

**.au Domain Administration Limited
ACN 079 009 340 (auDA)**

Minutes of a Meeting of the Board of Directors

Date/Time: Monday, 18 March 2019
9.04am – 5.10 pm (Melbourne Time)

Venue: Level 17, 1 Collins Street, Melbourne VIC

Directors:	Chris Leptos AM (CL)	Independent Director and Chairman
	Erhan Karabardak (EK)	Director
	James Deck (JD)	Director
	Sandra Hook (SH)	Independent Director
	Joe Manariti (JM)	Director
	Damian Smith (DS)	Director
	Holly Raiche (HR)	Director – joined the meeting at 9.29am
	Suzanne Ewart (SE)	Independent Director
	Grant Wiltshire (GW)	Director
	Nigel Phair (NP)	Director

Attendees:	Richard Bullock (RB)	Board observer – Department of Communications and the Arts (DoCA) (joined by teleconference at 9.04 am)
	Cameron Boardman (CB)	auDA CEO
	James Shady	auDA CFO and minutes
	Bruce Tonkin	auDA COO – joined the meeting at 9.31 am to 3.00 pm
	John Swinson	Chairman PRP from 9.30 am to 1.05 pm
	Phil Martin	Focus Groups (3 Tiers Advisory) 9.30 am to 1.05 pm
	Amelia Bitsis	PRP Secretariat from 9.30 am to 1.05 pm
	Chanelle Pearson	PRP Secretariat from 9.30 am to 1.05 pm
	Martin O’Shannessy	OmniPoll from 11.26 am to 12.02 pm
	Yuan Chow	ACIL Allen from 12.25 pm to 1.05 pm by phone
	Ari Margossian	Campaign Edge from 1.30 pm to 3.00 pm
	Dee Madigan	Campaign Edge from 1.30 pm to 3.00 pm

Chairman: Chris Leptos AM (CL)

Apologies: Hasaka Martin (HM) Company Secretary

1. OPENING REMARKS

CL **NOTED** that a quorum, being a majority of directors, was present and declared the meeting open at 9.04 am (Melbourne time).

2. DECLARATION OF INTEREST

CL enquired whether any directors had interests to declare.

JD and JM reiterated their standing disclosure that they have an interest in a portfolio of .au domains, they manage client portfolios of .au domains, and act as domain name resellers.

EK reiterated his standing disclosure that a close family member has an interest in a portfolio of .au domains, that he has an interest in entities that hold a portfolio of .au domains, and that he manages clients’ portfolios of .au domains.

Action item: All directors to submit a written a declaration of interests to the CFO prior to the next board meeting (scheduled for 15 April 2019) the declaration is to include a listing .au domain licences created on or prior to the PRP’s proposed cut-off date of 4 February 2018.

3. MINUTES FOR APPROVAL

Minutes of the Board meeting held on 18 February 2019 and 21 February 2019 were tabled for approval.

The minutes were **APPROVED** without amendment.

4. MATTER ARISING / ACTION ITEM LIST

4.1. Matters arising and Action items

Matters arising and Action Item list from the Board meeting held on 18 February 2019 and 21 February 2019 were noted.

4.2. International fora updated paper

An updated version of the International Fora paper was tabled for noting, The Board **NOTED** the paper and request it be added to the board resources folder and referenced during future director inductions.

Action item: *International fora paper to be added to “Board Resources” folder in OwnCloud*

5. PRP UPDATE

CB noted that following the conclusion of public consultation on the PRP’s policy recommendations management would provide the Board with its proposed recommendations for policy reform and consolidation.

The Board **RESOLVED** that the executive’s policy recommendations for policy reform and consolidation are not required to be referred back to the PRP, however, the executive’s recommendations will be posted for public comment.

5.1. PRP report presentation and recommendations

The following guests joined the meeting at 9.30 am – John Swinson, Phil Martin, Amelia Bitsis and Chanelle Pearson.

John Swinson provided an overview of the PRP process, the policy review panel’s report and recommendations. The overview provided an analysis of the differing direct registration implementation models that the PRP had considered, and its focus on managing conflicted names i.e. lock-down model.

Mr Swinson also noted that the PRP had concluded that auDA ought to implement more frequent policy reviews.

Board members sought clarification from Mr Swinson in respect of the following issues:

- The proposed length of the proposed lock-down period
- The PRP’s recommendation that its policy recommendation be adopted in its entirety.

Mr Swinson undertook to write the Board clarify the PRP’s position on these matters.

Mr Swinson raised the matter of compensation of the PRP’s members, the panel having operated on a volunteer basis, with the exception of the PRP Chairman’s firm’s fees.

The following guests left the meeting at 11.05 am – John Swinson, Phil Martin, Amelia Bitsis and Chanelle Pearson.

The Board discussed the compensation of PRP’s members and noted whilst the Constitutional Model Working Group had been paid an honourarium the PRP had been formed on a volunteer basis and it would not be appropriate to change auDA’s model of voluntary community based panels.

The Board **RESOLVED** that the PRP's members should not be remunerated.

The Board **RESOLVED** that the panel members should be thanked for their important contributions to auDA policy development and their thoughtful contribution over an extended period.

The following guests returned to the meeting at 11.15 am – John Swinson, Phil Martin, Amelia Bitsis and Chanelle Pearson

CL advised Mr Swinson of the Board's position in respect of panel remuneration and requested the Mr Swinson pass the Board's formal thanks on to the panel members.

5.2. Report on focus groups

Phil Martin provided an overview of the focus groups and the stakeholder consultations. Mr Martin advised the Board that based on his deep experience in conducting stakeholder consultation the processes run for the PRP and supported by auDA had consulted widely, obtained useful feedback and had successfully explained to stakeholders the principles behind the development of the direct registration implementation model.

Mr Martin advised the consultation process had met its objectives

5.3. Consumer sentiment presentation

The following guest joined the meeting at 11.26 am – Martin O'Shannessy

Martin O'Shannessy briefed the Board on the commissioning of his firm by the PRP to undertake a .au brand awareness and acceptance consumer sentiment survey. The briefing covered the construction of the survey, the representative nature of survey participants and interpretation of the survey results.

Mr O'Shannessy advised the Board that for a new brand .au (in comparison to .com, .com.au, .co etc) had strong market acceptance, limited roadblocks to introduction and significant market opportunity.

The following guest left the meeting at 12.02 pm – Martin O'Shannessy

5.4. Economic analysis presentation

The following guest joined the meeting by telephone at 12.25 pm – Dr Yuan Chow

Dr Yuan Chow provided an update on the economic impact analysis commissioned by the PRP.

Dr Chow explained that:

- Economic analyses focus on the Net Economic Benefit to the broad Australian Economy, rather than on narrow groups within the economy
- An economic examination of an industry sector requires there to be industry benchmark data and industry growth forecasts available for analysis and modelling scrutiny, and in the instance of introducing direct registration the most relevant and complete benchmark and growth data set was "internet shopping" as per the accepted industry definition.

Dr Chow further explained that minimal growth, above current sector forecasts for the internet shopping industry sector which was the basis of his analysis, would result in a Net Economic Benefit to the Australian Economy. Dr Chow also advised the Board that there would be benefits in other industry sectors from the introduction of direct registration, although these could not be quantified to due insufficient data sets.

The Board variously put questions on the valuation of domain names and impact on small business to Dr Chow. Dr Chow explained that the change in value of an existing portfolio of domain names as a consequence direct registration implementation is economically neutral in a broad economic analysis of net benefit.

The following guests left the meeting at 1.05 pm – John Swinson, Phil Martin, Amelia Bitsis and Chanelle Pearson and Dr Yuan Chow

The Board noted the economic analysis and requested that ACIL Allen be requested to expand the explanations within the report.

5.5. Revised direct registration timetable

CB presented an amended version of the direct registration timetable.

The Board **RESOLVED** to note the direct registration timetable

The Board **RESOLVED** to approve the publication of Items 5.1, 5.2, 5.3 and 5.4 (subject to the author addressing Board feedback) for public consultation

Action item: PRP to request ACIL Allen address Board feedback

Action item: Release papers and continue consultation

Action item: auDA executive to visit DoCA to brief DoCA on the direct registration timetable

6. DIRECTOR UPDATES

6.1. Nomination Committee (NomCom)

SH provided an update on the NomCom process noting that candidate interviews had been completed.

CL advised that auDA would write to DoCA, in accordance with its constitution, regarding the proposed appointments.

Action item: Finalise draft letter of NomCom appointments and send to DoCA (complete)

6.2. COYSEC update

Commercial-in-confidence

6.3. ICANN65 EOIs

CL called for director EOIs for ICANN65 (Marrakech). SE advised that she would be interested in attending.

CL noted that NP had provided a verbal update on ICANN64 (Kobe) at the Board dinner the previous evening. NP noted that he will also submit a written paper on ICANN64.

EK noted that he would submit a written paper on his recent visit to the apTLD conference in Dubai

Action item – Written paper on ICANN64 to be submitted for inclusion in April board pack (NP).

Action item - Written paper on the apTLD in Dubai to be submitted for inclusion in April board pack (EK).

7. FINANCE UPDATE

Item 7.1 (Finance Reports) was tabled for adoption.

Item 7.2 (Minutes of the Finance and Audit Committee held 13 February 2019, Item 7.3 (Draft minutes of the Finance and Audit Committee held 14 March 2019), Item 7.3 (auDA Investment Portfolio) and Item 7.4 (auDA Foundation Investment Portfolio) were tabled for noting.

The Board **RESOLVED** to adopt the Finance Report and to note the Finance and Audit Committee minutes and investment portfolio reports.

Item 7.5 a letter of advice from KPMG (auDA's external audit firm) in respect of financial reporting obligations for FY19 was discussed. The Chairman proposed that auDA should adopt a

higher level of financial disclosure (“Tier 1” disclosure) for FY19, rather than the lower level of disclosure (“Tier 2” disclosure) currently adopted by auDA.

The Board **AGREED** to circulate the KPMG letter to all directors.

Action item – Circulate KPMG advice letter to all directors

8. CEO Report

8.1. .au brand development and marketing campaign

CB which outlined the RFP process, which whilst it had been relatively short, involved a brief being given to nine creative and advertising agencies. CB also outlined the assessment undertaken by management to select the recommended agency and campaign.

Following this CB’s outline, CL invited Ari Margossian and Dee Madigan to join the meeting and present Campaign Edge’s proposal.

The following guests joined the meeting at 1.30 pm Ari Margossian and Dee Madigan

The following guests left the meeting at 3.00 pm Ari Margossian and Dee Madigan

CL advised that the expenditure for consultation campaign exceeded the CEO’s delegation and accordingly an approval was required from the board.

CL proposed that the Board consider a resolution setting an overall spending cap on the consultation campaign, and allowing the CEO discretion to select the agency within that spending cap.

The Board **RESOLVED** to approve a combined spending cap of \$500,000 (exclusive of GST) for Phases 1 and 2 of the consultation campaign.

The Board **RESOLVED** that the consultation campaign should use EDM’s to contact all existing registrants in the .au zone.

The Board **RESOLVED** to allow the CEO discretion in respect of the selection of the creative and advertising agency.

The Board **RESOLVED** to approve the registration of domains in the .au zone’s second levels to support a microsite for consultation campaign, **shorternames** across all .au second levels (i.e .com.au, .net.au, .org.au, .id.au, .asn.au, etc)

Action item: Engage agency and commence consultation

8.2. Management Report and Afiliias’ Canberra presentation

Item 8.2.1 Management Report was taken as read. The new brief form report was noted.

Item 8.2.2 Afiliias’ Canberra presentation was tabled for noting. CB advised that representatives of Afiliias, Arq Group Limited and Ventra IP had visited DoCA to make the presentation.

9. MEMBERSHIP ATTRACTION CAMPAIGN

Item 9 was tabled for decision.

CB provided an outline of the campaign’s objective and the proposed initiatives for the attraction of Associate Members.

The Board **RESOLVED** to:

1. Approve the Associate Member Attraction Campaign
2. Approve the budget requested to implement the Associate Member Attraction Campaign
3. Approve the registration of the **joinauda.org.au** domain to support the microsite for the Associate Member Attraction Campaign

Action item: Register join auda.org.au domain

Action item: Implement campaign

10. SECURITY AND RISK COMMITTEE (SRC) UPDATE

SE provided a verbal briefing on matters arising from the SRC's meeting held 21 February 2019

11. GOVERNANCE COMMITTEE UPDATE

SH noted that the Governance Committee had not met since the last Board meeting and accordingly there was no update on its activities.

12. TRAVEL AND NED EXPENSE POLICY UPDATES

Items 12.1 and 12.2 were tabled for adoption.

The Board **RESOLVED** to approve the updated Travel Policy and NED Expense policies subject to deleting references to Supply Class and Demand Class directors.

Action Item: Circulate amended policies to directors and staff.

13. OTHER BUSINESS

Registry Australia

A list of questions sent by Robert Kaay of Registry Australia to the CEO were tabled for consideration.

The Board **NOTED** the questions.

14. REVIEW MEETING – FEEDBACK TO THE CHAIR

The Board discussed the timeliness and appropriateness of the board papers, and overall effectiveness of the meeting.

15. BOARD CALENDAR AND NEXT MEETING

Item 15.1 Next Board meeting

The Board **AGREED** that the next Board meeting would be Monday, 15 March 2019.

Action item – Placeholders to be sent to directors in respect of the April board meeting, noting a 9.00 am commencement and 5.00pm finish – JRS/SB

16. in camera SESSION FOR DIRECTORS

An *in camera* session was not held.

17. CLOSE OF BUSINESS

There being no further business the chair closed the meeting at 5.10 pm (Melbourne time).

Confirmed and signed as a true and correct record:

Chair

Date