

annual report
2007-2008

08 domain name commission

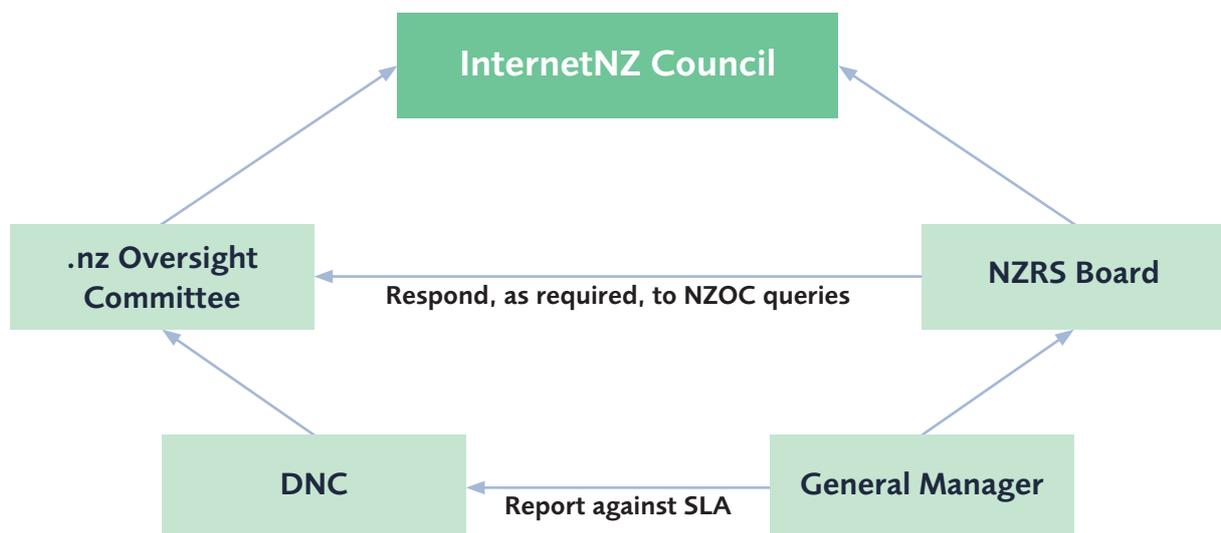
For the 2007-2008 financial year, management of the .nz domain name space was the responsibility of the Domain Name Commission, under the governance of the .nz Oversight Committee. This report highlights some of the work done during the financial year, and illustrates the continued growth in .nz names.

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.nz domain name space - an overview

InternetNZ, the Internet Society of New Zealand Incorporated, is responsible for managing the .nz domain name space. The current structure, set up in October 2002, delegates .nz-related work to key parties such as the .nz Oversight Committee, the Domain Name Commission and NZ Registry Services Ltd, leaving the InternetNZ Council to maintain a governance overview.



08 key parties

NZOC – the .nz Oversight Committee

Members of the Committee are appointed by the Council of InternetNZ and are appointed for terms of up to three years. The Committee has between five and seven members, and includes the President of InternetNZ. NZOC's responsibilities include:

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

DNC – the Domain Name Commission

The Domain Name Commissioner (DNC) is responsible for the day-to-day oversight of the .nz domain name registration and management system, including:

- Authorising registrars
- Developing policies and procedures under the direction of the NZOC
- Monitoring registrar activities and their compliance with the .nz policies and procedures
- 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 the DNC 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.

Funding for the Domain Name Commission, including the costs of the NZOC, is by way of a management fee charged to NZRS. Therefore, the governance of .nz is effectively funded by the registrants whose interests it is designed to promote and protect.

08 nzoc chair's report



The 2007-2008 year has been another successful one for the Domain Name Commission. This year has seen a high level of domain name growth, two significant policy reviews, and the beginning of work on a completely new area of policy regarding the use of Internationalised Domain Names (IDNs) in the .nz space. In line with the InternetNZ Structural Review, the close of the financial year also marks a change in the structure of the Commission, as it moves from being an operational office of InternetNZ, to a company wholly-owned by them. In the future, as before, the overriding philosophy of providing protection to the registrants of .nz domain names remains our highest priority.

During the year, almost 52,000 new domain names were added to the .nz space and the number of authorised .nz registrars increased from 72 to 74. NZOC, together with the registry company NZRS, conducts an annual review of the wholesale .nz fee, and this year the fee remains unchanged at \$1.50 per month (excl GST).

The Dispute Resolution Service has continued to offer an alternative to the courts in situations where parties feel that a domain name registration is unfair. This process is now well bedded in, and demand for the service is constant. No Expert Determinations have been appealed since the service was put in place in June 2006.

Although the .nz policy framework is complete, NZOC has continued its process of regular policy review. During the year, consultation on the Registering, Managing and Cancelling Domain Names policy was completed. A number of submissions challenged the first-come first-served principle, and others defended it. Overall, there was a lack of solid support for change, and the fundamental principle of the .nz domain name space remains unchanged.

Membership of NZOC for the year altered after the Annual General meeting of InternetNZ in July 2007:

Dr Frank March – Chair until July 2007; thereafter InternetNZ ex officio member

Richard Currey – Deputy Chair until July 2007; thereafter Chair of NZOC

Colin Jackson – InternetNZ President ex officio until July 2007

Roger Hicks

Chris Streatfield – until July 2007

Andy Linton

David Russell

Joy Liddicoat – from July 2007

Helen Algar – from July 2007

Thanks are due to all members of NZOC, who continue to work hard and accomplish much. The scope of skills and experience of the committee are a key component of the achievements and the quality of decisions made. I'd like to take this opportunity to thank the retiring members of NZOC for their dedication to the task during the year and I look forward to working with the Board of Domain Name Commission Ltd in the coming year.

Finally, I wish to thank Debbie Monahan for her superb work as Domain Name Commissioner, and her staff for their work in support of the committee and ensuring that the .nz domain name space operates so effectively.



Richard Currey
Chair, .nz Oversight Committee

08 dnc report



Policy developments and reviews undertaken over the year formed an important part of the work of the Domain Name Commission, with two existing policies comprehensively reviewed, and work begun on a new area of policy development. This included:

- Work on the review of the Registering, Managing and Cancelling Domain Names policy, which had begun in the 2006-2007 financial year, was concluded after a third round of consultation
- A review of the .nz Dispute Resolution Service policy resulting in a change to the procedure for implementing mediated settlements, enabling the enforcement of written settlement agreements
- A working group (WG) being established to consider the implementation of Internationalised Domain Names (IDNs) into the .nz domain name space. The focus is on the five macronised vowels required to correctly spell Māori words in domain names. It does not affect web content, which may already use any script. This policy development project is ongoing.

NZOC appreciated the contribution and participation of all those who took an active part in the reviews. Ongoing reviews of the policies will continue to ensure that all remain relevant to the needs of the .nz community.

The .nz Dispute Resolution Service continues to provide a process to address disputes over who should be the registrant of a domain name, and gives complainants an alternative to court action. After an initial surge of complaints, submissions have now levelled out at around six per month. Response rates for complaints have been slightly lower than anticipated, meaning that fewer disputes have proceeded to a mediator than was expected. Full statistics are provided later in this annual report. During the year, the panel of Experts has expressed concern about the quality of complaints submitted. Changes to the form and the Help fields have been made in an attempt to assist those making submissions.

An application for a new second level domain was approved during the year – .bank.nz. This domain will be moderated by the NZ Bankers' Association, and is intended to create a clearly identifiable Internet presence for registered banking organisations. Although approved, this second level domain is yet to be implemented by the NZ Bankers' Association.

In October, InternetNZ formalised its relationship with ICANN (the Internet Corporation for Assigned Names and Numbers) through the signing of an exchange of letters. As part of that, InternetNZ now officially recognises ICANN's role in coordinating the root services of the Internet, and ICANN officially recognises InternetNZ's role as the ccTLD (country code Top Level Domain) manager for .nz.

Interest in the .nz domain name space continued throughout the period as seen by another year of high growth in .nz domain names and more organisations seeking authorisation as a registrar. There are now 66 registrars connected to the production environment and able to provide services, and a further eight organisations authorised but not yet connected. Applications for authorisation continue to be received, so further growth in the number of registrars is again expected in the coming year.

The DNC Office has been well supported by the NZOC and our thanks go to the Committee for their hard work and guidance. NZOC will be replaced by the Board of Domain Name Commission Ltd in the next financial year. We welcome the new Board and look forward to working with them.

Thanks are also due to the NZRS team who are always so helpful to the DNC Office. A large number of requests have been made of them over the year and their work is very much appreciated.

With the large number of authorised registrars, the role of the Compliance Officer (CO) is an important one for the office. The CO is a key contact point for registrars with questions or concerns and it is pleasing to see some registrars proactively contact the office for advice and information when planning changes.

A big note of appreciation to my small, but very effective and efficient, team for all their hard work – Stuart Anderson, Jayne Boyle, Adam Griffiths and Alison McKenzie.



Debbie Monahan
Domain Name Commissioner

08 the year in review

300,000 Domain Names Reached

The number of registrations reached 300,000 on 26 September, 2007, showing continued strong growth in the .nz domain name space.

Highest Monthly Domain Name Growth for 2007-2008 Year

In November 2007, the number of active .nz domain names increased from 305,446 to 311,198, a net increase of 5,752. Growth during the 2007-2008 year has been strong, with last year's monthly growth record of 5,148 names surpassed in May, July and November.

Policy Review

As part of our commitment to continually review the .nz policies, the Registering, Managing and Cancelling Domain Names (RMC) policy was reviewed during the year. This review was extensive. Early rounds of consultation resulted in submissions which proposed significant changes to the first-come, first-served philosophy which currently underpins the whole of the .nz policy framework, while others strongly upheld the current position. Overall, the submissions indicated a lack of solid support for the introduction of registration restrictions in the .nz space, and the RMC policy remained largely unchanged as a result. The consultation process produced valuable submissions which required careful consideration.

Dispute Resolution Service Policy

The .nz Dispute Resolution Service (DRS) provides parties involved in disputes over the registration of .nz domain names with an alternative to court action, giving them another mechanism to resolve disputes which arise. The independent system, administered by the DNC, uses an online complaint registration system. This system has been updated during the year, in an attempt to improve the quality of complaints and responses submitted to Experts.

For this financial year, 73 complaints were received. 17 of these progressed to an Expert Determination. Further information on the operation of the Dispute Resolution Service is provided on page 10 of this report.

Support for the service was demonstrated when a public consultation to review the policy was undertaken. Minor changes were made to the policy to reflect the submissions received and improve the operation of the process.

New Second Level Domain

An application for a new second level domain, .bank.nz was approved. The .bank 2LD is to be for registered banks, and will be a moderated second level domain. The applicant, the NZ Bankers' Association, is responsible for implementing .bank.nz and we would expect this to be in place over the coming year.

Domain Names by 2LD – Monthly Count to 31 March 2008

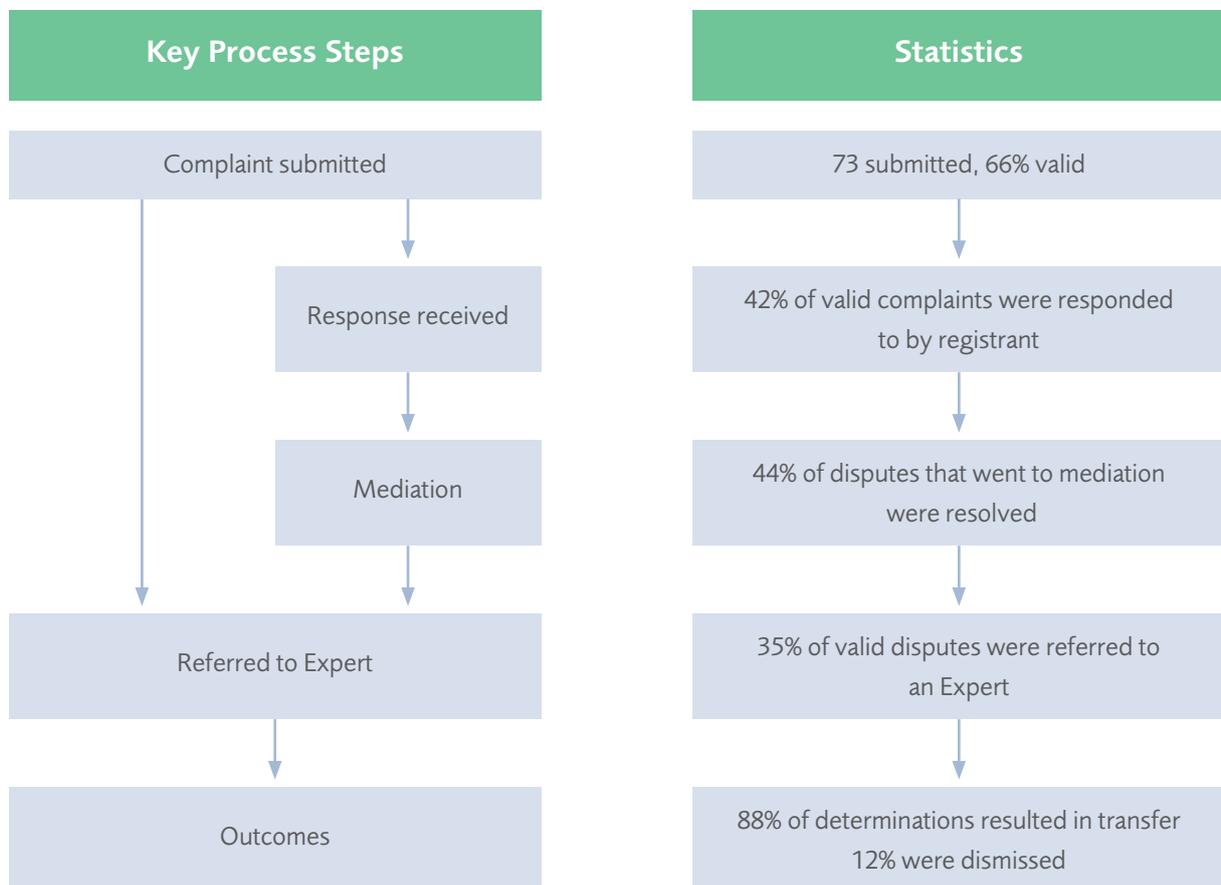
2LD	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08
.ac	1304	1308	1318	1340	1349	1352	1371	1394	1413	1450	1466	1518
.co	236362	241015	245342	249984	254285	257488	261980	267079	269562	272870	276270	278838
.cri	17	17	17	17	16	16	16	16	16	16	16	16
.geek	759	769	769	774	761	773	773	783	793	801	810	827
.gen	1100	1105	1114	1127	1121	1133	1143	1148	1151	1151	1168	1188
.govt	881	891	898	905	909	913	923	928	931	936	939	944
.iwi	59	58	59	59	59	59	60	60	59	60	60	59
.maori	473	475	473	470	486	468	486	493	483	486	493	504
.mil	18	18	18	18	18	18	18	18	18	18	18	18
.net	16554	16930	17216	17517	17813	17994	18243	18551	18715	18900	19217	19313
.org	16115	16409	16675	16952	17245	17519	17767	18051	18218	18393	18652	18765
.parliament	3	3	4	4	4	5	5	5	5	5	5	5
.school	2628	2637	2636	2650	2656	2659	2661	2672	2689	2686	2703	2727
Total	276273	281635	286539	291817	296722	300397	305446	311198	314053	317772	321817	324722

.nz Market Share Statistics

Month	Top 4 Registrars	Next 4 Registrars	Remaining Registrars	# of Remaining Registrars
April 07	49.0%	23.5%	27.5%	54
May 07	48.6%	23.9%	27.5%	54
June 07	48.3%	24.0%	27.7%	55
July 07	46.8%	24.1%	29.1%	55
August 07	45.4%	24.2%	30.4%	58
September 07	45.3%	24.0%	30.7%	58
October 07	45.4%	23.8%	30.8%	58
November 07	45.5%	23.7%	30.8%	59
December 07	45.6%	23.5%	30.9%	59
January 08	45.6%	23.5%	30.9%	59
February 08	45.8%	23.2%	31.0%	59
March 08	45.8%	23.2%	31.0%	59

drs 08

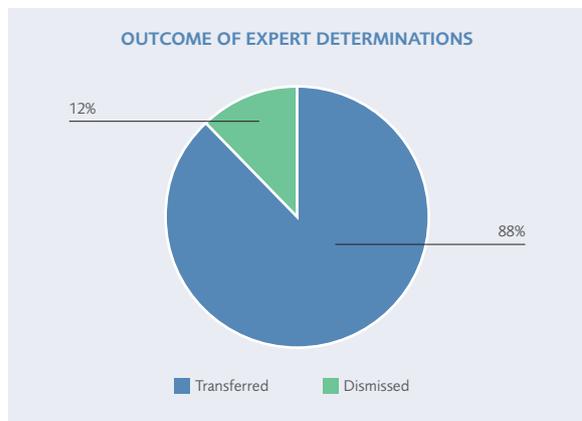
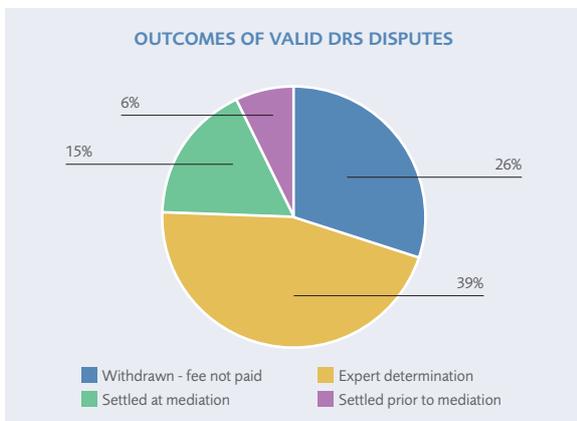
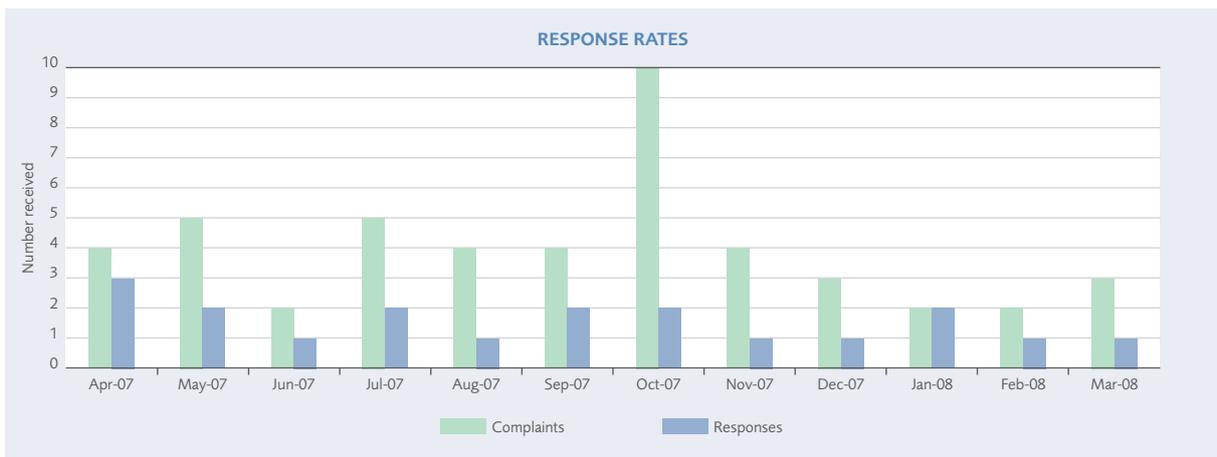
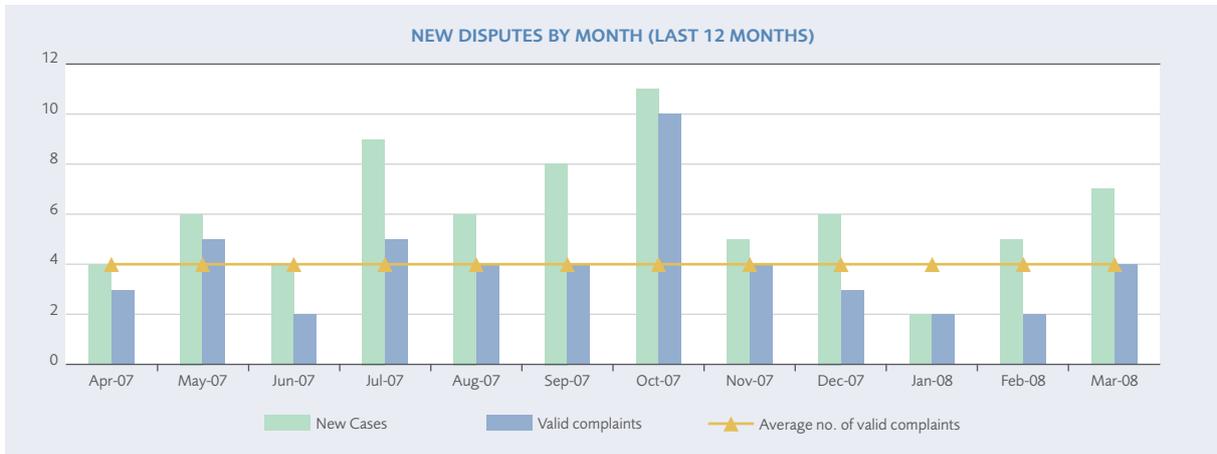
The Dispute Resolution Service (DRS) provides an alternative to the courts in situations where two parties are in dispute over who the registrant of a .nz domain name should be. Administered by the Domain Name Commission, the independent service operates using online forms. Users submit information electronically, 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.



At any one time, around eight cases are progressing through the system.

Mediation, which is forced in all cases where a response is received, has proven to be a valuable step in resolving disputes at no cost to the parties. Expert Determinations are published on our website, and are implemented at the close of the appeal period if no appeal is received. To date, no appeals have been lodged.

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



authorised registrars connected to the srs

As at 31 March 2008, there were 74 organisations authorised by the DNC as .nz registrars:

123 Internet Ltd*	MarkMonitor*
1st Domains	Maxnet
2day.com	Melbourne IT Ltd*
5Star.net	MySRS
AA Guides	NetRegistry
Access Information Ltd	NetSmart
Actrix	Nominate.com
Advanced Computer Solutions	OneSquared
Airnet NZ	OpenHost
Aust Domains	Orcon InternetNZ
Bottle Domains	Pacific Technology Solutions
Catalyst	Planet Domain
ClicknGo!	ProDNS
Directi Internet Solutions Pvt.Ltd. d/b/a PublicDomainRegistry.com*	Register .com
Discount Domains Ltd	Register Direct
DiscountDomains	Register Domains
Domain Agent	Safenames*
Domain Directors	SimpleName
Domainz	Simply Domains
Enetica	Sitename
Enlighten Domains	Snap InternetNZ
Freeparking	SouthNET
GoDomains	State Services Commission
GodZone Internet Services	TelstraClear
Hosting.co.nz	The Packing Shed
Iconz	TPP Internet
lhug	Unity Web Solutions
InSPire Net Limited	Utopia Web Solutions
Intergen	Watchdog
InterNetX	Wave Internet
Interspeed	Web Widgets
IP Mirror	Webaddress
iServe	WebFarm
Just Promotions*	Woosh
Key-Systems	World-Net Ltd
Knossos	Worldxchange Communications*
Kudos	Xtra

*Denotes registrars who were authorised but had not connected to the SRS as at 31 March 2008.

08 registrars



Authorised Registrars Connected to the SRS

As at 31 March 2008, 74 organisations had been authorised by the DNC as .nz registrars.

Of those 74 organisations, eight 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.

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

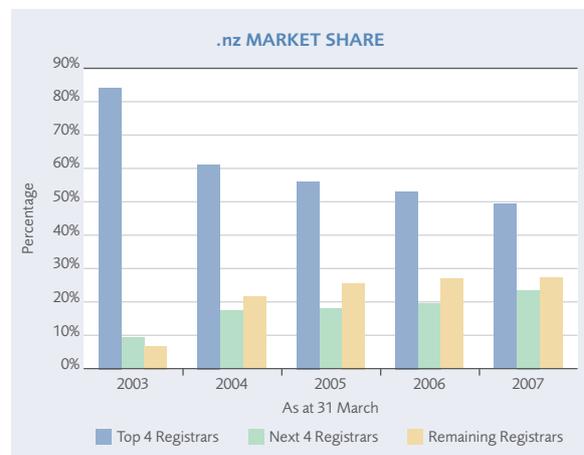
Registrar Advisory Group

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/NZOC and NZRS. The current RAG group was elected in January 2007, following a call for nominations, and now comprises Lucretia Gilkison (2day.com), Brett Wright (Freeparking), Glen Eustace (GodZone Internet Services), Tim John (Domainz), Steven Gore (Orcon) and Lee Miller (RegisterDirect/1st Domains).

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 4 registrars, the next four registrars, and the remaining registrars connected to the Shared Registry System (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. The graph below illustrates these changes.



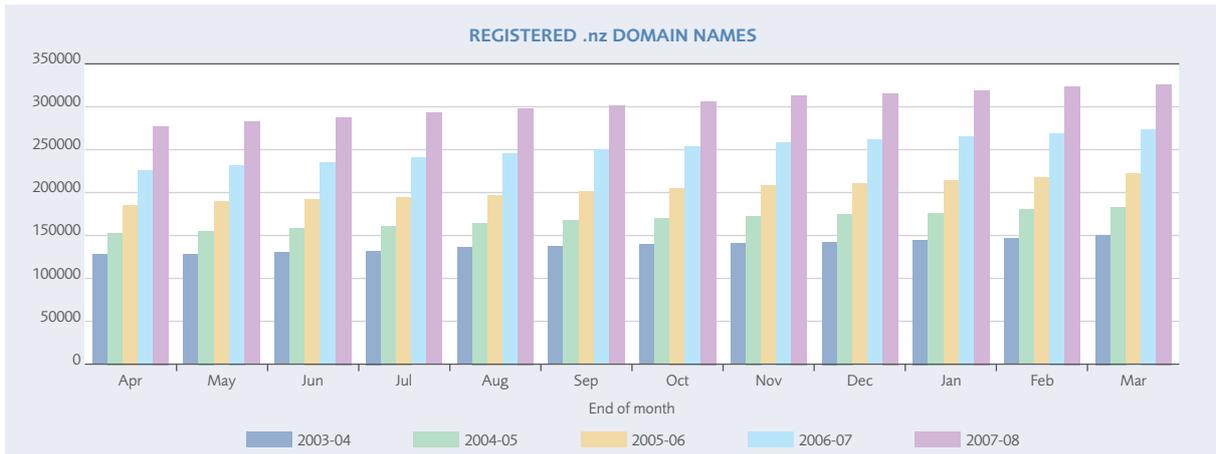
The following graph provides more detail on the change over the course of the past year.



These statistics demonstrate that the .nz domain name space is a competitive market.

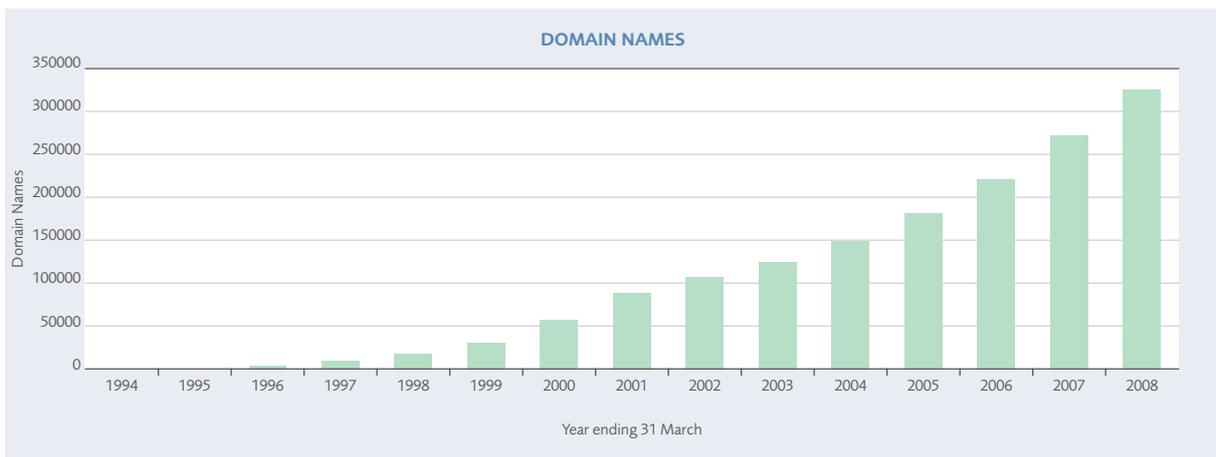
08 registration statistics

Registered .nz Domain Names



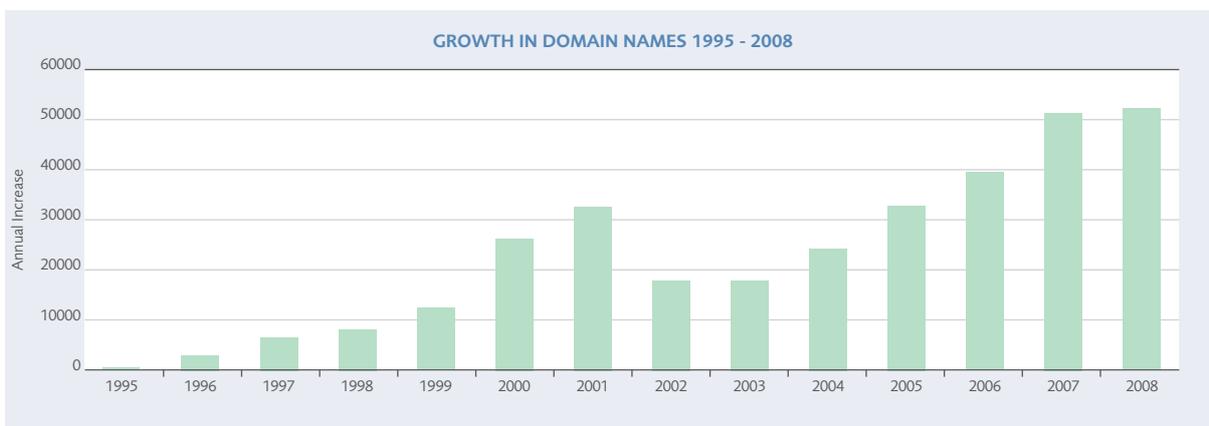
The total number of domain names has increased from 272,752 (at 31 March 2007) to 324,722 (at 31 March 2008) – a total growth of 51,970, or 19%. This year's growth is weaker than the average of 20.3% per annum since 2002.

Domain Names 1994 – 2008



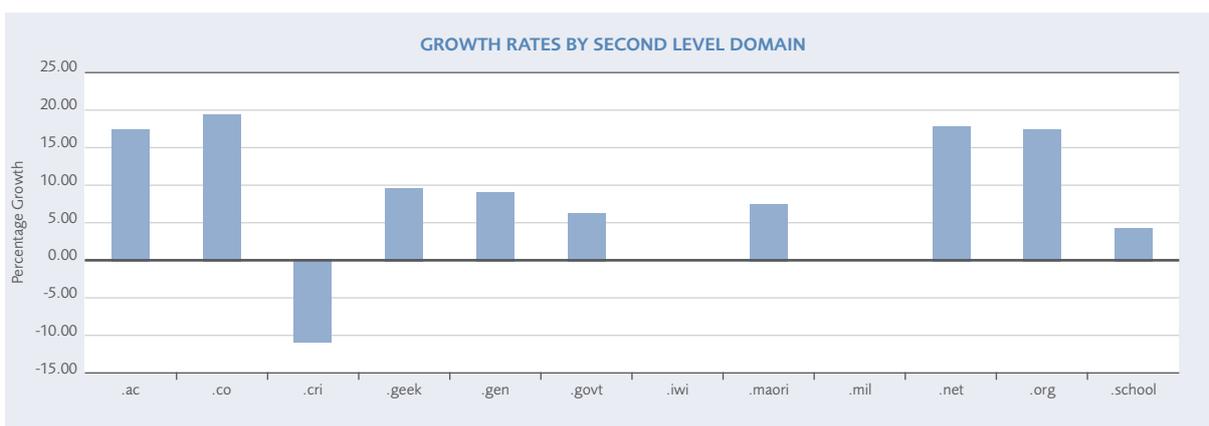
Growth in Domain Names: 1995 – 2008

The rate of growth has slowed over the most recent year. 51,970 domain names were added this year, compared with the 51,319 added last year; it continued the trend of year-on-year growth increasing, but the step up from the previous year was smaller.



Growth Rate for 2LDs in .nz Domain Name Space 2007-2008

Interestingly, the rate of growth for .net.nz, .ac.nz and .org.nz domain names is similar to the rate for .co.nz names.



08 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 current version of the SLA was signed in May 2006.

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.

Over the last year:

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



SRS Response Times – April 2007 – March 2008

Average Response Time (in Seconds)	SLA 2006	Apr 2007	May 2007	Jun 2007	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008
Domain Details Query	<1.50	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.03	0.03	0.02	0.03	0.03
Domain Update	<0.80	0.40	0.46	0.42	0.49	0.44	0.41	0.38	0.36	0.38	0.34	0.22	0.40
Domain Create	<0.80	0.50	0.52	0.50	0.54	0.48	0.47	0.45	0.41	0.44	0.43	0.44	0.46
Get Message Performance	<0.80	0.03	0.03	0.02	0.03	0.04	0.03	0.02	0.04	0.04	0.03	0.03	0.03
Whois	<0.80	0.09	0.11	0.10	0.12	0.13	0.11	0.10	0.10	0.11	0.10	0.11	0.11
Whois Queries at Back End incl Registrar Volume 000's	N/A	1848	1740	1800	2300	2719	2934	3300	2736	2588	2734	3128	3200
Whois Server Queries 000's	N/A	233	235	239	256	255	248	270	266	356	342	534	386
UDAI Valid Query	<0.80	0.14	0.15	0.13	0.14	0.15	0.15	0.14	0.14	0.14	0.13	0.13	0.14

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.

08 terminology

- DNC:** Domain Name Commission, an operational office of InternetNZ responsible for the day-to-day oversight of the .nz domain name registration and management system.
- DRS:** Dispute Resolution Service. The .nz Dispute Resolution Service provides an alternative to court action, giving parties another mechanism to resolve disputes which arise.
- InternetNZ:** The organisation authorised to manage the .nz domain name space. InternetNZ established the Domain Name Commission to oversee the management of the .nz domain name space.
- NZOC:** .nz Oversight Committee, the sub-committee of InternetNZ with the delegated authority to provide effective stewardship of the .nz domain name space.
- NZRS:** New Zealand Domain Name Registry Limited, trading as .nz Registry Services, the organisation responsible for operating the .nz register. 100% owned by InternetNZ.
- RAG:** Registrar Advisory Group, set up to represent the collective interests of the registrar community.
- 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. They have no official status in the .nz domain name space.
- SLA:** Service Level Agreement, an agreement between InternetNZ and NZRS (the registry) which 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 which 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.