Board Minutes - 20 August 2012

Public Version
Meeting of the .au Domain Administration Board

20 August 2012 - 10.00am
.au Domain Administration Limited. 114 Cardigan Street. Carlton VIC 3053

Present:
Tony Staley (Chair), Kim Heitman, Julie Hammer, Graham McDonald, Josh Rowe, Marty Drill, Cheryl Langdon-Orr, George Pongas, Kartic Srinivasan, Paul Levins, Chris Disspain, Dwayne Varey

Observers:
Craig Ng (Panel Chair-item 4), Keith Besgrove (DBCDE-Item 1-6), John Higgins (NexiaASR), Jo Lim (auDA), Jacki O'Sullivan (auDA–Minutes)

Apologies:
Nil

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1. Continuous Disclosure

   Graham McDonald advised he has been appointed to the ICANN ASEP Committee until 1 November 2012.

2. Confirmation of June 2012 Minutes

   The minutes of the 12 June 2012 Board meeting were confirmed.

3. Policy Development

   2012 Industry Advisory Panel:
   • Craig Ng, Chair of the 2012 Industry Advisory Panel, attended and gave a summary update of meeting outcomes to date and discussions on the Panel Terms of Reference.
   • The Chair advised the Panel had received 8 submissions and 10 survey responses to the public consultation which closed on 20 July 2012. He noted that the Panel had discussions on how auDA could improve engagement and communications to encourage more responses for the next public consultation.
   • The Panel has considered its draft recommendations for the first 3 Terms of Reference.
   • The panel will review and finalise the remaining 3 Terms of Reference at the next meeting.
   • The Board thanked the Panel Chair and members for their commitment and work to date.

   Single Character Domain Names:
   • The Single Character Domain Names briefing paper was circulated to the Board for review. Jo Lim summarised the status and issues identified. auDA staff have given extensive consideration to how the normal eligibility and allocation policy rules would apply to single character domain names, given that single letters and numbers do not have any intrinsic meaning. The "exact match" criterion is straightforward, less clear are the "acronym" and "abbreviation" criteria. More problematic is making eligibility assessments under the "close and substantial connection" rule, and the issue of how the Domain Monetisation Policy applies to single character domain names. Given the high visibility of these domain names, the central problem is how to ensure that auDA's determination is reasonable, consistent and defensible under scrutiny. This is extremely difficult to do when so many elements of the policy are subjective.
   • The Board noted that in the two rounds of public consultation undertaken by the 2010 Names Policy Panel on this issue, there was no clear majority public support for the release of single character domain names, and the Panel had no evidence of any pent-up demand for these names. The Board also noted that the Panel's recommendation to release the names was qualified in two ways: that there is no compelling technical or policy reason to maintain the restriction; and that the registrant must be eligible to register the name.
   • The Board discussed the issues and agreed to withdraw its decision to release single character domain names at this time, due to the difficulty in determining registrant eligibility under the current policy framework. It was agreed that the Board would reconsider the release of single character domain names should the policy framework change in the future.

The Board also agreed to an announcement being released.

• Motion (proposed T Staley, seconded M Drill): That the Board withdraw its decision to release single character domain names at this time due to the difficulty in determining registrant eligibility under the current policy framework. The Board will reconsider the release of single character domain names should the policy framework change in the future.

Carried.

4. Finance Report

• The Board noted the June 2012 end of year and July 2012 accounts.

• It was noted the Auditors are currently finalising the end of year accounts with the only further changes to be to staff accruals and audit fees.

Nexia Investment Strategy Report:

• G McDonald summarised the Nexia Investment strategy and the recommended investment options.

• The Chair asked if consideration had been given to the investment strategies of Government agencies. It was agreed G McDonald would contact Treasury for information on Government agencies' investment strategies for comparison with the Nexia recommendations.

• The Board agreed that the main Term Deposit recommendation should be implemented immediately, with other investment options to be reviewed further and implemented at a later date.

• The Board agreed to accept the proposed $10,000 annual fee by Nexia for management & reporting of the investment portfolio.

• Motion (proposed T Staley, seconded G McDonald): That the Board accept the Term Deposit recommendation from the Nexia report, with other investment options to be reviewed further and implemented at a later date.

Carried.

5. CEO Report

• The CEO report was noted.

• Board members were reminded that the AusRegistry yearly statistics are confidential until they are published on the auDA website after 3 months.

• The Accountability and Transparency Framework is being redrafted in light of comments received and will be reviewed by the Governance Committee.

• The CEO advised that only the high level operational plan had been circulated to the Board as the full operational plan contained information which would create a conflict of interest for Registrar members of the Board, however the full operational plan had been circulated to the Governance Committee non-Registrar members.

• Planning continues for the ANZIAs to be held in Canberra on 10 October 2012.

• The auDA Foundation Board has now received the list of recommended projects and will meet in September to discuss and agree the allocation of auDA Foundation grants.

• Planning continues for the Australian Internet Governance Forum to be held in Canberra on 11-12 October 2012 with the website, registration and social media now launched. Board members will be contacted by J O'Sullivan for travel requirements & registration for the event.

• DBCDE noted its strong support for auDA's involvement at the ITU WCIT to be held in Dubai in December 2012 and advised it would be seeking accreditation for auDA to attend.

6. AusRegistry Presentation

• Adrian Kinderis-CEO and Maggie Whitnall-Client Services Manager-.au, attended from AusRegistry and gave a presentation on registration statistics and the impact of monetisation and the secondary market on the industry.

• It was noted that portfolio holders (ie. registrants with more than 50 domain names) account for approximately 16% of the .au market, with domainers considered to account for less than 10%. It was agreed auDA/AusRegistry would discuss preparing a public report on the statistics.

• Adrian Kinderis asked the Board to advise AusRegistry of any feedback on the presentations and information the Board would like to see in future presentations.

• The Board thanked AusRegistry for their continued informative presentations to the Board.

7. Membership

The following membership applications were approved in the classes indicated:

Name of Applicant	Class
Blair Cameron Boardman	Demand
BCB Consulting Pty Ltd (Blair Cameron Boardman)	Demand
Web Prophets (Julia Topliss)	Supply
Education Services Australia (Jerry Leeson)	Supply

8. Board Committee Updates

Finance & Audit Committee:
• The Board approved the Committee's Terms of Reference with the following change of wording regarding frequency of meetings: 'The committee will meet before each Board meeting with additional meetings as required.'
• The Committee meeting minutes of 13 February, 4 April, 6 June and 15 August 2012 were approved for publication.

Governance, Board Succession & Remuneration Committee:
• The Committee meeting minutes of 20 February, 16 April and 6 August 2012 were approved for publication.
• The Committee meeting minutes of 12 June 2012 were approved for publication with the following amendment: Change M Drill from 'Registrar' to 'Supply class.'
• The Board Performance Evaluation Framework final document was submitted to the auDA Board for approval:
- The Board accepted the final document.
- It was noted the document will need to be completed before the 2012 AGM and would be formally circulated in early September 2012 for responses by the advised deadline.
- It was noted J O'Sullivan would coordinate compilation of the responses and the results would be published in due course.
- C Disspain asked Board members to add comments as well as ratings when completing the document.
- It was noted the process would be reviewed after the first evaluation to gauge effectiveness and make any required changes to the document and process.
• The Committee advised it is still considering OH&S issues with the aim to report to the Board at the October 2012 meeting.
• CEO KPI's: All observers left the room for this item. The Committee & Board discussed the CEO KPI's.

Strategic Risk Committee:
• The Committee meeting minutes of 12 June, 24 July and 14 August 2012 were approved for publication.
• The Committee advised work is continuing on the Risk Assessment log and it will be forwarded to the Board for endorsement in due course.

Constitution Committee:
• The Chair advised the Committee had discussed the Westlake recommendations, and sought further information from Westlake Consulting.
• Motion (proposed T Staley, seconded G McDonald): That the Board accept the Committee recommendation as follows:
(a) Members to be invited to consider recommendations 11 and 12 in light of the further advice provided by Westlake Consulting. At the same time the Board to confirm that it proposes putting Recommendations 11 and 12 as a composite proposal to a vote at an EGM in early 2013. The Board also to notify that it will not be supporting or opposing the measure to avoid any conflict of interest which may arise and making it clear that the decision is one for the members.
(b) The consideration of Recommendations 11 and 12 to be undertaken by members in a two-step process vis;
(i) to be discussed at the 2012 AGM after which a summary including views expressed by members at the AGM, along with any written responses received from members, and the proposed motion and explanatory memorandum will be circulated so that members are fully appraised of the issues. A transition plan determined by the Board will also be circulated to ensure that the proposal is commenced by no later than the end of 2013. The time frame, consistent with the

Westlake recommendation, ensures that the continued functioning of the Board is not unduly disrupted during the transition phase.

(ii) an EGM to be held in April 2013 for members to vote on the proposal.

Carried.

The Chair thanked all the Committees and members for their work to date.

9. Board Correspondence

• There was no Board Correspondence.

10. Other Business

• 2010 Names Policy Panel recommendation regarding changes to domain name licence period: This item has previously been discussed by the Board however no formal decision was recorded. The Board agreed that, as any change to the licence period will require a change to the registry database, the appropriate time to consider the issue is in conjunction with arrangements for the new registry licence post 30 June 2014. It was agreed to include this decision in the announcement that will go out regarding Single Character domain names.

11. Next Meeting

The next Board meeting will be held on Wednesday 10 October 2012 in Canberra.