

# Board Minutes - 13 June 2006

Public Version

Meeting of the .au Domain Administration Board

13 June 2006 - 1.00pm

Maddocks, Angel Place, 123 Pitt Street, Sydney NSW 2000

Present:

Greg Crew, Roger Dean, Chris Disspain, Brett Fenton, David Goldstein, Cheryl Langdon-Orr, Jo Lim, Bennett Oprysa, Peter Shilling and Tony Staley

Teleconference:

Kim Heitman, Josh Rowe, Greg Watson and Paul Szyndler (DCITA)

Observers:

Craig Ng (Maddocks) and Jamie Baker (DCITA)

Apologies:

Nil

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## 1. Continuous Disclosure

DG advised that he is currently providing consulting services to accredited registrar Domain Directors Pty Ltd.

## 2. Confirmation of Minutes

The minutes of the April 2006 meeting were confirmed.

## 3. Finance Report

The board noted the accounts.

## 4. CEO Report

Issues in the report were discussed under separate agenda items below.

## 5. 2006/07 Budget and auDA Domain Name Fee

The board discussed the proposed 2006/07 budget. The most significant variance from the 2005/06 budget is capital expenses relating to improving .au DNS infrastructure, pursuant to the CEO's report.

The finance committee recommended that the auDA domain name fee be reduced from \$5.50 to \$4.50 (ex GST). This would decrease auDA's surplus to the equivalent of 12 months operating expenses, in line with board policy. The committee assumed a growth rate in .au of 12%. The board noted that this is a very conservative assumption and agreed to review it in 12 months.

Motion (proposed CLO, seconded PS): That the board approve the 2006/07 budget and reduction of the auDA domain name fee from \$5.50 to \$4.50 (ex GST). Carried.

## 6. Proposed Constitutional Amendments

- Objects

The board proposes to amend the Objects to ensure that auDA has sufficient jurisdiction to regulate the industry effectively, and to give auDA better flexibility to distribute surplus funds within the internet sector.

Motion (proposed GC, seconded CLO): That the proposed amendments to clauses 3.1 and 3.2 be put to members at an EGM. Carried.

- Abolition of representative association class and redistribution of board seats to supply and demand classes

The board proposes to abolish the representative association class, to reflect changes in the industry since 2002. Two board seats would be redistributed one each to supply and demand classes, and the third seat would be abolished.

Whilst the majority of current representative association class members would qualify for demand class membership, the board noted that it would be open to individual members of a representative association to join auDA as a supply class member if appropriate.

It was suggested that the current organisational structure had proved effective and resilient to date, and abolishing the representative association class might give rise to board capture and destabilisation.

The majority of board members felt that stability and balance can and should be provided by independent directors, and membership stacking and board capture are more effectively dealt with under other provisions of the Constitution.

It was noted that there is a perception that the supply class is under-represented because representative association class interests tend to align with demand class interests. The board agreed on the need to bring auDA more into line with other industry regulators in relation to equity of board representation.

It was further noted that there are only 11 current members in the representative association class, and last year only one candidate stood for election to the board.

CLO advised that the ISOC-AU board supports the proposed amendment.

Motion (proposed GC, seconded CLO): That the proposed amendments to clauses 9.4, 9.6, 9.11, 17.4 and 19.3 be put to members at an EGM. Carried. GW voted against the resolution.

- Additional independent director

The board proposes to give auDA the capacity to appoint a third independent director, to help maintain balanced board representation and to provide access to particular skills and expertise that may be lacking among the elected directors.

It was noted that the Constitution does not currently define “independent director”, although it has been taken to mean a person who does not have any vested interest in the domain name industry.

Motion (proposed DG, seconded RD): Subject to a suitable definition of “independent director” being included in the Constitution, that the proposed amendments to clause 18.2 be put to members at an EGM. Carried.

Action: CN to draft definition of “independent director”.

- Directors fees

The board proposes to give auDA the capacity to pay fees to elected directors, in recognition of their time and effort, and to

help attract suitable candidates.

It was suggested that supply class directors should not be paid fees because their participation is of direct benefit to, and therefore subsidised by, their employers. However, it was noted that many supply class members are small businesses which cannot afford to let an employee take time off to attend board meetings. The board also noted that recent difficulties in attracting sufficient numbers of candidates applies to all classes, including supply.

The board confirmed that any increase in directors' remuneration must be ratified by members.

Motion (proposed GC, seconded CLO): That the proposed amendment to clause 5 be put to members at an EGM. Carried. GW voted against the resolution.

- Electronic voting

The board proposes to give auDA the capacity to allow voting by an electronic method at members' meetings.

Motion (proposed GC, seconded CLO): That the proposed amendments to clauses 15.6, 15.8, 16.1, 16.2, 17.1, 17.2, 17.6 and 17.7 be put to members at an EGM. Carried.

## 7. Policy Development

- Domain monetisation

The board agreed to adopt the proposed approach recommended by auDA staff.

Action: auDA staff to work out implementation details and publish policy clarification.

- edu.au

The board considered a letter from Evan Arthur, chair of eDAC, attaching eDAC's report on the recent policy review process. The board authorised a 9 month extension to the sub-sponsorship agreement with AICTEC, to allow time for auDA staff to work with eDAC to ensure that any policy changes meet the requirements of the education sector whilst also meeting auDA's requirement to maintain the integrity and stability of the .au DNS.

Action: auDA staff to liaise with eDAC.

- Outcomes of Industry Conference

The 2006 industry conference was held in Melbourne on 1 June. Most board members attended at least part of the day.

Outcomes from the roundtable session included:

- o Registry changes affecting registrars – auDA to convene registry/registrar committee
- o Access to ASIC/ABR and validation checks by registrars – CEO to follow up possible access to ABR
- o Domain expiry – auDA to review policy within the next 1-2 months
- o Registrar market share statistics – CEO to write to all registrars seeking permission to provide monthly reports
- o Opening up .au – auDA to convene advisory panel by the end of the year.

## 8. auDA Foundation Report

The deadline for grant applications is 16 June 2006. Four applications have been received to date.

Action: CEO to advise whether there is a board resolution to pass the org.au domain name fee to the Foundation.

## 9. auCD Report

auCD is planning to launch in late July or early August, depending on the availability of a keynote speaker after Senator

Coonan declined an invitation to participate. Registry modifications are completed and the 'how to' kit is being tested with communities. Over 70 groups have registered their interest in obtaining a community geographic domain name.

Action: auCD to provide a written progress report at each auDA board meeting.

#### 10. Membership Applications

Five membership applications were received.

Action: CEO to seek further information from the applicants about their reasons for wanting to join auDA.

#### 11. Board Correspondence

Correspondence was received from Giles Donovan, director of NetRegistry Pty Ltd, in relation to the audit of TLD registrations currently being conducted by auDA.

Action: CEO to respond on behalf of the board.

#### 12. Other Business

- Jan Webster

The board noted Jan Webster's resignation as policy manager at Melbourne IT. The board commended Jan on her significant contribution to the Australian domain name industry over the past 10 years, and wished her well for the future.

#### 13. Next Meeting

The next board meeting will be held on Monday 14 August at 10.30am, at the Maddocks office in Melbourne. The meeting will be open to the public.