

**.au Domain Administration (auDA)**

# **Membership Options Review Workshop**

**Conversation Tracker**

05 July 2018

## Purpose of this document

The purpose of this document is to capture a synthesised summary of the conversations and activities that took place during the auDA Membership Options Review co-design workshop held on 2 July 2018.

This workshop was held to collaboratively explore new membership options for auDA. Participation was open through either attendance at LaTrobe University's City Campus or online via webinar. Live polling was conducted to include webinar attendees in the discourse and allow for remote interaction.

Please note that this document does not capture the conversation verbatim, rather it presents a snapshot of key discussion points and activities.

## About the project

The federal government, through the Department of the Communication and the Arts, decided in 2017 to review the .au Domain Administration. A key finding from this review was defined as: "the current management framework of auDA is no longer fit-for-purpose. In particular, the current membership model, and its relationship to corporate governance, is impeding auDA's decision making and is contributing to ongoing organisational instability... The current process where the majority of directors are appointed from the membership does not support effective governance outcomes."

The Consultation Model Working Group has been assigned the job of defining and overseeing the process of consultation with the auDA membership – and the Australian community – on the reforms required for auDA to meet the Commonwealth Government's expectations.

Although the CMWG's mission is broad over the long-term, the group's immediate intent is to drive advancement of the discussion on how auDA's membership model can be reformed to satisfy the requirements of the Commonwealth Government.

## Contents

Agenda	3
Attendees	4
Project background	5
Timeline to date	9
The 3 draft model options	10
Opening discussion and current state review	16
Membership model draft options review	20
Future membership model preferences	23
Closing remarks	24

# Agenda

## Welcome and introductions (15 mins)

Who is here today?

## Background (15 mins)

Why are we here?

## Membership current state (30mins)

- i. What is it that people value about auDA membership? Why?
- ii. What would we like to emphasise in any new membership structure? Why?
- iii. What would we like to see included in any new membership structure? Why?

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## Break (15 mins)

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## Membership future state draft options review (45 mins)

For each draft model option:

- i. What works well?
- ii. What is missing?

## Membership future state design preferences (30 mins)

- i. Out of the options explored what should the future membership model include?
- ii. Out of the options explored what should the future membership model not include?

## Closing

**Q: “How do we know if we’ve met our objective when we leave here today?”**

*A: “Our objective here today is to get everyone together so that we can talk through what is most valued for auDA and determine what out of the three models reflect this as well as what an aggregated model might contain. A successful outcome will be everyone participating in discussing what is most valued and establishing what components should be followed up.”*



## LaTrobe University City Campus

- **Sally Rodgers**  
Small Business Community / .au User / CMWG
- **PR Khangure**  
CMWG
- **Anil Lambert**  
Observer / Consultant to CMWG
- **Simon Wilson**  
auDA Demand member
- **Laurie Patton**  
The Lucky General Biz
- **James Deck**  
auDA Director / 1300 Web Pro (digital agency)
- **Derek Whitehead**  
Independent
- **Phil Leahy**  
Retail Global
- **Peter Tonoli**  
CMWG / Internet AU / Electronic Frontiers Australia
- **Marty Drill**  
CMWG
- **Tim Connell**  
auDA Demand Class Director / Web Designer
- **Josh Rowe**  
.au Registrant since 1994
- **Keith Besgrove**  
Internet Australia / CMWG
- **Steve de Mamiel**  
Hostopia Australia / CMWG
- **Peter Chemy**  
SysEng (Film Industry)

# Attendees



## Webinar

- Desiree Lyall  
CMWG / auDA member
- Sean Fogarty  
CMWG
- Dr Madeleine Roberts  
CMWG (not an auDA member)
- David Priest  
auDA Demand member
- David Keegel  
Individual auDA demand member
- Paul King  
ISolve Pty Ltd Web Design and Development /  
not a member
- Sean Fogarty  
auDA member / CMWG participant
- Peter O'Leary  
AMBA Communications Pty Ltd / auDA member
- Ian Halson  
CMWG / auDA member
- Robert Kaay  
domainer.com.au
- Kevin Clark  
iinet
- Genevieve Mati  
auDA
- Will Bond  
auDA
- Chris Leptos  
unknown
- Anthony Peake  
Trellian
- Nigel Phair  
University of Canberra
- Anne Hurley  
James and Co
- Finn Macvitie  
Proton Mail
- Ben Carroll  
unknown
- Scott Ludbrook  
unknown
- Judy Pridmore  
unknown
- Nikki Scholes  
unknown
- Erhan Karabardak  
Cooper Mills
- Peter Tonoli  
Metaverse
- Simon Wilson  
unknown
- Tim Connell  
White Collar Websites

# Project background

## The following is a modified transcript of the background information delivered to the workshop by CMWG member PRK.

The Consultation Model Working Group is a group of some 16 auDA members and community stakeholders. It contains representatives from both city and rural areas. The group includes auDA Demand and Supply Members, as well as non-members including small business owners and other industry experts.

The Consultation Model Working Group was brought together in May as an initiative of the auDA Board as part of its response to the Australian Government's Review of the .au Domain Administration. That review was released on 18 April, and is the impetus for this Membership Options Review workshop.

The Consultation Model Working Group has been assigned the job of defining and overseeing the process of consultation with the auDA membership – and the Australian community – on the reforms required for auDA to meet the Commonwealth Government's expectations.

Although the CMWG's mission is broad over the long-term, the group's immediate intent is to drive advancement of the discussion on how auDA's membership model can be reformed to satisfy the requirements of the Commonwealth Government.

Following an initial meeting on May 16, the CMWG has met (weekly) a further five times. The group remains in daily communication online to progress its actions.

Some of us on the CMWG have a long association with auDA. Some of us a very new – like me. But we are all aware that auDA has a rich and sometime tempestuous history. We know it operates in a complex and sometimes contentious environment – and that its members and

their interests are diverse – which is why we are mindful today of keeping this meeting very much focussed on the primary task at hand: responding to the federal government's key recommendation.

So let's get to that. When you boil it down we're here for a simple reason: to decide auDA's future.

That sounds dramatic, I know, but it's true. The federal government's review in April, which I know many of you will have read, is very detailed. One thing it is definitely not, however, is mucking about!

The federal government, through the Department of the Communication and the Arts, decided last year to review the .au Domain Administration. The government last reviewed the framework 17 years ago and since that time, it noted, the landscape had changed significantly. So after months of submissions, interviews, and investigation, the government brought down its review in April.

It defined its key finding as this:

“the current management framework of auDA is no longer fit-for-purpose. In particular, the current membership model, and its relationship to corporate governance, is impeding auDA's decision making and is contributing to ongoing organisational instability... The current process where the majority of directors are appointed from the membership does not support effective governance outcomes.”

# Project background

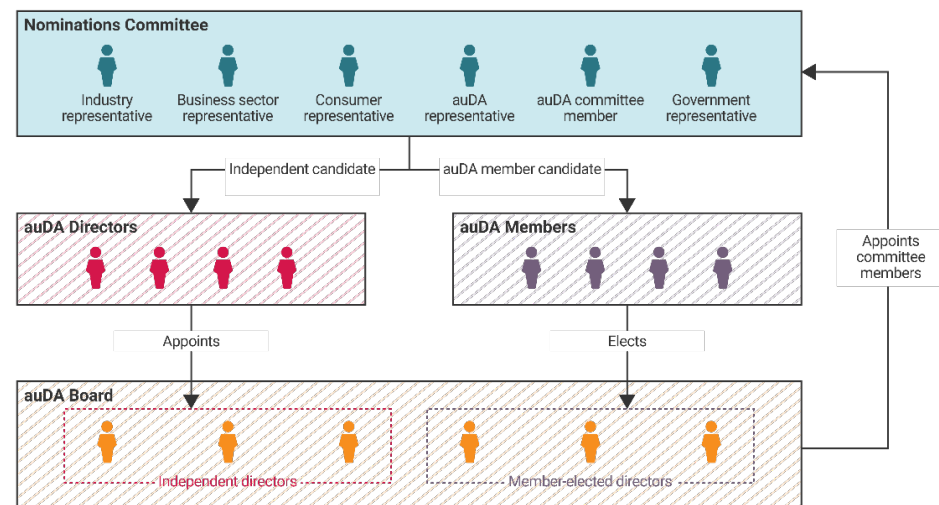
The report contains 29 recommendations in all. But the one that is defined as key – and the one the Consultation Model Working Group has therefore decided to focus on as a matter of urgency – is the membership model. Indeed, the review has made it clear that if the membership model did not change in line with the review's recommendation, auDA will be wound up.

Here's the key quote:

“The review recommends that auDA be given the opportunity to conduct the necessary reforms. However, the Government is committed to implementation of timely reform and will take action to ensure that Australia's domain name is administered effectively and in the interest of all Australians. This includes transitioning the delegation for management of .au to another provider if auDA is unable to achieve necessary outcomes.”

So either the auDA membership reforms itself, or the government will seek a new administrator for the .au namespace. The report wants auDA membership to be broad and diverse. It also wants its relationship with auDA's board to change. The review has made it clear that a Nomination Committee should be put in charge of board appointments.

The Nomination Committee would establish a skills matrix and also undertake probity and disclosure assessments to identify and shortlist suitable candidates for auDA's Board. Independent candidates would then be appointed by the Board and member candidates by auDA members.



*Proposed Nominations Committee*

To quote from the review:

“The classes of auDA Directors are outdated and open to potential misuse. Directors selected for their industry background, expertise and experience are likely to provide greater board cohesion and support effective governance practices. Therefore, the Review considers that auDA's Board should be comprised of a majority of Independent Directors. This will require a change to the auDA Constitution regarding director selection and representation (see Recommendation 7).”



# Project background

Recommendation 10 we have seen, but let's take a look at Recommendation 7 which is also relevant to discussions today.

Recommendation 7:

That auDA reform its governance arrangements to ensure:

- a. that the nomination of all Board positions is undertaken by a Nomination Committee comprised of representatives from industry, the business sector, consumers, an auDA member representative, and the Commonwealth, represented by the Department
  - i. in establishing the Nomination Committee, the auDA Board will undertake a consultative merit-based process to identify members, with a Department representative as a panellist, and the Department to select the committee members from this process
  - ii. the Nomination Committee will undertake probity and disclosure assessments and develop a skills matrix to ensure new directors have an appropriate mix of technical and corporate skills and industry experience
  - iii. the Nomination Committee will shortlist: member candidates to stand for election by members; and independent candidates to stand for election by the Board
  - iv. however, the first Board, following the reform of auDA's governance arrangements will be selected according to the skills mix identified by the Nomination Committee with shortlisted nominees agreed with the Department

- b. length of terms directors can serve is capped at three years with directors appointed for no more than two consecutive terms
- c. the Board is structured so that the majority of the Board is independent of auDA's membership
- d. that within 12 months the Board is reconstituted to ensure all appointments meet this criteria.

So it's a crisis for auDA, no doubt. But like all crises it also presents opportunity. The Consultation Model Working Group is well aware that many auDA members have been seeking reform of the organisation for some time – well, it's coming now one way or another.

auDA members have been presented with a unique chance to determine how a modern auDA should be structured and run from this point forward. To change auDA's membership model, as the view notes, would require a change to auDA's constitution.

Under auDA's constitution, a proposed change to the membership model requires 75 per cent of voting members in each member class to endorse it. The opportunity for such a vote is auDA's 2018 AGM, to be held later in the year.



# Project background

The Consultation Model Working Group has convened this forum to solicit members' input towards forming an alternate membership model that would best satisfy both the federal government – and 75 per cent of auDA's members.

We're not expecting a perfect membership model out of this forum (it would be nice though!). This would be considered a successful forum if there was a broad outline of a preferred membership model and any concerns and constraints around it, that the working group would then develop further.

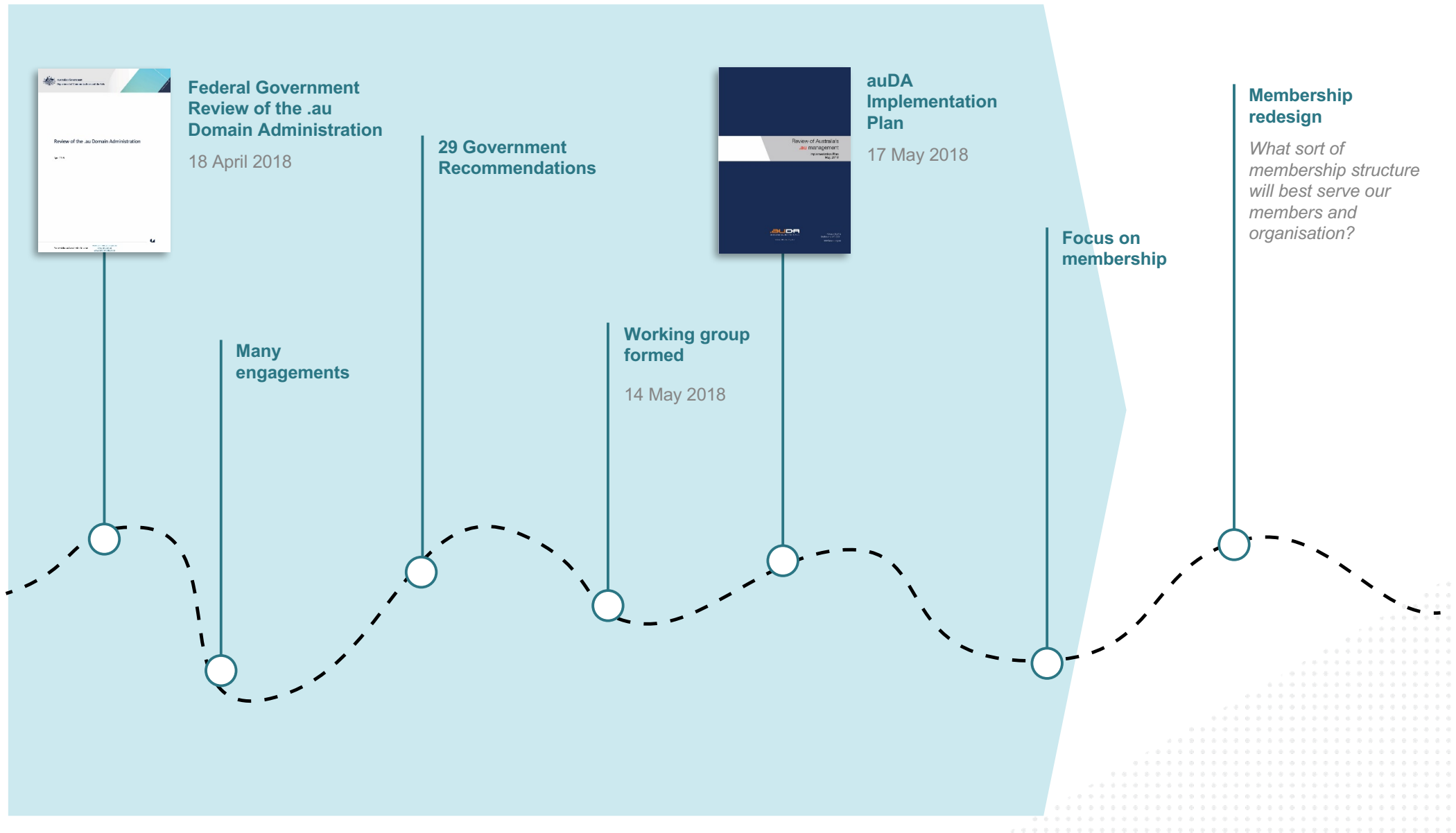
The Group has spent many hours researching and discussing this. The types of models that we can consider are limited by Recommendation 10 of the government's review, namely:

"That auDA reforms its existing membership model by creating a single member class or a functional constituency model and that membership reform is non-discriminatory and supported with transparent membership guidelines."

Guided by this, the Consultation Model Working Group has come up with three models to discuss today. As a reminder: these options are not hard and set alternatives from which the auDA membership must choose. The options outlined on pages 10 – 15 are designed purely to show the kind of models that are potentially workable and that are likely to satisfy the federal government's requirements.

– PRK

# Why are we here today?



# The 3 draft model options

## A

### Draft option A

## Functional Constituency (version 1)

A functional constituency is a potential membership model recommended in the government's report (see recommendation 10).

A Functional Constituency is a professional or special interest group involved in the membership of an organisation. In a potential auDA Functional Constituency Model, the membership base could be representative bodies from the digital and technology sectors, businesses from the digital and technology sectors, or a combination of both.

Under this model, these organisations would become the members of auDA, and potentially their members could become associate or non-voting members of auDA. This would provide auDA with a wide and diverse base in which to seek industry and consumer feedback and participation in relevant panel and forums.

The definition could be sufficiently broad to allow a mixture of large and small enterprises. However a complication could be that if voting rights were equal to one-vote-per-organisation, this may dissuade medium to large organisations from becoming members. An alternative would be a system of institutional weighting.

Consideration should therefore be given to the value and appeal of such businesses joining auDA and the level of membership services auDA would have to provide to attract, manage and retain such a membership base.

Organisations might include the likes of Internet Australia, Communications Alliance, Australian Computer Society (ACS), Australian Information Industry Association (AIIA), Australian Communications Consumer Action Network (ACCAN), Telecommunications Association (TELSOC), Australian Web Industry Association (AWIA), AARNET, APNIC, and CAUDIT.

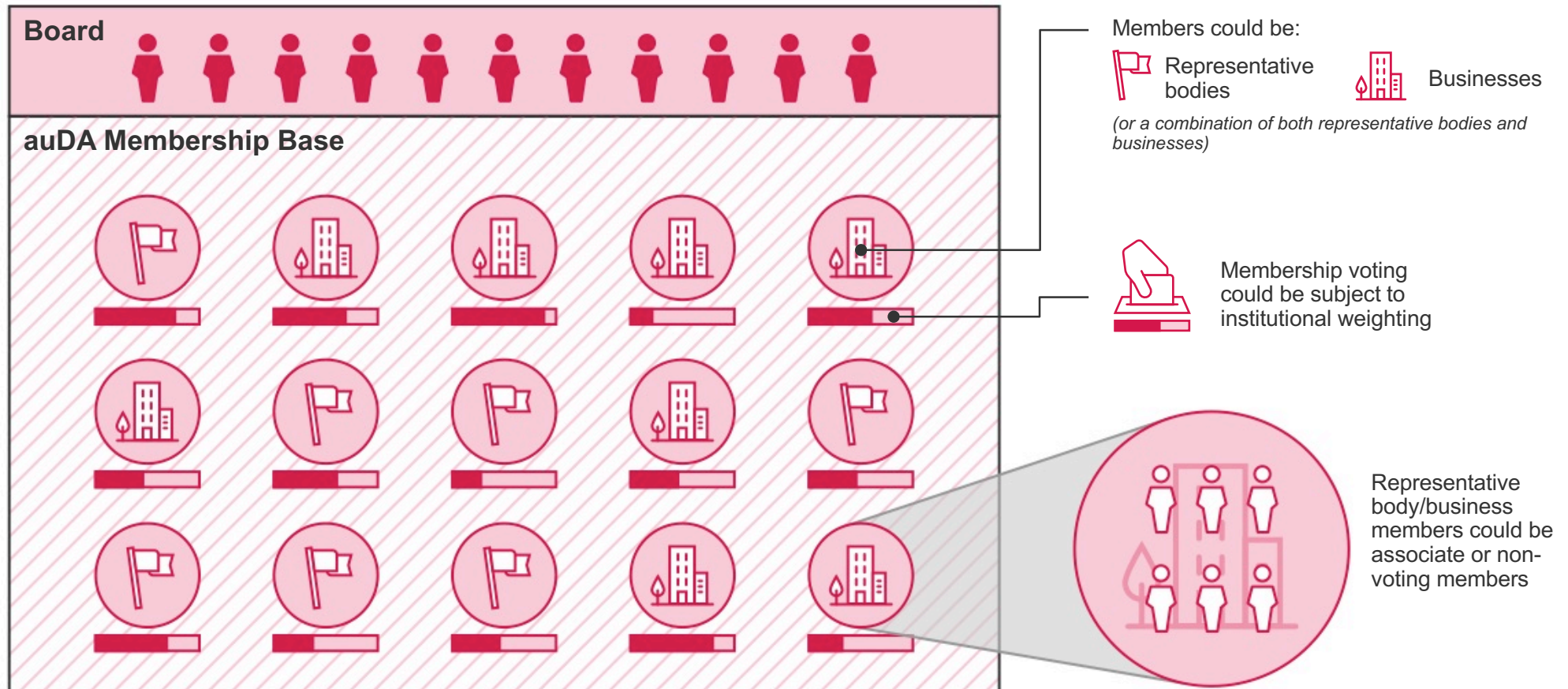
# The 3 draft model options

**A**

## Draft option A

### Functional Constituency (version 1)

A functional constituency is a potential membership model recommended in the government's report (see recommendation 10).



# The 3 draft model options

## B

### Draft option B

## Functional Constituency (version 2)

A functional constituency is a potential membership model recommended in the government's report (see recommendation 10).

A Functional Constituency is a professional or special interest group involved in the membership of an organisation. In a potential auDA Functional Constituency Model, the membership base could be representative bodies from the digital and technology sectors, businesses from the digital and technology sectors, or a combination of both.

Another potential functional constituency model would be one in which auDA members – either individuals, corporates, or institutions (legal persons) – could join new sub-groups within the auDA membership representative of industry functions.

For example there could be a Commercial Stakeholder Group, a Registrar Stakeholder Group, a Government Advisory Group, a Non-Commercial Stakeholder Group, and Internet Users. Each group could have one representative of the board, who would then have to be outnumbered by independent directors (minimum six) to align with the government's recommendation for a majority independent board.

Organisations might include the likes of Internet Australia, Communications Alliance, Australian Computer Society (ACS), Australian Information Industry Association (AIIA), Australian Communications Consumer Action Network (ACCAN), Telecommunications Association (TELSOC), Australian Web Industry Association (AWIA), AARNET, APNIC, and CAUDIT.

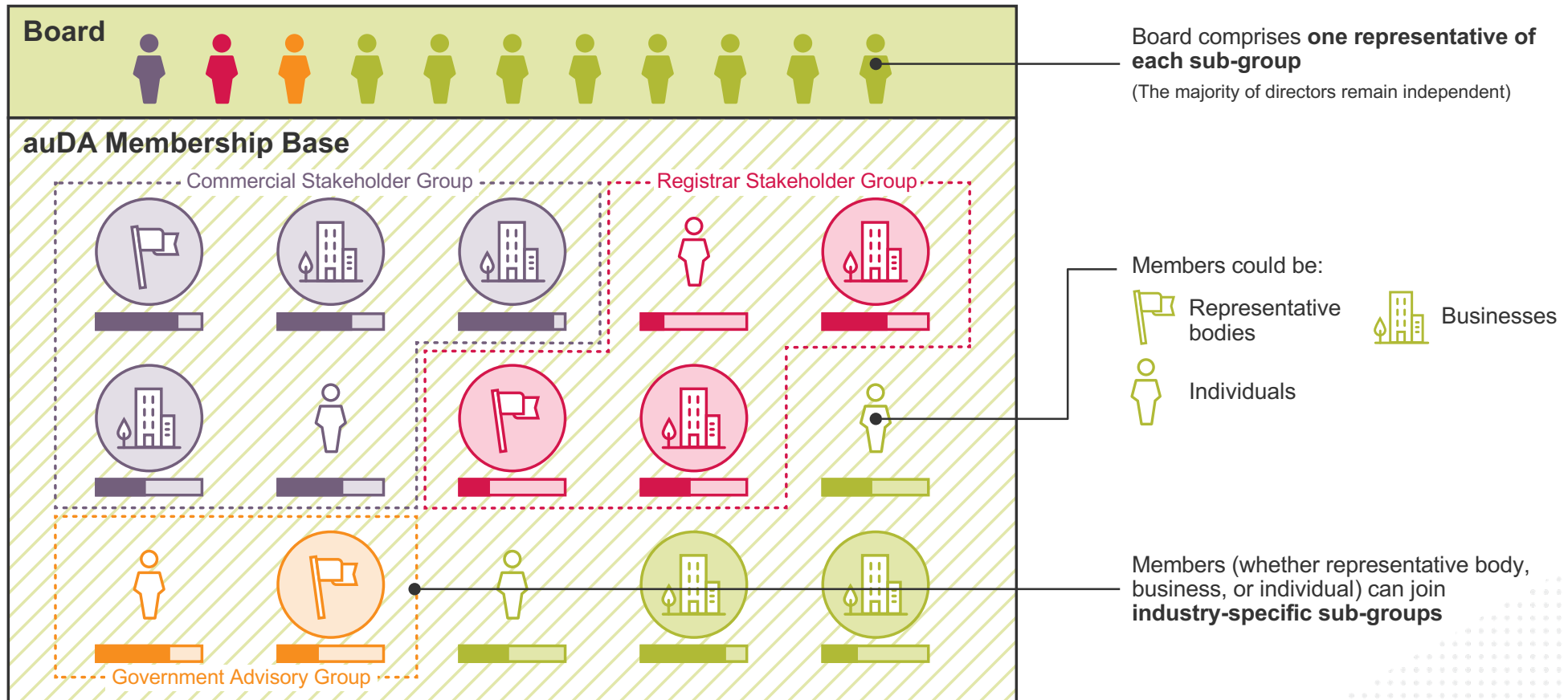
# The 3 draft model options

B

## Draft option B

### Functional Constituency (version 2)

A functional constituency is a potential membership model recommended in the government's report (see recommendation 10).



# The 3 draft model options

## C

### Draft option C

## Single Member Class

Members could apply to join through direct application to auDA.

A single member class model would allow any individual, corporate, or institution (legal person) to become an auDA member with equal weighting.

Alternatively, the Canadian Internet Registration Authority (CIRA) model could be adopted, in which all unique registrants are offered membership. In Canada, this has led to close to 15,000 members, with some 10 per cent involved in governance activities, including director elections. There are no membership fees under this model.

A complication with a single member class system is that it might overlap significantly with organisations like Internet Australia, whose membership model is identical.



# The 3 draft model options

C

Draft option C

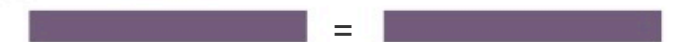
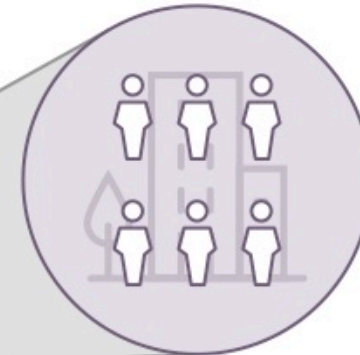
## Single Member Class

Members could apply to join through direct application to auDA.

Board

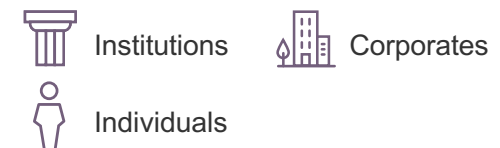


auDA Membership Base



**Equal weighting** is given to all members, whether they be an individual, corporate, or institution (legal person)

Membership is open to:



# Opening discussion and current state review

Following PRK's introduction there was discussion in the room around auDA's sincerity with regard to internalising workshop insights. There were concerns that output from the workshop might not be considered faithfully by the CMWG, due to an apparent lack of transparency in the working group's processes to date. This lack of confidence was addressed by the CMWG members present, who assured the room that the all contributions will be seriously considered and the current scarcity of communication was due to ongoing deliberations. Those present both in the room and online were advised that a full description of the eventual consultation model will indeed be published once a conclusion had been reached.

Further, it was highlighted that while the chair of the committee is the CEO of auDA, discussions at today's workshop are intentionally independent of any auDA board influence – in fact a request was made that no board members be present for today's proceedings. Any concerns regarding the operations of the board should be addressed to that party as they were not the domain of those present here today. Furthermore anyone with concerns regarding the internal operations of the CMWG were encouraged to join the group.

Many of the webinar participants raised concerns there were plans to wrap up the CMWG shortly; this misconception was also addressed by CMWG members present who expressed surprise at the idea and affirmed that the group will continue to meet for a significant amount of time as a matter of priority.

It was acknowledged that auDA has a rich and at times tempestuous history, operating in a complex environment intersecting many diverse member interests. Particularly in the current post-government recommendation environment there are many matters to be considered so the concerns raised are indeed valid. However the focus for today's workshop is resolving the membership model, and following this assertion conversation again returned to the stated agenda.

The first activity sought to develop a clearer picture of the current state and consequent member experience, with participants asked to respond to three questions:



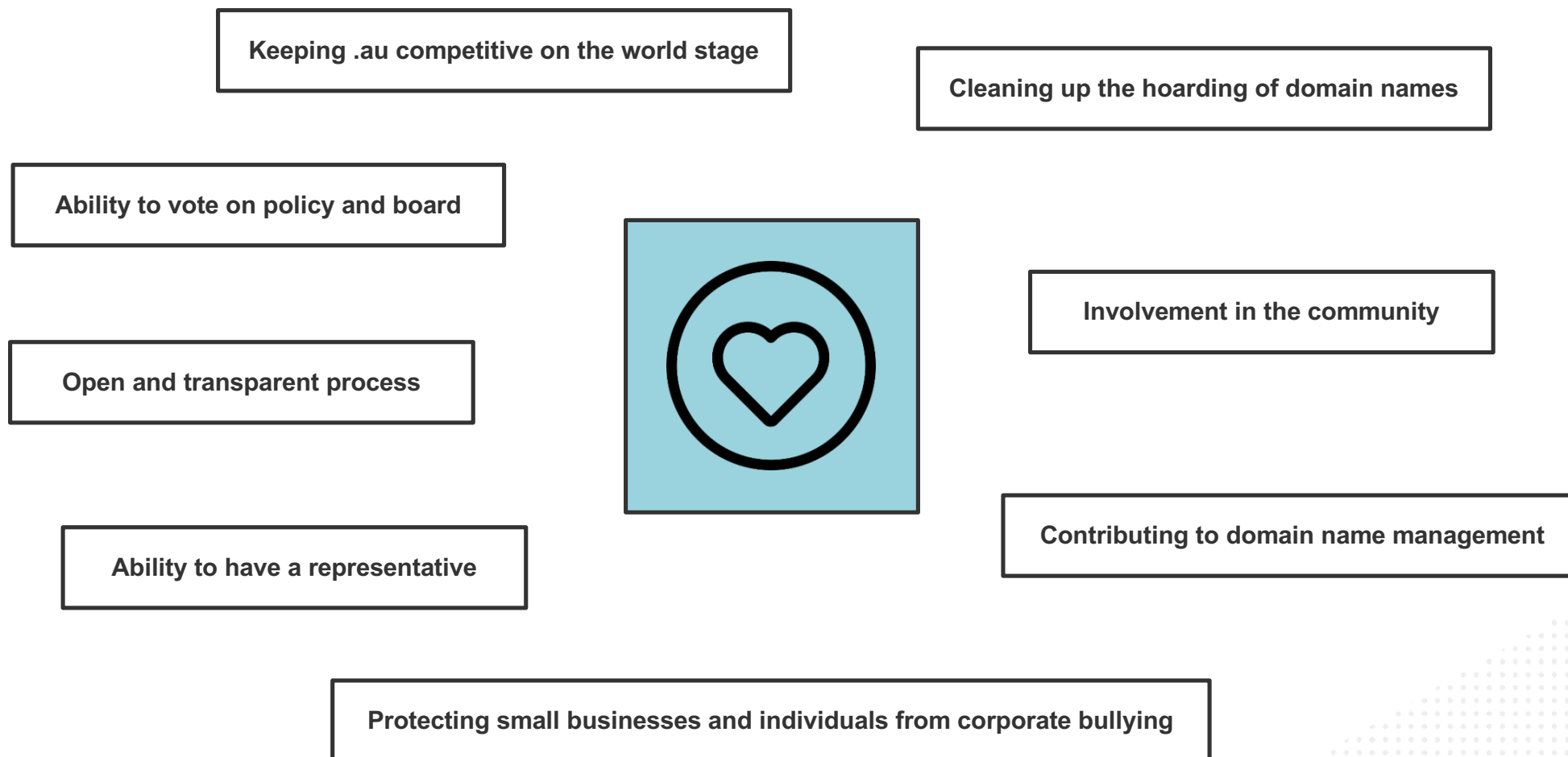
**What is it that people value about auDA membership? Why?**

**What would we like to emphasise in a new membership structure? Why?**

**What would we like to include in a new membership structure? Why?**

# What is it that people value about auDA membership? Why?

*This page represents a synthesis of responses from both online and in-room participants. For the full raw content please refer to appendices.*



# What would we like to emphasise in a new membership structure?

*This page represents a synthesis of responses from both online and in-room participants. For the full raw content please refer to appendices.*

Membership open to Australians not foreign agents

Ability to vote for board members

Single membership class

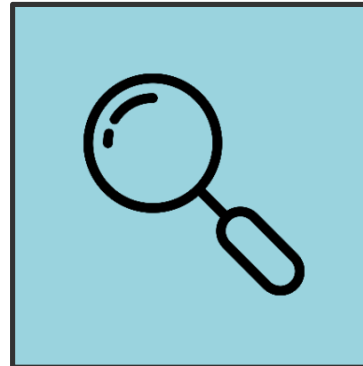
Consumers and businesses first

Broad industry representation

Improve transparency

Inclusiveness ('real diversity not P.C. diversity')

Equal weighting to all members



# What would we like to include in a new membership structure?

*This page represents a synthesis of responses from both online and in-room participants. For the full raw content please refer to appendices.*

Opt-in membership with any domain registration

Members can contribute

Meet government requirements

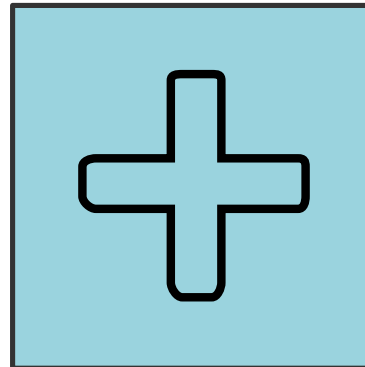
Low or no fees for membership

Equality of members

Greater diversity included in interests

Focus on end users/consumers

Require demand/supply members to own an active domain



# Membership draft options review

*This page represents a synthesis of responses from both online and in-room participants. For the full raw content please refer to appendices.*

**A**

## Draft option A

### Functional Constituency (version 1)



#### What works well

- Committed, informed, professional
- Meets government requirements
- Broadly representative of intended users
- Potential for wider membership base
- Avoids vested interests of individuals



#### What is missing

- Prone to stacking
- Lacks government involvement
- Equal votes doesn't reflect numbers
- Needs full community input
- Ability to identify how organisations are chosen
- How these organisations make decisions
- Representation for small businesses and individuals
- No voice for some SMEs
- Susceptible to representative body corruption
- Groups outside tech sector
- Lacks equal incentive to join
- Lacks transparency



# Membership draft options review

*This page represents a synthesis of responses from both online and in-room participants. For the full raw content please refer to appendices.*

**B**

## Draft option B

### Functional Constituency (version 2)



#### What works well

- Broader group representation
- Broadly inclusive of bodies, businesses, and individuals
- Meets government requirements
- Identifies different constituencies involved
- Board represents interests of all sub-groups
- Professional and committed
- Aligns with current membership model
- Everyone has an equal vote
- Sub-groups can be catered for

**B**



#### What is missing

- Board structure is cumbersome
- Too much registrar
- Lacks simplicity
- Sub-group definition and weighting
- Membership equality
- Needs more representation from businesses
- General community social expectation
- Certain sub-groups may gain too much influence
- May entrench interests
- Over 3.1 million domain name holders still don't have their say



# Membership draft options review

*This page represents a synthesis of responses from both online and in-room participants. For the full raw content please refer to appendices.*

**C**

Draft option C

## Single Member Class



### What works well

- Simplicity
- Less open to stacking (or nepotism)
- Ability to become a member is simple
- Inclusive – opportunity for larger membership base
- Equal weighting
- Fairer representation of people who want to be members
- Low barriers to entry
- Broad representation
- Meets government requirements



### What is missing

- Industry representation is minimal
- Not clear how directors are elected
- Potential for “popularity contest” syndrome
- Part of registration fee could ensure legal costs are covered
- Serious consideration of how membership is weighted
- Requirement to be a domain name holder
- Ability for stakeholders to be represented

# Future membership model preferences

*This page represents a synthesis of responses from both online and in-room participants. For the full raw content please refer to appendices.*

For the final activity participants discussed what the future membership model should include, as well as what should not be included.

## What should be included

- ✓ Broader membership, less vested interests
- ✓ Single member class
- ✓ Non-registrant option
- ✓ Simplicity
- ✓ Membership committees or alternative member contribution options
- ✓ Some interest in Australia
- ✓ Ongoing advisory committee with specific portfolios to meet industry needs
- ✓ Membership fees ensure legalities are met
- ✓ Ensure protection of .au as an Australian asset by defining Australian entity

## What should not be included

- × Must own an Australian domain (not simply work for Australian company)
- × No foreign influences
- × Overlap with existing organisations
- × Leaving anyone out or making them feel they don't have a voice
- × Any option that allows representatives to filter members' direct voices
- × Stacking or risk to Australian Critical Infrastructure (CIRA is a great model)
- × Anything that replicates the current model
- × Non-Australian voting membership

# Closing remarks

**“Thank you to all the people online who stayed with us through the entire duration of the workshop. I have sat in on meetings by teleconference before and I don’t know that I would have made it through the full three hours, so let me say thanks and well done. I admire your perseverance.”**

**– Keith, CMWG**

## Next steps

**1**

Circulating raw material and conversation tracker document among workshop participants and extended stakeholders

**2**

Provide online access to recording of today’s workshop/webinar

**3**

CMWG meeting on Friday 6 July to discuss workshop outcomes and take insights forward

