three years for continuity.

Re-tender of audit services

- When re-tendering audit services, InternetNZ's extant audit firm is eligible to be re-appointed following the re-tendering process. If re-appointed the firm should allocate a new partner to lead the audit.
- At least three potential audit firms must be involved in any re-tendering process.
- Tenders should be invited from firms that can work within the bounds of InternetNZ's size and budget.

Timeframe

The successful tenderer will be appointed by resolution of the Annual General Meeting for the ensuing financial year. An audit firm must be selected, ready to be recommended to Members five weeks prior to the AGM.

Other

InternetNZ's audit assignment should be completed by the end of May, after the end of each financial year, and should be conducted according to International Financial Reporting Standards.

INTENTIONAL BLANK PAGE

Product and Services Development

Policy	GRP-PSD: Product and Services Development
Version	Version 1. <u>0</u>
Date in force	May 2016
Planned review	May <u>November</u> 2018

About this document

This Product and Services Development Group Policy has been prepared to be the policy that sits alongside the Product and Services Development Strategy. A previous draft was known as GRP-BUS (Business Development Policy), based on the policy agreed in 2014.

Product and Services Development Strategy

InternetNZ's Group Strategic Plan sets out the imperative for business development: to diversify income beyond that arising from .nz domain name registrations.

A Product and Services Development Strategy that sets out the strategic approach to product and services development has been prepared. That is the document that sets out the rationale for product and services development and the overall approach taken. Actions under this policy must be aimed at achieving, and be consistent with, the Product and Services Development Strategy.

Purpose of this policy

The purpose of this policy is therefore to:

1. Establish authority and responsibility for product and services development;
2. Describe the high level test of eligibility by which product and services development opportunities are measured;
3. Establish limits to the resources applied to product and services development;
4. Outline return expectations for product and services development;
5. Establish transparency requirement for product and services development; and
6. Ensure that governance bodies, staff and members are appropriately involved throughout the decision making process.

The lead entity for Product and Services Development is NZRS. The NZRS Board is accountable for ensuring that it complies with this policy.

Authority & Responsibility

The final authority for implementing new business opportunities rests with NZRS. NZRS is responsible for delivering on the Product and Services Development Strategy.

Progress in delivering the strategy will be formally reported to the shareholder on an annual basis at the end of each financial year, and a public version of such report will be published.

NZRS is required to operate on a no-surprises basis with Council.

Council may consult members and the public on individual opportunities where it identifies particular issues or sensitivities that make this necessary. Otherwise, all product and services development projects will include stakeholder and member engagement plans.

Where any product and services development project interacts with the .nz policy framework, DNCL's role is to assess whether the project complies with the framework, which it will do in a timely fashion.

Eligibility

For any opportunity there are a number of key steps that are not related to the potential viability of a proposal that need to be addressed first.

Step 1:

Does the proposal help deliver the objects of InternetNZ?

Proposals have to deliver the Objects of InternetNZ in a demonstrable way.

Step 2:

Would the proposal endanger the charitable status of InternetNZ?

Charitable status is of considerable financial benefit to InternetNZ. Any proposition likely to endanger this would need special consideration.

Step 3:

Would the proposal result in significant stakeholder conflict?

The existence of a competitor in the same area would not necessarily disqualify a business case from being advanced but it would need special consideration.

Resource limits

Pursuant to the Strategy, the following limits apply:

Limit type	Limit value
Overall gross direct expenditure on product and services development.	\$400,000 (either opex or capex) from 1 April 2014 to 31 March 2017.

Expectations of return

There are three levels of financial return that may be provided by any new product or service:

1. Profitable, returning dividend to InternetNZ.
2. Financially self-sustaining through commercial activity.
3. Running at a loss and requiring ongoing financial investment.

The decision on the expected return of any individual opportunity will be made on a case-by-case basis. It may be that a single service could be provided in different ways, each with a different level of financial return, in which case all options should be considered at the same time.

Where product and services development work suggests a new project or service that isn't commercial (i.e. service development not business development) it is not covered by this Policy. Any business unit contemplating such a project must discuss it with Council prior to committing direct financial resources.

Transparency

Product and services development is conducted on a "no surprises" basis – InternetNZ will never be put in a position of being surprised by NZRS. Regular reports on product and services development will be provided to InternetNZ and public versions made available on the website.

It is recognised that commercial confidentiality may restrict the general principle of transparency that the group adopts, but this restriction should only be applied where necessary, in as limited a manner as possible and for a limited a period as possible.

The resources deployed by NZRS in conducting product and services development, and the income gained, will be transparently reported on as follows:

- Direct costs in developing a product or service will be accounted for and reported on in the regular product and services development reports.
- Ongoing revenue and costs for products and services will be included in the company's regular (quarterly) financial reports to the shareholder.
- Indirect or overhead costs will be disclosed in the Statement of Direction and Goals on an annual basis, through a best-efforts estimate of staff salaries devoted to product and services development (both development of opportunities and implementation of projects).
- Regular reporting on projects and overall progress, to give effect to the no surprises commitment, will be done on a quarterly basis to the shareholder, and will include a public version which will be published.

Implementation

The expenditure limit on direct costs for developing new products and services set out above is designed to allow NZRS to finance the initial phases of a project. When a project has developed to the point it is considered viable, NZRS will recommend to Council for decision what legal structure and financial arrangements should be put in place around that opportunity in order to:

- Partition risk.
- Allocate and make best use of resources.
- Make best use of skills and expertise.

The options for legal structure are:

1. As an ongoing project within an existing entity (InternetNZ or one of its subsidiaries).
2. A new subsidiary of InternetNZ.
3. A new subsidiary of an existing subsidiary.
4. Disposal of the business activity (sale to another).
5. Licensing of the product/service or relevant IP.

Group Policy: Contracting for Councillors and Directors

Policy	GRP-CTR: Group Policy – Contracting for Councillors and Directors
Version	Version 1. 0
Date in force	October 2011
Planned review	April 2015 November 2018

The following process to be followed where a member of a governance body contracts for work with any part of the group:

1. The Chief Executive, having carefully specified the requirements for the work, should make a commercial decision about the person to be contracted and negotiate the key terms. If a Councillor or Director is involved, the Chief Executive is required to draw this to the attention of Council or the relevant Board.
2. The Council or Board should then review the details of both the process followed and the terms negotiated to ensure probity, transparency and a defensible and methodical process, appropriate to the size of the commitment.
3. If the Council or the Board approves the Chief Executive's decision, the Chief Executive may sign the contract.
4. The Councillor or Director engagement must then be declared and registered on the appropriate Conflicts Register.

INTENTIONAL BLANK PAGE

Group Policy: Remuneration for Council and Boards

Policy	GRP-REM: Remuneration for Council and Boards
Version	Version 1.0
Date in force	December 2007
Planned review	April 2015 November 2018

Note: this policy applies both to the InternetNZ Council and DNCL Board

Key principles

1. the process for setting directors' fees for each of the subsidiary boards will be consistent across all boards
2. the remuneration paid to the directors on each of the subsidiary boards will reflect the required level of skill and contribution, within the general expectation that the rates in a non-profit Society will also reflect an element of service to the common good (i.e. they will be lower than they would in a fully commercial entity)
3. fees for each subsidiary board will be approved by the shareholder
4. the fees should be reviewed at regular intervals but the review should not result in an obligation to increase the fees. This review will also include the fees paid to the InternetNZ Council
5. the President of the Society should receive a 100% loading (i.e. twice the fee payable to other members of the Council)
6. the Vice-President of the Society should receive a 25% loading
7. the Chair of a subsidiary board should receive a 100% loading (i.e. twice the fee payable to other members of the board)
8. the Deputy Chair of any subsidiary board, (if such a position is created) should receive a 25% loading
9. the Chair of a committee of Council or any of the subsidiary boards (e.g. Audit and Risk, Nominations Committee, etc.) should receive a 10% loading (unless the individual is also the Chair or Deputy Chair, in which case the relevant loading for that role would prevail and the loading would not be cumulative)
10. for individuals appointed to more than one board (e.g. a Council member appointee on a subsidiary board), the fees will be cumulative, since the duties and responsibilities are also cumulative
11. InternetNZ should continue to use the fee framework and scales set for members of Crown entity boards, and if necessary, supplement this with advice from the Institute of Directors

INTENTIONAL BLANK PAGE

FINANCIAL STRATEGY

Author: Andrew Cushen, Deputy Chief Executive

Purpose of Paper: To present a Draft Background on Financial Strategy for New Councillors, and to propose further work to develop InternetNZ's Financial Strategy.

Background

At the November 2016 meeting of Council, the following action point was assigned:

AP31/16: Deputy Chief Executive and Cr Kelly Buehler to talk to Adam Hunt regarding drafting a paper that can be included in the new Councillor's induction pack that provides a background around the financial strategy – to be put forward to Council for review/comments, or to advise Council of any further recommendation if further work required

Andrew Cushen (Deputy Chief Executive), Mary Tovey (Finance Manager), Kelly Buehler (Councillor) and Adam Hunt (InternetNZ member and Board member of the Domain Name Commission) have met a number of times to discuss these matters. This paper presents the draft paper for new Councillors about how InternetNZ's Financial Strategy currently works, for review, comments and discussion. This is primarily based on the Group Planning and Reporting Policy.

We have also produced recommendations for the Council to consider about further work we recommend on a financial strategy at InternetNZ.

Current financial management instruments – as a draft for New Councillors

Financial strategy and planning at InternetNZ consists of a number of different roles and responsibilities.

The primary income stream for the InternetNZ Group is the fees received from managing .nz. The process for how .nz fees are forecast and managed is contained in the Group Policy: Planning and Reporting Timetable, and the accompanying Group Policy: Annual Planning Cycle.

To summarise what is presented in these documents:

- A workshop is held every February to assess the three-year forecasts for registrations of .nz, and consider whether a change in .nz fees are required.
- That then leads to a .nz fee recommendation being received by the InternetNZ Council in April of any given year.

Through this process, the Group forecasts and manages its primary income stream. Where actual financial performance and sales of .nz deviate markedly from the forecast, this impacts on the forecast dividends that are paid to InternetNZ.

This forecast also has impact on a variety of other financial instruments:

- The Statement of Direction and Goals for NZRS reflects the decisions made about the fee.
- The annual budgets and forecasts from both the Domain Name Commission and InternetNZ reflect as appropriate the forecast and fee decision made, as all parts of the Group are funded by this income stream.
- InternetNZ currently operates on an implicit basis of maintaining reserves at around the current level, through running a balanced operating budget.

There are also reserves held in InternetNZ, which are governed in accordance with the following policies:

- Reserves Policy: Sets the amounts that InternetNZ is required to have in reserve.
- Funds Investment Management Policy: Sets the terms upon which InternetNZ may manage any investments of funds.
- Treasury Policy: Sets the operational controls and authorisations required to manage InternetNZ's finances appropriately and provide clarity in expectations to the operating team.¹

NZRS and DNC also have their own policies and procedures for managing their funds.

In addition to the above, the Group Policy: Products and Services Development exists to set parameters as follows:

InternetNZ's Group Strategic Plan sets out the imperative for business development: to diversify income beyond that arising from .nz domain name registrations. A Product and Services Development Strategy that sets out the strategic approach to product and services development has been prepared.

That is the document that sets out the rationale for product and services development and the overall approach taken. Actions under this policy must be aimed at achieving, and be consistent with, the Product and Services Development Strategy.

Proposal for further work

Simply put, none of the above is a financial strategy. InternetNZ has no basis upon which to make decisions about how to manage its finances beyond the budget planning tools that are summarised above and the three-year forecasting done as part of managing .nz.

In the absence of a financial strategy, InternetNZ is being inconsistent in its approach to managing its financial resources. To illustrate this point, consider the policies referenced above; InternetNZ's Funds Investment Management Policy is quite conservative and risk adverse in its approach. The same could not be said for the Group Policy: Product and Services Development and the accompanying strategy, which in comparison is rather risky.

As a result of this insight, Councillor Buehler and I wish to continue to work on developing a Financial Strategy for InternetNZ. Much of our approach has been provided in advice from Adam, given on a pro-bono basis.

¹ Please note that a number of these InternetNZ policies are currently out of date. They are intended to be fully reviewed and established on the new review timetable for the May 2017 meeting of Council.

We propose to continue considering the following and to come back to the Council for further discussion at the May meeting:

1. **Identify peers:** We believe that there are other, long standing charitable organisations that we could learn from here. We wish to discuss their long term financial strategy approaches to see how they approach these challenges.
2. **Clarify objectives.** We have a lot of this already between the other documents, but we propose to develop a single clarifying statement of objective – this could look something like this:

The Society wishes to provide a solid financial base from which it can consistently meet its objectives over the long term. It must maintain [XX] days of operating funding in low risk assets to ensure continuity, and holds all pre-paid funds in low risk assets on Trust [specific values expressed as percentages, days etc. can be defined to provide boundaries].

It wishes to use other funds to diversify its income stream to mitigate risks to the objectives of the society. To achieve this, it will progressively transition from a short-term revenue dependent financial model to one with a proportion of investment income that allows core services to be maintained even in the event of significant loss of income from traditional streams.

3. **Address questions.** Ideally across the InternetNZ Group there should be a single understanding of the answers to these. If necessary, these could be enshrined as a Group Policy once agreed. These questions, as proposed in advice from Adam, could be:
 - a. What funds are specifically to be held in trust? This includes prepayments and perhaps some very specific requirements related to the activities of NZRS.
 - b. What are the core activities of the society? If cash flow were challenged, what activities would be ceased? (this doesn't have to be detailed – the objective is simply to derive a rough continuum of the importance of the objectives defined in the Rules).
 - c. What are the parameters to be for managing cash within the group?
 - d. What financial activities are unacceptable to the society? E.g. tobacco investments? If not, why not?
 - e. Conversely, does the society wish to promote certain activities by providing investment support? Or is the objective simply about financial resilience?
 - f. What level of complexity in financial instruments is acceptable? Fixed income? Shares? Derivatives? Funds? Active or passive?
 - g. How should conflict in the portfolio be managed where objectives collide? Where in the governance structure do such decisions get made? Does the society wish to be completely passive, or have an approval mechanism?
 - h. How much countercyclical resilience is required? E.g. if normal revenue streams are dependent on a strong ICT sector, should investments be selected to provide a smoothing effect, by specifically not investing in ICT?

- i. What is the fee target for external management? What are the parameters for appointing managers?

4. Dedicated Governance: Consider a dedicated Governance structure to oversee this structure – separate from the Audit and Risk Committee.

Please note that in working on these matters above, we are conscious of the work of the Organisational Review Working Group, of which both Adam and Kelly are members. It may be that this work is more appropriately parked or dealt with as part of that process. We will advise Council if that is the case.

Recommendation

THAT Council asks Cr Buehler and the Deputy Chief Executive to continue to work on financial strategy questions, in consultation with the Chief Executives of InternetNZ and the subsidiaries, and present at the May 2017 meeting of Council

Andrew Cushen
Deputy Chief Executive
15 February 2017

FROM MEMBERSHIP TO ENGAGEMENT

Author: Jordan Carter, Chief Executive

Purpose of Paper: To present staff thinking on a new approach to improvements to membership and engagement, and seek Council feedback on the approach.

1. Introduction

After the 2016 AGM, the Council disestablished the Membership Committee, recognising that the need for a governance level group focused on driving achievement of the goals in the 2015-18 Strategy had passed. Staff were given the task of developing and improving membership consistent with the Strategy, building off the Committee's work.

Since then, staff have been thinking about this area of work carefully, and commissioning some research about existing members' views. We have arrived at a different approach: we think that membership should be seen as part of a broader approach to community engagement. This contrasts with our earlier view that the two things (community engagement and membership) should be separate.

This paper:

- describes the research we had commissioned into the membership
- sets out our thinking about improved membership
- sets out our linking of membership and engagement
- seeks approval for a piloting phase of the new approach across our activity.

An Annex shares some thoughts about how we plan to improve the membership renewal process in 2017 using some of this thinking in practice.

2. Research

We commissioned PieComms to conduct research about InternetNZ membership using a design-led process. The aim was to identify the needs and aspirations of existing members, and to better understand the types of members we have, to allow us to re-develop the membership offering.

The research was insightful, and the outputs in summary are these:

- There are positive and negative aspects of the membership experience, and of InternetNZ generally, from the perspective of members.

Positives:

- that InternetNZ is a steward of the internet
- a Government educator

- an independent watchdog for New Zealand's internet
- protector of the open and uncapturable internet
- a lobby and advocacy vehicle
- an important and fundamental contributor to New Zealand society
- well positioned to act as a champion of the user
- a leading independent voice on important issues
- maintains and promotes New Zealand's position at an international level
- communications at InternetNZ have improved over the last year
- has improved diversity

Negatives:

- very formal
 - an old boys club
 - processes and procedures are not very human friendly
 - unfriendly to new people
 - does not focus enough on the user
 - needs to be more confronting and challenging
 - InternetNZ is not vocal or angry enough
 - there is not enough diversity
 - there needs to be more engagement and involvement of Māori
 - focuses too much internationally
 - does not tell the story enough
 - requires more business engagement
 - very politically correct
 - too collaborative
- There were five member “characters” / archetypes / personas drawn based on what the researchers heard – these function as a way to think about the types of members we have:
 - o **cubs**

This group are mostly 18-27 years old, either female or male, and really would like to be a part of the pride.

This group are digital natives, they have grown up with the internet and feel protective. They are not involved in policy but would dearly like to be however there are some challenges in working with other characters identified. In many respects they represent the future of InternetNZ and their voice should be actively sought.
 - o **eels**

This group is female dominant though there are some males represented. These members joined InternetNZ because it was the right thing to do. They view themselves as subscribers and their voices are quiet.
 - o **meerkats**

This group is both female and male, some are in ICT related professions and some are not. They are characterised by the

comment “membership gives me a voice when I need it”, hence the meerkat analogy. They are avid supporters of InternetNZ, intend to be more involved in the future and will engage when they choose to.

o **rabbits**

Are predominantly male in their late 20s - 40s. There are fewer females in this group. This group is the most actively engaged and potentially presents the most opportunity. They believe InternetNZ is fundamentally important to New Zealand society and will actively support when their values and the activity are aligned.

o **owls**

This group are male, of an older demographic, and are likely to have been involved in InternetNZ for some time. In many ways they “birthed the baby” and cannot believe that the baby has now grown up into a capable adult with its own path to take. The Owls do need to understand this as well as the likelihood that the ‘child’ will still come to them for advice once in a while, however they will weigh that advice against their own judgement before making a call.

- Not all characters will work well with all others, and each has different needs and desires relating to their membership. A “business as usual” approach to catering better to those needs would therefore be reasonably complicated. Part of the need is to ensure that all sorts of members and prospective members can be involved and heard.
- There were options proposed for different approaches to membership.
 - a “**business as usual**” approach with a more tailored set of services based on the personas developed – making sure we appeal to all types of (current) members
 - a “**subscriber**” based approach, where membership becomes essentially ‘join and vote’ and the substantive engagement happens through other parts of our work (e.g. the community programme)
 - a **hybrid** approach that is a blend of these two approaches.
- Our instinct is that the subscriber approach makes most sense when considered along with the rest of the analysis in this paper. All the rights and powers of members would remain the same, but the way we pitch membership and the way we involve members in the organisation’s work would change.

PieComms’ report is useful and informative, and we recommend developing a full summary of the research outcomes for sharing with members and publicly.

3. Other factors we noticed

The staff worked through PieComms' research and findings, and we thought about ways other non-profits successfully work with members and constituents. We noticed and considered the following main points:

- Much of what InternetNZ *does* is about engagement:
 - o NetHui
 - o Speaker Series
 - o stakeholder functions
 - o events on specific topics from time to time
 - o our dotNews newsletter
 - o our social platforms.
- We often have a more positive experience from people from these forms of engagement than from member-specific engagement, which has been:
 - o AGMs
 - o elections
 - o meet-ups
 - o PAG meetings, historically.
- We have not kept the membership proposition aligned with what we actually do – there's a gap between how the organisation functions (the things listed above), and expectations we seek to set or create for members. This gap creates disappointment and disengagement, in our view.
- We do not have a conscious effort to recruit or retain members in our broader engagement work, which seems like a lost opportunity.
- The ways we communicate and engage with members are more 1990s style (Mailman mailing lists, in-person formal meetings) than 2010s (webcasts, networking events, social media) – this is in our view a big driver of the feeling that the membership offer is not dynamic or contemporary.
- By conceiving of membership as a part of the engagement process, and by making the “formalities” of membership as low key as possible, we think that we can:
 - o more easily attract and retain members
 - o more easily integrate “membership” across our work
 - o streamline engagement systems and processes
 - o reduce the gap between expectations and delivery for members
- The overall intent should be to recruit and involve a new generation of members, from a broad cross-section of the community, responsive to the sorts of people who join.
- The key insight to drive this is the engagement approach set out in the next section.
- A critical requirement to link these improvements together is a fresh statement of our “WHY” as an organisation. We are good at

describing what we do, but our story about **why** we do it is not agreed or consistent. We need to confirm the words that can connect New Zealanders to InternetNZ and help to raise awareness of why we exist and why this is important. We are conducting a parallel stream of work to fix this, as noted in the February 2017 Chief Executive's report to this meeting.

4. From membership to engagement

As noted, we looked at a different approach to engagement, based on a community/cause approach. This is summarised, for those who want further reading, in a paper called "Purpose Driven Campaigning: 40 key principles for growing social movements¹". Readers may wish to consult this paper to better understand the framework involve.

This framework builds from clarity of purpose – what we are trying to achieve, the "Why" – and conceives of five levels of engagement, with intensity increasing between each.

Descriptor	Explanation	Our phrase
Community	Our starting point, and where prospects we can engage are.	Internet community
Crowd	People who show up – "believers" and "nonbelievers" (people who have paid attention).	Contacts
Congregation	Official members of the organisation. They have signed up and paid the fee.	Members
Committed	They act, donate, get involved – e.g. in policy debates, in events, in spreading the word on social.	Active members
Core	Without the core the organisation comes to a halt.	Council/Staff

The insight of this framework is to structure our activities and recruitment / engagement in a fashion that draws people from one level to another.

From New Zealanders to the community (the Internet community)

From the community to the crowd (our contacts)

From the crowd to the membership (our members)

From membership to commitment (active members)

From commitment to leadership (Council, staff)

Add to this typology two sets of categories we use to talk about the

¹ This model is based on church/fait-based organising but is broadly transferrable. The paper is available at: <http://www.irmyptr.com/wordpress/wp-content/uploads/2014/01/purpose-driven-campaigning.pdf>

Internet community, one old and one new:

- The traditional Internet governance categories:
 - o technical
 - o government
 - o business
 - o civil Society
 - o academia.
- The insight from the PieComms research of our existing membership types:
 - o cubs
 - o eels
 - o meerkats
 - o rabbits
 - o owls.

The approach we think makes sense is to work on reaching out to a broad crowd from the Internet community that can move in and out of contact with InternetNZ and its activities.

We would pilot this approach taking into account:

- developing clear pathways for people to move up the engagement spectrum, so it's clear, simple and valuable to get more involved (from this framework)
- ensuring we touch on the needs of the different member types we already have (from the research)
- diversifying our efforts so that we touch on the five traditional Internet governance categories, to make sure our engagement and membership is diverse and balanced.

There is already some success being enjoyed and some baseline information available to measure how this is working:

- We have a set of events and platforms that we can promote better and evolve or change with this insight as to what our members want, and the engagement pathway described above.
- We have the mandate to adjust and change what we are doing based on the findings of the research from PieComms.
- We have some good figures already about engagement, as shown in the following table.

Descriptor	Current metrics
New Zealand	4.8m people in 2017/18 13% have heard of InternetNZ (UMR research 2016)

Descriptor	Current metrics
Internet community	5048 InternetNZ Twitter followers 1969 NetHui Twitter followers 993 NetHui Facebook page likes 739 InternetNZ Facebook page likes
Contacts	957 people subscribed to dotNews (monthly newsletter) 500 people at each NetHui 100-200 people at our stakeholder events (once a year across two locations) 40-80 people at Speaker Series events (4x per year) ~80 active NetHui organisers / facilitators / programme developers
Members	~350 members (all on members-announce) 200 subscribers to members-discuss email list
Active members	~20 members active on members discuss 163 subscribers to PAG email list ~40 members attending member meet-ups
Council/Staff	14 staff 12 Council members ~10 people active on PAG email list

5. Next steps and recommendations

We look forward to the feedback of Councillors on the thinking set out in this paper. We hope it stimulates a creative and constructive discussion that help further shape the work we will do. We will incorporate the discussion's findings in the Activity Plan for the year.

I recommend as follows:

THAT Council receive the paper on membership and engagement and endorse linking the two concepts in the operations of InternetNZ.

THAT Council approve staff developing pilot activities consistent with the direction set out in this paper and trying these through 2017/18, setting out the specifics in more detail and resourcing them effectively in the 2017/18 Activity Plan.

THAT Council note that no changes to the Constitution will be required in

implementing this approach, but that staff may approach Council seeking changes to the membership fee levels at the 2017 AGM.

THAT Council note the changed approach to the 2017 membership renewal set out in Annex 1.

THAT Council agree a public summary of PieComms' findings be prepared and shared with members.

Jordan Carter

Chief Executive

15 February 2017

Attached:

Annex 1 – approach to 2017 membership renewals

Annex 1: 2017 membership renewal approach

InternetNZ's membership renewal date is 1 April.

Historically our approach to retaining and renewing members has involved:

- sending a template email with a link to an online renewal process on 1 March or thereabouts
- sending a reminder email around 30 April
- ad hoc individual follow up in the subsequent two months
- expiring non-renewed members on 30 June

This approach is too slow, too bureaucratic and too impersonal.

This year we propose to do something different:

- a pre-membership-renewal comms campaign to get people ready for renewal and inspire them to see value in their membership – one that hits the right notes for the categories of members shown in the PieComms research
- sending renewal emails that are personalised on or around 20 March
- encouraging some urgency: focusing on a two-week renewal process and sharing stats on renewals after one week
- personalised, possibly phone, follow up in the fortnight following 1 April
- sending a pack with some branded merchandise and information (physically, by post - examples could include pens, stickers, lanyards?) to those who do renew.
-

We will also update the process on the website so that it is more aligned with this more energetic approach.

We welcome feedback on this change, which we see as a pilot of some of the analysis and understanding we have developed.

INTENTIONAL BLANK PAGE

.nz Quarterly Report

Third Quarter ended 31 December 2016

Introduction

This is the third 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 310.4m domain names had been registered among all TLDs. A further breakdown of this figure is provided in the table below:

Domain name registrations as at	31 December 2015	31 December 2016	Annual Growth %
ccTLDs*	141.7m (113.1m)	123.9m	10.8%
gTLDs (pre 2012)	158.7m	161.9m	2.0%
gTLDs (post 2012)	10.9m	24.6m	225.7%

.kiwi	10,333	201,990	1,954.8%
.nz	653,641	669,714	2.46%

* The reduction in the ccTLD total is that .tk is no longer included. .tk operates on a 'freemium' model and reporting and metrics on .tk are unreliable and the data unable to be verified. The 2015 figure in brackets is the total without the .tk data included and was used to determine the growth rate.

The increase in .kiwi registrations was due to a promotion between .kiwi and Umbrellar, a large New Zealand based registrar. Approximately 190,000 registrations were made automatically for clients of Umbrellar which had a matching .nz or gTLD domain name. The first year registration fee was waived for these registrations. Details can be seen at <https://hello.kiwi/news>.

2. Activities

Supports transformations 1.2, 1.6, 1.7 and 1.8.

a) Research

A model for domain retention prediction has been developed by the NZRS Technical Research team. An outline of the model can be found on the NZRS blog here: <http://blog.nzrs.net.nz/domain-retention-prediction/>.

b) .nz Promotion and Marketing

Early in the quarter significant communications-related preparatory work was done on the Provisional Address Masking Option – including drafting of a registrar information pack, website content and associated media statement. Provisional address masking allows individual registrants to request that their contact address is masked from public display in the WHOIS. Details on provisional address masking can be found at <https://dnc.org.nz/pamo>.

Following the launch of the provisional address masking option on 1 November 2016, an article was published in NetGuide - <https://netguide.co.nz/story/privacy-concerns-spark-contact-address-masking-nz-domain-owners>.

As part of the DRS 10th anniversary an infographic was produced, and promotional material was sent out to those who'd been involved in the implementation and ongoing support of the DRS. It was also sent to those InternetNZ members who were involved in a DRS Working Group before DNCL was established. The 10th anniversary DRS infographic was also published online and via DNCL's social media channels.

In November work began on the communications planning regarding reserved names. Those with a reserved name have until 1pm, 30 March 2017 to register it otherwise the name will be released for general registration on the usual first come, first served basis. It's important that these registrants are advised of their options in advance so DNCL and NZRS will also work with registrars on making sure registrants are aware of the deadline.

c) .nz Policy Consultation

WHOIS Review

The third WHOIS consultation, undertaken over this quarter, proposed two options for what contact information might be withheld for individual registrants in the WHOIS, and what information might still be publically displayed. The fourth WHOIS consultation concluded on November 8th with a total of 24 submissions received.

The Board considered the submissions received and agreed that the DNC would draft a policy for the Board to consider at their first meeting in 2017 which will then result in a fifth consultation.

A update on the WHOIS review was published in December and can be found at <https://dnc.org.nz/the-commission/news/1408>.

Conflicted Name Process

When second level registrations were introduced into .nz on 30 September 2014, it was documented in the policy that the process for considering registrations of conflicted names would be reviewed after two years. Following the internal review of conflicted names in the .nz domain name space, DNCL identified a number of

proposed changes that DNCL believes will streamline the Conflicted Name Process and, over time, help reduce the total number of conflicted names within .nz.

A public consultation on the proposed changes to the .nz Conflicted Name Process began on 17 November 2016. The changes proposed were:

- To require all registrants involved in a conflicted domain name to lodge a preference within 12 months.
- To remove the option for a conflicted name to become a new second level.
- To clarify that, in cases where all registrants have lodged a preference saying they don't care who gets the shorter name, the conflicted name will be released for general registration.
- Whether there should be a different approach to conflicted names in cases where a registrant is self-conflicted, and how registrants who have engaged in the Conflicted Name Process without resolution can best be handled.

The full consultation document can be seen at <https://dnc.org.nz/conflicted-names>. All conflicted Registrants were contacted directly by DNCL alerting them to the proposed changes to the Conflicted Name Process. A large volume of responses were received following this communication including submissions on the consultation, questions around conflicted names and registrants logging on to the DNCL website to lodge a preference.

A total of 181 submissions were received on this consultation. 174 of the submissions were received following the mail out to approximately 35,000 conflicted name registrants. The consultation closed on 22 December 2016.

d) Registrations at the Second Level

A total of 501 conflict sets were resolved between September and the end of December. Most of the conflicts were resolved due to only one name remaining in the conflict and not due to any action by that registrant. 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:

	Jul	Aug	Sep	Total for Q2	Oct	Nov	Dec	Total for Q3
Conflicts Resolved	119	148	129	396	100	103	298	501
Total Conflicts	16,094	15,866	15,702	-	15,581	15,451	15,122	-

The increase in resolved conflicts in December was a result of the email to conflicted registrants advising them of the .nz Conflicted Name Process consultation.

3. Policy Framework

Supports transformation 1.5

a) .nz policy

No .nz policy changes occurred during this quarter.

As the WHOIS review is still ongoing DNCL introduced the provisional address masking option. Since its the introduction in November the DNCL office has received the following:

Requests received:	276
Domain names included in request:	329
Requests declined:	87

The most common reasons for a request being declined is that the registrant is not an individual or the request was not received from the registrant contact email.

4. Registrar Market

Supports transformation 1.3

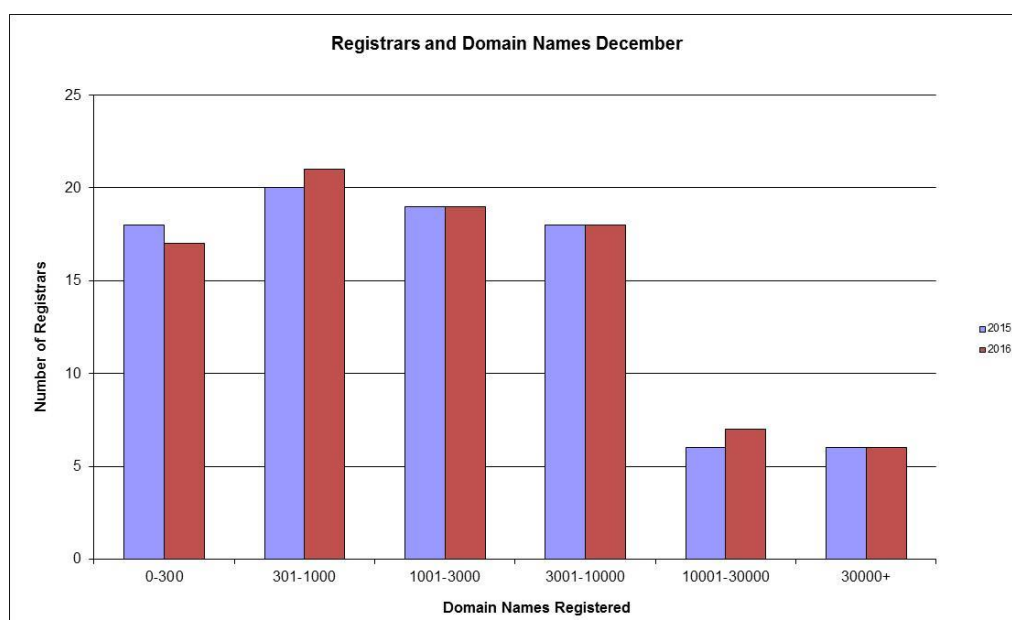
Registrars authorised	92
Registrars connected	88

Number connected during the quarter: 0

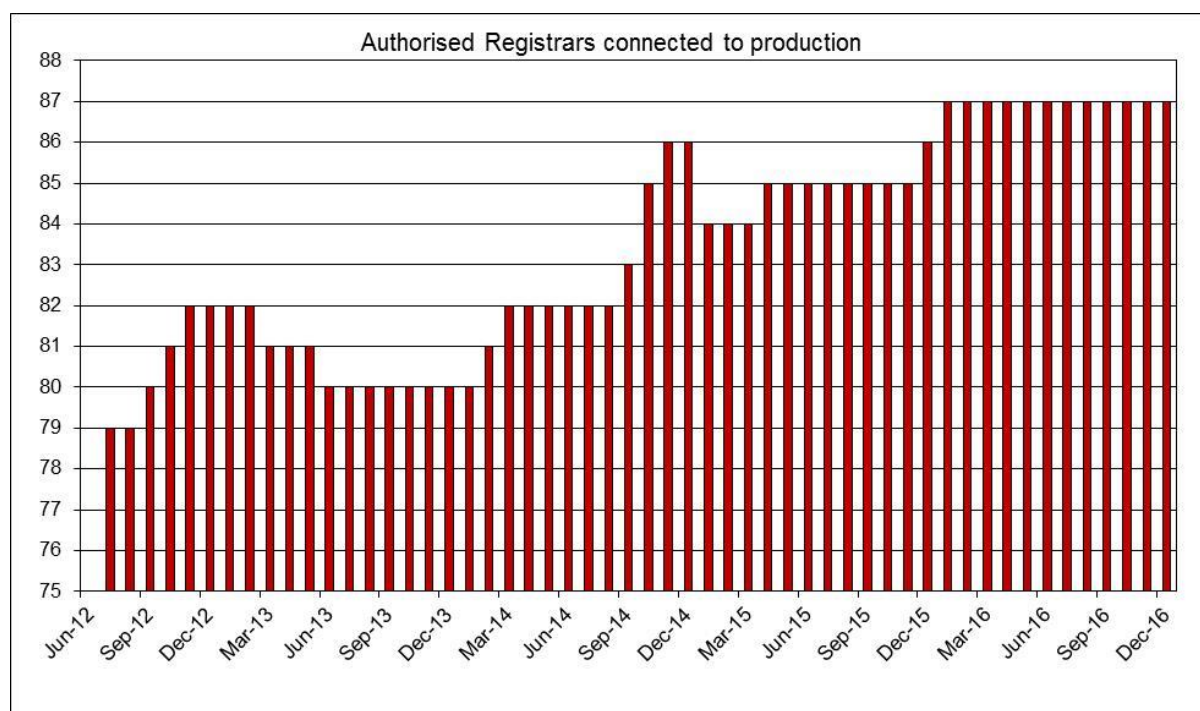
Number authorised during the quarter: 1

Number de-authorised during the quarter: 0

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



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



5. Performance and Best Practice

Supports the primary transformation, 1.1 and 1.4

a) International

- Staff from DNCL and NZRS attended ICANN 57 in Hyderabad:
 - The NZRS CE chaired one of the first High Interest Topics, a Q&A Session with ICANN's Legal Counsel.
- Staff from DNCL attended a Regulatory Internet Symposium in Vanuatu which had a focus on security.
- Staff from NZRS Technical Research team attended the following conferences:
 - DNS-OARC and NANOG in Dallas
 - ESNOG/GORE 20-21 Oct; RIPE Atlas Hackathon 22-23 Oct & RIPE 73 24-28 Oct in Madrid

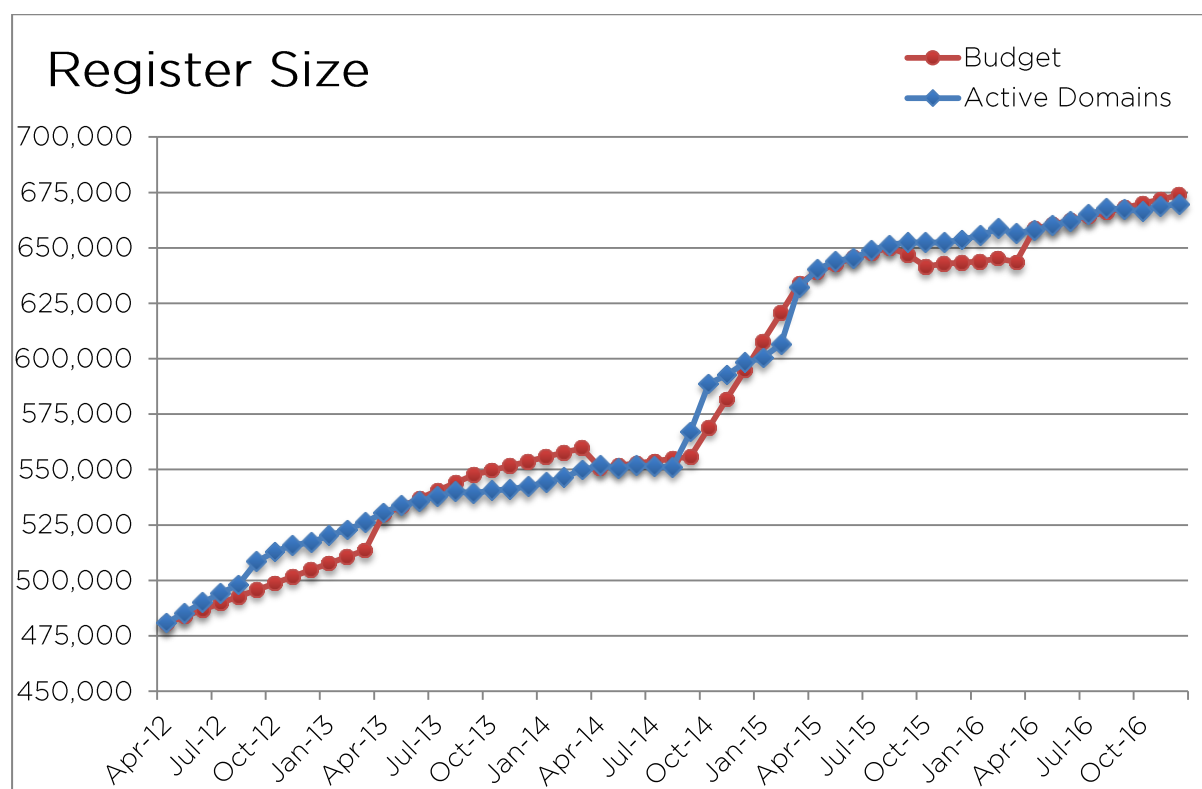
b) Registry Performance

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

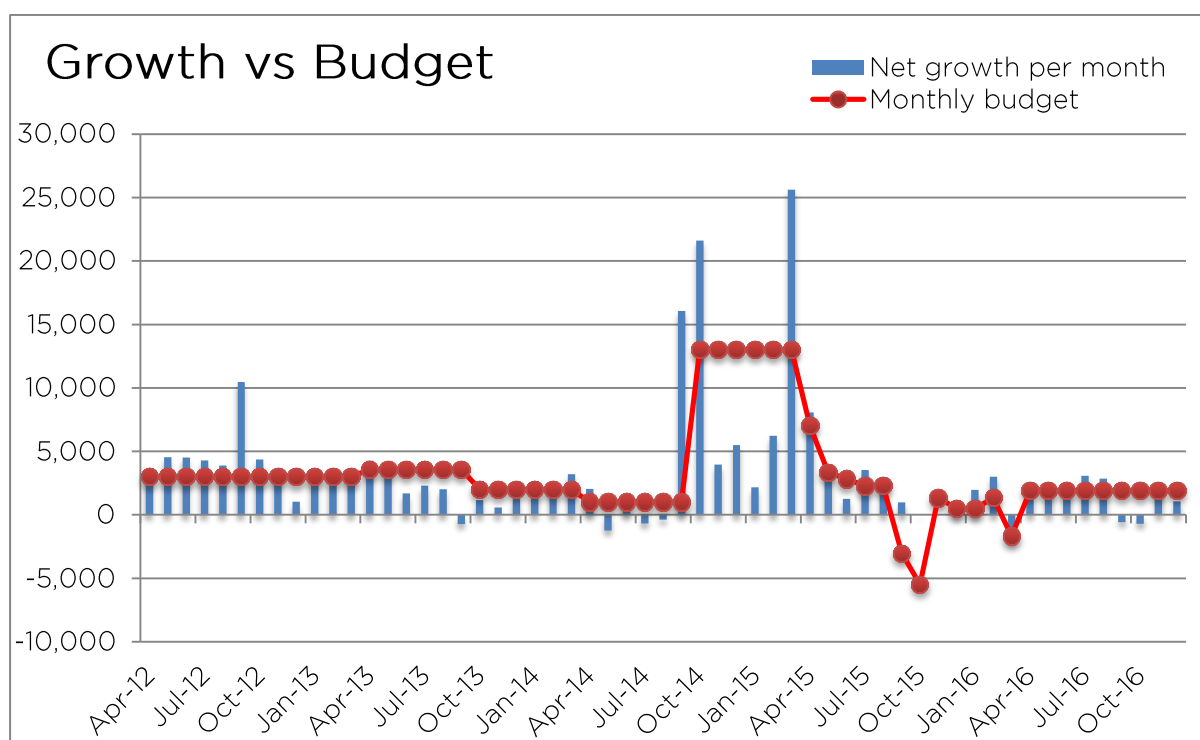
System	SLA %	Oct	Nov	Dec
SRS	99.9	100	100	100
DNS	99.9	100	100	100
Whois	99.9	100	99.98	100

c) Domain Names

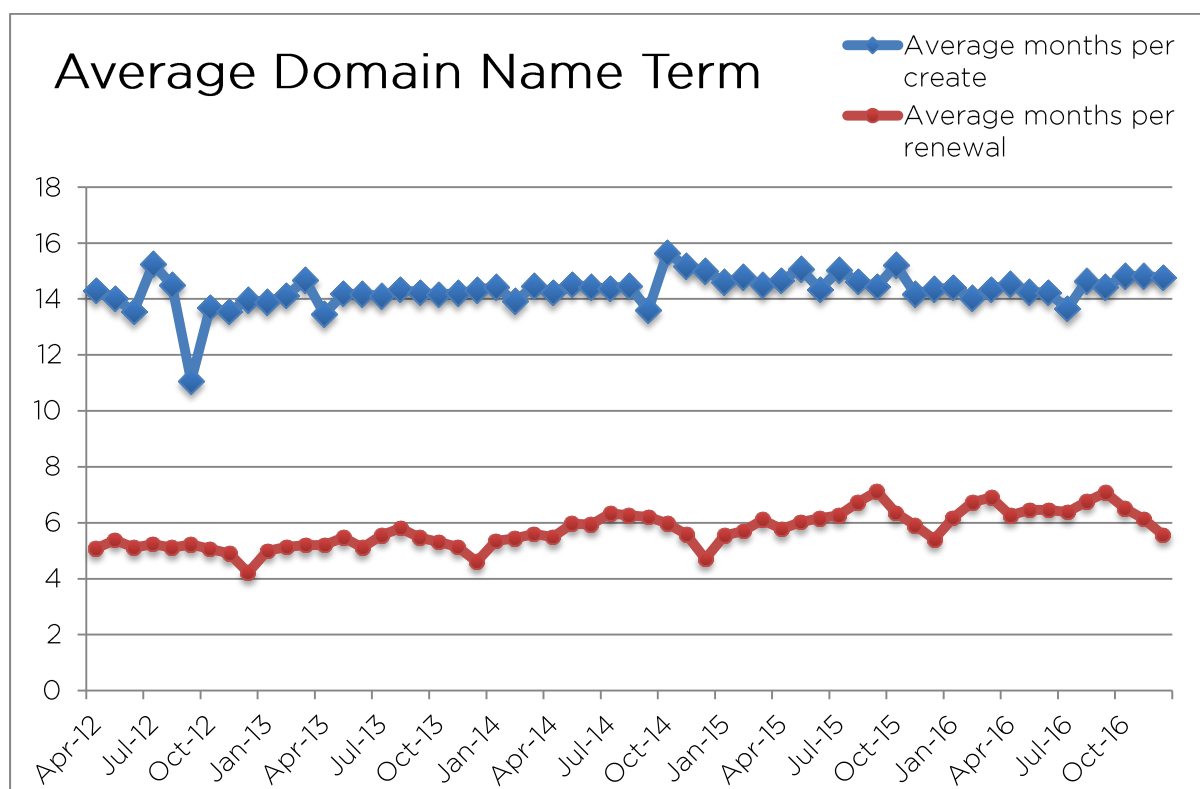
The size of the register against NZRS budgeted growth is shown in the chart below:



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



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



6. .nz data

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

	Oct-16	Nov-16	Dec-16
.nz	112,674	113,431	114,273
.co.nz	485,937	487,296	487,708
.org.nz	27,744	27,795	27,732
.net.nz	25,041	24,966	24,898



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.

INTENTIONAL BLANK PAGE

31 January 2017

Jamie Baddeley
President, InternetNZ

Dear Jamie,

Third 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

	October - December 2016			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
INCOME						
Management Fees	467,460	467,460	0	1,402,380	1,402,380	0
Authorisation Fees	0	0	0	18,000	6,000	12,000
DRS Complaint Fees	10,000	9,000	1,000	22,000	27,000	5,000
Other Income	168	0	168	168	0	(168)
Interest Income	2,658	3,750	(1,092)	9,590	11,250	(1,660)
Total Income	480,285	480,210	75	1,452,138	1,446,630	5,508
EXPENSES						
Staff and Office Costs	328,054	311,392	(16,662)	915,668	933,301	17,633
Professional Services and Communications	43,075	37,772	(5,303)	73,182	105,517	32,335
Dispute Resolution Services	23,411	31,238	7,827	41,648	59,313	17,665
DNCL and DNC activities	45,296	42,064	(3,232)	116,109	126,187	10,078
International	52,873	68,251	15,378	97,156	130,750	33,594
Total Expenditure	492,709	490,717	(1,992)	1,243,763	1,355,068	111,305
Depreciation	11,983	8,930	(3,053)	37,058	38,788	1,730
Net Surplus/Deficit	(24,407)	(19,437)	(4,970)	171,317	52,774	118,543

Notes:

- Professional Services and communications expenditure for the quarter includes legal work on the WHOIS review including an analysis of risk around DNCL releasing withheld information and the production of an infographic marking 10 years of the Dispute Resolution Service.
- The Dispute Resolution Service continues to have complaint levels lower than budgeted.

Security and Training

DNCL support of the Internet Security Awards New Zealand (iSANZ) was well recognised again this year. The event was very successful despite earthquake disruptions.


DNCL & InternetNZ's support of the NZITF was also recognised and acknowledged during their two day annual conference, this year compressed into one day following the earthquake.

The Domain Name Commissioner has been engaged in CERT Establishment Advisory Board work, there were 3 meetings in this quarter. DNCL is continuing its participation in the industry reference group for the proposed Cyber Credentials scheme, although there was only one further meeting in this quarter.

Other Matters

A Board meeting was held in December and the minutes of the meeting are published at <https://www.dnc.org.nz/node/1409>.

Yours sincerely

A handwritten signature in black ink that reads "David Farrar". The script is cursive and fluid.

David Farrar
Chair, DNCL

31 December 2016

Jamie Baddeley
President
InternetNZ
PO Box 11 881
Wellington

Dear Jamie

Re: 3rd Quarter 2016 – 2017 Report

We enclose our third quarterly report of the 2016 - 2017 year; the quarter ended 31 December 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 \$1,109,505 for the quarter was 8.0% above the budgeted \$1,023,507.

Domain name growth was below budget for the quarter. Growth was 2,419 versus a budgeted 5,730. October's net growth was -698, November's net growth was 2,057 and December's net growth was 1,060.

Actual domain name fee income for the quarter was above budget by \$12,231 (actual \$2,531,807 versus budgeted \$2,519,576).
Business Development income of \$1,200 was also recorded in this quarter.

Expenses for the quarter were \$82,420 below budget (actual \$1,502,747 versus budgeted \$1,585,167).

The company's liquidity ratio was met.

Dividends paid during this quarter totalled \$1,200,000.

2. Other Key Strategic and Operational Activities

During this quarter Angela Ogier, Chief Operating Officer and Tracy Johnson, Channel Manager started in their newly recruited roles with NZRS. A System Administrator resigned and a recruitment process for a replacement is underway.

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

Yours sincerely



Richard Currey
Chair

Financial Statements

NZRS Ltd

For the Quarter Ended 31 December 2016

NZRS Ltd
Financial Statements
For the Quarter Ended 31 December 2016

Statement of Financial Performance

Balance Sheet

Statement of Cash Flows

Activity Based Expenditure Report

Broadband Map Profit & Loss Statement

Profit & Loss

NZRS Ltd For the 3 months ended 31 December 2016

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Income								
Business Development (82700)	1,200	-	1,200▲	0.0%	52,400	-	52,400▲	0.0%
Registry Fees	2,531,807	2,519,576	12,231▲	0.5%▲	7,532,825	7,494,266	38,559▲	0.5%▲
Total Income	2,533,007	2,519,576	13,431	0.5%	7,585,225	7,494,266	90,959	1.2%
Less Cost of Sales								
Broadband Map	23,100	-	23,100▲	0.0%	28,100	-	28,100▲	0.0%
DNC Fee (348)	467,460	467,460	-	0.0%	1,402,380	1,402,380	-	0.0%
DNS Expenses	60,390	37,846	22,544▲	59.6%▲	154,277	113,541	40,736▲	35.9%▲
ISP/Hosting/Networking	86,447	102,711	(16,264)▼	-15.8%▼	270,012	308,131	(38,119)▼	-12.4%▼
Other IT	21,234	74,552	(53,318)▼	-71.5%▼	95,045	223,923	(128,878)▼	-57.6%▼
Total Cost of Sales	658,631	682,569	(23,938)	-3.5%	1,949,815	2,047,975	(98,160)	-4.8%
Gross Profit	1,874,376	1,837,007	37,369	2.0%	5,635,411	5,446,291	189,120	3.0%
Less Operating Expenses								
Depreciation & Amortisation	117,688	129,311	(11,623)▼	-9.0%▼	394,045	430,122	(36,077)▼	-8.4%▼
Overhead Expenses	726,428	773,287	(46,859)▼	-6.1%▼	2,250,647	2,319,864	(69,217)▼	-3.0%▼
Total Operating Expenses	844,116	902,598	(58,482)	-6.5%	2,644,691	2,749,986	(105,295)	-3.8%
Operating Profit	1,030,260	934,409	95,851	10.0%	2,990,719	2,696,305	294,414	11.0%
Non-operating Income								
Interest Received (203)	79,245	89,098	(9,853)▼	-11.1%▼	235,983	265,687	(29,704)▼	-11.2%▼

Profit & Loss

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Total Non-operating Income	79,245	89,098	(9,853)	-11.1%	235,983	265,687	(29,704)	-11.2%
Net Profit	1,109,505	1,023,507	85,998	8.0%	3,226,702	2,961,992	264,710	9.0%

Balance Sheet

NZRS Ltd As at 31 December 2016

31 Dec 2016 30 Sep 2016

Assets

Bank		
Cash and Cash Equivalents	10,261,309	10,200,827
Total Bank	10,261,309	10,200,827
Current Assets		
Accounts Receivable	743,660	1,111,414
Interest Receivable (688)	58,450	106,839
Prepayments/Credits (687)	79,596	123,970
Total Current Assets	881,706	1,342,223
Fixed Assets		
Fixed Assets	598,983	515,196
Total Fixed Assets	598,983	515,196
Total Assets	11,741,998	12,058,246

Liabilities

Current Liabilities		
Accounts Payable	377,362	241,571
Credit Cards	20,530	13,144
Deferred Income - Registry Fees	7,610,885	7,879,336
GST	9,582	110,061
Total Current Liabilities	8,018,360	8,244,112
Non-Current Liabilities		
Deferred Income - Adjustment (81700)	431,683	431,683
Total Non-Current Liabilities	431,683	431,683
Total Liabilities	8,450,043	8,675,795
Net Assets	3,291,955	3,382,450

Equity

30,000 Ordinary Shares (60100)	30,000	30,000
Current Year Earnings	3,226,702	2,117,197
Retained Earnings (638)	35,253	1,235,253
Total Equity	3,291,955	3,382,450

NZRS Ltd
Statement of Cash Flows
For the Quarter Ended 31 December 2016



	Actual	This Quarter Budget	Variance	Actual	Year to Date Budget	Variance	Last Year Year To Date	Budget	Full Year LY Actual
Cash Flows From Operating Activities									
Cash Was Provided From:									
Registry Fees Received	2,870,600	3,152,508	(281,908)	8,682,573	9,422,796	(740,223)	9,013,870	12,602,588	11,461,376
Other Receipts	157,245	89,098	68,147	360,293	265,687	94,606	265,092	355,110	335,042
	3,027,845	3,241,606	(213,761)	9,042,866	9,688,483	(645,617)	9,278,962	12,957,698	11,796,418
Cash Was Distributed To:									
Payments to Suppliers and Employees	1,570,984	1,597,569	(26,585)	4,660,724	4,824,977	(164,253)	4,713,509	6,422,543	6,250,875
Net Taxation Paid (Refunded)	-	-	-	-	-	-	-	-	-
Net Dividend Paid	1,200,000	1,200,000	-	3,134,136	3,134,136	-	2,870,058	4,334,136	4,170,058
Net GST Paid	110,061	324,603	(214,542)	378,707	732,195	(353,488)	328,594	896,868	529,823
	2,881,045	3,122,172	(241,128)	8,173,567	8,691,308	(517,741)	7,912,161	11,653,547	10,950,756
Net Cashflows from Operating	146,799	119,434	27,366	869,300	997,175	(127,875)	1,366,800	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	93,703	175,375	(81,672)	269,609	467,667	(198,058)	77,596	643,042	178,863
	(93,703)	(175,375)	81,672	(269,609)	(467,667)	198,058	(77,596)	(643,042)	(178,863)
Net Cash flows from Investing Activities	(93,703)	(175,375)	81,672	(269,609)	(467,667)	198,058	(77,596)	(643,042)	(178,863)
Net Increase (Decrease) in Cash Held	53,097	(55,941)	109,039	599,691	529,508	70,183	1,289,205	661,109	666,799
Plus Opening Cash Balance	10,187,682	10,226,537	(38,855)	9,641,088	9,641,088	-	8,959,053	9,641,088	8,959,053
Closing Cash Carried Forward	10,240,779	10,170,596	70,183	10,240,779	10,170,596	70,183	10,248,258	10,302,197	9,625,852
Closing Cash Comprises									
BNZ First Oncall Account	47	-	-	47	-	-	127	-	117
ASB Bank Cheque Account	527,081	-	-	527,081	-	-	860,479	10,302,197	965,976
ASB Bank Call Account	764,922	-	-	764,922	-	-	509,079	-	813,382
ANZ Online Account	328	-	-	328	-	-	-	-	392
Term Deposits	8,968,932	-	-	8,968,932	-	-	8,895,969	-	7,861,222
ASB Credit Cards	(20,530)	-	-	(20,530)	-	-	(17,395)	-	(15,236)
Total Cash Held	10,240,779	10,170,596	70,183	10,240,779	10,170,596	70,183	10,248,258	10,302,197	9,625,852
Plus ASB Credit Cards	20,530	-	-	20,530	-	-	17,395	-	15,236
Total Cash & Cash Equivalents	10,261,309	10,170,596	70,183	10,261,309	10,170,596	70,183	10,265,653	10,302,197	9,641,088

NZRS Ltd
Activity Based Expenditure Report
For the Quarter Ended 31 December 2016



		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	969,074	285,428	1,254,501	3,066,184	807,984	3,874,169
	Budget	1,056,886	241,165	1,298,051	3,211,420	727,233	3,938,653
	Variance	87,812	(44,263)	43,550	145,236	(80,752)	64,484
.NZ Marketing							
	Actual	35,325	20,867	56,192	142,607	58,921	201,528
	Budget	98,706	19,152	117,857	296,383	57,766	354,149
	Variance	63,381	(1,716)	61,665	153,776	(1,155)	152,621
Technical Research							
	Actual	90,703	40,554	131,257	266,477	111,249	377,726
	Budget	93,459	35,744	129,203	280,376	107,856	388,232
	Variance	2,756	(4,810)	(2,054)	13,899	(3,393)	10,506
Business Development							
	Actual	42,355	18,442	60,797	82,308	58,776	141,084
	Budget	19,536	20,520	40,056	55,367	61,561	116,928
	Variance	(22,819)	2,078	(20,741)	(26,941)	2,785	(24,156)
Total							
	Actual	1,137,456	365,291	1,502,747	3,557,576	1,036,930	4,594,506
	Budget	1,268,586	316,581	1,585,167	3,843,546	954,415	4,797,961
	Variance	131,130	(48,710)	82,420	285,970	(82,515)	203,455

Profit & Loss Statement

Broadband Map



NZRS Ltd

For the Quarter Ended 31 December 2016

	31-Dec-16	YTD
Income		
Availability API Income	1,200	52,400
Total Income	1,200	52,400
Less Cost of Sales		
Cloud Services	23,100	28,100
Total Cost of Sales	23,100	28,100
Gross Profit	(21,900)	24,300
Operating Expenses		
Personnel Costs	12,288	37,665
Depreciation - Software & Intangibles	10,067	26,961
Total Operating Expenses	22,355	64,626
Net Profit	(44,255)	(40,326)



DRAFT

Statement of Direction and Goals

February 2017

Contents

Introduction and Background	2
Environmental Factors	3
Functions and Expectations of DNCL	5
DNCL Strategy	6
Key Priorities and Performance Indicators	8
Three year budget	10

Introduction

This DNCL Statement of Direction and Goals responds to the InternetNZ Statement of Expectations and sets out the key areas that DNCL will be focusing on in the 2017-2018 financial year.

Background

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

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

All .nz policies are subject to regular, public reviews with an important one undertaken in 2015 revisiting the whole .nz policy framework. This significant review led to fourteen policies being rationalised down to four. Over 2016 the focus has been on a review of the WHOIS with three consultations having been done and one further planned before the end of the financial year. A review of the conflicted names process introduced as part of the second level domains implementation was also undertaken this year.

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

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

Environmental Factors

Views of .nz registrants

.nz has always prided itself on considering the views of the local Internet community and DNCL continues to monitor community views of how .nz functions and consider whether change may be beneficial. Following on from the work on registrations at the second level and the recent major rework of the whole .nz policy framework another significant and ongoing review has been around the WHOIS.

The process around the WHOIS review again demonstrates DNCL's commitment to open, public consultation with submissions properly considered as part of the decision making process. Three separate consultations have been undertaken to date with a further consultation setting out proposed changes to the WHOIS planned. The outreach undertaken has resulted in a number of submissions being received from a range of individuals and organisations.

It's important that DNCL continue to consult widely and openly. One of the planned activities for this current year was a review into conflicted names through the second level registrations project. As part of that planned review, DNCL contacted all affected registrants directly to advise them of the consultation being undertaken. This, together with the DNCL email lists and other communication tools, resulted in 181 submissions being received, along with many more emails to the office for advice and further information.

Security

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

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

Work has also continued promoting the benefits of DNSSEC to Registrars, Registrants and DNS Operators. The rollout of DNSSEC is continually being reviewed and its implementation closely monitored as part of an ongoing project. One key development over the year has been DIA signing domain names in the .govt.nz space. Both DNCL and NZRS assisted DIA in achieving this.

DNCL has contributed, along with NZRS and InternetNZ, to a range of meetings around the establishment of a CERT. Over the year the Government announced funding for a NZ CERT and that this will be in place by the end of the first quarter of 2017. DNCL will ensure an ongoing involvement and engagement with the CERT including the Domain Name Commissioner continuing her role on the CERT Establishment Advisory Board.

Changing environment with new gTLDs

With ever increasing numbers of new gTLDs, the changing environment provides opportunities and challenges. Promoting and marketing the benefits of .nz is seen to be important as the range of open gTLD registration options increases. Promoting the benefits of .nz and raising general awareness of why .nz is a sensible and safe choice for Registrants is an ongoing task for DNCL. Registrants, and potential Registrants, should be informed about domain names and what having a domain name can do for them, their business or organisations.

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

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

We have expanded the range of choices within the .nz domain name space and, in doing so have strengthened the .nz experience and open competition and choice for registrants. We need to make sure whatever we do we keep it current and relevant to the environment we find ourselves in.

Managing legal risks

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

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

Licencing around WHOIS and copyright has been resolved and DNCL has revised the terms of use of WHOIS accordingly. Over the year we will look to use the exclusive licence granted it by InternetNZ to enforce the behaviour expected of parties to ensure the privacy of .nz registrants is respected.

Contribution to INZ group

DNCL is committed to supporting InternetNZ Group strategies and awareness of issues affecting the wider strategic focus. This is demonstrated by a strategic transformation that sets an expectation of proactive engagement of DNCL in this area. Though it generally has only a minor impact on DNCL day to day activities with our “business as usual” functions around policy and compliance remaining the clear priority and major work requirement, it is important that the skills and knowledge of the DNCL team work to the benefit of the Group.

Functions and Expectations of DNCL

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

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

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

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

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

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

- Develop the benchmarks approach set out in the Joint .nz Strategy.
- Implement any changes in reporting (activity and financial) as agreed among the three business units.
- Work collaboratively with InternetNZ and NZRS to develop and implement a Māori engagement strategy.

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

DNCL Strategy

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

DNCL has identified the following Strategic Transformations:

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

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

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

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

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

Primary Transformation of Joint .nz Strategy

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

Underlying Transformations of Joint .nz Strategy

From		To
3.1	Global benchmarks or best practice regarding what a world-class ccTLD	There are agreed global benchmarks and best practice for what a world-class

	is are varied and partly documented.	ccTLD is, and .nz excels in assessments against these standards.
	<i>Technical standards are easier to benchmark than measuring policy but DNCL is committed to research options that may be applicable to policy and also to contribute to the discussion and document what may be an applicable benchmark.</i>	
3.2	.nz is the default choice for New Zealanders.	.nz remains the preferred choice for New Zealanders in a highly competitive Market.
	<i>DNCL's role in this is through operating an effective market protecting registrants and raising awareness of the benefits of this. We need to continue to ensure that our policies and processes support this transformation and that they remain current to reflect the market.</i>	
3.3	The market for .nz registration services (among registrars and resellers) is competitive.	The market for .nz registration services (among registrars and resellers) is sophisticated and competitive.
	<i>DNCL needs to ensure our management and oversight of the registrars maintains the current competitive environment</i>	
3.4	Roles and responsibilities in managing .nz are being clarified.	Roles and responsibilities in managing .nz are clear, well documented and transparent.
	<i>DNCL will contribute to the finalising of the .nz Framework and the Operating Agreements that define the roles within .nz.</i>	
3.5	The .nz policy framework has evolved from its origins in 2002.	The .nz policy framework has been reviewed and updated for current needs, and is validated as meeting the needs of the New Zealand Internet community.
	<i>The revised .nz policy framework is now operational and within that DNCL will continue its regular reviews of key policy matters such as WHOIS, while also maintaining regular reviews of the policies themselves</i>	
3.6	Inconsistency in the articulation of the role, purpose and mandate for the operation of .nz across the Group – resulting in a lack of clarity among stakeholders.	The whole Group is confident in consistently articulating our role and purpose, and the mandate for our operation of .nz – resulting in the wider Internet community being clear about and supportive of our role.
	<i>DNCL ensures all our publications use appropriate language and will identify opportunities to further educate regarding how .nz operates.</i>	
3.7	InternetNZ has limited knowledge of the purchasing behaviour of registrants.	InternetNZ has good knowledge of the full sales channel including resellers and influencers, and the purchasing behaviours of registrants.
	<i>Working with NZRS, DNCL will identify areas where it is appropriate for DNCL to seek information that improves our knowledge of registrant behaviour.</i>	

3.8	.nz is not a widely known brand.	.nz is a well-recognised brand.
	<i>Though DNCL is not responsible for the visual .nz brand, it is responsible for the reputation and knowledge of .nz and so will identify options for raising awareness of that.</i>	

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

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

Key Priorities and Performance Indicators

1. DNCL’s main focus remains the effective oversight and administration of the .nz domain name space on behalf of InternetNZ. This involves, in part, managing the operation of the .nz domain name space, including monitoring activity and regulating the use of the space as necessary. It also includes overseeing the performance of NZRS in line with the standards set out in the Service Level Agreement between DNCL and NZRS.
 - DNCL will report quarterly to InternetNZ Council regarding core activities so that Council can monitor DNCL performance.
 - DNCL will report on NZRS’ performance against the SLA, both to InternetNZ Council and publicly through the DNCL website.
 - No upheld complaints or successful court action against DNCL should result from DNCL’s operations.
2. Key projects will include:
 - DNCL will finalise the reviews associated with implementing second level registrations and report on any proposed changes.
 - DNCL will finalise the public review of WHOIS principles and operations in .nz.
 - DNCL will contribute to the review of the Operating Agreement with InternetNZ.
 - DNCL will contribute to a review of the policy around reporting in the InternetNZ Group.
 - DNCL will contribute to the development and implementation of a Group Māori engagement strategy.
3. DNCL will proactively develop and implement steps to strengthen the public perception and value proposition of .nz. We will focus on three areas:
 - Promoting DNSSEC as a valuable security tool; and
 - Implementing, with NZRS, joint initiatives for promoting .nz.
 - Identifying, with NZRS, additional products that will enhance the .nz space.
4. DNCL will work towards giving effect to the strategic transformation and will report on activities towards this goal.

- DNCL will clearly articulate what it defines as ‘success’ and how this will be measured.
5. DNCL will promote .nz objectives internationally. We will support international developments that align with .nz objectives and share the .nz experience and success at an international level, in conjunction with NZRS.
 - Reports relating to international meeting attendance, presentations and assistance to other ccTLDs will be provided as part of DNCL’s reporting to Council. These will demonstrate the contribution .nz is making internationally including the role of the DNC on the ccNSO Council.
 6. DNCL will focus on a greater contribution to wider industry DNS trust and security matters.
 - Contribution to Internet security matters will be demonstrated in reports to Council and Council will be advised of policy developments in respect of security matters.
 7. As part of the InternetNZ Group, DNCL will contribute to initiatives undertaken in respect of group strategic priorities, including advising InternetNZ where such initiatives have implications for the policy and compliance framework of the .nz domain name space. Key activities will include the ongoing development of a .nz strategy in conjunction with NZRS.
 - .nz strategy reviewed and presented to the InternetNZ Council regularly

Draft Three Year Budget

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

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

	2017/18 Draft Budget	2018/19 Draft Budget	2019/20 Draft Budget
INCOME			
Management Fee	\$1,869,840	\$1,800,000	\$1,800,000
Authorisation Fees	\$9,000	\$6,000	\$6,000
DRS Complaint Fees	\$34,000	\$34,000	\$34,000
Interest	\$12,000	\$12,000	\$12,000
Sundry income	\$2,010	0	0
Total	\$1,926,850	\$1,852,000	\$1,852,000
EXPENSES			
Staff and Office Costs	\$1,264,081	\$1,235,997	\$1,262,382
Professional Services and Communications	\$137,300	\$100,300	\$107,300
Dispute Resolution Service	\$91,500	\$91,500	\$91,500
DNCL and DNC activities	\$175,750	\$165,588	\$162,588
International	\$215,000	\$215,000	\$215,000
Total	\$1,883,631	\$1,808,385	\$1,838,770
Capital depreciation	\$29,700	\$19,300	\$13,100
Gross surplus/deficit	\$13,519	\$24,315	\$130

David Farrar
Chair, DNCL

Product and Service Development Report February 2017

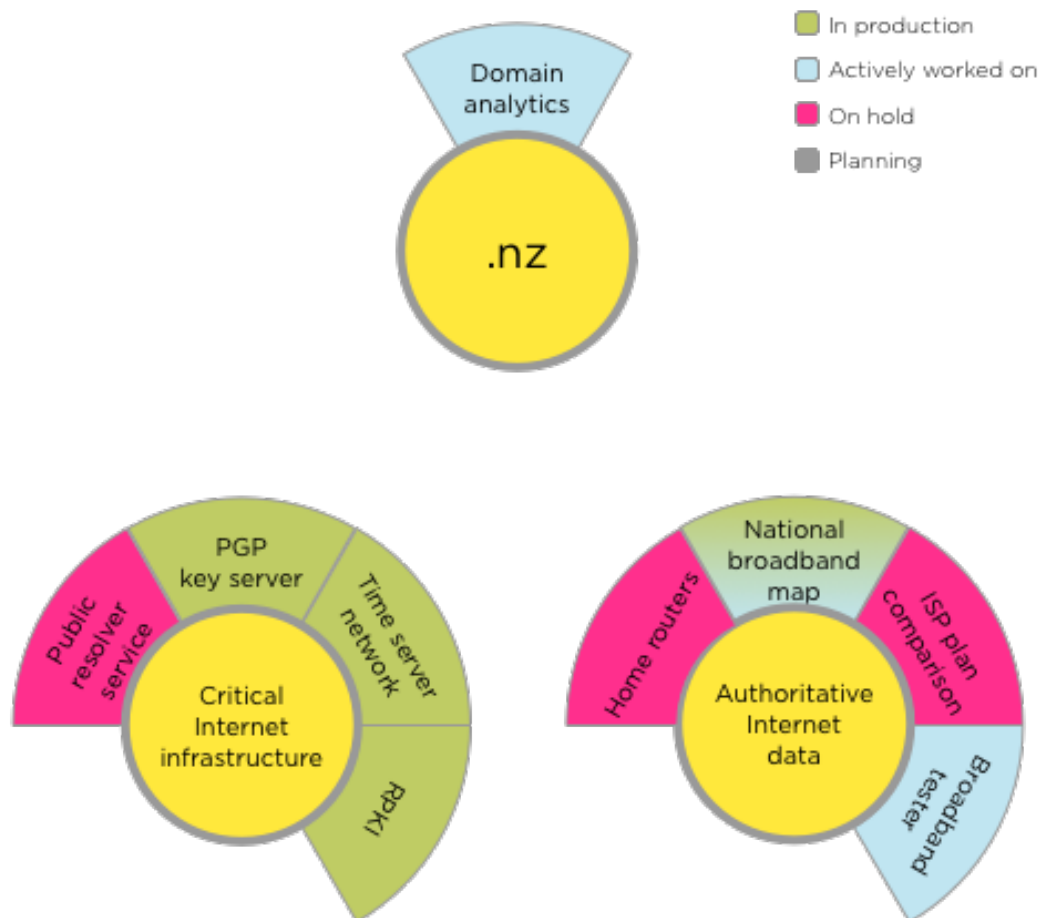
1 Introduction

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:	<p>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.</p> <p>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).</p>
Issues and Risks	<ul style="list-style-type: none"> • The expectations around privacy must be met. • The ranking algorithm has to be robust.
Key actions since last report	<ul style="list-style-type: none"> • UI largely complete and being demonstrated to registrars and potential collaborators. • Architecture finalised.
Next steps	Backend under development. Production of training and advertising resources has begun.

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

	<ol style="list-style-type: none"> 1. allows people to access to their full resolver data (useful for identifying infections, access to phishing sites, etc); 2. to add-on custom filtering services and geo-ip blocking circumvention; 3. to use a DNSSEC enabled resolver if their company/ISP does not provide one; 4. to use new DNS privacy features being developed by IETF if otherwise not able to do so.
Issues and Risks	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • None
Next steps	On hold due to other priorities with no urgency to reprioritise. This will be re-evaluated when new DNS privacy features are available to see if a gap exists nationally.

2.3 PGP Keyserver

Current status:	IN PRODUCTION
Possible risk	Low
Possible income	None (current) to Medium (possible future)
BD expenditure:	None
Synopsis:	<p>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.</p> <p>There is an opportunity to develop as a more general identity platform.</p>
Issues and Risks	<ul style="list-style-type: none"> • None.
Key actions since last report	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • None
Key actions since last report	<ul style="list-style-type: none"> • Fourth server announced.
Next steps	Look at turning Autokey back on.

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 than RIRs.
Issues and Risks	<ul style="list-style-type: none"> • Competition and modernisations by RIRs may obviate the need for cheaper signing.
Key actions since last report	<ul style="list-style-type: none"> • 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:	<p>A home router that puts the consumer in complete control of their Internet connection. Features include:</p> <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • None

Next steps	On hold due to other priorities with no urgency to reprioritise. This is a big project and would be considered as the project to follow Domain Analytics.
------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------

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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Further confirmed sales. New interface for high volume users now in beta. Another new version of open source tool, Wavetrace, released this time adding support for simple shapefile generation.
Next steps	Adding satellite, extensible fibre and community wireless. Adding new high-volume API. Providing a new simple web page for WISPs to upload antennae data and get their shapefiles generated.

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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:	<p>Broadband testing is in its infancy and there is still no best way to carry it out. The three forms currently employed are:</p> <ul style="list-style-type: none"> • Over the top (OTP) – such as Speedtest.net • Edge – such as Truenet • Infrastructure – such as WAND AMP <p>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</p>

	<p>AMP probes for many years) this provides a number of opportunities:</p> <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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
2013-14	Domain Analytics	Prototype	\$4,500
2014-15	National Broadband Map	Development	\$46,325
2015-16	National Broadband Map	Development	\$37,183
2016-17	National Broadband Map	Development	\$22,688
2016-17	Domain Analytics	UX Design	\$42,412
TOTAL			\$153,108
REMAINDER			\$246,892

Technical Research Report

Introduction

This is the February 2017 Technical Research Report, setting out the research projects being undertaken by NZRS. This is the fifth issue of this report. 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 the 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	In Progress
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 their 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?				
	<i>Form</i>	<i>Done</i>	<i>Details</i>		

Planned outputs	Web site	<input checked="" type="checkbox"/>	Website at http://ip.topology.net.nz updated with new version.
	Open data	<input checked="" type="checkbox"/>	Resulting network representation made available via the project's website.
	Open code	<input checked="" type="checkbox"/>	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. Presented a Spain-centric version at the Spain Network Operators Group in October 2016. Presented the methodology at the RIPE 73 meeting in Madrid in the same month. Presented the New Zealand Internet view at NZNOG 2017.		
Collaborators	No active collaborators at the moment.		
Progress	Needs work to run a regular collection. Make the raw data available via IDP. Re-designed interface and faster loading page deployed.		

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/lose peers, etc.				
Planned outputs	Form	Done	Details		
	Report	<input type="checkbox"/>			
	Web site	<input type="checkbox"/>	http://bgp.topology.net.nz A new faster version will be made available soon.		
	Open data	<input checked="" type="checkbox"/>	Collected data made available via IDP		
	Open code	<input checked="" type="checkbox"/>	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 visualization, easier to use has been produced and will be deployed to production soon.				

Title	ANZSIC classification of the register	Status	In progress
Description	Using web content from each domain web page, and a set of hand curated domain names mapped to an economic activity		

	<p>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.</p> <p>This work now has been extended to classify non-for profit organization using the New Zealand Standard Classification of Non-Profit Organizations (NZSCNPO) from StatsNZ. A combination of domain classifiers based on this work is being prepared for the Domain Analytics project.</p>		
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.		
Planned outputs	<i>Form</i>	<i>Done</i>	<i>Details</i>
	Open data	<input type="checkbox"/>	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	<input type="checkbox"/>	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, WhoIsWhere, participated in the first round of analysis of the results.		
Progress	<p>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 to support JavaScript, and better input data clean-up.</p> <p>The non-profit classification is currently at 95% accuracy using strict matching.</p>		

Title	Domain Retention Prediction		Status	In Progress
Description	Project to generate a probabilistic model that will tell us: <ul style="list-style-type: none">Which elements of a registration are best predictors of their likelihood to be stay in the registerProbability 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	
	Report	<input checked="" type="checkbox"/>	A couple of blog posts are published in NZRS's blog.	
	Open code	<input type="checkbox"/>	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 .CA. People from .IE (Ireland), Netherlands (.NL), and Austria (.AT) are following up this work closely.
Progress	A rigorous creation forecast model has been produced and published. An analysis and model of domain survivability is available using open data and open code. Combining these two models, a forecast model for the register size has been produced. The following task will be Machine Learning to identify the most relevant elements in a domain affecting cancellations. This model has been used as the basis for the .nz forecast for the 2017/18 budget.

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.		
Planned outputs	<i>Form</i>	<i>Done</i>	<i>Details</i>
	Open data	<input type="checkbox"/>	Will consider aggregated and anonymised data on IDP.
	Open code	<input type="checkbox"/>	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. Currently exploring a solution using Deep Learning to improve the accuracy and create a more generic solution.		

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	<i>Form</i>	<i>Done</i>	<i>Details</i>
	Report	<input type="checkbox"/>	
	Web site	<input checked="" type="checkbox"/>	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	<input type="checkbox"/>	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	<input type="checkbox"/>	Will be published on GitHub.
Presented	Presented as Proof of Concept at DNS-OARC 22 in Amsterdam. Presented at the CENTR Jamboree in Brussels in May 2016. Follow up work presented at the DNS-OARC 25 in Dallas, October 2016.		
Collaborators	Seeking collaboration within the CENTR group, as suggested by the CENTR R&D Chair.		
Progress	A review of the algorithm has been completed and we are now working with a different approach that produces better results. A sample of DNS traffic from one of our offshore providers will be used to test for bias. Working on identifying well known sources of traffic to treat that traffic in a different way. Google Analytics figures from 4 different domain names will 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	<input type="checkbox"/>			
	Open code	<input type="checkbox"/>	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	On Hold
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	<i>Form</i>	<i>Done</i>	<i>Details</i>
	Report	<input type="checkbox"/>	
	Open data	<input type="checkbox"/>	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants
	Open code	<input type="checkbox"/>	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 valid 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 another research projects.			
Planned outputs	Form	Done	Details	
	Report	<input type="checkbox"/>		
	Open data	<input type="checkbox"/>	Will be published openly on IDP but in aggregated form to preserve the privacy expectations of registrars and registrants	
	Open code	<input type="checkbox"/>	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	In Progress
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	<i>Form</i>	<i>Done</i>	<i>Details</i>
	Open data	<input type="checkbox"/>	Will publish aggregated and anonymised data on IDP.
	Open code	<input type="checkbox"/>	Will be published on GitHub.
Presented	None		
Collaborators	IIS, the .SE register are collaborators as authors of the engine currently in use, and developers of the replacement.		
Progress	A test environment has been setup to run the unmodified version of the tool, explore the differences between the old and the new tool, and undertake some testing. This work has been allocated to the new NZRS developer for implementation.		

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	<input type="checkbox"/>		
	Open data	<input type="checkbox"/>	Will publish aggregated and anonymised data on IDP.	
	Open code	<input type="checkbox"/>	Will be published on GitHub.	
Presented	None.			
Collaborators	SIDN is publishing some interesting counters from their DNS data, using a platform powered by Hadoop, inspired by the work we did with Hadoop			
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	
	Report	<input type="checkbox"/>		
	Web site	<input type="checkbox"/>		
	Open data	<input type="checkbox"/>	Available in IDP https://idp.nz/Users-and-Use/Digital-Journey/sp2s-ukz9	
	Open code	<input type="checkbox"/>		
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 Operators Group, a NZ-based organization gathering network operators, government and academy that organizes an annual meeting.
Hadoop	Big Data Platform
Deep Learning	Branch of Machine Learning using a set of algorithms that attempt to discover high level abstractions of the data.

Internet New Zealand
Consolidated Financial Statements
For the Quarter Ended 31 December 2016

Internet New Zealand
Table of Contents
For the Quarter Ended 31 December 2016

Compilation Report	1
Consolidated Income Statement	2
Statement of Movements in Equity	3
Balance Sheet	4
Statement of Cash Flows	5
Cash Flow Reconciliation	5

-1-

**Internet New Zealand
Compilation Report
For the Quarter Ended 31 December 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 information from which the Financial Statements have been compiled nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

Deloitte
Wellington NZ
8-Feb-17

-2-

Internet New Zealand
Consolidated Income Statement
For the Quarter Ended 31 December 2016

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income	2,536,036	7,544,325	101,006	301,831	2,531,807	7,532,825	467,460	1,402,380
Other Income	11,368	122,913	0	30,345	1,200	52,400	10,168	40,168
Dividends Received	0	0	1,200,000	3,134,136	0	0	0	0
Interest Received	90,890	263,148	8,987	17,575	79,245	235,983	2,658	9,590
Managed Funds Income	34,481	112,485	34,481	112,485	0	0	0	0
Total Income	2,672,775	8,042,871	1,344,474	3,596,372	2,612,252	7,821,208	480,286	1,452,138
Less Expenses								
Direct Expenses	191,171	547,434	0	0	658,631	1,949,814	0	0
Other Expenses	2,387,647	6,580,690	1,135,616	2,945,509	844,116	2,644,691	504,692	1,280,821
Total Expenses	2,578,818	7,128,124	1,135,616	2,945,509	1,502,747	4,594,505	504,692	1,280,821
Net Profit (Loss) Before Tax	93,957	914,747	208,858	650,863	1,109,505	3,226,703	(24,406)	171,317
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	93,957	914,747	208,858	650,863	1,109,505	3,226,703	(24,406)	171,317

Notes:

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

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

The Group year to date net profit is \$3,134,136 (quarter \$1,200,000) less than the sum of the individual entities due to the dividend received by INZ from NZRS being removed from income while the payment by NZRS shows under their statement of movements in equity on page 3.

-3-

Internet New Zealand
Statement of Movements in Equity
For the Quarter Ended 31 December 2016

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	10,023,770	9,202,980	6,135,339	5,693,334	3,352,451	3,169,389	535,980	340,257
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	93,957	914,747	208,858	650,863	1,109,505	3,226,703	(24,406)	171,317
Less:								
Dividend Paid	0	0	0	0	1,200,000	3,134,136	0	0
Closing Equity	10,117,727	10,117,727	6,344,197	6,344,197	3,291,956	3,291,956	1,091,574	1,091,574

-4-

**Internet New Zealand
Balance Sheet
As at 31 December 2016**

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	14,578,535	3,054,179	10,261,309	1,263,047
Managed Funds	2,561,556	2,561,556	0	0
Other Current Assets	933,824	41,573	881,706	10,545
Total Current Assets	18,073,915	5,657,308	11,143,015	1,273,592
Property, Equipment & Software	942,977	292,833	598,983	51,161
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	0	610,000	0	0
Total Assets	19,016,892	6,560,141	11,741,998	1,324,753
Less Liabilities:				
Deferred Income	8,042,568	0	8,042,568	0
Trade and Other Payables	856,597	215,944	407,474	233,179
Total Liabilities	8,899,165	215,944	8,450,042	233,179
Net Book Value of Assets	10,117,727	6,344,197	3,291,956	1,091,574
Represented By:				
Total Equity	10,117,727	6,344,197	3,291,956	1,091,574

-5-

Internet New Zealand
Statement of Cashflows
For the Quarter Ended 31 December 2016

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,278,953	7,692,294
Interest Received	90,890	263,148
Managed Funds Income	34,481	112,485
Total Received	2,404,324	8,067,927
Cash was distributed to:		
Payments to Suppliers and Employees	1,935,141	6,298,674
Total Payments	1,935,141	6,298,674
Net Flows From Operating Activities	469,183	1,769,253
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	254,144	390,166
Net Cash Flows From Investing & Financing Activities	(254,144)	(390,166)
Net Increase Decrease in Cash & Cash Equivalents	215,039	1,379,087
Plus Opening Cash	16,925,052	15,761,004
Closing Cash Carried Forward	17,140,091	17,140,091
Closing Cash Comprises		
Cash & Cash Equivalents	14,578,535	14,578,535
Managed Funds	2,561,556	2,561,556
	17,140,091	17,140,091
Cash Flow Reconciliation		
Net Profit (Loss) After Tax	93,957	914,747
Plus (Less) non cash items		
Depreciation	151,574	492,305
Subtotal	245,531	1,407,052
Movement in Working Capital		
(increase) decrease in receivables	471,292	645,136
increase (decrease) in payables	20,811	(307,991)
increase (decrease) in deferred income	(268,451)	25,056
Net Cash Flows From operations	469,183	1,769,253

INTENTIONAL BLANK PAGE

2017 Evaluation of Product and Service Development

Author: Jordan Carter, Chief Executive

Purpose of Paper: To perform the assessment of Product and Service Development agreed by Council in August 2016, and recommend that the function continue with NZRS in 2017/18.

1. Overview

In August 2016, Council agreed how InternetNZ would conduct an annual review¹ of progress on Product and Service Development. This was to give a regular check point for whether the activity should continue, and to share information about progress to date with Council.

As a reminder, there are some context factors to take into account:

- The strategy and policy were only finalised last year, after many years of discussion and debate which had the effect of creating strategic uncertainty. In turn this slowed progress, but at least has now been resolved.
- There have now been sales for the first time in the group's history, which is a significant achievement.

This review was scheduled for November 2016 but was deferred due to workload. Therefore this assessment is based on information for the nine months to December 2016, rather than (as intended) the six months to September '16.

The data provided by NZRS is commercial in confidence and so cannot be published as part of this paper. It will be circulated to Council as a confidential paper, and be up for review as to disclosure in two years as per the document disclosure policy.

2. Evaluation

Based on the information available to me, including from NZRS in the confidential paper, here is the assessment:

Target/Limit		Progress at Feb '17
A	\$1m in group revenue (by 2020)	Not met yet, track unclear: Forecast ~\$50k 31/3/17, rising in outyears.

¹ The paper that set this approach out is attached as Annex 1.

Target/Limit		Progress at Feb '17
B	3 commercial products developed and in production generating positive cashflow (by 2018)	Uncertain: expecting two products generating cash by 31/3/18, portfolio expected to be net positive in 2018/19.
C	1-3 commercial products in development at any one time (by 2017)	Met: one in development, with one slated for development in 2017/18.
D	Dual channel/customer base of registrars/registrants and ISPs/Internet users	Met: achieved through disclosed developments (Broadband Map, Domain Analytics).
E	InternetNZ group recognized as succeeding at product and services development.	Subjective: recognition from Minister re Broadband Map.
F	<p>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.</p> <ul style="list-style-type: none"> • 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. 	Not met: this language was developed by me for Statement of Expectations for the 2015/16 year. Progress is slower than then anticipated.
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.	Met: forecast exposure at 31/3/17 of ~\$168k, leaving ~\$232k in the fund. Products in production or development are consistent with the policy.
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.	Met: forecast exposure at 31/3/17 of ~\$168k, leaving ~\$232k in the fund.

As such, my overall evaluation is that progress at the date of this evaluation is **satisfactory** and that it should continue in 2017/18.

In discussion with the company, it became apparent that the fund isn't necessarily the best approach to managing resource commitment. I will work with NZRS over the coming year to develop an alternative for Council consideration, following outcomes from work on other projects such as the Organisational Review and the Financial Strategy.

3. Recommendations

THAT Council advise NZRS that it considers progress on product and

service development to be satisfactory at the assessment date, AND confirms that the fund available to finance this development remains in place at the same limit, extended to 31/3/2018.

THAT Council notify an intent to amend the Group Policy on Product and Service Development to reflect this rollover, and confirm this decision at its next meeting.

Jordan Carter
Chief Executive

15 February 2017

Attachments:

Annex A – Paper setting out approach to evaluation
NZRS Paper: Product and Services Development Evaluation (Confidential)

INTENTIONAL BLANK PAGE

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
D	Dual channel/customer base of registrars/registrants and ISPs/Internet users	Strategy

Target/Limit		Source
E	InternetNZ group recognized as succeeding at product and services development.	Strategy
F	<p>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.</p> <ul style="list-style-type: none"> • 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

INTENTIONAL BLANK PAGE

DRAFT MINUTES OF COUNCIL MEETING

Status:	Draft
Present:	Jamie Baddeley (President), Joy Liddicoat, Amber Craig, Dave Moskovitz, Brenda Wallace, Sarah Lee, Richard Wood, Rochelle Furneaux, Hayden Glass, Keith Davidson, Kelly Buehler, and Richard Hulse
In Attendance:	Jordan Carter (Chief Executive), Maria Reyes (minute taker), Kimberley Ford (InternetNZ), Andrew Cushen (InternetNZ), Ellen Strickland (InternetNZ), Angela Ogier (NZRS Chief Operating Officer, <i>in part</i>), Jay Daley (NZRS CE, <i>in part</i>), Richard Currey (NZRS Chair, <i>in part</i>), David Farrar (DNCL Chair, <i>in part</i>), and Debbie Monahan (Domain Name Commissioner, <i>in part</i>)
Meeting Opened:	9am

Council was in Committee from 9am to 9.35am for Council only time and Council and CE alone time.

Angela Ogier (new NZRS Chief Operating Officer) joined the meeting at 9.35am.

1.3. Register of Interests

Richard Hulse advised his employment with Radio New Zealand can be removed from his register of interest.

Section 2: Strategic Priorities

2.1. Industry Scan

Discussion held on issues and opportunities for InternetNZ. Council were advised that for any further comments, they can send it or discuss it with either Jordan or Andrew.

One of the topic discussed was the future of Kiwicon, who have announced that they are taking a break and will not hold a Kiwicon conference next year. Council asked whether there's an opportunity for InternetNZ to support a similar event. Jordan advised that the Community Programme Director has a meeting scheduled with Kiwicon organisers regarding this and will discuss how / whether InternetNZ can support them, and the wider tech community. (InternetNZ has MOUs with Kiwicon and with NZNOG.)

The President suggested inviting REANNZ to present an update to Council on their recent work at the next meeting. Jordan suggested that we can also

invite them to participate in the NZ Internet Research Forum which will be held later next year.

AP28/16: Jordan to contact REANNZ and invite Nicole Ferguson (Chief Executive of REANNZ) to the next meeting as part of the Industry Scan item.

2.2. Follow-up Strategy Day

Jordan gave a summary on his paper which distilled “next steps” following the Council Strategy Day in September. He highlighted the proposal, which is to conduct a review of the InternetNZ group, with a focus on the structure. The paper proposed a Working Group to own this review, with the CE being the project manager working with the Working Group.

Council decided to change the focus of the review slightly and frame it as an “Organisational” Review – that, consistent with discussions with subsidiaries, it shouldn’t be pre-judged that structural changes are necessary to deliver the best possible performance of the InternetNZ group. The Review might recommend structural changes, or operational or strategic changes.

Council decided that there would be five Council members appointed to the Working Group (i.e. Keith, Kelly, Richard H, Dave and Rochelle), and to invite NZRS and DNCL to propose a director each to be members, and to select an independent member.

The proposed review timeline was considered and a comment was raised that the proposed timeline seems to be a bit ambitious, however Jordan advised that there is some flexibility in the timeline and therefore can still be adjusted – this will depend on what the Working Group thinks. He said he felt it better to be ambitious and take more time if needed than to deliberately move more slowly than necessary.

Councillors also noted that if the review began developing changes that affected the Chief Executive’s job, an independent project manager would be brought in to manage that as required.

Ellen Strickland joined the meeting at 10am.

AP29/16: Jordan to revise the paper setting up the Review and its proposed structure, incorporating the feedback received from Council at this meeting and circulate it to the Council list for approval.

AP30/16: Jamie, Joy and Jordan to provide options for an independent member for the Review Working Group and send it to Council list for decision.

RN56/16: THAT a Working Group be established to review the structure of the InternetNZ Group consistent with the approach, steps,

process, ownership and time frame set out in this paper, comprised of the following individuals: Kelly Buehler, Keith Davidson, Richard Hulse, Dave Moskovitz, Rochelle Furneaux, 2 subsidiary Directors, and an independent member (to be advised).

(Cr Craig/Cr Wood)
CARRIED U

RN57/16: THAT the Chief Executive be the project manager for the Review, working with the Working Group, AND THAT he be authorised to commission necessary external advice (with the agreement of the WG) to help the review take place.

(Cr Lee/Cr Davidson)
CARRIED U

2.3. Financial Strategy

Council had a brief discussion on the nature of InternetNZ's overarching financial strategy. Some Councillors see that as a gap, and that clarifying or establishing such a strategy would help staff in making decisions that are consistent, and help Council guide the direction of these decisions.

It was suggested that perhaps Adam Hunt, a member who is also a director of DNCL and has financial expertise, could provide some informal advice on this.

AP31/16: Deputy Chief Executive and Cr Kelly Buehler to talk to Adam Hunt regarding drafting a paper that can be included in the new Councillor's induction pack that provides a background around the financial strategy – to be put forward to Council for review/comments, or to advise Council of any further recommendation if further work required.

Section 3: Matters for Decision

3.1. Framework: 2017-18 Activity Plan & Budget

Andrew spoke to his paper and highlighted the proposed focus areas for the Activity Plan – which are the same focus areas from this year. He mentioned that focus areas have been a great way of representing on what InternetNZ is working on. He also highlighted the three proposed activity plan concepts for planning the projects that contribute to the focus areas:

- building on the internal research resource (NZRS and more broadly) and focus on driving change in our environment through external engagement with our stakeholders;
- integrate our work together through collaboration and utilising the skills and specialties in the organisation;
- and lastly, to focus on efficiency to ensure that we keep what works well and not building too much work in maintaining status quo.

If Council are happy with the proposed framework for the Activity Plan, staff will then start on the draft 2017/18 Activity Plan with more details on the

projects as well as budget to support this and will be tabled at the next Council meeting for review.

Council suggested that the language used to describe the focus areas can be tweaked – such as access for the Internet can be more about quality of access as well as equitable access, rather than just providing access to the Internet.

Overall, Council was happy with the proposed framework for the Activity Plan and a comment was raised that it would also be good to note and have visibility on what activities did not make the cut during the process for member's transparency.

Jordan emphasised that both for the Focus Areas broadly, and for specific projects, the 2017 Activity Plan will set out clear goals that are the aim of the work. This will help focus the work the organisation does, and make it clear what we can be held accountable for – a clearer and simpler measure of success.

RN58/16: THAT Council approves continuity of the Focus Areas **as** the basis for the 2017/18 Activity Plan, and the Approach proposed for the plan.

(Vice President/Cr Craig)
CARRIED U

RN59/16: THAT Council notes and agrees the proposed timeframe and stages for developing the 2017/18 Activity Plan.

(Vice President/Cr Craig)
CARRIED U

RN60/16: That Council notes the adjusted three year budget forecast as the basis for constructing the detailed budget for the 2017/18 year.

(Vice President/Cr Craig)
CARRIED U

3.1.1. 2016/17 Budget Update

Jordan spoke to this paper and highlighted that some of the excess from the NetHui budget will be reallocated to the Māori Engagement Committee's project work.

It was noted that the budget for the Organisational Review (as discussed at this meeting) should have a separate line in the 2016/17 Budget to make it clear and transparent.

RN61/16: THAT Council note this mid-year financial update for the 2016/17 year.

(Vice President/Cr Craig)
CARRIED U

3.2. Review of Governance Policies

Andrew gave a summary of his paper and highlighted the proposed changes in the Policy Development Policy which seeks Council's approval to change the review cycle to a 3-year review (instead of bi-annually).

Jordan mentioned that the first tranche of policies for review (included in the Council papers) were reviewed and there were no substantive changes made to it – just to the review dates scheduled. He also suggested that for the following tranches of policies for review, they will be notified to Council 6 weeks prior to the Council meeting so that staff can get Council's comments and suggested changes to the policies, consider these and do any necessary drafting before the meeting.

The President noted that if there are any policy that requires to be reviewed urgently, that this can still be raised by or with Council for discussion.

AP32/16: InternetNZ staff to send next set of policies for review six weeks before the February Council meeting for comments.

AP33/16: Jamie to forward and discuss with subsidiaries Chairs whether they can adopt the Document Information Disclosure as well.

RN62/16: That the changes to the following policies be adopted:

- Policy Development Policy
- Treasury Policy (final)
- Code of Ethics
- Councillor Role Description
- Council Role and Functions
- Conflicts of Interest
- Document Information Disclosure

(Cr Furneaux/Cr Hulse)

CARRIED U

NOTE: the changes to the PDP (which are substantive), and the new Treasury Policy, will enter the PDP consultation process.

RN63/16: That Council adopts the proposed tranches of review findings for the Governance Policies as per the proposed changes to the Policy Development Policy.

(President/Vice President)

CARRIED U

Group Policies – Planning & Reporting Timetable and Annual Planning Cycle

Jordan advised that since the last time Council saw the proposed Planning & Reporting Timetable and Annual Planning Cycle (at the August meeting), that there haven't been any other changes included and therefore would now seek Council approval to finally adopt this policy.

RN64/16: THAT the revised Group Policies – Planning and Reporting Timetable and Annual Planning Cycle – be adopted and brought into effect as of today.

(President/Cr Furneaux)

CARRIED U

Draft Governance Policy: Information Sharing

After Jordan gave an overview of this paper, Council had a short discussion regarding the ‘exceptions’ section and a comment was raised whether the term “may not be shared” should be changed to “might be shared” instead to make it more clear. Jordan has noted and agreed with the suggested change.

RN65/16: That Council adopts the Information Sharing Policy as amended.

(Cr Craig/Cr Buehler)

CARRUED U

NOTE: this Information Sharing policy will now enter the PDP process.

Council took a short break from 11.10am until 11.30am.

Angela Ogier left the meeting at 11.10am.

3.3. Community Funding – Projects Grant Round

Jordan noted that the paper for this agenda item was published by mistake in the public Council papers pack but later deleted. It should have been circulated to Council in confidence as the applicants were yet to be notified once Council have approved the proposed recommendations from the Grants Committee. He apologised for the mistake.

After Ellen spoke to her paper, Richard Wood, Chair of the Grants Committee added that it was a clear cut on the applications for this funding round and process have been easy especially with a much-improved software used for processing the applications.

Council also noted that none of the Councillors are involved or related to any of the applicants for this funding round.

RN66/16: THAT Council approve the Grants Committee recommendations for funding as detailed in this paper, with the additional \$3535.50 in funding coming from the On-Demand Grants line of the Community Grants Budget (which has extra funds available due to a roll over from last year unused funding for this line) and from a Conference Attendance grant unable to be accepted by an applicant earlier in this round.

(Cr Wood/Cr Craig)

CARRIED U

3.4. NetHui Activities: 2017 and onwards

Ellen gave a brief update on the recent NetHui Roadtrip and advised that overall there were 300 participants for this event and feedback has been great from all three locations – i.e. Nelson, South Auckland and Rotorua. Out of third of the participants who have provided their feedback through the post-event Survey, 89% were highly satisfied and around 70% would recommend it to others. The team were also pleased with the conversations that took place at the event in each of the locations.

Councillors who attended some of the sessions also provided their feedback and were pleased that the event went well, and acknowledged all the team's hard work to make this event a success.

A comment was raised that it was a good idea to have the local Council involved as well as the local community as they could hear their perspective as well as hear the issues relevant to that community. Localisation of the event leads to opportunities for collaboration on projects after the event.

Ellen advised that for future NetHui, the project team will add an option during registration whether they are happy to share their contact details to others so people can stay in contact after the event to work on projects or continue any collaborative work that arises from the NetHui sessions.

Discussions were held on having 1-day NetHui regionals versus a 3-day NetHui 'classic' event. One comment raised is that for the 1-day regional event, participants do not have enough time to network with other participants. Council then suggested whether InternetNZ can come up with a micro-NetHui meetup and set it up with the local communities. InternetNZ can have a role in this by providing the resources and/or tools should the local community are keen to continue with a similar meet-up.

Ellen advised that the team will prepare a proposal for discussion and consultation with the community and are preparing documentation for a 'NetHui-in-a-box' that could include most of the suggested options raised by Council.

Jordan added that it needs to be clear though as to what our goal is for the NetHui programme, what are our objectives and make sure that we also meet the community's expectations.

RN67/16: THAT the staff proposal for NetHui 2017 as a national event in late 2017 be agreed, and the next steps regarding staff consultation on the event's details and other potential regional/local activities in 2017 be noted.

(Cr Lee/Cr Davidson)
CARRIED U

Section 4: Matters for Discussion

4.1. President and CE Briefing

Jordan advised that the CE report is included in the Council papers and can be discussed later in the meeting should there be any issues or question raised about the report.

Key highlights he noted from his CE report are:

- Financial reporting: Jordan has discussed this with the subsidiaries (including a more useful level of detail in the quarterly group-wide financial reports, including functional as well as activity based financial reporting). After meeting with the accountants, there will be more functional breakdown in the reports, with activity-based reporting still a topic for discussion. Work is currently in progress, and he is hopeful that a proposed new approach can be shared with Council in February and implemented from the start of the new financial year.
- Team day held end of October: 3 internal project work have been developed which includes the review of the Team Charter; getting clarity on the purpose/goals of the InternetNZ team; and developing a process for working remotely for resilience, flexibility and building a good work-life balance. Project teams are currently working on these and once this have been finalised, Jordan will bring it to Council in a collective way. There's a great team vibe and spirit.

The President advised that the Chairs and CEs usually meet prior to the Council meeting to have informal discussion on any issues that may arise in the meeting. However due to time and availability constraints, Jamie was only able to meet with the Chairs of the subsidiaries in advance of this meeting. He advised that he found it very useful and therefore, proposed having a Chairs and Officers meeting in place of Chairs and CEs in future.

AP34/16: Jordan to draft a paper regarding Council and a possible subsidiaries committee, and/or alternative options for the Chairs & CEs meeting prior to Council – for discussion at the next meeting.

4.2. Strategic Partnership Options for 2017/18

Ellen spoke to her paper and highlighted that this includes a recommendation to Council to retain the current Strategic Partnership Framework unchanged, and includes possible Strategic Partners for 2017-18 onwards.

She gave a brief update on existing partnerships that are coming to term, but can be re-selected again, as well as the prospective partnerships identified by staff. She added that it would be good to get ideas from Council for other potential partnerships that staff can consider and talk with.

Councillors asked that in future, this paper include an outline of existing financial commitments to strategic partners and what money is available for new partnerships.

A detailed proposed Strategic Partnership paper will be presented at the

February Council meeting. The President asked for that paper to be very clear about the expectations from both parties, what are the expected outcomes, and what are the benefit for these strategic engagements. Staff agreed with this and will ensure the paper delivers this.

RN68/16: THAT the Chief Executive present a recommended slate of Strategic Partnerships to the February 2017 Council meeting from among those organisations agreed in this paper/discussion.

(Cr Davidson/Cr Furneaux)
CARRIED U

4.3. Council representation on DNCL/NZRS Board

Jamie led this discussion and noted that at present the policy around Council representation to the subsidiary boards is that a Council member gets appointed by Council for a three-year term. They face the same term limit as other directors (three 3-yr terms).

Council discussed whether this term needs to be extended or shortened and whether the appointment of Councillors for the subsidiary boards should be by the same process as the appointment of Directors.

The President noted the variety of views raised and noted the suggestion to place a 2-term limit for the appointments. Council agreed with the suggestion that Jordan draft a revision to the Appointments policy limiting the term limit for Councillor directors to two terms, and present that for consideration at the February meeting.

Council also agreed that in future the appointment of Councillor directors will follow the same process as used for other directors.

AP35/16: Jordan to draft a paper regarding the process for Councillor's appointment process for the subsidiary boards

Council took a lunch break at 12.37pm and reconvened at 1.05pm.

Council went into committee between 1.05pm to 1.15pm.

David Farrar, Debbie Monahan, Richard Currey and Jay Daley joined the meeting at 1.15pm.

4.4. 2017/18 Statements of Expectations – DNCL and NZRS

Paper was taken as read.

Discussions held on the specific projects noted in the to the Statement of Expectation for the coming year and whether an additional project can be included around developing and implementing a Māori Engagement Strategy (similar to what InternetNZ have been working on).

The President noted that DNCL are already doing Māori engagement, and Richard Currey, Chair of NZRS advised that they are happy to support this

initiative.

RN69/16: That the draft Statements of Expectations for NZRS and DNCL for the 2017/18 year be approved as amended.

(President/Cr Craig)
CARRIED U

4.5. Subsidiaries Reports

Joint .nz 2nd Quarterly Report

David Farrar gave a brief update on WHOIS around implementing (with the assistance of NZRS) the ability for registrants to mask their personal/private address. This service started on 1 November 2016. This is the interim approach before changes to the policy are finalised.

For the WHOIS policy review, David advised that the 4th consultation has now closed and that DNCL has received good submissions that have different and diverse views. These submissions will be considered and discussed at the next DNCL Board meeting which is scheduled for early December. A further consultation, this time on a draft policy, is likely early in 2017.

David also updated Council that they have released a draft policy on the process for dealing with Conflicted Names proposing a number of changes. DNCL will be communicating directly with all potentially affected registrants as well as via the normal channels.

RN70/16: THAT the .nz Joint 2016/17 second quarter report be received.

(Cr Buehler/Cr Wood)
CARRIED U

DNCL 2nd Quarter Report

Report was taken as read.

RN71/16: THAT the DNCL 2016/17 second quarter report be received.

(Cr Buehler/Cr Wood)
CARRIED U

NZRS 2nd Quarterly Report, Technical Research Report, and Product & Services Development Report

Reports was taken as read.

RN72/16: THAT the NZRS 2016/17 second quarter report, Technical Research report, and Product and Services Development report be received.

(Cr Buehler/Cr Wood)
CARRIED U

A question was raised regarding the Financial Summary in the Product & Services Development Report and in response Jay advised that there will be a Profit and Loss (P&L) report produce and will be made available soon, however this will need to be done in a manner that protects the privacy of individual customers.

Council went into committee at 1.46pm-1.57pm.

4.6. Group Consolidated Financial Report (QE Sept 2016)

Report was taken as read and there were no further comments received from Council.

The President and Council thanked the subsidiary Chairs and CE for all their hard work this year and wished them well for the new year.

David Farrar, Debbie Monahan, Richard Currey, and Jay Daley left at 1.59pm

Section 5: Consent Agenda

5.1. Minutes of the previous meeting

Minutes were taken as read.

RN73/16: THAT the minutes of the meeting held on 27 August 2016 be received and adopted as a true and correct record.

(Cr Wallace/Cr Craig)

CARRIED U

5.2. Actions Register

Noted actions still requiring attention were:

- AP08/15: Health & Safety policies and Register for Council and staff functions [Risk Register is currently being developed and discussed by the Audit & Risk Committee – most likely will be ready by early next year]
- AP04/16: Staff to examine the “competition test” suggestion presented at the February 2016 meeting and find out what .uk has done [Have not heard back from .uk but Jordan advised that Jay will do a follow-up]

The remaining actions were complete or superseded.

5.3. Membership Report

Report was taken as read.

Jordan gave an update to Council on the Membership project and advised that PieComms (who we commissioned to do the member research phase of the project) are preparing a report on the feedback received from members. As soon as this is received, the report will be circulated to Council for review, and published as part of Council papers for the next meeting.

RN74/16: THAT the new members be approved.

(President/Cr Mozkovitz)

CARRIED U

5.4. Evote Ratification

Report was taken as read.

RN75/16: THAT the evotes noted as at 28 November 2016 be ratified.

(Vice President/Cr Lee)

CARRIED U

5.5. Health and Safety Updates

Andrew spoke to his report and noted that it doesn't include the recent earthquake, however there will be a separate report on this to be circulated to Council for discussion.

Andrew also highlighted in the report that the need for an audit on the Health & Safety compliance has not been completed yet, but it is on track and managed by the Health & Safety Officer.

Amber Craig, Chair of Audit & Risk Committee, added a comment that the Audit & Risk Committee have added Health & Safety on the agenda for all their meetings to check-in..

Jordan highlighted that in connection with the Kaikoura earthquake, InternetNZ responsibilities as a PCBU under the Health and Safety at Work Act 2015 regarding staff of subsidiaries in InternetNZ premises have been clarified, and there's shared understanding of how these operate.

5.6. Chief Executive's Report

Report was taken as read.

Jordan responded to a question regarding the plans around the group culture and advised that there is no concrete end-game in mind - but that culture is improving and that he felt he is getting the value from the engagement with a contractor.

Council thanked the NetHui team especially Ellen and Yvonne who led the project team, for all their hard work in delivering another successful NetHui event.

RN76/16: THAT the Chief Executive's report for the three months to 31 October 2016 be received.

(President/Vice President)

CARRIED U

5.7. Council Committee Reports

Māori Engagement Committee

Sarah Lee, Chair of the Committee advised that the Committee have completed all actions in this year's workplan. They are working on a follow-up day for staff and Council to complete the Te Pumaomao course started in August, as well as planning the Māori Engagement strategy consultation

process proposed for 2017.

AP36/16: Māori Engagement Committee to come up with a proposed dates/times for the follow-up training for discussion at the February Council meeting.

Audit & Risk Committee

Amber Craig gave an update on behalf of the Committee which includes completion of the induction of the new members of the Committee, review of the Treasury Policy, and building relations with Crowe Horwath by having meetings with them regularly. After a scheduled review of our previous audit, we have received as a committee a new letter of engagement for our next audit.

Membership Committee

Kelly Buehler, Chair of the Committee advised that it has been decided that the Committee be disestablished as it has achieved its objective and purpose and that staff can pick up the operation of the membership project.

Council have acknowledged and supported this recommendation and thanked Kelly, Hayden and the rest of the Committee for their work.

RN77/16: That the Membership Committee be disestablished, and membership operations turned over to staff.

(Cr Buehler/Cr Furneaux)
CARRIED U

Grants Committee

Chair of the Committee, Richard Wood, advised that the team are still working on the Grants Policy Framework and that this will be put forward at the May Council meeting for discussion and decision. He also gave an update on the Internet Research funding round and Conference Attendance grant round that is currently open until 16 January 2017. Recommendation for the Conference round is most likely going to Council either at the February Council meeting or after for decision.

Section 6: Other Matters

6.2. Participation by members in Council meetings

Discussions were held on the points raised regarding remote participation by members in Council meetings (i.e. pros and cons of remote participation). It was noted that this was also brought up and discuss prior to the Annual General Meeting in July, hence Council would like to consider and look for possible solution or options to address the issue.

In summary, Council agreed to the suggestion to trial Adobe Connect for the next meeting and see how it goes.

AP37/16: Staff to set-up Adobe Connect for the February Council meeting, allowing real-time and after-meeting access to audio and video of the meeting.

Next Meeting: The next scheduled Council meeting is 24 February 2017

Meeting Closed: 2.55pm

Action Point Register

	Action	Who	Status	Due by	Comment
	AUGUST				
AP20/16	CE to draft an Information Sharing Policy for discussion at the November meeting.	CE	In Progress	Nov-16	Paper for discussion at Nov meeting
AP21/16	President to write to NZRS and DNCL advising that Council wishes to see a more integrated approach to group financial reporting, and inviting their CEs to work with the CE in developing an approach.	President	In Progress	Nov-16	
AP22/16	CE to report back on more integrated financial reporting with the assistance from DNCL and NZRS at the November meeting.	CE	In Progress	Nov-16	Jordan to report back at CE's meeting. It won't be in a position to finalise this before Feb but is coming along well
AP23/16	Staff to liaise with the Committee Chairs for any changes on the relevant Terms of References (TOR) and send the amended versions to Council for review.	Maria	Complete	Nov-16	
AP24/16	Staff to help collate the responses received via the Evaluation Survey Form circulated to all after the course and send it to the Māori Engagement Committee for review.	Maria	Complete	Nov-16	
AP25/16	Staff to draft a Health & Safety Incident Report summary at November meeting.	Andrew/Maria	Complete	Nov-16	
AP26/16	Staff to review budget for Council attendance and participation in NetHui and put forward a discussion to the Council list with regards to who will be attending.	Community Prog staff	Complete	Nov-16	
AP27/16	CE to review the policy around Council representation on the NZRS and DNCL board and forward the revised policy to Council for review/discussion.	CE	In Progress	Nov-16	Paper for discussion at Nov meeting
	NOVEMBER				
AP28/16	Jordan to contact REANNZ and invite Nicole Ferguson (Chief Executive of REANNZ) to the next meeting as part of the Industry Scan item.	Jordan		Feb-17	

AP29/16	Jordan to revise the paper setting up the Review and its proposed structure, incorporating the feedback received from Council at this meeting and circulate it to the Council list for approval.	Jordan		Feb-17	
AP30/16	Jamie, Joy and Jordan to provide options for an independent member for the Review Working Group and send it to Council list for decision.	Jamie/Joy/Jordan		Feb-17	
AP31/16	Deputy Chief Executive and Cr Kelly Buehler to talk to Adam Hunt regarding drafting a paper that can be included in the new Councillor's induction pack that provides a background around the financial strategy – to be put forward to Council for review/comments, or to advise Council of any further recommendation if further work required.	Andrew/Kelly		Feb-17	
AP32/16	InternetNZ staff to send next set of policies for review six weeks before the February Council meeting for comments.	INZ Staff		Feb-17	
AP33/16	Jamie to forward and discuss with subsidiaries Chairs whether they can adopt the Document Information Disclosure as well.	Jamie/Joy/Jordan		Feb-17	
AP34/16	Jordan to draft a paper regarding Council and a possible subsidiaries committee, and/or alternative options for the Chairs & CEs meeting prior to Council – for discussion at the next meeting.	Jamie/INZ Staff		Feb-17	
AP35/16	Jordan to draft a paper regarding the process for Councillor's appointment process for the subsidiary boards	Jordan		Feb-17	
AP36/16	Māori Engagement Committee to come up with a proposed dates/times for the follow-up training for discussion at the February Council meeting.	Vanisa		Feb-17	
AP37/16	Staff to set-up Adobe Connect for the February Council meeting, allowing real-time and after-meeting access to audio and video of the meeting.	INZ Staff		Feb-17	

INTERNETNZ MEMBERSHIP REPORT

Status: FINAL
Author: Kimberley Ford, Office Manager

Current Membership *(as at 15 February 2017)*

Fellows	Individual	Professional Individual	Small Organisation	Large Organisation	TOTAL
22	242	63	23	3	353

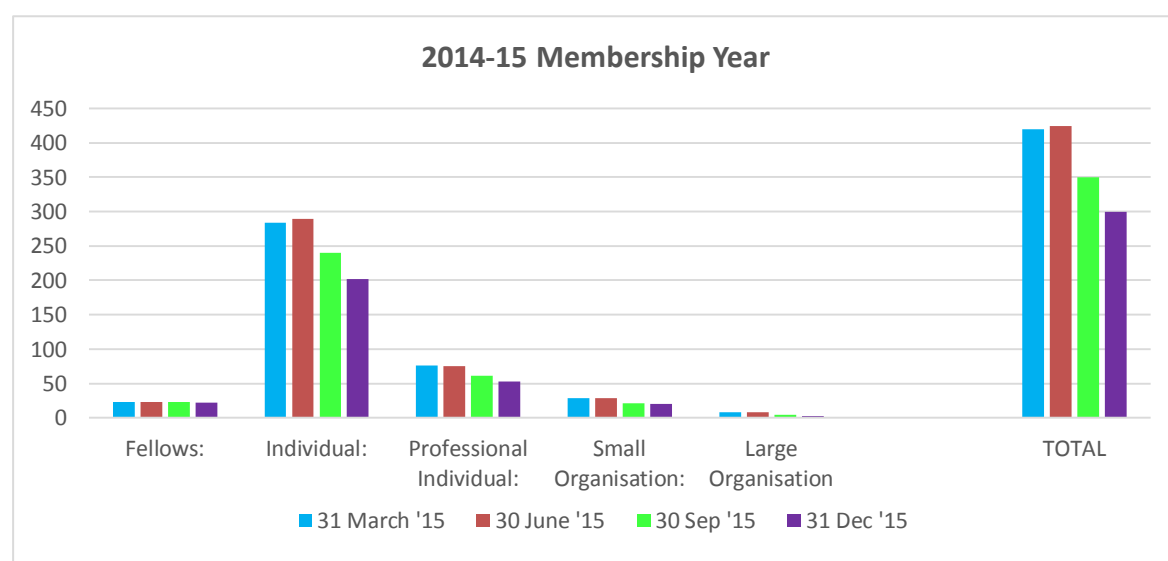
2015-16 Membership Year

	31 March '16	30 June '16	30 Sep '16	31 Dec '16
Fellows:	24	23	22	22
Individual:	263	216	225	240
Professional Individual:	68	56	59	63
Small Organisation:	23	19	21	22
Large Organisation:	5	3	3	3
Total Membership:	383	317	330	350



2014-15 Membership Year

	31 March '15	30 June '15	30 Sep '15	31 Dec '15
Fellows:	23	23	23	22
Individual:	284	289	240	202
Professional Individual:	76	75	61	53
Small Organisation:	29	29	21	20
Large Organisation:	8	8	5	3
Total Membership:	420	424	350	300



Membership by region *(based on Current Membership as at 15 February 2017)*

Joined in	NORTH ISLANDS		SOUTH ISLANDS	
	Northern	Southern	Northern	Southern
2016	23	23	3	2
2013-2015	30	60	16	3
2010-2012	29	48	14	5
2005-2009	30	48	4	2
Foundation-2004	3	6	0	2
TOTAL	115	185	37	14

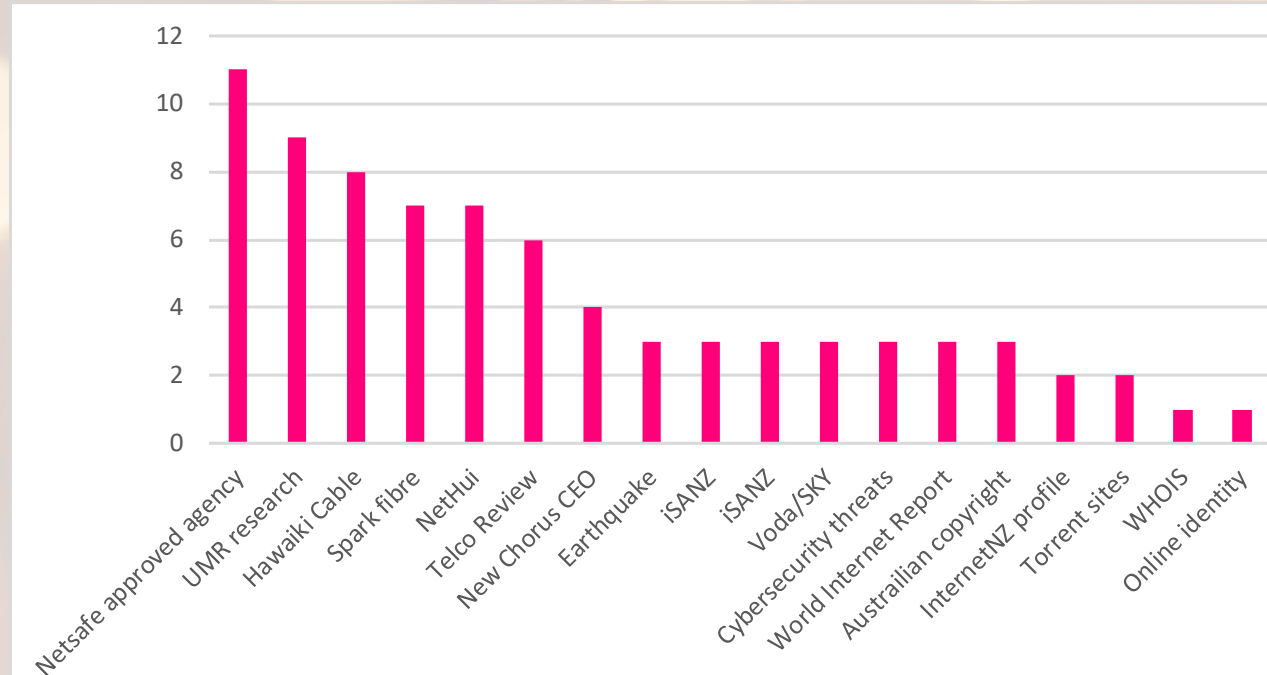
*International members – 11

Recommendation:

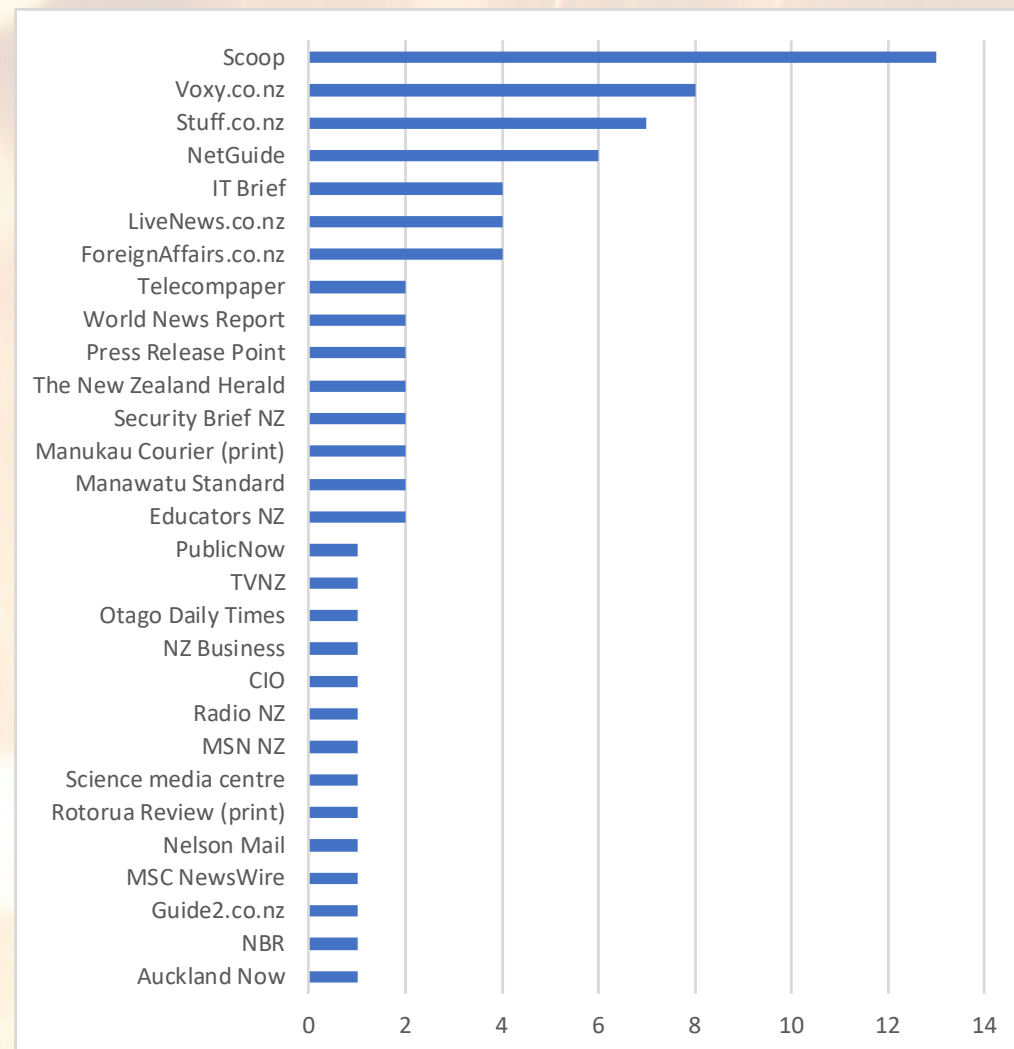
THAT the new members be approved.

MEDIA REPORT 1 OCTOBER - 31 DECEMBER 2016

Media articles by topic



Media articles by outlet

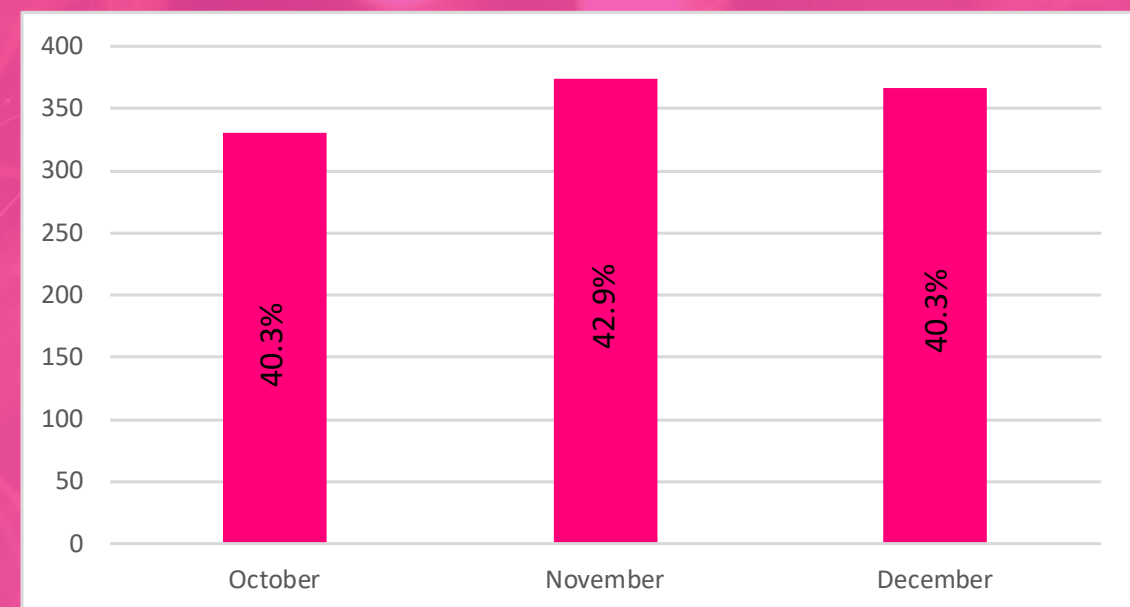


79
media articles
(129 in last quarter)

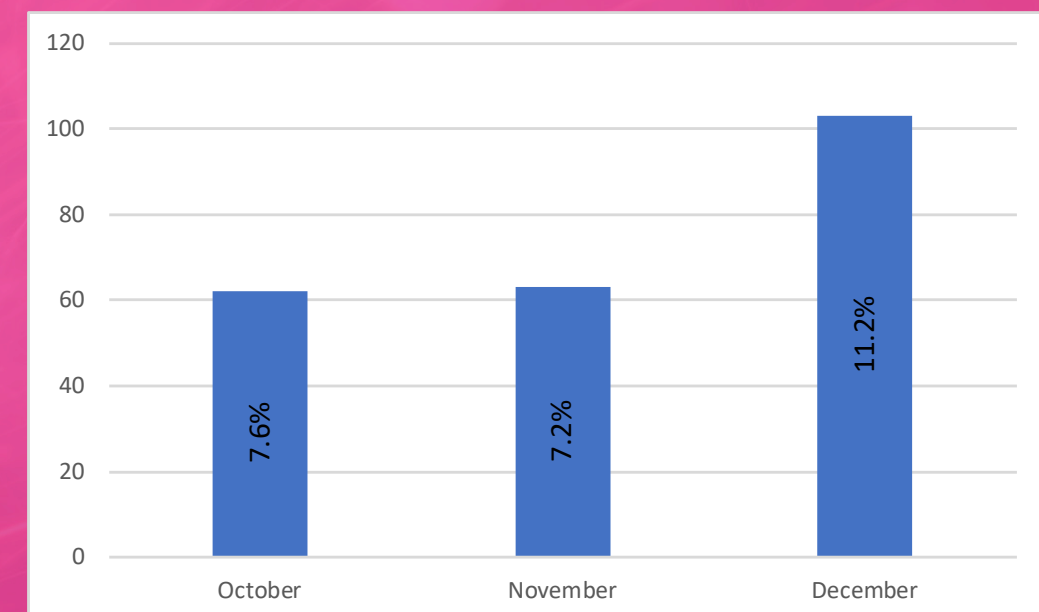
TechDay ran a story
on InternetNZ as
an organisation
including info
about our work and
focus areas

17
topics in media
(25 in last quarter)

dotNews open rates (# and % of recipients)

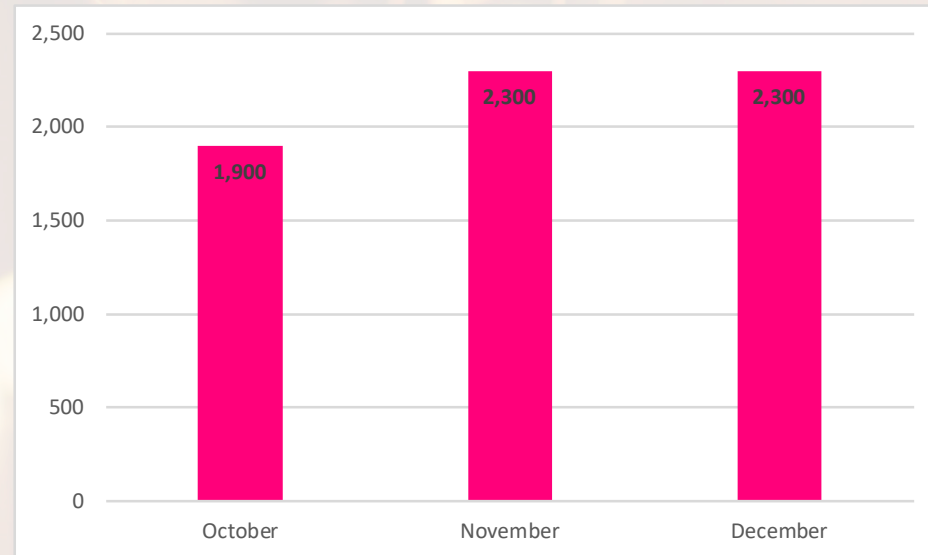


dotNews click rates (# and % of recipients)

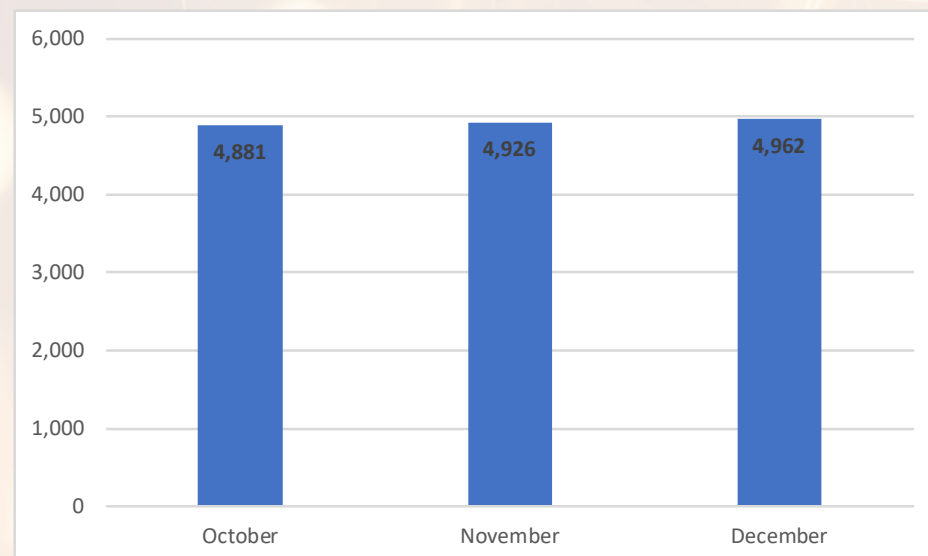


MEDIA REPORT 1 OCTOBER - 31 DECEMBER 2016

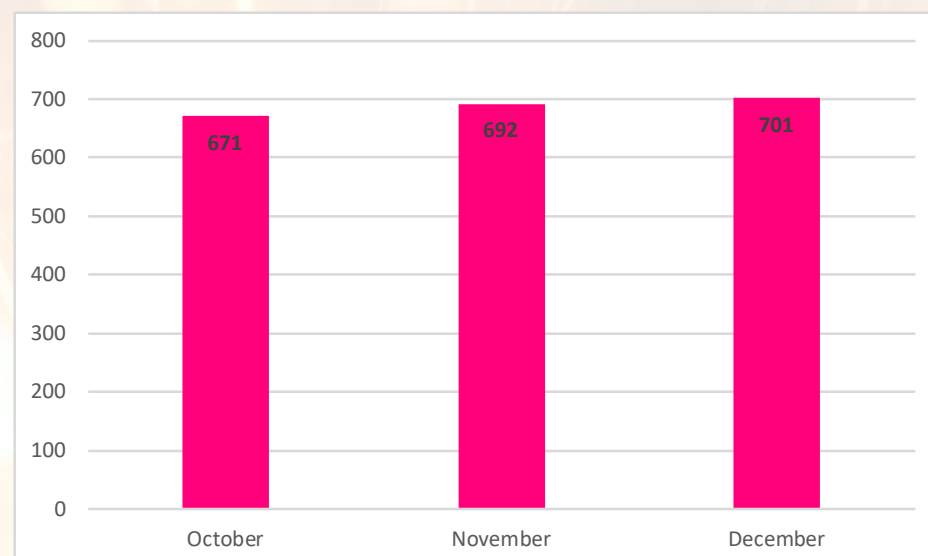
Twitter impressions (on average by day)



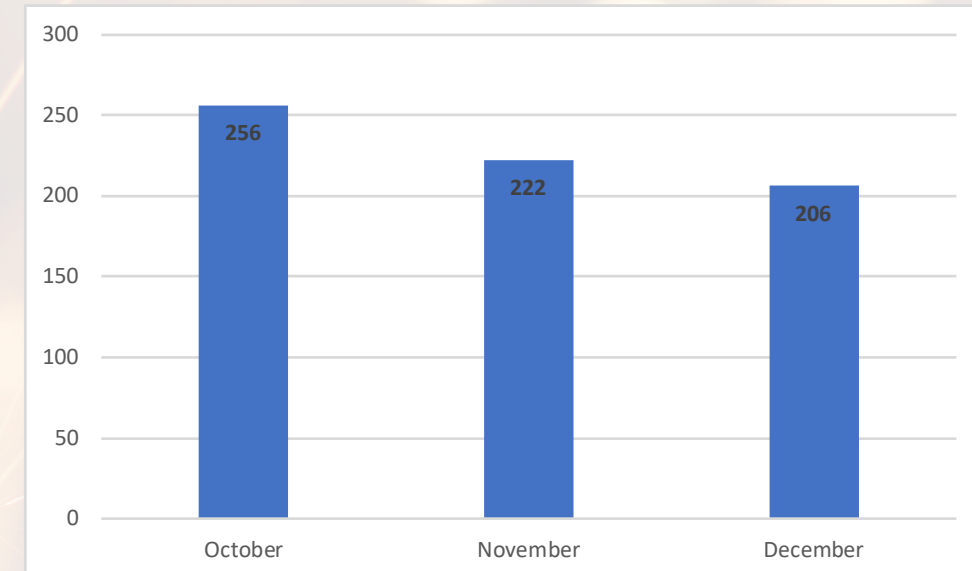
Twitter followers



Facebook likes



Facebook reach (on average by post)



Research: Kiwi's thoughts and attitudes towards the Internet

9

media articles on
InternetNZ research

The stats from
this research have
since been used in
many of our media
releases

Main outlets

NZ Herald
Security Brief
Stuff
NetGuide
LiveNews
Manawatu Standard

What do New Zealanders think of the Internet?

InternetNZ commissioned a phone survey and in-person focus groups to find out what New Zealanders think about the Internet and what matters most to them



New Zealanders are mainly using the Internet for...

E-votes Ratification

Author: Kimberley Ford, Office Manager

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

Evote:	Motion:	For:	Against:	Abstain:
12122016	THAT Council adopt the paper setting out the purpose and process for the organizational review, and asks the Chief Executive and Working Group to proceed with the review, noting that the WG nominees from subsidiaries are Richard Currey (NZRS) and Adam Hunt (DNCL).	Jamie Baddeley Joy Liddicoat Sarah Lee Rochelle Furneaux Richard Hulse Dave Moskovitz Hayden Glass Richard Wood Brenda Wallace Kelly Buehler		
20012017	THAT Murray Bain be invited to join the Organisational Review Working Group as the independent member, AND THAT the Chief Executive be authorized to commission Murray Bain to fulfil that role.	Amber Craig Brenda Wallace Dave Moskovitz Hayden Glass Kelly Buehler Richard Hulse Richard Wood Rochelle Furneaux Sarah Lee Jamie Baddeley Joy Liddicoat		

Recommendation

- THAT the e-votes be ratified.

INTENTIONAL BLANK PAGE

FOR INFORMATION

HEALTH AND SAFETY UPDATE

Author: Laura Turnbull, Organisational Development Advisor

Purpose of Paper: To inform Council of progress on Health and Safety process development and report on any incidents.

Health and Safety Report as at February 2017

Month	Number of Near Misses reported/or identified	Number of Incidents reported/or identified	First Aid Incidents reported/or identified
December	0	0	0
January	0	0	0
February	0	0	0

Summary

- No incidents have been reported or identified since December
- No First Aid incidents were reported or recorded in the first aid register
- Monthly Hazard walks have taken place and no hazards or issues were identified
- Health and Safety is a standing agenda item at team meetings and staff are encouraged to report any incidents, no incidents have been reported to date
- InternetNZ has 5 trained first aiders
- Work station assessments have been offered to all members of staff.

INTENTIONAL BLANK PAGE

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 November 2016, and to set out goals and priorities for the next three months.

This report functions as a summary and highlights report for Council in understanding InternetNZ's programmes and operations since the last meeting.

For further detail, refer to the Activity Plan Progress Report for the first quarter on the website: <https://internetnz.nz/reports>

Financial reporting is not repeated in this report – it is done separately and published quarterly at the same URL.

1. Overview and priorities

A: Critical & Potential Risks

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

The Organisational Review needs to be managed skilfully – if the review process takes too long or is poorly communicated, this will create risks.

B: Recent Chief Executive Priorities

Since the last meeting of Council in November 2016, we have had a break with the Christmas season shut down, and ramped up following the office opening again on 4 January.

In this period my priorities have been as follows, generally in descending priority order.

1. **Planning for 2017:** this is the time of year when we do our planning and budgeting for the coming financial year. Getting the Activity Plan right is important. Progress is in the papers for this meeting.
2. **Organisational Review:** I supported the establishment of the Review and assisted the WG in its formation and project planning stages. As this moved to **substance** it became clear it would be more appropriate for independent contractors to support the process – I fully support this decision.
3. **Membership Renovation:** we received the research from PieComms in writing in January, and the outcomes of staff thinking with that input are before this meeting in a separate paper. Membership and Engagement will be an ongoing focus.
4. **Stakeholder outreach:** we had successful stakeholder functions in

November, along with more proactive reaching out to various media to lift InternetNZ's profile – with some success. I've also been keeping in touch with strategic partners following Ellen's leave commencing.

5. **Staffing:** with Ellen and Maria having gone on maternity leave before Christmas, bringing Vanisa and Kim up to speed and learning to work with them in their roles has been important. Both have come up to speed very quickly and are covering the roles well.
6. **International:** This has mainly focused on some ongoing low-level accountability work in the ICANN environment, but preparations are under way for participation at the next meeting (in March).

These were the priorities I set out as my expected ones in the last report, which mapped well onto the work done. Setting fewer priorities and achieving them is something I plan to continue this year.

C: Chief Executive priorities for the next three months:

These are generally ranked in descending order of priority:

1. **Planning for 2017:** with Council sign off of the high level goals and feedback on implementation mechanisms, we will move to testing the ideas with stakeholders and the membership, and turning that input into a final Plan and Budget for 2017/18 for decision in April.
2. **Restating our "Why":** InternetNZ is good at explaining what it does and who it serves, but less good at explaining the reason for that – the vision and mission go some way to this but we could be crisper and more modern. With remaining Comms budget for this year we are doing some work on this. It will assist with the other priorities I have.
3. **Membership Renovation:** once we have Council feedback on the direction proposed at this meeting, there'll be ongoing implementation. I will be aiming to speak with more members than previously, and we will also be making changes to the membership renewal process – there is more we can do to improve retention of members.
4. **Stakeholder outreach:** this continues to be a significant focus. I am making this a structured priority for me, and making sure the relationships built are used to the organisation's advantage. We are also being more strategic about when "CEO time" can help make our work go more smoothly or help achieve our goals.
5. **Organisational Review:** I will continue to assist the Review by sharing my thinking and analysis with the Working Group as required.
6. **International:** with the changed political circumstances in the US following the Presidential election last year, I am considering how this affects our international programme (for reflection in the Activity Plan). I will maintain my participation in ICANN accountability work, participation in next ICANN meeting (Mar-17), and possible attendance at RightsCon. I am also speaking at a seminar in Wellington on 3 March on this topic.

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

D: *Staffing Matters*

Council may remember that **Reg Hammond** was to leave us, only for us to ask him to stay as we worked through the Telecommunications Act submission process. We have now bidden a fond farewell to him after nearly five years of supporting us with depth and insights on Telecommunications Policy matters.

Vanisa Dhiru and **Kim Ford** have settled in well in their Acting roles replacing Ellen and Maria who are into their maternity leave. Overall the team is working very well together.

2. Programmes

A: *Community Programme: Vanisa Dhiru*

The Community Programme had a very busy quarter despite the change of manager and holiday season.

Points of Note:

The Acting Community Programme Director covering Ellen Strickland on parental leave started in late November. Vanisa is managing the team and programme work, working four days a week. Ellen will begin her 'keeping in touch' time as per parental leave legislation (up to 4 hours per week) from February as previously noted.

Highlights:

- ***The NetHui 2017*** date and venue has been booked and announced this month: 9-10 November 2017 at the Aotea Centre, Auckland. An engagement survey is out collecting theme, speaker and other ideas; and stakeholder meetings are being arranged to build excitement and interest.
- **Speaker Series** event held in the Wellington offices on 8 December, featuring a panel focusing on ***Things and the Internet***. Panellists included John Edwards, Privacy Commissioner; Hiria Te Rangi, Whare Hauora; Dr Erika Pearson, Senior Lecturer at Massey University; and John Hart, FabLab.
- Stage 1 assessment of the 2016/17 ***Internet Research grants round*** has been completed, with Council decision pending evote for research applications coming in late March after stage 2. A paper to this meeting with Conference Attendance recommendations from this round will be discussed.
- Our ***Māori Engagement Committee*** have met to progress this work programme. The Committee also supported InternetNZ to host of a presentation and group korero run by MBIE about Māori in ICT education, attracting over 40 people in late January.
- In the last three months we have agreed ***sponsorship*** support for:
 - o KiwiFoo, March 2017, Snells Beach

- o TechHub (formerly ICT-Connect) by IT Professionals New Zealand, 2017 nationwide
- o PROJECTR. March 2017, Auckland
- o GovHack, July 2017, 10 cities nationwide

Lowlights:

- None to report

Next Priorities:

- ***NZ Internet Research Forum*** is planned for the day before NetHui (8 November) and work on the online NZIRF forum/presence for this event will commence, following the pizza night consultation during December/January.
- Second Speaker Series event of the year will be on 9 March at lunchtime in the Wellington office: ***Emergencies and the Internet***. We will also work through options for the annual series, specifically a session during TechWeek (6-14 May).
- ***Māori Engagement Committee*** will begin with sharing what InternetNZ currently does with iwi and community groups.
- Plans will progress leading up to the ***internal marae training*** as discussed by email with Councillors for 26-27 May, prior to the Council meeting.
- ***NetHui 2017*** community consultation, sponsorship pitches, and promotion work will continue.
- ***New Strategic Partnerships*** will be followed up following the paper to this meeting.

B: Issues Programme: Andrew Cushen

The Issues Programme remains on track to deliver to the Activity Plan as well as the large number of emerging issues that have come up during the year. An important lesson that we are taking into next year's Activity Plan is that our current 20% of reserved capacity for emerging issues is either too small, or the number of emerging issues we are taking up is too large. We would appreciate any thoughts on this.

Points of Note:

The outcomes of the Telecommunications Act process are something we should be very proud of – in independent ideas and delivery, and in our influence on the policy agenda.

The Digital Inclusion Map is going well, and will meet its deadline despite some late-arising data access issues.

Highlights

- Announcement of the next steps in the ***Telecommunications Act*** is a major achievement of InternetNZ. The positions finalised and proposed are nearly completely that which we have been advocating for. We will continue to follow this

process through into legislation.

- Launch of the video, infographic and advice on ***Private Messaging***, to deliver to the Easy Encryption component of the Activity Plan.
- Ongoing development of the ***Digital Inclusion Map***, which is tracking well to meet its delivery in March 2017 – and is looking fantastic.
- ***Internet of Things*** Discussion Starter document being released, and the link up with other initiatives around the Internet of Things for later this quarter.
- A timely restart of our ***Digital Regulation*** work with the New Zealand Initiative, following a false start due to capacity on the NZI side. We are planning this project out now with them.
- The opportunity to lead the visit of an impressive delegation of overseas ***Copyright*** experts to start conversations about the opportunities in Fair Use and wider copyright liberalisation.
- ***Briefing the incoming Minister*** following the surprising handover of portfolios in December. We were pleased that we beat his own Ministry in providing him with advice and perspectives on the key issues in Communications.

Lowlights:

- None to report.

Next Priorities:

- Delivery of the ***Digital Inclusion Map*** work.
- Following up on the recommendations of the ***Telecommunications Act*** review as it progresses into legislation.
- Developing the ***State of the Internet Report*** for 2017 (and changing our approach from last time).
- Following the Speaker Series and Discussion starter on the ***Internet of Things*** with a further set of recommendations and analysis.
- Executing the ***Digital Regulation*** project plan with the New Zealand Initiative.
- Release of a new paper on ***Encryption in New Zealand*** – a guide to what it is, how it is used and how important it is to protect.

C: *International Programme (Jordan Carter)*

Points of Note:

- James Ting-Edwards and I participated in the U.N.'s Internet Governance Forum in December, extending our network, introducing James to that environment, and drawing insight for our Focus Areas and our ongoing international programme.
 - There was a general view that the event was not of as high a quality as the previous year, and disappointment that the host for 2017 would be Geneva, in the week before Christmas.
 - Much discussion related to the TPP which has since gone off the agenda in some respects. Much other discussion related to the

U.S. election results and the impact this might have on the multistakeholder model of Internet governance.

- Digital Objects Architecture was mentioned a good deal in the course of the event, with that being a topic for us to research more fully.
- We have stayed in touch with NZG officials on ICANN work.
- The proposed Oceania School of Internet Governance is off the table, but we will continue to speak with others about supporting a Pacific IGF in 2017.

Next Priorities

- DNCL will represent the group at the APTLD meeting to be held in Viet Nam in early March
- Preparation for the ICANN meeting to be held in Denmark in mid March
- Building new links with MFAT on International issues – we have a good relationship with MBIE and need to expand that to MFAT given their participation in forums we are not present at. We can offer insight on forums they don't participate in, in turn.
- RightsCon will have InternetNZ representation, at the very end of March.

3. Operations

Since November Council meeting the Operations team have been working on the ongoing improvements to the Website, organising the logistics for the March Speaker Series event, various Health & Safety and HR updates, the organisational review, upcoming membership renewals, the Copyright event, upcoming marae training and the 2017/18 Activity Plan.

Points to Note:

We received the results from the membership research process. Staff have been informed of these and we are working together to look at ways to resolve the pain points in the administration of the membership process.

We continue to track and resolve the superficial damage done to the Wellington Office, as well as work with JLL on auditing 80 Boulcott Street as per Wellington City Council's request.

Highlights:

- NZNOG event held in Tauranga, received excellent feedback
- Completion of the interim Financial Audit
- Completion of the Grants round
- A great Maori ICT event held in our Wellington office
- New look Website implemented (content and nav refreshed)
- FLINT (Future Leaders In Technology) event hosted at InternetNZ
- December speaker series event

Lowlights:

- Fixing issues with Smarty Grants

Next Priorities:

- Earthquake damage repairs
- Membership renewal process
- Annual General Meeting preparations
- Speaker Series event in March
- Organisational Review
- 2017/18 Activity Plan

4. Governance and Members

The research phase of the membership project has taken longer than anticipated, so progress is slow here.

Points of Note:

- Membership numbers are covered in a separate report for this meeting.
- Presented separately at this meeting is the state of our wider membership project, and our proposed next steps.
- The organisational review work has kicked off, and is covered substantively elsewhere in this agenda.

Highlights:

- Receipt and revitalisation of work on the Membership project.
- The positive and insightful feedback we have received from stakeholders and staff as part of our Organisational Review work.

Lowlights:

- None to report.

Next Priorities:

- This Council meeting and associated logistics (Feb 2017)
- Membership meet-ups for the start of the year and seeking feedback on the Activity Plan for 2017/18.
- Implementation of the Membership project.
- Continuation of the Organisational Review work.

5. Other Matters

- As noted in previous reports, Paul Matthews from ITP pulled together a **sector-wide leadership group**. The group has met twice this year and is developing a draft statement of policy priorities, to show some leadership in this general election year. My intention is that InternetNZ should sign on to this, and I will share that thinking with members and Council as it comes together. A joint approach will be easier for parties to deal with and more influential. We can of course

add our own points, and other activity relating to the election will be covered in activity planning and discussed with you in April.

- Work with NZRS and DNCL on progressing changes to **group financial reporting** continues, to make sure the quarterly group financial reports present more comprehensive and detailed information. We have not yet settled on a proposed approach and will seek feedback from Council and Boards in between meetings for this, in time for the first quarterly reports in 2017/18 to reflect the new approach.
- The **Operating Agreements** between InternetNZ and DNCL / NZRS are due for review, and staff across the group are progressing this to see if we can get a more appropriate framework in place. (This was work following up the Framework Review and adoption of the new Framework Policy which happened late in 2016.)
- Following the **Kaikoura Earthquake** on 14 November 2016, our offices were identified as needing further inspection. No issues have come to light or been advised to us as of the date of this report.
- We made an error at the 2016 AGM regarding the **Appointment of Auditors** – staff lost track of this in the AGM agenda which we updated last year and as a result, we are technically in breach of our rules. Our legal advisors have told us we should seek retrospective approval of the Auditors at this year's AGM, and there is no intention to change auditors. There is little risk from this mistake, which cannot be undone in a direct sense. My apologies to the Council and membership for this.

Our team is happy and excited about a challenging and interesting 2017. I trust you are as well.

Jordan Carter

Chief Executive

16 February 2017

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

- The Committee has met once since the last Council meeting.
- The Chair of the Committee has started having regular meetings with the lead from InternetNZ Auditors, Crowe Horwath, with the objective of building a closer relationship. Transparency in Committee business is one of the items of discussion.
- The Chair will be looking to build a similar relationship with Deloitte as our accountants.
- The Committee has approved a Letter of Engagement for the Auditors and has provided this to this Council meeting.
- The Committee received the results of the Supplementary Audit performed by Crowe Horwath and noted satisfaction with the results therein.
- The Committee reviewed and approved the Year End Audit Timetable.
- The Committee received and reviewed the Draft Risk Register, and asked it to be brought to the full Council for further discussion.
- The Committee has commenced considering a gap analysis as to what functions the Committee should also have oversight of. Further discussion will happen over email and at the next meeting.
- The Committee has continued to maintain oversight of Health and Safety, and notes no incidents to report.

Grants Committee

- The Committee has met once to review the stage one of Internet Research grant round and Conference Attendance grant round (both closed 16 January)
- External assessors Philippa Smith (AUT) and Dean Pemberton have supported the Committee's review on the Internet Research applications from a research and technical perspective.
- Stage 2 of the current Internet Research round will be assessed on 20 March, with evotes due to Council before 31 March 2017.
- The Committee will meet on 30 March for its annual policy review. Grant impact framework and tools will be designed and discussed in time for recommendations to Council for the Policy Framework for 2017-18.
-

Māori Engagement Committee

- The Committee has met twice since the last Council meeting.
- External advisers BRG and Takawai Murphy have supported discussions on next steps for the engagement work with tangata whenua. We will begin with sharing what we currently do with iwi and community groups. The first step is to identify who we will invite to speak with, and then agree who at INZ is best to have those conversations.
- To complete our internal marae training, the Committee has led plans for a repeat "day 1" training (for those who missed the August session, and "day 2" training before the next Council meeting. All council and staff are invited to join from Thursday evening for dinner and reflections on action plans created. Councillors have agreed by email to Sarah to move the Council meeting from Friday 26 May to Saturday 27 May, to accommodate these training days
- The Committee will discuss supporting another discussion-style event in conjunction with MBIE for TechWeek (6-14 May), following the January event.

Recommendation

That council agree the date of its next meeting be changed to Saturday 27 May 2017, in the wellington office, to accommodate the marae visit.

AUDIT & RISK

Author: Cr Amber Craig, Chair of the Audit & Risk Committee

Purpose of Paper: To provide an update on Audit & Risk

The Audit & Risk committee has had a busy past couple of months. We have moved at a great rapid pace. The committee has met three times since our last Council meeting.

Since I have taken on this role in July 2016, one gap we identified early on was building a closer relationship with our auditors both Crowe Horwath and Deloitte. I have started to meet with them regularly to identify what is working well and what we as a group can improve on. One of the key call outs has been the transparency around processes we do internal to our committee. We are taking steps to make this much clearer and transparent for not only ourselves as a committee but also our partners and other subsidiaries.

Some key activities we have been working through are:

- The Committee has approved a Letter of Engagement for the Auditors and has provided this to this Council meeting.
- The Committee received the results of the Supplementary Audit performed by Crowe Horwath and noted satisfaction with the results therein.
- The Committee reviewed and approved the Year End Audit Timetable.
- The Committee received and reviewed the Draft Risk Register, and asked it to be brought to the Council for further discussion.

As a committee I have started the conversation about any potential gaps we may have in terms of policies, processes or governance. I have asked all of the committee to pull together ideas so we can highlight these to either prove we do not require them or consider implementing them.

In addition we have had some detailed information from Management on the Health & Safety implementation for Internet NZ and group. We have talked about highlighting to council the more proactive measures they have undertaken to ensure that Council feel satisfied that potential risks have been identified and called out.

My goal as Chair of the Audit & Risk committee is to continuously look at our collaboration, ensuring efficiency within our own processes and policies so that we can move into a proactive management of our Audit & Risk as a company. This includes looking at opportunities for non-financial auditing on a regular basis.

Regards,
Amber Craig

Chair of the Audit & Risk Committee.

Glossary of Terminology	
2020	2020 Communications Trust
2TLD	Second Level Domain
3TLD	Third Level Domain
ACCC	Australian Competition & Consumer Commission
ACTA	Anti-Counterfeiting Trade Agreement
ADA	Australian Digital Alliance
ANZIAs	Australia New Zealand Internet Awards
APEC	Asia-Pacific Economic Cooperation
APIA	Asia Pacific Internet Association
APNIC	Asia Pacific Network Information Center (<i>RIR for the Asia Pacific region</i>)
APRICOT	Asia Pacific Regional Internet Conference on Operational Technologies
APrIGF	Asia Pacific Regional Internet Governance Forum
APTLD	Asia Pacific Top Level Domains Associations (<i>organisation for ccTLD registries in Asia Pacific region</i>)
auDA	.au Domain Administration Ltd (<i>Australian equivalent of DNCL</i>)
BCOP	Best Current Operational Practices
BIM	Brief to Incoming Minister
CCANZ	Creative Commons Aotearoa New Zealand
ccNSO	County Code Names Supporting Organisations
ccTLD	Country Code Top Level Domain (<i>such as .nz for New Zealand, .uk for United Kingdom</i>)
CCWG-Accountability	Cross Community Working Group on Enhancing ICANN Accountability
CDMA	Code Division Multiple Access (<i>server</i>) (<i>a means to transmit bits of information</i>)
CERT	Computer Emergency Response Team
CENTR	Council of European National Top-Level Domain Registries
CFH	Crown Fibre Holdings
CIRA	Canadian Internet Registry Authority (<i>operators of the .ca ccTLD</i>)
CSIRT	Computer Security Incident Response Team
DHB	District Health Boards
DIDO	Distributed-Input Distributed-Output (<i>wireless protocol system</i>)
DNCL	Domain Name Commission Limited
DNS	Domain Name System
DNSSEC	DNS Security (<i>adds security to the Domain Name System</i>)
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 (<i>makes recommendations re gTLD to ICANN</i>)
gTLD	Generic Top Level Domain (<i>such as .com / .edu</i>)
HDC	Harmful Digital Communications
IANA	Internet Assigned Numbers Authority
ICANN	Internet Corporation for Assigned Names and Numbers
ICG	IANA Stewardship Transition Coordination Group
ICT	Information and Communications Technologies
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 (<i>committee under ICANN's GNSO</i>)
NH	NetHui
NTIA	U.S. Commerce Department's National Telecommunications and Information Administration
NZIRF	New Zealand Internet Research Forum
NZITF	New Zealand Internet Task Force
NZNOG	New Zealand Network Operators Group
OECD	Organisation for Economic Co-operation and Development
OFDM	Optical Frequency Division Multiplexing
PAG	Policy Advisory Group
PCBU	Person Conducting a Business or Undertaking
PBE	Public Benefit Entity
PIP	Pacific Internet Partners (<i>group revived by Keith to help IGF</i>)

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 Agreement
TSO	Telecommunications Services Obligation
TUANZ	Telecommunications Users Association of New Zealand
UBA	Unbundled Bitstream Access
UCLL	Unbundled Copper Local Loop
UFB	Ultra Fast Broadband
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

INTENTIONAL BLANK PAGE

ANNOTATED AGENDA – COUNCIL MEETING

Friday 24th February 2017

InternetNZ, Level 11, 80 Boulcott St, Wellington			
8.45am	Refreshments (coffee, tea, & scones) on arrival		
9.00am	Meeting start		
11.15am	Tea Break		
12.45pm	Lunch		
3.20pm	Meeting Close		
9.00-9.30am	Nicole Ferguson, REANNZ – conversation (Nicole will make a presentation on REANNZ priorities, questions and discussion to follow – staff across the group invited.)		
Section 1 – Meeting Preliminaries			
9.30-9.45am	1.1	Council only (in committee)	-
9.45-10.00am	1.2	Council and CE alone time (in committee)	-
10.00-10.05am	1.3	Apologies, Interests Register and Agenda Review	3
Section 2 – Strategic Priorities			
10.05-10.15am	2.1	Industry Scan	-
10.15-10.40am	2.2	Organisation Review Update Report <i>THAT Council receive the report of the Organisational Review Working Group dated 16 February 2017.</i>	9
10.40-10.50am	2.3	Strategic Partnerships 2017 <i>THAT the Chief Executive be authorised to execute strategic partnership agreements with AUT, CCANZ and New Zealand Centre for ICT Law with the purposes and spending caps as outlined in this paper.</i> <i>THAT Council approve a funding package for AUT as part of a strategic partnership for the amount of \$40,000 for 2017-18.</i> <i>THAT Council approve a funding package for CCANZ as part of a strategic partnership for the amount of \$35,000 for 2017-18 and \$40,000 in 2018-19.</i>	-

		<i>THAT Council approve a funding package for New Zealand Centre for ICT Law as part of a strategic partnership for the amount of \$10,000 for 2016-17 and \$40,000 for 2017-18.</i>	
10:50-11:15am	2.4	2017-18 Activity Plan <ul style="list-style-type: none"> Goals for the year Projects 	13
11:15-11:30am		Tea Break	
Section 3 – Matters for Decision			
11:30-11:40am	3.1	Review of Governance Policies: <ul style="list-style-type: none"> AST: Audit Services Tender BUS: Product and Services Development CTR: Contracting for Councillors and Directors REM: Remuneration Council and Boards <i>THAT Council approves the above policies as amended.</i>	28 30 32 36 38
11:40-11:45am	3.2	Conference Attendance Grants Round <i>THAT Council approves the Grants Committee recommendations for funding as detailed above.</i>	-
Section 4 –Matters for Discussion			
11:45-12:00pm	4.1	President and CE briefing	-
12:00-12:20pm	4.2	Financial Strategy <i>THAT Council asks Cr Buehler and the Deputy Chief Executive to continue to work on financial strategy questions, in consultation with the Chief Executives of InternetNZ and the subsidiaries, and present at the May 2017 meeting of Council.</i>	40
12:20-12:45pm	4.3	Membership to Engagement <i>THAT Council receive the paper on membership and engagement and endorse linking the two concepts in the operations of InternetNZ.</i>	44

		<p><i>THAT Council approve staff developing pilot activities consistent with the direction set out in this paper and trying these through 2017/18, setting out the specifics in more detail and resourcing them effectively in the 2017/18 Activity Plan.</i></p> <p><i>THAT Council note that no changes to the Constitution will be required in implementing this approach, but that staff may approach Council seeking changes to the membership fee levels at the 2017 AGM.</i></p> <p><i>THAT Council note the changed approach to the 2017 membership renewal set out in Annex 1.</i></p> <p><i>THAT Council agree a public summary of PieComms' findings be prepared and shared with members.</i></p>	
12.45-1.20pm		LUNCH	
1.20-1.40pm	4.4	<p>Subsidiaries Reports:</p> <ul style="list-style-type: none"> • NZRS/DNCL Joint .nz Quarterly Report • DNCL and NZRS 3rd Quarter Reports • 2017-2018 Statements of Direction & Goals for DNCL and NZRS • Product & Service Development Report • Technical Research Report <p><i>THAT the NZRS/DNCL Joint .nz Quarterly Report be received.</i></p> <p><i>THAT the DNCL and NZRS 3rd Quarter Reports be received.</i></p> <p><i>THAT the 2017-2018 Statements of Direction & Goals for DNCL and NZRS be received.</i></p> <p><i>THAT the Product & Service Development Report be received.</i></p> <p><i>THAT the Technical Research Report be received.</i></p>	<p>54 64/66 76</p> <p>86 94</p>
1.40-1.45pm	4.5	Group Consolidated Financial Report (QE Dec 2016)	102
1.45-2.00pm	4.6	Evaluation of Products & Services Development	110

		<ul style="list-style-type: none"> • Framework for evaluation • Data from NZRS <p><i>THAT Council advise NZRS that it considers progress on product and service development to be satisfactory at the assessment date, AND confirms that the fund available to finance this development remains in place at the same limit, extended to 31/3/2018.</i></p> <p><i>THAT Council notify an intent to amend the Group Policy on Product and Service Development to reflect this rollover, and confirm this decision at its next meeting.</i></p> <p><i>THAT the High Level Approach for evaluating Product & Service Development on an annual basis, as set out in this paper, be agreed.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>	114 -
Section 5 – Consent Agenda			
2.00 -	5.1	Confirm Minutes – November 2016 Meeting <i>THAT the minutes of the meeting held on 25 November 2016 be received and adopted as a true and correct record.</i>	117
	5.2	Actions Register	131
	5.3	Membership update <i>THAT the new members be approved.</i>	133
	5.4	Media Monitoring update	135
	5.5	Evote ratification <i>THAT the evotes be ratified.</i>	137
- 2.20pm	5.6	Health & Safety update	139
2.20-2.30pm	5.7	Chief Executive's Report	141

		<ul style="list-style-type: none"> • Overview and Key Issues • Programmes • Operations • Governance and Members <p><i>THAT the Chief Executive's report for the three months following the last council meeting be received.</i></p>	
2.30-2.40pm	5.8	<p>Council Committee Reports</p> <ul style="list-style-type: none"> • Audit & Risk <ul style="list-style-type: none"> - Risk Register Framework - Copy of Risk Register • Grants • Māori Engagement • CE Review <p><i>THAT Council receives the Risk Register.</i></p> <p><i>THAT Council notes the Risk Management Framework.</i></p> <p><i>THAT council agree the date of its next meeting be changed to Saturday 27 May 2017, in the wellington office, to accommodate the marae visit.</i></p>	149 151 - - - - -
Section 6 – Other Matters			
2.40-3.00pm	-	CONTINGENCY <i>(for any overflow)</i>	-
3.00-3.05pm	6.1	<p>Matters for Communication – key messages</p> <ul style="list-style-type: none"> • Communications in general • Upcoming events 	-
3.05-3.10pm	6.2	General Business	-
3.10-3.20pm	6.3	Meeting Review	-
3.20pm	-	Meeting close	-

** Section 7 - List of Acronyms and Annotated Agenda*