

July 20, 2012

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auDA
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Response To Issues Paper - 2012 Industry Advisory Panel

Dear Paul,

Thanks for the opportunity to respond to the issues paper for the auDA 2012 Industry Advisory Panel.

Issue 1.1 - Registry Operator Selection / Appointment

I am very concerned about the way this has been handled in the past; in particular the fact that the contract did not go through a tender process in 2008. I note the reason given was that the "marketplace was not expansive enough". I don't believe this reason was valid in 2008, nor do I believe that it's valid today.

It's my understanding that the ICAP (Industry Competition Advisory Panel) was created by auDA to advise on competition. Unfortunately, the result in 2008 was that there was no competition.

I'd strongly suggest that:

- a) the contract in 2014 go to tender, with the entire process being open and transparent.
- b) the tender process should be managed by an independent 3rd party.

Issue 1.2 - Multiple Registries

The concept of multiple registries may have adverse side effects, such as giving one registry a distinct advantage over another. For example: if one registry was for .com.au and another for .org.au - it's almost certain that the .com.au registry would be more profitable. From a holistic standpoint, I believe a Registry should not "pick and choose" a type of registrant.

I believe there should be only one Registry, but with an increased level of public scrutiny. For example, the contract between auDA and the Registry should be published on the auDA website, along with current and historical reports relating to meeting service levels.

Issue 2.1 - Fees

Registrar Fees

Registrar fees should remain the same.

auDA Fee

The Issues Paper states "auDA receives most of its revenue from a fee of \$3.85 (incl GST) for each registered .au domain name.". In the interests of transparency, I'd recommend that:

- a) auDA should clearly state the fee in a clear, prominent place on its website.
- b) All Registrars should clearly mention the fee as a part of the cost of selling a domain name. I note that many US registrars already do this with the ICANN fee.

This fee is a significant portion of the overall transaction and I'd suggest that the majority of domain name owners are not aware of it, as its integrated into the retail price. Consumers would be already familiar with such a practice as its comparable to a tax such as GST, cigarette tax or fuel excise.

Issue 2.3 - Accreditation of Registrars For Drop-Catching Purposes

I do not support the creation of policy that differentiates between legitimate business practices. This appears to be well beyond auDAs mandate and is not in the spirit in which auDA was founded.

Such policies may have the effect of:

- a) Interfering in a free market.
- b) Discriminating against specific businesses and business models.

auDA should maintain a light touch when it comes to creating new policy and be mindful of over regulation.

Issue 3 - Registrar Security

Over the past 15 years I have personally overseen the implementation of Australian/NZ Security Standards for multinational public and private companies, as well as for multiple Australian Government departments.

I'd make the following observations in relation to the attachment "Information Security Standard for Registrars":

- The document confuses Policy with Standards, Process and Procedures. This is not typical of how Information Security Standards are written.
- Risk Management standards such as 4360 are not cited. These are fundamental operational standards that I'd expect to see in an organisation such as auDA.
- In my experience, it's highly likely that compliance costs will make implementing the current standard, cost prohibitive to a Registrar.
- I'd note that auDA has receive a lot of positive media publicity around the Security Standard. This is good exposure for the industry, but I'm concerned that it may lead to a false sense of security if not properly implemented and independently audited.

To summarise, the document appears as a first draft, but needs a significant amount of further work. I'd recommend that auDA seek further, independent, external, expert advice on this issue before proceeding.

Issue 4.1 - Definition of Reseller

The current definition of a reseller appears to be fit for purpose.

Issue 4.2 - Centralised Accreditation

There appears to be no benefit to centralised accreditation. I'd note that auDA was created with a clear structure in mind and its policies are based on a clear chain of command. i.e. Registry - Registrar - Reseller - Registrant. This model is used globally and works well.

I do not support changing WHOIS records to include the reseller.

Issue 5.2 - Domain Name Transfers

I believe that the current Change of Registrant (COR) process is outdated and antiquated.

- Bulk domain name transfers should be facilitated.
- The COR price is unnecessary and should be eliminated in its entirety. This is seen by many within the industry as nothing more than revenue raising. This practice is inconsistent with how the rest of the world operates. I'd further note, that there is no fee for transferring domain names such as .com, .net and .org.
- In relation to the COR paperwork, auDA should work with registrars to help automate the process and move away from the existing model of sending faxes and creating more, unnecessary paperwork.

This is an opportunity to streamline a process, in order to make it easier for businesses to engage both auDA and Registrars, without the hassle of additional paperwork and fees.

Issue 6 - Code of Practice

- The Code of Practice should be left as it is.
- The Issues Paper does not detail how many complaints have been made over the last few years.

I look forward to seeing the outcomes from both the auDA Board and the Advisory Panel.

Kind regards,



Simon Johnson

auDA Demand Class Member