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.au Review Discussion Paper Submissions
Department of Communications, Information Technology and the Arts
GPO Box 2154
CANBERRA ACT 2601

To whom it may concern,

.au Review Discussion Paper Submissions

Please accept this submission on behalf of AusRegistry Pty Ltd.

Kind regards,

A handwritten signature in black ink, appearing to read "Adrian Kinderis".

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AusRegistry would like to firstly praise DCITA for a well written and well informed document. It is refreshing to read a document that encapsulates the Domain Name Industry in an accurate manner. The issues raised are indeed relevant and important to the future of .au, its constituents and stakeholders.

Secondly, AusRegistry is pleased to provide comment to the issues raised and does so from the perspective of an interested industry participant and importantly from the unique position of Registry Services Provider for .au.

Rather than being obligated to answer all questions, we have been selective, ensuring that the answers are appropriate and worthwhile. We will use the same numbering format as provided in the Discussion Paper.

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

The current model of ‘domain operator/registry/registrar/reseller’ is the most appropriate model for .au.

The model importantly promotes competition at all levels (obviously outside of the domain operator).

The Registry competes in a competitive tender process for the provision of services, a process which, as AusRegistry well understands, produces a high quality product that is conscious of cost, technology and service to its customers. This approach works only in an environment where there exists a high volume of domains and potential for more (as .au does) as it then attracts interest from worlds-best-practice providers. In the unlikely event of the parameters of the .au namespace changing this process would need to be reviewed.

The most recent Registry tender has delivered to the .au domain name industry a substantial drop in pricing, a leading Registry platform and unprecedented service levels.

Registrars play an important role in the policing of policy particularly at the point of registration. The .au domain name has benefited from bestowing this responsibility upon Registrars, especially as .au is considered a policy rich environment. Registrars are also bound contractually to auDA and the Registry Operator to ensure their business practices meet all requirements both from a policy and technical perspective. This ensures the greater community is guaranteed a high standard of service.

One area of concern stems from the inclusion of Resellers. Whilst Resellers allow for a vast network of domain retailers, they are not contractually bound to enforce policy. In an effort to combat this auDA has, as best it can without the assistance of formal agreements, worked with Registrars to assist and advise them. However, AusRegistry believes that it is Registrars should



be made more accountable for the resellers under their management rather than auDA trying to establish a relationship, contractual or otherwise. Higher accountability would ensure Registrars are selective about who they selected as resellers and encourage them to be proactively involved in their day to day operations.

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?

AusRegistry believes that the current operational and Board Structure does support appropriate and representative administration of the .au ccTLD.

With the provisioning of Registry services handled outside the Authority framework auDA's day to day business is limited largely to administrative tasks and as such require five (5) staff members (the utilisation of these staff is discussed in 3h).

The auDA staff are all highly skilled and competent. They have developed a broad knowledge in a niche industry which is, of course, required as the Authority. One suggestion with respects to auDA's operational structure would be to employ a technical expert who could advise on technical issues and relate matters to the Registry Operator.

As auDA is currently attempting to raise its public profile by highlighting the vital role it performs for the Australian Internet it is an opportune time to assess auDA's resource requirements. A raised profile may produce a requirement for increased resources to meet public expectation.

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?

The auDA Foundation and auCD are excellent initiatives as proposed by auDA. However, the process by which they were selected and incorporated could possibly have been made more obvious and apparent to industry members and the general public. Publishing the success criterion and studies into the feasibility of each programme would instill confidence in the process.

auDA needs to ensure that any initiatives are positively received and service the industry well. auDA's reach and purpose also needs to be reflected in these initiatives. auDA is a domain name authority and as such any programme should reflect its constitution.

There is an expectation among the industry constituents that the funds that it generates are used within the industry itself.

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, the governance structures for the .au domain deliver the best outcomes to the Australian Internet community. AusRegistry has the benefit of witnessing first hand other governance structures in the ccTLD and gTLD namespaces both through the ICANN environment and through other commercial activities. auDA's processes and policy development is seen as a world-best-practice. AusRegistry have also been responsible for mirroring many components of the regime through its consultancy work throughout the globe because of this high standard and efficient and appropriate delivery of service.

As an industry self regulatory body auDA is effective in achieving the balance of public interest and the need to facilitate competition and growth (although we note that growth of .au is not a core principle of auDA nor any governance structures).

Provided the level of reporting to stakeholders is maintained and the appropriate check and balances remain in place, the governance structures will continue to serve the public interest.

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

Yes. The removal of commercial interests and the requirements for industry representation within the corporate framework is the most appropriate governance structure. auDA remains neutral and independent in its decision making processes and doesn't carry any unnecessary commercial burden.

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?

As previously stated, AusRegistry believes auDA's constitution and definitive principles fully reflect the needs of the Australian Internet community.

One area that should be considered as a core principle in auDA's constitution is "growth" of the .au domain space. As previously discussed 'growth' is a key factor to the stability of the industry. A decline in the .au namespace (perhaps through the introduction of a restrictive policy) would negatively impact industry constituents and their ability to service the name. For example; if domain numbers dropped dramatically, a Registry tender process may not attract the high quality of service providers that the .au namespace has been fortunate to enjoy in its development to date.

It is therefore important to ensure, for example, that any policy decision takes into account the impact on the potential of the namespace to maintain its current size or potential for growth.

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

Whilst auDA does reflect the expectations for Internet users, it should be mindful of providing adequate staffing resources to ensure the needs of internet users are met and have sufficient resources to make themselves available. (Some users work within a mission critical environment and often have pressing requests that require immediate attention).



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?

This topic has been covered and elaborated upon in previous answers within this response. Further public consultation to the wider internet community and not direct industry participants (such as public focus groups) and the publishing of reports are two areas of potential improvement.

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 of the Australian Government, as observed from within the industry, in the administration of .au is appropriate and effective. Its level of “hands on” involvement and input could potentially be further reported for public observation. The Australian government has a broad knowledge base to draw from which could be of benefit to not just the administration of .au but industry participants also.

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?

The current group of stakeholders auDA currently engages is appropriate. The level of which they are engaged is perhaps one area where auDA could improve. For example, many of the areas auDA covers outside of pure domain names and into the broader internet are perhaps the realm of bodies like ISOC –au. Perhaps a more collaborative approach is necessary to ensure there is minimal overlap between the two non profit entities.

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

The ACMA recently conducted an ENUM Day seminar where industry constituents and interested members of the public were invited to engage in discussions and listen to relevant presentations by industry leaders. This proved very effective in gauging public understanding and providing a forum for instant feedback regarding ENUM specific issues. Whilst auDA and AusRegistry conducts a yearly Registrar conference, perhaps a .au domain name specific information/ discussion session or day would also be an effect method of seeking stakeholder input.

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

Due to the competitive nature of the Registry tender process and a focus by auDA on DNS and Registry security and stability the standards set in Australia are amongst the worlds best both technically and administratively. It should be noted that the maintenance of this standard of security and stability comes at a cost. These costs are then, as one would expect, passed down



the line, either directly or indirectly, to Registrars who are required to make modifications to their systems and processes. As such, it is important Registrars are made aware of auDA's purposes and goals with respects to security and stability.

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.

auDA's current naming structure for .au has delivered great benefits to Australian Internet users. These benefits include greater diversity and choice for Registrants and clearly defined policy for each namespace.

4c What do you believe would be the benefits and drawbacks of introducing registrations directly at the top level—e.g. www.dcita.au?

The impact of introducing registrations at the top level would depend upon the restrictions of the accompanying registration policy.

The benefits would include increased growth in the .au namespace and more names available to register. The drawbacks include the potential to create confusion in the marketplace and the possibility of devaluing the existing .au domain names.

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

The introduction of additional 2LDs would need to be relevant and representative of the community. It is likely to increase growth and may appeal to individual industries and organisations.

It is vital not to confuse existing Registrants by introducing similar namespaces. Each namespace's viability must be considered.

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

Too often it is industry boffins that provide input into policy development. It would be more appropriate to consult with the wider community in these instances.

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

Yes measures to introduce competition in the .au space have been successful as there is currently competition at all levels. Competition has ensured price reductions in domains, increased service levels for Registrants, different service offerings at Registrar level dictated by market forces and an increased awareness in .au domains generated by retail marketing.



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, current wholesale pricing is now on par with other gTLD's

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

Yes, we believe the rights of domain name consumers are sufficiently protected by current mechanisms, these include;

- Effective policy
- The implementation of Whols Image Verification Check (IVC)
- Restricted Whols data response (privacy)
- auDA complaints process and auDRP
- Free transfer process – Registrants can transfer their domain at any time to another Registrar

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 we believe the current structure delivers maximum pricing efficiency for some of the following reasons;

- Competitive Registry tender process
- Volume discounts
- Competition at Registrar level – market dictates pricing
- Comparable to .com pricing
- Is pricing a driver for volume? Not our experience

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

It is difficult for anyone to respond to this question with any authority as a complete understanding of auDA's budget and expenses is required.

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

Yes, given the size of the namespace (volume of domains) the price is comparable to global markets remembering that Registrars are expected to perform policy checks.

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

- Sale/ Transfer of Registrant of domain names (restrictive)



- Strict eligibility criteria means that businesses must be an exact match or close and substantially connected to the domain they register.
- Monetisation – misspellings, brand names (positive restriction)

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?

- What does stopping the resale of domains names do for the namespace?
- So long as other restrictions like domain name eligibility are kept in place then the resale of domains should be made available and the Registrant should have the right to sell their domain name if required

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

A secondary market could utilise the existing Registry – Registrar structure with auDA overseeing the policy framework. It is important this framework is developed in consultation with the wider internet community and services the needs of the community.

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

- Yes

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

- auDA

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

- No, it is necessary for auDA to raise awareness via education campaigns and to provide a consistent message
- Registrars and Resellers do not promote a consistent message. It's not their responsibility and they have different service offerings and operate in differing markets

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

- Yes, but need to understand the benefit to the industry stakeholders and general public
- Should have continual reporting and transparency

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?



No, if Australia is to become an independent body in its own right, then it should not only control naming but also numbering within the Australian Internet Domain. Many of the policies developed by the current numbering authority (APNIC) do not meet exactly with the needs of Australian enterprises (given that they are developed to cover a broad number of countries). In fact the policies of the current numbering authority are so restrictive and counter intuitive that even auDA and AusRegistry have been refused access to address space for the operation of the internet in Australia.

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

- Industry education – making business aware of the technology and its benefits
- Try to provide a commercial driver for organisations to migrate
- Try to provide “any” driver -government grants, IPv6 only content to motivate organisations to complete the migration

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?

- Rapidly changing technology
- Increases in DNS and related traffic volumes
- Increases in the number of attempted hacking and DOS attacks
- Increases in costs
- Increases in complexities (both technical and administrative/policy which will in turn increase costs)
- Increase in education requirements
- Increase in levels of co-operation between various industry bodies (eg. ACMA and auDA)
- Maintaining a restrictive yet flexible policy to support all the uses of domain name and associated technologies
- Increases in the security and stability expectations and requirements of the system (both technically and administratively)
- increase in costs for what can be deemed INFRASTRUCTURE provides like DNS

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

No, just understanding, and less of a focus on bottom line price, and more education.