



CHAMBER OF COMMERCE AND INDUSTRY  
WESTERN AUSTRALIA

22 October 2007

Jo Lim  
Chief Policy Officer  
Australian Domain Name Administrator  
114 Cardigan Street  
CARLTON VIC 3053

Dear Ms Lim

**RE: REVIEW OF .AU DOMAIN NAME POLICY – DRAFT RECOMMENDATIONS SEPTEMBER 2007**

Thank you for providing the Chamber of Commerce and Industry of Western Australia (CCI) with the opportunity to comment on the draft recommendations for the Review of .au domain name policy.

**About CCI**

CCI is the leading business association in Western Australia. It is the second-largest organisation of its kind in Australia, with a membership of approximately 5,000 organisations in all sectors, including information and communication technology, food and beverage, resource, agriculture, hospitality, retail, transport, building and construction, community services and finance, among others.

Most members are private businesses, but CCI also has representation in the not-for-profit and government sectors. Approximately 90 per cent of members are small businesses, and members are located in all regions of the State.

CCI considers domain name policy important to the development and support of the information and communication technology sector and business community in Western Australia.

**Issue 3: Should registrants be allowed to sell their .au domain names?**

CCI strongly supports proposal 3b to transfer .au domain names through an open secondary market. The facilitation of a secondary market for .au domain names would encourage free enterprise, foster competition, reduce administrative burden on Industry and allow Industry to commercialise on the brand value built through the development and promotion of their domain name.

Competition

CCI supports free market principles that include competition, to facilitate the administration of domain name licence transfers. Competition for domain name licences is created by allowing businesses to legally transfer ownership of a licence to another party at a price determined by the marketplace. We believe this will determine a fair and reasonable value for domain name licences and align the Australian domain name market with all other domain name markets globally.

Where private markets are functioning well, CCI considers competition can lessen the need for policy rules. CCI understands that the international market for domain names is operating effectively and that there is little reason to assume a competitive market would not be effective in Australia.

#### Policy Principles

CCI supports point 7.21 which states key policy principles particularly to streamlining and reducing the administrative burden and cost imposed on registrars and registrants. CCI believes the Australian Domain Name Administrator (auDA) should continue to review domain name policy rules and licence conditions to reduce the administrative burden on industry.

CCI does not support proposal 3c to create a centralised secondary market because we believe this would lessen competitive pressures that ensure efficient operation, and would create unnecessary policy rules and administrative burden. It is understood that existing domain name markets globally demonstrate that decentralized secondary markets for domain names are viable and effective.

#### Industry commercialisation

CCI strongly believes that industry should be able to commercialise the value created by business' promotion of their domain name. We understand that industry invests heavily in the development of domain names to build awareness and brand recognition for the domain name. CCI recommends that the auDA support the creation of a secondary market for the sale of domain name licences.

CCI is concerned that domain names are not considered a property asset as stated in point 7.17. We understand that treating domain name licences as un-tradable commodities is contrary to international standards and is limiting business innovation in Western Australia. We believe this inhibits the growth of the digital content industry in Western Australia and is encouraging businesses to register in alternative international domain name markets. CCI supports action by the auDA to recognise domain name ownership and allow Industry to commercialise on their investment.

#### Capping the number of domain name transfers

CCI does not support a cap on the number of domain name licences that a registrant can transfer per annum detailed in point 7.30. This would unnecessarily restrict industry from transferring domain names. We understand that it is common practice for industry to have domain names for each product or service and that a company may have thousands of products. CCI recommends the auDA reconsider the use of a cap on the number of domain name transfers as this would unnecessarily restrict transfers.

#### **Issue 2: Should the policy rules for asn.au, com.au, id.au, net.au and org.au be changed? If yes, what changes should be made?**

CCI is supportive of recommendation 2e which will allow registrants to obtain a domain name licence for one, two or three year periods. We believe this will provide the system with flexibility to deal with businesses and events which only require short term licences.

#### **Issue 1: Should .au be opened up to direct registrations (e.g. domainname.au)? If yes, should there be any policy rules, and if so what rules?**

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CCI supports recommendation one not to open .au to direct registrations at this time. The current system allows industry to adequately secure their interests. We understand that allowing registrations in this way may create more domain name disputes within the Industry.

CCI's Ms Sharon Dignard, Adviser Industry Policy would be pleased to provide further detail on this submission. Ms Dignard can be contacted on (08) 9365 7531 or email: Sharon.Dignard@cciwa.com.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Trevor Lovelle', written in a cursive style.

Trevor Lovelle  
Manager Industry Policy