

Agenda for a meeting of the InternetNZ Council

Friday, 6 December 2013

Level 9 Grand Arcade Tower, 16 Willis Street, Wellington

Start	Item	Person	Page number
1000	Council and Council-CE alone time	Frank March	-
1030	Apologies	Frank March	-
	Declaration of Councillor interests		6
	Agenda consideration - in committee items		-
1040	Identity Review Outcomes (Workshop) Presentation of stakeholder research Identity thinking and development Next steps – brand, website	Jordan Carter	<i>Late Paper</i>
1145	Vision, Mision and Goals	Jordan Carter	<i>Late Paper</i>
1200	Review of the Objects – strawman discussion	Jordan Carter	<i>Late Paper</i>
1215	Lunch		
1245	Subsidiaries – DNCL and NZRS		
	- Alone time (Chairs, CE and Council - confidential)	David Farrar	-
	- .nz Framework	Debbie Monahan	12
	- NZRS 2 nd Quarter Report	Jay Daley	15
	- DNCL 2nd Quarter Report	Richard Currey	24
	- Joint .nz 2 nd Quarter Report		26
1315	2014-15 Statements of Expectations	Frank March	35
1325	Internet Governance update	Jordan Carter	-
1400	Chief Executive’s Report	Jordan Carter	
	- CE’s report and priorities for next quarter		44
	- Operations Update		49
	- Policies for development by 31 March		63
	- Planning Framework (integrated table)		65
	- Travel Reports		67, 69
	- InternetNZ Financial Report – Sept 2013		76
1430	Break		
1450	Community Funding	Jordan Carter	
	- Community Funding Review Report		88
	- Grants Report		92
	- Strategic Partnerships Framework		95
	- Partnerships Report		100
1515	Budget 2014/15	Jordan Carter	109
1530	Group Financial Reports	Jordan Carter	117
1545	Consent agenda items	Frank March	
	a. Ratification of minutes: 11 October 2013		126
	b. Outstanding action points		135
	c. E-votes ratification		-
	d. Membership update		137
1400	Other business Meeting feedback	Frank March	
1415	Meeting ends		

Annotated Agenda for a meeting of the InternetNZ Council

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	- NZRS 2 nd Quarter Report	Jay Daley	15
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	- Joint .nz 2 nd Quarter Report		26
	<i>THAT the Joint .nz 2nd quarter report be received.</i>		
	<i>THAT the DNCL 2nd quarter report be received.</i>		
	<i>THAT the NZRS 2nd quarter report be received.</i>		
	<i>THAT Council establish a Working Group to review and clarify the management framework for the .nz top level domain as set out in this paper, and ask it to proceed according to the timetable set out in this paper.</i>		
1315	2014-15 Statements of Expectations <i>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.</i>	Frank March	35
1325	Internet Governance update	Jordan Carter	-
1400	Chief Executive's Report	Jordan Carter	
	- CE's report and priorities for next quarter		44
	- Operations Update		49
	- Policies for development by 31 March		63
	- Planning Framework (integrated table)		65
	- Travel Reports		67, 69
	- InternetNZ Financial Report – Sept 2013		76
	<i>THAT Council receives the CE's Report.</i>		

THAT Council approves the suite of internal policies [as amended,] as those required to be developed by 31 March 2014.

THAT Council receive the September 2013 financial report from the Chief Executive.

1430	Break		
1450	Community Funding	Jordan Carter	
	<ul style="list-style-type: none">- Community Funding Review Report- Grants Report- Strategic Partnerships Framework- Partnerships Report		88 92 95 100
	<p><i>THAT Council adopt the proposed Strategic Partnership Framework, including criteria and timeline [as amended] for Partnership development, to commence in 2014 for the 2015-16 financial year onwards.</i></p> <p><i>THAT Council adopt the proposed interim process for current Strategic Partnerships, to be conducted over the next few months.</i></p> <p><i>THAT Council agree the current four Partners as the slate to which the interim process will apply.</i></p> <p><i>THAT Council note the decisions made regarding community funding requests since the October Council meeting.</i></p> <p><i>THAT Council approves the [suspension of the on-demand grants from now until the next financial year / allocate additional funding to the on-demand grants]</i></p>		
1515	Budget 2014/15	Jordan Carter	109
	<p><i>THAT Council approves for 2014/15 an operational budget limit of \$3.584 million and a capital budget limit of \$120,000.</i></p> <p><i>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.</i></p> <p><i>THAT Council agree to review the Budget in conjunction with the 2014/15 Business Plan at its meeting in February.</i></p>		
1530	Group Financial Reports	Jordan Carter	117
	<p><i>THAT the second quarter ended 30 September 2013 consolidated group financial statements be received.</i></p>		
1545	Consent agenda items	Frank March	
	<p><i>THAT the minutes of the meeting held on 11 October 2013 be received and adopted as a true and correct record, and THAT the following reports be received:</i></p> <ul style="list-style-type: none">a. Ratification of minutes: 11 October 2013b. Outstanding action pointsc. E-votes ratificationd. Membership update <p><i>THAT the new members be approved.</i></p>		126 135 - 137

1400

Other business

Frank March

Meeting feedback

1415

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 25 July 2011

Interests:

- Holds two .nz domain name registrations
- Member of NZ Association of Scientists
- Employed by the NZ Government (Ministry of Economic Development), consequently:
- NZ representative on the Governmental Advisory Committee of ICANN
- Technical advisor to the Trans Pacific Partnership negotiators for the Telecommunications and Ecommerce Chapters
- Member of IPv6 Steering Group and administration team
- Member of the Institute of Directors
- 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: Nat Torkington

Position: Councillor, InternetNZ

Term: AGM 2011 - AGM 2014

Declaration Date: 1 October 2009, updated 17 October 2011

Interests:

- Kiwi Foo Conference organiser
- Member of the advisory board to the Government Information Systems group within the Department of Internal Affairs
- Member of the Industry Advisory Board of the Auckland Bioengineering Institute
- Founder of Open New Zealand
- Sits on the Library Information Advisory Commission
- Blogger for O'Reilly Media
- Past consultant for Telecom New Zealand on innovation, and may continue to do so in the future
- Advisor to the American cloud computing startup Opscode
- Advisor to Spotlight Reports, NZ-based web startup
- Director, Silverstripe
- Director, He Hononga Software Ltd.
- .nz, .com, .org, .cn, .us, .me domain registrant
- Advisor to PHP Fog
- Advisor to 77 Pieces
- Director, GNAT Limited
- Councillor's Honorarium for InternetNZ

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)

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
- Celsius 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

Interests:

- Holds .nz and .net domain name registrations
- Employee and shareholder of Xero Limited
- Member of ISOC, PICISOC and Pacific Internet Partnership Inc.
- 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

.nz Management Framework

CLARIFYING THE .NZ MANAGEMENT FRAMEWORK

Author: David Farrar

Purpose of paper: To review and document the framework for management of .nz

The InternetNZ Group does not have one document setting out the roles and responsibilities for managing the .nz top level domain. It is scattered through various documents such as the original SRS reports from Rose Percival and the statements of expectations that DNCL and NZRS sign with Council.

It has also been 11 years since the current structure was set up, and there has been evolution during that time which makes it timely to review and clarify the roles and responsibilities the various entities in the InternetNZ Group have with relation to .nz management.

It should be stressed that no fundamental changes to the structure or roles is sought or expected. The idea is to provide clarity, and to identify any areas where there may be divergent views on roles, so that again there is clear agreement and clarity going forward.

This paper proposes, for feedback, a process for the review, resulting in a unified roles and responsibilities framework for management of .nz

REVIEW WORKING GROUP

It is proposed that a working group be set up to consider, discuss and agree on a management framework for .nz. The proposed members are:

- DNCL Chair (co-chair)
- NZRS Chair (co-chair)
- INZ President (or nominee from Council)
- DNC
- NZRS CEO
- INZ CEO
- Council representative on DNCL
- Council representative on NZRS

TIMETABLE

This is an indicative timetable.

1. December 2013 – Boards and Council agree to the working group
2. Feb and Mar 2014 – Working Group drafts framework
3. April 2014 – Boards and Council consider and give feedback on draft framework
4. May 2014 – Working Group reviews and finalises framework
5. June 2014 – Boards and Council approve framework

FRAMEWORK AREAS

The areas to be included in the framework would include (but not be limited to)

- Strategy
- Policy
- Market Regulation
- Market Research
- Marketing
- Communications
- Financial
- Reporting
- Security
- Technical
- External Relations
- Reviewing (of Framework)

Within each area, it is expected there would be half a dozen or so sub-areas.

ENTITIES

The six entities or roles would be:

- DNCL Board
- NZRS Board
- INZ Council
- DNC
- NZRS CE
- INZ CE

Possibly also one may have a seventh entity labelled as “.nz” which is DNCL and NZRS acting jointly under the .nz brand. If so, also useful to clarify how that entity works – informally or formally.

ROLES

For each sub-area and entity, their role (if any) would be given one or more of the following designations.

- Prime Responsibility
- Initiates
- Is Informed
- Is Consulted
- Approves

Recommendation

That Council establish a Working Group to review and clarify the management framework for the .nz top level domain as set out in this paper, and ask it to proceed according to the timetable set out in this paper.

David Farrar
Chair, DNCL

NZRS 2nd Quarter Report 2013-14

(For Information/Discussion)

8 November 2013

Frank March
President
InternetNZ
PO Box 11 881
Wellington

Dear Frank

Re: 2nd Quarter 2013 - 2014 Report

We enclose our second quarterly report of the 2013 - 2014 year; the quarter ended 30th September 2013. The report, which I submit on behalf of the Board, consists of the summarised management accounts and a commentary on financial, operational, and strategic issues in relation to the company's performance. There is nothing in the report that we regard as confidential.

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

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

1. Financial

Enclosed are Statements of:

- Financial performance; and
- Financial position

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

The net profit before tax of \$845,632 for the quarter was 10% above the budgeted \$767,581.

Domain name growth has slowed significantly and was below budget for the quarter (actual 3,630 versus budgeted 10,725). July's net growth was at 2,314, August's net growth at 2,031 and September's net growth at -715 due to approximately 2,000 kiwi.nz domains that were not renewed following their initial one year term. Actual domain name fee income for the quarter was below budget by \$4,076 (actual \$2,049,173 versus budgeted \$2,053,248).

Expenses for the quarter were \$84,491 below budget (actual \$1,277,993 versus budgeted \$1,362,484) due mainly to timing and the strong NZ dollar.

The company's liquidity ratio was met.

There were dividends totalling \$1,299,637 paid during this quarter.

2. Other Key Strategic and Operational Activities

a) Outsourcing

During this quarter the NZRS board took the strategic decision to insource its operational IT provision and core software development. We gave notice to Catalyst, our outsourcing partner since 2001, that we would be cancelling the contract and have mutually agreed a termination date at the end of April 2013. This strategic decision has been taken following a review of the company goals and the best sourcing arrangements needed to achieve those. This review reached two key conclusions:

- Our expected involvement in the design and delivery of our business systems, driven by the unusual nature of our technology, is incompatible with outsourcing and best delivered by on-premises staff who are directly employed and whose work is fully integrated with the existing NZRS team.
- We have been going through a period of rapid change in the .nz service since we began developing EPP in 2008, continuing through with IDNs and DNSSEC. This development shows no signs of slowing down and an in-house team would support this rapid change better than an outsourced provision.

It is important to note that insourcing is not a cost saving exercise. It will lead to increased costs in the short term for recruitment and accommodating new staff, which will be balanced out over the medium term with savings on direct costs and capital expenditure.

This decision has implications for accommodation and the NZRS CE is exploring options in conjunction with the other group CEs.

b) Registry pricing comparisons

During this quarter we concluded a long-running review into the cost of running NZRS and how that compared to using one of the newly emerging commercial registry service operators. The outcome of this review, which shows that NZRS provides good value for money and that savings could not be made by fully outsourcing NZRS, has been supplied to Council.

3. Business development

The NZRS board held its annual strategic retreat with a focus on business development. At this retreat the board agreed a framework for the internal assessment of business development opportunities and prioritised the opportunities under consideration based on this framework. The board has approved the production of a detailed proposal for one opportunity, which will enable the process of engagement and consultation with internal stakeholders and potential customers.

Our CE is working with the INZ CE on a revised business development policy to provide the policy and process around the development of this opportunity and future priorities.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Currey'. The signature is fluid and cursive, with a large initial 'R' and a long, sweeping tail on the 'y'.

Richard Currey
Chair



New Zealand Domain Name Registry Limited
Financial Statements
For the Quarter Ended 30 September 2013

Prepared by

Curtis McLean Limited
Chartered Accountants
Wellington NZ





New Zealand Domain Name Registry Limited
Financial Statements
For the Quarter Ended 30 September 2013

Statement of Financial Performance

Balance Sheet

Statement of Cash Flows



Profit & Loss

NZ Domain Name Registry Ltd For the 3 months ended 30 September 2013

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Income								
Registry Fees	2,049,173	2,053,248	(4,076)▼	-0.2%▼	4,078,821	4,067,640	11,181▲	0.3%▲
Total Income	2,049,173	2,053,248	(4,076)	-0.2%	4,078,821	4,067,640	11,181	0.3%
Less Cost of Sales								
DNC Fee (348)	373,968	375,000	(1,032)▼	-0.3%▼	747,936	750,000	(2,064)▼	-0.3%▼
DNS Expenses	151,688	162,586	(10,898)▼	-6.7%▼	282,694	325,174	(42,480)▼	-13.1%▼
Other IT	38,471	48,518	(10,047)▼	-20.7%▼	68,947	97,037	(28,090)▼	-28.9%▼
SRS Expenses	111,651	138,812	(27,161)▼	-19.6%▼	226,282	277,628	(51,346)▼	-18.5%▼
Total Cost of Sales	675,778	724,916	(49,138)	-6.8%	1,325,859	1,449,839	(123,980)	-8.6%
Gross Profit	1,373,394	1,328,332	45,062	3.0%	2,752,961	2,617,801	135,160	5.0%
Less Operating Expenses								
Depreciation & Amortisation	171,144	189,081	(17,937)▼	-9.5%▼	355,271	373,208	(17,937)▼	-4.8%▼
Overhead Expenses	431,071	448,487	(17,416)▼	-3.9%▼	832,210	896,969	(64,759)▼	-7.2%▼
Total Operating Expenses	602,215	637,568	(35,353)	-5.5%	1,187,481	1,270,177	(82,696)	-6.5%
Operating Profit	771,179	690,764	80,415	12.0%	1,565,480	1,347,624	217,856	16.0%
Non-operating Income								
Interest Received (203)	74,453	76,817	(2,364)▼	-3.1%▼	147,613	155,541	(7,928)▼	-5.1%▼
Total Non-operating Income	74,453	76,817	(2,364)	-3.1%	147,613	155,541	(7,928)	-5.1%
Net Profit	845,632	767,581	78,051	10.0%	1,713,093	1,503,165	209,928	14.0%

These Financial Statements have not been reviewed or audited and should be read in conjunction with the attached Compilation Report

Balance Sheet



NZ Domain Name Registry Ltd As at 30 September 2013

30 Sep 2013

31 Mar 2013

Assets

	30 Sep 2013	31 Mar 2013
Bank		
Cash and Cash Equivalents	8,376,304	7,423,866
Total Bank	8,376,304	7,423,866
Current Assets		
Accounts Receivable	808,393	805,132
Credit Card - Prepayments (68701)	3,000	-
Interest Receivable (688)	73,065	81,410
Prepayments/Credits (687)	40,566	87,106
Resident Withholding Tax Deducted (684)	7,461	7,461
Total Current Assets	932,484	981,108
Fixed Assets		
Fixed Assets	869,372	959,003
Total Fixed Assets	869,372	959,003
Total Assets	10,178,161	9,363,977

Liabilities

Current Liabilities		
Accounts Payable	241,252	314,201
Deferred Income - Registry Fees	6,135,594	5,682,822
GST	76,177	55,273
Rounding (860)	2	-
Total Current Liabilities	6,453,024	6,052,296
Non-Current Liabilities		
Deferred Income - Adjustment (81700)	327,195	327,195
Total Non-Current Liabilities	327,195	327,195
Total Liabilities	6,780,219	6,379,491
Net Assets	3,397,942	2,984,485

Equity

30,000 Ordinary Shares (60100)	30,000	30,000
Current Year Earnings	1,713,093	3,121,803
Dividend Payment (483)	(1,299,637)	(3,828,920)
Retained Earnings (638)	2,954,485	3,661,602
Total Equity	3,397,942	2,984,485

These Financial Statements have not been reviewed or audited and should be read in conjunction with the attached Compilation Report





New Zealand Domain Name Registry Limited
Statement of Cash Flows
For the Quarter Ended 30 September 2013

	This Quarter			Year to Date				Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Last Year (YTD)	Budget	LY Actual
Cash Flows From Operating Activities									
Cash Was Provided From:									
Registry Fees Received	2,545,348	2,541,369	3,979	5,002,749	5,019,836	(17,087)	4,578,230	10,255,784	8,893,892
Other Receipts	105,795	76,817	28,978	155,958	155,541	417	125,633	314,695	354,557
	<u>2,651,143</u>	<u>2,618,186</u>	<u>32,957</u>	<u>5,158,707</u>	<u>5,175,377</u>	<u>(16,670)</u>	<u>4,703,863</u>	<u>10,570,479</u>	<u>9,248,449</u>
Cash Was Distributed To:									
Payments to Suppliers and Employees	1,153,156	1,310,672	(157,516)	2,326,825	2,654,701	(327,876)	2,312,404	5,373,197	4,635,642
Net Taxation Paid	0	0	0	0	0	0	-	0	-
Net Dividend Paid	1,299,637	1,299,637	0	1,299,637	1,299,637	0	2,238,920	3,009,637	3,828,920
Net GST Paid	72,855	106,453	(33,598)	192,783	265,219	(72,436)	177,516	601,821	314,176
	<u>2,525,649</u>	<u>2,716,762</u>	<u>(191,113)</u>	<u>3,819,246</u>	<u>4,219,557</u>	<u>(400,311)</u>	<u>4,728,840</u>	<u>8,984,655</u>	<u>8,778,738</u>
Net Cashflows from Operating	125,494	(98,576)	224,070	1,339,461	955,820	383,641	-24,977	1,585,824	469,711
Cash Flows from Financing Activities									
Cash was Provided From:									
Share Capital	0	0	0	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash was Distributed To:									
Repayment of Redeemable Preference Shares									-
Inland Revenue Use of Money Interest	0	0	0	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash flows from Financing	0	0	0	0	0	0	0	0	-
Cash Flows from Investing Activities									
Cash was Provided From:									
Fitout Contribution	0	0	0	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash was Distributed To:									
Purchase of Fixed Assets & Formation Expenses	168,535	258,750	(90,215)	387,023	431,250	(44,227)	554,527	948,750	910,175
	<u>(168,535)</u>	<u>(258,750)</u>	<u>90,215</u>	<u>(387,023)</u>	<u>(431,250)</u>	<u>44,227</u>	<u>(554,527)</u>	<u>(948,750)</u>	<u>(910,175)</u>
Net Cash flows from Investing Activities	(168,535)	(258,750)	90,215	(387,023)	(431,250)	44,227	(554,527)	(948,750)	(910,175)
Net Increase (Decrease) in Cash Held	(43,040)	(357,326)	314,286	952,439	524,570	427,869	(579,504)	637,074	(440,464)
Plus Opening Cash Balance	8,419,344	8,305,762	113,582	7,423,866	7,423,866	(0)	7,864,329	7,423,865	7,864,329
	<u>8,376,304</u>	<u>7,948,436</u>	<u>427,869</u>	<u>8,376,304</u>	<u>7,948,436</u>	<u>427,868</u>	<u>7,284,825</u>	<u>8,060,940</u>	<u>7,423,866</u>
Closing Cash Carried Forward									
Closing Cash Comprises									
ASB Bank Cheque Account	444,878	-	-	444,878	-	-	854,517	8,060,940	414,633
ASB Bank Call Account	839,726	-	-	839,726	-	-	205,825	0	569,728
Term Deposits	7,091,700	-	-	7,091,700	-	-	6,224,483	0	6,439,505
	<u>8,376,304</u>	<u>7,948,436</u>	<u>427,869</u>	<u>8,376,304</u>	<u>7,948,436</u>	<u>427,868</u>	<u>7,284,825</u>	<u>8,060,940</u>	<u>7,423,866</u>
Total Cash Held	8,376,304	7,948,436	427,869	8,376,304	7,948,436	427,868	7,284,825	8,060,940	7,423,866

DNCL 2nd Quarter Report 2013-14

(For Information/Discussion)

November 2013

Dr Frank March
President, InternetNZ

Dear Frank

Second 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 30 September 2013

	September Quarter			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
<u>INCOME</u>						
Management Fees	373,968	373,968	-	747,936	747,936	-
Authorisation Fees	6,000	3,000	3,000	9,000	6,000	3,000
DRS Complaint Fees	6,000	9,000	(3,000)	10,000	18,000	(8,000)
Other Income	0	0	-	0	0	-
Interest Income	6,890	2,000	4,890	8,254	3,500	4,754
Total Income	392,858	387,968	4,890	775,190	775,436	(246)
<u>EXPENSES</u>						
Staff and Office Costs	202,519	227,567	(25,048)	367,448	429,034	(61,586)
Professional Services and Comm	9,150	43,080	(33,930)	27,521	87,660	(60,139)
Dispute Resolution Services	12,200	17,520	(5,320)	22,027	35,040	(13,013)
DNCL and DNC activities	33,670	52,820	(19,150)	74,981	105,605	(30,624)
International	28,736	46,000	(17,264)	68,620	97,510	(28,890)
Total Expenditure	286,274	386,987	(100,713)	560,596	754,849	(194,253)
Net Profit/Loss	106,584	981	105,603	214,594	20,587	194,007

Variations 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 which will commence now the decision has been made 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
Chair, DNCL

Joint .nz 2nd Quarter Report 2013-14

(For Information/Discussion)

.nz Quarterly Report

Second Quarter ended 30 September 2013

Introduction

This is the second 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 47 was held in Durban, South Africa in July. The full schedule of the meeting is at <http://durban47.icann.org/full-schedule> and links to transcripts and presentations can be found at <http://durban47.icann.org/documents>. Some aspects of the meeting are discussed in more detail here.

ccNSO

The Finance Working Group reported back on the work that they had completed and sought comment from the ccNSO members on the proposed guidelines they had come up with. This WG was set up in 2010 to analyse how, and how much, ccTLDs should contribute to ICANN. After many different options have been explored, and different information provided by ICANN, the WG now has verified data and so was in a position to present some guidelines for contributions for comment.

Guidelines that the WG proposed included all contributions being voluntary, individual relationships between ICANN and the ccTLD would supersede any ccNSO guidelines, that not all ccTLDs operate the same models and that registries responsible for multiple ccTLDs could look at either each ccTLD specifically or amalgamate the total number of domains they manage.

They had calculated that the cost of the ccTLDs to ICANN, after subtracting the resources put in by the ccTLDs to assist ICANN, was \$3.5 million USD. A proposed model was presented that was based around the size of the registry, with a reminder that all contributions were voluntary. There was quite a bit of discussion around this with some registries noting they didn't charge for their domain names and so couldn't afford their proposed contribution. However, the general approach and acknowledgement that the ccTLDs should contribute to ICANN was supported by nearly all who participated in the discussion. It is expected this will be considered by the ccNSO Council at the meeting in Buenos Aires later this year.

ICANN Strategic Groups

Aside from the usual presentations by the hosts about their Internet environment, the opening ceremony in Durban saw an announcement by the President and CEO, Fadi Chehade, of the

creation of five new Strategic Panels and also a signing ceremony of the first four new gTLD registries to sign the new Registry Agreement.

In place of the President Strategy Committee, five Strategic Panels have been established. Led by a Chair and comprised of up to seven members considered thought leaders and subject matter experts, these groups are expected to serve as an integral part of ensuring a wide input to the discussion on strategic matters. The Strategic Groups and the leaders are:

- Identifier Technology Innovation – Paul Mockapetris
- ICANN’s role in the Internet Organisations’ Ecosystem – Vint Cerf
- ICANN Multistakeholder Innovation – Beth Simone Noveck
- Public Responsibility Framework – Nil Quaynor
- Role of ICANN in the future of Internet Governance – TBA

More information on this initiative and the deliverables that each group is tasked with is at <http://www.icann.org/en/news/announcements/announcement-15jul13-en.htm>.

Expert Working Group (EWG) on gTLD Directory Services

Earlier this year, a group of ‘experts’ was convened by ICANN to explore how gTLD directory services should be structured into the future, essentially a project to look at ways of reinventing the current WHOIS system.

A report was produced by this EWG (<http://www.icann.org/en/groups/other/gtld-directory-services/initial-report-24jun13-en.pdf>) and published prior to the Durban meeting where there were a series of meetings to discuss it and get comment. Though the report only relates to the gTLD environment, it is of interest to ccTLD registries as well as it is likely that governments may look at what is happening in the ‘g’ space and ask why any changes made there are not also being made in the local ccTLD.

What is being proposed in the draft report is a radical change to the current system where each registry operates its own WHOIS service and controls information returned from a search. Instead, if the EWG approach moves forward, there will be a centralised database, administered through ICANN, with rules around who can obtain what information relating to domain names. There will also be rules around verifying data to improve the quality of information held. The EWG have identified different reasons for accessing registration information and suggest ways to limit various bits of data when they consider a party doesn’t need it. Law enforcement and IP practitioners would have greater access to additional information than others.

The proposal as drafted raises a number of issues and many of these were raised in the sessions. These concerns are also reflected in comments already submitted (<http://www.icann.org/en/groups/other/gtld-directory-services/share-24jun13-en.htm>). Though the goals of improving access to information, and the quality of that information, are admirable, there are issues around balancing privacy with access to information, risks around a single database and security, processes to ‘accredit’, access to local information etc.

One view is that the EWG has not clearly identified what exactly they are trying to resolve and that this is a combination of issues around the quality of data held by registries and returned through WHOIS, as well as a separate issue with law enforcement raising concerns about access to information. Establishing a central database will not come cheap and will create a range of different issues than the current WHOIS. This is acknowledged by the EWG but their evaluation is that the advantages outweigh the disadvantages.

Should the EWG consider they have general acceptance of the proposal, they will be looking at putting it formally to the gNSO and then through the gNSO policy development process so it will not be something quickly finalised, yet alone implemented.

b) New gTLDs

Dot Kiwi Chief Executive Tim Johnson visited the office and met with the DNC and the NZRS CE. Dot Kiwi are concerned about confusion of their .kiwi with the .kiwi.nz option but their information did not support that there was any widespread confusion at this time.

c) Security

- The MSP presented the Domain Name and IP Addresses training to OCEANZ (Online Child Exploitation Across NZ), the BNZ Fraud Group, OFCANZ (Organised Financial Crime Agency of NZ), the SFO (Serious Fraud Office) and also undertook presentations, including DNSSEC, to ISIG and also at the Identity and Security conference.
- 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

www.getyourselfonline.co.nz website.

Following the launch in June the website underwent some structural improvements along with the continuous addition of content. A nz presence was also set up on Vimeo, Youtube, Facebook and Twitter to promote website content as it is published.

.nz Advertising.

An advertising brief was developed in September for a Campaign to be run in November. This is a test campaign looking to review the effectiveness of marketing messages and ad platforms such as [Stuff.co.nz](http://www.stuff.co.nz), [Trademe.co.nz](http://www.trademe.co.nz), [NZHerald.co.nz](http://www.nzherald.co.nz), Facebook, Linked In and Google Ads.

.nz Market Survey.

Colmar Brunton market research survey signed off in September for delivery in October. This is an annual survey looking at the perceptions of Consumers and Businesses in relation to .nz domain names. Content to be published by mid December on www.getyourselfonline.co.nz. Last years research can be viewed here: http://www.getyourselfonline.co.nz/sites/default/files/nzrs_report_FINAL_v2_0_0.pdf.

.nz Registrar Conference.

Planning underway to deliver the first registrar conference on 14th November. The conference will be live streamed to allow overseas registrars access to the event.

b) Registrations at the Second Level proposal

The second consultation on the proposal to allow registrations at the second level, which started on 31 May 2013, closed on 31 July with 48 submissions received from a range of people and organisations. All submissions received can be seen at http://dnc.org.nz/second_level_proposal_c2.

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.

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) SRS Architectural review

On 4 September NZRS switched over the database replication used for the SRS from the proprietary system developed some years ago to standard open source replication and at the same time established a third site for SRS operations. This is the second phase of the multi-year architectural review that is redeveloping the SRS ready for the next ten years. With this change the code of the SRS has been drastically simplified, performance increased and the need for complex maintenance and monitoring has been reduced.

e) DNS data

NZRS completed the second stage of the implementation of their DNS data capture and analysis. The data captured from all NZRS operated DNS servers is now shipped back to the central analysis platform and a set of queries are being developed to extract data for research and operational purposes.

NZRS has employed a part time Data Analyst, Jamie Horrell, on a temporary contract to assist our work in this area.

The consultation on the zone and host scanning practice statement was completed by NZRS and regular zone scanning commenced.

f) International Engagement

- DNCL staff attended the ICANN meeting in Durban, South Africa in July

g) Other matters

- DNCL and NZRS held their AGMs on Monday 8 July.
- A meeting of the DNCL Board was held in August with minutes available at http://dnc.org.nz/content/Minutes_23_August_2013.html.
- Consultation commenced in September as part of the ongoing review of .nz policies, two policies are now being reviewed. Along with these reviews, an amendment is also being proposed to clarify a clause in a third policy. Details can be seen at http://dnc.org.nz/reviews_AOR_PRI_RMC.
- The earthquakes that struck Wellington in July and August were significant and resulted in a degree of inconvenience and concern for those living and working in the area. DNCL and NZRS CEs have each reported to their Boards regarding actions taken following the earthquakes. It has been agreed by the three Group CEs that in the event of an earthquake that is felt significantly, contact will be made amongst the three CEs. Deputies have also been notified so they will be contacted if the CE has not responded. Civil defence notices will be heeded and staff will be advised to listen to that and also advised that their CE will contact them when notification has been received that the building has been cleared.

The key factor is staff safety and consideration also has to be given to how the staff feel about their workplace and their sense of security. All organisations have plans to work remotely and, though tested only minimally in these cases, we are confident that we would be able to manage a period without access to the office.

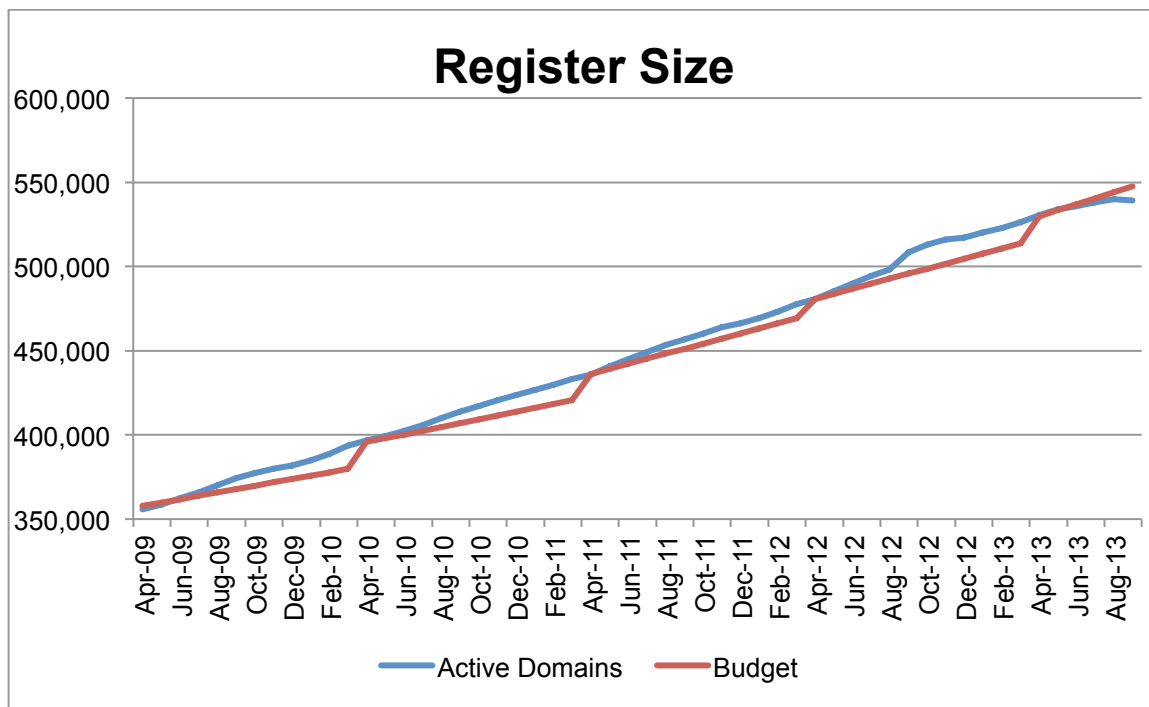
- DNCL staff met with the staff of auDA who were over in New Zealand for the ANZIA awards. It was a useful meeting where information on registrars and policy was

exchanged. Following the meeting of staff the boards of both companies met over lunch. Follow up discussions have since been held on security related matters.

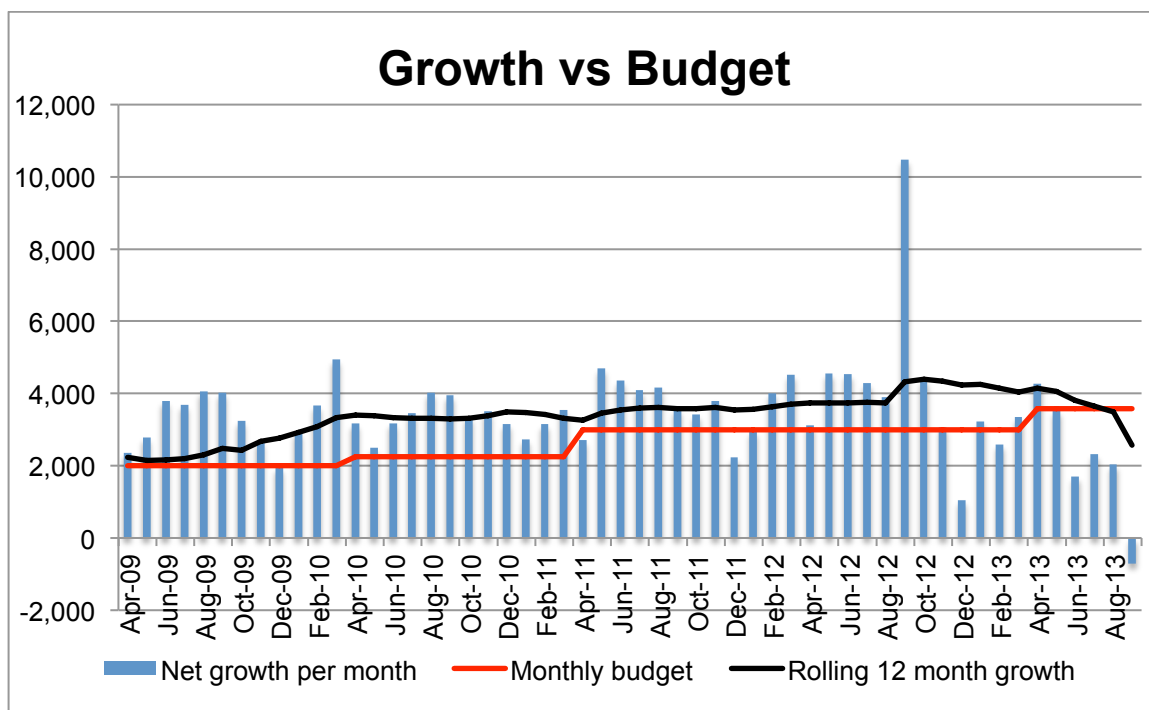
3. Statistics

a) Domain Names

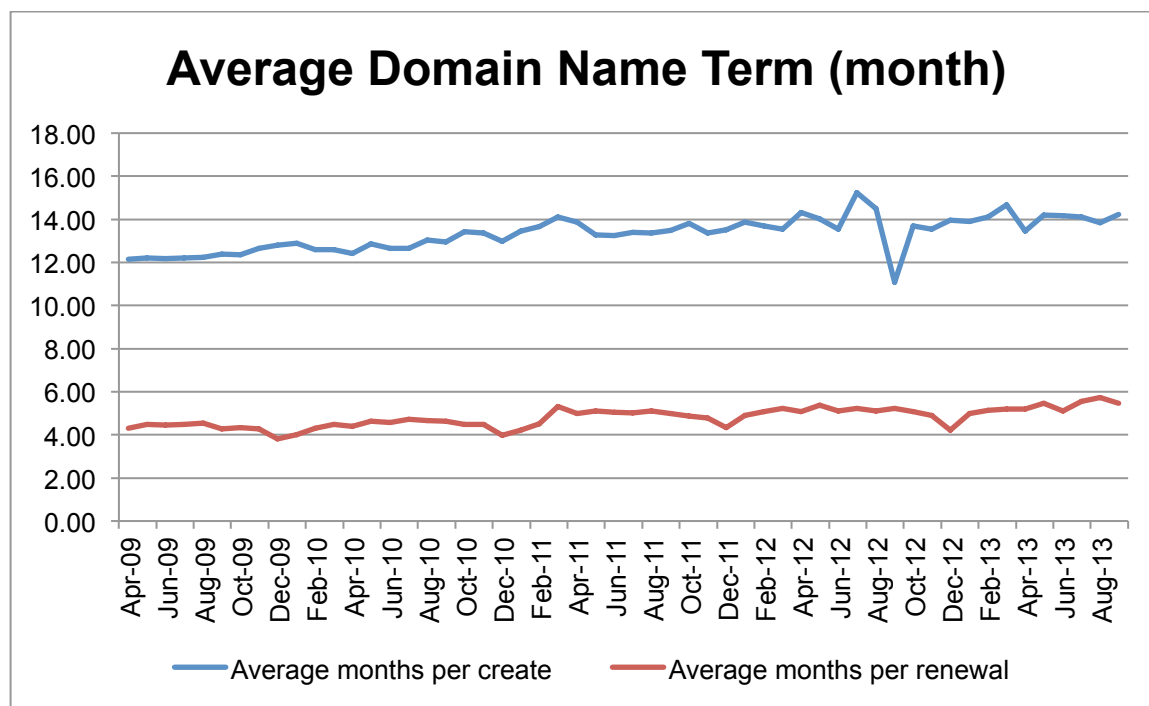
The size of the register against NZRS budgeted growth is shown in the chart below:



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:



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

	30 July 13	31 Aug 13	30 Sep 13
.ac	2,038	2,025	2028
.co	461,045	462,946	464,693
.cri	12	12	12
.geek	1,237	1,227	1,209
.gen	1,376	1,372	1,345
.govt	1,127	1,129	1,126
.health	172	179	181
.iwi	82	82	83
.kiwi.nz	9,061	9,078	6,605
.maori	1,122	1,119	1,126
.mil	35	36	36
.net	29,385	29,431	29,452
.org	27,959	28,050	28,075
.parliament	10	10	10
.school	3,358	3,354	3,354
Total	538,019	540,050	539,335
Growth over previous month	2,314	2,031	-715
Variance against NZRS budget	-1,261	-1544	-4,920

Over the quarter, .nz domain names have increased from 535,705 to 539,335, a net increase of 3,630 or 0.7%. This compares with a growth of 18,652 or 3.8% in the same quarter last year. Growth was impacted by the level of cancellations of .kiwi.nz names at the end of the first year of their registration term. Though most names were renewed, over 2,000 were not resulting in a negative net growth in September.

b) Registrars

Registrars authorised	84
Registrars connected	80

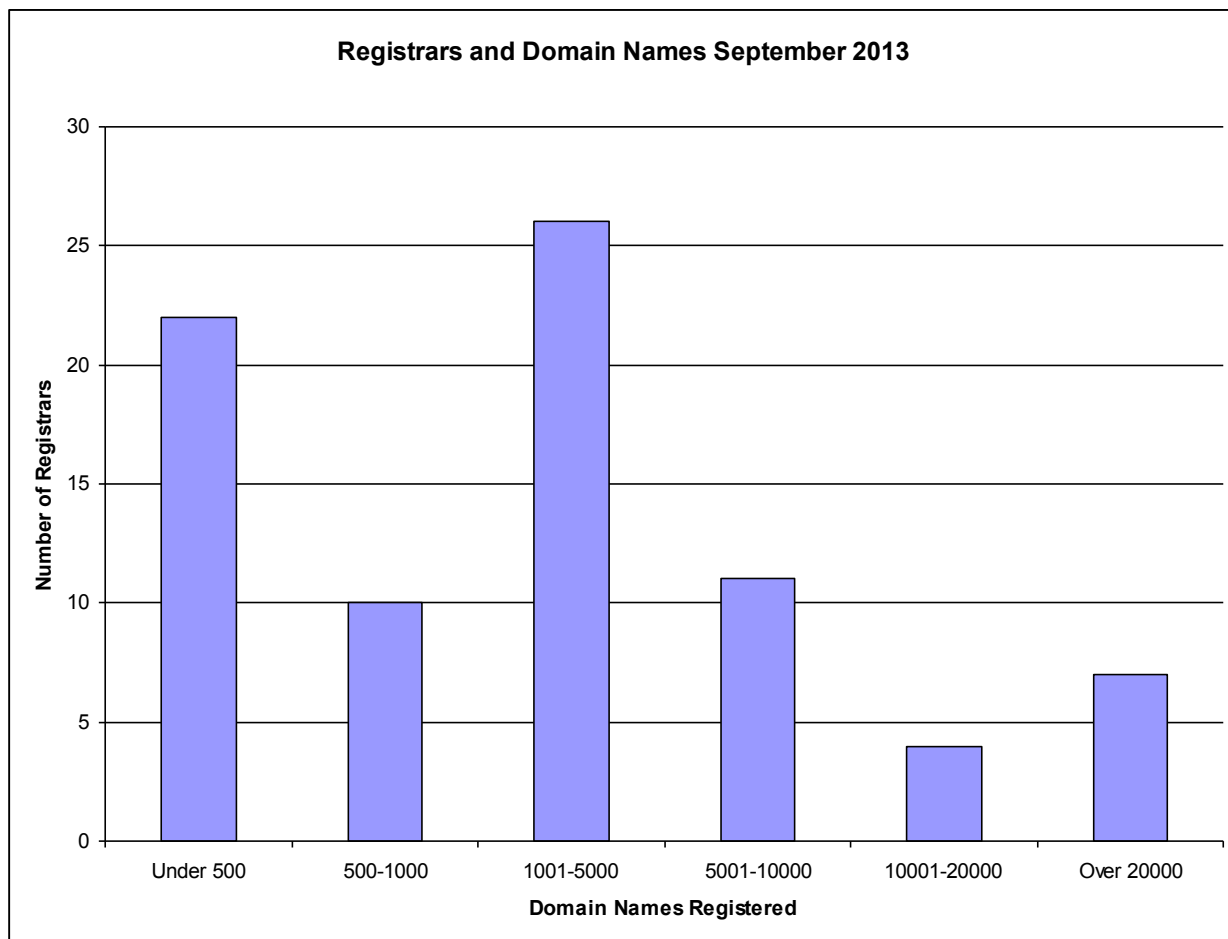
Number connected during the quarter: Nil

Number authorised during the quarter: Two – Ascio Technologies (Denmark) and Ideego (NZ)

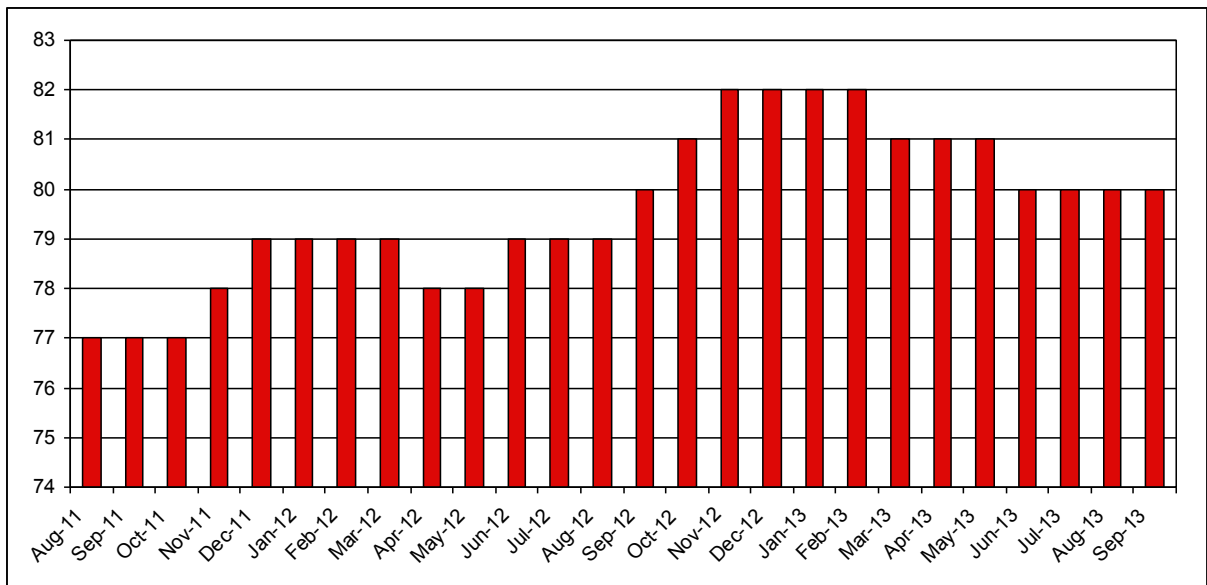
Number de-authorised during the quarter: Nil

At the end of the quarter there were 84 authorised registrars in production (including the DNC registrar).

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 July, August and September 2013.

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

System	SLA %	Jul-13	Aug-13	Sep-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

d) Marketing site (getyourselfonline.co.nz)

These are new statistics that provide insight to the .nz marketing web site

Metric	Jul - Sept
Total Visits	4437
% New Visits	79.54%
New Visits	3529
Avg Pages per visit	1.67
Avg Visit Duration	00:01:12
Video Plays	311

David Farrar

David Farrar
Chair, DNCL

Richard Currey

Richard Currey
Chair, NZRS

2014-15 Statements of Expectations

Draft Statement of Expectations 2014

Author: Jordan Carter, Chief Executive

Purpose of Paper: Seek review of Statement of Expectations 2013 for DNCL and NZRS, as basis for the 2014 Statements of Expectations.

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. This meeting, Council considers the existing SoEs and notes any changes it wishes to see. Final SoEs will be brought to Council in February for adoption.

Statements of Expectations 2013

Statement of Expectations for the financial year 2013/14 for DNCL and NZRS were developed by the President in discussion with the Boards of the subsidiaries earlier this year. These documents are attached for Council's reference.

Statements of Expectations 2014

One substantive change that should be included in the 2014 Statements is the change to allow registrations at the second level in .nz. Councillors are invited to identify any other matters they would like taken into account in amending these agreements at the meeting.

Given the review of the .nz framework set out in other papers for this meeting, no substantive changes are proposed at this time. Changes to these documents may be more extensive in 2015.

Recommendation

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.

Jordan Carter
Chief Executive

Attached: 2013 SoEs for DNCL and NZRS, for reference.

Statement of Expectations for Domain Name Commission Limited [2013]

1 Background

This statement sets out the InternetNZ expectations for Domain Name Commission Ltd (DNCL) for the financial year 2013-2014 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;
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 the review of registrants directly registering 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 at the time of reviewing the domain name fee.

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 2013-14, 2014-15 and 2015-16, subject to adjustments for 2012-13 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;
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.

Statement of Expectations for New Zealand Domain Name Registry Limited trading as .nz Registry Services (NZRS) [2013]

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 2013-14 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 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 at the time of reviewing the domain name fee.

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 2013-14 that includes:

1. a draft three year budget for the financial years 2013-14, 2014-15 and 2015-16, subject to adjustments for 2012-13 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.

Chief Executive's Report

Chief Executive's Report

Author: Jordan Carter, Chief Executive

Purpose of paper: Report for the two months to 30 November 2013

Introduction

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

Separate papers follow with decisions required:

- A - Policies for development by 31 March 2014
- B - Planning Framework

Three other papers are "For Information" papers:

- Operations Update to 30 November 2013
- Travel Reports (Dean Pemberton, Ellen Strickland, and Susan Chalmers)
- The financial report for the six months to September 2013

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

1: Critical Risks / Other Risks

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

InternetNZ continues its participation in the Coalition for Fair Internet Pricing. We are managing this carefully to avoid reputational or relationship risks, as identified to Council last time.

There are some financial risks arising to budget limits arising from this campaign, but these are being mitigated in a range of ways that will be discussed at the Council meeting.

Susan’s departure from the role of Policy Lead creates a risk of a lack of policy capacity while we recruit a replacement. This is being mitigated by retaining Susan on contract for specified areas of work, and the timing of her departure at Christmas also assists as this is traditionally a slower period in policy circles.

2: Recent Priorities

Operating team

The work that has been done by the operating team is summarised in the Operations Update, along with new “traffic light” style indicators. Of particular note have been the following matters:

- Ongoing work in the Coalition for Fair Internet Pricing
- Progressing the Community Funding Review
- Brand identity development and website scoping
- Progressing work on network neutrality matters
- INZ support for the production of the World Internet Project launch
- Discussions in Christchurch regarding NetHui*South*
- Attendance and participation at the Australian IGF, the global IGF, and the most recent ICANN meeting
- Extensive work in making the Auckland premises workable

Chief Executive

Since the last meeting of the Council, and aside from general work, I have been focused on the following issues, generally in descending priority order:

- Leadership role in the Campaign for Fair Internet Pricing
- Following up on Strategic Retreat outcomes, incl Objects and Vision/Mission
- Participation in Internet Governance events (IGF and ICANN)
- Working with Mary to develop the 2014/15 draft Budget
- Preparing to recruit a replacement for Susan Chalmers
- Agreeing KPAs for the CE for the period to 31 March 2014
- Further progress on internal staff policies, including codes of conduct and HR policies

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

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

3: Priorities for the next three months

For the period December 2013 to February 2014, the following main priorities are being pursued.

Operating Team

- Complete implementation of Community Funding review
- Preparing Goals and Business Plan 2014/15 initiatives
- Preparation for Member Engagement sessions next year
- Exploration of requirements for hosting of APRICOT 2016, through attendance at APRICOT 2014 in Bangkok
- Production of NZNOG in Nelson in January
- Go or no-go on NetHui South, following initial soundings (which were positive)
- Policy engagement and PDP refresh completed
- Participation in a range of other IG events (ICANN in particular)

Chief Executive

The following are my planned broad areas of focus in the December-February period.

- **Reflection:** an awful lot has happened this year. I intend to use the Christmas break and the start of next year to pull it all together, reflect on lessons learned, and so on.
- **Strategy development:** developing from the conversation at this meeting a more comprehensive Strategic Plan for consideration in February, including reflecting on all the lessons learned in 2013.
- **Governance and internal policies:** some of the less active “down time” after Christmas will be used to focus on clarifying this framework, writing up the PDP for governance policies, fleshing out the internal policies documented elsewhere in this report.
- **Staffing:** the recruitment and induction of a new Policy person is critical. It will be followed by assessment of any remaining gaps, if the Budget is approved at a high level there is resource for one further position.
- **Internet Governance:** I need to reflect on lessons learned this year and how to manage effective participation with the rest of my role.

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 early in the new year
- Obtain media training and develop other training requirements for Council consideration next year
- Translate the outcomes of the Identity Review into InternetNZ practice
- Understanding and fully incorporating my KPAs into the workplan

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

As already communicated to Council, **Susan Chalmers** is leaving her role as Policy Lead and returning to the United States to live in December. I am in the process of recruiting a new, different policy-focused role to replace her position. Susan will be working on specified policy projects from the U.S. as a contractor. We will wish her well at the Council-Staff Christmas function on Friday 6 December. Her departure is a real loss to InternetNZ.

Aimee Watson started in October as our new full-time receptionist and team support person. Her arrival and training to perform a range of associated functions means that Maria will be focused on administering the Community Funding programme, Council and team support and so on. Please make her feel welcome!

Sarah Putt is working on contract for a small amount of time each week, assisting David Cormack with communications projects and Dean Pemberton with a piece of work on Network Neutrality.

5: Premises

As earlier indicated to Councillors, decisions by Council (.nz registrations at the second level) and NZRS (insourcing of the SRS) create a demand for more space on the premises. After extensive review of options, the CEs have settled on proceeding with leasing the fourteenth floor at Grand Arcade Tower.

We would have preferred to stay on one floor, but the market has not allowed this to be done in a cost-effective fashion. We take the views expressed by Council in regard to cultural and coherence issues seriously, and will take steps to mitigate the risks moving to separated spaces creates.

The costs involved in changing the fitout on Level 9 are low compared with moving; I will seek Council approval for this as a capital matter once a budget is finalised. I expect the amount of InternetNZ's contribution will be under \$40,000.

Councillors should note that the in principle decision to leave these premises and re-establish one location in 2015 means that depreciation charges are sharply higher in the 2014/15 Budget: the fitout here needs to be fully depreciated over two years, instead of over normal periods.

6: Other matters

- No other matters to report at this time.






Jordan Carter
Chief Executive
28 November 2013

Operating Report to Council: to 30 November 2013

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 October to 30 November 2013.

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	+ Sep-Dec 13
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	+ Sep-Dec 13
2J	Create a New Zealand working group to contribute to the Internet and Jurisdiction project.	2.1, 2.3	C	+ Sep-Dec 13
2K	Develop an easily understood explanation of what "multistakeholderism" means	2.1-2.3	A	+ Sep-Dec 13

Matters to report 1 Oct to 30 Nov 2013:

- Met with opposition MPs to brief them on issues pertaining to the Open Internet, including a sit-down with Labour Caucus about the TPP (DC, SC)
- Had regular conversations with MPs including sit down meetings with Gareth Hughes and Tracey Martin to foster stronger relationships (DC)
- On-going participation in MBIE's Radio Sector workgroup - which feeds into ITU (RH).
- NetHui2013 report and media coverage distributed to NetHui attendees and reports to IGF secretariat finalised (DC, SC,ES, KW)
- Contributed to IGF 2013 sessions on and follow-up reporting from regional/national initiatives (ES)
- NetHui South 2014 initial meeting held in Christchurch with some key stakeholder, to scope event approach. (ES,JC)
- NetHui 2014 Communications Planning and sponsorship prospectus begun and drafted (DC)
- auIGF and IGF 2013 panels, meetings (SC, ES, DP, JC, KD)
- Launched friendsoftheigf.org (SC)
- Continuing to promote multistakeholder processes across APNIC areas of engagement such as the establishment of an IP Leasing Discussion BoF (DP)
- NetHui 2014 is in initial planning stages, SkyCity has been booked, dates confirmed 9-11 July. Have received and analysed quotes from event companies (KW)
- Active participation in at the Melbourne auIGF meeting presenting New Zealand and InternetNZ views in this multistakeholder forum. (DP, ES)
- Broad participation at ICANN 48 in Buenos Aires on Internet Governance and At-Large issues (JC, ES, KD)

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	😊
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	😐 Under way
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

Matters to report 1 Oct to 30 Nov 2013:

- Ongoing engagement with MPs and officials on the TPP (DC, SC)
- Op Ed published in NZ Herald following leaked chapter of TPP (DC)
- Follow up submission to Commerce Commission on competition issues in regard to second allocation of the 700 MHz spectrum with particular focus on maximising competition as well as rural coverage and early deployment of cellular broadband (4G) (RH).
- Analysis of submissions on TSO discussion document in preparation for a cross-submission process (particular focus on the need for a process to develop a 21st century universal service that recognised broadband rather than telephony as the essential default communications service).(RH)
- 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, MBW + others)
- Submission to the Productivity Commission review of regulatory institutions and practices - particular emphasis on the need for independent regulation



of monopoly infrastructure services such as copper and fibre (RH)

- Worked with 2020 on research project to fulfill partnership goals relating to Digital Inclusion. Updates goals accepted by governance group and research project plan agreed to assess indicators, existing processes and recommend research improvements around Digital Inclusion. (ES)
- Took part in 2020 conference, briefing them on Harmful digital communications, the copper tax issue and providing communication advice (SC, DC)
- Ongoing engagement with Ministry of Justice on the draft cyberbullying legislation (SC)
- Parliamentary Internet Forum final session, Hon David Carter convening the meeting, Kaila Colbin speaking (SC, MR)
- Continued work on establishing a quantitative understanding of UFB and RBI footprint (DP)
- Continued development of broadband digital exclusion mapping (DP)

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	 Under way
4B	Seek to understand and share emblematic stories of gains available	4.1	B	 Sep-Dec 13

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	+	Sep-Dec 13








Matters to report 1 Oct to 30 Nov 2013:

- On-going contribution towards productivity commission investigation into economic benefits of the Internet/ICT sector. (RH)
- Ongoing discussion with Web Foundation, regarding potential collaboration around research on impacts of the Internet in NZ. (ES, JC)
- Working with Pacific communities to create a focus around the August APNIC meeting in New Caledonia. (DP, ES)
- Working closely with the PacNOG community to determine technical challenges New Zealand can assist with. (DP)
- Joint study with Google on economic impact of Internet progressing, due for launch in February 2014. (JC)

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	 Sep-Dec 13
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	 Sep-Dec 13
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

Matters to report 1 Oct to 30 Nov 2013:

- On-going participation into Radio Spectrum 5 year Outlook - particular emphasis upon new wireless broadband technologies and the conditions required (especially availability of spectrum) to enable these technologies to develop. (RH)
- Continuing work to establish a broadband availability map for New Zealand as a starting point to understanding the relationships between UFB, Copper and RBI (DP)
- Watching brief on technical aspects of global surveillance and interception events and how these may affect the technical ecosystem within New Zealand

(DP)


- Working with both policy and community/collaboration leads to identify and foster areas where InternetNZ can assist with the growth of the technical ecosystem within New Zealand. (DP)
- Work with NZRS to define areas within the New Zealand Internet where quantitative research can be undertaken which would lead to an increased knowledge of the ecosystem (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	
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Matters to report 1 Oct to 30 Nov 2013:

- Keynote speaker at ISOC Asia Internet Symposium in Bangkok on TPP (SC)
- Taking existing copy and turning it into media friendly Op Ed on TPP (DC)
- Supported successful AUT in World Internet Project 2013 results report launch (DC, KW, ES)
- Progress in developing the new PDP (SC, policy team)

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	+
				Sep-Dec 13
7G	Ongoing governance training for Council and relevant staff	7.7	B	😊

Matters to report 1 Oct to 30 Nov 2013:

- Brought team together to determine, define and categorise InternetNZ's areas of work for internal and external clarity (SC)
- Identifying outward technical areas where InternetNZ can focus in order to provide feedback or guidance (DP)
- Outreach to regional players within the Regional Internet Registry realm with regard to InternetNZ's role (DP)

Goal 8: Members

8.1	Unclear reasons to join	→	Clear reasons to join
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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	✚ Dec 13
8B	Clarify and improve explanation of what people want to join InternetNZ for	8.1	B	✚ Sep-Dec 13
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	😊

Matters to report 1 Oct to 30 Nov 2013:

- Ongoing development of PDP and new PAG working style. (SC)

Goal 9: Stronger relationships with key partners

9.1	Stakeholder engagement unstructured	→	Stakeholder engagement comprehensive & strategic
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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	✚ Jan-Mar 14
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	😊

Matters to report 1 Oct to 30 Nov 2013:

- Introduced Jordan to key contacts at IGF (KD, SC, ES)
- Developing brief on key contacts I've worked with to transition to Jordan and Ellen (SC)

Other Matters not covered by the Business Plan

Matters to report 1 Oct to 30 Nov 2013:

- Completed recruitment process for the new full-time Receptionist (MR, MT)
- Commenced recruitment process for a new Policy lead (JC)
- Prepare draft budgets (MT)
- September QE Financial reports for consolidation to Curtis McLean (MT)
- October Financial reports (MT)
- Provide secretariat support services to NZITF for conference invoicing (MT)
- Auckland fit-out, organise video conferencing, phone line connection on-going. (MT)
- Liaise with Nick Bradshaw regarding HR policy development (MT)
- Monthly Financial reports for DNCL (MT)
- WIP 2014 results launch successfully held at James Cook Grand Chancellor and was well received (KW)
- Organisation of the NZNOG 2014 conference to be held in Nelson at the end of January (KW)

Jordan Carter

27 November 2013

Internal Management Polices framework

Author: Jordan Carter

Purpose of paper: Seek Council agreement to the list of internal management policies that must be developed and in place by 31 March 2014.

As part of the development of a comprehensive suite of internal operating policies for InternetNZ, this paper seeks Council agreement to the proposed suite of policies that will be in place by the end of the financial year.

Human resources	Others
<ul style="list-style-type: none"> • Performance planning and Reviews • Leave • Travel • Learning and Development • Health and Safety • Remuneration • Payroll • Employment Agreements and Contracts • Staff/Contractor Conflict of Interest 	<ul style="list-style-type: none"> • Conference attendance • Credit cards • Financial controls & budget authorisations • Business Continuity • Document retention • Financial reserves • Risk

These will join the extant Code of Conduct and HR manual, which will be updated to reflect these policies. I invite Councillors' views on any omissions in the above, or other matters to take into account.

Please note: that governance level policies – group-wide and for InternetNZ Council specifically – are also being progressed and will be settled by the middle of next year.

Recommendation

That Council **approve** the above suite of internal policies [as amended,] as those required to be developed by 31 March 2014.

Jordan Carter
Chief Executive

28 November 2013

InternetNZ – Planning Cycle

Draft 4: 13 November 2013

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
INZ – Strat					Scope of strat discussion agreed by Council.	Strat Retreat. Member engagement on strategy.	Strat goals signed off by Council (draft). Int'l strategy signed off.		Final strat goals signed off.			
INZ – Bus/\$	Budget and Bus Plan for year signed off. Work Planning retreat.		Audit completed.		Environment scan, prep for Strat Retreat.		6 mth business plan review.		Budget window set.	Business Planning one-day.	Draft Bus Plan discussed.	Member engagement on planning.
INZ – Other	Council meets.		Council meets. PAG Plenary.	AGM & Council elections. NetHui.	Council meets.	PAG Plenary.	Council meets.		Council meets. PAG Plenary.		Council meets.	PAG Plenary.
INZ - Subsids	.nz fee recommendation received & decision made. Appointments panels for subsidiaries set up.		External appointments made.		Final SoD&Gs signed off. Council rep appointments made.		.nz Strategy signed off.		Draft SoEs for subsidiaries considered.		SoEs for subsidiaries agreed.	
Joint .nz						Joint .nz strategy prepared.					.nz Fee Workshop.	.nz Fee Recommendation to Council.
NZRS - Strategy		Final NZRS budget (only if fee or other assumptions changed)				NZRS board strategy day	Draft NZRS strategy	NZRS staff business plan day	Final NZRS strategy Draft NZRS budget		Final NZRS business plan 2 nd draft NZRS budget	
NZRS - Council			Final SoD&G (incl budget) to Council (only if fee or other assumptions have changed)								Draft SoD&G (incl budget) to Council.	
DNCL						DNCL board strategy day	Draft DNCL Strategy		Final DNCL strategy Final DNCL budget		SoD&G (incl budget) to Council.	

To: INZ Staff & Councillors, Subsidiaries *(For Information)*
From: Ellen Strickland, Collaboration and Community Lead
Re: ICANN 47 Durban, South Africa Trip Report
Date: November 2013



Trip Report: ICANN 47 Durban, South Africa

This paper contains a report on engagement at and around my attendance at ICANN47 in Durban, South Africa. It was not included in previous Council papers by error.

This was my first attendance in person at ICANN, although I have attended some sessions remotely for my PICISOC Board duties. As well as attending ICANN, I was asked to participate as a panellist in a pre-ICANN event, the African Internet Governance School.

African Internet Governance School: 12/07/2013

I attended and gave a presentation on NetHui and the Pacific Islands regional IG work at the African IG School, a 3 day professional development workshop on Internet Governance organised by APC. Website: <http://african-ig-school.events.apc.org/>

Presented as a Panelist in discussion on national and regional approaches to multistakeholderism. This panel and attending the day of sessions and discussion by African participants was useful for:

- Understanding issues relevant to Pacific IG issues, as well as some NZ national issues.
- Sharing learning and experience from NZ and Pacific in national IG events and processes.
- Learning about role and value of national IGF initiatives in other contexts, as relates to NetHui.
- Assessing and planning how to support IG capacity building in Oceania region

ICANN: 14/07/2013-17/07/2014

Attended week of ICANN47, with focus on the ICANN At Large constituency, the group of organisations which represent the 'end-user' in ICANN and work on policy issues as well as ICANN's engagement and outreach.

Objectives intended:

- Gain a better understanding of the ICANN structure, processes and community. In order to understand how as an At-large Structure InternetNZ can engage within the ICANN environment.
- Develop an understanding of how InternetNZ can:
 - Provide support for exemplar multistakeholder processes in ICANN as an At-large Structure
 - Gain insights and input valuable for INZ's work in New Zealand, as part of the Civil Society ICANN community

Activities of note during week included:

Newcomers Sessions

Attended newcomers sessions on Sunday 14/07 and met a range of fellows and other first time attendees, as well as heard presentations from a range of ICANN staff on elements of ICANN. Met interesting range of ICANN community newcomers.

At-Large

Attended a range of working group and open sessions. Met with Cheryl Langdon-Orr to discuss At Large constituency, organisational engagement and ideas for InternetNZ as an ALS. Also introduced to and met with Holly Raiche, APRALO Chair (Australia), and Olivier Crépin-Leblond, ALAC Chair.

Non-commercial Users Constituency (NCUC)

Attended one session on policy and a debate on closed gTLDs which was a very cross-cutting and valuable session on the topic. Impressed at the role of this constituency to act to bring together stakeholders, for discussion and debate.

ICANN Global Engagement Sessions

Took part in workshop session on regional engagement, which also included discussion of online tools and calendars in development by ICANN.

Public Forum

Main focus was on (closed) gTLDs and observed as the principle ICANN space for multistakeholder interaction.

Side Meetings

- Pacific IGF and ICANN Oceania Engagement Meeting Convened: with ICANN, APNIC, INZ, and PICISOC representatives.
- Web Index: met with Karin Alexander research manager for Web Foundation to discuss possible collaboration on national 'citizen survey' of impacts of the Internet research in 2014 as part of Web Index.

Takeways and Followups

- ICANN: the complexity of ICANN was quite overwhelming. Was struck by the silos of constituencies, and how little engagement happens across multiple stakeholder groups, for an organisation which raises itself as an exemplar of multi-stakeholderism.
- ICANN At-Large: This group seems to have a great deal of potential within the ICANN community to advance inclusive policy analysis which has solid outputs. There are, however, issues of process and perception which currently limit its impact and role, which we need to understand better. Recommended to Jordan that we engage in lead up to an ICANN At-Large Summit in 2014 to assess impact and value of At-Large engagement and make decision on InternetNZ as At-Large Structure after that. NCUC, as other Civil Society, also worth watching.
- Web Index: will stay in touch with Web foundation on potential collaboration in 2014 onwards. May be opportunity to meet again in Bali at global IGF, if they attend. To link Jordan into meeting on potential research opportunities.

To: INZ Staff & Councillors, Subsidiaries *(For Information)*
From: Susan Chalmers, Policy Lead
Re: Trip Report: auIGF and IGF
Date: November 2013



TRIP REPORT: auIGF and IGF

The purpose of this document is to provide a report on InternetNZ activities at the Australia Internet Governance (auIGF) and Internet Governance Forum (IGF).

Summary:

This is a collective trip report from staff and contractors who attended the Australia IGF and the global IGF.

Australia Internet Governance Forum

#auIGF

October 16th, 17th

Park Hyatt, Melbourne, Australia

Five INZ staff & contractors attended the second annual Australia IGF in Melbourne last month. The programme consisted of panel sessions, on Day 1, and a number of workshop sessions and a briefing on the WCIT by Government officials, on Day 2. A number of esteemed members of the Internet Governance community were present, for example Steve Crocker, Bertrand de la Chappelle, and Theresa Swinehart. As mentioned below, Chris Disspain's opening speech, where he highlights the need for a more "permanent, stable and predictable multistakeholder model for Internet Governance", gives important context for the subsequent developments at the 2013 IGF in Bali. Cf <http://www.igf.org.au/archive> "Chris Disspain CEO auDA."

Internet Governance Forum 2013

#IGF2013

October 20th through 25th

Nusa Dua Convention Centre, Bali, Indonesia

The 2013 IGF was largely important because of the unscheduled conversations that took place, namely the meetings organised by I* (I* is comprised of the RIRs, ISOC, IAB, IETF and ICANN). There are many aspects to take into account regarding the I* side meetings, but an important assertion made was that "orphan" Internet policy issues should be managed in a multistakeholder environment. There is concern that, otherwise, orphan issues risk being attended to by Governments only in a multilateral environment. The meetings also addressed who would be involved in organising the conference in Brazil next year, and how that process will work.

The New Zealand contingency was rather sizeable, with 12 InternetNZ representatives (across staff, council and fellows) and a number of additional Kiwis. Keitha Booth constituted the New Zealand government delegation, something which InternetNZ could work harder to bolster for next year's event, which will take place in Turkey.

Involvement

	auIGF	IGF
Jordan	attendee	attendee
Keith	attendee (panellist?)	panellist (?), attendee
Ellen	attendee	regional/national initiatives track organiser, moderator, attendee
Susan	panellist, attendee	MAG, FoIGF, session organiser, moderator, panellist, attendee
Dean	attendee	-

General impressions

auIGF

- Improved over 2012 version in Canberra, with a more open feeling and more discussion; Interesting use of the event by CEO of AUDA to launch campaign approach that led to formation/establishment of /1net the following month; Diverse range of stakeholders participating including Australian federal government officials. Especially impressive given proximity to federal election in Australia. (JC)
- A nice event with a strong dialogue on Internet Governance developments, joined in especially by the responsible officials. InternetNZ should strive for the same level of engagement by officials at NetHui. (SC)
- Felt was a more open event, with discussion being more front and centre, than last year. Still could do better on community sector participation and diversity in panellists and facilitators, to compare to NetHui (not that we couldn't also do better but a notable difference in breadth of attendees). It is a much smaller event compared to NetHui but was very high calibre, supported this year because they could take advantage of the global IGF to have international experts as panellists and attendees, including Steve Crocker, Bertrand de la Chappelle and Teresa Swinehart.

IGF

- For a first time attendee, the whole event was interesting and somewhat overwhelming. The focus on Internet Governance, post the I* Montevideo Statement, took a degree of concentration from Jordan, which led to less participation in the normal sessions of the IGF; Appears to be a valuable forum, but misses out on effective Government participation at the political and official level from New Zealand, from Australia, and seemingly from many other countries. To develop truly useful multistakeholder dialogue, it is important that governments are there - both to share their perspectives and to learn from the other stakeholders. (JC)
- As a MAG member, my concern was that the event run smoothly and that the initiatives I had worked on, such as the open mic session & the new "Friends of the IGF" website, were well received. I was largely pleased. In terms of building relationships, the face-to-face meetings are very important. I spent much time concentrating on the sessions of which I was part, which meant that I attended only a few out of interest.

Agree that more government engagement needs to happen. Those questioning the value of the IGF need only consider the I* side meetings to see how the IGF is an important venue. (SC)

- It was an interesting experience as a 1st time 'in-person' attendee, having remote attended for the last 2 years. I realised as a remote participant (when remote participation works), in some ways I had easier engagement in a range of session and it was easier to make comment as a remote participant than in the room. However the side meetings and face-to-face opportunities to meet added an element of depth to the engagement. I was able to attend a number of related side meetings, which weren't available remotely, including an ICANN regional meeting and Internet Governance Civil Society group meetings. The sessions of the event itself were overshadowed at times by the Brasil meeting/ I* side meetings and discussion, which I found of great value and interest. (ES)

Relevant takeaways

auIGF

- In the structure of the event, it felt more manageable than NetHui - smaller, easier to navigate. Clarity of guidance and participation seems like something to take away to render NetHui more approachable. (JC)
- The presentation by Carolyn Dalton (Policy Australia) on copyright was particularly relevant because Australia recently undertook a review of exceptions and limitations in its digital copyright law. New Zealand can look to the Australian experience in reforming the Copyright Act 1994. (SC)
- The structure of the event to me, reinforced some of strengths of NetHui, in that the auIGF had all plenaries one day and two tracks on the second day. This led me to reflect on how the mix of plenary and tracks during NetHui encourages movement and flow, both physically which is nice but also in discussion and groups. But agree that finding a way to clarify and make NetHui more manageable, despite it's complexity, is worth reflecting on.(ES)

IGF

- Encourage Government involvement from New Zealand at future events; Participate in I* and /1Net processes to keep in touch with developing technical community thinking on Internet Governance reform. (JC)
- The IGF remains extremely relevant in the face of the changing IG landscape. It has two years remaining in its current mandate. The next IGF will take place in Turkey, with the following rumoured to be held either in Brazil or Mexico. InternetNZ should maintain its involvement in the IGF and continue the momentum created by staff involvement in the MAG and the regional and national initiatives. (SC)
- That InternetNZ has an important position in the IGF, as both technical community as a cctld and as a growing Civil Society organisation through NetHui and our broader IG work. I took away a new sense of the importance of the Civil Society community in Internet Governance, as well as its difficulties. I think there is a special role InternetNZ

could perhaps play in bridging the divides which exist between technical and civil society. I was deeply impressed with the participation and engagement from our IGF fellows and it gave me a new perspective on the links between the national and regional initiatives like NetHui and broader international IG work. Building capacity and engagement from within communities and countries like NZ is very important if the multi-stakeholder to develop and grow.(ES)

Following up

auIGF

- *Bertrand de la Chappelle, Director, Internet & Jurisdiction Project* JTC and SC met with Bertrand to discuss a potential role for InternetNZ within the Internet & Jurisdiction project. At current the structure of the programme doesn't lend itself to our participation but Bertrand expressed a willingness to explore options. INZ suggested that InternetNZ could convene a New Zealand multistakeholder working group to contribute in some way. In 2014 the project will focus on developing a framework for law enforcement to better work together across jurisdictions. Jordan will follow up with Bertrand at ICANN in Buenos Aires.

IGF

- *ISOC, ITAC.* JTC and SC met with Constance Bommelear, Director of Global Partnerships, ISOC, to discuss InternetNZ's involvement in the Internet Technical Advisory Committee to the OECD. Constance explained the structure of ITAC and its working groups and noted that our involvement in the CISP working group may be the best engagement of InternetNZ resources. RIPE NCC leads that working group, and accordingly I introduced Jordan to Chris Buckridge and Marco Hogewoning from RIPE, the latter of whom will be at the ITAC meeting in December, in Paris, which Jordan will attend.
- SC will continue work on the MAG, though it remains to be seen whether InternetNZ will support her doing so in her new capacity.
- *National/regional Initiatives:* ES can continue to engage with the community of organisers of regional and national IG initiatives, towards capacity building for multistakeholder IG processes globally through these processes. Working to secure more input from these processes, including NetHui. into the global IGF content could be a very valuable way to support bottom-up led discussions and decision-making.
- *GIGANET.* The best sessions I attended and many of the panelists I was most impressed with were involved members of the 'GIGANET', the Global Internet Governance Academic Network. I will personally be joining and submitting research and will explore ways to link Internet Governance related research from our NZ Internet Research community to the network. (ES)

Session notes (APPENDIX)

auIGF

- ***Digital Intellectual Property in Australia.*** This session examined the current status of digital intellectual property policy in Australia. Fellow panellists presented on aspects of trademark, patent and copyright law in Australia. My role on the panel was to provide an international perspective, focusing primarily on the Trans Pacific Partnership agreement and the implications its copyright chapter could have on the open Internet. I discussed the likely inclusion of a provision on temporary electronic copies, new regulations for Internet intermediaries and the graduated response. I also tied the discussion back to Internet Governance, pointing out the connection between the fields of IP and IG. I continued this thoughtline at the IGF through my organisation of a panel, discussed below. The point is to discuss whether copyright laws affecting the Internet might be developed by a multistakeholder framework in lieu of multilateral fora (WIPO, WTO) or free trade agreements (TPP). (SC)
- ***The role of the Internet in breaking down national, social and cultural borders.*** An assertion by Paul Wilson that ISPs and AS numbers are the new jurisdictions and that BGP and peering agreements are the new treaties under which we engage with them. Bertrand de la Chappelle saying that there is no one solution to the jurisdiction. It may include a local aspect, national and international jurisdictions in any single case. Analogy with physics and how relativity, newtonian and quantum physics all apply, just at different levels. (DP)
- ***Children & the Internet – Protections, rights, dangers and opportunities.*** Children learn and grow through being able to take risks and evaluate the outcomes. The challenge for parents is to gain and retain a level of understanding of the technology being used by their children so that they can assist them to stay within acceptable levels of risk. Young people tend to seek assistance from law enforcement once a situation is well and truly out of their control. There is a need to produce a set of guidelines which help young people to be able to see what the potential consequences are of certain actions. A point that there might be gender disparity in how HDC complaints are handled by law enforcement. The claim that male complainants might be effectively told to "Man up" (DP)
- ***Does the Internet Need a Delete Button?*** Useful discussion relating to the difference between a 'right to be forgotten' and a 'right to erasure'. Accurate definitions of these terms is integral in understanding what might be required in the future. There was also a point that this is not so much a place for courts to play as is it for search engines. (DP)

IGF

- ***WS 166 Internet Copyright Policy: Multistakeholder or Multilateral?*** SC organised this session with the International Federation of Library Associations, moderated the session, which featured panellists from the Internet Society, the World Intellectual Property Organisation, the Computer and Communications Industry Association and the European Broadcasting Union. The panel discussed how and where Internet-related copyright policy should be developed, for example in multilateral fora like WIPO or the WTO, through trade agreements like the TPP (the resounding tenor of the audience was "no" to that one) or in a hypothetical new multistakeholder forum, where all parties

participate on equal footing with Governments. Several panellists expressed willingness to develop a more robust report and to take the topic forward to another forum for further development.

- **WS 59 *Content Creation, Access to Information, and the Open Internet*** SC participated as a panellist and discussed the importance of maintaining Internet openness whilst encouraging dissemination of new copyrighted works, expressed disapproval at the perversion of the standards setting bodies (IETF, W3C), discussed the importance of licensing and exceptions and limitations in digital copyright.
- **WS 160 *Emerging Issues for Fair Trade and Taxation of Virtual Goods*** SC remote moderated this session, which was organised by Pindar Wong, “the father of the Internet in Hong Kong”. The panel discussed, *inter alia*, digital exchanges for intellectual property rights and building payment systems “into” the web.

Financial Report: to 30 September 2013

Author: Jordan Carter, Chief Executive

Purpose of Paper: To provide an update on the financial performance of InternetNZ for the six months to 30 September 2013.

Commentary to the Accounts

As at September 2013, InternetNZ had a loss of \$239,305 against a budgeted loss of \$552,948, reflecting a variance of \$313,643. 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 - A chart showing cash in bank, actual against forecast
- F - The cash flow forecast to March 2014.

Income variances

The income variance of \$103,657 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.

Expenditure variances

Major areas of difference are:

- Remuneration is over budget by \$10k, due to recruitment costs for the new chief executive, and Contracted Technical Services.
- Operating costs are \$177k under budget, across accounting fees, advertising, conferences, governance training, honoraria, repairs and maintenance, printing and stationery, telecommunications, both areas of international travel/transition, and work-streams. Additionally, the following budget lines are over budget; consultants, legal fees, meetings costs,

R & M software, national travel, and website updates and hosting. Overhead costs are under budget by \$17k, 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 \$25k, due to the budget being allocated as per expenditure last year, timing will rectify this.

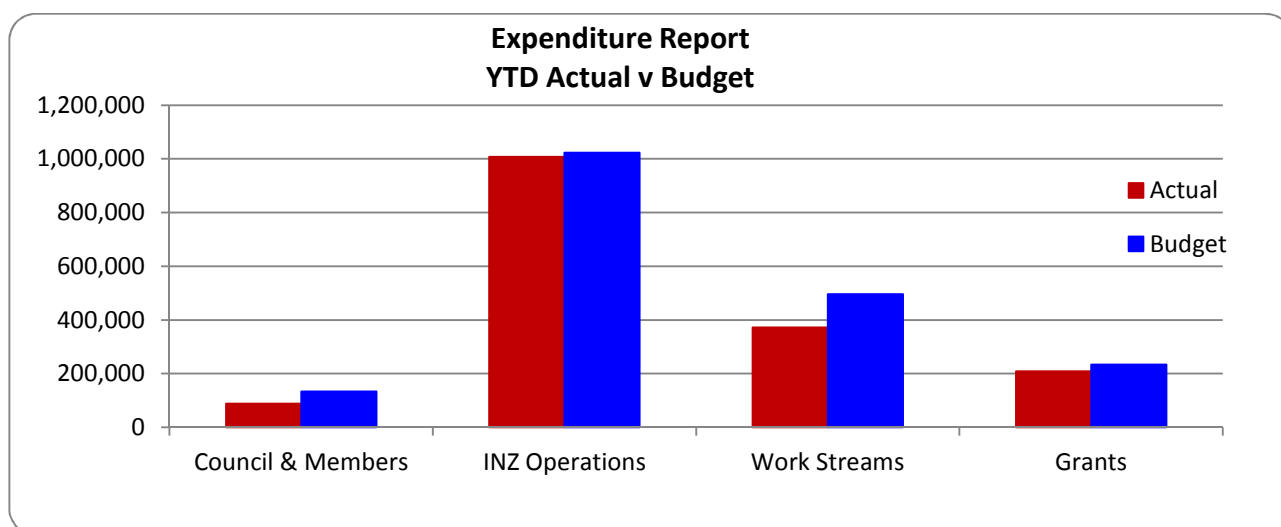
Other Expected Major Budget Variances

Total recruitment costs are expected to be over budget, due to the Chief Executive, Communications lead, and Policy Director recruitment.

The costs of InternetNZ involvement with the Coalition for Fair Internet Pricing and the “Axe the Copper Tax” campaign that the coalition is running is highly uncertain, due to the ongoing changes to the situation and uncertainty regarding coalition contributions. Councillors will be briefed on this at the meeting.

Condensed Income and Expenditure Report Actual v Budget As at 30 September 2013

	YTD Actual \$	YTD Budget \$	Variance \$
Income – total	1,436,540	1,332,883	103,657
Expenditure			
Council & Members	87,712	133,641	-45,929
INZ Operations	1,008,143	1,022,648	-14,505
Work Streams	371,655	495,875	-124,220
Grants	208,334	233,667	-25,333
Expenditure - total	1,675,844	1,885,831	-209,987
Net Income	-239,304	-552,948	-313,644



Recommendations

I recommend:

1. That Council receive the September 2013 financial report from the Chief Executive.

Jordan Carter
Chief Executive

28 November 2013

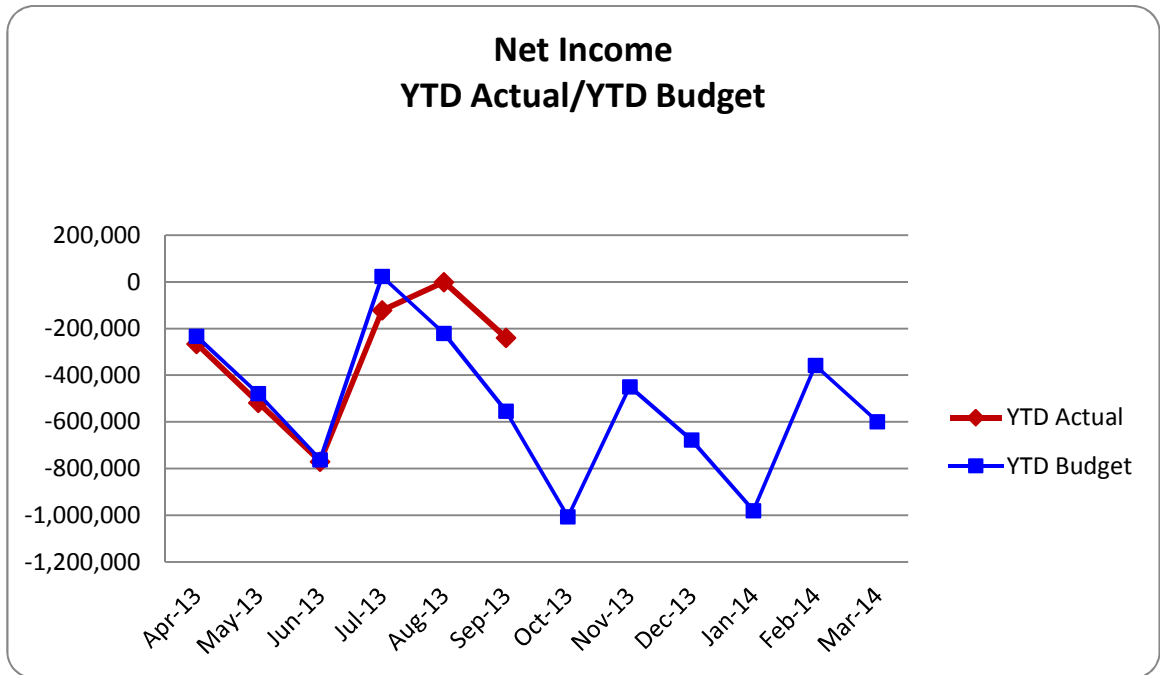
Attachment A

InternetNZ
Profit and Loss Statement
As at 30 September 2013

	<u>Apr - Sep 13</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
500 - Operating Income			
530 - Shared Group Services	103,620.00	103,620.00	0.00
542 - Membership - Corporate	3,000.00	4,385.00	-1,385.00
546 - Membership - Individual	4,223.79	4,060.00	163.79
Total 500 - Operating Income	<u>110,843.79</u>	<u>112,065.00</u>	<u>-1,221.21</u>
580 - Investment Income			
583 - Dividends	1,299,637.00	1,201,318.00	98,319.00
586 - Interest	26,059.09	19,500.00	6,559.09
Total 580 - Investment Income	<u>1,325,696.09</u>	<u>1,220,818.00</u>	<u>104,878.09</u>
Total Income	<u>1,436,539.88</u>	<u>1,332,883.00</u>	<u>103,656.88</u>
Expense			
600 - Remuneration			
601 - ACC Levy	2,811.33	3,610.00	-798.67
625 - Miscellaneous Staff Costs	3,340.87	2,061.00	1,279.87
630 - Recruitment	44,062.48	26,300.00	17,762.48
635 - Staff Training	1,909.78	8,253.00	-6,343.22
651 - Wages & Salaries			
651-01 - Kiwi Saver - Employer Cont	5,763.97	13,188.00	-7,424.03
651 - Wages & Salaries - Other	379,454.55	384,079.00	-4,624.45
Total 651 - Wages & Salaries	<u>385,218.52</u>	<u>397,267.00</u>	<u>-12,048.48</u>
653 - Wages - Casual & Temporary	14,736.04	10,650.00	4,086.04
654 - Wages - Contractors	128,774.23	130,020.00	-1,245.77
655 - Contracted Technical Services	25,420.78	18,510.00	6,910.78
Total 600 - Remuneration	<u>606,274.03</u>	<u>596,671.00</u>	<u>9,603.03</u>
800 - Operating Expenses			
801 - Accountancy Fees	3,768.20	15,000.00	-11,231.80
805 - Advertising & Marketing	3,331.74	6,696.00	-3,364.26
808 - Audit Fees	60.00	0.00	60.00
809 - Bank Charges	1,510.08	825.00	685.08
811 - Conferences	3,881.87	5,270.00	-1,388.13
813 - Consultants	17,218.11	8,235.00	8,983.11
816 - Depreciation	25,002.00	25,001.00	1.00
817 - Domain Names	436.35	350.00	86.35
820 - General Office Expenses	23,229.00	24,092.00	-863.00
822 - Governance Training	2,675.29	12,360.00	-9,684.71
824 - Honoraria	43,072.82	56,324.00	-13,251.18
826 - Legal Fees	19,276.50	11,725.00	7,551.50
829 - Meeting Costs	36,413.83	26,251.00	10,162.83
835 - Postages & Couriers	1,179.98	2,059.00	-879.02
851 - Repairs and Maintenance	2,151.53	4,121.00	-1,969.47
853 - R & M - Software	3,713.78	900.00	2,813.78

855 · Printing & Stationery	8,930.57	9,601.00	-670.43
860 · Subscriptions	12,752.44	12,874.00	-121.56
870 · Telecommunications	30,363.86	31,500.00	-1,136.14
872 · Travel & Accom - International	48,766.96	67,953.00	-19,186.04
873 · Travel & Accom - National	47,886.38	38,107.00	9,779.38
874 · Travel & Accom - Int'l Trans			
874-1 · ICANN	11,575.14	27,000.00	-15,424.86
874-5 · IGF	23,083.21	37,000.00	-13,916.79
874-7 · ITU	11,855.19	11,000.00	855.19
874-9 · Technical Int'l Transition	12,782.58	15,000.00	-2,217.42
Total 874 · Travel & Accom - Int'l Trans	59,296.12	90,000.00	-30,703.88
885 · Web Site Updates & Hosting	7,934.01	6,473.00	1,461.01
899 · Workstream	371,655.49	495,875.00	-124,219.51
Total 800 · Operating Expenses	774,506.91	951,592.00	-177,085.09
900 · Overheads			
915 · Cleaning Costs	4,948.14	7,500.00	-2,551.86
933 · Electricity	7,578.44	8,850.00	-1,271.56
950 · Insurance	5,096.40	4,989.00	107.40
975 · Rent Paid	68,550.00	81,693.00	-13,143.00
980 · Security	556.74	869.00	-312.26
Total 900 · Overheads	86,729.72	103,901.00	-17,171.28
995 · Other Items			
857 · Sponsorship	208,333.80	233,667.00	-25,333.20
Total 995 · Other Items	208,333.80	233,667.00	-25,333.20
Total Expense	1,675,844.46	1,885,831.00	-209,986.54
Net Ordinary Income	-239,304.58	-552,948.00	313,643.42
Other Income/Expense			
Other Income			
1000 · Special Dividends			
1010 · Special Dividends - Interest	38,738.33	1,500.00	37,238.33
Total 1000 · Special Dividends	38,738.33	1,500.00	37,238.33
Total Other Income	38,738.33	1,500.00	37,238.33
Other Expense			
1900 · Special Dividend Exp-Overhead			
1940 · Council Approved Expenditure	0.00	20,000.00	-20,000.00
Total 1900 · Special Dividend Exp-Overhead	0.00	20,000.00	-20,000.00
Total Other Expense	0.00	20,000.00	-20,000.00
Net Other Income	38,738.33	-18,500.00	57,238.33
Net Income	-200,566.25	-571,448.00	370,881.75

Attachment B



**InternetNZ
Balance Sheet
As at 30 September 2013**

	<u>September 30, 13</u>
ASSETS	
Current Assets	
Cheque/Savings/Term Deposits	
Total Cheque/Savings/	1,584,901.68
Term Deposits-Special Dividends	
Total - Term Deposits-Special Dividends	2,493,115.48
Petty Cash	400.00
Total Cash	<u>4,078,417.16</u>
Investment Funds	
GMI Investment	500,933.22
Milford Asset	517,776.27
Total Investment	<u>1,018,709.49</u>
Other Current Assets	<u>192,911.37</u>
Total Other Current Assets	<u>192,911.37</u>
Total Current Assets	5,290,038.02
Fixed Assets	
Total Fixed Assets	298,369.98
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	<u>609,999.93</u>
TOTAL ASSETS	<u><u>6,198,407.93</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Total Accounts Payable	114,148.59
Other Current Liabilities	
Accruals	38,216.34
Lease Incentives	36,892.54
Payroll Liabilities	18,623.88
Total Other Current Liabilities	<u>93,732.76</u>
Total Current Liabilities	<u>207,881.35</u>
Total Liabilities	207,881.35
Equity	
Retained Earnings	6,191,092.83
Net Income	-200,566.25
Total Equity	<u>5,990,526.58</u>
TOTAL LIABILITIES & EQUITY	<u><u>6,198,407.93</u></u>

Attachment D: Spread of assets across institutions

Special Dividend Investment Information

Date	Bank	Term	Amount
11/11/2011	ASB	24 months	409,048
02/12/2011	Kiwibank	24 months	621,909
05/12/2011	Kiwibank	24 months	250,000
28/02/2013	BNZ	12 months	83,373
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
Total \$			2,493,115

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

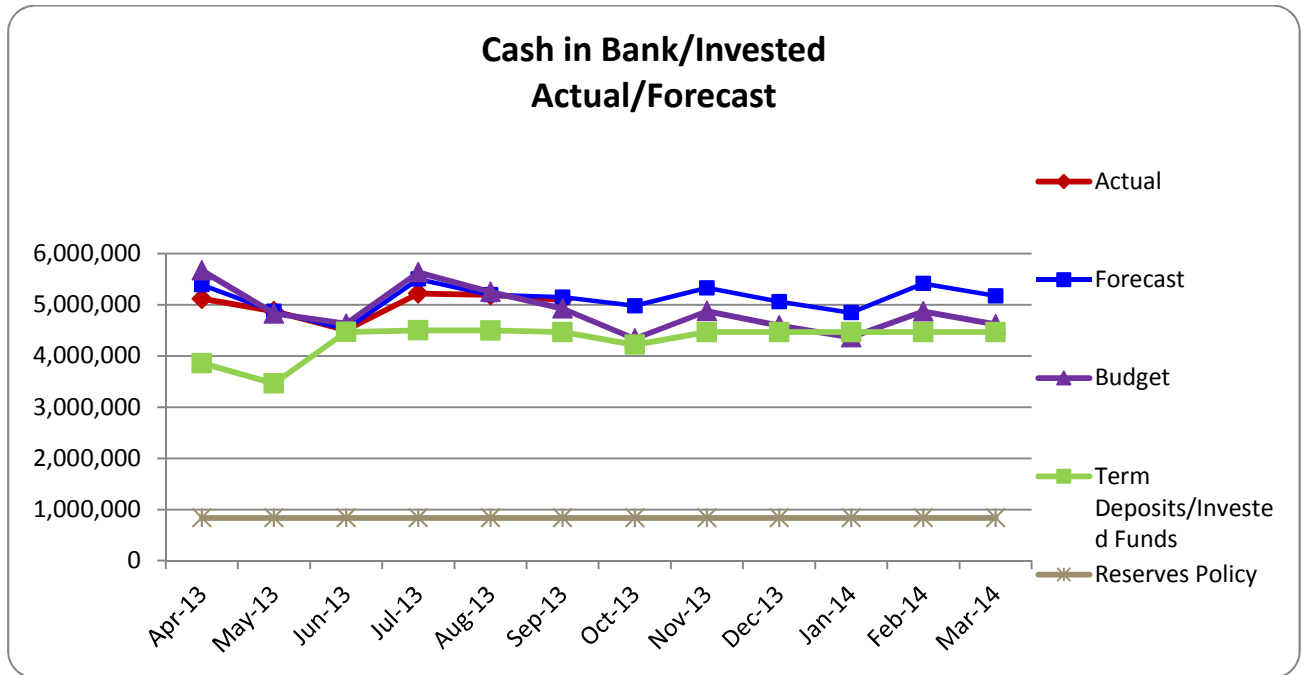
Date	Bank	Term	Amount
07/02/2013	ANZ	12 months	189,485
07/09/2013	BNZ	189 Days	565,205
22/03/2013	Westpac	119 Days	253,248
Total \$			1,007,938

Managed Investment Funds Information

Date	Managers	Amount
20/06/2013	GMI	500,933
20/06/2013	Milford	517,776
Total \$		1,018,709

Managed Investment funds recorded at market value.

Attachment E – Cash in Bank/Invested actual compared with forecast



**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	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Act/Proj.
Invoiced Sales	73,378	28,867	24,838	20,875	10,644	111,442	10,920	20,461	20,460	20,461	20,461	20,460	383,267
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	0	250	250	250	250	250	39,987
Dividends	0	0	0	983,765	315,872	0	0	850,000	0	0	850,000	0	2,999,637
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	2,094	2,368	2,460	2,065	2,378	2,709	40,134
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	52,001	0	68,077	0	47,042	0	344,313
	83,517	115,763	34,133	1,122,886	325,681	187,075	65,015	873,079	91,247	22,776	920,131	23,419	3,864,722
PAYMENTS													
Invoiced Costs	434,308	285,278	335,009	341,966	292,574	235,439	114,237	465,097	273,591	177,168	291,521	204,418	3,450,606
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	44,908	44,908	67,362	44,908	44,908	44,908	580,290
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	22,282	14,182	17,726	17,726	14,182	14,180	184,972
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	181,427	524,187	358,679	239,802	350,611	263,506	4,224,067
NET CASH FLOW	-414,800	-243,895	-365,731	711,052	-26,405	-97,021	-116,412	348,892	-267,432	-217,026	569,520	-240,087	-359,345
OPENING BANK	5,533,927	5,119,127	4,875,232	4,509,501	5,220,553	5,194,148	5,097,127	4,980,715	5,329,607	5,062,175	4,845,149	5,414,669	5,533,927
CLOSING BANK	5,119,127	4,875,232	4,509,501	5,220,553	5,194,148	5,097,127	4,980,715	5,329,607	5,062,175	4,845,149	5,414,669	5,174,582	5,174,582

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
NBNZ Savings	1,040,124	1,342,523	4,456	605,421	606,942	508,204						
NBNZ Current	216,765	70,501	35,514	113,184	88,485	68,415						
ANZ Term Deposit	444,418	444,418	644,418	657,935	657,935	657,935						
ASB Term Deposit	1,004,514	1,004,514	809,207	809,207	809,207	809,207						
BNZ Term Deposit	635,671	635,671	635,672	635,672	635,672	648,755						
Kiwibank Term Deposit	871,949	871,919	871,919	871,919	871,919	871,919						
Westpac Term Deposit	905,286	505,286	505,286	513,582	513,582	513,582						
Petty Cash	400	400	400	400	400	400						
Investment Funds	0	0	1,002,629	1,013,233	1,010,005	1,018,709						
	5,119,127	4,875,232	4,509,501	5,220,553	5,194,148	5,097,127	0	0	0	0	0	0

Community Funding

Community Funding Review Implementation Plan (revised)

Author: Maria Reyes, Ellen Strickland, & Mary Tovey

Purpose of paper: To set out the revised Implementation Plan for the Community Funding Review

This paper updates the timeline for the Implementation Plan of the Community Funding Review recommendations. Most of the changes made in the Implementation Plan (in red fonts) were so that this will be in line with the business planning and budget for the following year.

RECOMMENDATIONS	Due Date <i>(When it will be done)</i>	Comments
I. Establishing clear objectives, priorities and criteria		
I.1 Objectives		
I.1a Review of the InternetNZ Objects with a greater level of detail to allow funding processes to be targeted appropriately	<i>July 2014</i>	<i>Under way</i>
I.1b Identify funding that sits outside Community Funding and apply the appropriate process e.g. - Sponsorship (operational)	<i>October Council Meeting</i>	<i>Complete</i>
I.1c Align InternetNZ's objectives and the overall objectives of the Community Funding programme	<i>March 2014</i>	<i>Under way</i>
I.1d Identify categories for Grant Rounds: - Projects - Research - Conference attendance	<i>October Council Meeting</i>	<i>Complete</i>
I.1e Identify criteria for On-demand Grants: - Applications that fall outside the area of focus/scope of Community Grants Round, and/or - Are matter of urgency, and/or - Are of applications of under \$5,000 in value	<i>October Council Meeting</i>	<i>Complete</i>
I.2 Priority setting and planning		
I.2a Build priority areas for Grants Rounds and On-demand Grants into strategic and business plans, and budgets	<i>February Council</i>	<i>Part of 2014-15 Business Planning</i>
I.2b Plan Grant Rounds as part of the annual business planning and budget process	<i>October Council Meeting</i>	<i>See I.1d above</i>
I.2c Separate budget for Sponsorship that sits outside Community Funding	<i>October Council Meeting</i>	<i>Complete. In 2014/15 draft Budget</i>

1.3 Funding criteria and rules			
1.3a	Set clear decision criteria for each Grant Round that align with the InternetNZ Objects, cost, community acceptance, etc	April Council Meeting December Council Meeting	
1.3b	Define guidelines for applicants relating to the interpretation of the InternetNZ Objects	February Council Meeting December Council Meeting	After the InternetNZ Objects has been reviewed & approved
2. Application Process			
2.1 Assessment			
2.1a	Devise a standardised assessment process consistent and transparent for all funding decisions	October Council Meeting	Complete
2.1b	Implement a simple feedback system to unsuccessful applicants	Already in place	Complete, but will be improved
2.1c	Document all processes fully into an Operating Manual	31 March 2014 December Council Meeting	
2.2 Decision making			
2.2a	Shift all project funding into annual Grants Round/s.	1 Apr 14	Decisions made – see 1.1d
2.2b	Identify Grants Rounds and target with whatever frequency best meets the requirements – e.g.: - Shift all conference attendance funding into quarterly rounds - Research annually – identify specific areas of research to target	February Council Meeting December Council Meeting	Rounds identified. Frequency: part of 2014-15 Business Planning
2.2c	Determine the funding for each Round through the budget process	February Council Meeting December Council Meeting	Part of 2014/15 Business Planning
2.2d	Put conditions on significant Grants that will increase the chances of them being successful – e.g. co-funding, right skill mix, milestone based reporting	October Council Meeting	Complete
2.3 Contracting Process			
2.3a	Establish contracts for each Grant that spells out expectations	By 31 March 2014 December Council Meeting	Will be used/implemented at the first funding round (i.e. Internet Research Funding Round)
2.3b	Establish code of conduct for Grant recipients	By 31 March 2014 December Council Meeting	Will be used/implemented at the first funding round (i.e. Internet Research Funding Round)
2.4 Efficiency			

2.4a	Staff to screen out applications that are outside the criteria and advise Grants Committee at a macro level	<i>From 1 April 2014</i> After October Council Meeting	When point 1.3b is implemented
2.5 Information Quality			
2.5a	InternetNZ staff to provide additional information to the Grants Committee around each valid grant application including: <ul style="list-style-type: none"> - past history of application - performance of past grants - information related to criteria 	November 2013	Complete
2.6 Role Clarity			
2.6a	Ensure appropriate mix of skills on the Grants Committee	<i>August Council Meeting</i> December Council Meeting	When the grants committee is appointed for the coming year
2.6b	Review resourcing requirements and responsibilities to ensure recommendations can be successfully implemented	<i>October 2013</i> December Council Meeting	Complete. CE will keep under review
2.6c	Take steps to increase degrees of separation between those who assess applications and those who approve them	By 31 March 2014	Some completed, rest once new processes are approved
2.6d	<i>Review and update the Terms of Reference for the Grants Committee consistent with the new system</i>	<i>February Council meeting</i>	
2.7 Approvals			
2.7a	Develop a formal approval form that documents the rationale behind the decision	<i>By 31 March 2014</i> December Council Meeting	
3 Outcomes			
3.1	Consistent reporting requirements to: <ul style="list-style-type: none"> - Up to 1 year projects (mid-project progress report, and final reports) - Over 1 year projects (annual progress report, and final reports) - Outcomes/benefits report for medium long term projects 	<i>February Council Meeting</i> December Council Meeting	Reporting framework will be outlined for input and comment
3.2	Consistent updating of the Funding recipients on the website <i>through the Communications Lead</i> and include outcomes, benefits, reports, or relevant links	<i>February Council Meeting</i> December Council Meeting	
3.3	Ensure Council receives, and actions, regular reports on the outcome and trends of Community Funding	<i>From 1 April 2014.</i> Council Meeting	

Recommendations:

- That Council approve and adopt the revised timeline set out in this paper.
- 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.

Community Funding

Author: Maria Reyes on behalf of the Grants Committee

Purpose of Paper: Information on community funding decisions

Decisions on on-demand grants made by the Grants Committee since last Council meeting:

Amount Requested	Applicant	Purpose	Decision	Amount Approved
\$19,580	Otago Peninsula Trust	To purchase the necessary hardware to ensure the smooth and running of the trust's systems in meeting its objectives is maintained	Declined <i>(No alignment with InternetNZ's objects)</i>	-
\$5,000	Pandemonic Operations Trust	Funding to organise an event to celebrate the tenth birthday of UpStage - a web-based platform for cyberperformance (live online performance)	Declined <i>(No alignment with InternetNZ's objects)</i>	-
\$2,704	Kiwi E-learning Trust	To advance the work of the Trust in assisting high school teachers develop skills in producing gold-standard video-streamed lessons freely available on the internet	Pending	
\$10,000	Aotearoa Region - GirlGuiding NZ	To enable girls in isolated situations to use the technology of the internet to connect with each other, be exposed to new ideas, and to learn and grow	Pending	

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

Balance of budget left: \$ 7,000

On-demand Grants

As noted in the February Council meeting resolution# RN 24/13, a cap of 50,000 has been allocated for the on-demand grants but as of 31 October, the remaining balance is now at \$250.

Due to lack of funding for the on-demand grants, the following options are proposed:

- Suspend the on-demand grants funding from now until the next financial year when a new budget is allocated to this funding; or

- Allocate a portion of the remaining \$7,000 out of the Community Funding budget (which is currently not allocated to any funding) as additional funds for the on-demand grants. But please note that should the remaining funds be allocated to another funding (i.e. sponsorship) there will be no funds left in the budget until the next financial year.

Recommendations:

- That Council note the decisions made regarding community funding requests since the October Council meeting.
- That Council approves the [suspension of the on-demand grants from now until the next financial year / allocate additional funding to the on-demand grants]

Strategic Partnerships Framework

Author: Ellen Strickland and Jordan Carter

Purpose of paper: Strategic Partnerships Framework

This paper contains proposed elements of a Strategic Partnerships Framework for adoption (the criteria used to select Partners, and the process by which partnerships will be managed), as well as recommendations for how to approach partnership funding in the 2014-15 financial year.

Introduction

Strategic Partnerships are part of the Community Funding programme. The current form of these partnerships has been established by InternetNZ in 2013 as a new method of funding. One-year partnerships were established with four organisations to develop a range of different approaches and to use this year to see what works best - for partners and for InternetNZ.

Based on the experience with these partnerships, since their establishment, and as part of the Community Funding Review, this paper proposes for discussion the establishment of a Framework for Strategic Partnerships which guides:

- a) criteria for the development of Partnerships and against which Partnerships are reviewed; and
- b) the process followed to develop draft Partnerships, including a proposed timeline for ongoing partnership development.

A) Criteria

1. Strategic Fit

Strategic Partnerships have both the largest financial and time commitment for the organisation of our Community Funding mechanisms. As such it is proposed that Partnerships should have the strongest links to InternetNZ's strategic planning processes.

Strategic Fit would be assessed in the framework by ensuring:

- Each potential partnership is assessed and related to both the InternetNZ Objects and the current InternetNZ Work Areas and Goals. Only partnerships which clearly contribute to these will be entered into.
- Partnerships are also assessed annually as a Portfolio, to ensure that we have a range of partner organisations which relate to a broad variety of the Objects and Works Areas.

A current challenge to this criterion is that the InternetNZ Objects are under review and new Objects under discussion will not be adopted in time for the 2014-15 partnerships. This is manageable however, as from discussion to date, radical changes to the broad ambit of work set out in the current Objects are not being contemplated.

2. Focus on Outputs and Outcomes

Through experience in current partnership funding, in our view InternetNZ has the most tangible impact through partnership funding when it is linked to new or additional outputs from partnership organisations, which align to shared goals and objectives. Partnership funding which sustains existing functions is hard to capture and the tangible outputs of the partnership have been hard to understand.

A focus on outputs and outcomes would be assessed in the framework by ensuring:

- Partnership funding which supports new or additional outputs or capacity is valued as of greater benefit to InternetNZ than supporting existing capacity.

In considering this criterion, performance on past deliverables and working relationship with InternetNZ and other partners are key measures.

3. Partners and Community Links

This criterion links to the value of deepening our networks and community engagement through partnerships. This would be 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.

Questions to consider:

- Are these criteria reasonable?
- Should other criteria be added? (If so, what are they?)
- Do the measures proposed for each criterion seem reasonable or do you have changes to suggest?

B) Process: Ongoing

The one-year funding currently in place for partnerships has been very short, in that this review has only allowed for 6-8 months of active partnership, which has been a short time for embedding and learning about the processes and relationships. It has meant that just as partnerships are settling in, we are now in review, which is unsettling for both the partnerships themselves, and for the organisations we have partnered with.

To address this, in future we propose two-year funding for partnerships, which increases the stable, operational period of the partnerships, which also giving maximum flexibility to ensure strategic match between our partnership portfolio and our work areas.

Additionally, to enhance flexibility as well as spread operational workload, we propose alternating years, with some partnerships coming for review/establishment each year to give flexibility for us and stability of two-year funding for each partnership.

Timing wise while early in terms of relationships and learnings, it is already late in the 2014-15 financial planning cycle for partner organisations so the review of partnership funding needs to be moved up to earlier in the year for future review cycles. Therefore the following timeline is proposed for future years:

Proposed Ongoing Council Timeline: 2015-16 Financial Year Onwards

Date	Step
October Council	Slate of Options for new/renewal partnerships and discussion of partnership portfolio. <i>(Approx. half of partnerships will be mid-funding cycle and half will be new/renewal)</i>
<i>In between which...</i>	Staff meet and discuss with potential new/renewal partnerships.
December Council	New/renewal partnership recommendations paper to Council. Council decision and authorisation of CE to negotiate and sign partnerships.
<i>In between which...</i>	Final staff negotiation and sign partnerships.
February Council	Partnership Portfolio for coming year to Council with new Partnership Agreements.
1 April	Partnerships Commence with 2 year funding as standard.

Interim Process: Current Partnerships

As mentioned existing partnerships need review for 31 March 2014 expiry.

It is proposed that the four existing partnership organisations be considered as the Slate of Options for two-year 2014-16 partnership funding.

If agreed, the staff will apply the framework Criteria to the existing partnerships and a recommendation paper will be put to Council in February.

That paper to Council would also seek authorisation to negotiate Partnerships with existing Strategic Partners for 2014-16 to Council, based on current Objects and the 2014-15 Strategic Plan.

To allow for a partnership portfolio to be expanded after the Objects review, we expect a reduction in commitment to existing partners may need to be considered, to allow for additional potential partners to be considered for 2015 financial year onwards.

Recommendations

1. THAT Council **adopt** the proposed Strategic Partnership Framework, including criteria and timeline [as amended] for Partnership development, to commence in 2014 for the 2015-16 financial year onwards.
2. THAT Council **adopt** the proposed interim process for current Strategic Partnerships, to be conducted over the next few months.
3. THAT Council **agree** the current four Partners as the slate to which the interim process will apply.

Jordan Carter, Ellen Strickland

28 November 2013

Strategic Partnerships Update

Author: Ellen Strickland, Collaboration and Community Lead

Purpose of paper: Strategic Partnerships Update

This paper contains a general update on Strategic Partnerships, with brief update reports from each Strategic partnership organisation attached.

NetSafe

Martin and I met in November on the phone, including discussing HDC next steps, the cybersecurity meeting held in Korea in October, attended by NetSafe, and IGF Bali and other related international Internet Governance meetings, which InternetNZ staff attended. Report from NetSafe on current activities is attached for information.

2020 Communications Trust

Laurence and I have been meeting monthly, with regular communication between organisations. Two operational meetings were held around the research goals, as well as two InternetNZ tem members attending the Computer in Homes coordinators meeting in late November.

The Governance Group met on 12 December and gave feedback on progress on the goals and accepted recommendations to merge Goals 4 & 5.

Report on progress towards 2020 and InternetNZ partnership goals and adopted updated goals attached.

Creative Commons Aotearoa NZ

There has been regular communication between organisations, with Jordan and Ellen meeting with Matt in November to discuss potential changes in CCANZ, moving away from Royal Society as a base in the coming year.

Report from CCANZ on progress on partnership goals attached.

Institute of Culture, Discourse and Communication, AUT

There has been regular communication between the two teams over the last two months, in preparation and working together on the WIP launch events.

Operational meeting held on 7 November at the InternetNZ Auckland office.

Professor Allan Bell has agreed to be a member of the Internet Research Funding Round Assessment Committee., as further way of supporting Internet Research through our partnership.

Report from ICDC on WIP launch and next steps attached.

Update from NetSafe

Cyber Security Awareness Week

NetSafe is not the preferred bidder for the 2014 Cyber Security Awareness Week (CSAW) coordination role. NetSafe was informed by the National Cyber Policy Office (NCPO) of this decision on November 12. The new CSAW coordinator has not yet been announced.

The value of the CSAW coordinators contract was \$150,000 plus any additional money that could be leveraged through sponsorship. The majority of that money was returned into the direct costs of running CSAW.

The DC3

NetSafe is introducing the concept of the Digital Challenges Coordination Centre (DC3) at an event in Wellington on December 3. The role of the DC3 will be to fund, create and manage products and services that are of shared benefit to the Digital Challenges community.

Examples of these products include the (existing) ORB cyber crime reporting point and the (proposed) AI system for information sharing and analysis.

NetSafe will host and manage the DC3, but develop separate governance and operations so that it more directly and representatively links to the community it serves.

The HDC

The Harmful Digital Communications Bill has passed its first reading. It has already benefited from considerable input from a range of organisations including InternetNZ and NetSafe – and many of the concerns that arose from the Law Commissions draft bill have been answered.

I have met with the Minister of Justice to discuss the digital challenges landscape generally. The Approved Agency and HDC Bill were discussed. The Minister has previously named NetSafe and the DIA as two possible organisations to provide the AA role.

The HDC is of international significance. It received plenty of coverage at the Family Online Safety Institute (FOSI) conference in Washington DC. I have spoken to the Australian MP – Paul Fletcher at length about it, and the Minister informs me she has also received considerable foreign interest.

Education Sector

The NetSafe Kit 4.0 and Cyber Security Assessment Toolkit (NCAT) are complete and online.

Strategic Partnership Progress Report: 6 Dec 2013 INZ Council

Progress against Partnership Goals and Measures

The operational group met on 18 September and this was followed by a further meetings related to the research goals, including on 7 November to progress the research project plan.

The Governance Group met on 12 November to review the Goals and progress of the partnership.

Goals 4 and 5 were integrated, see new goals attached.

	Goal	Measures	Progress
1	2020 Computers in Homes (CiH) coordinators understand key Internet issues and are able to discuss these confidently in their communities.	<p>Number of internet issue professional development sessions held at National Computers in Homes Coordinator Group (NCCG) hui.</p> <p>Number of briefs provided by CiH coordinators to relevant stakeholder groups</p>	<p>One PD Session was held 26-27 November attended by Susan Chalmers and David Cormack from the INZ Team.</p> <p>The session focused on the Harmful Digital Communications Bill and the Copper Tax debate, as well as looking at ways of communicating about the work of 2020 and the partnership.</p> <p>David has offered to help connect CiH coordinators with local reporters; CiH coordinators in turn are going to establish a relationship with these reporters to become an 'easy-to-do-business-with' contact for digital literacy stories.</p>
2	InternetNZ policy and other work is strengthened with practical examples of community internet challenges.	<p>Barriers to the uptake and use of the internet are identified and catalogued.</p> <p>Number of examples of community internet challenges that are included in InternetNZ policy work.</p>	<p>New issue raised by CiH coordinators relating to confusion about responsibilities between Chorus and other infrastructure providers and internet Retail Service Providers. While the 'rules' are quite clear, the reality is proving to be quite different. Without a third party champion to help resolve issues, families are not getting internet connections when there are infrastructure issues to resolve.</p>
3	2020 stakeholder communities engage in InternetNZ events and platforms	<p>Number of community participants in NetHui</p> <p>Number of community entrants in ANZIA Awards</p>	<p>South Island CiH coordinator Sue Davidson attended first stakeholder meeting to discuss approach and plan for NetHui South towards the end of March 2014 in Canterbury</p> <p>2020 representatives participated in the World Internet Project briefings in November.</p>
4	The development of quality research evidence on the digital/internet divide is supported	<p>Assess existing data and identify gaps.</p> <p>Research programme prepared and mechanisms for obtaining reliable data reviewed</p> <p>Engage with the Department of Statistics and other relevant researchers</p>	<p>Meetings between INZ and 2020 focused on this goal area and discussing broad research programme work by each organisation and making a plan forwards.</p> <p>Laurence and Barbara Craig from 2020 prepared a draft plan and an initial scoping, to map the existing data and research projects they are involved with or are aware of on digital divide issues.</p> <p>A draft research plan and Terms of Reference was created,</p>

	Goal	Measures	Progress
			<p>which was given to the Governance Group for input. Next steps include drawing on wider expertise through engaging other research community members on the topic. Experts from the community will be asked to contribute to:</p> <ul style="list-style-type: none"> • Scoping and mapping of existing research. • Identify gaps, review data and research mechanisms. • Develop potential next steps in a research programme on digital divide.
5	Robust indicators are identified for measuring digital inclusion.	<p>Indicators are identified for:</p> <ul style="list-style-type: none"> • Affordable access for all to the internet • Digital skills for all • Digital inclusion for all • Digital competence for all 	It was agreed by the Governance Group this goal would be integrated into Goal 4.

Other 2020 Communications Trust Updates

The 2020 Trust's Annual Report has been printed and distributed. Copies will be available for all InternetNZ Council members at the December meeting.

The Trust has updated its 5-year Computers in Homes Plan (with options to increase the scope of the programme from 1500 to 5000 families per annum and to extend the programme to include BYOD devices for children in CiH families). The Trust is also assisting Ministry of Education and Department of Internal Affairs officials in planning for July 2014 onwards.

The Stepping UP digital literacy programme is now operating in partnership with three local authorities – Hutt City, Palmerston North and Whangarei, with interest growing in other areas.

The Trust's contract with ICDL to manage the programme in New Zealand (branded as KiwiSkills) has been extended for a further two years. The Trust will be collaborating with ICDL Asia, based in Singapore.

The Trust has been advocating the establishment of community digital learning hubs in schools, providing affordable wireless internet connections to local communities sharing the school's backhaul fibre connection, as well as providing digital literacy training at the school. It was pleasing to see Minister Nikki Kaye formally give the 'green light' to digital community hubs on 15 November 2013.

On 29 November 2013, the Trust signed an MOU with Dick Smith NZ Limited to support the Computers in Homes programme.

Strategic Partnership Review of Goals: November 2013

The Partnership Agreement requires the Governance Group to agree specific goals for the partnership on a six-monthly basis. This Paper summarises the goals agreed in November 2013 and recommends changes.

	Goal	Measures
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 updates provided by CiH coordinators to relevant stakeholder groups
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 and successes that are included in InternetNZ policy work.
3	2020 stakeholder communities engage in InternetNZ events and platforms	Number of community participants in NetHui Number of community entrants in ANZIA Awards
4	Identify measures of digital inclusion and available data sources for regularly monitoring the extent of the digital/internet divide in New Zealand	Robust indicators are identified for measuring digital inclusion. Assess existing data and identify gaps. Research programme prepared and mechanisms for obtaining reliable data reviewed Engage with the Department of Statistics and other relevant researchers.

InternetNZ Strategic Partnership:
Brief Update from Creative Commons Aotearoa New Zealand
1 October to 25 November

Workshops

CCANZ has agreed to 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 25 November: 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.

Since April, 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.

Resources

CCANZ agreed to 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 25 November: 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. They are being distributed on an ad hoc basis at present; wide distribution is planned for Term 1, 2014.

Events

CCANZ is organising two half-day open education events for school leaders in Auckland and Wellington.

These workshops are planned for March 2014. The Wellington workshop will likely be held at the Royal Society of New Zealand, with the Auckland location yet to be determined. Speakers are currently being confirmed.

Other Activities:

- We continue to work with a Ministry of Culture and Heritage working group to encourage clear public domain or Creative Commons licensing statements for materials released by cultural heritage organisations for the World War One Centenary.
- We have convened a 'Creative Commons and Indigenous Knowledge' working group, to consider the development of additional tools or advice relating to the open release of indigenous knowledge. The meeting documents have been posted online,

along with all other CCANZ meeting documents, at:
www.creativecommons.org.nz/about/meetings

- CCANZ submitted to the review of the Performance Based Research Fund, calling for greater recognition within the PBRF process for broad dissemination of research outputs. This submission can be read online at:
www.creativecommons.org.nz/2013/10/review-of-the-performance-based-research-fund/
- Entries for Mix & Mash closed on November 8. The supreme winners will be announced in early December.
- CCANZ has managed a USD\$4000 grant from Creative Commons HQ to pilot an open textbook project, run by a team at the University of Otago. The Media Text Hack was run successfully on November 16-17, and received some media attention. Our press release can be read online at:
www.creativecommons.org.nz/2013/11/media-release-open-textbook-project/
- CCANZ published a series of posts from scientists, publishers, technologists and librarians for Open Access Week, October 2013. They can read online at:
www.creativecommons.org.nz/category/oa-week-2013/
- CCANZ has completed the first stage of a re-design of its website, which includes a widget for community donations. A further re-design will be completed with the help of a design intern in January 2014.
- CCANZ is using Loomio to facilitate community discussion and input. InternetNZ members who wish to join the discussion should contact Matt for an invitation.

ENDS

WIPNZ Update

The findings from the 2013 World Internet Project in New Zealand were launched at events in Wellington on 21 November (hosted by InternetNZ), and in Auckland on 22 November at AUT University. The WIPNZ report - which for the first time included findings as a result of both online and telephone surveys - gave a snapshot of internet use in New Zealand in 2013. Both the launches attracted audiences of around 40 people which included either interested individuals or representatives from government departments, organisations and businesses. A number of InternetNZ Council members attended the Wellington launch and we were most appreciative of their support.

The involvement of Professor Jeffrey Cole, the international director of the WIP, who was in New Zealand at the time of the launches, greatly enhanced the WIPNZ exposure and garnered a great deal of media coverage in newspapers and broadcast media both online and offline. This also raised the profile of our funders, including InternetNZ. A number of enquiries have also been received from a range of institutions and businesses seeking further information about the data.

Next steps for the WIPNZ team include further analysis in the new year to compare the 2013 results with earlier WIPNZ studies. The 2013 findings will also appear in the next international report prepared by WIP members in 2014. We are also exploring other aspects of the current research for further analysis such as digital divides and the rise of next generation users.

Budget 2014-15

Draft 2014/15 Budget

Author: Jordan Carter

Purpose of Paper: Discussion and agreement of draft 2014/15 Budget

Budget 2014/15: Steady state in rough waters

This paper sets out the background to the preparation of InternetNZ's 2014/15 Budget, the strategy for that budget, and proposes for Council's agreement a draft budget along with associated notes.

Background 1: income will be lower than anticipated

The vast bulk of InternetNZ operating income is derived from domain name fee income, through dividends from NZRS.

At the time of writing, the CEO is aware of a number of factors that mean the dividends from NZRS forecast in the March 2013 Statement of Direction and Goals are not likely to be met, particularly in the 2014/15 year. These factors are:

- **domain name growth down:** a sharp decline in the growth of total domain names registered, with the second quarter showing a net gain of around 2k compared with forecasts of 10k – and negative growth in September.
- **.nz expenses up:** there are short and medium term costs arising from the decision to allow registrations direct at the second level (including a significant though currently unsettled increase in the budget of Domain Name Commission Ltd, and development costs for NZRS in implementing the new system).
- **insourcing the SRS:** there are short term costs arising from NZRS's decision to insource the SRS.
- **business development expenses incurred:** NZRS has a provision of \$400,000 for business development which will likely be committed in 2014/15, affecting funds available for the payment of dividends.

NZRS are taking all of these factors into account as they do budget planning for the preparation of the 2014-2016 Statement of Direction and Goals, due with Council early next year. Last year's SoD&G forecast a 2014-15 dividend of \$3.379m. In the worst case, Council should be prepared for a significantly lower dividend being forecast for 2014/15 when the next SoD&G is presented – perhaps as low as \$2.0m.

Background 2: ... but resource requirements have not reduced...

The draft expenditure budget proposed in this document takes into account InternetNZ's strategic environment, overall approach, and current expenditure trends.

Compared with last year, costs are rising in the following key areas:

- **Rent:** the establishment of an Auckland office and the need for additional space in Wellington across the group expands the net rent figure. (+\$20k)
- **Depreciation:** the decision to look for shared premises that can fit the Group in November 2015 means that the expense of the fitout in Grand Arcade Tower needs to be written down this year and next, leading to much higher depreciation charges in this year's Budget. (+\$96k)
- **International:** 2014/15 will be a year when the future of Internet governance is settled, with multi-stakeholder leadership strengthened and improved, or governments taking a leading role through institutions like the ITU. InternetNZ participation, and support of New Zealand's participation, is critical. (+\$73k)

In contrast, there are few areas where costs can be cut:

- Remuneration and general office expenses have been reduced in the 2014/15 budget. (-\$63k)
- Community Funding is maintained at current levels (\$450k, less the \$50k for Sponsorship now accounted for separately)
- Workstream/NetHui funding is maintained in real terms (\$700k)

The general approach taken to cost control is to be as careful as possible with InternetNZ funds. There are no large pockets of existing expenditure which can easily be cancelled or saved.

Strategy for 2014/15

InternetNZ enjoys a healthy balance sheet due to past surpluses, with forecast funds at 31 March 2014 of just over \$5.0m. This takes into account Council's decision earlier this year to end the hypothetical distinction between InternetNZ reserves and group cash in excess of reserves.

The revenue negatives identified above are time limited in some cases. The costs of implementing .nz changes are a one-off and will reverse out in 2015/16 and 2016/17, and business development costs for NZRS should in the end be met by commercial returns.

There is considerable uncertainty regarding the future growth of registration numbers in .nz, due to the effects a (non-exhaustive) range of factors will have on registrant behaviour:

- the opening of registrations at the second level in .nz
- large numbers of new TLDs opening for registration, including .kiwi
- .nz marketing and promotions

NZRS and DNCL will provide clearer analysis of all these questions as they work through their budget process, prepare recommendations on fee setting, and prepare their Statements of Direction and Goals.

Some expenditure pressures also ease off after 2014/15. It is unlikely international commitments will remain as intense as they are next year, and as new staff learn their jobs and contribute to achieving InternetNZ goals, it is my expectation that the resources we devote to a range of consultants will decline over time.

Given all the above, my recommended strategy can simply be described as “hang tough”: that this draft Budget showing expenditure around \$3.6m be approved as a draft, and further developed next year, cognisant of the risks to income identified above. The recommendations at the end of this paper will include a statement to the effect that Council will draw on retained earnings to finance this expenditure budget, if NZRS dividend forecasts for 2014/15 and beyond materially change compared with those presented in 2013.

The alternative strategy is to be “cautious”, and to select areas for reduced expenditure. This could be across the board (e.g. a fixed percentage), or focused on particular areas (operations, workstreams, community funding, staffing).

I welcome Council feedback on both approaches, and the balance preferred between these approaches can drive revisions to this draft Budget if required. I also note that next year’s Strategy Day can discuss a different approach for 2015/16 and beyond if the picture turns out to be bleaker than looks likely today.

2014/15 Draft Budget Summary

The draft budget shows an operational budget limit of \$3.584 million for 2014/15.

This is an increase of 1.5% or \$54,000 compared with the 2013/14 operating limit of \$3.530m million, which increased from the March 2012 reported limit of \$3.402m, by approved increases to budget for the RN 47/13 identity review project, RN 56/13 Auckland office rent and AGM 06/13, increase to honoraria.

The 2014/15 increase is due to factors noted below the summary table, presented overleaf.

	2013/14	7mths 2013/14	2014/15	Change over last year budget	
	Approved	Actual	Proposed	Amount	Percentage
Community Funding	500	200	450	-50	-10%
Sponsorship	0	50	50	50	0%
Workstreams/NetHui	707	382	700	-7	-1%
Council/Members	304	168	311	7	2.3%
International Transition	180	89	95	-85	-47%
Major Event hosting	200	48	200	0	0%
INZ Operations					
- Remuneration	1,096	693	1,043	-53	-4.8%
- Operating exp’s	352	296	428	76	21.6%
- Overheads	141	101	161	20	14.2%

- Depreciation	50	29	146	96	192%
Total \$000s	3,530	2,056	3,584	54	1.53%

Notes regarding the proposed operational budget:

- The proposed operational budget for financial year 2014/15 is \$3.584 million, an increase of \$54,000 or 1.53% compared with the 2013/14 year.
- The increase is driven by a substantial increase in depreciation costs, to write off the book value of the current fit-out over the remaining life of the lease. The balance of the increase is driven by rent and international and national travel.
- Council/Members budget is net of interest earned on reserves, the increase of \$7k is attributed to an increase in meetings costs, printing and stationery, international and national travel.
- The INZ operations expenditure is net of re-charge for common services to NZRS and DNCL.
- The “Major Event Hosting” line is not anticipated to be drawn on in cash during 2014/15, but the provision is required as part of underwriting the hosting of APRICOT in early 2016 in Auckland.
- All amounts are exclusive of GST.

The limit to operational expenditure and the major categories shown above will also remain stable, but funds may be transferred between lines in the full P&L breakdown attached to this paper before a final budget is presented next year.

Funding Operational Expenditure

The major source of funding operational expenditure is the dividend from NZRS. A payment of \$3.379 million is currently projected for 2014/15, as forecast in NZRS’s March 2013 Statement of Direction and Goals.

As noted extensively in previous sections, this figure is subject to change, given the NZRS Statement of Directions and Goals has not been finalised. Any dividend impact arising from the SoD&G should be clearly understood and agreed before that document is finalised, due to the flow-on effects on InternetNZ’s cash position.

Councillors should also note that solely for planning purposes, the same dividend as forecast for 2015/16 has been included for 2016/17. This is not an NZRS forecast but simply a number to allow for cashflow forecasting – and will be replaced with what NZRS forecasts in the 2014 SoD&G.

Capital Expenditure

The proposed capital budget is \$120,000 (c.f. current year \$66,000), made up of the following items:

Item	Amount
Website redevelopment	\$75k
Video conference equipment (AKL)	\$25k
Misc capex (computers etc)	\$20k

Reserves

Based on projected operational expenditure limits the financial reserves for 2014/15 as required by the Reserves Policy are to be maintained at a level of \$1,149,000 (current year: \$831,000).

Three year Profit & Loss projection

Appended is an updated three year profit & loss projection. The critical underlying assumption is that dividends from NZRS are broadly in line with the amounts forecast in the 2013 Statement of Direction and Goals.

Community Funding

Council will receive a separate paper regarding Community Funding. Community Funding will be spread across grants rounds & Strategic Partnerships. At this stage, the budget provision is the same as for 2013/14: \$500,000, of which \$450,000 remains in the Community Funding line and \$50,000 is allocated to Sponsorship.

Recommendations

1. That Council **approves** for 2014/15 an operational budget limit of \$3.584 million and a capital budget limit of \$120,000.
2. That Council **note** the advice in this 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.
3. That Council **agree** to review the Budget in conjunction with the 2014/15 Business Plan at its meeting in February.

Jordan Carter
Chief Executive

28 November 2013

InternetNZ: 3 year Profit & Loss Forecast

Financial Year	2014/15	2015/16	2016/17	Total
	\$	\$	\$	\$
OPERATING INCOME				
Memberships	9,225	9,686	10,171	29,082
Reimbursement of Shared Services	281,924	296,020	310,821	888,765
	291,149	305,706	320,992	917,847
INVESTMENT INCOME				
Dividends	3,378,948	3,726,299	3,726,299**	10,831,546
Interest Received	39,500	41,475	43,549	124,524
TOTAL INCOME	3,709,597	4,073,480	4,090,840	11,873,917
REMUNERATION				
ACC Levies	3,703	3,889	4,083	11,675
Miscellaneous Staff Costs	4,326	4,542	4,769	13,638
Recruitment	26,815	28,156	29,564	84,534
Staff Training	17,325	18,191	19,101	54,617
Kiwisaver Employer Contribution	24,540	25,767	27,055	77,362
Casuals/Temps	16,223	17,034	17,885	51,141
Contractors	186,036	185,000	150,000	521,036
Contracted Technical Services	42,850	44,993	47,242	135,085
Salary & Wages	787,950	827,348	868,715	2,484,012
	1,109,768	1,154,918	1,168,414	3,433,100
OPERATING EXPENSES				
Accountancy Fees	30,900	32,445	34,067	97,412
Sponsorship & Marketing	64,060	67,262	70,626	201,948
Audit Fees	8,000	8,400	8,820	25,220
Bank Charges	1,622	1,703	1,789	5,114
Conferences	11,059	11,612	12,192	34,862
Consultants	17,304	18,169	19,078	54,551
Domain Names	735	772	810	2,317
General Office Expenses	40,000	42,000	44,100	126,100
Governance Training	12,978	13,627	14,308	40,913
Honoraria	185,256	185,256	185,256	555,768
Legal Fees	24,223	25,434	26,705	76,361
Meeting Costs	74,372	78,090	81,995	234,456
Postage & Couriers	4,326	4,542	4,769	13,638
Repairs & Maintenance	8,652	9,085	9,539	27,275
Repairs & Maintenance - Software	3,890	4,085	4,289	12,263
Printing & Stationery	20,700	21,735	22,822	65,257
Subscriptions	25,750	27,038	28,389	81,177
Telecommunications	72,150	75,758	79,545	227,453
Travel/Accom - International	194,223	176,223	191,223	561,668
Travel/Accom - National	89,067	93,520	98,196	280,784
Web Site Updates & Hosting	8,652	9,085	9,539	27,275
	897,917	905,839	948,057	2,751,813
OVERHEADS				
Cleaning	23,635	24,817	26,058	74,509
Electricity	28,509	29,934	31,431	89,875

Insurance	10,975	11,524	12,100	34,598
Rent Paid	250,166	250,166	262,674	763,006
Security	2,323	2,439	2,561	7,323
	315,608	318,880	334,824	969,311
OTHER COSTS				
Depreciation				
Computer Hardware	6,548	6,875	6,719	20,143
Furniture & Fittings	118,800	124,740	30,977	274,517
Software	18,888	19,832	10,824	49,544
Office Equipment	1,764	1,852	1,480	5,096
	146,000	153,300	50,000	349,300
OPERATING COSTS	2,469,292	2,532,937	2,501,295	7,503,524
SUB-TOTAL PROFIT	1,240,305	1,540,544	1,589,545	4,370,393
Workstream Budget	580,000	609,000	639,450	1,828,450
NetHui National/Regional	120,000	120,000	120,000	360,000
International Transitions	95,000	0	0	95,000
ANZIA/ANZIGF (Int'l Event Holding)	200,000	200,000	200,000	600,000
	995,000	929,000	959,450	2,883,450
Community Funding	450,000	475,000	500,000	1,425,000
TOTAL EXPENSES	3,914,292	3,936,937	3,960,745	11,811,974
PROFIT	-204,695	136,544	130,095	61,943
Special Dividend Interest	109,000	114,450	120,173	343,623
NET PROFIT	-95,695	250,994	250,267	405,566
CUMULATIVE NET PROFIT	5,562,732	5,813,726	6,063,993	6,063,993
CASHFLOW Opening	5,327,440	5,412,757	5,830,746	5,327,440
Closing	5,412,757	5,830,746	6,163,890	6,163,890
RESERVES Requirement	1,149,000	1,206,450	1,266,773	

**** 2016/17 dividend not available, so previous year used.**

Group Financials

(For Information / Discussion)



**Internet New Zealand
Consolidated Financial Statements
For the Quarter Ended 30 September 2013**





**Internet New Zealand
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For the Quarter Ended 30 September 2013**

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**Internet New Zealand
Exclusion of Liability Statement
For the Quarter Ended 30 September 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
5-Nov-13





**Internet New Zealand
Consolidated Income Statement
For the Quarter Ended 30 September 2013**

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income	2,062,225	4,105,045	52,862	110,844	2,049,173	4,078,821	385,968	766,936
Other Income	0	0	0	0	0	0	0	0
Dividends Received	0	0	1,299,637	1,299,637	0	0	0	0
Interest Received	131,393	220,665	50,049	64,798	74,453	147,613	6,891	8,254
Total Income	2,193,618	4,325,710	1,402,548	1,475,279	2,123,626	4,226,434	392,859	775,190
Less Expenses								
Direct Expenses	301,810	577,923	0	0	675,778	1,325,859	0	0
Other Expenses	1,676,952	3,320,301	840,273	1,675,845	602,215	1,187,481	286,274	560,595
Total Expenses	1,978,762	3,898,224	840,273	1,675,845	1,277,993	2,513,340	286,274	560,595
Net Profit (Loss) Before Tax	214,856	427,486	562,275	(200,566)	845,633	1,713,094	106,585	214,595
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	214,856	427,486	562,275	(200,566)	845,633	1,713,094	106,585	214,595

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





**Internet New Zealand
Statement of Movements in Equity
For the Quarter Ended 30 September 2013**

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	9,591,627	9,378,997	5,428,252	6,191,093	3,821,946	2,954,485	341,429	233,419
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	214,856	427,486	562,275	(200,566)	845,633	1,713,094	106,585	214,595
Less:								
Dividend Paid	0	0	0	0	1,299,637	1,299,637	0	0
Closing Equity	9,806,483	9,806,483	5,990,527	5,990,527	3,397,942	3,397,942	1,028,014	1,028,014



**Internet New Zealand
Balance Sheet
As at 30 Septmeber 2013**

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalentts	13,541,400	4,078,417	8,376,304	1,086,679
Other Current Assets	1,094,411	140,909	932,484	21,018
Total Current Assets	14,635,811	4,219,326	9,308,788	1,107,697
Property, Equipment & Software	1,174,763	298,370	869,372	7,021
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	1,018,709	1,628,709	0	0
Total Assets	16,829,283	6,146,405	10,178,160	1,114,718
Less Liabilities:				
Deferred Income	6,462,789	0	6,462,789	0
Trade and Other Payables	560,011	155,878	317,429	86,704
Total Liabilities	7,022,800	155,878	6,780,218	86,704
Net Book Value of Assets	9,806,483	5,990,527	3,397,942	1,028,014
Represented By:				
Total Equity	9,806,483	5,990,527	3,397,942	1,028,014





**Internet New Zealand
Statement of Cashflows
For the Quarter Ended 30 September 2013**

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,341,084	4,557,817
Interest Received	131,393	220,665
Total Received	2,472,477	4,778,482
Cash was distributed to:		
Payments to Suppliers and Employees	1,711,199	3,619,077
Total Payments	1,711,199	3,619,077
Net Flows From Operating Activities	761,278	1,159,405
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	103,850	477,508
Advance to Hector's World Managed Funds	0	0
	1,018,709	1,018,709
Net Cash Flows From Investing & Financing Activities	(1,122,559)	(1,496,217)
Net Increase Decrease in Cash & Cash Equivalents	(361,281)	(336,812)
Plus Opening Cash	13,902,681	13,878,212
Closing Cash Carried Forward	13,541,400	13,541,400
Closing Cash Comprises		
Cash & Cash Equivalents	13,541,400	13,541,400
Cash Flow Reconciliation		
Net Profit (Loss) After Tax	214,856	427,486
Plus (Less) non cash items		
Depreciation	185,067	554,036
Subtotal	399,923	981,522
Movement in Working Capital		
(increase) decrease in receivables	81,198	156,706
increase (decrease) in payables	1,298	(431,595)
increase (decrease) in deferred income	278,859	452,772
Net Cash Flows From operations	761,278	1,159,405



Consent agenda items:

Minutes of the last meeting:

11 October 2013

(For Information)

MINUTES OF COUNCIL MEETING

Status: Draft

Present: Frank March (President), Jamie Baddeley, Michael Wallmannsberger, Brenda Wallace, Richard Wood, Neil James, Lance Wiggs, Hamish MacEwan, David Moskovitz (*video*), Nat Torkington (*video*)

In Attendance: Jordan Carter (InternetNZ CE), Maria Reyes (minute taker), David Farrar (DNCL Chair), Debbie Monahan (Domain Name Commissioner), Kenneth Johnston (DNCL Board member), Richard Currey (NZRS Chair), Jay Daley (NZRS CE), Don Gould (InternetNZ Member), Gary Burns (InternetNZ Member), Etuate Cocker (InternetNZ Member)

Meeting Opened: The President formally opened the meeting at 10.44am

1. Apologies

Apologies were received from Cr Clark and Cr Craig

RN 90/13: That Council grant Cr Clark a leave of absence for this meeting.

(President/Cr Torkington)

CARRIED

Abstain: Cr Wiggs

AP 27/13: President to contact Cr Clark and discuss his availability for and participation in future meetings.

2. Community Funding Review

The President invited the InternetNZ CE to speak to the paper. There was a discussion on whether to retain the on-demand grants in addition to the proposed funding rounds and it was noted that having the on-demand grants system developed and available can provide flexibility in the system – i.e. those that doesn't fall in any of the funding round criteria but may be beneficial for InternetNZ.

A point was raised to put the proposed model – i.e. having a number of funding rounds – on trial and review the hypotheses at the end of the year. It was proposed to move the funding rounds under \$5,000 to a quarterly basis to accommodate more applications.

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.

An issue was raised on the lack of clarity around the boundaries between sponsorship and grants as sometimes there is an overlap between the two; there should be a better definition for what is considered sponsorship and how it is different from grants.

RN 91/13: THAT Council approves the proposed implementation recommended in this paper, as follows:

- That “sponsorship” is defined as events sponsorship that falls within the existing Business Plan is below \$10,000 and there is no conflict of interest.
- That events sponsorship sits outside Community Funding as an operational line item.
- That there will be a separate process for events sponsorship, including separate application form which will be managed internally by staff
- That the Community Funding Rounds with applications being grouped into categories for assessment. Based on the report recommendations and implementation process, the following categories are proposed: Project, Research, Conference attendance
- That the number, focus and timing of Community Funding Rounds, in relation to these categories, is recommended to be decided as part of the annual planning cycle.
- That a standard two-stage assessment process for Community Funding Rounds will be as set out in this paper
- That on-demand grants be available, with a standard one-stage assessment process as set out in this paper.

(President/Cr Wallace)

CARRIED U

DNCL Chair, Domain Name Commissioner, NZRS Chair, NZRS CE, and Kenneth Johnston joined the meeting at 11.15am

Etuate Cocker joined the meeting via video at 11.20am

3. Internet Research Funding Round

The purpose of this paper is to provide Council some information on the proposed Internet Research Funding Round for 2013-14. InternetNZ CE gave a brief summary of the paper and advised that this funding round is consistent to what has been discussed earlier on the Community Funding Review. Ellen Strickland also added some introductory comments.

One of the recommendations set out in the paper was to have an assessment committee that includes members of the Grants Committee, and at least two people from the research community so that there will be an informed and expert assessment process in place.

RN 92/13: THAT Council agree the process and key dates for the Internet Research Funding Round.

(President/Cr James)

CARRIED U

RN 93/13: THAT Council agree the formation of an Assessment Committee for the Round comprised of the Grants Committee and two senior members of the Internet Research community (to be agreed by the Grants Committee).

(President/Vice President)
CARRIED U

4. .nz Registrations at Second Level

The President invited the DNCL Chair to introduce the topic and speak to their paper. The DNCL Chair gave a summary of their report and highlighted the following key points in their recommendations:

- Existing second level domains will remain open and people can have a choice on the 2nd and 3rd level
- Existing registrants will get first priority for strings they already have registered
- Managing/dealing with conflicts (“if they can’t agree, no one gets it”)
- Having a free reservation option
- A temporary extension of the Dispute Resolution Service to sub-domains of second level registrations

The President expressed his thanks to the DNCL Chair for his presence in the online discussion regarding this topic and that it helped that the DNCL Chair was available to address any questions/issues raised at that discussion.

The Council discussed the issue in some detail, with a range of questions addressed and issues raised.

A question was raised on whether people from Council who are registrants of a domain name prior to the date the policy review began can sell or offer these domains to others and whether this will be a conflict of interest. Domain Name Commissioner advised that these domains will be treated the same as the other registrants. None of the Councillors declared that they have any domains that they would possibly sell/share to others.

RN 94/13: That Council in its role as the responsible authority for setting high level policy for .nz resolves that the proposal to allow .nz registrations at the second level proceed.

(Cr Torkington/Vice President)
CARRIED U

RN 95/13: That Council in its role as the responsible authority for setting high level policy for .nz resolves to authorise DNCL to develop, and consult on, a final policy paper and then approve the operational policy at the conclusion of that consultation.

(Cr Wallmannsberger/Cr James)
CARRIED U

RN 96/13: That Council in its role as the responsible authority for setting high level policy for .nz notes that detailed work around implementing this change will be done in conjunction with NZRS when the policy details are finalised and that any budget implications will be noted in the budgets presented to Council as part of the normal subsidiary reporting process.

(Cr Wallmannsberger/Cr Wallace)

CARRIED U

RN 97/13: THAT Council as owner of NZRS ask the company to advise Council through the Chief Executive as a priority if at any stage NZRS believes that implementation of .nz registrations at the second level would create significant adverse financial/operational issues.

(Cr MacEwan/Cr Wiggs)

CARRIED U

Council took a lunch break at 12.25pm – 1.05pm

Cr Moskowitz and Cr Torkington left the meeting at 12.25pm

Council went into committee between 1pm – 1.10pm

Cr Torkington joined the meeting via video at 1.15pm

RN 98/13: That Council thank and commend Joy Liddicoat, David Farrar, Debbie Monahan along with the remainder of the DNCL Board & staff for their high professional standards of work and output, during the consultation and recommendation process for the .nz Registration at the Second Level.

(Cr Wiggs/Cr Wallace)

CARRIED U

RN 99/13: That Council expresses thanks to all who responded to the consultation for the .nz Registration at the Second Level proposal and acknowledge that their input was invaluable and that the policy position now is stronger as a result.

(Cr Wallace/Cr Wiggs)

CARRIED U

RN 100/13: That Council authorise DNCL Chair to prepare an edited version of the question and answer discussion on the Council mailing list, and to send this around the Council for review and then have it published along with the minutes of this meeting.

(President/Cr James)

CARRIED U

5. DNSSEC Strategy

It was noted that this report is for Council's information only. Council thought that this was a good report and commends Barry Brailey of DNCL for the work he has done on this paper.

6. .nz Joint Strategy

NZRS Chair advised that this paper clarifies the responsibilities between the two subsidiaries. A question was raised on the marketing activity and NZRS CE advised that NZRS will be responsible for running this.

Council thanked DNCL and NZRS for their work and for producing this paper, and noted it for the record while also noting that it does not require adoption.

7. International Strategy

The InternetNZ CE gave a brief summary and advised that the purpose of this paper is to provide the overarching framework that sets out why InternetNZ is involved internationally and what it seeks to achieve through that involvement.

Council raised its desire to see improved transparency of travel costs and discussed on having a clear budget across the group on how much can be spent on international travel/engagement. InternetNZ CE advised that a budget will be set-up in the general budgeting process for international engagement, as was done for the international transition plan.

It was noted that this paper is for Council's information at this stage, and that the implementation plan will be brought to a future Council meeting.

Domain Name Commissioner and DNCL Chair left the meeting at 2.20pm

NZRS Chair and NZRS CE left the meeting at 2.44pm

8. Strategy Following the Members Engagement

The Chief Executive noted that the general direction the Council had set out following its retreat (a focus on people at the heart of InternetNZ's mission, and a desire to see if members agree a modernisation of the Objects is due) was welcomed by those members who attended the four engagement meetings around the country in late September/early October.

The paper set out next steps in developing INZ strategy and the Objects review, with future discussion on next steps scheduled for the December meeting.

RN 101/13: That Council adopts the CE's proposed approach for next steps in developing InternetNZ's Strategy as set out in the paper.

(Vice President/Cr Torkington)

CARRIED U

RN 102/13: THAT Council adopts the CE's proposed approach for next steps in the review of the Objects as set out in the paper.

(Vice President/Cr Torkington)

CARRIED U

AP 29/13: InternetNZ CE to send draft Vision and Goals paper to Council for review/comments before the December Council meeting.

Gary Burns left the meeting at 2.50pm

Council took a short break at 2.50pm and reconvened at 3.07pm

9. Chief Executive's Report

InternetNZ CE spoke to his report and gave an overview of the key points on his paper including update on the Auckland premises, planned priorities from now until the end of the year, staffing and contractor issues, and other matters.

A question was raised regarding the Website IA project and whether there are any updates on this. InternetNZ CE advised that the work is still in progress and that the new Communications Lead is now in touch with the review company. A proposal for options to develop the site in line with the new IA will be brought forward as soon as possible.

Operations Report

InternetNZ CE gave a brief summary on the new format for the operations update. Council appreciates with the new format but raised a suggestion to add color coding on the activities so it is easy to see the progress of each activity – e.g. “green” for activities that has been done; “yellow” for on track; “red” for activities not done/off-track.

AP 30/13: InternetNZ staff to add “traffic lights” color on the operations report for easy reference on the progress of each activity.

Business Development

The purpose of this paper is to re-form a business development advisory group, and seek agreement to Council on matters that will guide a re-write of the business development policy.

AP 31/13: InternetNZ CE to prepare a policy consistent with the purpose and requirements of business development, for discussion at the December Council meeting

RN 103/13: THAT the Business Development Advisory Group be re-established, with membership comprised of Cr Baddeley, Cr Wiggs, Cr MacEwan and Cr Wood and the President as a corresponding member.

(President/Cr Wood)

CARRIED U

RN 104/13: THAT the purpose of business development and the requirements of the policy, be agreed by Council and THAT the Chief Executive prepare, in consultation with subsidiary CEs, a refreshed Business Development Policy consistent with these for consideration at the December 2013 meeting.

(President/Cr MacEwan)

CARRIED U

Planning Cycle and Meeting Schedule to end of 2014

It was proposed that the meeting for early next year be moved from Friday 14 February (St Valentine's Day) to Wednesday 12 February. An updated schedule will be sent to Council with the final dates included.

RN 105/13: THAT Council agrees that the Planning Cycle set out in table 1, will guide Council decisions regarding the meeting agendas through to the end of 2014.

(President/Cr Wood)
CARRIED U

RN 106/13: THAT Council adopts the dates for Council meeting in the Schedule of Meetings in table 2 for 2013 and 2014, noting that the February 2014 meeting is now moved to 12 February.

(President/Vice President)
CARRIED U

Policy Advisory Group (PAG)

After a brief discussion on whether PAG should be open to non-members, it was noted that PAG is to remain open only to InternetNZ members, as is the status quo, with Council noting that PAG does not comprise a multistakeholder policy forum per se, and also noting that occasionally, relevant individuals can be invited to participate in PAG proceedings.

Travel Reports

A comment was raised that these reports are very informative and Council commends Dean Pemberton's approach on his travel report as it includes details on why it matters and not just a narrative report of what has happened on the event.

Financial Report

There were no questions on the financial report, but more contemporary information was requested on the value of funds invested. The Chief Executive noted that staff would prefer actually to circulate a monthly financial report soft-copy, with only the quarterly accounts published in the Council papers. Council agreed with this approach from now on.

RN 107/13: THAT Council receives the CE's report.

RN 108/13: THAT Council receive the August 2013 financial report from the Chief Executive.

(President/Cr James)
CARRIED U

10. Partnership Report

Councillors noted the reports from Strategic Partners. The InternetNZ CE advised that a proposed plan for the review of the strategic partnerships will be put forward to the December Council meeting.

II. Consent Agenda

Evotes

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

Evote:		For:	Against:	Abstain:
5092013	THAT Dave Moskovitz be appointed to the DNCL Board for a one year term.	Frank March Michael Wallmannsberger Neil James Hamish MacEwan Brenda Wallace Jamie Baddeley Nat Torkington Richard Wood Donald Clark Amber Craig Lance Wiggs		(Dave Moskovitz)
13092013	<p>THAT the InternetNZ Council, as shareholder of Domain Name Commission Ltd, resolve as follows:</p> <p>SHAREHOLDERS RESOLUTIONS IN LIEU OF MEETING MADE PURSUANT TO SECTION 122 COMPANIES ACT 1993 ('the Act')</p> <p>IT IS HEREBY RESOLVED in terms of the Act that the total Directors' Fees for the year ending 31 March 2014 be fixed at a maximum of \$146,250 (plus GST) to be apportioned among the Directors as the Board determines, in acknowledgement of the recent increase in the number of directors from five to six;</p> <p>AND</p> <p>THAT the President as Shareholder Representative be authorised to write to Domain Name Commission Limited communicating this decision to the Company.</p>	Brenda Wallace Frank March Neil James Hamish MacEwan Richard Wood Michael Wallmannsberger Jamie Baddeley Lance Wiggs Amber Craig		Donald Clark Dave Moskovitz

It was noted that there was an error in the Evote Report paper and that Cr Moskovitz had abstain from voting for Evote#5092013.

Membership

Council noted the decrease in the organisational memberships and information was sought on which organisational members have recently ceased membership of InternetNZ and the reason for this was requested.

AP 32/13: InternetNZ staff to provide printed copies of the list for the new members at the next Council meeting.

RN 109/13: THAT the minutes of the meeting held on 2 August 2013 be received and adopted as a true and correct record, and THAT the following reports be received:

- a. Ratification of minutes: 2 August 2013
- b. Outstanding action points
- c. E-votes ratification
- d. Grants Update
- e. Membership update

(President/Vice President)

CARRIED U

RN 110/13: That the new members be approved.

(President/Vice President)

CARRIED

Abstain: Cr Wiggs

12. Other Business

Council did a round table and provided some feedback on how the meeting went and overall, Council thought the meeting went well. Some of the other comments raised are as follows:

- Presentation on Bitcoin was informative
- Good discussion on the 2TLD and good decisions were made at this meeting
- Good to have Council listening to each other and coming to a consensus
- The President noted that it's been an easy meeting to manage
- Good preparation for the meeting
- Possible having an hour lunch for the next meeting to allow people to have regain energy before reconvening for the afternoon section of the meeting.

Next Meeting: The next scheduled Special Council meeting is Friday 6 December 2013.

Meeting Closed: The meeting closed at 4.16pm

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	Will be tabled at the February 2014 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	December Council meeting	For December Council meeting
AP 13/13	The President to circulate the self-evaluation form to Council for completion.	President	In progress	December Council meeting	
AP 16/13	InternetNZ Staff to find other alternative software for video conferencing.	InternetNZ Staff	In progress	October 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	October Council meeting	Waiting for lawyer's feedback
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	October Council meeting	
AP 20/13	Jordan to provide feedback to Council after his meeting with Creative Commons re partnership.	CE	Complete	October Council meeting	Included in the December Council papers (re Partnerships report)
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	October Council meeting	
October 2013					
AP 27/13	President to contact Cr Clark and discuss his availability for and participation in future meetings.	President	Complete	December Council meeting	
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
AP 29/13	InternetNZ CE to send draft Vision and Goals paper to Council for review/comments before the December Council meeting.	CE	Complete	December Council meeting	Included in the December Council papers
AP 30/13	InternetNZ staff to add "traffic lights" color on the operations report for easy reference	InternetNZ Staff	In progress	December Council meeting	
AP 31/13	InternetNZ CE to prepare a policy consistent with the purpose and requirements of business development, for discussion at the December Council meeting	CE	Complete	December Council meeting	Included in the December Council papers
AP 32/13	InternetNZ staff to provide printed copies of the list for the new members at the next Council meeting.	InternetNZ Staff	Complete	December Council meeting	

Membership report

INTERNETNZ MEMBERSHIP REPORT

Status: Final

Author: Maria Reyes

2013

	November 2013	October 2013	August 2013	May 2013
Fellows:	24	24	24	23
Individual:	253	252	239	257
Professional Individual:	76	76	72	80
Small Organisation:	26	23	22	25
Large Organisation:	5	5	5	8
Total Membership:	384	380	362	393

2012

	November 2012	October 2012	August 2012	May 2012
Fellows:	23	23	23	21
Individual:	228	218	212	164
Professional Individual:	69	68	65	51
Small Organisation:	26	26	25	16
Large Organisation:	7	7	6	6
Total Membership:	353	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
ANZIAs	Australia New Zealand Internet Awards
APEC	Asia-Pacific Economic Cooperation
APNIC	Asia Pacific Network Information Center (<i>RIR for the Asia Pacific region</i>)
APRICOT	Asia Pacific Regional Internet Conference on Operational Technologies
APTLD	Asia Pacific Top Level Domains Associations (<i>organisation for ccTLD registries in Asia Pacific region</i>)
auDA	Australian Domain Authority (<i>the .au, Australian equivalent of DNCL</i>)
BIM	Brief to Incoming Minister
ccTLD	Country-Code Top Level Domain (<i>such as .nz for New Zealand, .uk for United Kingdom</i>)
CDMA	Code Division Multiple Access (<i>server</i>) (<i>a means to transmit bits of information</i>)
CFH	Crown Fibre Holdings
CIRA	Canadian Internet Registry Authority (<i>operators of the .ca ccTLD</i>)
DHB	District Health Boards
DIDO	Distributed-Input Distributed-Output (<i>wireless protocol system</i>)
DNCL	Domain Name Commission Limited
DNS	Domain Name System
DNSSEC	DNS Security (<i>adds security to the Domain Name System</i>)
DSLAM	Digital Subscriber Line Access Multiplier
DRS	Dispute Resolution Service
FTTH	Fibre To The Home
GAC	Government Advisory Committee
GCSN	Greater Christchurch Schools Network Trust
GNSO	Generic Name Supporting Organisation (<i>makes recommendations re gTLD to ICANN</i>)
gTLD	Generic Top-Level Domain (<i>such as .com / .edu</i>)
IANA	Internet Assigned Numbers Authority
ICANN	Internet Corporation for Assigned Names and Numbers
IGF	Internet Governance Forum
ISOC	Internet Society
ISPANZ	Internet Service Provider Association of New Zealand

Glossary of Terminology

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