

**InternetNZ** annual report 2005 → 2006





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# InternetNZ

## An overview

InternetNZ is an open membership, incorporated society, established to promote and protect the Internet in New Zealand. It has overall responsibility for the .nz domain name space, and is an advocate for the interests of Internet users and domain name registrants in New Zealand and overseas.

InternetNZ staff and volunteers are active in a wide range of policy areas. They work with government and industry to promote self-regulation, develop and help implement new technical standards, and inform and educate decision-makers on the reality of dealing with the Internet in public and technical policy.

InternetNZ has a subsidiary company .nz Registry Services (NZRS) which manages the register of domain names and associated network infrastructure. It also maintains the Office of the Domain Name Commissioner, responsible for the development and enforcement of policies and procedures that govern the shared registry system of the .nz domain name. Both the DNC and NZRS have their own boards.

InternetNZ is committed to the development of a sound policy framework for the Internet in New Zealand, in conjunction with government bodies and the local Internet community.

## Mission

“To protect and promote the Internet in New Zealand”

## Vision

“The Internet, open and uncaptureable, offering high performance and unfettered access for all”

# Strategies

## 1 Management of .nz

- 1.1 Ensure that the .nz DNS meets the needs of registrants
- 1.2 Maintain a fair and competitive market for .nz registrars
- 1.3 Ensure .nz is operated to industry best practice
- 1.4 Maintain effective policies for the .nz space
- 1.5 Promote .nz objectives internationally
- 1.6 Develop and maintain effective relationships with key government and other organisations in New Zealand

## 2 Advocacy and Representation to Government

- 2.1 InternetNZ is recognised as a respected and authoritative advocate for the internet community
- 2.2 InternetNZ responds to relevant legislative and regulatory initiatives

## 3 Supporting Industry Best Practice and Self-Regulation

- 3.1 Effective internet industry self regulation
- 3.2 To foster internet industry best practices

## 4 Protect the Internet

- 4.1 To protect the Internet and Internet users by responding to and resolving issues detrimental to the achievement of our vision, mission and objectives

## 5 Promote the Internet

- 5.1 To promote the Internet in New Zealand
- 5.2 Be Seen and Heard
- 5.3 Establish and maintain strong and healthy links with sibling organisations
- 5.4 Enhanced Member Interaction
- 5.5 Promote responsible use of the Internet

## 6 NZ representation in the global Internet

- 6.1 NZ Local Internet Community is represented in international Internet forums
- 6.2 Support Pacific Islands Internet Development

## 7 Supporting volunteers, members and the organisation

- 7.1 InternetNZ's use of the Internet is recognised as excellent and best practice
- 7.2 Operate as efficiently as possible
- 7.3 Investment Management
- 7.4 Strategy Evolution
- 7.5 Recruit and retain members
- 7.6 InternetNZ to further develop funding sources other than NZRS
- 7.7 Be a good employer of all InternetNZ staff
- 7.8 Be a good shareholder of NZRS

## 8 Supporting Internet innovation and technical leadership

- 8.1 Support Internet Innovation
- 8.2 Enable Multicast on the NZ IPv4 and future IPv6 public network
- 8.3 Support Internet Research

# President's Report

This year has been a very big one for InternetNZ. The organisation has made a great contribution as it has continued pushing for technical leadership in the development of the Internet locally and internationally and played a leading role in measures to improve broadband access for all New Zealanders.



In March 2006, we hosted a global gathering of ICANN members in Wellington. Ever since ICANN was formed in 1998 InternetNZ has had an important part to play in this forum and consequently New Zealand has an excellent reputation in the international Internet community, which was enhanced by the excellent job done in hosting this gathering. For an organisation our size this was an enormous effort.

ICANN has become our most important international relationship, helping us achieve our policy goals. Although it doesn't always live up to its ideals, it remains a good model of international cooperation not driven by governments or treaty organisations.

InternetNZ's profile was further enhanced in 2005 through our contribution to the World Summit on the Information Society (WSIS), a UN-sponsored process that sought to recognise the potential of the Internet to help countries meet their social and economic objectives. Some nations attempted, through the WSIS, to set up a new UN bureaucracy to run core Internet functions. InternetNZ worked with the New Zealand government to ensure this did not happen, and the resulting body has a more focussed mandate.

Locally we were asked in December by the Minister of Communications, David Cunliffe, to contribute to his telecommunications regulation stock-take. InternetNZ produced a draft submission as the basis for consultation with our members in Auckland, Wellington and Christchurch. There was robust debate and many great ideas were shared, resulting in a high quality final submission to the Minister.

The conclusion of that exercise came in May with the government's announcement that it would regulate to improve broadband access. This outcome is something InternetNZ has been working extremely hard to achieve. We have been engaged in debate for some time over this issue, including our efforts to support third party ISPs seeking access determinations from the Commerce Commission.

Although many organisations put a lot of time, effort and money into that forum no substantive progress was achieved; confirming what we knew all along: that the government needed to change the way telecommunications regulation works in New Zealand if it wanted to improve broadband access.

With the May announcements, the government has signalled it will do most of what InternetNZ had requested. As our submission stated, there is no 'silver bullet'; it is too late for local loop unbundling on its own to fix the problems. I am delighted the government has now recognised that. InternetNZ's role from here on is to ensure proper attention is given to the many details yet to be worked through, so that more home and business Internet users can enjoy access to the kinds of services now common overseas.

“Whatever structure InternetNZ takes, it will continue to focus on its core values, helping the Internet to grow in New Zealand and people and businesses to use it better.”

InternetNZ has continued to promote technical leadership on the Internet. As part of that commitment we will be staging an IPv6 forum to help inform and speed the country’s conversion to IPv6. We have created open source PUA (Personal User Agents) software for ENUM, the electronic numbering protocol for mapping phone calls to IP networks, and are active in the joint ENUM forum with the telecommunications carriers. We are also assessing domain name server security extensions (DNSSEC) for implementation in New Zealand.

InternetNZ was privileged to continue its support of the Network Operators’ Group (NZNOG) conference, held this year in Wellington, immediately ahead of the ICANN forum. This meant some international visitors active in global internet standards and operations were able to attend.

Our company, .nz Registry Services, a sponsor of the Wellington meeting, has continued to record sound technical and financial performance. Its board, chaired by Anne Urlwin, deserves our thanks and those of all Internet users in New Zealand.

Looking to the future, InternetNZ is about to begin a process of reviewing its structure to determine whether current arrangements can be improved on to meet our objectives. The current structure was defined in 2002, and implemented along with the shared registry system. It continues to serve us well, but there may be opportunities for improvement. The review will be conducted by an external person, who will work with a team headed by our first chairman, Roger Hicks.

Whatever structure InternetNZ takes, it will continue to focus on its core values, helping the Internet to grow in New Zealand and people and businesses to use it better. We will go on running the domain name system without fear or favour, and represent the interests of the New Zealand Internet here and overseas.

InternetNZ has been able to achieve so much this year through the dedication and talent of its staff led by Keith Davidson, the efforts of its volunteer councillors and officers, and particularly because members’ show a desire and ability to get involved. InternetNZ truly is a members’ society, and its achievements reflect on us all. As someone who believes passionately in what we’re trying to trying to do, I thank you for your involvement.



Colin Jackson

President, InternetNZ

# Executive Director's Report

The 2005-2006 year has been one of considerable change and progress for InternetNZ and while I don't intend to document all work undertaken, I do wish to record an overview of the issues and projects of significance.



## Public policy

Telecommunications regulation dominated our work in the public policy area, initially pursuing some action to achieve for more useful bitstream services for ISP's, and winning major concession on wholesale business DSL services that lead to enormous reductions in business consumer pricing.

This resulted in an invitation for InternetNZ to participate in the Government stock-take on telecommunication regulation late in 2005. The subsequent announcement in May 2006 completely endorsed our submissions. Now that the big announcement has been made InternetNZ will need to dedicate considerable resources to ensure the intent of the changes is realised.

One of the outcomes from efforts to achieve co-operations across the industry to push for these changes was the formation of the Internet Service Providers Association (ISPANZ), which will be a major asset in our ongoing engagement in this area.

Other milestones over the year included the ICT political leaders debate on the use of Access Grid technologies facilitated by InternetNZ ahead of last year's General Election and our Cyber Law Fellow commencing at Wellington's Victoria University in February 2006.

Work continued on developing of our own Internet Code of Practice, and an Anti-spam Code of Practice to follow on from the Anti-Spam Bill which should be enacted later in 2006. We also participated in a joint trial with NetSafe and DIA on the IWF Cleanfeed system.

**"... and winning major concession on wholesale business DSL services that lead to enormous reductions in business consumer pricing."**

## International efforts

On the international stage InternetNZ continued to promote its own programme, particularly in the Internet governance arena, making our presence felt in the Asia Pacific Top Level Domain Association (APTLD) and ICANN, as well as participating in the UN / ITU led Working Group on Internet Governance (WGIG) and WSIS processes.

We continued our representations at the Asia Pacific Regional Internet Conference on Operational Technologies (APRICOT) and the Asia Pacific Network Information Centre (APNIC), as well as its ongoing supporting roles as Secretariat to APTLD and APCAUCE, the coalition against unsolicited commercial email. While we have considered bidding to host an APRICOT meeting in New Zealand, the net cost appears prohibitive and sponsorship income too uncertain.

During the year InternetNZ also joined the Internet Society (ISOC), as a corporate member. ISOC provides leadership concerning the future of the Internet, and is the umbrella group for groups responsible for Internet infrastructure including the Internet Engineering Task Force (IETF) and the Internet Architecture Board (IAB).

We also made progress with our Pacific Internet Partnership with UNESCO and the UN development programme (UNDP), enabling sponsored attendees and presenters to represent us at PACINET in Kiribati last year. This also enabled us to have 14 Pacific Island sponsored attendees at NZNOG, ICANN and the Pacific Island Communications Forum in Wellington.

The ICANN meeting hosted by InternetNZ in Wellington put great pressure on our resources but raised the bar for us as we ensured attendees were well catered for and that many useful meetings were facilitated between key ICANN players and the local Internet and government communities.

## Technical issues

Co-operation between the organisers of the annual New Zealand Network Operators Group conference (NZNOG) and InternetNZ, saw their event run back to back with the ICANN meeting, allowing greater local participation. The NZNOG conference, which we continue to support provided the ideal opportunity to present Joe Abley, the only new InternetNZ fellow appointed over the past year.

Progress has been made on electronic numbering protocols for the IP environment through ENUM, with a workshop held in April 2005 and followed up by a joint InternetNZ / TCF steering group. Other technical issues are moving forward, with initiatives including a New Zealand based Computer Emergency Response Team (NZCERT), a certification authority (CA), domain name server security (DNSSEC) and IPv6. An IPv6 hui will be facilitated by InternetNZ later this year.

A joint venture between NZ Computer Society and InternetNZ late in 2005 resulted in some technical scholarship awards.

## Sponsorships

InternetNZ was particularly enthused by the Digital Cities Conference in Wellington last year and received great kudos for its relatively humble investment as a sponsor. The World Summit Awards (WSA), focussed on the best e-content projects, facilitated by the National Library, provided another opportunity for InternetNZ to get behind another important Internet-based event and show our support for excellence and innovation.

## Administration update

InternetNZ's new website was launched, providing more useful content management and presentation, but will require ongoing effort to keep fresh and up to date.

As further evidence of our growth as an organisation we have leased the 10th floor of our Wellington office building which now provides a much more useful meeting space, which will grow to incorporate an access grid during the coming year.

The existing InternetNZ strategic plan comes to the end of its lifespan at the close of this financial year, so work on revising our strategic plan which began last year, will be picked up by the Council after the AGM.

Members were consulted twice during the year, firstly on issues relating to the telecommunications submissions and later on the budget and business plan for the forthcoming year. A decision on reducing membership fees was endorsed, with a final recommendation coming to the AGM.

An advertising campaign was undertaken to publicise spending by InternetNZ on items not strictly related to the operation of the .nz namespace. No feedback was forthcoming.

InternetNZ has continued to exercise fiscal responsibility and diligence while ensuring the outcomes desired by members and the elected Council and officers are met. The range and scale of activities achieved over the past year has occurred within the budget allocated. In all this has been a remarkable and notable effort.

Staff numbers have increased during the year – we have five full timers, and one vacancy for a communications person. InternetNZ staff remain committed and enthusiastic in their tasks and their efforts to progressing the Society. I am exceedingly grateful to be working amongst such talent and diversity.



Keith Davidson

Executive Director, InternetNZ

Colin Jackson, Paul Twomey,  
Hon David Cunliffe, Vint Cerf,  
Hon Winnie Laban and  
Keith Davidson after the official  
ICANN – Wellington opening  
→



↑ Peter Jackson and Vint Cerf at the Weta Studio

# Year Highlights

## Hosting the ICANN meeting in Wellington

- 709 delegates representing 84 countries attended, considerably strengthening InternetNZ's international relationships.
- The meeting also served as a local outreach with 170 New Zealand and 47 Pacific Island attendees.
- ICANN was a good introduction to international Internet governance issues for the local Internet community.
- There was significant coverage of the meeting from New Zealand media, which also helped raise InternetNZ's profile.
- ICANN Chairman, Vint Cerf used the opportunity to promote the importance of broadband and network neutrality.

← InternetNZ staffer Isabel Carberry strikes again. The sports event was a thoroughly successful evening; with over 140 participating the atmosphere was electric.



## Submission to government on telecommunications regulation

InternetNZ invested significant time and effort to research and present submission to the Government during its telecommunications stock take, sending the clear message "there is no silver bullet". In May 2006, the government announced a regulatory package that borrowed this quote and put in place a multi-pronged strategy aligned tightly to the InternetNZ submission. Our efforts in contributing to these important changes in Government policy are among our most praiseworthy successes this year.

## ICT leaders election forum

New Zealand's first access grid broadcast of a political debate on ICT issues ahead of the 2005 General Election was organised by InternetNZ. The event attracted over 500 online viewers.

## Fellowship

Joe Abley was awarded a Fellowship to the Society March 2005.

## Cyber Law Fellow

Dr Judit Bayer took up the position of Cyber Law Fellow for 2006 in February. This is a joint partnership between InternetNZ and Victoria University.

## Sponsorship

In line with its goals InternetNZ was pleased to support a variety of initiatives, sponsoring projects including:

- The Digital Cities and Regional Networks Conference in November 2005, the first major New Zealand event to focus solely on regional and municipal broadband infrastructure and grassroots IT initiatives.



↑ Simon Riley, Hon David Cunliffe and Fran Wilde at the inaugural Digital Cities Conference, November 2005

- The World Summit Awards, facilitated by the National Library in July 2005, recognised those who were developing valuable information and communication solutions to benefit communities and society in general.

## APTLD

InternetNZ continued its work as host secretariat for the Asia Pacific Top Level Domains Association, organising meetings for members and the board in Singapore, Jordan and Wellington, New Zealand.

# Strategy Reports

This section covers the seven key strategic themes of InternetNZ's work, providing a brief outline of activities in each area during the report period. The eighth area, management of the .nz country code Top Level Domain, is covered in the annual report of the Domain Name Commissioner.

## Advocacy and representation to government

**InternetNZ, while maintaining a clearly independent stance, has developed close relationships within government. This work has built an effective voice for Internet users, significantly affecting policy decisions.**

### Submissions to government

Several submissions were made to the Commerce Commission in the course of the TelstraClear unbundled bitstream (UBS) determination process. After consulting with and seeking contributions from a range of sources, including the smaller players in the industry, InternetNZ maintained that UBS should be provided at an unconstrained speed and a single price point. In December 2005, the Internet community welcomed the commission's decision which aligned with the InternetNZ proposals.

We were then requested by David Cunliffe, the Minister of Communications to make a further submission as part of Government's stock-take of telecommunications regulation. This was developed with input from our membership and industry experts, and made it clear there was no 'silver bullet' solution and that local loop unbundling alone would not solve the problem of unacceptably poor broadband Internet services. The hours of work invested in the submission and the associated lobbying and media work were soundly rewarded when in May the Government announced a comprehensive regulatory package. Looking to the 2006-2007 year a major focus for InternetNZ will be to make sure the Government's lofty goals are realized.

### Cyber Law Fellowship

Since 2002 InternetNZ has hoped to sponsor a fellowship in Cyber Law at Victoria University of Wellington. Dr Judit Bayer was appointed as the inaugural Fellow, taking up the position in February 2006. She is teaching at Victoria University Law School and conducting research on specific topics agreed to with InternetNZ.

### ICT leaders election forum

InternetNZ was pleased to facilitate New Zealand's first ever ICT political debate in August 2005. The forum, broadcast using an access grid, attracted over 500 online viewers. This use of grid technology enabled more useful interaction between participants and audience than would have been possible with traditional media. Questions from 'Chat' participants added a useful tension to the debate.



↑ Journalists - Kate McLaughlin and Paul Brislen, Panel - Maurice Williamson, Hon David Cunliffe and Mikaere Curtis, Moderator - Peter Dengate Thrush at the ICT Leaders Election forum, August 2005

### Internet caucus

Work is progressing in developing a Parliamentary Internet Caucus. It is expected that a bipartisan group of MPs will have regular speaking slots to share information about Internet issues with other parliamentarians. InternetNZ is hopeful this will improve the knowledge base MPs have when they are dealing with laws affecting the Internet.

# Industry best practice and self regulation

## Internet Code of Practice

InternetNZ's work on developing an Internet Code of Practice continues with further refinements underway. There appears to be a broad agreement that self-regulation is preferred to regulation. Once greater clarity is achieved and the code is implemented we expect the cost of operation will be largely met by signatories.

## World Internet Project

The local activities of the World Internet Project (WIP) are expected to provide a comprehensive knowledge base on the social, political and economic impact of the Internet. WIP is an international research project that aims to track local and global Internet trends and impacts. This year InternetNZ was invited to lend its support by sponsoring New Zealand's WIP partner, the Centre for Communication Research (CCR), a key research institute at Auckland University of Technology.

# Protect the Internet

**Major efforts are underway to secure the New Zealand Internet from threats by taking advantage of emerging opportunities across the rapidly-changing industry.**

## Anti-spam campaign

InternetNZ began its anti-spam campaign in mid-2004 and continued to engage with the Government on the development of the legislation throughout this year. The final submission on the draft law was put forward in March 2006. InternetNZ developed and presented an alternative enforcement model to the Commerce Select Committee. The next critical step in will be to lobby for government's support of a revised model as the law proceeds through Parliament.

## Internet patents

InternetNZ continues to provide funding to a patent monitoring service, where members can be notified of and view Internet-related patent applications.

## ENUM

The convergence of telephone numbering and the Internet is best seen in ENUM, a technology which enters public telephone numbers into the domain name system, potentially enabling a single point of contact for all electronic communications. InternetNZ wants to be part of the local trial of the technology, and has commissioned prototype work around privacy-related issues.

## The Internet Safety Group

InternetNZ has taken on a sponsorship role with NetSafe, the Internet Safety Group, largely because its objectives and goals align with our own. NetSafe is also co-located with our own offices in the Auckland CBD. In 2006 NetSafe appointed Martin Cocker as its new Executive Director.

## Cleanfeed investigation

InternetNZ and NetSafe have agreed to work with the Department of Internal Affairs to conduct a trial of a system which filters online child pornography. An investigation looked at the applicability of the system under New Zealand law. InternetNZ is disappointed there is a need for such a filter and will continue to support the Government in its efforts to combat such content.

## Promote the Internet

Part of the role of InternetNZ is to promote wider use of the Internet to the broadest range of people and the ongoing development of better Internet-based services for all New Zealanders.

### Supporting ISPANZ

InternetNZ is keen to strengthen communications within the Internet industry in New Zealand and has been supportive of the recently formed Internet Service Providers Association of New Zealand (ISPANZ) since its formation. Now that organisation has matured InternetNZ has fostered a strong informal and formal relationship. Members of ISPANZ have been invited to join various task forces and continue to add a valuable commercial and industry perspective to InternetNZ's work. Elements of ongoing support will continue to be discussed during the current year.

### Digital Cities

InternetNZ sponsorship of the inaugural Digital Cities and Regional Networks Conference 2005 was a massive success and we look forward to ongoing support for this annual event. This was the first conference held in New Zealand to focus solely on regional and municipal broadband infrastructure and grassroots IT initiatives.

### WSA Awards

InternetNZ was proud to sponsor the WSA Awards, facilitated by the National Library, which acknowledges work in IC&T that assists with the development of communities and society at large.

### Other items

Other work undertaken during the year involved InternetNZ's membership of the Next Generation Internet consortium; communications activities highlighting critical Internet issues (including responsible Internet usage), and the development of several micro web sites promoting current projects.

## Internet innovation and technical leadership

### NZNOG

One of the most visible contributions InternetNZ makes in the area of Internet innovation and technical leadership is through its on-going sponsorship of New Zealand Network Operators' Group (NZNOG) conferences. InternetNZ also supported attendance at the conference by technical people from Pacific Island countries who could benefit from the learning experience and build important contacts.

### IPv6

InternetNZ has continued to press toward its goal of seeing telcos, ISPs, corporates, home users and the industry in general convert to IPv6. ICANN held an IPv6 workshop at its Wellington meetings this year, with the objective of promoting an NZ IPv6 Forum, planned for later in 2006.

### Technical scholarships

InternetNZ and the Computer Society (NZCS) have joined forces to create a Technical Scholarship programme, for Internet innovation. For the 2005/06 scholastic year scholarships were given to six college undergraduates studying internet networking technology and related subjects.

## Supporting volunteers and members

**The InternetNZ Secretariat provides a great deal of support to volunteers and members of the organisation, including the Council and committees that make up the Society.**

This includes staffing, committee and membership support, resources for Council meetings, professional fees and advice, and various other items. Staffing resources have been expanded with the appointment of a project administrator in September 2005 and a technical analyst in January 2006. Other support services are regularly reviewed and updated.

During 2006 there will be further development of a membership plan, including improved communications and recruitment material. Day to day oversight of most of these activities lies with the Executive Committee.



↑ Hon David Cunliffe speaking at the inaugural Digital Cities Conference, November 2005

## New Zealand in the global Internet

Much of InternetNZ's international work relates to its responsibility for the .nz ccTLD (country code Top Level Domain), the cost of which is spread between its general budgets and the .nz Oversight Committee funds.

### Internet Corporation of Assigned Names and Numbers (ICANN)

InternetNZ has long been a supporter of ICANN and in March 2006 it hosted an ICANN meeting in Wellington, attended by more than 700 delegates. ICANN board members and delegates commented on how smoothly the meeting ran and a great deal of positive feedback was received from delegates.

There was significant mainstream media coverage of the event, no doubt aided by the attendance of Vint Cerf, ICANN's Chairman and 'father of the Internet'. Cerf's views on broadband were in line with those of InternetNZ and he spoke candidly on its importance. Keith Davidson facilitated meetings between our highly regarded guest and various parties, including the Minister of Communications, the Telecommunications Commissioner and senior people from the National Library.

### Asia Pacific Top Level Domain Association (APTLD)

InternetNZ served as the Secretariat for the APTLD during the 2005/6 period. The membership-based organisation for ccTLD registries in Asia Pacific region provides a forum of information exchange regarding technological and operational issues of domain name registries.



### Pacific Island Partnership (PIP)

This outreach partnership, formed in June 2004 as a joint exercise between InternetNZ, UNESCO NZ and UNDP, aims to improve the use of ICT in the Pacific Islands. The creation of PIP is one of numerous ways InternetNZ assists Pacific Island engagement with the Internet. It enabled 14 Pacific Islanders to attend the ICANN and NZNOG meetings. InternetNZ sponsored a Pasifika IT Day to coincide with the meetings.

### The World Summit on the Information Society (WSIS)

The World Summit on the Information Society, an initiative of the United Nations and the International Telecommunication Union relating to the information society, was formed to address issues such as the digital divide, cybercrime, spam and multilingualisation.

In 2005, InternetNZ Executive Director Keith Davidson attended the third preparatory commission of WSIS as a New Zealand government advisor. Unfortunately the primary focus of WSIS at this meeting related to the root services of the Internet, pushing the issues it was established to deal with into the background. Ongoing activity in this area is well supported by the International Affairs Committee.

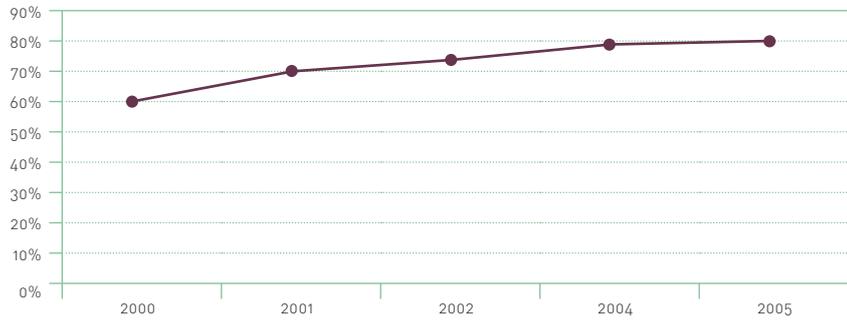
↑  
Vint Cerf during the wero [challenge] at the Te Papa formal ICANN - Wellington welcome ceremony and dinner, Keith Davidson and Paul Twomey stand behind in support.



← APTLD members visiting the ancient Roman city of Jerash, while in Jordan for the October 2005 meeting

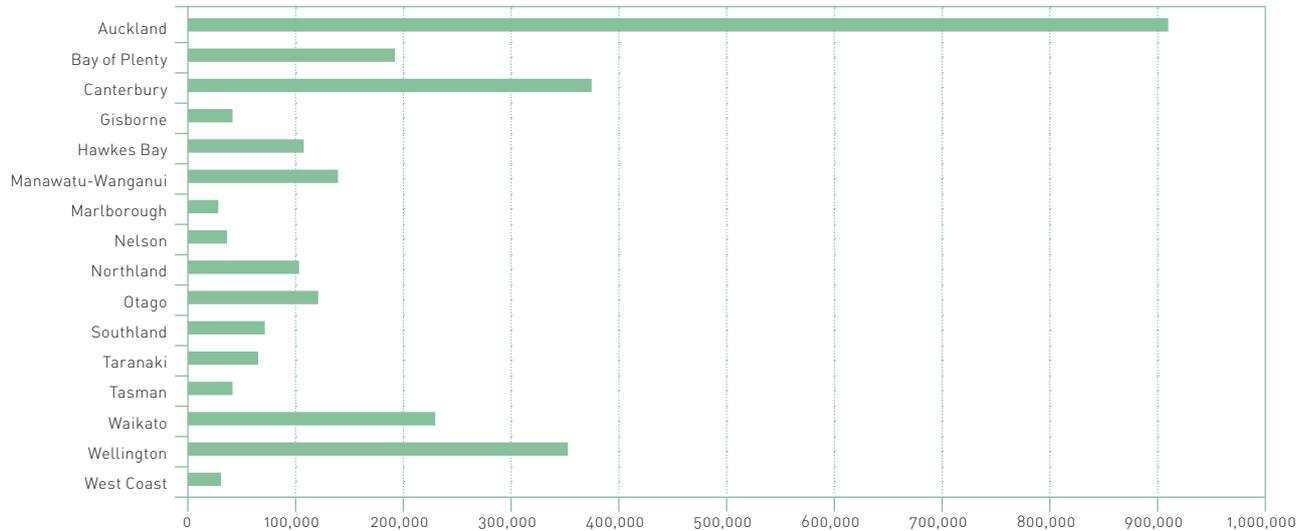
# The Internet in New Zealand

## Internet access



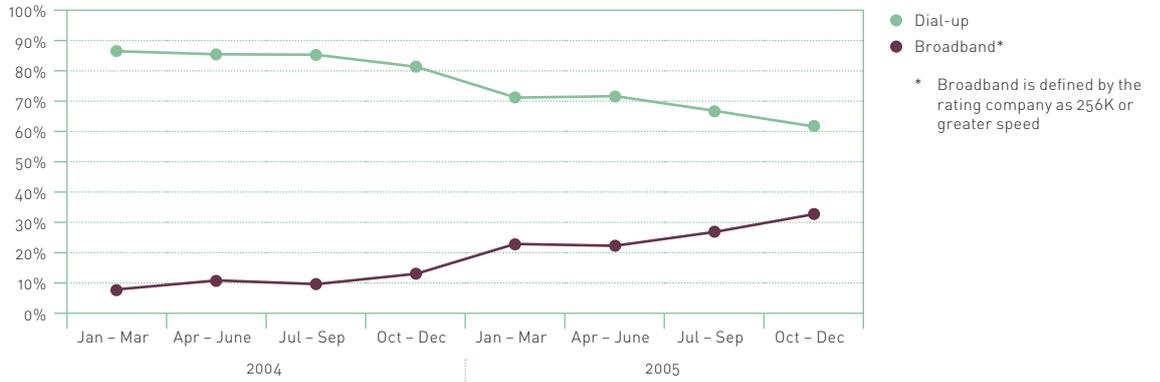
Source: Nielsen/Net Ratings

## Access to Internet by region



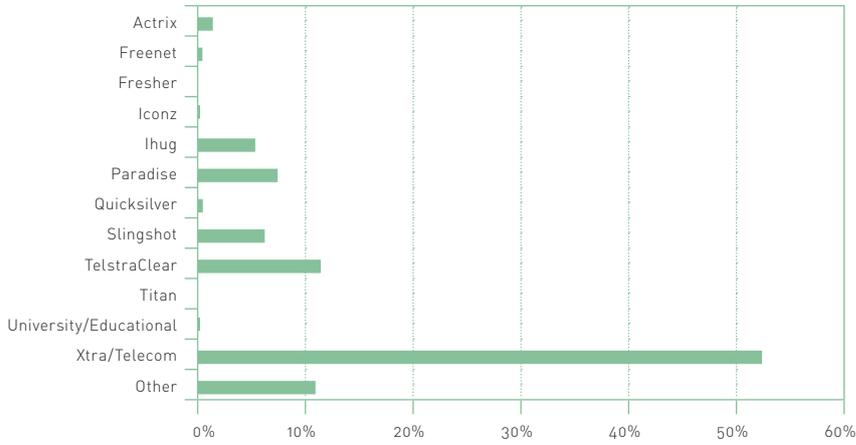
Source: Nielsen/Net Ratings

### Home connection type



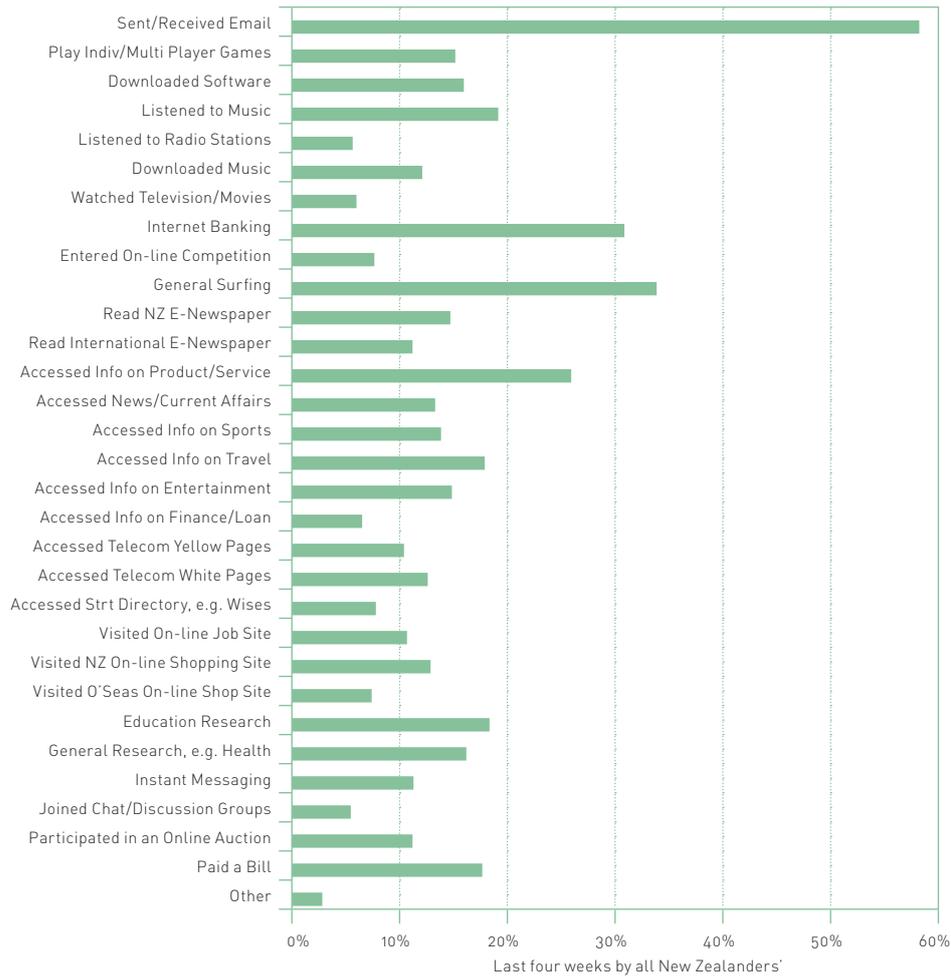
Source: Nielsen/Net Ratings

### ISPs used in the home



Source: Nielsen/Net Ratings

## Online activities Last four weeks by all New Zealanders



Source: Nielsen/Net Ratings

## New Zealand Internet sites visited in the last month

Rank	Site	Publisher	Unique visits
1	trademe.co.nz	Trade Me Ltd	2,443,474
2	xtramsn.co.nz	XtraMSN	2,073,345
3	xtra.co.nz	XtraMSN	767,019
4	nzherald.co.nz	APN Holdings NZ Ltd	577,147
5	stuff.co.nz	Fairfax New Zealand Limited	516,814
6	whitepages.co.nz	Telecom Directories	460,833
7	westpac.co.nz	Westpac Banking Corporation (New Zealand division)	454,141
8	asbbank.co.nz	ASB Bank Limited	426,419
9	telecom.co.nz	Telecom NZ Ltd	416,176
10	nationalbank.co.nz	The National Bank	415,276
11	airnewzealand.co.nz	Air New Zealand Limited	407,450
12	yellowpages.co.nz	Telecom Directories	370,144
13	tvnz.co.nz	TVNZ	327,663
14	nzdating.com	New Zealand City Ltd	297,341
15	nzcitey.co.nz	New Zealand City Ltd	260,776
16	seek.co.nz	SEEK	243,309
17	wises.co.nz	APN Holdings NZ Ltd	238,426
18	oldfriends.co.nz	Trade Me Ltd	229,190
19	findsomeone.co.nz	Trade Me Ltd	196,561
20	anz.co.nz	ANZ Banking Group (New Zealand) Limited	194,479
21	vodafone.co.nz	Vodafone Group	191,637
22	metsservice.co.nz	Meteorological Service of NZ	185,510
23	massey.ac.nz	Massey University	157,309
24	ihug.co.nz	ihug Limited	143,676
25	smilecity.co.nz	SmileCity Limited	141,643
26	harcourts.co.nz	Harcourts Group Limited	121,150
27	nzs.com	Avatar Ltd	120,145
28	scoop.co.nz	Scoop Media	118,724
29	village.co.nz	VILLAGE SKYCITY CINEMAS	117,448
30	ubd.co.nz	APN Holdings NZ Ltd	112,478
31	ticketek.co.nz	Ticketek Pty Ltd	106,215
32	realenz.co.nz	Real Estate Institute of New Zealand Inc	104,472
33	open2view.com	Open2view New Zealand Ltd.	101,994
34	tourism.net.nz	New Zealand Tourism Online	95,436
35	autotrader.co.nz	ACP Media New Zealand	94,229
36	companies.govt.nz	Ministry of Economic Development	91,475
37	trade-exchange.co.nz	Cabbage Tree Press Limited	82,674
38	jobstuff.co.nz	Fairfax New Zealand Limited	79,364
39	ferrit.co.nz	Telecom NZ Ltd	76,099
40	sorted.org.nz	NZ Retirement Commission	74,292

Source: Nielsen/Net Ratings

# InternetNZ Directory 2005 - 2006

## The Council



**Colin Jackson**

President 2005 – 2006  
Treasurer 1995 – 1998  
Council 1995 – 1999, 2005 – 2006



**Peter Macaulay**

Council 2005 – 2006



**David Farrar**

Vice President 2003 – 2006  
Secretary 2001 – 2003  
Council 1998 – 2000, 2001 – 2006



**Janet Mazenier**

Council 2006



**Michael Wallmannsberger**

Secretary 2003 – 2006  
Council 2002 – 2006



**Jennifer Northover**

Council 1999 – 2006



**Chris Streatfield**

Treasurer 2002 – 2006  
Council 2001 – 2006



**Rodney Prescott**

Council 1997 – 1998, 2004 – 2006



**Simon Riley**

Council 2001 – 2006



**Michael Sutton**

Council 2004 – 2006



**David Harris**

Council 2003 – 2006



**Sean Weekes**

Council 2004 – 2006



**Mark Harris**

Council 1998 – 2001, 2005 – 2006

**Grant Forsyth**

Council 2002 - [resigned March 2006]

**Nick Wallingford**

Council 2002 - [resigned December 2005]

## Senior Staff

**Keith Davidson – Executive Director**

**Debbie Monahan – Domain Name Commissioner**

## Fellows of the Society

Joe Abley  
Nevil Brownlee  
Rex Croft  
Mark Davies  
Roger Hicks  
Jim Higgins  
Dr John Hine  
John Houlker  
Neil James  
Andy Linton  
Dr Frank March  
Richard Naylor  
Donald Neal  
John Vorstermans

## Standing Committees

Audit Committee  
Executive Committee  
Governance and Constitutional Committee  
International Affairs Committee  
Legal and Regulatory Committee  
.nz Oversight Committee  
Technical Committee

## Task Forces and Working Groups

Anti-Spam Task Force  
CERT Task Force  
ENUM Task Force  
ICANNZ06 Task Force  
Peering Task Force  
Digital Opportunities Trust Task Force  
Patent Advisory Group

To view membership of the above, please go to <http://www.internetnz.net.nz/about/people/>.

# Treasurer's Report

This has been a busy and exciting year with many changes having an impact on the Internet in New Zealand and internationally. I believe I have overseen sound and increasingly professional financial management of the Society, including my final year when InternetNZ made considerable investment in several fields.



## **New Zealand initiatives included:**

Contributions and submissions to the TelstraClear UBS determination carried out by the Commerce Commission;

Input into the Government's Telecommunications Review, which led to important announcements by the Minister of Communications concerning the future of broadband and regulation;  
ENUM activities;  
Ongoing support for NetSafe.

These activities are of benefit to the whole Internet community and lay the groundwork for future benefits including better access, and safer and faster Internet use for all New Zealanders.

## **International investment activities have included:**

Hosting a meeting for ICANN;  
Pacific support;  
Attendance at International forums including APRICOT;  
Managing the APTLD Secretariat.

## **Investment in the Society included:**

Considerable increase in human resources;  
A complete revamp of the Society's web site.  
InternetNZ continues to keep a watching brief in many areas. There will be continuing work in the forthcoming year to consolidate investment and work undertaken in areas where we made a financial commitment in 2005/06.

The Society decided three years ago not to seek a full income from our subsidiary to cover our costs, but to draw down on our reserves in a controlled way to assist the creation of a solid financial base for the subsidiary. This period has now drawn to a close, and both the Society and the group as a whole are in a very good financial position. The Society has determined to hold adequate reserves to cover a year's core costs and will manage the financial position so that these reserves are protected. We have made great strides in consolidating the Society and moving toward more professional management.

For the future the Society has decided to carry out a review to determine if we have the best structure or whether changes should be made. New initiatives will examine alternative funding streams, as and when opportunities arise. A proposal has been put to the members to simplify and reduce the membership fees.

I would like to take this opportunity to thank our external accountants Markhams MRI (formerly Mason King) in the person of Bruce Stormer and our external auditors Grant Thornton, particularly Kerry Price, for their help, support and advice.

I have enjoyed the role of treasurer very much these past four years and would like to thank members of InternetNZ for the opportunity and privilege of carrying out this role.

A handwritten signature in black ink, appearing to read 'Chris Streatfeild'.

Chris Streatfeild

Treasurer, InternetNZ

**“These activities are of benefit to the whole Internet community and lay the groundwork for future benefits including better access, and safer and faster Internet use for all New Zealanders.”**

# Auditor's Report

Grant Thornton 

Chartered Accountants  
& Business Advisers

## Audit Report

To the Members and Stakeholders of The Internet Society of New Zealand Incorporated.

We have audited the financial report on pages 1 to 10. The financial report provides information about the past financial performance of the Internet Society of New Zealand Incorporated (Society and Group) and its financial position as at 31 March 2006. This information is stated in accordance with the accounting policies set out on pages 5 to 6.

## Council's Responsibilities

The Council of the Society is responsible for the preparation of a financial report which fairly reflects the financial position of the Society and Group as at 31 March 2006 and the results of operations and cash flows for the year ended on that date.

## Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Council.

## Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Council in the preparation of the financial report; and
- whether the accounting policies are appropriate to the Society and Group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditors we have no relationship with, or interests in, the Society and Group.

## Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial report on pages 1 to 10 fairly reflects the financial position of the Society and Group as at 31 March 2006 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 15 June 2006 and our unqualified opinion is expressed as at that date.

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Grant Thornton  
Wellington

# Financial Statements

**The Internet Society of New Zealand  
Statement of Financial Performance  
For The Year Ended 31 March 2006**

	Note	2006 Twelve Months		2005 Twelve Months	
		Parent \$	Group \$	Parent \$	Group \$
Operating Revenue	2	<u>1,606,691</u>	<u>4,896,060</u>	<u>1,404,474</u>	<u>4,266,481</u>
Operating Surplus / (Deficit) Before Taxation	3	(544,905)	649,392	(316,406)	934,032
Gain on Sale of Domainz Limited	16	3,010	3,010	(31,758)	(31,758)
Taxation (expense) / benefit	1(h),6	<u>0</u>	<u>559,630</u>	<u>0</u>	<u>418,014</u>
Operating Surplus / (Deficit) After Taxation	7	<u>(541,895)</u>	<u>92,772</u>	<u>(348,164)</u>	<u>484,260</u>
Net Surplus / (Deficit)		<u>(541,895)</u>	<u>92,772</u>	<u>(348,164)</u>	<u>484,260</u>



**The Internet Society of New Zealand  
Statement of Movements in Equity  
For The Year Ended 31 March 2006**

	2006		2005	
	Parent	Twelve Months Group	Parent	Twelve Months Group
	\$	\$	\$	\$
Opening Equity	2,996,628	4,560,029	3,344,792	4,075,769
Net Surplus/(Deficit)	(541,895)	92,772	(348,164)	484,260
<b>Closing Equity</b>	<u>2,454,733</u>	<u>4,652,801</u>	<u>2,996,628</u>	<u>4,560,029</u>



**The Internet Society of New Zealand  
Statement of Financial Position  
As At 31 March 2006**

	Note	2006 Twelve Months		2005 Twelve Months	
		Parent \$	Group \$	Parent \$	Group \$
<b>Current Assets</b>					
Cash and Bank	1(e),15,16	2,426,995	7,279,012	2,710,854	6,066,755
Receivables	1(d),1(e),15	118,220	817,529	82,595	564,678
Income Tax	1(h),6	344	71,885	344	178,537
		<u>2,545,559</u>	<u>8,168,426</u>	<u>2,793,793</u>	<u>6,809,970</u>
<b>Non-Current Assets</b>					
Fixed Assets	1(b),1(c),8	55,335	330,665	62,126	383,023
Shares in Subsidiaries	1(a)	430,000	0	430,000	0
Intangibles	1(g)	0	4,080	0	5,319
		<u>485,335</u>	<u>334,745</u>	<u>492,126</u>	<u>388,342</u>
<b>Total Assets</b>		<u>3,030,894</u>	<u>8,503,171</u>	<u>3,285,919</u>	<u>7,198,312</u>
<b>Current Liabilities</b>					
Employee Entitlements	1(f),9	44,676	54,970	37,097	50,024
Accounts Payable		524,414	756,963	251,110	425,899
Fees Received in Advance		7,071	3,038,437	1,083	2,162,360
		<u>576,161</u>	<u>3,850,370</u>	<u>289,290</u>	<u>2,638,283</u>
<b>Net Assets</b>		<u>2,454,733</u>	<u>4,652,801</u>	<u>2,996,629</u>	<u>4,560,029</u>
<b>Equity</b>					
Retained Earnings		<u>2,454,733</u>	<u>4,652,801</u>	<u>2,996,628</u>	<u>4,560,029</u>
		<u>2,454,733</u>	<u>4,652,801</u>	<u>2,996,628</u>	<u>4,560,029</u>

C. O'Connell  
Treasurer  
15/06/06  
Date

D. P. Farrer  
Vice President  
15/06/06  
Date

