

Agenda for a meeting of the InternetNZ Council
Friday 11 December 2009
Level 9 Grand Arcade Tower, 16 Willis St, Wellington

Start	Item	Person
10.00am	Council alone time	President
	Strategic planning discussion	President
11.15am	Apologies:	President
	Declaration of Councillor interests	President
	Agenda consideration - in committee items	President
11.20am	Consent agenda item	President
	<i>President</i>	
	<i>THAT the minutes of the meetings held on 16 October 2009 be received and adopted as a true and correct record, AND THAT the following report be received:</i>	
	a. President's Report	
11.25am	Matters arising from the minutes	President
	- Outstanding action points from previous meeting	
11.30am	NZ Registry Services report	Jay Daley Donna Hiser
	- Second quarter report	
	- Second quarter financial statements	
	- Second quarter cashflow	
	- Statement of direction and goals	
12.00pm	Domain Name Commission Limited report	Debbie Monahan Joy Liddicoat
	- Second quarter report	
	- September monthly report	
	- October monthly report	
	- DNCL budget 2010/2011	
12.15pm	Lunch	
12.45pm	External Relations	Keith Davidson
	- ICANN Report	Jay Daley
	- External relations report	Debbie Monahan
1.30pm	CEO report	Richard Currey
	- CE update	
	- Current Workstream status	
	- Second quarter group consolidated financials	
	- InternetNZ YTD accounts to October	
	- InternetNZ cashflow report	
	- Policy Work Programme 2010/2011	
	- InternetNZ Budget 2010/11	
	- Grants Application report	
	- Report publishing policy	
	- Calendar	
	- Membership update	
2.45pm	Afternoon tea	
3.00pm	Presentation from preferred CEO candidate 1	President
3.30pm	Closed Council discussion	President
3.45pm	Presentation from preferred CEO candidate 2	President
4.15pm	Closed Council discussion	President
4.45pm	General business	President
5.00pm	Council meeting ends	

Annotated agenda for a meeting of the InternetNZ Council

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11.20am	Consent agenda item <i>President</i> <i>THAT the minutes of the meetings held on 16 October 2009 be received and adopted as a true and correct record, AND THAT the following report be received:</i> a. President's Report	President
11.25am	Matters arising from the minutes - Outstanding action points from previous meeting	President
11.30am	NZ Registry Services report - Second quarter report - Second quarter financial statements - Second quarter cashflow - Statement of direction and goals <i>THAT the NZRS second quarter report be received.</i>	Jay Daley Donna Hiser
12.00pm	Domain Name Commission Limited report - Second quarter report - September monthly report - October monthly report - DNCL budget 2010/2011 <i>THAT the DNCL second quarter report be received.</i> <i>THAT the DNCL September and October 09 monthly reports be received.</i>	Debbie Monahan Joy Liddicoat
12.15pm	Lunch	
12.45pm	External Relations - ICANN Report - External relations report <i>THAT the External Relations report be received.</i>	Keith Davidson Jay Daley Debbie Monahan
1.30pm	CEO report - CE update - Current Workstream status - Second quarter group consolidated financials - InternetNZ YTD accounts to October - InternetNZ cashflow report - Policy Work Programme 2010/2011 - InternetNZ Budget 2010/11 - Grants Application report - Report publishing policy - Calendar - Membership update <i>THAT the CE Report be received.</i> <i>THAT Council accept the draft Programme, and note that it will be finalised after consultations with members in February 2009.</i> <i>THAT all 'final' reports 'received' by Council must be published on the InternetNZ website with confidential material removed.</i> <i>THAT the new members be approved.</i>	Richard Currey

2.45pm	Afternoon tea	
3.00pm	Presentation from preferred CEO candidate 1	President
3.30pm	Closed Council discussion	President
3.45pm	Presentation from preferred CEO candidate 2	President
4.15pm	Closed Council discussion	President
4.45pm	General business	President
5.00pm	Council meeting ends	

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.

Honoraria

Officers and Councillors receive the following annual honoraria:

President - \$24,000

Vice President - \$11,250

Councillor - \$9,000

Officers

Name: **Frank March**

Position: President, InternetNZ

Term: AGM 2009 - AGM 2012

Declaration Date: 21 March 2007, updated 12 August 2009

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
- Member of IPv6 Steering Group and administration team
- Officer's Honorarium for InternetNZ.

Name: **Jamie Baddeley**

Position: Vice President, InternetNZ

Term: AGM 2009 - AGM 2012

Declaration Date: 28 August 2007, updated 6 August 2009

Interests:

- Employee, FX Networks Ltd
- FX Networks are the ISP for both InternetNZ and NZRS
- Board member, ISPANZ
- 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
- Officer's Honorarium for InternetNZ.

Councillors

Name: **Liz Butterfield**

Position: Councillor, InternetNZ

Term: AGM 2009 - AGM 2010

Declaration Date: 24 August 2007, updated 10 August 2009

Interests:

- Managing Director Hector's World® Ltd
- Member of NetSafe Inc.
- Holds 3 .nz domain names.

Name: **Donald Clark**

Position: Councillor, InternetNZ

Term: AGM 2008 – 2011

Declaration Date: 20 April 2009

Interests:

- Holds several .nz domain name registrations
- CEO of REANNZ

Name: **Michael Foley**

Position: Councillor, InternetNZ

Term: AGM 2009 - AGM 2012

Declaration Date: 25 August 2007, updated 2 June 2009.

Interests:

- Director of Voco Limited
- Vice Chairman of TUANZ Board
- Director of Domain Name Commission Ltd
- Domain Name Commission Director's fees
- Holder of .nz domain names
- Contracted from time to time in consultancy or advisory capacity by public sector agencies (including MED, Commerce Commission, SSC and others).
- Engaged by NZ Regional Fibre Group and "Southern Fibre" consortium of Southland/Otago electricity lines companies as advisor on UFB Initiative bid management.
- Councillor's Honorarium for InternetNZ.

Name: **Neil James**

Position: Councillor, InternetNZ

Term: AGM 2008 – 2010

Declaration Date: 28 August 2008

Interests:

- Deputy Chair, Advanced Network Capability Build Advisory Panel
- 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 2009 - AGM 2012

Declaration Date: 24 August 2007; updated 21 August 2009

Interests:

- Self employed Open ICT consultant
- Works part-time as a recruitment consultant with SearchWorks
- Registrant of sundry .nz domains
- Councillor's Honorarium for InternetNZ.

Name: **Jonny Martin**

Position: Councillor, InternetNZ

Term: AGM 2008 - AGM 2010

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
- Hold a number of .nz and .net domain names
- Councillor's Honorarium for InternetNZ.

Name: **Judith Speight**

Position: Councillor, InternetNZ

Term: AGM 2009 - AGM 2010

Declaration Date: 27 August 2007, updated 2 June 2009

Interests:

- Executive Director of Accelerating Auckland Inc.
- Director and shareholder of ITT WRKZ Limited.
- Holder of several .nz domain name registrations
- Carers NZ Trustee
- NACCQ Councillor
- Councillor's Honorarium for InternetNZ.

Name: **Chris Streatfield**

Term: AGM 2008 - AGM 2011

Declaration Date: 28 August 2007

Interests:

- 1 gTLD domain name and 1 .nz domain name
- Member of the Institute of Directors
- Councillor's Honorarium for InternetNZ.

Name: **Nathan Torkington**

Term: AGM 2009 - AGM 2011

Declaration Date: 1 October 2009

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 Silverstripe advisory board.
- Member of the Industry Advisory Board of the Auckland Bioengineering Institute.
- Founder of Open New Zealand

- Sits on the Library Information Advisory Commission.
- Member of the Health Information Advisory Committee.
- Blogger for O'Reilly Media.
- Past consultant for Telecom New Zealand on innovation, and may continue to do so in the future.
- Fortnightly speaker on Radio New Zealand National.
- Advisor to the American cloud computing startup Opscode.
- Advisor to the American open source statistics software company REvolution Computing.
- Works with Deloitte running an innovation event.
- Member of Linux.conf.au organising committee.

Name: **Michael Wallmannsberger**

Term: AGM 2008 - AGM 2011

Declaration Date: 31 July 2006, updated 2 June 2009

Interests:

- Employee of ASB Bank Limited
- Member of the New Zealand Labour Party.
- .nz domain name registrant
- Member of the Standards Council
- Member of the Institute of Directors
- Shareholder/Director, Wallmannsberger Ltd
- Shareholder/Director, Yellow Brick Investments Ltd
- Councillor's Honorarium for InternetNZ.

MINUTES OF COUNCIL MEETING: 16 October 2009

Status:	Draft
Present:	Frank March (President), Donald Clark, Michael Foley, Liz Butterfield, Neil James, Hamish MacEwan, Jonny Martin, Judith Speight, Chris Streatfield, Michael Wallmannsberger, Nat Torkington
In Attendance:	Richard Currey (INZ Chief Executive Officer), Susi Fookes (SSU Manager), Sandra Glasgow (Minute Taker), Jay Daley (NZRS Chief Executive Officer), Joy Liddicoat (Acting DNCL Chair), Debbie Monahan (Domain Name Commissioner), Keith Davidson (External Relations), Dr Ross Patterson (Telecommunications Commissioner), Simon Riley, David Farrar (NZRS Director), Paul McKitrick
Meeting Opened:	<i>The President formally opened the meeting at 10.20am.</i>

1. Apologies

Council received apologies from Jamie Baddeley (Vice President). Cr Foley and Cr Martin advised they will need to depart early, being 3pm and 4pm respectively.

2. Declaration of Councillors Interests

Cr Butterfield advised that Hectors World has now formed significant partnerships with Google and Telecom.

Cr Torkington advised that he may possibly be consulting with Telecom in the near future.

Cr Foley noted that he has been engaged by NZ Regional Fibre Group and “Southern Fibre” consortium of Southland/Otago electricity lines companies as advisor on UFB Initiative bid management.

Councillors are reminded to provide written confirmation of any changes to the register to susi@internetnz.net.nz.

3. Agenda Consideration – In Committee Items

Discussion from the strategic planning day will be continued in committee.

Richard Currey requested that the Cyberlaw Fellowship review, the draft position description for the incoming CEO and the current grant applications all be discussed in committee.

10.32am – 12.00pm - Council went into committee to continue discussions from the strategic planning day and to discuss the Cyberlaw Fellowship review.

12.03pm – Dr Ross Patterson, Keith Davidson, Jay Daley, Debbie Monahan, Joy Liddicoat, Simon Riley and Paul McKitrick joined the meeting.

4. Guest Speaker – Dr Ross Patterson

The President introduced Dr Ross Patterson, Telecommunications Commissioner. Dr Patterson commenced by advising that he wanted the discussions to be of a relaxed nature and gave a brief overview of the current and historical work performed by the Commission. The Commission is currently working on mobile terminations and whether they should be regulated. It would prefer that they weren't and would like to receive undertakings and submissions from providers. A review of resale of product legislation is being undertaken to decide whether it is still relevant to be regulated. Again the Commission would prefer that resale of products was not regulated but the issue is if there are no regulations, would the commercial terms still be in place? Dr Patterson then informed that after regulation issues, the Commissions next focus is on monitoring.

12.14pm David Farrar Joined the meeting.

Discussion began around 'Open Access' with Dr Patterson advising that the Commission's role is as advisor to the government on the Fibre Network Strategy. If rules are clear at the beginning, it is less likely that regulation will be needed further down the track. He agreed that point to point is the best but also the most expensive way of obtaining open access so may not be the most appropriate. A lesser architectural solution may need to be accepted in order to gain working results in a timely fashion. The floor was then opened to questions and brief discussions were had around open access and accounting separation.

The President thanked Dr Patterson for joining the meeting and expressed his desire to invite him back to a future meeting to discuss more Internet specific issues.

12.41pm – 1.16pm – Lunch break

1.16pm David Farrar, Dr Ross Patterson, Keith Davidson, Jay Daley, Debbie Monahan, Joy Liddicoat, Simon Riley and Paul McKittrick left the meeting.

1.16pm Cr Martin left the meeting.

5. Consent Agenda Item

RN 62/09: THAT the minutes of the meeting held on 21 August 2009 be received and adopted as a true and correct record and THAT the following reports be received:

- a. President's Report
- b. Evote Ratification

(President/Cr Streatfield)

CARRIED U

EVOTES

There has been one e-vote conducted since the last Council Meeting:

Evote:

090903

Cr Streatfield/Cr Clark
THAT the amended terms of reference for the Audit and Risk Committee as circulated to Council on 31 August 09 be approved.

For:

Michael Foley
Michael Wallmannsberger
Hamish MacEwan
Chris Streatfield
Liz Butterfield
Donald Clark
Judy Speight
Neil James
Frank March
Jonny Martin

Abstain:

RN 63/09: THAT the e-vote be ratified.

(Cr Wallmannsberger/Cr Martin)

CARRIED U

6. Matters Arising from the Minutes.

Cr Streatfield advised that he had noticed some errors in regards to the recording of people joining and leaving meetings and requested that if we are going to record entry and departure times, that it is done accurately.

1.21pm – Debbie Monahan, Jay Daley and David Farrar joined the meeting.

7. Domain Name Commission Limited Report

The President welcomed Debbie, Jay and David and handed over to Debbie to speak to the July and August monthly reports. No quarterly report was provided; the next is due for December Council meeting. Debbie opened the floor to questions.

The President noted that domain names are increasing steadily and questioned if they knew why. Debbie advised that last year the level of creates remained relatively high but there were higher than usual numbers of cancellations. Cancellation numbers had now returned to more normal levels.

Cr Torkington questioned why the SLA was not met to which he was informed that a new fault had occurred, which had taken out the alert systems. Cr Torkington's next question was if there had been any investigation as to why that was allowed to occur. This was carried over to the NZ Registry Services Report for Jay Daley to advise on.

AP 37/09: Richard Currey to follow up on future work of Paul McKitrick's work on security.

1.30pm – Cr Martin re-joined the meeting.

RN 64/09: THAT the DNCL July 09 and August 09 monthly reports be received.

President/Cr Clark)

CARRIED U

8. NZ Registry Services Report

Jay Daley gave a verbal report. No quarterly report was provided; the next is due for December Council meeting. He gave an overview on domain name growth and noted that there is a correlation with business expectations of GDP growth. He further explained that in registries with a greater percentage of individual Registrants, falls in growth during a recession may be softened by the fear of unemployment leading people to look for other sources of revenue and so register a domain for a start up business.

The outage referred to by Cr Torkington during the DNCL report occurred due to the internal DNS not being on the patch watch and upgrade system it should have been on. Configurations were updated/changed during an upgrade and this stopped the internal DNS working. This issue has been added to the list of things needing to be looked at more closely. The changes that have been made as a result of the outage include conducting a review of the dependencies made outside the organisation and bringing them back in-house.

In regards to the transparency of the NZ Registry Services and Councils request to publish their liquidity policy, Jay advised that this had been delayed until after the strategic planning day. The NZRS Board has discussed opening their meetings but note that some of the meeting will contain confidential information. In

future NZRS will publish agendas, and give people an opportunity to attend parts of their meetings, where appropriate. They will also create a policy on transparency.

David Farrar took a moment to thank Council for what his board felt was an extremely beneficial strategic planning day.

A letter to Council from the Domain Name Commission Limited expressing their thanks for the strategic planning day was also handed around to Councillors.

The President thanked Debbie for the DNCL report, and Jay and David for the NZRS report.

1.44pm – Jay Daley, David Farrar and Debbie Monahan left the meeting. Keith Davidson joined the meeting.

9. External Relations Update

The President welcomed Keith and handed the floor to him. Keith advised the meeting that one of the people sponsored to attend PIP had not shown up and asked how strongly Council felt about retrieving the money paid to the party involved. Consensus was that it was more effort than it was worth and that any action taken would be at Keith's discretion. Possible action could include posting to the PICISOC list stating, without naming anyone directly, that funding would not be available to those involved for a set period of time.

Keith advised that there was an amendment to his report to read that Campbell Gardiner is looking after Broadband Measurement.

It is possible that the agenda for the Seoul meeting of ICANN will include a submission that board members should be paid for their services but ICANN are seeking legal advice in regards to this first. It is being advocated that the receipt of board remuneration from ICANN should be voluntary and individuals can seek their own legal advice if needed. This will enable faster payments to board members and ensure the issue isn't forgotten.

The President asked if we should be involved in organising Regional IGF's to which Keith advised that PIP had been our experiment on a small scale but he would like to expand and look for other sources of funding to help the expansion.

Keith was asked to present a glossary of International Organisations and a diagram explaining the linkages between organisations.

AP 38/09: Keith to present glossary of International Organisations and a diagram explaining the linkages between organisations.

2.01pm – 2.06pm – Council went into committee to discuss aspects of Keith Davidson's external relations report.

RN 65/09: THAT the External Relations Report be received.

(Cr Streatfield/Cr Martin)

CARRIED U

2.07pm – Keith Davidson left the meeting.

10. CEO Report

Richard Currey spoke to the report.

Premises Update

Richard advised that the confirmed date to move premises is Friday 13th November and advised that the meeting rooms at Exchange Place will not be available on 12th or 13th. Servers will possibly be down for a few hours and some staff have been given half a day off to enable the movers to move all the furniture to the new office. Staff will be contactable in the afternoon of the 13th. The fit out is going well and completion is planned for 30th October.

CEO Update

Executive Appointments were chosen after a briefing was given to three recruitment agencies. Advertising begins next week in the Dominion Post, NZ Herald and on Seek.co.nz.

2.17pm – Cr Foley left the meeting.

Cr Wallmannsberger requested that the appointment process be discussed and expressed his view that the entire Council should be involved in the final decision on who will be appointed.

2.21pm – Cr Foley rejoined the meeting.

The President agreed that the whole Council should be involved in the final decision on who to appoint as CE and that the decision should not be made in haste due to timing constraints. It was agreed that Council will have a conference call to discuss the short list once it has been received from the recruitment agency. Cr Streatfield and Cr Torkington offered to assist in deciding on a shortlist. Up to two of the preferred candidates will be asked to present to the Council meeting on 11 December. Richard handed around a draft job description for the CE and was given approval to post the job description to the list for comment.

2.41pm – 2.51pm – Council went into committee to discuss their personal thoughts on the type of person they would ideally like to see in the role of CE.

InternetNZ Workstream, Accounts and Cashflow Reports

Cr Streatfield reminded all, that the budgets should not be seen as a target spend that must be reached. He would also like to see annotated notes with the accounts submitted in the Council papers.

AP 39/09: CEO to include annotated notes with the financials.

2.59pm – Cr Foley left the meeting early as advised in the apologies.

Cr Clark noted that the financial reports are looking better with each meeting.

3.07pm – 3.23pm – Afternoon tea break.

InternetNZ Draft Budget 2010/11

Richard Currey submitted high level budget figures for approval and advised Council that a more detailed report will be delivered at the December meeting. Jay, Debbie, Susi and Richard are meeting over the next weeks to discuss overhead on charging but the outcome will probably be that InternetNZ will pay 50% of the overheads, while NZRS and DNCL will each pay 25%.

Cr Butterfield asked where international travel costs fall and was advised that in the past, DNCL has covered a lot of it but there are talks between InternetNZ and DNCL at the moment regarding redistributing the costs now that both entities have charitable status.

Grants Application Report

3.35pm – 3-45pm – Council went into committee to discuss grants.

RN 66/09: THAT InternetNZ sponsor Brian Carpenter to the amount of \$6,000.00 as an attendee to APRICOT.

(Cr President/Cr Speight)
Abstained: Cr Martin

AP 40/09: The word 'commercial' to be removed from the grants application criteria document.

RN 67/09: THAT the Chief Executive's Report be received.

(President/Cr Streatfield)
CARRIED U

RN 68/09: THAT the August 2009 financial reports be received.

(Cr Streatfield/Cr Martin)
CARRIED U

RN 69/09: THAT the Chief Executive's draft budget for 2010/11 be received.

(Cr Streatfield/Cr Martin)
CARRIED U

RN 70/09: THAT the Grants criteria as amended be approved.

(Cr Streatfield/Cr Martin)
CARRIED U

RN 71/09: THAT the new member be approved.

(Cr MacEwan/Cr Butterfield)
CARRIED U

II. General Business

Completed action points should be removed from the register after they have been reviewed once.

4.03pm – Cr Martin left the meeting early as advised in the apologies.

The branding investigation should be parked until the new CEO is appointed.

A letter of thanks was received from PICISOC to Nick Wallingford and InternetNZ for their support.

The new Audit and Risk committee met for the first time yesterday and provided an update to Council. They will be working on the ToR as the current one is too broad. The letter of engagement from the Auditors was looked at and a brief discussion was had around time-frames. The admin policy regarding travel and accommodation was discussed and it was suggested that mention should be made that where people travel for InternetNZ and other entities, the costs should be split.

The money spent on the annual report and reproduction of the accounts is felt to be too high. The full set of accounts should be available in the format they are received from the accountants rather than using expensive design methods. This is both cost effective and removes room for error in reproducing the accounts in design tables.

The Audit and Risk minutes of the meeting will be circulated to Council for information once they are complete.

Next Meeting: Friday 11 December 2009

Meeting Closed: The meeting closed at 4.20pm

Signed as a true and correct record:

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Frank March, President, CHAIR

2009 Action Point Register

	Action	Who	Status
June 19 Council Meeting 2009			
AP 13/09	Chief Executive to present first draft of review on continuing a Cyberlaw Fellowship partnership with Victoria University.	CE	In progress
August 21 Council Meeting 2009			
AP 18/09	Susi is to circulate a calendar of Council business to Councillors for amendments/comments before being publishing online.	SSUM	In progress
AP 19/09	Cr Clark, Cr Butterfield and Richard Currey to talk about brand clarity and report to the next Council Meeting.	CEO, Cr Butterfield, Cr Clark	In progress, to be completed with the new CEO.
AP 20/09	President with staff support is to develop a role description for Council (as opposed to a Council Member role description) after the Strategic Planning Day, then define the job description for the Chief Executive Officer and bring to EVOTE.	President, CEO	In progress
AP 24/09	President to talk to Fellows regarding a review of the Fellowship process.	President	In progress
October 16 Council Meeting 2009			
AP 36/09	Richard Currey to follow up on future work of Paul McKittrick's work on security.	CEO	In progress
AP 37/09	Keith to present glossary of International Organisations and a diagram explaining the linkages between organisations.	KD	In progress
AP 38/09	CEO to include annotated notes with the financials.	CEO	ONGOING
AP 39/09	The word 'commercial' to be removed from the grants application criteria document.	CEO	Complete

President's Report to December 2009 Council Meeting

Author: Frank March

Status of Paper: Final

Recommendations arising: That the President's report is received.

The period since the October meeting has dominated by the process leading to the selection of a new CEO and attendance at international meetings both in New Zealand and overseas.

Activities

Meetings with Councillors

Unfortunately, I have not yet been able to get around everyone for a discussion of Council operations. I am very grateful to everyone I have been able to meet with for making their time and thoughts available. Feedback has been positive about the atmosphere in Council meetings to date. I hope that this will continue and in the event that meetings become less productive, members will feel free to discuss this with me at anytime.

I have asked everyone for their thoughts on an area of particular emphasis where they might want to bring issues to the attention of Council and have garnered a wide range of possible areas. I would like to make time available in Council meetings for individual presentations; unfortunately this will not be possible until the March Council meeting. I would welcome suggestions from Councillors at any time.

KANZ

I attended the Korea Australia New Zealand Broadband Summit as part of my day job but there were a number of issues discussed on interest to InternetNZ. It was excellent that Richard, Jordan and Campbell were able to attend some of the meeting. Of particular interest for me was an increasing focus on 'green ICT' where the main interest is perhaps the role the Internet can play, and discussion of security issues.

ICANN/GAC and IGF

I attended both these meetings and reports are attached.

R v the Internet: Legal Professionals Internet Seminar

I was privileged to facilitate this event organised by InternetNZ and jointly supported by the Law Commission and the Ministry of Justice. It was initiated by David Farrar. He lined up a prestigious line up of speakers including the Attorney-General and the Solicitor-General as well as a range of other very distinguished speakers to discuss the closely related issues of Contempt and Suppression of Information. Given the success of this event, it may well provide a template for seminars to discuss other issues where the Internet and its culture and capabilities intersect with legal systems, as with the filtering/censorship debate.

Report from ICANN/GAC Meeting and Associated Discussions

Seoul, 25-30 October 2009
Frank March

The 36th ICANN meeting was held from 25-30 October 2009 in Seoul, Republic of Korea. I attended with full financial support from InternetNZ, and leave to attend from the Ministry of Economic Development.

I attended the meeting of the Governmental Advisory Committee (GAC) on Sunday to Wednesday, 25-28 June, as well as part of the ICANN Open Forum. The GAC Communiqué from the Seoul meeting is attached.

Summary of Issues for New Zealand

A number of issues have been around for some time:

1. **New Generic TLDs and ccTLDs** with internationalised domain names (IDNs) of significance to the government because of geographical significance (eg, .newzealand and .aotearoa) or cultural significance (eg .maori).
2. **Reform of ICANN** and the relationship between ICANN and governments with the expiry of the Joint Partnership Agreement with the US Government and its replacement by the Affirmation of Commitments (AoC).
3. **Future of the GAC:** the AoC creates new responsibilities for the Chair of the GAC ex-officio raising questions about the need to support of the chair in this role on the one hand, and the extent to which the Chair can act as GAC representative on the other.
4. **Internet Policy issues:** The GAC is dealing with detailed policy papers which impinge increasingly on government agencies other than MED: examples include gTLD WHOIS policies (legal enforcement agencies, Privacy Commissioner); security (CCIP, Police); new gTLDs with geographical, cultural and social significance (Ministry of Pacific Island Affairs, Te Puni Korori, DIA, Intellectual Policy), DNS Root Zone changes (of general interest because of the fundamental impact these could have for Internet stability).

And some issues arise outside of the GAC per se but are directly relevant to Internet governance issues.

5. **Regional Internet Governance Forums (IGF):** The 2009 IGF meeting was held in Egypt in mid-November (see accompanying report). A spin-off from previous IGF meetings is a move towards regional meetings. A number of discussions have taken place about the possibility of holding a Australia/NZ/Pacific regional IGF meeting sometime in 2010.
6. **Relationships between the Internet Industry and CCIP:** It is increasingly apparent that the Internet is vulnerable to a variety of attacks on the DNS (especially spoofing and denial of service). World-wide there is increasing cooperation between security agencies and the Internet industry. Despite the lack of a NZCERT productive relationships are developing between CCIP and New Zealand ISPs. These need to be further developed and encouraged. The Internet Security Forum is a step in the right direction

Governmental Advisory Group (GAC) Meeting

General Comments

The GAC meetings are now almost entirely open; a direct reversal of the status of meetings a year ago. Only sessions dealing with the GAC's own working methods (including dealing with the AoC) and preparations for discussions with the ICANN Board were held in private in Seoul. This new openness has greatly facilitated liaison with other ICANN constituencies and increased the productivity of meetings.

The Affirmation on Commitments (AoC) places a new emphasis on the role of the GAC. It does not so much change the role and functions of the GAC as place a considerable responsibility on the Chair of the GAC in respect of the selection of panelists for the four reviews to be carried out under the AoC, and the progression of those reviews. This adjustment to the role of the Chair raises process issues for the GAC as the review process moves forward. Until now, the Chair has solely been responsible for representing AC views to the Board and the other constituencies. As the review process moves forward, the Chair will be required to act independently of the GAC in an ex-officio role.

Possibly because of this new role, a record number of members attended the Seoul meeting and a number of countries have recently joined as members, including Russia and the Ukraine.

Next ICANN/GAC meetings

The next GAC meeting will be held in Kenya, in March 2010 in conjunction with the 37st ICANN Meeting.



Governmental Advisory Committee

GAC Communiqué – Seoul

I. INTRODUCTION

The Governmental Advisory Committee (GAC) of the Internet Corporation for Assigned Names and Numbers (ICANN) met in Seoul, during 25 – 28 October, 2009.

58 members, including 2 remotely, 3 observers and one invited country, Russia, participated in the meeting.

The Governmental Advisory Committee expresses warm thanks to the Korean Internet & Security Agency and the Korean Communication Commission for hosting the meeting in Seoul and ICANN for supporting the GAC meeting.

II. IDN ccTLDs

The GAC takes note of the latest version of the Draft Implementation Plan prepared by ICANN staff and welcomes the progress made towards resolving a number of outstanding issues, raised by the GAC in previous meetings. The GAC also appreciates the briefings provided by ICANN staff both during and before the Seoul meeting.

The GAC welcomes the confirmation provided by ICANN staff that the delegation of IDN ccTLDs will not be contingent: upon any agreement between ICANN and the IDN ccTLD operator regarding the payment of fees for the processing of the application or annual cost contribution fees and that discussion

on reaching agreement on fees expected by ICANN will, if necessary, continue after the delegation of the TLD.

The GAC also notes that the possibility of allowing for single character IDN ccTLDs and the treatment of variants are still two issues that have to be resolved, and would encourage ICANN to address these issues as a matter of urgency.

The GAC intended to adopt Principles on IDN ccTLDs but has been asked by members of the ccNSO to delay adoption to allow time for the ccNSO to offer comments. The Draft Principles are attached to this Communiqué (Annex A).

The GAC invites the whole of the ICANN community to provide comments on the document ahead of the next meeting.

The GAC intends to adopt a final version during its next meeting.

III. New gTLDs

The GAC provided ICANN with extensive comments on the DAG version 2 in its letter to the Board dated 18th August. The GAC appreciates the reply provided by the Chairman of the Board on 22nd September. Following discussions in Seoul however, both between GAC members and with other stakeholders, the GAC feels that many of its concerns remain outstanding, related in particular to:

- the need to take full account of the security, stability and resiliency issues including those identified in the recent root scaling reports. These concerned the potential cumulative effects of changes resulting from the introduction and implementation of DNSSEC, IDNs, new gTLDs and IPv6;
- the importance of further economic studies to improve the community's understanding of all the costs, benefits and market impacts;
- the need for more effective protection of intellectual property rights;
- the ongoing discussions within the community regarding structural separation between registries and registrars, price caps and the potential impacts on competition in the DNS market;
- the need to explore track differentiation between categories;
- the need to respect national public interests and sovereign rights regarding strings with geographical meaning;
- the need to assist developing countries which would otherwise be constrained by their limited access to financial and technical resources.

In the expectation that a new draft of the Applicant Guidebook will be issued, the GAC does not intend to comment at this stage in detail on version 3.

The GAC therefore intends to provide more comprehensive comments to the Board before the next meeting in Nairobi.

IV. Affirmation of Commitments

The GAC welcomes the Affirmation of Commitments (AoC) as a positive step in the development and future of the DNS and its management.

The GAC endorses the focus of the AoC on the commitments, by ICANN, to ensure that decisions made related to the global technical coordination of the DNS are made in the public interest. That is in particular that they are transparent and accountable to the global community; preserve the security, stability and resiliency of the DNS; promote competition, consumer trust, and consumer choice in the DNS marketplace; and facilitate international participation in DNS technical coordination.

The GAC recognizes that it has a key role under the new agreement, not least given the emphasis in that agreement on the need for ICANN to act in the public interest, but also specifically in terms of the GAC's role in the formation of the review teams.

The GAC feels that the review process will be an important means to confirm that these commitments are being met. The GAC will also be following the implementation of these commitments closely.

The GAC notes the very tight timetable of the first review process and looks forward to an early engagement in the discussion on the methodology.

The GAC has had an initial exchange of views and has not yet come to any conclusion as to the format of the review teams or this methodology. The GAC will provide its views in due course.

V. The ICANN Board / Governmental Advisory Committee (GAC) Joint Working Group (JWG) on the Review of the role of the GAC

The JWG held its first face-to-face meeting in Seoul. The JWG reviewed and agreed on its terms of reference (attached as Annex B). JWG members also began an exchange on several of the issues and priorities for consideration by the JWG. The next face-to-face meeting will be held at the ICANN Nairobi meeting.

VI. Briefings from SSAC and RSSAC

The GAC welcomes the detailed briefings from the SSAC, RSSAC and VeriSign on DNSSEC and the signing of the root, the Root Zone Scaling Study and SSAC advisory on the problems associated with the use of wildcards.

The GAC regrets that an assessment of the impact of changes to the root zone file was not made much earlier in the launching of initiatives such as new gTLDs, IDNs, IPv6 and DNSSEC. This has regrettably created a high degree of uncertainty. Moreover, many stakeholders have already made significant investments in respect to these initiatives. They have a legitimate right to expect a more predictable environment in which to make important investment and operational decisions which is not helped by the current uncertainty.

VII. Law enforcement briefings

The GAC received a briefing from representatives of law enforcement on domain name abuse by criminals. They provided a summary of their due diligence recommendations for ICANN to adopt in accrediting registries and registrars, which the GAC will consider.

VIII. Work Program 2010

The GAC identified the following priorities for 2010:

- implementation of the Affirmation of Commitments
- security, stability and resiliency of the DNS,
- the ICANN Board / Governmental Advisory Committee (GAC) Joint Working Group (JWG) on the Review of the role of the GAC follow-up to IDN ccTLD introduction under the fast track procedure and contribution to the IDN ccPDP,
- introduction of new gTLD,
- IPv4 depletion and deployment of IPv6

The work program is subject to review and will be adjusted as challenges arise.

IX. ICANN Meeting Preparation

As a result of difficulties experienced by the GAC in its efforts to coordinate contributions from law enforcement representatives with ICANN sessions on "Abuse of the DNS" in Seoul, the GAC urges ICANN to adopt a more streamlined approach to the planning process for each ICANN meeting. Specifically, the GAC recommends that ICANN adopt new procedures to facilitate coordination and early input from the Supporting Organizations and Advisory Committees in determining priority issues for discussion and for the scheduling of sessions, particularly those for broad Community participation, that meet the needs of the SOs and ACs. A mechanism should be created with deadlines for initial contributions from the SOs and ACs, with subsequent deadlines for any necessary amendments, that would permit staff to develop a draft proposed composite agenda for review at least 6 weeks prior to each meeting. The GAC recommends that agendas be finalized 30 days prior to each meeting to permit all interested stakeholders to effectively prepare for their participation. GAC members undertake

extensive consultations in national capitals, consistent with their obligations to promote and protect the public interest, which requires a longer lead time for meeting preparations.

X. Elections

Mr. Jayantha Fernando from Sri Lanka was re-elected to the position of Vice Chair. Ms. Maimouna Diop Diagne from Senegal and Ms. Heather Dryden from Canada were elected to the positions of Vice Chairs.

The decision is effective from the end of the first meeting of 2010.

The GAC thanks Mr. Bertrand de La Chapelle, from France and Ms. Manal Ismail, from Egypt, for their service in capacity of Vice Chairs and their outstanding contribution to the work of the GAC.

* * * *

The GAC warmly thanks all those inside and outside the ICANN community who have also contributed to the dialogue with the GAC in Seoul.

The next GAC meeting will be during the period of the ICANN meeting in Nairobi, Kenya.

Seoul, 28 October 2009

Report from Internet Governance Forum Meeting

14-18 November 2009

Frank March

I attended the fourth Internet Governance Forum (IGF) meeting in Sharm el Sheikh 14-18 November 2009. InternetNZ met my expenses and I was on leave from MED for part of the time I was attending. I was present as a member of the Multistakeholder Advisory Group (MAG) rather than as a representative of the New Zealand Government or InternetNZ (although, I obviously also represented both).

I had a number of objectives in attending the meeting:

- (i) As a one-time member of the Secretariat of the Working Group on Internet Governance which was in part responsible for establishing the IGF (through the Tunis phase of the World Summit on the Information Society – WSIS II), I was curious as to how it operated. The IGF was established under the auspices of the United Nations as a means of permitting undirected discussion of emerging issues with the Internet and related technologies. The IGF is unique in that it is specifically not set up to produce outcomes.
- (ii) As a member of the MAG, I found it difficult to provide useful input without having attended at least one meeting of the IGF to assess how the various components interacted.
- (iii) One spin-off from previous IGFs has been the emergence of regional and national governance forums which have been reported as being very effective in allowing widely diverse groups which would not otherwise or normally interact with each other to exchange view points. This has been reported as extending to different sections of the same national government. A regional governance forum for Pacific Island states might well prove useful.
- (iv) Finally, the programme included a number of issues that are of interest from a policy perspective to both the New Zealand Government and to InternetNZ.

The Programme

The programme consisted of theme-oriented plenary sessions with up to nine workshops held in parallel. Only the opening session and a special session organised for the Egyptian “First Lady”, Madam Mubarak did not have competing workshop sessions.

The IGF has five underlying themes: access, openness, diversity, security and “critical Internet resources” – which usually means ICANN and all its works. The main sessions were broadly structured to discuss these and the workshops were similarly themed. While the organisers had gone to considerable trouble to stagger workshop start times, clashes were inevitable and occasionally severe.

Notable Moments

I attempted to attend as many workshops as I could even when this meant skipping from one to another, as well as the main sessions. As a result, I did get a ‘once over lightly’ flavour of the overall event which met most of my objectives.

On Day 1, I managed to catch Liz Butterfield’s opening presentation to the workshop on Online Child Protection before attending the ICANN Open forum for the first 30 minutes. The main session “setting the scene” was devoted to explaining the background to the IGF, the main themes and how it fitted into the general schema for United Nations and international forums (basically, it doesn’t, being unique in make up, concept and ambition). Finally, the morning was rounded out by a workshop on “A Methodological Proposal for Analysing Governance of CIR Functions” which was devoted to ICANN’s “legitimacy”. Unfortunately the proponents seemed to have equated ICANN governance with Internet governance – a step too far. The afternoon was taken up with the opening ceremony and keynote speakers. The main interesting factoid was that mobile is already overwhelmingly the chief means of Internet access in developing countries: the next billion users will be mobile users.

Day 2 started with a workshop on measuring the impact of Internet governance on sustainable development, which turned out to be a plea for more survey data on ICTs and Internet usage, especially in

the developing world. The main session was on managing critical Internet resources. The highlight (or lowlight) here was, during a mostly sensible discussion of IPv6 transition, the eruption of a ludicrous verbal stoush between Rod Beckstrom, CE of ICANN, and Sureswaran Ramadass, Director of the National Advanced IPv6 Centre of Excellence (NAv6). The tension simmering to this point between the ICANN and ITU agendas spilt onto the floor with vengeance to the credit of neither participant (more on this later). Bob Kahn was a speaker and noted that in the future there will be a diversity of choices for navigation around the Internet and we will not necessarily be stuck for all time with a system invented in 1984. In the afternoon I attended two workshops relating to ccTLDs. The first was on best practices in ccTLD policy and operations (nothing new emerged). The second purported to be on governance issues for ccTLD domains. This turned out to be an ITU organised view of the relationship between ICANN and ccTLDs and their governments which did not reflect reality as I understand it.

On Day 3, I first attended a workshop on implementing WSIS principles for development (Internet Governance for Development – IG4D – more on this later). This was followed by a workshop on domain name threats which are well understood in New Zealand. In the afternoon, I set out by attending a workshop on “Adopting IPv6: what you need to know” which, perhaps unsurprisingly, confirmed that New Zealand is at last on the right track with the IPv6 Task Force. This was followed by the main session on Internet governance in the light of the WSIS principles. This focused on the need to multistakeholderism, transparency, inclusiveness (especially on the part of developing countries). Contributions, outlining progress were received from organisations such as the OECD, W3C and ICANN.

By Day 4 exhaustion and the Egyptian bot were taking hold. I started out with a workshop on child online safety indicators. This was followed by a surprisingly good main session lead by Madam Maburak with the themes of the Internet as an agent for change and empowerment, and the need to promote Internet safety through education, awareness raising, multistakeholder involvement and community involvement. Afterwards, I attended the main session devoted to an assessment of the effectiveness of the IGF and the desirability of extending its mandate beyond 2011. A number of countries as well as business and civil society representatives made formal statements of support for continuance. China, while not directly opposing a renewal of the mandate, made it clear that they would want to see more focus on internationalisation of critical Internet resources and more defined outcomes. I devoted the afternoon to networking activities.

Themes and Comments

IG4D: I have never understood what this meant. Internet governance, yes. Development, yes. But when they are put together they have little it seems to me to do with the Internet per se and a great deal to do with the need for improved infrastructure, improved access, more resources. One area where IG4D is an appropriate term is with capacity building and provision of support so that all stakeholders from developing countries are able to attend meetings, inter alia, of the ITU, the IGF and ICANN.

Involvement of developing countries: The need for greater involvement by all sectors (government, civil society and business) from developing countries was referred to in many interventions. This is strongly supported by the ITU, which sees developing countries as being its natural and supportive constituency. Nevertheless, there is a strong case to be made.

Youth and the Internet: Much was made of the great contributions made by so-called youth attending the IGF for the first time. Supposedly there are issues of concern to youth as opposed to the rest of humanity but I saw no evidence of this. Nevertheless great obeisance was paid to the contributions from the “digital natives” as opposed to the grumpy old(er) “digital migrants”.

Future of the IGF: The original mandate was for the IGF to run for five years. If the mandate is not renewed, the next IGF in Lithuania will be the last. It seems pretty clear that virtually all participant countries and organisations favour continuance, most arguing for the mandate to be renewed unchanged: vis that the current no-outcome policy be maintained. Some elements, including possibly ECOSOC, the UN agency which is required to make an appropriate recommendation to the UN Secretary General, would like to see the IGF take on a so-called ‘enhanced cooperation’ role with respect to critical Internet resources. This is code for more involvement in such issues by governments and/or the ITU.

It is essential that MFAT be informed of the need for New Zealand to support the continuance with no change position in both ECOSOC and the General Assembly.

ICANN vs ITU and US 'control' of the Internet: This has been a continuing theme since WSIS I, through the work of the WGIG into WSIS II and carries on today through the discussions of critical Internet resources in the IGF. The level of the debate has changed to some extent with time and increased awareness of how the Internet functions. The signing of the Affirmation of Commitments (AoC) between ICANN and the US Department of Commerce has had the effect of to some extent refocusing attention on the IANA contract due for renewal in 2011.

A cause for serious concern is the tactic undertaken by some of expressing concern for preservation of the interests of developing countries in terms of access to IPv6 numbers (where there is an unjustified concern that they are likely to run out just like the IPv4 space). This sits alongside a spurious argument about the desirability of competition for provision of IP numbers through alternative providers to the present RIRs. The counter arguments are not straightforward nor readily understood by the poorly informed.

Child safety: A theme throughout the meeting to which Liz Butterfield made a substantial contribution. The focus was on education and empowerment, and the need for cross-border law enforcement and monitoring. One of the more useful aspects of the meeting.

Outcomes and Takeaways

1. It is difficult to measure the effect of the IGF given that an avowed (non) function is to produce no outcomes in the form of negotiated texts or positions. This allows for free (and occasionally confrontational) discussion of issues rather than the dry and time-consuming wordsmithing that takes up so much time at other international gatherings such as the ICANN/GAC meetings.
2. Given that some 1500-1700 people took part, most stayed to the end and contributed actively, that many private discussions took place in a very constructive atmosphere, and that overwhelmingly positive comments were made (with some qualifications) in the assessment session on Day 4, the IGF would have to be counted as worthwhile.
3. The concept of multistakeholderism (that is the full participation of governments, business and civil society) sounds a little strange in the New Zealand context as we tend to take it for granted in terms of our national-level policy development activities. But this is a relatively recent concept in UN circles having gain credence during the WSIS process and is far from the case in most international fora. It has yet to catch on in the ITU for example despite the frequently repeated mantra (from ITU staff) that the ITU has some 750 "sector members".
4. The impact of ICANN processes on international meetings has been substantial, with all main sessions having instant 'captioning', as well as the simultaneous translation that is a (welcome) hallmark of UN meetings.
5. It is clear that the focus on IP numbering and the DNS is not going to diminish although, now that the AoC is in place, attention has moved away from ICANN to some extent. The role of the RIRs in administering the IP numbering system is under close scrutiny and the key nature of the IANA contract, until now largely ignored outside the Internet crowd themselves, is also front and centre.
6. There is a strong case to be made for a Pacific Island regional Internet governance forum. The focus for such an event would not necessarily be restricted to Internet governance per se – it does not seem to be so restricted in other regional and national events – and could cover a wide range of relevant and useful topics alongside an Internet governance agenda. Although there may not be very much financial support available from the New Zealand or Australian governments (although their backing needs to be sought), there is likely to support from agencies such as the World Bank and ISOC. The timing and location need to be considered in conjunction with other Pacific Island ICT related events in 2010.

31 October 2009

Frank March
President
InternetNZ
PO Box 11 881
Wellington

Dear Frank

Re: 2nd Quarter 2009 - 2010 Report

We enclose our second quarterly report of the 2009 - 2010 year, the quarter ended 30th September 2009. 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 \$762,863 for the quarter was 8.1% above the budgeted \$705,109.

Domain name growth was above budget for the quarter (actual 11,750 versus budgeted 6,000). August's net growth at 4,053 and September's net growth at 4,015 were well above the 2,000 per month budgeted for 2009 - 2010 but still below the 4,500 per month originally budgeted for 2008 - 2009. Actual domain name fee income for the quarter was slightly above budget (actual \$1,688,510 versus budgeted \$1,645,138).

As at 30th September 2009, the company's funds in bank and on deposit totalled \$9,173,911, above the budgeted \$8,563,624. Pre-paid domain name fees (deferred income) were also above budget at the end of the quarter (actual of \$4,983,457 against the budgeted \$4,563,571), reflecting the above budget domain name growth.

The company's internally-imposed liquidity ratio was amply met.

2. Operational

a) Registrars

At the end of the quarter there were 71 authorised registrars in production.

b) System availability

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

	<i>SLA %</i>	Jul 09	Aug 09	Sep 09
SRS	99.90%	100	99.58*	99.98
DNS	100%	100	100	100
Whois	99.90%	100	99.58	100

* This breach of the SLA is discussed in paragraph 3g below

c) Domain name growth

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

	31 Jul 2009	31 Aug 2009	30 Sep 2009
.ac	1,676	1,691	1,703
.bank	0	0	0
.co	315,703	319,397	322,888
.cri	15	15	15
.geek	887	905	912
.gen	1,219	1,236	1,239
.govt	996	1,000	1,005
.health	4	4	45
.iwi	69	69	69
.maori	568	565	569
.mil	21	22	22
.net	20,774	20,931	21,127
.org	21,192	21,321	21,565
.parliament	7	7	7
.school	2,900	2,921	2,933
Total	366,031	370,084	374,099
Growth over previous month	3,682	4,053	4,015
Variance against budget	1,682	2,053	2,015

3. Other Key Strategic and Operational Activities

a) Project programme

Development on enhancements to our registration system is well underway with progress across the project programme. Highlights of this work include:

- The launch of a public OpenPGP Keyserver to support our use of OpenPGP within our registration system;
- The implementation of a dedicated WHOIS server, separate from the SRS frontend;
- Upgraded the database and web server applications that support SRS.

b) Transparency

Following the informal request from the Chair of InternetNZ for greater transparency, we have developed a plan to make NZRS information accessible and available wherever that is appropriate given the nature of the organisation.

c) Insurance

In line with the general InternetNZ policy to be an excellent employer we have introduced a set of health-related benefits to staff with the intent of minimising the impact of ill health on either staff or the company.

d) Business development

NZRS continues to work closely with the rest of the group on joint business development research. In this quarter our Chief Executive, on behalf of the CE group, has submitted a response to a DIA 'request for information' on Identity Management. Subsequently he has been invited to join a DIA led cross-government group on Identity Management within the public sector.

e) International participation

Our Chief Technology Officer, Dave Baker, attended the APTLD meeting in Beijing along with the Domain Name Commissioner. He picked up several useful tips on experiences of implementing of Internationalised Domain Names (IDN) in other registries and met with many of his counterparts. Also at this meeting the CTO was able to meet with colleagues from the European IP Registry (RIPE) to discuss expanding our use of their DNS monitoring service.

Our Chief Executive, along with the DNC, met with the telecoms and Internet regulator from Vanuatu to discuss the structure of their ccTLD and Internet Service provision within the country. We provided them with extensive advice on governance models, operational best practice, policy issues and pointers to other people to talk to.

Following an approach from ICANN, our Chief Executive and the DNC, helped external consultants working for ICANN to develop a TLD benchmarking survey. This was initially explained to be general TLD benchmarking but disappointingly, the focus turned into registry operations and performance for use in assessing new gTLD applications. Whether this has any wider use remains to be seen.

f) Audit and Risk

In this quarter we undertook a major move to fully online banking with the appropriate controls needed for good governance.

Additionally we implemented a plan for ongoing checks of the financial status of key suppliers, with the aim of annually accessing the same information that would be available as part of a tender process.

As part of our preparations for the capital structure review we initiated a legal review into our liabilities in the event of us failing to resolve .nz names. This has not highlighted any notable problems with either our contractual framework or company finances.

g) Registration system outage

In this quarter we had a major period of downtime for the Shared Registry System leading to the first breach of our SLA for approximately two and a half years, with three hours of downtime during the course of one night. The fault was with our own internal DNS provision, not related to the .nz DNS service, but still preventing any registration or modification of domains.

A full explanation has been sent to customers and we are redesigning our internal DNS provision and upgrade procedures to prevent such a problem in future.

h) Support of Policy and Advocacy

Our Chief Executive has provided support to the policy and advocacy group in some of their projects, presenting at the IPv6 Hui and participating in meetings with potential suppliers for the broadband measurement project.

4. Outlook: Strategic Issues and Key Operational Activities

Key activities for the third quarter of the 2009 - 2010 financial year include:

a) Project programme

We fully intend to keep up the pace of development work on our systems. Whilst the majority of effort is on the introduction of the EPP registration protocol we anticipate several projects reaching conclusion in the forthcoming quarter, including:

- IDNs available for registrar testing;
- Rolling three-year hardware and operating system upgrades of registration services;
- Installation of a new DDoS traffic cleaning service;
- Private connectivity between our two SRS sites.

b) International participation

Our recent recruit, Sebastian Castro, will be attending a meeting of the DNS Operations, Analysis and Research Centre (OARC) the primary organisation for research into DNS behaviour, and a meeting of the Internet Engineering Task Force (IETF) where changes to the DNS protocol are agreed. Sebastian will be presenting at OARC and actively participating in work groups at IETF.

c) Summer student

We successfully submitted a joint bid with VUW for government funding of a summer student to work on DNS analysis software. This student will work for us for two months over the university summer break.

d) All-boards strategy day

The entire NZRS board found the joint strategy day with InternetNZ and DNCL a very positive, productive and successful day. Following on from this day, our Chief Executive as part of the CE group will be working on a number of deliverables. These include:

- A review of the group-wide strategy, budget setting and fee setting timetables;
- Drafting a co-ordinated reserves strategy for the group incorporating the agreed principles to apply in a run down situation;
- An updated business development strategy, incorporating the changes identified at the strategy day.

5. Board Recommendation

The Board of NZRS recommends that the Council of InternetNZ receives this report.

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

Yours sincerely



Donna Hiser
Chairman



New Zealand Domain Name Registry Limited
Financial Statements
For the Quarter Ended 30th September 2009

Prepared By

Curtis McLean Limited
Chartered Accountants
Wellington NZ





New Zealand Domain Name Registry Limited
Exclusion of Liability Statement
For the Quarter Ended 30th September 2009

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 2009.

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 2009

	This Quarter			Year to Date			Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Last Year
Registry Fees	1,688,510	1,645,138	43,372	3,336,871	3,266,506	70,365	6,635,102	6,361,318
Less Direct Expenses								
DNC Management Fee	287,595	287,595	-	575,190	575,190	-	1,150,380	1,095,600
DNS Expenses	108,000	134,490	(26,490)	311,487	275,480	36,007	552,860	340,748
SRS Expenses	124,476	152,250	(27,774)	257,385	304,610	(47,225)	609,110	469,005
Other IT	18,114	25,750	(7,636)	35,880	80,150	(44,270)	131,650	73,080
TBSR	68,187	72,000	(3,813)	110,739	155,000	(44,261)	265,000	153,456
Total Direct Expenses	606,372	672,085	(65,713)	1,290,681	1,390,430	(99,749)	2,709,000	2,131,889
Gross Profit	1,082,138	973,053	109,085	2,046,190	1,876,076	170,114	3,926,102	4,229,429
Less Other Expenses								
Depreciation & Amortisation	42,201	49,407	(7,206)	75,049	86,865	(11,816)	217,059	177,175
Overhead Expenses	426,730	341,229	85,501	744,015	682,721	61,294	1,459,253	1,324,173
ICANN Sponsorship	1,000	-	1,000	1,000	-	1,000	-	-
Total Other Expenses	469,931	390,636	79,295	820,064	769,586	50,478	1,676,312	1,501,348
	612,207	582,417	29,790	1,226,126	1,106,490	119,636	2,249,790	2,728,081
Plus: Other Income								
Interest	98,552	83,002	15,550	202,729	164,364	38,365	334,654	578,492
Rent Received	40,720	34,932	5,788	81,440	69,864	11,576	139,728	162,881
Tenants Share of Expenses	11,382	5,577	5,805	22,674	11,154	11,520	22,308	43,190
Net Profit Before Tax	762,861	705,928	56,933	1,532,969	1,351,872	181,097	2,746,480	3,512,644

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
Statement of Financial Performance
For the Quarter Ended 30th September 2009

	This Quarter			Year to Date			Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Last Year
Net Profit Before Tax	762,863	705,109	57,756	1,532,969	1,351,872	181,097	2,746,480	3,512,644
Less: Interest Expense	-	-	-	-	-	-	-	6,060
	<u>762,863</u>	<u>705,109</u>	<u>57,756</u>	<u>1,532,969</u>	<u>1,351,872</u>	<u>181,097</u>	<u>2,746,480</u>	<u>3,506,584</u>
Provision For Tax	-	-	-	-	-	-	-	411,157
Net Profit (Loss)	<u>762,863</u>	<u>705,109</u>	<u>57,756</u>	<u>1,532,969</u>	<u>1,351,872</u>	<u>181,097</u>	<u>2,746,480</u>	<u>3,095,427</u>

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
Statement of Movements in Equity
For the Quarter Ended 30th September 2009

	This Year to Date	Last Year Full Year
Share Capital		
Opening Share Capital	30,000	30,000
Share Capital as at 30th September 2009	<u>30,000</u>	<u>30,000</u>
Retained Earnings		
Opening Retained Earnings	4,547,096	3,563,670
Plus:		
Net Tax Paid Profit (Loss) for Year	1,532,970	3,095,426
Less:		
Dividend Declared	<u>1,026,792</u>	<u>2,112,000</u>
Retained Earnings as at 30th September 2009	<u>5,053,274</u>	<u>4,547,096</u>
Equity as at 30th September 2009	<u>\$5,083,274</u>	<u>\$4,577,096</u>

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
Statement of Financial Position
As At 30th September 2009



	Actual	End of Quarter		LY Actual	End of Year	
		Budget	Variance		Budget	LY Actual
Equity						
Share Capital	30,000	30,000	-	30,000	30,000	30,000
Retained Earnings	5,053,274	5,167,357	(114,083)	4,136,538	5,098,757	4,547,097
Total Equity	5,083,274	5,197,357	(114,083)	4,166,538	5,128,757	4,577,097
Liabilities:						
Creditors & Accruals	288,460	354,178	(65,718)	223,993	412,619	235,638
Deferred Income - Registry Fees	4,983,457	4,563,571	419,886	4,433,643	4,665,504	4,472,048
Rent in Advance	-	-	-	16,540	-	-
Total Liabilities	5,271,917	4,917,749	354,168	4,674,176	5,078,123	4,707,686
Funds Employed	10,355,191	10,115,106	240,085	8,840,714	10,206,880	9,284,783
Represented By:						
Current Assets						
Funds Held	9,173,912	8,563,624	610,288	7,800,219	8,584,496	7,721,958
Debtors & Prepayments	853,166	1,083,248	(230,082)	729,838	1,104,341	1,272,723
	10,027,078	9,646,872	380,206	8,530,057	9,688,837	8,994,681
Non Current Assets						
Fixed Assets	326,016	468,237	(142,221)	309,671	518,043	289,735
Intangible Assets	1,576	-	1,576	986	-	368
Total Non Current Assets	327,592	468,237	(140,645)	310,657	518,043	290,103
Total Assets	10,354,670	10,115,109	239,561	8,840,714	10,206,880	9,284,784

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
Statement of Cash Flows
For the Quarter Ended 30 September 2009

	This Quarter			Year to Date			Last Year (YTD)	Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance		Budget	LY Actual
Cash Flows From Operating Activities									
Cash Was Provided From:									
Registry Fees Received	2,183,671	1,894,165	289,506	4,251,815	3,836,048	415,767	3,754,618	7,886,401	7,297,636
Other Receipts	239,310	128,575	110,735	347,681	240,319	107,362	331,281	334,654	604,688
	<u>2,422,982</u>	<u>2,022,740</u>	<u>400,242</u>	<u>4,599,497</u>	<u>4,076,367</u>	<u>523,130</u>	<u>4,085,899</u>	<u>8,221,055</u>	<u>7,902,324</u>
Cash Was Distributed To:									
Payments to Suppliers and Employees	1,042,360	1,145,435	(103,075)	2,116,722	2,212,137	(95,415)	1,867,077	4,454,675	3,873,120
Net Taxation Paid	(237,247)	(146,400)	(90,847)	(417,164)	(146,400)	(270,764)	318,118	(146,400)	577,226
Net Dividend Paid	731,604	731,604	0	1,026,792	731,604	295,188	704,000	2,194,812	2,112,000
Net GST Paid	78,680	57,903	20,777	215,625	186,104	29,521	201,457	382,919	363,704
	<u>1,615,396</u>	<u>1,788,542</u>	<u>(173,146)</u>	<u>2,941,974</u>	<u>2,983,445</u>	<u>(41,471)</u>	<u>3,090,652</u>	<u>6,886,006</u>	<u>6,926,050</u>
Net Cashflows from Operating	807,586	234,198	573,388	1,657,523	1,092,922	564,601	995,247	1,335,049	976,274
Cash Flows from Financing Activities									
Cash was Provided From:									
Share Capital	0	0	0	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash was Distributed To:									
Repayment of Redeemable Preference Shares									5,729
Inland Revenue Use of Money Interest	0	0	0	0	0	0	5,729	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,729)</u>	<u>0</u>	<u>(5,729)</u>
Net Cash flows from Financing	0	0	0	0	0	0	(5,729)	0	(5,729)
Cash Flows from Investing Activities									
Cash was Provided From:									
Fitout Contribution	0	0	0	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash was Distributed To:									
Purchase of Fixed Assets & Formation Expenses	191,604	146,252	45,352	205,568	251,255	(45,687)	104,705	472,510	193,280
	<u>(191,604)</u>	<u>(146,252)</u>	<u>(45,352)</u>	<u>(205,568)</u>	<u>(251,255)</u>	<u>45,687</u>	<u>(104,705)</u>	<u>(472,510)</u>	<u>(193,280)</u>
Net Cash flows from Investing Activities	(191,604)	(146,252)	(45,352)	(205,568)	(251,255)	45,687	(104,705)	(472,510)	(193,280)
Net Increase (Decrease) in Cash Held	615,981	87,946	528,035	1,451,954	841,667	610,287	884,813	862,539	777,265
Plus Opening Cash Balance	8,557,930	8,475,678	82,252	7,721,957	7,721,957	0	6,915,407	7,721,957	6,915,407
	<u>9,173,911</u>	<u>8,563,624</u>	<u>610,287</u>	<u>9,173,911</u>	<u>8,563,624</u>	<u>610,287</u>	<u>7,800,220</u>	<u>8,584,496</u>	<u>7,692,672</u>
Closing Cash Carried Forward	9,173,911	8,563,624	610,287	9,173,911	8,563,624	610,287	7,800,220	8,584,496	7,692,672
Closing Cash Comprises									
ASB Bank Cheque Account	501,665	-	-	501,665	-	-	162,751	8,584,496	180,665
ASB Bank Call Account	106,852	-	-	106,852	-	-	433,794	0	205,796
Term Deposits	8,565,394	-	-	8,565,394	-	-	7,203,675	0	7,306,210
	<u>8,565,394</u>	<u>-</u>	<u>-</u>	<u>8,565,394</u>	<u>-</u>	<u>-</u>	<u>7,203,675</u>	<u>0</u>	<u>7,306,210</u>
Total Cash Held	9,173,911	8,563,624	610,287	9,173,911	8,563,624	610,287	7,800,220	8,584,496	7,692,672

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



30 November 2009

Frank March
President
InternetNZ
PO Box 11881
Wellington

Dear Frank

Re: New Zealand Domain Name Registry Ltd - Statement of Direction and Goals

Please find enclosed NZRS's Statement of Direction and Goals for the 3-year period 2010 - 2011 through 2012 - 2013.

Please note that in a change from last year and in line with our new policy of openness and transparency, we welcome the publication of this statement and do not require it to be treated as confidential.

This is the second of such Statements under the planning, budgeting and communications framework adopted by Council following implementation of the Structural Review recommendations. Again it has been prepared in the absence of a Statement of Expectations, but the successful all-boards strategy day in October has provided sufficient understanding of Council strategic requirements for input into our planning.

We have included the requested detail in terms of strategic direction, key performance indicators and 3-year budgets. If there is further detail within those particular areas as well as any other subject areas you would like incorporated in the Statement (either this current Statement or future years' Statements of Direction and Goals), please do not hesitate to advise.

The introduction notes that parts of the Statement, particularly the budgets, are only draft at this stage as they have been prepared in advance of NZRS having finality around some key budget inputs, notably any decision on the domain name fee. It may also vary if there are any material variances in actual 2009 - 2010 financial performance as the balance of the year unfolds, particularly domain name growth.

NZRS will provide to InternetNZ as shareholder, its final 3-year budgets, incorporating any changes arising from the above factors, in early April 2010.

I, along with the NZRS CE, will be available to attend the InternetNZ Council meeting in December and respond to any comments or answer any questions that Council may have on the Statement of Direction and Goals.

Yours sincerely

A handwritten signature in black ink that reads "Donna Hiser". The signature is written in a cursive style with a large initial 'D'.

Donna Hiser
Chairman

cc : NZRS Board



Statement of Direction and Goals

(incorporating strategy, key performance indicators
and 3-year budgets)

for the 3 Years
2010 - 2011 to 2012 - 2013

November 2009

Confidential to .nz Registry Services and its shareholder InternetNZ



NZRS Statement of Direction and Goals

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Introduction

This NZRS Statement of Direction and Goals has been prepared under the Planning and Reporting framework adopted by InternetNZ Council following the 2007 InternetNZ Structural Review. That framework provides for this Statement of Direction and Goals to include strategic direction, key performance indicators and 3-year budgets.

We have not received InternetNZ's Statement of Expectations, which would normally be a key input to the company's planning processes.

Recognising the current point in our budget cycle, we should note that this Statement of Direction and Goals is draft, and the budget in particular may change, taking into account the following factors:

- Our ongoing work on the budget for domain name fee review purposes (including key assumptions regarding domain name growth), and the fee review budget may vary from that included in this draft document if major assumptions change as the domain name fee review process progresses.
- We will approve final budgets (which may vary from this draft) by the end of March 2010 incorporating :
 - (a) The DNCL Management fee advised by DNCL
 - (b) InternetNZ's advice regarding dividends
 - (c) InternetNZ's decision on the joint DNCL-NZRS Domain name fee recommendation
 - (d) Any adjustments required to reflect major variances from forecast financial performance for the balance of 2009 - 2010 financial year, especially where they have a material impact on the assumptions underlying the budget for the 2010 - 2011 year
- In addition, should InternetNZ provide a Statement of Expectations, then this may necessitate some change to this draft Statement of Direction and Goals, as may feedback to NZRS by InternetNZ following its consultation with members on the overall InternetNZ group's strategy and budgets.

We will provide to InternetNZ as shareholder, our final 3-year budget, incorporating any changes arising from the above factors, in early April 2010.

The Changed NZRS Operating Environment

The environment in which we operate is changing at an accelerating pace and our strategy for the coming year reflects that. There are several key factors that drive our strategy:

Capacity and capability

The implementation of our capacity and capability review is now complete. We have had a Chief Executive in post since March 2009, a DNS Specialist in post since July 2009 and the Technical Manager promoted to CTO to reflect the increased responsibilities of this role.



These changes have strengthened our strategic focus, given us greater depth of knowledge of our market and the international community, and introduced greater specialist technical skills.

Global economic climate

Whilst the worst of the downturn appears to be behind us, there is still significant uncertainty over the future. Despite the downturn there was only one month with a reduction in registrations and still notable annualised growth. However it is unlikely that growth will return quickly to the levels before the downturn and NZRS will need to monitor registrations closely and plan for tightening expenditure if necessary.

Impact of new gTLDs

The reach of .nz into businesses and domestic organisations has been good and reflects the level of trust that individual citizens have in .nz, whether as online consumers or just ordinary Internet users. If we look at the likely drivers for growth, then we can see clues in the developments within larger TLDs. These indicate that growth will come from individual registrants as domain names become ubiquitous technology, and from companies moving online in a serious way with the advent of widespread high-speed broadband.

But there is a new threat to this growth from the international level, with the pending introduction of new gTLDs, providing greater choice and diversified branding for registrants of domains. New gTLDs will give greater scope for expression of identity/brand and be more useful in the identification they provide, appealing to registrants across the spectrum.

All of these new gTLDs, of which there may be hundreds, will come under the single policy control of ICANN, operate through a single technology (EPP) and use a single data model. This will change the balance in relationship between TLDs and registrars and also the balance between gTLD and .nz registrars and the services they provide, which will impact on where registrants choose to register and that in turn will impact on our growth.

In response to this, we look forward to working closely with the DNCL and InternetNZ group on joint strategies to maintain the position of .nz and the income this provides, to fund pursuit of the InternetNZ mission. In particular we will be continuing our project programme with such important projects as EPP and IDNs.

Evolutionary change for domain names

Looking wider, there are technological developments that we believe will lead to an evolution for registries and TLDs that we, in close partnership with DNCL and InternetNZ, should prepare for.

The introduction of DNSSEC enables DNS to be used to introduce security technologies that have never before had the right foundations, such as PKI or X.509, to achieve widespread coverage. Key innovators are already beginning to design systems that transform domain names into secure identifiers. This dovetails with the push by governments to use verified online identity management as an enabler for a general shift to secure online service provision.

At the same time other developments, such as ENUM are contributing to domains names becoming increasingly rich in the services that rely on them.



This recognition of the likely evolution of domain names provides a natural focus for business development, as standing still no longer becomes an option. It also provides a constraining path with clear evolutionary steps and relevant areas of purview. Consequently, we have moved away from independent explorations of new business opportunities, into a clearly established group process for business development in which we play a defined role, driven by this anticipated evolutionary change.

NZRS Vision, Mission and Values

Vision:

Excellence in registry management through superior service and the innovative application of technology.

Mission:

To provide robust, reliable registry services enabling people, entities and communities to access and gain increasing benefit from the internet.

The Board, management and staff are committed to the following set of values in the way NZRS operates:

- ethical behaviour shown by professional practice with integrity
- excellence in service and systems through continuous improvement, technological innovation and understanding the customers
- independence of contribution, diversity of views
- commitment to leadership, innovation and an outward focus
- respect for fair competition in the market place through efficiency and transparency.

These values shape the culture of the company.

Strategic Focus

This year we have added one new strategic goal (no. 4) to reflect the longer term evolution of domain names and ccTLDs that is now underway, and our goal to stay relevant and useful to Internet users throughout this transition.

The four strategic goals are 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 our services and technology within a long term evolutionary framework to meet the future needs of Internet users.



Key Priorities

To ensure an appropriate focus on strategic goals within the changed operating environment, NZRS's priorities for the planning period are:

- Continuing its strong focus on the company's core business of:
 - (a) providing value for customers through a fast, robust, reliable, value for money service
 - (b) respecting and protecting the rights and interests of the registrants
 - (c) generating income to support the goals of the shareholder
 - (d) utilising technology innovatively to provide a more cost effective, superior service
 - (e) influencing the market and industry environment through partnerships with key stakeholders
 - (f) keeping abreast of the market and industry developments in the technology sector to identify trends and growth opportunities
 - (g) maintaining professional service-focused relationships.
- Deliver key projects (some of which carry on from 2009-10), which include:
 - (a) Finish the implementation of EPP, an international standard provisioning protocol for registrars that we will provide in addition to the SRS protocol.
 - (b) Implement DNSSEC, security extensions to DNS, now that we have the specialist knowledge and resources internally, to roughly coincide with the signing of the root.
 - (c) Implement a third SRS cluster, possibly off-shore.
 - (d) Provide a more accessible open source release of Domain Name Registration System that is easier for others to adopt.
 - (e) Significantly expand our DNS monitoring and reporting.
 - (f) Implement a Network Time Protocol infrastructure for ensuring time synchronisation on our servers.
 - (g) Begin the process of a major overhaul of our Domain Name Registration System to streamline and optimise the performance, to increase security and to make it easier and faster to add new features.
- Continue our cycle of external audit and review of systems, processes and entities to ensure business continuity, adherence to best practice and identify any problems:
 - (a) Commission real-world penetration tests on our newly implemented test clusters that exactly match the production configurations.
 - (b) Implement the recommendations of our current security review.
 - (c) Review all our internal policies and procedures.
 - (d) Including the normal twice yearly financial audits.
- Leverage our involvement in the international communities of registries, protocol developers and other ccTLDs to:
 - (a) Identify and pursue means of benchmarking performance with other registries.
 - (b) Influence the development of registry protocols (such as the next version of EPP) in a direction that meets our needs.



- (c) In close cooperation with DNCL, share knowledge and experience of best practice in ccTLD management to help developing ccTLDs.
 - (d) Identify best practice that we could or should be adopting.
 - (e) Influence the development of global Internet policies for registries and ccTLDs, again in close cooperation with DNCL, to meet our needs and the needs of our local Internet community.
- Working as part of a whole InternetNZ group team, on identifying the evolutionary trends and opportunities for ccTLDs and domain names, or other closely related business development opportunities, then progressing those as projects within the scope of an agreed business development framework for the whole group.

Key Performance Indicators

The main operational, financial and investment key performance targets for the 2010 - 2011 year are as follows:

Operational key performance indicators

(a) Domain name growth:

Domain name growth for 2010 - 2011 year is budgeted at an average net growth of 3,500 per month, from a starting point of 397,099 forecast domain names as at 31st March 2010 (353,430 at 31st March 2009). The same average net monthly domain name growth of 3,500 is also budgeted for each of 2010 - 2011 and 2011 - 2012. This reflects a modest rebound from the slow-down in net growth experienced this current and previous financial years.

Net domain name growth	Actual 2008 - 2009	Forecast 2009 - 2010	Budget 2010 - 2011	Budget 2011 - 2012	Budget 2012 - 2013
Total	26,828	34,741	42,000	42,000	42,000
Avg /mth	2,235 <i>(budget 4,500, reforecast from November 2,000)</i>	2,893 <i>(Budget 2,000)</i>	3,500	3,500	3,500

Domain name fee income, for draft budgeting purposes, is based on the current fee level \$1.50 per month.

(b) System Availability

NZRS's key performance targets for SRS and DNS systems availability are based on the current Service Level Agreement (SLA) with DNCL, which contains a suite of availability and response times metrics. The company has consistently met the key metrics under the SLA and is committing to do so across this planning period.

NZRS's key performance targets based on the main availability metrics under the SLA re:

NZRS - Statement of Direction and Goals - 30th November 2009



Availability	Current SLA Metric	Actual 2008 - 2009	Forecast 2009 - 2010	Budget 2010 - 2011	Budget 2011 - 2012	Budget 2012 - 2013
SRS	99.90 %	> 99.90 % <i>(achieved 12 out of 12 months)</i>	at least 99.90 %	at least 99.90 %	at least 99.90 %	at least 99.90 %
DNS	100.0 %	100.00 % <i>(achieved 12 out of 12 months)</i>	100.0 %	100.0 %	100.0 %	100.0 %
Whois	99.90 %	> 99.90 % <i>(achieved 12 out of 12 months)</i>	at least 99.90 %	at least 99.90 %	at least 99.90 %	at least 99.90 %

The full set of operational KPIs are published in the monthly NZRS-DNCL newsletter and on the DNCL website.

Financial key performance indicators

NZRS's financial performance indicators relate to each year's domain name fee revenue, net profit after tax, dividend to InternetNZ, retained earnings, capital expenditure and liquidity ratio maintenance.

The key assumption that underpins the budgets is that the current dividend policy applies, whereby for budgeting purposes NZRS assumes a dividend based on the average growth in domain names over each financial year.

Appendix 1 contains information on the other assumptions underlying the budgets for the planning period, together with annual budgeted Statements of Financial Performance, Financial Position and Cash Flow.

The financial performance indicators derived from the draft budget are summarised below.

		Actual 2008 - 2009	Forecast 2009 - 2010	Budget 2010 - 2011	Budget 2011 - 2012	Budget 2012 - 2013
Domain name fee revenue	\$'000	6,361	6,846	7,517	8,263	9,012
Other income	\$'000	783	506	383	455	551
Expenses	\$'000	3,638 ¹	4,349	4,578	4,879	5,005
Net Profit	\$'000	3,507	3,002	3,322	3,840	4,495
Dividend	\$'000	2,112 ²	2,490	2,410	2,525	2,635
Retained earnings	\$'000	938	512	911	1,317	1,860



Capital expenditure	\$'000	142 ¹	815 ³	814	815	815
Liquidity ratio (31-Mar)	Req'tmt is > 100 %	131%	132%	146%	157%	173%

NOTES:

1. The figures for 2008-09 are actuals, which therefore reflect the large underspend in that year that arose from the impact of implementing organisational changes
2. The dividend in 2007-08 was \$1,700,000.
3. The majority of this increase from the previous year is due to a shift in expenditure from expenses to capital, which has been resisted previously due to tax implications.



Appendix 1 – Budgets for the 3 Years to 31st March 2013

A. Key Budget Assumptions

1. General Assumptions

- All financial amounts noted in budget exclude GST.
- The current dividend policy based on increases in dividends reflecting increases in domain names held in the register continues, and no additional special dividends are paid.
- NZRS pays no income tax as part of our charitable status.
- NZRS continues to pay a management fee to Domain Name Commission Ltd.

2. Business Operations

2.1 Current Operations

Domain name growth for the three years to 2012 - 2013 has been budgeted at a net growth rate of 3,500 names per month and \$1.50 per Domain name per month. The fee is subject to a later recommendation.

2.2 Domain Name Growth and Term

Monthly Domain Fee	1.50
Average Domain Name term for names longer than 1 month	13.25 months
Est. Names in Register at 1 April 2010	397,099
Forecast 12 Monthly Growth	42,000

3. Capital Expenditure

Year	Capital Expenditure	Notes
2009 - 2010	\$815,000	Implementation of EPP (multi-year), SRS test cluster, DNS test cluster, IDNs, hardware upgrades, hidden primary, PGP key server, intra-site connection.
2010 - 2011	\$814,000	Completion of EPP, DNSSEC, NTP servers, hardware upgrades, website replacement, expansion of open source version of SRS, third live cluster, rewrite/overhaul of SRS.
2011 - 2012	\$815,000	Completion of rewrite/overhaul of SRS, new features, hardware upgrades.
2012 - 2013	\$815,000	New features, hardware upgrades.



B. Summarised Draft Budgets

New Zealand Domain Name Registry Limited

BUDGETED STATEMENT OF FINANCIAL PERFORMANCE

	08-09 Actual \$	09-10 Proj. \$	10-11 Proj. \$	11-12 Proj. \$	12-13 Proj. \$	Total Act/Proj. \$
INCOME						
Registry Fees	6,361,322	6,845,501	7,516,689	8,263,221	9,012,123	37,998,856
Interest Received	578,491	343,756	382,850	455,095	550,938	2,311,130
TOTAL	6,939,813	7,189,257	7,899,539	8,718,316	9,563,061	40,309,986
DIRECT COSTS						
DNC Fee	1,095,600	1,150,380	1,184,891	1,244,136	1,281,460	5,956,467
Projects	0	155,600	160,268	168,281	173,329	657,478
DNS Hosting	118,934	246,000	253,380	266,050	274,027	1,158,391
DNS Networking	156,367	214,260	220,688	231,722	238,676	1,061,713
DNS Support	65,439	92,600	95,378	100,148	103,150	456,715
SRS Hosting	30,141	34,320	35,350	37,116	38,231	175,158
SRS Networking	66,103	76,490	78,785	82,723	85,207	389,308
SRS Maint & Support	372,771	383,100	394,593	414,322	426,753	1,991,539
TBSR	153,456	0	0	0	0	153,456
Other IT	73,079	76,650	78,949	82,897	85,384	396,959
TOTAL	2,131,890	2,429,400	2,502,282	2,627,395	2,706,217	12,397,184
GROSS PROFIT	4,807,923	4,759,857	5,397,257	6,090,921	6,856,844	27,912,802
OVERHEADS	1,328,595	1,611,386	1,345,460	1,429,055	1,481,820	7,196,316
OTHER COSTS						
Depreciation	177,173	308,559	730,052	822,210	880,109	2,918,103
TOTAL	177,173	308,559	730,052	822,210	880,109	2,918,103
OTHER INCOME (EXPENSE)	204,418	162,036	0	0	0	366,454
OPERATING PROFIT	3,506,573	3,001,948	3,321,745	3,839,656	4,494,915	18,164,837
NET PROFIT	3,506,573	3,001,948	3,321,745	3,839,656	4,494,915	18,164,837
INCOME TAX	(411,155)	0	0	0	0	(411,155)
PROFIT AFTER TAX	3,095,418	3,001,948	3,321,745	3,839,656	4,494,915	17,753,682
DIVIDEND ACCRUAL	(2,112,000)	(2,490,000)	(2,410,000)	(2,525,000)	(2,635,000)	(12,172,000)
RETAINED EARNINGS	983,418	511,948	911,745	1,314,656	1,859,915	5,581,682
CUMULATIVE	983,418	1,495,366	2,407,111	3,721,767	5,581,682	5,581,682



New Zealand Domain Name Registry Limited

BUDGETED STATEMENT OF FINANCIAL POSITION

	Opening Actual \$	Mar-09 Actual \$	Mar-10 Proj. \$	Mar-11 Proj. \$	Mar-12 Proj. \$	Mar-13 Proj. \$
FIXED ASSETS						
Software	654,488	655,035	1,015,035	1,375,035	1,753,035	2,149,935
Office Equipment	85,340	96,885	136,885	161,885	188,135	215,698
Computer Hardware	600,135	675,330	1,130,424	1,585,424	2,063,174	2,564,812
Leasehold Improvements	102,091	102,091	102,091	102,091	102,091	102,091
Accumulated Depreciation	(1,116,973)	(1,239,606)	(1,547,798)	(2,277,850)	(3,100,060)	(3,980,169)
	325,081	289,735	836,637	946,585	1,006,375	1,052,367
INTANGIBLE ASSETS						
TradeMarks	8,619	8,619	8,619	8,619	8,619	8,619
Accumulated Depreciation	(7,014)	(8,252)	(8,619)	(8,619)	(8,619)	(8,619)
	1,605	367	0	0	0	0
CURRENT ASSETS						
Bank	6,915,407	7,721,957	8,755,874	10,155,598	12,233,715	14,946,617
Trade Debtors	675,861	696,685	714,995	801,097	878,651	956,206
Provision for Tax	58,571	402,795	256,395	109,995	0	0
Prepayments	9,471	5,817	5,817	5,817	5,817	5,817
Interest Receivable	149,800	167,425	167,425	167,425	167,425	167,425
	7,809,110	8,994,679	9,900,506	11,239,932	13,285,608	16,076,065
CREDITORS DUE WITHIN ONE YEAR						
Trade Creditors	254,890	164,208	443,291	293,955	308,851	319,954
Other Creditors	62,482	71,436	52,760	93,978	107,022	121,240
Deferred Income	4,175,133	4,472,048	5,152,055	5,797,802	6,524,267	7,329,080
Provision for Tax	0	0	0	0	36,405	182,805
Rent in Advance	49,620	0	0	0	0	0
	4,542,125	4,707,692	5,648,106	6,185,735	6,976,545	7,953,079
NET CURRENT ASSETS	3,266,985	4,286,987	4,252,400	5,054,197	6,309,063	8,122,986
TOTAL NET ASSETS	3,593,671	4,577,089	5,089,037	6,000,782	7,315,438	9,175,353
CAPITAL & RESERVES						
Share Capital	30,000	30,000	30,000	30,000	30,000	30,000
Reserves	3,563,671	4,547,089	5,059,037	5,970,782	7,285,438	9,145,353
	3,593,671	4,577,089	5,089,037	6,000,782	7,315,438	9,175,353
Liquidity	131%	149%	132%	146%	157%	173%
Surplus Cash over Required Liquidity	1,639,298	2,542,977	2,115,666	3,193,997	4,461,829	6,293,955



New Zealand Domain Name Registry
Limited

BUDGETED CASHFLOW

	08-09 Actual \$	09-10 Proj. \$	10-11 Proj. \$	11-12 Proj. \$	12-13 Proj. \$	Total Act/Proj. \$
RECEIPTS						
Rent and other income	231,831	313,501	161,591	146,400	146,400	999,723
Registry Fees	7,469,693	8,463,080	9,081,449	10,035,843	10,966,499	46,016,564
Interest Received	578,491	343,756	382,850	455,095	550,938	2,311,130
TradeMarks	2	0	0	0	0	2
Prepayments	3,654	0	0	0	0	3,654
TOTAL RECEIPTS	8,283,671	9,120,337	9,625,890	10,637,338	11,663,837	49,331,073
PAYMENTS						
Suppliers and Employees	4,136,506	5,141,580	5,326,144	5,439,085	5,636,382	25,679,697
Income Tax	755,379	0	0	0	0	755,379
GST	473,236	454,840	490,022	595,136	679,553	2,692,787
Dividend Paid	2,112,000	2,490,000	2,410,000	2,525,000	2,635,000	12,172,000
	7,477,121	8,086,420	8,226,166	8,559,221	8,950,935	41,299,863
NET CASH FLOW	806,550	1,033,917	1,399,724	2,078,117	2,712,902	8,031,210
OPENING BANK	6,915,407	7,721,957	8,755,874	10,155,598	12,233,715	6,915,407
CLOSING BANK	7,721,957	8,755,874	10,155,598	12,233,715	14,946,617	14,946,617



November 2009

Dr Frank March
President
InternetNZ
P O Box 11881
WELLINGTON

Dear Frank

Second Quarter 2009-2010 .nz report

This report summarises the key results for the second quarter 2009/10 financial year. It includes information provided in the three monthly reports (January, February and March), plus financial information relating to the quarter. There is nothing in this report that is confidential.

1. Statistics

- Over the quarter, .nz domain names have increased from 362,349 to 374,099, a net increase of 11,750 or 3.2%.

	As at 1 Jul 09	As at 31 Jul 09	As at 31 Aug 09	As at 30 Sep 09	Net Change over qtr
.ac	1,650	1,676	1,691	1,703	53
.co	312,424	315,703	319,397	322,888	10,464
.cri	15	15	15	15	0
.geek	877	887	905	912	35
.gen	1,216	1,219	1,236	1,239	23
.govt	992	996	1,000	1,005	13
.health	3	4	4	45	42
.iwi	69	69	69	69	0
.maori	560	568	565	569	9
.mil	21	21	22	22	1
.net	20,613	20,774	20,931	21,127	514
.org	21,017	21,192	21,321	21,565	548
.parliament	6	7	7	7	1
.school	2,886	2,900	2,921	2,933	47
Total	362,349	366,031	370,084	374,099	11,750
Net Growth	3,790	3,682 (1.0%)	4,053 (1.1%)	4,015 (1.1%)	

2. Registry Performance

- SLA targets achieved for July and September but not August where the SRS availability dropped below the required 99.9%
- SRS availability over the quarter was July 100%, August 99.58% and September 99.98%.
- DNS availability over the quarter was 100% for each of the three months

3. *.nz Policies and Procedures*

- As part of the project to implement Internationalised Domain Names (IDNs), consultation continued on a draft Sunrise Registration Policy. This closed in August (three submissions received can be seen at www.dnc.org.nz/idn-sunrise-policy) and will be considered by the DNCL Board at their next meeting.
- A consultation on the possible introduction of additional .nz search functionality commenced in August and goes until the end of October. The consultation paper and submissions can be seen at <http://dnc.org.nz/additional-search>.

4. *Registrars*

- One Registrar voluntarily de-authorized during the quarter.

At the end of September 2009 there were 72 authorised Registrars with 70 of these connected to the production system and offering services to registrants.

5. *Other Key Activities*

- The videos and design work for “.nz is our home” is completed and the DNC website updated with the new look. The material for the campaign is at <http://www.dnc.org.nz/content/campaign/>. Online advertising has been undertaken on a number of different sites including NZ Herald, Stuff, MetService and MSN.
- The DNC attended the APTLD meeting in Beijing on 20 and 21 August.
- DNCL has joined Complaint Line – www.complaintline.org.nz. This site contains information on a range of organisations offering complaint handling or dispute resolution services.

6. *Documents published*

- Minutes of the DNCL Board meeting held on 2 July 2009
http://dnc.org.nz/content/Minutes_2_July_2009.html

7. *Planned activities next quarter*

- Continue work on the .nz awareness campaign with the continuation of the online advertising.
- Complete consultation on additional search functionality for .nz domain names.
- Commence a review on the Second Level Domains Policy. This is being reviewed as part of the standard cycle of policy reviews.

8. Financial

	2nd Quarter			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
<u>INCOME</u>						
5050 · Authorisation Fees	3,000	0	3,000	9,000	3,000	6,000
5080 · DRS Complaint Fees	12,600	8,100	4,500	14,400	16,200	(1,800)
5100 · Management Fees	287,595	287,595	0	575,190	575,190	0
5000 · Income - Other	0	0	0	59	0	59
7010 · Interest Income	1,811	10,500	(8,689)	6,484	21,000	(14,516)
Total Income	305,006	306,195	(1,189)	605,132	615,390	(10,258)
<u>EXPENDITURE</u>						
DNCL Board and Projects	13,326	23,501	(10,175)	21,419	47,002	25,583
Communications	47,662	33,399	14,263	62,306	86,498	24,192
Dispute Resolution Services	14,200	25,550	(11,350)	19,800	43,100	23,300
DNC Registrar Activities	823	2,748	(1,925)	2,828	5,496	2,668
International	40,588	66,248	(25,660)	60,644	106,496	45,852
Office and Administration	150,126	48,228	101,898	185,914	96,456	(89,458)
Personnel and Staff	140,438	118,308	22,130	224,032	236,616	12,584
Professional Services	23,379	24,499	(1,120)	37,874	46,498	8,624
Total Expenditure	430,541	342,481	88,060	614,817	668,162	53,345
Net Profit/Loss	(125,535)	(36,286)	(89,249)	(9,685)	(52,772)	43,087

Notes:

- Expenditure includes an unbudgeted contribution towards the relocation of InternetNZ Group offices. This will not unduly impact on the expected end of year result.
- Level of expenditure in Communications reflects the advertising and work done on the “.nz is our home” campaign

9. Board recommendation

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
Acting Chair

Council
InternetNZ

Monthly .nz report – for September 2009

1. Statistics

- The level of active .nz domain names increased from 370,084 to 374,099. An increase of 4,015.

A table showing net growth over the last 12 months is shown in Appendix 1.

	31 Aug 09	31 Sept 09	Creates	Renewal	Net Change
.ac	1,691	1,703	34	345	12
.co	319,397	322,888	8,004	60,864	3,491
.cri	15	15	0	3	-
.geek	905	912	20	207	7
.gen	1236	1,239	18	294	3
.govt	1,000	1,005	5	915	5
.health	4	45	41	0	41
.iwi	69	69	0	13	-
.maori	565	569	15	112	4
.mil	22	22	0	4	-
.net	20,931	21,127	541	4,101	196
.org	21,321	21,565	478	4,167	244
.parliament	7	7	0	7	-
.school	2,921	2,933	25	1232	12
Total	370,084	374,099	9,181	72,264	4,015
Growth over previous month	4,053 1.1%	4,015 1.1%			

Registry Performance

- **SRS % Availability and Performance**

Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sept 09
99.91	99.99	100	99.96	99.92	99.99	99.95	99.95	100	100	99.58	99.98

Outages during month greater than 5 minutes: Nil

Transaction	Average Response Times (in seconds)		
	As per SLA	September 2009	Av last 12 months

Domain Details Query	0.5	0.04	0.04
Domain Update	0.8	0.33	0.37
Domain Create	0.8	0.37	0.42
Get Message	0.5	0.05	0.04
WHOIS	0.5	0.09	0.11
UDAI Valid Query	0.5	0.12	0.15

▪ **DNS % Availability and Performance**

Server	% Availability									
	Dec 08	Jan 08	Feb 08	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sept 09
NS1	100	100	100	100	100	100	100	100	100	100
NS2	100	100	100	100	100	100	100	100	100	100
NS3	100	100	100	100	100	100	100	100	100	100
NS4	100	100	100	100	100	100	100	100	100	100
NS5	100	100	100	100	100	100	100	100	100	100
NS6	100	100	100	100	100	100	100	100	100	100
NS7	100	100	100	100	100	100	100	100	100	100

Performance Stress Testing

Measurements are in milliseconds.

	UDP	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	TCP	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09
NS1	<5	0.04	0.04	0.04	0.05	0.04	0.04	<50	0.15	0.14	0.15	0.16	0.15	0.15
NS2a	<5	0.05	0.05	0.05	0.05	0.05	0.05	<50	0.16	0.14	0.14	0.15	0.15	0.15
NS2b	<5		0.04	0.04	0.05	0.04	0.04	<50		0.14	0.14	0.14	0.15	0.15
NS3a	<5	0.05	0.05	0.05	0.05	0.05	0.05	<50	0.14	0.14	0.15	0.15	0.15	0.15
NS3b	<5	0.04	0.04	0.04	0.04	0.05	0.05	<50	0.14	0.14	0.14	0.14	0.15	0.15

SRS Zone Pushes

These figures show the average time taken from the point that the first Primary begins the zone push to the time that the last of the secondary's acknowledges that it is up to date.

Measurement	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sept 09
Average Time (sec)	168	167	61	55	54	41

2. .nz Policies and Procedures

- A consultation on the possible introduction of additional .nz search functionality commenced in August and goes until 27 October 2009. At the time of writing, four submissions had been received. The consultation paper and submissions can be seen at <http://www.dnc.org.nz/additional-search>.

3. Registrar Authorisation and Connection

Registrars authorised	72
Registrars connected	70

4. Other .nz matters

- DNCL has joined www.complaintline.org.nz. This site contains information on a range of organisations offering complaint handling, or dispute resolution services.
- Three months of the awareness of .nz campaign are now completed. Over the past three months ads have appeared online at NZ Herald, Stuff, ffunnell sites (Scoop, Geekzone, Kiwiblog, Public Address and Pundit), Flossie, MetService and MSN. Over this time nearly 8,000 clicks on the ads were measured, with an average click through rate of 0.24 which is a very positive result. Details of the results of specific sites will be analysed to decide on the most effective sites for ongoing advertising.

5. Dispute Resolution Service

	Jan 09	Feb 09	Mar 09	Apr 09	May 09	June 09	July 09	Aug 09	Sept 09
Valid Complaints Received	3	6	5	3	5	3	2	3	7
Pre-mediation settlement	2	1	0	2	1	1	1	2	1
Sent to Mediation	2	1	2	1	2	2	1	2	4
▪ Settled at Mediation	0	1	2	0	0	1	0	0	0
Referred to Expert	1	1	1	1	0	0	3	1	4
▪ Transferred	2	1	1	0	1	0	3	2	0
▪ Dismissed	0	1	0	0	0	0	0	0	0
Withdrawn	2	1	3	0	4	1	1	2	2

As at the end of September, there were 14 disputes progressing through the .nz DRS.

6. DNC Office

- Paul McKitrick started with the office early September. Paul's role as Manager Compliance and Security is a new position for the office although it incorporates the functions of the previous Compliance Officer.

Joy Liddicoat
Acting Chair, DNCL

Appendix 1

	31 Oct 08	30 Nov 08	31 Dec 08	31 Jan 09	28 Feb 09	31 Mar 09	30 Apr 09	31 May 09	30 Jun 09	31 Jul 09	31 Aug 09	30 Sept 09	Creates September 2009	Renewals September 2009	Net Change Aug/Sept 2009
.ac	1,646	1,654	1,662	1,656	1,680	1,665	1,639	1,651	1,650	1,676	1,691	1,703	34	345	12
.co	299,555	299,318	299,986	300,919	302,527	304,330	306,376	308,959	312,424	315,703	319,397	322,888	8004	60864	3491
.cri	16	15	15	15	15	15	15	15	15	15	15	15	0	3	-
.geek	861	860	865	875	870	873	867	868	877	887	905	912	20	207	7
.gen	1,201	1,205	1,211	1,211	1,206	1,204	1,202	1,213	1,216	1,219	4	45	18	294	41
.govt	977	978	979	982	985	988	988	990	992	996	1,236	1,239	5	915	3
.health	0	0	0	0	0	0	0	0	3	4	1,000	1,005	41	0	5
.iwi	64	65	64	65	65	67	68	69	69	69	69	69	0	13	-
.maori	523	520	534	531	535	544	539	550	560	568	565	569	15	112	4
.mil	17	17	16	16	18	18	20	20	21	21	22	22	0	4	-
.net	20,330	20,286	20,299	20,300	20,266	20,336	20,451	20,499	20,613	20,774	20,931	21,127	541	4101	196
.org	20,180	20,225	20,309	20,407	20,454	20,545	20,746	20,844	21,017	21,192	21,321	21,565	478	4167	244
.parliament	5	5	5	5	5	6	6	6	6	7	7	7	0	7	-
.school	2,811	2,821	2,824	2,820	2,838	2,839	2,862	2,875	2,886	2,900	2,921	2,933	25	1232	12
Total	348,186	347,969	348,769	349,802	351,464	353,430	355,779	358,559	362,349	366,031	370,084	374,099	9,181	72,264	4,015

Council
InternetNZ

Monthly .nz report – for October 2009

NZRS have produced their monthly report for October 2009. Selected information is taken from their report for inclusion here. Copies of the NZRS report are available on request.

1. Statistics

- The level of active .nz domain names increased from 374,099 to 377,341. An increase of 3,242.

A table showing net growth over the last 12 months is shown in Appendix 1.

	30 Sept 09	31 Oct 09	Creates	Renewal	Net Change
.ac	1,703	1,716	31	340	13
.co	322,888	325,743	7250	60649	2855
.cri	15	15	0	3	-
.geek	912	926	21	198	14
.gen	1,239	1,242	15	305	3
.govt	1,005	1,014	10	920	9
.health	45	74	29	0	29
.iwi	69	69	0	16	-
.maori	569	567	20	84	-2
.mil	22	22	0	4	-
.net	21,127	21,268	422	4114	141
.org	21,565	21,738	386	4225	173
.parliament	7	7	0	7	-
.school	2,933	2,940	27	1173	7
Total	374,099	377,341	8,211	72,038	3,242
Growth over previous month	4,015 1.1%	3,242 0.9%			

Registry Performance

- **SRS % Availability and Performance**

Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sept 09	Oct 09
99.99	100	99.96	99.92	99.99	99.95	99.95	100	100	99.58	99.98	100

Outages during month greater than 5 minutes: Nil

Transaction	Average Response Times (in seconds)		
	As per SLA	October 2009	Av last 12 months

Domain Details Query	0.5	0.05	0.04
Domain Update	0.8	0.33	0.36
Domain Create	0.8	0.39	0.41
Get Message	0.5	0.05	0.04
WHOIS	0.5	0.09	0.11
UDAI Valid Query	0.5	0.12	0.14

▪ **DNS % Availability and Performance**

Server	% Availability										
	Dec 08	Jan 08	Feb 08	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sept 09	Oct 09
NS1	100	100	100	100	100	100	100	100	100	100	100
NS2	100	100	100	100	100	100	100	100	100	100	100
NS3	100	100	100	100	100	100	100	100	100	100	100
NS4	100	100	100	100	100	100	100	100	100	100	100
NS5	100	100	100	100	100	100	100	100	100	100	100
NS6	100	100	100	100	100	100	100	100	100	100	100
NS7	100	100	100	100	100	100	100	100	100	100	100

Performance Stress Testing

Measurements are in milliseconds.

	UDP	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	TCP	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09
NS1	<5	0.04	0.04	0.05	0.04	0.04	0.05	<50	0.14	0.15	0.16	0.15	0.15	0.16
NS2a	<5	0.05	0.05	0.05	0.05	0.05	0.05	<50	0.14	0.14	0.15	0.15	0.15	0.16
NS2b	<5	0.04	0.04	0.05	0.04	0.04	0.04	<50	0.14	0.14	0.14	0.15	0.15	0.15
NS3a	<5	0.05	0.05	0.05	0.05	0.05	0.05	<50	0.14	0.15	0.15	0.15	0.15	0.16
NS3b	<5	0.04	0.04	0.04	0.05	0.05	0.05	<50	0.14	0.14	0.14	0.15	0.15	0.16

SRS Zone Pushes

These figures show the average time taken from the point that the first Primary begins the zone push to the time that the last of the secondary's acknowledges that it is up to date.

Measurement	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sept 09	Oct 09
Average Time (sec)	168	167	61	55	54	41	42

2. .nz Policies and Procedures

- A consultation on the possible introduction of additional .nz search functionality commenced finished on 27 October 2009. Seven submissions were received and those, along with the consultation paper, can be seen at <http://www.dnc.org.nz/additional-search>. A paper summarising the submissions and recommending future actions will be presented to the next DNCL Board meeting.

- Consultation commenced on the review of the Second Level Domains Policy. Submissions will be published as received at <http://www.dnc.org.nz/2LD-review09> with the consultation closing 27 January 2010. At the time of writing this report, two submissions had been received.

3. Registrar Authorisation and Connection

Registrars authorised	72
Registrars connected	70

4. Other .nz matters

As part of the awareness of .nz campaign, a “thought piece” about portability of email by using your own domain name was written. The target audience is primarily small businesses that often have a domain name but use their ISP’s email address for communication. The first one published was in the NZ Herald in October and lead to a number of emails being received by the office.

5. Dispute Resolution Service

12 valid complaints were received in October, among these were six complaints from the same Complainant, disputing 22 domain names. The registrants of these domain names had taken steps to make them procedurally difficult to dispute and did not lodge formal Responses, however these disputes were privately settled and transferred in November.

Four complaints were referred to mediation. One dispute was resolved at mediation, with the domain name being transferred to the complainant.

Three disputes were referred for Expert Decisions and four decisions were received instructing transfers of the domain names to the Complainants.

As at the end of October, there were 17 disputes progressing through the .nz DRS.

6. DNC Office

- The DNC attended the ICANN meeting in Seoul, Korea. A joint travel report on the ICANN meeting is being prepared by all InternetNZ Group attendees.

Joy Liddicoat
Chair, DNCL

Appendix 1

	30 Nov 2008	31 Dec 2008	31 Jan 2009	28 Feb 2009	31 Mar 2009	30 Apr 2009	31 May 2009	30 Jun 2009	31 Jul 2009	31 Aug 2009	30 Sept 2009	31 Oct 2009	Creates October 2009	Renewals October 2009	Net Change Sep/Oct 2009
.ac	1,654	1,662	1,656	1,680	1,665	1,639	1,651	1,650	1,676	1,691	1,703	1,716	31	340	13
.co	299,318	299,986	300,919	302,527	304,330	306,376	308,959	312,424	315,703	319,397	322,888	325,743	7250	60649	2855
.cri	15	15	15	15	15	15	15	15	15	15	15	15	0	3	-
.geek	860	865	875	870	873	867	868	877	887	905	912	926	21	198	14
.gen	1,205	1,211	1,211	1,206	1,204	1,202	1,213	1,216	1,219	1,236	1,239	1,242	15	305	3
.govt	978	979	982	985	988	988	990	992	996	1,000	1,005	1,014	10	920	9
.health	0	0	0	0	0	0	0	3	4	4	45	74	29	0	29
.iwi	65	64	65	65	67	68	69	69	69	69	69	69	0	16	-
.maori	520	534	531	535	544	539	550	560	568	565	569	567	20	84	-2
.mil	17	16	16	18	18	20	20	21	21	22	22	22	0	4	-
.net	20,286	20,299	20,300	20,266	20,336	20,451	20,499	20,613	20,774	20,931	21,127	21,268	422	4114	141
.org	20,225	20,309	20,407	20,454	20,545	20,746	20,844	21,017	21,192	21,321	21,565	21,738	386	4225	173
.parliament	5	5	5	5	6	6	6	6	7	7	7	7	0	7	-
.school	2,821	2,824	2,820	2,838	2,839	2,862	2,875	2,886	2,900	2,921	2,933	2,940	27	1173	7
Total	347,969	348,769	349,802	351,464	353,430	355,779	358,559	362,349	366,031	370,084	374,099	377,341	8,211	72,038	3,242
Growth over previous month	-217	800	1,033	1,662	1,966	2,349	2,780	3,790	3,682	4,053	4,015	3,242			
variance against budget#	-4,717	-3,700	-3,467	-2,838	-2,534	349	780	1,790	1,682	2,053	2,015	1,242			

#For 2008/09 FY budget was 4,500 net growth per month, from 1 April 09 budget is 2,000



December 2009

InternetNZ Council

DNCL Budget 2010/2011

Attached, as Appendix 1, is the high level draft budget for Domain Name Commission Limited for the 2010/2011 financial year. It includes some of the key assumptions in setting the budget.

Please note that this budget has been formally agreed to by the DNCL Board. If changes are made that impact on any of the assumptions it is likely that they would result in a decrease to the overall budget.

We look forward to receiving confirmation of the dates that DNCL will receive key documents such as the Statement of Expectation and also confirmation of dates that the various reporting requirements to Council are needed for next year so we can ensure we meet our obligations to you.

If you have any questions on the budget please let me know. I will be happy to address any questions at the Council meeting on 11 December.

Joy Liddicoat
Chair, DNCL

Budgets for the 2010/2011 financial year

Assumptions

- All financial amounts exclude GST
- Interest rates will stay relatively low
- DNCL continues to contribute to shared expenses (excluding rent) at the rate of two thirds of the total expense to InternetNZ
- DNCL continues to cover the costs of attendance of two people (one DNCL and one InternetNZ) at each ICANN and APTLD meeting
- DNCL will set its management fee with NZRS at a level to ensure the current contingency fund of around \$600,000 does not increase significantly
- Demand for the Dispute Resolution Service will not change.

	Mar 10 Budget \$	Mar 10 Forecast \$	Mar 11 Projected \$
INCOME			
Management Fee	1,150,380	1,150,380	1,207,899
Authorisation Fees	6,000	12,000	9,000
DRS Complaint Fees	32,400	30,600	32,400
Interest	42,000	12,000	12,000
Total	1,230,780	1,204,980	1,261,299
EXPENSES			
Staff and Office Costs	662,165	746,041	619,780
Professional Services and Communications	220,500	194,050	193,000
Dispute Resolution Service	122,200	101,400	104,600
DNCL and DNC activities	105,000	82,700	115,900
International	215,000	188,102	250,000
Total	1,324,865	1,312,293	1,283,280
Capital expenses	4,208	4,628	9,367
Gross profit/loss	-98,293	-111,941	-31,348

ICANN 39 Seoul 2009 Report

Author: Richard Currey, Jay Daley, Keith Davidson, Donna Hiser, Debbie Monahan

Status of Paper: Final

Purpose of Paper:

To appraise Council of the key international issues discussed at the recent ICANN meeting and their relevancy to .nz and the wider arena of Internet governance.

Background:

This meeting was attended by Richard Currey, Jay Daley, Keith Davidson, Donna Hiser and Debbie Monahan on behalf of InternetNZ and Frank March on behalf of MED. This report is a jointly written executive summary from the InternetNZ attendees, replacing the previous individual reports. A more detailed report of session notes and analysis is kept on the internal wiki for operational use.

Country Code Name Supporting Organisation (ccNSO)

This is the most important part of the meeting for us operationally because of our great responsibility in managing .nz. It is in this forum that most of the issues identified below are presented and discussed.

For the TLD-only portion, this meeting focused on the varying approaches ccTLDs take to marketing their TLD, with a wide set of presentations from ccTLDs on marketing campaigns and strategies that they had run.

We continue to be very active in this arena, holding positions in a number of working groups and contributing extensively to the debates:

- Keith chaired the Delegation and Re-delegation working group.
- Debbie presented on the ".nz is our home" campaign.
- Jay was appointed IANA liaison for the technical working group.

Affirmation of Commitments (AoC)

This is the new concordat between the US Government and ICANN, replacing the previous Joint Project Agreement (JPA) on 30 September 2009. The AoC allows ICANN increasing independence from the US Government and sets out specific requirements for reviewing ICANN governance and operations, formalising the role of the Government Advisory Committee (GAC) as first among equals of the various ICANN advisory constituencies.

The AoC has generally been well received in the community and long established members are now manoeuvring for positions in the various review teams. The ICANN board has instructed their staff to create a strawman structure for ongoing development by the board leading to a consultation model at the Nairobi ICANN meeting in March 2010.

ICANN Governance

A large number of long term ICANN contributors on the Board, Supporting Councils and Liaisons retired at this meeting. Also retiring were a number of long term Generic Names Supporting Organisation (gNSO) Council retirees, following the restructuring of that Council.

New board appointments were made by the ICANN nominating committee. Whilst no NZ candidates were selected, there was general agreement from attendees that the nominating committee was doing its job well.

Peter Dengate Thrush was re-elected as Chair of ICANN for the forthcoming year. Dennis Jennings elected as vice-chair.

The ICANN board is generally viewed as more of a working group than a governance body, with members having to contribute up to 25 hours a week to fully participate, despite receiving no compensation for this work. A board review working group is due to present a final report in January 2010 but a number of changes have already been made as the Chair attempts to change it to a standard governance body. InternetNZ has made strong recommendations that board members should be remunerated as soon as possible to increase the diversity of the board.

ICANN have issued a Strategic and Operational Plan for consultation and are increasingly focusing on surveys to check the fit for purpose of their plans. At the same time, there is an increasing level of transparency into their finances, giving the overall impression that ICANN is becoming a normal professional organisation.

ICANN CEO meeting

Keith was able to broker a meeting for the .nz delegation to meet with the new ICANN President and CEO Rod Beckstrom. We have formerly met with the ICANN President on an annual basis at the anniversary of our signing an exchange of letters with ICANN, as our annual financial contribution is payable at this time, and we have used the opportunity to critique ICANN's performance on a year by year basis.

On this occasion we were significantly supportive of ICANN's progress, particularly in relation to the Country Code Top Level Domains (ccTLD) community, and most particularly with the moves by ICANN to enable the Fast Track Internationalised Domain Names (IDNs) for ccTLD's. We were also complimentary on the achievement of the AoC between the US Government and ICANN, establishing greater autonomy for ICANN going forward.

Our only criticism was the fact that the ICANN board members are still not financially compensated for their time, and while the board review recommended that directors fees be introduced, ICANN has wanted to stall its introduction to take legal and accounting advice on this issue. Our recommendation was that ICANN should immediately offer voluntary payments to directors, and leave it to the directors to seek their own legal and financial advice before opting to receive payments.

Fast track IDNs for existing ccTLDs

This is a long standing policy proposal, finally agreed at this meeting, that provides a fast track mechanism for countries to request a TLD for the name of their country in a local non-ASCII script. It has been the subject of a strong debate on how much ICANN can impose restrictions and how much this is a moral duty for them to deliver multi-language/script support.

ICANN board approval of the ccTLD IDN Fast track and instruction to staff to proceed with deployment, was met with cheers and tears by many in the audience. This brings an end to more than 9 years of work on the politics, policies and technical development, and sees IANA enabled to start inserting non-ASCII domains into the root.

There is a lingering issue over the continuing "special treatment" of ccTLDs in getting this passed long in advance of a policy for new generic TLDs (gTLDs), which is where such TLDs as a Chinese language version of .com will be processed. This is particularly heightened by perceived disparities in the funding ICANN receives from ccTLDs compared to gTLDs.

Questions remain as to how the IDN ccTLDs will be implemented - will they mirror existing TLDs, will the ASCII operator also run the IDN ccTLD, what is the minimum allowed length (some ideographic scripts use a single character for a country name), and how will they technically be deployed.

New gTLDs

This is a policy still in development, but with the publication of the third version of the Draft Applicant Guidebook (DAG) is closer to completion.

Almost all the commercial activity at ICANN, such as the exhibition space, sponsored events and the like, are driven by new gTLD business. There are several groups present pushing for their particular name and even more companies offering registry services for them.

The major issues for new gTLDs are:

- Should the current enforced market separation between registrars and registries continue? Many registrars have a much bigger infrastructure than most TLDs and so can easily step up to be registries but are currently forbidden.
- How will intellectual property be protected in the new gTLDs. There was extensive discussion of a report by an IPR review team set up by ICANN, whose recommendations have been highly divisive.
- Should there be a special process for "public good" TLDs that cannot afford the application fee?
- Is an auction the best way to deal with competing bids for the same domain?

Strategically, new gTLDs may have a significant impact on us, because:

- The new gTLDs will operate within a much tighter accreditation process than has gone before and it can only be a matter of time before that is applied, in part or in full, to existing TLDs.
- The new gTLDs will provide a choice to the average registrant that is an order or two of magnitude greater than they have now, possibly adversely impacting .nz sales.
- Registrars will become increasingly selective as to what TLDs they offer.
- A few of the new gTLDs will introduce novel ways of using DNS, much the same as .tel has already done.

Security

Security continues to be a major theme, with the increasing impact of Greg Rattray, the new Chief Information Security Officer for ICANN, and of course the background of Rod Beckstrom as the first US Government Cyber Czar.

Shortly before the meeting, ICANN announced plans to sign the root and fully implement DNSSEC by July 2010. There were a number of sessions where their plans were explained and reviewed.

The other areas of interest were:

- The Security and Stability Advisory Committee (SSAC) continues to make very strong recommendations to ban redirection and synthesis within TLDs, which is the practice of generating a false answer to a DNS question in order to 'provide a service' to Internet users.
- The DAG contains a new section for High Security Zones, which proposes some form of 'Gold Standard' accreditation for new gTLDs that apply.
- The DAG also contain a number of requirements for applicants to demonstrate how they will deal with malicious conduct.
- ICANN, bullish from the success of the Conficker response, is looking to establish a DNS CERT, though this potentially over-estimates their role in the Conficker response and under-estimates the role of existing organisations in this space, such as OARC, whom we are already heavily involved with.
- A number of key staff have moved over to the security side, including lawyers.

On a related note, there was a report from the consultants appointed to look at Root Zone Stability. Their recommendation was that the root can easily accommodate a few hundred more TLDs over the next 2/3 years and possibly much more as there was no sharp limit. However they did recommend not making too many changes at the same time, which may yet cause some hold ups as a number of big changes - more zones, IDNs and DNSSEC are all planned to happen concurrently.

Supporting developing countries

We continue to use ICANN meetings to further the objectives of the society by supporting developing TLDs as they either establish or modernise their TLD, Internet Exchanges and supporting organisations.

Report to InternetNZ Council Meeting of 11 December 2009

Status: Final

Author: Keith Davidson, External Relations

International Activities

1. ICANN & APTLD Seoul Meetings

Staff have agreed that all individual trip reports be combined and a single executive summary be produced for Council. The ICANN meeting attendees will be present collectively at the Council meeting to discuss the combined executive summary report.

The APTLD meeting report is also encapsulated into the ICANN report.

2. IETF Hiroshima

Please find attached a copy of my trip report to the IETF meeting, which I visited primarily to investigate the potential for hosting a meeting in New Zealand. Holding an international technical meeting in NZ frequently has been an aim of InternetNZ's over many years, as part of our obligations to the local technical community. It was useful to also attend the ISOC Advisory Committee meeting held in conjunction with the IETF meeting and my report on this meeting is also attached.

3. IGF Sharm el-Sheikh

Please find attached a summary of my report on the 2009 Internet Governance Forum. I have included the following recommendations at the conclusion of that report.

4. Pacific Islands

Tsunami Relief

I understand Richard Currey is reporting on the small programme involving InternetNZ, 2020 Communications Trust and other organizations who are seeking to provide a rebuild of some of the Internet links and tele-centres particularly in Samoa which lost 3 or 4 of these during the tsunami. I would like to record my thanks to Council for its support of this project, as part of re-building connectivity lost in this disaster.

PacNOG / NZNOG

I had intended offering some of the PIP funding for attendance fellowships to the November PACNOG Fiji event and the NZNOG, but it seemed the tsunami relief project was of greater priority, so held back on offering fellowships in order to preserve budget.

I am currently promoting the PIP fellowship opportunities for these events on PI mailing lists.

Linux.conf.au

The organizers of the Linux conference have done a great job of advertising the fellowships available through both InternetNZ and Google's sponsorship of this event. There were 7 applications from Pacific Island techies to attend, and between the conference organizing group and myself, we agreed that only 3 of these applicants were of sufficient technical standing to gain positively from attendance, and negotiations with the three are continuing in the hope that all three will be able to attend this event in Wellington in January.

5. IPv6 Summit Australia

The Australian IPv6 summit occurs next week, from 7th to 10th December in Melbourne. I am attending, to continue to foster close working relationships between the Australian and NZ IPv6 Steering Groups, and harmonization of activities where possible. I will report outputs from this meeting to the next Council meeting.

6. Future International Meetings

My scheduled international meetings for the remainder of the current financial year include the following trips:

- APRICOT/APTLD/APNIC, Malaysia 1 – 3 March 2010
- ICANN Kenya 6 – 12 March 2010

The 2010 / 2011 meeting schedule looks much more coherent than recent years, especially with APTLD seeking to co-ordinate its meetings either immediately before or immediately after the forthcoming ICANN and IGF meetings which are scheduled for Europe in mid and late 2010.

7. Gordon Cook

The group including Frank March, Richard Currey, Jordan Carter, David Farrar and I continue working to see if we can finalise details to enable Gordon to visit NZ in late February / early March 2010.

Local Activities

Having been out of the country for a considerable period I have not been particularly active regarding local activities, except for the Linux conference which is of greater urgency.

Paul McKittrick from the DNC office has continued negotiations with the Kiwicon event organizers for the small InternetNZ sponsorship for this event. I hear from a couple of sources that the event, which was held last weekend, was useful and enjoyable.

NZNOG will be the other priority on my local activities list in the next two months, both in terms of our sponsorship of the event, and in preparation of the regular InternetNZ session at the NOG meeting.

Keith Davidson
3 December 2010

ISOC Advisory Council Meeting Hiroshima – 8 Nov 2009

Welcome and Introductions

Drew Dvorshak, from ISOC and Nick Trio, ISOC AC Co-chair chaired the meeting.

Around 40 attendees in person, and a couple of online as well.

Trust & Identity Presentation

Lucy Lynch, Director Trust & Identity and Representative from Kantara-JP

www.kantarainitiative.org. Kantara replacing Liberty Alliance. Is a multistakeholder alliance, membership based model for collaborative development, working in conjunction with ISOC. 3 types of membership. Any contributions require assigning copyright through IPR.

Governance board and a Leadership Council work bi-cameral for pure admin vs pure development. Council runs a number of WGs to do the work, may be partly IETF or W3C. Staff paid through membership fees. Mandate is “Bridging and harmonizing the identity community with actions that will help ensure secure, identity-based, online interactions while preventing misuse of personal information so that networks will become privacy protecting and more natively trustworthy environments”. WG’s include Privacy & Public Policy WG, Incubation occurs in discussion groups, transitions to WG, and upon a WG resolution, becomes the Kantara policy or process. Around 6 discussion groups and similar number of WG’s. Incidentally, Colin Wallis from NZ Govt was chairing on identity management WG.

Seeking to find cross border and regional options acceptable to Governments for “open ID”. US Government not keen. Many Governments and even local government bureau’s are working on their own solutions, but this is a fragmented approach.

Bandwidth Management on the Internet

Mat Ford, Technology Program Manager, ISOC

Mat will provide an overview of issues relating to bandwidth management on the Internet; ISOC will host a panel on bandwidth issues on Tuesday, 10th

44 Exabytes of IP traffic per month predicted in 2012, and growth seems to be about 45% per annum since 2005. Looking at ramifications of congestion, following the brownouts in the 1980’s and 1990’s. There are predictions of some gloom and doom, and ISOC actively looking at how it might be able to manage as bandwidth expectations increase. Probably 90% by volume of traffic is TCP. 1% of users using 40% of capacity etc, where flat rate DSL connectivity occurs. Assumed that 90% of all traffic will be video within a couple of years. So the tendency is for congestion to occur at the edge and there seems to be little expectation of congestion at the core with current backbone fibre deployment plans. P2P traffic is declining as a % of overall traffic, and video and other web2.0 causing the expansion. Real requirement is for measuring at IX exactly what is happening on networks.

Real-Time Task Force (R3TF)

Arnoud van Wijk, Director Real-Time Task Force

Arnoud will discuss communication via real-time text in comparison to audio and video and the R3TF protocol Presentation:

Foundation Real-Time Text Taskforce www.realtimetext.org

Seeking to create a technological solution for converting conversation to text and vice-versa, in real time, for example to assist people with hearing and / or speaking difficulties.

Next Meeting - IGF Issues Briefing and Discussion Forum, 14 November 2009

To coordinate ISOC’s position relating to the IGF – I will be travelling so wont be able to attend.

ISOC would like more AC discussion and input on DNSSec.


Attendees want regular updates from PP WG's e.g. Copyright group.

Discussion on whether ISOC should find a position on new gTLD's, IDN's etc. Quite a bit of discussion around the politics of IDN's and especially the fact that ccTLDs have a fast track whereas the gTLDs don't.

Future Advisory Council Meetings/Activities

Next AC Meeting, Anaheim, 26 March 2010

IETF Meeting Hiroshima 7 – 12 November 2009

	<p>The 76th Internet Engineering Task Force meeting was held in Hiroshima in November, and I took advantage of the opportunity of attending my first ever IETF meeting as it closely following the ICANN Seoul meeting and preceding the IGF Egypt meeting.</p> <p>The IETF meets 3 times a year, with meetings historically concentrated in North America, and some regional meetings. The IETF, along with the Internet Architecture Board are run under the auspices of ISOC.</p> <p>As can be seen by the sign I photographed, at left, it is obviously a meeting of engineers, for although the sign contains significant and accurate data, it is somewhat meaningless to attendees, and utterly irrelevant to non-attendees...</p> <p>The main meeting runs from Sunday through to Thursday, but as with ICANN meetings, there are many lead-in and related meetings convened in the 2 or 3 days leading up to the meeting proper.</p> <p>The local host for Hiroshima was the WIDE project, which includes many of our Japanese friends from JPRS and JPNIC, and associated academic institutions and businesses in a collaborative venture. Professor Jun Marai, one of the inaugural ICANN directors, and often referred to as the father of Japan's Internet leads this project, and I was fortunate to be able to have dinner with him during the course of the week.</p>
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The local hosts went well beyond the requirements set on a local host, and as a result Internet connectivity, social events and entertainment were incredible, as was the friendliness and willingness of the WIDE to assist the non Japanese speaking attendees.

While I did attend some of the sessions at the event, it struck me that these meetings require very careful planning and preparatory work. In most areas for the development of technical standards, the work is divided down into working groups on component streams, who do significant drafting work and consensus building between meetings, and use the meetings to review, and to ensure that the individual workstreams remain capable of coalescing into a useable technical standard. There is a very low tolerance of participants who have not studied the drafts in detail prior to the meeting, As councilors will be aware, as technical standards are agreed, they proceed through to a "request for comment" editing process, with

the published RFC becoming the generally accepted technical standard. There continues to be a substantial body of work being completed on subjects related to the DNS and on the IPv6 protocol.

I was a little surprised at the number of ccTLD registry technical staff are participating in this forum, and even more surprised that many ccTLD regulatory staff also participate. As far as I am aware, .nz has not previously been particularly active, but I assume with Jay Daley, as a frequent IETF attendee in the past, that our participation will increase, especially with Sebastian from NZRS participating at the Hiroshima meeting. A common theme of comment from the ccTLD participants is that unless you participate in the establishment of the technical standards, you should not be surprised if you get standards that are not appropriate, especially for the operation of the DNS. It also appears that ccTLD participation has been increasing steadily only in recent years.

The ISOC and IETF event management is also very slick. Hardly surprisingly the provision of Internet and other technical services are supremely efficient. There are some interesting developments also, for example, having a bar code on your name tag, so when you stand at the microphone a barcode scanner reads your name and publishes it on the overhead. An interesting experiment in using RFID technology was also undertaken during the week.

I met with the meeting co-ordination staff from both IETF and ISOC, and am most impressed with their processes and systems for evaluating meeting and hotel venues for future meetings, and their planning and management of the entire process. It is a considerably enhanced process compared to, for example, the harrowing experiences we had with the hosting of ICANN Wellington in 2006. The local host is less exposed to risk under the IETF requirements, and can plan their hosting with greater financial certainty. Essentially, the local host is responsible for recommending a venue and hotels for the hosting of the event, and IETF then negotiates directly with the venue and hotels. The local host makes a donation to ISOC in lieu of payments for venue rental. IETF picks up all costs for refreshments during the conference days, and participants are expected to purchase their own main meals. A similar approach applies to the welcome ceremony and social event, the only two requirements for entertainment for participants. Again the IETF contracts with the local provider/s and the local host makes a donation to ISOC as compensation. The local host is also responsible for providing Internet connectivity, with a minimum 100 Meg connection required, for the venue and if possible to the 3 or 4 contracted hotels. The IETF provides all the audio visual and other technical services, all the registration system for delegates etc.

I also met with the local hosts' organizer, who I have met in the past, and he verified that the IETF and ISOC meeting organizers are true to their word, and are extraordinarily efficient in attending to their aspects of the meeting functionality and organization.

Dr Brian Carpenter and I had, several months ago, paid a site visit to the Sky City Convention Centre and hotels to check its suitability for hosting an IETF. It is, in my opinion, the only venue that is sufficiently sized and capable of hosting within NZ.

Should InternetNZ be interested in hosting an IETF meeting some ballpark financial calculations would be as follows:

- Venue donation	US\$100,000	(InternetNZ)
- Social events	US\$ 50,000	(another local sponsor)
- 100 meg bandwidth	\$???:	(another local sponsor)

I would also think that there would be perhaps 4 to 6 weeks work for the local host in the time leading up to, and during the meeting, and it would also be most useful to have as many staff and volunteers involved to help in the hosting and socializing with the IETF participants. There would probably be a requirement for a couple of InternetNZ'ers to attend the preceding IETF meeting to promote the NZ event as well.

I would also think that perhaps up to 150 – 200 New Zealand techies would participate in the IETF if it were hosted in NZ, and that several of those would continue to pursue activities with the IETF into the future.

The next possible IETF meeting that InternetNZ could host would be the July 2012 conference. Both Sydney and Melbourne have expressed interest in hosting, but the interest is from the local tourist offices, and they do not have any Internet related organizational support, so an application from INZ could possibly be favoured. The actual attendance number in Hiroshima was 1,136 people, who through the registration process booked 840 hotel rooms. Only around 600 attend the social event, and there is a US\$40 cover charge on attending. While July is not an ideal time to showcase New Zealand, it would nevertheless be a useful opportunity for the NZ technical community to be exposed to the lead agency in the development of the Internets technical standards.

IGF Meeting – Sharm el-Sheikh, 15 – 19 November 2009

This was the 4th meeting of the Internet Governance Forum. I did not attend last year's meeting in India, but certainly compared to the first meeting in Athens, and the second in Brazil, this was a more useful and better developed forum for discussion. There were around 1,500 attendees, and a reasonably balanced representation from Government, civil society and business. For the first time there was a reasonably large NZ contingency attending, with Frank March, Liz Butterfield, Peter Dengate Thrush and myself attending. A very good number of ccTLD's were represented, and many had substantial numbers attending, for example Nominet had around 7 or 8 staff, some board representation, and also sponsored four UK Members of Parliament to attend. I think more than 50 ccTLD's were represented, and also a considerable number from the ICANN community including root server operators, regional internet registries, security and stability technical adviser, ICANN board and staff etc. ISOC board, staff and members were present in large numbers and were a significant voice in representing civil society.

The International Telecommunications Union (ITU) is the United Nations (UN) lead agency on ICT issues, and was the convener of the four year "World Summit on the Information Society" (WSIS) project, which was the founding process for the establishment of the IGF. The IGF is a more open process than the normal UN / ITU practice of being a relatively "closed shop" for Governments to develop policy. The IGF considers itself to be a multi-stakeholder model, and is somewhat less Government-centric than the UN / ITU models. The agenda for the meeting is developed by a Multi-Stakeholder Advisory Group (MAG) which comprises a mix of Government and non-Government representatives, and INZ President Frank March has been an appointee to this group during the year. The MAG calls for bids from people and organizations who wish to run workshops and panel discussions, and then seeks to build an agenda that can cover off as many divergent opinions as possible.

The IGF is an intensely political forum, more particularly now that as well as its mandated four key themes of access, diversity, openness and security have grown to include "critical Internet resources (CIR). This last topic consumed a considerable portion of the agenda in Egypt. It remains obvious that the ITU still wishes to usurp the ICANN model, and is seeking to take control of ICANN's functions. The ITU often refers to this aspect as "enhanced co-operation", which is essentially double-speak for their desire to wrest some level of control over some or all of ICANN's functions. In particular the theme that emerged through the workshops and panel discussions at this meeting were the concept of the ITU being allocated some IP address space, in order to provide competition with the Regional Internet Registries (RIR's) such as APNIC etc. Furthermore, the ITU was asserting that where Governments are not involved in the operation and management of their ccTLD's, they should more strongly assert themselves or take over the operation of the ccTLD as it is only Governments who can properly undertake this role. So for the ccTLD's that remain at friendly arms length from their Government, like .nz, the challenge is to convince attendees that there are no "one-size fits all" solution, and that there are good and bad examples of ccTLD management both for Government and non-Government run ccTLD's. With the ITU having convened a large number of workshops and panel discussions on these topics, it was very much a recurring theme. Furthermore, although the ccTLD community, ICANN and ISOC had also convened a large number of workshops and panel discussions, it appeared that the ITU and UN folks generally avoided attending or participating in these events, and even more noticeably, tended to encourage those Governments who they had sponsored attendance for, to also avoid these sessions. In previous IGF's it was also quite easy to strike up "hallway" conversations with representatives from these Governments,

but this was not so easy this year, as it appeared that these folks were generally kept under a watch to see they didn't overly associate with the riff-raff.

There was considerable misinformation presented during many of the workshops, which continues to be of concern to the ICANN and especially the ccTLD community, and too many civil society representatives. However there are also many useful threads of emerging issues on an extremely broad front of public policy in the IGF's key areas of access, diversity, openness and security. A good many of the workshops covered aspects of DNS Security, digital divide, filtering for illegal content, copyright infringement, last mile broadband deployment and many other topics that are of significance to InternetNZ. Many of these workshops have some world renowned presenters (e.g. Sir Tim Berners Lee, Jerry Yang (co-founder of Yahoo) who offer stimulating ideas and concepts for consideration. **I would suggest that the IGF is becoming a compulsory attendance forum for InternetNZ policy and advocacy staff** as a result, to both seek to explore public policy ideas at a grass roots level, and to develop networks and contacts with key actors in the global Internet arena.

One of the critical aspects of this IGF meeting was to discuss the future of the IGF, as it was initially mandated to run for five years, with 2010 being the final mandated meeting. The overwhelming opinions expressed during the workshop on this topic was to continue with the forum into the future, and perhaps a little surprisingly, most advocated that the format remains as it is, with very few speakers suggesting it become a decision making body, and even fewer seeking to have it scrapped altogether.

The meeting was opened by the Prime Minister of Egypt Dr Ahmed Nazif, and a special session on "preparing the young generation for the digital age" was presided over by the first lady of Egypt, Suzanne Mubarak. A full summary of the meeting can be found through the links at www.intgovforum.org and the Chairman's summary at www.intgovforum.org/cms/2009/sharm_el_Sheikh/Chairman_Summary.18.11.2009_1700.doc provides an interesting summary of the event.

In discussions with many during the IGF, it is apparent that the ITU will be focusing its attention on seeking developing countries support for its objectives. Being mindful of this, InternetNZ should be more proactive in seeking to establish an Oceania based regional Internet Governance Forum.

Keith Davidson
3 December 2010

Full report title: Chief Executive's Report

Author: Richard Currey

Status of Paper: Final

Purpose of Paper: To provide an update on the activities of InternetNZ

Key Activities:

The key activities during the last 2 months have been:

- Submissions:
 - TSO reform,
 - Rural Broadband initiative
 - Electoral Finance Reform
 - Telecom Wholesale Loyalty
 - Facilitating the deployment of Broadband Infrastructure
- 2010/2011 Workstream planning
- Premises project completed
- Internet Filtering Working Group
- Membership Working Group
- Website and membership database project progressed
- HR documentation updates begun
- Recruitment process on-going
- Preparation for R v the Internet Seminar

Premises:

The fitout of the new office was completed on time and within budget. A final analysis of costs will be presented at the March Council meeting, once minor remedial work has been completed.

The move to the new office was undertaken on Friday 13th November, and I would like to thank Susi and her team for their outstanding effort to ensure that we experienced a stress free move. Special thanks to the Project team (for making all the tough decisions!), the IT team and all staff for ensuring that the move was a huge success.

Chief Executive recruitment:

Applications closed on Monday 9th November and the Long List was presented to the Appointments Panel on Monday 16th November. The Short List of candidates will be presented on Tuesday 8th December and interviews will be conducted later that week.

Website and Membership database update:

This project is on track to produce a draft of the new website for review by mid December, however integration with the new membership database is expected to be delayed until January.

Recommendation: *THAT the Chief Executive's Report be received.*

Richard Currey
Chief Executive

Activity / Workstream project reports to: 11 December 2009

Status: Final

Author: Richard Currey

Purpose of report: To update Council on the current work of the Policy Office.

Workstream	Activity status	Budget	Actual	Status
Special Projects	Active	\$73,000	\$8,105	😊
Unconstrained Broadband	Active	\$75,000	\$0	😊
Telco Regulatory Reforms	Active	\$55,000	\$995	😊
Regulatory Issues/Submissions	Active	\$55,000	\$3,000	😊
Parliament Internet Caucus	On Hold	\$2,500	\$0	😐
Major Intl Policy Forum	On Hold	\$20,000	\$0	😐
Legal Jurisdiction Issues Seminar	Active	\$20,000	\$0	😊
ISOC	Active	\$9,000	\$9,128	😊
IPV6	Active	\$20,000	\$20,000	😊
Internet Patents Monitoring	Active	\$5,500	\$2,520	😊
History of the Internet	Active	\$5,000	\$1,091	😊
Digital/Regional Communities	Active	\$20,000	\$0	😐
Copyright	Active	\$40,000	\$0	😐
BB Consumer Access/Availability	Workstream work yet to be defined	\$20,000	\$0	😐
APTLD Secretariat	Active	\$10,000	\$2,395	😊

NOTE: Actuals have been updated as at 31/10/09



**Internet New Zealand
Consolidated Financial Statements
For the Quarter Ended 30 September 2009**





**Internet New Zealand
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For the Quarter Ended 30 September 2009**

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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 The Internet Society of New Zealand for the period ended 30 September 2009.

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
02-Dec-09





**Internet New Zealand
Consolidated Income Statement
For the Quarter Ended 30 September 2009**

	INZ		NZRS		DNC Ltd		Group	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Income	4,203	4,359	1,688,510	3,336,870	303,195	598,590	1,708,313	3,364,629
Other Income	229,127	229,267	52,102	104,114	0	59	229,127	229,625
Dividends Received	731,604	1,026,792	0	0	0	0	0	0
Interest Received	3,047	3,914	98,552	202,729	1,811	6,484	103,410	213,127
Total Income	967,981	1,264,332	1,839,164	3,643,713	305,006	605,133	2,040,850	3,807,381
Less Expenses								
Direct Expenses	0	0	606,372	1,285,174	0	0	318,777	709,984
Other Expenses	807,187	1,395,745	471,238	825,569	430,541	614,817	1,656,864	2,732,316
Total Expenses	807,187	1,395,745	1,077,610	2,110,743	430,541	614,817	1,975,641	3,442,300
Net Profit (Loss) Before Tax	160,794	(131,413)	761,554	1,532,970	(125,535)	(9,684)	65,209	365,081
Less Provision for Tax	0	0	0	0	0	0	0	0
Net Profit After Tax	160,794	(131,413)	761,554	1,532,970	(125,535)	(9,684)	65,209	365,081

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. Rent paid from one entity to the other
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 \$1,026,792 (quarter \$761,604) 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 2009**

	INZ		NZRS		DNC Ltd		Group	
	Qtr	YTD	Qtr	YTD	Qtr	YTD	Qtr	YTD
Opening Equity	1,874,505	2,166,712	5,023,324	4,547,096	113,307	(2,544)	7,011,136	6,711,264
Plus:								
Shares Subscribed	0	0	30,000	30,000	580,000	580,000	0	0
Net Profit After Tax	160,794	(131,413)	761,554	1,532,970	(125,535)	(9,684)	65,209	365,081
Less:								
Dividend Paid	0	0	731,604	1,026,792	0	0	0	0
Closing Equity	2,035,299	2,035,299	5,083,274	5,083,274	567,772	567,772	7,076,345	7,076,345





**Internet New Zealand
Balance Sheet
As at 30 September 2009**

	INZ	NZRS	DNC Ltd	Group
Current Assets				
Cash and Cash Equivalents	1,236,556	9,173,912	652,510	11,062,978
Other Current Assets	84,944	853,166	12,315	950,425
Total Current Assets	1,321,499	10,027,078	664,825	12,013,403
Property, Plant & Equipment	133,478	326,016	3,099	462,593
Intangible Assets	3,955	1,576	0	5,531
Investments				
Shares and Loans	764,926	0	0	154,926
Total Assets	2,223,858	10,354,670	667,925	12,636,453
Less Liabilities:				
Deferred Income	0	4,983,457	0	4,983,457
Trade and Other Payables	188,559	287,939	100,153	576,651
Provision for Tax	0	0	0	0
Total Liabilities	188,559	5,271,396	100,153	5,560,108
Net Book Value of Assets	2,035,299	5,083,274	567,772	7,076,345
Represented By:				
Total Equity	2,035,299	5,083,274	567,772	7,076,345





**Internet New Zealand
Statement of Cashflows
For the Quarter Ended 30 September 2009**

	Group	
	Qtr	YTD
Cash Flows From Operating Activities		
Cash was provided from:		
Receipts from customers	2,208,773	4,105,663
Interest Received	103,410	213,127
Total Received	2,312,183	4,318,790
Cash was distributed to:		
Payments to Suppliers and Employees	1,455,898	2,997,710
Payment of Taxation	0	0
Total Payments	1,455,898	2,997,710
Net Flows From Operating Activities	856,284	1,321,079
Cash Flows From Investing & Financing Activities		
Cash was distributed to:		
Purchase of Property, Plant & Equipment	170,650	181,103
Advance to Hector's World	0	60,000
Net Cash Flows From Investing & Financing Activities	(170,650)	(241,103)
Net Increase Decrease in Cash & Cash Equivalents	685,635	1,079,977
Plus Opening Cash	10,377,343	9,983,001
Closing Cash Carried Forward	11,062,978	11,062,978
Closing Cash Comprises		
Cash & Cash Equivalents	11,062,978	11,062,978
Cash Flow Reconciliation		
Net Profit (Loss) After Tax	65,209	365,081
Plus (Less) non cash items		
Depreciation	15,914	57,961
Amortisation	13,808	17,088
Income tax provision	0	0
Subtotal	94,931	440,130
Movement in Working Capital		
(increase) decrease in receivables	289,411	426,733
increase (decrease) in payables	200,610	(57,193)
increase (decrease) in deferred income	271,333	511,409
Net Cash Flows From operations	856,284	1,321,079



Internet NZ
Profit & Loss Budget vs. Actual - Parent
April through October 2009

	TOTAL			TOTAL		
	Oct 09	Budget	\$ Variance	Apr - Oct 09	Budget	\$ Variance
Income						
500 · Operating Income	336.89	15,000.00	-14,663.11	4,695.75	15,000.00	-10,304.25
570 · Sundry Income	-193.33	7,150.00	-7,343.33	218,034.34	50,050.00	167,984.34
580 · Investment Income	-17,038.21	2,083.33	-19,121.54	1,030,707.29	1,040,583.35	-9,876.06
Total Income	-16,894.65	24,233.33	-41,127.98	1,253,437.38	1,105,633.35	147,804.03
Expense						
600 · Remuneration	114,810.90	77,423.39	37,387.51	758,254.54	541,963.59	216,290.95
800 · Operating Expenses	89,184.71	153,320.83	-64,136.12	789,026.20	805,070.85	-16,044.65
900 · Overheads	-462.94	11,983.33	-12,446.27	66,705.51	83,883.35	-17,177.84
Total Expense	203,532.67	242,727.55	-39,194.88	1,613,986.25	1,430,917.79	183,068.46
Net Income	-220,427.32	-218,494.22	-1,933.10	-360,548.87	-325,284.44	-35,264.43

Internet NZ
Profit & Loss Budget vs. Actual - SSU
April through October 2009

	<u>Oct 09</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>Apr - Oct 09</u>	<u>Budget</u>	<u>\$ Variance</u>
Income						
570 · Sundry Income	-193.33	7,150.00	-7,343.33	134,816.67	50,050.00	84,766.67
580 · Investment Income						
586 · Interest	0.95			2,709.64		
Total 580 · Investment Income	<u>0.95</u>			<u>2,709.64</u>		
Total Income	-192.38	7,150.00	-7,342.38	137,526.31	50,050.00	87,476.31
Expense						
600 · Remuneration						
601 · ACC Levy	0.00	115.04	-115.04	476.72	805.30	-328.58
625 · Miscellaneous Staff Costs	0.00			822.90		
630 · Recruitment	0.00	416.67	-416.67	8.89	2,916.65	-2,907.76
635 · Staff Training	48.89	833.33	-784.44	6,754.67	5,833.35	921.32
651 · Wages & Salaries						
651-01 · Kiwi Saver - Employer Cont	113.80	209.17	-95.37	1,155.01	1,464.15	-309.14
651 · Wages & Salaries - Other	8,296.72	7,291.67	1,005.05	73,899.64	51,041.65	22,857.99
Total 651 · Wages & Salaries	<u>8,410.52</u>	<u>7,500.84</u>	<u>909.68</u>	<u>75,054.65</u>	<u>52,505.80</u>	<u>22,548.85</u>
653 · Wages - Casual & Temporary	0.00	416.67	-416.67	656.00	2,916.65	-2,260.65
654 · Wages - Contractors	17,643.61	11,416.67	6,226.94	93,872.22	79,916.69	13,955.53
Total 600 · Remuneration	<u>26,103.02</u>	<u>20,699.22</u>	<u>5,403.80</u>	<u>177,646.05</u>	<u>144,894.44</u>	<u>32,751.61</u>
800 · Operating Expenses						
801 · Accountancy Fees	0.00	1,250.00	-1,250.00	1,646.00	7,250.00	-5,604.00
805 · Advertising & Marketing	0.00	500.00	-500.00	1,181.27	3,500.00	-2,318.73
808 · Audit Fees	0.00	0.00	0.00	0.00	0.00	0.00
809 · Bank Charges	38.75	70.00	-31.25	1,056.76	490.00	566.76
811 · Conferences	0.00	500.00	-500.00	0.00	3,500.00	-3,500.00
813 · Consultants	0.00	1,000.00	-1,000.00	9,000.00	7,000.00	2,000.00
816 · Depreciation	4,160.00	4,500.00	-340.00	29,120.00	31,500.00	-2,380.00
817 · Domain Names	0.00	833.33	-833.33	145.96	5,833.35	-5,687.39
818 · Entertainment	0.00	341.67	-341.67	1,067.23	2,391.65	-1,324.42
820 · General Office Expenses	2,475.66	1,666.67	808.99	8,744.37	11,666.65	-2,922.28
826 · Legal Fees	1,414.50	500.00	914.50	2,162.75	3,500.00	-1,337.25
829 · Meeting Costs	0.00	200.00	-200.00	290.53	1,400.00	-1,109.47
835 · Postages & Couriers	639.15	250.00	389.15	1,899.03	1,750.00	149.03
845 · Promotion & Marketing	0.00	0.00	0.00	0.00	0.00	0.00
851 · Repairs and Maintenance	1,700.00	1,000.00	700.00	5,241.65	7,000.00	-1,758.35
855 · Printing & Stationery	2,018.99	1,000.00	1,018.99	5,928.69	7,000.00	-1,071.31
857 · Sponsorship	0.00	0.00	0.00	0.00	0.00	0.00
860 · Subscriptions	4,649.17	450.00	4,199.17	10,929.78	3,150.00	7,779.78
870 · Telecommunications	1,349.15	5,000.00	-3,650.85	32,934.94	35,000.00	-2,065.06
873 · Travel & Accom - National	59.35	0.00	59.35	2,543.85	0.00	2,543.85
885 · Web Site Updates & Hosting	0.00	0.00	0.00	0.00	0.00	0.00
800 · Operating Expenses - Other	95.33			329.45		
Total 800 · Operating Expenses	<u>18,600.05</u>	<u>19,061.67</u>	<u>-461.62</u>	<u>114,222.26</u>	<u>131,931.65</u>	<u>-17,709.39</u>

Internet NZ
Profit & Loss Budget vs. Actual - SSU
April through October 2009

	<u>Oct 09</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>Apr - Oct 09</u>	<u>Budget</u>	<u>\$ Variance</u>
900 - Overheads						
915 - Cleaning Costs	180.00	533.33	-353.33	789.07	3,733.35	-2,944.28
933 - Electricity	0.00	716.67	-716.67	3,335.67	5,016.65	-1,680.98
950 - Insurance	8,067.98	833.33	7,234.65	13,098.38	5,833.35	7,265.03
970 - Rates	0.00			1,016.50		
975 - Rent Paid	-8,710.92	9,500.00	-18,210.92	47,065.96	66,500.00	-19,434.04
980 - Security	0.00	150.00	-150.00	13.96	1,050.00	-1,036.04
Total 900 - Overheads	<u>-462.94</u>	<u>11,733.33</u>	<u>-12,196.27</u>	<u>65,319.54</u>	<u>82,133.35</u>	<u>-16,813.81</u>
Total Expense	<u>44,240.13</u>	<u>51,494.22</u>	<u>-7,254.09</u>	<u>357,187.85</u>	<u>358,959.44</u>	<u>-1,771.59</u>
Net Income	<u><u>-44,432.51</u></u>	<u><u>-44,344.22</u></u>	<u><u>-88.29</u></u>	<u><u>-219,661.54</u></u>	<u><u>-308,909.44</u></u>	<u><u>89,247.90</u></u>

Internet NZ
Profit & Loss Budget vs. Actual - Policy Operations
April through October 2009

	<u>Oct 09</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>Apr - Oct 09</u>	<u>Budget</u>	<u>\$ Variance</u>
Income						
580 · Investment Income						
586 · Interest	0.00	0.00	0.00	3.84	0.00	3.84
Total 580 · Investment Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3.84</u>	<u>0.00</u>	<u>3.84</u>
Total Income	0.00	0.00	0.00	3.84	0.00	3.84
Expense						
600 · Remuneration						
601 · ACC Levy	0.00	166.67	-166.67	1,430.16	1,166.65	263.51
625 · Miscellaneous Staff Costs	0.00			981.48		
630 · Recruitment	0.00	833.33	-833.33	0.00	5,833.35	-5,833.35
635 · Staff Training	3,895.00	620.00	3,275.00	4,533.63	4,340.00	193.63
651 · Wages & Salaries						
651-01 · Kiwi Saver - Employer Cont	910.74			8,996.63		
651 · Wages & Salaries - Other	22,769.22	41,666.67	-18,897.45	314,587.80	291,666.65	22,921.15
Total 651 · Wages & Salaries	<u>23,679.96</u>	<u>41,666.67</u>	<u>-17,986.71</u>	<u>323,584.43</u>	<u>291,666.65</u>	<u>31,917.78</u>
654 · Wages - Contractors	34,055.00	8,857.50	25,197.50	189,915.00	62,002.50	127,912.50
655 · Contracted Technical Services	5,300.00	4,580.00	720.00	24,818.89	32,060.00	-7,241.11
Total 600 · Remuneration	<u>66,929.96</u>	<u>56,724.17</u>	<u>10,205.79</u>	<u>545,263.59</u>	<u>397,069.15</u>	<u>148,194.44</u>
800 · Operating Expenses						
805 · Advertising & Marketing	0.00	1,670.00	-1,670.00	0.00	11,690.00	-11,690.00
809 · Bank Charges	0.00			87.81		
811 · Conferences	0.00	500.00	-500.00	2,183.85	3,500.00	-1,316.15
813 · Consultants	525.00	0.00	525.00	7,645.00	0.00	7,645.00
818 · Entertainment	0.00			1,850.08		
820 · General Office Expenses	0.00	0.00	0.00	1,082.80	0.00	1,082.80
826 · Legal Fees	0.00	0.00	0.00	0.00	0.00	0.00
829 · Meeting Costs	558.67	625.00	-66.33	2,328.48	4,375.00	-2,046.52
835 · Postages & Couriers	106.67			106.67		
845 · Promotion & Marketing	0.00	0.00	0.00	0.00	0.00	0.00
851 · Repairs and Maintenance	0.00	410.00	-410.00	283.36	2,870.00	-2,586.64
855 · Printing & Stationery	0.00	420.00	-420.00	87.00	2,940.00	-2,853.00
857 · Sponsorship	0.00	0.00	0.00	0.00	0.00	0.00
860 · Subscriptions	0.00	0.00	0.00	4,009.10	0.00	4,009.10
870 · Telecommunications	897.51	1,000.00	-102.49	5,113.16	7,000.00	-1,886.84
872 · Travel & Accom - International	11,228.82	2,500.00	8,728.82	36,103.62	17,500.00	18,603.62
873 · Travel & Accom - National	4,023.19	3,330.00	693.19	26,388.55	23,310.00	3,078.55
885 · Web Site Updates & Hosting	0.00	1,675.00	-1,675.00	0.00	11,725.00	-11,725.00
800 · Operating Expenses - Other	751.06			3,869.39		
Total 800 · Operating Expenses	<u>18,090.92</u>	<u>12,130.00</u>	<u>5,960.92</u>	<u>91,138.87</u>	<u>84,910.00</u>	<u>6,228.87</u>
900 · Overheads						
985 · Secretariat - APTLD	0.00	0.00	0.00	0.00	0.00	0.00
Total 900 · Overheads	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Expense	85,020.88	68,854.17	16,166.71	636,402.46	481,979.15	154,423.31

Internet NZ
Profit & Loss Budget vs. Actual - Policy Operations
 April through October 2009

	<u>Oct 09</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>Apr - Oct 09</u>	<u>Budget</u>	<u>\$ Variance</u>
Income						
Net Income	<u>-85,020.88</u>	<u>-68,854.17</u>	<u>-16,166.71</u>	<u>-636,398.62</u>	<u>-481,979.15</u>	<u>-154,419.47</u>

Internet NZ
Profit & Loss Budget vs. Actual - Workstreams
April through October 2009

	TOTAL					
	Oct 09	Budget	\$ Variance	Apr - Oct 09	Budget	\$ Variance
2 Work Streams						
Special Projects	0.00	0.00	0.00	-8,105.16	-31,000.00	22,894.84
Unconstrained Broadband	0.00	0.00	0.00	0.00	0.00	0.00
Telco Regulatory Reforms	0.00	0.00	0.00	-995.00	-5,000.00	4,005.00
Securing the DNS	0.00	0.00	0.00	0.00	0.00	0.00
Regulatory Issues/Submissions	0.00	0.00	0.00	-3,000.00	-28,000.00	25,000.00
Parliamentary Internet Caucus	0.00	0.00	0.00	0.00	0.00	0.00
Major Intl Policy Forum	0.00	0.00	0.00	0.00	0.00	0.00
Legal Jurisdiction Issues Semin	0.00	-20,000.00	20,000.00	0.00	-20,000.00	20,000.00
ISOC Membership	0.00	0.00	0.00	-9,127.95	-9,000.00	-127.95
IPV6	0.00	0.00	0.00	-20,000.00	-20,000.00	0.00
Internet Patents Monitoring	0.00	-458.33	458.33	-2,520.00	-3,208.35	688.35
History of the Internet	0.00	0.00	0.00	-1,090.72	-1,000.00	-90.72
Digital/Reigonal Communities	0.00	0.00	0.00	0.00	0.00	0.00
Copyright	0.00	-10,000.00	10,000.00	0.00	-20,000.00	20,000.00
BB Consumer Access/Availability	0.00	0.00	0.00	0.00	-5,000.00	5,000.00
APTLD Secretariat	0.00	0.00	0.00	-2,395.44	-6,000.00	3,604.56
Total 2 Work Streams	0.00	-30,458.33	30,458.33	-47,234.27	-148,208.35	100,974.08
3 Sponsorship						
World Internet Project	0.00	0.00	0.00	-25,000.00	0.00	-25,000.00
Unallocated (Int'net Prod Grow)	0.00	0.00	0.00	-21,780.00	-13,500.00	-8,280.00
APRICOT	0.00	0.00	0.00	0.00	0.00	0.00
Presentations for Partners	0.00	0.00	0.00	0.00	0.00	0.00
Pacific Internet Partnership	0.00	-7,000.00	7,000.00	-7,072.00	-8,000.00	928.00
Overseas Speakers to NZ	0.00	0.00	0.00	0.00	0.00	0.00
NZNOG Trust	0.00	0.00	0.00	-900.00	0.00	-900.00
NZ Open Source Awards	0.00	-7,500.00	7,500.00	0.00	-7,500.00	7,500.00
Netsafe Strategic Partnership	0.00	0.00	0.00	-100,000.00	-100,000.00	0.00
Maori ICT Achievement	0.00	-10,000.00	10,000.00	0.00	-10,000.00	10,000.00
Liz Dengage Thrush Foundation	0.00	0.00	0.00	-21,253.52	-20,000.00	-1,253.52
ICT Carreers/Skills Devlopment	0.00	0.00	0.00	0.00	0.00	0.00
Cyberlaw Fellowship	-21,250.00	0.00	-21,250.00	-63,948.01	-45,000.00	-18,948.01
Broadband Measurement	0.00	-25,000.00	25,000.00	0.00	-25,000.00	25,000.00
"linux.conf.au"	0.00	0.00	0.00	-40,000.00	-40,000.00	0.00
Total 3 Sponsorship	-21,250.00	-49,500.00	28,250.00	-279,953.53	-269,000.00	-10,953.53
TOTAL	-21,250.00	-79,958.33	58,708.33	-327,187.80	-417,208.35	90,020.55

Internet NZ
Profit & Loss Budget vs. Actual - Council and Members
April through October 2009

	TOTAL			TOTAL		
	Oct 09	Budget	\$ Variance	Apr - Oct 09	Budget	\$ Variance
Income						
500 · Operating Income						
542 · Membership - Corporate	199.56	9,000.00	-8,800.44	2,020.12	9,000.00	-6,979.88
546 · Membership - Individual	137.33	6,000.00	-5,862.67	2,675.63	6,000.00	-3,324.37
Total 500 · Operating Income	336.89	15,000.00	-14,663.11	4,695.75	15,000.00	-10,304.25
570 · Sundry Income	0.00	0.00	0.00	0.00	0.00	0.00
580 · Investment Income						
583 · Dividends	-17,039.16	0.00	-17,039.16	1,026,792.00	1,026,000.00	792.00
586 · Interest	0.00	2,083.33	-2,083.33	1,201.81	14,583.35	-13,381.54
Total 580 · Investment Income	-17,039.16	2,083.33	-19,122.49	1,027,993.81	1,040,583.35	-12,589.54
Total Income	-16,702.27	17,083.33	-33,785.60	1,032,689.56	1,055,583.35	-22,893.79
Expense						
600 · Remuneration						
625 · Miscellaneous Staff Costs	0.00			3,550.00		
630 · Recruitment	21,077.92			23,287.01		
654 · Wages - Contractors	700.00			8,425.00		
Total 600 · Remuneration	21,777.92			35,262.01		
800 · Operating Expenses						
805 · Advertising & Marketing	0.00	0.00	0.00	3,650.07	0.00	3,650.07
808 · Audit Fees	0.00	0.00	0.00	6,004.57	7,000.00	-995.43
809 · Bank Charges	282.18	50.00	232.18	500.11	350.00	150.11
811 · Conferences	0.00	0.00	0.00	0.00	0.00	0.00
813 · Consultants	0.00			1,474.22		
818 · Entertainment	0.00	166.67	-166.67	3,680.62	1,166.65	2,513.97
820 · General Office Expenses	0.00			1,777.78		
822 · Governance Training	0.00	416.67	-416.67	0.00	2,916.65	-2,916.65
824 · Honoraria	24,562.50	34,537.50	-9,975.00	66,762.50	80,587.50	-13,825.00
826 · Legal Fees	0.00	833.33	-833.33	2,752.00	5,833.35	-3,081.35
829 · Meeting Costs	3,343.37	1,000.00	2,343.37	14,822.39	7,000.00	7,822.39
835 · Postages & Couriers	0.00	250.00	-250.00	101.45	1,750.00	-1,648.55
841 · Printing and Stationery	0.00	0.00	0.00	0.00	0.00	0.00
853 · R & M - Software	0.00			287.84		
855 · Printing & Stationery	0.00	416.67	-416.67	29,804.65	32,916.65	-3,112.00
857 · Sponsorship	0.00	0.00	0.00	0.00	0.00	0.00
860 · Subscriptions	0.00	333.33	-333.33	0.00	2,333.35	-2,333.35
870 · Telecommunications	620.14	1,250.00	-629.86	6,643.30	8,750.00	-2,106.70
872 · Travel & Accom - International	0.00	833.33	-833.33	11,526.83	5,833.35	5,693.48
873 · Travel & Accom - National	2,435.55	2,083.33	352.22	22,999.24	14,583.35	8,415.89
800 · Operating Expenses - Other	0.00			1,940.89		
Total 800 · Operating Expenses	31,243.74	42,170.83	-10,927.09	174,728.46	171,020.85	3,707.61
900 · Overheads						
950 · Insurance	0.00	250.00	-250.00	0.00	1,750.00	-1,750.00
Total 900 · Overheads	0.00	250.00	-250.00	0.00	1,750.00	-1,750.00
Total Expense	53,021.66	42,420.83	10,600.83	209,990.47	172,770.85	37,219.62

Internet NZ
Profit & Loss Budget vs. Actual - Council and Members
 April through October 2009

	TOTAL			TOTAL		
	Oct 09	Budget	\$ Variance	Apr - Oct 09	Budget	\$ Variance
Net Income	-69,723.93	-25,337.50	-44,386.43	822,699.09	882,812.50	-60,113.41

InternetNZ
Financial Forecast Actuals to October 2009

CASH FLOW FORECAST

	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Proj.	Proj.	Proj.	Proj.	Proj.	Act/Proj.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RECEIPTS													
Invoiced Sales	3,886	10,912	20,797	(107,685)	51,520	17,544	7,764	67,319	-	-	-	-	72,057
Sundry	(12,823)	(20,723)	6,337	91,208	23,882	152,227	(15)	7,214	8,044	8,044	8,044	8,044	279,483
Dividends	-	-	295,188	748,643	-	-	-	731,000	-	-	731,000	-	2,505,831
Interest Received	-	2,882	1	740	1,968	339	1	2,014	2,039	2,064	2,090	2,117	16,255
Office Equipment	-	-	-	-	4,680	4,680	4,680	-	-	-	-	-	14,040
Sundry Payables	-	-	-	5,697	-	53,025	-	-	-	-	-	-	58,722
Prepayments	838	839	838	838	839	838	391	-	-	-	-	-	5,421
RWT Paid	37	-	-	-	-	-	-	-	-	-	-	-	37
Accruals	81,327	-	-	-	-	-	-	-	-	-	-	-	81,327
GST	-	5,773	404	3,892	1,163	97,536	4,065	-	98,679	-	54,767	-	266,279
	<u>73,265</u>	<u>(317)</u>	<u>323,565</u>	<u>743,333</u>	<u>84,052</u>	<u>326,189</u>	<u>16,886</u>	<u>807,547</u>	<u>108,762</u>	<u>10,108</u>	<u>795,901</u>	<u>10,161</u>	<u>3,299,452</u>
PAYMENTS													
Invoiced Costs	139,754	262,324	178,522	205,349	92,846	299,526	215,476	168,128	217,130	266,631	222,235	174,943	2,442,864
ACC Levies	-	-	-	-	2,145	-	-	-	-	-	-	-	2,145
Salary & Wages	34,777	34,925	36,615	108,021	32,328	33,385	21,625	24,770	24,770	24,770	24,770	24,770	425,526
Insurance	943	943	943	943	943	943	-	-	-	-	-	-	5,658
Overdraft Interest	2,016	-	-	-	-	-	-	-	-	-	-	-	2,016
Loans Made	60,000	-	-	-	-	-	-	-	-	-	-	-	60,000
Fit Out	-	-	-	-	-	-	-	168,750	-	-	-	-	168,750
Software	-	-	-	-	-	-	-	28,125	28,125	-	-	-	56,250
Asset Suspense	3,395	2,104	-	-	4,680	101,397	57,616	-	-	-	-	-	169,192
Sundry Payables	50,932	2,000	1,006	-	9,912	-	8,789	-	-	-	-	-	72,639
RWT Paid	-	-	-	-	138	-	-	-	-	-	-	-	138
Accruals	-	1,830	22,000	-	-	-	-	-	-	-	-	-	23,830
PAYE	10,816	8,870	9,096	(7,128)	61,319	16,313	4,726	17,834	11,987	11,986	11,988	11,986	169,793
GST	5,347	-	-	-	-	-	-	-	-	-	-	-	5,347
	<u>307,980</u>	<u>312,996</u>	<u>248,182</u>	<u>307,185</u>	<u>204,311</u>	<u>451,564</u>	<u>308,232</u>	<u>407,607</u>	<u>282,012</u>	<u>303,387</u>	<u>258,993</u>	<u>211,699</u>	<u>3,604,148</u>
NET CASH FLOW	<u>(234,715)</u>	<u>(313,313)</u>	<u>75,383</u>	<u>436,148</u>	<u>(120,259)</u>	<u>(125,375)</u>	<u>(291,346)</u>	<u>399,940</u>	<u>(173,250)</u>	<u>(293,279)</u>	<u>536,908</u>	<u>(201,538)</u>	<u>(304,696)</u>
OPENING BANK	1,518,686	1,283,971	970,658	1,046,041	1,482,189	1,361,930	1,236,555	945,209	1,345,149	1,171,899	878,620	1,415,528	1,518,686
CLOSING BANK	<u>1,283,971</u>	<u>970,658</u>	<u>1,046,041</u>	<u>1,482,189</u>	<u>1,361,930</u>	<u>1,236,555</u>	<u>945,209</u>	<u>1,345,149</u>	<u>1,171,899</u>	<u>878,620</u>	<u>1,415,528</u>	<u>1,213,990</u>	<u>1,213,990</u>

Notes to the accounts to October 2010

Authors: Richard Currey

Status of paper: Final

SSU

- Income has exceeded budget however this is due to payments by DNCL and NZRS which are contributions to the fit out of the new office. Note that budgeted income from secretariat services for DDC and TUANZ has not been met as these relationships are not in place.
- Remuneration expenses exceed budget due to: Share of CEO expense; changes to SSU salaries; and one off contractor costs.
- Insurance costs exceed budget due to timing.

Policy Operations

- Remuneration expenses exceed budget due to one off payments and contractor costs.
- Consultant costs exceed budget as they were not paid in the previous financial year.
- International travel and accommodation costs exceed budget due to timing.

Council and Members

- Recruitment costs are for the CEO position.
- Meeting costs exceed budget due to under estimation.
- Travel and Accommodation exceed budget due to timing.

InternetNZ's Policy Programme 2010/2011

Authors: Richard Currey, Jordan Carter, Richard Wood, Campbell Gardiner.

Status of paper: Staff Final

Please find enclosed the draft Policy Programme for 2010/11.

The Policy Office's overall purpose is to contribute to the following broad outcomes:

- Shaping public policy in line with InternetNZ's vision and values
- Building a more informed policy community and decision-makers regarding Internet issues
- Defending the rights and promoting the interests of Internet users

The programme is broken down into four categories (Access, Openness, Rights & Responsibilities, and Security) to allow staff to focus and plan effectively. Many issues InternetNZ deals with span more than one of these categories, and so work that the Unit does will also cross between them.

We intend to test the ideas in the programme with members at next year's Member's Consultations in February. A final version of the programme incorporating that feedback will be submitted to you for decision at the March meeting.

Recommendations

I recommend:

- I. That Council accept this draft Programme, and note that it will be finalised after consultations with members in February 2009.

Richard Currey
Chief Executive

A: Access

Vision: The Internet is accessible to everyone, and is a fast end-to-end network which sees New Zealanders no longer subject to bandwidth constraints.

Major Outcomes and Outputs:

Outcome sought	Outputs that contribute
NZ commits to another international cable	<ul style="list-style-type: none"> Public advocacy and pressure to maintain momentum
Fibre network architecture supports competition	<ul style="list-style-type: none"> Engagement with Crown Fibre Holdings and Local Fibre Companies Build industry support for open access-friendly architecture options and monitor progress
Better community understanding of New Zealand's digital divides	<ul style="list-style-type: none"> World Internet Project - ensure there is a focus on digital divide, and communicate its results more effectively. Seminar held to improve policymakers' understanding of divide issues and actions they can take to mitigate these. Paper produced analysing digital divide issues Local media profile maintained on these issues Investigate partnerships with others to improve knowledge and research
Closing already known/established digital divides	<ul style="list-style-type: none"> Constructive contribution to the debate on rural broadband Support where relevant of the 20/20 Trust
Affordable take-up of household fibre	<ul style="list-style-type: none"> Consider what support we can give to increasing awareness of applications that require or are enabled by fibre access - e.g. an NZ Applications Forum or similar. Raise public and decision-maker awareness of last-metre issues Publish options for how to finance the last-metre Maximise impact on final government policy in this area through building a coalition of relevant people who support affordable last mile, and effective lobbying on the same
Converged regulatory framework that helps convergence happen	<ul style="list-style-type: none"> Propose a Communications Bill / Department / Regulator Increase contact and discussion between ISPs, broadcasters and content providers

Main areas of focus:

- Fibre - building and regulating the access network & international connectivity
- Fibre - take up at the household level
- Digital inclusion - socio-economic and rural/urban divides
- Spectrum issues
- Market structure and the impact of MTRs
- TSO/KiwiShare
- Broadband Measurement
- Closure of the PSTN
- Open wholesale markets
- NGN and NGAN

Secondary areas:

Events:

- Seminar on Digital Inclusion
- Fibre activity to be confirmed based on relevant circumstances.

Projects:

- Paper - household last mile issues

B: Openness

Vision: The Internet is open and uncaptureable. Its protocols provide an open platform for innovation and change. NZ's Internet technologies and governance support openness.

Major Outcomes and Outputs:

Outcome sought	Outputs that contribute
IPv6 is adopted widely by government and corporate users	<ul style="list-style-type: none">• Maintain IPv6 momentum through Steering Group support• Increase media profile of issue, focused on ICT and business publications• Tech training workshops
Filtering does not 'break the Internet'	<ul style="list-style-type: none">• Robust policy position and publicise it• Submissions to and pressure on DIA and ISPs
Maintain a neutral Internet	<ul style="list-style-type: none">• Paper on net neutrality issues
Content market structure doesn't drive monopolisation of networks	<ul style="list-style-type: none">• Conference on Open Internet• Paper on Open Internet
NGN rollout supports open services model	<ul style="list-style-type: none">• Involvement with ComCom NGN review

Main areas of focus:

- IPv6
- Filtering
- Net Neutrality

Secondary areas:

- VoIP/QoS issues
- Peering
- IP Interconnection
- Content regulation

Events:

- Conference on the Open Internet (incl Geist, Lessig)

Projects:

- Ipv6 Steering Group
- Filtering Working Group
- Paper: "The Open Internet"
- Open content markets - analysis and paper

C: Rights and Responsibilities

Vision: Citizens benefit from the Internet and the change that it gives rise to. People, businesses, government and the community know how to make best use of the Internet's opportunities, and can do so responsibly and safely.

Major Outcomes and Outputs:

Outcome sought	Outputs that contribute
Access to the Internet becomes seen as a right	<ul style="list-style-type: none"> • Raise the argument that Internet access should be treated similarly to access to other utilities • Publish a paper or hold an event on this
A digitally competent Copyright Act	<ul style="list-style-type: none"> • UnConference to devise a better Act • Public advocacy and coalition building
No termination remedy in s92A Copyright Act	<ul style="list-style-type: none"> • Coalition building • Submissions and Select Committee hearings, and other lobbying • Events to solicit submissions supporting our position • Commissioned public opinion or economic research making the case for sensible legislation
Better legal framework for contempt and suppression	<ul style="list-style-type: none"> • Position Paper arising from the 2009/10 Seminar that captures suggestions for reform • Submissions on legislation arising from 2009/10 debates on suppression and contempt
Stronger academic understanding of Cyberlaw issues	<ul style="list-style-type: none"> • Cyberlaw Fellowship or appropriately focused replacement • Expanding the awareness of the Fellow and of InternetNZ's broader work programme in New Zealand tertiary education system
Better community understanding of the "cybercitizenship" concept	<ul style="list-style-type: none"> • Preparation of a joint paper with NetSafe on these issues
More informed decision-makers on Internet issues	<ul style="list-style-type: none"> • Leverage speakers at any InternetNZ events and make sure high profile people meet with key decision-makers. • "What is the Internet" series of guides and publications

Main areas of focus:

- Copyright reform
- Law and the Internet

Secondary areas:

- Net safety
- Privacy online
- Open democracy
- E-government services

Events:

- S92A Event / Campaigns
- Copyright un-conference
- E-democracy at Parliament event

Projects:

- "What is the Internet" guides for citizens, decision-makers, officials.
- Cyber-citizenship: paper

- “A Right to the Internet” paper or discussion
- Wiki platform for open democracy?

D: Security

Vision: The Internet in New Zealand is robust and secure. People can trust that threats to the stability of the Internet are being addressed by the best technology available.

Major Outcomes and Outputs:

Outcome sought	Outputs that contribute
Understand security measures that can increase confidence in the New Zealand internet.	<ul style="list-style-type: none"> • Develop a sound understanding of the state of Internet security in New Zealand • Address any gaps in the policy framework relevant to Internet security through e.g. lobbying for new legislation or government policy changes such as a Data Breach Disclosure Law • Review of the Unsolicited Electronic Messages Act and associated Code of Practice
Security threats are sufficiently and proportionately tackled at the network level	<ul style="list-style-type: none"> • Analysis of security implications and mitigation features in new fibre network • Promotion of BCP38 and other good practice for network operators • Monitoring and communicating with local community of developments in secure routing
New Zealand’s and InternetNZ’s security efforts are shared across the Group, and are well-communicated to relevant audiences.	<ul style="list-style-type: none"> • Proactive communication of InternetNZ work • Offer to manage communications for the NZITF • Sponsorship and monitoring of relevant projects, such as VUW’s HoneyPot project

Main areas of focus:

- Understanding New Zealand’s Internet security situation
- Security-focused legislation
- Communications related to other Group work on security issues

Projects:

- Supporting the communications of the NZITF where appropriate
- Reviewing the Unsolicited Electronic Messages Act and associated Code of Practice
- Lobby for a Data Breach Disclosure Law
- Analysis of security implications and mitigation features in new fibre network
- Promotion of BCP38 and other good practice for network operators.
- Monitoring and communicating with local community of developments in secure routing

COST SUMMARY

Financial - by area

Item	Proposed
Access	\$120,000
Openness	\$130,000
Rights and Responsibilities	\$130,000
Security	\$55,000
Other	\$20,000
<i>Total estimate</i>	<i>\$455,000</i>

Financial - by function

Item	Proposed
Planned activities	\$225,000
Professional advice (subs, legal, research)	\$170,000
Communications and campaigns	\$60,000
<i>Total estimate</i>	<i>\$455,000</i>

Full report title: Draft InternetNZ Budget 2010/11

Author: Richard Currey

Status of Paper: Final

Purpose of Paper: To provide an updated draft budget for InternetNZ for 2010/11

	Budget 2009/10	Full Year Forecast 2009/10	Budgeted 2010/11
SSU	-556,726	-535,130	-542,000
Council & Members	-272,500	-237,250	-255,000
Policy Operations	-1,031,495	-1,005,855	-951,000
Work Streams	-455,000	-455,000	-455,000
Grants	-437,500	-437,500	n/a
Total Excluding Grants	-\$2,315,721	-\$2,233,235	-\$2,203,000

Important points to note:

- The 2010/11 SSU budget does not yet contain any changes related to the move to the new premises, or re-allocation of costs between the business units. The SSU Manager is working with the Chief Executives to finalise these costs. This update will be presented at the March Council meeting for final approval.
- The 2010/11 Policy Operations budget now includes international expenses previously paid for by DNCL. Additional work on allocation of international expenses will be presented at the March Council meeting for final approval.
- The full year 2009/10 forecast excludes capital expenditure.
- The Grants budget has been **excluded** as there will be a separate mechanism for determining the level of Grants.

Recommendation:

THAT the Chief Executive's draft Budget for 2010/11 be received.

Richard Currey
Chief Executive

InternetNZ reports publishing policy

Status:	Final
Author:	Susi Fookes
Background:	Following a discussion on the Westlake Consulting Ltd report (regarding the TUANZ/InternetNZ relationship), staff were asked to prepare a policy on publication of reports.

Council minutes 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.

Report status terminology:

Draft – A work in progress, no requirement to publish.

Final – A final version of the report.

Recommendation: THAT all ‘final’ reports ‘received’ by Council must be published on the InternetNZ website with confidential material removed.



Proposed calendar

11 December 2009

FOR INFORMATION

InternetNZ Calendar – key dates

Author: Richard Currey

Status of paper: Final

Purpose of Paper: To provide Council with a timetable noting key InternetNZ dates for the coming months.

Subject	Date
NZRS Board meeting	27/11/2009
DNCL Board meeting	30/11/2009
Chairs and CE's meeting	10/12/2009
Council meeting	11/12/2009
Members consultation	Mid February
NZRS Board meeting	12/2/2010
DNCL Board meeting	13/2/2010
Chairs and CE's meeting (tbc)	1/3/2010
Council meeting	19/3/2010

InternetNZ membership report

Status: Final
Author: Susi Fookes

InternetNZ membership as at:

	4 Dec 2009	9 Oct 2009
Fellows:	15	15
Individual:	116	86
Professional Individual:	34	29
Small Organisation:	19	16
Large Organisation:	2	1
Total membership:	185	147

A presentation will be given at the Council meeting listing the new members.

Recommendation: THAT the new members be approved.