

The Riley Report

Comments Relating to the Structural Review of InternetNZ

June 14 2007

1. Preamble

This report is a rebuttal to the key recommendations contained in the June Council Structural Review Report

Specifically this report disputes the following SRTF recommendations to Council
(See P.9)

7.2 . THAT Council publish this paper and the Structural Review – Final Report to members for their consideration, endorsing the concept of a four unit organisational model as proposed by the Review.

7.4 THAT Recommendation 3.8, shrinking the Council to 12 with four elected each year, and no term limits, be endorsed and this endorsement be advised to the members at the 2007 AGM.

7.5. THAT Recommendation 3.9, allowing the cooption of up to two people to the Council, be endorsed and this endorsement be advised to the members at the 2007 AGM.

The report does not seek to comment at this time on the remaining recommendations and related conclusions reached in the Westlake report

2. Introduction

The Riley Report contains a set of recommendations which if treated as a whole presents an alternative view for the re structuring of INZ in contrast to the recommendations presented in the SRTF report

The Riley Report has been guided by 2 key questions ;

- What is the role of Council going forward and more importantly what restructuring initiatives, if any , will result in a Council that is more effective - both as a Governance body and a policy forum.
- At the operational level, how can INZ continue to deliver even greater benefits and outcomes for its members , stakeholders and the NZ Internet community than what is possible under the current structure.

2.1 Initial observations and criticisms : SRTF report :

2.1.1. SRTF report is backwards looking and in fact, is nothing more a cleverly disguised attempt to punish Council for “ sins of the past”.

2.1.2 The lack of any attempt to bring to account all the costs attached to the recommendations of the SRTF.

2.1.3 SRTF report states the restructuring will result “ elevating Council to a more strategic role “ This statement is pure smoke and mirrors .

2.1.4. Tail wagging the dog - SRTF recommendations will reduce Council to that of a spectator role ie irrelevant.

2.1.5. SRTF recommendation for EDOC is nothing more than a an Executive committee on steroids but with no direct accountability to Council .

This report is not meant to deconstruct the SRTF report in part or in its entirety ; rather it is an attempt to bring an additional perspective to key issues addressed by the SRTF .

2.2. The major recommendations in this report include

2.2.1 InternetNZ Public Policy Institute

This report agrees with the creation of a 4th business unit but instead of the SRTF recommendation for EDOC (ED Oversight Committee) , it recommends the creation of a new entity tentatively called “ INZ Public Policy Institute “ .

2.2.2. GM / Corporate Services Business Unit

The Riley Report attaches the highest urgency for a more detailed review of the office of ED than what is considered in the SRTF report ; specifically and creation of a GM / Corporate Services a new business unit responsible for INZ Council Secretariat, membership and shared services.

2.2.3 InternetNZ Policy Advisory Committee consisting of :

INZ Council (9 Councilors)

6 elected from INZ membership

6 “ touchstone “ members appointed by INZ Council as per current practice (eg TUANZ , ISPANZ Telstra , Vodafone etc)

3. Discussion

3.1 Governance Structures

3.1.1 Council

3.1.1.1 *Recommendation :*

Council be reduced to Nine Councilors elected for 3 year terms max 3 term limit.

3.1.1.2. Discussion

This recommendation differs from SRTF Recommendation 7.4 which calls for a reduction of Council to 12 .

I do, however, concur with the SRTF Report which recommends that President and Vice president be elected by the Board and not directly by the membership as per current practice including the elimination of the positions of Secretary and Treasurer . Noted is Westlake advice regarding possible legal requirement for position of Secretary.

3.1.2 INZ Policy Advisory Committee

3.1.2.1 Recommendation

Constitute an INZ Policy Advisory Committee

Membership:

INZ Council (9 Councilors)

6 elected from INZ membership

6 “ touchstone “ members appointed by INZ Council as per current practice (eg TUANZ , ISPANZ Telstra , Vodaphone etc)

3.1.2.2. Discussion

The election of members to an INZ Policy Advisory Committee would bring the following benefits

- Members, particularly technical and subject matter specialists, who want to contribute to the work of the Society ie policy deliberations would now have an alternative pathway without the burden of assuming governance responsibilities (ie election to Council).
- More importantly, for those members elected to the INZ Policy Advisory committee with a particular skill set would be continue to be eligible to contract services to INZ. This option has the potential to significantly reduce conflict of interest issues that has plagued Council in recent years in which elected Councilors could not be contracted for services by INZ .

3.1.3 INZ Search committee

A major shortcoming in the SRTF Report is a failure to extend the proposition supporting a nomination committee re appointments to INZ Boards to include Council itself .

3.1.3.1 Recommendation

INZ constitute a Search Committee to seek out qualified candidates for election to INZ Council as well as proposed INZ policy Committee

3.1.3.2 Discussion

Search Committee Composition

INZ President
INZ Councilor
3 INZ members

The key differences between an INZ Search Committee and the SRTF recommendation for a Nomination Committee include

- Typically a nomination committee usually recommends a “ slate “ of candidates based on the exact number of open positions on the Board
- There would be a no limit on the number of candidates whom the search committee could recommend for election to Council and Policy advisory committee.
- Members would form the majority on the search committee which would ensure an open process arms length from Council .
- INZ members would be invited to put their names forward to serve on the Search committee

3.1.3.3 Implementation

Search Committee could be implemented immediately

3.1.4. InternetNZ Public Policy Institute

3.1.4.1. *Recommendation*

Constitute an InternetNZ Public Policy Institute to develop and support public policy outcomes for the Society.

3.1.4. 2 Discussion

Consider : Enter “ Advocacy “ and “Public Policy “ into Google and you get ?

“ Think Tank “

Think Tanks comes in 2 flavours – partisan and non partisan . Think tanks are very prevalent in the US and increasingly growing in the UK .

The InternetNZ Public Policy Institute would be a non partisan think tank ; in short , would have the responsibility for what is rapidly becoming the main focus of INZ – advancing public policy issues and initiatives .

The InternetNZ Public Policy Institute Board could be as small as 3 Directors but no more than 5 and would include the INZ President and INZ ED as ex officio members

Unlike the SRTF recommendation for EDOC, InternetNZ Public Policy Institute board would not consist of “ commercial directors “ but would be chosen to bring credibility (and hopefully prestige) to the Institute eg Vice Chancellor , Senior academic , retired CEO, lawyer , etc

InternetNZ Public Policy Institute would likely seek a relationship with an academic institution

Staffing

Staffing level would be modest – possibly no more than 4
Director (the equivalent of a senior policy analyst in Government)
Ass't Director
Researcher
Admin Support

The InternetNZ Public Policy Institute Director would report to ED

3.1.4.3. Implementation

This would require a staged implementation over a 2 year period and constituted for 2009 AGM

3.1.5 Role of Executive Committee

3.1.5.1. Comment

The role of Executive Committee would cease to exist if other recommendations in the Riley Report are acted upon .

However should Council choose to ignore the recommendation/ option to establish the InternetNZ Public Policy Institute as the 4th Business Unit, I believe an Executive Committee with more delegated authority provides a better alternative to the proposed EDOC regarding oversight of the Office of the ED but would require the following restructuring reforms are implemented in tandem.

- INZ President and VP are elected by Council not the membership
- INZ implements a search committee re candidates for election to Council resulting in more qualified Councilors who are more in tune with Governance responsibilities.

ExecCom2.0 membership would consist of President , VP and 2 or 3 Councilors elected by Council (ie merit based)

ExecCom 2.0 would provide direct accountability of ED office to Council and consequently the membership at considerably less cost and overhead than the proposed EDOC

3.2 Management

3.2.1 Office of ED

3.2.1.1 Recommendation

The role of the ED to be redefined and a new position of GM responsible for INZ Council secretariat , membership and corporate services be created

3.2.1.2 Discussion

The current workload and responsibilities of the ED is simply not sustainable if Council is going to meet all its obligations and targets outlined in the current business and strategic plan.

Note : This is not simply a staff resourcing issue ie hiring more staff or contractors

From a traditional corporate perspective , the current ED role attempts to combine the function of a MD , GM and office manager (all at the same time) . This is further compounded by the need for ED to spend a significant amount of time away from Wellington eg Auckland , Overseas .

This situation is a house of cards which requires immediate remedy

ED's redefined role must have a strategic focus along with external relationship building (Government, Industry, Sibling organizations, International forums) without being buried by day to day management and operational issues

The ED would retain responsibility for management of the INZ project fund budget ,INZ Council tiger teams and task forces.

3.2.2. INZ Corporate Services / GM

3.2.2.1. Recommendation

INZ operational and support functions be carved out from both the current and proposed SRTF organizational structure and the responsibility given to a new business unit - INZ corporate services

3.2.2.2. Discussion

INZ corporate services would be led by a GM reporting to ED

Role and responsibilities

- Council Secretariat

The GM and council secretariat would manage all the communications and reporting requirements for Council as well as event and project management support for INZ initiatives

- Membership Services
- Shared Services - GM would be required to identify staffing efficiencies gained by the use of shared services across all INZ business units . Candidates for shared services include
 - Financial and accounting
 - Communications
 - HR
 - Technical and Webmaster support

3.2.2.3. Implementation

Position of GM to be created in Q3 2007 and filled by Q4 2007

Simon Riley
Councillor