



1 July 2008

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## *InternetNZ Annual General Meeting 2008 – Invitation*

Dear Member,

InternetNZ (the Internet Society of New Zealand Inc) cordially invites you to its Annual General Meeting for 2008.

The meeting will take place on Thursday 31 July at the Society's Wellington office - Level 10, Exchange Place, 5-7 Willeston Street.

Members will be asked to consider the year's work, and agree the budget and business plan for 2008/09. The meeting will also feature updates on recent structural changes to the Society and our application for charitable status.

In addition, this will be the final chance for members to vote for Council and on constitutional changes in the ballots that will commence online in mid-July.

If you would like to attend, please RSVP to [rsvp@internetnz.net.nz](mailto:rsvp@internetnz.net.nz) by 24 July.

### **Programme**

The AGM programme will be:

- 5.30 – 6.10pm Drinks and nibbles
- 6.10 – 6.30pm Presentation from InternetNZ Cyberlaw Fellow Cynthia LaBerge
- 6.30 – 8.45pm Annual General Meeting
- 8.45 – 9.30pm Drinks and nibbles

### **AGM Papers**

Please find enclosed the following papers for your consideration prior to the meeting:

- Agenda with proposed motions
- Minutes of the 2007 Annual General Meeting
- Business Plan & Budget 2008/09
- Annual Report 2007/08

Electronic copies of these papers are also available on the InternetNZ website, at [www.internetnz.net.nz](http://www.internetnz.net.nz).

If you are unable to attend, the AGM will be streamed live by R2.co.nz. You can also participate via Skype chat. Full details will be provided closer to the date of the AGM.

Please join us to celebrate a good year's work, and help make decisions on InternetNZ's future.

Regards

Keith Davidson  
**Executive Director**

**Agenda for the Annual General Meeting  
of the Internet Society Of New Zealand Incorporated**  
Thursday 31 July 2008

**Venue:** Wellington – InternetNZ, Level 10, Exchange Place, 5-7 Willeston Street

- 1830     **Meeting opens**  
          **Apologies**  
          (MOVED: Chair/     ) "THAT the apologies be accepted".
- 1835     **Minutes of 2007 AGM and Matters Arising**  
          (MOVED: Chair/     ) "THAT the minutes of the 2007 AGM be received and adopted as a true and accurate record of the meeting."
- 1840     **President's Report** (on behalf of Council)  
          (MOVED: Chair/     ) "THAT the President's Report be received."  
          (MOVED: Chair/     ) "THAT the Annual Report be received."
- 1850     **Treasurer's Report**  
          (MOVED: Treasurer/ ) "THAT the Treasurer's report be adopted."  
          (MOVED: Treasurer/ ) "THAT the Audited Annual Accounts be accepted."  
          (MOVED: Treasurer/ ) "THAT Grant Thornton be appointed auditor for the ensuing year."
- 1905     **2007/08 Budget**  
          (MOVED: Treasurer/ ) "THAT the 2008/09 Business Plan and Budget be adopted."
- 1915     **Executive Director Report**  
          (MOVED: Chair/     ) "THAT the report of the Executive Director be received."
- 1925     **DNC/NZOC Report**  
          (MOVED: /     ) "THAT the DNC/NZOC Report be received."
- 1935     **NZRS Report**  
          (MOVED: /     ) "THAT the NRZS Annual Report be received."
- 1945     **Structural Changes**  
          Update from the President
- 2005     **Charitable Status**  
          Update from the Treasurer
- 2015     **General Business**
- 2035     **Announcement of Election Results & Vote on Constitutional Amendments**
- 2045     **Meeting closes**

**InternetNZ 2007 AGM Draft Minutes**  
Level 10, Exchange Place, 5 - 7 Willeston Street, Wellington  
Friday 27 July 2007

Minutes of 2007 AGM of the Internet Society of New Zealand (Inc).

Following a function for Members and guest speaker presentations from Phillip Greene, and noting the presence of a quorum of financial members, the AGM convened with a welcome from the President, Colin Jackson. Members were present in Wellington, and by videoconference in Auckland and online through a webcast and IRC.

**Meeting opened: 6.46pm**

Colin noted that there had been an adjustment to the running order of the meeting. Voting is declared open again for the first half of the meeting, and will close around the half-way point of the meeting, after the discussion on the structural review.

**Apologies:**

Apologies were received from: Scott Bartlett, Open Media Limited - Steven Ellis, Stewart Fleming, Michael Foley, Julian Kersey, Pete Macaulay, Dave Moskovitz, Rodney Prescott, Judy Speight, and Carol Stigley

President / Alick Wilson

**AGM 01/07** THAT the apologies as noted above be received.

*Carried*

**Minutes of 2006 AGM and Matters Arising:**

The minutes of the 2006 AGM were taken as read.

President / Chris Streatfield

**AGM 02/07** THAT the minutes of the 2006 Annual General Meeting be received and adopted as a true and accurate record of the meeting.

*Carried U*

There were no matters arising from the minutes.

**President's Report**

Colin noted that his written report is printed within the Annual Report.

Aside from those matters, Colin noted that during the past two years, InternetNZ had improved its position from "Good" to "Great". Major achievements included InternetNZ hosting the ICANN Wellington meeting, and lobbying forcefully around broadband issues. The organisation had raised its profile hugely, to the extent that it was no longer necessary to explain to others what InternetNZ is. Hand-in-hand with the work that had been done, InternetNZ had expanded its political influence. Colin observed that the Internet and Open Source have a symbiotic relationship which is supported by InternetNZ.

Colin noted that the function of InternetNZ was a tribute to the work done by staff, led by Keith, and those in the DNC Office led by Debbie, and to the efforts of Volunteers. In particular, Colin mentioned David Farrar and Simon Riley who are both standing down from Council after a long stint. Colin named and thanked all outgoing councillors, and said that the Society presents a unique governance model.

Colin thanked the Society for the honour of having been its President.

Peter Dengate-Thrush / Richard Bourne

**AGM 03/07** THAT the President's report be accepted and that the President be thanked by acclamation for his work.

*Carried unanimously with applause*

President / Bruce Barton

**AGM 04/07** THAT the Annual Report be received.

*Carried U*

### **Treasurer's Report and 2007/08 Budget / Business/ Strategic Plan.**

Colin invited the Treasurer to address his report and the Accounts for the 2006 year. Michael Wallmannsberger noted that the written report is printed within the Annual Report document. Michael noted that the Society finished the year in a better financial position than was anticipated, but that the strategy for the future remains important. Michael asked if there were any questions for the accounts - none were received.

Treasurer /Jennifer Northover

**AGM 05/07** THAT the Treasurer's Report be adopted.

*Carried U*

Treasurer / Steven Heath

**AGM 06/07** THAT the Audited Annual Accounts be accepted.

*Carried U*

Treasurer /Jennifer Northover

**AGM 07/07** THAT Grant Thornton be appointed auditor for the ensuing year.

*Carried U*

Colin spoke to the Strategic Plan, commenting that it had been prepared following extensive internal debate, and presented a fair reflection of what the organisation wants to achieve. He asked if there were any questions relating to the strategic plan - none were received.

President/Don Hollander

**AGM 08/07** THAT the 2007/08 Strategic Plan be adopted.

*Carried U*

Michael noted that the Budget had been prepared following a rigorous process, and balanced the organisation's priorities against financial restraint. Comments or questions were invited. None were received.

Treasurer/Jennifer Northover

**AGM 09/07** THAT the 2007/08 Budget be adopted.

*Carried U*

### **Structural Review**

Colin invited Roger Hicks, Chair of the Structural Review Task Force to speak to this item.

Roger noted that the process of the structural review had taken many months. Thanks were due to the members of the task force, and to the staff who had supported them, in particular Jordan Carter. The review aimed to determine the best possible structure for the organisation to take it from its first ten years to the next 10 years. Roger emphasised that

the review was not driven by any crisis, but was based on the success of the organisation to date.

Roger outlined the process the Task Force had followed during the review, and summarised the recommendations proposed. Key to these are the recommendations for a change to the structure of the Society, with the Council focussing more on governance issues, and changes to the constitution to enable this. These recommendations are now presented to the members as remits. Voting closes shortly. The floor was opened to questions.

James Scott noted his endorsement and support for the changes, and asked for clarification of the objectives of the Foundation. Simon Riley replied that the foundation was to cover all projects which were for the public good, and might include such items as the CyberLaw Fellowship programme, Netsafe, and the Pacific Island Partnership Project.

The meeting moved into Committee at the request of Steven Heath.

On moving out of Committee, the meeting adjourned for a ten minute break, and reconvened at 7.45pm.

### **Executive Director's Report**

Colin invited Keith to speak to his report. Keith noted the written report in the Annual Report document, and went on to summarise the progress of projects being undertaken by InternetNZ.

During Keith's summary, the voting for Council elections and on the remits presented to the meeting closed at 7.51pm.

Key areas of work include continuing progress on the Telco regulations, and LLU; input to various public policy projects, including the introduction of the Anti-Spam legislation on 5 September, and the Copyright Bill; and technical policy projects such as Peering and Certification Authority. Internally, the organisation has redeveloped its general ledger and has an active membership plan to increase the number of members. New staff members Richard Wood and Campbell Gardiner were introduced to those present at the meeting.

Keith thanked the Council members for their tireless energy and contributions.

He also announced that this year, no new Fellows would be appointed to the Society.

David Farrar was invited to address the meeting, and noted that the first ever AGM of the Society held in 1995, directed the Council to prominently display plaques recognising the contribution of those involved in the governance of the Society.

David acknowledged that this was the suggestion of Don Hollander, who was present at today's AGM. InternetNZ is a volunteer based Society; it was founded by, and is governed by volunteers, and these plaques are an appropriate way to mark the service of these volunteers.

The plaques were unveiled to applause.

David went on to acknowledge the supreme work of Roger Hicks in chairing the Structural Review Task Force. Roger was thanked with applause. Colin Jackson, the current President, was thanked for all his work with InternetNZ, and David noted that InternetNZ stood to lose from Colin's departure.

Speeches of thanks were followed by the presentation of gifts to retiring Councillors.

David Farrar/Jamie Baddely

**AGM 10/07** THAT the report of the Executive Director be received.

*Carried U*

### **Announcement of Election Results & Vote on Constitutional Amendments**

The Returning Officer (RO) announced the election results. Keith is the RO and is a member but wished it recorded in the minutes that he did not vote, due to the conflicts of the positions of Executive Director and Returning Officer.

#### **President:**

Pete Macaulay

#### **Vice President:**

Frank March

#### **Councillors:**

Liz Butterfield

Hamish MacEwan

Stewart Fleming

Judy Speight

Michael Foley

Scott Bartlett

The full results of the preferential ballot will be published on the InternetNZ website next week.

Resolutions 1 and 2 for Constitutional Amendments were carried. Resolution 3 was lost.

Colin congratulated all those who have been elected, and thanked all those who stood for office.

#### **DNC/NZOC Report**

Debbie Monahan (DNC) summarised the years operation for her office, as the NZOC Chair Frank March had left the meeting. The DNC spoke to her presentation and noted that the Annual Report includes the formal report on the Domain Name Commission.

The .nz domain name space continues to grow, both from the perspective of the number of registered names, and number of authorised registrars. The Dispute Resolution Service came into existence at the start of June 2006 and the operation of that service was summarised for the meeting.

Debbie invited questions. James Scott asked what challenges the DNC sees for the coming year. Debbie replied that the Registering Managing and Cancelling Domain Names policy is entering the third round of consultation as part of its review, and that a Working Group has been established to consider the possible implementation of IDNs in the .nz space.

Andy Linton / Richard Currey

**AGM 11/07** THAT the DNC/NZOC Report be received

*Carried U*

**NZRS Report**

Anne Urlwin (Chair) and Nick Griffin (GM) delivered a brief presentation. The report outlined the operation of the Registry for the year, noting the dividends paid to InternetNZ, and that the Service Level Agreement had been met in 10 out of the last 12 months. The Technical and Business Systems Review set out a roadmap for the coming four to five years, and results from significant interaction with some of the members who were present at the meeting.

Colin thanked Anne and Nick for the presentation and for their work.

Chris Streatfield / Don Hollander

**AGM 12/07** THAT the NZRS Annual Report be received.

*Carried U*

**General Business**

Election results. Keith advised the AGM that the election results announced earlier in the meeting were an interim result only, and that the ballot would be scrutineered by a Justice of the Peace on Tuesday 31 July 2007. Full results would be published then.

David Farrar / Jim Higgins

**AGM 13/07** THAT the ballot be destroyed.

*Carried U*

PACNOG. Andy Linton noted his thanks to InternetNZ and its Pacific Internet Partners for the support of the PACNOG meeting in Rarotonga this year.

Liz Butterfield recorded her thanks to the InternetNZ staff for doing a great job, and particularly mentioned her thanks to Keith for his leadership.

Participants based in Auckland also recorded their thanks.

There being no further business, the 2007 Annual General Meeting closed at 8.40 p.m.

Signed as a true and correct record:

.....  
**President, CHAIR**



# **Business Plan 2008 – 2009**

**Draft – v. 0.4  
19 February 2008**



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# I. Introduction

Welcome to InternetNZ's draft plan of activity for the 2008/09 year. This document records the budget provisions for InternetNZ's activities, broken up into the areas where the Society has decided to aim its strategic focus. They show another ambitious plan for a busy year, in service of our mission: to protect and promote Internet for New Zealand.

This is the second business plan written under the 2007-2009 Strategic Plan. It should be read in conjunction with that Strategic Plan, whose goals and strategies are summarised below:

## 1. Management of .nz

- 1.1. Ensure that the .nz DNS meets the needs of registrants.
- 1.2. Maintain a fair and competitive market for .nz registrars.
- 1.3. Ensure .nz is operated to industry best practice following "industry best practice RFCs".
- 1.4. Maintain effective policies for the .nz space.
- 1.5. Promote .nz objectives internationally.
- 1.6. Develop and maintain effective relationships with key government and other organisations in New Zealand.

## 3. Technical Development and Innovation

*Goal: world-class Internet infrastructure and capability in New Zealand*

- 3.1. To promote the development and adoption of next generation Internet technologies, applications and standards by industry and Government.
- 3.2. To further the security and stability of the Internet and promote the use of open technical standards and best practice.
- 3.3. Professional development of the Internet technical community.

## 2. Advocacy and Public Policy

*Goal: a policy and regulatory environment that ensures the security and stability of the Internet*

- 2.1. To influence the development of New Zealand Government ICT and telecommunications policy.
- 2.2. To facilitate best practice and industry self-regulation.
- 2.3. To further the implementation of the New Zealand Government's Digital Strategy.
- 2.4. To contribute to the global governance and policy framework for the InternetNZ
- 2.5. To preserve the Internet's interoperability and end-to-end principles.
- 2.6. To assist the development and capability of ICT in the developing countries in Oceania.

## 4. Organisational Capability

*Goal: an organisation capable of delivering the Society's Objectives and Strategic Plan*

- 4.1. To ensure excellent governance of InternetNZ.
- 4.2. To support volunteers and members.
- 4.3. Reputation and external relations.
- 4.4. Maintaining institutional knowledge and staff capacity.

In assembling this second draft Plan, the staff have processed the feedback from consideration of the budget by committees, and included input from the members' consultation round held in January and February.

This version is for Council's consideration and when adopted (as is or as amended), will form the working budget for InternetNZ from 1 April 2008. The prior draft received interim approval from members during membership consultation meetings in January, but this revised version will be formally proposed to members for their adoption as the final Budget at the AGM in July.

This Plan is in sections to allow for the easy separation of the Budget in the context of the current round of structural changes of InternetNZ, which are expected to see different responsibilities for budget setting compared with the status quo. It highlights key initiatives for the year in each area of work, so members and stakeholders can see where the focus of new effort is going.

Note that unlike previous years, the .nz operations are not included in this budget. That is because the structural changes mentioned above see the DNC becoming a subsidiary company, with budgets set by its board not the Society's members. Also note that budget figures for the out-years are even more preliminary than usual, due to the restructuring mentioned above.

Keith Davidson  
**Executive Director**

# InternetNZ Strategy I: Advocacy and Public Policy

**Goal:** a policy and regulatory environment that ensures the security and stability of the Internet.

Activity / Workstream	2007/08 Budget	2007/08 Projected	2008/09 Budget	2009/10 Budget	2010/11 Budget
<b>New Initiatives</b>					
Fibre Campaign	--	--	<b>130,000</b>	--	--
Consumer computer security education	--	--	<b>25,000</b>	25,000	25,000
Community FTTH Toolkit	--	--	<b>25,000</b>	--	--
<b>Ongoing Initiatives</b>					
Telecommunications Reform	145,000	150,000	<b>80,000</b>	80,000	80,000
Digital Communities	40,000	30,000	<b>40,000</b>	40,000	40,000
Regulatory Issues and Submissions	45,000	49,000	<b>40,000</b>	40,000	40,000
History of the Internet	25,000	28,038	<b>35,000</b>	--	--
ENUM	5,000	--	<b>20,000</b>	100,000	100,000
Overseas Speakers	12,500	9,000	<b>12,500</b>	15,000	15,000
Internet Patents	5,000	4,695	<b>5,000</b>	5,500	6,000
<b>Partnerships and Sponsorships</b>					
Netsafe Strategic Partnership	100,000	100,000	<b>100,000</b>	100,000	100,000
Cyberlaw Fellowship	85,000	86,301	<b>90,000</b>	95,000	95,000
Pacific Internet Partnership	25,000	29,000	<b>25,000</b>	30,000	30,000
Netsafe Samoa	--	20,000	<b>20,000</b>	--	--
Parliamentary Internet Caucus	10,000	4,500	<b>10,000</b>	10,000	10,000
<b>Completed Initiatives</b>					
AntiSpam Campaign	15,000	5,000	--	--	--
Internet Code of Practice	20,000	5,000	--	--	--
Internet Governance	15,000	15,000	--	--	--
Digital Copyright	10,000	2,500	--	--	--
Public Policy Committee	10,000	10,000	<b>15,000</b>	20,000	20,000
<b>TOTAL EXPENDITURE</b>	<b>567,500</b>	<b>548,034</b>	<b>672,500</b>	<b>560,500</b>	<b>561,000</b>

## New Initiatives

**Fibre Campaign** - this is to fund activities related to persuading political parties to adopt ambitious fibre plans in their election manifestos, and to hold an election year debate between ICT spokespeople as was done in 2005.

**Consumer Computer Security Education** - this is to work with other parties to develop computer security education materials.

**Community FTTH Toolkit** - this is to help provide a template by which community groups can take the initiative in rolling out FTTH infrastructure.

## Ongoing Initiatives

**Telecommunications Reform** - this line provides for external advice and research in the work arising from the Telecommunications Amendment Act 2006. In particular, InternetNZ will monitor the implementation of operational separation for Telecom, continue to advocate for the fastest possible rollout of Fibre to the Home, and participate as appropriate in the standard terms processes rolling out new regulated services.

**Digital Communities** - resourcing for pursuing initiatives on Digital Communities and rural broadband availability – the successors to the Digital Cities initiatives from the current year.

**History of the Internet** - the History book is almost ready for publication at the time of writing. The funds allocated by this budget line will allow for the printing and promotion of the completed project.

**Regulatory Issues and Submissions** - this line funds a range of forms of interaction with government and Parliament on regulatory and legislative issues not covered by other budget lines. The line is a combination of previous years' "Internet Regulatory Issues" and "Research / Submissions" budget lines.

**ENUM** - In 2008/09 Enum activity will continue to be mainly consultation, workshops and influencing policy. Towards the end of the coming financial year progress is expected to resume as other regulatory issues are resolved, leading to higher out-year forecasts for this line.

**Overseas Speakers** - this line gives some funding to bring an international speaker or two to come to New Zealand and lobby decisionmakers as well as make public comment on public policy issues.

**Internet Patents** - This is to cover the \$400 per month cost of the *ipwatch* website which allows members (and to a limited degree the public) to view and be notified of Internet-related patent applications.

### **Partnerships and Sponsorships**

**Netsafe Strategic Partnership** - The Internet Safety Group ([www.netsafe.org.nz](http://www.netsafe.org.nz)) is a very important sibling organisation of InternetNZ, and many of its activities fall within INZ's objectives and goals. InternetNZ has agreed to finance an ongoing Strategic Partnership with Netsafe last year, to secure its operational funding for the long term.

**Cyberlaw Fellowship** - This is for sponsorship of the InternetNZ Fellowship in Cyberlaw at Victoria University of Wellington. Dr Judit Bayer from Hungary completed her Fellowship in December 2006; Philip Greene from the United States completed his Fellowship in December 2007. The appointment of the 2008 Fellow is under way. The budget increase is to provide some funding for the Fellow to attend conferences or conduct field research.

**Pacific Internet Partnership** - this covers the costs of InternetNZ's support for the Partnership, which assists Internet development in the Pacific through training, grants, travel etc, working with UNESCO and UNDP.

**Netsafe Samoa** - This is to provide seed funding for the foundation of a Netsafe organisation in Samoa.

**Parliamentary Internet Caucus** - This budget line is to provide resource for any research that may help the Caucus function effectively, and/or to bring an international guest speaker to talk with MPs on a relevant subject. The Caucus is chaired by Hon David Cunliffe and Hon Maurice Williamson, and met three times in 2007.

### **Completed Initiatives**

**Anti-Spam Campaign** - This was to cover ongoing of education, seminars, conferences, and helping set up government agency in the wake of the passage of the Unsolicited Electronic Messages Bill in 2007. The project is now complete.

**Internet Code of Practice** - This project is nearly complete. An agreed draft is ready for signatures, and these will hopefully occur, along with the launch of the Code, in calendar 2008. Success relies on ISPs being enthusiastic about the Code, something outside InternetNZ control.

**Internet Governance** - this was to provide for InternetNZ representation at international meetings relating to Internet governance. Such travel will now be covered by the Staff Travel budget line.

**Digital Copyright** - this line provided resources for lobbying and submissions on the Copyright (New Technologies and Performers' Rights) Amendment Bill. While the Bill has not yet completed the parliamentary process, no further expenditure is expected in this area.

**Public Policy Committee** - This line is to cover the teleconference, travel and accommodation costs for meetings of the Committee. Under the current restructuring, a new Policy Advisory Group covering technical and public policy issues will be formed, and will be financed from this line, replacing the Public and Technical Policy Committees.

# InternetNZ Strategy 2: Technical Development and Innovation

**Goal:** world-class Internet infrastructure and capability in New Zealand.

<b>Activity / Workstream</b>	2007/08 Budget	2007/08 Projected	<b>2008/09 Budget</b>	2009/10 Budget	2010/11 Budget
<b>New Initiatives</b>					
Best Practice Programme	--	--	<b>40,000</b>	40,000	40,000
APNIC Christchurch	--	--	<b>25,000</b>	--	--
<b>Ongoing Initiatives</b>					
Broadband measurement	40,000	2,500	<b>50,000</b>	40,000	40,000
Certification Authority	5,000	7,000	<b>50,000</b>	50,000	--
IPv6	30,000	9,000	<b>30,000</b>	10,000	10,000
CERT Scoping	5,000	8,500	<b>25,000</b>	--	--
Travel – APRICOT	15,000	15,000	<b>15,000</b>	20,000	20,000
<b>Partnerships and Sponsorships</b>					
World Internet Project	25,000	25,000	<b>25,000</b>	25,000	25,000
NZNOG	10,000	10,000	<b>10,000</b>	15,000	15,000
ISOC	9,000	5,167	<b>6,000</b>	6,500	6,500
<b>Completed Initiatives</b>					
Peering	25,000	34,000	--	--	--
APNIC	6,500	--	--	--	--
Tech Capability Dev't Fund	40,000	27,000	<b>40,000</b>	40,000	40,000
Technical Policy Committee	10,000	5,000	--	--	--
<b>TOTAL EXPENDITURE</b>	<b>220,500</b>	<b>148,167</b>	<b>316,000</b>	<b>246,500</b>	<b>196,500</b>

## **New Initiatives**

**Best Practice Programme** - this is to provide an incentives scheme for documenting recognised best practices in the Internet area.

**APNIC Christchurch** - this covers InternetNZ's support of an APNIC Members' Meeting to be held in Christchurch in August 2008. InternetNZ bid to host this event in 2007.

## **Ongoing Initiatives**

**Broadband Measurement** - to monitor and report publicly on the state of broadband services available to consumers, providing tools the public can use to check their connections.

**Certification Authority** - to develop a business case for a Certification Authority for New Zealand.

**IPv6** - to hold a national Hui for the development of "the roadmap for deployment of IPv6 in NZ", at a date to be determined in 2008. It was not possible to obtain adequate coverage of speakers to hold this event in 2007, which is why the budget was largely unspent. Some funds were spent sending people to the IPv6 Forum in Australia.

**CERT Scoping** - this is to scope the development of a Computer Emergency Response capability in New Zealand.

**Travel – APRICOT** - this is to provide for non .nz attendance at the regional APRICOT conference.

## **Partnerships and Sponsorships**

**World Internet Project** - the World Internet Project ([www.worldinternetproject.net](http://www.worldinternetproject.net)) is a major, international, collaborative project looking at the social, political and economic impact of the Internet and other new technologies. The first set of results was released in December 2007.

**NZNOG** - to continue sponsorship and support of network operators' technical conferences such as NZNOG. The funds are administered by InternetNZ for NZNOG's use.

**ISOC** - provides for InternetNZ's membership of ISOC.

## **Completed Initiatives**

**Peering** - the work on the peering paper will be complete before the start of the 2008/09 year.

**APNIC** - this covers InternetNZ's membership of the Regional Internet Registry. It is financed from last year by the Domain Name Commissioner's budget.

**Technical Capability Development Fund** - a fund providing the ability to sponsor small technical development projects or to help improve the capability of the local technical community.

**Technical Policy Committee** - This line was to cover the teleconference, travel and accommodation costs for meetings of the Technical Policy Committee. Under the current restructuring, the Committee will not continue.

## InternetNZ Strategy 3: Organisational Capability

**Goal:** an organisation capable of delivering the Society's objectives and strategic plan.

### a) Society Administration

Activity / Workstream	2007/08 Budget	2007/08 Projected	2008/09 Budget	2009/10 Budget	2010/11 Budget
<b>Staffing</b>	485,000	475,000	<b>675,000</b>	700,000	730,000
<b>Office Expenses</b>	116,000	120,000	<b>125,000</b>	130,000	135,000
<b>Technical Services</b>	45,000	45,000	<b>50,000</b>	52,500	55,000
<b>Staff Travel</b>	25,000	30,000	<b>50,000</b>	52,500	55,000
<b>Website</b>	25,000	25,000	<b>25,000</b>	25,000	25,000
<b>Professional Fees/Advice</b>	29,000	22,000	<b>25,000</b>	25,000	25,000
<b>ICT Industry Coordination</b>	--	--	<b>25,000</b>	--	--
<b>Secretariat – APTLD</b>	20,000	24,000	<b>20,000</b>	--	--
<b>General Expenses</b>	15,000	15,000	<b>15,000</b>	20,000	20,000
<b>Staff Recruitment</b>	15,000	10,000	<b>15,000</b>	15,000	15,000
<b>Staff Training</b>	10,000	10,000	<b>10,000</b>	10,000	10,000
<b>General Communications</b>	35,000	36,000	<b>10,000</b>	10,000	10,000
<b>Secretariat – APCAUCE</b>	4,000	--	<b>--</b>	--	--
<b>Executive Ctte / EDOB</b>	10,000	--	<b>70,000</b>	70,000	70,000
<b>TOTAL ADMINISTRATION</b>	834,000	812,000	<b>1,115,000</b>	1,110,000	1,150,000

**Staffing** – Covers the wages and salaries for the Executive Director and staff of his office, and includes some contingency for changes to staffing for Council use after implementation of the structural reforms.

**Office Expenses** - the general administrative costs of the organisation, including telecommunications, premises, insurance and sundries.

**Technical Services** - covers the contract for technical services – maintenance and development of InternetNZ's IT infrastructure and capability.

**Staff Travel** - this line splits out staff travel which has previously been included under other budget lines on a project basis. Covers all staff travel on InternetNZ business within New Zealand, and any international travel that is not covered in other budget lines. Includes, for example, participation in IGF.

**Website** - to continue to develop and maintain InternetNZ's websites.

**Professional Fees / Advice** - this covers accountancy, audit and legal fees.

**ICT Industry Coordination** - this is to foster the development of intraindustry cooperation.

**Secretariat – APTLD** - provision for direct (non staffing costs) of hosting the Secretariat – provision is made beyond the current term in case APTLD renews the Secretariat agreement.

**General Expenses** - provision for the range of general expenses that arise in the operation of the Secretariat.

**Staff Recruitment** - a provision if required for recruitment.

**Staff Training** - provision for improving staff skills and knowledge.

**General Communications** - to fund general communications and outreach – any required advertising, membership pamphlets, communications research and similar.

**Secretariat – APCAUC** - This line was to cover InternetNZ’s expenses incurred in supporting the APCAUC Secretariat function. This responsibility was complete at the end of 2007.

**Executive Committee/EDOB** - this covers the costs of the new governance board for the Executive Director’s office, being established as part of the restructuring.

## b) Member Services

Activity / Workstream	2007/08 Budget	2007/08 Projected	2008/09 Budget	2009/10 Budget	2010/11 Budget
<b>Membership Campaign</b>	30,000	30,000	<b>30,000</b>	30,000	30,000
<b>Annual Report</b>	13,500	14,000	<b>15,000</b>	15,000	13,500
<b>Members Consultations</b>	10,000	10,000	<b>10,000</b>	10,000	10,000
<b>Annual General Meeting</b>	7,500	7,500	<b>7,500</b>	7,500	7,500
<b>TOTAL MEMBERS</b>	61,000	61,500	<b>62,500</b>	62,500	62,500

**Membership Campaign** - to fund activities designed to recruit and retain members.

**Annual Report** - to fund the design and production of the Annual Report for members and stakeholders.

**Members Consultations** - to provide for consultation meetings on the Strategy, Budget and Business Plans each year for early member input prior to the AGM. This line may also be used to other membership consultations if the need for these arises during the year.

**Annual General Meeting** - to cover the costs of the Annual General Meeting.

## Summary for Strategy 3: Organisational Capability

Activity / Workstream	2007/08 Budget	2007/08 Projected	2008/09 Budget	2009/10 Budget	2010/11 Budget
<b>Society Administration</b>	834,000	812,000	<b>1,015,000</b>	1,010,000	1,050,000
<b>Member Services</b>	61,000	61,500	<b>62,500</b>	62,500	62,500
<b>TOTAL ORG CAPABILITY</b>	895,000	873,500	<b>1,177,500</b>	1,172,500	1,212,500



# InternetNZ Council

Activity / Workstream	2007/08 Budget	2007/08 Projected	2008/09 Budget	2009/10 Budget	2010/11 Budget
<b>Honoraria</b>	102,600	102,600	<b>155,000</b>	145,000	135,000
<b>Council Meetings</b>	35,000	35,000	<b>35,000</b>	35,000	35,000
<b>Office Expenses (Council)</b>	20,000	20,000	<b>30,000</b>	30,000	30,000
<b>Governance Training</b>	25,000	25,000	<b>25,000</b>	25,000	25,000
<b>Officers Travel</b>	10,000	10,000	<b>15,000</b>	15,000	15,000
<b>Council – Conferences</b>	14,000	14,000	<b>14,000</b>	12,000	12,000
<b>Audit &amp; Risk Ctte</b>	3,000	3,000	<b>5,000</b>	5,000	5,000
<b>TOTAL COUNCIL</b>	209,600	209,600	<b>279,000</b>	267,000	257,000

**Honoraria** – the line provides for honoraria for Councillors, as per the structural review report adopted at last year’s AGM, of \$10,000 per Councillor per year, with a 50% loading for the Vice President and 100% for the President. Council shrinks in the outyears by one Councillor each year, so the budget amount falls by \$10k per year.

**Council Meetings** - to provide for travel and accommodation of Councillors attending Council meetings, and meeting costs arising from meetings. Budget is based on six meetings per year.

**Office Expenses – Council** - to provide telecommunications services to Councillors and D&O Insurance.

**Governance Training** - to provide training on IOD or other courses for Councillors and Officers.

**Officers Travel** - to provide for travel and accommodation of Officers on InternetNZ business.

**Council – Conferences** - to provide for attendance of Council members at relevant conferences or other events.

**Audit & Risk Ctte** - to operate the Audit and Risk Committee – travel, meetings etc.

## Special Projects and Capital Budget

### Special Projects

The following table is operating spending which does not fall into any of the specific Strategies outlined above.

<b>Activity / Workstream</b>	2007/08 Budget	2007/08 Projected	<b>2008/09 Budget</b>	2009/10 Budget	2010/11 Budget
<b>Special Projects Fund</b>	100,000	100,000	<b>100,000</b>	100,000	100,000
<b>Internet Foundation</b>	10,000	10,000	<b>210,000</b>	200,000	200,000
<b>Liz Dengate Thrush Found.</b>	20,000	20,000	<b>20,000</b>	20,000	20,000
<b>Structural Review</b>	20,000	50,000	--	--	--
<b>TOTAL EXPENDITURE</b>	150,000	180,000	<b>330,000</b>	320,000	320,000

The Special Projects Fund is an ongoing line item, giving Council the capacity to respond to events as they occur. Last year it was spent in a wide range of projects. The Structural Review line financed the review of InternetNZ's structure currently being implemented. The formation of an Internet Foundation has been agreed as part of the restructuring and will be funded in part by InternetNZ, and in part by other funders over time. The Liz Dengate Thrush Foundation is a charitable trust in memory of Liz Dengate Thrush, a former InternetNZ Councillor.

### Capital Budget

The following table outlines planned capital spending in the next year.

<b>Activity / Workstream</b>	2007/08 Budget	2007/08 Projected	<b>2008/09 Budget</b>	2009/10 Budget	2010/11 Budget
<b>10<sup>th</sup> Floor Fitout</b>	--	--	<b>20,000</b>	--	--
<b>Access Grid</b>	--	10,000	<b>60,000</b>	--	--
<b>Miscellaneous/Replacement</b>	50,000	50,000	<b>50,000</b>	50,000	50,000
<b>TOTAL CAPEX</b>	50,000	60,000	<b>130,000</b>	50,000	50,000
<b>Funded by Depreciation</b>	50,000	50,000	<b>50,000</b>	50,000	50,000
<b>NET CAPEX</b>	--	10,000	<b>80,000</b>	--	--

## Management of .nz

**Please note that almost all direct .nz costs are funded out of the Management Fee paid by NZRS.**

As the DNC will be transferred to a limited liability company, commencing operation on 1 April 2008, the company's budget is no longer part of the InternetNZ business plan.

The retained surplus from the operations of the DNC since establishment will be transferred to the new company.

For information on the activities of the DNC, see [www.dnc.org.nz](http://www.dnc.org.nz).

# Annual Budget Summary and Cash Forecast 2007/2008 to 2010/2011

The following table summarises the income and expenditure of the Society for the next three years. Please note that these figures do not include management of the .nz domain name space, as from 1 April 2008 these are managed by a limited liability company.

<b>2007 – 2011</b>	2007/08 Budget	2007/08 Proj.	<b>2008/09 Budget</b>	2009/10 Budget	2010/11 Budget
<b>Income</b>					
Dividend from NZRS	1,779,000	1,700,000	<b>2,106,000</b>	2,430,000	2,754,000
Other Income	182,500	165,000	<b>175,000</b>	135,000	135,000
<b>Total Income</b>	<b>1,961,500</b>	<b>1,865,000</b>	<b>2,281,000</b>	<b>2,565,000</b>	<b>2,889,000</b>
<b>Expenditure</b>					
Strategy 1 – Advoc and Pub Pol	567,500	548,034	<b>672,500</b>	560,500	561,000
Strategy 2 – Tech Devt and Innov	220,500	148,167	<b>316,000</b>	246,500	196,500
Strategy 3 – Org’n Capability	895,000	873,500	<b>1,177,500</b>	1,172,500	1,212,500
InternetNZ Council	209,600	209,600	<b>279,000</b>	267,000	257,000
Special Projects	150,000	180,000	<b>330,000</b>	320,000	320,000
<b>Total Expenditure</b>	<b>2,042,600</b>	<b>1,959,301</b>	<b>2,775,000</b>	<b>2,566,500</b>	<b>2,547,000</b>
<b>Operating Surplus</b>	<b>-81,100</b>	<b>-94,301</b>	<b>-494,000</b>	<b>-1,500</b>	<b>342,000</b>
<b>Net Capital Expenditure</b>	<b>-50,000</b>	<b>-60,000</b>	<b>-130,000</b>	<b>-50,000</b>	<b>-50,000</b>
<b>Net change in Cash</b>	<b>-131,100</b>	<b>-154,301</b>	<b>-624,000</b>	<b>-51,500</b>	<b>292,000</b>
<b>Opening Cash</b>	<b>2,316,811</b>	<b>2,316,811</b>	<b>2,562,510</b>	<b>1,358,510</b>	<b>1,307,010</b>
<i>plus Redeemable shares</i>		<b>400,000</b>			
<i>less transfer to DNC Ltd</i>			<b>-580,000</b>		
<b>Closing Cash</b>	<b>2,185,711</b>	<b>2,562,510</b>	<b>1,358,510</b>	<b>1,307,010</b>	<b>1,599,010</b>

The 2007/08 year shows a nearly-balanced budget, with a forecast operating deficit of \$94,301. The 2008/09 year shows a \$500,000 operating deficit, which declines to near balance in 2009/10, and then out-year budgets show growing operating surpluses – depending the NZRS dividend being as noted, which is based on predicted domain name growth and the Council’s dividend policy.

Overall the broad fiscal parameters seem satisfactory to Council in that the .nz domain name wholesale fee has been reduced (on 1 July 2007), and the level of reserves remains high. Council will review its Financial Reserves Policy at its meeting on 14 March.