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.nz domain name space – an overview

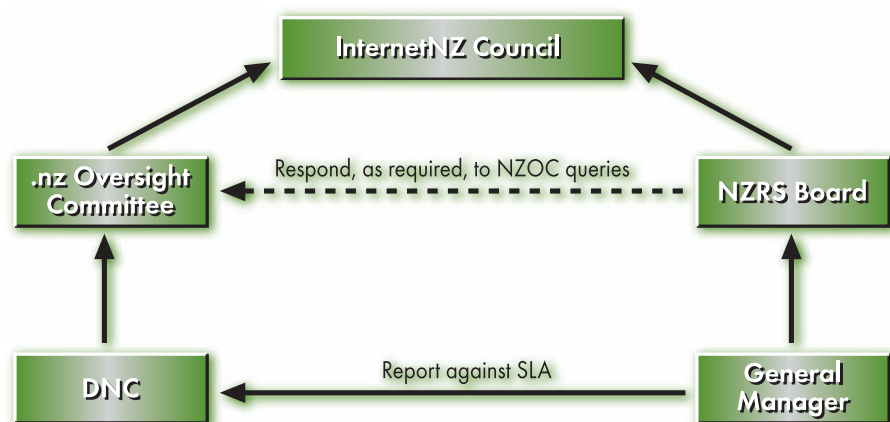
InternetNZ, the Internet Society of New Zealand Incorporated, is responsible for managing the .nz domain name space.

InternetNZ has a structure that allows a focused approach to its .nz operations. All .nz related work is delegated to the key parties below, ensuring that the InternetNZ Council is free to maintain an effective governance overview.

To ensure the continued quality of .nz domain name space management, InternetNZ has:

- a committee with a specific focus on the .nz domain name space and issues surrounding it – the *.nz Oversight Committee* (NZOC).
- delegated responsibility for the .nz domain name space to *the NZOC*.
- 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*.
- a reporting structure whereby the Domain Name Commissioner (DNC) reports directly to the Chair of the NZOC. This ensures that the DNC operates independently of the general activities of InternetNZ.
- 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.
- a company operating 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.
- 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 ensures 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 promotes and protects.



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.

RAG offers valuable input into matters concerning the .nz domain name space and this was shown with their contribution to the changes made during the review of the Second Level Domains policy.



Report of the Chair of the .nz Oversight Committee

This is the third report I have written in my role as Chair of the .nz Oversight Committee (NZOC), and it follows the second full year of operation of the committee. Over this time, the roles of the NZOC and the Domain Name Commissioner have become well established and our policies and procedures are stable, although we continue to review and revise them where necessary.

We have kept as the central focus and first priority in all our work, the rights of the domain name holder. This has proved a useful guide and touchstone whenever we have been faced with a new issue, and it is this which, in my view, most clearly differentiates the role of the NZOC from the others concerned with .nz, its management and operation, including NZRS and InternetNZ itself.

Since the implementation of the Shared Registry System in October 2002, we have been pleasantly surprised by the level of interest shown by organisations in becoming authorised .nz registrars. Over 50 companies have now been authorised by the Domain Name Commissioner and applications are still coming in. This number of registrars ensures a highly competitive environment.

Unfortunately problems can arise in any regulated environment and the .nz domain name space isn't any different. Though investigations have a major impact on the workload of the Office of the Domain Name Commissioner and on NZOC, they are thankfully relatively rare when it comes to registrars being in breach of the rules. NZOC sanctioned one registrar, Actrix, during the year. This is the second such action taken and resulted in a 24 hour period of suspension for the registrar. Just as the year was ending, NZOC determined that another registrar was in breach of the .nz policies and procedures. At the time of writing, communication with this registrar is ongoing regarding the sanctions that will be handed down as a result of the breach.

On 1 July 2004, the fee reduction that had been agreed in January took effect. The reduction saw the wholesale fee go from \$2.00 per month per domain name to \$1.75 per month per domain name (GST exclusive). Although monitoring of the market after this decrease showed that it did not result in reduced retail prices of domain names, informal feedback from some registrars indicated that it did prevent some planned increases in prices. Perhaps more importantly, it sent a clear signal to the market that, subject to the security and financial stability of the Registry itself, we hope to see costs of domain name ownership in the .nz space remaining stable or reducing over the medium term.

Membership of NZOC was unchanged, with the following people part of a committee which is operating efficiently and successfully:

Dr Frank March – Chair

Colin Jackson – Deputy Chair

Richard Currey

Roger Hicks

Jennifer Northover

David Russell

Keith Davidson – InternetNZ President (ex officio)

Colin Jackson was formally appointed to the position of Deputy Chair when it was decided by the InternetNZ Council that all committees should have a formal chair and deputy.

I'd like to thank Colin for taking on the role and for supporting me as Chair. This has been even more important since, in February 2005, I took up an opportunity for a secondment to the Working Group on Internet Governance in Geneva. This secondment is a great opportunity for me to contribute to a key issue affecting organisations and people around the world. I am grateful for the NZOC support that has enabled me to continue as Chair while fulfilling my secondment to the United Nations.

Thanks are due to all members of NZOC who continue to work hard and accomplish huge amounts. The scope of skills and experience of the committee are key to the achievements and the quality of the decisions made. Special thanks to David Russell who graciously added to his heavy workload and took on the Convenor's role of the WHOIS Review Working Group. The resulting revised policy came into effect in May 2005.

I would also like to thank Rick Shera for his work as a member of InternetNZ, convening the Domain Name Dispute Resolution Working Group and welcome the decision to implement a DRP for the .nz space which has been announced as I write this. Returning to the point I made earlier about our central focus, I see this as being an important service that can be provided for .nz domain name holders.

Finally, I would like to once again thank Debbie Monahan for her superb work as Domain Name Commissioner, and her staff in all they do to support the committee.



Frank March

Chair, NZOC



DNC Report

Applications continue to be received from organisations wanting to become authorised .nz registrars. With the number of authorised registrars connected to the production environment increasing from 43 to 53 over the year, there is an increasing choice for .nz registrants.

One registrar chose to proactively seek de-authorisation after the company chose a different focus and direction. The DNC Office worked with the registrar to ensure their clients were fully informed and aware of their options in selecting another registrar. This process worked smoothly, and utilised changes that had been made to the policy to accommodate such a situation.

With the large number of authorised registrars, the role of 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.

Policy reviews undertaken over the year included the conclusion of the Second Level Domains policy with the new, extensively revised, policy coming into effect on 1 March 2005. The first application was received shortly afterwards with The Parliamentary Service seeking .parliament.nz. This application is proceeding through the process. The other major review undertaken was the WHOIS policy review, with the resulting revised policy in effect from May 2005.

I'd like to thank my small but very effective and efficient team for all their hard work – Hannah Seeley, Stuart Anderson and Jordan Carter (until December when he left for the 'other side' of InternetNZ). The DNC Office is well supported by the NZOC and our thanks go to the Committee for their hard work and guidance.

In March 2005, the Dispute Resolution Working Group agreed a recommendation that a dispute resolution process, based on the Nominet UK model, should be implemented for the .nz domain name space. NZOC considered this recommendation at its May meeting and agreed with the recommendation. Consequently the DNC Office is likely to have a busy year ahead putting the new resolution process into place.

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 with some investigations undertaken by the DNC resulting in significant amounts of work for NZRS. Their work is very much appreciated.

A handwritten signature in green ink, appearing to read 'Debbie Monahan'.

Debbie Monahan

Domain Name Commissioner

Authorised Registrars Connected to the SRS

As at 31 March 2005, there were 58 organisations authorised by the DNC as .nz registrars.

They were:

- 1st Domains
- 2day.com
- 5Star Net
- AA Guides
- Actrix
- Advanced Computer Solutions
- Aust Domains
- Bottle Domains
- Catalyst IT
- ClicknGo!*
- DiscountDomains.co.nz
- Domain Name Management Services*
- Domain Agent
- Domain Directors
- Domainz
- Enlighten Domains
- Freeparking
- GoDomains
- GodZone Internet Services
- hosting.co.nz
- Iconz
- Ihug
- InSPire Net
- Intergen
- Interspeed*
- iSERVE
- Knossos Networks
- Kudos Solutions
- Maxnet
- MySRS
- NetRegistry
- NetSmart
- Nominate.com
- OneSquared
- Orcon
- ProDNS
- Register.com*
- RegisterDirect
- RegisterDomains
- Safenames*
- SiliconBLUE
- Snap Internet
- South Net
- State Services Commission*
- TelstraClear
- The Packing Shed
- TPP Internet
- Unity Web Solutions
- Utopia Web Solutions
- Valueweb*
- Watchdog
- Wave Internet
- WebAddress
- Wise Net
- Woosh Wireless
- World-Net
- WorldxChange Communications*
- Xtra

* Denotes registrars who were authorised but had not connected to the SRS as at 31 March 2005.



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



The Year in Review

150,000 people say YES to .nz

What were you doing on 8 April 2004 at 10:25?! This was the moment that the registry records showed that the counter had just clicked over to record its one hundred and fifty thousandth .nz name. Quite a milestone.

DOWN!

Domain Name Fee Reduced

In the 2003/04 financial year InternetNZ were able to announce a 12.5% lowering of domain name fees charged to authorised registrars by .nz Registry Services (NZRS).

This past financial year has seen this come into effect. Much to their delight, Registrars found they only had to pay \$1.75 (excl.gst) per domain, per month, instead of the \$2 they'd been previously been paying.

The decision by the InternetNZ council to reduce wholesale fees was agreed to following on from a joint recommendation from NZOC and NZRS.

UP!

Highest Monthly Domain Name Gain

July 2004 saw yet another record broken with the highest number ever of new domain names registered – an amazing 5,590 in all.

This took the number of active .nz domain names from 156,939 to 160,762 – a net increase of 3,825.

Targeted brochures perform important role

With a burgeoning population of .nz users, the need to produce clear, plain English brochures has become increasingly pressing. So the past year also included the production of two brochures, one aimed at the general public and one for registrants.

The first brochure, 'Making a name for yourself' outlines what a domain name is, how to get one and some of the pitfalls to avoid along the way. The other brochure, entitled ".nz a Ready Reference for Registrants" provides information for .nz registrants on their rights, responsibilities and the processes relating to .nz domain names.

Policy Reviews

Over the last 12 months several policy reviews have taken place, they are:

Second Level Domains Policy Review

The revised new Second Level Domains (2LD) policy came into effect on 1 March 2005.

Following several rounds of public consultation the 2LD Working Group completed the final version of the new policy. The .nz Oversight Committee (NZOC) and the InternetNZ council approved the new policy in October 2004.

Roles and Responsibilities Policy Review

A review on the Roles and Responsibilities Policy began during the year after the DNC Office identified the need for amendments to be made.

The policy which is still under review, is expected to be completed and implemented in the coming year.

Zone Transfer Policy Review

A new version of the Zone Transfer policy came into effect on 1 October 2004.

Public consultation was held earlier in 2004 and the revised new policy was formally accepted at the InternetNZ council meeting on Friday 20 August.

WHOIS Server Policy Review

In August 2004, the .nz Oversight Committee (NZOC) selected members for a Working Group to review the WHOIS Server Policy.

They were: David Russell (Chair), Glenda Buschl, Colin Jackson, Mark Nissen and Don Stokes.

Three ex-officio members were also elected they were: Keith Davidson (President, InternetNZ), Jennifer Northover (Councillor, InternetNZ) and Nick Griffin (General Manager, .nz Registry Services).

The review of the WHOIS Server policy commenced in September when the Working Group met for the first time. Following two rounds of public consultation the WHOIS Working Group completed their review of the new policy in early 2005.

NZOC and the InternetNZ council accepted the revised WHOIS policy and the date 9 May 2005 was set for this new policy to come into effect.

.nz Market Share Statistics

In September 2004 the Office of the Domain Name Commissioner began publishing .nz market share statistics.

At the August 2004 meeting of the Registrar Advisory Group (RAG), it was agreed that market share statistics should be published as a pie graph showing the top 4 registrars, the next four registrars, and the remaining registrars.

The market share information dates back to March 2003 when the .nz domain name market was declared competitive. At that time there were 27 registrars connected to the Shared Registry System (SRS); as at 31 March 2005 another 26 registrars had connected to the SRS.

As the number of registrars connected to the SRS has increased over the past two years, changes have also occurred in the .nz registrar market share. Gradually the market share of the top four registrars has been decreasing, whilst market share of the next four registrars and the remaining registrars has been increasing. The March 2003 and March 2005 graphs below illustrate these changes.

The graph for March 2005 shows that the market share for the top four registrars has decreased by 27.8% since March 2003 when the top four registrars shared 83.8% of the domain name market.

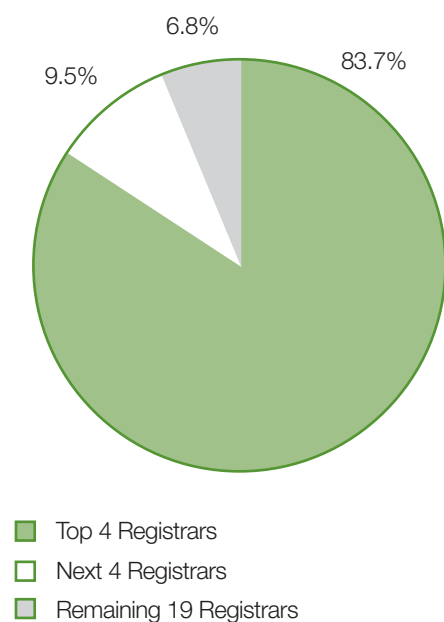
The next four registrars have gained 8.7% of the domain name market since March 2003, while the third category - the remainder of the registrars (there were 19 in March 2003 and 45 in March 2005) has experienced a 19% growth in market share.

These statistics demonstrate how the .nz domain name space has made the shift to a competitive market since the introduction of the SRS.

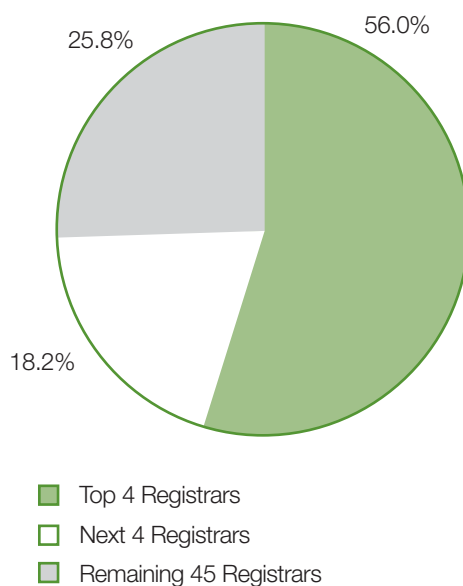
Market share data is produced on a monthly basis and is published in the statistics section on the DNC website at www.dnc.org.nz.

A table of the market share data for the period April 2004 to March 2005 is available on page 15.

.nz Market Share – March 2003



.nz Market Share – March 2005



The Service Level Agreement

The Domain Name Commissioner (on behalf of InternetNZ) and .nz Registry Services (NZRS) signed a Service Level Agreement in April 2003.

The Service Level Agreement (SLA) outlines the standard of service that is expected to be delivered by NZRS in managing the .nz register. The SLA covers aspects including Register Performance, Register Management and SRS/DNS reporting.

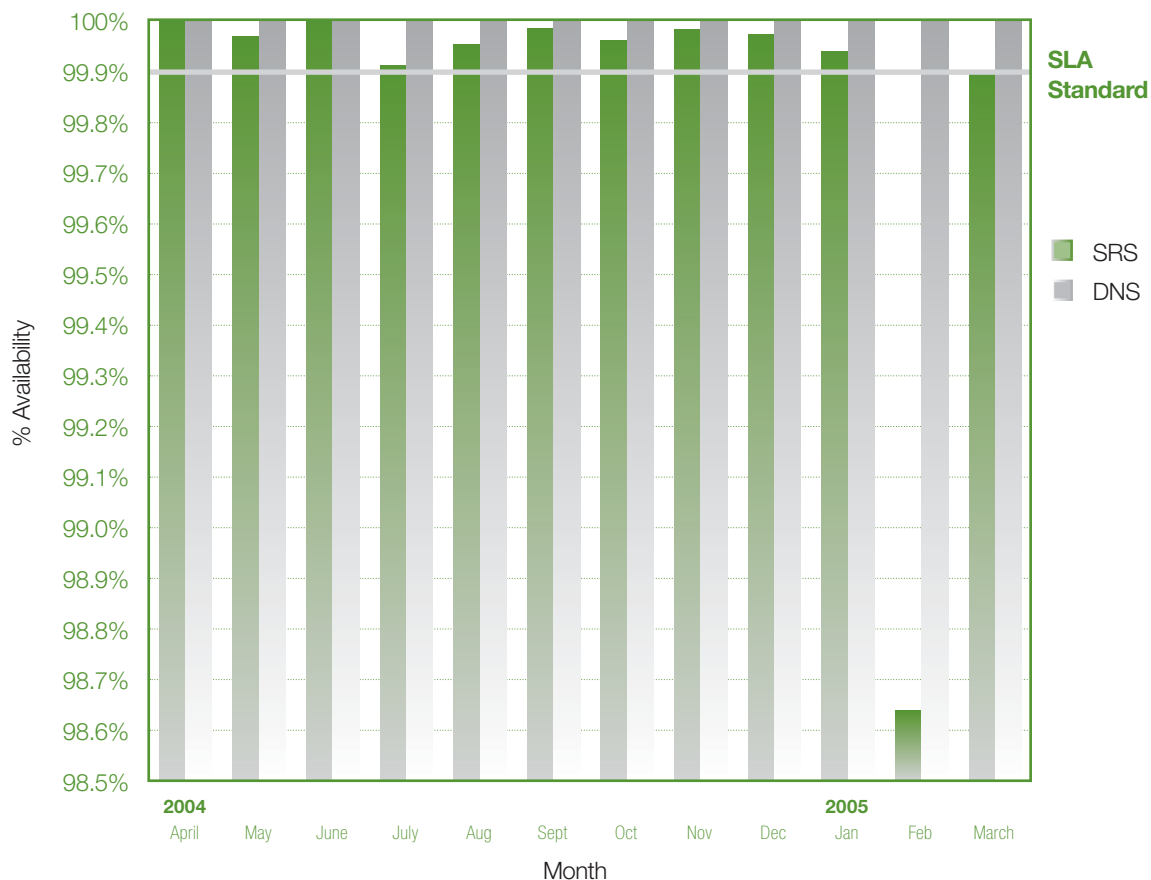
Key targets outlined in the SLA include:

- 99.9% system availability of SRS
- 100% availability of DNS service
- Specified average response times for key SRS transactions
(See page 12 for SRS response times April 2004 – March 2005)

Over the last year:

- SRS availability of 99.9+% was achieved every month except for February 2005 when system availability was 98.64%
- DNS availability of 100% was achieved for all 12 months

SRS & DNS System Availability 2004 – 2005



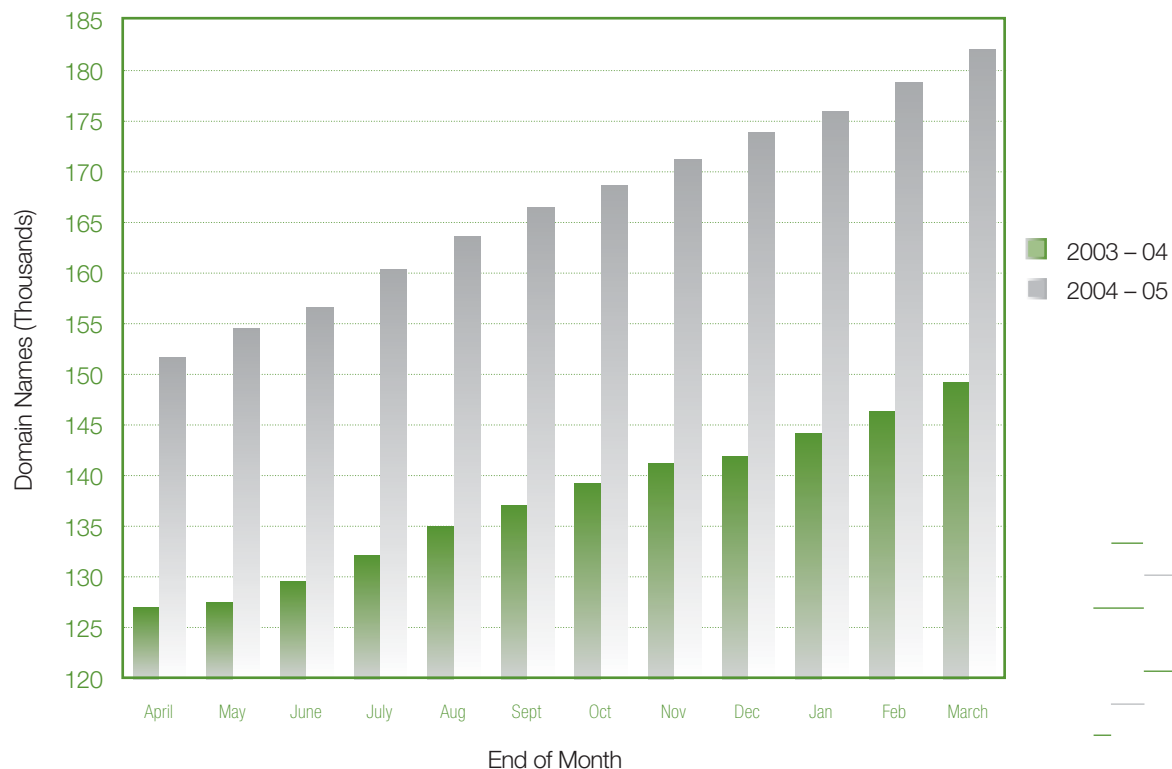
SRS Response Times – April 2004 to March 2005

Avg Response Time (in Seconds)	SLA	Mar 2005	Feb 2005	Jan 2005	Dec 2004	Nov 2004	Oct 2004	Sep 2004	Aug 2004	Jul 2004	Jun 2004	May 2004	Apr 2004
Domain Details Query	<1.50	0.52	0.40	0.51	0.52	0.44	0.43	0.42	0.49	0.45	0.45	0.47	0.49
Domain Update	<0.40	0.43	0.39	0.38	0.41	0.41	0.39	0.42	0.39	0.39	0.46	0.40	0.34
Domain Create	<0.60	0.44	0.24	0.46	0.45	0.33	0.46	0.47	0.50	0.50	0.51	0.45	0.42
Get Message Performance	<0.60	0.40	0.35	0.37	0.34	0.41	0.35	0.48	0.49	0.44	0.44	0.51	0.37
Get Message Volume 000's	N/A	40	35	42	39	37	38	36	36	36	30	42	42
Whois	<0.5	0.18	0.17	0.18	0.18	0.18	0.19	0.21	0.22	0.23	0.23	0.20	0.19
Whois Queries at Back End incl Registrar Volume 000's	N/A	1422	1007	922	951	949	929	976	872	718	865	862	775
Whois Server Queries 000's	N/A	295	122	282	231	253	259	274	223	227	218	203	194
UDAI Valid Query	<0.5	0.26	0.24	0.24	0.23	0.24	0.24	0.24	0.24	0.24	0.24	0.20	0.18

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

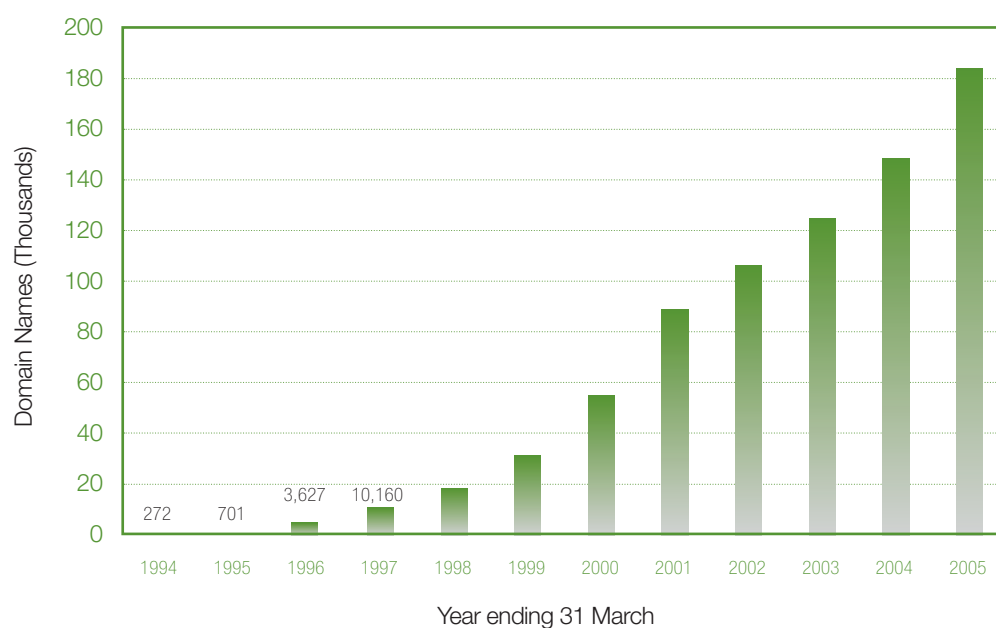
Registration Statistics

Registered .nz Domain Names

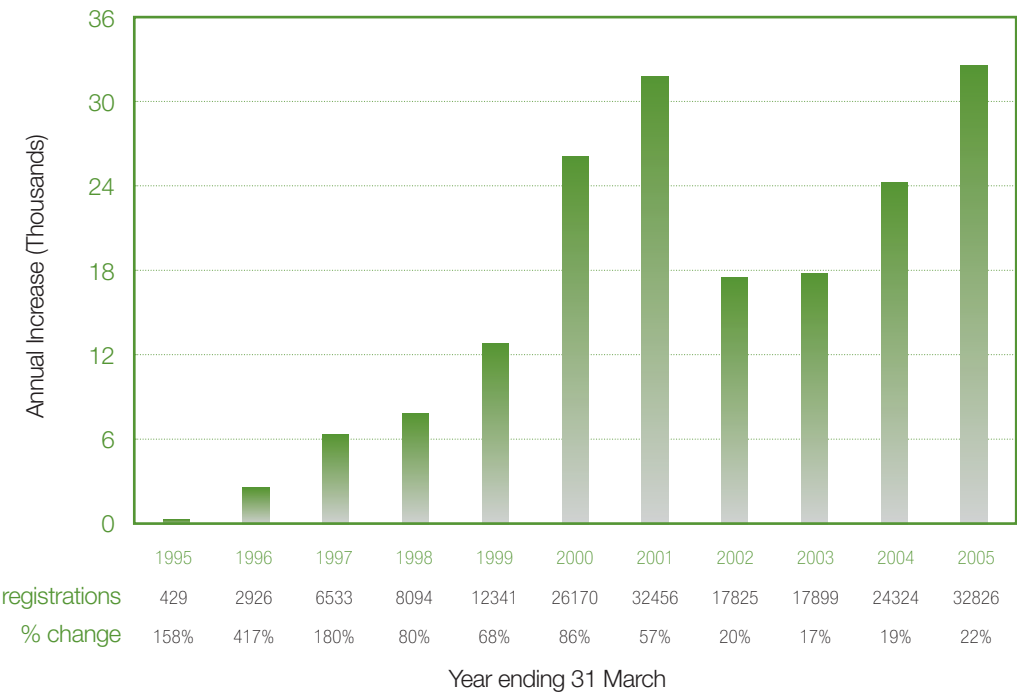


Domain Names have increased from 149,269 (at 31 March 2004) to 182,095 (at 31 March 2005) – a total growth of 32,826.

Domain Names 1994 - 2005



Growth in Domain Names 1995 – 2005



Over the last 12 months there has been a growth of 32,826 domain names. This is the highest ever financial year numerical growth, surpassing the 2000/2001 increase when there was a numerical growth of 32,456.

Domain Name Registration Terms



Domain Names by 2LD – Monthly Count to 31 March 2005

2LD	Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05	% Change
.ac	857	873	888	900	910	923	944	948	967	971	984	995	16.10
.co	128866	131334	133399	136241	138774	141129	143253	145725	147736	149544	152214	154721	20.06
.cri	27	28	28	28	28	28	27	27	27	26	25	25	-7.40
.geek	619	629	644	666	636	599	611	624	637	644	655	675	9.05
.gen	835	833	829	853	900	907	910	921	934	915	932	930	11.38
.govt	718	718	715	717	713	711	712	724	728	737	742	746	3.90
.iwi	50	50	49	48	54	54	49	51	54	52	53	53	6.00
.maori	334	346	351	362	369	347	354	361	373	376	380	371	11.08
.mil	17	17	17	17	16	16	16	16	16	16	17	17	0
.net	8515	8659	8794	9482	9723	9878	10012	10177	10184	10290	10447	10648	25.05
.org	8727	8898	9047	9266	9412	9597	9767	9941	10098	10209	10355	10555	20.95
.school	2146	2173	2178	2182	2203	2218	2271	2292	2307	2314	2345	2359	9.93
Total	151711	154558	156939	160762	163738	166407	168926	171807	174061	176094	179149	182095	20.03

.nz Marketshare Statistics

Month	Top 4 Registrars	Next 4 Registrars	Remaining Registrars	# of Remaining Registrars
April 04	60.2%	17.8%	22.1%	38
May 04	59.6%	18.0%	22.4%	38
June 04	59.4%	18.1%	22.5%	38
July 04	58.7%	17.8%	23.6%	39
August 04	58.0%	17.7%	24.3%	41
September 04	57.6%	17.8%	24.7%	42
October 04	57.2%	17.9%	24.9%	42
November 04	57.0%	17.9%	25.1%	44
December 04	56.7%	17.9%	25.4%	44
January 05	56.5%	18.0%	25.6%	44
February 05	56.3%	18.1%	25.6%	44
March 05	56.0%	18.2%	25.8%	45

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 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.