Agenda for a meeting of the InternetNZ Council

Wednesday, 12 February 2014

Boardroom, Level 16, Deloitte House, 10 Brandon Street, Wellington

Start	Item	Person	Page number
1000	**Council and Council-CE alone time**	Frank March	-
1010	**Apologies**	Frank March	-
	Declaration of Councillor/Candidate interests (discussion)		5
	Agenda consideration - in committee items		-
1035	**2014/15 Business Plan - First Draft**	Jordan Carter	10
1110	**Business Development Policy; Council PDP**	Jordan Carter	16
1130	**Business Development: confidential papers**	Richard Currey, Jay Daley	*Confidential Papers*
1230	**Lunch**		
1315	**Subsidiaries – DNCL and NZRS**		
	- Alone time (Chairs, CE and Council - confidential)		-
	- DNCL 3rd Quarter report	David Farrar, Debbie Monahan, Jay Daley & Richard Currey	27
	- .nz Joint 3rd Quarter report		29
1335	**Statements of Expectations for NZRS and DNCL**	Frank March	39
1345	**Appointments Panel for Subsidiaries**	Jordan Carter	47
1355	**International Update**	Jordan Carter	-
1410	**Chief Executive's Report**	Jordan Carter	
	- CE's report and priorities for the next quarter		50
	- Operations Update		55
	- InternetNZ Financial Report; 3rd quarter accts		69
	- Travel Reports		81, 84, 86
1445	**Break**		
1500	**Community Funding**	Jordan Carter, Ellen Strickland	
	- Strategic Partnerships – Update, Exit criteria		94
	- Partnerships Report		97, 99
	- Grants Report		103
	- Grants Committee Terms of Reference		105
1520	**Audit and Risk Committee**	Neil James	-
	- Hector's World Ltd		
1530	**Investment Committee**	Lance Wiggs	-
	- Report		
1540	**Group Financials**	Jordan Carter	109
1545	**Consent agenda items**	Frank March	
	a. Ratification of minutes: 6 December 2013		118
	b. Outstanding action points		127
	c. E-votes ratification		129
	d. Membership update		133
1550	**Other business**	Frank March	-
	Meeting feedback		
1600	**Meeting ends**		-

Annotated Agenda for a meeting of the InternetNZ Council
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1000	**Council and Council-CE alone time**	Frank March	-
1010	**Apologies**	Frank March	-
	Declaration of Councillor/Candidate interests (discussion)		5
	Agenda consideration - in committee items		-
1035	**2014/15 Business Plan - First Draft** *THAT Council approve the five high-level goals for the 2014/15 Business Plan and the work areas material included at Appendix 1 [with agreed changes] for discussion with members and stakeholders in February and March, and as the basis for a final Business Plan and Budget for Council to consider at its April 2014 meeting.* *THAT the process set out as above for finalising the Business Plan be agreed.*	Jordan Carter	10
1110	**Business Development Policy; Council PDP** *THAT Council approve the draft Group Policy on Business Development for consultation with Members.* *THAT Council ask the Chief Executive to work with the other CEs to assess and incorporate feedback from members in a revised final draft of the Policy for consideration at the April 2014 meeting.*	Jordan Carter	16
1130	**Business Development: confidential papers**	Richard Currey, Jay Daley	*Confidential Papers*
1230	**Lunch**		
1315	**Subsidiaries – DNCL and NZRS** - Alone time (Chairs, CE and Council - confidential) - DNCL 3rd Quarter report - .nz Joint 3rd Quarter report *THAT the DNCL 3rd quarter report be received.* *THAT the .nz Joint 3rd quarter report be received.*	David Farrar, Debbie Monahan, Jay Daley & Richard Currey	- 27 29
1335	**Statements of Expectations for NZRS and DNCL** *THAT Council agree the attached Statement of Expectations for the financial year 2014/15 for DNCL and NZRS, and direct the President to write to the boards of each with this information.*	Frank March	39
1345	**Appointments Panel for Subsidiaries** *THAT Council establish the Appointments Panel and for the purposes of a brief review of InternetNZ's appointments framework, its membership as follows: InternetNZ President Frank March, Councillor <_____>, NZRS Chair Richard Currey and DNCL Chair David Farrar.* *THAT Council task this Appointments Panel to review the framework for InternetNZ board appointments, and propose a consolidated policy for this purpose to the Council by Friday 21 March 2014.*	Jordan Carter	47

	THAT Council further task this Appointments Panel with commencing the appointments processes for DNCL and NZRS such that there will be appointments ready to be made by the Council at its meeting on 6 June 2014, noting that for this work it may need to split into appropriately separate Panels including the governance member. *THAT the President recommend to Council on or before 14 March 2014 a suitable independent governance practitioner to function as part of the Appointments Panel , for Council consideration and subsequent adoption by evote.*		
1355	**International Update**	Jordan Carter	-
1410	**Chief Executive's Report** - CE's report and priorities for the next quarter - Operations Update - InternetNZ Financial Report; 3rd quarter accts - Travel Reports *THAT Council receives the CE's Report.* *THAT Council receive the December 2013 financial report from the Chief Executive.*	Jordan Carter	50 55 69 81, 84, 86
1445	**Break**		
1500	**Community Funding** - Strategic Partnerships – Update, Exit criteria - Partnerships Report - Grants Report - Grants Committee Terms of Reference *THAT Council approve the transfer of the $20,000 unused funds from the Policy & Legal* *Research Round to the Internet Research Funding Round.*	Jordan Carter, Ellen Strickland	94 97, 99 103 105
1520	**Audit and Risk Committee** - Hector's World Ltd	Neil James	-
1530	**Investment Committee** - Report	Lance Wiggs	-
1540	**Group Financials** *THAT the third quarter ended 31 December 2013 consolidated group financial statements be received.*	Jordan Carter	109
1545	**Consent agenda items** *THAT the minutes of the meeting held on 6 December 2013 be received and adopted as a true and correct record, and THAT the following reports be received:* a. Ratification of minutes: 6 December 2013 b. Outstanding action points c. E-votes ratification d. Membership update *THAT the new members be approved.*	Frank March	118 127 129 133
1550	**Other business** Meeting feedback	Frank March	-
1600	**Meeting ends**		-

Declaration of Interest

(For Information)

INTERNETNZ COUNCILLOR REGISTER OF INTERESTS

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

Officers and Councillors receive the following annual honoraria:
Honoraria

President - $30,000
Vice President - $18,750
Councillor - $15,000

Name: Frank March
Position: President, InternetNZ
Term: AGM 2012 - AGM 2015
Declaration Date: 21 March 2007, updated 27 January 2014
Interests:
- Holds two .nz domain name registrations
- Member of NZ Association of Scientists
- Employed by the NZ Government (Ministry of Business, Innovation and Employment), consequently:
- NZ representative on the Governmental Advisory Committee of ICANN
- Technical advisor to the Trans Pacific Partnership negotiators for the Telecommunications and Ecommerce Chapters
- Officer's Honorarium for InternetNZ

Name: Jamie Baddeley
Position: Vice President, InternetNZ
Term: AGM 2012 - AGM 2015
Declaration Date: 28 August 2007, updated 3 November 2012
Interests:
- Owner and Director of Viewpoint Consulting Ltd
- Viewpoint Consulting Ltd is a shareholder of FX Networks Ltd
- Registrant of vpc.co.nz, is.org.nz, internetstandards.org.nz
- Member of the New Zealand IPv6 Steering Group
- NZNOG Trustee
- Officer's Honorarium for InternetNZ

Name: Donald Clark
Position: Councillor, InternetNZ
Term: AGM 2011 - AGM 2014
Declaration Date: 20 April 2009, updated 20 May 2013
Interests:
- Holds several .nz domain name registrations
- Councillor's Honorarium for InternetNZ
- Employee of Google

Name: Neil James
Position: Councillor, InternetNZ
Term: AGM 2013 - AGM 2016
Declaration Date: 28 August 2008, updated 20 November 2013
Interests:
- Fellow of IITP
- Member of the Dunedin Computers in Homes Steering Group
- Councillor's Honorarium for InternetNZ

Name: Hamish MacEwan
Position: Councillor, InternetNZ
Term: AGM 2012 - AGM 2015
Declaration Date: 24 August 2007; updated 27 September 2011
Interests:
- Self-employed Open ICT consultant
- Registrant of sundry .nz domains
- Councillor's Honorarium for InternetNZ

Name: Brenda Wallace
Position: Councillor, InternetNZ
Term: AGM 2012 - AGM 2015; updated 25 September 2013
Interests:
- Full time contractor at Weta Digital
- Member of Green Party of Aotearoa New Zealand
- A gazillion .nz domain names
- Organiser of Girl Geek Dinners Wellington
- Member and volunteer for Tech Liberty

Name: Michael Wallmannsberger
Position: Councillor, InternetNZ
Term: AGM 2011 - AGM 2014
Declaration Date: 31 July 2006, updated 24 June 2013
Interests:
- Employee of ASB Bank Limited
- Member of the New Zealand Labour Party.
- .nz domain name registrant
- Member of the Standards Council

- Shareholder/Director, Wallmannsberger Ltd
- Director of .nz Registry Services
- Councillor's Honorarium for InternetNZ
- Board Chair at OUTLine New Zealand Incorporated
- Member of the Board of the New Zealand Chapter of the Cloud Security Alliance (Cloud Security Alliance New Zealand Chapter Incorporated)
- Member of NZCS / Institute of IT Professionals

Name: Lance Wiggs
Position: Councillor, InternetNZ
Term: AGM 2013 - AGM 2016
Declaration Date: 9 August 2010, updated 23 July 2013
Interests:
- Director and shareholder in several NZ companies, generally operating online
- Direct and indirect owner of various .nz domain names (<40)
- Director of Lance Wiggs Capital Management
- Director, and, through LWCM, Manager of Punakaiki Fund Limited
- Member of two Return on Science Investment Committees
- Better By Capital provider for NZTE
- Member of the Institute of Directors
- Member of NZCS / Institute of IT Professionals

Name: Dave Moskovitz
Position: Councillor, InternetNZ
Term: AGM 2011 - AGM 2014
Declaration Date: 9 August 2010, updated 20 November 2013
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
- Expander Limited
- SWNZ Limited
- Open Polytechnic
- **Shareholdings (all of the above except for *SWNZ Limited and Open Polytechnic*, plus):**
- Lightning Lab 2013
- WIP APP Limited
- Learn Coach Limited
- Ponoko Limited
- Celsias Limited
- 8interactive Limited
- Admin Innovations Limited
- DIY Father Limited
- Smaratshow Limited
- Small holdings in numerous publicly listed companies
- **Non-profit Activity:**

- Global Facilitator
- Startup Weekend (Trustee)
- Pacific Internet Partners (Trustee)
- Think Tank Charitable Trust (Co-Chair)
- Wellington Council of Christians and Jews
- **Other memberships:**
- NZ Open Source Society
- NZ Rise
- Royal Society
- Registered marriage celebrant
- Councillor's Honorarium for InternetNZ

Name: Richard Wood
Position: Councillor, InternetNZ
Term: AGM 2013 - AGM 2016
Declaration Date: 15 July 2013, updated 31 January 2014
Interests:
- Holds .nz and .net domain name registrations
- Member of ISOC, PICISOC and Pacific Internet Partnership Inc.
- Advisor to Rabid Technologies
- Employee of Morphoss Ltd
- Councillor's Honorarium for InternetNZ

Name: Amber Craig
Position: Councillor, InternetNZ
Term: AGM 2013 - AGM 2016
Declaration Date: 18 July 2013, updated 21 November 2013
Interests:
- Organiser of Girl Geek Dinners Wellington
- Consultant and organiser of some corporate unconferences
- Holds .nz domain name registrations
- Employee of Westpac NZ
- Blogger for The Wireless
- Councillor's Honorarium for InternetNZ

2014/14 Business Plan

First Draft

Building the 2014/2015 Business Plan

Author:	Jordan Carter, Chief Executive
Purpose of paper:	To set out the core of the 2014/15 Business Plan and explain how the staff intend to develop it ready for adoption at the April meeting.

Dear Councillors,

A   Introduction

This paper sets out in the following sections to explain:

- Approach to business planning for 2014/15
- The proposed core components of the Business Plan
- Process following this Council meeting

Council should note that 2014/15 is my second attempt at conducting business planning for InternetNZ as the responsible executive officer. Our process last year was poor: it was rushed, it did not allow for deep thinking about the main focus of the Society's work, and it tried to do too many things given our resources and the work that is ongoing.

There were some positives: actually attaching our work to specific goals was welcomed by many; trying to establish the impact we wanted to have in changing the external environment (transformations) was a good start. But overall, improvement is required and this paper sets out what should be a better way to do it.

B   Approach to business planning

For the 2014/15 business plan and its preparation, I am taking the following approach:

- **Iterative planning process** – with vision and mission set in December, goals and framework set in February, member engagement in March followed by detailed work, and signoff by Council in early April.

- **Plans drive resource allocation** – the budget we present in April will clearly match the Business Plan, so it is clear how resources are being applied to our intended work.

- **Goals drive activity** – the goals we seek and the outcomes that will deliver them are backed up by actions that we know will help bring them about.

- **Members and stakeholders involved** – we will engage thoroughly with members and with other stakeholders to get the widest possible set of suggestions for what we should do next year.

- **Manageable workload** – the Business Plan will be clear in its focus and will be achievable without spreading our focus too broadly.

- **Proactivity enhanced** – the plan will have a focus on proactive things that InternetNZ can do that will help achieve our objects.

Some questions to consider:

- Do you agree with the above, or suggest changes/have issues?
- Do you have additional points that I should take into account in the planning process?

C   Core components of the Business Plan 2014/2015

The Business Plan will set out the Vision and Mission of the organisation, and then include five high level goals, which are best thought of as outcomes that the operational arm is seeking to achieve in the 2014/15 year:

1. Conduct work on Internet issues that contributes to achieving the Vision and Mission, as set out in the attached plan (**Appendix 1**)

2. Provide forums where the community can help shape the Internet's future, in 2014/15 by developing an Internet research community network as well as convening NetHui

3. Manage the community funding portfolio so that all funding is clearly linked to activity that helps achieve InternetNZ's objects

4. Develop and live up to the new identity that is being created, in all that we do

5. Drive improved performance across the organisation: better resource efficiency, communication and effectiveness

Proposed measures for goals 2-5 will be presented in the next draft of the Business Plan.

Some further detail for each:

1: Work on Internet issues

Appendix 1 sets out the five areas of work on Internet issues we propose to focus on in the coming year, with priority goals set out for each area, and some sketched activities in some cases to give a sense of what we will plan to do to achieve them.

2: Forums to shape the Internet's future

NetHui remains a key platform for the community to be involved in shaping the Internet's future. Identified at last year's event was a need to bring the community of academics and others that research Internet issues together: to share ideas, cross-pollinate research work and perhaps publish an online journal. A focus of outreach and collaboration work in 2014/15 will be to draw together such a network. NetHui 2014 will be the major nation-wide platform, to be held in Auckland in July.

3: Community Funding

2014/15 will be the first year of operation of the new Community Funding programme. The core goal is to ensure that whether the funding is delivered through Strategic Partnerships or through grants of whatever sort, every funding decision is clearly going to bring about activity that furthers InternetNZ objects – and can clearly be shown to be so doing. The secondary goal in this area is to do a much better job at telling the story of Community Funding, so that InternetNZ gets the reputational benefit that should accrue from such use of its resources.

4: Deliver our new identity

The identity review has suggested an organisation that looks and feels quite different to parts of the status quo. Living up to that new identity is going to require changes to our culture and practice – within the operating team, within our subsidiaries, within Council and among members and stakeholders. Its delivery is important and should be a top-line focus for the coming year. By year's end our new identity should be noticeable – consistently so – across all that we do.

5. Improved performance

As we bring the Work Programme Director on board and as InternetNZ's operating policies framework settles down, our attention will turn to delivering improved performance in an environment where overall budgets are not growing. We will seek to be more efficient in our use of cash and non-cash resources; we will implement a new communications plan and strategy to be more visible in pursuit of our goals; and we will re-focus resources on where they will make the most difference.

- Are these the right high-level goals to focus our operational work on? If not, what needs adding/removing?

D   Process from here

Following decisions at this meeting, the following process will apply:

- Key points will be extracted and presented to members for discussion at the Engagement Sessions in March.
- In parallel, staff will engage with key stakeholders seeking their views of what our focus should be in 2014/15.
- Staff will take all this input and convert it into a Business Plan and Budget for Council adoption at the April meeting.
- The AGM will consider for adoption the Business Plan and Budget in July.

E   Recommendation

That Council approve the five high-level goals for the 2014/15 Business Plan and the work areas material included at Appendix 1 **[**with agreed changes**]** for discussion with members and stakeholders in February and March, and as the basis for a final Business Plan and Budget for Council to consider at its April 2014 meeting.

That the process set out as above for finalising the Business Plan be agreed.

Jordan Carter
Chief Executive

3 February 2014

Attached: Appendix 1 – Internet Issues Work Programme 2014/15 (draft 1)

Appendix 1: Internet Issues Work Programme: Draft 1

February 2014

This paper presents the staff's proposed areas to organise the work InternetNZ does on Internet issues. In our view the areas are easy to understand and divide our issues work into useable "buckets".

The **Area** row shows the proposed name of the area. The **Description** row sums up the matters covered by the area. The **Issues** row sets out those issues that would be dealt with within that Area. The **Main Goal** row shows the major focus proposed for InternetNZ in that area for the 2014/15 year. **Subsidiary Goals** shows other goals in the area – supporting the main goal or other on important matters.

Area	Internet Governance	Internet Connectivity	Internet Use	Internet Technology	Internet Law & Rights
Description	Processes that make decisions regarding the future development of the Internet – global to local.	The ability to connect to the Internet wherever you are in New Zealand, through appropriate technology.	The benefits use of the Internet offers, barriers to these benefits, and the risks associated with the rise of the Internet and its use.	The protocols and technologies that allow the Internet to function and develop.	Law and public policy affecting the Internet, and the rights of citizens as they use it.
Issues	Work on and in the structures and processes of Internet Governance, to bring about true mult-stakeholderism. National, regional and global.	Broadband services, competition among retailers, neutrality / non-discrimination, spectrum.	Economic development, cultural diffusion, social interaction, digital divide, web accessibility, security.	Numbering policy, technical standards, interconnection, IXPs, security (technical).	Copyright, regulation of speech online, surveillance, privacy, cloud computing rules, i&j, security (use), convergence.
Main Goal	InternetNZ remains the body representing New Zealand at global Internet Governance fora.	Widespread, competitive and affordable open access to the Internet drives New Zealand's economic and social development.	The adoption and use of the Internet in New Zealand increases, to contribute to national wellbeing.	Support improved interaction between Internet technologists and policy-makers, to reduce roadblocks to the deployment of best practice Internet.	New Zealand's legal environment promotes and protects people's rights in the online environment, and is consistently aware of and relevant to that environment.
Main Goal measures	- Invited to participate in all key fora. - Views expressed demonstrably impact debates and decisions.	- Trend for improved prices in OECD ranking improves. - Policy supports universal access.	- Increasing takeup of UFB and other broadband services. - Focus of industry debate moves from network /regulation to use.	- Revitalise ISPANZ. - Instigate better contact between wireless operators and officials.	<to develop>
Subsidiary Goals	- Internet Governance debates are increasingly principles-driven. - ICANN remains focused on its core responsibilities in coordinating unique Internet name and numbering resources.	- Universal access to fast (10mbps+) broadband at affordable prices is committed to by the NZG by close 2014/15 year. - Government policy supports and allows competition to drive investment and choices in technology for Internet access. - Clarity in defining network neutrality in the NZ context is achieved.	- Increase share of SMEs providing services online, to 50% (from 39%). - Growing use of New Zealand content online. - People have confidence in their security online.	- Develop and spread technologies that solve the authentication challenge for users (the password problem). - Improved Internet security through wider deployment and use of DNSSEC and RPKI. - Secure community acceptance of a responsible disclosures regime. - Develop an open measurement framework to provide innovators with up to date accurate information about the NZ Internet.	- Legislators are well-informed regarding Internet issues, through consistent and careful engagement. - Jurisdiction matters (MLAT etc) simplified and sped up for NZ authorities.

Business Development Policy;

Policy Development Framewrok

Revised Group Policy on Business Development

Author:	Jordan Carter
Purpose of paper:	To explain the basis of the revised Group Policy on Business Development, and to seek Council's initial approval of the revised policy and agreement to engage with members on it, for final decision at the April meeting.

Introduction

I was asked by Council at the October 2013 meeting to lead a review of the Group Policy on Business Development, which coincided with a review request from NZRS. The CEs have met and revised the policy, addressing the issues identified in discussions around business development since the last iteration of this policy in November 2011.

This paper sets out the general approach and major changes made, and seeks approval of the draft for discussion with Members prior to final approval.

General approach

The general approach has been to create a policy that covers all bases and so provides reassurance and clarity to all stakeholders. I believe it is consistent with the requirements you agreed to at the October meeting – those being as follows:

Purpose

The purpose of business development is wide-ranging as the need for business development has emerged from a number of different directions at once. Consequently the purpose of business development is all of the following:

1. *To ensure that we evolve our service to meet the needs of our users and do not become an entrenched incumbent that fails to innovate.*

2. *To provide greater stability to our current sole income stream.*

3. *To provide the possibility of increased revenues to increase the good work that we do.*

Requirements of the policy

A group business development policy should provide the following:

1. *A clear explanation of the purpose of business development that has consensus agreement and can be clearly explained to stakeholders.*

2. *Eligibility criteria that can be used as an early stage sieve to ensure the overall existential alignment of any potential opportunity.*

3. *Coordination of business development activity across the group, along with a clear identification of roles, responsibilities and accountabilities for business development.*

4. *All opportunities are subject to the scrutiny and sign-off of Council and/or subsidiary boards, having been given all the information and time needed to make a well-informed decision.*

5. *The ability for the InternetNZ group to respond and act in a timely fashion for what may be fast-moving or time-limited opportunities.*

6. *A clear and unambiguous process that incorporates the above.*

In some cases that means stating the obvious or going into detail, which may at first seem unnecessary. It is the firm view of the CEs that this approach is required until such time as business development is fully established, after which a slimmer version of the policy could be considered.

Main changes

The changes are substantial and so a marked-up copy is not provided as that would be too confusing to read. Instead the major changes are noted as follows:

1. A clear statement of the need for Business Development has been added as the first section of the policy, incorporating some text from the previous version. It is clear from conversations that all the CEs have had with various people across the group that, while there is strong overall consensus support for business development, different individuals have differing reasons as to why they support it. This section captures all of those reasons and it is expected that this full list will be used when we engage with members or other stakeholders on business development.

2. The section on mandate for investment has been strengthened with reference to the legal position and the consistency between the objects and RFC1591.

3. The sections on competition and eligibility have been shortened to remove speculation on possible risks as those are better considered on a case by case basis with each business development opportunity.

4. A new section on expectations of return has been added that notes the different possible levels of financial return from any new service and provides guidance on how this should be tackled in the exploration of opportunities.

5. A new section has been added on the structural and management choices available to implement a new opportunity. This draws together a number of ideas while reinforcing the role of Council at specific decision points.

6. A new section has been added on the authority of Council to decide on business development opportunities and the role of the membership. The CEs recognise that there are differing views on this and no consensus has yet been reached. The position that we propose, as documented in this section, is that Council is elected with the specific mandate to make these decisions and would not ordinarily seek membership approval except where the investment is a significant proportion of reserves. We propose this position as we believe it meets the expectations of members as to the role of Council, it represents the legal position, it fits with the general principles of how InternetNZ is run and it is the most practical position.

It should be noted that as would occur under the new Policy Development Process that I am developing (and which I will brief you on at this meeting), this policy should be thoroughly consulted on with the membership. Any concerns that emerge in such conversation will be exposed in the debate, for proper consideration by Council.

7. A new section has been added on the process for identification and exploration of opportunities, which is the pre-work before any opportunity enters the formal process documented later on in the policy. This has been added to note the level of work that is required to explore any opportunity and allay any concerns that this is pre-empting formal approval for any opportunity.

8. A new section documenting the operational principles that should apply to business development has been added. These apply at both the governance and operational level.

9. The assessment process has changed slightly to remove the reliance on Chairs and CEs to initiate any work and hands that over to all business units within the group. It is felt that this part of the process has sufficiently matured, along with the information sharing across the group, that it can be streamlined in this way.

Subsidiary input

Councillors should note that this paper is presented on the responsibility of the InternetNZ Chief Executive. While DNCL and NZRS CEs have been involved in its preparation, there has been no formal consultation of subsidiary Boards in its preparation. Such discussions are currently under way.

You will note that the recommendations suggest consulting with members on the policy before final adoption in April. This process will also allow subsidiaries to raise any issues their Boards may have with this policy before it is finalised.

Recommendations

That Council approve the draft Group Policy on Business Development for consultation with Members.

That Council ask the Chief Executive to work with the other CEs to assess and incorporate feedback from members in a revised final draft of the Policy for consideration at the April 2014 meeting.

Jordan Carter
Chief Executive

3 February 2014

Attached: Draft Group Policy: Business Development Policy

Business Development Policy

The need for business development

InternetNZ provides services to NZ Internet users on both a paid basis, such as .nz, and an unpaid basis, such as the OpenPGP keyserver, where a service is defined as an ongoing operational commitment to external customers. The general ethos of our service provision is to provide a trusted, quality service to the community on non-discriminatory terms to support the open Internet in NZ.

Currently, all material income of InternetNZ and it subsidiaries comes from the single service of .nz domain names. In recent years the domain name market has become increasingly volatile and the risks to InternetNZ from that volatility have become apparent.

Business development is the proactive effort to identify, explore new opportunities and then develop those into new services. This effort is undertaken for the following reasons:

- The development of a service may be the best way for InternetNZ to deliver a particular object or priority.

- InternetNZ needs a diversified income stream for InternetNZ that reduces the risk of it being required to suddenly scale back its work in response to a sharp change in the domain name market.

- InternetNZ must avoid the stagnation and ultimate demise that so often affects dominant incumbents through a lack of innovation and change.

- InternetNZ could benefit from an increased income that allows it to expand the work that it does in pursuit of its objects.

Purpose of this policy

The purpose of this policy is therefore to:

1. Set out the top level policy for all business development undertaken by the group;

2. Ensure that all business development opportunities are well managed in a consistent and well communicated manner;

3. Ensure that governance bodies, staff and members are appropriately involved throughout the decision making process.

Mandate for investment

InternetNZ will need to invest to explore and implement new services that may be very different from .nz and that investment will come from reserves, which have been accumulated from the income that InternetNZ has derived from .nz. While InternetNZ is legally free to use this income as it wishes, there is also a principled mandate to do so as the objects of InternetNZ, being solely concerned with the promotion and protection of the Internet in NZ are entirely consistent with the principles in RFC1591 of operating a ccTLD for the benefit of the local Internet community.

From this, derives the key statement of principle for InternetNZ:

- Money raised from .nz may be considered for investment in business development that is external to .nz so long as that service is for the benefit of the NZ Internet community.

Implicit in that is the understanding that any service that is explored or developed will comply with the objects of InternetNZ.

Competition

.nz is not a monopoly. It is a strong local brand within a highly competitive market for domain names. From this, derives the key statement of principle that:

- Business development opportunities in a competitive market may be considered.

Mitigating the risk of .nz being incorrectly portrayed or perceived as a monopoly is a broader issue of brand and communications.

Eligibility

For any business development 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 meet, or provide a good fit with, the objects of InternetNZ?

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.

<u>Step 3:</u>

Would the proposal result in stakeholder conflict? The existence of a competitor in the same area would not necessarily disqualify a business case from being advanced but again it would need special consideration.

Expectations of return

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

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

While this policy is primarily concerned with those services that do not run at a loss, a subset of the policy should apply to all services.

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.

Implementation

Council will decide on a case-by-case basis who should implement a particular opportunity and what legal structure should be put in place around that opportunity in order to:

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

The options for legal structure are:

1. As a 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.

Authority

The final authority for implementing new services rests with InternetNZ Council. Council may consult the membership on individual opportunities but these are not ordinarily put to the membership for authorisation by vote except in exceptional cases, such as where the investment commits 50% or more of reserves.

Transparency

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.

Identification and exploration

Any part of the group or any stakeholder may identify a business development opportunity though NZRS is specifically charged with this role. NZRS is also expected to coordinate the list of opportunities to prevent duplication of effort and ensure that no opportunity is forgotten.

It is understood that any business unit that identifies an opportunity will need to conduct non-trivial exploration of the opportunity before it is ready to bring the opportunity to Council in line with the process below. During this exploration it is expected that the other business units are advised of the opportunity on a 'for information only' basis and to draw on any knowledge they have that may assist the exploration.

A standing advisory group of councillors exists whose views and expertise can be drawn on as part of the exploration process. This group has no other role in the process below.

Operational principles

Business development is a top level priority of InternetNZ that all business units participate in, in a manner appropriate for their wider role. The following principles are set out to guide that operational participation:

Mainstream
As a top-level priority, business development is a mainstream activity that should be pursued concurrently with other work though with appropriate regard to other priorities and defined roles.

Timeliness
Many opportunities are time-limited and the timely completion of assessment stages is key. The Working Group or Business Unit responsible for a particular stage should ensure that they deliver their work with the urgency that befits the opportunity.

It should also be understood that at any stage there are multiple dependencies on a variety of people during this process and they have a similar responsibility to ensure the timely processing of a business development opportunity.

Evidence-based
The InternetNZ group has many experts with good insight into Internet services but ultimately any new service, particularly the more commercial, can only succeed if there are sufficient satisfied customers. It is therefore paramount that the views of potential customers (and the sales channel) are sought early on to enable evidence-based decision making.

<u>Exclusions</u>
Care should be taken to recognise that one service may be made up of many sub-services and this policy does not apply to those sub-services. An example is the Registrant Search Functionality of the .nz Register, which is a sub-service within the .nz service.

Assessment process

The following process sets out how any opportunity is assessed and how it may stop or progress. Each stage acts as a sieve to ensure that only suitable opportunities move to the next stage.

	Who	**How**
1	Business Unit	Identify potential opportunities Develop key relationships Track RFI/RPF processes
	Briefing Paper commissioned	
2	Business Unit	Develops Briefing Paper Initial discussions with potential partners Initial discussions with potential customers Advises other Business Units
	Briefing Paper to Council	
3	Council	Council decides on: • Whether to move to Green Paper, White Paper or stop/defer; • What to make public and how stakeholders should be consulted; • If preliminary negotiations should begin with potential partners (incl. responding to RFIs); • Who should be responsible for next steps.
	Green Paper commissioned	
4	Working Group or Business Unit	Communicates/consults with stakeholders as agreed Develops Green Paper (details below) Conducts research
	Green Paper to Council	
5	Council	Council decides on: • Whether to move to White Paper or stop/defer; • What to make public and how stakeholders should be consulted; • If preliminary negotiations should begin with potential partners (incl. responding to RFIs); • Who should be responsible for next steps
	White Paper commissioned	

6	Working Group or Business Unit	Communicates/consults with stakeholders as agreed Develops White Paper (details below) Responds to RFIs Enters into negotiations with potential partners Conducts research
White Paper to Council		
7	Council	Council decides on: • Whether to proceed or stop/defer; • If members should be asked for final sign off; • What should be communicated to stakeholders; • Who is responsible for next steps
8	Members	Give final go-ahead if asked by Council

Notes:

- Council may decide for a specific opportunity at each stage what documents to make public at the points indicated in this process.

- Each stage is built upon the work of the previous stage, using the information and analysis prepared at that stage and adding to it. However Council may choose to skip a stage or repeat a stage if it believes that is appropriate.

- The working groups and business units may be different for each stage and each opportunity; there is no requirement for them to be the same through all the stages.

- The decision on which of the three business units is best equipped to lead the proposal is different from the decision on which unit would actually run it. It is conceivable that a new business unit may need to be established. So the question to be answered is, which unit is in the best position to *develop* the proposal.

Papers to Council

The Briefing Paper should include underline information on:

- The service(s) to be offered and market model with options if appropriate.
- Motivation(s).
- Fit with eligibility.
- Issues of principle
- Finances.
- Major risks.

The Green Paper should include information on:

- Everything in the Briefing Paper.
  - o Answers and/or options to any issues of principle.

- o Options for risk mitigation.
- Options for organisational and governance structures.
- Feedback from stakeholders.

The White Paper should include <u>full details</u> on:

- The service(s) to be offered and market model.
- Motivation(s).
- Fit with eligibility criteria and strategic plan(s).
- Financial model and funding requirements, verified by external accountants.
- Estimates for demand and the basis for those estimations.
- Results of negotiations with potential partners.
- Major risks and mitigations.
- Organisational and governance structure for the implementation and ongoing operations, including resource implications.
- Rejected alternatives, where appropriate.
- The results of all relevant research conducted.

DNCL 3rd Quarter Report

February 2014

Dr Frank March
President, InternetNZ

Dear Frank

Third Quarter 2013/14 report

As for the 2012/13 reporting to Council, DNCL are reporting .nz activities in a joint Quarterly report with NZRS. This means that generally the financial reporting is all that remains to be reported to Council. As you are aware, the DNCL financials are not complicated and so I have included the Profit and Loss Statement in this letter. If Council requires any further information please let me know so I can include it in future reports.

Profit and Loss Statement
For Quarter ending 31 December 2013

	Oct - Dec 2013			Year-to-Date		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
INCOME						
Management Fees	373,968	373,968	0	1,121,904	1,121,904	0
Authorisation Fees	0	0	0	9,000	6,000	3,000
DRS Complaint Fees	10,000	9,000	1,000	20,000	27,000	(7,000)
Interest Income	3,756	1,500	2,256	12,009	5,000	7,009
Total Income	**387,724**	**384,468**	**3,256**	**1,162,913**	**1,159,904**	**3,009**
EXPENSES						
Staff and Office Costs	238,132	217,977	(20,155)	604,158	631,021	26,863
Professional Services and Communications	19,014	45,380	26,366	46,535	133,040	86,505
Dispute Resolution Services	23,473	17,520	(5,953)	45,500	52,560	7,060
DNCL and DNC activities	45,967	52,830	6,863	120,947	158,435	37,488
International	87,542	99,500	11,958	156,161	197,010	40,849
Total Expenditure	**414,128**	**433,207**	**19,079**	**973,302**	**1,172,066**	**198,764**
Depreciation	880	8,010	7,130	2,302	24,000	21,698
Net Profit/Loss	**(27,285)**	**(56,749)**	**29,464**	**187,309**	**(36,162)**	**223,471**

Variances against budget for this quarter reflect both the budget being evenly distributed across the year whereas the activities undertaken are not so linear, and also provision for the project to implement second level registrations that has now commenced following Council's decision to proceed. It is expected the variance will level out as the year progresses.

The Board of DNCL recommends that the Council of InternetNZ receives this report. Please do not hesitate to contact me if you have any questions.

Yours sincerely

David Farrar

David Farrar
Chair, DNCL

.nz Joint 3rd Quarter Report

.nz Quarterly Report
Third Quarter ended 30 December 2013

Introduction

This is the third joint .nz quarterly report for the 2013/14 financial year. Council is asked for feedback on this report and what changes, if any, Council would like to see for reports for the upcoming year. It is the intention of DNCL and NZRS to continue to provide a joint report to prevent the ongoing duplication of .nz information. There is nothing in this report that is confidential.

1. Environment

a) ICANN

ICANN 48 was held in Buenos Aires, Argentina in November. The full schedule of the meeting is at http://buenosaires48.icann.org/en/schedule-full with copies of the transcripts and presentations available through http://buenosaires48.icann.org/en/materials. Some aspects of the meeting are discussed in more detail here.

ccNSO Financial Contributions

After many years discussing the ccNSO financial contribution to ICANN, the Working Group produced its final report and recommendations to the ccNSO meeting and these were subsequently adopted by the ccNSO Council. Details of the approach adopted can be seen in the presentation at http://buenosaires48.icann.org/en/schedule/tue-ccnso-members/presentation-cctld-contributions-guideline-19nov13-en.pdf.

A key part of getting to this stage has been ICANN's acknowledgement that they also derive benefits from having the ccTLDs involved. These benefits include their involvement in the organisation of the meetings being held and the expertise contributed in a range of matters. A total value of ICANN to the ccTLD community was calculated at approximate $3.5 million USD, significantly less than the $10-12 million previously sought by ICANN from the ccTLDs.

Contributions to ICANN will only ever be voluntary and it is acknowledged that not all ccTLDs contribute in line with what could be considered reasonable. That said, there is a genuine desire on the part of the ccNSO members to make a fair contribution and so proposed bands were put forward based on the number of domain names under management by the registry. Processes for handling moving from one band to another were also proposed.

.nz supports the proposal and the level of contribution is consistent with what we had considered fair.

ICANN Strategy Panels

As noted in the previous report, ICANN established four Strategy Panels to drive areas of thinking for input into the Strategic Plan. More details on these can be seen at http://www.icann.org/en/news/announcements/announcement-15jul13-en.htm.

The DNC accepted an invitation to join one of the fours ICANN Strategy Panels. The panel she was invited onto was the fourth panel relating to ICANN's role in the Internet Ecosystem with the panel chaired by Vint Cerf. As noted on the ICANN site:

> The previously announced "Strategy Panel on ICANN's Role in the Internet Organizations' Ecosystem" and the "Strategy Panel on the Role of ICANN in the Future of Internet Governance" have been integrated given the topics, and are now covered under this Strategy Panel on "ICANN's Role in the Internet Governance Ecosystem." This panel will review the assumptions, linkages and frameworks that dictate ICANN's responsibilities in the current Internet ecosystem. It will seek insights into ways to maintain and enhance ICANN's stewardship of the evolving ecosystem while cultivating thought leadership on ways in which ICANN can serve a complex set of Internet constituencies.

An initial meeting of the panel was held in Buenos Aires. It was reiterated at the meeting that this was not a mechanism to extend ICANN's mandate and that is was important to ensure the panel's work accurately reflected the broad range of stakeholders.

The Panel's objective is to "Provide advisory framework and forum for strategic planning to support ICANN's function in the evolving Internet Governance Eco-system"

There are four deliverables identified:

- Review ICANN's place in the evolving Internet Governance Ecosystem
- Suggest ways to enhance ICANN's stewardship within a complex network of interests
- Propose guiding principles for evolving and implementing ICANN's transnational, multistakeholder policy making model
- Propose a roadmap for globalising ICANN's role in the Internet Governance ecosystem

Each of these deliverables is being lead by subgroups with the DNC part of the both the stewardship and principles one. Work will continue throughout December and January with product to be produced by February. This is a very short timetable and comments have been made about the processes used by ICANN to try and get input, which often are so short they compromise the intent to get as broad a range of views as possible.

As part of the Panel's work, the DNC has shared the InternetNZ Principles with the Panel. Both the TLD and the Policy Principles are considered relevant and feedback to date on the work we have undertaken here is positive.

Internet Governance

Internet Governance was a major topic raised at the Buenos Aires meeting. Leading up to Buenos Aires, there had been a statement released by the I* Group (referred to as the Montevideo Statement), discussions at the Internet Governance meeting in Bali, the establishment of a "5th strategy panel" on the Future of Global Internet Cooperation and plans for a meeting on Internet Governance to be convened in Brazil in April 2014.

The announcement of the fifth strategy panel had many people concerned that ICANN was looking to move beyond its current mandate and take on a controlling position in the wider Internet Governance arena. Fadi Chehade outlined in his opening address that this was not ICANN's objective and that they would not be extending beyond the current mandate but that more strategic thinking needed to be done around ICANN and its role in the wider ecosystem. The four ICANN strategy panels (http://www.icann.org/en/news/announcements/announcement-14oct13-en.htm) will be providing input into the Strategic Plan that is currently being developed. The fifth panel (http://www.icann.org/en/news/announcements/announcement-2-17nov13-en.htm) however, is being convened by ICANN but is not specifically an ICANN panel. That said, the way the

members of that panel have been selected has itself come in for some criticism of openness and the role being played by ICANN.

Internet Governance matters have generally been handled by InternetNZ rather than DNCL and this is likely to continue though it is expected that the DNC's involvement on the ICANN Strategy Panel looking into ICANN's role in this area may mean that there is an increasing involvement in this area particularly in the short to medium term.

Technical

The technical workshop run by the ccTech WG continues to grow and had approximately 100 attendees. The NZRS CE is a member of the programme committee and traditionally presents the final session of the day, bringing together the themes of the presentations into a overall framework.   The session was well attended by technical peope outside of the ccTLD community, including the Chairs of the IETF and IAB who both presented on wider themes within their respective organisations. This brings us closer to our goal of becoming a whole-of-ICANN workshop, a sub part of our broader goal of moving ICANN meetings to issues based rather than the currently silos.

Another of the ICANN strategy panels is that on Identifier Technology Innovation and this held its first meeting in Buenos Aires. Part of this was a small session with invitees, the NZRS CE included, to provide ideas for the panel. Subjects of discussion included:

- Permanent identifiers. Those that do not require an ongoing fee or other form of maintenance.
- When does a private identifier become so important that it needs to be made into a public identifier?
- What public identifiers could be introduced to join together otherwise balkanised Internet services?

A new topic of conversation between sessions is the apparent slowing down of innovation within DNS, despite an increasing number of problems being identifed and ideas proposed. The NZRS CE met with a number of key figures to discuss the need for a DNS Architecture WG to take a high level view and drive the development of DNS.

Business Development

The number of ccTLDs engaged in active business development has grown noticeably over the last year and at this meeting the NZRS CE met with a number who were developing new services. A number of these were add-on products to their ccTLD and so relevant in the .nz context. These discussions were confidential but the services being developed align well with the investigations being undertaken by NZRS.

b) New gTLDs

- The processing of new gTLD applications continues and the first names have now been added to the root. .kiwi was expecting to be included in December but due to delays it was early January before this happened.

- Dot Kiwi Chief Executive Tim Johnson met with the DNC at the ICANN meeting in Buenos Aires with the main area of discussion being around dispute resolution service options for them during the sunrise period (note: once general registrations begin they are bound by the WIPO UDRP). The DNC subsequently visited the Dot Kiwi offices and shared information about how the .nz DRS operates.

c) Security

- The DNC gave a presentation to the Wellington Branch of the Certified Fraud Examiners. This focused on what domain names and IP addresses were and how they could gain information to assist them with their investigations.

- The MSP, together with the three group CEs, met with Paul Ash and Heather Ward from the NCPO (National Cyber Policy Office). It was a wide ranging discussion and as part of that our participation in the Cybersecurity meeting in Korea in October was discussed.

2. Activities

a) .nz Promotion and Marketing

As a reminder, the marketing strategy for the next few years for .nz is based around three areas of activity:

1. Awareness. The goal is to develop awareness of the .nz domain name space, its value to businesses and to consumers. Awareness activity will predominantly be through targeted campaigns in the SME space, sponsorship and development/distribution of content that supports the value of an online presence for business.

2. Conversation. By developing relationships with organisations that work with the SME business sector we plan to provide messaging and content to help businesses understand the value of being online. These relationships will be supported with sponsorship and relevant tailored content.

3. Transaction. This is about growing the relationship with Registrars (and resellers) to establish .nz as a brand that has value with their customer base. As content is developed it will also be made available to the Registrar channel to enable reuse of .nz content. In addition we will seek to develop campaigns/initiatives that registrars will be able to leverage through their own marketing channels.

Whilst activity is running in parallel across all three pillars, the Awareness category has the highest initial priority as we focus on developing .nz as a brand that is recognised as being the domain name space for New Zealand.

In November 2014 we held the first ever Registrar Conference in Wellington. The event was live streamed and recorded to allow maximum accessibility for registrars. We had 22 registrar attendees (covering 25 registrars due to joint ownership) plus representatives from DNCL, Insomnia and Op101. As a first time event it was very well received and as such it will become an annual event. The day covered a wide range of sessions including, Love the data, Marketing update, DNSSEC, .nz second level changes, Usability (Op101), Security (Insomnia) and a panel session on gTLDs. An evening event saw representatives from Council, DNCL and NZRS boards attend. As a side activity 8 registrars opted in to have the usability of their websites assessed and reported on to help them make improvements to the experience of registering a .nz domain name.

Also in November the first .nz marketing campaign was run. The goal of this campaign was to grow awareness of .nz and test the efficacy of various platforms including (Stuff.co.nz, NZHerald.co.nz, Trademe.co.nz, Google Adwords, LinkedIn and Facebook. We tested 4 messages which came from the research conducted in October 2013.

    Go Local
    Gain Trust
    Reach Out
    Be Seen

The Go Local and Reach Out messages outperformed the other two by 2:1 and only these two will be continued in a planned February campaign.

As an initial awareness campaign the focus was on impressions, of which we had around 5.5 million. The results of this campaign will be factored into a planned February 2014 campaign.

A Registrar Advisory Group meeting was convened by DNCL in November to discuss with registrars the options for implementing registrations at the second level. The meeting was timed to coincide with a Registrar Conference convened by NZRS.

b)   Registrations at the Second Level proposal

DNCL submitted their recommendations (http://dnc.org.nz/content/second_level.pdf) to the InternetNZ Council in September, for consideration at their October Council meeting. DNCL's recommendations were subsequently accepted by Council at that meeting and so DNCL are now working with NZRS on finalising plans for implementing this change. This includes developing a final version of the policy that will be subject to a public consultation early 2014.

c)   DNSSEC

Five registrars are identified as 'handles DS records' with two of those meeting the criteria for "DNSSEC Friendly". Work is being done on identifying initiatives to improve the uptake of DNSSEC.

d)   International Engagement

•   The Manager Security Policy attended the Conference on Cyberspace in Seoul, as part of the New Zealand government delegation.

•   DNCL and NZRS staff attended the ICANN meeting in Buenos Aires, Argentina in November

e)   Other matters

•   Meetings of the DNCL Board were held in October and December with minutes available at http://dnc.org.nz/content/Minutes_3_October_2013.html and http://dnc.org.nz/content/Minutes_5_December_2013.html.

•   Consultation concluded on two policies being reviewed and on an amendment to clarify a clause in a third policy (http://dnc.org.nz/reviews_AOR_PRI_RMC). No submissions were received during this consultation and the Board agreed with the proposals set out in the consultation paper.

3.   Statistics

a)   Domain Names

The size of the register against NZRS budgeted growth is shown in the chart below:
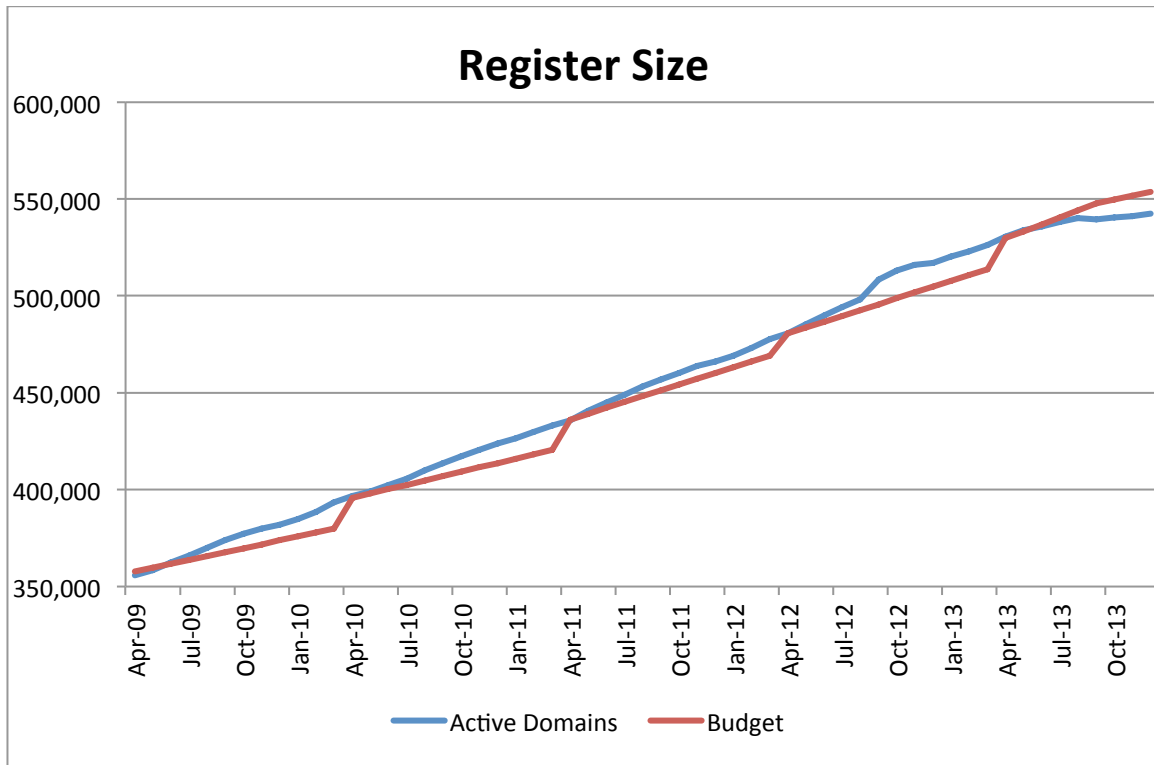
The actual growth against NZRS budgeted growth is shown in the chart below:
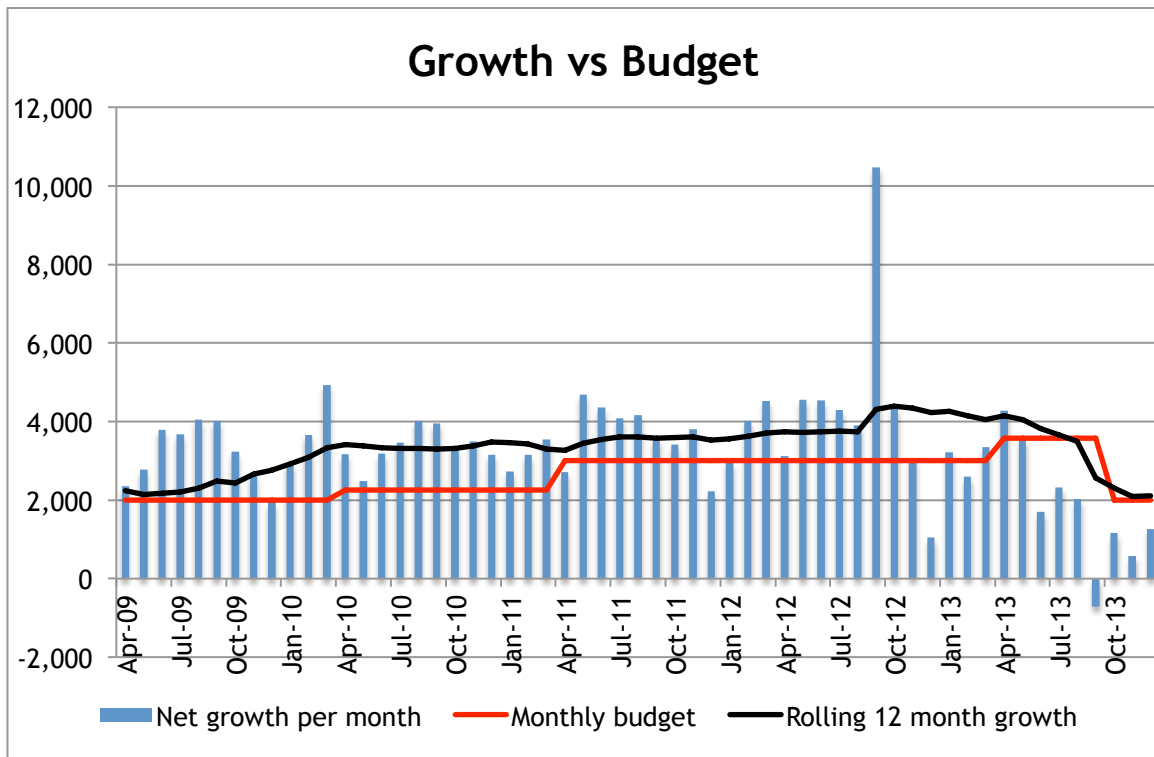
The average term (average number of months a domain is registered/renewed for) is shown in the chart below:

Average Domain Name Term (month)

— Average months per create   — Average months per renewal
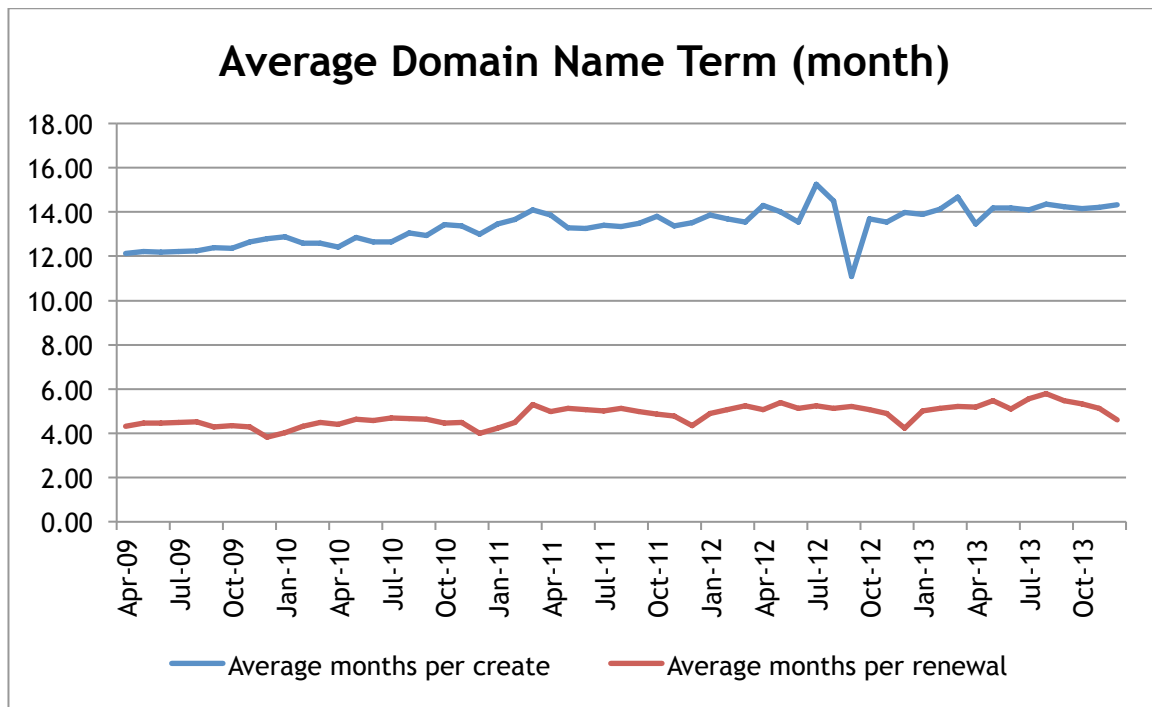
The breakdown of domain name growth by second level domain is noted in the table below:

	30 Oct 13	31 Nov 13	30 Dec 13
.ac	2,032	2,040	2,041
.co	465,906	466,134	467,081
.cri	12	12	12
.geek	1,218	1,225	1,219
.gen	1,350	1,348	1,342
.govt	1,062	1,053	1,052
.health	183	183	187
.iwi	84	83	85
.kiwi.nz	6,382	6,585	6,885
.maori	1,129	1,133	1,140
.mil	36	37	37
.net	29,581	29,634	29,600
.org	28,159	28,242	28,286
.parliament	10	10	10
.school	3,362	3,371	3,377
Total	**540,506**	**541,090**	**542,354**
Growth over previous month	1,171 0.2%	584 0.1%	1,264 0.2%
Variance against NZRS budget	2,032	2,040	2,041

Over the quarter, .nz domain names have increased from 539,335 to 542,354, a net increase of 3,019 or 0.57%. This compares with a growth of 8,490 or 1.7% in the same quarter last year.

b)   Registrars

Registrars authorised	84
Registrars connected	80

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

The following chart shows the spread of registrars across the level of domain name registrations:
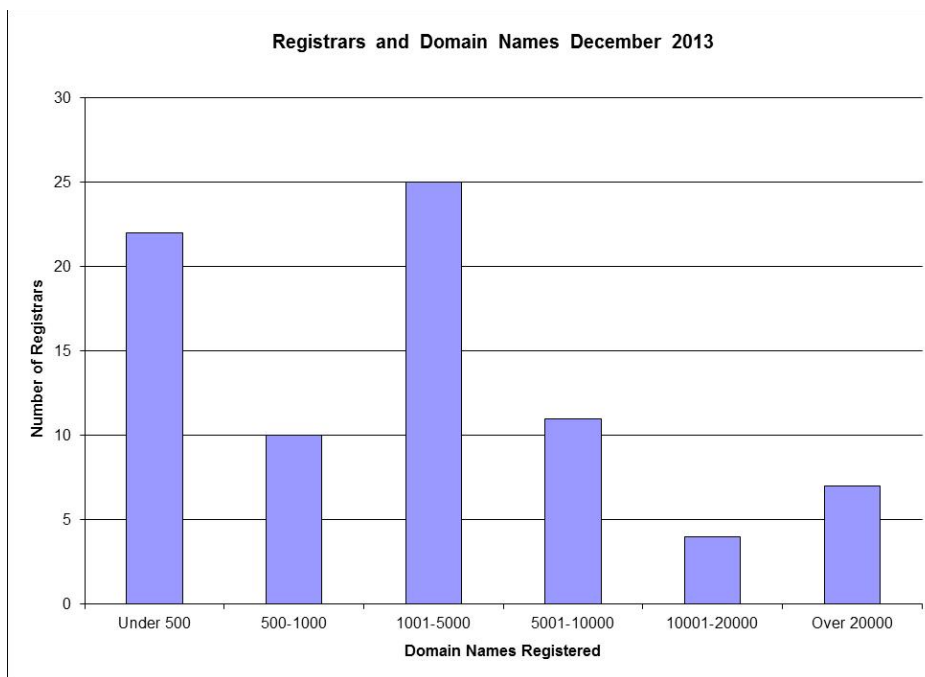
The following chart shows the number of authorised registrars connected to the SRS:
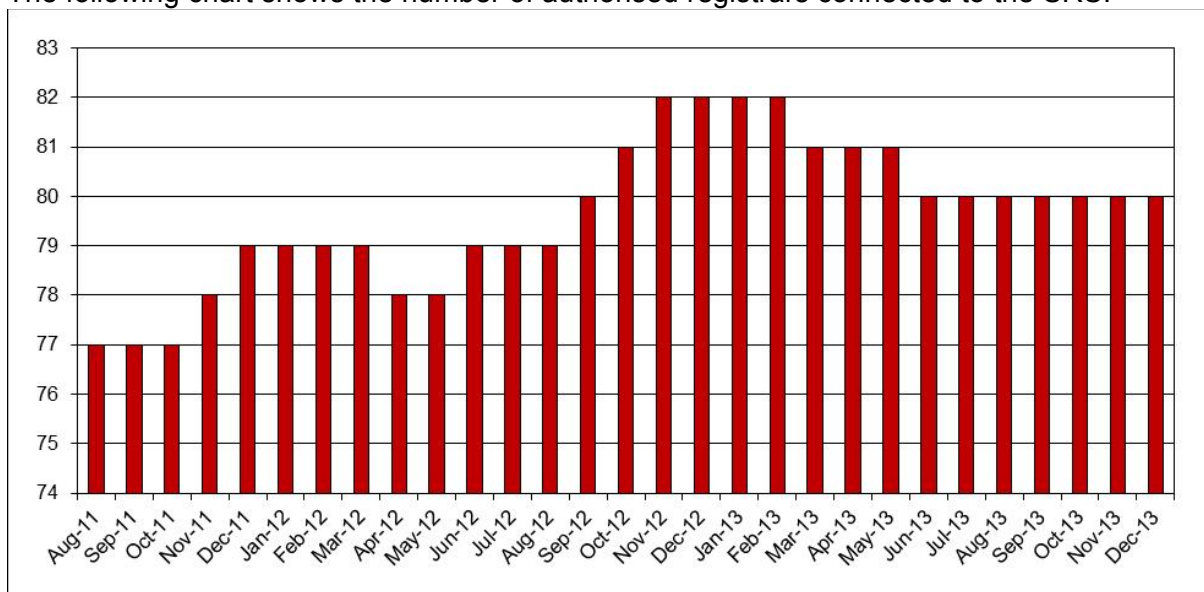
c) Registry Performance

SLA targets achieved for October, November and December 2013.

SRS, DNS and Whois availability is noted in the table below:

System	SLA %	Oct-13	Nov-13	Dec-13
SRS	99.90%	100.00	100.00	100.00
DNS	100%	100.00	100.00	100.00
Whois	99.90%	100.00	100.00	100.00

David Farrar
Chair, DNCL

Richard Currey
Chair, NZRS

Statements of Expectations for

NZRS and DNCL

Statement of Expectations 2014-15

Author: Frank March, President

Purpose of Paper: Agree Statement of Expectations for 2014-15 for DNCL and NZRS

Introduction

Each year InternetNZ communicates its priorities and expectations as sole shareholder to the Boards of its subsidiaries, DNCL and NZRS. The subsidiaries subsequently provide InternetNZ with a Statement of Direction and Goals that reflect the expectations.

At last December's Council meeting, we agreed to roll the existing Statements over largely as they were in 2013, with additions to reflect October's decisions on opening registrations at the second level.

Statement of Expectations 2014-2015

Statement of Expectations for the financial year 2014/15 for DNCL and NZRS have been developed by the Chief Executive in discussion with the CEs of the subsidiaries. The proposed drafts are attached, and they essentially reflect the changes agreed as noted above.

A more substantial review of the form and content of these documents is expected in time for the next renewal, given the upcoming work of the .nz framework review.

Recommendations

That Council **agree** the attached Statement of Expectations for the financial year 2014/15 for DNCL and NZRS, and direct the President to write to the boards of each with this information.

Frank March
President

Attached: Statement of Expectations documents for NZRS and DNCL for 2014/15.

Statement of Expectations

for

New Zealand Domain Name Registry Limited (trading as NZRS)

2014/2015 – <mark>draft1</mark>

1 Background

This statement sets out the InternetNZ expectations for New Zealand Domain Name Registry trading as .nz Registry Services (NZRS) for the financial year 2014-15 and is intended to assist NZRS in its strategic and business planning.

2 Strategic Goals

NZRS is expected to continue to meet its strategic goals, namely to:

1. Deliver continuous domain name availability to registrars, their customers and all Internet users.

2. Deliver world-class registry services that continually improve.

3. Make a tangible contribution to the achievement of InternetNZ's vision, mission and strategic goals.

4. Develop NZRS services and technology within a long-term evolutionary framework to meet the future needs of Internet users.

5. Deliver, in partnership with DNCL, a successful long-term strategy for .nz.

NZRS is expected to annually review its strategic goals, using the group strategy process to seek feedback from the rest of the group.

3 Working with the Chief Executives of InternetNZ and DNCL

In order to ensure the InternetNZ Group functions effectively overall, it is essential for the three Chief Executives to understand each other's thinking, concerns and priorities. The NZRS Chief Executive is expected to attend meetings convened to discuss common group interests.

4 Financial Management

NZRS is expected to:

1. adopt sound organisational and financial management practices so as to safeguard and enhance InternetNZ's investment in the company;

2. operate within the financial and operational scope of its business plan as reported to InternetNZ while meeting the requirements of the NZRS Reserves Policy and NZRS Liquidity Policy;

3. provide InternetNZ with meaningful output and financial information reporting against the Statement of Direction and Goals (including changes to plans and priorities) to facilitate the monitoring of the organisation's performance;

4. return cash in excess of the reserves identified in the NZRS Reserves Policy to the shareholder, when appropriately satisfied of the solvency of NZRS and that it remains a going concern.

5 InternetNZ Group Strategy

NZRS is expected to contribute to the group strategy process and to proactively contribute to the achievement of the group strategic priorities in coordination with InternetNZ. The following priorities have been identified for the 2013-14 financial year:

- **Leadership**: To be a leader by example: continue to be recognised as delivering the world's best practise in the Internet community, including in the management of dot nz.
- **Universality:** Open and uncapturable, universal access to the Internet for all parts of society. Digital access as a 'human right'.
- **Doing it well**: Promote effective societal, economic and cultural use of the Internet.
- **Multi-stakeholder Governance:** NZ Government trusts our multi-stakeholder approach to Internet governance, backed up by a strong ecosystem.

NZRS is expected to work with DNCL on implementing changes that will allow registrants to directly register domain names at the dot nz second level.

NZRS is expected to contribute to business development opportunities in line with the group business development policy and to work with InternetNZ on broadening the understanding of shareholder expectations and requirements for business development.

NZRS is expected to work with the Domain Name Commission Ltd. to develop a comprehensive, rolling three year strategy for dot nz and present this to InternetNZ annually in time for the Strategic Retreat.

NZRS is expected to proactively develop and implement steps to strengthen the registrar perception and value proposition of dot nz, in particular in relation to generic Top Level Domains.

InternetNZ expects NZRS to contribute to the group shared risk register and to the agreed mitigation of the identified risks.

6 Statement of Direction and Goals

NZRS is expected to provide a Statement of Direction and Goals, for the financial year 2014-15 that includes:

1. a draft three year budget for the financial years 2014-15, 2015-16 and 2016-17, subject to adjustments for 2013-14 year end results and any change in the domain name fee agreed by InternetNZ;

2. an outline of the environmental factors that feed into NZRS strategic planning;

3. an outline of the key priorities that NZRS has identified through its strategic planning;

4. an outline of the key deliverables that NZRS has identified through its business planning.

7 General Expectations

InternetNZ has a set of general expectations that NZRS will:

1. continue to maintain a high standard of corporate governance;

2. adopt a sound risk management strategy for all areas of its activities, including the timely reporting of critical operating and financial risks to InternetNZ ("no surprises");

3. ensure that there are effective and productive day-to-day working relationships with all other InternetNZ organisations and actively explore and implement ways to achieve greater co-operation and collaboration with these organisations to the benefit of the wider internet community;

4. operate in accordance with InternetNZ's core values – openness and transparency, leadership, ethical behaviour and stewardship.

Statement of Expectations

for

Domain Name Commission Limited

2014/2015 – <mark>draft1</mark>

1   Background

This statement sets out the InternetNZ expectations for Domain Name Commission Ltd (DNCL) for the financial year 2014-2015 and is intended to assist DNCL in its strategic and business planning.

2   Strategic Goals

DNCL is expected to continue to meet its strategic goals, namely to:

1. Manage the operation of the .nz domain name space and the agreements and policies that underpin it.

2. Monitor activity in the .nz domain name space and where necessary, regulate its use.

3. Represent the .nz domain name space at international fora.

4. Make a tangible contribution to the achievement of InternetNZ's vision, mission and strategic goals.

DNCL is expected to annually review its strategic goals, using the group strategy process to seek feedback from the rest of the group.

3   Working with the Chief Executives of InternetNZ and NZRS

In order to ensure the InternetNZ Group functions effectively overall, it is essential for the three Chief Executives to understand each other's thinking, concerns and priorities. The DNCL Chief Executive is expected to attend meetings convened to discuss common group interests.

4   Financial Management

DNCL is expected to:

1. adopt sound organisational and financial management practices so as to safeguard and enhance InternetNZ's investment in the company;

2. operate within the financial and operational scope of its business plan as reported to InternetNZ while meeting the financial requirements specified in the Operating Agreement with InternetNZ; and

3. provide InternetNZ with meaningful output and financial information reporting against the Statement of Direction and Goals (including changes to plans and priorities) to facilitate the monitoring of the organisation's performance.

5   InternetNZ Group Strategy

DNCL is expected to contribute to the group strategy process and to proactively contribute to the achievement of the group strategic priorities in coordination with InternetNZ. The following priorities have been identified for the 2013-2014 financial year:

- **Leadership**: To be a leader by example: continue to be recognised as delivering the world's best practise in the Internet community, including in the management of dot nz.

- **Universality:** Open and uncapturable, universal access to the Internet for all parts of society. Digital access as a 'human right'.

- **Doing it well**: Promote effective societal, economic and cultural use of the Internet.

- **Multi-stakeholder Governance:** NZ Government trusts our multi-stakeholder approach to Internet governance, backed up by a strong ecosystem.

InternetNZ expects DNCL will:

- Prioritise implementation of the changes that will allow registrants to directly register domain names at the dot nz second level, and

- Proactively develop and implement steps to strengthen the public perception and value proposition of dot nz, in particular in relation to generic Top Level Domains.

DNCL is expected to work with the New Zealand Domain Name Registry Limited to develop a comprehensive, rolling three year strategy for dot nz and present this to InternetNZ annually in time for the Strategic Retreat.

InternetNZ expects DNCL to contribute to the group shared risks register and to the agreed mitigation of the identified risks.

6   Statement of Direction and Goals

DNCL is expected to provide a Statement of Direction and Goals, for the financial year 2013-14 that includes:

a draft three year budget for the financial years 2014-15, 2015-16 and 2016-17, subject to adjustments for 2013-14 year end results and any change in the domain name fee agreed by InternetNZ;

1. an outline of the environmental factors that feed into DNCL strategic planning;

2. an outline of the key priorities that DNCL has identified through its strategic planning;

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3. an outline of the key deliverables that DNCL has identified through its business planning.

7 General Expectations

InternetNZ has a set of general expectations that DNCL will:

1. continue to maintain a high standard of corporate governance;

2. timely reporting of critical operating and financial risks to InternetNZ ("no surprises");

3. ensure that there are effective and productive day-to-day working relationships with all other InternetNZ organisations and actively explore and implement ways to achieve greater co-operation and collaboration with these organisations to the benefit of the wider internet community;

4. operate in accordance with InternetNZ's core values – openness and transparency, leadership, ethical behaviour and stewardship.

Appointments Panel for Subsidiaries

Appointments to Subsidiary Boards

Author:	Jordan Carter, Chief Executive
Purpose of paper:	To set out the proposed process for appointments to the boards of InternetNZ subsidiary companies for those appointments due in July 2014, and to ask the Appointments Panel to review the relevant policies guiding its work.

Introduction

Each year the InternetNZ Council establishes an Appointments Panel when appointments need to be made to the subsidiary companies owned by the Society (currently DNCL and NZRS).

Last year's agreed Planning Cycle had the Panel established in April, and external appointments finalised in June, with Council representatives on the Subsidiary boards agreed in August (after the composition of Council for the coming year is known).

Reviewing the appointments framework

For a number of reasons it would be timely to do a quick review of the policies applicable to subsidiary Board appointments. These include the following:

- The current InternetNZ Governance Policy document includes a policy on Subsidiary Boards which says its application is limited to the Domain Name Commission Ltd Board. That is, it does not appear the Governance Policy document sets out how appointments to the NZRS Board are made, though my understanding is that the two processes have proceeded in similar fashion.
- A policy called "Nominations and Appointments to Boards" was approved by the Council in October 2007. This policy does not appear to have been repealed, though it is in part reflected in the previously mentioned policy on Subsidiary Boards.
- A number of terms of a number of directors are coming to a close, and so ensuring the policy under which decisions are made regarding their replacements is clear to all involved would seem wise.

Appointments Panel to review framework

A version of the Appointments Panel would be best placed to have a look at the framework, and to start developing the relationships required for making appointments later in the year.

The structure of the panel generally is as follows:

- President

- One other Councillor
- The Chair of the business unit to which appointments are being made, and
- An independent governance practitioner, engaged on a consulting basis.

For this brief review, I recommend the following panel:

- President
- One other Councillor
- Chair of DNCL or nominee
- Chair of NZRS or nominee

This should act as the core of the Appointments Panel for making appointments to the DNCL and NZRS Boards, in each case removing the other board's Chair and including the relevant contracted external party.

The Panel should be asked to review past practice, known current policy, and propose to Council a consolidated policy which applies to appointments to all Subsidiary boards, in time for the Council meeting on 4 April 2014.

There is a good framework in place: the task is a clarifying and consolidating one, not a substantive review and replacement of the policy. Thus no external advice is necessary and the modest work involved can be done quite quickly.

Recommendations

That Council establish the Appointments Panel and for the purposes of a brief review of InternetNZ's appointments framework, its membership as follows: InternetNZ President Frank March, Councillor <_____>, NZRS Chair Richard Currey and DNCL Chair David Farrar.

That Council task this Appointments Panel to review the framework for InternetNZ board appointments, and propose a consolidated policy for this purpose to the Council by Friday 21 March 2014.

That Council further task this Appointments Panel with commencing the appointments processes for DNCL and NZRS such that there will be appointments ready to be made by the Council at its meeting on 6 June 2014, noting that for this work it may need to split into appropriately separate Panels including the governance member.

That the President recommend to Council on or before 14 March 2014 a suitable independent governance practitioner to function as part of the Appointments Panel , for Council consideration and subsequent adoption by evote.

Jordan Carter
Chief Executive

3 February 2014

Chief Executive's Report

Chief Executive's Report

Author: Jordan Carter, Chief Executive

Purpose of paper: Report for the two months to 31 January 2014

Introduction

This report from the Chief Executive conveys critical risks or other risks Council should be aware of, my priorities in the period since the December Council meeting, planned priorities for the period from now until the end of April 2014, staffing and contractor issues, premises matters, and other matters.

Separate papers, which are "For Information" papers, are attached:

-       Operations Update to 31 January 2014
-       Travel Reports (Frank March, Jordan Carter, Ellen Strickland)
-       The financial report for the nine months to December 2013

As always, feedback from Councillors or members on the content of this report is very welcome.

1:   Critical / Other / Potential Risks

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

We enter 2014 in a much more positive situation regarding the activity of the Coalition for Fair Internet Pricing – this is now largely a watching brief.

We are currently under-resourced in terms of the broader work programme due to the period between Susan Chalmers' departure and the arrival of the Work Programme Director. This is being mitigated by careful prioritisation of work; use of Susan on contract to continue key pieces of work; and some additional focus on my part on policy and issues work.

The announcement of a possible Internet Party, and the involvement of some people associated with InternetNZ in various ways, reinforces the fact that in this election year, Internet issues are likely to have political salience. This increases the importance of InternetNZ having a stable, transparent and robust position and being able to project it clearly and effectively into the national debate when required, while maintaining a staunch

independence from all political parties. Our position is and must remain that we work on a wide range of issues in helping keep the Internet open and free; policy is only a part of that work, and interacting with political parties only a small part of that.

2:   Recent Priorities

Operating team
The work that has been done by the operating team is summarised in the Operations Update, along with the second outing of our "traffic light" style indicators. Of particular note have been the following matters:
- Successful production of the NZNOG for 2014, with big thanks to Krystal and Dean for their leadership on the event and programme side of things.
- Presentation of InternetNZ's revised mission and vision to members.
- Ongoing work on the website and identity renewal
- Council by-election to replace Nat Torkington
- View of first draft of the economic study we are progressing with Google
- Preparation of a Communications Strategy and plan to guide comms work
- More advanced discussions in Christchurch regarding NetHui*South*
- Preparation for the changes to our Wellington premises, with NZRS moving to Level 14 and the space on level 9 being shared between DNCL and InternetNZ.

Chief Executive
Since the December meeting of the Council, and aside from general work, I have been focused on the following issues, generally in descending priority order:
- Attendance at the OECD ITAC meetings (worthwhile but not as a stand-alone attendance)
- Preparation of high-level business plan for the coming year
- Media training (first session) done in early December
- Conducting recruitment for a replacement for Susan Chalmers
- Further progress on internal staff policies

The Christmas break was much needed for me and for the whole team, and people are back refreshed and ready to tackle 2014.

Planned priorities identified by me for focus in the previous report that have not progressed as expected are as follows (same as in previous report):

Area not progressed	Explanation
Team alignment and culture workshop	Rescheduled to next March or April
Launch of Auckland premises	Handover delayed due to fitout and ongoing discussions re lease
Governance policies	CEs availability and focus on more immediate issues has deferred this

3:   Priorities for the next three months

For the period February 2014 to April 2014, the following main priorities are being pursued.

Operating Team
- Complete implementation of Community Funding review
- Engage members on Business Plan ideas and finalise Bus Plan and Budget for April Council
- Completion of the 2013/14 Business Plan initiatives
- Tying down Strategic Partnerships for the 2014/15 year, and presenting these to Council
- Exploration of requirements for hosting of APRICOT 2016, through attendance at APRICOT 2014 in Kuala Lumpur (note new venue – moved from Thailand)
- Further detail on NetHui*South* now likely for May
- Policy engagement and PDP refresh completed
- Participation in a range of other IG events (ICANN 49 in Singapore; Brazil meeting)

Chief Executive
The following are my planned broad areas of focus in the February-April period.
- **Induction of Work Programme Director:** making this role work is critical to my ability to perform my role. As such I intend to spend the time and effort required to build the right relationship with and structures for the WPD as they come on board.

- **Business Plan 2014/15:** I want our business plan and the strategy underpinning it to be sharp, easy to comprehend and relevant to the situation – ready for signoff at the April meeting. This will include a team retreat in March to fill out the detail and start the business year on the right footing.

- **Identity and brand:** completing this project with the team and presenting the new look and feel.

- **Team resources:** as part of business planning & induction of the WPD, we'll assess any ongoing gaps in the team and ways to resource these.

- **Governance policy:** at this meeting we'll discuss the Policy Development Process at a high level. From that will flow ongoing work for the April and June meetings to consider.

Besides these priorities, a number of smaller projects will be advanced as time allows:
- Launching our new Auckland premises and associated partnerships, as a "welcome back" style event most likely in April
- Attendance in APRICOT 2014 and ICANN Singapore as part of the Internet Governance workstream
- Translate the outcomes of the Identity Review into InternetNZ practice

I particularly welcome Council feedback on my priorities, and on any other matters that need to be picked up and advanced.

4:   Staffing and Contractor matters

Interviews for the Work Programme Director are likely to be all day on 13 February, with a result shortly after that.

Mary Tovey will be away from 13 February for up to six weeks. Arrangements have been made to cover all critical accounting and reporting functions in her absence. Any queries regarding accounting matters should come to me in the first instance.

Ellen Strickland is in the final phases of completing her PhD, due to be handed in 28 February. We all wish her the best in the horrible final month of thesis writing.

Susan Chalmers completed her employment as Policy Lead in December, and commenced a part time engagement with us as a contractor on 7 January. Her initial areas of focus are copyright law and drafting a submission on the Harmful Digital Communications Bill. She is also monitoring some international lists for us.

5:   Premises

With the lease signed and project developed, changes are under way at Grand Arcade Tower. NZRS has moved upstairs to Level 14, and this week sees the beginning of works to move the walls on Level 9 to accommodate InternetNZ and DNCL on that floor.

I have decided to have our team work from home for the duration (max time Wed 5th – Fri 14th Feb); it will be an interesting test case of how people deal with the absence of office interaction and of the suitability or otherwise of home work stations.

6:   Other matters

- I will attend the Australian Digital Alliance forum in Canberra on 14 February, drawing information about the Australian copyright debate into our own work on the pending NZ copyright review and speaking as a panellist on innovation and copyright.
- Frank has approved my participation in a course on strategic leadership in May, which I expect will have positive impacts on the structure of our strategy setting process for September. I will report back to the June Council on the course and its lessons.
- I have no matters of concern to raise regarding the subsidiaries. The three Chief Executives are working well together.

Jordan Carter
Chief Executive

3 February 2014

Operating Report to Council: to 31 January 2014

Introduction

This paper sets out the Goals in the Business Plan, and notes the transformations under each goal. Then a table sets out the key Business Plan activities that apply for each goal, with a column at the end showing progress year-to-date. A final table for each goal notes progress that the team has been making in this goal area in the period 1 December 2013 to 3 1 January 2014.

Status of current activity is marked as follows:

☺   In progress (Good)   😐   In progress (Satisfactory/Issues)   ☹   In progress (Problems)

√   Finished   ✚   Yet to start

Feedback on this layout is very welcome.

Goal 2: Protect and promote the Internet through multistakeholder Internet Governance

2.1	Debate on Internet Governance is largely framed by governments and the ITU	→	Debate on Internet Governance is largely framed by Internet stakeholders.
2.2	NZ Government is an ally of the open Internet	→	NZ Government is a principled ally of the open Internet
2.3	Shallow multistakeholderism is evident in the Internet Governance world	→	Multistakeholderism is firmly embedded in the Internet Governance world

To help bring these transformations about, the following main activities are planned:

	Activity	Transformation/s	Priority	Status
2A	Gain and maintain representation on the Internet Governance Forum Multistakeholder Advisory Group and participate in global, regional and trans-Tasman Internet Governance Fora.	2.1, 2.3	A	☺

	Activity	Transformation/s	Priority	Status
2B	Maintain appropriate involvement within the ICANN At Large constituency	2.1, 2.3	B	😊
2C	Promote best practice across all Internet Governance institutions InternetNZ participates in	2.1-2.3	A	😊
2D	Map the Internet Governance ecosystem and understand clearly InternetNZ's role in it	2.3	B	✚ Jan-Mar 14
2E	Complete review of International Strategy and develop principles for international engagement	2.1-2.3	B	😐 Principles to do
2F	Develop relationships across NZ Govt to impart the importance of the Open Internet and thereby contribute to NZ's official position on Internet Governance issues in international fora, such as the World Telecommunication Policy Forum and other International Telecommunication Union meetings.	2.2	B	😊
2G	Assess InternetNZ's own use of "multistakeholder" approaches and develop these further	2.3	B	✚ Jan-Mar 14
3H	Parliamentary Internet Forum – continue to develop and grow this new institution	2.1, 2.2, 3.3	A	😊
2I	Consider joining W3C to participate in web standards debates e.g. DRM in HTML5	2.3	C	😊
2J	Create a New Zealand working group to contribute to the Internet and Jurisdiction project.	2.1, 2.3	C	✚ Not progressing
2K	Develop an easily understood explanation of what "multistakeholderism" means	2.1-2.3	A	✚ Jan-Mar 14

Goal 2 Matters to report 1 Dec 2013 to 31 Jan 2014:

- On-going participation in MBIE's Radio Sector workgroup - which feeds into ITU (RH).
- Participation in At-Large Board Evaluation Selection Committee for ICANN Board Seat 15 (2B & 2C) (ES)
- NetHui South as multi-stakeholder event being advanced with Canterbury/Christchurch stakeholders as community owned event. (ES)
- Participation in ISOC CEO Induction and ICANN Meetings Strategy workshop (KD)
- Participate in the OECD's ICCP week and contribute through ICCP to ongoing OECD development (JTC)
- Contribute to Nominating Committee process for technical community representation in Brazil meeting and 1net (JTC)
- Continued ongoing liaison with key targeted MPs including arranging times for meeting with Peter Dunne (DC)
- NetHui 2014 holder site put in place (DC)
- Nethui 2014 communications plan developed (DC)

Goal 3: Drive universal access to the Internet

3.1	Growing take-up of Internet access across New Zealand	→	Complete take-up of Internet access across New Zealand
3.2	Patches of digital exclusion	→	Complete digital inclusion
3.3	Policy sometimes understands the Internet	→	Policy generally understands the Internet
3.4	Access regulation is telco-focused	→	Access regulation is Internet-focused
3.5	NZ mainly dependent on one trans-Pacific cable	→	NZ international connectivity is resilient

To help bring these transformations about, the following main activities are planned:

	Activity	Transformation/s	Priority	Status
3A	Contribute to solving any barriers to UFB and RBI uptake	3.1, 32	A	☺

	Activity	Transformation/s	Priority	Status
3B	Use the review of the TSO to generate debate on what level of broadband Universal Service might be needed	3.1, 3.2	A	☺ Govt side delays
3C	Develop a map or analysis of drivers of / evidence of digital exclusion and options for solving this, perhaps in partnership with the 20/20 Trust	3.2	B	20/20
3D	Develop working groups and input as needed to help respond to new legislative proposals	3.3, 3.4	A	☺
3E	Shape the review of the Telecommunications Act so it supports the spread of affordable high speed broadband	3.3, 34	A	☺
3F	Working with partners, assess network resilience options for NZ's international connectivity.	3.5	C	✚ Jan-Mar 14

Goal 3 Matters to report 1 Dec 2013 to 31 Jan 2014:

- On-going "copper tax" campaign, in relation to the Government's review of the Telecommunications Act in conjunction with other affected parties. (RH, JC, DC, MW - others)
- Submission to Commerce Commission in respect of the Final Pricing Principle Determination - in particular the issue of backdating (RH, DC).
- Development of "solutions" to Copper Tax issue for input into anticipated future Telco Act Review Discussions (RH, JC)
- Continued discussion with Commerce Commission / MBIE on competition issues in regard to second allocation of the 700 MHz spectrum (RH).
- Discussion of options for future TSO -may well be minimum change before election (RH)
- Follow up on submission to the Productivity Commission review of regulatory institutions and practices (RH)
- Research with 2020 on Digital Exclusion (3C) progressed. Expected completed by End of Financial Year. (ES)
- Working with IITP as partner on pilot student training on Designing for Disability project. (ES)
- Met with Chorus GM Corporate Affairs to look at possible solution to Copper Tax issue (DC)
- Gave speech to Comm2Comms group on working on media strategy when you're a charity (DC)
- Harmful Digital Communications bill submission being prepared (SC)
- Network Neutrality paper still under way (DP, JC, ES)

Goal 4: Catalyse gains from the Internet

4.1	NZ is missing out on prospective gains from widespread Internet use	→	NZ is benefiting from more gains from widespread Internet use
4.2	Public services: use of the Internet is variable	→	Public services: use of the Internet is high and rising
4.3	Economic benefits of Internet use are unclear	→	Economic benefits of Internet use are widely understood
4.4	No particular sectoral focus in benefits analysis	→	Choose some relevant sectors for focus of benefits analysis

To help bring these transformations about, the following main activities are planned:

	Activity	Transformation/s	Priority	Status
4A	Complete review of Community Investment to include some focus on shared gains of the Internet.	4.1-4.3	A	☺
4B	Seek to understand and share emblematic stories of gains available	4.1	B	☺ First: econ rep't
4C	Work with central Government agencies to create an Unconference focused on helping the public sector develop better use of the Internet (could focus on best practice sharing, or IPv6 diffusion)	4.2	B	✚ Jan-Mar 14
4D	Develop the 2012 studies on the economic impact of the Internet and follow up with further research	4.3	C	☺
4E	Partner with other interested organisations to share stories and conduct analysis	4.1, 4.3, 4.4	C	☺ Ongoing

Goal 4 Matters to report 1 Dec 2013 to 31 Jan 2014:

- On-going contribution towards Productivity Commission investigation into economic benefits of the Internet/ICT sector - initial report released 28 January (RH)
- Joint contract with Google to review of the economic impact of the internet in four key sectors - draft report reviewed (JC, RH)
- Communications work with 2020 on stories of gains in community (DC, ES)
- Community investment implementation progressed (ES, MR, MT)
- Cloud Computing privacy paper being finalised (SC, JC, external contractor)

Goal 5: Better adoption of new Internet technologies & best practice

5.1	IPv6 adoption satisfactory in New Zealand	→	IPv6 adoption good in New Zealand
5.2	Best practices shared in a patchy way	→	Best practices widely shared
5.3	UFB / RBI architecture telecommunications-led	→	UFB / RBI architecture Internet-led
5.4	Technical ecosystem partly developed	→	Technical ecosystem well-supported

To help bring these transformations about, the following main activities are planned:

	Activity	Transformation/s	Priority	Status
5A	Continue supporting the IPv6 Task Force	5.1	B	🙂
5B	Explore possibility of a new whole-of-government policy re IPv6 use	5.1	A	😐 Under way
5C	Conduct an assessment of operator-focused best practice use and diffusion in the New Zealand Internet	5.2	A	✚ Jan-Mar 14

	Activity	Transformation/s	Priority	Status
5D	Continue supporting NZNOG as a community, and expand relationships with other technical bodies as appropriate	5.2	B	😊
5E	Run INTAC (Internet Technical Architecture Conference)	5.2, 5.3	A	√
5F	Identify and resolve any gaps in Internet focused architecture or standards in RBI/UFB environment	5.3	A	✚ Jan-Mar 14
5G	Continue developing InternetNZ's understanding of the technical ecosystem in New Zealand and how it can contribute to supporting its growth and depth.	5.4	B	😐 Under way

Goal 5 Matters to report 1 Dec 2013 to 31 Jan 2014:

- Review of submissions and MBIE report back relating to the Radio Spectrum 5 year Outlook - InternetNZ submission features predominantly in the MBIE report back (RH)
- Initial discussion with community at NZNOG regarding the shape of technical work in 2014/15 and form of InTAC in 2014 (DP, JC)
- Successfully contribute to NZNOG '14, through programme contribs and event production (KW, DP)

Goal 6: Greater sharing of information about the Internet

6.1	Information about the NZ Internet is dispersed and hard to find	→	Information about the NZ Internet is available through InternetNZ
6.2	InternetNZ stances on issues internally available	→	InternetNZ stances on issues publicly available and easily accessible
6.3	Information we provide is sometimes audience-specific	→	Information we provide is often audience-specific

To help bring these transformations about, the following main activities are planned:

	Activity	Transformation/s	Priority	Status
6A	Develop and seek sector support for an annual "State of the Internet" report	6.1	A	✚ Jan-Mar 14
6B	Prepare an FAQ for the InternetNZ website that answers common queries and points to commonly requested sources of information, and additional info on our views and on the sector.	6.1, 6.3	A	☺
6C	Use the opportunity provided by the website information architecture review to develop new content that helps achieve the transformation	6.1-6.3	B	✚ Jan-Mar 14
6D	Develop a new Policy Development Process that includes how we share and advance information and ideas as part of the broader work we do	6.2, 6.3	A	☺
6E	Broaden the general communications effort to include more audience-specific or audience-friendly versions of, for example, policy submissions	6.3	B	☺

Goal 6 Matters to report 1 Dec 2013 to 31 Jan 2014:

- Continuously monitoring the queries received via phone/email and identify the topic/subjects that receives a lot of queries - e.g. ISPs, cyberbullying, etc. (AW, MR)
- Internet Research Funding Round underway, with communications and dissemination criteria included (ES)
- Blog post written and published that sets out new vision and mission and hosted on front of website (DC)
- Revised Website will provide clearer info – project to develop is progressing (DC)

Goal 7: A recognised high-performing organisation

7.1	Focus of operation is sometimes internal, detail-centric	→	Focus of operation is mostly external, big picture-centric
7.2	Tends towards reacting to others' imperatives	→	Tends towards proactive leadership based on the Objects
7.3	Stakeholders not clear on purpose, variable views of performance	→	Stakeholders clear on purpose, see organisation as high-performing
7.4	Brand and identity is not clear	→	Brand and identity is clear
7.5	Charitable status is not clearly understood internally	→	Charitable status is clearly understood internally
7.6	Systems, processes and policies poorly defined and shared	→	Systems, processes and policies clearly defined and shared
7.7	Respective roles of governance and operations unclear	→	Respective roles of governance and operations clear

To help bring these transformations about, the following main activities are planned:

	Activity	Transformation/s	Priority	Status
7A	Improved internal organisation & culture to deliver outward focus	7.1, 7.2	A	☺
7B	Review InternetNZ's identity, purpose and brand to bring clarity	7.3-7.5	A	☺
7C	Develop internal systems and processes, implement these and review mid 2014	7.6	B	☺
7D	Stakeholder analysis and research to improve understanding of perceptions	7.3	A	☺
7E	Proactive outreach to key stakeholders about InternetNZ role	7.3	B	☺
7F	Operations team training & discussion on respective roles of operations and governance	7.7	A	✚

	Activity	Transformation/s	Priority	Status
				Jan-Mar 14
7G	Ongoing governance training for Council and relevant staff	7.7	B	☺

Goal 7 Matters to report 1 Dec 2013 to 31 Jan 2014:

- Worked with design company on brand change including new look and feel, and new logo (DC)
- Worked with Mark Blackham on further identity work (DC)
- Drafted communications strategy setting out work plan in the communications space (DC)
- Ongoing work on internal policies and procedures to improve organisational effectiveness (JC)
- Leading change to a more proactive approach to our work (JC)

Goal 8: Members

8.1	Unclear reasons to join	→	Clear reasons to join
8.2	Some understanding of member needs	→	Good understanding of member needs
8.3	Limited involvement with work	→	Wide involvement with work

To help bring these transformations about, the following main activities are planned:

	Activity	Transformation/s	Priority	Status
8A	Initiate discussion with Council about membership model into the future	8.1-8.3	A	✚ Apr 14

8B	Clarify and improve explanation of what people want to join InternetNZ for	8.1	B	✚ Jan-Mar 14
8C	Conduct revised version of annual Membership survey	8.2	B	√
8D	Develop and implement a new Policy Development Process, which will include setting out involvement of members in policy work	8.3	B	☺

Goal 8 Matters to report 1 Dec 2013 to 31 Jan 2014:
- By-election for Council position held (team)
- Improved identity and clearer mission and vision presented to members, to widespread positive feedback (JC, DC)

Goal 9: Stronger relationships with key partners

9.1	Stakeholder engagement unstructured	→	Stakeholder engagement comprehensive & strategic
9.2	Individually owned	→	Organisationally owned
9.3	Partly managed	→	Fully managed

To help bring these transformations about, the following main activities are planned:

	Activity	Transformation/s	Priority	Status
9A	Map InternetNZ stakeholders and develop a strategic framework for our relationships with them	9.1	A	☺ Under way

	Activity	Transformation/s	Priority	Status
9B	Develop better systems to maintain information about stakeholders and contacts	9.2	A	☺ Under way
9C	Ensure all key stakeholder relationships are with multiple people in each organisation	9.2	B	☺
9D	Effective management of all key relationships – more planning, more reflection	9.3	B	☺
9E	Make individuals responsible for management of relationships with named key stakeholders	9.3	B	☺

Goal 9 Matters to report 1 Dec 2013 to 31 Jan 2014:

- Testing a new CRM system called "Insightly" to test its functionality. (ES, MR)
- Strategic stakeholder framework being developed in tandem with CRM, and related to Communications Strategy. (ES)
- Strategic Partnerships being discussed and proposals for renewal of partnership evaluated with four current partners. (ES)
- Attended Surveillance, Copyright and Privacy conference in Otago and met with key academic and issue related stakeholders (ES)
- Working on model to map stakeholders to show influence and reach (DC, ES)

Other Matters not covered by the Business Plan

Matters to report 1 Dec 2013 to 31 Jan 2014:

- November Financial reports (MT)
- December QE Financial reports for consolidation to Curtis McLean (MT)

- Work with NZRS and Catalyst re fit-out of level 9 (MT)
- Liaise with NZRS, and lawyers on the Deed of Lease for the 14th floor (MT)
- NZITF Annual report to Curtis McLean for audit review (MT)
- Provide secretariat support services to NZNOG for conference (MT)
- Monthly Financial reports for DNCL (MT)
- Develop and present audit timetable to stakeholders for approval (MT)
- Follow-up with BDO on the interim audit reports, and audit arrangement for INZ and DNCL, and distribute report (MT)
- Recast budget for inclusion into Business Plan for Feb Council meeting (MT)
- Update Audit and Risk on outstanding AP, to present to Council in February (MT)
- Provide Fund Manager reports to Investment Committee, albeit late (MT)
- Meetings with Ellen and Maria on the Community Grants implementation (MT)
- Meetings etc to ensure continuity of agreed Financial services, whilst I am away (MT)
- Managed the process for the Council By-election (MR)
- Stage-2 assessment for the Internet Research Funding Round is in progress (ES,MR)

Jordan Carter

3 February 2014

Financial Report: to 31 December 2013

Author: Jordan Carter, Chief Executive

Purpose of Paper: To provide an update on the financial performance of InternetNZ.

Commentary to the Accounts

As at December 2013, InternetNZ had a loss of $337,155, against a budgeted loss of $645,646, reflecting a variance of $308,491. Detailed commentary on variances follows.

There follow a number of attachments with further information for Council:

- A - The profit and loss statement
- B - A chart showing net income, actual against budget
- C - The balance sheet
- D - Information about the spread of assets across institutions
- E – Managed Invested Funds, balance per month and chart
- F - A chart showing cash in bank, actual against forecast
- G - The cash flow forecast to March 2014.

Income variances

The income variance of $45,710 exists due to the additional cash in excess of reserves ($98,319) being recognised and paid from the 2012/13 financial year-end from NZRS, less the $50,000 reduction to November's dividend payment. The remaining $2,648 under budget is due to lower that budgeted Corporate Membership renewal and less Interest Income due to budget split.

Expenditure variances

Major areas of difference are:

- Recruitment is over by $39k due to recruitment costs for the new chief executive. Miscellaneous staff costs, casual and temporary costs, along with contracted technical services, are over by $21k, while the following budgets lines are under by $65k: staff training, KiwiSaver, wages and salaries, and contractor costs, net result being remuneration is $5k under.

- Operating costs are $25k over budget, of which accounting fees, advertising, conferences, general office expenses, honoraria, repairs and maintenance, and international travel/transition, are all under budget. The following budget lines are over budget: consultants, governance training, legal fees, meetings costs, R & M software, subscriptions, telecommunications, international and national travel, and website updates and hosting.

- Workstreams are under budget by $218k, and will likely absorb the operating costs variance by year end.

- Overhead costs are under budget by $38k, due to the delay in the occupation of the Auckland office.

- Community Funding expenditure (noted in the accounts as "Sponsorship" currently) is under budget by $27k, due to the budget being allocated as per expenditure last year, timing will rectify this.

Other Expected Major Budget Variances

As previously reported total recruitment costs are expected to be over budget, due to the Chief Executive, Communications Lead and Work Programme Director recruitment.

Council will receive a verbal report on the total costs of involvement in the Coalition for Fair Internet Pricing.

As advised in the letter from NZRS dated 29 November 2013, there will be a reduction in dividend payments in 2013/14, of $50k in Nov and $400k in Feb 2014.

Depreciation costs are expected to be over budget by approx. $11k, as we depreciate the fit-out costs in the Wellington office over the remaining life of the current lease.

Condensed Income and Expenditure Report
Actual v Budget
As at 31 December 2013

	YTD Actual $	YTD Budget $	Variance $
Income – total	**2,290,498**	**2,244,788**	**45,710**
Expenditure			
Council & Members	177,166	230,800	-53,634
INZ Operations	1,581,272	1,545,350	35,922
Work Streams	574,456	792,700	-218,244
Grants	294,759	321,584	-26,825
Expenditure - total	**2,627,653**	**2,890,434**	**-262,781**
Net Income	**-337,155**	**-645,636**	**-308,491**

Expenditure Report
YTD Actual v Budget
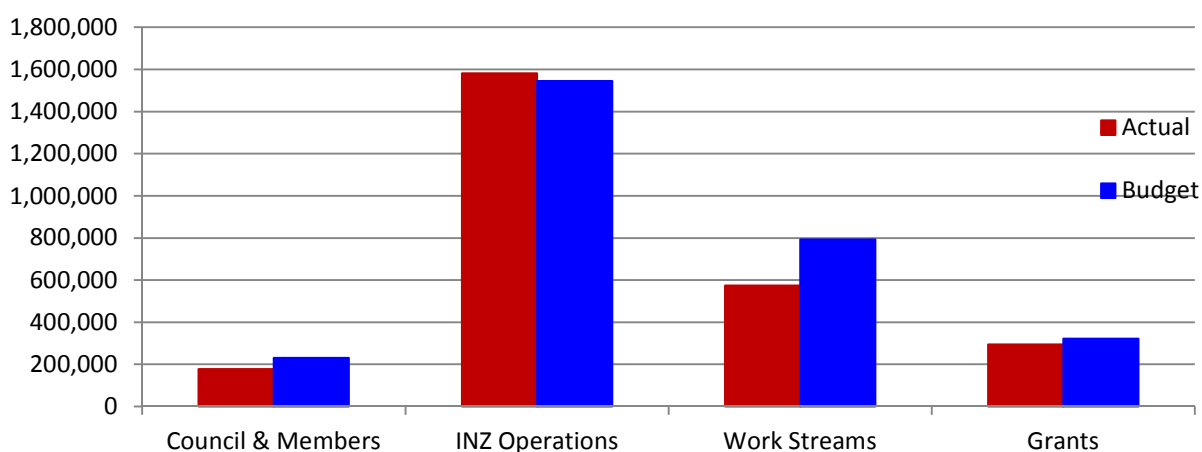
**InternetNZ
Profit and Loss Statement
As at 31 December 2013**

	Apr - Dec 13	Budget	$ Over Budget
Ordinary Income/Expense			
Income			
500 · Operating Income			
530 · Shared Group Services	155,430.00	155,430.00	0.00
542 · Membership - Corporate	3,300.00	4,500.00	-1,200.00
546 · Membership - Individual	4,328.57	4,290.00	38.57
Total 500 · Operating Income	163,058.57	164,220.00	-1,161.43
580 · Investment Income			
583 · Dividends	2,099,637.00	2,051,318.00	48,319.00
586 · Interest	27,802.38	29,250.00	-1,447.62
Total 580 · Investment Income	2,127,439.38	2,080,568.00	46,871.38
Total Income	2,290,497.95	2,244,788.00	45,709.95
Expense			
600 · Remuneration			
601 · ACC Levy	2,811.33	3,610.00	-798.67
625 · Miscellaneous Staff Costs	8,111.04	3,091.00	5,020.04
630 · Recruitment	65,082.48	26,300.00	38,782.48
635 · Staff Training	6,861.04	12,375.00	-5,513.96
651 · Wages & Salaries			
651-01 · Kiwi Saver - Employer Cont	10,717.73	20,288.00	-9,570.27
651 · Wages & Salaries - Other	560,949.31	590,891.00	-29,941.69
Total 651 · Wages & Salaries	571,667.04	611,179.00	-39,511.96
653 · Wages - Casual & Temporary	22,624.09	13,050.00	9,574.09
654 · Wages - Contractors	175,481.31	195,020.00	-19,538.69
655 · Contracted Technical Services	34,505.78	27,755.00	6,750.78
Total 600 · Remuneration	887,144.11	892,380.00	-5,235.89
800 · Operating Expenses			
801 · Accountancy Fees	6,904.95	24,000.00	-17,095.05
805 · Advertising & Marketing	3,688.41	10,044.00	-6,355.59
808 · Audit Fees	1,060.00	1,100.00	-40.00
809 · Bank Charges	2,134.26	1,238.00	896.26
811 · Conferences	4,359.26	7,901.00	-3,541.74
813 · Consultants	30,679.50	12,360.00	18,319.50
816 · Depreciation	37,503.00	37,501.00	2.00
817 · Domain Names	488.35	550.00	-61.65
820 · General Office Expenses	26,752.32	37,046.00	-10,293.68
822 · Governance Training	14,069.27	12,360.00	1,709.27
824 · Honoraria	93,135.32	102,636.00	-9,500.68
826 · Legal Fees	37,177.35	17,587.50	19,589.85
829 · Meeting Costs	62,045.63	48,541.00	13,504.63
835 · Postages & Couriers	2,033.16	3,089.00	-1,055.84
851 · Repairs and Maintenance	2,945.55	6,180.00	-3,234.45
853 · R & M - Software	4,613.99	1,350.00	3,263.99
855 · Printing & Stationery	14,997.28	15,500.00	-502.72

860 · Subscriptions	22,917.33	19,315.00	3,602.33
870 · Telecommunications	54,354.16	47,250.00	7,104.16
872 · Travel & Accom - International	128,489.43	97,953.00	30,536.43
873 · Travel & Accom - National	72,348.93	56,705.00	15,643.93
874 · Travel & Accom - Int'l Trans			
874-1 · ICANN	26,221.21	47,000.00	-20,778.79
874-5 · IGF	48,878.81	52,000.00	-3,121.19
874-7 · ITU	11,855.19	23,500.00	-11,644.81
874-9 · Technical Int'l Transition	17,339.03	20,000.00	-2,660.97
Total 874 · Travel & Accom - Int'l Trans	104,294.24	142,500.00	-38,205.76
885 · Web Site Updates & Hosting	8,530.01	7,356.00	1,174.01
Total 899 · Workstream	574,455.94	792,700.00	-218,244.06
Total 800 · Operating Expenses	1,309,977.64	1,502,762.50	-192,784.86
900 · Overheads			
915 · Cleaning Costs	8,098.09	11,250.00	-3,151.91
933 · Electricity	11,816.55	13,275.00	-1,458.45
950 · Insurance	7,644.60	7,483.00	161.60
975 · Rent Paid	107,410.30	140,397.00	-32,986.70
980 · Security	802.74	1,302.00	-499.26
Total 900 · Overheads	135,772.28	173,707.00	-37,934.72
995 · Other Items			
857 · Sponsorship	294,758.55	321,584.00	-26,825.45
Total 995 · Other Items	294,758.55	321,584.00	-26,825.45
Total Expense	2,627,652.58	2,890,433.50	-262,780.92
Net Ordinary Income	**-337,154.63**	**-645,645.50**	**308,490.87**
Other Income/Expense			
Other Income			
1000 · Special Dividends			
1010 · Special Dividends - Interest	120,871.77	2,250.00	118,621.77
Total 1000 · Special Dividends	120,871.77	2,250.00	118,621.77
Total Other Income	120,871.77	2,250.00	118,621.77
Other Expense			
1900 · Special Dividend Exp-Overhead			
1940 · Council Approved Expenditure	16,131.25	25,000.00	-8,868.75
Total 1900 · Special Dividend Exp-Overhead	16,131.25	25,000.00	-8,868.75
Total Other Expense	16,131.25	25,000.00	-8,868.75
Net Other Income	104,740.52	-22,750.00	127,490.52
	-232,414.11	**-668,395.50**	**435,981.39**

Net Income
YTD Actual/YTD Budget
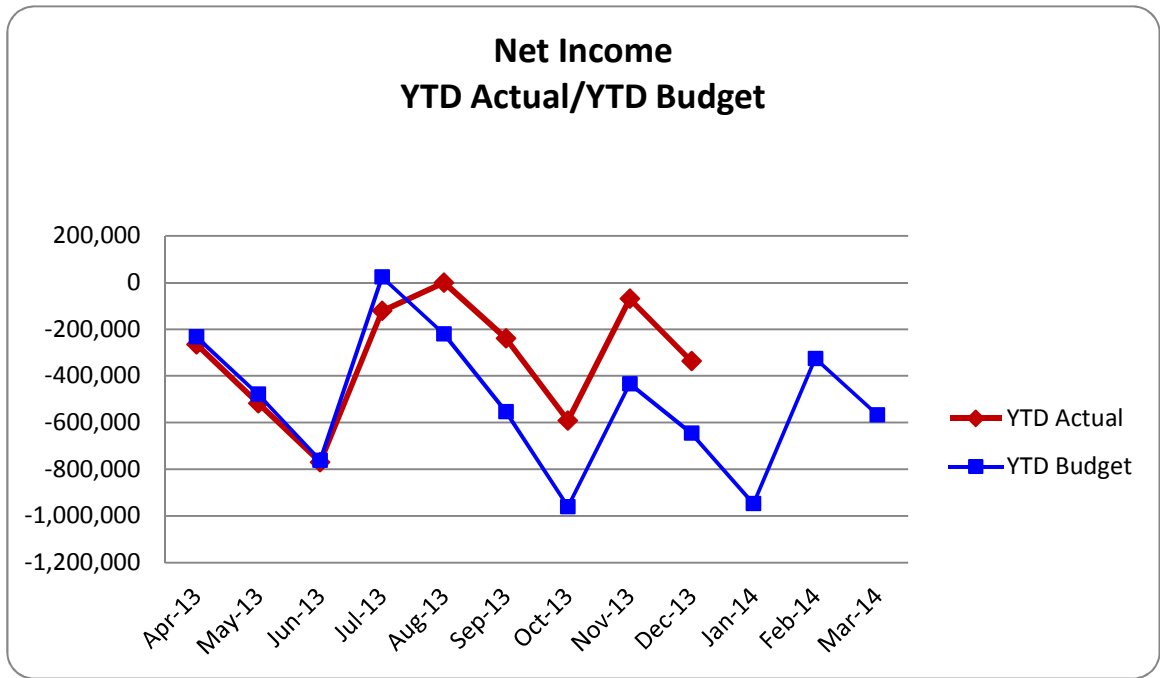
Attachment C

InternetNZ
Balance Sheet
As at 31 December 2013

	December 31, 13
ASSETS	
Current Assets	
Cheque/Savings/Term Deposits	
Total Cheque/Savings/	1,502,717.03
Term Deposits-Special Dividends	
Total · Term Deposits-Special Dividends	2,584,934.63
Petty Cash	400.00
Total Cash	4,088,051.66
Investment Funds	
GMI Investment	528,378.00
Milford Asset	536,156.40
Total Investment	1,064,534.40
Other Current Assets	117,251.79
Total Other Current Assets	117,251.79
Total Current Assets	5,269,837.85
Fixed Assets	
Total Fixed Assets	318,235.18
Other Assets	
Ordinary Share Capital	30,000.00
Shares in DNCL	580,000.00
Loan - Hectors World Ltd	162,243.93
Impairment Prov Hector's World	-162,244.00
Total Other Assets	609,999.93
TOTAL ASSETS	**6,198,072.96**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Total Accounts Payable	138,536.00
Other Current Liabilities	
Accruals	35,221.44
Lease Incentives	36,892.54
Payroll Liabilities	28,744.26
Total Other Current Liabilities	100,858.24
Total Current Liabilities	239,394.24
Total Liabilities	239,394.24
Equity	
Retained Earnings	6,191,092.83
Net Income	-232,414.11
Total Equity	5,958,678.72
TOTAL LIABILITIES & EQUITY	**6,198,072.96**

Attachment D: Spread of assets across institutions

Special Dividend Investment Information

Date	Bank	Term	Amount
28/02/2013	BNZ	12 months	81,761
15/07/2013	ANZ	12 months	164,251
24/07/2013	Westpac	180 days	260,334
27/07/2013	ANZ	12 months	104,200
30/07/2013	ASB	6 months	400,000
31/07/2013	ANZ	184 days	200,000
11/11/2013	ASB	12 months	419,006
02/12/2013	Kiwibank	12 months	273,934
12/12/2013	Kiwibank	12 months	681,449
Total $			**2,584,935**

Investment information is recorded separately from the InternetNZ operating reserves as a distinct balance sheet line item, as per the InternetNZ Funds Investment Management Policy Principle 1.

InternetNZ Operating Reserves Investment Information

Date	Bank	Term	Amount
07/02/2013	ANZ	12 months	189,485
07/09/2013	BNZ	189 Days	565,205
19/07/2013	Westpac	182 Days	253,248
Total $			**1,007,938**

Managed Investment Funds Information

Date	Managers	Amount
20/06/2013	GMI	528,378
20/06/2013	Milford	536,156
Total $		1,064,534

Managed Investment funds recorded at market value on 31 December 2013.

	Milford Asset	GMI Investment	Total
Opening	500,000	500,000	1,000,000
Jun-13	502,114	500,515	1,002,629
Jul-13	509,888	503,345	1,013,233
Aug-13	510,190	499,815	1,010,005
Sep-13	517,776	500,933	1,018,709
Oct-13	531,439	513,978	1,045,417
Nov-13	533,477	522,776	1,056,253
Dec-13	536,156	528,378	1,064,534

Investment Funds
Monthly Closing Balances
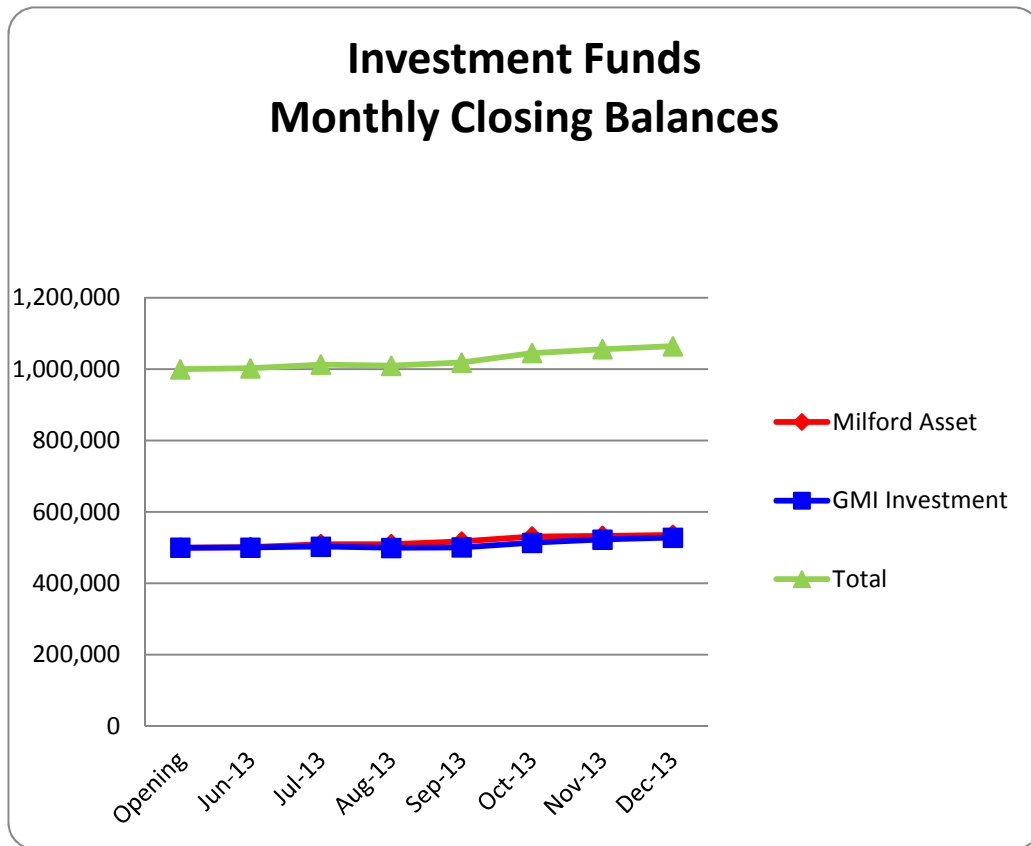
Attachment F – Cash in Bank/Invested actual compared with forecast

Cash in Bank/Invested
Actual/Forecast

Legend:
- Actual
- Forecast
- Budget
- Term Deposits/Invested Funds
- Reserves Policy
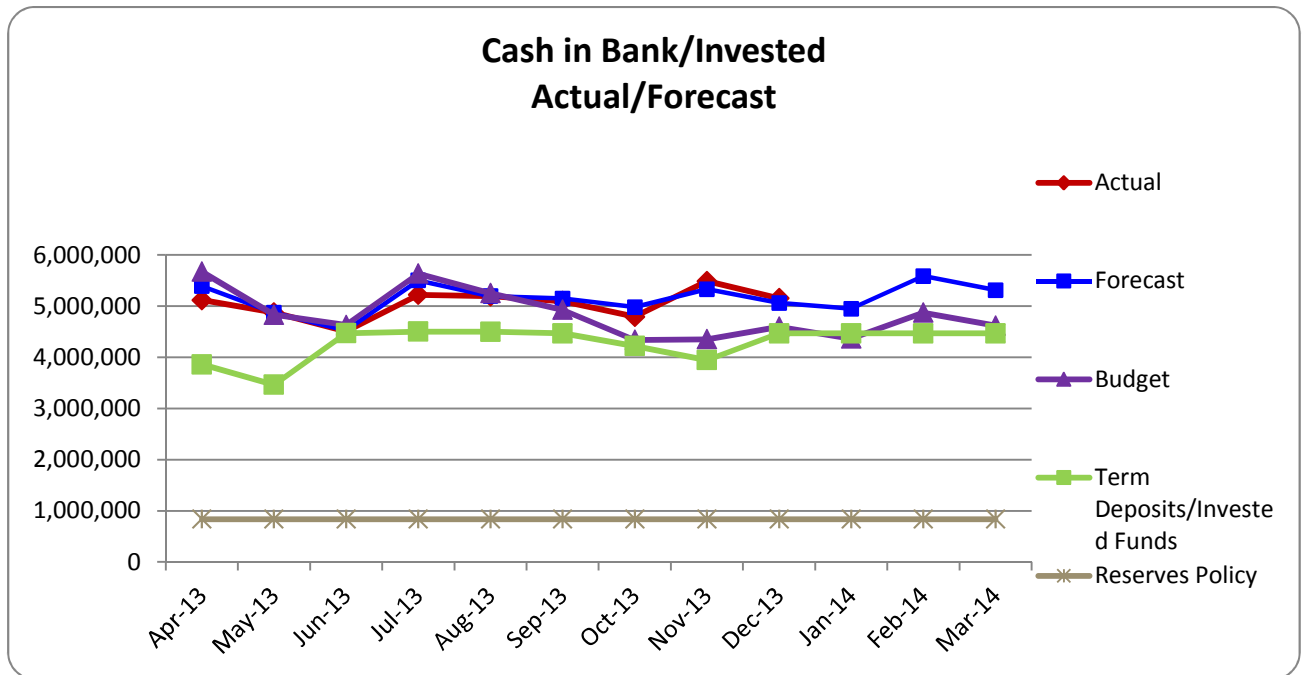
InternetNZ

Cash Flow Forecast

	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
RECEIPTS	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Proj.	Proj.	Proj.	Act/Proj.
Invoiced Sales	73,378	28,867	24,838	20,875	10,644	111,442	16,388	132,015	45,666	7,708	20,461	20,460	512,742
Special Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Dividends Interest	0	2,497	4,757	26,006	-3,227	8,704	25,095	40,668	16,371	0	250	250	121,371
Dividends	0	0	0	983,765	315,872	0	0	800,000	0	0	450,000	0	2,549,637
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Received	3,162	2,399	1,933	3,951	2,392	12,223	606	135	1,003	2,092	2,124	2,118	34,138
Special Dividend Term Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry Payables	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Receivable	6,977	14,655	2,605	31,026	0	2,121	0	0	0	0	0	0	57,384
RWT Received	0	0	0	0	0	0	0	0	0	0	0	0	0
GST	0	67,345	0	57,263	0	52,585	1,236	47,870	0	0	115,259	0	341,558
	83,517	115,763	34,133	1,122,886	325,681	187,075	43,325	1,020,688	63,040	9,800	588,094	22,828	3,616,830
PAYMENTS													
Invoiced Costs	434,308	285,278	335,009	341,966	292,574	235,439	304,322	265,501	327,977	138,816	291,496	239,677	3,492,363
ACC Levies	0	0	0	0	0	3,162	0	0	0	0	0	0	3,162
Salary & Wages	58,225	49,165	50,035	61,305	33,002	36,656	38,895	40,631	58,411	44,908	44,908	44,908	561,049
Investment Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
Sundry Payables	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0	0	0	0	0
RWT	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYE	5,784	25,215	14,820	8,563	21,473	8,839	3,753	20,933	11,171	29,984	14,180	14,182	178,897
GST	0	0	0	0	5,037	0	0	0	0	0	0	0	5,037
	498,317	359,658	399,864	411,834	352,086	284,096	346,970	327,065	397,559	213,708	350,584	298,767	4,240,508
NET CASH FLOW	-414,800	-243,895	-365,731	711,052	-26,405	-97,021	-303,645	693,623	-334,519	-203,908	237,510	-275,939	-623,678
OPENING BANK	5,533,927	5,119,127	4,875,232	4,509,501	5,220,553	5,194,148	5,097,127	4,793,482	5,487,105	5,152,586	4,948,678	5,186,188	5,533,927
CLOSING BANK	5,119,127	4,875,232	4,509,501	5,220,553	5,194,148	5,097,127	4,793,482	5,487,105	5,152,586	4,948,678	5,186,188	4,910,249	4,910,249

Bank Account Balances as per BS	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
ANZ Savings	1,040,124	1,342,523	4,456	605,421	606,942	508,204	108,810	5,261	406,263			
ANZ Current	216,765	70,501	35,514	113,184	88,485	68,415	139,070	1,537,356	88,169			
ANZ Term Deposit	444,418	444,418	644,418	657,935	657,935	657,935	657,935	657,935	657,935			
ASB Term Deposit	1,004,514	1,004,514	809,207	809,207	809,207	809,207	809,207	819,165	819,166			
BNZ Term Deposit	635,671	635,671	635,672	635,672	635,672	648,755	647,142	647,143	647,143			
Kiwibank Term Deposit	871,949	871,919	871,919	871,919	871,919	871,919	871,919	250,010	955,393			
Westpac Term Deposit	905,286	505,286	505,286	513,582	513,582	513,582	513,582	513,582	513,582			
Petty Cash	400	400	400	400	400	400	400	400	400			
Investment Funds	0	0	1,002,629	1,013,233	1,010,005	1,018,709	1,045,417	1,056,253	1,064,534			
	5,119,127	4,875,232	4,509,501	5,220,553	5,194,148	5,097,127	4,793,482	5,487,105	5,152,586	0	0	0

**Report from ICANN/GAC Meeting
and
Associated Discussions**

Buenos Aries, November 2013

Frank March

The 48th ICANN meeting was held from 18 to 21 November 2013 in Buenos Aries. I attended with full financial support from InternetNZ (through Domain Name Commission Ltd (DCNL)), and leave to attend from the Ministry of Business, Innovation and Employment

A version of this report will also be provided to the DCNL Board and to the InternetNZ Council.

I attended the GAC meeting from 16 to 20 November and had a number of discussions outside of GAC meetings.

Governmental Advisory Committee

The GAC Communiqué from the November 2013 meeting may be found at
https://gacweb.icann.org/download/attachments/32637081/FINAL_Buenos_Aires_GAC_Communique_20131120.pdf?version=1&modificationDate=1385056170466&api=v2

1.   New gTLDs:

(i)   .wine, .vin and Geographical Indicators (GI):

The GAC provided extensive advice on the new gTLDs to the ICANN Board at the (46th) Beijing meeting and further advice at the (47th) Durban meeting. Outstanding issues of greatest importance to New Zealand relate to the inclusion of geographical indicators (GIs) in discussions around .wine and .vin.

European countries, coordinated by the EU wanted the ICANN Board to refuse these applications unless stringent GI limitations are imposed. While seemingly somewhat obscure, these applications provide a 'thin end of the wedge' opening for discussion of matters of considerable importance for New Zealand in other fora, notably the WTO and WIPO. (Note that all EU countries including the UK are bound by an EU position on this). For New Zealand, the overall safeguards already recommended for new gTLDs relating to consumer protection and precautions against misrepresentation are sufficient. A substantial number of other GAC members have been attracted to the EU position (notably the Latin Americans) and CITEL has also supported the position (despite opposition within the US and Canadian governments).

In the GAC discussions, only Australia, US and Canada argued alongside New Zealand for the exclusion of GIs but the communique outlines both positions and suggests that the Board "…seek a clear understanding of the legally complex and politically sensitive background on this matter …". It is suggested that individual countries may well make separate representations on this matter to the Board.

(ii)   Branded TLDs (.brands)

A number of companies with a global presence have applied for their own 'house' TLD. Examples are .visa, .toyota, and .mcdonalds. They have jointly approached the GAC asking for approval for a process for applying for the use of country names in the .brand world.

From a New Zealand perspective it would seem appropriate for nz.mcdonalds or nz.toyota to be used as a means of encouraging international trading opportunities. I suggested that a register be established of countries which encouraged such registrations. The alternative of every .brand applicant approaching an official in MBIE for permission to establish a New Zealand brand presence seems cumbersome and unnecessary. Note that newzealand.info has been used privately for many years without causing any concern. It is not clear that the suggestion will be adopted.

 2.   GAC Operating Methods:

A working group has been looking at GAC operations including the need for more timely delivery of papers, better and earlier establishing of agenda for meetings, more timely translation of papers and so on. This work is continuing and will be a major focus for discussion and possible decision making at the next GAC meeting.

The main issue emerging at this meeting for New Zealand was the attitude of the EU block over what was perceived as a small minority of countries preventing GAC consensus advice to the Board on .wine and .vin.   A controversial proposal has been put forward to introduce a voting procedure into the GAC operating principles, allowing for voting and requiring a two thirds supermajority, when consensus proves elusive. Prior to the meeting, I circulated a paper to the GAC opposing the proposal on the grounds that it is not workable, that voting is rare in treaty-based organisations and unknown in non-treaty groups such as the GAC.

This issue will be a major discussion issue at the next meeting in Singapore and will probably come up for decision in at the (50th) London meeting in mid-year.

Other Matters

Internet governance is under close examination across the board. Under the so-called I*Net process, a number of Internet governance organisations including the Regional Internet Registries (RIRs), who are responsible for global allocation of IP addresses, some ccTLD registries, ISOC and ICANN itself have initiated discussions around how multistakeholder approaches can be made to more effective means of tackling the so-called orphan issues: that is, Internet governance issues which are seen as not having a natural home in an existing international or intergovernmental organization.

This, and the controversial role the ICANN CEO has played so far in discussions, took up much discussion time at the Buenos Aries meeting. These discussions will bear close monitoring. Concerns in relation to them include:

(i)   There have been discussions since the Tunis round of the WSIS (WSIS II) about the need for a mechanism for 'enhanced cooperation' over Internet governance issues but just what this would entail has never been agreed.

For some governments this means greater involvement of the UN (or the ITU) in Internet governance issues.

(ii) There is no agreement on what are the 'orphan issues'. In fact there are no issues associated with the Internet which do not have a natural governance home in an existing organisation, although they may not have an appropriate level of priority.

(iii) The role of ICANN is controversial with a strong feeling in the ICANN community itself that ICANN should be involved but not leading the discussions.

(iv) Behind all of the discussions, especially in the light of the Snowden revelations, is a feeling that ICANN (and the Internet generally) is unhealthily dominated by US government and corporate interests. At the same time, any move to loosen these linkages risks putting the global cohesiveness, stability and security of the Internet at risk.

It seems certain that some change in how global Internet issues are managed will happen. The role of multistakeholderism in this needs to be protected through these changes. It seems inevitable that New Zealand both at government and InternetNZ levels will need to continue to be closely engaged.

Next ICANN/GAC meeting

The next GAC meeting will be held in Singapore in March 2013 in conjunction with the 49th ICANN Meeting.

To: INZ Staff & Councillors, Subsidiaries *(For Information)*
From: Jordan Carter, Chief Executive
        Ellen Strickland, Collaboration and Community Lead
Re: ICANN Buenos Aires Travel Report
Date: 17-21 November 2013

TRIP REPORT: ICANN Buenos Aires

The purpose of this document is to provide a report on InternetNZ activities at the ICANN Buenos Aires.

Summary:

ICANN48 was held in Buenos Aires, Argentina from 17 to 21 November and was attended by Jordan Carter, Keith Davidson and Ellen Strickland from InternetNZ Staff, as well as Michael Wallmannsberger from InternetNZ Council.

Below is a summary report for information for Council on the event, including impressions, involvement, takeaways and follow-up actions.

Overall Impressions

Internet Governance issues dominated the general sessions and background discussion, as a follow-on to the announcements at Bali regarding the planning Brazil Internet Governance meeting. The ICANN community seemed somewhat critical of steps to date in trying to facilitate technical community involvement in the debate through 1net. At-Large sessions show a strong policy focus growing, respected by GAC, and the role of At-Large while still debated looks strongly supported by ICANN, in the interests of Internet Users, and likely to grow in voice. The GAC faced some difficult discussions particularly regarding the role of Geographic Indicators relative to domain name matters.

Involvement (who attended what)

Ellen: Focus was on At-Large Constituency sessions, as one of the Asia-Pacific Regional At-Large Organisations (APRALO). Also attend the non-commercial users constituency (NCUC) session, as well as a range of general IG related sessions including on academic engagement with ICANN and the ICANN Academy training course for stakeholders. Attended Board Evaluation Selection Committee (BCEC) meeting as member, having been selected to represent APRALO in managing EoIs and creating slate for the election for Seat 15 of ICANN Board.

Jordan: Main focus was on reconnecting with the ICANN community, from which I had been absent for a number of years, and following / participating in Internet Governance matters as well as some attendance at the ccNSO meeting for part of the week. Also

observed some of the GAC's deliberations, and attended a dinner with Pacific ICANN attendees.

Relevant Takeaways

Ellen: Within At-Large, Whois abuse seems to be an issue we might be interested in and want to review our practices in line with research findings and recommendations. Many other At-Large policy issues on table which I will spend time engaging with, getting my head around, prior to Singapore.

NCUC as an important Civil Society component within ICANN was highlighted, seemed to be a high (perhaps higher) level of experience and knowledge in that group than At-large. Good place to also be involved to assess Civil Society in ICANN roles, perspectives and practices.

Jordan: there may be an institutional need for InternetNZ to have two voices within the ICANN environment - the .nz / ccTLD manager (ably represented by Debbie and Jay, where the INZ CE has a shadowing role) which is technical community; and our broader InternetNZ focus which fits more clearly into the civil society world. Not to draw false distinctions but so that people understand where we are coming from.

Generally speaking once the IG rush passes (i.e. after the first two meetings this year), this will be an event I plan to attend once per year to stay in contact with the ICANN community.

Follow-up

Ellen: Attending BCEC meetings fortnightly/weekly through end of January. Attending monthly APRALO meetings. Confirm NCUC membership and recommend some INZ representatives attend NCUC Singapore Internet Policy and Governance Conference pre ICANN.

Jordan: continued participation in the evolving Internet Governance milieu; observer participation in cross-constituency organising care of Keith; participation where required in community nomination procedures for the technical community.

To: INZ Staff & Councillors, Subsidiaries *(For Information)*
From: IGF Bali Fellows
Re: IGF Bali Travel Reports
Date: 20-25 October 2013

InternetNZ

TRIP REPORT: Internet Governance Forum, Bali

Summary:
InternetNZ provided fellowship funding to up to 4 New Zealanders to attend the Internet Governance Forum (IGF) held in Bali on 20-25 October.

The fellows were required to submit a report in terms of their fellowships and were asked to submit on the following topics:
- general impressions
- sessions attended and topics you found of particular interest
- relevant contacts made
- what you'll be following up on/outcomes and actions
- anything you recommend INZ should follow-up on (people/projects/ideas for NetHui and/or otherwise)

A meeting with Councillors and staff was held in December to discuss the event, which was attended by Alison Stringer and Breccan McLundy.

Alison Stringer

General impressions
I am very grateful to Internet NZ for the opportunity to attend the IFG meeting in Bali. I learnt a lot, made some extremely useful contacts and enjoyed travelling with the other Internet NZ fellows, councilors and staff.

Bali 2013 was a very interesting meeting. Following the Edward Snowden leaks, people have a different view of the internet; particularly about how Governments and private companies are storing, sharing and perhaps misusing personal data.

Professionally, the IGF meeting was extremely useful for me. The biggest win for me is that New Zealand has been asked to support the Open Data Development Partnership (see below for more details), and the project leaders see a role for me in the project.

I had not attended a large international meeting of this type before, so it was interesting and an education in itself to observe the political machinations at the event.

Sessions attended
Pre-meeting on technical standards and metrics measurable impact for multistakeholderism
WS 275: Growth and user empowerment through data commons
WS 303: Internet governance and open government data initiatives
WS 209: An open Internet platform for economic growth and innovation
WS 203: Big data: promoting development and safeguarding privacy
WS 62: How can the Internet be an engine for development and growth

WS 232: Internet Infrastructure and Terminology Explained
WS 308: Privacy and Innovation
WS 41: Developing and effectively using Multistakeholder Principles
WS 81: Multi-stakeholder dialogue: Big Data, social good & privacy
WS 230: Free Software and Human Rights on the Internet
WS 51: Google Open Forum - measuring internet freedom
Open microphone sessions I & II

Topics you found of particular interest
- open data, which quickly crossed over to big data and then into privacy. Mobile data
- open government data development – a new partnership (see follow up actions below)
- mobile data, privacy and the unwitting and perhaps quasi-legal collection of information
- multi-stakeholder (ism), how to do this better and how to measure impact
- An open internet and intellectual property and copyright
- post-Snowden privacy – the world looks different now and we are just starting to see the consequences
- increasing awareness about data permissions and data collection

Relevant contacts made
- Amparo Ballivian: Lead economist, development data group at the World Bank and contact person of Open Data Development Partnership
- Tomo Watanabe: co-founder OKFN Japan
- Paolo Lanteri: WIPO, working the UN adoption of CC licenses
- Linnet Taylor: Researcher, Oxford Internet Institute
- Walrut Ritter: international project coordinator, Open Data Hong Kong

What I'll be following up on

1. New Zealand has been asked to be involved in the Open Data Development Partnership, which is a partnership between the World Bank, the Open Data Institute and the Open Knowledge Foundation. I've been asked to give in-kind or direct financial support for the first meeting of the partnership in Jakarta in March 2014. In kind support is more realistic, as our budgets are getting squeezed.

2. Keep in touch w Tomo Watanabe in Japan re OKFN and CC licensing, Open Government challenges and knowledge sharing.

3. Keep in touch with progress with UN process of adopting CC licenses. I'm particularly interested to see if the UN has made any changes to their ported version and how their changes (if any) may influence the CC version 4 licenses.

4. Sharing IGF session transcripts with the Open Access to information and Open Research/Science Community. They are particularly interested in the privacy, big data, data collection and data sharing issues,

5. Keep in touch with developments on how people are managing issues of data collection (especially mobile data) and privacy concerns.

Anything you recommend Internet NZ should follow-up on (people/projects/ideas for NetHui and/or otherwise)
The discussions on big data/privacy/mobile data made me realise that my communities in New Zealand are not at all prepared for these topics and would have little idea about how to manage

them. Perhaps Internet NZ could run training sessions or similar, perhaps in partnership with other interested organizations.

My main concern with the big data discussions was the focus on the risks and problems, rather than the benefits. While the focus on risk is understandable and necessary at present, the last thing that I want to see happen is for my work in open and transparent government and open access to research work to get caught up in the backlash. Metadata should not be a dirty word! There is a lot of data that isn't personal data, and that can be shared. On the other hand, I think that my communities need to be thinking seriously about how they can better manage issues like data matching and managing private data. Mobile data and particularly mobile location data seem to be sleeping issues.

While these topics might not be new to Internet NZ folk, they certainly are to other communities. Internet NZ can share their expertise and lead discussions to thrash out how we can best manage these important topics.

Breccan McLundy

General impressions
Overall the IGF was worth attending in terms of getting a much better understanding of the international processes which we're working within. I do think events like this should be getting a lot more attention from the general internet-based business community given how likely it is that the seeds of various policies that will define the future of the infrastructure we rely on are likely to occur there.

Generally organisation of sessions was lacking and the event itself needs a more aggressive approach to panel management.

Personally I found it was near the end of the event that I started being recognized enough to be able to strike up conversations easily outside of the main event but that's clearly where a lot of the actual value would come for repeated attendance.

My blog post goes into more detail on ideas from an organisational perspective at http://www.breccan.com/2013/11/adventures-in-multistakeholderism.html (Feel free to link or repost anywhere you feel like).

Sessions attended and topics you found of particular interest
- WS 50 Power of Internet for disaster & environmental control
  Reasonably relevant to New Zealand and included a particularly fascinating look at the examination of disaster response when compiling data from cell-towers through to Honda GPS systems to track people's movement. Possibly has some implication in nz. I believe Hayden Glass has been looking at cell tower data in NZ.

- WS 33: Small Island Developing States (SIDS) Roundtable - The Broadband (Access) Dilemma
  Fascinating session regarding the costs of getting internet access to small countries. Particularly interesting was to see graphs of the dollar cost of going down in the "richer" economies. Broadest takeaway likely in the mooted value of the TV spectrum for service between these islands.

- WS 112 Internet Exchange Points and the Domestic Internet Economy

<u>WS 301 Global Trade, Local Rules & Internet Governance</u>
<u>WS 333 How Internet-Enabled SMEs Reach out to the Global Market</u>
<u>WS 160 Emerging issues for fair trade and taxation of virtual goods</u>
These four talks covered a fair range of the trade and taxation space. There's quite an exciting w3c project beginning to look at standardising web payments. This would be extremely valuable both to facilitate business locally and to utilize international trade as a development path for other nations.

- <u>WS 31 Deepening Stakeholders' activity on Internet Governance</u>
  Session mostly regarding the structure and development of the various African IGF's. Stumbled in somewhat by accident. Most interesting things relate to their problems with limited stakeholder involvement, travel difficulties, and government involvement as their major source of funds.

- <u>Google Open Forum</u>
  Connected with more of the Mlabs staff. Rabid has previously worked with Mlabs on the NZBT project and is currently talking to NZRS regarding next steps for it.

  Some fascinating examples of tracking internet speed in Iran around election time.
  I'm quite hopeful of getting funding into NZBT to track the UFB rollout.

Relevant contacts made
Spent a couple of hours chatting with Pindar Wong on Saturday morning, he looks like an excellent proponent of a more effective IGF. He's also very proud of his NZ passport. He prodded me quite a bit to write up my experiences in a blog post.

What you'll be following up on/outcomes and actions
Blog post and forwarding to a few people (Pindar etc.) Carrying on dialog with the Mlabs people, both for use on NZBT but also prodding them towards having more suitable consumer level applications for countries that would benefit from broader data collection, i.e. countries where there is value in holding ISP's to account rather than ones with hostile governments. Currently looking at the payments space in NZ and suspect the possibility of working with the W3C on better development of payments across borders could be extremely valuable.

Anything you recommend INZ should follow-up on (people/projects/ideas for NetHui and/or otherwise)
Payments is a fascinating space for the internet. Unfortunately it's a little bit dominated by cryptocurrency in current discussion which hasn't solved the problems regarding compliance and taxation.

I'm not sure if I've just been missing it but I suspect getting more engagement from the pacific at things like NetHui could be a valuable broadening of conversation with some of our closest neighbours. Particularly relevant to some of the trade and payments discussions as well.

Don Hollander

If past IGF's highlighted the 'Gaps' that exist in Internet governance issues, this IGF seemed to focus on administration, multi-stakeholderism, and interesting, but tangential, issues that would have felt more at home in a WSIS or in a global version InternetNZ's broader NetHui.

Three substantive threads weaved through the hallways, if not the halls of the IGF. The first was how to further disengage the United States Government from any 'control' of critical Internet infrastructure, the next was how to extend the reach and benefits of the Internet, and the third was the scale of how human rights could be enhanced and restricted by the Internet.

There was much discussion on the recent Montevideo communiqué from the I*Star group of organisations as well as the President of Brazil's address to the United Nations. Some heard what was said, some heard what wasn't said. Is it naïve to consider the proposal to have a concrete review of the governance of the Internet next year in Rio as just that?

Another major productive thread was looking at various ways of extending the reach and benefits of the Internet. These included expanding access channels and venues, supporting e-commerce, making use of the Internet in times of natural disaster and, among other things, leveraging the unique nature of ccTLDs to reflect their local nature.

There seemed to be an inordinate amount of discussion of the IGF itself and nearly as much on multistakeholderism and whatever that might mean.

Human rights was the third dominant theme for me, including some celebration of what the Internet has enabled, and many more of how the Internet has been used to oppress people – with the inherent huge scale that the Internet's extensive reach and convergence of technologies can provide. (The condemnation of revelations by Edward Snowden of the scope of the United States spying was only exceeded by the hypocrisy of many of those doing the condemning.)

I took advantage of the opportunities to ask questions and add comments based on my own experiences: as a small e-commerce business operator; as a person quite familiar with the Pacific; and as someone with a bit more than passing knowledge of ccTLDs.

On a personal note, it was nice to catch up with many friends that I had made in the ccTLD and GKP communities from around the world.

I would like to thank InternetNZ and its staff for the very generous support provided to attend and participate in the IGF.

Gary Burns

From the 21st to the 25th of October I was fortunate enough to attend the 8th Internet Governance Forum in Bali, along with Internet New Zealand and selected fellows. It was a formative and, I think, productive time. What follows is a brief report of the event for Council.

General impressions
Hosted in affluent surrounds, the IGF was reminiscent of other international fora such as APEC, yet the composition of attendees differed in that there was sparse government and industry representation. Fitting of course for the multistakeholder approach, and this tended to lend an openness to the sessions, whereby people were able to espouse individual or non-partisan views rather than be constrained by policy lines, common of larger institutions.

This wide array of groups and individuals meant a breadth of subject matter across sessions and a freedom to express one's views. It led to some frank exchanges between US, Chinese and freedom of speech advocates regarding censorship; but also to some surprising unanimity of opinion, for example over the future of copyright. This was refreshing and I think gave great context to many discussions, that there are many voices to be heard when Internet governance is concerned.

That many of these voices could come together to exchange views allowed one to get a sense of perspective of what the issues are, who is concerned about them, and what parties hold influence. If one thing was clear, it was that the issues affect an ever wider public user base.

Sessions attended and topics of particular interest
Of some 16 sessions that I was able to attend, most related broadly to either human rights or technology. As I work in the technology sector I am interested in security and function of the internet, and recently this very technology has had a notable impact on the rights of many people.

The most important regarding technology and security were workshops:
- Technical Community Role in Internet Governance
- Internet Exchange Points
- Network Neutrality
- Emerging Cyber-security threats

On human rights:
- Multi Stakeholder dialogue: Big Data, Social Good & privacy
- Digital rights Protection in Europe and Latin America
- Online Anonymity, freedom of expression & Internet governance.

In general these sessions helped understand what type of governance might be required to ensure technology is steered toward greater social good across existing jurisdictions. Unfortunately for some themes 90 minutes tended to be a very short time frame to permit significant development.

Contacts made
The forum made networking easy, with the freedom to select sessions of interest or advocacy, and many after-hours events. I was able to get to know the entire InternetNZ delegation, other groups from the Pacific region and participants from many other regions.

I attended most sessions alone initially and managed to make several strong contacts along the way. Following my areas of interest I met attendees involved in cyber-security (Citizen Lab, Korean Internet and Security Agency), privacy (academia, Privacy International, PEN) and policy. In particular I was able to meet with people from Latin America where I lived for several years, in particular from Mexico and Chile (Derechos Digitales). Further, it was informative to speak with many from institutions with structural roles in the Internet such as ICANN, IETF, ISOC, etc. It was good to note that New Zealand was well represented in this area and actively involved in the forum.

Throughout these conversations it was good to see a commonality in both recognition of the critical issues surrounding Internet governance, and feasible approaches to potential resolution of these issues.

What I will be following up on
I maintain a professional and personal involvement in Internet governance. Insofar as I can contribute to the discussion I will continue to be an advocate for a free and open Internet. I am a member of several related organisations and maintain a personal blog of which Internet governance is a key theme.

My personal involvement has grown from a purely technical one to a societal one through work in government. Along with many opportunities, the evolution of the Internet imposes challenges with respect to rights and ethics and there is now a lot of space for discussion and organisation around these challenges as they impinge on the lives of a greater number of citizens. Governance is key

among them, and it is important that there is widespread and certainly multistakeholder engagement to ensure an equitable development and use of the Internet and related technologies.

Anything that Internet NZ should follow up on
The New Zealand government has asserted itself as the hegemonic stakeholder with respect to Internet governance in the New Zealand jurisdiction, introducing legislation (GCSB, TICS "Skynet") which has been controversial and arguably contrary to UN Principles of Internet Policy-Making.

Where any particular actor has disproportionate influence in the development or control of the Internet in NZ, InternetNZ itself is well placed to act as advocate and counterpoint in the public interest. Policy and governance should not be purely government-led, but involve civil society and other stakeholders, of which InternetNZ is key.

A strong theme that emerged from the IGF was governance through rights-based criteria, rather than strictly jurisdictional claims. Indeed, recapitulating an aforementioned principle, InternetNZ might: "*Encourage multistakeholder cooperation in policy development processes*"

Further key governance themes from the IGF, both stated in the Principles, and consistent with the InternetNZ tagline are:
- Promote and protect the global free flow of information:
- Promote the open, distributed and interconnected nature of the Internet
- Strengthen consistency and effectiveness in privacy protection at a global level
- Limit Internet intermediary liability

As these implications of these issues in New Zealand now involve the majority of the population there is a need for informed parties to play a strong role in communicating the issues, and organising stakeholders around the policy-making process. I believe InternetNZ will find itself increasingly relevant in this space, which spans technology to human rights.

General impressions revisited.
It was heartening to see a maturity of debate at the IGF and multiple groups are active in defining the future of Internet governance. Conceptual areas of concern are becoming well defined, and there is an immediacy of action given the context of the NSA revelations this year, the Montevideo Statement and the convening of the next forum in Brazil.

Technology has often led the way in terms of standards and best practices, but it appears we are getting closer to universal declarations of rights-based standards also. This has come about precisely by multistakeholderism and its contrast in the recent unilateral assertion of hegemony by nation states. Tension is particularly felt in the areas of:
- freedom of speech, anonymity, censorship
- information flow ("balkanization", net neutrality, surveillance and the "chilling effect")
- the security versus privacy trade-off

It is hard not to reflect upon returning to New Zealand upon how well we may (or may not) be doing in terms of governance. Our policy must reflect both national and supranational concerns as we try to be good stewards of the Internet and ensure a greater good from its consequences. The IGF rightly promotes a multistakeholder approach as a means to achieve this end and there is great opportunity for InternetNZ to lead, and to inspire others in their participation.

Community Funding

Strategic Partnerships Update

Author:	Ellen Strickland, Collaboration and Community Lead
Purpose of paper:	To update Council on progress towards recommendations for Strategic Partnerships in 2014/15, and to update on work being done in the latest period in current 2013/14 Strategic Partnerships.

This paper contains a general update on Strategic Partnerships, including partnership discussions currently underway, with activity update reports from each Strategic partnership organisation included/attached.

Partnership Recommendations for 2014 Onwards

Potential partnerships for 2014 onwards are being worked through, with current partners as the slate for consideration as agreed at the December 2013 Council meeting. All partners were met with by phone in December 2013 and the adopted Partnership Framework was discussed. In person meetings commenced in January to review partnership experience in 2013-14 and discuss options for potential partnerships 2014 onwards.

All partners received the adopted partnership criteria on 28 January when approved by Council. Partners were asked to consider and send feedback and a draft proposal for partnership based on review meetings and these criteria, to then be discussed with InternetNZ Chief Executive and myself.

Discussions are now underway between partners and InternetNZ staff on potential partnerships. Two of the four current partnerships (NetSafe and AUT ICDC) had their key contact person on leave throughout all or most of January, which impacts the timeline of the process.

An update on the status of Partnership recommendations will be presented for discussion at the Council Meeting.

NetSafe

Report from NetSafe on current activities is below for information.

2020 Communications Trust

Digital inclusion research project advanced with two meetings with Barbara Craig and Laurence Zwimpfer, 18 December & 21 January. Project progressing and 2020 to report back in late February on progress, aiming to have draft report by 31 March. 2020 have submitted a draft partnership proposal for discussion.

Report on progress towards 2020 and InternetNZ partnership goals attached.

Creative Commons Aotearoa NZ
Report from CCANZ on progress on existing partnership goals attached.

Institute of Culture, Discourse and Communication, AUT
Professor Allan Bell is working as a member of the Internet Research Funding Round Assessment Committee, as further way of supporting Internet Research through our partnership.

Activity update report from ICDC below.

NetSafe Activity Update Dec 2013-January 2014
The Harmful Digital Communications Bill passed its first reading, and a date has been set for submissions to be received (Feb 21, 2014). We will provide a submission looking at the application of the new laws and the practical requirements to create a high resolution rate. NetSafe is probably the only organisation in NZ (and one of only a handful around the world) that understands how to simultaneously work with law enforcement, the courts, the ICT industry, and consumers to generate positive outcomes. The HDC process can work, but only if the various components are lined up correctly.

The working relationship between the Approved Agency, the Technical Advisors, and the Courts is critical to the process - but little is currently known about the technical advisors.

NetSafe has been engaged with the Government of Tonga who have set up a Cyber Safety and Security Task Force. We are looking to establish and MoU and have already agreed to provide the NetSafe Kit for Schools (Version 4) to Tonga for localisation. NetSafe has been supporting the establishment of cyber safety and security agencies in the Pacific since the mid 2000's but with limited success. Our objective is to help Tonga establish a local version of NetSafe, and for that to become the template for other Pacific Island nations.

NetSafe and Network4Learning Ltd have been working on the development of a content strategy for the N4L services portal. This strategy is based on the Learn:Guide:Protect model of cyber citizenship (developed by NetSafe in cooperation with the education ICT community) which the N4L adopted late last year.

Howard Broad stepped down from the NetSafe Board late last year as he has taken up a new role with the NZ Government that created a conflict of interest. According to the rules of the NetSafe Constitution, the NetSafe Board has appointed a replacement (through to the next AGM). That appointment will be announced shortly.

The Australian Government has released a public consultation paper called "Enhancing Online Safety for Children". The proposals draw on New Zealand's approach, but with a distinctly Australian flavour. The proposals include the establishment of an E-safety Commissioner, the establishment of a content take-down scheme, and a cyberbullying scheme. The most controversial component is the take-down scheme which has already been criticised by members of the ICT industry. NetSafe will be providing a submission on the Australian proposals.

NetSafe has established a formal secondment programme. The programme provides an opportunity for Public Policy, Privacy, and Trust and Safety employees with ICT multi-nationals to work at NetSafe. It gives them the opportunity to see their world through our eyes, and vice versa. The first person to join NetSafe under this scheme will be Connie Chung who manages Trust and Safety for APAC (from San Francisco). She will be joining NetSafe from mid-February and will be here for a month.

<ins>AUT ICDC Update Dec 2013-January 2014</ins>
Analysts have spent January meshing the databases across the four surveys 2007-13, a major statistical task, and these are now ready for us to do longitudinal analyses. Those analyses will be run this month, and we'll be in a position to report highlights to InternetNZ in March.

We've also been piloting with AUT funding two projects – the internet and disability, and a focus group study of people's use of the internet. Those will be further developed over the next period, and we will keep you up to date on them.

Strategic Partnership Progress Report: 12 Feb 2014 INZ Council

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Progress against Partnership Goals and Measures

The 2020 Trust was briefed on InternetNZ's new criteria for strategic partnerships on 21 January and as a result has prepared a paper for Council summarising the Trust's fit with the new criteria.

	Goal	Measures	Progress
1	2020 Computers in Homes (CiH) coordinators understand key Internet issues and are able to discuss these confidently in their communities.	Number of internet issue professional development sessions held at National Computers in Homes Coordinator Group (NCCG) hui. Number of briefs provided by CiH coordinators to relevant stakeholder groups	David Barrow and David Cormack are meeting to discuss ways to collaborate in preparing media for use by CIH Coordinators as part of the strategy discussed at the November 2013 CIH hui. CIH coordinator for Porirua, Tim Davies-Colley, has been recognised as one of 3 finalists in the Local Hero section of the New Zealander of the Year Awards. This provides an opportunity to recognise the work of all coordinators around the country. The winner will be announced on 26 February.
2	InternetNZ policy and other work is strengthened with practical examples of community internet challenges.	Barriers to the uptake and use of the internet are identified and catalogued. Number of examples of community internet challenges that are included in InternetNZ policy work.	The Minister of Housing, the Hon Nick Smith, has acknowledged that the provision of fibre-only internet connections in new Housing Corp developments could be an issue and has recommended this be followed up with officials in HCNZ and MBIE. Initial discussions have already been held, but this looks like Ministerial policy direction will be required. The Chorus/ISP saga concerning confusion over responsibilities for installing copper connections where there is no existing infrastructure (as summarised in our last report) continues. This has yet to be satisfactorily resolved. Census 2013 data was released in December and this has revealed 62,000 households with school-aged children without internet connections. This is an improvement on the 100,000 disconnected households in 2006, but still presents a significant challenge. The 2020 Trust's position is to ramp up the Computers in Homes programme and implement an "Internet in Homes" variant.
3	2020 stakeholder communities engage in InternetNZ events and platforms	Number of community participants in NetHui Number of community entrants in ANZIA Awards	No further developments since December 2013.
4	Identify measures of digital inclusion and available data sources for regularly	Robust indicators are identified for measuring digital inclusion. Assess existing data and identify	Ellen Strickland, Laurence Zwimpfer and Barbara Craig met on 18 December and 21 January to further develop a Terms of Reference for the digital inclusion research initiative.

	Goal	Measures	Progress
	monitoring the extent of the digital/internet divide in New Zealand	gaps. Research programme prepared and mechanisms for obtaining reliable data reviewed Engage with the Department of Statistics and other relevant researchers.	The comments from the Governance Group on 12 November, have been incorporated. The timeframe has been updated to: 28 February 2014: review of available material finalised in consultation with NZ researchers 31 March 2014: Draft report prepared with recommendations for ongoing monitoring 30 June 2014: Dissemination of finding and funding proposals

Other 2020 Communications Trust Updates

The Computers in Homes mid-term report (July 2013 - Dec 2103) is currently in production. Copies may be available for the Council meeting. This report reports progress with the current Computers in Homes and related digital literacy programmes, Stepping UP and KiwiSkills ICDL. As at 31 December 2013, 626 families had graduated, including 64 refugee families; a further 1000 will complete the programme by the end of July 2014.

The Trust has launched a new pilot initiative in collaboration with Dick Smith to assist families in Computers in Homes schools get access to BYOD computers and tablets. Up to 15 schools and 250 families will be participating in a pilot programme using the Trust's Automatic Payment scheme to help families fund mobile internet-connected devices for their children. We have been approached about developing another variant of our Computers in Homes programme that focuses on getting internet connections in homes (providing internet access for portable devices).

Hutt City has re-launched the library Stepping UP programme, starting on 10 February. We are expecting Palmerston North and Whangarei libraries to also continue, with other regions joining during the year.

With the renewal of the ICDL Licence for New Zealand from 1 December 2013 for two years, the Trust is making a serious effort to scale up the programme. We have started by restructuring the programme delivery and focusing staff efforts with revised position descriptions. The demand for digital literacy programmes such as ICDL is widely recognised. The challenge is to get this recognised by Government in its mainstream tertiary and ACE funding programmes.

InternetNZ Strategic Partnership:
Brief Update from Creative Commons Aotearoa New Zealand
26 November to 24 January

Workshops
CCANZ will provide at least thirty tailored open licensing workshop, twenty in the compulsory education sector and ten in the research sector. CCANZ has also agreed to make fifteen regional trips and attend at least five conferences.

As of 24 January: Due to the school and university calendars, CCANZ did not hold any additional workshops during this period. To date, CCANZ has provided twenty-seven open education workshops and nine open research workshops. CCANZ has made eleven regional trips – to Dunedin, Christchurch, Nelson, Hamilton (twice), Auckland (four times), Tauranga and Whangarei. CCANZ has presented at the SLANZA (School Libraries), PPTA, NZACDITT (Technology teachers) and ULearn conferences.

Total attendance at CCANZ sessions and workshops funded by InternetNZ totals approximately 1244—excluding two all-school assemblies—for an average of approximately 35 attendees. Including both assemblies, the InternetNZ funded CCANZ sessions provided during this period total approximately 2044 attendees.

By 31 March: CCANZ will provide at least three more open research workshops. CCANZ will speak at the Science Communicators conference and will also have a stand at Cognition Education's 'Education Festivals' in Auckland, Wellington and Christchurch in late March. While the focus of CCANZ's outreach activities to schools will be the three events, outlined below, CCANZ is likely to provide at least two additional schools workshops during this period.

Resources
CCANZ will design, print and distribute at least 2000 'Introduction to Open Research' brochures, 2000 'Copyright and Open Licensing for Researchers' booklets; and 5000 'Creative Commons Policies in Schools' brochures.

As of 24 January: CCANZ has printed 4000 'Open Access in Aotearoa' booklets, which have been distributed to every university library and several polytechnic libraries. 5000 'Creative Commons Policies in Schools' brochures have also been printed, and 500 have already been distributed to schools. The Open Research brochures were not deemed necessary.

By 31 March: CCANZ will distribute 2000 more 'Policies' brochures.

Events
CCANZ will organise two half-day open education events for school leaders in Auckland and Wellington.

By 31 March: CCANZ will hold three large open education events in Auckland (at the Auckland Museum), Wellington (at the Royal Society of New Zealand) and Christchurch (at Middleton Grange school). The events will feature lightning presentations from:

- Andrew Matangi, Consultant, Buddle Findlay and CCANZ Legal Team
- Stephen Lethbridge, Principal, Taupaki School
- Keitha Booth, Programme Leader, NZ Open Government Information and Data Programme and CCANZ Advisory Panel
- Carolyn Stuart, Education Sector Lead, Network 4 Learning
- Ian Munro, Senior Advisor SMS, Ministry of Education
- Mark Osborne, Core Education
- Matt McGregor, Public Lead, Creative Commons Aotearoa New Zealand.

The events will also feature brief, pre-recorded introductions from:

- Cable Green, Director of Global Learning, Creative Commons
- Wayne Mackintosh, UNESCO-College of Learning Chair of OER at the OER Foundation at Otago Polytechnic and CC NZ Advisory Panel

Other Activities:

- Mix & Mash 2013 concluded in early December. The winners can be found at www.mixandmash.org.nz

- We will attend the NZ On Air board meeting on 4 February, to speak to our response to the 'Online Rights' discussion paper.

- We are developing support materials for heritage institutions to use when speaking with donors.

- We are developing discussions papers in open research and open heritage, to be published in mid-2014.

- We are continuing to redesign our website, as we seek to emphasise our discrete project areas.

- The Media Text Hack, an open textbook project led by Erika Pearson with funding from Creative Commons International – via CCANZ – is currently being edited, looking forward to semester 1, 2014.

- We have hired three interns, with skills in writing and editing, design and legal research. They are producing a range of resources.

Beyond 31 March 2014

The grass-roots outreach activities supported by InternetNZ have succeeded in raising the profile of Creative Commons licensing in New Zealand schools and research organisations; they have also generated momentum towards open access and open licensing policy outcomes.

Looking beyond the current funding agreement, the challenge for CCANZ will be to use this momentum to produce concrete policy outcomes within both the compulsory and tertiary education sectors. These are two quite different challenges.

1. *The compulsory education sector*

Here, the task is largely unchanged. CCANZ will continue to build on relationships with larger partner organisations in the sector – from government and non-government – to both promote and legitimise CC policy adoption.

This will involve continuing to expand our current outreach activities, while improving and expanding the range of resources. The combination of strong grass-roots support and support from partner organisations should ensure that the uptake of Creative Commons licensing in the compulsory education sector increases markedly in the next eighteen months.

2. *The research sector*

While our resource production and outreach activities have succeeded in raising awareness about open research in New Zealand, the movement towards open access is more complicated and contentious than that of the compulsory education sector.

As a result, the next step for CCANZ is to produce an informational and organisational hub, with the primary aim of substantially increasing the network of academics and librarian advocating for open access to scholarly publishing. Working with university libraries, CCANZ will need to build an online home for information, commentary and discussion about OA, modelled on similar projects in Australia. CCANZ will use this site to build a core team of open access advocates, initially through the university libraries, who can support the project in their respective institutions, which will in turn energise our other grass-roots efforts.

ENDS

Community Funding

Author:	Maria Reyes on behalf of Grants Committee
Purpose of Paper:	Information on community funding decisions

Budget update

Budget for 2013/14 financial year: $ 500,000

Balance of budget left: $ 27,000

On-demand Grants
At the December Council meeting, it was noted that the on-demand grants had reached the limit set in the Budget. Council agreed that on-demand grants be suspended until the next financial year, when a new budget has been allocated (RN 126/13).

Unallocated funds
InternetNZ awarded Richard Best $20,000* in April 2013 as one of the successful recipients of the Policy and Legal Research Round. Unfortunately, Richard advised that his research is no longer going ahead and had formally withdrawn his application.

With the $20,000 now added back to the community funding budget, we would like to seek Council's approval to transfer this amount to the current Internet Research Round in addition to the $60,000 that has been allocated for this funding round.

There is a good field of applicants in the round, and since provision had already been made in the previous financial year for this sum, we regard this as better value for money than alternatives e.g. allowing this money to be used for more on-demand grants.

Please note that this amount was from the 2012/2013 budget, but was only awarded to Richard Best in April 2013.

Recommendation

That Council approve the transfer of the $20,000 unused funds from the Policy & Legal Research Round to the Internet Research Funding Round.

(DRAFT) Terms of Reference for the Grants Committee

Constitution

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

Objectives

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

Membership

The Committee shall consist of three Councillors who have, between them, relevant skills and experience, including funding programme management, understanding of community organisations and prospective partners, and general due diligence experience.

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

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

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

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

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

Attendance

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

The CE of InternetNZ or his/her delegated staff member, and the Committee Secretary shall normally attend meetings of the Committee but shall not be members of the Committee. Other staff may be invited to attend meetings at the discretion of the Committee.

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

Meetings

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

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

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

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

Minutes

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

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

Responsibilities

The Committee generally oversees InternetNZ's community funding programme. It is responsible for making decisions or recommendations relating to community funding applications that have been processed and come with advice from the staff.

The role for the Committee (decision or recommendation) is set out specifically in the detailed framework that applies to each particular Funding Round or type of community funding available, as agreed by Council from time to time.

The duties of the Committee are to:
   • Make decisions when required to do so by the framework for a particular Funding Round or type of community funding.
   • Make recommendations when required to do so by the framework for a particular Funding Round or type of community funding.
   • Sit as an expanded Assessment Committee including external experts, when required to do so by the framework for a particular Funding Round or type of community funding.
   • Maintain a general overview of the community funding programme, and help generate ideas for its ongoing development and improvement.
   • Provide advice to the staff and the council in the development of proposed Funding Rounds.

Council Policies

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

Other Matters

- Consider any other matters referred by Council.

Authorities

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

<summary table to be provided>

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

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

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

Reporting

After each Committee meeting, the Chair shall report the Committee's findings and recommendations to Council. Generally this is done by circulation of the Committee's draft notes.

Unless directed by the Chair, the notes of all committee meetings shall be circulated to Councillors, the Chief Executive, and to such other persons as the Committee directs.

Communication

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

Review

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

Date: 4 February 2014
Status: Draft to Council for decision on 12 Feb 2014

Group Financials

(For Information / Discussion)

Internet New Zealand
Consolidated Financial Statements
For the Quarter Ended 31 December 2013

Internet New Zealand
Table of Contents
For the Quarter Ended 31 December 2013

Internet New Zealand
Exclusion of Liability Statement
For the Quarter Ended 31 December 2013

We have compiled the Financial Statements comprising Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cash Flows of Internet New Zealand.

A compilation is limited primarily to the collection, classification and summarisation of financial information supplied by the client. A compilation does not involve the verification of that information.

We have not carried out an audit or review engagement of the Financial Statements and therefore neither we nor any of our employees accept any responsibility for the accuracy of the material from which the Financial Statements have been prepared. Further, the Financial Statements have been prepared at the request of and for the purpose of the client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.

Curtis McLean Limited
Chartered Accountants
Wellington
30-Jan-14

Internet New Zealand
Consolidated Income Statement
For the Quarter Ended 31 December 2013

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income	2,065,523	6,170,568	52,215	163,059	2,055,118	6,133,939	383,968	1,150,904
Other Income	0	0	0	0	0	0	0	0
Dividends Received	0	0	800,000	2,099,637	0	0	0	0
Interest Received	165,879	386,544	83,876	148,674	78,247	225,860	3,756	12,010
Total Income	2,231,402	6,557,112	936,091	2,411,370	2,133,365	6,359,799	387,724	1,162,914
Less Expenses								
Direct Expenses	336,076	913,999	0	0	710,044	2,035,903	0	0
Other Expenses	2,045,527	5,365,828	967,939	2,643,784	714,390	1,901,871	415,008	975,603
Total Expenses	2,381,603	6,279,827	967,939	2,643,784	1,424,434	3,937,774	415,008	975,603
Net Profit (Loss) Before Tax	(150,201)	277,285	(31,848)	(232,414)	708,931	2,422,025	(27,284)	187,311
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	(150,201)	277,285	(31,848)	(232,414)	708,931	2,422,025	(27,284)	187,311

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

These Financial Statements have not been reviewed or audited and should be read in conjunction with the attached Exclusion of Liability Statement

Internet New Zealand
Statement of Movements in Equity
For the Quarter Ended 31 December 2013

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	9,806,483	9,378,997	5,990,527	6,191,093	3,367,942	2,954,485	448,014	233,419
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	(150,201)	277,285	(31,848)	(232,414)	708,931	2,422,025	(27,284)	187,311
Less:								
Dividend Paid	0	0	0	0	800,000	2,099,637	0	0
Closing Equity	9,656,282	9,656,282	5,958,679	5,958,679	3,306,873	3,306,873	1,000,730	1,000,730

Internet New Zealand
Balance Sheet
As at 31 December 2013

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	13,411,673	4,088,052	8,253,411	1,070,210
Other Current Assets	888,820	31,945	840,695	16,180
Total Current Assets	14,300,493	4,119,997	9,094,106	1,086,390
Property, Equipment & Software	1,127,445	318,235	799,003	10,207
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	1,064,534	1,674,534	0	0
Total Assets	16,492,472	6,112,766	9,893,109	1,096,597
Less Liabilities:				
Deferred Income	6,288,536	0	6,288,536	0
Trade and Other Payables	547,654	154,087	297,700	95,867
Total Liabilities	6,836,190	154,087	6,586,236	95,867
Net Book Value of Assets	9,656,282	5,958,679	3,306,873	1,000,730
Represented By:				
Total Equity	9,656,282	5,958,679	3,306,873	1,000,730

Internet New Zealand
Statement of Cashflows
For the Quarter Ended 31 December 2013

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	1,891,270	6,449,087
Interest Received	165,879	386,544
Total Received	2,057,149	6,835,631
Cash was distributed to:		
Payments to Suppliers and Employees	2,006,799	5,625,876
Total Payments	2,006,799	5,625,876
Net Flows From Operating Activities	50,350	1,209,755
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	134,252	611,760
Advance to Hector's World	0	0
Managed Funds	45,825	1,064,534
Net Cash Flows From Investing & Financing Activities	(180,077)	(1,676,294)
Net Increase Decrease in Cash & Cash Equivalents	(129,727)	(466,539)
Plus Opening Cash	13,541,400	13,878,212
Closing Cash Carried Forward	13,411,673	13,411,673
Closing Cash Comprises		
Cash & Cash Equivalents	13,411,673	13,411,673
Cash Flow Reconciliation		
Net Profit (Loss) After Tax	(150,201)	277,285
Plus (Less) non cash items		
Depreciation	181,570	735,606
Subtotal	31,369	1,012,891
Movement in Working Capital		
(increase) decrease in receivables	205,591	362,297
increase (decrease) in payables	(12,357)	(443,952)
increase (decrease) in deferred income	(174,253)	278,519
Net Cash Flows From operations	50,350	1,209,755

Consent Agenda items:

Minutes of the last meeting:

6 December 2013

(For Information)

MINUTES OF COUNCIL MEETING

Status:	Draft
Present:	Frank March (President), Jamie Baddeley (Vice President), Donald Clark *(video)*, Amber Craig, Neil James, Hamish MacEwan, Dave Moskovitz, Nat Torkington, Brenda Wallace, Michael Wallmannsberger, Lance Wiggs, Richard Wood
In Attendance:	Jordan Carter (Chief Executive), Maria Reyes (minute taker), Debbie Monahan (Domain Name Commissioner), David Farrar (DNCL Chair), Richard Currey (NZRS Chair), Jay Daley (NZRS CE), David Cormack (InternetNZ Staff), Ellen Strickland (InternetNZ Staff), Susan Chalmers (InternetNZ Staff), Keith Davidson (InternetNZ Staff), Mark Blackham (Blackland PR)
Meeting Opened:	The President formally opened the meeting at 10.45am.

1. Apologies
Council received apologies from Dave Moskovitz and Brenda Wallace, who were both arriving late in the meeting due to another appointment.

2. Declaration of Councillors interests
Councillors were reminded to provide written confirmation of any changes to the register to office@internetnz.net.nz.

Nat Torkington advised that he is now an employee of Hapara.com

David Cormack and Mark Blackham joined the meeting at 11am.

3. Identity Review Outcomes
The President invited the Chief Executive to speak to his paper and the presentation on the identity strategy. Jordan summarised his paper and went through the Identity Strategy presentation, noting that the work is based on previous Council discussions and research on the opinions of stakeholder and the public.

Jordan also gave an overview of the timeframe and budget for this project and advised that subject to Council decisions regarding resources, the aim is to have the website refresh in place by the end of March 2014.

Council raised some questions around the solutions identified in the paper but commented that although further developent is always possible, overall the proposal marks a significant clarification and improvement in the coherence of InternetNZ's identity.

Mark Blackham left the meeting at 11.35am

Council took a 5-minute break.

Dave Moskovitz joined the meeting at 11.47am

4. Vision and Mission

There was a brief discussion on the Mission and Vision statement and one comment was that the Mission statement could be shortened and simplified. The President summarised the discussion saying that the proposed Mission and Vision are not perfect, but are good enough for now and that Council can review these again at future meetings.

David Cormack mentioned that having a confirmed & agreed Vision and Mission in place will be helpful in drafting the Communications Plan for InternetNZ.

Dave Moskovitz volunteered to be involved in the work around the Mission and Vision.

RN 111/13:   That Council adopt the Vision and Mission.

(President/Vice President)
CARRIED U

5. Review of Objects

Jordan introduced the draft text, noting that he has tried to capture the essence of the current Objects and the nature of the discussion during the strategy retreat in September.

Council went through and discussed each Object and agreed to make some revisions to the draft text.

Due to time constraints, the President suggested to put the discussion around the Objects on hold and continue with the other agenda items first. Council agreed and decided to come back to this discussion again towards the end of the meeting.

Brenda Wallace joined the meeting at 12.21pm

Council took a lunch break at 12.24pm and reconvened at 12.45pm

David Farrar, Debbie Monahan, Richard Currey, and Jay Daley joined the meeting at 12.45pm

Council went into committee between 12.45pm to 1.35pm.

Keith Davidson joined the meeting at 1.35pm

6. .nz Framework

David Farrar, Chair of DNCL, gave a brief summary of his paper. He advised that this review of the .nz Framework is not designed to review the structure of .nz, but rather is designed for two things – to bring together the decisions already made since 2002 regarding how the framework

operates and in doing so identify any gaps; and secondly to identify what the roles and responsibilities are for the subsidiaries and Council within the framework.

Council agreed to proceed with the work but noted that Council should be kept in the loop – e.g. through email reports.

Nat Torkington left the meeting at 1.48pm

RN 112/13: That Council establish a Working Group to review and clarify the management framework for the .nz top level domain as set out in the paper, ask it to proceed according to the timetable set out in the paper, and keep Council informed.

(President/Cr Moskovitz)
CARRIED U

Nat Torkington returned to the meeting at 1.55pm

7. Subsidiaries Reports

NZRS 2nd quarter financial report
Council raised some questions around the insourcing of the operational IT provision and core software development. Both Jay Daley (NZRS CE) and Richard Currey (NZRS Chair) responded to these questions and explained the costs and the process involved in this project.

DNCL 2nd quarter financial report
David Farrar gave a brief summary of the report. There were no further questions received from Council.

Joint .nz 2nd quarter financial Report
In respect of the .nz joint report and the www.getyourselfonline.co.nz website, the point that was raised was whether there was more information that could be provided. It was noted that the information had been added in at a late stage following a request and that NZRS would be looking at how to present more on this for future reports.

RN 113/13: That the NZRS 2nd quarter report be received.

RN 114/13: That the DNCL 2nd quarter report be received.

RN 115/13: That the Joint .nz 2nd quarter report be received.

(President/Cr Wallace)
CARRIED U

8. Statement of Expectations (SoE)

Council considered the paper from the CE and the need to update the Statement of Expectations documents to mention the registrations at the second level project. It also discussed whether NZRS's SoE should include expectations around the insourcing of the operational IT provision and cores software development.

Sign-off and approval of the SoEs for 2014-2015 will be done at the February 2014 Council meeting.

RN 116/13: That Council agree that the Statements of Expectations be amended for next year by incorporating the need to allow registrations at the second level in .nz, and to reflect other matters agreed at this meeting, with final drafts to be presented in February 2014.

(President/Cr MacEwan)
CARRIED U

David Farrar, Debbie Monahan, Richard Currey, and Jay Daley left the meeting at 2.19pm

Ellen Strickland and Susan Chalmers joined the meeting at 2.10pm

9. Internet Governance Update

Jordan advised that the point of this discussion is to flesh out what needs to be done in the coming year when attending forums on Internet Governance. He gave an overview summary on what is currently going on internationally and what possible impacts it could bring to New Zealand – e.g. ITU, ICANN, WSIS+10 and so on. Keith added to the report and all were available for questions.

The key point to note is that in 2014 there is a big focus on IG reform leading up to the ITU's plenipotentiary meeting in October, where decisions will be taken that could reduce the role of multi-stakeholder governance in the Internet's development. As such, there will be a greater than usual involvement of INZ staff and contractors in the international sphehre.

Council took a short break between 234pm and 2.49pm

Susan Chalmers and Keith Davidson left the meeting at 2.34pm

10. Chief Executive's Report

Jordan gave a brief summary of his report and highlighted a few key points including staff changes and his priorities for the December-February period.

Operations Update

Council raised a question around the Chief Executive's workload and whether there is a need for getting someone to provide some support to the CE. Jordan advised that this issue is being addressed and that a recruitment process is about to begin to fill a 2IC role.

Policies for development

Jordan spoke to his paper and advised that the purpose of this is to seek Council's agreement to the list of internal management policies that must be developed and in placed by 31 March 2014. These were largely agreed, with a few suggested changes. He also noted that the February 2014 meeting will see a similar paper on governance level policies.

Planning Cycle

It was noted that when Jordan sends the minutes to Council, he will now include any outstanding action points as well as a paper summarising items for decision (i.e. critical issues) for the next meeting. This paper will include high level thinking about the approach, so Councillors can start thinking about issues early.

RN 117/13: That Council receives the Chief Executive's report.

RN 118/13: That Council approves the suite of internal policies (as amended) as those required to be developed by 31 March 2014.

(President/Vice President)
CARRIED U

RN 119/13: That Council receive the September 2013 financial report from the Chief Executive.

(President/Vice President)
CARRIED U

11. Community Funding

Jordan gave an overview on the changes made on the Community Funding Review Implementation Plan and asked Council if there was any question or comments regarding the changes.

He also advised Council that the budget for the on-demand grants has now been exhausted and seek for Council's decision whether to suspend this funding for now, or to allocate additional funds for the on-demand grants. Council agreed to put the on-demand grants on-hold until a new budget is allocated for the next financial year.

Council had a brief discussion on the proposed criteria for the Strategic Partnerships Framework and discussed whether to have a multi-year term for the partnership to allow flexibility. Some suggested changes and improvements to the criteria resulted.

Donald Clark left the meeting at 3.15pm.

Michael Wallmannsberger left the meeting at 3.30pm.

RN 120/13: That Council approve and adopt the revised timeline set out in the paper.

RN 121/13: That On-demand Grants (agreed to be permitted in RN91/13) be available up to a limit of $5,000 through the standard one-stage assessment process as set out in the October Council paper; and that any exceptional application over $5,000 should go to Council through the Grants Committee for consideration.

RN 122/13: That Council adopt the proposed Strategic Partnership framework and timeline for partnership development, to commence in 2014 for the 2015-16 financial year onwards – subject for the criteria being revised and agreed by an evote.

RN 123/13: That Council adopt the proposed interim process for current Strategic Partnerships, to be conducted over the next few months.

(President/Cr Moskovitz)
CARRIED U

RN 124/13: That Council agree the current four Partners as the slate to which the interim process will apply.

RN 125/13: That Council note the decisions made regarding community funding requests since the October Council meeting.

RN 126/13: That Council approves the suspension of the on-demand grants from now until the next financial year.

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(President/Cr Moskovitz)
CARRIED U

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Michael Wallmannsberger returned to the meeting at 3.34pm

Ellen Strickland left the meeting at 3.33pm

12. Budget 2014/15

Jordan gave an overview of the 2014/15 Budget and advised Council that the income will be lower than anticipated due to the dividends from NZRS forecast in the March 2013 Statement of Direction and Goals being not met in 2013/14, and likely also in 2014/15. The paper proposed that InternetNZ should maintain the planned spending, funding this from retained earnings. There will be ample time to reduce budget scope and spending commitments if ongoing funding reductions are likely.

RN 127/13: That Council approves for 2014/15 an operational budget limit of $3.584 million and a capital budget limit of $120,000.

RN 128/13: That Council note the advice in the paper regarding the downside risks to income in 2014/15, and agree in principle that should income turn out to be lower than expected, the operational and capital budget limits will be maintained, with funding to come from retained earnings.

RN 129/13: That Council agree to review the Budget in conjunction with the 2014/15 Business Plan at its meeting in February.

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(Cr Wiggs/Cr Wallmannsberger)
CARRIED U

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AP 33/13: Jordan to calendar at the end of January or start of February a meeting for the Investment Committee to look at InternetNZ's investments and funds.

13. Group Financials

RN 130/13: That the 2nd quarter ended 30 September 2013 consolidated group financial statements be received.

<div align="right">

(President/Cr Wiggs)
CARRIED U

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14. Review of Objects (continued)

Council continued their discussion around the revision on the proposed draft Objects and the revised proposed Objects are as follows:

a. To more fully understand the Internet and its impact on society through research and analysis.

b. To involve, support and engage members and others, and to build connections among them and with the local and global Internet community, to sustain a community of stakeholders and interests that work together in open and inclusive ways to shape the Internet's ongoing development.

c. To bring New Zealand interests and perspectives to bear in shaping the Internet's development at a regional and global level, and to share information and understanding gained at those levels with the local Internet community.

d. To inform the public and all who have an interest in, or make decisions regarding, the Internet's development by sharing information and analysis regarding the Internet's nature, the benefits it can offer, and the impact it has on society.

e. To act on behalf of the Internet community and users, bringing their ideas forward in debates on the Internet's development, and in so doing to promote the maximum possible participation in the Internet and benefit to society.

f. To defend against any threats which emerge to the Internet and its multi-stakeholder governance model as an open and uncapturable platform for innovation and change.

g. To manage the .nz country code Top Level Domain in the spirit of public good.

RN 131/13:   That Council approve the proposed draft Objects as a first draft, deeming them in principle appropriate for consultation with members.

RN 132/13:   That the Chief Executive be asked to consult the subsidiaries on the proposed draft Objects, and outline to the Council any feedback suggesting necessary changes along with how to incorporate this.

RN 133/13:   That the Chief Executive be asked to seek legal advice on the proposed draft Objects, in particular to understand any impact their adoption might have on charitable status.

(Cr Wiggs/Cr Craig)
CARRIED U

RN 134/13:   That Council approve the brand identity strategy for InternetNZ

RN 135/13:   That Council approve up to $52,000 in operation funding beyond current budget for the completion of the design work on brand and visual identity, funded from retained earnings.

RN 136/13:   That Council approve unbudgeted capital expenditure on website development of $35,000, funded from retained earnings.

(Cr Torkington/Cr Craig)
CARRIED U

15. Other Business

Audit & Risk Committee

The President advise that there is a need for another Council member in the Audit and Risk Committee in place of Michael Foley. Amber Craig was nominated and the President asked Neil James, who is the chair of the committee, to send the Terms of Reference to Amber for her to read. If she accepts this position, an evote will be sent to Council for the motion of appointing her to the Audit and Risk Committee.

AP 34/13: Neil James to forward a copy of the Audit and Risk Terms of Reference to Amber Craig.

Late papers for Council meetings

There was a brief discussion on having a clear rule on having late papers for the Council meeting. Council agreed to have a "no late papers" rule. But should there be any late paper that needs to be sent out (for exceptional reasons), permission is required from Council on whether the late paper can be included in the agenda or not.

Nathan Torkington's resignation from Council

Nat Torkington advised that he is resigning from Council, effective 1 January 2014. As his term also ends at the AGM 2014, Council discussed on whether he should apply for a leave of absence during this period; or whether the Society should elect a replacement for his position.

It was agreed that Council accepts Nat Torkington's resignation with regret, and run a by-election for his replacement.

RN 137/13: That Council accepts Nathan Torkington's resignation from Council and thanks him for all his contribution to Council.

(President/Cr Wallmannsberger)
CARRIED U BY ACCLAMATION

Grants Committee

With Nat's resignation, this opens a space in the Grants Committee as he was one of the three members of this committee. Council has nominated Brenda Wallace for his replacement.

The President advised that he can send Brenda the Terms of Reference for the Grants Committee for her to review; and should she accept the position, an evote will be sent to Council for her appointment to the committee.

AP 35/13: The President to send Brenda Wallace the Terms of Reference for the Grants Committee.

16. Consent Agenda

RN 138/13: That the minutes of the meeting held on 11 October 2013 be received and adopted as true and correct record, and that the following reports be received:
a. Ratification of minutes: 11 October 2013
b. Outstanding Action Points
c. Membership update

(President/Vice President)
CARRIED U

AP 36/13: InternetNZ Staff to add in the Membership Report the names of members who has left and reason for leaving, for Council's information.

RN 139/13: That the new members be approved.

(President/Cr Torkington)
CARRIED U

17. Feedback on meeting

Council did a roundtable and provided feedback on the meeting. Overall they thought the meeting went well and were pleased with the discussion and decisions made around the Community Funding, Vision and Mission, and proposed draft Objects.

They thought that the video conferencing was better than usual but still needs improvement.

Although there were good discussions on most of the items covered in the agenda, they felt that the items under the Chief Executive's report were being "squeezed" a bit too much and that the agenda should allot more time for discussion at the next meeting.

Nat Torkington thanked everyone and commended Council for the productive meeting.

Before closing the meeting, the President gave a brief update on the Wellington office/premises and advised that the extension to lease Level 14 at Grand Arcade will be done via evote (once this has been reviewed by the lawyer), as this is outside the Chief Executive's delegation.

Next Meeting: The next scheduled Council meeting is **Wednesday** 12 February 2014.
Meeting Closed: The meeting closed at 4.40pm

Signed as a true and correct record:

_____
Frank March, CHAIR

Action Point Register

	Action	Who	Status	Due by	Comment
December 2011					
AP 67/11	InternetNZ to consider becoming a member of the Maori Internet Society and encourage the Maori Internet Society to become a member of InternetNZ.	InternetNZ	In progress	May 2013 Council meeting	The Action Point is to be marked as 'for review in one year (May 2013)' - *August Council Meeting:* **Deferred to May 2014**
February 2013					
AP 08/13	Jordan to develop a policy regarding the use of the major events budget line, have it checked by the Investment Committee, and submitted to Council for discussion at the March Council meeting.	CE	In progress	February 2014 Council meeting	
May 2013					
AP 12/13	Subsidiaries and CE to prepare a paper, in the interest of transparency, outlining future strategy in respect to reporting of executive salaries and other relevant issues that meet InternetNZ's legal requirements under the Companies Act, and responsibilities as a good employer – for discussion at the August Council meeting.	INZ NZRS DNCL	In progress	February 2014 Council meeting	
AP 13/13	The President to circulate the self-evaluation form to Council for completion.	President	In progress	February 2014 Council meeting	
AP 16/13	InternetNZ Staff to find other alternative software for video conferencing.	InternetNZ Staff	In progress	February 2014 Council meeting	InternetNZ staff is still looking into other options for the remote participation.
August 2013					
AP 17/13	Jordan to draft basic guidance on what Councillors needs to declare as part of their register of interest.	CE	In progress	February 2014 Council meeting	
AP 18/13	Investments Committee to develop a modification in the investment policy in light of the discussion at the Council regarding risks of systemic bank problems.	Investment Committee	In progress	February 2014 Council meeting	
AP 22/13	Jordan to draft a code of conduct for the Community Funding/Strategic Partnership agreement and send it to Council for review.	CE	In progress	February 2014 Council meeting	Will be covered in the Community Funding Review Implementation Plan
AP 24/13	Grants Committee to provide a short description as to why an application is being	Grants Committee	Ongoing	February 2014 Council meeting	
October 2013					
AP 28/13	InternetNZ staff to provide a proposal at the December Council meeting re plan for the funding rounds, including whether these will be done on a quarterly cycle or twice a year.	InternetNZ Staff	In progress	**April 2014** Council meeting	Cannot be decided at this stage as this will depend on the Work Plan
December 2013					
AP 33/13	Jordan to calendar at the end of January or start of February a meeting for the Investment Committee to look at InternetNZ's investments and funds.	CE	In progress	February 2014 Council meeting	
AP 34/13	Neil James to forward a copy of the Audit and Risk Terms of Reference to Amber Craig.	Cr James	**Complete**	December Council meeting	
AP 35/13	The President to send Brenda Wallace the Terms of Reference for the Grants Committee.	President	**Complete**	December Council meeting	
AP 36/13	InternetNZ Staff to add in the Membership Report the names of members who has left and reason for leaving, for Council's information.	InternetNZ Staff	In progress	February 2014 Council meeting	

Evotes ratification

EVOTE RATIFICATION

Author: Maria Reyes

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

Evote:		For:	Against:	Abstain:
10122013	THAT Cr Craig be appointed as the third member of the Audit and Risk Committee.	Dave Moskovitz Richard Wood Michael Wallmannsberger Frank March Jamie Baddeley Donald Clark Neil James Hamish MacEwan Nat Torkington Brenda Wallace Lance Wiggs		Amber Craig
12122013	THAT Cr Wallace be appointed as the third member of the Grants Committee.	Michael Wallmannsberger Neil James Richard Wood Dave Moskovitz Amber Craig Frank March Nat Torkington Hamish MacEwan Lance Wiggs Donald Clark Jamie Baddeley		Brenda Wallace
18122013	THAT Maureen Milburn be appointed as the election scrutineer for the By-Election.	Michael Wallmannsberger Frank March Dave Moskovitz Hamish MacEwan Amber Craig Neil James Lance Wiggs Richard Wood Nat Torkington Jamie Baddeley Donald Clark		

201220132	THAT Council authorise up to $30,000 in capital expenditure to be committed to converting the office space on Level 9 Grand Arcade Tower into premises for use by InternetNZ and DNCL, following NZRS relocation to Level 14.	Frank March Nat Torkington Richard Wood Donald Clark Michael Wallmannsberger Neil James Jamie Baddeley Hamish MacEwan Amber Craig		
16012014	THAT Council authorise the common seal to be attached to, and for the President and Vice President to sign, the lease for Level 14 Grand Arcade Tower, noting that the rent will be covered by NZRS and that the lease expires on 31 October 2015.	Jamie Baddeley Frank March Neil James Hamish MacEwan Brenda Wallace Richard Wood Amber Craig Michael Wallmannsberger Donald Clark		
27012014	THAT the following criteria for entering into strategic partnerships be adopted: 1. Strategic Fit Strategic Partnerships represent the largest financial and time commitment of any of InternetNZ's Community Funding mechanisms. As such, Strategic Partnerships need to have the strongest links to InternetNZ's strategy. This criterion will be assessed by: * Each potential partnership being assessed and related to both the InternetNZ Objects and current InternetNZ strategy. Only partnerships which clearly contribute to these will be entered into. * All current and prospective partnerships are then assessed as a Portfolio, to ensure that we have a range of partner organisations which relate to a broad variety of the Objects and areas of work canvassed by the current strategy. Recommendations on Strategic Fit are therefore made on the Portfolio as a whole. 2. Additionality Experience gained through current partnerships indicates that InternetNZ has the most tangible impact in achieving its objects through partnership funding when such funding is linked to clear outputs enabled by the strategic partnership, which would not be possible without Partnership Funding, and which align to shared goals and objectives. This criterion seeks to capture the opportunity for new activity and new outputs enabled by the funding proposed, as opposed to the baseline of not entering into a partnership funding arrangement.	Dave Moskovitz Brenda Wallace Jamie Baddeley Frank March Hamish MacEwan Neil James Donald Clark Richard Wood Lance Wiggs Amber Craig Michael Wallmannsberger		

	These will be assessed by: * Preferring partnership opportunities which support new or additional outputs or capacity as of greater benefit to InternetNZ than supporting existing capacity. * Preferring partnership opportunities which support activities that would otherwise not be possible, or not possible in a way which aligns to InternetNZ goals and objects, without such funding support. 3. Capacity to Deliver For any proposed partnership, InternetNZ must have confidence that the other party has the ability to deliver on the work envisioned by the partnership, within the overall resource base available to it including the proposed partnership funding. This criterion will be assessed based on: * Performance on past deliverables and relationship with InternetNZ. * Experience in working relationship with InternetNZ. * Overall organisational performance and working relationships with other partners. * The proposed partner's ability to continue to operate over the envisioned term of the partnership, as demonstrated by analysis of the organisation's financials and commitment of their leadership. 4. Partners and Community Links This criterion links to the value of deepening our networks and community engagement through partnerships. In general, InternetNZ wishes to widen and deepen links across the Internet community. This will assessed by: * Understanding and valuing other institutional and funding relationships, particularly those which are complementary to InternetNZ relationships. * Valuing links to community which support the organisation's work and are aligned and potentially beneficial to InternetNZ and vice versa.			

Recommendation: THAT the e-votes be ratified.

Membership Report

InternetNZ

INTERNETNZ MEMBERSHIP REPORT

Status: Final

Author: Maria Reyes

2013-14

	February 2014	October 2013	August 2013	May 2013
Fellows:	24	24	24	23
Individual:	281	252	239	257
Professional Individual:	82	76	72	80
Small Organisation:	30	23	22	25
Large Organisation:	5	5	5	8
Total Membership:	**422**	**380**	**362**	**393**

2012-13

	February 2013	October 2012	August 2012	May 2012
Fellows:	23	23	23	21
Individual:	242	218	212	164
Professional Individual:	71	68	65	51
Small Organisation:	27	26	25	16
Large Organisation:	7	7	6	6
Total Membership:	**370**	**342**	**331**	**258**

Recommendation: THAT the new members be approved.

COUNCIL MINUTE TERMINOLOGY

Agree   "That Council agree…" this is usually followed with a specific decision, policy position or course of action.

Adopt   "That the report be adopted." When Council adopts a report or paper, it is accepting that the contents of the document, including any recommendations, are agreed with and become the InternetNZ position and action plan.

Amend   "That Council amend ……." This term is for a resolution that seeks to amend a proposed resolution, and should set out clearly what is to be deleted and what is to be added.

Receive   "That Council receive…" This is a neutral term which captures for the record that a report, document, proposal etc has been noted by the Council. It does not imply that any recommendations in the proposal are to be acted on: that would require "adoption" as well.

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
APNIC	Asia Pacific Network Information Center *(RIR for the Asia Pacific region)*
APRICOT	Asia Pacific Regional Internet Conference on Operational Technologies
APTLD	Asia Pacific Top Level Domains Associations *(organisation for ccTLD registries in Asia Pacific region)*
auDA	Australian Domain Authority *(the .au, Australian equivalent of DNCL)*
BIM	Brief to Incoming Minister
ccTLD	Country-Code Top Level Domain *(such as .nz for New Zealand, .uk for United Kingdom)*
CDMA	Code Division Multiple Access *(server) (a means to transmit bits of information)*
CFH	Crown Fibre Holdings
CIRA	Canadian Internet Registry Authority *(operators of the .ca ccTLD)*
DHB	District Health Boards
DIDO	Distributed-Input Distributed-Output *(wireless protocol system)*
DNCL	Domain Name Commission Limited
DNS	Domain Name System
DNSSEC	DNS Security *(adds security to the Domain Name System)*
DSLAM	Digital Subscriber Line Access Multiplier
DRS	Dispute Resolution Service
FTTH	Fibre To The Home
GAC	Government Advisory Committee
GCSN	Greater Christchurch Schools Network Trust
GNSO	Generic Name Supporting Organisation *(makes recommendations re gTLD to ICANN)*
gTLD	Generic Top-Level Domain *(such as .com / .edu)*
IANA	Internet Assigned Numbers Authority
ICANN	Internet Corporation for Assigned Names and Numbers
IGF	Internet Governance Forum

Glossary of Terminology	
ISOC	Internet Society
ISPANZ	Internet Service Provider Association of New Zealand
ITAC	Internet Technical Advisory Committee
LFC	Local Fibre Company
MAG	Multistakeholder Advisory Group
MTR	Mobile Termination Rates
NCSG	Non-Commercial Stakeholders Group *(committee under ICANN's GNSO)*
NZNOG	New Zealand Network Operators Group
OECD	Organisation for Economic Co-operation and Development
OFDM	Optical Frequency Division Multiplexing
PAG	Policy Advisory Group
PIP	Pacific Internet Partners *(group revived by Keith to help IGF)*
RBI	Rural Broadband Initiative
RIR	Regional Internet Registry
STD	Standard Terms Determination
TCF	Telecommunications Carriers' Forum
TPP	Trans-Pacific Partnership
TPPA	Trans-Pacific Partnership Agreeement
UFB	Ultra Fast Broadband
WSA	Wholesale Services Agreement