Submission: .au Licensing Rules Review 2025: Draft Report

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To: Policy Advisory Panel, .au Licensing Rules Review (rulesreview25@auda.org.au)

Introduction

Thank you for the opportunity to comment on the Draft Report. I have worked in IT, hosting and domain name services in Australia for approximately 20 years. Over that time I have supported registrants of all sizes, from sole traders to larger organisations, through registration, renewal, transfer, expiry and recovery of .au domain names. My comments are grounded in that day-to-day operational experience rather than in any commercial interest in domain trading or monetisation.

My submission addresses Recommendations 1, 2, 6 and 8. In short: I support the strongest of the three options put forward under Recommendation 2 (deletion of subparagraph 2.4.4(2)(f)), I consider the compliance-only approach in Recommendation 1 to be insufficient on its own, and I strongly support the consumer-protection direction of Recommendations 6 and 8.

Recommendation 2: Allocation rules for com.au and net.au (support Option 3)

Of the three options presented, I support Option 3: deleting subparagraph (f) from section 2.4.4(2) of the .au Licensing Rules.

The com.au and net.au namespaces exist to serve Australian businesses and consumers. Their value rests on the public's reasonable expectation that a com.au domain name reflects a genuine Australian business with a real connection to that name. Subparagraph 2.4.4(2)(f), as currently applied, has become the mechanism by which large-scale speculative registration is legitimised: almost any domain can be justified after the fact as being "used for a service" when that service is domain parking, pay-per-click advertising, or offering the name itself for sale or lease. A rule that can be satisfied by the act of holding the domain is not, in practice, an allocation rule at all.

Options 1 and 2 do not resolve this. Increased compliance activity (Option 1) applied to a rule that permits the conduct will simply confirm that the conduct is permitted. Clarifying the 'Services' definition (Option 2) is an improvement, but my experience of previous policy cycles is that definitional tightening invites reframing rather than behavioural change: portfolios are re-described to fit whatever wording survives, and the compliance burden of testing those descriptions falls on auDA and on complainants. Deleting subparagraph (f) is the only option of the three that removes the ambiguity at its source and returns the allocation test to something clear and administrable: a genuine connection between the registrant and the name.

I acknowledge the submissions from domain marketplace and monetisation operators that removal of subparagraph (f) would harm their businesses financially. That is likely true, but it is not, in my view, a reason to retain the rule. These business models exist because a permissive provision made them possible; the question for the Panel is whether the provision serves the purpose of the namespace, not whether businesses have come to depend on it. A namespace operated in the public interest should not be structured around protecting revenue derived from warehousing names that genuine Australian businesses would otherwise put to productive use.

I would add a practical observation from two decades in hosting: the harm here is not abstract. A meaningful share of the attractive, natural-language com.au inventory is held by a small number of portfolio operators, and small businesses seeking a name that genuinely describes them routinely face a choice between paying a substantial secondary-market price or settling for a lesser name. As one small personal example, an exact-match family-name domain I have long had a genuine use for has been held for many years by an unrelated party with no apparent connection to the name. Multiply that experience across the small business community and the cumulative fairness cost is significant.

If the Panel ultimately does not adopt Option 3, I would urge it to treat Option 2 as a floor rather than a ceiling: the 'Services' definition should be tightened such that domain parking, pay-per-click landing pages, and offering a domain for sale or lease are expressly excluded from constituting a service for allocation purposes, with Option 1's increased compliance checks layered on top.

Recommendation 1: Monetisation of domain names

I do not support the recommendation of no change to the current approach. I recognise the Panel's view that an outright prohibition may be impractical, and I support the proposed increase in audits and compliance checks on monetised sites. However, audits alone address symptoms, not the setting that produces them. If the allocation rules continue to accommodate monetisation-driven registration (see Recommendation 2 above), compliance activity will be perpetually chasing conduct the rules themselves invite. Recommendations 1 and 2 should be considered together: the effectiveness of the compliance posture in Recommendation 1 depends heavily on which option the Panel adopts under Recommendation 2.

Recommendations 6 and 8: Licence lifecycle and renewal communications (strong support)

I strongly support both recommendations, and I want to draw the Panel's attention to how directly they interact with the speculative-registration issues above.

In my experience, a large proportion of domains that lapse do so for mundane, avoidable reasons: an expired credit card, renewal notices sent to a stale mailbox or a departed staff member, a hosting provider that obscures or mishandles renewal, or simple oversight by a busy small business owner. Once the name drops, it is frequently captured within seconds by automated drop-catching services, monetised or listed on a marketplace, and offered back to the original operator, or to the market, at a price many multiples of the registration fee. The original registrant's administrative slip becomes another party's leverage.

The lifecycle changes in Recommendation 6 (in particular the consistent 30-day redemption period and the extended pending/hold period) and the strengthened registrar contact obligations in Recommendation 8 would materially reduce the supply of inadvertently dropped names feeding that pipeline. Specifically, I support:

- a mandatory minimum schedule of renewal notices across more than one channel (e.g. email plus SMS where available), beginning well before expiry and continuing through the redemption period;
- a requirement that expiry and redemption notices clearly state the final date on which the registrant can recover the name and what it will cost, in plain language;

- the standardised 30-day redemption period and 5-day pending/hold period, which give registrants a realistic window to detect and correct an inadvertent lapse before the name is released to drop-catchers.

These are practical, low-cost consumer protections that align .au with international practice and directly reduce avoidable harm.

Conclusion

The .au namespace is a public resource administered in trust for the Australian community. The Draft Report's consumer-protection measures are welcome, but the central question before the Panel is the allocation rule. I encourage the Panel to adopt Option 3 under Recommendation 2 and delete subparagraph 2.4.4(2)(f), and to weigh the long-term integrity and fairness of com.au and net.au above the commercial interests of business models built on the current rule's breadth.

I am happy for this submission to be published, and would welcome the opportunity to expand on any of the points above.

Kind regards,

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