



**Australian Government**

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**Department of Communications,  
Information Technology and the Arts**

# **Review of the structure and operation of the .au Internet domain**

## **Discussion Paper for public comment**

**October 2006**

# Index

<b>1 Introduction</b>	<b>3</b>
1.1 Purpose	3
1.2 Making a submission	4
<b>2 Background</b>	<b>5</b>
2.1 History of the .au domain	5
<b>3 Administrative structure of .au</b>	<b>6</b>
3.1 .au administration	6
3.2 auDA structure and board	6
3.3 auDA subsidiaries	7
3.4 Governance structures in other ccTLDs	8
3.5 auDA Constitution	8
3.6 Transparency and timeliness	9
3.7 Government role and reserve powers	10
3.8 Stakeholder Participation	11
3.9 Security and Stability	11
<b>4 DNS structure in .au</b>	<b>13</b>
4.1 Naming structures	13
4.2 Naming structures in other ccTLDs	13
<b>5 Policy development and enforcement</b>	<b>15</b>
5.1 Mechanisms and processes	15
5.2 Policy reviews	16
5.3 Policy enforcement	17
<b>6 Domain names policies</b>	<b>18</b>
6.1 Competition	18
6.2 Consumer protection	18
6.3 Dispute resolution	19
6.4 Pricing efficiency	20
6.5 Domain name eligibility and allocation	21
6.6 Secondary markets	23
6.7 Education and awareness	24
<b>7 International participation</b>	<b>25</b>
7.1 Representation of .au in international fora	25
<b>8 Emerging technical issues</b>	<b>26</b>
8.1 IP addressing including IPv6	26
8.2 Convergence	26
<b>9 Appendices</b>	<b>28</b>
9.1 Appendix A—auDA’s purposes and activities	28
9.2 Appendix B—.au second level domains (2LDs)	29
9.3 Appendix C—Questions by section	30
9.4 Appendix D—List of acronyms	33

# 1 Introduction

## 1.1 Purpose

This paper has been developed by the Department of Communications, Information Technology and the Arts (DCITA) and provides information to facilitate discussion regarding the structural model for, and administration of, the .au Internet domain. The paper is intended to contribute to discussion only; it does not represent Australian Government policy.

The current administrative arrangements for .au have been in place for over five years. Since the establishment of an industry self-regulatory regime, and the implementation of the current .au policy model, the Internet has grown in importance to Australia's economy and society. At the same time, current structures have facilitated growth in the .au domain, the introduction of competition, and the implementation of consumer safeguards and dispute resolution procedures.

As with any self-regulation model, 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.

In the context of deriving a thorough overview of the current .au environment, the paper also raises a number of issues that are the direct policy responsibility of .au Domain Administration (auDA). As the not-for-profit, Government-endorsed administrator for the .au country code Top Level Domain (ccTLD), auDA has authority for the development of policies for the domain and its associated second level domains (2LDs).

It is not the intention of this review to focus on individual auDA policies. However, there must be some discussion of the mechanisms and processes adopted by auDA as part of a broader assessment of the effective operations of the .au domain. Following this process, auDA will undertake its own public review of its domain names policies. Findings from the DCITA review will be made available to auDA, but will not dictate or prejudice auDA's own appropriate policy review.

The Australian Government played a significant role in the establishment and endorsement of Australia's current industry self-regulatory regime. It retains reserve powers relating to the administration of the domain and represents Australia's public policy interests in national and international fora.

Information and feedback gathered in the course of this review process will be used to develop a report for the Minister for Communications, Information Technology and the Arts and to refine the Australian Government's public policies relating to domain name management, to ensure they continue to reflect the needs of industry stakeholders and the broader Internet community.

Within its scope, this review also addresses Recommendation 5.59 of the Taskforce on Reducing the Regulatory Burden on Business (The Banks Taskforce)<sup>1</sup> relating to the operation of the .com.au 2LD. Submissions to this Taskforce raised concerns about the prohibition of trading .au domain names licenses and the requirement that .au domain registrants have an Australian presence. Although the taskforce did not examine these comments in detail, it acknowledged a *prima facie* need to examine the issues.

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<sup>1</sup> [www.regulationtaskforce.gov.au](http://www.regulationtaskforce.gov.au)

## **1.2 Making a submission**

The paper invites comments from interested stakeholders on the model for, and performance of, the .au Internet domain.

Submissions must identify the names of the parties making the submissions or comments and organisations they represent, if relevant, as well as contact details, including email addresses, if applicable.

Submissions are to be forwarded to:

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

Or lodged electronically at:

aureview@dcita.gov.au

Persons making submissions should be aware that submissions will be made publicly available on the DCITA website. Those persons who do not wish their submissions to be made public will need to clearly mark their submissions 'in confidence'.

All submissions and comments, or parts thereof, will be treated as non-confidential information unless specifically requested, and acceptable reasons accompany requests. Email disclaimers will not be considered sufficient confidentiality requests.

Persons making submissions should be aware that DCITA is subject to the *Freedom of Information Act 1982*.

DCITA reserves the right not to publish any submission, or part of a submission, which in their view contains potentially defamatory material.

The closing date for comments and submissions is **5:00pm (Australian Eastern Daylight Saving Time), Tuesday, 28 November 2006.**

## 2 Background

### 2.1 History of the .au domain

Australia's experience in the development of the Internet, particularly within the .au domain, is similar to that of many other countries. From the establishment of .au in March 1986, administration and policy development was managed on a voluntary basis by academic and technical users. This arrangement reflected the historical development of the Internet where it was predominantly considered a tool for use by academics and those with IT expertise.

This arrangement served Australia well in the Internet's formative years. However, over time, as the Internet became a more important resource for businesses and the community, pressure came to bear for a more robust and scalable management system for the .au domain.

In Australia, this took the form of an industry self-regulatory regime. The transition from individual management to formal, structural arrangements was similar to changes in countries such as Canada and the United Kingdom.

In 1998, following a preliminary attempt at establishing an Internet industry body to develop policies for the .au space, industry stakeholders sought the Australian Government's assistance in facilitating the establishment of an effective Internet industry self-regulatory model and to oversee the re-delegation of .au to the new regime. The Australian Government agreed to provide assistance and the National Office for the Information Economy (NOIE) was tasked with providing support for the development of the new regime.

Following extensive consultation and collaboration with key stakeholders, including industry and user groups, the auDA<sup>2</sup> was formally established as the policy authority and industry self-regulatory body for the .au domain space. In December 2000, the Australian Government formally endorsed auDA as the appropriate entity to manage .au.

On 25 October 2001, auDA signed an agreement with the Internet Corporation for Assigned Names and Numbers (ICANN) to formalise the transfer of delegation for the .au ccTLD. The Agreement set out the trilateral relationship between auDA as the .au delegate, the Australian Government, and ICANN as the international domain name governing body. This agreement was the first such formal document establishing a relationship between a national Government, ccTLD administrator and ICANN. Since then, ICANN has entered into similar agreements, in various forms, with twenty-three other ccTLD managers.<sup>3</sup>

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<sup>2</sup> [www.ada.org.au](http://www.ada.org.au)

<sup>3</sup> [www.icann.org/ctlds/agreements.html](http://www.icann.org/ctlds/agreements.html)

## 3 Administrative structure of .au

### 3.1 *.au administration*

The .au domain is administered by auDA— a not-for-profit private sector company, limited by guarantee.

A key feature of the current .au administration is that auDA is not a government owned corporation and is not established by specific Commonwealth legislation.

Acknowledging that the Internet Domain Name System is a public asset, and that the Commonwealth of Australia retains sovereign rights over the .au ccTLD, auDA is tasked with administering .au for the benefit of the Australian community.

As the administrator of .au, auDA has authority for the development of policies for the ccTLD and its associated 2LDs.

auDA contracts the technical management of all 2LDs, with the exception of csiro.au, to AusRegistry Pty Ltd<sup>4</sup>. This is often referred to as the ‘registry’ role.

Through agreements with auDA, policy management for gov.au and edu.au are undertaken by the Australian Government Information Management Office (AGIMO) and the Australian Information and Communications Technology in Education Committee (AICTEC). The csiro.au 2LD is administered, and limited to use by, the Commonwealth Science and Industry Research Organisation (CSIRO).

auDA does not process domain name registration requests directly, and to-date has accredited twenty-three ‘registrars’ to accept name registrations from companies and the public. Registrars can also engage ‘resellers’—usually companies that offer domain registrations as part of a suite of online and business services—to act as agents for sales and customer support.

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?

### 3.2 *auDA structure and board*

AuDA is based in Melbourne and has five staff members.

auDA's membership is open to all parties interested in the Australian domain name system. Membership is divided into two classes—supply (industry participants such as registry operators, registrars and resellers) and demand (domain name holders, internet users and the general public).

Until a recent Constitutional review<sup>5</sup>, membership included a third class—representative associations.

Annual membership fees are \$110 for supply class and \$22 for demand class.

<sup>4</sup> [www.ausregistry.com.au](http://www.ausregistry.com.au)

<sup>5</sup> [www.ada.org.au/news-archive/ada-15082006/](http://www.ada.org.au/news-archive/ada-15082006/)

auDA is governed by a board which is a representative of the key stakeholder groups that have a direct involvement in the .au domain.

The auDA board is made up of representatives from the membership classes, two independent directors<sup>6</sup> appointed by the elected directors and the Chief Executive Officer (CEO) of auDA. A DCITA officer has observer status at board meetings.

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?

### 3.3 *auDA subsidiaries*

In 2001-02, auDA oversaw the release of generic commercial domain names, such as *shoes.com.au*, which were previously prohibited from registration. The release, through an auction process, was undertaken as a means to fund the establishment of an industry self-regulatory regime for .au, including the introduction of competition and the execution of a tender for the provision of registry services.

In August 2002, the auDA board decided<sup>7</sup> to use surplus revenues of approximately \$2 million<sup>8</sup>, raised from this process to fund the establishment of the auDA Foundation Pty Ltd<sup>9</sup>.

The Foundation is a charitable trust tasked with promoting education and research activities that will enhance the utility of the Internet for the benefit of the Australian community. auDA created the auDA Foundation to act as trustee and to oversee the allocation of grants to appropriate projects.

In 2005, auDA held a ballot for commercial geographic domain names such as *canberra.com.au*. As with generic names, these geographic terms were previously prohibited from registration. auDA established .au Community Domains Pty Ltd (auCD)<sup>10</sup> to hold on trust, the revenue raised from the commercial names ballot and to oversee the release of community geographic domain names such as *bathurst.nsw.au*. auCD provides support services to communities who wish to register their geographic name for a community website and processes applications in accordance with policies developed by auDA.

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?

<sup>6</sup> Increasing to three independent directors after the 2007 auDA Annual General Meeting

<sup>7</sup> [www.auda.org.au/minutes/minutes-12082002/](http://www.auda.org.au/minutes/minutes-12082002/)

<sup>8</sup> [www.auda.org.au/pdf/agm2005-accounts.pdf](http://www.auda.org.au/pdf/agm2005-accounts.pdf)

<sup>9</sup> [www.auda.org.au/foundation/](http://www.auda.org.au/foundation/)

<sup>10</sup> [www.aucd.org.au](http://www.aucd.org.au)

### 3.4 Governance structures in other ccTLDs

There are currently over 240 ccTLDs<sup>11</sup>. Their structure and management varies greatly, reflecting divergent developmental paths since the establishment of the Internet.

Some ccTLDs such as .cl (Chile), .co (Colombia) and .pl (Poland) continue to be operated by academic institutions. ccTLDs such as .ma (Morocco) and .ar (Argentina) are directly operated by the sovereign government. Others, such as .bg (Bulgaria) and .gh (Ghana) are operated as commercial enterprises, while others, such as Australia and .ca (Canada), are operated under a not-for-profit industry self-regulatory model.

ccTLD managers also operate under differing relationships with their sovereign governments. This relationship may be formal (as in Australia) or an informal collaborative agreement. The level of legislative underpinning also varies greatly across ccTLDs.

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

### 3.5 auDA Constitution

auDA operates under a corporate Constitution<sup>12</sup> that defines the organisation's purposes, activities and operational and procedural rules<sup>13</sup>. The Constitution was developed as part of the consultation process undertaken in 1999 to establish auDA, and captures the objectives for a self-regulatory regime stipulated by the Australian Government.

auDA's principal purposes include:

- acting as the administrator of, and self regulatory policy body for, .au;
- maintaining the operational stability and utility of .au;
- ensuring cost effective administration;
- developing an appropriate policy frame work for .au;
- liaising with national and international bodies on issues relating to the Domain Names System (DNS); and
- establishing appropriate complaints handling and dispute resolution processes.

Reflecting these purposes, auDA's activities include:

- ensuring the continued operational stability of .au;

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<sup>11</sup> [www.iana.org/cctld/cctld-whois.htm](http://www.iana.org/cctld/cctld-whois.htm)

<sup>12</sup> [www.auda.org.au/about/constitution/](http://www.auda.org.au/about/constitution/)

<sup>13</sup> A summary of auDA's principle purposes and activities are at Appendix A

- establishing mechanisms to ensure responsiveness and accountability;
- promoting competition in the provision of domain names services;
- promoting fair trading;
- promoting consumer protection;
- adopting open and transparent procedures that are inclusive of all interested parties; and
- producing timely outputs that are relevant to the needs of the community.

Since 1999, auDA has undertaken three Constitutional reviews, to maintain the ongoing relevance of auDA's principle purposes and activities and to ensure auDA continues to meet the needs of the Internet community.

- 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?
- 3g How effective has auDA been in achieving these principle purposes?
- 3h Does the role defined for auDA reflect the expectations Internet users have for the manager of a ccTLD?

### **3.6 Transparency and timeliness**

AuDA's Constitution specifically requires the organisation to operate in an open and transparent fashion and produce timely outputs of relevance to the Australian Internet community. These requirements are based on the premise that the Internet domain name system is a public asset that should be administered for the benefit of the Australian community.

auDA membership is open to any interested, individual Australian Internet user for a nominal (\$22) annual membership fee. Any interested individual can be nominated by a member for a position on the auDA Board.

The auDA Board convenes an annual general meeting that is open to all members and minutes from all Board meetings are published publicly<sup>14</sup>.

To meet its obligations relating to financial transparency, auDA's financial operations are audited annually, presented at auDA's annual general meeting and published publicly on the auDA website<sup>15</sup>. In addition, the auDA Board operates a standing Finance and Audit Committee, receives up-to-date financial reports at each Board meeting and ensures the company's annual budget is made publicly available<sup>16</sup>.

auDA's major policy development and review processes involve panels of industry experts, government and law enforcement agencies and business, consumer and user groups. Draft policies developed by these groups are made available for public comment.

auDA has mechanisms in place for users to make complaints regarding the conduct of a registrar or reseller<sup>17</sup> and a registrant's eligibility to hold a domain name,<sup>18</sup> and to

<sup>14</sup> [www.ada.org.au/minutes/board-19992005/](http://www.ada.org.au/minutes/board-19992005/)

<sup>15</sup> For example—[www.ada.org.au/pdf/agm2005-accounts.pdf](http://www.ada.org.au/pdf/agm2005-accounts.pdf)

<sup>16</sup> For example—[www.ada.org.au/pdf/ada-budget-0506.pdf](http://www.ada.org.au/pdf/ada-budget-0506.pdf)

<sup>17</sup> [www.ada.org.au/policies/ada-2002-21/](http://www.ada.org.au/policies/ada-2002-21/)

deal with disputed rights to a domain name<sup>19</sup>. These mechanisms all outline clear processes for complaints handling and are designed to provide efficient, timely, effective and affordable resolution.

- 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?

### **3.7 Government role and reserve powers**

The Australian Government retains reserve powers over the operation of the .au domain. The *Telecommunications Act 1997* and the *Australian Communications and Media Authority Act 2005* (the ACMA Act) provide for action on the part of Australian Government agencies in the management of electronic addressing (e.g. the administration of the .au domain) in the event that self-regulation is considered to be ineffective.

Specifically, the legislation provides for the Minister for Communications, Information Technology and the Arts, the Australian Communications and Media Authority (ACMA) and the Australian Competition and Consumer Commission (ACCC) to act in the best interests of the public if they determine that electronic addressing services (specifically domain names) are not being operated in accordance with generally accepted principles and standards.

Under the legislation, ACMA can name a manager of electronic addressing and direct the manager's actions, or the Minister can instruct ACMA to assume the role directly. Examples of situations in which the ACMA may not be satisfied include non-compliance with material standards, or mismanagement which threatens the stability or integrity of the system.

Similarly, the ACCC may issue a direction to a manager of electronic addressing if the ACCC is of the opinion that the electronic addressing is of public importance and that compliance with the direction is likely to have a bearing on competition or consumer protection.

At an operational level, DCITA liaises with auDA and other industry stakeholders to encourage consideration of public policy issues in the operation of .au. DCITA is also present at auDA Board meetings as an observer. Internationally, DCITA represents Australia's public policy perspectives in a number of international fora.

- 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?

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<sup>18</sup> [www.ada.org.au/policies/ada-2004-01/](http://www.ada.org.au/policies/ada-2004-01/)

<sup>19</sup> [www.ada.org.au/policies/ada-2002-22/](http://www.ada.org.au/policies/ada-2002-22/)

### **3.8 Stakeholder Participation**

AuDA's Constitution specifically requires the organisation to operate in a manner that is inclusive of all parties that have an interest in the use of the domain name system in Australia.

As outlined in *Section 3.4: Transparency and timeliness*, auDA membership is open to any interested, individual Australian Internet user and any individual can be nominated by a member for a position on the auDA Board.

In creating new policies for .au, auDA engages industry experts and holds periodic reviews to ensure these policies continue to be appropriate for the Australian environment and responsive to user needs.

Major policy initiatives are undertaken by advisory panels that are convened under formal Terms of Reference and are comprised of individuals with relevant technical, operational and policy expertise.

All draft policies and policy reviews are made available for public comment, which is taken into account in reaching final policy decisions. Mechanisms for policy development and enforcement are discussed in greater length in Chapter 5.

With regard to geographic domain names, auCD is establishing an auCD Stakeholder's Group to provide ongoing feedback and share information on communities' best practices in administering their community site.

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?

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

### **3.9 Security and Stability**

Over the last five years, the Internet has grown dramatically in commercial and social importance for the Australian community. Maintaining the security and stability of the .au domain is listed among auDA's principle purposes:

*Maintain and promote the operational stability and utility of the .au ccTLD and more generally, the Internet's unique identifier system, and enhance the benefits of the Internet to the wider community.*

On an operational level, this involves:

- implementing appropriate procedures (including appropriate levels of redundancy) for ensuring the technical and physical security of the primary and secondary .au root level name-servers;
- ensuring the stable and secure operation of the technical equipment that supports the operation of each of the .au 2LDs (a function currently outsourced, under contract, to AusRegistry); and
- adopting appropriate procedural and personnel protocols for administering and amending data recorded in the top-level .au database.

Broadly speaking, auDA follows security best practice in the administration of the .au servers and closely monitors developments in international technical and Internet management communities. This enables rapid adoption of newly-established security and stability measures.

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

## 4 DNS structure in .au

### 4.1 Naming structures

Under the current .au structure it is not possible to register a domain name directly at the top level (e.g. *www.dcita.au*). This naming convention pre-dates the current regulation model, though has been retained under current auDA policies.

Domain name registrations are available under five 2LDs, each of which is dedicated to a specific sector of the Internet community. These include *com.au* for use by Australian commercial entities, *asn.au* for incorporated associations and *id.au* for individuals.

The .au space also includes three domains—*edu.au*, *gov.au* and *csiro.au*—that are limited to registrations by the Australian education sector, federal, state and local government bodies and CSIRO, respectively.

Two active 2LDs that pre-date the introduction of the current regulatory regime (*info.au* and *conf.au*) are not currently open for registration. The reactivation and development of allocation and eligibility policies for these 2LDs is a policy decision for the auDA Board.

auDA has established an evaluation process and selection criteria for new 2LDs. Any person or organisation may submit a proposal for a new 2LD, which is assessed by an advisory panel and exposed for public comment. The last process, held in 2002, resulted in the creation of eight new 2LDs for community geographic domain names.

These 2LDs—in the form *placename.state.au*—limited to registrations of geographic names, were recently launched for use by community groups<sup>20</sup>.

See *Appendix B* for a summary of the current 2LDs in the .au space

### 4.2 Naming structures in other ccTLDs

Countries such as New Zealand<sup>21</sup> and the United Kingdom<sup>22</sup> operate 2LD structures similar to Australia's which does not allow for direct registrations at the country code level. Other ccTLDs such as .de (Germany—the world's largest ccTLD)<sup>23</sup> and .ca (Canada)<sup>24</sup> allow for registration at the country-code level.

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

<sup>20</sup> [www.aucd.org.au](http://www.aucd.org.au)

<sup>21</sup> [www.internetnz.net.nz](http://www.internetnz.net.nz)—New Zealand has 12 2LDs for use by a variety of sectors. Four of these 2LDs (*cri.nz*, *govt.nz*, *mil.nz* and *iwi.nz*) are moderated.

<sup>22</sup> [www.nic.uk/registrants/sld](http://www.nic.uk/registrants/sld)—The UK has 12 2LDs for use by companies, non-commercial users, ISPs, individuals, schools, other academic institutions, government, national health, law enforcement and Defence sectors.

<sup>23</sup> [www.denic.de/en/richtlinien.html](http://www.denic.de/en/richtlinien.html)

<sup>24</sup> [www.cira.ca/en/documents/2005/q4/GeneralRegistrationRules.pdf](http://www.cira.ca/en/documents/2005/q4/GeneralRegistrationRules.pdf)

- 4c What do you believe would be the benefits and drawbacks of introducing registrations directly at the top level—e.g. *www.dcita.au*?
- 4d Similarly, what do you believe would be the benefits and drawbacks of introducing more 2LDs?

## 5 Policy development and enforcement

### 5.1 Mechanisms and processes

The auDA board uses a range of consultative bodies to assist in the development of auDA's policy and procedures, and to provide expert opinion and guidance to the board. These include advisory panels, committees and working groups.

In the case of advisory panels, the auDA Board establishes terms of reference, which include:

- the activity that the Panel is to undertake, including significant milestones and the outcomes the Panel is expected to deliver;
- an expected time line including commencement, reporting, public consultation, and completion dates; and
- the Chair of the Panel.

Broad representation on advisory panels is encouraged from all key stakeholders including auDA members from each membership class, as well as representation from non-members. Following establishment of the initial membership of the Panel, the members are free to co-opt other members, if they consider this appropriate, or seek participation from the general Internet community.

Panels that have been established since auDA's inception include:

- the Name Policy Advisory Panel—reviewed the policies that apply to issuing .au domain names during auDA's establishment phase in 2000–01;
- the Competition Model Advisory Panel—determined how competition in the provision of domain name services would be introduced into the .au namespace;
- the New Names Advisory Panel— assessed proposals for new 2LDs;
- the Name Policy Review Panel—reviewed policies for *com.au*, *net.au*, *asn.au*, *id.au* and *org.au* in 2004; and
- the Competition Model Review Panel—determined how competition would be introduced to the .au space.

Other examples of *ad hoc* and ongoing groups convened to assist auDA in undertaking policy development and review include:

- the Dispute Resolution Working Group—developed a dispute resolution framework for the .au domain;
- the National Reference Group—developed policies for the release community-based geographic domain names;
- the Standing Technical Committee—provides ongoing support to the auDA board on technical issues; and
- the Code of Practice Committee—developed a Code of Practice for auDA-accredited registrars.

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

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?

## 5.2 Policy reviews

auDA undertakes periodic reviews of its published policies in order to refine and maximise the effectiveness of existing frameworks.

Reviews are coordinated by auDA staff who develop draft documents that are made available for public comment, prior to receiving auDA Board approval.

While a number of auDA policies, such as the .au Dispute Resolution Policy (auDRP), have inbuilt review timeframes, there is no pre-defined timeframe within which most policies must be revisited.

Rather, reviews are initiated in response to stakeholder feedback, observed implementation inefficiencies, or the need to respond to technological or marketplace changes or the evolution of international best practices.

Past policy reviews have included:

- domain monetisation and the close and substantial connection rule—Mar 2006;
- WHOIS Policy Review—Aug 2005;
- Domain Name Password Policy Review—Aug 2005;
- review of the restriction on geographic names in com.au and net.au—Jul 2004;
- Reseller Policy Review—Oct 2003;
- WHOIS Policy Review—Jul/Aug 2003; and
- Transfers Policy Review—Jan/Feb 2003;

As a result of these reviews, the auDA Board has implemented a number of significant policy and operational refinements such as:

- a clarification of the close and substantial eligibility rule, allowing domain monetisation in July 2006;
- technical changes to registry systems operated by AusRegistry to accommodate proposed WHOIS policy changes;
- the introduction of commercial (June 2005) and community (August 2006) geographic domain names; and
- the implementation of a new policy regarding the transfer of domain names.

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?

5d Should all auDA policies have formal review periods?

### 5.3 Policy enforcement

auDA enforces its policies through a number of mechanisms.

Registry-level operations are regulated through a license agreement between auDA and AusRegistry. AusRegistry has performed this role since 1 June 2002, and is required to meet strict technical and operational performance standards. Failure to achieve these standards is enforced through financial penalties, paid to registrars.

Registrars in the .au space are accredited by auDA through a Registrar Agreement and adhere to a Code of Practice<sup>25</sup> and other applicable auDA policies. Registrars are required to pay set fees as part of the accreditation process<sup>26</sup>.

Complaints about alleged breaches of the Code are handled in accordance with auDA's Complaints Policy<sup>27</sup>. Proven violations lead to a formal notice of breach, public citation of the breach and possible suspension or cancellation of the registrar's accreditation.

For registrants, eligibility guidelines must be met before registering a domain name, with dispute resolution and complaints procedures in place to enforce compliance<sup>28</sup>.

On a number of occasions, auDA has moved to halt the operations of dubious domain name operators and registrants and warned registrars for breaches of agreements.

The ACCC retains authority in circumstances where potential consumer fraud or violations of the *Trade Practices Act 1974* occur. AuDA works collaboratively with the ACCC in these situations.

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

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<sup>25</sup> [www.ada.org.au/policies/ada-2004-04/](http://www.ada.org.au/policies/ada-2004-04/)

<sup>26</sup> Application fee: \$2200, annual licence fee: \$3300, starting balance with AusRegistry: \$10 000.

<sup>27</sup> [www.ada.org.au/policies/ada-2002-21/](http://www.ada.org.au/policies/ada-2002-21/)

<sup>28</sup> [www.ada.org.au/policies/ada-2004-01/](http://www.ada.org.au/policies/ada-2004-01/)

## 6 Domain names policies

### 6.1 Competition

Prior to the establishment of auDA, there was little competition in the registration of domain names within the .au space—both at the registry and registrar level. At the time, industry stakeholders believed that this lack of competition was hindering growth of .au, the efficiency of name registrations and pricing levels for .au domain names.

In September 2000, the auDA Board established a 32-member competition policy advisory panel to develop a model for the introduction of competition in the .au domain.

The Panel's final report, delivered in June 2001, endorsed in July 2001 and implemented in late 2001, recommended that auDA retain policy authority, although it should introduce competition at both the registry and registrar levels. The report also detailed clear roles for auDA, registry operators and registrars.

To date, the implementation of the Panel's recommendations has seen twenty-three registrars accredited by auDA<sup>29</sup>.

While AusRegistry performs the registry operator role for all 2LDs, with the exception of csiro.au, the tender processes for selection of registries (both in 2001 and 2005) allowed for multiple entities to perform this role.

Since the introduction of competition policies, prices for .au domain names have declined steadily, and the name space has experienced steady growth, from approximately 250 000 to nearly 750 000 domain names<sup>30</sup>.

- 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?

### 6.2 Consumer protection

The current .au regime has developed a number of mechanisms to protect consumers.

These protections are in addition to general protection measures afforded under the *Trade Practices Act 1974* and enforced by the ACCC.

Legitimate participants in the domain name market, including the registry, registrars and resellers, are contractually obliged to adhere to best practices in dealing with consumers.

As previously discussed, auDA has mechanisms in place for users to make complaints regarding the conduct of a registrar or reseller<sup>31</sup> or a registrant's eligibility to hold a domain name<sup>32</sup>.

<sup>29</sup> [www.ada.org.au/registrars/accredited-registrars/](http://www.ada.org.au/registrars/accredited-registrars/)

<sup>30</sup> [www.ausregistry.com.au/pdf/PUBLIC-200608-screen.pdf](http://www.ausregistry.com.au/pdf/PUBLIC-200608-screen.pdf)

<sup>31</sup> [www.ada.org.au/policies/ada-2002-21/](http://www.ada.org.au/policies/ada-2002-21/)

These mechanisms all outline clear processes for complaints handling and are designed to provide efficient, timely, effective and affordable resolution.

In addition, auDA has taken direct legal action against a number of domain name operators to ensure the protection of consumers' rights.

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

### **6.3 Dispute resolution**

As with consumer protection, the current .au regime has developed a number of mechanisms to facilitate the efficient and cost-effective resolution of domain name disputes.

In 2001, a dispute resolution working group was set up by the chairs of the Name Policy Advisory Panel and Competition Model Advisory Panel and was tasked with developing a framework for the resolution of disputes in the .au domain.

The Group recommended the establishment of the auDRP and Rules, closely based upon ICANN's Uniform Domain Name Dispute Resolution Policy (UDRP)<sup>33</sup>. The recommendation reflected recognition that it is not appropriate for Australia to develop an idiosyncratic scheme for handling disagreements over ownership of domain names.

Complaints under the auDRP may be submitted to any of the four auDA-approved dispute resolution service providers.

- World Intellectual Property Organisation;
- Leading Edge Alternative Dispute Resolvers;
- Chartered Institute of Arbitrators Australian Branch; and
- Institute of Arbitrators & Mediators Australia.

Complaints are determined by a single member or three-member panel appointed by the provider from its listed panellists. Each provider follows the auDRP rules, supported by its own supplementary rules.

Separate mechanisms, discussed previously in this paper, were developed for the resolution of complaints against registrars or against a registrant's eligibility for a name.

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

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<sup>32</sup> [www.ada.org.au/policies/ada-2004-01/](http://www.ada.org.au/policies/ada-2004-01/)

<sup>33</sup> [www.ada.org.au/policies/ada-2002-22/](http://www.ada.org.au/policies/ada-2002-22/)

## 6.4 Pricing efficiency

One of the drivers for the introduction of competition and a reformed regulatory structure in .au was the relatively high price of .au domain names, combined with a perceived lack of service and registration efficiency.

In 2000, registration of a name in the .com.au space for two years cost approximately \$125.

Currently, registrars are free to set their pricing structure for the sale of domain names to end-users as appropriate, although they pay a wholesale price (comprising of a domain name fee paid by AusRegistry to auDA and a wholesale fee to AusRegistry) of approximately \$22.55 per .com.au name and \$10.45 per .org.au name.

The margin imposed by each registrar varies according to the registrar's business model and associated products and support services they may offer with the names. As of September 2006, the lowest retail price for a two-year registration of a .com.au domain name was approximately \$28 and the highest, \$140, with an average price of \$80.

Domain names in other ccTLDs range widely in price.

Germany (.de)	€16 (\$195) for one year €8 (\$97) for each additional year
United Kingdom (.uk)	£80 (\$197) for two years
Canada (.ca)	Registrars set fees, though CIRA, the .ca manager charges registrars C\$15 (\$18) per year
Switzerland (.ch)	35 CHF (\$37) per year

auDA derives the majority of its budget income from registry licence fees, registrar fees and domain name fees.

According to auDA's budget<sup>34</sup>, the registry licence fee for the 2005–06 financial year was approximately \$250 000. Registrar fees generated approximately \$63 000 and domain name registrations approximately \$1.8 million.

Consistent with auDA's non-profit principles, the 'auDA domain name fee' charged by auDA to AusRegistry (currently \$4.95) is reviewed periodically.

The wholesale price has fallen regularly as overall registration numbers have increased and efficiencies of scale have been realised. auDA's budget figures for the last three financial years are publicly available on the auDA website<sup>35</sup>.

Significant one-off income has been generated by the sale of generic domain names (such as shoes.com.au) in 2002<sup>36</sup> and commercial geographic domain names in 2005.

Allowing for associated costs and contingencies (including funding the transition to a new .au regime), surplus funds have been used to establish the auDA Foundation and the .au Community Domains Trust.

auDA's operation income for the 2005/06 financial year was approximately \$2.3million, with \$3.1million in operating expenditure (allowing for education and awareness campaigns and registry tender process, funded from accumulated surplus).

<sup>34</sup> [www.ada.org.au/pdf/ada-budget-0506.pdf](http://www.ada.org.au/pdf/ada-budget-0506.pdf)

<sup>35</sup> [www.ada.org.au/about/budget/](http://www.ada.org.au/about/budget/)

<sup>36</sup> Approximately \$2 611 000 according to an October 2002 auDA Press Release

As at 30 June 2005, auDA's 'cash at end of year' balance was approximately \$3.65 million, down from \$4.4 million at 30 June 2004.

This figure allows for a \$2 million gift to the auDA Foundation. At the time of the release of this paper, audited figures for 2005/06 are not yet available, but will include a gifting of funds to the auCD Trust.

6e Given auDA's policy oversight responsibilities, 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?

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

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

## **6.5 Domain name eligibility and allocation**

From June 2000 to July 2001, an auDA Board-appointed Name Policy Advisory Panel reviewed and recommended changes to the eligibility and allocation policies for domain names in the .au domain space. The Panel also considered the possible introduction of new 2LDs.

A subsequent Name Policy Review Panel was convened between June and November 2004 to review domain name eligibility and allocation rules for the .au space.

The current eligibility and allocation structure strongly reflects the work and recommendations of these panels. Policy rules of particular interest include the following.

- Domain names are allocated on a 'first come, first served' basis. Once registered, these names are not 'owned' as there are no proprietary rights in the DNS. Because the registrant does not have a proprietary right in the domain name, it is not legally possible for the registrant to 'sell' the domain name. By offering to sell their domain name to another party, the registrant is in breach of the Registrant Agreement.
- Domain name licences may only be allocated to a registrant who is Australian, a holder of an Australian Trade Mark or an entity trading in Australia.
- For .com.au domains, registered names must be an exact match, acronym or abbreviation of the registrant's company or trading name, organisation or association name or trademark.
- Alternatively, the domain must be otherwise 'closely and substantially' connected to the registrant.
- Registrants must provide sufficient identification to demonstrate that they meet the eligibility criteria for the particular 2LD. Registrars must verify the registrant's identification details to confirm that the registrant meets the eligibility criteria. For example, for the .com.au 2LD, this identification could be in the form of an Australian Company Number (ACN), Australian Business Number (ABN) or

Registered Trade Mark number. Registrars that are deemed negligent in their responsibility to verify registration details could be found to have acted in breach of their Registrar Agreement with auDA.

The *close and substantial connection rule* was introduced in 2002 and was intended to provide flexibility in allowing the registration of domain names that are not directly derived from a company or business name. The rule also introduced a degree of flexibility in how a domain name may be related to the registrant. For example, it is acceptable under the close and substantial connection rule to register domain names for the purpose of providing Internet directory services or information portals.

A recent decision by auDA also deemed it acceptable to register large numbers of domain names under the *close and substantial rule* for the primary purpose of capturing web traffic and/or selling click-through advertising. This process is called ‘domain monetisation’.

Despite changes allowing close and substantial registrations and name registrations for the purpose of monetisation, the .au regime has been described by some observers as relatively restrictive in terms of eligibility rules. For example, the requirement for registrants in .com.au to have, and provide evidence of, an Australian presence<sup>37</sup> was criticised by a submission to the Banks Taskforce<sup>38</sup>.

Other observers have argued that the strict eligibility requirements ensure a high level of integrity within the .au domain, especially in comparison with the ‘open slather’ .com domain, and that it is entirely appropriate and desirable for the .au domain to be preserved for use by registrants who are Australian or who are legally registered to trade in Australia.

Over the last few years, a number of ccTLDs have relaxed or completely done away with a prohibition on the resale of domain names, the requirement for registrants to have a local presence and the need for proof of identification.

The relaxation of registration and eligibility rules in the .au space could prompt increased activity in the market for .au names. However, this could also potentially undermine the integrity and reliability developed through current rules.

- 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?
- 6i Is there any evidence that current policies restrict business opportunities for stakeholders in the domain name marketplace?  
—Is this restriction positive, or negative?
- 6j Could a relaxation of these rules facilitate meaningful growth in .au, or could it lead to inappropriate name registration and hoarding practices?

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<sup>37</sup> Such as an Australian Business Number (ABN), Australian Company Number (ACN) or Trade Mark Number.

<sup>38</sup> Submission 143: David Tanzer and Associates.

## 6.6 Secondary markets

The primary domain name market is a mature model, regulated by national and global registration rules. In contrast, secondary markets, specialising in the acquisition and resale of unregistered, unwanted or expired domain names, is relatively immature<sup>39</sup>.

For the most part, secondary markets have developed in the relatively unregulated .com generic Top Level Domain (gTLD), driven by natural market forces. The participants within secondary markets include registrars who acquire expired names for clients and aggregators who resell names from a gathered pool to the highest bidder. It also includes registrants wishing to sell their domain names, brokers and name speculators.

The lifting of the prohibition on secondary markets in .au has been discussed by industry stakeholders and promoted by registrars, resellers and others for a number of years. The establishment of secondary markets was also advocated in a submission to the Banks Taskforce<sup>40</sup>.

Proponents suggest that removing the prohibition on transfers of .com.au domain name licences would encourage innovation, increase consumer choice and create new business opportunities. Opponents of a secondary market claim that it would lead to an increased risk of cyber-squatting and bad faith registrations, and would disadvantage small businesses who cannot afford to pay premium prices for desirable domain names. As with a liberalisation of .au allocation and eligibility rules, the creation of secondary domain name markets could facilitate increased growth in the .au namespace, driven by market demand forces. At the same time, registrants could find themselves paying a high premium for popular domain names.

The establishment of a free and open secondary market in .au names could only properly function with a review of eligibility and allocation rules, as discussed in the previous section. At the same time, an appropriate framework for the operation of secondary markets would need to be developed, to mitigate potential problems such as cybersquatting and hoarding of names.

Such a framework would also need to prevent scenarios where registrants, not realising the value of their domain names, allow them to lapse and have to pay a premium price to re-secure rights to the name. A secondary market framework would also need to address the significant technical burdens that would be placed upon registries, as maturing registrar business models relating to secondary markets cause a dramatic increase in the number of name requests the registries receive.

- 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?
- 6l Is there a need for affirmative action in facilitating and developing secondary markets, or will it occur naturally?
- 6m If a secondary market were introduced for .au domain names, what would be the most appropriate framework through which it could be regulated?

<sup>39</sup> OECD Report: *The Secondary Market for Domain Names*—  
[www.oecd.org/dataoecd/14/45/36471569.pdf](http://www.oecd.org/dataoecd/14/45/36471569.pdf)

<sup>40</sup> [www.regulationtaskforce.gov.au/submissions/sub051.pdf](http://www.regulationtaskforce.gov.au/submissions/sub051.pdf)

## **6.7 Education and awareness**

Although not a primary purpose or activity identified in the auDA Constitution, promoting community and user awareness of the domain names system and the rules associated with its operation is critical to the stable and sustainable uptake and growth in the .au space. This is a separate, distinct goal from registrar and reseller market-based advertising and sale of domain names.

Over the last three financial years, auDA has increased its budgeted expenditure for education and awareness-raising. A promotional campaign was undertaken in 2005, and the establishment and promotion of the auDA Foundation and auCD has contributed to increased consumer and end-user awareness.

auDA does not directly accept domain names registrations, decreasing the organisation's visibility with name registrants. As the .au domain market continues to grow, informing consumers of the benefits of .au domain names, and their rights and obligations as registrants will be a critical role for auDA, the registry and registrars.

- 6n Is there a need for increasing the general community's awareness of the mechanisms that operate in the administration of au?
- 6o Who should be responsible for funding awareness raising and education efforts?
- 6p Given that registrars and resellers are the primary point of contact for consumers, are their advertising campaigns sufficient in promoting .au?

## 7 International participation

### 7.1 Representation of .au in international fora

Australia has long been at the forefront of international developments relating to Internet governance. Traditionally, Australia has been well represented in international fora by representatives from the government, academic, research and business sectors.

Since the creation of ICANN, the global administrator of the DNS, in 1998, Australians have filled senior roles in the Governmental Advisory Committee, country code Names Supporting Organization (ccNSO), Naming Resource Organization (NRO) and generic Names Supporting Organization (gNSO). The Australian Government also represents Australia's public policy interests in other relevant fora such as World Intellectual Property Organisation (WIPO), the International Telecommunication Union (ITU) and the Organisation for Economic Co-operation and Development (OECD). Australia is also represented in technical standards bodies such as the Internet Engineering Taskforce (IETF).

From the perspective of .au, auDA also plays a leading role in the Asia-Pacific community of ccTLD managers—the APTLD. Representatives from both the Australian Government and auDA have also played significant roles in the establishment of the UN-based Internet Governance Forum (IGF).

This presence across fora and sectors allows Australia to contribute actively to and mould global policy structures that are consistent with the domestic vision of governance in the domain name system.

- 7a Is the current level of representation of Australian interests in international fora appropriate?
- 7b Is the balance between government, business and civil society participation in these international fora appropriate?
- 7c With the aim of promoting domestic policy interests, are there other groups or organisations in which Australia could play a more significant role?

## 8 Emerging technical issues

### 8.1 IP addressing including IPv6

Internet protocol addresses (IPv4 and IPv6) are the numbers by which computers and other network-enabled devices locate each other on the Internet. The domain names system is layered over internet protocol addresses, providing a more human-friendly interface.

The task of distributing and registering addressing resources throughout the Asia Pacific is the responsibility of the Asia Pacific Network Information Centre (APNIC). APNIC was established in 1992, is based in Brisbane and is one of five global Regional Internet Registries (RIRs).

Unlike the models of other countries, such as South Korea, Australia does not currently have a National Internet Registry (NIR) to oversee the allocation of Internet Protocol (IP) addresses at a national level. Australian Internet Service Providers (ISPs) apply directly to APNIC for numbering allocations.

Prior to the establishment of auDA, volunteer management of the Australian Network Information Centre (AUNIC) database incorporated both the allocation of naming and numbering resources<sup>41</sup>. When auDA was established to deal specifically with domain names administration, legacy responsibilities for numbering were reassigned to APNIC.

IPv6 is a newer protocol that offers a far larger number of addresses than the current IPv4 standard, easier configuration and the possibility of improved security.

For the most part, IPv6 is being introduced to address IPv4 address exhaustion concerns.

The introduction of IPv6 will present a number of challenges for the Australian public policy and information and communications sectors. These range from technical interoperability and implementation issues in the conversion from IPv4 and IPv6 (and transitional dual-implementation of the two protocols) to securing appropriate allocations of address space from the global pool.

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?

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

### 8.2 Convergence

In its broadest sense, convergence refers to the growing synergies and removal of barriers between traditional telecommunications, broadcasting and communications and information technology sectors.

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<sup>41</sup> Blocks of IPv4 addresses, for use in Australia, were allocated by APNIC.

In Australia, this trend is most evident in the provision of ‘traditional’ media services through new systems and business models and an increase in communications and telephony services over IP networks.

From a commercial perspective, these changes raise the need to refine and redevelop traditional business models. From a public policy perspective, convergence involves a rethinking of existing regulatory regimes.

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?

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

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?

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

## 9 Appendices

### 9.1 Appendix A—auDA's purposes and activities

(Excerpt from auDA Constitution)

The principal purposes of auDA are:

- a. to be the administrator of, and the Australian self regulatory policy body for the .au ccTLD and its associated Second Level Domains;
- b. to maintain and promote the operational stability and utility of the .au ccTLD, and more generally, the Internet's unique identifier system, and to enhance the benefits of Internet to the wider community;
- c. to ensure a cost effective administration of the .au ccTLD and its sub-domains;
- d. to develop and establish a policy framework for the development and administration of the .au ccTLD including:
  - i rules governing the operations of second level domain registries;
  - ii the creation of second level domains;
  - iii rules governing the accreditation of *registrars* and registry operators;
  - iv rules governing the registration of names within second level domains and access to second level domain registries;
  - v ensuring that registrars have equal access to second level registry services.
- e. to manage the operation of critical technical functions including:
  - i the primary and secondary .au name servers;
  - ii zone files for second level domains; and a searchable data base containing information on registrations within the .au ccTLD.
- f. to liaise with national and international bodies on issues relating to the development and administration of domain name systems.
- g. to establish appropriate complaints handling and dispute resolution processes to provide for conciliation or redress of grievances on matters associated with the administration of the .au ccTLD.

*Without reducing the effect of clause 4, auDA will seek to achieve:*

- a. ensuring the continued operational stability of the domain name system in Australia;
- b. establishing mechanisms to ensure it is responsive and accountable to the supply and demand sides of the Australian Internet Community;
- c. the promotion of competition in the provision of domain name services;
- d. the promotion of fair trading;
- e. the promotion of consumer protection;
- f. adopting open and transparent procedures which are inclusive of all parties having an interest in use of the domain name system in Australia;
- g. ensuring its operations produce timely outputs which are relevant to the needs of the Australian Internet Community.

## **9.2 Appendix B—.au second level domains (2LDs)**

### **asn.au**

For incorporated associations, political parties, trade unions, sporting and special interest clubs.

### **com.au**

For commercial entities, such as companies (with ACN as registered through the Australian Securities and Investments Commission (ASIC)), and businesses (registered with state governments).

### **net.au**

For commercial entities, such as companies (with ACN as registered through ASIC), and businesses (registered with state governments).

### **id.au**

For individuals who are Australian citizens or residents.

### **org.au**

For charities and non-profit organisations.

### **edu.au**

For educational institutions registered at federal or state level. This domain is managed on behalf of the Australian education sector by the Australian Information and Communications Technology in Education Committee (AICTEC).

### **gov.au**

For federal, state and local government bodies. This domain is managed on behalf of the Australian government sector by the Australian Government Information Management Office (AGIMO).

### **csiro.au**

For the sole use of the Commonwealth Science and Industry Research Organisation (CSIRO). This domain is managed by CSIRO.

### **info.au**

Not accepting new registrations at this time.

### **conf.au**

Not accepting new registrations at this time.

### **act.au, qld.au, nsw.au, vic.au, tas.au, wa.au, sa.au, nt.au**

Available for registration of geographic place names by incorporated community groups. These domains are managed by the .au Community Domains Trust (auCD)

### **.telememo.au, .otc.au, .gw.au, oz.au**

Legacy domains from the early establishment of .au that are no longer in general use.

### **9.3 Appendix C—Questions by section**

- 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?
- 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?
- 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?
- 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?
- 3e Is a not-for-profit industry self-regulatory model the most appropriate governance structure for the .au domain?
- 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?’
- 3g How effective has auDA been in achieving these principle purposes?
- 3h Does the role defined for auDA reflect the expectations Internet users have for the manager of a ccTLD?
- 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?
- 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?
- 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?
- 3l Are there better mechanisms by which stakeholder input could be sought?
- 3m Are there general comments or observations you would like to make regarding the security and stability of the domain name system in Australia?
- 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.

- 4b Is auDA's process for introducing new 2LDs appropriate?  
—Please provide reasons for your comments.
- 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?
- 5a Are auDA's mechanisms for policy development appropriate, taking into account the requirements and input of internet stakeholders?
- 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?
- 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?
- 5d Should all auDA policies have formal review periods?
- 5e Are the current policy enforcement mechanisms appropriate, and are they consistently enforced?
- 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?
- 6c Are the rights of domain name consumers sufficiently protected by current mechanisms?  
—If not, what further measures could be taken?
- 6d Are the current mechanisms for dispute resolution efficient and effective?  
—If not, what alternative measures could be implemented?
- 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?
- 6f Given auDA's functions and related operational expenses, do you consider that the current \$4.95 auDA domain name fee is appropriate?
- 6g Following the introduction of competition to the .au space, do you consider that the average retail fee of .au domain names is appropriate?
- 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?
- 6i Is there any evidence that current policies restrict business opportunities for stakeholders in the domain name marketplace?  
—Is this restriction positive, or negative?

- 6j Could a relaxation of these rules facilitate meaningful growth in .au, or could it lead to inappropriate name registration and hoarding practices?
- 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?
- 6l Is there a need for affirmative action in facilitating and developing secondary markets, or will it occur naturally?
- 6m If a secondary market were introduced for .au domain names, what would be the most appropriate framework through which it could be regulated?
- 6n Is there a need for increasing the general community's awareness of the mechanisms that operate in the administration of au?
- 6o Who should be responsible for funding awareness raising and education efforts?
- 6p Given that registrars and resellers are the primary point of contact for consumers, are their advertising campaigns sufficient in promoting .au?
  
- 7a Is the current level of representation of Australian interests in international fora appropriate?
- 7b Is the balance between government, business and civil society participation in these international fora appropriate?
- 7c With the aim of promoting domestic policy interests, are there other groups or organisations in which Australia could play a more significant role?
  
- 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?
- 8b Aside from technical implementation and global allocation issues discussed above, what challenges should be addressed as part of the IPv4 to IPv6 shift?
- 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?
- 8d Do these technical and structural shifts generate a need for changes to the current model for the management of the .au domain?
- 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?
- 8f Are there any other general comments you would like to make?

## **9.4 Appendix D—List of acronyms**

2LD	Second level domain
ABN	Australian Business Number
ACCC	Australian Competition and Consumer Commission
ACMA	Australian Communications and Media Authority
ACN	Australian Company Number
AGIMO	Australian Government Information Management Office
AICTEC	Australian Information and Communications Technology in Education Committee
APNIC	Asia Pacific Network Information Centre
auCD	.au Community Domains
auDA	.au Domain Administration
auDRP	.au Dispute Resolution Policy
AUNIC	Australian Network Information Centre
ccNSO	country code Names Supporting Organization
ccTLD	country code Top Level Domain
CEO	Chief Executive Officer
CSIRO	Commonwealth Science and Industry Research Organisation
DCITA	Department of Communications, Information Technology and the Arts
DNS	Domain Name System
gNSO	generic Names Supporting Organization
gTLD	generic Top Level Domain
ICANN	Internet Corporation for Assigned Names and Numbers
IETF	Internet Engineering Taskforce
IGF	Internet Governance Forum
ITU	International Telecommunication Union
NIR	National Internet Registry
NOIE	National Office for the Information Economy
NRO	Naming Resource Organization
OECD	Organisation for Economic Co-operation and Development
RIRs	Regional Internet Registries
UDRP	Uniform Domain Name Dispute Resolution Policy
WIPO	World Intellectual Property Organisation