



COUNCIL MEETING : Friday 11th October

# .NZ PRICING FRAMEWORK

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**AUTHORS:**

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**FOR:**

Council

**PURPOSE:**

To set out, at a high level, the proposed approach to making decisions about the price of registration for .nz domain names, and to propose that the price be reviewed in December.

**DATE WRITTEN:**

2 October 2019

## Establishing a pricing framework for .nz

InternetNZ does not currently have a pricing framework for the .nz product. The only mention of how pricing is set is that DNCL and InternetNZ will collaborate to make a recommendation to the Council from time to time.

A full pricing framework would clarify the following:

- The process that InternetNZ would use to set prices
- The factors that would be considered as part of that price
- The timing of when these prices may be considered.

This paper sets out the proposed elements for a pricing framework for your consideration. With your feedback from this meeting, the information here would guide the substance of any proposed price change.

## Process

The .nz Pricing Framework is proposed to be owned by the Commercial Director. This means that the responsibility and accountability for this process, and for the

outcomes of this framework in terms of pricing, are owned by the Commercial Director.

Essential elements of this process will be as follows:

1. Cross-.nz collaboration across all constituent parts of the .nz operation, including:
  - a. Commercial
  - b. Policy
  - c. Regulatory & compliance (DNCL)
  - d. Technology
  - e. Organisational Services
2. An independent assessment by the Domain Name Commission as to whether any price change invokes concern about fair and competitive conduct in the .nz domain space.
3. Sets a single price for .nz. *(Note: this may change in the future, pursuant to the .nz Policy Review project. Current policy requires a single price for all registrations.)*

## Factors

In considering pricing for .nz, this framework proposes assessment of:

1. Growth data in the .nz domain name space
2. Comparisons between the current and proposed price for .nz domain names against other top level domains, based top 5 by market share in New Zealand
3. Assessment of the retail price impact of .nz domain names on the basis of the current wholesale .nz price, versus the proposed price.
  - a. Note, this requires more market intelligence about retail prices.
4. Assessment of the cost of service in providing domain name registrations, and how this has changed over time (with future predictions if relevant).

## Timing

We propose that any change to .nz pricing will be presented to the Council at or around the December meeting of **each** year, alongside the outline budget for the next financial year.

This will allow for any pricing change to be considered in the context of the full financial state of the organisation, and allow for the impact of any change to be correctly accounted for in the annual budgeting process.

Note: this framework proposes no assumption that prices would change each year, and no assumption about the scale or direction of any price change.

## Recommendation

THAT Council receive this draft pricing framework for .nz domain name registrations.

THAT staff further develop the framework in response to feedback at this meeting and present it back to Council for adoption intersessionally by mid-November.

David Morrison  
Commercial Director