

CMWG: Potential membership models for discussion

The government has made the following relevant recommendations regarding auDA membership:

7. That auDA reform its governance arrangements to ensure:
 - a. that the nomination of all Board positions is undertaken by a Nomination Committee comprised of representatives from industry, the business sector, consumers, an auDA member representative, and the Commonwealth, represented by the Department
 - i. in establishing the Nomination Committee, the auDA Board will undertake a consultative merit-based process to identify members, with a Department representative as a panellist, and the Department to select the committee members from this process
 - ii. the Nomination Committee will undertake probity and disclosure assessments and develop a skills matrix to ensure new directors have an appropriate mix of technical and corporate skills and industry experience
 - iii. the Nomination Committee will shortlist: member candidates to stand for election by members; and independent candidates to stand for election by the Board
 - iv. however, the first Board, following the reform of auDA's governance arrangements will be selected according to the skills mix identified by the Nomination Committee with shortlisted nominees agreed with the Department
 - b. length of terms directors can serve is capped at three years with directors appointed for no more than two consecutive terms
 - c. the Board is structured so that the majority of the Board is independent of auDA's membership
 - d. that within 12 months the Board is reconstituted to ensure all appointments meet this criteria.

and

10. That auDA reforms its existing membership model by creating a single member class or a functional constituency model and that membership reform is non-discriminatory and supported with transparent membership guidelines.

To get the conversation started, the CMWG has broadly outlined some membership model options.

These options are not hard and set alternatives from which the auDA membership must choose. Indeed, the CMWG is completely open minded about alternate models. The options outlined below are designed purely to show the kind of models that are potentially workable and that are likely to satisfy the federal government's requirements.

These models should hopefully serve as a point to start from – a useful springboard into constructive discussion amongst auDA members and stakeholders.

It is important to note that regardless of the membership model adopted, auDA members will no longer be able to select the majority of auDA board members. The government has made clear that under any model it considers acceptable, an independent Nominations Committee will select a board comprised of majority independent directors (see pp 16-22 of [Review of the .au Domain Administration.](#))

Membership Model Option A: Functional Constituency v1

A Functional Constituency is a professional or special interest group involved in the membership of an organisation. In a potential auDA Functional Constituency Model, the membership base could be representative bodies from the digital and technology sectors, businesses from the digital and technology sectors, or a combination of both.

A functional constituency is a potential membership model recommended in the government's report (see recommendation 10)

Organisations might include the likes of Internet Australia, Communications Alliance, Australian Computer Society (ACS), Australian Information Industry Association (AIIA), Australian Communications Consumer Action Network (ACCAN), Telecommunications Association (TELSOC), Australian Web Industry Association (AWIA), AARNET, APNIC, and CAUDIT.

Under this model, these organisations would become the members of auDA, and potentially their members could become associate or non-voting members of auDA. This would provide auDA with a wide and diverse base in which to seek industry and consumer feedback and participation in relevant panel and forums.

The definition could be sufficiently broad to allow a mixture of large and small enterprises. However, a complication could be that if voting rights were equal to one-vote-per-organisation, this may dissuade medium to large organisations from becoming members. An alternative would be a system of institutional weighting.

Consideration should therefore be given to the value and appeal of such businesses joining auDA and the level of membership services auDA would have to provide to attract, manage and retain such a membership base.

Membership Model Option B: Functional Constituency v2

Another potential functional constituency model would be one in which auDA members – either individuals, corporates, or institutions (legal persons) – could join new sub-groups within the auDA membership representative of industry functions.

For example there could be a Commercial Stakeholder Group, a Registrar Stakeholder Group, a Government Advisory Group, a Non-Commercial Stakeholder Group, and Internet Users. Each group could have one representative of the board, who would then have to be outnumbered by independent directors (minimum six) to align with the government's recommendation for a majority independent board.

Membership Model Option C: Single Member Class

A single member class model would allow any individual, corporate, or institution (legal person) to become an auDA member with equal weighting.

Members could apply to join through direct application to auDA.

Alternatively, the Canadian Internet Registration Authority (CIRA) model could be adopted, in which all unique registrants are offered membership. In Canada, this has led to close to 15,000

members, with some 10 per cent involved in governance activities, including director elections. There are no membership fees under this model.

A complication with a single member class system is that it might overlap significantly with organisations like Internet Australia, whose membership model is identical.