Agenda for a meeting of the InternetNZ Council

Friday, 7 December 2012

Level 9 Grand Arcade Tower, 16 Willis St, Wellington

Start	Item	Person
10.00am	**Council alone time**	Jamie Baddeley
10.30am	**Council and CE alone time**	Jamie Baddeley Vikram Kumar
11.00am	**Apologies** **Declaration of Councillor interests** **Agenda consideration - in committee items** **Consent agenda item** a. Ratification of minutes: 26 October 2012 b. Evote ratification	Jamie Baddeley
11.05am	**Matters arising from the minutes** Outstanding action points from previous meeting	Jamie Baddeley
11.15am	**Strategic discussion** Strategy and business planning approach	Vikram Kumar
12.05pm	**Strategic discussion** Mid-year review of business plan	Vikram Kumar
12.25pm	**Strategic discussion** Issues around geo locks	Brenda Wallace Vikram Kumar
12.35pm	**Lunch**	
1.05pm	**DNCL 2nd Quarter Report** DNCL 2nd Quarter Report	Joy Liddicoat Debbie Monahan
1.15pm	**Joint DNCL and NZRS .nz 2nd Quarter Report** Joint DNCL and NZRS .nz 2nd Quarter Report	Joy Liddicoat Debbie Monahan Richard Currey Jay Daley
1.30pm	**NZRS 2nd Quarter Report** NZRS 2nd Quarter Report	Richard Currey Jay Daley
1.40pm	**Business Continuity Update** Letter from NZRS - Results of independent review of NZRS BCP	Richard Currey Jay Daley
1.45pm	**Subsidiary Statement of Expectations**	Jamie Baddeley
2.00pm	**Group financials** Second quarter consolidated financial statements	Jamie Baddeley
2.05pm	**Possible strategic partnership - 2020 Communications Trust** Potential to develop a strategic partnership based on shared goals	Neil James
2.35pm	**Break**	

2.50pm	**Request for a strategic partnership – Creative Commons Aotearoa New Zealand**	Matt McGregor
3.20pm	**InternetNZ operational report** CE's report Financial report to September 2012 Financial report to October 2012 End of year funding round Membership update	Vikram Kumar
4.05pm	**Grants Committee** Grants report Paper from Committee	Dave Moskovitz
4.25pm	**Investment Sub-Committee**	Lance Wiggs
4.40pm	**Other business** Meeting feedback	Jamie Baddeley
5.00pm	**Meeting ends**	

Annotated agenda for a meeting of the InternetNZ Council

Friday, 7 December 2012

Level 9 Grand Arcade Tower, 16 Willis St, Wellington

Start	Item	Person
10.00am	**Council alone time**	Jamie Baddeley
10.30am	**Council and CE alone time**	Jamie Baddeley Vikram Kumar
11.00am	**Apologies** **Declaration of Councillor interests** **Agenda consideration - in committee items** **Consent agenda item** *THAT the minutes of the meeting held on 26 October 2012 be received and adopted as a true and correct record, and* *THAT the following reports be received:* a. Ratification of minutes: 26 October 2012 b. Evote ratification	Jamie Baddeley
11.05am	**Matters arising from the minutes** Outstanding action points from previous meeting	Jamie Baddeley
11.15am	**Strategic discussion** Strategy and business planning approach *THAT Council agrees that the 2013/14 operational budget for business planning purposes be $2.950 million, inclusive of $0.5 million for community funding.* *THAT Council discusses the proposed Strategy and Planning Approach for InternetNZ.* *THAT Council discusses the proposed implementation plan for the Strategy and Planning Approach.*	Vikram Kumar
12.05pm	**Strategic discussion** Mid-year review of business plan	Vikram Kumar
12.25pm	**Strategic discussion** Issues around geo locks *THAT Council agrees that in the 2013/14 business plan, InternetNZ undertakes work to:* - *Analyse the implications of an increasing shift from physical national boundaries and physical goods to an Internet-connected world of digital goods and services; and* - *Technical issues with geo-location using data from commonly used geo-location providers.* - *The strategic priority of tax collection identified at the InternetNZ Strategy Day also be included in this work.*	Brenda Wallace Vikram Kumar
12.35pm	**Lunch**	
1.05pm	**DNCL 2nd Quarter Report** DNCL 2nd Quarter Report *THAT the DNCL second quarter report be received.*	Joy Liddicoat Debbie Monahan

1.15pm	**Joint DNCL and NZRS .nz 2nd Quarter Report** Joint DNCL and NZRS .nz 2nd Quarter Report *THAT the .nz second quarter report be received.*	Joy Liddicoat Debbie Monahan Richard Currey Jay Daley
1.30pm	**NZRS 2nd Quarter Report** NZRS 2nd Quarter Report *THAT the NZRS second quarter report be received.*	Richard Currey Jay Daley
1.40pm	**Business Continuity Update** Letter from NZRS - Results of independent review of NZRS BCP	Richard Currey Jay Daley
1.45pm	**Subsidiary Statement of Expectations** *THAT Council **discusses** that Statement of Expectations for the financial year 2013/14 for DNCL and NZRS including:* - *Are there any changes required to the content and/or structure of the current Statement of Expectations?* - *What Group strategy and strategic expectations should be set?* - *Any other changes to the current Statement of Expectations required?*	Jamie Baddeley
2.00pm	**Group financials** Second quarter consolidated financial statements *THAT the second quarter consolidated group financial statements be received.*	Jamie Baddeley
2.05pm	**Possible strategic partnership - 2020 Communications Trust** Potential to develop a strategic partnership based on shared goals *THAT annual funding of $200,000 is provided for the initial period of three years by InternetNZ to 2020 Communications Trust to support achievement of the shared vision, and deliver the agreed results.*	Neil James
2.35pm	**Break**	
2.50pm	**Request for a strategic partnership – Creative Commons Aotearoa New Zealand**	Matt McGregor
3.20pm	**InternetNZ operational report** CE's report Financial report to September 2012 Financial report to October 2012 End of year funding round Membership update *THAT Council receives the CE's Report.* *THAT Council notes the financial report to 30 September 2012.* *THAT Council notes the financial report to 31 October 2012.* *THAT Council agrees the process and key dates for the End of 2012/13 Year Funding Round.* *THAT the new members be approved.*	Vikram Kumar

4.05pm	**Grants Committee** Grants report Paper from Committee *THAT Council agrees that the $46,500 remaining unallocated from the Policy & Legal Funding Round be returned to the general Community Funding budget.* *THAT Council agrees that in future financial years, within the approved Community Funding budget and in addition to anytime funding requests, there will be a $100,000 Internet research round and a general funding round focused on practical, non-research Internet projects.* *THAT Council note the decisions made regarding community funding requests since the last Council meeting.*	Dave Moskovitz
4.25pm	**Investment Sub-Committee**	Lance Wiggs
4.40pm	**Other business** Meeting feedback	Jamie Baddeley
5.00pm	**Meeting ends**	

REGISTER OF INTERESTS
26 November 2012

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 - $18,000
Vice President - $11,250
Councillor - $9,000

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 17 October 2011

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 18 August 2012

Interests:

- Holds several .nz domain name registrations
- Contracted by InternetNZ to support New Zealand IPv6 Task Force
- Councillor's Honorarium for InternetNZ
- Submitter and funder of application for the .kiwi.nz 2LD

Name: Michael Foley
Position: Councillor, InternetNZ
Term: AGM 2012 - AGM 2013
Declaration Date: 25 August 2007, updated 27 September 2011

Interests:

- Director of Voco Limited
- Director of Domain Name Commission Ltd
- Domain Name Commission Director's fees
- Holder of .nz domain names
- Member of Advisory Group for Enternet Online Limited (EOL)
- Councillor's Honorarium for InternetNZ

Name: Neil James
Position: Councillor, InternetNZ
Term: AGM 2010 - AGM 2013
Declaration Date: 28 August 2008, updated 22 November 2011

Interests:

- Member of Identity and Access Management for Education and Research (IMAGER)
- Supporting fibre development in the Dunedin region
- Fellow of NZCS
- 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

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
- Trustee for One Laptop per Child New Zealand.

Name: Jonny Martin
Position: Councillor, InternetNZ
Term: AGM 2010 - AGM 2013
Declaration Date: 28 August 2007, updated 6 March 2009

Interests:

- Employee of Packet Clearing House
- Shareholder of FX Networks Ltd
- Director of the Asia Pacific Internet Association (APIA)
- Member of NZNOG and APRICOT organising committees
- Holds a number of .nz and .net domain names
- Councillor's Honorarium for InternetNZ

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 7 January 2011

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

Name: Lance Wiggs
Position: Councillor, InternetNZ
Term: AGM 2010 - AGM 2013
Declaration Date: 9 August 2010, updated 28 June 2012

Interests:

- Beneficiary shareholder of Pacific Fibre Limited
- Owner and director of LanceWiggs Consulting
- Director and shareholder in several NZ companies operating online and which are owners of several .co.nz domain names
- Director of Cadimage Limited, Graphisoft New Zealand Limited
- Director of Cadimage Group Limited and associated companies
- Director of Powerkiwi Limited
- Director of Safeplus Limited
- Director of News Crowd Limited
- Director of Define Instruments Limited
- Director of Lingopal Limited (Australia)
- Shareholder and advisor to Valuecruncher Limited
- Shareholder and advisor to Authentic Tours Limited
- Member of the Institute of Directors
- Shareholder and advisor to Vend Limited
- Consulting to ASB
- Councillor's Honorarium for InternetNZ
- Member of NZCS / Institute of IT Professionals

Name: Dave Moskovitz
Position: Councillor, InternetNZ
Term: AGM 2011 - AGM 2014
Declaration Date: 9 August 2010

Interests:

- Registrant of .nz, .com, .org domains
- **Board memberships:**
- Think Tank Consulting Limited (Chair)
- WebFund Limited (Chair)
- Golden Ticket Limited (Chair)
- WebFund Golden Ticket Holdings Limited
- WebFund Smartshow Holdings Limited
- **Shareholdings (all of the above, plus):**
- Ponoko Limited
- Celsias Limited
- 8interactive Limited
- Numerous publicly listed companies
- Admin Innovations Limited (through WebFund)
- DIYFather Limited (through WebFund)
- Smartshow Limited (through WebFund)
- **Non-profit Leadership:**
- Trustee, Think Tank Charitable Trust
- Board member, AngelHQ Establishment Board
- Treasurer, Wellington Progressive Jewish Congregation
- Councillor, Wellington Regional Jewish Council
- Co-Chair, Wellington Council of Christians and Jews
- **Other memberships:**
- New Zealand Open Source Society
- Institute of Directors in New Zealand
- Springboard
- Royal Society
- Councillor's Honorarium for InternetNZ

InternetNZ

26 October 2012

MINUTES OF COUNCIL MEETING

Status:	Draft
Present:	Frank March (President), Jamie Baddeley (Vice President), Donald Clark *(in part)*, Neil James, Hamish MacEwan, Jonny Martin *(video)*, Dave Moskovitz, Nat Torkington *(video)*, Brenda Wallace, Michael Wallmannsberger
In Attendance:	Vikram Kumar (Chief Executive), Susi Cosimo, Maria Reyes (minute taker), Debbie Monahan (Domain Name Commissioner), Joy Liddicoat (DNCL Chair), Josh Cookson (DNCL), Richard Currey (NZRS Chair), Jay Daley (NZRS CE), Susan Chalmers
Meeting Opened:	The President formally opened the meeting at11:39 a.m.

1. Apologies
Apologies received from Cr Wiggs and Cr Foley.

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

Cr Baddeley advised that as of 2 November 2012, he is no longer an employee of FX Networks Ltd.

Prior to the meeting, Cr Wallace advised she has two new additions to her interest, namely: Organiser of Girl Geek Dinners Wellington; and Trustee for One Laptop per Child New Zealand.

3. Agenda consideration – in committee items
It was noted that there were no "in committee" items in the agenda.

4. Matters arising from the minutes
Cr Baddeley made a comment that the minutes did not capture the discussion around IPv6 and TUANZ. Vikram, in response, advised that an action point was noted in the minutes that relates to this discussion and an update for this action point will be given later in the meeting.

AP 25/10:	The President gave a verbal report that he had spoken to Peter Dengate-Thrush and LDTF could be expected to invite InternetNZ to contribute to an award at some point but this could be treated as a normal grant application.
AP 31/10:	Complete
AP 63/11:	In progress. Paper to be developed for December 2012 meeting.

AP 65/11: In progress. The President advised that Ron Hamilton has agreed to complete the Director's remuneration review. The President intends to initiate this by next week and he will be in touch with the Councillors regarding the review. The aim is to have any changes in the remuneration to take effect after the next AGM.

AP 67/11: In progress.

AP 09/12: Vikram has created a draft brief for an external lawyer and governance specialist, incorporating the feedback he received from Debbie and Jay. He hopes that by the next Council meeting this action point would either be complete or the work would be underway.

AP 10/12: Complete.

AP 11/12: Vikram advised that since the last Council meeting, they have been working to figure out a channel to get to the CIO-levels of larger enterprises (and get the message across around the IPv6). At this stage they have come up with two options. One is via 'TUANZ After 5s'. The issue with this channel is that the people who come to these meetings are typically the technical medium-level managers and not CIOs or CEs.

The other option is to work with Fairfax which has a trusted channel to the CIOs and organise a breakfast/lunch in Auckland either in February or March 2013. InternetNZ can pay the costs and Fairfax will get the CIOs to attend.

Vikram raised a question on whether we need an 'either/or' for these options and secondly, which is a better channel that will gives us better value. These questions will be addressed once the options are finalised.

AP 12/12: In progress.

AP 13/12: In progress. An update will be given later in the meeting.

AP 14/12: The Grants Committee now includes Cr Torkington along with the President and Cr Moskovitz.

RN 66/12: THAT the minutes of the meeting held on 17 August 2012 be received and adopted as a true and correct record, and THAT the following reports are received:

a. Ratification of minutes: 17 August 2012
b. Evote ratification

(President / Vice President)
CARRIED U

Evotes
There have been three evotes conducted since the last Council meeting on 17 August 2012.

Evote:		**For:**	**Against:**	**Abstain:**
23082012	THAT Michael Foley be appointed as the Council representative on the DNCL Board for a one year term.	Nat Torkington Lance Wiggs Neil James Jonny Martin Donald Clark Dave Moskovitz Frank March Michael Wallmannsberger Jamie Baddeley Hamish MacEwan Brenda Wallace		Michael Foley
31082012	THAT the application from Pride Awards Trust for $10,000 to support their annual Pride Awards Ceremony be declined.	Donald Clark Jamie Baddeley Neil James Jonny Martin Brenda Wallace Lance Wiggs Michael Foley Michael Wallmannsberger Dave Moskovitz Hamish MacEwan Frank March Nat Torkington		
18092012	THAT the following three projects arising from the Policy & Legal Funding Round be funded: 1. Online Participation and the Law of Consultation (Richard Best) - $15,000 2. Jurisdictional Limits of NZ Privacy Law in the Cloud (James Mahuta-Coyle) - $18,500 3. Developing a New Zealand Internet Freedom Index (Joy Liddicoat) - $20,000	Donald Clark Neil James Lance Wiggs Michael Foley Frank March Jamie Baddeley Dave Moskovitz Nat Torkington Brenda Wallace Jonny Martin Hamish MacEwan Michael Wallmannsberger		

5. Feedback from the InternetNZ Members meeting in Christchurch
Cr James gave some feedback on the InternetNZ Member's meeting held in Christchurch on 18 October 2012. Around 12 members attended the meeting and overall the meeting provided positive feedback on InternetNZ's work and performance. One of the issues noted at the meeting was regarding the small number of members and low engagement with large organisations. A question was raised as to whether InternetNZ should actively seek more members. Members at the meeting agreed that InternetNZ should.

Cr Moskovitz asked whether any of those who have applied for Community Investment have become members or have applied for membership. Vikram replied that this has not been investigated before but mentioned that many of those who have applied for are already members.

12pm – Council took a lunch break and reconvened at 12.30pm.

12:30pm – Cr Clark, Debbie Monahan, Joy Liddicoat, Josh Cookson, Richard Currey, and Jay Daley joined the meeting.

6. DNCL policy updates report

Joy, Debbie and Josh gave a presentation regarding the feedback on the consultation process of DNCL's proposal of opening up registrations at the second level .nz domain name space. There will be two consultation rounds and the first round was closed off on September 2012 after a 4-month period of consultation. DNCL Board has reviewed the submissions and has identified work to do to consider the issues raised in these. At this time, it is planned to have a second consultation towards the end of the first quarter next year. It is not yet known what the consultation will consist of but the Board will be considering the outcome of the work being done before deciding on the next steps.

DNCL received 115 submissions. Around two-thirds disagreed with the idea in principle of opening up the second level domain but a number of those also said that, if it happens, they agree with the proposed approach that DNCL has outlined. A third of these submissions agree to the proposal and only a small number neither agree nor disagree but made comments on some aspects that they were interested in. Some submissions also suggested changes to the proposed approach which will also be considered.

Cr MacEwan asked whether the objections came from existing holders and support came from those who did not hold New Zealand domains. In response, Debbie advised that everybody who responded appeared to be associated in some way with a domain name.

A question was raised whether the behaviour around the .kiwi.nz gives DNCL any insight of potential open ccTLDs and Joy responded that in her personal view, there is an appetite for getting second level domains.

The President thanked DNCL for their presentation.

7. NZRS business continuity plan

Richard Currey outlined NZRS's letter which was in response to the President's letter regarding the commissioning of an independent review of their Business Continuity Plan. He highlighted the last three bullet points in the letter and asked what the next steps will be.

It was agreed that adequate and appropriate Business Continuity Plan for each of the three organisations was the primary responsibility of the respective Council/Board. In addition, Council as shareholder wishes to ensure that the subsidiaries have adequate and appropriate Business Continuity Plans in place.

AP 15/12: The CEs to address the three points raised in the NZRS letter at an operational level and report back when this work is complete.

AP 16/12: NZRS to advise Council when the independent review of its Business Continuity Plan it commissioned is complete.

AP 17/12: InternetNZ staff and DNCL Board to advise Council that their respective Business Continuity Plans are adequate and appropriate. Any issues requiring guidance from Council are to be raised at the next Council meeting.

The President thanked NZRS and commended them for their work.

1:08pm – Joy, Debbie, Josh, Richard, and Jay left the meeting.

8. Strategic discussion

Vikram gave a summary of the discussion paper and the President asked for comments from Council on the five strategic priorities highlighted in the paper and whether it is still appropriate or if there are any changes.

There was a discussion around "tax collection" – whether this issue is a natural fit to InternetNZ's objects. Also "Geo locks" were discussed – what are the issues that need to be addressed or discussed? One view was that both topics could be clubbed together to look at the limits of national jurisdiction in a digital economy.

Following discussion, it was agreed that the priorities of Governance, Access, and Privacy are 'business as usual' and require a watching brief.

AP 18/12: Vikram to coordinate with Cr Wallace to identify the issues around Geo locks and provide a paper at the December 2012 Council meeting for discussion.

Cr Moskovitz asked Vikram if he agrees with the five strategic priorities and if not, what he will do differently. Vikram replied that he would start by describing why InternetNZ exists and, if we are the "Kaitaiaki" of the Internet, focus on three initiatives each to protect and promote the Internet in New Zealand.

AP 19/12: Vikram to provide a paper at the December 2012 Council meeting for discussion on looking at priorities from the perspective of InternetNZ's role in protecting and promoting the Internet for New Zealand. This paper is to be coordinated with a paper from Cr MacEwan on the strategy development process.

9. 2020 Communications Trust update

Cr James circulated a copy of 2020 Trust's annual report and highlighted a few items in the report including the launch of the mobile training centre called "Dora" largely funded by InternetNZ, which is now fully operational and won an award at the recent ANZIAs. If this proves to be as good as expected, Cr James advised that there will be demand for the "Dora" bus to be cloned.

He also gave a brief summary of the meeting between InternetNZ and 2020 Trust held on 25 October. The meeting covered a wide range of issues and the group agreed to write a paper to describe how the strategic relationship will work, including a shared vision and goals. The paper is expected to be presented at the December 2012 Council meeting.

The President mentioned that InternetNZ receives a lot of community investment applications that do not fall into InternetNZ's objects but could possibly fall under the 2020 Trust, and having a strategic partnership would be helpful.

2:10pm – Susan Chalmers joined the meeting.

10. InternetNZ Operational Report

Vikram gave an update first on the TPP negotiations and WCIT (review of the ITRs).

In line with the TPP negotiations, there will be a public event on 8 December in Auckland. Postcards have been printed and the Fair Deal website has been established to provide more information for the public.

InternetNZ is currently creating a position paper on WCIT after doing a submission to government. Vikram noted that there are three main positions that InternetNZ is taking on:

- ITRs should not be extended to the Internet at all and therefore there should be no negotiations about which aspects of the Internet the ITU should govern;
- A proposal put forward by the European Telecommunications Network Operators (ETNO) on sending party pays for the Internet is unacceptable; and
- The constitution of the ITU currently requires suspension of telecommunication services and they plan to move it in to the regulations – which means that, if the Internet is covered by the ITRs, it becomes compulsory or a requirement for operators to suspend Internet access for repeated infringement.

2:20pm – Cr Torkington left the meeting.

2:22pm – Council took a break and reconvened at 2:30pm.

CEs report

Vikram gave a summary of his report and highlighted a few items including the APNIC meeting attended by Dean Pemberton. He noted Dean's significant contribution to APNIC policy development and interest in RPKI (Resource Public Key Infrastructure). He also noted Andy's work on ideal IXPs (Internet Exchange Points) in New Zealand.

NetHui South will be held on 23-24 November in Dunedin and Council members are welcome to participate. The event currently received 50 registrations, which is not as high as expected. There were two lessons learned from this event so far:

- InternetNZ has almost no presence amongst the wider Dunedin community so promoting the event has been hard.
- The more it was emphasised that it's a regional event and it's about connecting to local communities, the more we are distancing ourselves from those who attended the national NetHui because the message that they are getting is that this will be about Dunedin and the South Island so it has nothing to do with them.

Vikram also highlighted the discussion paper that Jordan Carter is working on regarding lessons to be learnt from the convergence of telecommunications and broadcasting regulations overseas. Its outcome is to prepare everyone, including ourselves, for the result of the Commerce Commission's investigation into SkyTV's practices.

The Communications Plan has been finalised by Campbell and this takes the messages from the communication strategy which were discussed at the August 2012 Council meeting. One of the discussion points from the Council Strategy Day was to try and find a replacement word for the term "guardian". Vikram has made progress on this in discussions with some Maori members and

linguists to understand whether we are using the right terms ("Kaitiaki" and "kaitiaki taonga") in the right way. After concluding the discussions, Vikram will include this is in the priorities paper for the next Council meeting so that internal discussions and agreement will allow Council members, staff members, and InternetNZ members to all accurately and consistently describe what InternetNZ is, what it does, and why we exist.

Vikram also noted that InternetNZ is working on developing online consultation capability where there will be a simple way for people to comment online without them having any technical capability by using an open-source software called "Madison".

ANZIAs

New Zealand did very well at the recent Australia and New Zealand Internet Awards (ANZIAs). Out of the 6 categories, New Zealand organisations won 4 and additionally had 2 organisations that were highly commended.

A proposal has been brought forward to Council which is for InternetNZ to host the ANZIAs in New Zealand next year. There was a discussion on the budget for the awards, should InternetNZ consider hosting the event. Vikram mentioned that the awards could be linked either with NetHui or Australia IGF, or the event could also stand alone.

Financial Report

Vikram highlighted the overspend in the work streams. It is slightly higher in budget, in contrast to consistent underspend previously. Overall, the operational expenditure is still in line with the budget. He also noted that actual cash-in-hand will be lower than budget for the rest of the financial year due to lower than expected dividend from NZRS (which was discussed at the previous Council meeting).

Cr Moskovitz raised a suggestion to have a separate section for the Sponsorship so they can see it distinct from the "Operating Expenses" section.

RN 67/12: THAT Council receive the CE's report.

(President / Vice President)
CARRIED U

RN 68/12: THAT Council notes the financial reports to 31 August 2012.

(President / Cr Moskovitz)
CARRIED U

RN 69/12: THAT Council agrees that InternetNZ plan to host the ANZIAs 2013 in New Zealand and that details are to be finalised in discussion with auDA in due course.

(Cr MacEwan / Vice President)
CARRIED U

RN 70/12: THAT the proposed dates for the 2013 Strategy Planning Day and the 2013 Council meetings be approved.

(President / Cr Clark)
CARRIED U

RN 71/12: THAT the new members be approved.

(President / Vice President)
CARRIED U

Cr Moskovitz suggested adding in the table the summary from previous year (same month) in the Membership report for comparison.

AP 20/12: Susi to apply requested changes in the membership report for the next Council meeting.

11. Grants Report

The President advised that there will be an audio conference meeting for the Grants Committee on 12 November to look at what needs to be changed and a paper will be provided to Council at the next meeting with recommendations.

RN 72/12: THAT Council note the decisions made regarding community funding requests since the last Council meeting.

(President / Cr James)
CARRIED U

3:27pm – Cr Clark left the meeting.

12. President's report

The President gave a verbal update on his attendance to the Government Advisory Committee (GAC) meeting at ICANN, Toronto last week. Any government can put in an early warning that a particular application for a new gTLD is of concern. This then gives the applicant an opportunity to discuss it with the objecting government. The GAC will subsequently decide what consensus advice it wants to give to the Board on the applications. It's very unlikely that New Zealand will enter any early warnings.

The President noted that a large number of applications have come from large corporate entities in USA and some are bidding for generic gTLD such as .books. Looking at a global Internet governance perspective, this gives an unfortunate message to the rest of the world. He noted the possibility of New Zealand joining the consensus around objecting to these applications. The President encouraged the group to send individual comments to him directly before the next GAC meeting in Beijing, China.

13. Other Business
The President sends his apologies in advance for the next Council meeting as he will be overseas. It was noted that Cr Baddeley will Chair the next Council meeting.

Next Meeting: The next scheduled Council meeting is 7 December 2012.
Meeting Closed: The meeting closed at 3:40pm

Signed as a true and correct record:

_____
Frank March, CHAIR

Action Point Register

	Action	Who	Status	Due by	Comment
December 2011					
AP 63/11	President to prepare a paper for the next Council meeting on the process for the President to be directed to act on behalf of Council as well as any delegations to the President thereof.	President	In progress	December 2012 Council meeting	Paper to be developed for December 2012 meeting.
AP 65/11	The President to commence the process for a review of Director's remuneration and provide an update at the February Council meeting.	President	In progress	December 2012 Council meeting	The President advised that Ron Hamilton has agreed to complete the Director's remuneration review. The President intends to initiate this by next week and he will be in touch with the Councillors regarding the review. The aim is to have any changes in the remuneration to take effect after the next AGM.
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 2012					
AP 09/12	CE to report the progress to Council at the October 2012 meeting regarding the new agreements with the subsidiaries	CE	In progress	December 2012 Council meeting	Verbal update at December Council meeting.
AP 11/12	Vikram to engage with relevant organisations to promote enterprise recognition of the need to communicate with the whole Internet including IPv6 take-up and provide progress report at the October 2012 meeting.	CE	In progress	December 2012 Council meeting	Included in CE's report.
AP 12/12	Vikram to make provisions in the budget on for bidding for international meetings on a multi-year cycle and forward the options to Council for consideration.	CE	In progress	December 2012 Council meeting	To be included in 2013/14 budget
AP 13/12	Cr James and Vikram to discuss with 2020 Communications Trust on developing a strategic partnership based on shared goals.	Cr James CE	In progress	December 2012 Council meeting	Included in papers.

Action Point Register

	Action	Who	Status	Due by	Comment
October 2012					
AP 15/12	The CEs to address the three points raised in the NZRS letter at an operational level and report back when this work is complete.	INZ CE DNC CE NZRS CE	In progress	December 2012 Council meeting	Separate agenda item
AP 16/12	NZRS to advise Council when the independent review of its Business Continuity Plan it commissioned is complete.	NZRS	Complete	December 2012 Council meeting	
AP 17/12	InternetNZ staff and DNCL Board to advise Council that their respective Business Continuity Plans are adequate and appropriate. Any issues requiring guidance from Council are to be raised at the next Council meeting.	InternetNZ Staff DNCL Board	In progress	December 2012 Council meeting	No guidance required from Council at this point. DNCL have a board meeting on Thursday 13 December and this will be discussed at that meeting.
AP 18/12	Vikram to coordinate with Cr Wallace to identify the issues around Geo locks and provide a paper at the December 2012 Council meeting for discussion.	CE	Complete	December 2012 Council meeting	Included in papers.
AP 19/12	Vikram to provide a paper at the December 2012 Council meeting for discussion on looking at priorities from the perspective of InternetNZ's role in protecting and promoting the Internet for New Zealand. This paper is to be coordinated with a paper from Cr MacEwan on the strategy development process.	CE	Complete	December 2012 Council meeting	Included in papers.
AP 20/12	Susi to apply requested changes in the membership report for the next Council meeting.	Susi Cosimo	Complete	December 2012 Council meeting	

InternetNZ

EVOTE RATIFICATION

Author: Susi Cosimo

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

Evote:		For:	Against:	Abstain:
17102012	THAT the application from 2020 Communications Trust for $6,000 to fund "the school as a community wifi hub" project as outlined in the submitted project scope be approved.	Donald Clark Michael Wallmannsberger Neil James Dave Moskovitz Nathan Torkington Michael Foley Jamie Baddeley Lance Wiggs Brenda Wallace Hamish MacEwan Frank March Jonny Martin		
24102012	That the World Internet Project New Zealand project be provided one-off funding of $25,000.	Nathan Torkington Neil James Dave Moskovitz Michael Foley Hamish MacEwan Brenda Wallace Michael Wallmannsberger Frank March Jonny Martin Jamie Baddeley		Donald Clark
27112012	THAT the grants request from Prema Charitable Trust trading as Kawai Purapura for $19,000 to support their conferences and festivals be declined.	Michael Foley Lance Wiggs Nathan Torkington Dave Moskovitz Neil James Michael Wallmannsberger Jonny Martin Frank March Donald Clark Jamie Baddeley Brenda Wallace Hamish MacEwan		

Recommendation: THAT the e-votes be ratified.

President's Report to December 2012 Council Meeting

Author: Frank March

Status of paper: Final

This brief report is presented in my absence due to my attendance at the World Conference on International Telecommunications (WCIT) in Dubai to revise the International telecommunication Regulations. This meeting coincides with a meeting in Auckland is taking place at the same time as the next round of the Trans-Pacific Partnership negotiations. Both of these in different ways illustrate just how closely the Internet is involved in modern economies and how vital it is to preserve the openness of the Internet and its capacity for continually reinventing personal and business communications on what seems to be a shorter and shorter timescale.

I have initiated two processes that will be proceeding while I am overseas: the review of the Board and Council remuneration, and a performance review of our CE,

Ron Hamilton of The Boardroom Practice has been engaged to review current Board and Council remuneration. There have been concerns expressed by one of the Chairs of our subsidiary Boards that current rates are not sufficient to continue to attract high quality candidates. Ron is expected to provide a report in late December which will be available for consideration at the first Council meeting in the New Year. It will also be possible to consult with Members about whether current Council honoraria should be increased. Any changes to levels of remuneration would apply from the new financial year in the case of the Boards and from the AGM in the case of Council.

I have engaged HR/SHOP to carry out an independent review of the performance of the InternetNZ CE. This will take the form of a 360 degree feedback from staff, Council, the subsidiary Boards and CEs and selected external stakeholders. Results will be anonymised before presentation. The Council members (myself, Jamie and Dave Moskovitz) will work with Vikram on the results but are not taking part in the 360 degree feedback phase.

I have been quite heavily engaged with ICANN/GAC matters over the past few weeks. A report from the Toronto ICANN/GAC meeting is attached. It is apparent that the smooth operation of the GAC is vital to the future of the multistakeholder model of Internet governance and to the credibility of ICANN in carrying out its functions.

Finally, my apologies for not attending this important meeting of Council. As noted already I will be in Dubai at the WCIT-12 where, as many commentators have pointed out, the future of the Internet will be on top of everyone's mind.

Recommendations arising

That the President's report is received.

Report from ICANN/GAC Meeting
and
Associated Discussions

Toronto, October 2012

Frank March

The 45th ICANN meeting was held from 13-18 October in Toronto, Canada. I attended with full financial support from InternetNZ (through Domain Name Commission Ltd (DCNL)), and leave to attend from the Ministry of Business, Innovation and Employment

This report will be also be provided to the DCNL Board and to the InternetNZ Council.

I attended the meeting of the Governmental Advisory Committee (GAC) on Saturday to Wednesday, 13-17 October, the inaugural GAC High Level Meeting on 15 October as well as a meeting of the Framework of Interpretation Working Group on Thursday 18 November.

Governmental Advisory Committee

The GAC Communiqué from the October 2012 meeting may be found at https://gacweb.icann.org/download/attachments/4817665/FINAL_Toronto_Communique_20121017.pdf?version=1&modificationDate=1350746371000

1. New gTLD issues

Much of the meeting was taken up with discussions about how the GAC should deal with contentious new gTLD applications. There is a two-step process.

The first step is for GAC members to issue Early Warnings (EW) about applications (not necessarily strings as such). Applicants subject to an EW are invited to discuss their application with the concerned government and have an opportunity to withdraw their application and retain 80% of their application fee. Should they choose not to do so, but find later that the Board has not agreed to the application, they stand to lose up to 100% of their fee.

The second step is for the GAC to receive requests from members for the GAC to provide advice to the Board (either based on a full or partial consensus) for certain applications not to proceed. The meeting agreed that the community should be given the best possible information about what such consensus advice might look like so that applicants would be in a position to respond appropriately. The following is from the Toronto communique:

<quote>
In the interest of sharing information with the community, and in advance of individual GAC members issuing any early warnings on specific applications, the GAC notes that individual GAC members are considering a range of specific issues including:

- Consumer protection

- Strings that are linked to regulated market sectors, such as the financial, health and charity sectors
- Competition issues
- Strings that have broad or multiple uses or meanings, and where one entity is seeking exclusive use
- Religious terms where the applicant has no, or limited, support from the relevant religious organisations or the religious community
- Minimising the need for defensive registrations
- Protection of geographic names
- Intellectual property rights particularly in relation to strings aimed at the distribution of music, video and other digital material
- The relationship between new gTLD applications and all applicable legislation.

</quote>

I indicated in Toronto that it was very unlikely that New Zealand would itself issue any early warnings on these or other grounds but that we might wish to join with others in pushing for GAC consensus positions in the phase after the early warnings when the GAC will need to provide specific advice to the ICANN Board. This advice is to be delivered shortly after the next ICANN meeting, in mid-April. Some members of the GAC have proposed an intercessional meeting to canvass positions around the end of January, probably in Brussels. I do not expect that New Zealand would be represented at such a meeting if it were to take place.

There are a number of these positions outlined above that I personally support. For example I am opposed to large US corporates taking over large numbers of generic names (eg Amazon with .book) and closing them to general use. Whether New Zealand should join a GAC consensus backing some of these positions will require consultation between government agencies and possibly externally.

Subsequent to the GAC meeting in Toronto, on 20 November, the GAC released the list of EWs by GAC members. By far the largest number of these are 'please explain' type warnings on generic words from Australia basically suggesting that closed TLDs are not appropriate in these cases. There is also a large number (again mainly from Australia) relating to concerns over consumer protection for financial, insurance and similar areas which are normally closely regulated markets. Other EWs cover the full range of concerns outlined in the communique. Interestingly many of the strings that might have been expected to concern some governments, such as .adult, .sex etc have not been the subject of early warnings.

2. Filtering based on the DNS

The GAC had some time ago requested advice from the ICANN Security and Stability Advisory Committee (SSAC) about the impact of filtering based on the DNS (such as filtering .xxx for example). The SSAC has published a report (http://www.icann.org/en/groups/ssac/documents/sac-056-en.pdf) which outlines why content blocking based on the domain name system is both ineffective and harmful. Some delegates appeared very concerned at this. The Russian delegate went as far as ask what alternatives were available to governments. The SSAC Chair replied, in essence, “none short of blocking services”.

3. GAC Secretariat

The work of the GAC is seriously impeded by the lack of secretariat services. This is fundamentally self-inflicted since there is no reason ICANN could not provide such services as it does for all other SOs and ACs except for objections from some members that ICANN funding would compromise the independence of GAC advice. ICANN does of course already provide extensive services including document translation, simultaneous translation into all the UN languages plus Portuguese, scribing services etc. After much debate I undertook to prepare a RFP for members to provide to organisations that could administer funds provided by some donor countries and employ suitable secretariat staff. The aim is to have a candidate identified before the Beijing meeting.

GAC High Level Meeting

An historic first for the Toronto ICANN meeting was holding a one special 'High Level GAC' meeting with invitations extended to high level officials (effectively the CE or equivalent levels of agencies for whom the GAC delegates normally work). In New Zealand's case I was able to secure the attendance of the Science and Technology liaison person in the New Zealand Embassy in Washington.

The meeting was reasonably well attended by officials at higher levels than the usual GAC representatives although a number of members had their usual delegates representing them.

A major outcome of the meeting was very strong support for the multistakeholder process however ICANN itself was clearly put on notice that its performance and processes needed to be greatly improved, especially in terms of the relationship between the Board and the GAC. There was a general sense that the appointment of the new CEO and President offered a real opportunity for such development.

Next ICANN/GAC meeting

The next GAC meeting will be held in Beijing in April 2013 in conjunction with the 46th ICANN Meeting.

Paper for 7 December 2012 Council meeting

FOR DECISION

Strategy and Planning Approach

Author: Vikram Kumar

Purpose of Paper: Discuss InternetNZ's Strategy and Planning Approach

Budget 2013/14

The operational budget for the current year is $2.862 million, inclusive of $0.5 million for community funding.

Council has not indicated a substantial step-up or step-down of activities for the next financial year. Accordingly, it is proposed that the budget envelope for 2013/14 is:

- Community funding kept at $0.5 million; and
- To account for inflation and annual increases, the total operational budget increased by approximately 3%, specifically by $88,000 to $2.950 million.

This will be confirmed at the next Council meeting after a draft 2013/14 business plan and 3 year projected cashflow is submitted.

InternetNZ Strategy and Planning Approach

1. Objectives
    - Leads to discussion and agreement on an effective process that properly reflects the role of various participants.
    - Facilitates discussion and agreement on the strategic components (Vision, Mission, Goals, Strategic Priorities, and Organisation Values).
    - Allows InternetNZ to be agile and responsive to the rapidly changing environment it operates in while still being consistent and true to its longer-term strategic direction.
    - Leads to discussion and agreement on the implementation plan for the agreed approach, process and timetable.

2. High-level Approach

The pyramid above shows how various strategic components relate with each other. The Appendix has a strawman for InternetNZ's vision, mission, goals, strategic priorities, and organisation values.

Vision

The long-term end state InternetNZ envisages. How we want the world to be when we, and others working towards the same vision, succeed.

Mission

The role InternetNZ intends to play in achieving the stated vision. Our fundamental purpose, succinctly describing why we exist and what we will do to achieve our vision.

Goals

Specific goals InternetNZ will strive for.

Strategic Priorities

Agreed priorities in a three year timeframe to achieve the specified goals, reviewed annually.

Business Plan

Annual plan to achieve the strategic priorities. Reviewed periodically during the year.

Organisation Values

Beliefs that underpin how the organisation should work to achieve its mission. Values drive our culture and provide a framework in which decisions are made.

3. Roles of Participants in Strategy and Planning

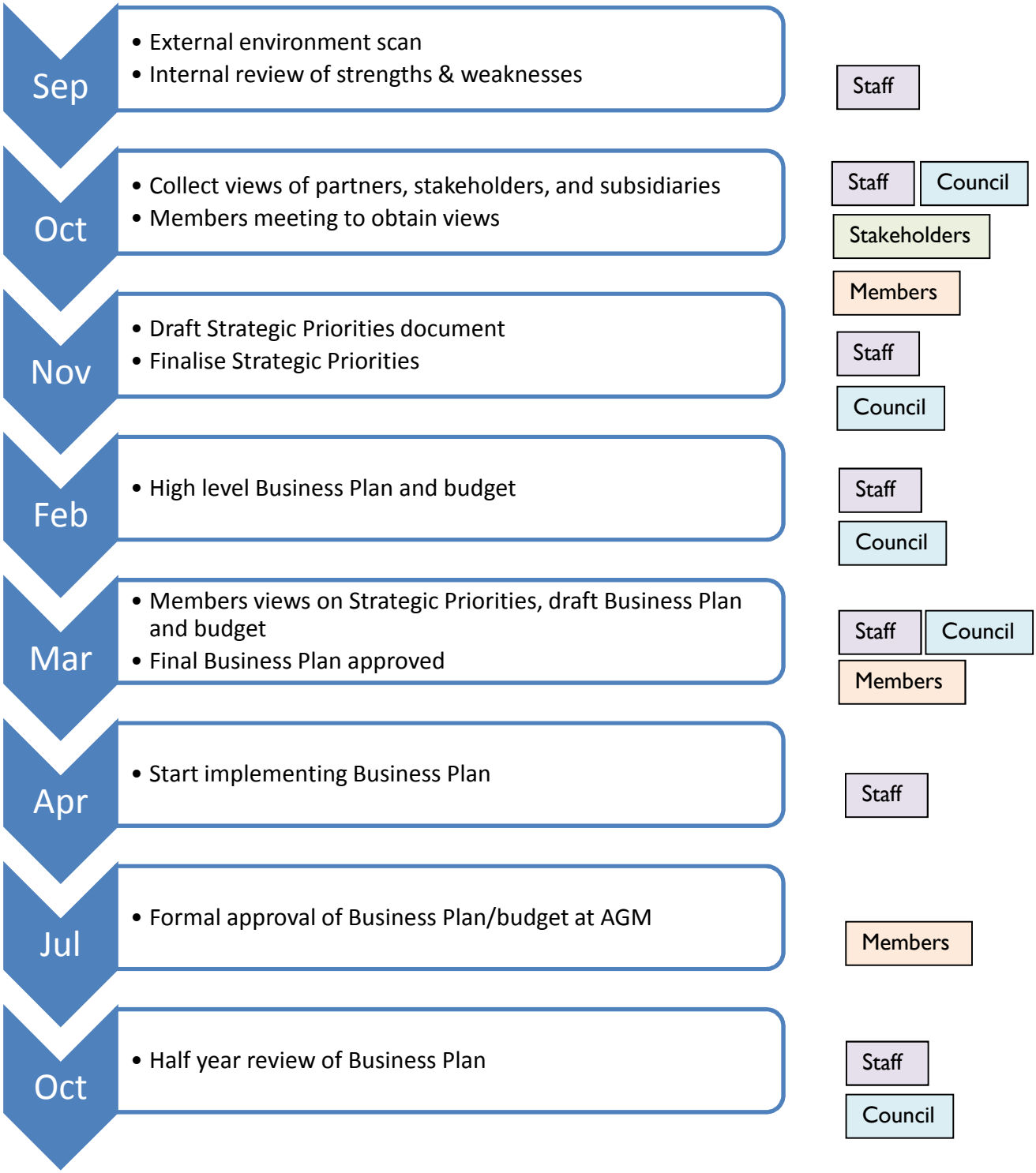
The table below identifies participants in the Strategy and Planning process (creation/review of Strategic Priorities and Business Plan) as well as specifies the roles they play:

Participant	**Roles**
Members	• Provide views into the annual and periodic Strategy and Planning process • Review draft Strategic Priorities and Business Plan • Formally approve the annual plan at the AGM • Periodic review of the annual plan (How? via PAG?)
Partners, stakeholders, subsidiaries	• Provide views into the annual and periodic Strategy and Planning process
InternetNZ staff	• Coordinate the process • Combine inputs from all participants into a draft Strategic Priorities document for Council • Develop a Business Plan to implement the Strategic Priorities approved by Council • Implement and report on the Business Plan to Council • Conduct a half-year review of the Business Plan and make update recommendations to Council
Council	• Participate in members' meetings • Validate assumptions and engage with stakeholders • Discuss and approve the Strategic Priorities document

	• Discuss and approve the Business Plan • Factor in Strategic Priorities into the annual Statement of Expectations for subsidiaries • Monitor implementation of the Business Plan • Discuss and approve a half-year review of the Business Plan

4. Sequence and Timing of the Strategy and Planning Cycle

This is shown in the flow diagram below:



5. Historical Note

The approach suggested in this document is not new to InternetNZ. The last 3 year strategic plan, for 2007-2009, was constructed on a similar basis.

For that plan, the Vision was "The Internet, open and uncaptureable" and the Mission was "To protect and promote the Internet for New Zealand."

The Strategic Goals were:

1. Country Code Manager for the .nz ccTLD

To provide effective governance and management of the .nz domain name space.

2. Advocacy and Public Policy

To promote a policy and regulatory environment, that ensures the security and stability of the Internet for the benefit of the Internet community.

3. Technical Policy and Innovation

To promote the development and adoption of next generation networking technologies, standards and best practice that will further the security and stability of the Internet.

4. Organisational Capability

Be a high performance organisation, which will deliver on the Society's Objectives and Strategic Plan.

The 'Core Values', which are analogous to the 'Organisation Values' in this document, and were:

Openness and Transparency

InternetNZ will undertake its business in ways that allow all members to present their views on any matter related to the Society's vision. InternetNZ will transact all its business visibly except where issues of privacy, legal, or commercial confidence make it unreasonable.

Leadership

InternetNZ will take a leadership role to bring about its vision and mission for the Internet.

Ethical Behaviour

InternetNZ will behave ethically and fairly in the best interests of the local Internet community.

Stewardship

InternetNZ, as custodian of the .nz domain name space, will manage it in the public interest.

Appendix

Vision

The long-term end state InternetNZ envisages. How we want the world to be when we, and others working towards the same vision, succeed.

New Zealand maximises the economic, social and cultural benefits of the Internet.

Mission

The role InternetNZ intends to play in achieving the stated vision. Our fundamental purpose, succinctly describing why we exist and what we will do to achieve our vision.

1. As *Kaitiaki*, to protect and promote the Internet for New Zealand.

2. To facilitate and promote efforts by the wider community to achieve our vision.

3. Be an open membership body as a way for people, businesses and organisations to participate in achieving our vision.

Goals

Specific goals InternetNZ will strive for. Metrics to be developed.

1. Keep the Internet open and uncapturable.

2. Leadership: Be, and be seen as, a leader in addressing issues that confront the future of the Internet.

3. Access: Universal access and accessibility; affordable and competitive Internet access in New Zealand.

4. Internet development: Foster a coordinated, cooperative approach to the ongoing development of the Internet; a high performance Internet; standards, education and research for the Internet; build trust in, and resilience of, the Internet.

5. Governance: Uphold the multi-stakeholder model of governance of the Internet; appropriate regulation and laws for a digital society; and effective administrative processes for the operation of the Internet in New Zealand, including but not limited to the Domain Name System.

6. Relationships: Develop and maintain extensive and strong formal and informal relationships with the international Internet community; build relationships across communities, Internet users, service providers, and government in New Zealand.

7. History: Collect and promote information related to the Internet and inter-networking in New Zealand, including histories and archives.

Strategic Priorities

Agreed priorities to achieve the specific goals in a specific timeframe, reviewed annually.

Business Development

1. Diversify the revenue base.

Protect

2. Better engage politicians and other decision makers on law making for the Internet
3. Generate understanding and buy-in for the multi-stakeholder model of Internet governance amongst the wider public, policy makers, and parliamentarians
4. Create positive relationships with a wide range of organisations in New Zealand to amplify our views and vision

Promote

5. Promote understanding of the Internet (as opposed to applications/services running on the Internet)
6. Maintain increased focus on Internet technical policy issues
7. Undertake research in select areas of the economic, social and cultural benefits of an open Internet

Operational

8. Monitor and appropriately respond to any external developments, nationally and internationally, that negatively impact InternetNZ's vision.
9. Proactively lead progress towards Goals.
10. Step up efforts to facilitate and promote efforts by the wider community to achieve our vision.
11. Operate within our capability (money, people) to deliver, demonstrating best practices.

Organisation Values

Beliefs that underpin how the organisation should work to achieve its mission. Values drive our culture and provide a framework in which decisions are made.

1. Openness and transparency
2. Trusted
3. Inclusive, collaborative
4. Neutral and independent (vendor and political)
5. Integrity
6. Stewardship
7. Principles based

Proposed Implementation Plan

Time period	Milestone
December 2012	Half year review of 2012/13 Business Plan
February 2013	Draft 2013/14 Business Plan and budget approved
March 2013	Members consultation on: • Draft 2013/14 Business Plan and budget • Vision, Mission, Goals, and Organisation Values 2013/14 Business Plan and budget approved
April 2013	Start implementing 2013/14 Business Plan Stakeholder consultation on Vision, Mission, Goals, and Organisation Values
May 2013	Final adoption of Vision, Mission, Goals, and Organisation Values
July 2013	Formal approval of 2013/14 Business Plan/budget at AGM
September 2013	External environment scan Internal review of strengths & weaknesses
October 2013	3 year (2014/15 to 2016/17) strategic planning and annual business plan for 2014/15: • Collect views of partners, stakeholders, and subsidiaries • Members meeting to obtain views
November 2013	• Draft Strategic Priorities document • Finalise Strategic Priorities
February 2014	High level 2014/15 Business Plan and budget
March 2014	• Members views on Strategic Priorities, draft 2014/15 Business Plan and budget • Final 2014/15 Business Plan approved
April 2014	Start implementing 2014/15 Business Plan
July 2014	Formal approval of 2014/15 Business Plan/budget at AGM
October 2014	Half year review of 2014/15 Business Plan

Council meetings ***Strategy Planning Day***

Recommendations

1. That Council **agrees** that the 2013/14 operational budget for business planning purposes be $2.950 million, inclusive of $0.5 million for community funding.

2. That Council **discusses** the proposed Strategy and Planning Approach for InternetNZ.

3. That Council **discusses** the proposed implementation plan for the Strategy and Planning Approach.

Allocation of Responsibility: Business Plan 2012/13 after mid-year update

The business plan is divided into the following sections:

- Core operations
  - External-facing
  - Internal-facing
- Reactive work
  - Domestic
  - International
- Proactive work
  - External-facing
  - Internal-facing
- Stretch Goals

External-facing core operations

Monitoring and countering emerging threats to an "open and uncapturable" Internet.	Position paper and public profile on ITRs review at WCIT. Also video from Mohawk Media.
Maintaining and enhancing key relationships.	
Working with our strategic partners and likeminded organisations for mutual benefit. This includes organisations outside the ICT and Internet industries, as the Internet experts.	Organised the Digital Learning Roundtable. Active participation in ICT NGOs meetings. Visible supporter of no software patents in NZ efforts.
Promoting, running, and improving community investment (previously known as grants) to support efforts and initiatives led by the wider community to further InternetNZ's objects.	BAU now
Reaching out to the wider community on Internet issues in a way that is appropriate and relevant to people, communities, and businesses.	DNSChanger virus initiative
International efforts including understanding issues and developments related to the Internet at the global level; maintaining key relationships and positions of influence within regional and global Internet institutions; and maintaining the status of New Zealand as an active and	With contributions from all. Attended IGF Baku, AusIGF, and Global INet plus Keith's many conferences. Contribute to future strategic planning across InternetNZ and subsidiaries.

notable participant in Internet development.	
Communicating the “InternetNZ story” and finding opportunities to better communicate our key messages and principles. A higher public profile for InternetNZ, consistent with our mission and values, is an important by-product. This includes ourselves using the opportunities the Internet provides, for example wider and deeper engagement using social media.	Contributed to social media best practice for dealing with natural disasters by local government. Further effort ~~W~~with contributions from all.
Becoming an expert to provide insights and commentary on Internet-related issues to the media and wider community. In addition, to raise the level of awareness and discussion about Internet-related issues.	BAU
Deliver on our obligations and responsibilities as the designated manager for .nz and as an ICANN "At-Large Structure".	Include in international relationships review
Highlight achievements of the New Zealand Internet community, including via the ANZIAs (Australia New Zealand Internet Awards).	Complete
Administrative support to a number of organisations as a means of supporting them, e.g. NZNOG, ISPANZ, and the IPv6 Task Force.	With contributions from across the team as required

Internal-facing core operations

Supporting the Council in its governance and strategic activities.	
Members’ and membership services.	
Conduct a members’ survey annually to drive continual improvement.	2012 survey completed
Investment of the Group’s cash in excess of reserves in line with the appropriate policies and oversight arrangements.	

Administrative support and organisational services to InternetNZ and its subsidiaries (office services and shared services).	
Mitigating major risks facing the organisation.	

Reactive work

Domestic
International

Internal-facing proactive work

Discussion and review of InternetNZ's vision, mission, values, essence, and goals.	
Promote InternetNZ membership to under-represented community segments.	Coordinate with regional NetHui efforts
Identify and implement opportunities for InternetNZ to engage with local communities in multiple cities across New Zealand.	Include in NetHui efforts
Identify and promote opportunities for members to network and get to know each other better, including encouragement of self-organising local groups of members.	
Enhance website to better provide information and services for both members and visitors, in line with an overall communications plan.	Part of comms plan
Review opportunities and processes for members to use InternetNZ as a platform to more easily contribute to furthering the Society's objects.	
Increasing use of open, competitive rounds for identifying and supporting community investment projects.	Policy & Legal funding round complete. Ellen to lead end of year funding round.

Review of InternetNZ's structure as well as ICT systems to ensure they remain fit for the future and expectations of the organisation.	Structure review and change complete. ICT systems review a priority. Mary to review cloud accounting options.
Undertake a communications audit and develop a communications strategy. Develop and implement a communications plan, including InternetNZ's promotion of Internet fact-based media stories and history.	Comms strategy complete, endorsed by Council.
Develop and publish InternetNZ's historical milestones	
Develop InternetNZ policy principles in collaboration with members and obtain Council endorsement	Complete
Implement continuous audit process to strengthen internal controls.	Complete

External-facing proactive work

Research	
Commission research on Internet issues to complement existing research efforts and support evidence-based policy making.	Public opinion survey on DIA's filter completed. Coordinate further research with direction of future partnership with WIPNZ.
Commission research on the economic contribution of the Internet to New Zealand.	Complete. Reports from NZIER and Infometrics.
Telco and Internet regulatory policy	
Continue to monitor policy issues and identify any gaps as the rollout of the UFB and RBI proceeds.	Watching brief
Evaluate opportunities to further discussion about a converged (telco and broadcasting) regulator and regulatory frameworks.	Work in progress
Initial review of the feasibility of developing a principles-based approach to future law-making in New Zealand involving the Internet and Internet intermediaries.	Not taken up in Policy & Legal funding round. Consider including in NZCIEL partnership.

Understand market demand for overseas connectivity and support development of new international capacity.	Ongoing
IPv6 implementation	
Continue supporting the IPv6 Task Force.	Annual surveys completed. Metrics instituted. Take a more active role now that the Task Force is in reactive mode.
Consider ways to speed up the implementation of IPv6 across key sectors. Lead or contribute to major efforts.	Government sector work complete. Focus on business and enterprise sector.
Domain names diversity	
Depending upon decisions yet to be taken, to lead or contribute to InternetNZ's efforts in increasing domain names diversity for New Zealand, including applying for and running .kiwi.	Dropped. Report on business diversifications strategy completed.
Promote the Top Level Domain names principles developed by InternetNZ as a global framework. Develop alliances with likeminded organisations and interests to further InternetNZ's international interests.	TLD principles done. Continue promotion efforts as BAU. Objections to truly generic new gTLDs lodged.
Copyright	
Promote discussions towards a future-fit Copyright Act and the opportunities the Internet provides, including between creators, content providers, intermediaries, and consumers. This is in light of the scheduled review of the Copyright Act in 2013.	Copyright conference done.
Commission research to identify the economic harm and opportunities of the Internet from a New Zealand creators' perspective, possibly taking a few creative works as a case study or the creative industries as a whole.	
Conferences	

Organise NetHui 2012, building on the success of the first conference, positioning it as a major path for InternetNZ to work with the wider community. Further develop the concept of regional "mini NetHuis".	Complete. Prepare for NetHui 2013. Pre-NetHui 2013 streams to be organised.
Subject to acceptance of our bid to host APRICOT 2014 in Auckland, plan and organise this global-level event.	APRICOT 2014 bid not successful. Lead application for APRICOT 2016
Rights-based approach to the Internet	
Promote discussions and better understanding of a rights-based approach to the Internet, both in New Zealand and globally.	Being taken up at NetHui South 2012
Cybersecurity	
Lead and coordinate efforts for ISPs to act consistently and proactively in removing malware from their residential customers' computers.	Via NZITF, sub-group led by Dean
Evaluate options and, if appropriate, lead efforts to regularly scan and remove malware on websites within the .nz namespace. This will be in close coordination of the efforts of NZRS and DNCL.	Via NZITF, sub-group led by Barry from DNCL
~~Consider ways to improve the interchange and sharing of information amongst cybersecurity researchers and institutions within New Zealand.~~	Drop, not a priority
Supporting local governments	
Identify and implement options to support local governments in developing and implementing their local digital strategy.	Complete. Focus on Dunedin in NetHui South 2012 and Wellington at NetHui 2013.
Promote discussions with local governments on the applicability of InternetNZ's Future: Digital thinking to local communities, local issues, and local development.	Via the above

Continue supporting the rebuild of Christchurch, in particular supporting the projects that InternetNZ funds, and facilitating collaboration amongst the local community.	Mostly complete. Continue support. Deal with ring-fenced amount.
Bridging the digital divides	
Promote discussion and options to bridge the digital divides (economic, geographical, age, skills, etc.).	Project Oasis in progress. Pilot project at Queen's High School. Develop partnership with 2020 Communications Trust.
Consider ways to encourage the Internet industry and online services owners to provide better online interactions to people with disabilities.	Include in discussions with accessibility communities
Privacy	
Actively participate in discussions about privacy and protecting personal information. This includes complex issues of jurisdiction, risks from cloud services, and data sovereignty.	In progress. Debate at NetHui South 2012 organised. Keep across Privacy Act amendments. Analysis framework for privacy regulation developed.
~~Identify and promote best practices for adoption of Privacy Enhancing Technologies and professional ethics in developing online services.~~	Deferred, not a priority
Internet education and skills	
Commission and promote educational material about the Internet, targeted at a medium level of technical expertise. This includes identifying appropriate material that already exists.	Develop a discussion paper to clarify desired outcomes
Consider ways to promote greater interest amongst young adults towards technical Internet career paths.	ICT-Connect
Thought leadership	
Make the priorities outlined in Future: Digital relevant and imperative for the Government's agenda on a portfolio by portfolio basis.	BIMs completed

Coordinate round-table discussions with the country's leaders on a shared vision and the opportunities from the Internet involving politicians, businesses, communities, academics, technologists, and strategists to complement NetHui.	One round-table held. Support third party efforts underway in the future.
Identify and implement ways to highlight and discuss public policy issues related to the Internet with parliamentarians.	
Identify and promote ways that the Internet can help protect the environment and sustainable development.	Include in NetHui 2013
Develop discussion papers on net neutrality and digital citizenship.	
Trans-Pacific Partnership Agreement (TPPA)	
Attend negotiations as stakeholders.	Attended Chicago, Melbourne and Dallas negotiations.
Work with local and international partners to promote understanding of the critical issues related to the IP chapter amongst the wider community.	Fair Deal coalition, website and initiatives launched at NetHui 2012
Lead stakeholder and community engagement during Auckland negotiations.	

Stretch Goals

Network measurement	
Measure network-level indicators and traffic flows as a way to provide evidence-based technical policy discussions and leadership.	Phase 1A of Network Measurement Lab complete. On hold until NZRS business opportunities identification done.
Identify and include existing sources of network measurement in the above.	As above
Technical and Internet numbering policy	

Step up identification and involvement in major technical policy areas, both within New Zealand and globally.	Continue the good progress being made, including RPKI and IXPs
Increase focus and participation in Internet numbering policy issues, in particular at APNIC.	Contributed to APNIC34. Continue the good progress being made.
Identify and detail the "new" regulatory areas as focus on the ultra-fast broadband rollout turns to demand-side areas. This includes data caps; national and international connectivity and transit; and locally hosted content.	InTAC organised. Watching brief.
Conferences	
Further develop the concept of regional "mini NetHuis".	NetHui South 2012. Develop approach to future regional NetHuis.
Digital skills	
Step up efforts to assist both young adults and the wider community to stay safe online with practical advice and tools.	Discuss and work with NetSafe
Thought leadership	
Identify and implement ways for a "think tank" on Internet policy issues to emerge. This includes strengthening ties with Universities to develop ways to promote Internet policy development.	Split into 2 separate, coordinated projects: think tank and Universities.

InternetNZ

Paper for 7 December 2012 Council meeting

FOR DECISION

Work on Geo-locking

Author: Vikram Kumar

Purpose of Paper: Agreement on outcomes from work on Geo-locking

Context

At the last meeting, there was an Action Point:

AP 18/12: Vikram to coordinate with Cr Wallace to identify the issues around Geo-locks and provide a paper at the December 2012 Council meeting for discussion.

Geo-location / Geo-locks / Geo-blocking

Geo-locking or Geo-blocking is the practice of preventing access to, or download of, a particular Web resource or service based on the geography of the access request (geo-location). The denying Web host generally determines access location by the IP address of the originating access request.

Comments

1. Geo-location is a tool used for a variety of reasons, both "good" and "bad". For example, it could be to block overseas originating content and services by a government or targeting advertising/search results or detecting potential credit card fraud.

2. The discussion at the InternetNZ Strategy Day resulted in an interest in geo-blocking of access to Web resources and services for commercial reasons. This could be New Zealanders accessing Web resources and services originating overseas or people from overseas similarly accessing New Zealand Web resources and services.

3. There are multiple sources for geo-locating an IP address. One of the sources for determining the country (more accurately, the country of the ISP) corresponding to a particular IP address is the Regional Internet Registries. In the case of New Zealand, that is APNIC. In order to provide more accurate information, a number of companies have entered the geo-location market such as MaxMind http://www.maxmind.com/en/home and Neustar http://www.neustar.biz/. These companies, which are increasingly becoming the usual sources for geo-location, use additional proprietary processes to determine location information for IP addresses. The accuracy of both methods is generally good but can lead to false results in some cases. This is also of interest to InternetNZ

4. Technical measures for ensuring anonymity, such as proxy servers, can sometimes be used to circumvent restrictions imposed by geo blocking. Some sites detect the use of proxies and anonymisers, and may either block service or provide non-localised content in response. The blocking of proxies and anonymisers from using web services can have implications for human rights online as they are frequently used by journalists and freedom advocates.

5. Geo-location leading to geo-blocking or other action based on the location of the originating access is not inherently bad. It is a tool to achieve desired outcomes and therefore the focus of InternetNZ's work needs to be on the practices and models that cause New Zealanders potential harm, as well as accuracy issues with the tools used for geo-locating.

6. The core issue is that laws, governments, institutions, taxation, systems, etc. are still largely designed for physical national boundaries and physical goods. Both these assumption are now significantly challenged. Mapping national boundaries to the Internet and consumption of born-digital resources and services are now driving change to the legacy approach.

Recommendations

That Council **agrees** that in the 2013/14 business plan, InternetNZ undertakes work to:

- Analyse the implications of an increasing shift from physical national boundaries and physical goods to an Internet-connected world of digital goods and services; and

- Technical issues with geo-location using data from commonly used geo-location providers.

- The strategic priority of tax collection identified at the InternetNZ Strategy Day also be included in this work.

October 2012

Dr Frank March
President
InternetNZ

Dear Frank

Second Quarter 2012/13 Financial report

As for the first quarter reporting to Council, DNCL are reporting .nz activities in a joint Quarterly report with NZRS. This means that 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 2012

	September Quarter			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
INCOME						
Management Fees	352,800	352,800	-	705,600	705,600	-
Authorisation Fees	-	2,250	(2,250)	3,000	4,500	(1,500)
DRS Complaint Fees	8,000	9,000	(1,000)	20,000	18,000	2,000
Other Income	(500)	-	(500)	370	-	370
Interest Income	6,806	3,000	3,806	7,286	6,000	1,286
Total Income	**367,106**	**367,050**	**56**	**736,255**	**734,100**	**2,155**
EXPENSES						
Staff and Office Costs	207,373	186,339	21,034	365,902	370,874	(4,972)
Professional Services and Comm	14,975	54,000	(39,025)	31,425	108,000	(76,575)
Dispute Resolution Services	21,750	17,525	4,225	30,232	35,050	(4,818)
DNCL and DNC activities	37,538	48,778	(11,240)	65,407	97,550	(32,143)
International	31,571	51,999	(20,428)	92,949	99,000	(6,051)
Total Expenditure	**313,207**	**358,641**	**(45,434)**	**585,916**	**710,474**	**(124,558)**
Net Profit/Loss	**53,899**	**8,409**	**45,490**	**150,340**	**23,626**	**126,714**

Underspending in the Professional Services and Communications area reflects that work in these areas is planned for the second half of the financial year.

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

Joy Liddicoat

Joy Liddicoat
Chair, DNCL

.nz Quarterly Report
Second Quarter ended 30 September 2012

Introduction

This is the second 'joint' .nz quarterly report – a combined DNCL/NZRS document replacing the reports previously received by the InternetNZ Council from the two subsidiaries. Further information is publicly available and updated monthly at http://dnc.org.nz/statistics and http://dnc.org.nz/newsletters. Council is asked for feedback on this report and what changes, if any, Council would like to see for future reports. 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) New gTLDs

With the upcoming introduction of new gTLDs, a number of ccTLDs have been considering their involvement in what they consider would be an opportunity to provide new income streams. NZRS and DNCL have been monitoring activity in this area and have some concerns around where some registries appear to have acted against their previously strong principles of operation. There is now a greater focus on developing relationships with those ccTLDs that share our principles.

As part of that, DNCL and NZRS sought to develop a strategy to highlight the principles that underpin how .nz is run, encourage the development of new alliances around shared principles and use these new alliances to promote our principles within ICANN to influence the development of the new TLD programme.

Earlier this year InternetNZ provided welcome assistance to this strategy by agreeing to commission the development of a set of TLD principles. These drew together the principles set out in the operating agreements and the Hine Report, included membership views and achieved consensus approval.

In this quarter InternetNZ, through Susan Chalmers, provided further welcome assistance to NZRS and DNCL by holding the pen for our comments, and contributing their own perspective, on new TLD applications. This is part of a strategy of promoting our principles to influence the ICANN process. The focus of the comments was that we do not support allowing private, closed registrations of generic words. This position was expressed in a general comment (http://tinyurl.com/InternetNZgTLDcomments). This document was then edited and 'personalised' for relevant applications, e.g. .book https://gtldcomment.icann.org/comments-feedback/applicationcomment/commentdetails/7808. Susan Chalmers did good work in an area that was new to her.

This work will continue in the next quarter with further submissions to ICANN on the new TLD programme, highlighting and promoting our TLD principles.

b) Security

With the exception of ongoing work on DNSSEC and the criteria for registrars, there was not a lot of significant work undertaken in the security area over the quarter following the resignation and departure of Paul McKitrick from DNCL. It is expected a replacement for Paul will be in position in the next quarter.

2. Activities

a) DNSSEC

This quarter marked the DNSSEC deployment of five of the eight open second level domains: .geek.nz, .ac.nz, .gen.nz, .maori.nz/.māori.nz and .school.nz. The remaining open second levels, and the moderated domains, are planned for deployment over the next quarter.

DNCL and NZRS finalised the criteria and application form for the *DNSSEC Friendly* status and the *Handles DS Records* status. Two registrars have so far completed the requirements to be identified as offering these services. This is now indicated by the inclusion of additional columns to indicate this status in the table at http://dnc.org.nz/registrars.

Promoting DNSSEC amongst registrars, and the ongoing development of DNSSEC resources, are planned for the third quarter. There is a range of information available at http://dnc.org.nz/dnssec and http://nzrs.net.nz/dns/DNSSEC and it is planned to increase these to cover a wider audience.

The implementation of DNSSEC is important to the .nz TLD as it provides greater security for all users of the TLD and DNCL and NZRS are keen to seen its widespread implementation. Demand however is still very low and the overwhelming feedback from registrars, which is backed up by information from our international peers, is that they see implementing DNSSEC as a high cost that will not drive sales. Consequently, while we are promoting DNSSEC for the benefits that it brings we are mindful that this will be a gradual process as demand slowly increases and registrars invest as and when required.

b) .nz Promotion and Marketing

David Morrison started work with NZRS as their Channel and Marketing Manager and his focus has been to understand the channel and develop a marketing strategy. He has begun a programme of meeting all NZ and Australia based registrars, which will continue into the next quarter. This has already produced significant intelligence on the activities, aspirations and frustrations of registrars.

DNCL has appointed a part time Communications Advisor. Patrick Watson will start towards the end of October 2012. It is expected that with David and Patrick on board, more work can be planned in respect of the marketing and promotion of .nz in the third quarter.

c) Registrations at the Second Level proposal

DNCL continued its consultation on the proposal to allow .nz registrations at the second level. The consultation started on 30 May 2012 and closed on 27 September. 115 submissions were received over this time, the most for any consultation ever undertaken by DNCL. There was no clear consensus of views with submissions received both in favour and against the proposal. All submissions received can be seen at http://dnc.org.nz/second_level_proposal_c1.

Four public meetings and an online meeting were also held as part of the consultation. The online presentation can be seen at http://www.r2.co.nz/20120905/.

During October the DNCL Board will meet to discuss the submissions received and make a decision about the next steps for this project. Council will be advised by the Board as to

progress made.

NZRS are not actively involved in this initiative at this time. Should a decision be made to proceed there will be significant work for the registry to prepare the required changes which will be reflected in any future timetable if required.

d) .kiwi.nz

Council approved the creation of .kiwi.nz at their August meeting and set a registration threshold of 500 names. Implementation was undertaken in accordance with the Second Level Domains Policy with provisional registrations commencing at 10am on Tuesday 11 September 2012. The threshold of 500 was met within 15 minutes with over 5,000 registrations in the first 24 hours and over 7,000 in the first month. .kiwi.nz is now the fourth largest 2LD within .nz.

53% of registrants in .kiwi.nz were new to .nz, indicating that .kiwi.nz serviced a pent up demand for specific strings that had already been registered under the other 2LDs and gave a viable option to registrants who did not want a name under one of our existing 2LDs.

DNCL acknowledges the great effort made by NZRS to prepare for and implement this change in a relatively short timeframe.

e) SRS Architectural review

NZRS continued their architectural review of the SRS with extensive planning around switching from our own database replication system to a modern, off-the-shelf replication product. This project will continue for the rest of the year.

f) Data analysis platform

In this quarter NZRS began work to implement its data analysis platform with the procurement of a cluster of servers. This cluster will store packet captures of all traffic to and from our DNS servers. This data will be used for a range of purposes including:

1. To assist NZRS with ordinary planning and operations
- Help to understand the traffic received including what queries it is comprised of, what issues there are in those, where they come from, why the traffic comes, what times it comes at, what is IPv6 and what is fake .
- Help to understand how this traffic is handled including nameserver placement, who is replied to and how fast the replies are to different queries

2. Help NZRS and DNCL to understand the .nz domain name space
- Where the biggest caching resolvers are in NZ, what registrars host themselves and what is with third parties, how resellers handle DNS, what security issues there are in the DNS traffic
- Providing a historical record for in-depth incident analysis of new issues.

3. Help registrars understand their section of the .nz domain name space
- This means publishing yet to be agreed data to the registrars on domains they are responsible for once the appropriate policy is established. DNCL will ultimately decide what data it is appropriate for registrars to see to maintain the protection of registrants.

A potential next step is to complement this with zone scanning and collection of information on as diverse a range of topics as mail servers that support IPv6 through to web sites that have malware on them,

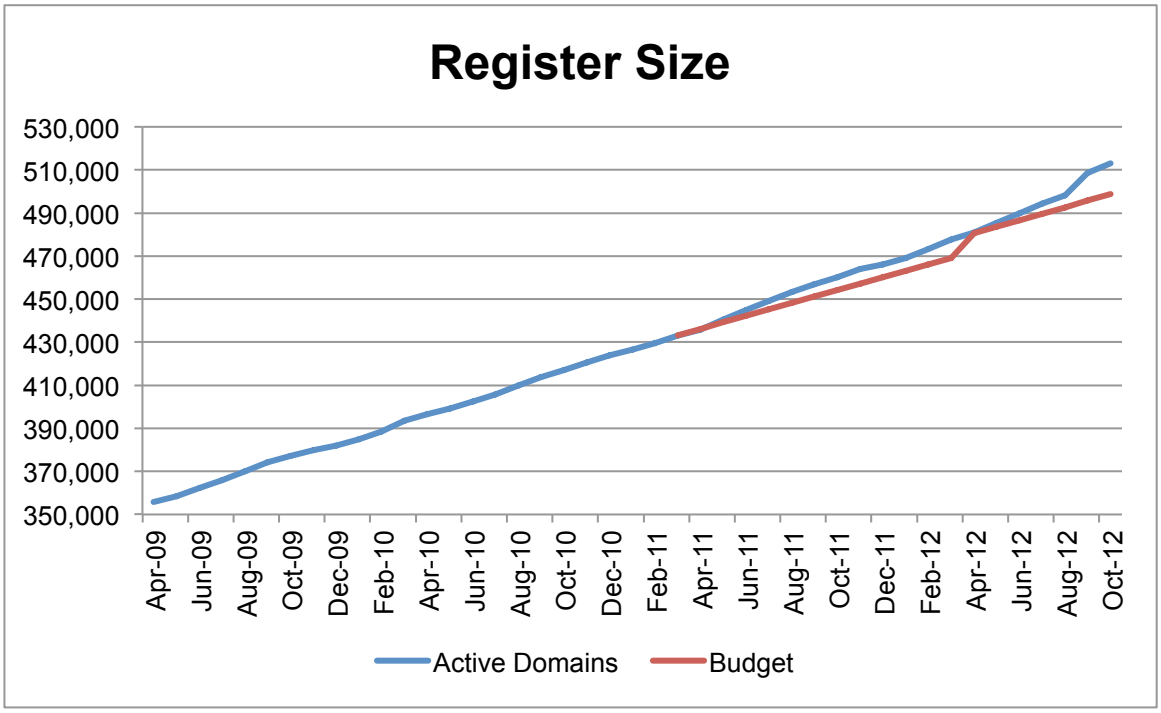
g) International Engagement

DNCL and NZRS staff did not attend any international meetings over the month with the next APTLD and ICANN meetings not due until the third quarter (October and November).

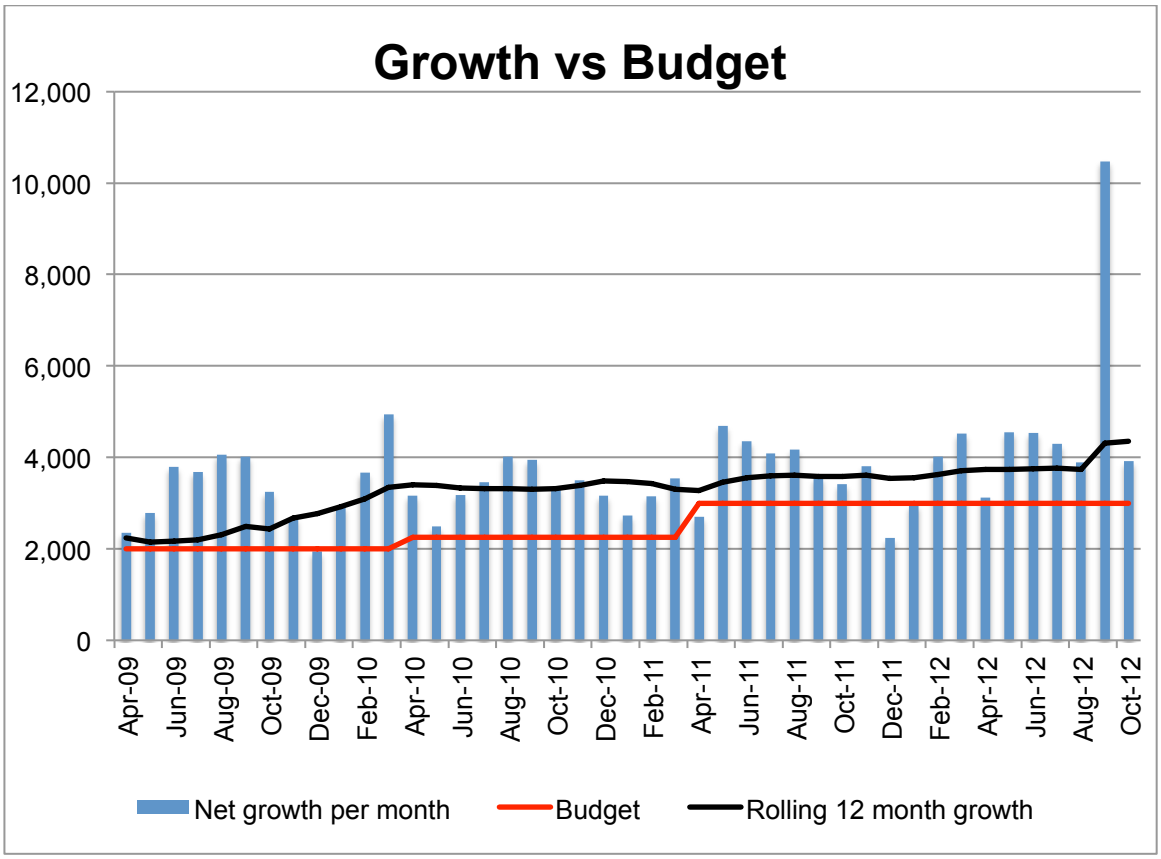
3. Statistics

a) Domain Names

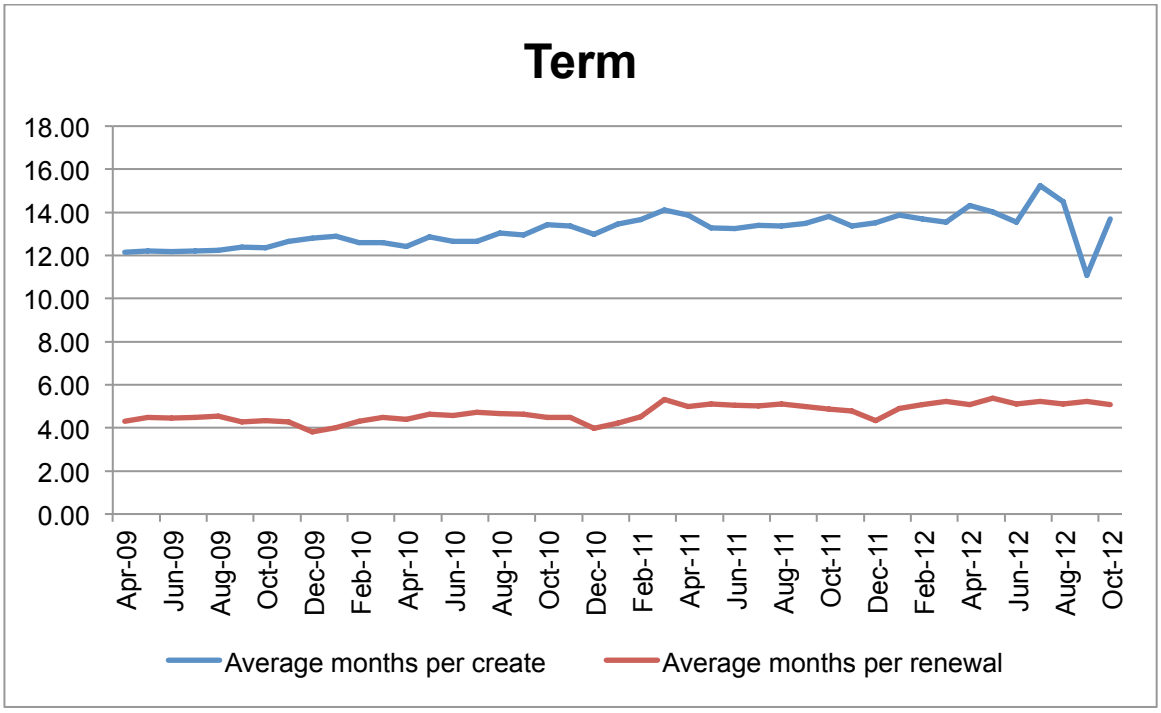
The size of the register against NZRS budgeted growth is shown in the chart below:



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:

	31 July 12	31 Aug 12	30 Sept 12
.ac	1,967	1,947	1,958
.co	428,773	432,398	435,578
.cri	14	14	14
.geek	1,215	1,187	1,202
.gen	1,440	1,411	1,413
.govt	1,111	1,109	1,112
.health	149	149	149
.iwi	77	76	77
.kiwi.nz	-	-	7,143
.maori	1,138	1,112	1,123
.mil	34	35	35
.net	27,898	28,197	28,256
.org	27,050	27,185	27,219
.parliament	9	9	9
.school	3,310	3,248	3,259
Total	**494,185**	**498,077**	**508,547**
Growth over previous month	**4,290 0.9%**	**3892 0.9%**	**10,470 2.1%**
Variance against NZRS budget	**1,290**	**892**	**7,470**

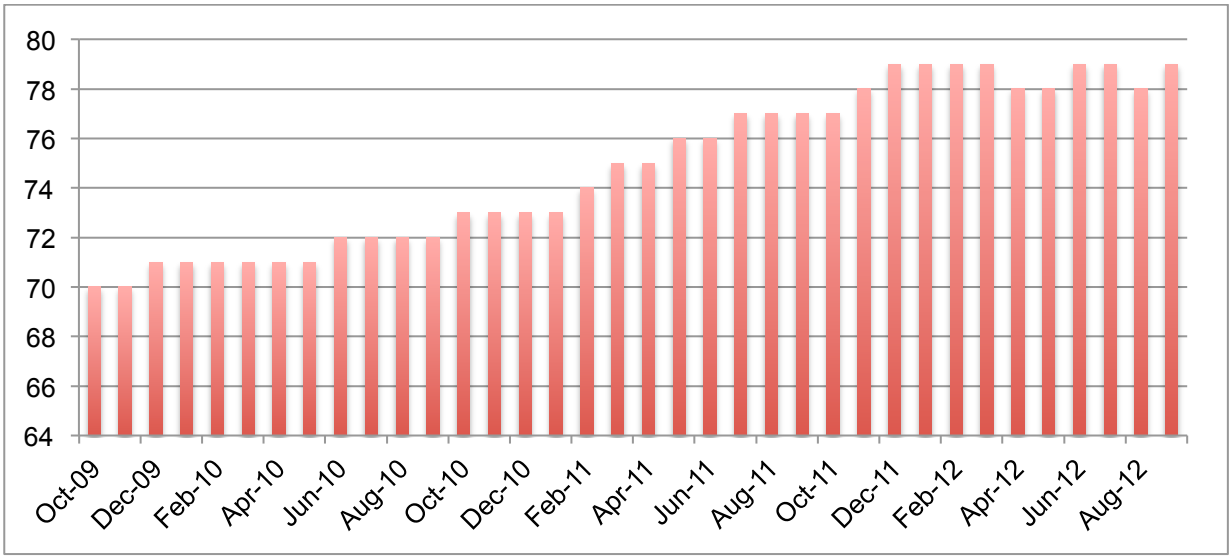
Over the quarter, .nz domain names have increased from 489,895 to 508,547, a net increase of 18,652 or 3.8%. The main reason for the large increase was the creation of .kiwi.nz as a second level domain in September. With over 7,000 registrations already, .kiwi.nz is the fourth largest second level domain in .nz.

b) Registrars

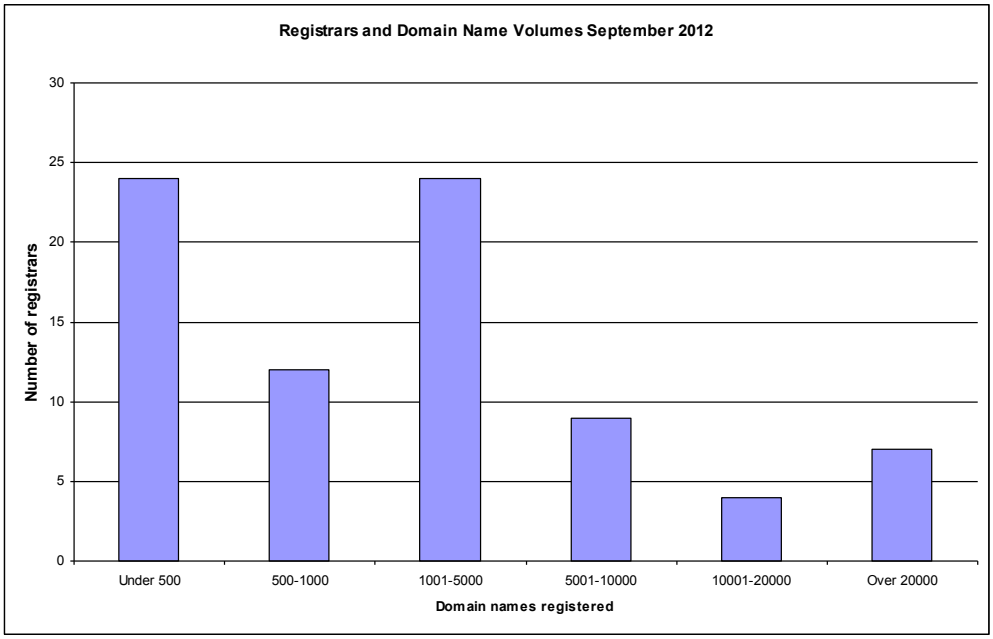
Registrars authorised	83
Registrars connected	79

Number connected during the quarter: 1
Number authorised during the quarter: Nil
Number de-authorised during the quarter: Nil

At the end of the quarter there were 79 authorised registrars in production (including the DNC registrar). The following chart shows the change in the number of connected registrars over the last three years:



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



c) Registry Performance

SLA targets achieved for July, August and September 2012.

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

System	SLA %	Jul-12	Aug-12	Sep-12
SRS	99.90%	99.98	100.00	100.00
DNS	100.00%	100.00	100.00	100.00
Whois	99.90%	99.99	100.00	100.00

Joy Liddicoat
Chair, DNCL

Richard Currey
Chair, NZRS

31 October 2012

Frank March
President
InternetNZ
PO Box 11 881
Wellington

Dear Frank

Re: 2nd Quarter 2012 – 2013 Report

We enclose our second quarterly report of the 2012 - 2013 year; the quarter ended 30th September 2012. 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.

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 $817,300 for the quarter was 20.9% above the budgeted $675,944.

Domain name growth was above budget for the quarter (actual 18,655 versus budgeted 9,000). July's net growth was at 4,290, August's net growth at 3,895 and September's net growth at 10,470. This increase in net growth is due to the opening of the second level domain, .kiwi.nz in September, a move that also pushed the total number of .nz registrations past 500,000. Actual domain name fee income for the quarter was above budget by $51,015 (actual $1,905,929 versus budgeted $1,854,914).

Expenses for the quarter were $91,848 below budget (actual $1,157,763 versus budgeted $1,249,610) due mainly to timing and the strong NZ dollar.

Pre-paid domain name fees (deferred income) were above budget at the end of the quarter (actual of $5,790,859 against the budgeted $5,666,008).

The company's liquidity ratio was met.

2. .nz

All reporting on .nz can now be found in our joint report with DNCL.

3. Other Key Strategic and Operational Activities

a) Audit and Risk

We commissioned a specialist security company to provide a short training session on how to detect and avoid social engineering as a form of hacking.

As requested by the shareholder an independent review of our Business Continuity Plan is underway. The findings will be available by the end of November.

b) Company

Two new employees were hired within this quarter. Michael Gray replaced Pearl Hanify in the Support Analyst role and David Morrison was appointed as the Marketing & Channels Manager in a newly created role.

4. Service development

Our main focus in the quarter in this area will be on the set of initiatives previously advised to InternetNZ in a confidential briefing paper.

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

Yours sincerely

Richard Currey
Chair

New Zealand Domain Name Registry Limited
Financial Statements
For the Quarter Ended 30th September 2012

Prepared By

Curtis McLean Limited
Chartered Accountants
Wellington NZ

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

New Zealand Domain Name Registry Limited
Exclusion of Liability Statement
For the Quarter Ended 30th September 2012

We have compiled the Financial Statements comprising Statement of Financial Performance, Statement of Movements in Equity and Statement of Financial Position of New Zealand Domain Name Registry Limited for the period ended 30th September 2012.

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 NZ

New Zealand Domain Name Registry Limited
Statement of Financial Performance
For the Quarter Ended 30th September 2012

	This Quarter			Year to Date			Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Last Year
Registry Fees	1,905,929	1,854,914	51,015	3,776,184	3,680,140	96,044	7,486,406	7,086,371
Less Direct Expenses								
DNC Management Fee	352,800	352,800	-	705,600	705,600	-	1,411,200	1,260,000
DNS Expenses	151,349	162,873	(11,525)	296,858	325,741	(28,884)	651,481	562,041
SRS Expenses	127,409	136,894	(9,485)	262,284	273,791	(11,508)	547,585	521,137
Other IT	28,041	43,169	(15,128)	90,694	90,405	289	176,745	172,329
Total Direct Expenses	659,599	695,736	(36,138)	1,355,436	1,395,537	(40,103)	2,787,011	2,515,507
Gross Profit	1,246,330	1,159,178	87,153	2,420,748	2,284,603	136,147	4,699,395	4,570,864
Less Other Expenses								
Depreciation & Amortisation	157,341	167,650	(10,309)	322,052	341,086	(19,034)	728,852	637,986
Overhead Expenses	340,823	386,224	(45,401)	726,532	822,444	(95,912)	1,594,887	1,260,104
Total Other Expenses	498,164	553,874	(55,710)	1,048,584	1,163,530	(114,946)	2,323,739	1,898,090
	748,166	605,304	142,863	1,372,164	1,121,073	251,093	2,375,656	2,672,774
Plus: Other Income								
Interest	69,134	70,640	(1,506)	143,537	151,126	(7,589)	294,751	347,504
Rental Lease Incentives Income	-	-	-	-	-	-	-	10,909
Net Profit Before Tax	817,300	675,944	141,357	1,515,701	1,272,199	243,504	2,670,407	3,031,187
Provision For Tax	-	-	-	-	-	-	-	-
Net Profit (Loss)	817,300	675,944	141,357	1,515,701	1,272,199	243,504	2,670,407	3,031,187

New Zealand Domain Name Registry Limited
Statement of Movements in Equity
For the Quarter Ended 30th September 2012

	This Year to Date		Last Year Full Year
Share Capital			
Opening Share Capital	30,000		30,000
Share Capital as at 30th September 2012		30,000	30,000
Retained Earnings			
Opening Retained Earnings	3,953,994		4,247,805
Plus: Net Tax Paid Profit (Loss) for Year	1,515,701		3,031,188
Less: Dividend Declared	2,238,920		3,324,999
Retained Earnings as at 30th September 2012		3,230,775	3,953,994
Equity as at 30th September 2012		$3,260,775	$3,983,994

New Zealand Domain Name Registry Limited
Statement of Financial Position
As At 30th September 2012

	End of Quarter				End of Year	
	Actual	Budget	Variance	LY Actual	Budget	LY Actual
Equity						
Share Capital	30,000	30,000	-	30,000	30,000	30,000
Retained Earnings	3,230,775	2,987,272	243,503	4,207,970	2,795,481	3,953,995
Total Equity	3,260,775	3,017,272	243,503	4,237,970	2,825,481	3,983,995
Liabilities:						
Creditors & Accruals	254,247	427,240	(172,994)	305,914	436,066	342,629
Deferred Income - Registry Fees	5,790,859	5,666,008	124,851	5,435,311	5,998,486	5,356,466
Total Liabitities	6,045,106	6,093,248	(48,143)	5,741,225	6,434,552	5,699,095
Funds Employed	9,305,881	9,110,520	195,360	9,979,195	9,260,033	9,683,090
Represented By:						
Current Assets						
Funds Held	7,284,825	7,178,460	106,365	8,173,505	7,267,170	7,864,330
Debtors & Prepayments	1,072,989	979,088	93,901	923,307	1,007,657	944,702
	8,357,814	8,157,548	200,266	9,096,812	8,274,827	8,809,032
Non Current Assets						
Fixed Assets	948,067	952,972	(4,906)	882,383	985,206	874,058
Total Non Current Assets	948,067	952,972	(4,906)	882,383	985,206	874,058
Total Assets	9,305,881	9,110,520	195,360	9,979,195	9,260,033	9,683,090

New Zealand Domain Name Registry Limited
Statement of Cash Flows
For the Quarter Ended 30 September 2012

	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	2,335,894	2,301,211	34,683	4,578,230	4,546,289	31,941	4,294,183	9,277,275	8,193,008
Other Receipts	85,127	70,640	14,487	125,633	158,587	-32,954	199,234	302,212	365,449
	2,421,021	2,371,851	49,170	4,703,863	4,704,876	-1,013	4,493,417	9,579,487	8,558,457
Cash Was Distributed To:									
Payments to Suppliers and Employees	1,103,242	1,208,031	(104,789)	2,312,404	2,517,034	(204,630)	2,162,878	4,931,267	4,258,929
Net Taxation Paid	0	0	0	0	0	0	-	0	7,461
Net Dividend Paid	1,838,920	1,838,920	0	2,238,920	2,238,920	0	1,508,333	3,828,920	3,324,999
Net GST Paid	68,985	94,756	(25,771)	177,516	232,291	(54,775)	160,875	530,959	310,146
	3,011,147	3,141,707	-130,560	4,728,840	4,988,245	-259,405	3,832,086	9,291,146	7,901,534
Net Cashflows from Operating	(590,126)	(769,856)	179,730	-24,977	-283,369	258,392	661,331	288,341	656,923
Cash Flows from Financing Activities									
Cash was Provided From:									
Share Capital	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0		0	0
Cash was Distributed To:									
Repayment of Redeemable Preference Shares									-
Inland Revenue Use of Money Interest	0	0	0	0	0	0	0	0	0
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
Cash was Distributed To:									
Purchase of Fixed Assets & Formation Expenses	345,860	241,500	104,360	554,527	402,500	152,027	394,687	885,500	699,454
Net Cash flows from Investing Activities	(345,860)	(241,500)	-104,360	(554,527)	(402,500)	-152,027	(394,687)	(885,500)	(699,454)
Net Increase (Decrease) in Cash Held	(935,986)	(1,011,356)	75,370	-579,504	-685,869	106,365	266,644	-597,159	(42,531)
Plus Opening Cash Balance	8,220,810	8,189,816	30,994	7,864,329	7,864,329	-0	7,906,861	7,864,329	7,906,861
Closing Cash Carried Forward	7,284,824	7,178,460	106,364	7,284,825	7,178,460	106,365	8,173,505	7,267,170	7,864,330
Closing Cash Comprises									
ASB Bank Cheque Account	854,517	-	-	854,517	-	-	474,322	7,267,170	523,059
ASB Bank Call Account	205,824	-	-	205,825	-	-	308,816	0	690,936
Term Deposits	6,224,483	-	-	6,224,483	-	-	7,390,367	0	6,650,335
Total Cash Held	7,284,824	7,178,460	106,364	7,284,825	7,178,460	106,365	8,173,505	7,267,170	7,864,330

Frank March
President, InternetNZ
PO Box 11-881
Manners Street
Wellington 6142

23 November 2012

re: Independent review of Business Continuity Plan

Dear Frank

The independent review of our Business Continuity Plan (BCP) has been completed by the Kestrel Group, a leading firm of independent business continuity experts. The reviewers assessed our BCP against the International/British Standard ISO/BS 22301:2012 that covers business continuity management systems.

The headline comment from the reviewers is:

> *The plan is comprehensive and contains detailed content. NZRS should be commended on the work undertaken to complete the plan. Although it is a large document it is well formatted and contains easily accessible guidance checklists for use during a disruptive event.*

The reviewers make a number of minor recommendations to improve the linkage of the plan to corporate policies and an enhancement to our current testing programme. We will be incorporating these changes into our BCP in due course.

If there are any further questions then we will be happy to attend the next Council meeting to answer them.

Yours sincerely,

Richard Currey
Chair of the Board

Cc: InternetNZ Councillors and Chief Executive
DNCL Chair and Chief Executive

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NEW ZEALAND DOMAIN NAME REGISTRY LIMITED

Paper for 7 December 2012 Council meeting

FOR DISCUSSION

Statement of Expectations 2013

Author: Vikram Kumar

Purpose of Paper: Discuss Statement of Expectations 2013 for DNCL and NZRS

Context

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.

Statement of Expectations 2013

Statement of Expectations for the financial year 2013/14 for DNCL and NZRS are to be developed. For reference, the Statement of Expectations for the current year are appended.

Recommendations

That Council **discusses** that Statement of Expectations for the financial year 2013/14 for DNCL and NZRS including:

- Are there any changes required to the content and/or structure of the current Statement of Expectations?
- What Group strategy and strategic expectations should be set?
- Any other changes to the current Statement of Expectations required?

Statement of Expectations for Domain Name Commission Limited [2012]

1 Background

This statement sets out the InternetNZ expectations for Domain Name Commission Ltd (DNCL) for the financial year 2012-2013 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 pace 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 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;

4 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 2012-2013 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.

5 Statement of Direction and Goals

DNCL is expected to provide a Statement of Direction and Goals, for the financial year 2012-13 that includes:

1. a draft three year budget for the financial years 2012-13, 2013-14 and 2014-15, subject to adjustments for 2011-12 year end results and any change in the domain name fee agreed by InternetNZ;

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

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

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

6 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) [2012]

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 2012-2013 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 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.

4 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 2012-2013 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.

5 Statement of Direction and Goals

NZRS is expected to provide a Statement of Direction and Goals, for the financial year 2012-13 that includes:

1. a draft three year budget for the financial years 2012-13, 2013-14 and 2014-15, subject to adjustments for 2011-12 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.

6 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.

Internet New Zealand
Consolidated Financial Statements
For the Quarter Ended 30 September 2012

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

Internet New Zealand
Table of Contents
For the Quarter Ended 30 September 2012

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Internet New Zealand
Exclusion of Liability Statement

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
21-Nov-12

Internet New Zealand
Consolidated Income Statement
For the Quarter Ended 30 September 2012

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income	1,915,618	3,807,326	52,194	109,152	1,905,929	3,776,184	360,800	728,600
Other Income	(500)	370	0	0	0	0	(500)	370
Dividends Received	0	0	1,838,920	2,238,920	0	0	0	0
Interest Received	100,201	184,480	24,261	33,657	69,134	143,537	6,806	7,286
Total Income	2,015,319	3,992,176	1,915,375	2,381,729	1,975,063	3,919,721	367,106	736,256
Less Expenses								
Direct Expenses	306,799	649,836	0	0	659,599	1,355,436	0	0
Other Expenses	1,578,677	3,312,564	817,811	1,779,076	498,164	1,048,582	313,207	585,916
Total Expenses	1,885,476	3,962,400	817,811	1,779,076	1,157,763	2,404,018	313,207	585,916
Net Profit (Loss) Before Tax	129,843	29,776	1,097,564	602,653	817,300	1,515,703	53,899	150,340
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit (Loss) After Tax	129,843	29,776	1,097,564	602,653	817,300	1,515,703	53,899	150,340

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. SSU Fees paid by NZRS and DNCL to INZ
2. The DNCL fee paid by NZRS to DNCL
3. The dividend paid by NZRS to INZ

The Group year to date net profit is $2,238,920 (quarter $1,838,920) less than the sum of the individual entities due to the dividend received by INZ from NZRS being removed from income while the payment by NZRS shows under their statement of movements in equity on page 3.

Internet New Zealand
Statement of Movements in Equity
For the Quarter Ended 30 September 2012

	Group		INZ		NZRS		DNCL	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	9,380,196	9,480,263	4,995,654	5,490,565	4,252,397	3,953,994	132,145	35,704
Plus:								
Shares Subscribed	0	0	0	0	30,000	30,000	580,000	580,000
Net Profit (Loss) After Tax	129,843	29,776	1,097,564	602,653	817,300	1,515,703	53,899	150,340
Less:								
Dividend Paid	0	0	0	0	1,838,920	2,238,920	0	0
Closing Equity	9,510,039	9,510,039	6,093,218	6,093,218	3,260,777	3,260,777	766,044	766,044

Internet New Zealand
Balance Sheet
As at 30 September 2012

	Group	INZ	NZRS	DNCL
Current Assets				
Cash and Cash Equivalents	13,393,893	5,299,677	7,284,825	809,391
Other Current Assets	1,180,862	86,403	1,072,989	21,470
Total Current Assets	14,574,755	5,386,080	8,357,814	830,861
Property, Equipment & Software	1,235,213	276,567	948,067	10,579
Intangible Assets	0	0	0	0
Investments				
Shares and Loans	0	610,000	0	0
Total Assets	15,809,968	6,272,647	9,305,881	841,440
Less Liabilities:				
Deferred Income	5,790,859	0	5,790,859	0
Trade and Other Payables	509,070	179,429	254,245	75,396
Total Liabilities	6,299,929	179,429	6,045,104	75,396
Net Book Value of Assets	9,510,039	6,093,218	3,260,777	766,044
Represented By:				
Total Equity	9,510,039	6,093,218	3,260,777	766,044

Internet New Zealand
Statement of Cashflows
For the Quarter Ended 30 September 2012

	Group Qtr	Group YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,187,221	4,242,089
Interest Received	100,201	184,480
Total Received	2,287,422	4,426,569
Cash was distributed to:		
Payments to Suppliers and Employees	1,842,083	4,191,863
Total Payments	1,842,083	4,191,863
Net Flows From Operating Activities	445,339	234,706
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Equipment & Software	145,192	237,798
Advance to Hector's World	0	0
Net Cash Flows From Investing & Financing Activities	(145,192)	-237,798
Net Increase Decrease in Cash & Cash Equivalents	300,147	-3,092
Plus Opening Cash	13,093,746	13,396,984
Closing Cash Carried Forward	13,393,893	13,393,892
Closing Cash Comprises		
Cash & Cash Equivalents	13,393,893	13,393,893

Cash Flow Reconciliation

Net Profit (Loss) After Tax	129,843	29,776
Plus (Less) non cash items		
Depreciation	0	179,711
Subtotal	129,843	209,487
Movement in Working Capital		
(increase) decrease in receivables	(6,071)	(68,227)
increase (decrease) in payables	49,464	(340,947)
increase (decrease) in deferred income	272,103	434,393
Net Cash Flows From operations	445,339	234,706

InternetNZ / 2020 Communications Trust Strategic Partnership

1 Background

In October 2011, InternetNZ council decided:

RN 92/11: THAT Council intends to enter into a long-term strategic partnership with 2020 Communications Trust.

RN 93/11: THAT Council approves funding of $50,000 to the 2020 Communications Trust in 2012/13 financial year. Funding in future years is subject to meeting the following key performance indicators:

1) Focus is on current programmes
2) 2020 Communications Trust successfully demonstrates the organisational capacity to deliver current programmes;

And THAT InternetNZ will provide support in achieving the above.

RN 94/11: THAT Cr James is appointed to undertake the role of relationship management with the 2020 Communications Trust.

InternetNZ Council has received reports on the activities of 2020 Trust at each subsequent meeting which demonstrate the focus on current programmes and the capacity to deliver those programmes.

In August 2012, InternetNZ Council agreed that a Working Group comprising the CEO, and Councillors Neil James and Brenda Wallace (largely as a corresponding member) would work with the 2020 Communications Trust to develop a shared vision and shared goals, to progress towards the establishment of a strategic partnership between the organisations.

This paper outlines the components of a strategic partnership.

2 Strategic partnership

Why do InternetNZ and the 2020 Communications Trust want a partnership?

InternetNZ prefers, where possible, to work with existing organisations with a track record in delivering its objects that are outside the core strengths of InternetNZ. InternetNZ partners to deliver outcomes that, had it not been for the partnership, it would have to undertake itself. The specific object that InternetNZ will pursue in partnership with the 2020 Communications Trust is Object 2.9 *To promote widely and generally available access to the Internet*. The work of the 2020 Communications Trust to promote digital literacy, skills and inclusion can help achieve this object with mutual benefit.

What is the difference between a strategic partnership and outsourcing of particular functions?

In a strategic partnership there is a shared vision and goals, which will produce more than the parties would produce working separately. Each party retains independence and accountability, but both remain cognisant of the shared vision - the whole is more than the sum of the parts. A strategic partnership requires both parties to contribute to its success on an ongoing basis.

What are the benefits of a strategic partnership?

- Access to a wider base of skills, knowledge and experience and greater resources than either party can command separately
- Increased operational effectiveness
- Focus on core business and leverage from the contributions and brand of the other party
- Collaboration on larger and more complex projects and programmes

What does each party bring to the partnership?

InternetNZ	2020 Communications Trust
Respected brand and voice on Internet issues – the Kaitiaki of the Internet in NZ Ability to fund programmes Facilitator of highly successful and engaging Internet events, reaching out to the wider community Strong Internet policy capabilities and reputation	Proven track record in the delivery of digital literacy outcomes, with strong programme brands including Computers in Homes, Stepping UP, KiwiSkills and Living Heritage National delivery network based in regional and local communities Good relationships with political leaders Strong operational delivery capability

How does this strategic partnership relate to INZ arrangements with other organisations?

InternetNZ does not currently have any strategic partnership agreements in place; the operation of this arrangement could provide a blueprint for arrangements with other organisations in the future.

3 A shared vision and goals

Our shared vision is that

All people living in New Zealand fully participate in the Internet
Ka taea tātou katoa o Aoteroa ka mahi ai i te ao ipurangi

This Vision will be supported through four shared goals:

Goal 1: Affordable access for all to the Internet

Every person living in New Zealand should have the opportunity to use the Internet to learn, communicate, innovate and enhance wealth, which means that access needs to be readily available and affordable. Our goal is to ensure that everyone has Internet access from their homes or a nearby digital hub. While New Zealand is reported to be one of the most digitally connected nations, there are still many people who are unable to participate, especially those in low income communities as well as Pacific Island and other migrant people.

For people unwilling or unable to obtain Internet access in their homes, affordable (often free) access can be provided through the Aotearoa People's Network Kaharoa (APNK) as well as community libraries and schools. We believe that community-based Wi-Fi services will also play an important role in providing Internet connections to homes, at least until affordable fixed line (copper or fibre) services become universally available.

Goal 2: Digital skills for all

Access to the Internet is a necessary but not sufficient condition for digital participation; people must also have the skills and confidence to engage online. Every person living in New Zealand should be digitally literate and have basic skills to use the Internet.

Goal 3: Digital Inclusion for all

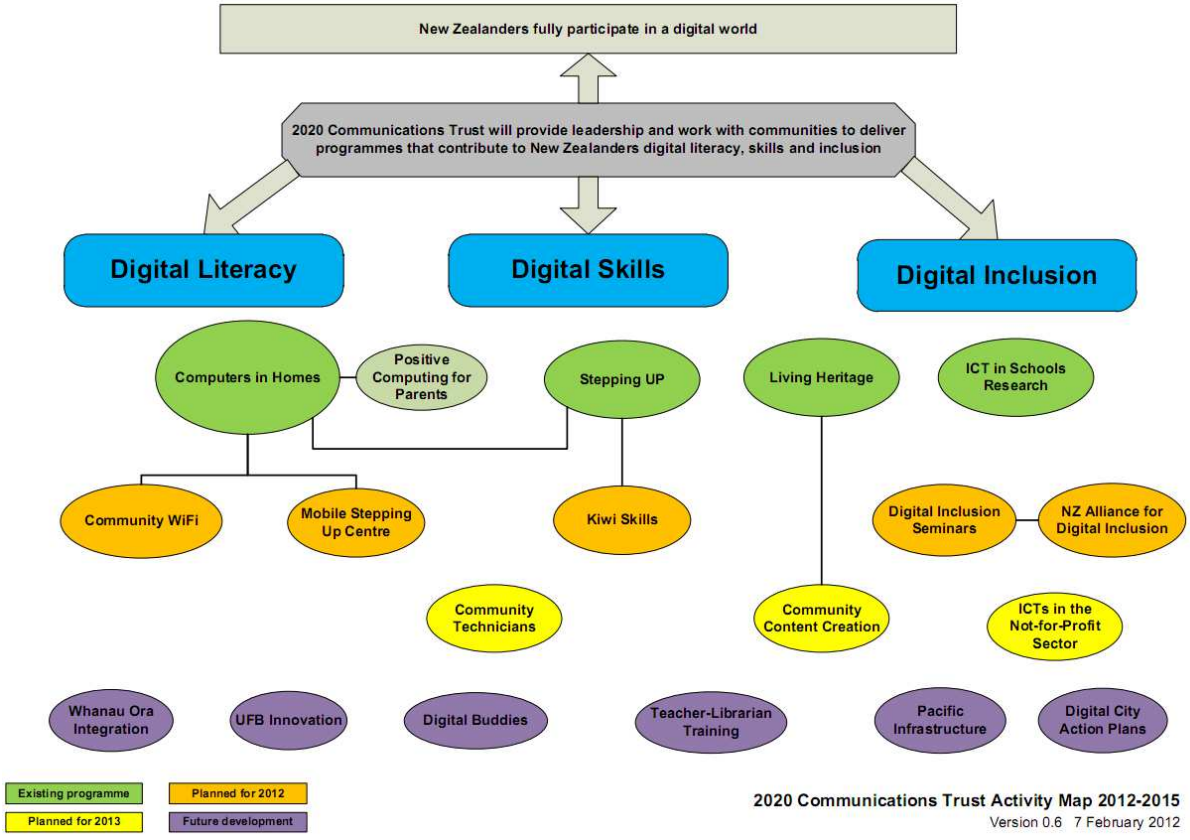
Every person living in New Zealand should have the choice to participate in the Internet. This means that digitally at-risk groups should receive additional support and encouragement to upskill and engage. Digitally at-risk groups include the disabled, those over 55 years of age, the low educated, and those living in low income communities including some migrant communities.

Goal 4: Digital competence for all

Participation in the digital world is a journey. Having access to basic digital literacy and the Internet does not guarantee digital competence. Digital technologies and Internet services are developing at an increasingly rapid pace; our goal is to ensure that all people living in New Zealand have the confidence and foundation skills to enable them to keep up with these changes, as well as apply their digital skills for education and health, business, government, socially and all aspects of living.

The current role of the 2020 Trust in Pursuing these Goals

The following diagram illustrates how the 2020 Trust's current programmes support the above vision and goals.



The role of InternetNZ in pursuing these Goals

InternetNZ currently provides funding for initiatives and partners that support this Vision and goals, including NetSafe, 2020 Communications Trust, initiatives to support the Christchurch rebuild and a range of community projects funded through an annual submission process.

InternetNZ also facilitates discussion and widespread engagement in Internet issues, including digital access and inclusion, through its highly successful NetHui.

4 Measurement

Measurement of achievement is important. The EU Digital Agenda[1] describes, and measures, "digital literacy, skills and inclusion". It can be used as a benchmark to measure the impact of our strategic partnership.

Affordable access for all to the Internet

- Most of the population have affordable access to the Internet.
- Basic wireless access is provided free in public areas in most municipalities.
- Public libraries provide free basic Internet access as a matter of course.

Digital skills for all

- A continuously increasing proportion of the population demonstrate digitally literacy. It becomes unusual to find anyone without basic digital literacy.
- All school leavers have Internet use skills.

Digital Inclusion for all

- Use of the Internet by disadvantaged groups increases and approaches the national norm.
- Isolation and social exclusion are reduced through the use of the Internet.

Digital competence for all

- Most of the population are confident in carrying out online interactions, and engaging safely in online networks.
- There is a continual increase in the use of online interactions (e.g. banks, government services).
- People take responsibility for learning about new technologies and upskilling themselves to stay engaged in the digital world.

Many of the suggested measures are not currently in place in New Zealand, in particular data on individuals who are not connected. The partnership could undertake research to develop and publish such measures.

5 Operation of the strategic partnership

The strategic partnership will operate within the framework of the strategic plans of both organisations. An annual operating plan, based on the strategic plans, will describe specific projects that will be undertaken each calendar year. The plan will contain detail about projects planned for the year and indicative future projects.

[1] Further information is at https://ec.europa.eu/digital-agenda/en/our-targets/pillar-vi-enhancing-digital-literacy-skills-and-inclusion and http://ec.europa.eu/information_society/digital-agenda/scoreboard/pillars/skills/index_en.htm

The activities under this partnership will take due care to ensure that they are consistent with the obligations of both InternetNZ and 2020 Communications Trust as registered charities.

Projects will be focused on the digitally disadvantaged, where barriers prevent people from being able to fully participate. There are significant digital inequalities in all parts of NZ society[2], including whanua, iwi and hapu, migrants, business leaders, small business owners, government, and the community and voluntary sector, as well as economically disadvantaged communities.

Projects will be identified from an analysis of data to establish evidence of market failures. Small scale pilot projects will enable the assessment of value and the impact, and if unsuccessful, the project fails quickly with little cost.

The partnership will actively work with other organisations in communities to extend the shared commitment to our Vision, and to identify options for shared service delivery.

Governance

A Governance group with representation from the boards of both organisations will:

- Agree the annual plan for digital literacy, skills and inclusion.
- Agree the measures of the results of the partnership.
- Conduct an annual review of achievements.
- Prepare a formal report on the partnership agreement every two years.

Executive / Operational

An Operational group, with InternetNZ Collaboration and Community Lead (Ellen Strickland) and 2020 Trust Contracts Director (Laurence Zwimpfer), will:

- Conduct a monthly review of digital literacy, skills and inclusion programmes.
- Prepare a joint report to each INZ council meeting (which will be published on the InternetNZ website).
- Maintain regular operational interaction to ensure mutual support, and shared opportunities for progressing digital literacy, skills and inclusion.
- Identify synergies with other community-based organisations, such as SeniorNet, Computer Club House, Retake the Net, NetSafe, and Nga Pu Waea, that are involved in digital literacy, skills and inclusion, and develop a shared view on achieving maximum impact from all parties.

6 Partnership agreement

We recommend that

- The parties agree to enter into a strategic partnership.
- The strategic partnership will continue for as long as both parties are able to contribute to the shared vision, and agreed measures are met.
- The initial agreement will be for three years.
- The partnership will be reviewed formally after two years, to consider new goals and adjust the agreement in response to technological and environmental changes; if progress is

[2] For example, participants at the recent pilot of free Stepping up training in Lower Hutt libraries mostly have PC at home, used by others, and they want to learn - 80% are Pakeha women over the age of 50

satisfactory and agreed results have been achieved, the agreement will be extended for a further three years.

- If the agreement is not renewed as a result of the review, the parties will work to develop a positive formal statement of the rationale for the decision to end the partnership.

7 Funding

Current major funding partners of InternetNZ, and the annual amount of funding are:

- IPv6 Task Force $90,000
- 2020 Communications Trust $50,000
- NetSafe $125,000
- Victoria University of Wellington, Cyberlaw Fellow conferences $50,000

In addition, InternetNZ made a commitment of $500,000 for projects assisting with the rebuild of Christchurch in the 2011-2012 year.

The level of funding for this strategic partnership should reflect

- the importance of the shared vision and goals to the future outcomes sought by both organisations,
- the fact that this is the first strategic partnership undertaken by INZ and a significant step up in the working together of the two organisations, and
- the scope of the work programme, including research and delivery projects that will be covered by the arrangements.

A lower level of funding will reduce the ability of the strategic partnership to achieve the level of results and impact outlined in the Vision and Goals.

We **recommend** that annual funding of $200,000 is provided for the initial period of three years by InternetNZ to 2020 Communications Trust to support achievement of the shared vision, and deliver the agreed results.

For InternetNZ

Neil James
Vikram Kumar

For 2020 Trust

Laurence Millar
Laurence Zwimpfer

Towards a Strategic Partnership with the 2020 Communications Trust

At the August Council meeting "It was agreed that Cr James and Vikram would progress discussions with the Trust, and that Cr Wallace would be involved in the discussions as a corresponding member." On contacting the 2020 Trust it was agreed that Laurence Millar and Laurence Zwimpfer would represent the Trust in the ongoing discussions. This working group, with the addition of Ellen Strickland, the newly appointed Collaboration and Community Lead, met on the 25th of October and had wide-ranging discussions around the partnership proposal. It was agreed to produce a paper laying out our shared vision and goals, and describing how a strategic partnership between the organisations would operate. The resulting paper, which is included in the Council meeting papers, has been developed via an email conversation over recent weeks.

As part of the preparation for discussions with the 2020 Trust the InternetNZ members of the working party reviewed InternetNZ's current partnerships and wrote a short paper describing the elements of the current partnerships. This paper accompanies this report.

InternetNZ Strategic Partnerships

1 Current and developing partnerships

While other partnerships have existed in the past the following ones are currently operational or developing.

1.1 IPv6 Task Force

InternetNZ has provided substantial funding and other support to help ensure the success of the IPv6 Task Force. This partnership particularly supports the following InternetNZ Objects:

> 2.2 To develop, maintain, evolve, and disseminate standards for the Internet and its inter-networking technologies and applications.
>
> 2.3 To develop, maintain, evolve and disseminate effective administrative processes for the operation of the Internet in New Zealand.
>
> 2.4 To promote and conduct education and research related to the Internet and inter-networking.

1.2 Victoria University of Wellington, Cyberlaw

InternetNZ and the Victoria University's New Zealand Centre of International Economic Law (NZCIEL) have signed a new partnership agreement. Under the Agreement NZCIEL will be funded to deliver quality conferences and publications targeted at all people interested in how existing laws are adapted and new laws are made to address Internet issues. InternetNZ will contribute $50,000 + GST per conference, i.e. $150,000 + GST in total for three conferences, over a four or five year period. This partnership supports the following InternetNZ Objects:

> 2.2 To develop, maintain, evolve, and disseminate standards for the Internet and its inter-networking technologies and applications.
>
> 2.4 To promote and conduct education and research related to the Internet and inter-networking.

1.3 NetSafe

In the current cycle, $125,000 per year is being provided for three years starting in the financial year 2010-2011. This partnership supports the following InternetNZ Object:

> 2.4 To promote and conduct education and research related to the Internet and inter-networking.

1.4 2020 Communications Trust

The sum of $50,000 has been provided in the financial year 2012-13 to support the Trust to meet agreed performance indicators. This partnership supports the following InternetNZ Object:

> 2.9 To promote widely and generally available access to the Internet.

2 How partnerships have developed

The partnership with the IPv6 Task Force was forged through InternetNZ's desire to promote IPv6. From the Task Force inception in November 2009 InternetNZ has provided both funding, and administrative and planning support.

The partnership with Victoria University of Wellington (through NZCIEL) is enacted through a signed partnership agreement for three years.

The partnership with NetSafe is manifest as agreed funding of $125,000 per year for three years. This came from approval of a grant request noted in the minutes of March 2010 Council meeting. The case for the grants was made in a paper (11 March 2010) from the Acting CEO on grant requests.

The agreement to provide funding for the 2020Trust followed from a presentation (at InternetNZ's invitation) by members of the 2020Trust to the October 2011 Council meeting on the development of a strategic partnership. At that meeting it was agreed:

> "Funding in future years is subject to meeting the following key performance indicators:
>
> 1) Focus is on current programs
> 2) 2020 Communications Trust successfully demonstrates the organisational capacity to deliver current programmes;
>
> and THAT InternetNZ will provide support in achieving the above."

3 Future development of strategic partnerships

InternetNZ does not currently have a fixed set of criteria relating to strategic partnerships. At this stage of the development of relationships with other organisations it may not to be helpful to closely codify the nature of the relationships, recognizing each is likely to take its own form. The statement

> "To further our goals of protecting and promoting the Internet for New Zealanders, we have developed a number of partnerships. Our aim is to build long-term partnerships with organisations that work towards one or more of our objectives and performs a task that, should that organisation not exist, InternetNZ would have to undertake itself."

captures the current thinking on how InternetNZ plans to approach partnerships.

Partnerships tend to be multi-year relationships. They either provide for funding over the period or on an annual request basis. At the Council Strategy Day in September 2011, the emphasis shifted from partnerships where appropriate to an active preference for partnerships to deliver InternetNZ's objects.

As more partnerships are developed it may well be appropriate to further define InternetNZ's requirements in strategic relationships.

InternetNZ

2020 Communications Trust

Towards a Strategic Partnership - Activity Update: December 2012

Computers in Homes (CiH)	We have serious concerns that the Government might choose not to continue the Digital Literacy & Connection Fund which currently funds *Computers in Homes* and *Computer Clubhouse* beyond the current contract period (2010-2014). We have been advised by Ministers and officials that the problem isn't with the programme – *Computers in Homes* has widespread political and community support. It comes down to budget priorities and the climate within government is for zero budgets, so that makes it extremely difficult for programmes outside existing departmental commitments. We will continue to work with officials and Ministers to identify options to maintain the current level of 1,500 per year. We have achieved good visibility in recent months with a television story on Tagata Pasifika and an access radio interview with Di Daniels. We also continue to attract good coverage in print and online media stories, mainly around graduations. We were pleased to support NetHui South with an active *Computers in Homes* presence in Dunedin 23-24 November. Our *Computers in Homes* team participated in the Digital Inclusion Panel (Leona Karauria and Di Daniels), and engaged actively in other discussion sessions. One of our Dunedin graduate parents, Teresa Sinclair, a solo mother with four boys, gave a moving presentation about how *Computers in Homes* had helped to upskill her and give her more independence. Regional coordinators are meeting in Christchurch on 29-30 November. Website: www.computersinhomes.org.nz
Stepping UP	DORA, our mobile digital learning centre, was officially launched in Christchurch by Cr Glenn Livingstone on 18 October 2012. We were pleased that a number of InternetNZ representatives were able to attend, including Vikram Kumar, Neil James and Ellen Strickland, as well as a number of Christchurch InternetNZ members. DORA is being extremely well-received by the Christchurch community. Other communities that get to meet DORA are also asking for a detailed specification so that they can consider replicating the initiative. DORA travelled to Dunedin for NetHui South and drew plenty of interest from conference delegates as well as the local community. We took the opportunity to explain more about the Stepping UP and KiwiSkills programmes and have identified a number of potential new partners for programme delivery. A highlight of the journey to Dunedin was a lunchtime stop-over in Timaru to meet with one of our project partners, Farmside. Minister Jo Goodhew joined us along with representatives from local education institutions, SeniorNet, District Council and the public library. Our 8-week pilot Stepping UP programme with Hutt City Libraries has now been documented and this is being shared with other libraries. We presented to the SMART library group (Masterton, Kapiti and Porirua) on 26 October and to a Palmerston North library group on 27 November. We are collaborating with Statistics New Zealand to mobilise our network of Stepping UP partners, all of whom operate Community Technology Centres (CTCs), to open their facilities on Census Day (5 March 2013) to encourage their communities to complete their census online. 7% of the population completed their census online in 2006. The Government has set a target of 35% this time. The Stats Census team has welcomed our engagement in helping to reach people in the lowest socio-economic communities, who historically have failed to complete the Census. Our goal is to mobilise 600 CTCs for 5 March. Website: www.steppingup.org.nz

KiwiSkills	Our focus for the last few months has been on securing new programme partners. One particular success has been in establishing pilot programmes with two Chambers of Commerce organisations. We think the Chambers of Commerce could provide a good link in assisting with pathways for progressing people with foundation computer and internet skills into employment. We are also making progress in deploying KiwiSkills through our *Computers In Homes* coordinators and tutors. A number have signed up for the programme and the first has already gained her Start Certificate. Since taking Kiwiskills over from NZCS (now IITP) earlier this year, we have strengthened the team and are now managing a geographically distributed team (Auckland, Kapiti, Wellington) which has required new operational processes. We continue to work on operational integration and we expect that KiwiSkills will be a break-even venture in 2013. Website: www.kiwiskills.co.nz
Living Heritage	We have received an expression of interest from Meretui Ratunabuabua in Fiji. She is the manager of the UNESCO USP Pacific Heritage Hub and will be visiting New Zealand in December for discussions on expanding our Living Heritage initiative in the Pacific. Website: www.livingheritage.org.nz
Community Wireless	We welcome the support from InternetNZ for a joint study into community wireless options, with a special focus on school wireless hubs. After nearly 6 months, we finally have a rural solution for Kaingaroa Forest Village. We will be working with Compass as the RSP and WiMax Developments Limited to deliver the service to the school, the community and a local business, all using the common 100Mps RBI fibre provided by Chorus. Installation work is scheduled to commence in December. We appreciate receiving a copy of the initial report on the Queen's High model in Dunedin and look forward to participating in a roundtable with other stakeholders to assess the technical and commercial aspects of the model. The project team has adopted a model similar to the Manaiakalani project in Auckland that extends the school network (with its security and content restrictions) to students' homes. At this stage this does not appear to offer open access to the Internet for the whole family.
Strategic Partnership	We had a constructive meeting with InternetNZ representatives on Thursday 25 October to advance our strategic partnership discussions. We are pleased with the joint proposal, now being submitted to the December meeting of the InternetNZ Council and look forward to a positive outcome.

For the Future Sustainability of the Creative Commons Project in Aotearoa New Zealand: A Partnership Proposal

submitted to

InternetNZ

by

Creative Commons Aotearoa New Zealand
A Project Hosted by the Royal Society of New Zealand

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December 2012

Summary

The Creative Commons Aotearoa New Zealand (CCANZ) project is hosted by the Royal Society of New Zealand (RSNZ) and currently funded by a one-off contract with the Ministry of Business, Innovation and Employment. The contract provides support for the New Zealand Government Open Access and Licensing framework (NZGOAL), which recommends the use of Creative Commons New Zealand licences. This contract will expire in June 2013. In order to support the CCANZ project from this date, and to ensure its future sustainability, CCANZ is looking for a mix of government and non-government funding.

We believe that InternetNZ would be an ideal partner for the CCANZ project. Like InternetNZ, CCANZ is fundamentally concerned with realising the full potential of an open Internet. InternetNZ is already an established advocate for an open and effective technological infrastructure. However, as InternetNZ's recent 'Fair Deal' campaign suggests, "an open and uncaptureable Internet" in New Zealand also requires a legal infrastructure, beyond the default system of "All Rights Reserved" copyright.

To realise the full cultural, social and economic potential of an open Internet, New Zealand needs a system of open licensing, as well as an established organisation to support and promote open licence use. For this reason, we believe that Creative Commons is a key strategic ally of InternetNZ, as InternetNZ continues to advocate for an open Internet. We are particularly well suited to support InternetNZ's current projects for 'Openness' and 'Rights and Responsibilities.'[1]

InternetNZ has long been one of CCANZ's strongest supporters: InternetNZ funded the extremely popular 'CC Kiwi' animated video and hosted three successful Nethui meet-ups, the latest at Nethui South. InternetNZ has also consistently promoted and used Creative Commons licensing, recently mandating that all funding recipients must license their projects under Creative Commons.

Supporting an established, public-facing organisation like CCANZ would also help to realise InternetNZ Council's desire, as stated in their 2012/13 Business Plan, to see "a big step-up in external activities and to have more 'aspirational goals.'"[2] As an established informational and organisational hub, CCANZ will be a core partner as InternetNZ pursues its goals over the next three years.

We would like to open a discussion on how our organisations can support each other over this period. We suggest that $50,000 per year over three years from InternetNZ would help CCANZ to maintain its current operations, and would provide us with a base from which to apply for governmental and project-specific funding, and arrange long-term sustainability.

Of this sum, $25,000 per year would support the day-to-day operating costs of CCANZ. The remaining $25,000 would support open licensing initiatives, particularly in the compulsory education sector. Specific projects include promoting open licensing policies in New Zealand schools, via the high-profile Mix & Mash 2013 competition, run in partnership with DigitalNZ; supporting digital citizenship projects in New Zealand schools; faciliating open licensing workshops for New Zealand teachers; and developing teaching resources to supplement our popular video and poster.

If this should prove unworkable, we are open to discussing other ways in which our organisations might work together.

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1 http://internetnz.net.nz/our-work

2 InternetNZ's 2012/13 Business Plan: http://internetnz.net.nz/content/business-plan

Why InternetNZ?

InternetNZ and CCANZ are both well known for their efforts to realise the full potential of an open Internet. While CCANZ celebrates prominent users of open licensing in cultural, educational and governmental institutions, our primary mission is to provide and promote a robust legal architecture to enable other organisations to practise open science, open culture, open government and open education. Similarly, InternetNZ's core work is to maintain and improve the technological infrastructure of an open and uncaptureable Internet, for the benefit of all New Zealanders.

An open and uncaptureable Internet requires both a technological and legal infrastructure. The technological infrastructure of the Internet allows New Zealanders to access the Web; this, understandably, remains InternetNZ's core business. Without open licensing, however, the underlying purpose of providing access to this infrastructure—that is, to realise enormous cultural, social and economic benefits—will remain only partially fulfilled.

As Marshall McLuhan famously observed in the 1950s, and as is attested at Nethui's yearly 'Culture and Copyright' sessions, content and the medium that carries it are not easily separated. That's as true now as it was then. InternetNZ devotes, rightly, considerable resources to protecting people from harmful content through its strategic partnership with NetSafe.

In financially supporting CCANZ, InternetNZ would also be continuing its practice of partnering with organisations interested in teaching digital literacy and encouraging good digital citizenship on the Web. The CCANZ project has been fundamentally concerned with promoting digital literacy in the compulsory education sector. We have given dozens of talks to schools and principals across the country, published articles and posters in education magazines, contributed to digital citizenship courses and helped facilitate open licensing workshops for educators.

Without sustainable funding, however, Creative Commons licences will remain a relatively obscure legal tool, known to specialists, though not widely adopted or understood. Without an active organisation to push licence use, the predicted cultural, social and economic benefits of an open Internet, as well as the educational benefits of using Creative Commons licences in New Zealand schools, are much less likely to be realised.

Creative Commons licence use is one of the great success stories of an open Internet. As governments and major cultural and educational institutions begin to adopt the licences over the next three years, it is possible that Creative Commons licensing will enter the mainstream of New Zealand culture. This will help us at CCANZ to realise our goal, and the goal of the Creative Commons project in general, which is "nothing less than realizing the full potential of the Internet — universal access to research and education, full participation in culture — to drive a new era of development, growth, and productivity."[3]

[3] Read more about the Creative Commons project here: http://creativecommons.org/about

About Creative Commons Aotearoa New Zealand.

Creative Commons Aotearoa New Zealand is the kaitiaki or guardian of the New Zealand Creative Commons licences. Hosted by the RSNZ, CCANZ is a well-established and effective advocate for open culture, open science, open education and open government.

The CCANZ project was introduced to New Zealand by the Council for the Humanities in 2007; in 2010, the project migrated to the Royal of Society of New Zealand, a non-profit organisation promoting science, technology, and the humanities in New Zealand. CCANZ consists of:

- a Public Lead, who runs the day-to-day operations of the project, and who is a staff member of the Royal Society of New Zealand;
- an expert Legal Team, who 'port' the international licences to New Zealand law, and ensure that the licences remain up-to-date. The legal team provides their services to the project free of charge; and,
- an Advisory Panel, drawn from a range of stakeholders and community group across New Zealand society.

CCANZ is run in an open and transparent manner. All updates from the Public Lead and minutes of CCANZ Advisory Panel meetings are made available on the CCANZ roadmap page.[4]

Beyond administering the Creative Commons New Zealand licences, CCANZ:

- supports the release of open government data, via the New Zealand Open Access and Licensing framework (NZGOAL) adopted by the New Zealand Government in August 2010;
- advocates open access to publicly funded research;
- promotes the sharing and reuse of New Zealand's rich intellectual and cultural heritage;
- encourages school leaders to adopt open licensing for educational resources;
- works with teachers to educate students about digital citizenship, digital literacy and Creative Commons resources;
- partners with other open access and licensing advocates; and,
- acts as an informational and organisational hub for projects looking to fulfil the potential of a free and open Internet.

[4] The CCANZ Roadmap can be found here: http://www.creativecommons.org.nz/2010/09/our-roadmap/

Funding Proposal

As an established supporter of open licensing and open culture, InternetNZ has already funded our successful animated video, 'CC Kiwi.' InternetNZ has also hosted two Nethui meet-ups, with a third planned at Nethui South on November 23. InternetNZ is also a prominent supporter and user of Creative Commons licensing.

We believe that the principles of CCANZ substantially overlap with those of InternetNZ, and that a closer partnership would benefit both organisations.

We would like to open a discussion on how our organisations can support each other over this period. We suggest that $50,000 per year over three years from InternetNZ would help CCANZ to maintain its current operations, and would provide us with a base from which to apply for governmental and project-specific funding, and arrange long-term sustainability.

Of this sum, $25,000 per year would support the day-to-day operating costs of CCANZ. The remaining $25,000 would support open licensing initiatives, particularly in the compulsory education sector. Specific projects include:

- promoting open licensing policies in New Zealand schools, using the high-profile Mix & Mash 2013 showcase, run in partnership with DigitalNZ;
- supporting digital citizenship projects in New Zealand schools;
- facilitating open licensing workshops for New Zealand teachers; and,
- developing teaching resources to supplement our popular video and poster.

In consideration for this funding InternetNZ would feature prominently on an ‘Our Supporters’ tab of the CCANZ website as CCANZ’s principal non-government sponsor, which would feature an InternetNZ logo and a case study celebrating InternetNZ's involvement in the CCANZ project. The InternetNZ logo would also feature at the bottom of the CCANZ homepage.

Appendix: What We Do[5]

Education

As part of its work supporting NZGOAL, CCANZ promotes the sharing of educational resources within New Zealand schools. CCANZ has worked with the officials at the Ministry of Education to promote the use of open licensing for educational resources, and has encouraged schools to adopt a Creative Commons policy for their teaching resources. CCANZ also supports the teaching of digital literacy in New Zealand schools, to ensure that students are well-informed about copyright and the range of Creative Commons licences.

To this end, CCANZ has consistently worked with the Open Educational Resources Foundation. In 2012, CCANZ helped to facilitate its online workshops on open licensing for educators. The first workshop, in January 2012, had 1024 participants; the second, in July, had 865. CCANZ is sponsoring the next workshop, which runs from 3-14 December 2012.

CCANZ also works with individual school and regional clusters of school leaders to provide professional development for teachers; resources for student conferences and projects; and advice on the adoption of Creative Commons policies for education resources. Presentations have been given to schools and school leaders across the country, including Wellington, Auckland, Nelson, Marlborough, Christchurch and Dunedin.

In order to promote Creative Commons in New Zealand schools, CCANZ has produced a range of resources. We have:

- with the help of InternetNZ, created an extremely popular video, 'CC Kiwi,' explaining Creative Commons to New Zealand students;
- designed and published an A3 poster in the July edition of *Interface*, a technology magazine for New Zealand schools with a circulation of 12,000;
- published an article in the School Support section of the Education Gazette; and
- contributed to the Digital Citizenship curriculum, to be launched as a 'Moodle' course in 2013.

Government

CCANZ provides support for the New Zealand Government Open Access and Licensing framework (NZGOAL), which supports the release of government data under a Creative Commons licence. As was recognised by Cabinet, open access and open licensing is expected to "generate creative, cultural and economic opportunities for New Zealanders and both non-profit and commercial organisations."[6]

Creative Commons licensing is integral to the success of NZGOAL; the licences provide the legal framework under which the creative and innovative reuse of government materials can occur. It is essential, however, that CCANZ is more than just a 'passive' host for the Creative Commons New Zealand licences. For many individuals and organisations, 'All Rights Reserved' remains the default option. For this to change, the profile of Creative Commons licences must increase across not only across government, but across cultural and educational institutions and New Zealand society at large. As the guidance for NZGOAL points out,

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5 For specific case studies of licence use, visit our homepage: http://www.creativecommons.org.nz/category/case-studies/

6 The Cabinet Paper concerning NZGOAL and Creative Commons can be found here: http://ict.govt.nz/library/NZGOAL%20Cabinet%20Paper.pdf

> "As more and more copyright material is released under CC licences, New Zealanders will become more and more familiar with the licences, particularly their human readable form and easy to understand icons, and be able to determine very quickly the uses to which they lawfully put licence material."[7]

Increased awareness of Creative Commons licences requires an active, well-funded host, to push licence use in agencies and institutions; support and showcase Creative Commons champions; promote the benefits of open licensing; and generally advocate open culture to the New Zealand public.

While the release of publicly funded data under NZGOAL is predicted to have direct economic benefits, we believe that a cultural shift towards openness is of equal importance. Clearly, the rise of digital technologies and the Internet – and the accompanying transformation in consumption, production and dissemination of culture and data – is driving this shift. Yet, as implied by InternetNZ's policy principles, an open, accessible and inclusive Internet, which provides the infrastructure for individuals to share, remix and reuse their data and culture, requires a well-established and well-funded organisation to advocate on its behalf.[8] By advocating the use of open licences, Creative Commons Aotearoa New Zealand partners with InternetNZ to realise the principles of an open, accessible and inclusive internet.

The process of releasing government data has been a success; but there is still a lot of work to be done. As the 2012 Report on Agency Adoption of the New Zealand Declaration on Open and Transparent Government reported:

- All public service departments have appointed a Data Champion at senior management level;
- 27 departments (75%) have already released data for re-use;
- 20 (56%) have plans for future releases; and,
- 26 (72%) of the departments are intending to incorporate release of data in their core business planning in 2012.[9]

There have already been many examples of innovative and creative reuse of government data, including:

- The 'Pocket Ranger' App: Using Department of Conservation data, this app provides information about the Tongariro Alpine Crossing;
- ANZ Truckometer: ANZ economists have used NZTA traffic volume data for economic forecasting; and,
- NZ Schools: Using Ministry of Education data, this app allows users to pull up real-time information about local schools.

Science

CCANZ has been a prominent supporter of open access to research within New Zealand. Following the lead of the international Creative Commons project, CCANZ promotes the use of open licensing throughout the education sector, especially in terms of open access to scholarly publishing (OA) and open educational resources (OERs). These aims are pursued

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7 FAQs for the New Zealand Government Open Access and Licensing Framework: http://ict.govt.nz/library/nzgoal-faq.PDF

8 InternetNZ Policy Principles: http://internetnz.net.nz/content/Policy-Principles

9 View the 2012 Adoption Report here: http://ict.govt.nz/programme/opening-government-data-and-information/declaration-open-and-transparent-government/2012-report-adoption-declaration

as part of a wider strategy to introduce open licensing to New Zealand's cultural and educational institutions.[10]

For the last two years, CCANZ has provided free workshops on open licensing and open access to scholarly publishing for many New Zealand tertiary education institutions. Since June 2011, workshops have been given to Auckland University of Technology (twice), Victoria University of Wellington (twice), Te Kura, Waikato University, University of Otago (twice), Auckland University, Unitec, Massey University and NatColl.

Other events organised by CCANZ in 2012 include the following:

- In January, the Public Lead helped to facilitate a week-long online workshop on open-content licensing for educators. Over 1050 educators participated, from around the world. A second workshop was held in June, with over 800 participants.
- In June, the Public Lead represented CCANZ at the Open Access forum—hosted by Cameron Neylon, of the Public Library of Science—at the E-Research Symposium at Victoria University of Wellington.
- In July, CCANZ hosted a public meeting on OA and OERs, featuring Professor Anne Fitzgerald from Queensland University of Technology, Professor Fabiana Kubke from Auckland University and Dr Wayne Mackintosh, President of the Open Educational Resources Foundation.[11]
- In August, the Public Lead represented CCANZ at the 'Creative University' conference in Hamilton, and spoke during the keynote address on the importance of open access for public higher education.
- For Open Access Week 2012, CCANZ successfully hosted an online symposium on open access to scholarly publishing. Participants included Cameron Neylon, Public Library of Science; Sigi Jöttkandt, Open Humanities Press; Fabiana Kubke, Auckland University; Richard White, University of Otago Copyright Officer; Wayne MacKintosh, Director OER Foundation, Otago Polytechnic; Penny Carnaby, University Librarian, Lincoln University; and, Kathleen Fitzpatrick, Director of Scholarly Communication, Modern Language Association.[12]

Culture

CCANZ works with both individual artists and cultural institutions to enable New Zealand cultural works to be shared and reused. CCANZ works with Galleries, Libraries, Archives and Museums (GLAM) to release content under an open licence and to promote digitised public domain materials

To this end, CCANZ has been heavily involved in the successful 'Mix & Mash' competitions in 2010 and 2011. Creative Commons sponsored a Creative Remix category, and was a key part of the organising committee.

With help from DigitalNZ, CCANZ has decided to run 'Mix & Mash: The New Storytelling 2013,' its own version of Mix & Mash, with the aim of encouraging young New Zealanders to 'mix & mash' Creative Commons-licensed and public domain material. Students in English, Media Studies, Technology and the Visual Arts will submit digital stories and artworks for publication on the Creative Commons website. Each term, a new issue will be released, and

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[10] This information can be found at the CCANZ strategy roadmap: http://wiki.creativecommons.org/New_Zealand

[11] This session is available for streaming online here: http://www.r2.co.nz/20120711/ccommons.htm

[12] Our Open Access Week coverage can be found on our website: http://www.creativecommons.org.nz/open_access_2012/

after a year Creative Commons will publish an e-book of exceptional student work.
Organised by Creative Commons Aotearoa New Zealand, with support from Mix & Mash, The New Storytelling will:

- Demonstrate the range and value of New Zealand openly licensed and public domain materials;
- Increase the profile of Creative Commons licensed materials, including open educational resources and Creative Commons policies, in New Zealand schools;
- Educate New Zealand students on key concepts of digital literacy, including copyright, licensing and reuse.

ENDS

Paper for 7 December 2012 Council meeting

FOR DISCUSSION

CE's Report

Author: Vikram Kumar

Purpose of Paper: Operational progress since last Council meeting, 26 October 2012

A. Stretch Goals

1. Technical and Internet numbering policy

- Reg published an opinion piece on radio spectrum strategy issues in Stuff http://www.stuff.co.nz/technology/digital-living/7973561/TV-switch-puts-radio-spectrum-on-the-radar which has been widely noted.

- Dean has engaged with APNIC in the area of member abuse notification and development of their policy development process. He is also serving on the APRICOT 2013 program committee to ensure that areas of interest to New Zealand form part of the conference programme.

2. Conferences

- The first regional NetHui conference, NetHui *South*, was held in Dunedin on 23rd and 24th November 2012. There were about 155 registrations. The major risk previously identified, that of not getting enough participation, was successfully addressed. The conference also successfully met all the other objectives set. Notably, the ICT Minister used the conference to announce the Government's position on including the Internet in the ITRs at WCIT.

  After considering the feedback and lessons learnt, recommendations for future regional NetHui conferences, if any, will be provided to Council.

B. Proactive projects

1. Research

- A public presentation 'Stats Check: The continuing evolution of the Internet' was organised in Wellington on 6 November 2012. There were three presentations, from Statistics NZ; WIPNZ; and Professor Jeffrey Cole, Director, World Internet Project. Details at https://internetnz.net.nz/news/blog/2012/Stats-Check-continuing-evolution-Internet. With about 70 registrations, InternetNZ was successful in promoting interest in the event.

2. IPv6 implementation

- InternetNZ continues its "business as usual" IPv6 work, including secretariat support for the IPv6 Task Force now running in reactive mode. Several updates and blog posts were made following Campbell attending the Australian IPv6 Summit.

- Two channels to provide business and corporate customers with the IPv6 messages have been identified. The first is a CIO roundtable organised by CIO Magazine, Fairfax Media. This may be in collaboration with Cisco to keep InternetNZ's costs down. The second channel is the TUANZ After5s, which draws mid-level technical managers. The intention is to proceed with both as operational initiatives in the first quarter of 2013.

3. Copyright

- The first Copyright Conference with our partners, the New Zealand Centre of International Economic Law (NZCIEL) at the Victoria University of Wellington, was held on 15th and 16th November. It drew a sizable number of international speakers and diverse audience. The conference had high quality presentations and discussions, successfully meeting all the objectives that were set for it.

4. Rights-based approach to the Internet

- Joy Liddicoat presented a keynote at NetHui *South* on this topic.

5. Cybersecurity

- Vikram continues to chair the Botnet Working Group. Good progress is being made by two sub-groups with participation from people across government, industry, vendors, and academics. The recent NZITF annual conference provided a valuable opportunity to move the work forward.

6. Supporting local governments

- In recognition of the value of bringing NetHui to Wellington and the proposed half day focus on the Wellington Digital Strategy, Wellington City Council has agreed to sponsor NetHui 2013 via an event subsidy for the Town Hall.

- Discussions are in progress to identify and work with a partner in Christchurch to provide free community wifi Internet. This is expected to take a few weeks more before any progress is made to report.

7. Privacy

- A debate was held in NetHui *South* on the notice and consent model's continued relevance given the changes that the Internet is driving. There is still limited genuine debate on privacy issues in New Zealand and this was a good step to promoting more public interest and discussion.

8. Thought leadership

- InternetNZ has joined the Innovation Partnership which brings together a number of senior leaders in government, business, and NGOs. Part of this work involves organising roundtable discussions of Internet-enabled opportunities.

- A paper covering analysis and options for regulation of broadcasting and the Internet in a converged world has been published. The timing is designed to get a reasoned debate going prior to the Commerce Commission completing its investigation into Sky's contracts, which is shaping up as a litmus test of the capacity of the existing regulatory framework to deal with convergence issues. Following the result of the Commission's investigation and any feedback, an updated InternetNZ position paper will be developed.

9. Communications Strategy/Plan

- A project to review and improve the Information Architecture and accessibility of the InternetNZ website has commenced. A reference group with staff, Council and members is being set up to provide guidance for the project.

- Mohawk Media had been commissioned to develop an animated video to describe the importance of keeping the Internet open. The video was launched at NetHui *South* and is now publicly available on InternetNZ's YouTube channel at http://www.youtube.com/watch?v=BDmzvjJ40YQ.

- InternetNZ is collaborating with Heyday to do a 2011 update to Down to the Wire http://downtothewire.co.nz/ to record important historical events related to the Internet in New Zealand. This is expected to be completed by mid-December.

C. Core Operations

- There is a lot of activity with the Trans-Pacific Partnership (TPP) agreement negotiations in progress in Auckland. Besides supporting events being organised by other stakeholders, InternetNZ and the Fair Deal campaign are holding a number of events:

    - The EFF Digital Rights Camp co-sponsored by the Auckland Faculty of Law on 1st and 2nd December.

    - The Royal New Zealand Foundation of the Blind (RNZFB) is organising a tour for alternate formats on 6th December.

    - Stakeholder forum on 7th December.

    - A luncheon for delegates on 8th December.

    - A Fair Deal evening event on 8th December.

  There was also a Trans-Pacific Partnership Symposium organised by Chapman Tripp on 30th November in Auckland. Susan was on the Intellectual Property Panel.

- Submissions:

Date	To	Subject
9 November	ICANN	Drawing for prioritising new gTLD applications

- Position Papers:

Date	Subject
26 November	International Telecommunications Regulations review
27 November	Law Commission's Ministerial Briefing Paper: *Harmful Digital Communications: The adequacy of the current sanctions and remedies*

- Keith Davidson and Susan attended the global Internet Governance Forum in Azerbaijan. There has been considerable focus on the upcoming review of the ITU's International Telecommunications Regulations (ITRs). Keith has been included on the NZ Government delegation, to attended the ITU's WCIT meeting in Dubai in the first two weeks of December, where any changes to the ITR's will be discussed. While the NZ Government has made its position clear through the NetHui *South* comments from ICT Minister Amy Adams, it is notable that the NZ Government is sending a delegation of 5 people to this event.

  Susan participated in two panels at the IGF, one addressing national Internet governance structures and another on copyright. She also contributed to the "Best Bits" statement on the revision of the ITRs.

D. Others

- Media articles and news about InternetNZ are being collected at http://www.scoop.it/t/internetnz. Note that this is still experimental and has not yet been promoted publicly.

- Vikram made the sponsor's speech at the NZ Open Source Awards. He also did the Opening Address at the National Digital Forum 2012.

Recommendation

That Council **receives** the CE's Report.

Paper for 7 December 2012 Council meeting

FOR DISCUSSION

Financial Report to September 2012

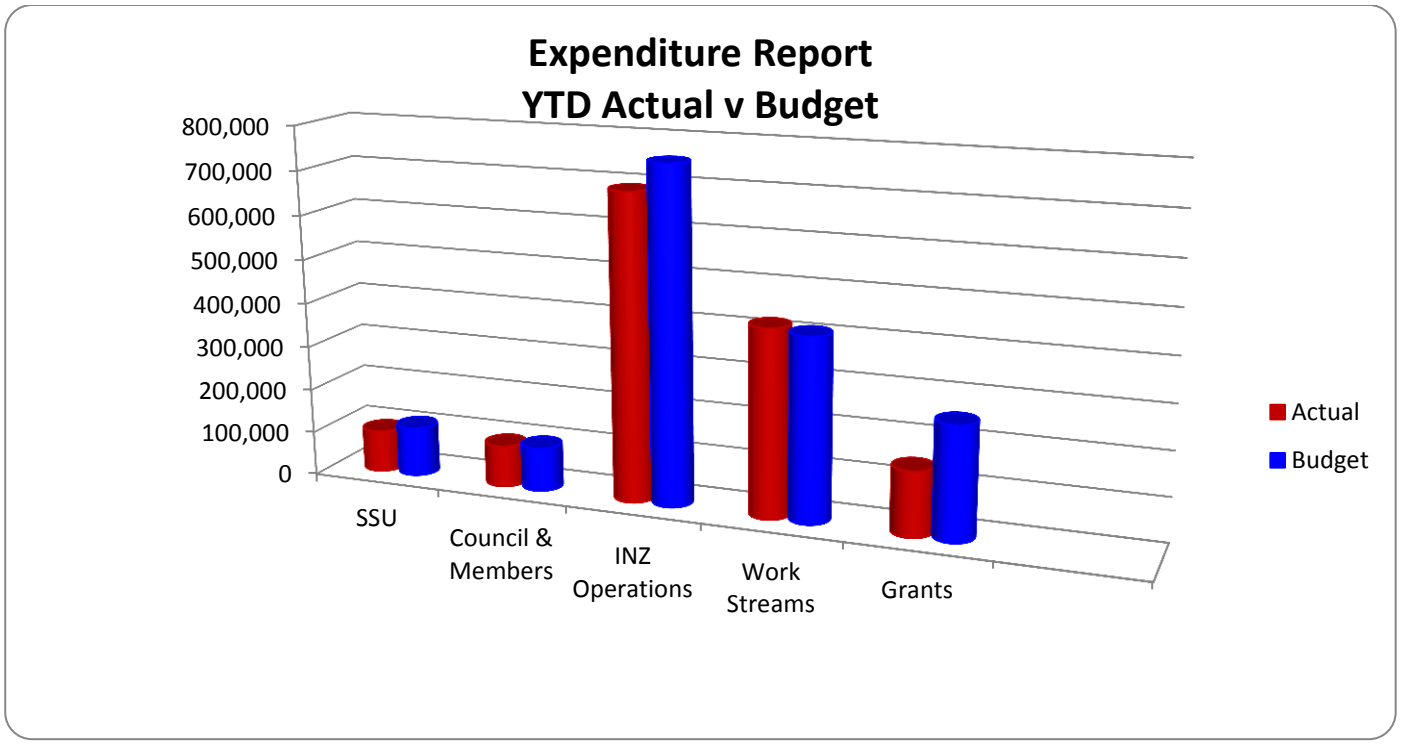
Author: Mary Tovey

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

Condensed Expenditure Report
Actual v Budget
As at 3o September 2012

	YTD Actual $	YTD Budget $	Variance $
SSU	*95,131	*112,505	-17,374
Council & Members	94,240	99,275	-5,035
INZ Operations	689,853	754,053	-64,200
Work Streams	421,811	412,029	9,782
Grants	146,041	255,000	-108,959
Total	**1,447,076**	**1,632,862**	**-185,786**

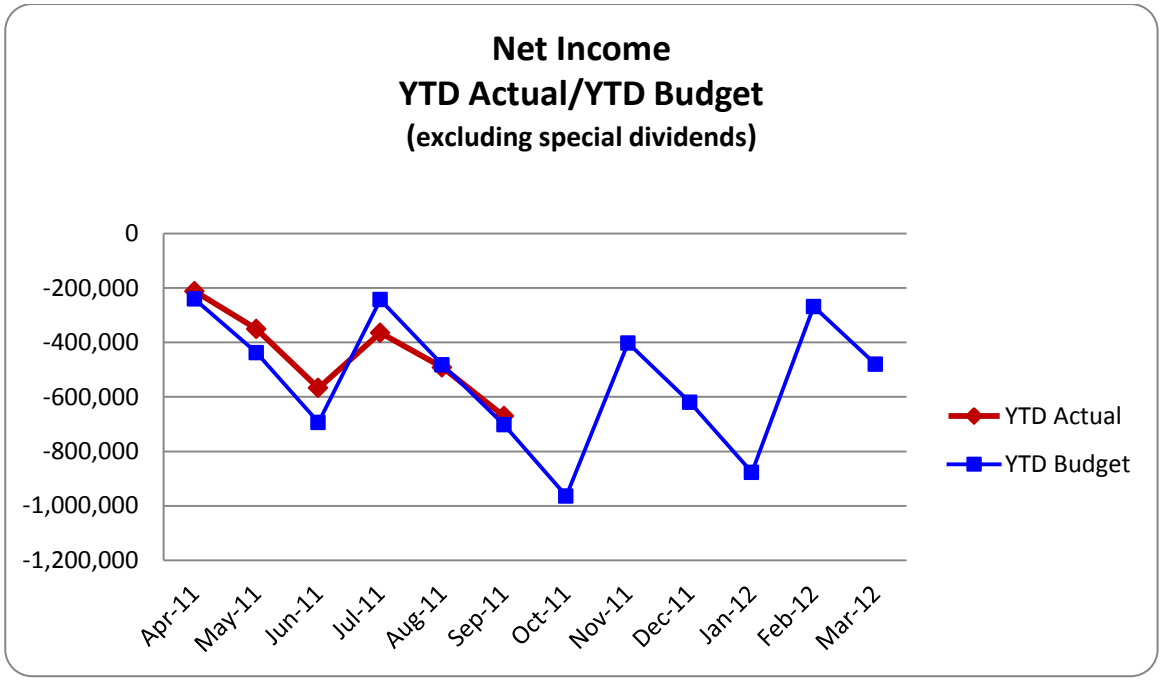
Note: the above table is expenditure only.
* Disestablished in May, consolidated into INZ Operations from 1 June



InternetNZ
Profit and Loss Statement
As at 30 September 2012

	Apr - Sep 12	Budget	$ Over Budget
Income			
500 · Operating Income			
530 · SSU Recharge	101,010.00	101,012.00	-2.00
542 · Membership - Corporate	4,200.00	4,385.00	-185.00
546 · Membership - Individual	3,941.87	4,060.00	-118.13
Total 500 · Operating Income	109,151.87	109,457.00	-305.13
580 · Investment Income			
583 · Dividends	645,000.00	800,000.00	-155,000.00
586 · Interest	22,223.80	20,500.00	1,723.80
Total 580 · Investment Income	667,223.80	820,500.00	-153,276.20
Total Income	776,375.67	929,957.00	-153,581.33
Expense			
600 · Remuneration			
601 · ACC Levy	2,248.32	6,500.00	-4,251.68
625 · Miscellaneous Staff Costs	339.52	2,000.00	-1,660.48
630 · Recruitment	9,047.52	13,000.00	-3,952.48
635 · Staff Training	9,598.82	8,000.00	1,598.82
651 · Wages & Salaries			
651-01 · Kiwi Saver - Employer Cont	8,019.69	12,467.00	-4,447.31
651 · Wages & Salaries - Other	305,889.82	349,138.00	-43,248.18
Total 651 · Wages & Salaries	313,909.51	361,605.00	-47,695.49
653 · Wages - Casual & Temporary	8,961.39	5,250.00	3,711.39
654 · Wages - Contractors	171,519.07	135,750.00	35,769.07
655 · Contracted Technical Services	16,646.02	20,000.00	-3,353.98
Total 600 · Remuneration	532,270.17	552,105.00	-19,834.83
800 · Operating Expenses			
801 · Accountancy Fees	5,837.50	15,000.00	-9,162.50
805 · Advertising & Marketing	5,816.92	6,499.00	-682.08
809 · Bank Charges	771.77	801.00	-29.23
811 · Conferences	5,442.29	4,735.00	707.29
813 · Consultants	3,150.00	7,989.00	-4,839.00
816 · Depreciation	30,000.00	30,000.00	0.00
817 · Domain Names	279.95	585.00	-305.05
820 · General Office Expenses	8,806.48	24,791.00	-15,984.52
822 · Governance Training	8,985.66	8,250.00	735.66
824 · Honoraria	40,550.00	40,550.00	0.00
826 · Legal Fees	16,120.86	11,639.00	4,481.86
829 · Meeting Costs	12,411.03	14,139.00	-1,727.97
835 · Postages & Couriers	1,839.40	2,000.00	-160.60

851 · Repairs and Maintenance	4,187.31	4,000.00	187.31
853 · R & M - Software	1,104.50	500.00	604.50
855 · Printing & Stationery	9,447.22	10,295.00	-847.78
860 · Subscriptions	11,289.94	10,950.00	339.94
870 · Telecommunications	25,240.83	40,000.00	-14,759.17
872 · Travel & Accom - International	37,776.26	57,600.00	-19,823.74
873 · Travel & Accom - National	29,403.07	33,155.00	-3,751.93
885 · Web Site Updates & Hosting	2,224.02	4,000.00	-1,775.98
899 · Workstream	421,810.64	412,029.00	9,781.64
Total 800 · Operating Expenses	682,495.65	739,507.00	-57,011.35
900 · Overheads			
915 · Cleaning Costs	5,440.93	5,500.00	-59.07
933 · Electricity	7,043.27	7,000.00	43.27
950 · Insurance	4,975.14	4,600.00	375.14
975 · Rent Paid	68,550.00	68,550.00	0.00
980 · Security	259.64	600.00	-340.36
Total 900 · Overheads	86,268.98	86,250.00	18.98
Total Expense	1,301,034.80	1,377,862.00	-76,827.20
995 · Other Expenditure			
957 · Sponsorship	146,041.00	255,000.00	-108,959.00
Total 995 · Other Expenditure	146,041.00	255,000.00	-108,959.00
Net Ordinary Income	-670,700.13	-702,905.00	32,204.87
Other Income			
1000 · Special Dividends			
1001 · Special Dividends Received	1,593,920.00	1,277,631.00	316,289.00
1010 · Special Dividends - Interest	11,433.50	2,000.00	9,433.50
Total 1000 · Special Dividends	1,605,353.50	1,279,631.00	325,722.50
Total Other Income	1,605,353.50	1,279,631.00	325,722.50
Other Expense			
1900 · Special Dividend Exp-Overhead			
1935 · Special Div-Christchurch Funding	332,000.00	410,000.00	-78,000.00
Total 1900 · Special Dividend Exp-Overhead	332,000.00	410,000.00	-78,000.00
Total Other Expense	332,000.00	410,000.00	-78,000.00
	1,273,353.50	869,631.00	403,722.50
	602,653.37	**166,726.00**	**435,927.37**



Commentary to Accounts

As at September 2012, InternetNZ made a loss of $670,700 against a budgeted loss of $702,905, reflecting an under-spend of $32,205 year to-date.

Sponsorship has been moved from "Operating Expenditure" to "Other Expenditure" as suggested by Cr Moskovitz.

Expenditure Variances

Major areas of difference are:

- Dividends received are under budget by 155k, as reported to Council in the June financials.
- Remuneration under budget by 20k, potentially this will go over budget, when all reviews are completed.
- Operating costs are 57k under budget, across accountancy, consultants, general office expenses, telecommunications, international and national travel, the majority are due to an even spread factor being used for the budgets, over time these should come into line.
- Workstream expenditure is over budget by 10k, this is due to an increase in NetHui costs compared to budget, and the total unbudgeted InTAC conference costs.
- Sponsorship expenditure is under budget by 109k due to the budget being based on actual expenditure from last year, timing will rectify this.

Other Expected Major Budget Variances

Other than the dividend variance reported in the June financials, there are currently no other known major budget variances expected.

InternetNZ
Balance Sheet
As at 30 September 2012

	Sept 30, 12
ASSETS	
Current Assets	
Cheque/Savings/Term Deposits	
Total Cheque/Savings/	1,351,342.70
Term Deposits-Special Dividends	
Total · Term Deposits-Special Dividends	3,947,933.90
Petty Cash	400.00
Total Cash	5,299,676.60
Other Current Assets	86,402.86
Total Other Current Assets	86,402.86
Total Current Assets	5,386,079.46
Fixed Assets	
Total Fixed Assets	276,566.89
Other Assets	
Ordinary Share Capital	30,000.00
Shares in DNCL	580,000.00
Loan - Hectors World Ltd	162,243.93
Impairment Prov Hector's World	-162,244.00
Total Other Assets	609,999.93
TOTAL ASSETS	**6,272,646.28**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Total Accounts Payable	108,486.43
Other Current Liabilities	
Accruals	35,759.07
Lease Incentives	51,174.54
Tax Payable	-30,766.17
Payroll Liabilities	14,773.48
Total Other Current Liabilities	70,940.92
Total Current Liabilities	179,427.35
Total Liabilities	179,427.35
Equity	
Retained Earnings	5,490,565.56
Net Income	602,653.37
Total Equity	6,093,218.93
TOTAL LIABILITIES & EQUITY	**6,272,646.28**

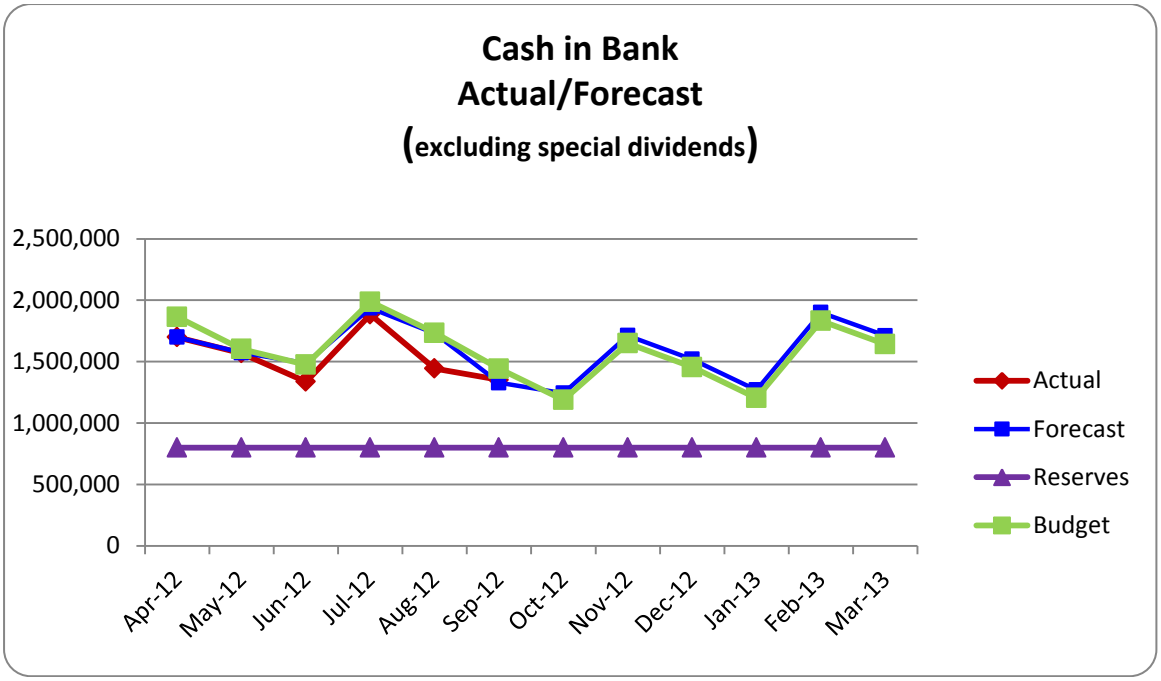
Special Dividend Investment Information

Date	Bank	Term	Amount
20/10/2010	ASB	24 months	394,901
15/04/2011	BNZ	12 months	414,118
07/11/2011	Kiwibank	24 months	621,909
02/12/2011	Kiwibank	24 months	250,000
16/01/2012	National	18 months	154,934
26/01/2012	National	12 months	554,071
25/05/2012	Westpac	12 months	400,000
27/07/2012	ANZ	12 months	100,000
27/07/2012	Westpac	6 months	250,000
30/07/2012	ASB	12 months	600,000
30/07/2012	Kiwibank	9 months	128,000
23/08/2012	BNZ	18 months	80,000
Total $			**3,947,933**

Note: That $332,000 of special dividend funds were paid out to the rebuilding of Christchurch in April 2012.

InternetNZ Reserves Investment Information

Date	Bank	Term	Amount
07/02/2012	ANZ	12 months	181.390
27/07/2012	Westpac	119 days	343,947
25/08/2012	BNZ	6 months	541,812
Total $			**1,067,149**



Recommendation:

1. THAT Council **notes** the financial report to 30 September 2012.

InternetNZ

Cash Flow Forecast

	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Total
RECEIPTS	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Proj**	**Proj**	**Proj**	**Proj**	**Proj**	**Proj**	**Actual**
Invoiced Sales	709	26,982	36,540	23,858	27,287	12,945	26,525	20,392	20,392	20,392	20,393	20,391	256,806
Special Dividends	0	400,000	0	1,193,920	0	0	0	0	0	0	0	0	1,593,920
Sundry	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Dividends Interest	1,899	0	2,028	2,159	86	4,875	0	0	0	0	33,000	0	44,047
Dividends	0	0	0	645,000	0	0	0	800,000	0	0	800,000	0	2,245,000
Interest	0	386	0	0	0	666	500	500	500	500	500	10,000	13,552
Interest Received	325	3,863	896	3,043	13,432	0	1,987	2,402	2,742	2,195	2,665	3,213	36,763
Special Dividend Term Deposits	641,718	0	0	0	0	0	0	0	0	0	0	0	641,718
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
Accruals	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Receivable	0	1,758	2,534	0	30,652	0	0	0	0	0	0	0	34,944
GST	0	42,211	0	91,990	0	78,054	30,766	0	58,360	0	46,171	0	347,552
	644,651	475,200	41,998	1,959,970	71,457	96,540	59,778	823,294	81,994	23,087	902,729	33,604	5,214,302
PAYMENTS													
Invoiced Costs	652,608	152,685	222,094	396,425	247,280	134,902	108,630	299,702	221,229	198,636	213,375	168,084	3,015,650
ACC Levies	0	0	0	0	0	2,585	0	0	0	0	0	0	2,585
Salary & Wages	32,313	37,678	35,454	51,793	32,720	35,309	40,902	40,901	40,902	56,399	40,901	40,901	486,173
Special Dividend Term Deposits	0	400,000	0	950,001	208,086	4,872	0	0	0	0	0	0	1,562,959
Sundry Payables	0	0	0	0	2,184	0	0	0	0	0	0	0	2,184
Prepayments	0	0	0	0	0	0	0	0	0	0	0	0	0
Accruals	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	5,741	15,461	12,401	13,562	21,623	11,361	18,864	12,812	12,812	18,492	18,491	12,812	174,432
GST	668	0	4,069	0	379	0	0	0	0	0	0	0	5,116
	691,330	605,824	274,018	1,411,781	512,272	189,029	168,396	353,415	274,943	273,527	272,767	221,797	5,249,099
NET CASH FLOW	-46,679	-130,624	-232,020	548,189	-440,815	-92,489	-108,618	469,879	-192,949	-250,440	629,962	-188,193	-34,797
OPENING BANK	1,746,181	1,699,502	1,568,878	1,336,858	1,885,047	1,444,232	1,351,743	1,243,125	1,713,004	1,520,055	1,269,615	1,899,577	1,746,181
CLOSING BANK	**1,699,502**	**1,568,878**	**1,336,858**	**1,885,047**	**1,444,232**	**1,351,743**	**1,243,125**	**1,713,004**	**1,520,055**	**1,269,615**	**1,899,577**	**1,711,384**	**1,711,384**

Bank Account Balances as per BS	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
NBNZ Savings	26,217	527,434	278,330	703,635	314,892	235,558						
NBNZ Current	211,455	17,630	34,714	27,635	61,752	48,597						
ANZ	181,390	181,390	181,390	181,390	181,390	181,390						
BNZ 150 Day Term	100,000	0	0	0	0	0						
BNZ Term Deposit	500,000	500,000	500,000	500,000	541,812	541,812						
Kiwibank Working Account	40	40	40	128,040	40	40						
National Bank Term Deposit	0	0	0	0	0	0						
ASB 90 Day	0	0	0	0	0	0						
Westpac	680,000	341,984	341,984	343,947	343,947	343,947						
Petty Cash	400	400	400	400	400	400						
	1,699,502	**1,568,878**	**1,336,858**	**1,885,047**	**1,444,232**	**1,351,743**	**0**	**0**	**0**	**0**	**0**	**0**

Paper for 7 December 2012 Council meeting

FOR DISCUSSION

Financial Report to October 2012

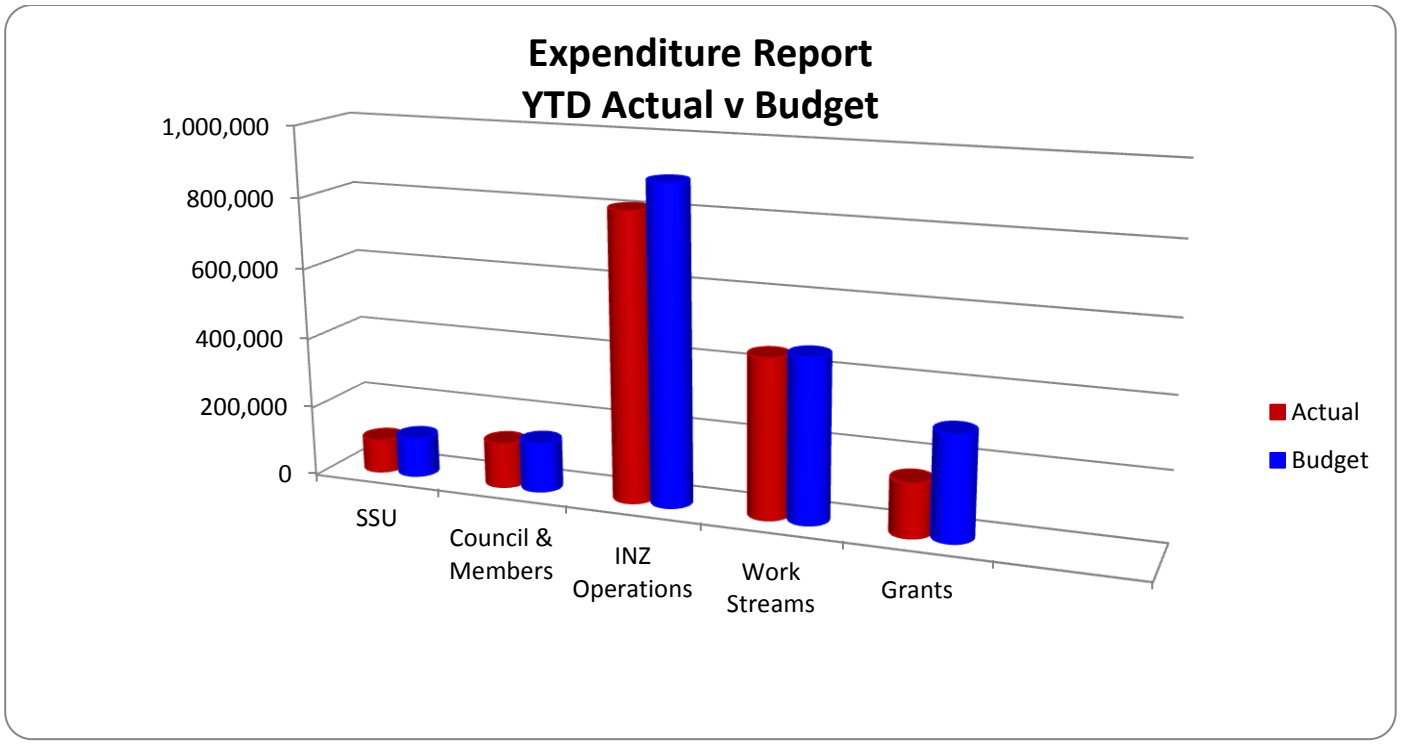
Author: Mary Tovey

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

Condensed Expenditure Report
Actual v Budget
As at 31 October 2012

	YTD Actual $	YTD Budget $	Variance $
SSU	*95,131	*112,505	-17,374
Council & Members	127,719	140,901	-13,182
INZ Operations	811,859	892,741	-80,882
Work Streams	449,499	461,608	-12,109
Grants	152,041	296,250	-144,209
Total	**1,636,249**	**1,904,005**	**-267,756**

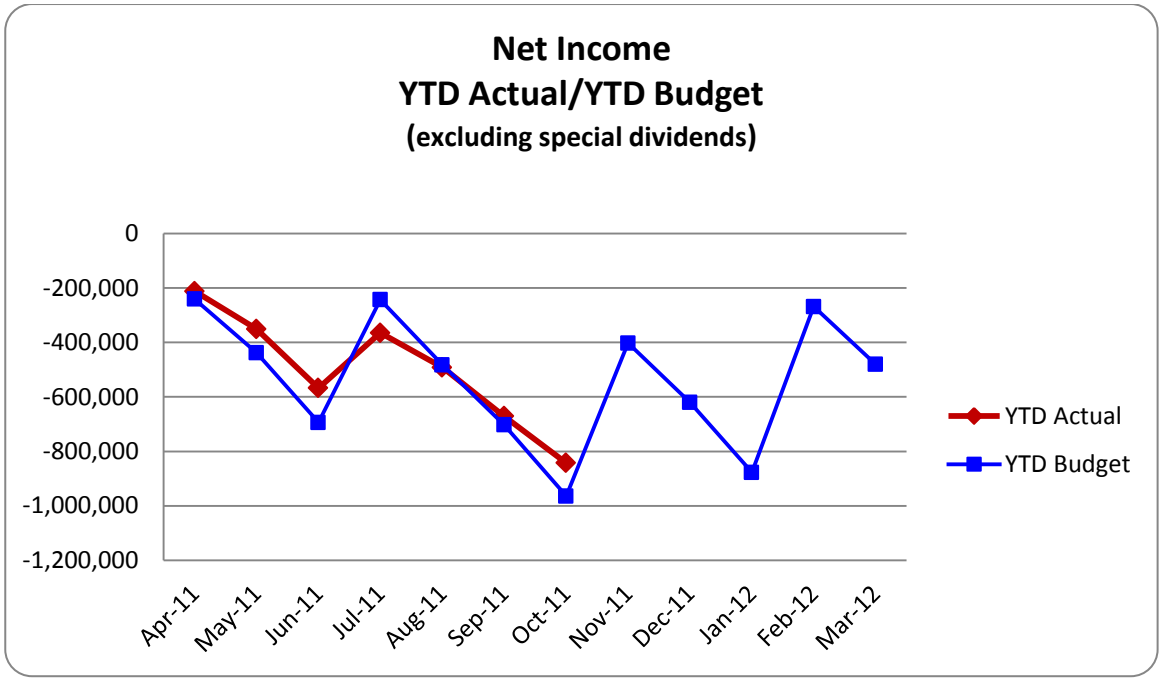
Note: the above table is expenditure only.
* Disestablished in May, consolidated into INZ Operations from 1 June



InternetNZ
Profit and Loss Statement
As at 31 October 2012

	Apr - Oct 12	Budget	$ Over Budget
Ordinary Income/Expense			
Income			
500 · Operating Income			
530 · SSU Recharge	117,845.00	117,847.00	-2.00
542 · Membership - Corporate	4,200.00	4,500.00	-300.00
546 · Membership - Individual	3,996.65	4,140.00	-143.35
Total 500 · Operating Income	126,041.65	126,487.00	-445.35
580 · Investment Income			
583 · Dividends	645,000.00	800,000.00	-155,000.00
586 · Interest	22,558.60	21,000.00	1,558.60
Total 580 · Investment Income	667,558.60	821,000.00	-153,441.40
Total Income	793,600.25	947,487.00	-153,886.75
Expense			
600 · Remuneration			
601 · ACC Levy	2,248.32	6,500.00	-4,251.68
625 · Miscellaneous Staff Costs	339.52	2,333.00	-1,993.48
630 · Recruitment	9,047.52	13,833.00	-4,785.48
635 · Staff Training	9,715.32	8,666.00	1,049.32
651 · Wages & Salaries			
651-01 · Kiwi Saver - Employer Cont	9,204.03	14,416.00	-5,211.97
651 · Wages & Salaries - Other	358,416.75	402,852.00	-44,435.25
Total 651 · Wages & Salaries	367,620.78	417,268.00	-49,647.22
653 · Wages - Casual & Temporary	9,101.09	5,500.00	3,601.09
654 · Wages - Contractors	196,177.71	158,167.00	38,010.71
655 · Contracted Technical Services	19,396.02	23,334.00	-3,937.98
Total 600 · Remuneration	613,646.28	635,601.00	-21,954.72
800 · Operating Expenses			
801 · Accountancy Fees	5,837.50	15,000.00	-9,162.50
805 · Advertising & Marketing	5,906.92	7,582.00	-1,675.08
809 · Bank Charges	838.02	935.00	-96.98
811 · Conferences	6,391.86	6,405.00	-13.14
813 · Consultants	3,675.00	9,315.00	-5,640.00
816 · Depreciation	35,000.00	35,000.00	0.00
817 · Domain Names	279.95	655.00	-375.05
820 · General Office Expenses	10,343.81	29,007.00	-18,663.19
822 · Governance Training	9,820.44	8,875.00	945.44
824 · Honoraria	70,587.50	70,587.50	0.00
826 · Legal Fees	16,120.86	13,029.00	3,091.86
829 · Meeting Costs	14,279.94	20,800.00	-6,520.06
835 · Postages & Couriers	1,971.79	2,333.00	-361.21
851 · Repairs and Maintenance	5,137.31	4,666.00	471.31

853 · R & M - Software	1,227.00	583.00	644.00
855 · Printing & Stationery	10,508.70	12,277.00	-1,768.30
860 · Subscriptions	12,244.72	11,550.00	694.72
870 · Telecommunications	30,426.80	46,666.00	-16,239.20
872 · Travel & Accom - International	42,498.92	72,000.00	-29,501.08
873 · Travel & Accom - National	35,103.20	37,990.00	-2,886.80
885 · Web Site Updates & Hosting	2,373.02	4,666.00	-2,292.98
899 · Workstream	449,499.10	461,608.00	-12,108.90
Total 800 · Operating Expenses	770,072.36	871,529.50	-101,457.14
900 · Overheads			
915 · Cleaning Costs	5,980.73	6,416.00	-435.27
933 · Electricity	8,321.87	8,166.00	155.87
950 · Insurance	5,804.33	5,367.00	437.33
975 · Rent Paid	79,975.00	79,975.00	0.00
980 · Security	407.64	700.00	-292.36
Total 900 · Overheads	100,489.57	100,624.00	-134.43
Total Operating Expense	1,484,208.21	1,607,754.50	-123,546.29
995 · Other Expenditure			
957 · Sponsorship	152,041.00	296,250.00	-144,209.00
Total 995 · Other Expenditure	152,041.00	296,250.00	-144,209.00
Net Ordinary Income	-842,648.96	-956,517.50	113,868.54
Other Income/Expense			
Other Income			
1000 · Special Dividends			
1001 · Special Dividends Received	1,593,920.00	1,277,631.00	316,289.00
1010 · Special Dividends - Interest	11,434.07	2,000.00	9,434.07
Total 1000 · Special Dividends	1,605,354.07	1,279,631.00	325,723.07
Total Other Income	1,605,354.07	1,279,631.00	325,723.07
Other Expense			
1900 · Special Dividend Exp-Overhead			
1935 · Special Div-Christchurch Funding	332,014.54	460,000.00	-127,985.46
Total 1900 · Special Dividend Exp-Overhead	332,014.54	460,000.00	-127,985.46
Total Other Expense	332,014.54	460,000.00	-127,985.46
Net Other Income	1,273,339.53	819,631.00	453,708.53
Net Income	**430,690.57**	**-136,886.50**	**567,577.07**



Commentary to Accounts

As at October 2012, InternetNZ made a loss of $842,649 against a budgeted loss of $956,518, reflecting an under-spend of $113,869 year to-date.

Expenditure Variances

Major areas of difference are:

- Remuneration under budget by 22k. Potentially this will go over budget, when all reviews are completed, as spend on contractors is more than budgeted.
- Operating costs are 101k under budget, across accountancy, consultants, general office expenses, meeting costs, telecommunications, international and national travel. Over time these should come closer into line with the budget.
- Sponsorship expenditure is under budget by 144k due to the budget being based on actual expenditure from last year, timing will rectify this.

Other Expected Major Budget Variances

Other than the dividend variance reported in the June financials, there are currently no other known major budget variances expected.

InternetNZ
Balance Sheet
As at 31 October 2012

	Oct 31, 12
ASSETS	
Current Assets	
Cheque/Savings/Term Deposits	
Total Cheque/Savings/	1,186,625.47
Term Deposits-Special Dividends	
Total · Term Deposits-Special Dividends	3,947,934.47
Petty Cash	400.00
Total Cash	5,134,959.94
Other Current Assets	64,344.94
Total Other Current Assets	64,344.94
Total Current Assets	5,199,304.88
Fixed Assets	
Total Fixed Assets	271,566.89
Other Assets	
Ordinary Share Capital	30,000.00
Shares in DNCL	580,000.00
Loan - Hectors World Ltd	162,243.93
Impairment Prov Hector's World	-162,244.00
Total Other Assets	609,999.93
TOTAL ASSETS	**6,080,871.70**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Total Accounts Payable	66,581.68
Other Current Liabilities	
Accruals	33,009.07
Lease Incentives	51,174.54
Tax Payable	-10,784.32
Payroll Liabilities	19,634.60
Total Other Current Liabilities	93,033.89
Total Current Liabilities	159,615.57
Total Liabilities	159,615.57
Equity	
Retained Earnings	5,490,565.56
Net Income	430,690.57
Total Equity	5,921,256.13
TOTAL LIABILITIES & EQUITY	**6,080,871.70**

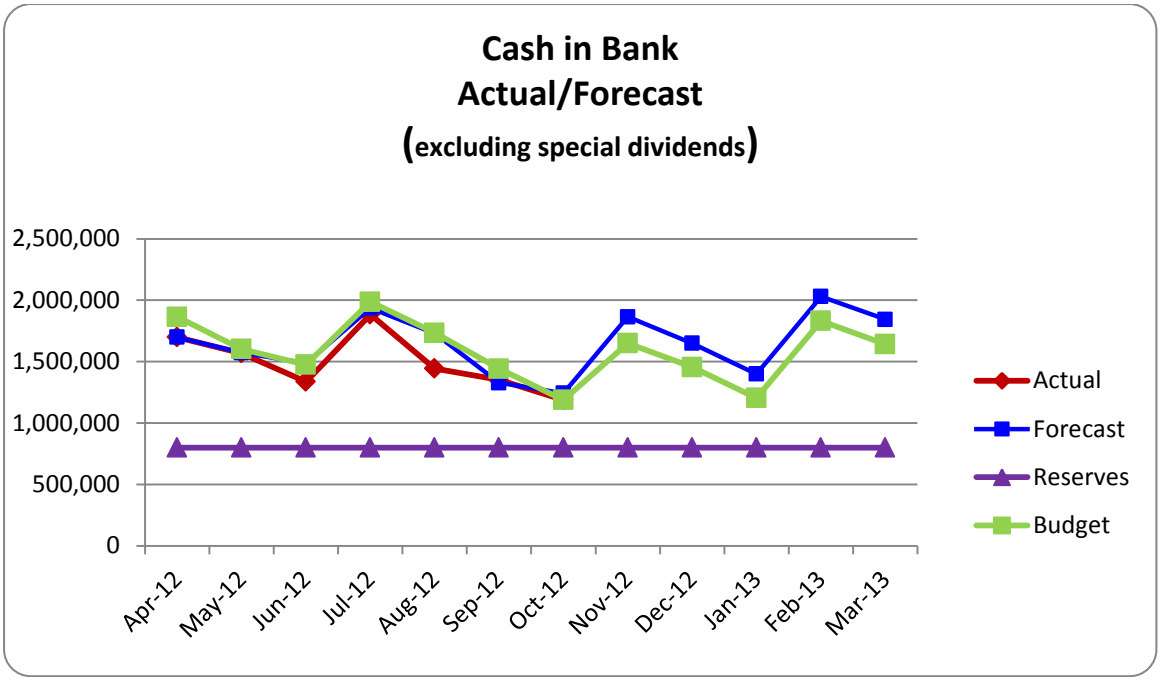
Special Dividend Investment Information

Date	Bank	Term	Amount
20/10/2010	ASB	24 months	394,901
15/04/2011	BNZ	12 months	414,119
07/11/2011	Kiwibank	24 months	621,909
02/12/2011	Kiwibank	24 months	250,000
16/01/2012	National	18 months	154,934
26/01/2012	National	12 months	554,071
25/05/2012	Westpac	12 months	400,000
27/07/2012	ANZ	12 months	100,000
27/07/2012	Westpac	6 months	250,000
30/07/2012	ASB	12 months	600,000
30/07/2012	Kiwibank	9 months	128,000
23/08/2012	BNZ	18 months	80,000
Total $			**3,947,934**

Note that $332,000 of special dividend funds were paid out to the rebuilding of Christchurch in April 2012.

InternetNZ Reserves Investment Information

Date	Bank	Term	Amount
07/02/2012	ANZ	12 months	181.390
27/07/2012	Westpac	119 days	343,947
25/08/2012	BNZ	6 months	541,812
Total $			**1,067,149**



Recommendation:

1. THAT Council **notes** the financial report to 31 October 2012.

InternetNZ

Cash Flow Forecast

	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Total
RECEIPTS	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Proj**	**Proj**	**Proj**	**Proj**	**Proj**	**Actual**
Invoiced Sales	709	26,982	36,540	23,858	27,287	12,945	40,657	5,600	20,392	20,392	20,393	20,391	256,146
Special Dividends	0	400,000	0	1,193,920	0	0	0	0	0	0	0	0	1,593,920
Sundry	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Dividends Interest	1,899	0	2,028	2,159	86	4,875	0	0	0	0	33,000	0	44,047
Dividends	0	0	0	645,000	0	0	0	800,000	0	0	800,000	0	2,245,000
Interest	0	386	0	0	0	666	0	500	500	500	500	10,000	13,052
Interest Received	325	3,863	896	3,043	13,432	0	335	3,013	3,588	3,011	3,485	4,041	39,032
Special Dividend Term Deposits	641,718	0	0	0	0	0	0	0	0	0	0	0	641,718
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	0	1,758	2,534	0	30,652	0	0	0	0	0	0	0	34,944
RWT Received	0	0	0	0	0	0	4,420	0	0	0	0	0	4,420
GST	0	42,211	0	91,990	0	78,054	36,303	0	34,760	0	46,171	0	329,489
	644,651	475,200	41,998	1,959,970	71,457	96,540	81,715	809,113	59,240	23,903	903,549	34,432	5,201,768
PAYMENTS													
Invoiced Costs	652,608	152,685	222,094	396,425	247,280	134,902	195,171	66,582	221,229	198,608	213,363	168,084	2,869,031
ACC Levies	0	0	0	0	0	2,585	0	0	0	0	0	0	2,585
Salary & Wages	32,313	37,678	35,454	51,793	32,720	35,309	39,998	40,901	40,902	56,399	40,901	40,901	485,269
Special Dividend Term Deposits	0	400,000	0	950,001	208,086	4,872	0	0	0	0	0	0	1,562,959
Sundry Payables	0	0	0	0	2,184	0	3,290	0	0	0	0	0	5,474
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	5,741	15,461	12,401	13,562	21,623	11,361	7,974	23,419	12,812	18,492	18,491	12,812	174,149
GST	668	0	4,069	0	379	0	0	0	0	0	0	0	5,116
	691,330	605,824	274,018	1,411,781	512,272	189,029	246,433	130,902	274,943	273,499	272,755	221,797	5,104,583
NET CASH FLOW	-46,679	-130,624	-232,020	548,189	-440,815	-92,489	-164,718	678,211	-215,703	-249,596	630,794	-187,365	97,185
OPENING BANK	1,746,181	1,699,502	1,568,878	1,336,858	1,885,047	1,444,232	1,351,743	1,187,025	1,865,236	1,649,533	1,399,937	2,030,731	1,746,181
CLOSING BANK	**1,699,502**	**1,568,878**	**1,336,858**	**1,885,047**	**1,444,232**	**1,351,743**	**1,187,025**	**1,865,236**	**1,649,533**	**1,399,937**	**2,030,731**	**1,843,366**	**1,843,366**

Bank Account Balances as per BS	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
NBNZ Savings	26,217	527,434	278,330	703,635	314,892	235,558	35,892					
NBNZ Current	211,455	17,630	34,714	27,635	61,752	48,597	83,545					
ANZ	181,390	181,390	181,390	181,390	181,390	181,390	181,390					
BNZ 150 Day Term	100,000	0	0	0	0	0	0					
BNZ Term Deposit	500,000	500,000	500,000	500,000	541,812	541,812	541,812					
Kiwibank Working Account	40	40	40	128,040	40	40	40					
National Bank Term Deposit	0	0	0	0	0	0	0					
ASB 90 Day	0	0	0	0	0	0	0					
Westpac	680,000	341,984	341,984	343,947	343,947	343,947	343,947					
Petty Cash	400	400	400	400	400	400	400					
	1,699,502	**1,568,878**	**1,336,858**	**1,885,047**	**1,444,232**	**1,351,743**	**1,187,025**	**0**	**0**	**0**	**0**	**0**

InternetNZ

Paper for 7 December 2012 Council meeting

FOR DECISION

Community investment funding round

Author: Ellen Strickland

Purpose of Paper: Discuss details of end of year funding round

Background:

At the December 2011 meeting Council noted that details of an end of 2012/13 year funding round, for the remaining community investment budget as at 31/03/12, were to be provided.

This paper outlines the plan for commencing the funding round, sketching out scope, eligibility criteria and the application process. A schedule of key dates for running the funding round is also proposed. The approach and process are similar to those of previous funding rounds.

Funding scope & eligibility:

The End of Year Funding Round is open to the ideas of the wider community, but note that only project proposals relating to InternetNZ's objects will be considered. There will be a maximum limit of $20,000 per project.

Applications from any individual or organisation will be considered, and project proposals must result in a tangible benefit to New Zealand.

Application process:

There will be a two-stage application process. In Stage One, applicants will be invited to submit a brief outline of their project. The Grants Committee will shortlist these to ensure fit with scope, InternetNZ's objects, and process rules. Those shortlisted will then be invited to progress to Stage Two and to submit a detailed proposal.

The Grants Committee will evaluate both stages of proposals, gather additional information and hold discussions with applicants, if required. Proposals compete against each other for the best one(s). If there are no or insufficiently good projects, then a lower amount or none at all will be allocated.

After consideration of the detailed proposals submitted, Grants Committee will then make recommendations to Council, with final decisions made by Council.

Schedule:

The following schedule of dates is proposed. These dates are approximate and depend on the number and quality of applications received.

Date/s	***Action***	***Responsibility***
10 – 14 December 2012	Webpage/forms set up & tested	Staff
17 December	Formal launch	Staff
17 December – 15 February 2013	Publicity & pro-active marketing to attract applicants[1]	Staff
15 February	Stage 1: Applications due (brief outlines)	Staff
15 – 25 February	Shortlist finalised	Grants Committee
25 February - 18 March	Stage 2: Detailed proposals invited and received	Staff
18 - 28 March	Stage 2: Detailed proposals considered and recommendations to council	Grants Committee
31 March	Final decision/s	Council
1 April	Results publicised	Staff
Ongoing	Reporting from recipients	Staff

Recommendation:

1. THAT Council **agrees** the process and key dates for the End of 2012/13 Year Funding Round.

[1] The grant round will be publicised as broadly as possible, with a targeted campaign reaching beyond InternetNZ's usual channels. NetHui communities will be leveraged and specific groups and agencies i.e. NetSafe, Ministry of Education & Ministry of Social Development, will be approached to seed the information.

InternetNZ

MEMBERSHIP REPORT
28 November 2012

FOR DECISION

INTERNETNZ MEMBERSHIP REPORT

Status: Final

Author: Susi Cosimo

2012

	November 2012	**October 2012**	**August 2012**
Fellows:	23	23	23
Individual:	228	218	212
Professional Individual:	69	68	65
Small Organisation:	26	26	25
Large Organisation:	7	7	6
Total Membership:	**353**	**342**	**331**

2011

	November 2011	**October 2011**	**August 2011**
Fellows:	21	21	21
Individual:	187	183	173
Professional Individual:	58	57	54
Small Organisation:	27	26	26
Large Organisation:	8	8	8
Total Membership:	**301**	**295**	**282**

Recommendation: THAT the new members be approved.

InternetNZ

Paper for 7 December 2012 Council meeting

FOR DISCUSSION

Community Funding

Author: Vikram Kumar on behalf of Grants Committee

Purpose of Paper: Information on community funding decisions

Decisions made by the Grants Committee since last Council meeting

Amount Requested	Applicant	Purpose	Decision	Amount Approved
$3,700	Te Rapakau Pacific Trust	Obtain Internet service	declined	
$2,697.75	Sidney Tsang	Part fund travel to Belgium to present work on Online Auction Fraud	approved	$2,698
$3,000	Erika Anne Kruidenier	Fundraise money to go on a Humanities trip to Europe	declined	
$3,000	Kothar Esau	Work in Vietnam teaching children how to speak English	declined	
$1,000	Victoria University of Wellington	Part fund Alex Clark to present research in Vancouver conference	declined	
$5,000	Sexual Abuse Survivors Trust	Website Update and Dynamic Development	declined	
$19,000	Prema Charitable Trust t/a Kawai Purapura	Part fund web support for 2013 Voices of Sacred Earth Conference	declined	
$10,000	GNAT Ltd.	A sponsor of 2013 Kiwi Foo Camp	pending	

Budget for 2012/13 financial year:	$500,000
Balance of budget left:	$152,261

Recommendation

That Council **note** the decisions made regarding community funding requests since the last Council meeting.

InternetNZ

Paper for 7 December 2012 Council meeting

FOR DECISION

Grants Committee meeting notes

Author: Vikram Kumar for Grants Committee

Purpose of Paper: Advise Council of discussions and recommendations

Context

The Grants Committee met on 6th November 2011. This is the first time the Committee has met outside of a funding round, as it usually operates via email.

Meeting notes and recommendations

1. There is $46,500 remaining unallocated from the Policy & Legal Funding Round. This amount should be returned to the general Community Funding budget.

2. $63,000 remains earmarked for further free community wireless Internet projects in the Christchurch Funding Round. Vikram has been asked to investigate the opportunities of working with partners in Christchurch in this regard. Future recommendations will be made to Council once this is complete.

3. The current plan for using all unallocated Community Funding budget at the end of the financial year for a funding round should continue. A paper for Council with the proposed plans is to be separately submitted. In addition, a high-impact communications exercise to encourage more and well aligned funding requests from the anytime funding facility, prior to the end of the current financial year, is to be undertaken.

4. For future financial years, starting next, it is recommended that the Community Funding budget be allocated similar to the current year, specifically:

    - A $100,000 Internet research round (wider than only policy and legal research) in a manner that fits in with the funding calendar of policy researchers;

    - Anytime funding requests up to the Community Funding budget less the $100,000 above; and

    - A general funding round with budget leftover from both the above, focussed on tangible and practical (other than research) Internet projects.

5. Staff will provide an analysis report of all anytime funding requests for the year. This will happen after the end of the financial year, similar to what was provided for the last financial year.

Recommendations

1. That Council **agrees** that the $46,500 remaining unallocated from the Policy & Legal Funding Round be returned to the general Community Funding budget.

2. That Council **agrees** that in future financial years, within the approved Community Funding budget and in addition to anytime funding requests, there will be a $100,000 Internet research round and a general funding round focused on practical, non-research Internet projects.

InternetNZ

ADMIN PAPER

FOR INFORMATION

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.