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To:	LRreview
Subject:	[EXTERNAL] - Submission to the .au Licensing Rules Review 2025
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Submission to the .au Licensing Rules Review 2025

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Date: [date]

I have operated Clove Internet, a regional South Australian ISP, for 29 years, providing internet, hosting, voice and communications services to rural and regional businesses that the major carriers overlook. I register domains for these clients as a Synergy Wholesale reseller. I write as a small operator with a direct, long-standing stake in a fair .au namespace, and I address the Panel's terms of reference point by point.

1. Allocation rules (com.au / net.au)

Allocation currently rewards whoever registers first, including speculators with no intention of using the name. In the ordinary course of my business I routinely cannot obtain suitable domains for legitimate business clients, because the names they need are warehoused — held unused by investors and parked on pay-per-click or "for sale" pages. Genuine, operating Australian businesses are pushed onto weaker names or made to pay a speculator a premium for a name that describes their own trade. Allocation should prioritise demonstrable genuine use over speculative holding.

2. Domain name monetisation (com.au / net.au)

Monetisation is the engine of warehousing. Parking and PPC make it profitable to hold an unused name, so names are held for resale rather than put to use. Monetisation is already prohibited in id.au, org.au, asn.au, edu.au and the State and Territory namespaces. I urge the Panel to extend that prohibition — or tightly restrict monetisation — in com.au and net.au. This is the single most effective lever available to the review: remove the profit from idle holding and the incentive to warehouse largely collapses.

3. Contested .au Direct names

The .au Direct namespace has intensified the warehousing problem. I hold clove.au and have traded as "clove" since 1997, but names across the .au family remain exposed to speculators, and the priority and contested-name mechanisms have not adequately protected established operators against investors acquiring matching direct names for resale. My own case illustrates the split this creates: clove.com.au was lost in 2021 when a departing director cancelled the auto-renewal, was registered within days by an investor, and has been parked for resale ever since — while I, the genuine long-term operator of the name, hold only part of the family. The Panel should ensure .au Direct allocation and contested-name rules favour parties with a demonstrable, long-standing connection and genuine use, not whoever registers first to warehouse.

4. Fraudulent and bad-faith registrations

When I lodged a formal complaint about clove.com.au, the parked page was **actively modified in response** — the holder altered the site to manufacture the appearance of legitimate use only once it was challenged. Passive speculation does not react to scrutiny;

conduct that does is evidence of bad faith. The rules should explicitly recognise responsive, complaint-triggered changes to a registration's use as an indicator of bad faith, rather than accepting a hastily assembled "legitimate use" at face value.

5. Complaint process for domain name audits

The first-tier complaint process is fatally conflicted: registrars such as Drop.com.au, whose business is domain trading and drop-catching, adjudicate the very warehousing complaints that threaten their revenue. No party with that commercial stake can impartially assess these claims. The process also loads all cost and risk onto the complainant while the warehouser bears none, which structurally deters legitimate operators from ever challenging a bad-faith registration — a fair system cannot require the wronged party to pay to enforce a rule the registry itself should be enforcing. First-tier adjudication must be moved to an independent body with no financial interest in the outcome, and the cost burden rebalanced so that warehousing is genuinely contestable rather than contestable only by those who can afford to lose.

6. Alignment with gTLDs (.com)

.com permits monetisation and speculation freely, and the result is a namespace dominated by warehousing and resale. .au should not align down to that model. The value of .au lies in being more trustworthy, more accountable and more use-based than the gTLD free-for-all. Where alignment is considered, it should be toward strengthening .au's integrity, not toward importing the speculative practices that make .com hostile to genuine businesses.

Further matters for the Panel's attention

Enforcement is backwards. The eligibility rules are enforced rigidly and automatically against compliant operators, while the anti-resale rule goes effectively unenforced against warehousers. When my business restructured and my ABN changed, my domains were flagged as invalid, renewals were taken and *then* the registrations flagged as non-compliant, and I was forced through paid change-of-registrant processes to correct them. The honest small business is policed to the letter; the speculator the rule was written for is left alone because enforcement depends on a complainant proving intent.

The industry is lobbying to protect warehousing. During this consultation, drop-catching and domain-investment businesses are emailing their customers to defend the status quo and oppose the Panel's recommendations. I received such an email myself. I ask the Panel to weigh that this reform is opposed by the very parties who profit from the practice it seeks to curb, and to give proportionate weight to the operating businesses on the other side — less organised, but far more numerous, and the ones the namespace exists to serve.

Summary of what I ask

- Prioritise genuine use over first-come speculation in com.au/net.au allocation.
- Prohibit or tightly restrict monetisation in com.au/net.au, as already applies in other namespaces.
- Protect established, connected operators in .au Direct allocation and contested-name rules.
- Recognise complaint-triggered changes of use as evidence of bad faith.
- Move first-tier complaint adjudication to an independent body and rebalance the cost burden.
- Strengthen .au's integrity rather than aligning it down to gTLD practice.
- Apply enforcement to warehousers with the same rigour used against compliant operators.

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