

PROJECT DISCOVERY REPORT

Prepared for:



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1.0 EXECUTIVE SUMMARY

Our investigations and research reveal that there are opportunities for collaboration between InternetNZ and TUANZ that merit further consideration.

In particular, both entities have a significant role to play within New Zealand in the advocacy field surrounding our use of telecommunications technology and the Internet. Indeed, both organizations already work closely together in a number of areas.

Both organizations have a membership base, and are committed to providing support and related benefits to their members.

This report summarises our findings, and provides a way forward to achieve a greater degree of collaboration between the two organizations. It identifies the opportunities underpinning this way forward together with the risks and challenges that are likely to be encountered along the way. The report provides a basis for the development of a value proposition for further discussion with the respective members of both organizations.

We look forward to discussing the report with the Steering Committee and to moving the project forwards.

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2.0 INTRODUCTION

A media statement was issued by TUANZ and InternetNZ on 11 November stating that 'acting under a mandate from the ruling bodies of both organisations, representatives of the two groups have agreed that there is benefit to the organisations, to the industry at large, and to all New Zealanders to be gained from a closer alignment of InternetNZ and TUANZ, including possible amalgamation of some functions or organisational attributes'.

In parallel with the media release, this report was jointly commissioned by the Telecommunication Users Association of New Zealand (TUANZ) and Internet New Zealand (INZ) (collectively 'the parties') on the basis of a proposal by Westlake Consulting Limited (WCL) dated 2 December 2008. The proposal was developed alongside a Steering Committee established by both TUANZ and INZ to conduct a 'Collaborative discovery process to assess opportunities for closer organisational alignment between the two organisations. The proposal drew on the contents of a Terms of Reference document established by the Steering Committee in October 2008. A copy of the WCL proposal is attached in Appendix 4.

This report covers the following:

- Identification of overlapping activities and conflicts
- Identification of synergies and opportunities
- Summary of major potential risk areas and 'questions'
- Analysis of constitutional implications
- Framework for a Memorandum of Understanding
- A view on how a new organisation might look
- Forward work plan

The report acts as a means of enabling the parties to consider whether collaboration is achievable and worth pursuing. It identifies issues that need to be addressed during the next stages of discussion between the parties (Section 3.0). It provides a framework for a Memorandum of Understanding which sets out the key principles for moving forward arising from our enquiries and investigations (Section 4.0), a view on how a new organisation could look (Section 5.0) and a work plan (Section 6.0) for moving forwards. It is intended as a document that enables the parties to enter further discussion and negotiation, rather than providing a draft Heads of Agreement, which is the subject of further work once the questions and issues identified within a Memorandum of Understanding have been addressed.



It is important to appreciate that any recommendations made within this report are made on the basis of an independent review of the information at hand – it is for the respective governance bodies and members of the respective organisations to judge whether or not the value proposition developed by future collaboration between the parties is sufficient to warrant a decision to move forward.

The report draws on various pieces of information and verbal advice received from the Steering Committee and other key individuals. A Schedule of the information reviewed and sources is contained in Appendix 5. Copies of the Constitutions of both parties are attached in Appendix 1 and our review tables in Appendix 2.

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3.0 ORGANISATIONAL REVIEWS

3.1 Activities and Outputs

It is clear from our findings that the parties operate within similar environments and markets. Both are involved in the ‘technology’ space in New Zealand, both provide an advocacy function to New Zealand businesses and individuals and both are membership-based, not-for-profit entities which exist in principle for the common good of New Zealand society.

The Objects of each of the two entities are as follows –

TUANZ	InternetNZ
Constitution amended May 2007	Version as at 30 July 2007
‘represent interests of members in the use of technology enabled communications’	‘promote the competitive provision of Internet access, services and facilities in an open and uncaptureable environment’ ‘develop, maintain, evolve and disseminate standards for the Internet and its inter-networking technologies and applications’ ‘develop, maintain, evolve and disseminate effective administrative processes for the operation of the Internet in NZ’ ‘promote and conduct education and research related to the Internet and inter-working’
‘pursue an environment which can offer, in the broadest sense, cost effective services and technology that reflect both the requirements of the users and those of the national interest’	‘coordinate activities at a national level ... facilitate the development of the Internet incl. the DNS’ ‘collect and disseminate information related to the Internet and inter-networking’ ‘develop and maintain formal and informal relationships with international Internet community incl. the Internet Society’ ‘represent common interests of NZ Internet community nationally and internationally’ ‘promote widely and generally available access to the Internet’ ‘liaise with other organisations.... for coordination, collaboration and education in effecting the objects’



In the simplest terms, the only fundamental difference is that one organisation is focused around the New Zealand ‘telecommunications industry’ whilst the other is focused on the ‘Internet’ within New Zealand.

Key activities and outputs from each organisation can be summarised as follows –

TUANZ	InternetNZ
Campaigning and Representation - Government and industry lobbying, including submissions on legislative change	Campaigning and Representation – Government and industry lobbying, including submissions on legislative change
Publications – Information on related topics	Publications – Information on related topics
Executive Briefings – Corporate members	Public Forums
Events	Events
Affiliations	Affiliations
Personal/Professional Networking	Protecting and promoting the Internet in New Zealand
Special Interest Groups - Contact Centres - Education - Multimedia	Working Groups and Committees
Telecommunications technology innovation and technical leadership	Internet ‘industry’ best practice promotion and self regulation
	Supporting Internet innovation and technical leadership
	Advocacy for Internet in New Zealand as part of the global Internet

The similarities that exist within the functions and activities of the organisations are clear. In addition, some of the submissions to Government and working committees in recent times have been worked on by both parties, for example, rural broadband and the Telecommunications Amendment Bill.

Further detail on the functions and activities of the parties and areas of specialisation is contained in Appendix 3.



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3.2 Financial Review and Analysis

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3.3 Organisational Structures

Membership

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Governance and Operational Structures

The combined governance and operational roles and responsibilities that currently exist within the two parties are as follows:

TUANZ	InternetNZ
Operations	Operations
Chief Executive	Executive Director
Administration Manager	Deputy Executive Director
Key Relationships Manager (Events and Membership)	Senior Communications & Research Officer
Admin Assistant and Events Coordinator	Communications & Research Officer
Board	Shared Services Unit Manager
Elected Board (11)	Accounting Technician
Contact Centre Committee	Project Manager
	Contracted Adviser
	Administration Assistant
	Administration Assistant / Reception
	Contractors – IT support (3)
	Council
	Executive Board (4)
	Elected Council (13)

We have completed a brief investigation into the current governance structures and practices of each organisation and assessed the content of Annual Reports to assist with our understanding. We have not reviewed any Council or Board ‘workplans’ for the parties or meeting minutes.



The two governance bodies are of a similar size and function in a similar, reasonably conventional, fashion with the exception that INZ Councillors receive an annual Honorarium whereas TUANZ Board members provide their services/time on a purely voluntary basis. There is a difference in the balance of expertise around the 'Board / Council' table for each of the two parties, which is not surprising given the differing markets that the two parties were operating within until convergence of the associated technologies accelerated, giving rise to this report. It is of interest to note that one member of the TUANZ Board is also a member of the INZ Council and that Board and Council members of the respective organisations are in frequent contact with one another on matters to do with telecommunications technology and the Internet, including reciprocal membership on the parties' respective policy committees by the chairs of those entities.

Operationally, both organisations operate in a similar fashion, albeit that INZ has a series of related entities (the Domain Name Commission and New Zealand Registry Services) which affect the scale and scope of its operational activities and how they are managed. Given the relatively small sizes of the respective operational teams, the degree of complexity around collaboration is reduced.

The Contact Centre Committee of TUANZ is a separate subset of people who guide TUANZ's supply of professional support to contact centre personnel within the TUANZ membership, and steer the contact centre events programme. It is an important source of direction but has no formal governance role.



3.4 Opportunities for Collaboration

The following is a list of the principle opportunities for collaboration arising from our investigations –

1. Our findings suggest that TUANZ currently focuses on providing a Corporate advocacy function to telecommunications technology users in New Zealand, whilst INZ's primary focus is on the end users of the Internet. As the Internet is a technology reliant on telecommunications technology, it is logical to consider that there is merit in combining the expertise of both organisations to create a single 'digital technology' advocacy organisation. 'Influencing the evolution of the markets' that both TUANZ and INZ operate within is mission critical for both parties.
2. There are a number of instances where TUANZ and INZ have jointly produced submissions to the New Zealand Government and other entities on matters relating to the changing telecommunications industry and Internet environments – collaboration is already occurring.
3. Both parties have working groups and sub-committees made up of members which target similar areas.
4. Given the similar functions of the two organisations, collaboration may result in economies of scale and an ability to streamline operational processes to improve outputs
5. Significant relationship marketing expertise sits within TUANZ which will benefit the development of a wider corporate membership base for INZ or a joint entity. Conversely a strong focus on advocacy by INZ will add weight to the advocacy functions of TUANZ
6. Convergence of the membership bases of the two parties will offset any risk related to the reliance of INZ on NZRS dividend income, by providing a diversified income stream – membership subscriptions - a stream that is currently negligible for INZ
7. INZ is established with a shared services business unit that is well equipped to service TUANZ activity. We understand that negotiations have commenced, independent of this Discovery Project, to establish an outsource service agreement between INZ Shared Services and TUANZ for the accounting functions of the TUANZ operation



3.5 Potential Risks

A simple risk register and associated mitigation strategies is provided below. In summary, the potential risks can be broken into a number of categories as follows –

- Membership
- Constitutional
- Political
- Structural & Operational
- Financial

Membership

Primarily ‘trust’ related, these risks relate to a loss of membership resulting from a change in members’ perception of the organisations’ value proposition, a change in membership ‘rules’ / criteria, subscription levy calculations or a perceived weakening of the primary reason for belonging to one or other of the parties. There is a risk that Corporate TUANZ members may see closer collaboration as a ‘takeover by the geek squad’ and conversely INZ members will resist anything that resembles a corporate move to take control of INZ and the ‘individual freedom’ that this organisation strongly represents.

As part of the organisational design process, we will need to include structural provisions for special interest groups – some members may wish to form such groups to maintain their voice, particularly given the need for TUANZ to re-state its’ value proposition in the light of reduced events activity. If we fail to do this, there is a risk that splinter groups will form in competition with the combined TUANZ / INZ organisation.

INZ members may balk at any suggestion that their membership subscription fees might rise significantly given the fact that current INZ subscriptions are significantly less than those of individual TUANZ members.

Getting the value proposition right is critical to the success of any collaboration that occurs.



Constitutional

Both constitutions contain specific provisions for amendments and dissolution (see 3.6 below). The primary risk with any formal collaboration between the parties is that these provisions are not followed properly. Secondary risk relates to an inability to agree on a Constitution and rules for a new organisation formed by bringing the two parties together.

Differences in thinking behind constitutional rules by both parties may provide grounds for some people to impede or challenge the success of a collaborative process. This could lead to an impasse and inability to bring the two organisations together.

To counter this risk, the overall objective of any collaboration will aim to ensure that the end result gives no overall advantage to either of the parties, rather more that it represents a bringing-together of two entities, the sum of which is greater than the parts.

Political

Both parties have a strong presence within the Government arena and both are arguably reliant on their credibility with, and influence on politicians and officials for their continued existence.

Structural & Operational

Any collaboration between two separate organisations can give rise to structural organisational change. Such change can have many results including changes in key personnel, alterations to job descriptions, the merging of roles and responsibilities, staff loss, staff grievances, the dis-establishment of certain roles, the creation of new roles, changes in governance models and practices resulting from a shift in strategic direction and impacts on staff morale. The cultural change that occurs during collaboration is often the biggest risk to success – two bodies of people simply do not 'fit' together as one. Finding the common ground is the key to successfully bringing people together.

Operationally, the risk is disruption to ongoing activity and this has the potential to knock-on to other risk areas such as loss of membership due to increased member-dissatisfaction around the performance of the parties during the change to greater collaboration.



It is desirable and inevitable that any advocacy organisation has a single identifiable individual as its' spokesperson. This matter will be managed as part of the organisational design process and in the context of succession. The proposed new organisational structure provides much enhanced opportunities and pathways for employee development and growth.

The respective Board and Council have differing 'rules' on borrowing finance which might suggest a difference in the cultures of the two governance bodies: one (TUANZ) being less adverse to incurring debt than the other (INZ). However, given the respective objectives of the two organisations, it would be surprising if such an issue inhibited further collaboration.

Financial

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3.5 Risk Matrix

RISK	LIKELIHOOD	SEVERITY	IMPACT	MITIGATION
Membership				
Corporate members resign from TUANZ and set up competing entity	2	3	6	Develop robust value proposition, communication and change strategy
Significant loss of membership	2	3	6	Develop robust value proposition, communication and change strategy
Corporate takeover of TUANZ	2	3	6	Develop robust value proposition, communication and change strategy
Significant loss of InternetNZ members	2	3	6	Develop robust value proposition, communication and change strategy
Constitutional				
Ultra vires	1	3	3	Robust constitutional review and supporting legal opinion once preferred collaboration direction established
Board level inability to agree the content of a new or adapted constitution(s)	2	3	6	Good change management and approvals processes
Insufficient votes for change	2	3	6	Robust membership consultation process and PR process
Political				
Government intervention	1	3	3	Establish robust communications strategy with relevant Government stakeholders



RISK	LIKELIHOOD	SEVERITY	IMPACT	MITIGATION
Structural & Operational				
Staff grievances	2	2	4	HR Processes well established
Loss of intellectual property (staff)	2	2	4	Staff engagement plan
Domain registry business impacted	1	3	3	Isolate activity and ensure sufficient resources exist within both parties to work on collaboration without affecting ongoing operations
Loss of key people (Board / Staff)	1	3	3	Board / staff engagement plan
Reduced independence	1	2	2	Carefully developed collaborative processes
Loss of reputation / poor media	1	3	3	Well managed process
Financial				
Reduced financial viability	1	2	2	Careful financial planning and integration



3.6 Constitutional Impacts

A review of the constitutions of both organisations did not reveal any issues that give us major cause for concern. However, there are discrete differences that need to be taken into account in relation to amendments to the constitutions or dissolution / winding up as follows:

CONSTITUTION PROVISION	TUANZ	InternetNZ
Alteration / amendment	<ul style="list-style-type: none"> 75% of vote required at AGM or SGM on 14 days notice to pass an amendment 	<ul style="list-style-type: none"> Notice of amendment sent to Secretary Notice to all members within 7 days 2/3 of vote required at GM 14 - 40 days following notice to members to pass an amendment
Dissolution / Winding Up	<ul style="list-style-type: none"> 14 days notice to all members Simple majority to pass resolution 	<ul style="list-style-type: none"> Resolution passed at GM Further resolution passed at following GM not earlier than 30 days from former GM Simple majority to pass resolutions

In addition, the charitable status of InternetNZ is of fundamental importance and must be safeguarded. This may impact or limit certain activities. Further consideration of this matter is required.

A more detailed analysis of the Constitutions is contained in Appendix 2.



4.0 MEMORANDUM OF UNDERSTANDING

The Steering Committee has asked us to formulate a framework for a Memorandum of Understanding between the two parties, based on our findings.

We suggest that the Memorandum be based on the following:

- TUANZ and INZ are two separate organisations providing a range of advocacy, support, training and administrative services to the corporate, government and public community within New Zealand.
- Preliminary discussions to assess opportunities for greater collaboration between the two parties were held during 2008.
- Subsequently, a Steering Committee was established by both TUANZ and INZ to conduct a 'Collaborative discovery process to assess opportunities for closer organisational alignment between the two organisations' based on the contents of a Terms of Reference document established in October 2008.
- Westlake Consulting Limited were appointed in November 2008 to complete, from an independent perspective, a discovery process culminating in a Report dated 19 December 2008 which reviewed the activities, structures and operations of the two organisations and assessed the merits of a closer working relationship.
- The report confirmed that sufficient common ground existed for the two organisations to form a more collaborative arrangement that would increase the benefits to stakeholders provided by each of the two organisations.

In particular, opportunities exist to:

- Create a unified membership base under one organisational brand – a single organisation representing the combined stakeholder population – subject to establishing the value proposition
- Offer stakeholders a more inclusive advocacy service that covers both the telecommunications technology and the Internet within New Zealand
- Provide a more unified 'voice' for New Zealand on the international stage in relation to telecommunications technology and the Internet
- Combine resources to achieve economies of scale and increase the quality of outputs and advocacy
- Harness and share the learning and research and development of the two parties



In broad terms the overall objectives of this Memorandum of Understanding are to develop a value proposition for the combined membership of both parties that ensures that the objects of both parties' constitutions remain broadly unchanged and that the following benefits to the respective members of the two parties are enhanced and / or added to;

- i) Promote easily available access to the Internet for New Zealanders - including fibre to every home and workplace
- ii) Develop, maintain and disseminate standards for the Internet and its associated technologies and applications
- iii) Develop effective administrative processes for the operation of the Internet in New Zealand
- iv) Promote education and conduct research related to the Internet
- v) Represent the common interests of the wider NZ Internet community
- vi) Support continued competitive provision of access to the Internet
- vii) Direct representation and input to submissions to Government, government agencies, carriers and other industries on issues affecting users in the telecommunications industry, including eBusiness, contact centres and Internet trading
- viii) Publications – Blogs to comment on topical ICT happenings and events
- ix) Publications – members web pages with in depth coverage of subjects such as Mobile Telecommunications, Electronic Commerce, IP Telephony, Internet Presence, etc
- x) Representation and policy reports written from the telecommunication-technology user's perspective with confidential insights into the market and the regulatory environment
- xi) Executive briefings for major Corporations
- xii) Special interest groups and working parties (Innovation, Contact Centres, Education, Broadband, Other)
- xiii) Affiliations with relevant organisations
- xiv) The opportunity to participate in wide ranging discussions concerning the ongoing development of the Internet
- xv) The opportunity to participate in the development of the information society by encouraging responsible policy making and an open and orderly development
- xvi) The opportunity to have a say in the management of the NZ domain
- xvii) The opportunity to network with other members of the Internet, Telecommunications, and Call centre communities
- xviii) The opportunity to interact with the supply side of the telecommunications industry in relation to services, standards and practices
- xix) Professional development for individual members and staff of corporate members in various aspects of communications technology and Internet usage



The parties hereto agree to the following –

1. A further period of disclosure and investigation to refine and develop a value proposition for a combined organisation and / or further collaboration by the end of February 2009.
2. Any value proposition will include consideration of the benefits (i) to (xvii) above.
3. The value proposition will form the basis of a resolution for voting at General Meetings of members of each of the parties during March 2009.
4. The appointment of a Steering Committee made up of representatives from both parties and charged with the responsibility of ensuring the value proposition is completed on time
5. That the respective members of each of the parties are advised of this Memorandum of Understanding immediately upon its execution by the respective Board and Council members
6. That due process in relation to the Employment Relations Act is followed, given the potential impacts on the staff of each of the two parties
7. That all costs associated with this MoU will be split 50/50 between the parties

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5.0 NEW ORGANISATION OPTIONS

Collaboration between the two parties could culminate in one of the following:

1. A simple agreement that both parties support the work of each other and continue to operate independently of one another.
2. An agreement that results in certain activities being combined and delivered under a separate, jointly-run entity.
3. Agreement to merge the two organisations together under a new entity
4. A buy-out of the assets and operations of TUANZ by INZ
5. A combination of the above

In considering the best approach, consideration needs to be given to:-

1. Combining the expertise of the people involved
2. Creating a 'louder' voice for internet and telecommunications users throughout New Zealand
3. Combining and improving networking and IP development collaboration amongst the joint membership base
4. Retaining the core objects of both parties
5. Encouraging a new Internet – telecommunications debate
6. Achieving better economies of scale in lobbying and PR
7. An appropriate governance and management structure
8. Change management process

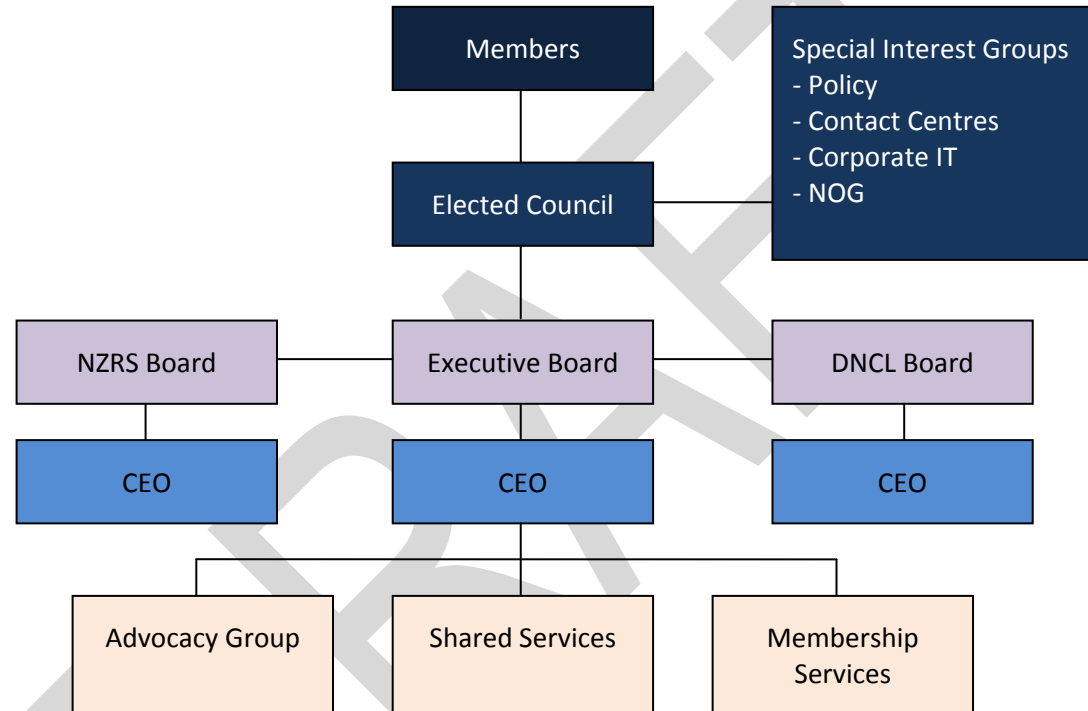
With this in mind, our independent opinion is that the following model will provide the optimum result from closer collaboration. The success of this model will depend largely on the support of the respective governance bodies and members and the development and management of a robust change process. The operational structure has not be expanded as this will be for the new governance and management structure to establish.

Input is requested from the respective Council and Boards of both entities. The following is one option.



Possible Collaborative Structure

The following chart shows one possible collaborative structure.



Under this scenario, the member elected Council remains the central 'public good' entity. Special interest groups feed into the Council. The Council appoint an Executive Board to oversee and provide professional governance to the management and operational activities of the organisation. The current NZRS and DNCL Board structures remain unchanged.

A new CEO is appointed to manage the operations of the new organisation. The CEO roles for NZRS and DNCL remain. The new CEO will work closely with the CEO's of NZRS and DNCL.



The advantages and disadvantages of this structure are as follows :-

For	Against
Independence of NZRS and DNCL retained, whilst linkage to new entity maintained through new CEO	Combined Council / Board will result in some members losing their positions
Special interest groups provide means for non elected Council / Board members to remain closely involved	Current management become disengaged given the changes planned – requires careful planning and change management
Simple and clean structure that clearly separates governance from management and keeps Council as the ‘public good’ body	Potential for the Charities Commission to question charitable status if objects increase membership focus and reduce ‘public good’ focus

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Creating a new organisational structure

Several options exist for creating a new organisational structure. For reasons of practicality, change management and simplicity, the following approach is suggested;

1. InternetNZ acquire the assets and ongoing operations of TUANZ from 1st April 2009. The members of TUANZ become members of InternetNZ and the InternetNZ constitution is amended to include key objects from the TUANZ constitution.
2. During the 2009 / 10 year, the operations are brought together under the leadership of a transitional Board, the organisational strategy and structure finalised, roles established, the workplan for launch of a new organisation established and a business plan created.
3. The new 'merged' organisation is launched on 1st April 2010 and at that point the business of TUANZ wound up.

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6.0 WORK PLAN AND KEY QUESTIONS FOR MOVING FORWARD

Work plan

The following is an indicative work plan to progress the opportunity for further collaboration –

Action Item

Action Item	Milestone
a. Revise and finalise Discovery Report	21 Jan 2009
b. Develop and finalise value proposition / MoU	21 Jan 2009
c. INZ A&R & TUANZ F&A review Report, MoU and workplan	23 Jan 2009
d. Initial informal INZ & TUANZ staff consultation by JS	26/27 Jan 2009
e. MoU finalised and Steering Committee sign off	31 Jan 2009
f. MoU issued to INZ Council and TUANZ Board - Approval to progress Heads of Agreement - Resolution to alter constitution	2/3 Feb 2009
g. Appoint legal advisors	4 Feb 2009
h. Communications / PR plan	mid Feb 2009
i. Notice to INZ members of change to constitution	mid Feb 2009
j. Notice to TUANZ members of change to constitution	mid Feb 2009
k. Draft Heads of Agreement	mid Feb 2009
l. Finalised Heads of Agreement	late Feb 2009
m. INZ Membership General Meeting (Vote)	Mar 09
n. TUANZ Membership General Meeting (Vote)	Mar 09
o. Form transitional Board	Mar 09
p. Implementation	Apr 09 – July 09



Key questions for moving forward

1. Value proposition - understand the dimensions that in aggregate constitute / represent effective (ie. Results based) advocacy; that constitute connectedness and that maximise the opportunity to leverage connectedness, for the benefit of individuals, communities and businesses in New Zealand; and how these dimensions are measured
2. Branding requires further consideration during the implementation stage
3. Staff restructuring processes to be confirmed / established
4. Consider governance model and size of new Council and Executive Board
5. What are likely to be the effects on charitable status (if any) and how are these managed?
6. What are the possible transitional arrangements to achieving a merger?
7. A financial analysis is required, once a preferred model has been established
8. Communications and PR plan required for staff and other stakeholders
9. How does the possible structure look in the eyes of NZRS and DNS?
10. How will a combined organisation look operationally? Where will it be based? What happens to redundant assets, etc?
11. What is the optimal way of establishing a transitional Board?
12. Establish the right income structure and membership and fee structure (ie 'membership subs versus a 'tax'; value proposition)
13. Stakeholders rather than just members in the long term? (.nz domain holders, NZ telephone nos, subscribers, constituents, providers)



APPENDIX 1

Constitutions

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InternetNZ

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TUANZ

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APPENDIX 2

Constitutions – Detailed Comparison

SECTION	TUANZ	InternetNZ
	Constitution amended May 2007	Version as at 30 July 2007
Object(s)	‘represent interests of members in the use of technology enabled communications’	‘promote the competitive provision of Internet access, services and facilities in an open and uncaptureable environment’ ‘develop, maintain, evolve and disseminate standards for the Internet and its inter-networking technologies and applications’ ‘develop, maintain, evolve and disseminate effective administrative processes for the operation of the Internet in NZ’ ‘promote and conduct education and research related to the Internet and inter-working’
	‘pursue an environment which can offer, in the broadest sense, cost effective services and technology that reflect both the requirements of the users and those of the national interest’	‘coordinate activities at a national level ... facilitate the development of the Internet incl. the DNS’ ‘collect and disseminate information related to the Internet and inter-networking’ ‘develop and maintain formal and informal relationships with international Internet community incl. the Internet Society’ ‘represent common interests of NZ Internet community nationally and internationally’ ‘promote widely and generally available access to the Internet’ ‘liaise with other organisations.... for coordination, collaboration and education in effecting the objects’
Membership	‘open to all organisations and individuals having an interest in technology enabled communications in NZ’	‘specific direct benefits of membership on the INZ website’
	CEO categorises members – Board accepts members	Apply to Council for membership



SECTION	TUANZ	InternetNZ
	Special clause for approved 'Carrier memberships'	
	Related Companies can become members	
Voting Rights	Board resolution determines – see also below, categories of membership	One vote for each individual member. Casting vote and deliberative vote rests with the Chair of the meeting
Resignation, Suspension, Termination	Board considers. Subs not paid for six months may be suspended	Council considers. Defined process for termination. Subs not paid for 3 months after due date – membership automatically terminates. When sub paid member becomes a Financial member.
	Written appeal to Board	
Accounting year	1.1 – 31.12	1.4-31.3
Meetings	AGM (14 days notice)	AGM attendance via Internet provisions – AGM = Council annual report, approve business plan, alter subs levels, elect Council Officers & Members (criteria apply), elect auditor, consider other business from Members – with properly formed resolutions 30 days notice of AGM New members within 14 days before AGM have no voting rights All GMs chaired by President or Vice President or person elected by a vote of those present
	Special GM if requested by 2 + members	May be called at any time by President, Council resolution, at request of 20+ financial members. SGM 14 – 40 days after request for meeting. 14 days notice to all members on motions to be moved at SGM



SECTION	TUANZ	InternetNZ
		e-GM ; may be called by President, Council or 5% or 20 financial members whichever the larger supporting a motion. Notice provision unclear. e-GM can be online discussion and voting on resolutions forming part of the meeting notice. Secretary is charged with ensuring the motion requesting the e-GM has been correctly put and approved. All proposed resolutions e-mailed to all members and open for discussion for 7 days, then ballot with voting open for 3 days
	Quorum is 1/10th of voting reps or 15 people	20 financial members or 1/3 of financial members present and voting whichever is the fewer. For an e-GM, 50 financial members or ¼ of financial members present and voting whichever is the fewer – notice of adjournment process for a one week period if quorum not reached by the person chairing the meeting
	Proxies – written only	Proxies at General Meetings only. Written
	Dissenting poll provision	Preferential voting system in all elections
Board (Council – INZ)	Chair, V-C, Secretary, Treasurer + 4 – 7 except Carrier related people. One person from a member organisation only	Council conduct through ‘Bylaws’ 12 Council members including Officers and Elected Members – all financial individual members* - note see below Continuous office provision (30 day rule) No more than 2 employees (of single or related companies) may hold simultaneous positions as Council members, although no restriction on nominations
	Secret ballot elections for officers – separate one for Chair	3 year term – 2 consecutive terms permitted. Four members of Council are elected at each AGM *Special provisions – Schedule 2 on number of Councillors being elected between 2007 and 1012, a transition from the 2006 Constitution to a 3 year from a 2 year term
	Quorum Chair, V-C, Sec or Treas plus 3 Board members	Council members deemed to have vacated position if miss 3 consecutive meetings unless Council vote to reinstate them
	Co-opting at discretion of Board	



SECTION	TUANZ	InternetNZ
	Board member changes employment – resigns, Board considers	Vacancies filled through membership electronic ballot. Elected Council Member or Officer can be dismissed by resolution of a General Meeting, with a vote of at least 2/3rds
	Board power to invest / borrow money	Society can borrow money only on resolution of members at a GM
Duties of the Chair (President – INZ)	Preside at all meetings and report	Chairs Council meetings and General Meetings. Oversees business of the society
	Establishes standing orders	
	Casting vote	
	Right to exclude Board member with conflict	Cannot be an Officer if undischarged bankrupt, under 16 years old, criminal record for dishonesty in last 7 years, prohibited from being a director etc, disqualified from being an officer under the Charities Act 2005, subject to a property order, body corporate being wound up etc
Vice President	No specific provision	Assists President
Secretary	Attend all meetings	Referred – no specific provision
	Issues statements and certificates to Registrar of Inc Societies	
Treasurer	Attend all meetings	Referred – no specific provision
	Monies, Payment into bank, keeping true and accurate record, prep of annual accounts, debt recovery	
Removal of Board members	By resolution of Members at SGM	
Subscriptions	Fixed at AGM	Fixed at AGM



SECTION	TUANZ	InternetNZ
	Each member shall pay subscription or levy	Annual subscription
	CEO gives notice of payment required 21 days in advance	
Members Not Partners	Members of the Assn are not Partners	
Sub Committees	Board or members can form them and the Board and / or members may delegate such powers as they think fit	
Association Accounts	Treasurer keeps accurate 'books'	
	Any member can inspect the books	
	Independent annual audit	Audit by member of ICANZ
Bank Account	2 staff signatories	
	Board sets max limits	
Alteration of constitution	See below	
Indemnity	Every office bearer indemnified to max extent permitted by law	
Dissolution	See below	
Common Seal	Board provides safe custody	Custody of President
	Two Board signatures	Two witnesses, one is the President or V-President



SECTION	TUANZ	InternetNZ
Categories of membership	8 categories; votes in () <ul style="list-style-type: none"> - Very large organisations (2) - Large organisations (2) - Medium organisations (2) - Small to Medium organisations (2) - Start up (one individual) (1) - Large Carriers & ISP's (2) - Intermediate Carriers & ISP's (2) - Small Carrier & ISP's (2) - Carriers 	3 classes of Members; votes in () <ul style="list-style-type: none"> - Individual members (1) – Ordinary and Professional - Organisational members (1) – Small (<100 employees) and Large, each nominates one Individual member who becomes a full Ordinary member - Fellows (1) – for life for outstanding contribution, Professional member
Confidentiality (Board members)	Talks about suggested clause and current clause	

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SECTION	TUANZ	InternetNZ
	Confidential Information is “any information in any form relating directly or indirectly to research or development by, accounting for, or the marketing, strategies or the business of TUANZ and its members..”	
Copyright	TUANZ has “irrevocable licence to freely use any Intellectual Property in any material” .. prepared for TUANZ during or on expiry of term of office	
Conflict of Interest	Board member to bring to notice of Board	
Communication with Members	-	Electronic messages generally (or mail etc). Messages acceptable for conduct of business unless Secretary advises that a meeting shall be conducted at which people to be physically present
Meeting Options	-	All meetings may be held using interactive Internet Technologies as per electronic meeting guidelines
Rules	-	Specific pecuniary profit rules for individuals related to members, except professional services at current market rates or less, or interest on money lent at no greater than current market rates
	-	Complaints procedure for one member to request the expulsion of another member



Provisions to Alter the Constitution

TUANZ

“The constitution of the Association may be altered, added to or rescinded at any time upon resolution of members at a Special General Meeting of the Association or the Annual General Meeting of the Association provided that any resolution passed is carried by **not less than 75%** of the voting rights of the Association who are present at the SGM of the Association or the AGM of the Association and providing that **at least fourteen (14) days notice** of the date, time, place and content of the proposed resolution has been sent to each member of the Association”

InternetNZ

“Any proposal to amend the pecuniary profit section or winding up section must include a note that any amendment may affect the status of the Society in terms of its’ ability to obtain or retain charitable status”

“A proposal to amend this Constitution may be submitted by any member to the Secretary of the Society who must, within seven days after receipt of the proposal, forward it to all members”

“No motion proposing any amendment to this Constitution at a general meeting shall be deemed to have been passed unless **two thirds** of the votes cast on the motion were in favour”

“Any such motion shall be put to the next General Meeting, which shall be held not earlier than fourteen or later than forty days from the forwarding of the proposal to members”

“The Secretary shall notify the Registrar of Incorporated Societies of all alterations, additions or revocations of these rules. This notification shall take such form as the Registrar and Charities Commission may require”

Provisions for Dissolution

TUANZ

“For the dissolution of the Association the affirmative vote of members representing **a simple majority** of the voting rights of the Association shall be prerequisite provided that **at least fourteen (14) days notice in writing** has been given to each Member of the Association. Upon such dissolution all funds, property and effects standing to the credit of the Association shall be bequeathed by the Association for the purpose of furthering education and knowledge in the field of telecommunications as appropriate to the aims and objectives of the Association”



InternetNZ (Winding Up)

“The Society may be wound up only under the terms of s.24 of the Incorporated Societies Act”

“The Society may be wound up voluntarily if, at a general meeting of its’ members, it passes a resolution requiring it to be wound up, and the resolution is confirmed at a subsequent general meeting called for that purpose and held not earlier than thirty days after the date on which the resolution so to be confirmed was passed”

“A resolution requiring the Society to be wound up, and the confirmation of such a resolution, shall have been passed by a general meeting if a majority of votes cast on the resolution are in favour”

“If the confirming resolutions are passed the members shall appoint one or more liquidators to wind up the affairs of the Society. Upon a winding up of the Society, its assets, after payment of its debts and liabilities, will be donated to an organisation with similar objectives”

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APPENDIX 3

Summary of Functions, Activities & Areas of Specialisation

TUANZ

Telecommunications policy formulation

- Scope: Copper, fibre, mobile, satellite, international.
- Issues embrace: competition policy, investment, wholesale markets, institutional structures, shared resources (spectrum, numbering, cell towers etc), pricing, market practices, consumer protection, technical issues, emergency services, official surveillance, etc etc
- Representation of users on external bodies e.g. Telecommunications Carriers Forum, Number Administration Deed, APEC Telecommunications and IT Working Group; International Telecommunications Users Group

Usage of Telecommunications Services

- Scope: economic advancement, organisational productivity, social and cultural benefit
- Special focus on:
 - Corporate ICT in large organisations
 - Education
 - Health
 - Rural-based applications including farming
 - Contact centres
 - Internet trading
 - Teleworking

Events

- Scope: Educational events, networking events and conferences which serve member educational needs and are financially profitable. Includes outsourced event operation on behalf of Ministry of Education, MED, Commerce Commission, etc
- Processes include: Topic identification, speaker engagement, venue logistics, budgeting, solicitation of sponsorship, marketing, sales, registrations processing, on site management, audio visual, etc

Association Marketing



- Defining a value proposition for members to join TUANZ with a special emphasis on large corporates but also government organisations, smaller businesses, and individuals
- Promoting membership through marketing in print and on line.
- Supporting this with direct selling based on systematic prospecting, responding to leads, referrals, and minimizing member attrition

External communications

- To members, to give them business-related advice, inform them of TUANZ representation activities, promote events, and maintain their interest and commitment. Methods – printed matter, Web site information, and blogs
- To external decision-makers, to promote TUANZ policy positions
- To the industry and mass media, to create public awareness of TUANZ policy and industry issues so that there is a climate of public opinion conducive to the outcomes TUANZ seeks

InternetNZ

Selection of InternetNZ Advocacy Activities During

ACTIVITY
Submission to Commerce Commission on draft notification of information disclosure requirements
Submissions to Commerce Commission for NGN review
Further submission to Commerce Commission on the accounting separation of telecom
Submission to Commerce Commission on the accounting separation of telecom
Submission to MED on proposals for operation of managed spectrum park in the 2.5GHz band
Submission to MED on anti-counterfeiting trade agreement
Submission to MED on Broadband investment fund
Submission to MED on the Digital Strategy 2.0 review



Submission to the TCF regarding the Draft TCF Report on the TSO for Local Service

ACTIVITY cont.

Submission to the Commerce Commission on terms of reference for proposed NGN study

Submission to NTIA on the future of ICANN's JPA

Submission on Amended Telecom Operational Separation Plan

2008 General Election Questionnaire

Copyright (New Technologies and Performers' Rights) Amendment Bill

Broadband Initiative

Network Strategies to produce a report on Broadband Strategy Options for New Zealand

Rural Broadband - A working group involving TUANZ

Internet Peering

ISP Spam Code of Practice

The Asia Pacific Top Level Domain Association

The Internet Corporation for Assigned Names and Numbers

Comparison of OECD Broadband Markets

Consumer Broadband Testing

Covec Report: Howell's Submission on the Telecommunications Amendment Bill

Tommaso Valletti: Comments on the Submission: "Telecommunications Amendment Bill Presented to the Finance and Expenditure Select Committee" by B. Howell



APPENDIX 4

Westlake Consulting Ltd – Proposal

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APPENDIX 5

Schedule of Information Received and Reviewed

InternetNZ

1. Members list
2. Tax depreciation schedule ye 31.3.08
3. List of roles
4. List of members of Executive Board of INZ
5. Member brochure
6. Financial statements for qtr ended 30.9.08
7. Annual Report ye 31.3.07
8. Annual Report ye 31.3.08
9. Supplementary emails from Michael Wallmannsberger and Susi Fookes
10. Constitution
11. Website

TUANZ

1. Members list
2. Marketing folder and brochures
3. Position Descriptions
4. Fixed assets as @ Feb 2008-12-18
5. Financial statements for ye 31.12.06
6. Financial statements for ye 31.12.07
7. October 2008 management accounts
8. Supplementary verbal and email advice from Ernie Newman

