



Transfer of Authority for the .au ccTLD

Report on auDA's Achievements and Capacity to Manage Domain
Names in Australia

9 October 2000

Executive Summary

This document demonstrates that the achievements of auDA to date, and the goals for the organisation for the next 12-18 months, are sufficient to meet the objectives that Government has established for endorsement of an industry self-regulatory body. In doing so, auDA intends to ensure that stakeholders, existing delegates and Government are confident that auDA has achieved the necessary support and shown that it is a capable and credible organisation to assume the role of administrator of the .au ccTLD.

The key achievements of auDA to date in meeting the objectives set out by Government are as follows.

Operate as a fully self-funding and not-for-profit organisation.

- Contracts have been executed with delegates for the second level domains .net.au, .asn.au, .csiro.au and the registrar for .com.au generating a revenue in excess of \$840,000.
- A healthy and sustainable revenue stream has been established, based on a sound financial and business plan.
- Planning is underway to ensure that auDA is fully funded in a post-competition market.

Be inclusive of, and accountable to, members of the Internet community including both the supply and demand sides.

- auDA has adopted a membership structure that encompasses all aspects of the Internet community, including supply and demand.
- Members of each class are guaranteed representation on the Board.
- The auDA Board strives to ensure that it conducts business in an open and accountable manner, including regularly publishing minutes of meetings and making all relevant documents available to members and the general public.
- Advisory panels must operate in a transparent manner and are required to consult with the general community.
- The CEO and other staff are fully accountable to the Board, who are in turn accountable to the Australian Internet community.

Adopt open, transparent and consultative processes.

- An effective, open, transparent and consultative framework for policy development has been established and is in operation.
- Panels may be initiated by the Board or by members.
- The Board regularly consults with stakeholders, existing delegates and the delegate for the .au ccTLD.
- auDA is currently developing a procedures manual that will fully document all delegations of authority, accounting policy and procedures, HR policy and administration processes.

Aim to enhance benefits to Internet users through the promotion of competition, fair-trading and provisions for consumer protection and support.

- auDA has established panels to specifically examine competition and name allocation issues, and will be implementing the recommendations of these panels when they are forthcoming.
- auDA is planning to establish additional panels to address fair-trading and consumer protection issues, including:
 - dispute resolution; and
 - service levels.

Establish appropriate dispute resolution mechanisms.

- Having now established the two most urgently needed panels, auDA is currently actively researching best practice in dispute resolution.
- auDA will be establishing a Dispute Resolution Advisory Panel in the near future.

Represent Australian Internet industry interests in the Internet domain name system at national and international fora.

- auDA directors have been and will continue to attend ICANN meetings.
- auDA currently has representation on the ICANN Board of Directors and the ICANN Names Council.
- The auDA board has direct contact with other ccTLD organisations, in particular the UK based Nominet.
- A CEO has been appointed who will assume the role of representing auDA at such fora.
- auDA is examining other methods for establishing links with international bodies.

At this point, auDA has made considerable progress towards achieving its aims. However these aims cannot be fully realised until the transfer of authority for .au has been affected. *The very fact that auDA does not have formal authority for the .au ccTLD is now starting to limit the organisation's capability to undertake its business.* This is clearly demonstrated by a number of the second level domain registrars that have not yet entered into interim agreements with auDA, in particular those for the .gov.au and .edu.au domains. There is a significant likelihood of these agreements being quickly finalised once authority has been transferred

Introduction

.au Domain Administration Limited (auDA) is an incorporated membership based non-profit organisation with representation from supply and demand sectors of the Australian Internet community. The organisation was established in April 1999 as a result of the efforts of a NOIE sponsored working group, with a view to managing the .au country code Top Level Domain (ccTLD).

auDA's objectives 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;
- 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 administrators;
 - iv. rules governing the registration of names within second level domains and access to second level domain registries; and
 - 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
 - iii. 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; and
- 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.

auDA was established to address the perceived need to move from a domain name system operated on a volunteer basis, to one that is robust, scalable and will meet the needs of Australia in the future. There was widespread consensus in the community that an industry self-regulatory regime was the most appropriate mechanism to achieve this outcome.

Until now, auDA's authority has been derived from a number of sources:

- community and stakeholder commitment to a self-regulatory environment;
- financial support from existing second level domain delegates;
- qualified Government support; and
- delegation of authority for the .com.au second level domain.

What has been missing from this process so far, and is now essential if auDA is to achieve its stated objectives, is full endorsement from Government and the formal transfer of authority for the .au ccTLD from the existing delegate.

The aim of this document is to now secure endorsement from Government of auDA as the industry self-regulatory body to manage the .au ccTLD. This document will demonstrate that auDA has the capacity to perform this role by meeting the objectives set out by Government. In addition to this, the document presents a framework for ensuring the smooth transition of authority from the current delegate to auDA.

Principles of Industry Self-Regulation

auDA's goal is to effectively develop and administer the .au domain name space as a public trust and in the public interest. In order to achieve this, auDA's constitution has defined a series of objectives that govern the activities of the organisation. These activities closely mesh with the stated objectives set out by Government as the principles of industry self-regulation. These principles include:

- operate as a fully self-funding and not-for-profit organisation;
- be inclusive of, and accountable to, members of the Internet community including both the supply and demand sides;
- adopt open, transparent and consultative processes;
- aim to enhance benefits to Internet users through the promotion of competition, fair trading and provisions for consumer protection and support;
- establish appropriate dispute resolution mechanisms; and
- represent Australian Internet industry interests in the Internet domain name system at national and international fora.

Government has indicated that endorsement of auDA will require a demonstration that it meets the principles as set out above. The following sections outline auDA's achievements to date in this respect.

1. A Fully Self-Funding and Not-For-Profit Organisation

auDA is a company limited by guarantee, and is constrained by its constitution as a not-for-profit organisation. Funding is required to address both the administration and development requirements of the .au domain name space. auDA has now secured sufficient revenue to allow it to transition from reliance on voluntary contributions to a fully funded, scalable, service driven and professional operation.

a. Funding Principles

auDA has defined a set of principles to guide the establishment of a sound funding model. These principles are:

- all second level domains are fully self-funding and must contribute to auDA costs unless there is a public interest argument to the contrary;
- auDA operates as an industry self regulatory body and is funded through the "user pays" principle;
- the mechanism for cost recovery is through a fee charged to domain name retailers, which are in turn recovered from end users; and
- retail charges may have two components: a fixed component reflecting the cost of licensing retailers, and a per domain name fee.

The final mechanism for auDA's cost recovery cannot be confirmed until after the completion of the Competition Model Advisory Panel, however it is likely to differ

substantially from the pre-competition method. Therefore this funding plan identifies two distinct models: one that applies before the introduction of competition, and a proposed post-competition funding model.

b. Funding Pre-Competition

Under current arrangements, second level domains can be broadly divided into two groups: "commercial" domains (i.e. those that accept registrations from a wide community, and could or already charge a registration fee) and "community of interest" domains (i.e. those that accept registrations from a restricted community) as shown in the following table. Domains in bold are those that currently charge registration fees. A monopoly registrar currently runs each second level domain (apart from .id.au).

Commercial	Community of Interest
.com.au	.gov.au
.net.au	.edu.au
.asn.au	.csiro.au
.org.au	.conf.au
.id.au	

The situation with the id.au domain is slightly more complex. This domain is further divided into a number of third level domains, each of which has a monopoly registrar. Domain registrations are only accepted at these levels. The current sub-domains of .id.au are shown in the following table, with those charging registration fees shown in bold.

.id.au Domains
.dropbear.id.au
.echidna.id.au
.emu.id.au
.ironbark.id.au
.lorikeet.id.au
.wallaroo.id.au
.waratah.id.au
.wattle.id.au
.wombat.id.au

Because of the diverse arrangements, auDA has determined that funding pre-competition will be via a fixed licence fee model. This licence fee will be determined by a number of factors including:

- the number of domains that are registered;
- whether the registrar charges a fee for registration services;
- if the domain is "commercial" or "community of interest";

- if the domain uses AUNIC; and
- the capacity of the current registrar to pay fees.

The following table lists the currently negotiated registrar licence fees.

2LD	Licence Fee	Funding Period
.com.au	\$659,000	1/7/2000 - 31/6/2001
.net.au	\$64,000	10/9/1999 - 30/9/2000
.asn.au	\$15,000	10/9/1999 - 30/9/2000
.org.au	-	-
.id.au	-	-
.gov.au	\$50,000	30/11/1999 - 30/11/2000
.edu.au	<i>under negotiation</i>	-
.csiro.au	\$15,000	10/9/1999 - 30/9/2000
.conf.au	-	-

The existing situation in .au is complex and de-centralised, with policy and operation authority spread across a number of entities. Part of the process of setting up auDA has involved negotiating agreements with these entities for auDA to take over authority and bring policy and regulatory consistency to the .au namespace. auDA must continue to work with existing entities to finalise agreements under which authority for regulation / policy devolves to auDA.

c. Funding Post-Competition

As part of its terms of reference, the Competition Model Advisory Panel is addressing the issue of a continuing funding model for auDA. Since the actual funding model cannot be confirmed until after the completion of this panel, auDA proposes a model for planning purposes. This model comprises two components: a registrar licence fee and a domain name levy that will be applied to the second level domains currently considered as "commercial" domains. Funding for "community of interest" domains will remain on a fixed licence fee basis. The registrar licence fee must be set at a value that is high enough to deter frivolous applications, but low enough so that it does not present a significant barrier to entry. The domain name levy will then be set at a level that provides sufficient funds to ensure the continued operation of auDA.

Example 1:

Source	Income
30 Registrars @ \$5,000	\$150,000
100,000 domain names registered/renewed pa @ \$6.00 per domain name levy	\$600,000
"Community of interest" domain licence fees	\$115,000
Total	\$865,000

Example 2:

Source	Income
60 Registrars @ \$5,000	\$300,000
150,000 domain names registered/renewed pa @ \$3.00 per domain name levy	\$450,000
"Community of interest" domain licence fees	\$115,000
Total	\$865,000

Estimated Total Revenue for FYE 2001 is \$852,200:

- \$840,200 is estimated from fees paid by Registrars
- \$12,000 is estimated from membership

Estimated Total Expenditure for FYE 2001 is \$802,600. Significant expenditure items include:

- Net GST payable to ATO is estimated at \$56,227.
- \$30,000 has been allocated for the operation of a range of Advisory Panels.
- The dispute resolution establishment and operation has been allocated \$27,000 during the course of the year.
- \$129,000 has been budgeted for legal advice including development of necessary licence agreements, and contingency for dispute issues.
- Operation and registry hosting has been allocated a budget of \$96,000.
- The CEO's remuneration has been set at \$138,000.
- ICANN fees of \$70,700.
- Directors expenses are expected to be \$42,000.
- Administrative and office expenses are budgeted at \$88,000.
- Domestic and International Travel is estimated at \$53,000.
- Costs for other auDA employees are budgeted at \$129,000.

See Attachment One for the FYE 2001 budget.

2. Organisational Structure

a. Membership

Membership of auDA is open to all sections of the community, including domain name holders, domain name suppliers, and the commercial and technical sides of the industry. auDA's constitution defines three classes of members: supply, demand and representative association. The aim of these three classes is to ensure that as broad a representation as possible is achieved, and to prevent the possibility of a single group of stakeholders from gaining undue advantage over the Board. Currently the fee structure and voting rights are uniform across all the three classes.

The current membership of auDA is shown in the following table:

Class	Members
Supply	55

Demand	146
Representative Association	16
Total	217

Some stakeholders have expressed concern at the limited membership of the organisation and the increased potential for board manipulation that this causes. Suggestions to address this issue have included establishing a class of members consisting of domain name holders. The Board has discussed this issue, but no consensus has been reached to date. In the interim, the Board has resolved to investigate increasing membership through the existing membership classes.

A related issue is increasing the public awareness, and consequently involvement in the organisation. A number of possible strategies to achieve such an outcome have been discussed at the board level.

Since both these issues will necessitate significant involvement at the CEO level, action has been pending until the CEO position was filled. This will now become a priority for the new CEO.

b. Board

The auDA Board is made up of individuals elected by its members. Each class of membership may elect up to three directors, and a further two directors may be elected by the membership as a whole. auDA currently has a full complement of directors. The current incumbents are shown in the following table.

Class	Director
	Michael Malone
Supply	Chris Chaundy
	David Keegel (Secretary)
	Kim Davies
Demand	David Thompson (Deputy Chair)
	Mark Hughes
Representative Association	Iain Morrison
	Kevin Dinn
	Greg Watson (Chair) General
	Erica Roberts
	Kim Heitman

As is typical of the industry self-regulation process, organisations such as auDA tend to attract attention primarily from stakeholders or other interested parties. Because of this, it is possible that there may be a perceived bias in relation to the corporate governance of the organisation. In addition, the auDA Board is pragmatic enough to realise that there are always areas where skills or expertise may be lacking. In order enhance its

own standing and dispel any concerns about potential bias, the Board has appointed an additional two directors as permitted under the constitution. These directors have been appointed for an initial period of 12 months.

Independent Directors
Tony Staley
Greg Crew

A similar issue surrounds the appointment of the Chair. In consideration of this issue it is expected that the auDA Board elected at the next AGM will appoint one of the independent directors as Chair of the organisation.

c. Advisory Panels

The auDA Constitution specifies that Policy Advisory Panels that have expertise in the particular areas of concern will be the principle mechanism for the provide advice on policy and priorities. The Panels will be convened as required to recommend new and/or changes to existing policies to the Board. Composition of the panels will be drawn from a wide selection of stakeholders and the broader community.

d. Staff

i. CEO

auDA has completed the recruitment of a permanent CEO. The recruitment agency KPMG was contracted to advertise and shortlist a number of candidates who were then interviewed by an auDA selection committee. Copies of the advertisement and position description are available at <http://www.auda.org.au/ceo-advert.html>.

During the establishment period auDA appointed an acting CEO, Mr Mark Hughes to take on the day-to-day operational activities of the organisation.

ii. CFO

auDA has appointed a CFO to undertake and coordinate the following activities:

- design, source and implement a scalable computerised double entry accounting system;
- implement a system to provide reporting for management accounting as well as statutory requirements;
- convert existing accounting information into the new system;
- establish standard correspondence proformas;
- establish paper and electronic filing systems;
- develop a written procedures manual that addresses delegations of authority, accounting policy and procedures, HR policy and administration processes;
- work with Baker & McKenzie to finalise outstanding Registrar agreements; and
- assist in the production and auditing of the FYE 2000 accounts and Annual Report.

iii. Secretariat

In the course of the 2000 - 2001 financial year, auDA will put in place the other staff necessary to carry out the scheduled work. At this time auDA's continuing staff

requirements are estimated to be a CEO plus two full time employees or equivalents. These staff may be either permanent employees or contract staff. It is expected that the following staff will be required:

- Project Officer - auDA requires a project officer with project management / technical experience to manage the implementation of the new AUNIC system, and also the system that may replace AUNIC as an outcome of the Competition Model Advisory Panel process.
- Admin Officer - auDA requires staff to take on the administrative work load including management of the auDA's financial systems, membership officer duties, support for policy development panels, web site maintenance, etc.

Administrative staff will put in place effective systems for:

- accounting and financial management, including GST etc.;
- membership management including renewals, membership fees, etc.;
- help desk / query & contact management; and
- other administrative functions as required.

3. Open, Transparent and Consultative Processes

auDA's goal is to operate in as open, transparent and consultative manner as possible. The auDA Board has taken a number of actions to enable this goal to be realised, including ensuring that:

- all policy and procedure documents, the auDA business plan, and other relevant correspondence are available on the web site;
- minutes of all Board meetings available on auDA web site;
- Government observers are invited to attend all Board meetings;
- there is a standing agenda item for Panel Chairs to report to Board;
- regular consultation is held with stakeholders through Board representatives; and
- regular discussion is held with second level domain name delegates and the delegate for .au.

In addition, auDA has undertaken to establish a number of mechanisms for community consultation and feedback, including:

- a contact point is available for member or community general queries and comments;
- hosting of the DNS mailing list for consultation and general discussions;
- a contact point is available for domain name user and technical questions; and
- a web-based frequently asked questions (FAQ) page is provided for domain name users.

A major achievement of auDA has been the establishment of the necessary processes and procedures to ensure that its policy is developed in a way that is open, transparent and responsive to community needs.

auDA's policies are developed by an Advisory Panel process. Advisory Panels are used to provide expert, practical and considered advice to establish policies and procedures. The Advisory Panel process is designed to produce recommendations by consensus and after significant public consultation has taken place. Advisory Panels may be initiated by the Board or by members.

The Advisory Panel Procedures set out specific requirements for the establishment of Panels. This includes:

- panel initiation;
- terms of reference;
- participants;
- operational processes;
- policy development;
- public consultation procedure; and
- policy approval procedure.

The auDA board will normally accept policy developed by Advisory Panels in accordance with the integrity and transparency of the development process. Should the Board not agree with the Advisory Panel recommendations, the Advisory Panel Procedures also outline the actions that must be taken by the Board in this circumstance.

The auDA board notes the important contribution NOIE has made through the provision of Ms Jo Lim, an experienced policy officer, and the guidance that has been provided in relation to the operation of policy advisory panel processes and procedures.

Full details of the Advisory Panel Procedures are available at <http://www.auda.org.au/panel.html>.

4. Promotion of Competition, Fair-Trading and Consumer Protection

auDA's goal is to effectively manage the .au domain name space in the public interest by promoting the objectives of the Trade Practices Act. auDA sees outcomes such as the introduction of competition, ensuring fair-trading and enhancing consumer protection as major enhancements that it can bring to the domain name system in Australia. The primary mechanism for achieving these outcomes will be through the operation of the Advisory Panels, by the introduction of a dispute resolution system (as detailed in the next section) and by ensuring that outstanding infrastructure issues are addressed.

a. Establishment of Advisory Panels

auDA identified two policy areas that require urgent attention and has established appropriate Advisory Panels for each. In addition, there are a number of other areas that also require attention. auDA will be establishing Panels to address these issues in the near future.

i. Domain Name Advisory Panel

In general, when a domain name is registered in a second level domain, two criteria must be determined:

- eligibility - which entities are eligible for a domain name; and
- allocation - which names are allowable to eligible entities.

Australia has a relatively good record in the development of naming policies, particularly in the "community of interest" domains, but all stakeholders agree that a more systematic approach is required. This is especially the case where rules are subjective in

nature, which makes their application difficult and open to misinterpretation and challenge.

auDA has determined that these policies should now be subject to a full and detailed review by the an Advisory Panel, and this process is being fully supported by stakeholders. There is a very significant amount of work to be carried out, and the existing estimated timeline based on the Terms of Reference shows the Domain Name Advisory Panel's final report confirmed on 5 March 2001, and implementation complete by 18 June 2001. Information on the Domain Name Advisory Panel, including its terms of reference, can be found at <http://www.ada.org.au/panel/name>.

ii. Competition Model Advisory Panel

One of auDA's key objectives is the introduction of competition into the provision of domain name services. There is a wide range of possible models that could be adopted for this purpose, and a number of these are currently being used internationally. For example gTLDs (ICANN), .uk ccTLD and .nz ccTLD all use different methods. auDA has established an Advisory Panel to determine the most appropriate model to suit the .au domestic situation.

The Competition Model Advisory Panel will review the existing situation in Australia, identify international best practice, and then recommend the preferred structure to enable competition domestically. The work of this panel is significant and substantial. The estimated timeline based on the Terms of Reference shows the Panel's report on the preferred competition model finalised by the 17 April 2001, and implementation complete by the 12 September 2001.

The outcome of the Competition Model Advisory Panel will be a recommendation for a structure enabling competition in the provision of domain name services. This structure is likely to be different to the existing system used for .au, and may require a new hardware/software solution. auDA is prepared to undertake responsibility for the design, implementation, and operation of that system based on the recommendations of the advisory panels. The actual design, implementation and operation of the new system may be contracted out by auDA, but will probably be the major focus of auDA's operation in calendar year 2001.

A significant amount of work is required to develop the new system, implement it in conjunction with the existing registrars to ensure continued stable operation of the .au namespace, and test, accredit, and introduce competing entities in the provision of domain name services. In addition, auDA will need to establish the requirements for the accreditation of registrars, ensure that the infrastructure is supported by standards compliance processes, and address issues such as the "registry" function operating as a natural monopoly.

Information on the Competition Model Advisory Panel, including its terms of reference, can be found at <http://www.ada.org.au/panel/competition>.

iii. New Second Level Domains

The introduction in 2000-2001 of new global TLDs by ICANN will draw attention to the issue of creation of new 2LDs within ccTLDs. auDA will set up an Advisory Panel to examine the demand for and benefits from the creation of additional 2LDs within the .au namespace. Issues to be addressed by the panel include:

- What new 2LDs (if any) should be created;
- How the policy for those 2LDs should be set; and
- Should new 2LDs be created before the introduction of competition.

As the demand for new 2LDs is likely to continue, this panel may have a long or continuing time of operation. The commencement of the panel is planned for early in 2001.

b. Service Levels

Service levels currently vary by second level domain, with some registrars specifying their service levels. The introduction of competition will bring market forces into play in some areas of the provision of domain name services. Policy issues to be resolved include:

- whether there should be specific minimum service levels that all operators must meet;
- whether all operators must state what their service levels are; and
- whether service levels should be specified in a consistent (and therefore comparable) format.

auDA will set up an Advisory Panel to report on Service Level issues. The commencement of the panel is expected in the November-January period after the Dispute Resolution panel is under way. An initial estimate of the timeline is 4 months, leading to a completion date of early in 2001.

c. Infrastructure Issues

i. AUNIC Transfer

The Australian Network Information Centre (AUNIC) was designed to be a centralised database containing an up to date list of all domains that have currently been allocated, and whom they are allocated to. AUNIC also provides certain registry functions to some of the second level domains.

AUNIC is an important public trust function. For many years it has been supported by volunteers dedicated to assisting the operation of domain names for the benefit of the Australian community. While these volunteers have performed a valuable community service, the importance of maintaining a secure and reliable domain name system dictates that such services be managed on a professional basis. In order to achieve this, responsibility for the stable and secure operation of the AUNIC system is being transferred to auDA. The transfer of the AUNIC operations commenced in December 1999, and most of the day-to-day operational activities are now managed by auDA. An open and transparent tender process has also been undertaken by auDA in order to select a company to host the AUNIC service. Planning for the transfer of AUNIC to the new hosting service is currently underway, with final transfer due to take place in the November - December 2000 time frame.

ii. IP Address Ranges

In addition to being the central database for a number of second level domain names, the existing AUNIC system includes the database of the IP address ranges it issued until it ceased allocating new address space in February 1997. Administering IP address ranges is not one of auDA's objectives, therefore it has been agreed to pass the administration of this address range to APNIC. The Asia Pacific Network Information Centre (APNIC) is the appropriate organisation for the long-term management of IP address ranges. auDA will work with APNIC to transfer the network data to their database and make any other adjustments to AUNIC functionality necessary to support this.

iii. ccTLD Name Server

The primary name server for the .au ccTLD has been operated for many years by Melbourne University. While a secure and stable service has been provided during this time, it is nevertheless operated on a voluntary basis. With the transfer of authority auDA will, in consultation with Melbourne University, arrange to relocate this operation to a service provider under an appropriate service level agreement. Planning is currently underway to identify the issues to be resolved in transferring this service to a new location.

4. Dispute Resolution

Dispute resolution in relation to domain names is a significant area requiring urgent development. While dispute resolution issues will be considered to a limited extent by the two existing panels, this area is large enough in scope to warrant its own Advisory Panel. Issues that must be addressed include:

- disputes over entitlement to hold a domain name between domain name holders and other businesses / individuals / entities.
- disputes between domain name holders over other issues.
- disputes between domain name holders and registrars or the registry
- disputes between registrars
- disputes between registrars and the registry / auDA

In addition, any dispute resolution processes need to be:

- fair;
- consistent;
- open;
- fast;
- documented; and
- independent.

The subjects of disputes may include cybersquatting issues, Name Policy issues, or other issues including service levels and financial matters. auDA will initiate an Advisory Panel to develop policy and procedures, and to identify legal and budgetary requirements to fully manage the resolution disputes in relation to domain names. On recommendation from the Panel, auDA will need to dedicate administrative and legal resources to support the operation of the Dispute Resolution process.

In areas such as Intellectual Property disputes, the auDA process may be able to be significantly based on prior work done by other entities such as the gTLD Uniform Dispute Resolution Policy (UDRP).

The dispute resolution processes will encourage complainants to work with the party with whom they have the dispute to try and achieve a resolution; and to use the auDA process in the event that this is inappropriate or has failed to achieve an acceptable outcome.

The majority of disputes should be able to be resolved without major costs / overheads to each party. Resolution rates and times similar to the Telecommunications Industry Ombudsman (TIO) should be achievable:

TIO Dispute Case Mix:

Enquiry - resolution within 2 days	95.5% of cases go no further than this stage
Consultation - resolution within 21 days	2.8% of cases are resolved at this stage
Complaint - resolution within 35 days	1.6% of cases are resolved at this stage
Dispute	0.05% of cases reach this stage

Source <http://www.tio.com.au/>

The commencement of the Dispute Resolution Advisory Panel is expected in the October-December 2000 period. An initial estimate of the timeline is six months, leading to a completion date in the first half of 2001.

5. International Links

There is a requirement for auDA to liaise and work with ICANN and other ccTLD bodies regarding the development of the Internet domain name space. While this liaison is important, initiating the policy and infrastructure work identified in the business plan has been the highest priority so far. This situation is now beginning to change, so it is reasonable to expect that auDA will be in a position to start participating in international DNS forums in the near future.

auDA has already begun this process. Directors from the auDA board have, and will continue to attend ICANN meetings. auDA currently has direct representation on the ICANN Board of Directors and the ICANN Names Council, and the auDA board has liaised with other ccTLD organisations, in particular the UK based Nominet. In addition, it is expected that the CEO will be able to participate in these and other such fora in the near future.

International forums where auDA representation is appropriate include:

- Asia Pacific Top Level Domain Forum (APTLD) - Currently Australia is only an affiliate member of this forum, and is represented by Clive Flory of INA. It would be appropriate for auDA to join this organisation as Australia's ccTLD representative.
- The Internet Corporation for Assigned Names and Numbers (ICANN) - including the Domain Name Supporting Organisation (DNSO) and the ccTLD constituency in particular.

Transfer of Authority

The following steps outline the expected actions that must be undertaken for the transfer of authority for the .au ccTLD to auDA.

1. Government Endorsement

Government endorsement is essential to the process for two reasons:

- it identifies auDA as being an appropriate and legitimate organisation to manage the .au ccTLD;
- the ICANN requirements for top level domain indicates that "The desires of the government of a country with regard to delegation of a ccTLD are taken very seriously".

2. Community and Stakeholder Endorsement

Community and stakeholder endorsement is also an important part of the process. The establishment and involvement of community and stakeholders in the Advisory Panels has confirmed that auDA is widely accepted as the appropriate self-regulatory body. In addition, the signing of agreements with the major registrars has demonstrated significant support from these stakeholders.

Once Government endorsement is received, auDA will embark on a process to determine the level of support from the wider community, and ensure that any outstanding issues are addressed.

3. Agreement From Current Delegate

An important objective of the transfer process is for auDA to obtain agreement from the current delegate of .au. This will be achieved by demonstrating that there is a widely held belief that auDA is the only credible and capable organisation able to undertake this role. The process of achieving this agreement will include:

- obtaining Government endorsement;
- obtaining endorsement from the second level domain delegates;
- obtaining support from stakeholders and current registrars;
- ensuring that there are few or no objections from the community; and
- demonstrating that there are no alternative candidates.

4. ccTLD Accreditation Requirements

As part of the transfer, auDA will undertake to commit to the ICANN requirements for accreditation as a ccTLD administrator. This includes those requirements set out under the IANA TLD Delegation Practices Document ICP-1, as follows (summarised):

- The identification of a manager with the requisite skills and authority to operate the ccTLD appropriately.
- The Government and significantly interested parties in the domain should agree that the proposed ccTLD manager is the appropriate party.
- There must be Internet Protocol (IP) connectivity to the nameservers and electronic mail connectivity to the entire management, staff, and contacts of the manager. There must be an administrative contact and a technical contact for each domain. The administrative contact must reside in the country involved for ccTLDs.

- The designated manager must be a trustee of the ccTLD for both the nation, and the global Internet community.
- The designated manager must be equitable and fair to all groups in the domain that request domain names.
- The designated manager must do a satisfactory job of operating the DNS service for the domain.
- Agreement that where there is misconduct, or violation of the policies set forth in this document and RFC 1591, or persistent, recurring problems with the proper operation of a domain, the IANA reserves the right to revoke and to redelegate a Top Level Domain to another manager.

5. ccTLD Transfer

As specified under the IANA TLD Delegation Practices Document ICP-1, a request will be made to ICANN to transfer the authority for the .au ccTLD to auDA. This request will include evidence of support from the existing delegate, Government and other stakeholders to ensure that the process proceeds as smoothly as possible.

6. Administrative and Technical Activities

Once transfer has been affected, auDA will put into place policies and procedures to resolve the outstanding administrative and technical issues, including: the location and hosting of primary and secondary .au ccTLD name servers; redelegation of the .au ccTLD names servers; and implementation of the recommendations of the Name and Competition Panels.

Conclusion

auDA has set itself the task of undertaking the industry self-regulatory role of managing and developing the .au domain name space. auDA's legitimacy will be realised when the Internet community, stakeholders, Government and the existing .au ccTLD delegate agree that auDA has the capacity to fulfil its mission.

This document demonstrates that auDA clearly has this capacity. auDA already has strong community and stakeholder support, and its achievements to date show that it has the skills and experience necessary to undertake the role. In addition, auDA has been able to meet, or put in place the mechanisms necessary to meet, all of Government's objectives for an industry self-regulatory body. The remaining impediment to auDA assuming responsibility for the .au ccTLD is endorsement by Government as the appropriate industry self-regulatory body.

auDA is looking forward to the opportunity of working with Government, stakeholders and the Internet community in achieving successful and sustainable industry self-regulation of the .au ccTLD.

All figures are inclusive of GST.