

.NZ IS OUR HOME



Through the 2008 - 2009 financial year, day-to-day management of the .nz domain name space was the responsibility of Domain Name Commission Limited, under the governance of its Board of Directors. This report highlights some of the work done during the financial year.

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InternetNZ (Internet New Zealand Inc) holds the delegation for the .nz domain name space. InternetNZ has established two subsidiary companies, Domain Name Commission Ltd (DNCL) and NZ Domain Name Registry Ltd (NZRS) to manage .nz, leaving the InternetNZ Council to maintain a governance overview.

Key Parties

DNCL – Domain Name Commission Ltd

Domain Name Commission Ltd (DNCL) is a company wholly-owned by InternetNZ and, in common with the rest of the InternetNZ group, has charitable status. DNCL is headed by the Domain Name Commissioner, and is responsible for the day-to-day oversight of the .nz domain name registration and management system, including:

- Effectively managing the .nz domain name space
- Developing policies and procedures for .nz
- Governing operational elements of the management of the .nz country code top level domain (ccTLD).

DNCL accomplishes these goals by:

- Authorising Registrars
- Developing policies under the direction of the DNCL Board, whose members are appointed by the InternetNZ Council
- Monitoring Registrar activities and their compliance with the .nz policies
- Handling complaints that arise in the operation of the .nz market
- Protecting the rights and relationships of all parties in the .nz market (Registrars, Registrants and Registry).

NZRS – .nz Registry Services

NZRS is responsible for the Register of domain names and the operation of the Domain Name System (DNS) in the .nz domain name space, including:

- Managing the .nz Register
- Ensuring the system is available to Registrars to effect domain name registrations and management of those names
- Managing the .nz DNS, by ensuring the .nz zone file is populated to various name servers, and that they operate to enable .nz domain names to be resolved at all times
- Monitoring performance and reporting to the DNC against standards specified in the Service Level Agreement
- Supporting DNCL by providing such information as is required to enable investigations or other actions to be completed, and to update details on the Register if directed by the DNC.

Chair's Report

It is important to us that the policies reflect the communities' requirements.



This is the first annual report as Domain Name Commission Ltd (DNCL). On 1 April 2008, the DNCL Board formally commenced operations, replacing the previous .nz Oversight Committee. Though significant, the change was one in structure only, as the work of the Domain Name Commission was essentially unchanged. As such, most Registrants of .nz domain names – those people and organisations whose interests we are here to protect – will not have noticed a difference in the way the .nz domain name space is managed.

DNCL is a company wholly-owned by InternetNZ (Internet New Zealand Inc). Its Board of Directors, with myself as Chair, includes Joy Liddicoat, Andy Linton, Michael Foley (appointed as the representative of the InternetNZ Council) and David Russell. With the exception of Michael Foley, the Directors previously served on the .nz Oversight Committee and so the transition to DNCL operations has been smooth. I'd like to thank the Board for the work they've done over the year, both in embedding the new structure and in their committed and valuable approach to the governance of the Domain Name Commission.

During the year we have continued our ongoing review of .nz policies, with three policy reviews being completed and another commenced. A key aspect of the policy reviews is the feedback we get from Registrars and the public. We would like to encourage more submissions on reviews as it is important to us that the policies reflect the communities' requirements.

A good example of how effective public submissions can be in our work was seen during the consultation on the creation of a new second level domain (2LD) .health.nz. The creation of this 2LD was recommended by the Board following improvements to the

moderation policy. These improvements resulted from comments received in the first consultation process.

Looking forward, we hope the Domain Name Commission will be able to offer even more services to assist Registrants in the future. We aim to continue to serve our community of interest to the highest possible standards. We will continue to work actively with NZRS and the technical community to contribute to the stability and security of the Internet in New Zealand.

Finally I would once again like to thank Debbie Monahan, the Domain Name Commissioner, and her staff for their work in support of the Domain Name Commission, and for ensuring that the .nz domain name space operates so effectively.

A handwritten signature in black ink, consisting of several fluid, overlapping loops and a long horizontal stroke at the bottom.

Richard Currey
Chair

DNC Report

Our work ensures the .nz domain name space operates fairly and effectively.



This year has seen us operating under a new legal structure, with Domain Name Commission Ltd starting officially on 1 April 2008. Operationally little has changed – our work in ensuring the .nz domain name space operates fairly and effectively continues as previously.

With DNCL being a company wholly-owned by InternetNZ, rather than an operational office, an Operating Agreement was signed by the two parties. This sets out the requirements on DNCL in respect of overseeing .nz and is available online at: www.dnc.org.nz/content/Operating_Agreement.pdf

As in previous years, we have undertaken various reviews as part of our ongoing policy development process. Reviews on three policies were completed and one was in progress as the year ended.

We also consulted on an application for a new second level domain – .health.nz, which was approved and will be moderated by the Ministry of Health. It is intended to create a clearly identifiable Internet presence for the

health sector. Although approved, this second level domain is yet to be implemented by the Ministry.

The Working Group set up to consider the introduction of Internationalised Domain Names featuring the Māori macrons also published a second consultation paper. This project is ongoing and it is expected that the policies and processes around this implementation will be finalised in the 2009 - 2010 year so that the targeted implementation date of Māori Language Week 2010 can be met.

Interest in the .nz domain name space continued throughout the period. However, as noted elsewhere in this report, the growth rate was lower than in recent years. Four new applications from organisations seeking to become authorised Registrars were received. There are now 70 Registrars connected to the production environment and able to provide services. A further four organisations were authorised but not yet connected and two Registrars chose to de-authorise. Further growth in the number of Registrars is expected in the coming year.

The Dispute Resolution Service remains well used, with complaints continuing to be lodged at a rate of approximately five new valid complaints per month. For the first time, an appeal against an Expert Determination was lodged. The decision of the appeal panel was that the original determination be overturned. Full statistics for the operation of the service over the year are provided later in the report.

Membership of the Expert and Mediator panels was reviewed during the year. One new Mediator was appointed, replacing a Mediator who had resigned from our panel. Membership terms have been staggered to provide continuity on the panels into the future.

Presentations to organisations interested in how our Dispute Resolution Service works have been made at the Asia Pacific Top Level Domain Association (APTLD) meetings, and to conferences in South Africa, where I spoke about the system and policy we apply here. The Internet Corporation for Assigned Names and Numbers (ICANN) and APTLD meetings continue to be an opportunity for DNCL to make a contribution internationally, through the example of its management of the .nz space.

I'd like to acknowledge the work of the NZRS team over the year. They have reported successful progression of their DNS Roadmap project, resulting in improved performance of the Domain Name System in the .nz space. The NZRS team has also, as in previous years, provided great assistance to DNCL. A large number of requests have been made of them over the year and their work is very much appreciated. Nick Griffin, the General Manager for NZRS, resigned during the year, having been with the company since its inception in 2002. We are looking forward to working with the new registry manager, NZRS Chief Executive Jay Daley.

Our relationship with our Board has been an excellent and productive one. Thank you to the Directors of DNCL for their hard work and guidance. My heartfelt thanks and appreciation also go out to my small but very effective and efficient team for their hard work – Stuart Anderson, Josh Cookson, Adam Griffiths and Alison McKenzie.

Debbie Monahan
Domain Name Commissioner

The Year in Review

Domain Name Growth for 2008 - 2009 Year

Domain name growth has been slower than in the past, with an increase of 28,708 names over the year.

Despite this, the pattern of new registrations has remained similar to that of previous years. The number of new domains registered per month was on average only 9% fewer than during the 2007 - 2008 year. In November 2008, the domain name space suffered its only contraction since the introduction of the Shared Registry System (SRS) in 2002. Since then, however, growth has again stabilised at around 2,000 names per month.

Growth peaked during April 2008, during which the number of active .nz domain names increased from 324,722 to 328,951, a net increase of 4,229 names. Last year's monthly growth record of 5,752 names was not reached.

350,000 Domain Names Reached

The number of active .nz domain name registrations reached 350,000 on 3 February 2009.

Policy Review

Reviews of four policies were initiated over the year. Reviews of the Disputes and Complaints Policy, the Investigations and Inquiries Process, and the Authorisation of Registrars Policy have been completed during the year. Just prior to the end of the financial year, a consultation on the Privacy Policy was begun.

As with all our consultations, each review involves actively seeking feedback on the policy from the community of interest. All submissions received are published on our website.

Internationalised Domain Names

A working group has been considering the introduction of Internationalised Domain Names (IDNs) in the .nz space. The members of the working group are Sam Vilain, Karaitiana Taiuru, Wareka Te Angina, Nick Wallingford, Dave Moskovitz and Richard Currey (Chair). IDNs in .nz will involve only the five macron characters used in the writing of the Māori language.

Early policy work for implementation has begun, with a call for comment on the proposal made during November and December of 2008. Feedback was sought on the issues associated with implementing IDNs, and the likely impact of those issues. Comments were received from Registrars, the Māori Language Commission, the New Zealand Bankers' Association and individuals.

As a result of the responses to the consultation, further work on the project is continuing, with IDNs targeted for introduction during Māori Language Week in 2010. Additional rounds of consultation will be carried out in the coming financial year, to develop and refine the sunrise policy for the introduction of the names.

New Second Level Domain

The DNCL Board recommended that an application for a new second level domain .health.nz be approved by the InternetNZ Council, following two rounds of consultation.

The .health.nz namespace will be moderated to preserve the authority of health and disability sector websites and email addresses, and to enable easy identification of the sector on the Internet.

The applicant, the Ministry of Health, is responsible for implementing .health.nz and we expect it to be in place over the coming year.

Domain Names by 2LD – Monthly Count to 31 March 2009

2LD	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	FEB 09	MAR 09
.ac	1,544	1,589	1,582	1,602	1,603	1,614	1,646	1,654	1,662	1,656	1,680	1,665
.co	282,531	285,876	288,994	292,048	294,557	296,142	299,555	299,318	299,986	300,919	302,527	304,330
.cri	16	16	16	16	16	16	16	15	15	15	15	15
.geek	848	850	853	861	848	848	861	860	865	875	870	873
.gen	1,189	1,193	1,178	1,200	1,200	1,191	1,201	1,205	1,211	1,211	1,206	1,204
.govt	951	951	958	961	965	972	977	978	979	982	985	988
.iwi	57	60	60	63	62	63	64	65	64	65	65	67
.maori	504	506	507	516	512	513	523	520	534	531	535	544
.mil	18	18	18	18	18	17	17	17	16	16	18	18
.net	19,537	19,709	19,894	19,932	20,015	20,162	20,330	20,286	20,299	20,300	20,266	20,336
.org	19,012	19,267	19,480	19,612	19,755	19,949	20,180	20,225	20,309	20,407	20,454	20,545
.parliament	5	5	5	5	5	5	5	5	5	5	5	6
.school	2,739	2,754	2,760	2,775	2,789	2,801	2,811	2,821	2,824	2,820	2,838	2,839
TOTAL	328,951	332,794	336,305	339,612	342,345	344,293	348,186	347,969	348,769	349,802	351,464	353,430

.nz Market Share Statistics

MONTH	TOP 4 REGISTRARS (%)	NEXT 4 REGISTRARS (%)	REMAINING REGISTRARS (%)	NO. OF REMAINING REGISTRARS
April 08	45.9	23.0	31.1	59
May 08	46.5	22.5	31.0	59
June 08	46.6	22.4	31.0	58
July 08	46.7	22.3	31.0	58
August 08	46.7	22.1	31.2	58
September 08	46.4	22.0	31.6	58
October 08	46.4	21.9	31.7	58
November 08	46.6	21.5	31.9	58
December 08	46.7	21.3	31.9	58
January 09	46.8	21.2	32.0	58
February 09	46.8	21.2	32.0	60
March 09	46.7	21.2	32.2	62

Dispute Resolution Service (DRS)

Mediation

Mediation is forced in all cases where a response is received, and has proven to be a valuable step in resolving disputes at no cost to the parties. The response rate of 36% was lower than expected and the mediation resolution rate is lower than in previous years. However, for the 61% of cases that did not resolve at mediation, fully two-thirds went on to be decided by an Expert, resulting in six decisions to transfer, and three dismissals.

Decisions

Expert determinations are published on our website at: www.dnc.org.nz/drs-decisions, and are implemented if no appeal is received. To date, one case has been appealed, and the original determination to transfer was overturned, meaning that the domain name should remain with the original Registrant.

Seven of the 16 disputes that were referred to an Expert had not had a response from the current Registrant. Of those seven disputes, six resulted in a transfer. The remaining case was dismissed. Overall, the transfer rate for defended cases was 66% compared with 85% for undefended cases.

Submission Quality

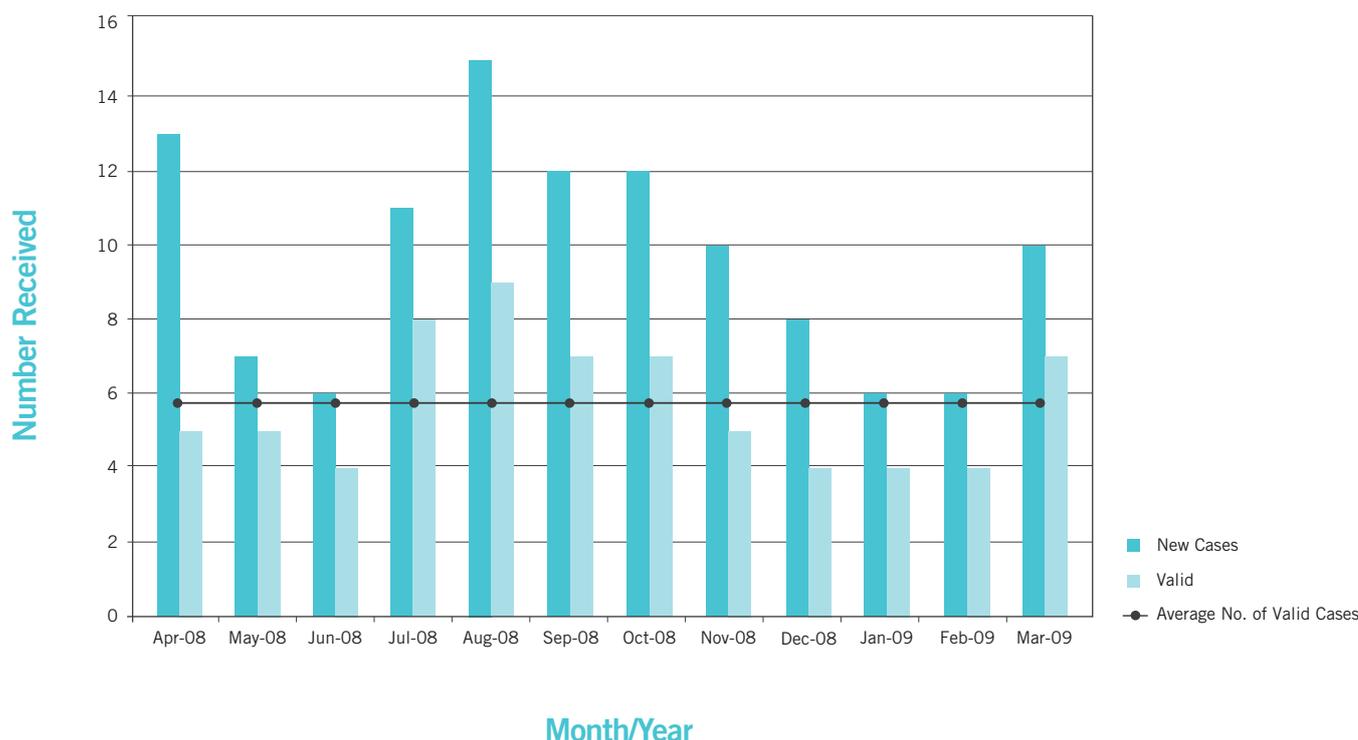
During the year, our electronic forms were revised, with a view to improving the quality of submissions received. Despite multiple warning messages, complaints containing insufficient information continue to be submitted. In general, complainants who use a representative give a more detailed picture of their rights in the name, and of the reasons why the current registration is unfair. We continue to stress the importance of presenting a full and complete complaint or response in our information materials, and the provision of evidence of trademarks where a complaint relies on these is now mandatory.

About the DRS

The Dispute Resolution Service (DRS) provides an alternative to the Courts in situations where two parties are in dispute over who the Registrant of a .nz domain name should be. Administered by the Domain Name Commission, the independent service operates using online forms. Users submit information electronically, and back their submission with signed hard copies and annexes of supporting documentation. These annexes can include any type of supporting material – publications, photographs, formal documents, copies of invoices etc. Our role as the administrators of the service is to process the information in a timely manner, passing it between the parties as appropriate.

Statistics and information are published on our website, and a brochure, entitled *A service for resolving .nz disputes*, is available at: www.dnc.org.nz/brochures to provide an overview of the service.

New Disputes by Month (last 12 months)



Statistics and Process for 2008 - 2009

Key process steps

Complaint submitted



Referred to Expert



Outcomes

Statistics

116 submitted, 59% valid



36% of valid complaints were responded to by Registrant



39% of disputes that went to mediation were resolved

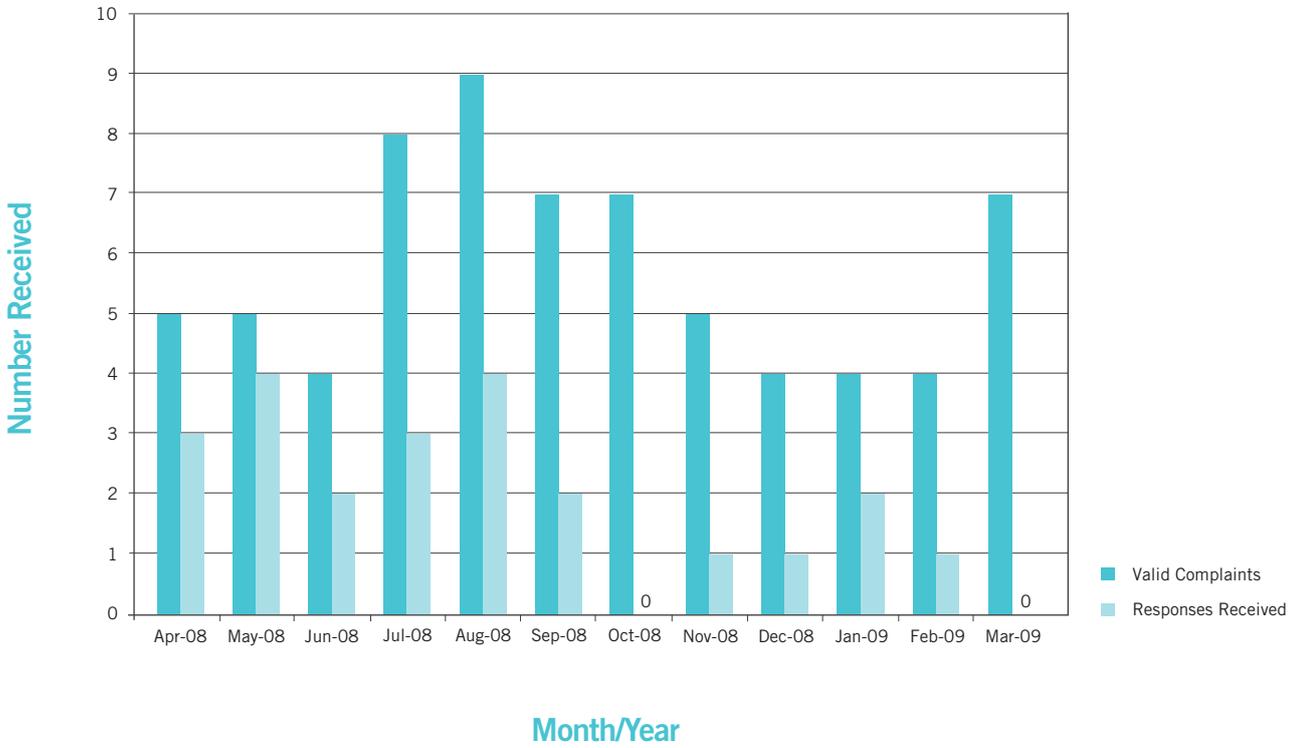


23% of valid disputes were referred to an Expert

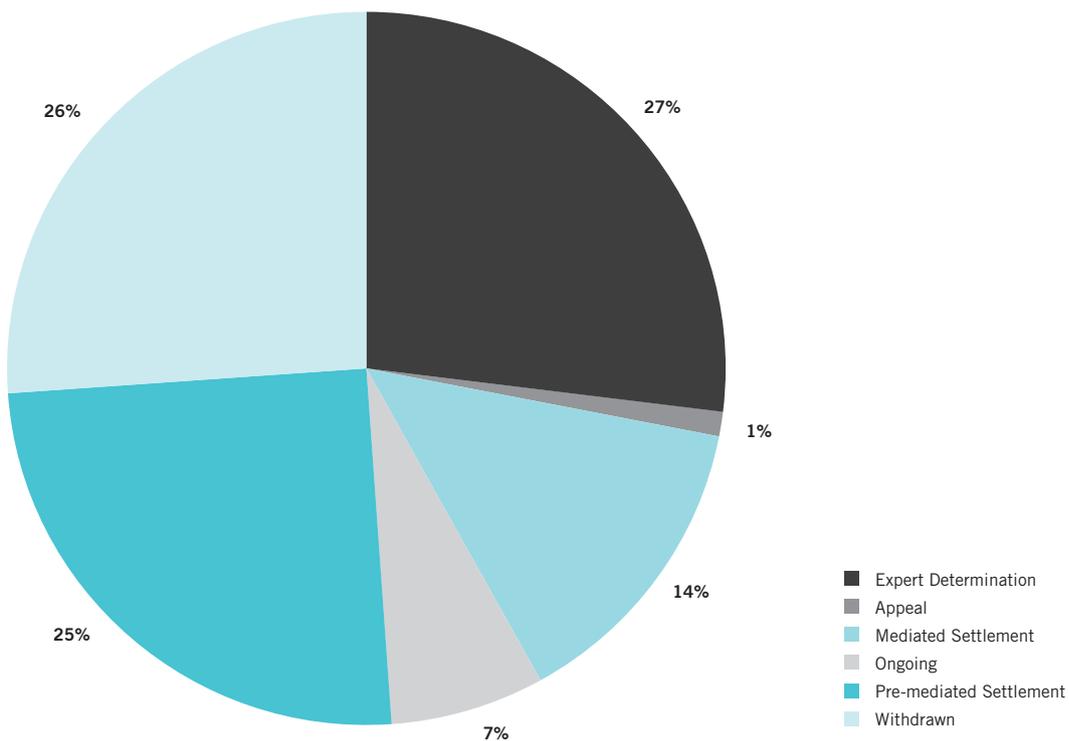


75% of determinations resulted in transfer and 25% were dismissed

DRS Response Rates



Outcomes for Valid DRS Disputes



Authorised Registrars

Authorised Registrars Connected to the SRS

As at 31 March 2009, 74 organisations were authorised by the DNC as .nz Registrars.

Of those 74 organisations, four had not yet connected to the Shared Registry System.



This logo can be used by authorised Registrars, enabling them to be clearly identified by potential Registrants as an organisation that has been authorised by the Domain Name Commissioner as a .nz Registrar. A full list of all authorised .nz Registrars can be seen at: www.dnc.org.nz/registrars

Most Registrars display this logo on their websites, with a link to the DNC website at: www.dnc.org.nz

Registrar Advisory Group

Registrars are an integral part of the .nz framework – they are the key public face of the SRS for Registrants. To make sure the needs of Registrars are accounted for in decision making, there is a Registrar Advisory Group (RAG), providing a direct input from Registrars to the Domain Name Commission and NZRS. The current RAG group was elected in February 2009, following a call for nominations, and now comprises Richard Clark (SimpleName), Glen Eustace (GodZone Internet Services), Lee Miller (RegisterDirect/1st Domains), Peter Mott (Swizzlestick), Andrew Scott (Domainz) and Brett Wright (Freeparking).

Market Share

Throughout the year, the DNC Office has continued to publish .nz market share statistics. The publication does not present the market share for each individual Registrar but rather the figures for the top four Registrars, the next four Registrars, and the remaining Registrars connected to the SRS.

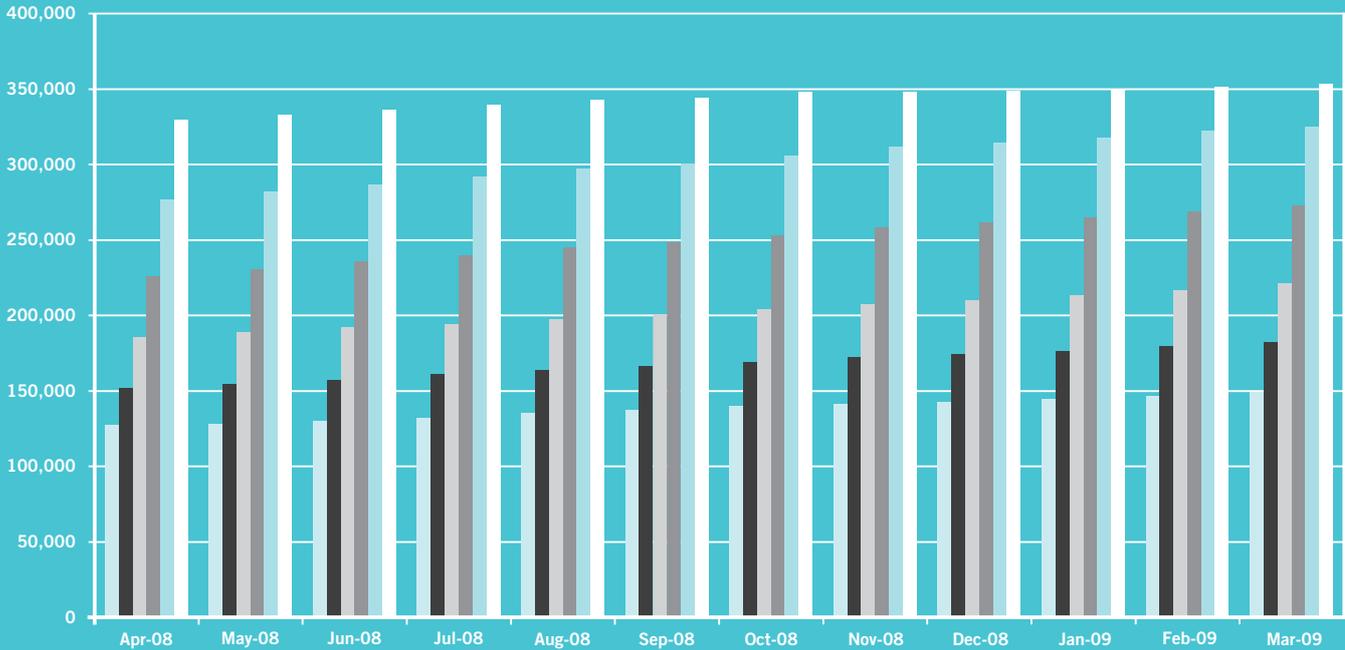
As the number of Registrars connected to the SRS has increased over the past four years, changes have also occurred in the .nz Registrar market share. Gradually the market share of the top four Registrars has been decreasing, while the market share of the remaining Registrars has been increasing. Variations in the membership of each group often shows as a slight change in the market share pattern. The graph below illustrates these changes.

.nz Market Share 2003 - 2009



Registration Statistics

Registered .nz Domain Names 2003 - 2009

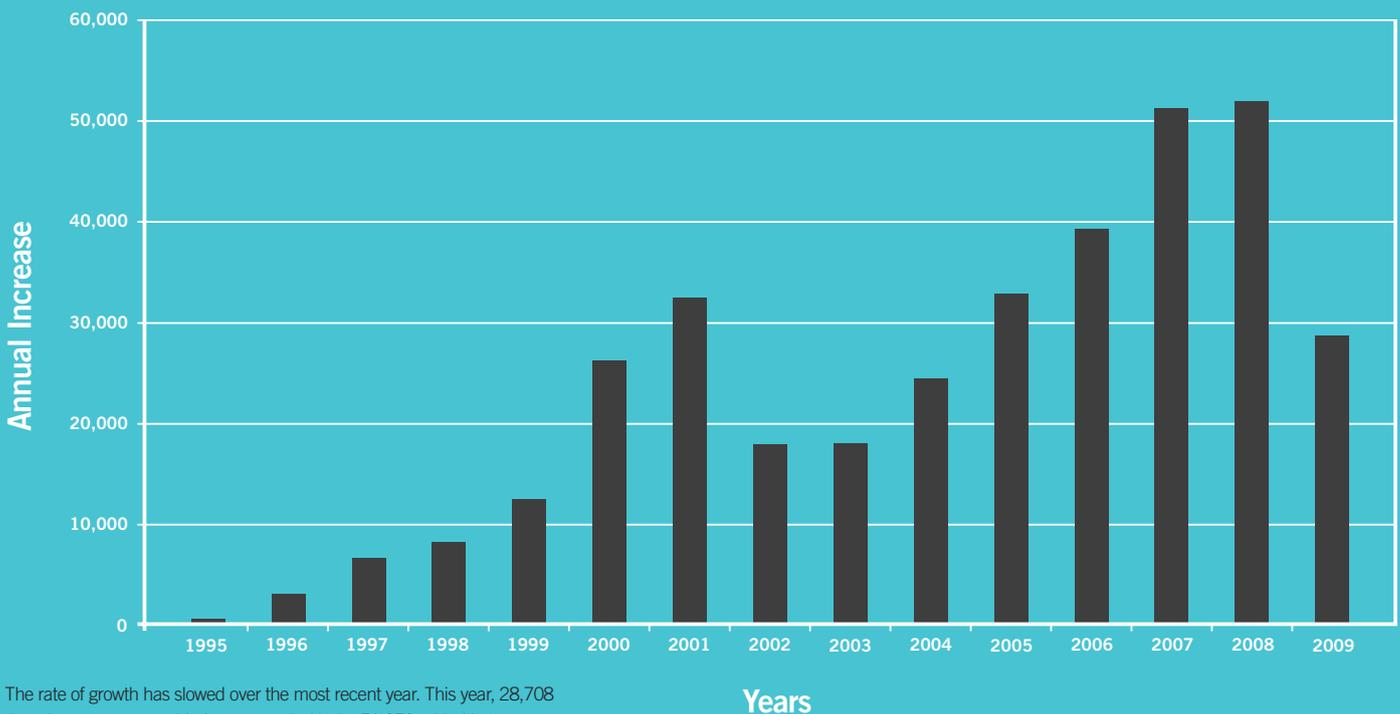


The total number of domain names has increased from 324,722 (at 31 March 2008) to 353,430 (at 31 March 2009) – a total growth of 28,708, or 8.8%. This year's growth rate is approximately half of the previous year's rate of 19% and is lower than any year since the SRS was established in 2002.

End of Month

2003-04 2004-05 2005-06
2006-07 2007-08 2008-09

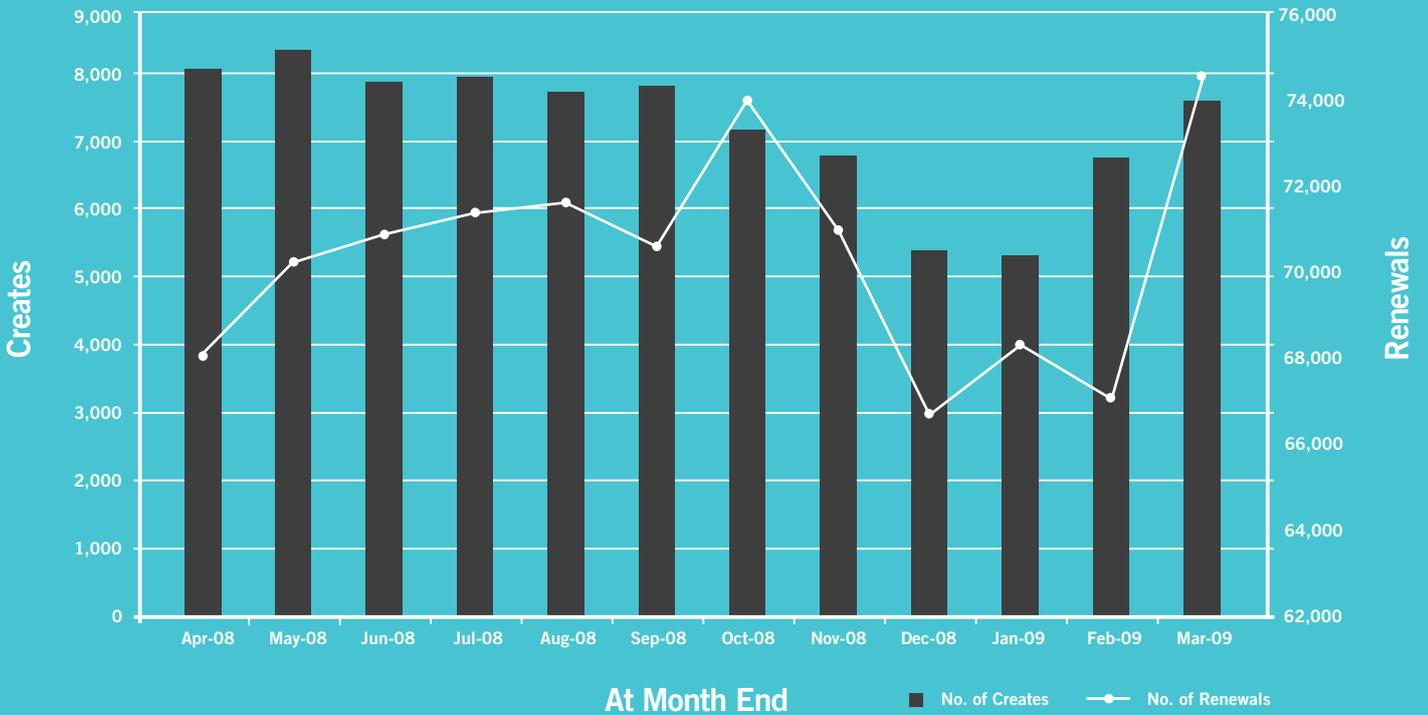
Growth in Domain Names 1995 - 2009



The rate of growth has slowed over the most recent year. This year, 28,708 domain names were added, compared with the 51,970 added last year – a marked difference from the patterns shown in the past seven years.

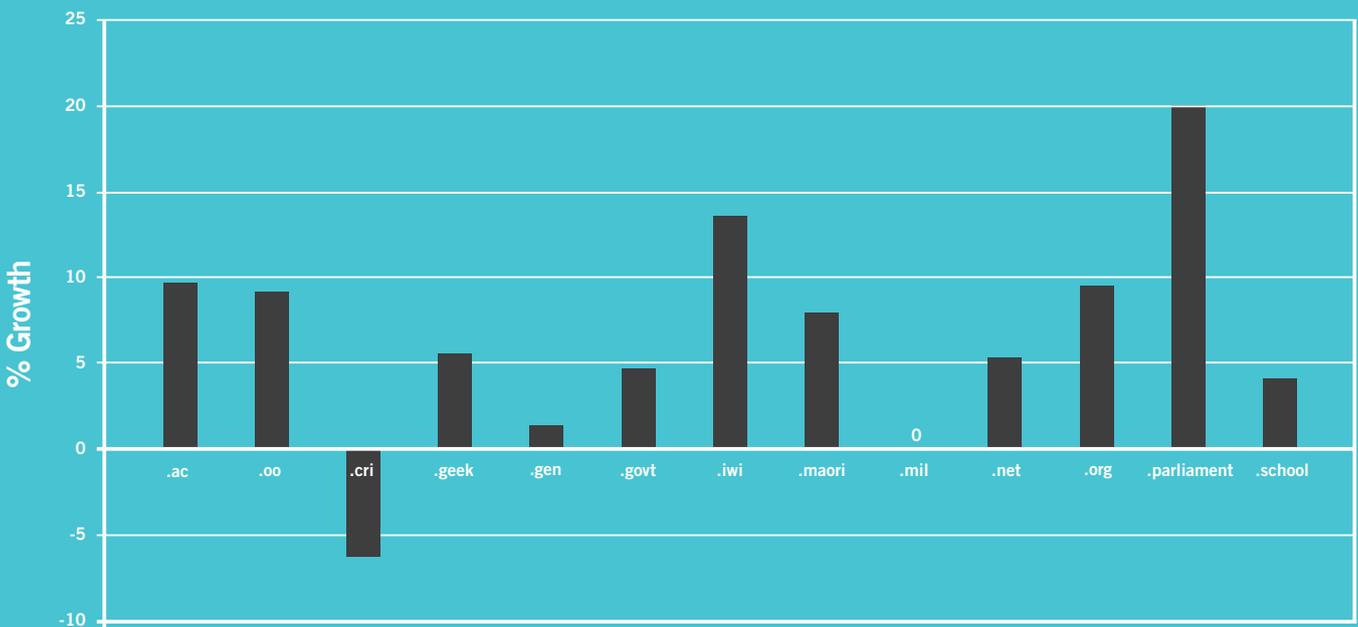
Years

.nz Creates and Renewals 2008 - 2009



Looking at the number of new names registered, it appears that some of the decrease in growth could be attributed to a change in the pattern of renewals. Registrants may be looking to ensure that their domain names are managed more effectively. The graph above demonstrates that the number of domain names created per month dipped over the December/January period but has since recovered. Domain name renewals were at their highest for the year at the end of March.

Growth Rate for 2LDs in .nz Domain Name Space 2008 - 2009



Percentage increases for .iwi.nz and .parliament.nz names appear large, as the domain name spaces are small.

Domain Names

The Service Level Agreement

Performance of the registry company (.nz Registry Services – NZRS), in respect of its .nz services, is measured by way of a Service Level Agreement (SLA). The SLA was updated during 2008, with an interim version signed during October 2008. The SLA will be fully revised in the new financial year.

The SLA outlines the standard of service that is expected to be delivered by NZRS in managing the .nz Register. It covers aspects including Register Performance, Register Management, and SRS/DNS reporting. The Service Level Standard targets specified in the SLA are measured and averaged over a calendar month.

Key targets outlined in the SLA include:

- 99.9% system availability of SRS
- 99.9% availability of WHOIS
- 100% availability of DNS servers – the DNS service should not be affected by any DNS server planned outage
- Specified average response times for key SRS transactions (see next page for SRS response times April 2008 - March 2009).

Over the last year:

- SRS availability of 99.9+% was achieved for all months of the year. 100% availability was achieved during four months of the year
- DNS availability of 100% was achieved for all 12 months.

SRS Availability 2008 - 2009



SRS Response Times April 2008 - March 2009

AVERAGE RESPONSE TIME (IN SECONDS)	SLA	APR 08	MAY 08	JUN 08	JUL 08	AUG 08	SEP 08	OCT 08	NOV 08	DEC 08	JAN 09	FEB 09	MAR 09
Domain Details Query	<1.50	0.03	0.03	0.04	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.04
Domain Update	<0.80	0.41	0.41	0.49	0.46	0.43	0.42	0.41	0.42	0.39	0.39	0.39	0.36
Domain Create	<0.80	0.45	0.48	0.57	0.51	0.48	0.48	0.49	0.50	0.43	0.45	0.44	0.42
Get Message Performance	<0.80	0.04	0.04	0.05	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.05
WHOIS	<0.80	0.11	0.10	0.11	0.14	0.12	0.12	0.13	0.12	0.12	0.12	0.12	0.12
WHOIS Queries at Back End incl Registrar Volume 000's	N/A	3,081	3,315	4,165	3,074	2,841	2,986	2,836	2,647	2,705	2,921	2,851	3,411
WHOIS Server Queries 000's	N/A	299	441	887	531	351	365	396	349	291	336	382	470
UDAI Valid Query	<0.80	0.14	0.14	0.15	0.19	0.17	0.16	0.15	0.15	0.16	0.16	0.17	0.17

The table above shows the SRS response times recorded for the last 12 months. The response times are measured against the standard set in the SLA.

Terminology

APTLD

Asia Pacific Top Level Domain Association, an organisation for ccTLD (Country Code Top Level Domain) registries in the Asia Pacific region.

Board

The governance body for Domain Name Commission Ltd, consisting of five members appointed by InternetNZ. One Board member is an InternetNZ Councillor.

ccTLD

Country Code Top Level Domains. Examples include .nz, .uk, .au

DNC or DNCL

Domain Name Commission Ltd, a company wholly-owned by InternetNZ, responsible for the day-to-day oversight of the .nz domain name registration and management system.

DNS

Domain Name System.

DRS

Dispute Resolution Service. The .nz Dispute Resolution Service provides an alternative to Court action, giving parties another mechanism to resolve disputes that arise.

ICANN

Internet Corporation for Assigned Names and Numbers. A not-for-profit public-benefit corporation with participants from all over the world dedicated to keeping the Internet secure, stable and interoperable. It promotes competition and develops policy on the Internet's unique identifiers.

IDN

Internationalised Domain Name – names that utilise characters beyond the standard characters of the letters a-z, digits 0-9 and the hyphen.

InternetNZ

The organisation authorised to manage the .nz domain name space. InternetNZ (Internet New Zealand Inc) established the Domain Name Commission to oversee the management of the .nz domain name space.

Macron

The character used in Māori language to denote a long vowel, such as in the word Māori.

NZRS

New Zealand Domain Name Registry Limited, trading as .nz Registry Services, the organisation responsible for operating the .nz Register. NZRS is wholly-owned by InternetNZ.

RAG

Registrar Advisory Group, set up to represent the collective interests of the Registrar community. Members of the RAG are nominated and elected by their peers.

Register

The authoritative record of .nz domain names, managed and operated by the Registry.

Registrant

The person or entity who holds the right to use a domain name.

Registrar

An entity that has been authorised by the Domain Name Commission to register domain names on behalf of Registrants.

Registry

The entity that operates the .nz domain name Register, providing access to authorised Registrars.

Reseller

An agent providing registration services through a Registrar. Resellers have no official status in the .nz domain name space.

SLA

Service Level Agreement, an agreement between Domain Name Commission Limited and NZRS (the registry) that outlines the standard of service NZRS has to deliver in managing the Register.

SRS

Shared Registry System, a single database for registering and maintaining domain names that is able to be accessed by authorised .nz Registrars.

2LD

Second Level Domain, a name at the second level of the .nz domain name hierarchy, for example internetnz.net.nz. In this example .net is at the second level. The .nz domain name space has several 2LDs to choose from.