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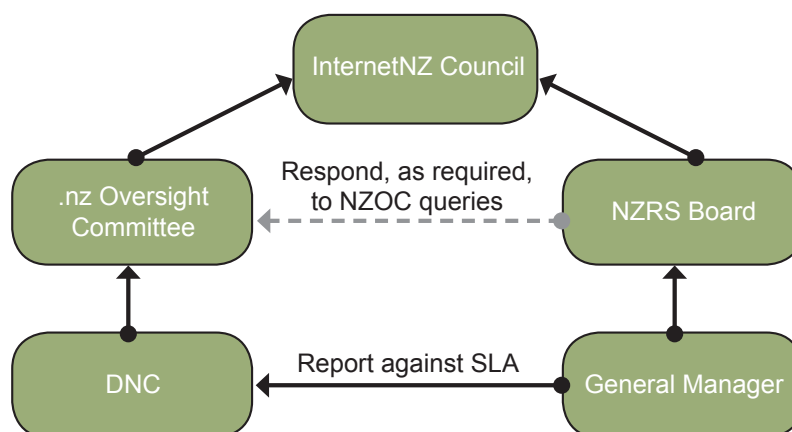
.nz domain name space – an overview

InternetNZ, the Internet Society of New Zealand Incorporated, is responsible for managing the .nz domain name space. In order to effectively discharge its obligations, InternetNZ has set up a structure that allows a focused approach to its .nz operations by delegating all .nz related work to those positions, leaving the InternetNZ Council to maintain a governance overview.

To ensure the .nz domain name space is effectively managed, InternetNZ has:

- Created a committee with a specific focus on the .nz domain name space, and issues surrounding that – the .nz Oversight Committee (NZOC)
- Delegated responsibility for the .nz domain name space to the NZOC
- Established an operational office of InternetNZ to manage the day-to-day oversight of the .nz domain name registration and management system– the Office of the Domain Name Commissioner
- Set up a reporting structure that has the Domain Name Commissioner (DNC) reporting directly to the Chair of the NZOC. This ensures that the DNC operates independently of the general activities of InternetNZ
- Established a Shared Registry System, allowing multiple, authorised registrars to access the .nz register to allow registration and management of domain names by multiple parties in a competitive environment
- Established a company to operate the technical side of the .nz operation – New Zealand Domain Name Registry Limited, trading as .nz Registry Services (NZRS)
- Restricted the responsibilities of NZRS to technical matters, with the registrars as their clients and no contact with registrants. This means that the general registrars are not competing with the organisation operating the .nz register
- Signed a Service Level Agreement with NZRS to manage the performance of the registry against defined, and published, standards. The NZRS Manager reports to the DNC against the SLA, with the results published monthly.

The above structure was implemented in October 2002 and ensured the introduction of a competitive environment for registering and managing .nz domain names. Funding for the Office of the DNC, 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.



Key responsibilities for those involved include:

NZOC

- Effectively manage the .nz domain name space
- Develop policies and procedures for .nz
- Govern operational elements of the management of the .nz ccTLD

DNC

- Authorise registrars
- Monitor registrar activities and their compliance with the .nz policies and procedures
- Develop policies and procedures under the direction of the NZOC
- Handle complaints that arise in the operation of the .nz market
- Protect the rights and relationships of all parties in the .nz market (registrars, registrants and registry)

NZRS

- Manage the .nz register, ensuring the system is available to registrars to effect domain name registrations and management of those names
- Manage 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
- Support the DNC by providing such information as is required to enable investigations or other to be completed, and to update details on the register if directed by the DNC

Role of Registrars

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 Commissioner/NZOC and NZRS.

The group comprises Tim John (Domainz), Mark Mackay (Orcon/ProDNS), Peter Mancer (Watchdog), Lee Miller (1st Domains), Peter Mott (2Day Internet) and Craig St George (FreeParking), with Debbie Monahan (DNC) and Nick Griffin (NZRS Manager).

Most registrars are small businesses and as such do not have any desire to spend time in meetings where this can be avoided. This means that RAG does most of its work through email, and only meets face to face if required.



Report of the Chair of the .nz Oversight Committee

In my second report as Chair of the .nz Oversight Committee (NZOC), it is good to be able to confirm the success of the changes implemented by InternetNZ back in October 2002.

One of the requirements of a competitive environment is to ensure there is sufficient choice for consumers. In this regard, the .nz market is a real success. Over the last year we have seen the number of authorised registrars increase from 32 up to 48. Of the 48 authorised, 43 are connected to the production environment and offering registration and management services, compared with 26 at March 2003.

Unfortunately in any regulated environment, problems can arise and NZOC handed down the first sanction on a .nz registrar. The sanction was on the Stabilising Registrar, Domainz, with the actions behind the breach of .nz policies and procedures largely resulting from the changes Domainz was having to make to move towards a competitive environment. Even so, a number of registrants and other registrars were affected by Domainz's actions, which were a breach of rules, so the independence of NZOC was shown when InternetNZ's registrar was the subject of an investigation and subsequent sanction. Domainz is now no longer owned by InternetNZ and is an authorised registrar in its own right.

In other highlights of the year:

NZOC were happy to work with the registry company, NZRS, over the year to undertake a review of the wholesale .nz fee. It is pleasing that both parties were in a position to recommend a decrease in that fee, from \$2.00 per domain name, per month (excl GST) to \$1.75 per domain name per month (excl GST). The InternetNZ Council accepted the joint NZOC/NZRS recommendation and the fee reduction for registrars is due to come into effect on 1 July 2004. There is no obligation on registrars to pass on any fee reductions to the registrants so time will tell if this results in any drop in domain name prices.

The review of International Affairs clarified the role that NZOC has in the international arena. NZOC has a clear role to promote how the .nz domain name space operates, and to learn from other organisations sharing in 'best practice' discussions. However, there is also a clear role for InternetNZ to ensure wider representation at appropriate meetings to enable the strong influence New Zealand has had in the development of the Internet to continue.

Membership of NZOC remained the same, with the following people part of a successful committee:

Dr Frank March - Chair

Richard Currey

Roger Hicks

Colin Jackson

Jennifer Northover

David Russell

Keith Davidson – InternetNZ President (ex officio)

I'd like to thank those members of NZOC for their efforts over the year. Tough decisions have had to be made and everyone has made a great contribution. I appreciate the commitment everyone has brought to the role and value the varied expertise that helps NZOC be so successful.

Frank March
Chair, NZOC





DNC Highlights

The Office of the DNC had its first full year, and it was as busy as ever. Though we had started the year with 32 authorised registrars, applications for authorisation continued to arrive and we finished the year with 48 registrars, 43 connected to the production environment and offering their services for .nz domain name management and registrations.

With the large number of registrars, the DNC Office found it difficult to keep up with the regular checks undertaken to ensure registrar compliance with the .nz policies and procedures. Therefore, in January 2004, a part-time position of Compliance Officer was created with the sole focus of the role being to work with registrars to ensure they remain compliant with the .nz requirements.

We wouldn't have been able to employ another person if it wasn't for the move to new, larger premises. These have provided the space required for the team of four that make up the DNC Office – Debbie, Jordan, Hannah and Stuart. I'd like to thank the team for all their hard work over the year, with a special thanks to Hannah for bearing the brunt of the work in planning the office move.

In September 2003, the Stabilising Registrar Agreement with Domainz ceased. Domainz became an authorised registrar and InternetNZ sold them to MelbourneIT. The fact that InternetNZ owned Domainz during the transition to the new, competitive environment, aided us all in making the .nz market the success it is. This was due to the policy that, in certain circumstances, allowed registrars to take their domain names with them when they connected to the .nz production environment. In practical terms, it means that there is no one .nz registrar that has the majority of the market.

During the year, the response of the DNC Office was tested twice by the actions of a company called Domain Names Australia (DNA) but trading in New Zealand as "Domain Names NZ". This was the first major scam encountered by the DNC and showed the value of building relationships with the Commerce Commission. By working with the Commerce Commission, the impact on .nz registrants was reduced as they used their legislative powers to intercept mail directed to DNA. Legal action against DNA was taken in Australia by the ACCC and auDA. This was successful and we hope that the ruling will also prevent further activities in New Zealand.

NZRS provided great assistance to the DNC during the Domain Names NZ scam, and on numerous other occasions over the year. Their work is appreciated and is important in the smooth operating of the DNC Office.

One area of work that turned out to be more complex than I originally thought was the review of the Second Level Domains (2LD) policy. The working group set up to review the policy consists of Mark Harris, Steven Heath, Andy Linton and Karaitiana Taiuru with Roger Hicks as the NZOC representative. Marked by many great discussions and debates, the working group has done a great job and is close to finalising a draft policy and process. I'd like to thank all the members of the group for giving their time and contributing so much towards what I'm sure will result in a great policy.

Thanks also to Frank and all members of the NZOC who have continued to support me as Domain Name Commissioner. It is great knowing that I have the support, advice and decision making skills of a great team of people when undertaking my role, and the whole .nz domain name space is well served by their governance.

Debbie Monahan
Domain Name Commissioner



— Authorised Registrars Connected to the SRS

As at 31 March 2004, there were 48 organisations authorised by the DNC as .nz registrars.

They were:

- 1st Domains
- 2day.com
- 5Star Net
- AA Guides
- Actrix
- Advanced Computer Solutions
- Bottle Domains
- Catalyst IT
- DiscountDomains.co.nz
- Domain Name Management Services*
- Domain Agent
- Domain Directors
- Domainz
- Enlighten Domains
- Freeparking
- GodZone Internet Services
- hosting.co.nz
- Iconz
- Ihug
- InSPire Net
- Intergen
- Interspeed*
- Valueweb*
- iSERVE
- Maxnet
- MySRS
- NetRegistry Pty Ltd
- NetSmart
- OneSquared
- Orcon
- Pdom.com
- ProDNS
- Register.com*
- RegisterDirect
- RegisterDomains
- SiliconBLUE
- Snap Internet*
- South Net
- TelstraClear
- The Packing Shed
- TPP Internet
- Unity Web Solutions
- Watchdog
- Wave Internet
- WebAddress
- Wise Net
- World-Net
- Xtra

* Denotes registrars who were authorised but had not connected to the SRS as at 31 March 2004



This logo was designed to assist registrants in clearly identifying an organisation that has been authorised by the Domain Name Commissioner to be a .nz registrar.

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

Reselection Process

With the implementation of the Shared Registry System, Domainz as the previous registry and monopoly registrar had billing relationships with all registrants who were not billed by Domainz resellers. There were approximately 30,000 such registrants.

This posed a clear policy problem in the new competitive environment – it would not have been reasonable to allow Domainz to benefit from relationships that were a legacy of the previous market structure. As part of the transition to the SRS, it was agreed that such registrants would be offered a chance to select a registrar by a direct email from the DNC. They were given this opportunity through a reselection process.

The reselection process took place between March and September 2003. Registrants were sent an email advising them of the changes in the .nz market, and asking them to use the DNC website to select a new registrar if they wished to do so. If registrants did not make a new selection, their domain name stayed with Domainz.

The emails were sent out at regular intervals, grouped by the renewal dates of the domain names involved. The first batch of emails was sent on 24 March 2003 and the last batch was sent on 19 August 2003. Registrants could select a new registrar up until 4 September 2003 when the process came to an end, just prior to the sale of Domainz.

27 registrars took part in the reselection process, and registrants could choose any of these to manage their domain name.

The response rate from registrants was just under 20%. Domainz was chosen by the majority of registrants, receiving just over half of the selections with about 56%.

As an incentive for registrants to make a selection, the DNC offered a prize of a trip for two to Plantation Island Resort in Fiji. Any registrant who opted into the draw while making their selection was eligible.

The prize draw was made in September 2003 after the reselection process came to an end and the winning domain name drawn was residential.org.nz.

.geek.nz

2003 saw the addition of a new second level domain (2LD) in the .nz namespace, with the opening of the .geek.nz 2LD in August. This was the first new 2LD added under the Shared Registry System, and the first since the .maori.nz 2LD was added in 2002.

The opening of the new 2LD was agreed by the InternetNZ Council in July 2003, at the end of a process of public consultation which began after the application was received in August 2002.

“Geeks” are the community of interest for the .geek.nz domain. The formal definition for the 2LD is that it is “for people who are concentrative, technically skilled and imaginative who are generally adept with computers.”

There was a considerable rush to register new .geek.nz domain names. Within one hour of the 2LD being made available there were 272 names registered. This grew to 444 in the first 24 hours, and five days later the total stood at 492. At 31 March 2004 there were 607 .geek.nz names, making .geek the eighth largest 2LD in the .nz domain name space.

The .geek.nz application was the last to be processed under the second level domains policy inherited from the pre-SRS policy framework. Since that application there has been a moratorium in place on new applications while the whole policy was reviewed – see the story on page 10 for more information.

2LD Review

During the year InternetNZ commenced a review of its Second Level Domains policy. It is a major component of the .nz policy framework, setting out the second level domains (2LDs) which people can register domain names under, how new 2LDs are created, and how moderated 2LDs function.

Due to the wide-ranging impact of any changes to this policy, it was important to make sure the review team reflected a wide cross-section of views. A Working Group (WG) was established to undertake the review, appointed by the .nz Oversight Committee (NZOC). The members of the WG are Mark Harris, Steven Heath, Andy Linton and Karaitiana Taiuru, along with Roger Hicks from NZOC and Debbie Monahan, who is chairing the group.

The first input the WG obtained was a phone survey to test public awareness of and views about domain names (<http://dnc.org.nz/2ld-survey>). Taking this information into account, the WG published a background paper in October 2003 (<http://dnc.org.nz/2ld-background>) which sought public input on some key issues: whether the policy should allow public registrations directly at the second level; how the process for creating new 2LDs should be improved; and whether any of the existing 2LDs needed to be changed.

Feedback on the discussion document was developed by the WG into a draft policy (<http://dnc.org.nz/2ld-draft-policy>), published for consultation in February 2004. This maintained public registrations at the third level in the .nz domain name space, and proposed an easier process for creating 2LDs. The draft policy received largely positive feedback from submissions.

Future work for the WG includes developing the process for creating new 2LDs to a workable standard, and seeking public input on that process before finalising a draft policy and referring it to NZOC for their consideration.

After a great deal of work by the Group and useful contributions from submitters, the new Second Level Domains policy should be finalised and in operation by the end of 2004.

The Service Level Agreement

In April 2003 the Domain Name Commissioner (on behalf of InternetNZ) and .nz Registry Services (NZRS) signed a Service Level Agreement (SLA). The SLA outlines the standard of service that is expected to be delivered by NZRS in managing the .nz register, in particular the SLA covers Register Performance, Register Management, and SRS/DNS reporting.

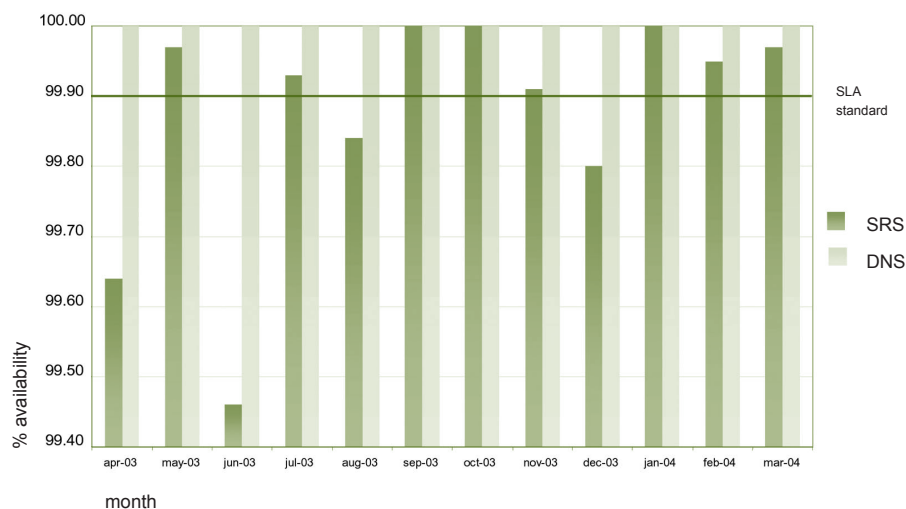
Key targets specified in the SLA include:

- 99.9% system availability of SRS
- 100% availability of DNS servers
- Specified average response times for key SRS transactions

Over the last year:

- SRS availability of 99.9+% was achieved 8 out of 12 months
- The poorest performance for SRS availability was 99.46% in June 2003, which represents the SRS being unavailable for 233 minutes over the month.
- The outages affecting the availability of the SRS were largely caused by connectivity issues affecting access to the SRS, rather than by faults with the SRS per se.
- DNS availability of 100% was achieved all 12 months

SRS & DNS System Availability 2003-2004

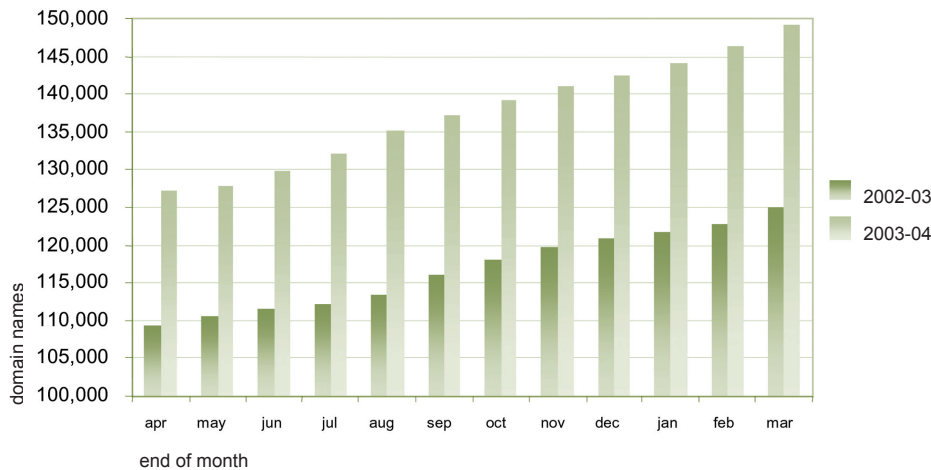


SRS Response Times

Avg Response Time	SLA	Mar 2004	Feb 2004	Jan 2004	Dec 2003	Nov 2003	Oct 2003	Sep 2003	Aug 2003	Jul 2003	Jun 2003	May 2003	Apr 2003
Domain Details Query	<1.50	0.55	0.5	0.38	0.36	0.36	0.31	0.3	0.26	0.28	0.48	0.36	0.49
Domain Update	<0.40	0.32	0.54	0.39	0.4	0.26	0.3	0.27	0.34	0.4	0.64	0.44	0.55
Domain Create	<0.60	0.4	0.57	0.46	0.53	0.47	0.41	0.41	0.57	0.49	0.8	0.49	0.43
Get Message Performance	<0.60	0.36	0.46	0.72	0.39	0.48	0.38	0.44	0.43	3.78	13.36	3.96	2.22
Get Message Volume 000's	N/A	44	61	73	50	42	57	70	38	35	33	28	26
Whois	<0.5	0.19	0.23	0.21	0.2	0.19	0.18	0.21	0.2	0.2	0.22	0.19	0.19
Whois Queries at Back End incl Registrar Volume 000's		640	605	644	379	352	611	1016	1070	1358	704	680	836
Whois Server Queries 000's	N/A	222	364	240	225	234	218	908	645	967	335	274	253
UDAI Valid Query	<0.5	0.18	0.2	0.21	0.19	0.22	0.17	0.17	0.17	0.18	0.22	0.18	0.18S

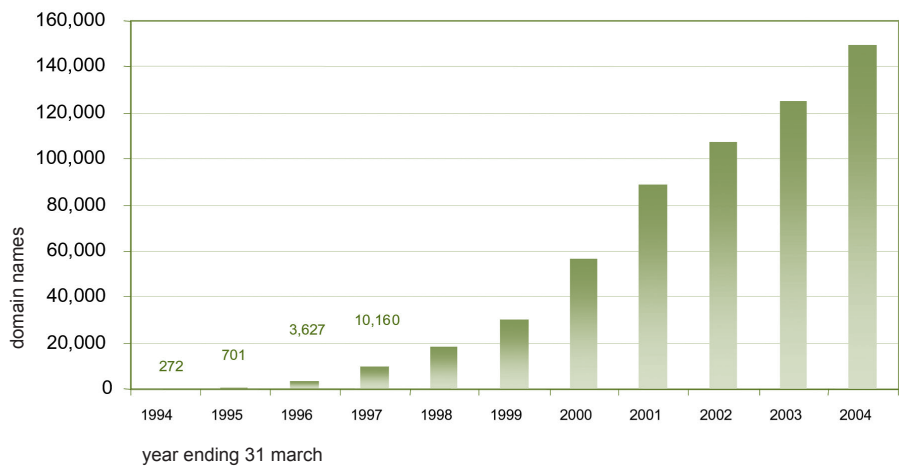
Registration Statistics

Registered .nz Domain Names

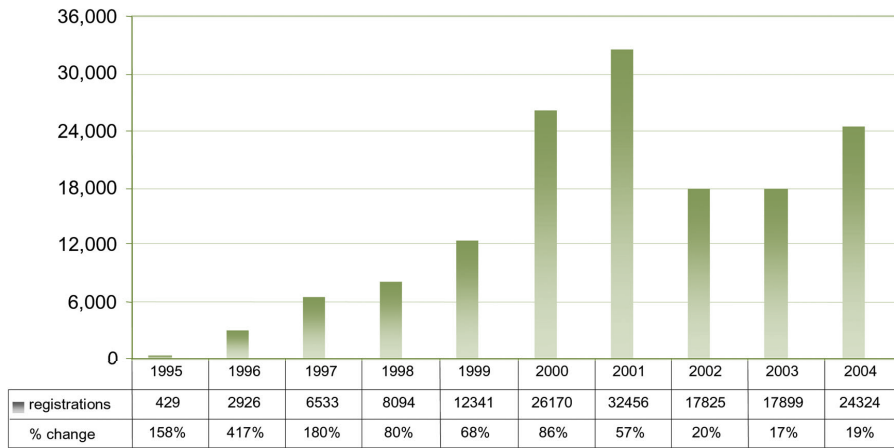


Domain names have increased from 124,945 (at 31 March 2003) to 149,269 (at 31 March 2004) - a total growth of 24,324.

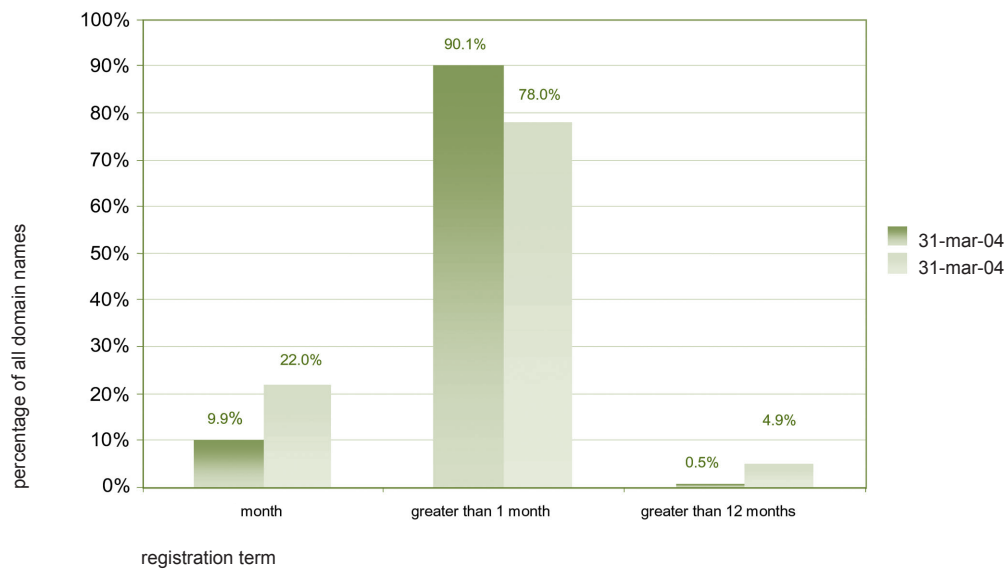
Domain Names 1994 - 2004



Growth in Domain Names: 1995-2004



year ending 31 march



Prior to October 2002, domain names could only be registered for 12 month terms. With the implementation of the SRS, any monthly term up to a maximum of 120 months was possible. Initially only a few registrars offered registration periods for other than 12 months. Since more registrars have offered various terms to registrants the number of domain names registered for only one month, and for more than a year, has increased.

Domain Names by 2LD – Monthly Count to 31 March 2004

2LD	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03	Nov 03	Dec 03	Jan 04	Feb 04	Mar 04	Mar 04 %
.ac	707	673	745	769	784	797	802	809	812	814	825	842	0.56%
.co	107523	108610	110656	112372	114429	116159	118134	119666	120773	122148	124133	126762	84.9%
.cri	29	27	27	27	27	27	27	27	27	27	27	27	0.01%
.geek	--	--	--	--	492	597	600	593	583	584	610	607	0.41%
.gen	775	788	791	814	828	828	834	843	848	878	844	838	0.56%
.govt	659	662	667	675	679	687	697	698	700	704	710	709	0.47%
.iwi	38	39	40	43	45	45	46	46	45	47	49	48	0.03%
.maori	386	388	397	410	428	308	302	305	310	310	308	318	0.21%
.mil	16	16	15	15	15	15	15	15	14	14	17	17	0.01%
.net	7885	7532	7188	7336	7549	7689	7822	7976	8071	8143	8252	8390	5.62%
.org	7194	7277	7416	7580	7762	7875	8028	8103	8191	8309	8447	8584	5.75%
.school	1944	1965	1985	2015	2031	2055	2074	2084	2094	2114	2125	2127	1.42%
Total	127156	127977	129927	132056	135069	137078	139381	141165	142468	144092	146347	149269	100%

Terminology

DNC:	Domain Name Commissioner, an operational office of InternetNZ responsible for the day to day oversight of the .nz domain name registration and management system
InternetNZ:	The organisation authorised to manage the .nz domain name space. InternetNZ established the Office of the Domain Name Commissioner 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 Commissioner 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 space. For example, in the domain name internetnz. net .nz, the .net part is at the second level. The .nz domain name space has several 2LDs to choose from.