



**Internet Society of Australia**  
**A Chapter of the Internet Society**

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Via email: [aureview@dcita.gov.au](mailto:aureview@dcita.gov.au)

**OUR SUBMISSION:-**

In response to the Department of Communications Information Technology and the Arts, discussion paper, October 2006, on **Review of the structure and operation of the .au Internet domain**

**Synopsis**

The Internet Society of Australia ([ISOC-AU](http://www.isoc-au.org.au)) is a non-profit society founded in 1996 which promotes Internet development in Australia for the whole community - private, academic and business users: *the Internet is for everyone!* ISOC-AU is a chapter of the world-wide [Internet Society](http://www.isoc.org) and is a peak body organisation, representing the interests of internet users in this country. We have a longstanding and ongoing commitment to the effective representation of these interests in code development and self regulatory processes in the telecommunications, domain name and internet-related services industries.

Our not for profit organisation, welcomes the opportunity to comment on the current and future structure and operation of the .au internet domain administered by auDA. Specific points on the questions raised in the discussion paper follow in the body of this document, but in general our responses are tempered by the following overarching comments: -

- o We give our continued in-principle support to the practice in Australia of having **an accountable and transparent process for the input of public interest (including business and individual users/consumers of Domain Names) to the development of general Domain Name Policy and specific Domain Name Industry Codes of Practice, for the DNS and other addressable identifiers, used over the Internet.**
- o We applaud the clear recognition, in the discussion paper, for the importance of the need for **real and effective consultation in the current review process**; the inclusion in this process of all stakeholders both of industry and the broader Internet Community; and support the critical observation made in the paper, that in a self-regulatory model, not only a balance of supplier and demand interests is required to be maintained. But that periodic review of existing structures and processes is also necessary, so that international 'best practice' can be maintained, and we believe the current model is an example of this, as defined in your section 1.1 'Purpose' of the Discussion Paper "...it is appropriate periodically to undertake a broad examination of existing structures. This ensures that the policy environment for the Australian Internet remains appropriate, internationally competitive and forward-looking, while continuing to deliver the maximum possible value to Australian business and the wider community."<sup>1</sup>

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<sup>1</sup> Page 3 Sec 1.1 Purpose of the Discussion Paper

- We are concerned however that there exists some potential confusion or drift in the definition of 'industry stakeholders' in the current discussions, away from the original concept prior to 1998, that the form of self regulatory regime adopted by our country, should be an Internet Industry based one, where the interests of the wider user groups, business and individual consumers were consulted and represented, in the familiar bottom up approach taken in other Internet processes such as the IETF, towards a definition of Industry Stakeholders being limited to the micro-economic and vested interests of Domain Name Industry Registrars and Resellers.
  
- ISOC-AU has been actively involved in the development of the .au domain from the beginning and was an active and an integral part of many of the activities outlined in section 2 'Background', of the discussion paper. It should also be noted that we have since its foundation, been involved at Board level with auDA having maintained up until the last AGM, a Representative Class interest via a position on the board with retiring Director Greg Watson. Since the 2006 EGM we are now a Demand classification membership, and as such have no direct Public Interest role in the activities of auDA at Board level, though one of the re-elected auDA Board in this class is also a Director of our Society and several Individual Members of our board and our wider membership also hold Demand class membership the auDA.
  
- Of particular importance to our Society and membership is the continued recognition that the DNS is a public asset, and that the .au ccTLD must be managed for the benefit of the Australian community, and as such must be wisely and cautiously managed for the benefit of both internet user interests, general business and consumer interests and those of the general Australian community, by its administrator. To this end we note that in the last five years of operation auDA has, in our opinion, carried out this role in an exemplary fashion and has indeed undergone several internal review processes, and Policy Panel processes to ensure this. Though no doubt like any system there is room for increased efficiencies and procedural modifications, at this early stage of the life-cycle of the auDA administration entity, and in recognition of the rapidly changing technological, social and political global environment the DNS operates in we would suggest this initial review of operations is too early to consider any large scale changes to structure or high level processes and procedure.

## Preamble

ISOC-AU has been an integral and active part of various code development processes in self regulatory frameworks, over the last 4 years these include [Name Policy Review Panel](#) - reviewed policy rules for domain names in asn.au, com.au, id.au, net.au and org.au (2004) [Registry Competition Review Panel](#) - reviewed the selection process and revenue model for .au registry services (2004); [Code of Practice Committee](#) - drafted and reviewed .au Domain Name Suppliers' Code of Practice (2002-2004); [National Reference Group](#) - developed policy for new community-based geographic 2LDs (2003-2004); [New Names Advisory Panel](#) - evaluated proposals for new 2LDs (2002-2003); [Dispute Resolution Working Group](#) - developed a dispute resolution framework for the .au domain (2001); [Name Policy Advisory Panel](#) - reviewed policies for allocating .au domain names (2000-2001); [Competition Model Advisory Panel](#) - determined how competition in the .au domain name industry would be introduced (2000-2001).

Additionally and in reflection of the convergence in this sector we have also been extensively involved in the resource – intensive consumer code development work with ACIF via Working Committees and its role as a Full Member of the Communication Alliance (nee ACIF) Consumer Council, and numerous of its subcommittees and working groups.

See [http://www.acif.org.au/projects/consumer\\_council](http://www.acif.org.au/projects/consumer_council) & [http://www.acif.org.au/projects/consumer\\_council/meetings](http://www.acif.org.au/projects/consumer_council/meetings)

Since June 2003 ISOC-AU has also secured partial funding from the Department of Communications, Information Technology and the Arts, Telecommunications Consumer Representation Grant Program under subsection 593(1) of the Act to carry out a program of discussions with users of Internet services across Australia.

Our granted objectives are:

(a) to foster consumer input into the development of the Internet and self-regulation of the Internet industry in Australia, to fulfill the vision that 'the Internet is for everyone!' and,

(b) to ensure that maximum benefits flow to individuals and businesses as participants in society and the global information economy, and to draw input from all relevant stakeholders and organisations.

This partial funding allows us to run our TCCM program, where by we meet with and discuss issues of interest (including those of a telecommunications and code development nature) with a wide variety of internet users across Australia reports from these specifically funded meetings are found at <http://www.isoc-au.org.au/TCCM/> . Whilst it is

clear that these partially funded TCCM activities both enhance and facilitate our role as an effective, well informed and truly emblematic consumer representative body which draws not only on our own Membership for input and opinion but on the wider community of Internet users. And that that in turn is a significant part of our effectiveness in consumer representation in the code development process by organisations such as Communications Alliance and auDA.

## Specific Responses

Having reviewed the discussion paper in detail and deliberated at some length with our executive, ISOC-AU provides the following short form answers to each of the questions posed, which are to be read with reference to and in conjunction with our points and opinions made earlier in this document:-

3a In the broadest context, is the 'domain operator / registry / registrar / reseller' model the most appropriate for .au, delivering the most efficient and effective administrative structures? —If not, what structural changes could provide greater efficiencies?

Yes – the current structure provides a selection of choice to the users /consumers of Domain Names that allows a wide range of options – from the higher cost and services bundled offerings, through to the cheap and cheerful “I just want to register the name(s) I want as cheaply as possible” services in a competitive environment. Though no doubt some “structural efficiencies” could be made with full automation processes (including access to real-time information in data bases containing information required to check policy compliance OR if less policy rules were required the later would result in a serious dilution of the current value that meaningful eligibility rules give to name holders in the .au namespace.

3b Does auDA's current operational and Board structure support appropriate and representative administration of the .au ccTLD? —If not, what changes could deliver more effective administration?

The structure of the Board has recently undergone significant changes with the resolution to remove the Representative Class of Membership (and wind up that classes representation on the Board) resulting in a new and yet untested board balance structure of 50/50 Supply and Demand and 2 – 3 Independent Directors. We believe it is far to early to consider further changes, and that if required sufficient options exist within the General Meeting options (Annual and Extraordinary) to put such changes to the Membership.

Also several theoretical possibilities of bias and Board stacking are possible within this current or any other structure e.g. a full time employee and/or owner of a registrar or reseller can hold individual Demand class Membership and be elected to the Board representing "Demand" but carrying considerable conflict of interest as well as presumed bias towards Supply side issues. This issue could and should be dealt with by internal procedural protections and clear responsibilities for Directors, rather than by alternate structure models.

The continuation of the Department having observer status at meetings of Board is supported and we would hope continue.

3c Noting auDA's not-for-profit nature, are subsidiary trusts such as the auDA Foundation and auCD the most appropriate mechanisms by which to manage and distribute significant revenue streams?

Yes – this mechanism allows for targeted and specific focus on Board agreed objectives in a way which allows for auDA control over activities whilst allowing sufficient entity flexibility and operational focus to effectively pursue short and long term activities of funds distribution in an open and transparent manner.

3d Do you believe the governance structures for the .au domain deliver the best outcomes to the Australian Internet community, balancing the need for a reliable regulatory regime operating in the public interest with the need to facilitate competition and growth in .au? —If not, what governance structures could be adopted to deliver a better service to the Australian community?

Yes – providing public interest is genuinely represented in its processes, in our opinion the policies in place to encourage competition and growth in .au may require review but providing a balance of Domain Industry and wider views are built to a consensus outcome this will be of significant benefit to all.

3e Is a not-for-profit industry self-regulatory model the most appropriate governance structure for the .au domain?

Yes – at this early stage, of the industries rapidly changing development; The not-for-profit industry self regulatory entity model under a formal relationship with the sovereign rights holder seems quite appropriate.

3f Do auDA's principal purposes and activities, as codified in the auDA Constitution, fully reflect the needs of the Australian Internet community, and position auDA to best deliver on these needs?'

The principal purposes and activities of auDA as modified in its constitutional reviews has positioned the entity well, to deliver the needs of Domain Names users within the Internet community. From time to time however and with particular respect of new and converging technologies; any shift in public perceptions and use of the Internet; as well as issues of Security and Stability of the DNS and Internet per se; additional or modified principles and purposes may need to be incorporated or required so that the Internet community has its need more completely and functionally met in a timely manner by the administrator of the .au ccTLD.

3g How effective has auDA been in achieving these principle purposes?

Very effective, though limited perhaps by its small staff and with respect to its income / funding model, balancing the needs of activities vs. cost reductions to registrars to enhance and promote a competitive Domain Name Industry. It has met and continues to meet, many of these criteria and has begun to meet others (particularly in fair trading and consumer protection). A strategic plan outlining priority areas and project management feedback could however be incorporated into future activities to allow wider Internet and general community understanding of these principal purposes and related outcomes.

3h Does the role defined for auDA reflect the expectations Internet users have for the manager of a ccTLD?

It reflects the expectations of a specific and knowledgeable sector of the wider (general public) users of the Internet, many of whom have only interfaced with the Internet via a DNS and who have little or no knowledge of the technical functions or issues. Generally we believe general Internet users see the DNS and the Internet as more of utility than a service. There fore expect all the basic safeguards and protections afforded them in general business and consumer activities of utility and consumer (retail) services, as well as the right to influence outcomes in a shareholder like manner.

3i Are current processes and procedures for the operation of .au sufficiently open and transparent and do they provide for timely, relevant outputs? —If not, what operational changes could help improve openness and transparency?

Yes – at this stage, of the industries rapidly changing development current processes and procedures are satisfactory, though should be reviewed in the future to ensure both maintained effectiveness and efficiencies as well as the ideals of openness and transparency. To this end we encourage auDA to repeat the initiative of holding 'Open' Board

meetings more frequently and to expand their public outreach and education programs to increase general awareness. Future use of on demand or broadcast technologies for minutes and audio/in-camera meeting may also be options worth looking at in the future.

3j Is the current role of the Australian Government in the administration of .au appropriate e.g. acting as an observer on the auDA board and holding reserve powers under legislation? —Alternatively, what role would you like to see the Australian Government assume in relation to .au?

Yes – the current role seems satisfactory, and in line with other self regulator regimes in this country, although increased general awareness of the role and activities of the .au Administrator could be enhanced by specific and targeted involvement or activities at a more intense level. However as the stability and security of the DNS along with access to the Internet at meaningful connection speeds becomes more and more important to our Australian economy and individuals, to avoid the requirement to use the reserve legislative powers in response to some concern/crisis ongoing involvement and strategic discussions between the administrator of .au and the Agencies involved should be encouraged on a regular basis.

3k The Australian Internet community, to whom auDA is responsible, is a broad, all-encompassing concept. Who are the key stakeholders auDA should endeavour to engage and collaborate with in order to deliver the best, most relevant and representative outcomes to the community?

Broadly speaking, the “Australian Internet community” will be effectively represented by peak bodies (industry and consumer based), organisational representation and public interest groups, however the continued openness for individuals and interested parties to be involved must be maintained by effective calls for involvement in processes (as currently practiced) and additionally greater awareness of issues needs to be taken to the wider community so that this option for involvement along with the base skill set and understanding required to be effectively involved is pre-existing. This could be achieved by school programs in IT also having curricular activities about auDA and project support material being made available etc.,

3l Are there better mechanisms by which stakeholder input could be sought?

Any enhancement in stakeholder involvement would require both enhanced awareness of the issues and operations (see preceding comment) and enhanced opportunity for individual involvement. Consumer groups are frequently based on volunteer labour or operating at extreme budget limitations so facilitation of both travel or connectivity to be involved in processes would need to be considered as a prime enabling factor.

The use of and facilitation of effectiveness of specific stakeholder groups such as that set up by auCD is supported and endorsed by ISOC-AU particularly as it enhances effective two way communication between the group and their constituencies.

3m Are there general comments or observations you would like to make regarding the security and stability of the domain name system in Australia?

A specific mandate exists for this activity to be a main focus of the .au administration, effectively this will require both an expansion of resources and expenditure. Also we believe specific expertise will be required to advise auDA of best practice outcomes and risk assessment tools / options.

4a Do you believe auDA's management of the current naming structure for .au has delivered maximum benefit to Australian Internet users? —Please provide reasons for your comments.

The current naming structure has delivered great benefits to the Australian Internet users to date, particularly with the marketing value derived from some of the name eligibility criteria in the commercial name space, where Australian companies with a .au name, provide a set of baseline credentials to national and international customers, by having met specific criteria to licence it.

We do however look forward to the planned Names Policy review in 2007 as we believe regular review of such important policy so that it best reflects and continues to reflect the changing needs and views of the Internet community is an essential and important function for auDA to undertake.

4b Is auDA's process for introducing new 2LDs appropriate? —Please provide reasons for your comments.

ISOC-AU was involved in the last New Names Policy Panel and the development of the criteria set for new 2LD's, whilst the community geographic names were created after the panel process this was based on the continued call for this creation (as seen in previous panels and related OCOS activities) and the fact that they actually met the newly developed criteria. The criteria / process where a call for new names is put out to the public and then assessment of the proposals is made against the established criteria has not as yet been tested but is planned for we believe in the near future. It would be preemptive of us to suggest this largely untested process requires modification at this early stage.

4c What do you believe would be the benefits and drawbacks of introducing registrations directly at the top level—e.g. [www.dcita.au](http://www.dcita.au) ?

4d Similarly, what do you believe would be the benefits and drawbacks of introducing more 2LDs?

The introduction of any new name space should, in our opinion be required to meet with a set of established criteria (see previous comments) which in turn be set by a policy development process which fits with the principals and processes of the .au administrator.

5a Are auDA's mechanisms for policy development appropriate, taking into account the requirements and input of internet stakeholders?

Mechanisms for balanced input from all stakeholders is still required to be explored but at this stage of the early and rapidly changing Domain Name space/ industry, the ISOC-AU view is that the status quo will suffice for a considerable period of time, as a model that best protects the interests of the DNS as a public asset, managed in the best interests of the Internet community.

5b Is the policy development process sufficiently flexible to respond to both the changing Internet environment and dynamic needs of the Internet community? — If not, in what ways could these policy mechanisms be improved?

Yes – at this stage, though a regular review process is encouraged to be undertaken and the availability of expanded resources, suitably implemented, would no doubt result in several process efficiencies.

5c As with the policy development process, are these mechanisms appropriate, taking into account the changing Internet environment and needs of stakeholders? —If not, in what ways could these policy mechanisms be improved?

Yes – though a regular review process is encouraged to be undertaken and again resources, suitably implemented, would assist efficiencies. The use here of mechanisms to both raise awareness of issues in the wider community and encourage effective participation (as outlined in previous responses also need to be attended to.

5d Should all auDA policies have formal review periods?

Yes – with the option to respond to out of phase review requirements as circumstances may require.

5e Are the current policy enforcement mechanisms appropriate, and are they consistently enforced?

Though limited by resources within both the Domain Name Industry and auDA, we believe they are consistently enforced in a timely manner, when complaints or issues are raised or become obvious.

6a Have measures to introduce competition in the .au space been successful?

6b Does the current structure ensure a competitive market and the best value for consumers? —If not, what further mechanisms could be introduced to increase competition?

Yes – though greater efficiencies could lead to lower prices and there is still a relatively low number of registrars for our potential DNS market this observation is tempered by the fact that this is still a relatively young market, and additional interest in .au as a preferred namespace for Australian businesses and individuals needs to be encouraged by both general and specific educative and awareness campaigns.

6c Are the rights of domain name consumers sufficiently protected by current mechanisms? —If not, what further measures could be taken?

Yes – at this stage. Though regular review will need to be undertaken.

6d Are the current mechanisms for dispute resolution efficient and effective? —If not, what alternative measures could be implemented?

Yes - at this stage, though we believe regular review of the process is essential.

6e Given auDA's policy oversight responsibilities and operational expenses and ongoing commitment to reducing wholesale domain name costs as efficiencies are realised, do you believe the current structure delivers maximum pricing efficiency to Australian Internet users? —If not, what changes could be considered?

Yes - at this stage, though we believe further reductions would be both possible and advantageous.

6f Given auDA's functions and related operational expenses, do you consider that the current \$4.95 auDA domain name fee is appropriate?

Yes - at this stage, though we believe further reductions would be both possible and advantageous.

6g Following the introduction of competition to the .au space, do you consider that the average retail fee of .au domain names is appropriate?

There is wide variability in the retail price to consumers which reflects more on services offered than it does any Domain Name Fee and as such is reflective of the degree of Competition between Registrars and their resellers.

6h Are the current mechanisms for the development of eligibility and allocation rules for the .au domain appropriate, responsive and open to input from stakeholders?

Yes

6i Is there any evidence that current policies restrict business opportunities for stakeholders in the domain name marketplace? —Is this restriction positive, or negative?

We find no evidence that any restrictions of business opportunities exists under the current policies, beyond those requirements already mandated to be able to run a business in this country (ABN Trader Name etc.,) Furthermore in the absence of the upcoming Policy review processes scheduled by the administrator in the near future, most if not all the current policies have a positive rather than negative effect on businesses operating with a .au domain name.

6j Could a relaxation of these rules facilitate meaningful growth in .au, or could it lead to inappropriate name registration and hoarding practices?

At this stage, of the industries development and of consumer uptake and awareness, we believe the risk of inappropriate name registrations is very high and as such do not encourage wholesale relaxation of all rules. Rather an open and transparent policy review process should be undertaken so that critical points of rule relaxation can be discussed and implemented after consensus of the stakeholders is reached.

6k Does the current prohibition on the resale of domain names best serve the Australian Internet community, or do the benefits of a relaxed policy regime outweigh potential impacts upon registrants and registry operators?

ISOC-AU believes that a secondary market would not per se negatively effect the Australian Internet community, rather that depending on the specific mechanism and nature of the market and providing all established policies and criteria are met and maintained it would significantly benefit it.

6l Is there a need for affirmative action in facilitating and developing secondary markets, or will it occur naturally?

It will require some action on the part of the administrator if it is to be effective and benefit the wider community.

6m If a secondary market were introduced for .au domain names, what would be the most appropriate framework through which it could be regulated?

It should be regulated within the control of the .au administration

6n Is there a need for increasing the general community's awareness of the mechanisms that operate in the administration of au?

Absolutely ( see several previous comments)

6o Who should be responsible for funding awareness raising and education efforts?

We believe there is a role for auDA, via with the Domain Name Industry. Activities of other peak bodies and instrumentalities would require grant or self funding.

6p Given that registrars and resellers are the primary point of contact for consumers, are their advertising campaigns sufficient in promoting .au?

NO

7a Is the current level of representation of Australian interests in international fora appropriate?

Yes – at this stage, though it is a rapidly changing environment.

7b Is the balance between government, business and civil society participation in these international fora appropriate?

We believe a significant expansion of civil society interests is required. This would requires resources and funding.

7c With the aim of promoting domestic policy interests, are there other groups or organisations in which Australia could play a more significant role?

We have no comment at this time.

8a Given the natural synergies between the naming and numbering systems that underpin the operation of the Internet, is the current separation of functional responsibilities between numbering and naming appropriate?

Probably not – but this should be reviewed in an open and transparent way.

8b Aside from technical implementation and global allocation issues discussed above, what challenges should be addressed as part of the IPv4 to IPv6 shift?

ISOC-AU is working extensively in this field please see <http://www.ipv6.org.au> and [www.isoc-au.org.au/ipv6summit/](http://www.isoc-au.org.au/ipv6summit/).

8c With the increasing convergence between traditional communications, media and information technology networks, what are the particular technical and policy challenges that will face the .au domain?

ISOC-AU is working extensively in this field please see [www.isoc-au.org.au](http://www.isoc-au.org.au)

8d Do these technical and structural shifts generate a need for changes to the current model for the management of the .au domain?

Not at this stage

8e If the current regime continues in its present form and role, what changes would you suggest to its operation or governance to make it more effective?

We support the continuance of the current form and role of the .au administrator, and refer to our previous comments regarding governance and effectiveness

8f Are there any other general comments you would like to make?

Not at this stage.

But are available for further discussion on these issues at any time by contacting Tony Hill President ISOC-AU [president@isoc-au.org.au](mailto:president@isoc-au.org.au) or the Executive Director [ed@isoc-au.org.au](mailto:ed@isoc-au.org.au)