

Brendan Lewis  
7 Leveson Street  
North Melbourne  
VIC 2051  
Tel: (03) 9329 8411  
blewis@l2i.com.au

.au Review Discussion Paper Submissions  
Department of Communications,  
Information Technology and the Arts  
GPO Box 2154  
CANBERRA ACT 2601  
[aureview@dcita.gov.au](mailto:aureview@dcita.gov.au)

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Dear Sir/Madam,

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

Thank you for the opportunity to comment on the .au domain. In summary I believe that the auDA is currently a flawed organisation as it does not represent the needs of the Australian people. Its technological basis makes it inaccessible to the many, allowing the few to manage significant revenue streams and take up global opportunities generated by this statutory monopoly, without effective oversight.

I would suggest that the following changes be made in the short term.

1. DCITA stop acting as an observer and start using auDA as a tool for advancing Australian IT policy.
2. The board structure to be changed to ensure a more balanced approach is taken with the classic board additions of marketers and those with financial expertise.
3. The management of Community Geographic 2LD be immediately handed over to AustraliaPost to manage.

In the longer term, I would suggest that auDA's responsibilities be absorbed into a new business unit of ACMA, and that new group given responsibility for all Australian IT infrastructure operators, Australian content policy and liaison with all outside agencies in regards to the internet and IT.

The rest of this document contains my responses to some of the specific questions posed in the DCITA Discussion paper of October 2006.

Kind Regards

Brendan Lewis  
BBus(InfoSys) GRadDipAcc

*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?*

From attendance at the 2006 EGM and subsequent discussions with auDA Directors and auDA members, it appears that all conversations around the .au namespace are conducted by two main groups, Intellectual Property Lawyers and Technologists.

My experience suggests that there three voices missing from the table.

### **Marketing Expertise**

There appears to be no policy emphasis around the .au brand and the benefits it can bring to Australian organisations. Dubious domain monetisation practices are rampant within Australia with an estimated tens of thousands of .com.au domain names being filled with advertising banners, rather than relevant content (see drunk.com.au)

Due to a lack of marketing nous at the table, the issue appears to be treated as an interesting policy discussion by the IP lawyers, and a bug bear to the technologists who detest the practice.

I believe there is little focus on developing more effective preventative policies or a vigorous policing agenda because concepts such as brand equity are foreign to the main constituent groups of the auDA.

### **Financial Expertise**

From review of the 2005/2006 financial reports and attendance at the 2006 EGM, it appears that there is extreme member lethargy when it comes to fiscal responsibility.

Many expense items on the 2005/2006 financial reports appear to be running at non-commercial levels. There appears to be no concern/discussion of this at a member level prior to the 2006 AGM.

The auDA is a statutory monopoly, and therefore it is inappropriate that financial spending by the organisation does not have vigorous oversight.

Just as third parties from non-technical backgrounds (the majority of Australia) have difficulties understanding what the auDA actually does, its my opinion that the membership of the organisation has little understanding of the organizations finances and does not question any decisions that have financial impact.

### **Government**

I believe that it is completely inappropriate for DCITA to take an observer role only in policy formulation in the .au namespace and should step up with direct involvement.

An example of this is the policy development and management of the Geographic 2LD. The entire discussion was biased by calling the agenda "Community Geographic Domain Names". Consequently there was feedback on policy formulation by community bodies only, without any reference to Australia's strategic IT agenda.

The geographic domain names could form a natural infrastructure for implementing email addresses for every location in Australia, or for forming the basis of Federal/State/Local Government eServices, or the basis for future developments that have been mooted such as virtual electorates for Australian expats.

These uses were never discussed and there appears to be no government policy input, to the detriment of Australia.

*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 question should not be whether the structures described are the most appropriate mechanisms, but why do the significant profits exist in the first place. The organisation is a not-for-profit. Once sufficient reserves are available for downstream developments, auDA pricing should be reviewed.

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

I do not believe so. It appears that the reason that this exists is that it was a palatable compromise to the Australian internet community when control of the .au ccTLD was taken over by the Australian Government.

Due to the rise in significance of the Internet to Australia's at every level, stronger government control is required to align the auDA's policies with Australia's interests. Especially since a clear crossover is now appearing between Australia's economic interests and Australia's IT interests (eg the situation of when an Australian purchases a tune online from an Australian artist, an American company, iTunes, gets to tax the transaction is intolerable).

I would suggest there would be major advantages arising for Australia through policy synergy if the responsibilities of the auDA were absorbed into a new business unit of the ACMA.

This new business unit could then be built up to focus on the interrelated issues of:

Infrastructure

- The .au domain space
- IPv4 and IPv6 Management
- Australian Internet Security at a Macro level.
- Operator (ISP, Telco, Registrar, Registry) Policy
- Arising Net Neutrality issues

Usage

- Internet misuse such as Spam
- Internet Commerce
- Internet Content (RSS, Video, Audio, Podcasts Etc)
- Australian Digital Rights Management

Liasion

- Government
- ICANN
- Other Countries

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

No. It's my belief that most consumers are poorly protected, however this is due to poor education in regards to how domain names work and little comprehension of what they are actually buying.

Registrars do not assist in understanding, by bundling multiple domain registrations with domain name server entries and web hosting.

I believe that time, market forces and improving consumer technical education will sort the problem out.

*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?*

No, the prohibition does not serve the best interests of the Australian Community. I would suggest the prima facie evidence for this is the fact that a secondary market already exists outside the control of the auDA.

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

There is already a secondary market in Domain Names and has been for many years. Selling a domain name can be as simple as registering it to a business name, then selling the business name. This is inefficient and can generate problem transactions that transfer control outside of Australia where they will not attract GST.

The market should be recognized and appropriate instruments of transfer be developed.

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

I would suggest that an instrument that transfers the licence of the domain name developed and a transfer fee charged on each transfer. I am unsure why it would need to be anymore complex than that.

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

Absolutely not. Most registrars aggressively offer .au options along with a plethora of other domain options such as .com, .net. and .mobi trying to maximize the value of each client.

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