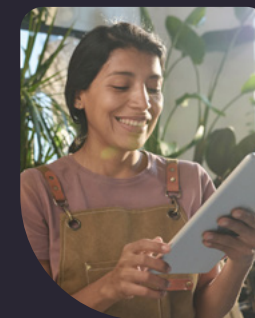
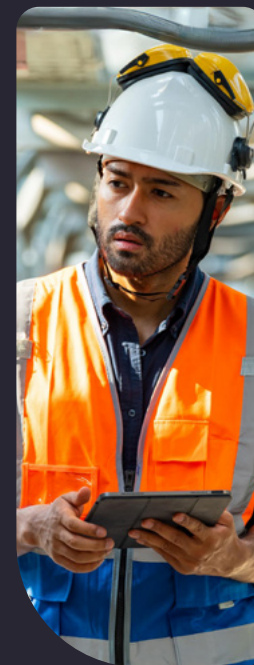
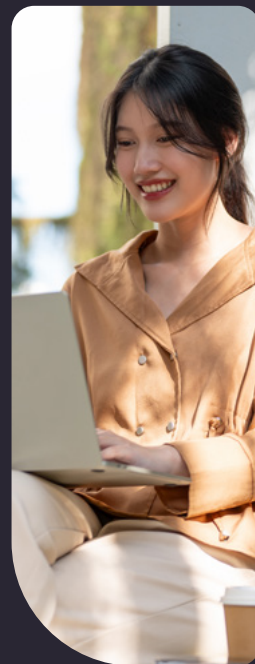




# Annual Report 2023-24

Shaping .au:  
A multi-stakeholder approach



In the spirit of reconciliation, auDA acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

We also acknowledge Aboriginal and Torres Strait Islander peoples' commitment to innovation and technology over many millennia, a commitment we deeply respect and share.

# auDA's 2023-24 Annual Report

**.au Domain Administration Limited (auDA) serves all Australians and global internet users. We report on our activities and performance in our Annual Report, in line with our commitment to transparency and accountability.**

auDA has prepared its 2023-24 Annual Report for our members and stakeholders. Multi-stakeholder engagement is central to our work, and this is reflected in the theme of our 2023-24 Annual Report, *Shaping .au: A multi-stakeholder approach*.

The report covers the activities of auDA and its subsidiaries, the auDA Foundation charitable trust and its trustee, auDA Foundation Pty Ltd. It covers the period from July 2023 to June 2024.

The auDA Board takes an active role in preparing our Annual Report. It provided feedback, guidance and review at the June and August 2024 Board meetings, and approved the report at the October 2024 Board meeting.

We prepared the report consistent with the Integrated Reporting Framework, adapted as appropriate for our organisation. Integrated Reporting is an international framework focused

on how organisations manage their resources to create value over time. It helps organisations convey a robust picture of their operations, complementing rigorous financial reporting.

Since financial year 2020-21, auDA Annual Reports have included elements of the Framework, which we have built on over time. The Framework assists us to incorporate integrated thinking into our work delivering value for Australians through .au. We aim to adopt the Integrated Reporting Framework fully, including external assurance, in our 2024-25 Annual Report. More information on Integrated Reporting at auDA can be found on page 4.

Our Annual Financial Report can be found on page 83. It complies with the *Corporations Act 2001* and Australian Accounting Standards and the Corporations Regulations 2001.

## Icons used in this report

### Strategic objectives



Performance measures that are strategic objectives set out in the auDA 2021-25 Strategy.

### Key resources



Our people



Our multi-stakeholder community



Our infrastructure



Our expertise



Our finances



Our environment

### Material themes



Reliable infrastructure



Cyber security and DNS abuse



Internet governance



Governance and transparency



Stakeholder relationships



Representing .au in the public interest



Licensing rules, compliance and dispute resolution



Technological innovation



Financially sustainable not-for-profit



Community value from the internet

### Strategic capabilities and focus areas

**T** Trust

**I** Innovation

**M** Multi-stakeholder engagement

**P** People

**G** Governance

# Integrated Reporting

**Integrated Reporting promotes a comprehensive approach for reporting on an organisation's operations. It describes how value is impacted over time. It focuses on reporting matters that are most important to stakeholders.**

**Integrated Reporting provides a framework to describe how we go about our work and use our resources to create value. On this page, we explain key Integrated Reporting terms to help readers understand our report.**

## auDA's key resources

The Integrated Reporting Framework refers to six capitals, which are resources organisations use to create value. In this report, we have adapted the terms used in the Framework to describe the capitals for the auDA environment.

- Instead of "capitals", we say "**resources**"
- Instead of "human capital", we say "**our people**"
- Instead of "social and relationship capital", we say "**our multi-stakeholder community**"
- Instead of "manufactured capital", we say "**our infrastructure**"
- Instead of "intellectual capital", we say "**our expertise**"
- Instead of "financial capital", we say "**our finances**"
- Instead of "natural capital", we say "**our environment**".

## Value over time

The Integrated Reporting Framework asks organisations to consider and report on how value changes in the short, medium and long term. In auDA's 2023-24 report, we consider:

- **Short-term:** financial year 2024-25
- **Medium-term:** financial years 2025-26 to 2029-30
- **Long-term:** financial years 2030-31 to 2043-44.

## Integrated Reporting key terms

- **Integrated thinking:** A way of thinking that supports our decision-making, taking into account financial and non-financial resources
- **Inputs:** The resources that support our work
- **Outputs:** The infrastructure, products, services and programs we produce and maintain
- **Outcomes:** The consequences of our work and outputs. Outcomes include the value we create and impacts from our activity
- **Material themes:** What our external and internal stakeholders deem the most important – or material – issues for auDA
- **Strategy:** Where we concentrate our efforts to achieve our goals
- **Value creation:** How we manage our resources to create sustainable value for our stakeholders over time.

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# From the Chair

## On behalf of the auDA Board of Directors, I am pleased to present the auDA 2023-24 Annual Report.

Our Annual Report explores auDA's work and initiatives delivered for the benefit of all Australians in 2023-24. In what was the penultimate year of auDA's 2021-25 Strategy, we made significant progress against auDA's strategic objectives, and continued to deliver auDA's core functions – ensuring a stable, secure and reliable .au, administering the .au licensing regime based on multi-stakeholder processes and advocating for the multi-stakeholder model of internet governance.

Reflecting our strong commitment to deep and effective stakeholder collaboration, the

theme of this year's report is Shaping .au: A *multi-stakeholder approach*. This commitment provides rich, diverse insights from a broad range of stakeholders and is central to how we deliver value for Australians and internet users globally.

Our materiality process asks stakeholders what themes they consider most important to auDA's work. We report on those themes throughout our Annual Report. They guide how we deliver our responsibilities and shape how we make meaningful contributions for all Australians.

Our top material themes, outlined on page 15, are closely aligned with our core functions and strategic focus areas. They reinforce the importance of reliable, secure .au infrastructure, which underpins Australia's digital economy and society, as well as our internet governance advocacy and strong corporate governance.



Alan Cameron AO,  
auDA Chair

The auDA Board implements robust governance processes that provide transparency to our stakeholders. In the financial year, the Board closely monitored auDA's enterprise risks and financial management and oversaw matters related to auDA's people, cyber security, legislative requirements, the .au registry tender and Public Benefit Program. We also contributed to auDA's Sustainability Framework. The Framework is in development and will provide a roadmap to achieve auDA's Environmental, Social and Governance (ESG) ambitions, building on our existing contributions.

During the financial year the Board's composition changed, supported by the auDA Nomination Committee. We welcomed Thu-Trang Tran and Tara Commerford to the Board and farewellled Matthew Healy, Jacqueline Korhonen, and Tara Commerford who made the decision to step down during her term due to other opportunities that arose. My thanks to all Directors who served on the Board for their expertise and passion for supporting Australians through .au.

I also thank auDA's Executive Team and auDA staff for their dedication to auDA, and the Nomination Committee and Board Advisory Committees who supported the Board throughout the year.

In April 2024, auDA's Chief Executive Officer, Rosemary Sinclair AM informed the Board of her decision to step down from her role in December 2024. I extend a profound thank you to Rosemary for her service to auDA. She has ably led the organisation since March 2020, navigating auDA through a global pandemic, setting an ambitious strategic agenda, delivering significant progress against that agenda and building meaningful stakeholder relationships in Australia and internationally.

2024-25 promises to be an exciting year for auDA, with the development of the auDA 2026-30 Strategy, release of our Sustainability Framework and the inaugural Research and Development (R&D) grant round. Dr Bruce Tonkin will also commence as auDA's new CEO in January 2025. The Board is confident that Bruce, who joined auDA in 2017 and has served as auDA's Chief Operating Officer since 2018, will lead auDA capably in coming years. As always, auDA staff and Directors will deliver our duties with foremost consideration for our diverse community of stakeholders and endeavour to unlock further social and economic value for all Australians.



# From the CEO

**The .au domain is critical Australian infrastructure, essential to a productive, connected modern day life. At auDA, we are proud of our work delivering a trusted, secure .au that internet users can rely on, and our contributions extend beyond .au. Our Public Benefit Program, research reports and internet governance advocacy also unlock benefits for internet users that deliver ongoing impact.**

In 2023–24, auDA delivered value to internet users in a range of ways, including:

- Maintaining 100 per cent availability for the .au domain name system (DNS), connecting internet users to online resources and facilitating online trade
- Continued action against DNS abuse, driving instances of abuse to only 0.0002 per cent of .au domain names as at June 2024, well below the global average
- A successful upgrade of the .au registry platform, providing greater redundancy and security enhancements
- A comprehensive audit program to proactively review .au domain name compliance, with a 55 per cent increase in compliance audits from 2022–23
- Distributing \$600,000 for community and education projects through the Community Grant Program and supporting four R&D Grant Program pilot projects



Rosemary Sinclair AM,  
auDA Chief Executive Officer



- Releasing two *Digital Lives of Australians* research reports, the *Atlas of Australia Online 2023* report and our *Future Scenarios Project Report* to inform policymaking, industry initiatives and auDA's own work
- Building diversity in the membership base and providing members access to a greater breadth of events and insights and the opportunity to have a say on matters related to .au and auDA
- Releasing our inaugural *Public Policy Agenda*, which guided our domestic policy advocacy and *Internet Governance Roadmap*, which supported our work to uphold the multi-stakeholder model of internet governance and was a catalyst for the creation of the global Technical Community Coalition for Multistakeholderism
- Growing and developing our team in key areas to support delivery of our core functions and strategic objectives
- Progressing our phased adoption of the Integrated Reporting Framework to support thorough, transparent reporting, and commencing work on a Sustainability Framework, which will guide how we contribute to ESG matters over coming years.

We are able to invest in these initiatives thanks to our strong financial position. In 2023-24, auDA's revenues were stable and there was a modest increase in expenses to support our strategic objectives and driven by inflationary pressures. While we project an operating deficit in the short-term in the face of increased regulatory

obligations and continuing cost inflation, prudent financial management by auDA's Executive Team and Board will support a return to surplus in coming years, ensuring auDA can continue to invest in .au and Australia's internet ecosystem.

auDA does not accomplish its achievements alone. We embed multi-stakeholder processes into our organisation to build a richer understanding of the digital needs of Australians through our community.

I thank our stakeholders in the .au domain name industry, .au members, auDA Advisory Committees, .au registrants, not-for-profit and research organisations, governments, industry bodies, the technical community, civil society and academia with whom auDA engaged in 2023-24.

I also thank .au registry operator, Identity Digital Australia (Identity Digital) for supporting auDA to deliver critical .au registry services. In the financial year, auDA reappointed Identity Digital following a global tender for a new term commencing 1 July 2024.

In 2024-25, auDA will develop an organisational strategy for 2026-30. We will consider our external environment including potential impacts of increasing cyber threats, rapidly evolving technologies and the geopolitical landscape. We will invite feedback from our stakeholders to gather broad perspectives and develop a strategy that continues to enable Australians to have secure, productive experiences online.

In 2024-25, auDA will also be joined by a new CEO, following my decision to step down in December 2024. My five years at the helm of auDA have been incredibly rewarding. I'm grateful to the auDA team, Board of Directors and our multi-stakeholder community for contributing generously to auDA's purpose and vision.

A special thank you to the auDA Executive Team for their leadership and tireless contributions to auDA, and to Board Chair Alan Cameron AO for his support and guidance. I congratulate Dr Bruce Tonkin on his appointment as CEO. It has been a pleasure to work alongside Bruce in his current role as auDA's Chief Operating Officer and I wish him every success as CEO.



# About auDA



**auDA is an Australian not-for-profit organisation responsible for administering the .au domain. Our vision is to unlock positive social and economic value for Australians through an open, free, secure and global internet.**

auDA is endorsed by the Australian Government to manage the .au country code Top Level Domain (ccTLD) for the benefit of all Australians. Our Terms of Endorsement from the Federal Government outline auDA's core functions and principles. The Government reviews the auDA Terms of Endorsement every three years. The next review will be in 2024-25.

We also operate under an agreement with the Internet Corporation for Assigned Names and Numbers (ICANN), the international body that coordinates the internet's naming and numbering systems.

The .au DNS is Australian critical infrastructure that supports more than four million .au domain names and enables internet users to navigate to websites and send and receive emails with domain names ending in .au.

To deliver our work in the interest of Australians, we engage with the Australian public, .au members, industry, government, the technical community, civil society and academia, and administer .au through multi-stakeholder processes.

auDA research shows that .au is highly valued by Australians and is considered reliable and trustworthy. According to global registry provider Verisign, which reviews the global domain name industry, .au is the 10th largest Top Level Domain (TLD) and the seventh largest ccTLD worldwide.

auDA is an Australian public company limited by guarantee with more than 5,000 members. The auDA Constitution governs our operations, including the appointment and duties of our Board Directors, Nomination Committee, Advisory Committees and members.

Our [Terms of Endorsement](#), [ICANN Sponsorship Agreement](#) and [Constitution](#) are available on the auDA website.

## Terms of Endorsement from the Australian Government

### Core functions set out by Government are to:

- Ensure stable, secure and reliable operation of the .au domain, which is part of Australia's suite of critical infrastructure
- Administer a licensing regime for .au domain names based on multi-stakeholder processes that is transparent, responsive, accountable, accessible and efficient
- Advocate for and actively participate in multi-stakeholder internet governance processes domestically and internationally.

### Core principles set out by Government are to:

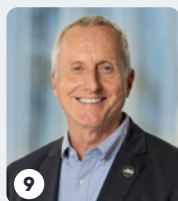
- Engage with the Australian Government
- Support trust and confidence in .au
- Promote principles of competition, fair trading and consumer protection
- Support fair and transparent multi-stakeholder engagement
- Support a membership structure that reflects the diversity of the Australian community
- Maintain effective governance processes that are transparent, accountable, support effective decision-making, and promote the interests of the Australian community.

# auDA Board Directors

auDA's operations and strategy are guided by our Board of Directors.

Tara Commerford was appointed to the Board on 15 November 2023. Tara stepped down from the Board effective 31 March 2024 to pursue other opportunities. We also farewelled Matthew Healy and Jacqueline Korhonen who stepped down from the Board in September and November 2023 respectively. Matthew served on the Board from November 2019 and was Chair of the Governance and Culture Committee and a member of the Security and Risk Committee and Audit Committee. Jacqueline served on the Board from November 2020 and was a member of the Security and Risk Committee and the Finance and Sustainability Committee. We thank Matthew, Jacqueline and Tara for their contributions during their terms.

Read more about auDA's Board on page 73 and page 84.



**1 Alan Cameron AO**  
Appointed Director and Independent Chair  
Appointed 15 Nov 2019, reappointed 16 Feb 2022.

**2 Sandra Davey**  
Appointed Director  
Elected 15 Nov 2019, appointed 16 Nov 2022.

**3 Peter Elford**  
Elected Director  
Appointed 15 Nov 2019, reappointed 16 Nov 2022, elected 15 Nov 2023.

**4 Angelo Giuffrida**  
Elected Director  
Elected 15 Nov 2019, re-elected 16 Nov 2022.

**5 Sandra Hook**  
Appointed Director  
Appointed 16 Nov 2022.

**6 Dr Alice McCleary**  
Appointed Director  
Appointed 15 Nov 2019, reappointed 16 Nov 2022.

**7 Wendy Thorpe**  
Elected Director  
Elected 16 Nov 2022.

**8 Thu-Trang Tran**  
Appointed Director  
Appointed 15 Nov 2023.

**9 Michael Trovato**  
Elected Director  
Elected 16 Nov 2022.

# auDA Executive Team

auDA's Executive Team manages operations at auDA and is led by CEO Rosemary Sinclair AM. Each Executive contributes to the effective functioning of auDA and achievement of our core functions and strategy.



**Rosemary Sinclair AM**  
Chief Executive Officer

Rosemary leads the organisation and Executive Team. She is responsible for auDA's overall operations and governance at auDA. In April 2024, Rosemary advised the Board of her intention to step down at the end of December 2024.



**Sophie Mitchell**  
Chief Communications Officer

Sophie leads the Communications, Stakeholder Engagement and Policy Team. She is responsible for corporate communications, membership, stakeholder engagement, internet governance and public policy, media relations and marketing.



**James Shady**  
Chief Financial Officer

James leads the Finance Team. He is responsible for the effective financial management of auDA's financial resources, sustainability and risk management.



**Jane Smith AM**  
Chief People and Culture Officer

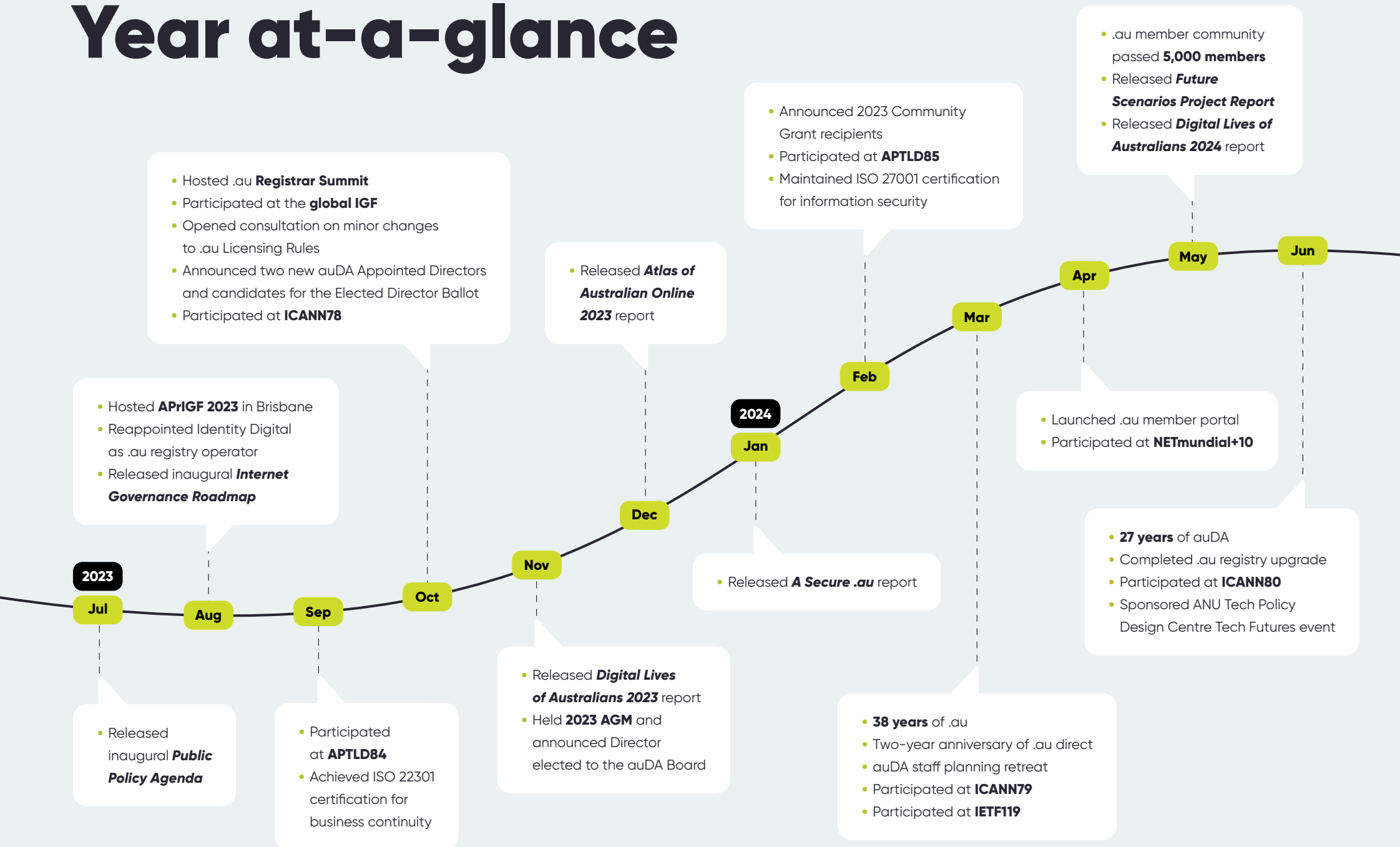
Jane leads the People and Culture Team. She is responsible for supporting auDA's people, including recruitment, professional development and culture. Jane also oversees auDA's Public Benefit Program and supports auDA's Board Advisory Committees.



**Dr Bruce Tonkin**  
Chief Operating Officer

Bruce leads the Information Technology, Operations and Security Team and Compliance Team. He is responsible for the stable, secure and reliable operation of the .au DNS and administration of the .au Licensing Framework.

# Year at-a-glance



# Year at-a-glance

**Variations**  
are year-on-year

## Trust

**4,249,923** **+0.3%**

.au domains under management

**85,300** **+60%**

Average .au DNS queries per second

**ISO 22301**

Certification achieved for business continuity

**ISO 27001**

Recertification achieved for information security

**16,162** **+55%**

Compliance audits

**1,394** **-38%**

DNS abuse cases reported

**74%** **no change**

Satisfied or very satisfied with compliance service

## Multi-stakeholder engagement

**41**

Active engagement at international and domestic internet governance and policy forums

**12**

Registrar briefings

**1**

Registrar Summit

**APrIGF**

Hosted by auDA  
First time held in Australia

**5,057** **+17%**

.au members

**796**

Total new .au members, 32% women

**auDA Public Policy Agenda + auDA Internet Governance Roadmap**

Inaugural Agenda and Roadmap published

## Innovation

**1 in 5**

of all .au domain names are in the .au direct namespace

**4**

auDA research reports published

**\$600,000**

Awarded to 15 Community Grant Program projects

**4**

R&D Grant Program pilot projects commenced

## Governance

**\$1.14 million**

Operating surplus

## People

**56** **+17%**

Team members

**48%**

Women

**from 52%**

**52%**

Men

**from 48%**

**87%** **+5%**

Staff retention

**75%** **-6%**

Staff engagement

**Integrated Reporting Framework**

Continued adoption: assurance readiness review of 2022-23 Annual Report conducted by an external body

# Our material themes: what matters most to our stakeholders

**auDA's materiality process tells us what is most important – or material – to our stakeholders.**

Materiality is a guiding principle of the Integrated Reporting Framework. Our material themes guide how we deliver our core functions and strategy. They also support our corporate reporting and engagement with stakeholders. We maintain a focus across all key themes and use the materiality results to prioritise our resources.

In 2024, auDA engaged an external provider to complete our third materiality process and undertake a “pulse-check” on progress against 2023. The process included:

## 1 Materiality survey

Participants were surveyed on the list of potential material themes from the 2023 survey. Participants were asked to rank the themes in terms of importance and identify their top three priorities.

The survey was completed by internal stakeholders and a small group of external stakeholders from the .au member program, industry, civil society, and government and policy.

## 2 Stakeholder interviews

One-on-one interviews were conducted with all survey participants, exploring their top three priorities. The interviews provide context to help us understand stakeholder priorities, our performance against expectations and how we can continue to meet stakeholder needs.

## 3 Materiality results

The materiality survey results provide a list of top themes ranked in order of priority. The 2024 results were relatively consistent with those from 2023. The top nine themes remain the same with some movement in the order. “Community value from the internet” entered auDA's top material themes in 10th position in place of “digital inclusion”. As in previous years, there was strong alignment between internal and external stakeholders.

## 4 Board and Executive Team workshop

The results were presented to the auDA Board and Executive Team. Survey results and comments from the interview phase provided rich insights and will support auDA's strategic planning process in 2024–25, which you can read about on page 19.

*“The internet is the basis for all transactions and economic activity in Australia. Cyber security gets the most airtime but [reliable infrastructure is essential because] potential operational outages can cost small businesses millions.”*

**Civil society stakeholder,  
materiality survey 2024**

**auDA's 10  
material themes  
are available  
on page 15.**

# auDA's top 10 material themes in priority order



## 1. Reliable infrastructure

Australia relies on the internet to connect communities, do business and engage with government services. The reliability of .au infrastructure is critical to applications and services that operate over the internet.



## 2. Cyber security and DNS abuse

We follow international best practice cyber security standards to operate the .au domain and keep it secure, reliable and resilient from cyberattack. We drive down DNS abuse in .au to reduce harm to internet users.



## 3. Internet governance

We participate in and advocate for the multi-stakeholder model of internet governance, which is under pressure from geopolitical threats, to ensure the internet remains secure, accessible and globally interoperable.



## 4. Governance and transparency

We follow robust governance processes to maintain the integrity of the .au domain and auDA's operations, and are transparent with our stakeholders.



## 5. Stakeholder relationships

Our multi-stakeholder engagement and internet governance processes build strong relationships, confidence and trust in auDA. We are transparent, accountable and responsive.



## 6. Representing .au in the public interest

We represent .au's interests in international policy, such as internet governance, regulatory developments and DNS abuse. We represent .au in the public interest, independent from the government.



## 7. Licensing rules, compliance and dispute resolution

Our .au Licensing Framework rules are clear and applied consistently. Our dispute and complaints resolution processes follow best practice to educate, guide and enforce .au policy rules.



## 8. Technological innovation

Collaboration and innovation help us respond to emerging technologies and meet evolving DNS needs. This ensures .au remains a leading ccTLD.



## 9. Financially sustainable not-for-profit

We are a financially sustainable not-for-profit with funds available for the efficient administration of .au for the benefit of all Australians, supporting investment in innovation and public benefit initiatives.



## 10. Community value from the internet

We support the community to gain value from the internet and .au to run businesses, work, access goods and services, and connect with others. We support Australians to increase their internet use, security and confidence.

# Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a set of 17 goals to support the end of poverty, protect the planet and ensure peace and prosperity by 2030.

auDA considers the SDGs in our work and strategic planning. We report on the SDGs that we contribute to most meaningfully. These SDGs have been identified through input from our team and our first materiality process in 2022.



**SDG 8**

## **Decent work and economic growth**

**Promote inclusive and sustainable economic growth, full and productive employment and decent work for all.**

The .au domain underpins Australia's digital economy and supports Australians online. We contribute to positive economic outcomes for individuals and businesses through our effective management of .au, our research, Public Benefit Program, and public policy and internet governance advocacy.



**SDG 9**

## **Industry, innovation and infrastructure**

**Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.**

The .au DNS is part of Australia's critical infrastructure and an essential enabler for today's digital economy and society. Through our careful management, we ensure it remains stable, secure and reliable. We support innovation through research, grants and partnerships, enhancing the value of the internet in Australia, in the Asia Pacific region and globally.



**SDG 10**

## **Reduced inequalities**

**Reduce inequality within and among countries.**

We actively advocate for the multi-stakeholder model of internet governance; an inclusive approach that enables all interested stakeholders to participate on an equal footing. We support under-represented groups to participate in internet governance processes, including our peers in the Pacific, progress work on our first Reconciliation Action Plan, encourage diversity in .au membership and promote inclusion through the auDA value of "Better together".



**SDG 17**

## **Partnerships for the goals**

**Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.**

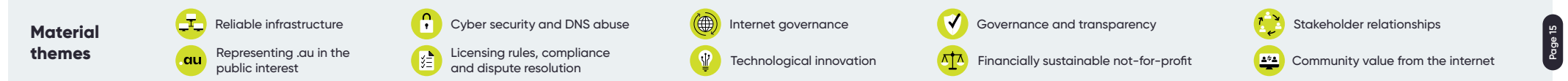
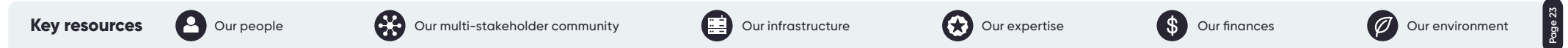
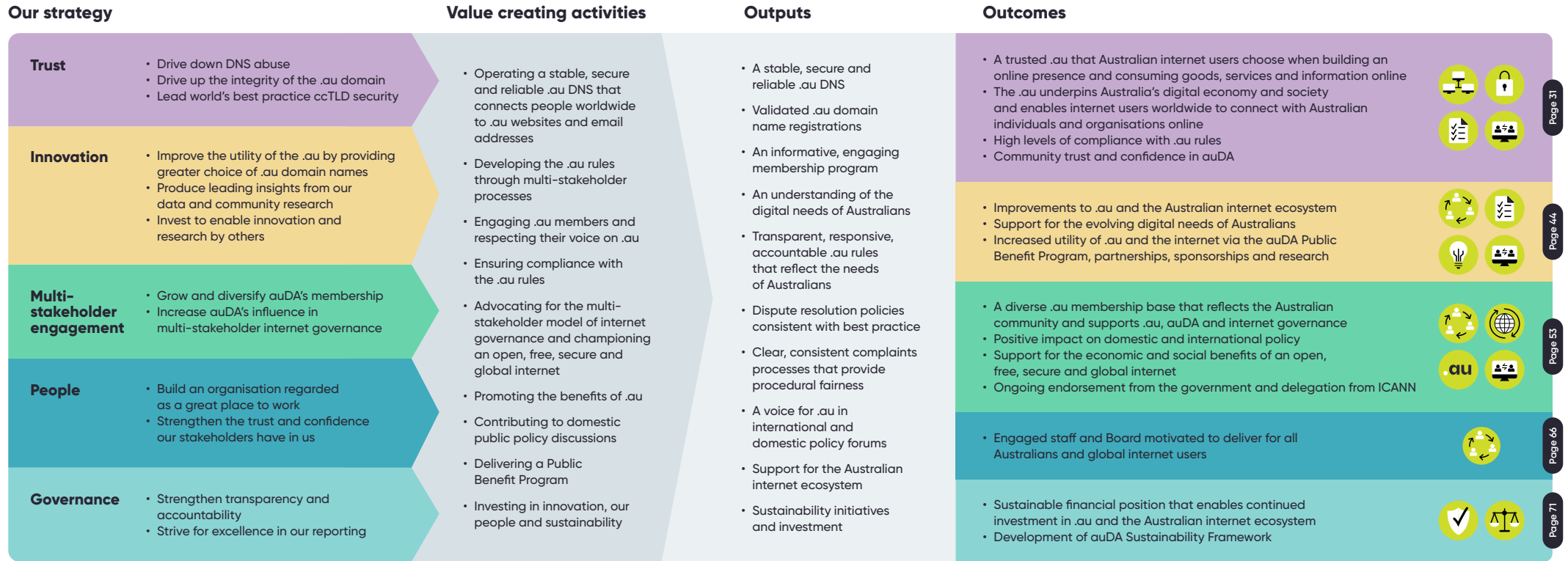
We take a leading role in the Australian internet community and partner with likeminded ccTLD managers from around the world to support ongoing, effective multi-stakeholder internet governance processes nationally and globally. We support and collaborate with organisations at the local, regional and global level to champion an open, free, secure and global internet, and to sustain social and economic benefits of the internet.



# How we create value

**Purpose** Administer a trusted .au for the benefit of all Australians and champion an open, free, secure and global internet.

**Vision** Unlock positive social and economic value for Australians through an open, free, secure and global internet.



**Terms of Endorsement** From the Federal Government – core functions and core principles

# auDA's Strategy

**Our 2021–25 Strategy and Terms of Endorsement set the direction for auDA. Through our strategic focus areas and capabilities, and the core functions and principles in our Terms of Endorsement, we prioritise how we dedicate our resources to create value for Australians.**

auDA's 2021–25 Strategy was developed through a thorough process that included input from staff and Board Directors, and consultation with our multi-stakeholder community. It was approved by the auDA Board in September 2021 and released in October 2021. An overview of our Strategy is provided on page 22.

We've made significant progress against our Strategy since that time, including:

- Enhancing the **security and integrity of .au** by reducing the instances of DNS abuse in .au to less than 0.0002 per cent, increasing compliance with .au rules and achieving certification for best practice international standards such as ISO 27001 for information security and ISO 22301 for business continuity
- Improving the **utility of .au and the internet** for Australians through the launch of .au direct in 2022, producing research such as our *Digital Lives of Australians* and *Atlas of Australia Online* reports that provide insights on the Australian internet ecosystem and supporting innovation by others through the Public Benefit Program
- Strengthening **trust and confidence in auDA**, growing and diversifying the .au membership base to more than 5,000 members and developing our influence in multi-stakeholder internet governance through participation in a broad range of domestic and international forums
- Building excellence in **our team** through our annual staff planning retreat and leading professional development and wellbeing programs



- Embedding robust **governance processes** that have strengthened transparency and accountability and supported a high standard of corporate reporting, with our 2021–22 and 2022–23 Annual Reports receiving Bronze Australasian Reporting Awards.

On page 26 and 27, we report on our performance against key strategic objectives, as well as health metrics that measure performance against our core functions.



## Looking ahead

Financial year 2024–25 is the final year of our 2021–25 Strategy. Over this period, we will focus on delivering our strategic objectives and will develop a 2026–30 Strategy.

In developing our new strategy, we will consult with stakeholders, and consider the impact of the changing global digital economy and how auDA can continue to deliver benefits for the Australian community through .au and the internet. We will also consider a range of inputs, including:

- Insights from auDA staff and Board workshops
- Challenges and opportunities for auDA's business model explored in the *auDA Future Scenarios Project Report* outlined on page 20
- Technology and market developments
- Our material themes and considerations raised through our materiality process on page 14 and 15
- Feedback from the 2023 stakeholder and 2024 .au member surveys
- Consideration of how auDA can continue to meaningfully contribute to the United Nations SDGs.

We will release our draft Strategy for public consultation in Q3 2024–25, providing an opportunity to incorporate insights from our community of .au members and stakeholders into the final document.

### auDA's Strategy over time

In our strategic planning, we consider the short, medium and long term.

- **Short-term:** deliver our 2024–25 strategic objectives
- **Medium-term:** develop our 2026–30 Strategy
- **Long-term:** explore potential future risks and opportunities for 2030–44 through out *Future Scenarios Project Report*.

# auDA's Future Scenarios Project: navigating an uncertain future

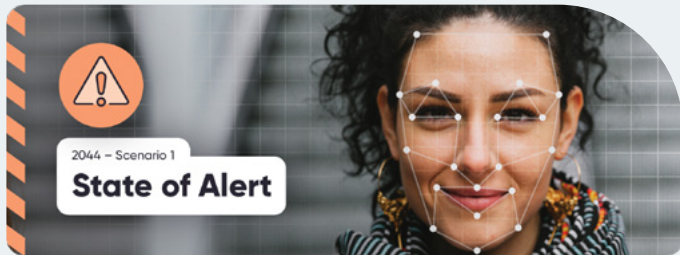
**In 2023, auDA embarked on a Future Scenarios Project to support strategic planning and decision making as we develop our 2026-30 Strategy.**

Through the project, we developed three strikingly different scenarios, which explore the strategic environment for communications and internet governance over a 20-year timeline to 2044.

We developed the scenarios using an adapted form of the Oxford Scenario Planning Approach developed at the Saïd Business School, with support from leading strategy and foresight practitioner, Dr Matt Finch. We also engaged the support of local and global experts representing the public, private and not-for-profit sectors across a range of industries, communities and stakeholders, who generously offered their time and contributed to the development of the scenarios, as well as testing them for plausibility as they evolved.

In May 2024, we released our *Future Scenarios Project Report*, which outlined our final three scenarios.

- **State of Alert 2044**, where national security is the priority in a world of global tension
- **Ecological Civilisation 2044**, where collective resilience is the priority in a world where climate catastrophe can no longer be ignored
- **The Price is Right 2044**, where profit is the priority in a world where corporations transcend the nation-state.



*"One reason for the project is our current five-year strategy is about to come to an end in June 2025 and we've got to start on the development of the next strategy.*

*The second is that we all have a sense that the future – the challenges we face and the opportunities that will arise – will be very different to the challenges and opportunities that have gotten us to this point."*

**Rosemary Sinclair AM,  
auDA CEO**

*"Things might not remain as they are, and we can't rely on tomorrow being like today or yesterday. Scenarios let us explore how uncertainties in our environment might play out over time."*

**Dr Matt Finch,  
Associate Fellow at Saïd Business  
School, University of Oxford**

The scenarios are intended to challenge current assumptions and provide auDA the opportunity to:

- Navigate ambiguity, disruption and change
- Drive innovation
- Manage future complexity by thinking about it in advance.

The scenarios are not intended to be projections or forecasts of the future, nor expressions of desired future states.

We made the *Future Scenarios Project Report* publicly available and invite others to use the scenarios for their own thinking and planning. We sponsored the Australian National University (ANU) Tech Policy Design Centre's annual Tech Futures Event at Parliament House Canberra in June 2024, which featured our *Future Scenarios Project Report* as the cornerstone of the event program. The event provided an opportunity for civil society, politicians, officials, industry and innovators to consider the future of tech and policy design through the lens of the scenarios. The Emerging Threats and Technology Group at the Oxford University CCW Centre also published an article titled *auDA Scenarios 2044: Mapping the Future of Internet Governance and Security*, which reflects on the security and threat implications of each scenario.

**We hope the report continues to stimulate critical thinking and analysis about the future of the DNS and broader internet, helping guide us towards a positive and productive digital future.**



auDA CEO Rosemary Sinclair AM delivers remarks about auDA's Future Scenarios Project (top) at the 2024 Tech Futures event.

# auDA's 2021-25 Strategy

**Purpose** Administer a trusted .au for the benefit of all Australians and champion an open, free, secure and global internet.

**Vision** Unlock positive social and economic value for Australians through an open, free, secure and global internet.

## Strategic focus areas

## Strategic capabilities

### Trust

- Drive down DNS Abuse
- Drive up the integrity of the .au domain
- Lead world's best practice ccTLD security

Page 31

### Innovation

- Improve the utility of the .au by providing greater choice of .au domain names
- Produce leading insights from our data and community research
- Invest to enable innovation and research by others

Page 44

### Multi-stakeholder engagement

- Grow and diversify auDA's membership
- Increase auDA's influence in multi-stakeholder internet governance

Page 53

### People

- Build an organisation regarded as a great place to work
- Strengthen the trust and confidence our stakeholders have in us

Page 66

### Governance

- Strengthen transparency and accountability
- Strive for excellence in our reporting

Page 71

## Terms of Endorsement from the Federal Government

auDA's core functions and core principles

Page 10

## Values

Page 69

### Contribute: locally and globally

We serve all Australians and global internet users.

### Better together

We collaborate and work together as one auDA.

### Strive for excellence

We deliver value. On time, every time.

# Delivering our Strategy

Our resources make it possible to deliver value to our multi-stakeholder community. We invest in our resources so we can continue to unlock positive social and economic value for Australians through the internet in the short, medium and long term.

## Sustaining our resources to deliver value over time

On the following pages, we explore how our resources support delivery of our Strategy and how we preserve and maintain our resources to ensure they are sustainable over time.

We are aware some resources may decrease at times and we take proactive steps to build and sustain those resources so we can continue to draw on them to deliver value. As we explore on page 26, staff engagement decreased from our 2022 engagement survey to our 2023 survey. Our people are integral to our success and we put in place a number of measures to improve staff engagement, to support a motivated, fulfilled, expert workforce that is well-placed to support auDA's work. We are aware domain name registrations slowed in the financial year, consistent with global trends. auDA is taking steps to maintain registrations in accordance with our Strategy. We also recognise our operations rely heavily on energy to power a stable, secure and reliable .au and deliver our core functions and strategic objectives. With that in mind, auDA began work on a Sustainability Framework in 2024 to consider areas of impact and set out our ESG objectives.

## Our people



### Description

- auDA staff and Board
- Governance and Culture Committee
- Diverse experience and skills
- auDA values

### How our people support our Strategy

- Our people are a strategic capability, vital to delivering value to stakeholders
- Values and corporate policies guide how we work and support a positive culture
- Staff expertise contributes to stakeholder trust and confidence in .au and auDA
- The auDA Board and Governance and Culture Committee provide expert oversight of auDA's people activities

### Sustaining our people in 2023-24

- Expanded the auDA team in strategically important areas such as cyber security, public benefit, communications, and people and culture
- Supported staff via training and development, flexible working policy and wellbeing program
- Focused on staff wellbeing through psychosocial safety and risk controls assessment and training, and a new employee assistance provider
- Established Leadership Team program of meetings to support leadership capability and strategic planning
- Welcomed new Board Directors

## Our multi-stakeholder community



### Description

- Australian community
- .au registrants
- .au members
- Australian domain sector including the .au registry operator, .au registrars and resellers
- auDA Board Advisory Committees
- Australian and international internet governance sector
- Australia's business and technology industries
- Technical community
- Civil society and academia
- auDA grant recipients
- State and federal government entities

### How our stakeholders support our Strategy

- Our multi-stakeholder community, including .au members, helps us understand and meet Australians' evolving online needs
- Strong relationships within the domestic and international internet policy and governance forums help us support an open, free, secure and global internet
- Endorsement from the Federal Government and our agreement with ICANN enable us to administer .au on behalf of all Australians
- The Australian domain sector supports the delivery of trusted and secure .au services
- Grant recipients deliver digital inclusion and innovation projects that support the Australian community
- The auDA Board and Public Benefit Program Committee provide expert oversight of the Public Benefit Program
- Advisory Committees provide independent advice to the auDA Board

### Sustaining our stakeholders in 2023-24

- Continued to develop .au membership program to grow and diversify the membership base
- Developed industry partnerships, undertook sponsorships, led research and auDA hosted roundtables to connect and share information with stakeholders
- Established the Technical Community Coalition for Multistakeholderism alongside likeminded ccTLD managers to uphold multi-stakeholder internet governance
- Delivered the 2023 Community Grant round and developed the R&D Grant Program for launch in 2024-25
- Participated at domestic and international internet policy and governance forums
- Provided opportunities for members to have a say on .au and engage in events, workshops and partner benefits
- Held regular registrar briefings and annual summit
- Engaged with Australia's internet governance community to build a shared approach and contribute to regional and international forums

## Our infrastructure



### Description

- .au DNS
- .au registry database
- .au WHOIS tool

### How our infrastructure supports our Strategy

- .au is critical Australian infrastructure that underpins the internet and enables internet users to navigate to .au website and email addresses
- A reliable, secure .au DNS and registry enable Australians to engage and do business online
- The .au WHOIS tool supports the integrity of .au
- The auDA Board and Security and Risk Committee provide expert oversight of the stability, security and reliability of auDA's infrastructure

### Sustaining our infrastructure in 2023-24

- Maintained our Critical Infrastructure Risk Management Program (CIRMP), as required under the *Security of Critical Infrastructure Act 2018* (Cth), to identify, minimise and eliminate risks that could impact the operation of .au
- Passed annual ISO 27001 audit, the international standard for best practice information security
- Achieved ISO 22301 certification, the international standard for best practice business continuity management
- Appointed a .au registry operator to support auDA in administering a stable, secure and reliable .au, following a global tender process
- Upgraded .au registry platform providing greater security and resilience
- Held crisis simulation exercises and regularly monitored and tested our security defences
- Upgraded equipment and capacity of key .au nameservers



## Our expertise



### Description

- .au Licensing Framework
- Expertise in IT, domain name management, security, compliance, internet governance, membership, stakeholder engagement, finance, risk management, communications, corporate reporting, marketing and public benefit
- Robust governance framework
- auDA Board and Board Committees

### How our expertise supports our Strategy

- High levels of compliance with .au rules and low levels of DNS abuse promote trust in .au
- A reliable, secure .au supports internet users
- Our work enables improvements in the Australian internet ecosystem and champions multi-stakeholder internet governance and an open, free, secure and global internet
- Our robust governance framework supports transparency and accountability
- auDA's Board and Board Committees provide expert oversight and guidance for delivery of auDA's operations and strategy

### Sustaining our expertise in 2023-24

- Recruited and retained expert staff
- Invested in training to develop staff to contribute at the highest levels, including in security, compliance, internet and corporate governance
- Provided tailored professional development opportunities to staff

## Our finances



### Description

- Sustainable financial position

### How our finances support our Strategy

- We are a financially sustainable not-for-profit, for-purpose organisation
- Our efficient financial management supports the administration of .au and investment in public impact initiatives such as internet governance and public policy advocacy, the Public Benefit Program and research
- The auDA Public Benefit Program Committee supports investment in initiatives that deliver benefits to Australians through the internet
- Co-Marketing and Innovation Program supports the dynamic registrar environment and promotes competition in the .au market
- The auDA Board, the Finance and Sustainability Committee and Audit Committee oversee the prudent management of auDA's finances

### Sustaining our finances in 2023-24

- Demand for com.au and .au direct domain names supported modest yet stable growth in .au domain name registrations, with total .au domain name registrations up 0.3 per cent year-on-year
- Delivered a national awareness campaign to drive awareness of .au domain names and sustain registrations and renewals
- Monitored financial performance against Board-approved budget, and ensured adequate working capital and key financial ratios were maintained
- Undertook budget planning for 2024-25 to support a sustainable financial position
- Robust governance processes including oversight by the auDA Board and Board Committees, risk management and annual Corporate Governance Statement, provided transparency and accountability

## Our environment



### Description

- Finance and Sustainability Committee
- Sustainable investments

### How our environment supports our Strategy

- Continued focus on increasing sustainability efforts support our work delivering public benefit and contributing locally and globally
- The auDA Board and Finance and Sustainability Committee provide oversight of sustainability activity

### Sustaining our environment in 2023-24

- Commenced development of auDA Sustainability Framework to articulate and support auDA's sustainability objectives, to be finalised in 2024-25
- Selected .au registry operator that met sustainability requirements set out in the 2023 .au registry tender
- Reviewed investment strategy to ensure alignment to our sustainability objectives

# Our performance

The auDA performance scorecard provides an overview of our performance against key strategic objectives and health metrics:

- **Strategic objectives** reflect our focus in the current financial year and contribute to achieving the overall objectives detailed in our 2021-25 Strategy
- **Health metrics** reflect performance against our core functions.

Each financial year, the auDA Board approves targets, or key results, for that particular financial year that contribute to achieving our overall 2021-25 strategic objectives and meeting our core functions. The targets are based on prior year performance, operational considerations and longer-term objectives. auDA reports progress against these targets at each Board meeting.

**The performance scorecard shows auDA has performed well against each key measure. Of the 14 measures, 12 are on track and two are being managed within tolerance.**

Investment in innovation initiatives is being managed within tolerance as we sought to distribute \$1.3 million in funding through our Public Benefit Program in 2023-24. In total, \$600,000 was distributed through the Community Grant Program and \$306,000 to R&D Grant Program pilot projects. In 2024-25, the Community Grant Program will deliver another grant round, the pilot projects will continue to be funded and commitments to major projects through the R&D Grant Program are expected to be announced. More information on auDA's Public Benefit Program can be found on page 46.

Staff engagement is also being managed within tolerance. While we sought to maintain or improve our staff engagement measure, it has decreased as the organisation has grown. auDA invested in uplifting engagement, including through professional development, our wellbeing

program and implementing outcomes of our psychosocial safety risks and controls assessment. A staff survey from our annual planning retreat in March 2024 showed strong engagement from staff. More information on auDA staff is available on page 68.

auDA is committed to sustainable financial performance. We project an operating deficit at the end of 2024-25 due to ongoing investment in strategic initiatives, to meet regulatory obligations and inflation-based cost pressures. In June 2024, the Board approved an increase to the wholesale price of .au domain name licences effective from 1 October 2024, which is projected to return auDA to surplus in subsequent years and support ongoing financial sustainability. Information on auDA finances can be found on page 80 and in our Annual Financial Report on page 83.

Our performance scorecard also highlights how our resources – our people, multi-stakeholder community, infrastructure, expertise, finances and environment – support our performance, and shows that our 10 material themes are closely aligned to our Strategy and core functions.

**Table legend:**  
(next page)

  
auDA strategic  
objective

On track

Being managed  
within tolerance

Outside  
tolerance

# auDA performance scorecard

Measure	2022-23		2023-24		2024-25	Key resources	Material themes
	Actual	Actual	Target	Performance	Target		
<b>Trust</b>							
★ <b>.au domain names with an instance of DNS abuse</b>	0.027%	<b>0.0002%*</b>	0.02%	On track	0.005%		
.au DNS availability	100%	<b>100%</b>	100%	On track	100%		
.au WHOIS availability	100%	<b>100%</b>	100%	On track	100%		
.au registry database availability	100%	<b>100%</b>	100%	On track	100%		
★ <b>Registrars with best practice security certification</b>	73%	<b>94%</b>	80%	On track	100%		
★ <b>Validated .au domain name licences</b>	New registrations	98%	<b>99%</b>	98%	On track		
	Renewals	89%	<b>90%</b>	92%	On track		
<b>Innovation</b>							
★ <b>.au direct registrations</b>	18%	<b>18%</b>	18%	On track	18%		
★ <b>Investment in innovation initiatives</b>	\$600,000	<b>\$906,000</b>	\$1.3 million	Being managed within tolerance	\$2.2 million		
<b>Multi-stakeholder engagement</b>							
★ <b>.au membership growth and diversity</b>	Total members	4,312	<b>5,057</b>	5,000	On track		
	New members	2,052 total 26% women	<b>796 total 32% women</b>	700 35% women	On track		
★ <b>Engagement at key international and domestic internet governance and policy forums</b>	26	<b>41</b>	40	On track	40		
<b>People</b>							
★ <b>Staff engagement</b>	81%	<b>75%</b>	Maintain or improve	Being managed within tolerance	Improve		
<b>Staff retention rate</b>	82%	<b>87%</b>	Maintain or improve	On track	Maintain or improve		
<b>Governance</b>							
★ <b>Integrated Reporting Framework adopted</b>	Enhance application of principles and content elements	<b>Assurance readiness review of 2022-23 Annual Report conducted by an external body</b>	Assurance readiness review of 2022-23 Annual Report conducted by an external body	On track	External assurance of 2024-25 Annual Report conducted by an external body		
<b>Sustainable financial performance</b>	\$2.35 million operating surplus	<b>\$1.14 million operating surplus</b>	\$1.0 million operating surplus	On track	\$700,000 operating deficit		

\* In 2023-24, auDA updated the methodology it uses to measure DNS abuse in .au to improve accuracy. Refer page 119 for more information.

# Risk management

## auDA's approach to managing risk

Risk management is a critical component of effective governance at auDA.

Our approach to risk is set out in the **auDA Risk Management Framework**. It includes roles, responsibilities and how we identify, analyse, evaluate and report on risks.

Our Risk Management Framework is supported by our **Risk Appetite Statement**, which articulates the level of risk the auDA Board considers appropriate for auDA to effectively carry out its work. This includes preservation risk tolerances to support stability in the organisation and exploration

risk tolerances that support auDA to pursue opportunities to ensure its longer-term ability to deliver value.

The Risk Appetite Statement guides decision making for the Board, Board Committees, Executive Team and staff. auDA establishes risk treatments to manage risk where required, overseen by the responsible Executive.

We review our Risk Management Framework and Risk Appetite Statement at least once annually and report on risk to the Board twice a year and Board Security and Risk Committee each quarter.

As part of our risk management, we analyse environmental trends to identify risks and opportunities that may impact how we deliver our strategy and core functions. We consider the external environment in monitoring and managing risks, and how we continue to deliver value for Australians.

The risk table on page 29 shows the enterprise risks most relevant to our strategy and core functions, with consideration of environmental factors.



In 2023–24, all enterprise risks were managed within the Board risk appetite tolerance.



### Risk analysis over time

Our regular risk reporting processes focus on consideration of short and medium term risks.

As we develop our 2026–30 Strategy over the course of 2024–25, we will explore longer term risks and identify strategic focus areas that will enable auDA to continue delivering value for Australians through the internet during 2026–30 and beyond. auDA's Future Scenarios Project provides one lens through which we will analyse longer-term risks and opportunities. More information on auDA's Strategy and Future Scenarios Project is available on page 18 and page 20.

## auDA's enterprise risks

External environment	Risk	auDA key responses	Strategy	Material themes
<p>auDA's continued administration of the .au is contingent on:</p> <ul style="list-style-type: none"> <li>Ongoing endorsement from the Federal Government</li> <li>Continuation of our agreement with ICANN.</li> </ul> <p>Constructive relationships with the multi-stakeholder community underpin our ability to effectively deliver our strategy and core functions.</p>	<p>Loss of confidence by the Federal Government or ICANN leads to withdrawal of auDA's authorisation to operate.</p>	<ul style="list-style-type: none"> <li>Processes and systems in place to ensure auDA delivers its core functions as set out in the Federal Government's Terms of Endorsement and requirements under auDA's .au agreement with ICANN</li> <li>Robust corporate governance and reporting, demonstrating transparency and accountability</li> <li>Regular engagement with key Federal Government and ICANN stakeholders</li> <li>Monitored by auDA Board and Executive Team</li> </ul>	<p>Trust</p> <p>Multi-stakeholder engagement</p> <p>Governance</p>	  
	<p>Inability to engage a diverse stakeholder community leads to reduced confidence in auDA.</p>	<ul style="list-style-type: none"> <li>Investment in building and maintaining strong stakeholder relationships</li> <li>Continued refinement of the .au membership program to engage, grow and diversify the membership base</li> <li>Broad engagement with governments, industry, the technical community, civil society and academia</li> <li>Regular registrar engagement led by auDA's registrar liaison</li> <li>Delivery of auDA's Public Benefit Program to invest in initiatives by others that support internet users</li> <li>Independent advice to the auDA Board from Board Advisory Committees</li> </ul>	<p>Multi-stakeholder engagement</p>	
<p>The rise in emerging technologies such as AI is challenging business operations globally. Organisations must ensure they retain, train and recruit staff with appropriate technical skills and strategic insight to keep pace with technological advancement.</p> <p>Recruitment, particularly of emerging technology and security professionals, remains challenging.</p>	<p>Failure to optimise strategic and operational delivery to ensure the efficient achievement of auDA's core functions and objectives.</p>	<ul style="list-style-type: none"> <li>Development and regular review of our work plans to ensure appropriate allocation of resources to deliver against core functions and strategic projects</li> <li>Leadership Team meetings for dedicated project and capacity planning</li> <li>Project management office provides oversight and guidance for strategic projects</li> <li>Oversight of strategy and operations by the Board</li> </ul>	<p>Governance</p> <p>People</p>	 
	<p>Failure to sustain a culture where staff feel supported and confident leads to low satisfaction and under achievement of auDA's core functions and objectives.</p>	<ul style="list-style-type: none"> <li>Active support to develop our people to secure and retain the key staff and skills we need</li> <li>People and culture policies and practices, the adoption of auDA values and auDA's wellbeing program support retention and make auDA attractive to new staff</li> <li>Focus on staff wellbeing through psychosocial safety risks and controls assessment and onboarding of new employee assistance provider</li> <li>auDA's Talent and Succession Plan and approach to performance and development supports staff to grow with the organisation</li> <li>Oversight by the Board Governance and Culture Committee</li> </ul>	<p>People</p>	 

External environment	Risk	auDA key responses	Strategy	Material themes
<p>The .au DNS operates in a high threat environment. High-profile cyber security breaches continue to compromise the data of Australians. A cybercrime was reported every six minutes on average, up from one every seven minutes the previous year (Australian Cyber Security Centre's Cyber Threat Report June 2022-23).</p> <p>With more than 4.2 million .au domain names, .au is one of the world's largest ccTLDs, yet has among the lowest rates of DNS abuse.</p>	<p>auDA is not able to respond to threats to the stability, security and integrity of the domain name ecosystem.</p>	<ul style="list-style-type: none"> <li>• Continuous improvement approach to cyber security and network resilience to ensure .au is stable, secure and reliable</li> <li>• Transparent administration of the .au Licensing Framework</li> <li>• Monitoring and rectifying instances of DNS abuse in .au</li> <li>• Adherence to international best practice cyber security including information security standard ISO 27001 and the Australian Signals Directorate Essential Eight</li> <li>• Adherence to ISO 22301, the international best practice standard for business continuity</li> <li>• Regular monitoring, evaluation and testing of security defences</li> <li>• Security awareness training for auDA staff and Board Directors, and specialist training for technical and compliance staff</li> <li>• Oversight by the Board Security and Risk Committee</li> </ul>	<p>Trust</p>	
<p>According to auDA's <i>Digital Lives of Australians 2024</i> report, Australian consumers and small businesses rely on the internet more than ever; 99 per cent of consumers value the internet, nine in 10 working Australians rely on the internet to perform their job and four in five businesses would struggle to operate without it.</p> <p>Emerging technologies (e.g. blockchain, the metaverse, Artificial Intelligence (AI)) and growth of online platforms and marketplaces may impact how people use the DNS.</p> <p>There is a trend of consolidation in the registrar market at the parent entity level. The number of accredited .au registrars decreased from 33 to 31 in the financial year.</p>	<p>Failure to effectively innovate, manage or respond to competition and technology changes that affect the DNS lead to reduced relevance of the DNS for internet users.</p>	<ul style="list-style-type: none"> <li>• Regular monitoring of emerging technologies</li> <li>• Investment in innovating .au, including through the introduction of the .au direct namespace in 2022</li> <li>• auDA's <i>Digital Lives of Australians</i>, <i>Atlas of Australia Online</i> and market research to understand what Australians require from the internet to ensure the ongoing utility of the .au domain</li> <li>• auDA's <i>Future Scenarios Project Report</i> to consider plausible changes to the internet over the next 20 years, to guide strategic planning and decision making</li> <li>• Refreshed Co-Marketing and Innovation Program to support a dynamic registrar environment and promote competition in the .au market</li> </ul>	<p>Innovation</p>	
<p>There is continued sovereign state interest in internet governance. Some countries are advocating for a move away from the multi-stakeholder model of internet governance towards greater government involvement. The development of the United Nations Global Digital Compact (GDC), which is scheduled to be adopted at the Summit of the Future in September 2024, and the World Summit on the Information Society 20-year anniversary review (WSIS+20) in 2025 could give rise to a movement away from the multi-stakeholder model and the benefits it provides.</p>	<p>Geopolitical outcomes could lead to a splintered internet with different technical and governance standards and reduced interoperability.</p>	<ul style="list-style-type: none"> <li>• Investment in efforts to protect the multi-stakeholder model of internet governance</li> <li>• Convening regular roundtables with Australian internet governance stakeholders to build a shared approach</li> <li>• Actively engaging with the international community through policy forums, submissions to key consultations and auDA representation on key committees</li> <li>• Founding member of the Technical Community Coalition for Multistakeholderism, which aims to defend and improve the multi-stakeholder model of internet governance</li> <li>• Dedicated Internet Governance and Policy Team with expertise and experience to support this work</li> </ul>	<p>Multi-stakeholder engagement</p>	



Strategic focus area

# Trust

We work alongside the Australian .au domain name industry to build and maintain the trust of our stakeholders. We do this by operating a stable, secure and reliable .au domain and administering a transparent, responsive, accountable licensing regime for .au. These core functions underpin internet users' ability to connect to .au websites and email addresses with confidence.





Strategic focus area

Material themes

Trust

Strategic objectives

- Drive down DNS abuse
- Drive up the integrity of the .au domain
- Lead world's best practice ccTLD security



Terms of Endorsement

- **Core functions:** Stable operation of .au; administer .au licensing regime
- **Core principles:** Support trust and confidence in .au; promote competition and consumer protection

Key resources



Performance

Status

* .au domain names with an instance of DNS abuse	0.0002%	<div style="width: 100%; height: 10px; background-color: #90EE90;"></div>
.au DNS availability	100%	<div style="width: 100%; height: 10px; background-color: #90EE90;"></div>
.au WHOIS availability	100%	<div style="width: 100%; height: 10px; background-color: #90EE90;"></div>
.au registry database availability	100%	<div style="width: 100%; height: 10px; background-color: #90EE90;"></div>
* Registrars with best practice security certification	94%	<div style="width: 100%; height: 10px; background-color: #90EE90;"></div>
* Validated .au domain name licences:	New registrations	99%
	Renewals	90%

On track   
 Being managed within tolerance   
 Outside tolerance



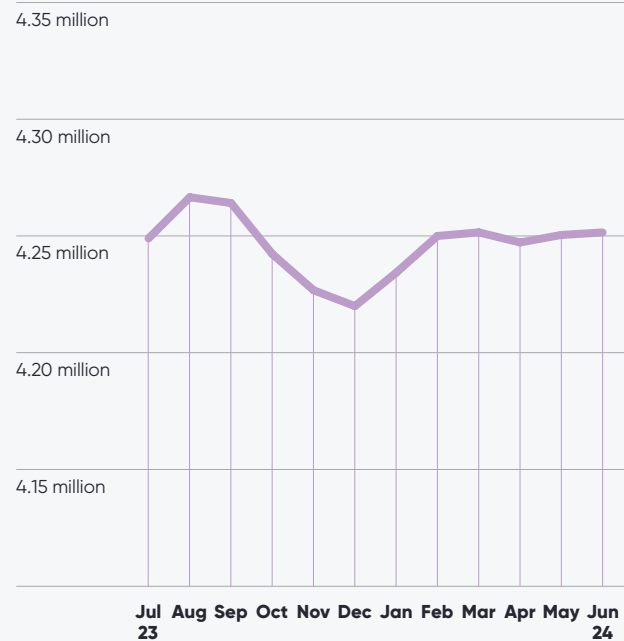
# .au domain name registrations

**On 30 June 2024, .au domain name registrations were 4,249,923, up 0.3 per cent from June 2023.**

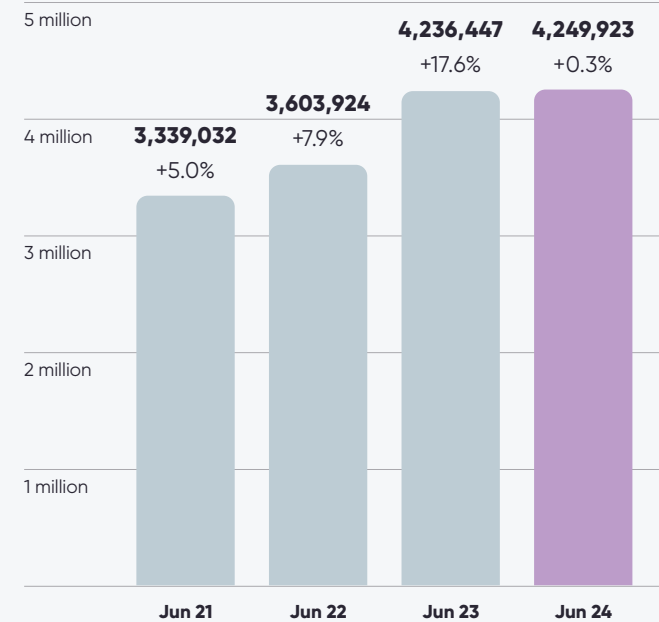
This growth is consistent with long term global growth trends and reflects a flattening of demand in .au following several years of significant growth driven by the launch of the popular .au direct namespace in 2022 and digital transformation stimulated by the COVID-19 pandemic.

## .au domain names under management

### By month



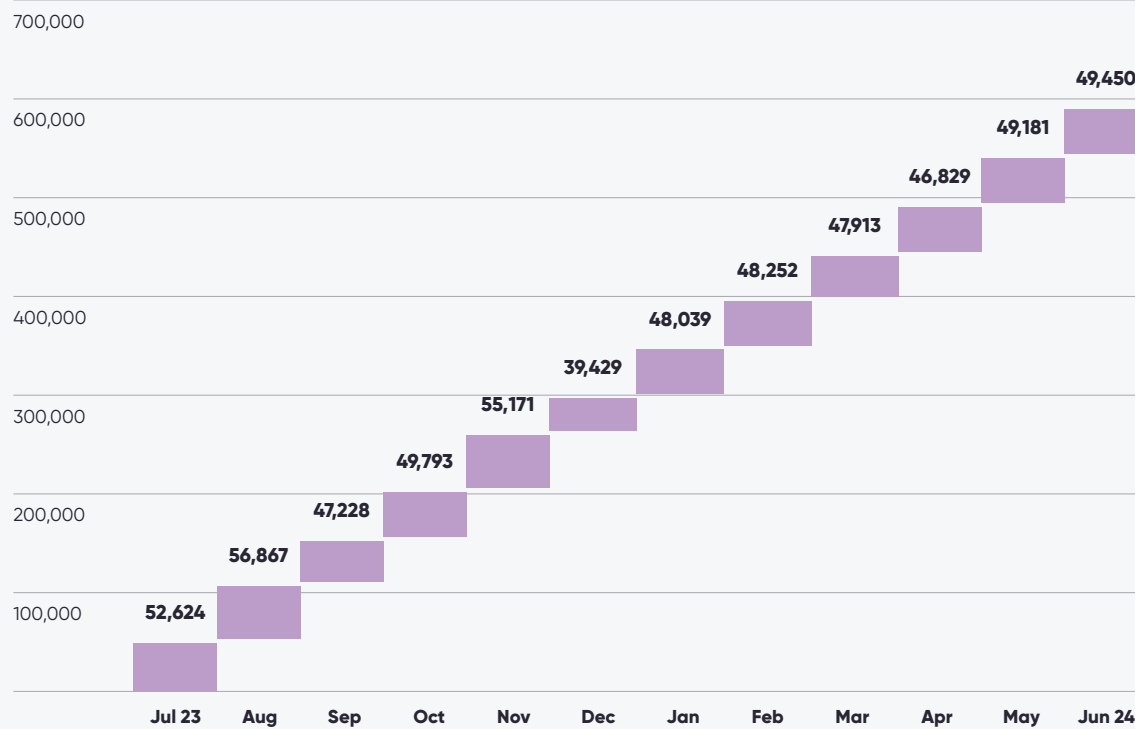
### Year-on-year growth



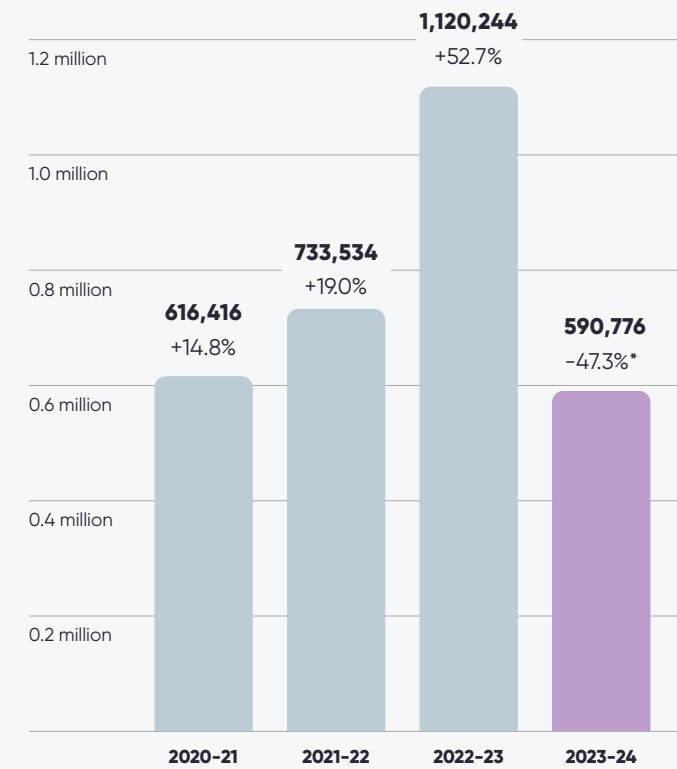
An average of 49,200 new .au domain name registrations were created each month and new registrations totalled 590,776 in the financial year, down 47 per cent from 2022-23. This decrease followed a significant boost to registrations in 2022-23 as registrants took advantage of the opportunity to register .au direct domain names.

## New .au domain names created

### By month



### By financial year



\* A decrease in new .au domain name registrations in 2023-24 followed significant growth in prior years driven by the launch of .au direct in March 2022.

The com.au namespace remains the largest namespace in .au, accounting for 75 per cent of total .au domain names, followed by .au direct, the second largest namespace, which represents 18 per cent of total .au registrations.

While new registrations slowed compared to previous financial years, the .au domain maintained its position as the seventh largest ccTLD and the 10th largest TLD globally, according to global registry provider Verisign.

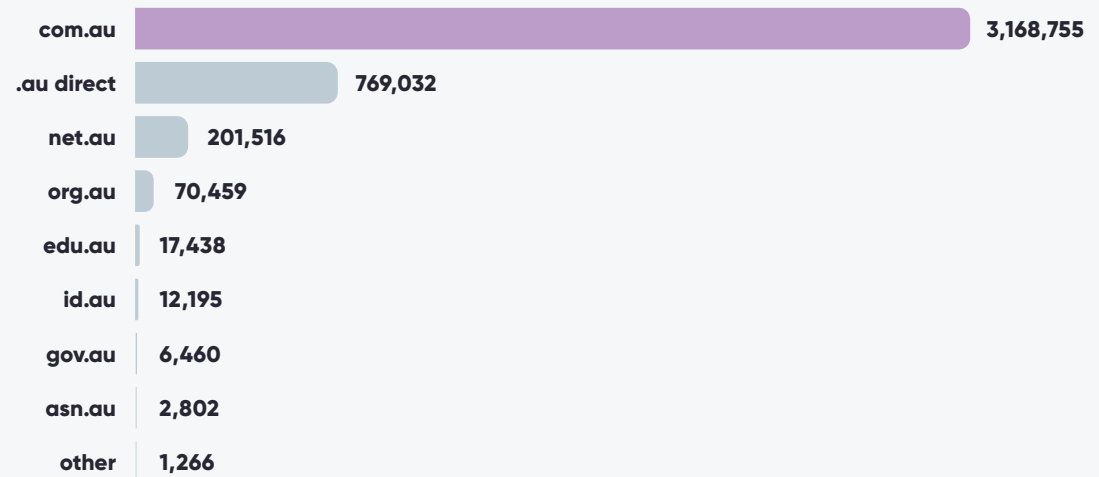
In the period, auDA undertook a national awareness campaign to drive awareness of .au domain names and sustain registrations and renewals.

## Trust in .au

In March 2024, auDA conducted market research to understand Australians' perceptions of .au to help us better support registrants to establish and maintain an effective online presence. The research found half of Australian consumers (49 per cent) will only buy from businesses online with websites ending in .au, and four in five (76 per cent) are more likely to trust Australian businesses if the website ends in .au.

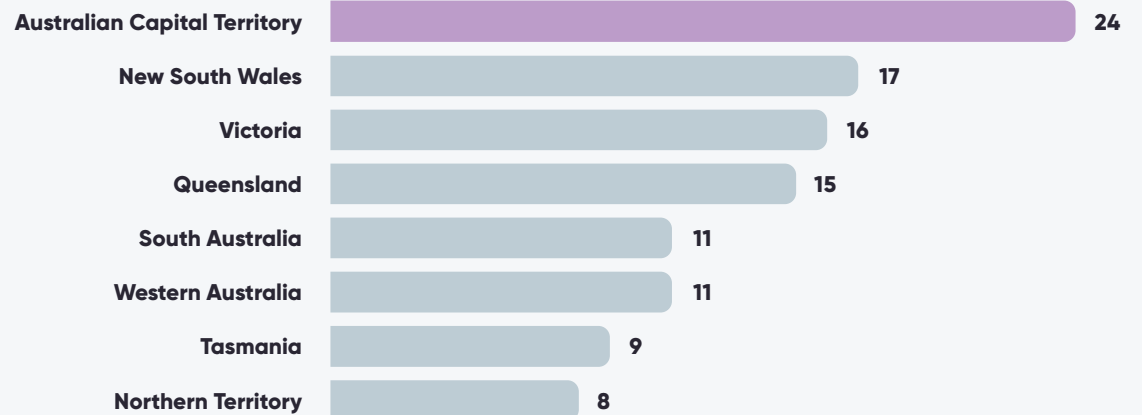
### .au domain names by namespace

30 June 2024



### .au domain names by state, per 100 people

30 June 2024



# .au registry operations

## Connecting internet users to .au

The .au DNS is critical infrastructure that enables internet users to access information, goods and services and connect with friends, family, colleagues and customers online.

We understand the criticality of the DNS to Australia's society and economy and we work closely with .au registry operator Identity Digital to deliver uninterrupted availability of .au DNS and registry services.

In the financial year, auDA and Identity Digital delivered 100 per cent availability for our three core DNS and registry services: the .au DNS, the WHOIS tool and the .au registry database. More information on these measures can be found on page 119.

While we met our commitment to deliver 100 per cent .au DNS availability, a Domain Name System Security Extensions (DNSSEC) issue in September 2023 prevented some internet users from accessing .au websites and email addresses for under an hour. The security of the .au DNS was not impacted and the software configuration issue was corrected. We added further monitoring to detect and minimise similar incidents in the future.

### .au DNS and registry services performance

	2020-21	2021-22	2022-23	2023-24
<b>DNS availability</b>	100%	99.98%	100%	100%
<b>WHOIS availability</b>	100%	100%	100%	100%
<b>Registry database availability</b>	99.99%	100%	100%	100%

### .au service status website

To help people access information about the availability of key .au services, auDA and Identity Digital established a [service status website](#) during the financial year. The website provides a live feed of the availability of .au DNS and registry services. Members of the public can subscribe to updates to receive an email notification when there is downtime or scheduled maintenance.

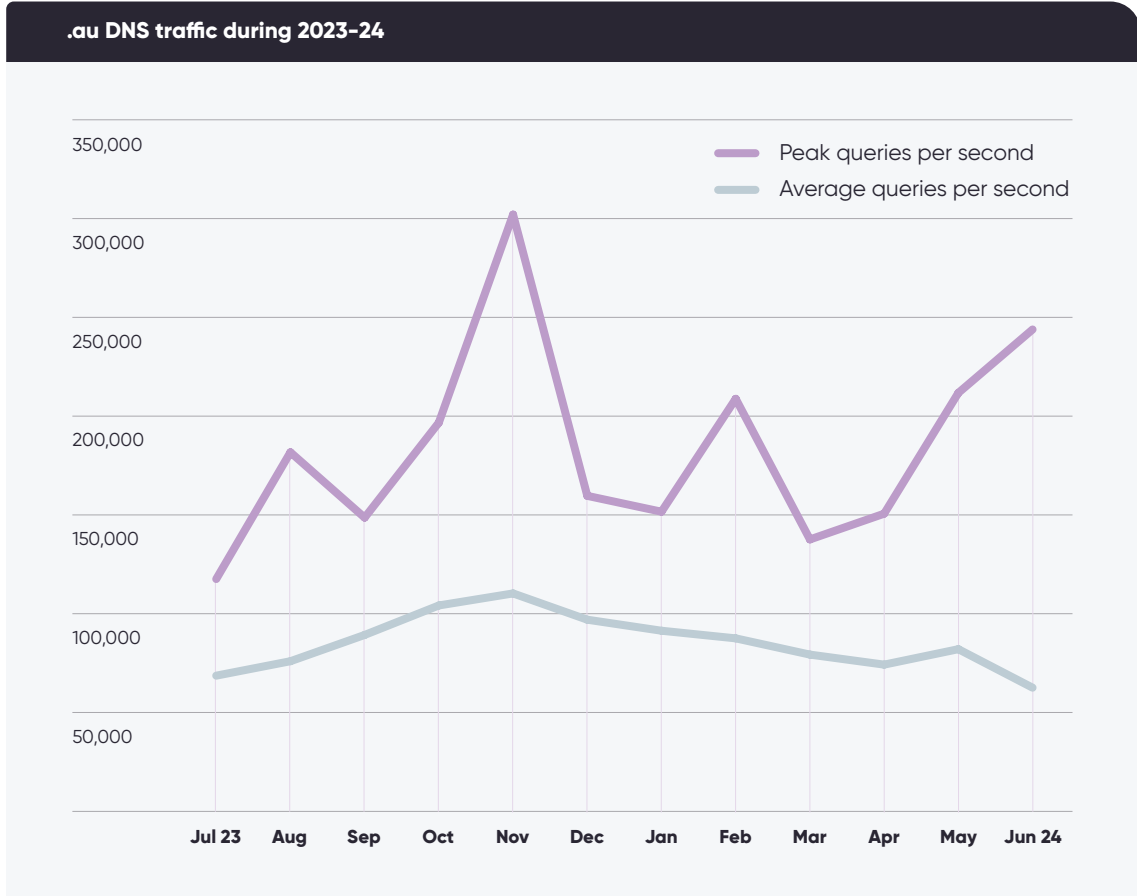
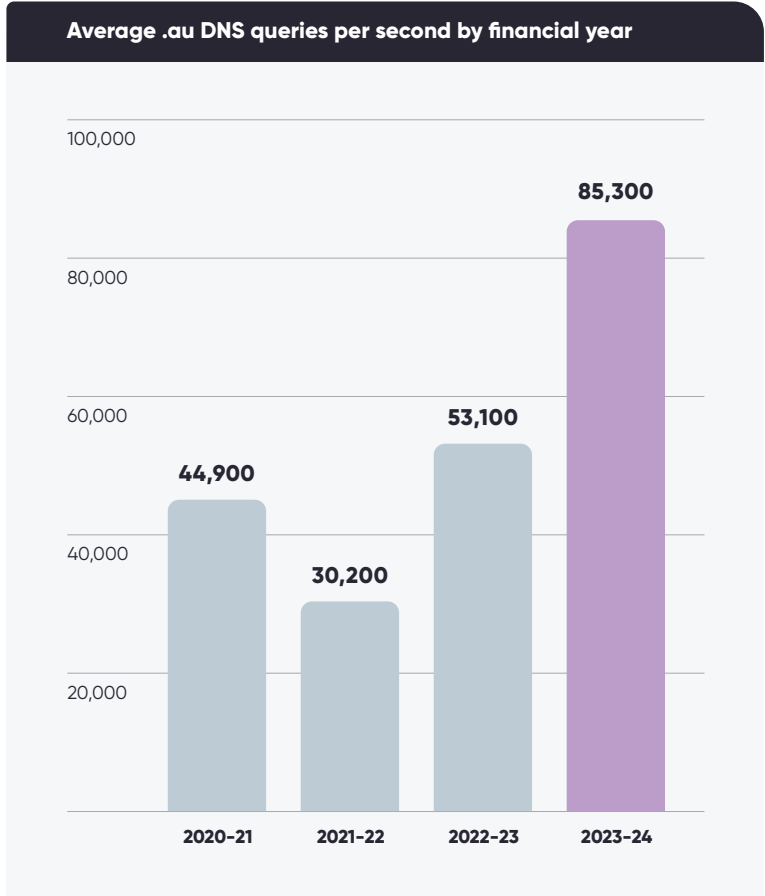
.au DNS nameservers respond to DNS queries from internet users and internet connected devices and servers around the globe. In 2023-24, .au DNS nameservers responded to an average of 85,300 queries per second, up from an average of 53,000 the previous year. This means on average, the .au DNS responded to seven billion DNS queries per day in 2023-24.

Variations in .au DNS query volumes are driven by a range of factors, including:

- Internet users visiting websites and sending emails
- Machine-to-machine communications between servers
- DNS nameserver settings such as caching policies.

In the financial year, auDA also completed an upgrade of auDA operated nameserver infrastructure, to support the ongoing resilience and capacity of .au.

**7 billion per day**  
Average DNS queries processed by .au nameservers daily in 2023-24



## .au registry upgrade

In June 2024, auDA and .au registry operator Identity Digital upgraded the .au registry to a new cloud-based platform. The platform, operated by Identity Digital, provides greater security and resilience for the .au registry. It supports:

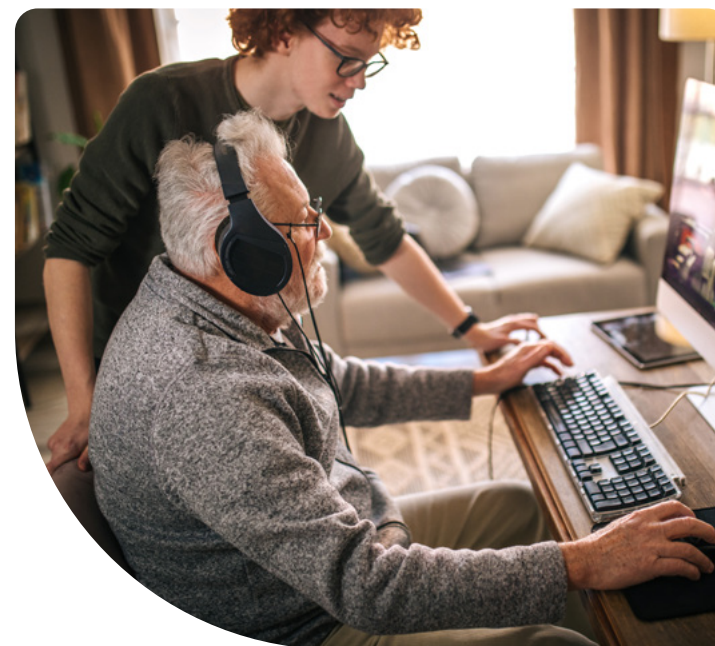
- Higher levels of fault tolerance, including greater redundancy and automation to support availability of the registry
- Security enhancements to access control, data protection, encryption and threat detection and analytics.

## .au registry tender

In August 2023, auDA announced the reappointment of Identity Digital as the .au registry operator for a four-year term commencing 1 July 2024, with an option for auDA to extend the term for a further two years.

The appointment followed a global tender and evaluation process from May to August 2023, conducted by an evaluation committee of senior auDA staff and external professionals with technical, operational, financial, legal, registry and risk expertise. The tender process was overseen by an independent probity advisor.

Identity Digital has served as the registry operator for the .au domain since 2018 and has significant experience delivering registry services internationally. It shares our commitment to best practice cyber security and reliable registry services.



# Security and business continuity

## Critical Infrastructure Risk Management Program (CIRMP)

The .au DNS is defined as Australian critical infrastructure under the *Security of Critical Infrastructure Act 2018* (Cth). In 2022, the Federal Government amended the Act to require operators of critical infrastructure to develop and maintain a CIRMP and submit an Annual Report on the effectiveness of their CIRMP from the 2023–24 financial year.

auDA developed its CIRMP in 2022–23 and it was approved by the auDA Board in early 2023–24. Our CIRMP helps us identify and mitigate risks, such as cyber attack, natural disasters and supply chain risks, that could impact the operation of the .au DNS. As part of our commitment to operate a reliable and secure .au, we chose to submit a voluntary CIRMP Annual Report for 2022–23 and we will submit a CIRMP Annual Report for 2023–24, attesting that we met our CIRMP obligations during the period.

## Stable, secure and reliable .au

In our role as operators of Australian critical infrastructure, auDA staff and Board Directors partner with the .au domain industry, cyber experts and government bodies to deliver a stable, secure and reliable .au.

Like all organisations today, we operate in an environment of heightened cyber security risk. In August 2023, this became evident as cyber criminals asserted they had accessed auDA data. A comprehensive internal investigation found this claim to be baseless – there was no evidence that cyber criminals accessed auDA systems or obtained data from auDA.

We remain vigilant to security threats and carry out an extensive program of activity to support security in .au. In 2023–24 we:

- Achieved certification for ISO 22301, the best practice standard for business continuity
- Achieved recertification for ISO 27001, the best practice standard for information security
- Engaged specialist third parties to test our physical and network defences
- Participated in cyber incident response exercises internally and with Identity Digital to support continuity planning
- Attended and participated in technical and security forums, including Critical Infrastructure Security Excellence Workshops hosted by the Federal Government’s Cyber and Infrastructure Security Centre
- Delivered monthly security awareness training for auDA staff and Board Directors

- Carried out Baseline Security Audits for all .au registrars and tracked their compliance with and progress towards ISO 27001 certification
- Mitigated instances of DNS abuse in the .au domain through a proactive approach to identification and mitigation, outlined on page 41
- Onboarded an Incident Response Manager to prepare and coordinate auDA responses to incidents
- Monitored matters related to security through the Security and Risk Committee
- Continued to apply DNSSEC, a security technology that facilitates digital signing of DNS records to ensure the authenticity of DNS information
- Completed an internal review against the Australian Signals Directorate Essential Eight Maturity Model, which focuses on prevention of cyber incidents, limitation of damage and system recovery.

### Secure .au

In January 2024, auDA released its inaugural [A Secure .au](#) report. The report highlights the criticality of .au and ways in which auDA ensures it remains secure, reliable and trusted. It outlines our security, business continuity, compliance and DNS abuse mitigation activity.

# .au Licensing Framework administration

**In accordance with our Terms of Endorsement, our compliance program supports a licensing regime for .au domain names, based in multi-stakeholder processes, that is transparent, responsive, accountable, accessible and efficient for the benefit of the Australian community.**

The .au Licensing Framework, which includes the .au Licensing Rules, Registrar Rules and Registrar Agreement, sets out the rules for registrants and accredited registrars operating in .au. Our compliance program is focused on ensuring high levels of compliance with the rules so the .au remains secure and trusted.

We develop the .au Licensing Rules through multi-stakeholder processes and consult the community on proposed changes to ensure their ongoing effectiveness. In 2023-24, we carried out consultation on minor administrative changes to the .au Licensing Rules and in 2024-25 we will commence a substantive review of the .au Licensing Rules, led by an independent panel and with a period of public consultation.

## Compliance Posture

Promoting and maintaining trust and confidence in the .au domain is at the heart of our Compliance Posture. It sets out the steps we take with registrants and registrars to ensure a fair and consistent approach to compliance.

Our approach is to:

- 1 Communicate and educate** to enable compliance with the .au Licensing Rules
- 2 Guide and facilitate** to help people understand their obligations and how to achieve ongoing compliance
- 3 Enforce our rules** where non-compliance is not or cannot be achieved.





# Achieving our 2023-24 compliance priorities

Each financial year we publish a Compliance Plan that sets out the compliance priorities for that year. We undertake a range of activities to support compliance with the .au Licensing Rules and ensure the .au remains trusted and secure.

Our 2024-25 Compliance Plan will be published in the first half of the financial year and will outline our compliance priorities for the period.

Our 2023-24 compliance priorities were:

1

## Reducing DNS abuse

Mitigating DNS abuse is a strategic focus and compliance priority for auDA. In 2023-24, we furthered our work from financial year 2022-23 by refining and automating part of our processes. As a result, we completed 1,394 DNS abuse reviews in 2023-24. More information on our DNS abuse review program is available on page 43.

2

## Education and guidance on DNS abuse reduction for registrants

In 2023-24, we found that almost all cases of DNS abuse in .au were a result of hacked small business websites with compromised security, and that the registrant was unaware their website was being used by a malicious actor without their knowledge.

We work with registrars and directly with registrants to help them understand how the DNS abuse occurred, steps they can take to rectify the DNS abuse and how to adequately safeguard their website.

In 49 per cent of cases we helped the registrant resolve the DNS abuse and in 33 per cent of cases no DNS abuse was found. In 10 per cent of cases, the domain name licence was suspended until the registrant resolved the DNS abuse and in eight per cent of cases, the domain name licence was suspended or cancelled as it was found to be in breach of the .au Licensing Rules.

3

## Working with registrars to improve the integrity of .au registry data

.au registrars contribute to maintaining the integrity of .au registry data by validating registrant information when a .au domain name is registered, renewed or transferred. In 2023-24, there were 31 .au registrars. We continued to work with each registrar to improve their validation methods. We review registrar validation plans periodically and work one-on-one with registrars to identify opportunities for improvement. We also hold monthly registrar briefings and host an annual Registrar Summit to share information and support their work in .au.

4

## Engaging with stakeholders to undertake a review of the .au Licensing Rules

In 2023-24, we undertook a review of the .au Licensing Rules to identify minor administrative, legal and technical changes that could improve the operation of the rules. Proposed changes were informed by registrar feedback and a review of complaints and enquiries.

In October 2023, we published the proposed changes on our website and commenced a period of public consultation. Feedback from the consultation was taken into consideration and the amended .au Licensing Rules were approved by the Board in December 2023 and published on the auDA website in January 2024.

# 2023-24 compliance activity

## Compliance audits

We undertake a proactive annual compliance audit program to assure .au domain name registrations comply with the .au Licensing Rules.

In the financial year, we performed 16,162 compliance audits, up 55 per cent from the previous year. The majority were conducted in com.au (75 per cent), followed by org.au (14 per cent) and .au direct (five per cent). Our focus was on reviewing domain name eligibility and investigating suspected unauthorised use of another business's legal information.

Where auDA deems corrective action is required, we are guided by our Compliance Posture. We work with registrars to help registrants correct inaccurate information associated with their .au domain name registrations. Under the .au rules, registrants are provided 14 days to correct their information. If they do not, we suspend the .au domain name, providing registrants a further 30 days to correct their information. If compliance is not achieved in this time, we remove the domain name from the .au registry after a further 14-day period. Where it is clear a domain name has been deliberately registered with false information, we will immediately suspend the domain name.

During 2023-24, we developed additional resources to help registrants address compliance matters and automated parts of our audit process to support greater internal efficiency.

## Complaints

We oversee a robust process to manage complaints lodged by members of the public about potential compliance issues in .au.

Under the .au Licensing Rules, complaints about .au domain name licences are required to be made to the relevant registrar in the first instance. Registrars have 30 days in which to reach a decision about the complaint. If the complainant is unhappy with the registrar's decision, the matter can then be referred to auDA. auDA must complete its review of a registrar's decision within 28 days.

During 2023-24, we received 900 complaints, down 41 per cent from 2022-23. This decrease is attributed to our proactive compliance audit program, engagement with registrars and improvements to registrar validation processes.

If a party to a complaint is dissatisfied with the response they receive from auDA, they can request an internal review of the decision by a senior auDA staff member. In the financial year, 25 people exercised their right to an internal review, up from 23 in 2022-23. Of the 25 internal reviews in 2023-24, 24 upheld the initial auDA decision and one varied the initial auDA decision.

If a party to the complaint remains dissatisfied after an auDA internal review, they can refer their complaint for external review by the Licence Review Panel, an independent review body comprised of experienced legal professionals. The Licence Review Panel is required to reach its decision within 10 days of being appointed to a case. In 2023-24, no cases were referred to the Licence Review Panel.

## Enquiries

We respond to public enquiries seeking assistance or clarification about .au domain names and the .au rules. In the financial year, we responded to 2,937 enquiries, down 48 per cent from 2022-23. This decrease is attributed to our increased communication and education about .au rules.

Queries about registration, renewals and transfers were the most common enquiry (22 per cent), followed by eligibility and allocation enquiries (20 per cent) and queries about the registrant's information, contact corrections and password recovery (16 per cent).

## auDRP disputes

The .au Dispute Resolution Policy (auDRP) provides a process to resolve disputes between .au domain name registrants and other parties that have rights in a name that is identical or confusingly similar to the .au domain name licence held by a registrant.

auDRP disputes are managed by one of two independent providers, the Resolution Institute and the World Intellectual Property Organization. In 2023-24, 48 auDRP disputes were lodged, down 35 per cent from the previous year. The most common decision was to transfer the domain name to the other party, which occurred in 22 disputes. In 12 disputes, the .au domain name registration was cancelled. The dispute was cancelled or denied in nine instances and five disputes carried over to 2024-25. The panel is required to provide its decision to the auDRP provider within 14 days of its appointment.

## Enforcement body requests

In accordance with .au rules, we respond to formal requests from Commonwealth and State law enforcement agencies, consumer affairs and fair-trading bodies about enforcement activity that involves .au domain names. These requests relate to .au domain name registrations associated with enforcement activity under the relevant body's legal remit. In 2023-24, we responded to 63 requests, up seven per cent from 2022-23.

## DNS abuse reviews

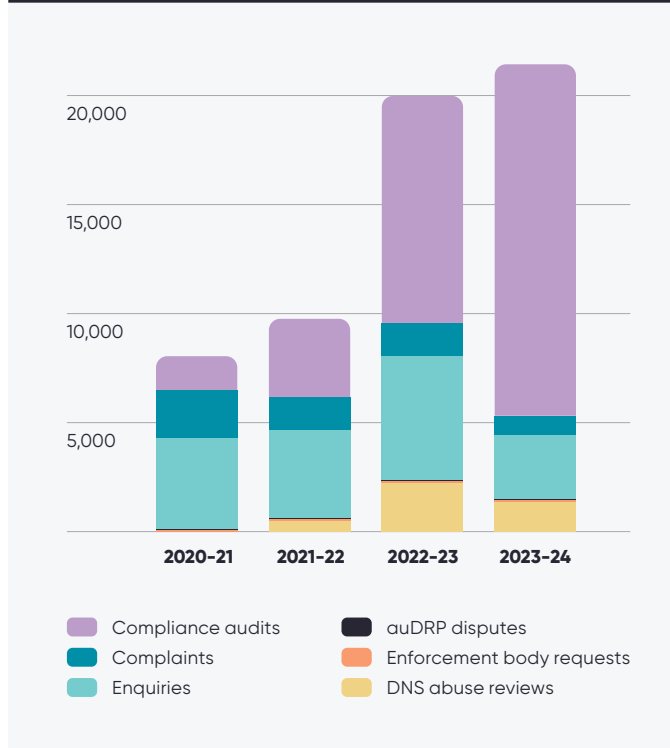
DNS abuse comprises five categories of online harm where domain names are used for malicious activity: botnets, malware, pharming, phishing, and spam where the spam facilitates one of the other four categories.

We receive more than 25 daily threat feeds from external third parties that identify suspected instances of DNS abuse in .au. Our Compliance Team initiates a DNS abuse review to investigate each instance within one business day.

In 2023-24, we completed 1,394 DNS abuse reviews, down 38 per cent from the previous year. The decrease was driven by a project in 2022-23 that addressed a backlog in DNS abuse cases. In 2023-24 we maintained a daily cadence of reviews as potential cases of DNS abuse were identified.

Of the DNS abuse reviews, 66 per cent identified an instance of phishing and 17 per cent identified malware.

### Compliance activity: financial year comparison



## Registrar compliance

.au registrars play an important role in ensuring the integrity of the .au domain. When registrar obligations under the .au Licensing Framework are not met, we work with the registrar to determine appropriate remediation. In 2023-24, auDA required two registrars to provide undertakings, published on the auDA website, committing them to remedial action where they had not met their obligations, and to ensure their future conduct meets the requirements of the Licensing Framework.

## Customer satisfaction

When auDA closes a complaint or enquiry, we invite those involved to complete a customer satisfaction survey. In 2023-24, we received feedback from 647 respondents, down from 1,068 the previous year. The decrease reflects the decrease in the overall enquiries and complaints from 2022-23 to 2023-24.

The proportion of respondents who said they were satisfied or very satisfied remained consistent from the previous period at 74 per cent. Respondents identified timely resolution and our team's genuine interest in helping as key features of their interactions with auDA.

We continue to collect feedback and identify opportunities to improve our service. As the majority of our compliance activity in 2023-24 was proactive audit activity, we are looking to extend the compliance satisfaction survey to also collect feedback from audit cases.

### Respondents to auDA's customer satisfaction survey, 2023-24

*"This compliance process really helps small businesses and reinforces the confidence business owners feel with domain names."*

*"The communication received was fast. It was detailed. It covered everything I needed to know."*

*"Thank you for being AUsome."*



Strategic focus area

# Innovation

**Innovation is how we keep pace with the evolving needs of Australian internet users and with changes in technology. We innovate in the .au domain, through our research program and by investing in others. Our work is informed by and designed to deliver value to our multi-stakeholder community.**





**Strategic focus area**

**Material themes**

**Innovation**

**Strategic objectives**

- Improve the utility of the .au by providing greater choice of .au domain names
- Produce leading insights from our data and community research
- Invest to enable innovation and research by others



**Terms of Endorsement**

- **Core functions:** Administer .au licensing regime; advocate for multi-stakeholder internet governance
- **Core principles:** Engagement with the Australian Government; support trust and confidence in .au; support multi-stakeholder engagement

**Key resources**



**Performance**

		Status
* .au direct registrations	18%	<span style="background-color: #4CAF50; width: 15px; height: 15px; display: inline-block;"></span>
* Investment in innovation initiatives	\$906,000	<span style="background-color: #FFC107; width: 15px; height: 15px; display: inline-block;"></span>

On track   
 Being managed within tolerance   
 Outside tolerance

# Delivering public benefit

**auDA's Public Benefit Program provides funding for partner organisations and grant recipients to support innovation and research that enhances the benefits Australians gain from the internet. It supports auDA's vision to unlock positive social and economic value for Australians through the internet, and comprises two grant programs: the Community Grant Program and the Research and Development (R&D) Grant Program.**

## Community Grant Program

In September 2023, auDA opened applications for the 2023 grant round. Funded by the auDA Foundation, **\$600,000** was committed to support initiatives that promote digital inclusion and innovation across five areas:

- Rural, regional and remote communities
- Australians living with disabilities
- First Nations peoples
- Young Australians (12-24)
- Older Australians (65+).

In February 2024, auDA announced the successful recipients at an event with .au members, auDA Board, staff and stakeholders.

Grants were awarded to projects including the development of a free digital skills hub for people with disability, an online job-readiness platform for vulnerable women who reside outside capital cities, education support for students in regional and remote locations, expansion of a digital financial wellness program for Aboriginal and Torres Strait Islander women and safe sleep eLearning package for First Nations families.



# Community grant projects deliver impact

**Recipients from auDA's 2022 grant round delivered their projects across financial years 2022-23 and 2023-24. The outcomes of these projects are now delivering impact for Australians across the country.**

*"Through our Hear Me Out platform, we will combine online technology with legal information and evidence-based advocacy to empower people to access knowledge about how they might best enforce their rights. Funding through programs such as the auDA Community Grant Program is a vital plank in our fight for justice."*

**National Justice Project**

## Developing internet capability in regional Australia

Supported by auDA, Cool.org developed digital resources that boost digital capability in rural, regional, remote and First Nations primary students. The resources have been used to support more than 60,650 students around Australia, enhancing digital problem-solving skills and shifting perspectives on accessibility to digital careers. Seven in 10 educators confirmed their students' digital and technological knowledge and skills have improved.



## First Nations youth digital storytelling

As part of its project the University of Queensland collaborated with Karungkarni Art to produce an animation and illustrated book to empower Gurindji people to renew their language and culture through digital storytelling. The book, *Tamarra: A Story of Termites on Gurindji Country*, won the Prime Minister's Literary Awards for Children's Literature and was shortlisted for several other awards.



## AI platform powering access to justice

The National Justice Project is a not-for-profit human rights, legal and civil rights service. With its grant, it developed Hear Me Out, an AI powered platform to help people navigate Australia's complaints systems. The National Justice Project noted that access to justice can be difficult for disadvantaged members of society and those who cannot afford to pursue legal redress through the court system. Hear Me Out seeks to offer fast, free and easy access to complaints-related information, powered by generative AI. The platform is available to Community Legal Centres ahead of broader distribution in 2025.



# R&D Grant Program

In 2023-24, auDA continued work to establish the R&D Grant Program. The new program will provide multi-year funding to partner organisations for large-scale research and development projects that drive meaningful change in four key areas:

- The role of the DNS
- Governance of the internet (including the DNS)
- Technical resilience of the DNS
- Digital inclusion.

Development of the program was informed by consultation with external stakeholders, auDA staff and Board Directors. The auDA Board approved the R&D Grant Program guidelines in June 2024 and the inaugural grant round will launch in the first half of 2024-25.

Whilst developing the R&D Grant Program, auDA also supported four pilot projects to deliver impact in our focus areas. The R&D Grant Program pilot projects will conclude in 2024-25.

## 1 **Asia Pacific Internet Governance Academy (APIGA) Australia**

auDA will host the inaugural APIGA Australia in November 2024 to cultivate a new generation of internet governance leaders. Inspired by the successful APIGA program in South Korea, this initiative will provide young Australians with the skills and knowledge to engage effectively in multi-stakeholder internet governance.

## 2 **Pacific ccTLD Forum**

auDA is collaborating with Pacific ccTLD managers to deliver a pilot forum in September 2024. It will facilitate knowledge sharing, capacity building, collective solutions for shared challenges and aims to strengthen the Pacific multi-stakeholder community. To support this work auDA held an inaugural meeting of Pacific focused donor organisations in August 2023, co-located with the Asia Pacific region Internet Governance Forum in Brisbane and with assistance from the Asia Pacific Network Information Centre

(APNIC). The focus was to build understanding of the opportunities and challenges for ccTLD managers in supporting economic and social development for their countries.

## 3 **Pacific registry support**

In 2023-24, auDA provided assistance to help modernise the .pg registry, through a partnership with the Papua New Guinea University of Technology. In 2024-25, auDA will explore opportunities to extend this support to other Pacific ccTLDs.

## 4 **DNS abuse research**

In the financial year, auDA commissioned a study by the University of New South Wales to analyse DNS abuse patterns. The research aims to identify strategies to educate website owners. In 2024-25, auDA aims to develop education materials to enhance the security and resilience of the Australian internet ecosystem.



# Greater choice of .au domain names

**One of auDA's strategic objectives is to improve the utility of the .au by providing greater choice of .au domain names.**

One way we have achieved this is through the introduction of the .au direct namespace in March 2022. The launch of .au direct enabled individuals, businesses and organisations to register shorter, more memorable domain names directly before the .au for the first time (e.g. [getyour.au](https://getyour.au)).

Its introduction followed substantial multi-stakeholder consultation and significant community support. This support was evident after the launch of .au direct. After just two years, .au direct is the second most popular choice of .au domain names after [com.au](https://com.au).

An additional way we are looking to support greater utility in .au is through the potential development of an Aboriginal and Torres Strait Islander namespace. During the financial year, we continued to engage with Aboriginal and Torres Strait Islander peoples on the possible development of an Aboriginal and Torres Strait Islander namespace in .au. Such a namespace may support digital inclusion and promote economic, social and cultural benefits for Aboriginal and Torres Strait Islander communities and is worthy of exploration.

Consultation with auDA's multi-stakeholder community will continue in 2024-25.



# auDA research to improve digital outcomes for Australians

We invest in a range of research to support innovation and help Australians harness the full value of the internet.

Our research helps us to understand the challenges and opportunities facing Australians online, foster a thriving digital economy and society for Australians, and encourage industry, government, businesses and educators to use the findings for initiatives and policymaking that will uplift the digital lives of Australians.

## Atlas of Australia Online

In December 2023, we released the *Atlas of Australia Online 2023*, commissioned by auDA and conducted by League of Scholars in collaboration with researchers from CSIRO's Data61 and the University of Technology Sydney. The report integrates .au registry data with geographic, economic and technical data to provide a comprehensive view of the Australian digital landscape.

Using a new method to collate, rank and cluster .au domain names, the research applied machine learning to identify areas of high business intensity and clusters of technological innovation. It highlights that .au domain name registrations are a leading indicator of innovation and economic activity, with potential applications for predicting broader economic trends.



This report introduced the concept of **Digital Business Intensity**, which is the concentration of domain names as a proportion of businesses in a particular geographic area. According to the research, Australian Digital Business Intensity is not population dependent, rather is associated with higher levels of socio-economic advantage, education, occupation and a local focus on digital activity. In this way, it can be used to analyse the success of digital policies at a highly localised level.

# Digital Lives of Australians

Our annual *Digital Lives of Australians* research study provides a comprehensive snapshot of how Australian consumers and small businesses use and value the internet. In 2023-24, we released two Digital Lives reports, in November 2023 and May 2024. The reports were the third and fourth reports in our Digital Lives series.

Our [2023 report](#) explored Australians' readiness for emerging technologies. It looked at consumer and small business attitudes and take-up of AI, robotics, virtual and augmented reality, and blockchain. The research found take-up of emerging technologies was limited, highlighting the need for greater education, affordability and fit-for-purpose regulations to reduce barriers to entry, build confidence and unlock benefits.

Our [2024 report](#) took a broad look at the online experiences of Australian consumers and small businesses. It found almost all Australian consumers and small businesses gain value from the internet, however, fears around privacy and data security are leading many to avoid at least one online activity. The research also revealed a growing interest in emerging technology, particularly AI, although many Australians said they would feel more comfortable using AI if there were stronger regulatory safeguards in place.



*"My doctor is 10 kilometres away and the nearest major hospital is 50 kilometres. Being able to do appointments via telehealth has saved me so much time and money."*

**Omar\*, regional Australian living with disability, *Digital Lives of Australians 2024***

\*Not his real name

## Key findings



Nine in 10 working Australians **rely on the internet** to perform their job.



Four in five small businesses **would struggle to function** without the internet



Two-thirds of consumers and half of small businesses limit their internet use due to **cyber security fears**



Two in five consumers and small businesses would like to strengthen their **online security** but are unsure how



Three in five small businesses have **used AI** for at least one purpose

# Future Scenarios Project Report

In May 2024, auDA released its *Future Scenarios Project Report*, a foresight report developed over several months with Australian and global experts. Read about it on page 20.



## Informing decision-making

We make our research reports widely available to our multi-stakeholder community via webinars, roundtables, sharing them at events and publishing information on our website. We do this to encourage industry professionals and policymakers to make informed decisions, support Australia's tech ecosystem, invest in innovation and enable Australians to feel confident and secure online. In 2024-25, we will deliver our fifth *Digital Lives of Australians* report.

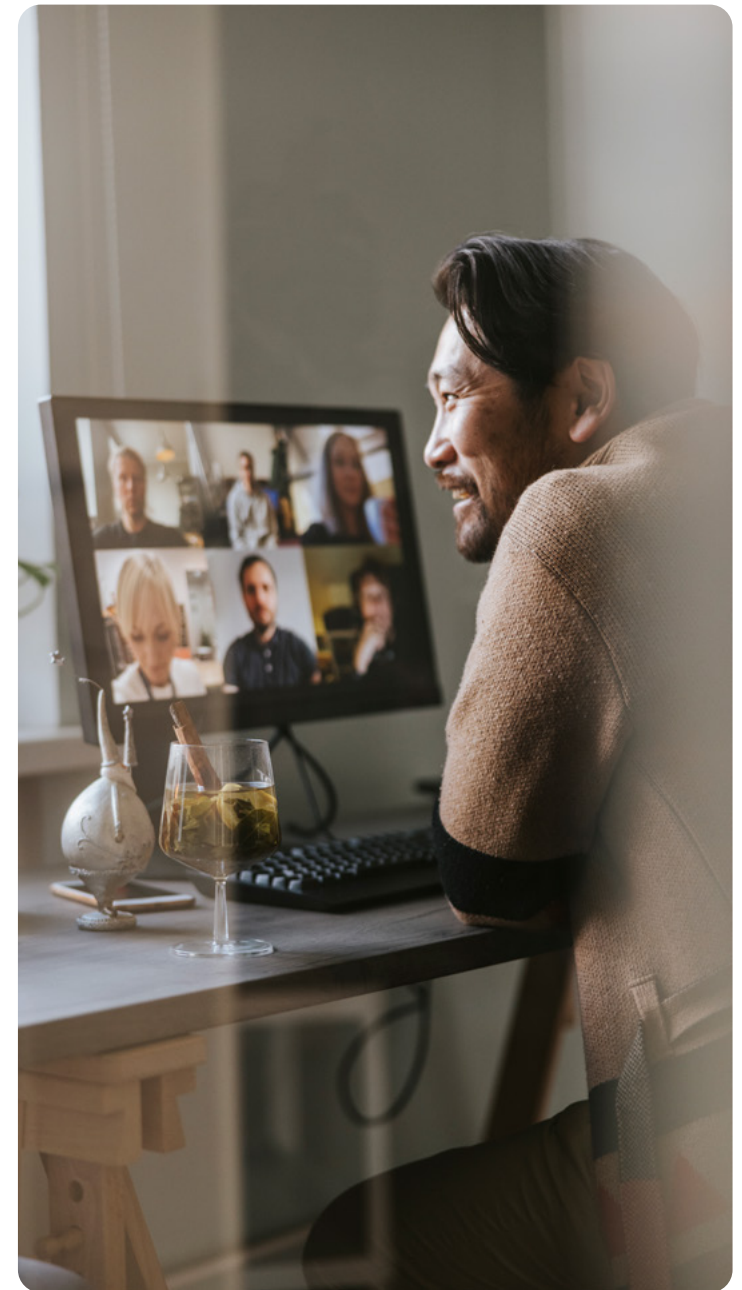
*"The breaches I hear about made me more proactive to make sure I don't share my information too widely. On social media I'm conscious of my privacy settings and I'll only share certain details on my profile."*

**Sarah\***, consumer, *Digital Lives of Australians 2024*

*"AI levels the playing field between small business and large corporations. You don't need a million-dollar marketing budget to create content."*

**Samira\***, sole trader, *Digital Lives of Australians 2024*

\*Not their real names



Strategic focus area

# Multi-stakeholder engagement

.au and auDA are shaped by multi-stakeholder engagement. We champion the multi-stakeholder model of internet governance to support an open, free, secure and global internet and we build strong relationships with our multi-stakeholder community to inform our work and initiatives.





**Strategic focus area**

**Material themes**

**Multi-stakeholder engagement**

**Strategic objectives**

- Grow and diversify auDA's membership
- Increase auDA's influence in multi-stakeholder internet governance



**Terms of Endorsement**

- **Core functions:** Advocate for multi-stakeholder internet governance
- **Core principles:** Engagement with the Australian Government; support multi-stakeholder engagement; membership reflects Australian community

**Key resources**



**Performance**

Status

.au membership growth and diversity	Total members	<b>5,057</b>	<span style="background-color: #4CAF50; width: 15px; height: 10px; display: inline-block;"></span>
	New members	<b>796</b>	<span style="background-color: #4CAF50; width: 15px; height: 10px; display: inline-block;"></span>
		<b>32% women</b>	<span style="background-color: #4CAF50; width: 15px; height: 10px; display: inline-block;"></span>
Engagement at key international and domestic internet governance and policy forums		<b>41</b>	<span style="background-color: #4CAF50; width: 15px; height: 10px; display: inline-block;"></span>

On track   
 Being managed within tolerance   
 Outside tolerance

# .au members

## Our membership community

.au members play a critical role in auDA's multi-stakeholder community. They enhance our understanding of Australians' online needs and provide input into auDA policies and strategy.

We are committed to cultivating an engaged, diverse membership base that reflects the diversity of the Australian community. In 2023–24, the membership base passed 5,000 members, growing 17 per cent from June 2023. Of the 796 new members we welcomed, 32 per cent were women. This compares to 2,052 new members in 2022–23, 26 per cent of whom were women. The comparatively lower number of new members in 2023–24 follows a significant boost in members in 2022–23 as the .au membership program transitioned to a new model.

We are focused on four primary areas of diversity: age, gender, geography and industry.

The Membership Team carried out a range of activities to encourage participation from diverse members, including presentations and events for university students, women in technology, regional groups, industry associations, startup hubs, and chambers of commerce. The Membership Team also launched the auDA Academic Partner Program to strengthen engagement with Australian university IT faculties and students. Through this initiative, auDA shares resources and information such as research, grant opportunities and invitations to events.

### .au members by industry

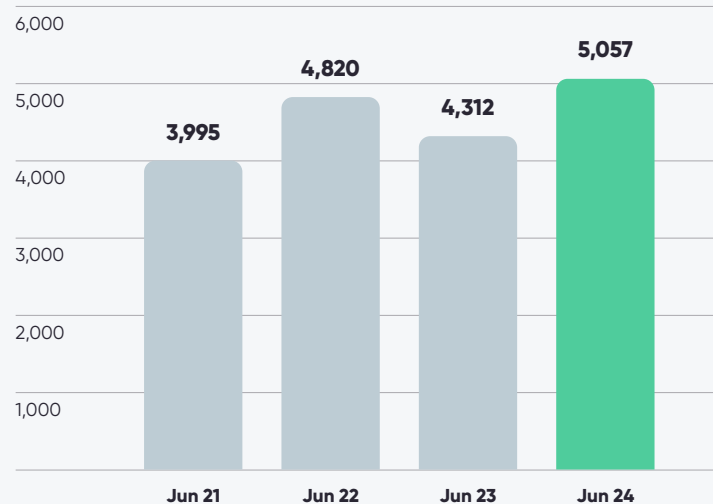
Technology	1,021
Web development	405
Healthcare	266
Marketing/Communications	216
Education	210
Construction	196
Finance	194
Not-for-profit	174
Manufacturing	145
Web hosting	135
Did not disclose/other	2,095

### .au members by state

New South Wales	1,533
Victoria	1,531
Queensland	955
Western Australia	447
South Australia	294
Australian Capital Territory	162
Tasmania	91
Northern Territory	44

30 June 2024

### .au members by financial year



# Enhancing .au membership

In the financial year, the Membership Team continued to deliver enhancements to the program, informed by member feedback. Insights from the 2024 member survey included a strong preference for digital learning opportunities and a keen interest in cyber security and .au domain name management.

In line with feedback, we were pleased to launch the new **.au member online portal** in April 2024, which provides .au members access to on-demand webinars and a growing library of eLearning content. We also added a new affiliate partner that provides exclusive offers for .au members. **Sprintlaw** is an online legal services provider for small businesses and startups, complementing our existing affiliate partners, which offer online security support for small businesses and online education.

The member survey also informed us that 68 per cent of .au members are part of the program to support the independent administration of the .au domain, up from 46 per cent in 2022. We continue to provide members opportunities to have their say on matters related to .au and auDA, including .au Licensing Rules consultations, the member survey and materiality process.

*"The main benefit of being a member is the involvement I have in shaping the policies governing .au. It also grants me access to valuable resources, networking opportunities and support."*

**.au member, 2024 member survey**

## 2024 .au member survey

### What members want

**41%** Best practice domain management guidelines

**38%** Access to digital resources

**36%** .au domain advice for small business

### Why members hold .au membership

**68%** Support the independent administration of the .au domain

**32%** Access to .au member events, auDA news and networking



# From Tamworth to Townsville: .au member regional roadshows

In 2023–24, the Membership Team undertook an outreach program to deepen engagement with .au members across Australia. auDA travelled far and wide to expand its reach beyond east coast metropolitan cities, visiting each state and territory except Northern Territory.

A highlight of the 2023–24 regional program was the Far North Queensland and northern New South Wales roadshows. The team visited towns and cities including Armidale, Tamworth, Mareeba, Port Douglas, Cairns and Townsville to deliver website security workshops for local small businesses. The workshops addressed the unique challenges faced by small businesses, including website security and mitigating DNS abuse. By equipping members with practical tips and knowledge, auDA aims to increase the resilience of Australian businesses online.

These activities help us support .au members and contribute to a secure and thriving digital ecosystem. They enhance our understanding of the online needs of Australians, which supports us to continue delivering a trusted .au for all Australians.

**We look forward to meeting more .au members across Australia in 2024–25 to share our insights about the .au domain and auDA’s work in the public interest.**

- 1 .au member small business workshop in Mareeba.
- 2 Participants converse at a .au member event in Adelaide.
- 3 .au member small business workshop in Port Douglas.



*“The biggest takeaway from today’s workshop was learning about how my website that I don’t update very often could be used for illegal activity without my knowledge, so now I’m going to address that as soon as I can.”*

**John, .au member and workshop attendee**

# Industry

## .au registrars

.au registrars are companies accredited by auDA to offer .au domain name services to the public, including registering .au domain name licences. Before registering, renewing or transferring a .au domain name licence, registrars validate the registrant is eligible to hold the licence, helping uphold the integrity of the .au domain.

Registrars are required to meet our high standards for security. In 2023-24, we engaged an independent third-party to conduct a Baseline Security Audit to verify key security controls. All registrars are also required to achieve certification for the ISO 27001 information security standard, or

an equivalent security standard, by June 2025. As at June 2024, 94 per cent of registrars held ISO 27001 certification or equivalent and the remainder have a progress plan in place that auDA actively monitors.

We work closely with .au registrars and maintain regular engagement through a variety of channels, including monthly registrar briefings, one-on-one meetings and the online registrar portal. We also convene an annual Registrar Summit where we share operational information and gather feedback. In October 2023, we hosted another successful summit with presentations from auDA, Identity Digital, and domestic and international experts.

### Co-Marketing Program funding by financial year

2020-21	<b>\$587,968</b>
2021-22	<b>\$452,495</b>
2022-23	<b>\$1,172,030</b>
2023-24	<b>\$1,075,000</b>

Amounts are inclusive of GST.

## Co-Marketing and Innovation Program

auDA's Co-Marketing and Innovation Program offers financial support to accredited .au registrars for initiatives that drive innovation and competition within the .au domain.

Through the program, registrars can secure up to \$250,000 in funding for projects that raise awareness of the benefits of .au, develop capabilities or streamline processes.

In 2023-24, .au registrars were awarded \$1,075,000 (including GST) through the Co-Marketing and Innovation Program to support a variety of projects such as search, digital, outdoor and multi-channel media campaigns. This was down eight per cent on the previous financial year.

During the period, auDA consulted with registrars and ccTLD peers and analysed six years of program insights to redesign the Co-Marketing and Innovation Program. The new program will launch in 2024-25 with streamlined program objectives, application processes and funding criteria, to support a competitive .au market.

## .au resellers

.au resellers offer domain name registration services to the public but do not hold direct accreditation from auDA. Resellers facilitate .au domain name registrations through accredited registrars, as they do not have direct access to the .au registry. We support a robust ecosystem encompassing registrars and resellers to promote competition within the .au and safeguard consumer interests.

## Domain portfolio holders

auDA hosts monthly briefings for the .au domain portfolio holder community. Domain portfolio holders are active members of the .au domain ecosystem. They register, hold and trade .au domain name licenses, often facilitating domain name transfers for business use. Our briefings provide updates on auDA activities, insights into .au domain name trends and an opportunity for feedback and questions.

## Australian TLD managers

Each quarter, auDA brings together Australia's TLD managers to discuss key policy developments and issues of shared interest. This includes the TLD managers responsible for Australian external territories such as the Cocos Islands (.cc), Norfolk Island (.nf) and Christmas Island (.cx), as well as managers for .sydney and .melbourne.

## Technology and business sectors

auDA actively contributes to the broader technology and business ecosystem through strategic partnerships, sponsorships, and participation at industry events. By sharing our expertise and engaging in meaningful dialogue, we contribute as a thought leader, raise awareness of the benefits of .au and support a range of organisations driving important work in the internet sector.

### In 2023–24 we supported or were members of the following organisations:

- Australian Communications Consumer Action Network (ACCAN)
- Australian Information Industry Association (AIIA)
- ANU Tech Policy Design Centre
- APNIC
- Asia Pacific Top Level Domain Association (APTLD)
- Australian Strategic Policy Institute (ASPI)
- Committee for Economic Development of Australia (CEDA)
- Communications Alliance
- Council of European National Top-Level Domain Registries (CENTR)
- Cyber Security Cooperative Research Centre (CRC)
- DNS Operations, Analysis, and Research Centre
- DNS Research Federation
- DotAsia
- eco – Association of the Internet Industry
- ICANN
- International Institute of Communications (IIC)
- Internet & Jurisdiction Policy Network
- Internet Engineering Task Force (IETF)
- Internet Watch Foundation
- Pacific Islands Chapter of the Internet Society (PICISOC)
- Pacific Islands Telecommunications Association (PITA).

### We also proudly sponsored a range of key industry events, including:

- ACCAN Communications Consumer Congress
- Asia Pacific Regional Internet Governance Forum (APriGF)
- Communications Alliance ACOMM Awards
- NetThing, Australia's Internet Governance Forum (IGF)
- Pacific IGF
- ANU Tech Policy Design Centre's Tech Futures.

# Government

**The Australian Government entrusts auDA with the administration of the .au domain for the benefit of all Australians, formalised through our Terms of Endorsement.**

We engage regularly with a range of government stakeholders and bodies, including:

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts in performing our duties under the Terms of Endorsement. A departmental representative attends auDA Board meetings to provide updates on relevant government initiatives.
- Government departments and agencies, both Federal and state, where we share our knowledge and contribute to Australia's digital transformation and digital policy.
- Key Federal Ministers and Shadow Ministers to discuss auDA's role as a critical infrastructure operator and the administrator of .au.
- Security agencies in carrying out our obligations under the *Security of Critical Infrastructure Act 2018* (Cth), which you can read about on page 39.

In addition, we contribute to key government consultations on internet related matters, which is set out on page 62.



# Internet governance and public policy

## Championing multi-stakeholder internet governance

The multi-stakeholder model of internet governance enables stakeholders from governments, industry, the technical community, civil society and academia to contribute on an equal footing to discussions that shape the internet. auDA believes the model is vital to support an open, free, secure and global internet, from which social and economic benefits flow.

In recent years, there has been increasing interest from sovereign states to move away from the multi-stakeholder model toward greater government involvement. This could result in a splintered internet that is not interoperable between borders – an auDA enterprise risk outlined on page 30.

In 2023–24, auDA dedicated significant effort to advocate and strengthen stakeholder support for the multi-stakeholder model and collaborate with others to strengthen it for the future. A key milestone was the release of auDA's inaugural *Internet Governance Roadmap* outlining our

recommendations to sustain the multi-stakeholder approach, which we shared broadly with domestic and international stakeholders. The Roadmap and subsequent engagement helped garner support for:

- NETMundial+10, an event that addressed global challenges to the multi-stakeholder model of internet governance. auDA made active contributions to NETMundial+10 through representation on the organising committee and participation during the event.
- The creation of a Technical Community Coalition for Multistakeholderism. auDA founded the Coalition alongside ccTLD managers CIRA (.ca), InternetNZ (.nz) and Nominet (.uk). Its purpose is to ensure the longevity of multi-stakeholder internet governance processes and articulate the essential role of the technical community. Since its establishment in April 2024, a range of organisations from around the world have joined the Coalition.

*"It's really good to see auDA ramping up on internet governance. The investment needs to continue in order to continue improving effectiveness."*

**Industry stakeholder,  
2024 materiality survey**

*"auDA is an asset for a multi-stakeholder approach in the national interest and is encouraged to continue to be a part of the discussion."*

**Government and  
policy stakeholder,  
2024 materiality survey**

auDA is closely monitoring two upcoming initiatives that could signal moves away from the multi-stakeholder model: the United Nations GDC, due to be adopted at the Summit of the Future in September 2024, and the WSIS+20 review in 2025. With effective advocacy and stakeholder support, these initiatives could instead be opportunities to strengthen multi-stakeholder processes in internet governance and digital policy.

Through our involvement in a range of consultations and forums, auDA has advocated for multi-stakeholder processes to be adopted within the GDC. In 2024–25, auDA will continue to contribute to the development of the GDC and advocate for WSIS+20 to build on the success of the multi-stakeholder model.

In 2023–24, we lent our voices to a range of local, regional and global international governance forums, including:

- 78<sup>th</sup>, 79<sup>th</sup> and 80<sup>th</sup> meetings of ICANN
- 84<sup>th</sup> and 85<sup>th</sup> meetings of the APTLD
- 119<sup>th</sup> meeting of the Internet Engineering Task Force
- CENTR Jamboree 2024
- European Dialogue on Internet Governance 2024
- APriIGF 2023
- Global IGF 2023
- Pacific IGF 2023
- NetThing 2023, Australia's IGF
- NETmundial +10
- WSIS+20 High Level Forum.

auDA staff also held key leadership roles and committee positions, including with:

- Country Code Names Supporting Organization (ccNSO) Council
- ccNSO DNS Abuse Standing Committee
- ccNSO Internet Governance Liaison Committee
- ccNSO Strategic and Operational Planning Standing Committee
- DotAsia Board of Directors
- ICANN Nominating Committee
- NetBeacon Institute (formerly the DNS Abuse Institute) Advisory Committee
- NetMundial+10 High-Level Executive Committee
- NetThing Steering Committee
- United Nations IGF Multistakeholder Advisory Group.

In addition to our international engagement, auDA regularly works with Australian internet governance stakeholders to build a shared approach to contribute to regional and global discussions. In 2023–24, we reaffirmed our commitment to NetThing, which will be rebranded to the Australian Internet Governance Forum (auIGF) in 2024–25, through continued involvement on the Steering Committee as well as taking on the secretariat role to support the event's organisation. We also contributed to planning for two R&D Grant Program pilot projects, APIGA Australia, which focuses on building internet governance capability and the Pacific ccTLD Forum and parallel Pacific Donor Forum, which focus on building internet registry operations and policy capacity. These projects are outlined on page 48.

## Domestic public policy

auDA contributes to public policy discussion on the DNS, internet and technology to enable Australians to maximise the social and economic benefits the internet offers and promote good technology policy.

In July 2023, we released auDA's inaugural *Public Policy Agenda*. The Agenda sets out the three public policy areas that guided our domestic policy and advocacy activity in 2023–24: cyber security, digital identity and privacy. The Agenda advocates for governments and regulators to adopt a multi-stakeholder approach for technology regulation to address technology related policy challenges.

Guided by our *Public Policy Agenda*, we contributed to a range of government town halls, meetings and policy consultations during the period. Consultations we contributed to included:

- Safe and responsible AI in Australia (Department of Industry, Science and Resources)
- Inquiry into the use of generative AI in the Australian education system (House of Representatives Standing Committee on Employment, Education and Training)
- Digital ID Bill 2023, Digital ID Rules 2024, and Digital ID Accreditation Rules 2024 (Department of Finance)

- Inquiry into the capability of law enforcement to respond to cybercrime (Joint Committee on Law Enforcement)
- Cyber Security Legislative Reforms Consultation (Department of Home Affairs)
- Inquiry into Australia's response to the priorities of Pacific Island countries and the Pacific region (Joint Standing Committee on Foreign Affairs, Defence and Trade).

# Strengthening internet governance in Asia Pacific

**In August 2023, auDA hosted the APriGF in Brisbane, bringing the forum to Australia for the first time.**

The APriGF was delivered in a hybrid format over three days. Four other key events – NetThing, the Pacific IGF, the Asia Pacific regional Youth IGF and United Nations IGF Parliamentary Track – were co-located with the APriGF.

IGFs are discussion-based forums that bring together members of the multi-stakeholder community to engage in dialogue on key issues related to the internet and how it's governed. Participation is open to all stakeholders on an equal footing. IGFs inform internet governance policy and decision-making, and support national and regional contributions to the global IGF, which is convened by the United Nations annually.

At the 2023 APriGF, 250 in-person and 1,000 virtual attendees participated in discussions about emerging technologies and the Asia Pacific region's readiness for the next phase of the internet. Key topics included challenges and opportunities in AI, data governance, cyber security, human rights, digital inclusion, digital environmental sustainability and more.

Hosting the APriGF in 2023 demonstrated our ongoing commitment to multi-stakeholder internet governance processes. We were pleased to work with the APriGF Multi-Stakeholder Steering Group and Secretariat, supported by DotAsia, to make the 2023 APriGF in Brisbane a success. We will continue our support for the 2024 APriGF, which will be hosted by Taiwan, through participation on the organising committee.

*"Sustaining and supporting the multi-stakeholder model of internet governance is a core function and strategic priority for auDA. We were delighted to bring the APriGF to Brisbane, which provided an opportunity to strengthen connections between the Asia Pacific multi-stakeholder community, grow our shared capabilities and enhance internet governance in the region."*

**Rosemary Sinclair AM, auDA CEO**

*"This event is important not just to share ideas but also to raise awareness. I hope to see in the future the digital divide within the Asia Pacific region reduced by having a more united front."*

**Charlotte Hendro, Youth IGF participant**

*"The APriGF's overarching theme of emerging technologies is really important because these days the lines of AI governance, data governance and internet governance are blurring and we have to address them together."*

**Edmon Chung, DotAsia CEO**

## CASE STUDY

Attendees participate at the 2023 NetThing and APriGF in Brisbane and are welcomed by auDA CEO Rosemary Sinclair AM.



### APriGF in numbers



**68** Countries participated



**140** Individual speakers and panellists



**1,000+** Virtual attendees



**250** In-person attendees



**34** Sessions





# Civil society and academia

auDA's civil society stakeholders include not-for-profit organisations, consumer advocacy groups, individual internet users and academia. We work with civil society to better understand and address the digital needs of Australians and to support our internet governance work.

Our civil society stakeholders include ACCAN, Access Now, the ANU Tech Policy Design Centre, Association of Progressive Communications, the Cyber Security CRC, the Consumer Policy Research Centre, Internet Australia, the Internet Association of Australia and the Internet Society. They also include Community Grant Program recipients and Australian university faculties that are part of the auDA Academic Partner Program.

In the financial year, we worked with CSIRO's Data61 and the University of Technology Sydney to produce the *Atlas of Australia Online 2023* and released two *Digital Lives of Australians* research reports, which provided opportunities to hear directly from Australian internet users about their experiences online. Civil society and academia stakeholders were among those we invited to roundtables on our research reports.

You can read about the ANU Tech Policy Design Centre Tech Futures event on page 21, the Community Grant Program on page 46, the auDA Academic Partner Program on page 55, and our research on page 50.

auDA recognises that access to online content and applications is an important part of day-to-day life for Australians, regardless of ability. In 2023–24, we worked with the Internet Society Accessibility Standing Group and ACCAN to develop a [fact sheet on web accessibility](#) to provide advice to create more accessible online content. The fact sheet is available on our website and we shared it with .au members, registrars and industry stakeholders. We continue to work on making our content more accessible and to share information on best practice accessibility with our stakeholders.





Strategic capability

# People

**Our people are the foundation of auDA's success. We listen to our people and are committed to creating a workplace where they thrive and feel valued. Together, we drive auDA's purpose, delivering key initiatives and building strong relationships with our stakeholders.**





## Strategic capability

## Material themes

### People

### Strategic objectives

- Build an organisation regarded as a great place to work
- Strengthen the trust and confidence our stakeholders have in us



### Terms of Endorsement

- **Core principles:** Support trust and confidence in .au

### Key resources



### Performance

Status

★ Staff engagement	75%	<span style="background-color: #f9c79f; border: 1px solid black; width: 15px; height: 15px; display: inline-block;"></span>
Staff retention rate	87%	<span style="background-color: #99d8c9; border: 1px solid black; width: 15px; height: 15px; display: inline-block;"></span>

On track   
 Being managed within tolerance   
 Outside tolerance

# Who we are

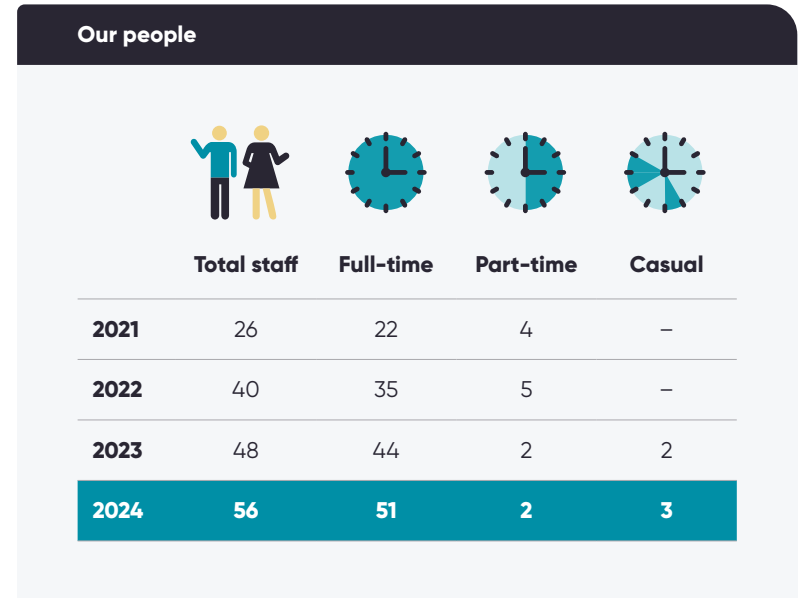
The auDA team grew over the financial year, reaching 56 employees in June 2024, up from 48 in June 2023. As in previous financial years, growth was driven by additions to our team in strategically important areas that enable us to continue to deliver our core functions and strategic objectives. This included roles in:

- Cyber security to strengthen our security expertise and safeguard a resilient .au
- Public benefit to support investment in innovation that delivers value for Australians
- Communications to inform and educate stakeholders and support our commitment to transparency and accountability
- People and culture to provide enhanced support for auDA's growing team.

As auDA has grown, we have retained strong gender diversity, with 48 per cent women in June 2024, down slightly from 52 percent in June 2023. In leadership positions, our Executive Team is 60 per cent women and our Leadership Team is 50 per cent women.

The auDA team, 'better together' at the 2024 auDA staff planning retreat.

Staff retention improved to 87 per cent, up from 82 per cent the previous year, reflecting our work to develop and retain staff, supported by our leading professional development and wellbeing programs. During the financial year, auDA CEO, Rosemary Sinclair AM, announced her intention to step down effective at the end of December 2024. You can read her reflections on the financial year on page 8.



# Our culture and values

**auDA's values foster an inclusive and collaborative work environment and empower us to make a meaningful contribution through our work.**

In September 2023, we conducted a culture survey to measure staff engagement, which decreased to 75 per cent from 81 per cent the year prior. With staff wellbeing, development and performance at the forefront of our minds, we invested in enhancing staff engagement through a variety of programs and offerings. We were pleased to see strong engagement and a positive response from staff in a survey following our annual planning retreat in March 2024. Our next culture survey is scheduled for October 2024.

In addition to our values, auDA staff worked together to define the top five elements they believe make auDA a great place to work. These elements are supported, connected, inspired, appreciated and confident. Initiatives that support staff engagement and auDA culture centre on these themes.

## Contribute: locally and globally

We serve all Australians and global internet users.

## Better together

We collaborate and work together as one auDA.

## Strive for excellence

We deliver value. On time, every time.



Members of the auDA team at the 2024 staff planning retreat.

# Fostering wellbeing



auDA team members participating at a staff workshop.

During 2023–24, we conducted a psychosocial safety risks and controls assessment to identify the ways in which our staff are supported. Following the assessment, we selected a new employee assistance provider to deliver wellbeing support and resources to staff. We also provided psychosocial safety training to all staff and specialist training to relevant teams to assist them to carry out their roles safely and effectively.

auDA's Be Well Program continued in the financial year. It empowers staff to seek out wellbeing services that best suit their needs. In addition, staff continued to enjoy auDA's flexible work policy, enabling them to take advantage of hybrid working, with the opportunity to come together in the office environment while also working from home on select days as agreed with their manager.

# Developing capability

**As part of our value to strive for excellence, we invest in our people and ensure they contribute at the highest levels.**

We continue to invest in staff development through customised programs, coaching and professional and formal education courses. In 2023–24, staff accessed 79 professional development opportunities.

In the financial year, the auDA Leadership Team commenced a regular program of meetings to support the delivery of auDA's core functions and strategic objectives with a focus on enhancing the effectiveness of cross-functional project delivery, resource planning and building leadership capability.

In the financial year, we also brought the entire auDA team together for the annual staff retreat. The auDA retreat provided an opportunity for all team members to deepen their knowledge of auDA's progress against strategic goals, build collaboration amongst teams and contribute to auDA's future direction in preparation for our strategic planning process in 2024–25.



Strategic capability

# Governance

Effective governance is a core principle in our Terms of Endorsement, a strategic capability in our 2021-25 Strategy, and underpins how we carry out our work at auDA. It's also one of our material themes and an essential way we build and maintain confidence in auDA among our multi-stakeholder community.





**Strategic capability**

**Material themes**

**Governance**

**Strategic objectives**

- Strengthen transparency and accountability
- Strive for excellence in our reporting

**Terms of Endorsement**

- **Core principles:** Maintain effective governance

**Key resources**



**Performance**

Status

★ Integrated Reporting Framework adopted	Assurance readiness review of 2022-23 Annual Report conducted by an external body	
Sustainable financial performance	<b>\$1.14m</b> operating surplus	

- On track
- Being managed within tolerance
- Outside tolerance



# auDA's Board and Constitution

**auDA's Board of Directors provides advice, oversight and governance to auDA. Through its active governance and collective expertise and experience, the Board supports us to deliver our purpose, manage risk and consider strategic opportunities in the short, medium and long term. The auDA Constitution governs our operations, including the appointment and duties of Board Directors, Advisory Committees and members.**

## Responsibilities of the Board

The auDA Board guides achievement of our core functions and strategic objectives. It is accountable to auDA members, stakeholders and Australia's digital community for overseeing auDA's management and corporate governance, and ensuring ongoing endorsement from the Federal Government and our continued agreement with ICANN.

### The Board's responsibilities include:

- Embedding good governance through contributions to and approval of key documents such as the Board and Board Committee Charters, Enterprise Risk Management Framework, Board Risk Appetite Statement, CIRMP and Corporate Governance Statement
- Contributing to the development and approval of auDA's strategy and strategic objectives, and overseeing activities to achieve these objectives
- Monitoring compliance with legislative, reporting and governance requirements
- Monitoring risks in accordance with auDA's Enterprise Risk Management Framework and Board Risk Appetite Statement
- Overseeing the .au registry tender process to identify an appropriate .au registry operator and monitoring delivery of registry services against agreed service levels
- Financial governance, including review of the auditor's report on our Annual Financial Statements
- Cyber security and business continuity governance, including review of reports from relevant auditors
- Overseeing auDA's commitment to ESG principles and practices and contributing to the development of a Sustainability Framework
- Overseeing auDA's Public Benefit Program, including approving the R&D Grant Program guidelines
- Overseeing the development and approval of policies for the administration of the .au domain and auDA's organisational policies that support an effective, engaged and motivated auDA workforce.

**auDA's Board also supports auDA to deliver value to our stakeholders by:**

- Supporting internet governance processes for an open, free, secure and global internet through participation in ICANN and other governance forums
- Actively engaging with .au members and auDA stakeholders at events
- Guiding auDA's adoption of the Integrated Reporting Framework to report transparently on areas of interest to stakeholders
- Participating in auDA's Future Scenarios Project, which will help inform the development of auDA's 2026-30 Strategy
- Supporting auDA's objective to invest in innovation through the Public Benefit Program
- Ensuring auDA's operations are effective and efficient
- Supporting auDA's CEO to create a positive culture, values and working conditions to enable staff to perform at a high level.

The Board met eight times in 2023-24. A schedule of Board meetings and meeting minutes are published on the auDA website.

**During 2023-24, the auDA Board approved a range of decisions, activities and documentation, including:**

- Updated Risk Appetite Statement and enterprise risks
- auDA to enter negotiations for the Registry Services Agreement following the .au registry tender and the final form of that Agreement
- Two candidates for appointment to the auDA Board and three candidates to participate in the Elected Director Ballot from a list of candidates approved by the independent Nomination Committee
- Objectives and key results for the 2024-25 financial year
- The consolidated CIRMP and voluntary submission of a CIRMP Annual Report for 2022-23
- The auDA budget for 2024-25
- Proposed administrative changes to the .au Licensing Rules for public consultation
- Public Benefit Program activity, including the 2023 Community Grant Program, and 2024-25 R&D Grant Program Guidelines and pilot projects
- Reappointments to the General and Technical Advisory Standing Committees and Licence Review Panel
- Updated Nomination Committee Charter
- Updated Board Skills Matrix and composition of auDA's Board Committees
- Corporate policies related to people, finance, security and governance in line with the policy review schedule.



## Board composition and performance

The **Board Skills Matrix** identifies the mix of skills, experience and attributes required by auDA Directors to support effective governance, oversight and strategic leadership. It is reviewed annually to ensure it captures the right mix of skills for the strategic and operating environment.

The matrix reflects the Board's focus on:

- Strategy, planning and policy development
- Governance
- International and domestic industry policy and regulation
- Relevant technical and industry experience and knowledge
- Innovation
- Stakeholder relations
- Finance and reporting.

**auDA values diversity and Board Directors have a range of skills and knowledge gained through roles in industry, government and the not-for-profit sector. They reflect a diversity of experience, gender and geographic location.**

This financial year, Directors were based in Melbourne, Sydney, Canberra, Adelaide and the Gold Coast, and for the first time the Board comprised more than 50 per cent women.

In the financial year, the Board engaged a consultant to conduct an independent Board Performance Review. The Review consisted of interviews with the Chair, Directors and Executive Team, observation of a Board meeting and a review of governance documents. The Review found the auDA Board was operating consistent with best practice governance and the contribution of each of Director was thoughtful and informed. Key recommendations related to ensuring effective oversight for the change in CEO in 2024-25 and on development of the 2026-30 Strategy.

In November 2023-24, the auDA Board welcomed two new Directors and farewelled three Directors. Read about our Board changes on page 11.

## Nomination Committee

The auDA Nomination Committee contributes to auDA's governance by identifying, scrutinising and approving candidates suitable to serve on the auDA Board.

auDA Chair Alan Cameron AO is also the Nomination Committee Chair. The Committee includes two other auDA Board Directors who are not standing for reappointment or re-election within the calendar year, and external members who represent the interests of auDA's members, the business sector, consumers, the digital and internet industry and the public. In April 2024, the auDA Board approved an updated Nomination Committee Charter following consultation with the Committee, which enabled auDA Directors to be appointed to the Committee.

In the first quarter of 2023-24, the Committee conducted a search and approved and recommended candidates as suitable for appointment or election to the Board. The Board approved the appointment of two candidates as Appointed Directors and three to stand for election to fill one Elected Director position.

In May 2024, the Nomination Committee sought expressions of interest and created a shortlist for applicants to fill two Appointed Director positions and one Elected Director position that are or will become vacant at auDA's 2024 Annual General Meeting in November.

# auDA Board Committees

**The auDA Board is supported by Board Committees, which comprise auDA Board Directors. The Board Committees take an active role in auDA's governance. Collectively the Committees provide oversight of each element of auDA's Strategy, Terms of Endorsement and governance framework. They provide guidance to the Executive Team, make recommendations to the Board for review and approval, and monitor risk in their areas of focus.**

## Audit Committee

The Audit Committee is responsible for engaging with auDA's external auditor and reviewing auDA's Annual Financial Statements and Directors' Report. In 2023-24, the Committee recommended the Annual Financial Statements, Directors' Report and audit plan to the Board for approval. The Committee is chaired by Wendy Thorpe.

## Security and Risk Committee

The Security and Risk Committee assists the Board on information technology, privacy, security, risk and business continuity. In 2023-24, the Committee monitored auDA's security, data and privacy activity, recommended security and risk related policies to the Board for approval, reviewed risk and security reporting from the Executive Team and monitored auDA's CIRMP obligations. The Committee is chaired by Peter Elford.

## Finance and Sustainability Committee

The Finance and Sustainability Committee oversees finance policy and performance, the development of auDA's Sustainability Framework, and risks and opportunities related to ESG. In 2023-24, the Committee recommended the Annual Financial Statements to the Audit Committee, and the auDA budget, financial performance reports and investment strategy to the Board for approval. The Committee also supported preparation of auDA's Sustainability Framework, which will continue in 2024-25. The Committee is chaired by Dr Alice McCleary.

## Governance and Culture Committee

The Governance and Culture Committee is responsible for auDA's governance framework and people and culture matters. In 2023-24, the Committee recommended an updated Nomination Committee Charter and Corporate Governance Statement, Advisory Committee and Licence Review Panel appointments, and staff remuneration to the Board for approval. It also monitored auDA's culture and oversaw the auDA CEO recruitment process. The Committee is chaired by Sandra Hook.

## Public Benefit Program Committee

The Public Benefit Program Committee is responsible for the Community Grant Program and Research and Development Grant Program. In 2023-24, the Committee oversaw the successful 2023 Community Grant Program and evaluation to identify improvements to grant guidelines. It also contributed to the development of the R&D Grant Program, which will launch in 2024-25, and four pilot projects that commenced in 2023-24. The Committee is chaired by Sandra Davey.

# Board Advisory Committees

**auDA has three independent standing Advisory Committees comprising external experts that provide strategic advice to the auDA Board. The committees are an important part of our multi-stakeholder community, providing community and expert views for Board consideration. At least one Board Director attends each meeting as an observer.**

## Technical Advisory Standing Committee

The Technical Advisory Standing Committee advises on technical matters related to .au and supports initiatives on internet security, DNS operations and risk management. This year it focused on AI and the future of the internet and input from the ICANN Security and Stability Advisory Committee.

## General Advisory Standing Committee

The General Advisory Standing Committee provides strategic advice on general and community-focused matters. This year it focused on how auDA can contribute to the United Nations SDGs and advice on disability access and inclusion. The relevant Board Committees reviewed the advice and responded to the Committee. Based on advice from the Committee, a workshop on .au membership will be held in 2024-25.

## edu.au Advisory Committee

The edu.au Advisory Committee advises on the edu.au namespace, including edu.au policies and engagement with the education sector. It assists auDA with projects such as policy changes for edu.au, as required. In the financial year, the Committee considered reports from Education Services Australia, the registrar for edu.au domain names, about the performance of edu.au.



# Transparency and accountability

## Sustainability Framework

During the financial year auDA commenced work on its Sustainability Framework.

The Framework will set out our ESG objectives and provide a roadmap to guide our activity from 2024–25 to 2029–30, building on work we already undertake. The Framework is informed by ISO 26000, which provides international best practice guidance on social responsibility and will help us align our ambitions with United Nations SDGs to drive meaningful impact.

As part of the development process, we carried out an evaluation of the current state of sustainability practices within auDA, interviews with key auDA staff, Board Directors and external stakeholders, considered auDA's 2024 materiality results, and analysed frameworks, standards and activities of our global peers.

The Sustainability Framework will focus on environmental and social sustainability and governance practices. It will consider the SDGs auDA may contribute to in addition to those on page 16, including SDG 4 quality education; SDG 12 responsible consumption and production; and production and SDG 13 climate action.

We will finalise and publish our Sustainability Framework in 2024–25 and will commence public reporting against our objectives annually.



## Reflect RAP: our commitment to reconciliation

auDA is committed to advancing reconciliation in Australia. Consultation on our draft Reconciliation Action Plan continued in 2023-24 to help us build strong foundations and meaningfully engage in reconciliation. auDA obtained feedback on our draft from Aboriginal and Torres Strait Islander stakeholders and we further developed our deliverable actions.

Members of auDA's Reconciliation Action Plan Working Group attended a Reconciliation Action Plan Learning Circle

facilitated by Reconciliation Australia, which provided guidance and an opportunity for peer-to-peer exchanges on all aspects of developing and implementing a Reconciliation Action Plan.

In late 2023-24, we submitted our draft Reconciliation Action Plan to Reconciliation Australia for approval. We are working with Reconciliation Australia to finalise the Reconciliation Action Plan for publication in 2024-25.



## ASX Corporate Governance Statement

The ASX Corporate Governance Council Principles and Recommendations set out eight practices that support good governance and provide an independent benchmark for governance, transparency and accountability.

The Principles and Recommendations are designed for entities listed on the Australian Securities Exchange and

auDA reports against them modified for our status as an Australian Public Company limited by guarantee, our size and structure.

We review our [Corporate Governance Statement](#) annually. We updated it in June 2024.

## auDA's not-for-profit status

auDA's Terms of Endorsement from the Federal Government set as a core principle that auDA will operate as a self-funding not-for-profit and for-purpose corporation. This is consistent with our corporate structure as an Australian Public Company limited by guarantee, which requires us to reinvest our profits into the organisation.

We maintain reserves to ensure our ability to deliver a stable, secure and reliable .au in the short, medium

and long term and we invest surplus funds into initiatives that support our purpose and vision. As a for-purpose organisation, we also invest in partnerships and innovation initiatives that unlock positive social and economic value for Australians through the internet.

auDA's financial sustainability is monitored closely by the Board, the Finance and Sustainability Committee and the Audit Committee.

◀ Walkabout by Luke Mc of the Wulgurukaba people, a painting licensed by auDA for the cover of our Reconciliation Action Plan. We have also purchased the original painting, which is on display in the auDA office.

# Sustainable financial position

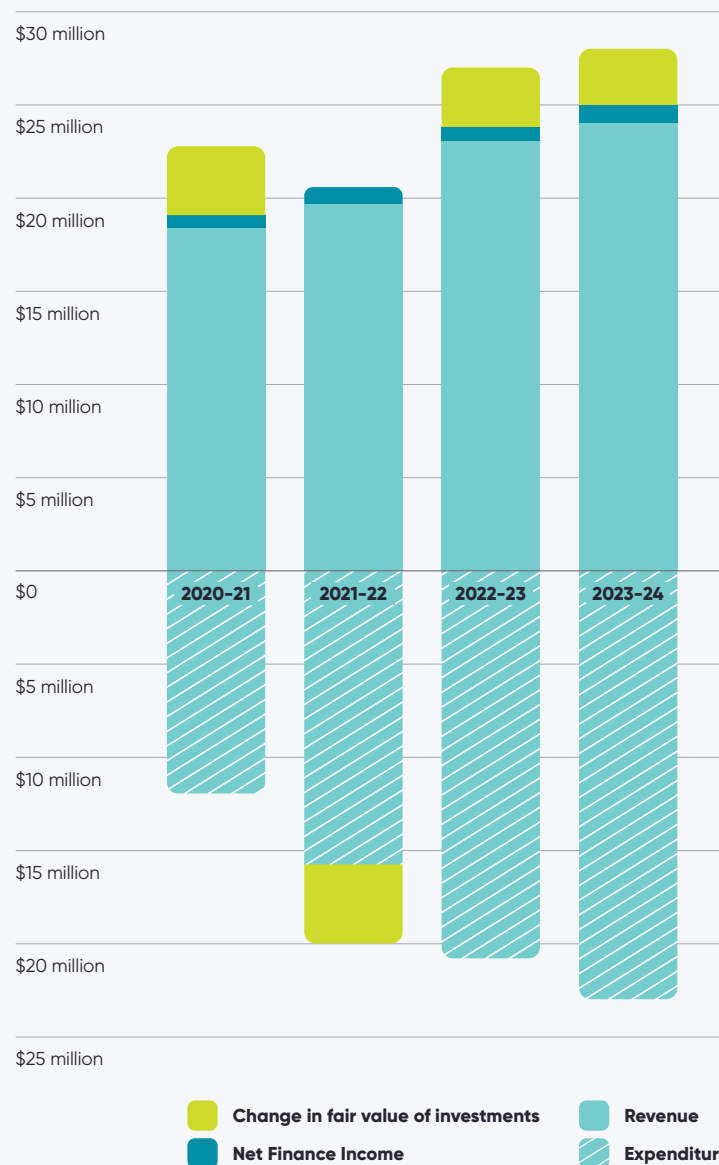
auDA maintains a sustainable financial position through prudent financial management. This includes budget planning, supporting growth in .au domain name licences, expenditure in line with auDA policies and investment of financial reserves to meet unforeseen expenses.

In 2023–24, revenue performance was stable, underpinned by strong renewal rates for domain name licences across the range of .au namespaces. While registrations for new .au domain names were moderate compared to the prior financial year’s volumes, performance was consistent with long term global growth trends. In the financial year, we also saw an increase in the fair value of investments held in our investment portfolio.

In the period, our expenses grew moderately, reflecting inflation-based cost pressures, an increase in employee related expenses due to growth in staff numbers to meet strategic objectives, investment in our R&D Grant Program pilot projects, costs associated with the .au registry tender and upgrade, and increasing infrastructure costs to support a growing number of .au domain names.

Based on projected revenues and expenditures, auDA anticipates an operating deficit at the end of 2024–25. In June 2024, as part of the 2024–25 budget process, the Board approved an increase to the wholesale price of .au domain name licences, effective from 1 October 2024. The price increase is projected to reduce any deficit, will support a return to operating surplus in the medium-term and enable auDA to continue to operate as a self-funding not-for-profit organisation. This will ensure we can meet our strategic aims, deliver our core functions and meet increased compliance obligations.

auDA summary of financial performance by financial year





# Our outlook

**2024-25 marks the final year of our 2021-25 Strategy. auDA is well-placed to meet our strategic objectives by June 2025 and set a refreshed strategic direction that will enable us to continue delivering value for Australians through .au in 2025-26 and beyond.**

## Trust



**A secure, reliable and trusted .au that underpins Australia's digital economy and society**

Our market research and strong .au domain name renewals demonstrate that Australians continue to trust and value .au. While demand for new .au domain names is flattening, it is consistent with long term global growth trends and we anticipate continued modest growth in the short and medium term.

We will continue to closely monitor the increasing cyber threat environment and invest in the .au DNS and best practice security.

In 2024-25, we will commence a review into the .au Licensing Rules. The auDA Board will appoint an independent panel to lead the review and will consult with the community, to ensure the rules remain fit-for-purpose.

As we consider our 2026-30 Strategy, we will closely monitor emerging technologies, risks and opportunities.

## Innovation



**Innovation that unlocks social and economic value for Australians**

In 2024-25, auDA will launch its R&D Grant Program and deliver another Community Grant Program round to support Australians through the .au DNS and internet.

We will deliver our fifth annual *Digital Lives of Australians* report. Our research reports, including this year's *Future Scenarios Project Report*, will provide insights to our 2026-30 Strategy planning process.

auDA will continue consultation on a potential Aboriginal and Torres Strait Islander namespace in .au to continue to explore how it might support digital inclusion.

## Multi-stakeholder engagement



### Multi-stakeholder engagement that shapes .au and internet policy

The .au membership base continues to grow steadily. We remain committed to further diversifying the membership to represent the Australian community.

We will continue to strengthen and expand our stakeholder relationships with governments, industry, civil society and academia to partner on key initiatives and support our work.

We will seek feedback from members and stakeholders on matters of importance related to .au and auDA, including our 2026–30 Strategy.

We will enhance our efforts to uphold the multi-stakeholder model of internet governance through engagement with local, regional and global internet governance communities, including the Technical Community Coalition for Multistakeholderism, and contributions to global processes such as the GDC and WSIS+20 review.

## People



### A motivated, engaged, expert team that delivers auDA's purpose and vision

In 2024–25, we expect to add new key roles to the auDA team in strategically important areas including cyber security.

We will conduct another staff culture survey to measure engagement and identify opportunities to further support staff.

Input from our people will inform a well-considered, innovative 2026–30 Strategy.

## Governance



### Effective governance that underpins transparent and sustainable operations

The auDA Board will continue to guide and support auDA to deliver social and economic value for Australians.

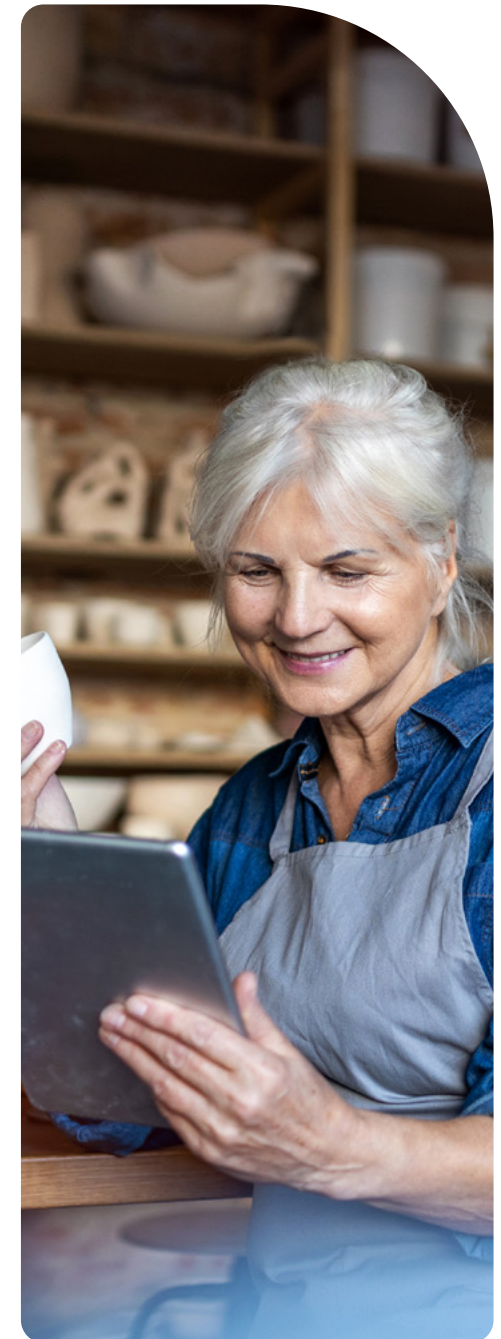
In the financial year, the Board will provide expertise and insight into our strategy development and will approve our 2026–30 Strategy.

We will finalise and release our Sustainability Framework to guide our ESG activity from 2024–25 to 2029–30, and report on our progress annually.

auDA is committed to advancing reconciliation in Australia. We are working with Reconciliation Australia to finalise auDA's Reconciliation Action Plan for publication in 2024–25.

We will continue to maintain a sustainable financial position through prudent financial management, including consideration of revenues and expenditures.

We are on track to adopt the Integrated Reporting Framework in full in our 2024–25 Annual Report, including assurance by an external body.



# Annual Financial Report

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General Purpose Financial Report for the year ended 30 June 2024  
.au Domain Administration Limited and controlled entities  
ABN 38 079 009 340



# Directors' report

The Directors present their report together with the consolidated financial statements of the Group comprising of .au Domain Administration Limited (the Company) and its subsidiaries for the financial year ended 30 June 2024 and the auditor's report thereon.

## 1. Directors

The Directors of the Group at any time during or since the end of the financial year are:

	Appointed	Retired
Alan Cameron AO	15 November 2019	
Tara Commerford	15 November 2023	31 March 2024
Sandra Davey	15 November 2019	
Peter Elford	15 November 2019	
Angelo Giuffrida	15 November 2019	
Matthew Healy	15 November 2019	30 September 2023
Sandra Hook	16 November 2022	
Jacqueline Korhonen	11 November 2020	15 November 2023
Dr. Alice McCleary	15 November 2019	
Wendy Thorpe	16 November 2022	
Thu-Trang Tran	15 November 2023	
Michael Trovato	16 November 2022	

### ALAN CAMERON AO BA LLM Hon LLD Sydney FAICD Life FAAL

Independent Appointed Director and Chairperson

Alan Cameron worked in corporate law practice in Sydney, was Commonwealth Ombudsman 1991-92, and was chairman of the ASC and ASIC 1993-2000. Most recently he has been a consultant and company director. He is Chair of the Code of Conduct Committee of the Australian Council for International Development, Independent Chair of the ASX Clearing and Settlement Advisory Group and an Independent Director of Nuix Ltd. He has been Chairperson of the NSW Law Reform Commission, Deputy Chancellor of The University of Sydney and Chair of the ASX Corporate Governance Council.

### SANDRA DAVEY MAICD

Independent Appointed Director

Chair Public Benefit Program Committee

Sandra Davey is a strategic adviser and facilitator in product and organisational ways of working with Organa. Over 25 years she has launched more than 30 digital products covering disruptive products in new markets and new products for existing or adjacent markets. At Organa she helps people and teams adopt new ways of working in the pursuit of better product value for customers and helps create organisational change through building high performing teams and teaching product excellence. She is currently a Director with Screenrights.

Her past Board roles include Director and Chair of CHOICE, Chair of Australian Internet Governance Forum (auIGF) and Director and Chair of the Australian Interactive Media Industry Association. She was an inaugural Director of auDA when it was known as the Australian Domain Name Authority.

## 1. Directors (continued)

### **PETER ELFORD BSc (Hons)**

Independent Elected Director  
Chair Security and Risk Committee

Peter Elford is an Australian internet veteran having “built the internet in Australia” in 1989 as the second employee at the Australian Academic and Research Network (AARNet). From 1993–2013 he held a variety of technical and senior management roles at Cisco, before returning to AARNet as Director, Government Relations and eResearch from 2014–19. He has been a member of the auDA Board since 2019. Peter is a volunteer with a range of Canberra community organisations associated with cycling, broadband and town planning.

### **ANGELO GIUFFRIDA**

Elected Director

Angelo Giuffrida is a seasoned leader in the domain name industry, with extensive experience in registrar operations, policy development and registry functions. As co-founder and co-CEO of Nexigen Digital Pty Ltd, which encompasses VentralIP, Synergy Wholesale Accreditations and Intaserve, Angelo leverages his deep industry expertise to drive initiatives that benefit the broader community and strengthen Australia’s digital economy.

### **SANDRA HOOK, GAICD**

Independent Appointed Director  
Chair Governance and Culture Committee

Sandra Hook is an experienced board director with a non-executive career spanning diverse sectors including Communications: IT, Technology & Digital; Health Tech; Tourism, Leisure & Retail; Urban renewal; Agri-business; Government; Research and Policy. She brings 25 years of senior leadership and operational experience gained in roles including Managing Director, Chief Executive Officer, Chief Operations Officer, Marketing Director and Publisher for some of Australia’s largest media organisations including News Limited, Foxtel, Federal Publishing, Fairfax and Murdoch Media. Sandra’s board experience spans listed, private and government boards and she is currently a Director of IVE Group Ltd, MedAdvisor Ltd, NextEd Group Ltd, Sydney Harbour Foundation Ltd and Fight Food Waste CRC.

### **DR. ALICE McCLEARY DUniv BEc FCA CTA FTI (Life), FAICD**

Independent Appointed Director  
Chair Finance and Sustainability Committee

Alice McCleary is a Chartered Accountant and has been a professional company director for over 20 years. Her directorship career covers ASX companies, not-for-profits, industry associations and government bodies. She was a founding director of National ICT Australia Limited (NICTA), a research body funded by state and federal governments to improve the reach and quality of Australia’s IT research.

### **WENDY THORPE BA BBus (Acc) Grad Dip AppFin & Inv. GAICD FFin**

Independent Elected Director  
Chair Audit Committee

Wendy Thorpe is a former Financial Services Executive with deep experience in leading technology, operations and transformation at AXA, ANZ and AMP including in Chief Information Officer and Chief Operations Officer roles. Wendy is an experienced Board Chair and Non-Executive Director across a range of sectors. In addition to her role at auDA, Wendy is Chair of Epworth Healthcare, Chair of Online Education Services Pty Ltd and a Non-Executive Director of IAG Ltd, People First Bank and Data Action Pty Ltd. Wendy was previously a Director of Tower Ltd, Ausgrid, AMP Bank Ltd and Very Special Kids, and is a former member of the Council of Swinburne University of Technology.

### **THU-TRANG TRAN LLM, GradDipLP, LLB, B.Comm**

Independent Appointed Director

Thu-Trang Tran began her career as a commercial and information technology lawyer in Sydney. She has been able to combine her social justice values, strategic leadership, and regulatory expertise over the past two decades in private and public sector organisations in Australia and overseas. Thu-Trang also serves as a Commissioner at the Victorian Liquor Commission and Director at Good Shepherd Australia New Zealand, the Telecommunications Industry Ombudsman (TIO) and VITS Language Loop. She was a Commissioner at the Victorian Building Authority Board and has also held executive roles in regional and state peak not-for-profit organisations.

## 1. Directors (continued)

### MICHAEL TROVATO MBA (Acc, Fin) BSc GAICD

Independent Elected Director

Michael Trovato is a cyber security, privacy and technology risk advisor to boards, board risk committees, and executive management. Michael is currently IIS Partners Managing Partner and Lead Security Advisor; Internal Consulting Group (ICG) Global Cyber Practice Leader; Cyber Risk Advisors Managing Partner; Trustworks360 Director.

Prior roles include Director Australian Information Security Association, EY Cyber Security, Asia Pacific, Oceania and FSO Lead Partner; NAB Group, GM Technology Risk and Security; KPMG New York, Partner Information Risk Management; Salomon Brothers, Internal Audit; MasterCard International, Principal; Price Waterhouse Manager; SUNY at Buffalo University Computing Services - Programming Consultant.

## 2. Meetings of Directors

The number of meetings of the Board and of each Board Committee and number of meetings attended by each of the Directors of the Group during the financial year were:

	Board Meetings		Audit Committee		Finance & Sustainability Committee		Governance & Culture Committee		Security & Risk Committee		Public Benefit Program Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Alan Cameron	9	9	2	2	5	5	5	5	4	4	3	3
Tara Commerford	2	2	-	-	2	2	-	-	1	1	-	-
Sandra Davey	9	9	2	2	3	3	2	2	-	-	3	3
Peter Elford	8	8	2	2	-	-	-	-	4	4	3	3
Angelo Giuffrida	8	8	-	-	-	-	4	5	-	-	3	3
Matthew Healy	3	3	0	1	-	-	1	1	1	1	-	-
Sandra Hook	9	9	1	1	5	5	3	3	2	2	-	-
Jacqueline Korhonen	4	5	-	-	1	1	-	-	2	2	-	-
Dr. Alice McCleary	9	9	2	2	4	5	-	-	-	-	2	3
Wendy Thorpe	9	9	2	2	-	-	5	5	2	2	1	1
Thu-Trang Tran	4	4	-	-	-	-	3	3	-	-	2	2
Michael Trovato	9	9	-	-	4	5	-	-	4	4	-	-

**A** Number of meetings attended.

**B** Number of meetings held during the time the Director held office during the year and that the Director was eligible to attend, and for committees the number of meetings where the Director held office during the year and was also a member of the committee.

### 3. Secretaries

The secretaries of the Company at any time during or since the end of the financial year are:

Sonia Joksimovic	Appointed 20 May 2019
Linda Brown	Appointed 9 June 2020

Sonia Joksimovic is a qualified company secretary and has more than 10 years' experience working in company secretarial and governance positions in publicly listed and unlisted companies.

Linda Brown is an experienced governance practitioner with 30 years' experience in management and consulting roles including providing board support and company secretarial services to not for profit entities.

### 4. Principal activities and objectives

#### Principal activities

The principal activities of the Group during the year ended 30 June 2024 comprised of management of the .au domain.

There were no changes in the nature of the activities of the Group during the year.

#### Objectives

auDA is endorsed by the Federal Government to administer the .au domain for the benefit of all Australians. The Government's Terms of Endorsement for auDA sets out the Company's core functions, which are to:

- Ensure stable, secure and reliable operation of the .au domain, which is part of Australia's suite of critical infrastructure;
- Administer a licensing regime for .au domain names based on multi-stakeholder processes that are transparent, responsive, accountable, accessible and efficient;
- Advocate for and actively participate in multi-stakeholder internet governance processes domestically and internationally.

The Company's strategic objectives are set out in auDA's 2021–25 Strategy. The strategy outlines the Company's purpose and vision:

- **Purpose** – administering a trusted .au for the benefit of all Australians, and championing an open, free, secure and global internet.
- **Vision** – unlock positive social and economic value for Australians through an open, free, secure and global internet.

The auDA 2021–25 Strategy also outlines the organisation's strategic focus areas, strategic capabilities and associated strategic objectives.

		Objectives
Strategic focus areas	Trust	<ul style="list-style-type: none"> <li>• Drive down DNS abuse</li> <li>• Drive up the integrity of the .au</li> <li>• Lead world's best practice ccTLD security</li> </ul>
	Innovation	<ul style="list-style-type: none"> <li>• Improve the utility of the .au by providing greater choice of .au domain names</li> <li>• Produce leading insights from our data and community research</li> <li>• Invest to enable innovation and research by others</li> </ul>
	Multi-stakeholder engagement	<ul style="list-style-type: none"> <li>• Grow and diversify membership</li> <li>• Increase influence in multi-stakeholder internet governance</li> </ul>
Strategic capabilities	People	<ul style="list-style-type: none"> <li>• Build an organisation regarded as a great place to work</li> <li>• Strengthen the trust and confidence our stakeholders have in us</li> </ul>
	Governance	<ul style="list-style-type: none"> <li>• Strengthen transparency and accountability</li> <li>• Strive for excellence in our reporting</li> </ul>

## 5. Operating and financial review

Revenue from operations for the year ended 30 June 2024 was \$24,083,222 (2023: \$23,084,067). The result for the year ended 30 June 2024 is a profit of \$5,108,655 (2023: \$6,307,545).

For the year to 30 June 2024 the Group generated net cash from operating activities of \$9,442,957 (2023: \$6,596,271).

	2024 \$	2023 \$	Variance \$
Revenue from operations	24,083,222	23,084,067	999,155
Profit for the year	5,108,655	6,307,545	(1,198,890)
Change in fair value of financial assets*	3,017,501	3,227,412	(209,911)
Net cash from operating activities	9,442,957	6,596,271	2,846,686

\*included in the profit for the year

In the financial year ended 30 June 2024 profit fell by \$1,198,890 in comparison to the prior year; this is attributable to several factors, a decrease in the change in the fair value of financial assets of \$209,911 and increased operational costs across the breadth of the Group's activities including further increases in the investment in human capital and DNS infrastructure expenditure.

In the opinion of the Directors, there are no likely changes in the operations of the Group that are expected to adversely affect the results of the Group in subsequent financial years.

### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs that had an effect on the Group's operations or the results of its operations.

## 6. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations, the results of those operations, or the state of affairs of the Group, in future financial years.

## 7. Likely developments

auDA will continue its implementation of its 2021-25 Strategy which focuses on trust, innovation, multi-stakeholder engagement and building strategic capabilities. auDA will commence the development of its 2026-30 Strategy.

auDA's Chief Executive Officer (CEO) Rosemary Sinclair AM will conclude her appointment with the Group at the end of 2024. Dr Bruce Tonkin will commence as CEO on 1 January 2025.

## 8. Member's guarantee

The Company is limited by guarantee. If the Company is wound up its Constitution states that each member of the Company is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company. Following the membership transition on 27 September 2022, the number of members of the Company has increased significantly and as of 30 June 2024, the number of members was 5,057 (2023: 4,312).

## 9. Non-audit services

KPMG consented to act as the Group's auditor on 27 June 2017. The lead audit partner, Kate Rowswell, is undertaking her initial year as the group's auditor for the period ending 30 June 2024. In accordance with *Corporations Act 2001* and KPMG partner rotation requirements, the next rotation of the lead partner of the Group is planned to occur after the completion of the 30 June 2033 financial year audit.

During the year KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.



## 9. Non-audit services (continued)

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms for audit and non-audit services provided during the year are set out below:

<b>Services other than audit and review of financial statements:</b>	<b>2024 \$</b>	<b>2023 \$</b>
<b>Other services</b>		
Financial statement compilation services	14,100	13,300
Integrated reporting analysis and advice	–	35,530
Audit of financial statements	97,970	82,990
<b>Total paid to KPMG</b>	<b>112,070</b>	<b>131,820</b>

## 10. Environmental regulation

The Group is committed to achieving a high level of sustainability. It established the Finance and Sustainability Committee in February 2023 to enhance the Group's focus on Environmental, Social and Governance (ESG) issues impacting on operating performance.

The Finance and Sustainability Committee has oversight of the development, maintenance and communication of a Sustainability Framework to ensure the sustainability of business operations, the application of ESG principles for investment management and environmental considerations applicable to operating activities. The Group's Sustainability Framework requires the committee to:

- Establish a regular reporting process
- Ensure preparedness for and compliance with developing ESG regulations.

The Federal Government's Terms of Endorsement and the ICANN sponsorship agreement under which the Group operates do not impose sustainability or environmental obligations.

## 11. Indemnification and insurance of officers and auditors

### Indemnification

The Company has entered a Deed of Access, Indemnity and Insurance with each Director of the Company which provides indemnity against a liability arising out of or in any way directly or indirectly connected with the Officer's role as Director of the Company and reasonable defence costs. There are no known claims or legal actions against any Director or officer or executive in respect of the operations of the Group.

### Insurance premiums

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and Legal Expenses' insurance contracts, as such disclosure is prohibited under the terms of these contracts. The company has not paid any premiums to indemnify or insure auditors.

## 12. Proceedings on behalf of the Company

There have been no proceedings on behalf of the Company identified for the year ended 30 June 2024.

## 13. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 114 and forms part of the Directors' Report for the year ended 30 June 2024.

## 14. Rounding off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest dollar, unless otherwise stated.

This report is made with a resolution of the Directors:



Alan Cameron AO  
Independent Chairperson

Dated at Melbourne this 14<sup>th</sup> day of October 2024

# Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

REVENUE	Note	2024 \$	2023 \$
Revenue	4	24,083,222	23,084,067
Other income		–	3,441
Employee related expenses	5	(9,708,869)	(8,058,404)
Staff development and related expenses		(510,335)	(577,552)
Compliance services expense		(272,652)	(306,036)
Consultancy expense		(1,985,909)	(1,537,423)
Domain Name System infrastructure expense		(2,237,320)	(1,836,489)
Grant expense	6	(600,000)	(600,000)
Engagement expense		(233,271)	(139,924)
Marketing and communication expense		(3,068,081)	(2,915,037)
Insurance expense		(338,594)	(300,387)
Travel expense		(1,054,962)	(864,426)
Directors' remuneration expense		(559,774)	(572,011)
Subscriptions expense		(438,931)	(432,592)
Research and development grants	7	(305,631)	–
Depreciation of plant and equipment	12	(393,984)	(575,114)
Depreciation of right-of-use assets	13	(275,370)	(275,369)
Registry tender expenses		(604,452)	(1,397,050)
Other expenses		(351,276)	(353,471)
<b>Profit from operations</b>		<b>1,143,811</b>	<b>2,346,223</b>
Change in fair value of financial assets classified at FVTPL*		3,017,501	3,227,412
Net finance income	8	947,343	733,910
<b>Profit before income tax</b>		<b>5,108,655</b>	<b>6,307,545</b>
Income tax expense		–	–
<b>Profit for the year</b>		<b>5,108,655</b>	<b>6,307,545</b>
Other comprehensive income		–	–
<b>Total comprehensive income</b>		<b>5,108,655</b>	<b>6,307,545</b>

\* Fair value through profit or loss

The notes on pages 95 to 111 are an integral part of these consolidated financial statements.

# Consolidated statement of financial position

As at 30 June 2024

ASSETS	Note	2024 \$	2023 \$
<b>Current assets</b>			
Cash and cash equivalents	9	20,855,873	16,564,536
Trade and other receivables	10	3,105,631	2,378,221
Prepayments		621,963	623,880
<b>Total current assets</b>		<b>24,583,467</b>	<b>19,566,637</b>
<b>Non-current assets</b>			
Other assets		444,487	566,508
Investments	11	44,866,343	37,020,310
Property, plant and equipment	12	996,940	1,325,077
Right-of-use assets	13	711,370	986,740
<b>Total non-current assets</b>		<b>47,019,140</b>	<b>39,898,635</b>
<b>Total assets</b>		<b>71,602,607</b>	<b>59,465,272</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	2,217,909	1,202,465
Employee benefits	15	759,447	617,471
Deferred income	16	20,581,570	14,643,621
Lease liabilities	13	409,232	411,501
<b>Total current liabilities</b>		<b>23,968,158</b>	<b>16,875,058</b>
<b>Non-current liabilities</b>			
Deferred income	16	10,551,421	10,248,281
Employee benefits	15	149,419	127,827
Provision for make good		128,675	128,675
Lease liabilities	13	746,841	1,135,993
<b>Total non-current liabilities</b>		<b>11,576,356</b>	<b>11,640,776</b>
<b>Total liabilities</b>		<b>35,544,514</b>	<b>28,515,834</b>
<b>Net assets</b>		<b>36,058,093</b>	<b>30,949,438</b>
<b>EQUITY</b>			
Retained earnings		36,058,093	30,949,438
<b>Total equity</b>		<b>36,058,093</b>	<b>30,949,438</b>

The notes on pages 95 to 111 are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

For the year ended 30 June 2024

	Retained earnings \$	Total Equity \$
<b>Balance at 1 July 2022</b>	<b>24,641,893</b>	<b>24,641,893</b>
<b>Comprehensive income</b>		
Profit for the year	6,307,545	6,307,545
<b>Total comprehensive income</b>	<b>6,307,545</b>	<b>6,307,545</b>
<b>Balance at 30 June 2023</b>	<b>30,949,438</b>	<b>30,949,438</b>
<b>Comprehensive income</b>		
Profit for the year	5,108,655	5,108,655
<b>Total comprehensive income</b>	<b>5,108,655</b>	<b>5,108,655</b>
<b>Balance at 30 June 2024</b>	<b>36,058,093</b>	<b>36,058,093</b>

The notes on pages 95 to 111 are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Cash received from customers		29,500,150	27,953,514
Cash paid to suppliers and employees		(21,292,842)	(22,295,883)
Finance income received		1,235,649	938,640
<b>Net cash from operating activities</b>		<b>9,442,957</b>	<b>6,596,271</b>
<b>Cash flows from investing activities</b>			
Proceeds from term deposits		161,974	–
Payment for investments and term deposits		(49,474,370)	(41,185,451)
Proceeds from sale of investments		44,693,812	40,754,826
Acquisition of plant and equipment	12	(88,220)	(296,095)
<b>Net cash used in investing activities</b>		<b>(4,706,804)</b>	<b>(726,720)</b>
<b>Cash flows from financing activities</b>			
Payment of leases	13	(444,816)	(610,009)
<b>Net cash used in financing activities</b>		<b>(444,816)</b>	<b>(610,009)</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,291,337</b>	<b>5,259,542</b>
Cash and cash equivalents at 1 July		16,564,536	11,304,994
<b>Cash and cash equivalents at 30 June</b>	9	<b>20,855,873</b>	<b>16,564,536</b>

The notes on pages 95 to 111 are an integral part of these consolidated financial statements.

# Notes to the consolidated financial statements

For the year ended 30 June 2024

## Note 1 – Reporting entity

.au Domain Administration Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

The Group registered office is Level 19, 8 Exhibition Street, Melbourne, Victoria, Australia. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a not-for-profit entity and is primarily involved in the management of the .au domain.

## Note 2 – Basis of accounting

### a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Compliance with the Australian Accounting Standards may not result in compliance with International Financial Reporting Standards (IFRS), as the AASBs include requirements and options available to not-for-profit organisations that are inconsistent with IFRS.

They were authorised for issue by the Board of Directors on 14 October 2024. Details of the Group's accounting policies are included in Note 3.

### b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following assets which are stated at their fair value: investments in managed funds, investments in equity securities.

### c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency. The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest dollar, unless otherwise stated.

### d) Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.

### **i. Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- revenue recognition: whether revenue from made-to-order paper products is recognised over time or at a point in time;
- consolidation: whether the Group has de facto control over an investee; and
- lease term: whether the Group is reasonably certain to exercise extension options.

### **ii. Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate; and
- revenue recognition: estimate of expected returns.

## **e) Going Concern**

The financial report has been prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

## **Note 3 – Material accounting policies**

### **Changes in material accounting policies**

#### **Material accounting policy information**

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 July 2024. Although the amendments did not result in any

changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information in Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

A number of new standards are effective for annual periods beginning after 1 July 2024 and earlier application is permitted however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

### **Summary of material accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except if mentioned otherwise.

## **a) Basis of consolidation**

### **i. Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### **ii. Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.



Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## b) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

## c) Financial instruments

### i. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### ii. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### iii. Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial assets – subsequent measurement and gains and losses

#### *Financial assets at amortised cost*

The Group recognises the following financial assets in this category: Trade and other receivables, cash and cash equivalents, term deposits.

These assets are initially recognised when they are originated and are measured at the transaction price. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### *Financial assets at FVTPL*

The Group recognises the following financial assets in this category: managed funds, equity securities, alternatives and other investments.

These assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument and are measured at fair value. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.

### Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### *iv. Derecognition*

##### **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash

flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

##### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### *v. Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## d) Plant and equipment

### *i. Recognition and measurement*

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment. Any gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within other income/other expenses in profit or loss.

d) Plant and equipment (continued)

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

**iii. Depreciation**

Depreciation is calculated to write off the cost of plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives in the current and comparative periods are as follows:

	2024	2023
Office equipment	4 – 6 years	4 – 6 years
Leasehold improvements	4 – 6 years	4 – 6 years
Computer equipment	4 – 6 years	4 – 6 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**iv. Leasehold improvements**

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease, or the estimated useful life of the improvement to the Group, whichever is shorter.

**e) Impairment**

**i. Non-derivative financial assets**

The Group applies the simplified approach to measuring expected credit losses which assumes a lifetime expected loss allowance for trade and other receivables based on all possible default events over the expected life of the receivable. The amount of the impairment loss is recognised as an expense in profit or loss. Subsequent recoveries of amounts previously written off are credited against expenses in the income statement.

**ii. Non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**f) Employee benefits**

**i. Short term benefits**

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**ii. Defined contribution superannuation funds**

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payment is available.

**iii. Other long-term employee benefits**

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value,

f) Employee benefits (continued)

and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the Group's obligations. Remeasurements are recognised in profit or loss in the period in which they arise.

## g) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

The provision for make good includes the Group's best estimate of the amount required to return the Group's leased premises to its original condition, taking into account due consideration of the Group's past history of vacating office premises.

## h) Revenue

### *i. Domain name licence fees*

Domain name licence fees are charged by the Group to Identity Digital Australia Pty Ltd, the Registry Operator, for licensing of the .au registry. Fees are charged by reference to the volume of domain names registered in the .au domain each period by Identity Digital Australia. As such, it is a sales or usage-based royalty. The identified performance obligations of the Group are both the licence of intellectual property to Identity Digital Australia, and the technical management of the .au zone file in order for Identity Digital Australia to benefit from its licence rights. The performance obligations are satisfied over time as Identity Digital Australia receives and consumes the benefits provided by the Group's continuous maintenance of the .au zone file during the life of the licensing agreement. As such, the Group initially recognises a liability on the balance sheet (included in deferred income) for consideration received or receivable and revenue is recognised over time based on the terms of the individual domain name registrations. Domain name registrations can vary between one and five years in length.

### *ii. Registrar fees*

Registrar fees are a fixed fee charged to each registrar for accreditation registration. Fees are paid in advance for a 12-month period. The amounts billed are recognised as revenue over the duration of the registration period.

## i) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16.

### *i. As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

### Note 3 – Material accounting policies (continued)

#### i) Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The right-of-use asset is subsequently depreciated from the commencement date to the end of the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy and adjustment for certain remeasurements of lease liability. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected

to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

#### ii. Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### j) Finance income and finance costs

Finance income comprises interest income on funds invested and the net gain on investments at FVTPL. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on finance leases, the financial effect of unwinding of the make good provision, and the net loss on investments at FVTPL. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### k) Income tax

No income tax expense is charged and no income tax is payable by the Group as under Section 50-40 Item 8.3 of the *Income Tax Assessment Act 1997* the parent is income tax exempt. The auDA Foundation is also income tax exempt.

## Note 4 – Revenue

The Group generates revenue from the management of .au domain.

In the following table, revenue recognition from contract with customers is disaggregated by major service line, primary geographical markets and timing of revenue recognition.

	2024 \$	2023 \$
<b>Major service line</b>		
Domain name licence and .au direct application fees	23,986,472	22,967,673
Registrar fees	96,750	116,394
	<b>24,083,222</b>	<b>23,084,067</b>
<b>Primary geographical markets</b>		
Australia	24,083,222	23,084,067
	<b>24,083,222</b>	<b>23,084,067</b>
<b>Timing of revenue recognition</b>		
Products and services transferred over time	24,083,222	23,084,067
<b>Revenue from contracts with customers</b>	<b>24,083,222</b>	<b>23,084,067</b>

## Note 5 – Employee related expenses

	2024 \$	2023 \$
Wages and salaries	8,907,992	7,405,522
Contributions to defined contribution plans	800,877	652,882
<b>Total employee related expenses</b>	<b>9,708,869</b>	<b>8,058,404</b>

## Note 6 – Grant expense

	2024 \$	2023 \$
Grant expense	600,000	600,000
<b>Total grant expense</b>	<b>600,000</b>	<b>600,000</b>

During the year the Group continued its philanthropic activities which were funded by the auDA Foundation.

The 2023 grant round received 150 applications for funding and after assessment the auDA Foundation awarded 15 grants of \$40,000 totalling \$600,000 (2023: \$600,000).

## Note 7 – Research and development grants

	2024 \$	2023 \$
Research and development grants	305,631	–
<b>Total research and development grants</b>	<b>305,631</b>	<b>–</b>

During the year the Group developed a framework for philanthropic funding of innovation. A Research and Development grant program was finalised to invest in four key themes: The role of the DNS, Governance of the internet (including the DNS), Technical resilience of the DNS and Digital Inclusion for FY24 and beyond. Four pilot projects were commenced in 2023-24 and \$305,631 was expended in this financial year.

## Note 8 – Net finance income

	2024 \$	2023 \$
<b>Finance income</b>		
Interest income	390,730	211,857
Dividend income	882,955	867,042
Net foreign exchange gain	47,974	–
<b>Total finance income</b>	<b>1,321,659</b>	<b>1,078,899</b>
<b>Finance cost</b>		
Interest on lease liability	(53,395)	(72,602)
Net foreign exchange losses	–	(4,342)
Investment management fees	(320,921)	(268,045)
<b>Total finance cost</b>	<b>(374,316)</b>	<b>(344,989)</b>
<b>Net finance income</b>	<b>947,343</b>	<b>733,910</b>

## Note 9 – Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank	20,855,873	16,564,536
<b>Total cash and cash equivalents</b>	<b>20,855,873</b>	<b>16,564,536</b>

## Reconciliation of profit after tax to cash flows from operating activities

	2024 \$	2023 \$
Profit for the year	5,108,655	6,307,545
<b>Adjusted for non-cash items in net profit:</b>		
• Depreciation and amortisation	393,984	575,114
• Depreciation right-of-use asset	275,370	275,369
• Loss on disposal of PPE	254	–
• Net FX gain	(47,974)	–
• Interest on lease liability	53,395	72,602
• Change in fair value of financial assets at FVTPL*	(3,017,501)	(3,227,412)
Increase in trade and other receivables	(677,991)	(676,892)
Decrease in trade and other assets	(65,333)	22,406
Increase/(decrease) in trade and other payables	1,015,442	(137,851)
Increase in employee benefits	163,567	117,352
Increase in deferred income	6,241,089	3,344,213
Decrease in provision for make good	–	(76,175)
<b>Net cash from operating activities</b>	<b>9,442,957</b>	<b>6,596,271</b>

\* Fair value through profit or loss

## Note 10 – Trade and other receivables

	2024 \$	2023 \$
Trade receivables	3,048,280	2,370,289
Other receivables	57,351	7,932
<b>Total trade and other receivables</b>	<b>3,105,631</b>	<b>2,378,221</b>

## Note 11 – Investments

	2024 \$	2023 \$
Equity securities	23,885,968	24,152,925
Managed funds	20,980,375	3,737,844
Alternatives and other investments	–	9,129,541
<b>Total investments</b>	<b>44,866,343</b>	<b>37,020,310</b>

The market value of investments increased during the financial year by \$3.02 million due to the stabilising global macroeconomic outlook. Subsequent to year end, there have been no indicators which will significantly impact the market valuation of investments.

## Note 12 – Property, plant and equipment

	Office equipment \$	Leasehold improvement \$	Computer equipment \$	Asset under construction \$	Total \$
<b>Cost</b>					
Balance at 1 July 2022	270,421	1,827,815	776,408	–	2,874,644
Additions	55,460	–	53,594	187,041	296,095
Disposals	(178,630)	(734,781)	(77,292)	–	(990,703)
<b>Balance at 30 June 2023</b>	<b>147,251</b>	<b>1,093,034</b>	<b>752,710</b>	<b>187,041</b>	<b>2,180,036</b>
Balance at 1 July 2023	147,251	1,093,034	752,710	187,041	2,180,036
Additions	27,525	32,651	28,044	–	88,220
Transfers	–	–	187,041	(187,041)	–
Disposals	(5,029)	(14,167)	(6,236)	–	(25,432)
<b>Balance at 30 June 2024</b>	<b>169,747</b>	<b>1,111,518</b>	<b>961,559</b>	<b>–</b>	<b>2,242,824</b>
<b>Accumulated depreciation</b>					
Balance at 1 July 2022	168,486	617,801	484,261	–	1,270,548
Depreciation	55,022	387,189	132,903	–	575,114
Disposals	(178,631)	(734,782)	(77,292)	–	(990,705)
<b>Balance at 30 June 2023</b>	<b>44,877</b>	<b>270,208</b>	<b>539,872</b>	<b>–</b>	<b>854,957</b>
Balance at 1 July 2023	44,877	270,208	539,872	–	854,957
Depreciation	34,826	237,678	121,480	–	393,984
Disposals	(890)	–	(2,167)	–	(3,057)
<b>Balance at 30 June 2024</b>	<b>78,813</b>	<b>507,886</b>	<b>659,185</b>	<b>–</b>	<b>1,245,884</b>
<b>Carrying amounts</b>					
<b>At 30 June 2023</b>	<b>102,373</b>	<b>822,825</b>	<b>212,838</b>	<b>187,041</b>	<b>1,325,077</b>
<b>At 30 June 2024</b>	<b>90,934</b>	<b>603,632</b>	<b>302,374</b>	<b>–</b>	<b>996,940</b>

## Note 13 – Leases

The Group has one lease of commercial office space as at 30 June 2024:

- Exhibition Street, Melbourne – this lease was entered into on 1 February 2022 for a period of five years with the option to renew for three years as set out in Note 13(e) below.

### a) Right-of-use-assets

	2024 \$	2023 \$
Balance at 1 July	986,740	1,262,109
Depreciation	(275,370)	(275,369)
<b>Balance at 30 June</b>	<b>711,370</b>	<b>986,740</b>

### b) Amounts recognised in profit or loss

	2024 \$	2023 \$
Interest on lease liabilities	53,395	72,602
Depreciation on right-of-use assets	275,369	275,369
	<b>328,764</b>	<b>347,971</b>

### c) Lease liabilities

	2024 \$	2023 \$
Current	459,065	411,501
Non-current	697,008	1,135,993
<b>Total lease liabilities</b>	<b>1,156,073</b>	<b>1,547,494</b>

### d) Amounts recognised in statement of cash flows

	2024 \$	2023 \$
Total cash outflow for leases	444,816	610,009
	<b>444,816</b>	<b>610,009</b>

### e) Extension options

The Exhibition Street, Melbourne lease contains an extension option to further the lease term for an additional three years, exercisable by the Group up to nine months before the end of the agreement. The Group has estimated that the potential future lease payments, should it exercise the further extension option, would result in an increase in lease liability of \$1,321,181 (2023: \$1,246,545) as at 30 June 2024.



## f) Future lease payments

The future of lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. for short term leases and leases of low value items) are disclosed for each of the following periods:

	2024 \$	2023 \$
Less than one year	459,065	443,541
One to five years	757,870	1,216,934
<b>Total</b>	<b>1,216,935</b>	<b>1,660,475</b>

## Note 14 – Trade and other payables

	2024 \$	2023 \$
Trade payables	1,109,791	1,154,208
Other payables and accrued expenses	1,108,118	48,257
<b>Total trade and other payables</b>	<b>2,217,909</b>	<b>1,202,465</b>

## Note 15 – Employee benefits

	2024 \$	2023 \$
<b>Current</b>		
Liability for annual leave	662,980	582,571
Liability for long-service leave	96,467	34,900
<b>Total current</b>	<b>759,447</b>	<b>617,471</b>
<b>Non-current</b>		
Liability for long service leave	149,419	127,827
<b>Total non-current</b>	<b>149,419</b>	<b>127,827</b>

## Note 16 – Deferred income

	2024 \$	2023 \$
<b>Current</b>		
Domain name licence fees	14,687,813	14,643,621
Provision for registry licence fees (a)	5,893,757	–
<b>Total current</b>	<b>20,581,570</b>	<b>14,643,621</b>
<b>Non-current</b>		
Domain name licence fees	7,588,283	7,312,864
Provision for registry licence fees (a)	2,963,138	2,935,417
<b>Total non-current</b>	<b>10,551,421</b>	<b>10,248,281</b>

(a) On 1 July 2024, the new registry license agreement with registry operator Identity Digital Australia Pty Ltd commenced. The Provision for Registry license fees represent registry fees earned for registry services provided after the expiration of the agreement ending 30 June 2024. This provision will be systematically unwound, and registry licence fees recorded as revenue based on the registration period of the licence as per Note 3(h) above.

## Note 17 – List of subsidiaries

Set out below is a list of subsidiaries of the Group. The consolidated financial report incorporates the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in Note 1 to 3:

Name of entity	Principal place of business	Ownership interest	
		2024	2023
auDA Foundation Pty Ltd	Australia	100%	100%
auDA Foundation (a public charitable trust)	Australia	100%	100%

## Note 18 – Financial instruments

The following table shows the carrying amounts financial assets and financial liabilities. Their levels in the fair value hierarchy are summarised at Note 18(a). It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Amortised cost \$	FVTPL \$	Other liabilities \$	Total \$	Fair value \$
<b>30 JUNE 2024</b>						
<b>Financial assets measured at fair value</b>						
Equity securities	11	–	23,885,968	–	23,885,968	23,885,968
Managed funds	11	–	20,980,375	–	20,980,375	20,980,375
Alternatives and other investment	11	–	–	–	–	–
<b>Total</b>		<b>–</b>	<b>44,866,343</b>	<b>–</b>	<b>44,866,343</b>	<b>44,866,343</b>
<b>Financial assets measured at amortised cost</b>						
Cash and cash equivalents	9	20,855,873	–	–	20,855,873	20,855,873
Trade and other receivables	10	3,105,631	–	–	3,105,631	3,105,631
<b>Total</b>		<b>23,961,504</b>	<b>–</b>	<b>–</b>	<b>23,961,504</b>	<b>23,961,504</b>
<b>Financial liabilities</b>						
Trade and other payables	14	–	–	2,217,909	2,217,909	2,217,909
Provision for registry licence fees	16	–	–	8,856,895	8,856,895	8,856,895
Provision for domain name licence fees	16	–	–	22,276,096	22,276,096	22,276,096
Lease liabilities	13	–	–	1,156,073	1,156,073	1,156,073
<b>Total</b>		<b>–</b>	<b>–</b>	<b>34,506,973</b>	<b>34,506,973</b>	<b>34,506,973</b>
<b>30 JUNE 2023</b>						
<b>Financial assets measured at fair value</b>						
Equity securities	11	–	24,152,925	–	24,152,925	24,152,925
Managed funds	11	–	3,737,844	–	3,737,844	3,737,844
Alternatives and other investment	11	–	9,129,541	–	9,129,541	9,129,541
<b>Total</b>		<b>–</b>	<b>37,020,310</b>	<b>–</b>	<b>37,020,310</b>	<b>37,020,310</b>
<b>Financial assets measured at amortised cost</b>						
Cash and cash equivalents	9	16,564,536	–	–	16,564,536	16,564,536
Trade and other receivables	10	2,378,221	–	–	2,378,221	2,378,221
<b>Total</b>		<b>18,942,757</b>	<b>–</b>	<b>–</b>	<b>18,942,757</b>	<b>18,942,757</b>
<b>Financial liabilities</b>						
Trade and other payables	14	–	–	1,202,465	1,202,465	1,202,465
Provision for registry licence fees	16	–	–	2,935,417	2,935,417	2,935,417
Provision for domain name licence fees	16	–	–	21,956,485	21,956,485	21,956,485
Lease liabilities	13	–	–	1,547,494	1,547,494	1,547,494
<b>Total</b>		<b>–</b>	<b>–</b>	<b>27,641,861</b>	<b>27,641,861</b>	<b>27,641,861</b>

## a) Measurement of fair values

The accounting standards set out the following hierarchy for fair value measurement:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liabilities that are not based on observable market data.

All financial instruments measured at fair value held by the Group are classified as Level 1. Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period.

### Financial risk management

The Group's activities expose it to a variety of financial risks:

- credit risk
- liquidity risk
- market risk.

#### i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Security and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and the Group's Finance and Sustainability Committee and Audit Committee support risk management by reviewing the adequacy of the risk management framework in relation to the financial risks faced by the Group.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amounts of financial assets and contract assets represent the maximum credit exposure. Impairment losses on financial assets and contract assets recognised in profit or loss were as follows:

	2024 \$	2023 \$
Loss allowance	–	3,696
<b>Total</b>	<b>–</b>	<b>3,696</b>

#### Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one and three months for individual and corporate customers respectively.

The maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows:

	2024 \$	2023 \$
Trade and other receivables	3,105,631	2,378,221
<b>Total</b>	<b>3,105,631</b>	<b>2,378,221</b>

#### iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

**Note 18 – Financial instruments** (continued)

a) Measurement of fair values (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The trade and other payables and other liabilities are gross and undiscounted and lease liabilities is discounted.

	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>30 JUNE 2024</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	2,217,909	2,217,909	2,217,909	–
Provision for registry licence fees	8,856,895	8,856,895	5,893,757	2,963,138
Lease liabilities	1,156,073	1,216,934	459,065	757,869
<b>Total</b>	<b>12,230,877</b>	<b>12,291,738</b>	<b>8,570,731</b>	<b>3,721,007</b>
<b>30 JUNE 2023</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	1,202,465	1,202,465	1,202,465	–
Provision for registry licence fees	2,935,417	2,935,417	–	2,935,417
Lease liabilities	1,547,494	1,660,475	443,541	1,216,934
<b>Total</b>	<b>5,685,376</b>	<b>5,798,357</b>	<b>1,646,006</b>	<b>4,152,351</b>

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

*Interest rate risk*

The table below shows assets and liabilities impacted by market interest rates.

	2024 \$	2023 \$
<b>Floating rate instruments</b>		
Cash and cash equivalents	20,855,873	16,564,536
<b>Total</b>	<b>20,855,873</b>	<b>16,564,536</b>

*Cashflow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 200 basis points (bp) in interest rates at the reporting date would have increased/(decreased) net assets and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>Effects in dollars</i>	Profit or Loss		Equity, net of tax	
	200bp increase	200bp decrease	200bp increase	200bp decrease
<b>30 JUNE 2024</b>				
Variable rate instrument	417,117	(417,117)	–	–
<b>Cash flow sensitivity (net)</b>	<b>417,117</b>	<b>(417,117)</b>	<b>–</b>	<b>–</b>
<b>30 JUNE 2023</b>				
Variable rate instrument	331,291	(331,291)	–	–
<b>Cash flow sensitivity (net)</b>	<b>331,291</b>	<b>(331,291)</b>	<b>–</b>	<b>–</b>

*Other market price risk*

The Group is exposed to equity price risk, which arises from investments in equity securities and managed funds. The management of the Group monitors and reports the performance of its investment portfolio on a regular basis against benchmark portfolios established by the Group's investment advisor.

## Note 19 – Commitments

There are no significant capital commitments as at 30 June 2024 (2023: nil).

## Note 20 – Related parties

### a) Transactions with key management personnel

Key management personnel of the Group comprise the Directors and five current members of the executive management (2023: Directors and five current members of executive management). The key management personnel compensation is outlined below.

	2024 \$	2023 \$
Short-term employee benefits	2,413,928	2,083,536
Post-employment benefits*	160,217	178,526
Other long-term benefits	69,923	24,644
Termination benefits	–	11,845
<b>Key management personnel compensation</b>	<b>2,644,068</b>	<b>2,298,551</b>

\* Superannuation benefits

The Group operates a Co-Marketing and Innovation Program under which registrars in the .au domain may apply for and be awarded funding. During the year, total funding of \$1,061,328.82 (2023: \$817,000) was awarded to five registrar groups. A sum of \$227,273 (2023: \$94,612) was awarded to Nexigen Digital Pty Ltd trading as VentralP Australia, a business in which auDA Director Angelo Guiffrida has significant influence. The award was made under management delegation and in the usual course of business and in compliance with the Group's usual policies. The relevant auDA Director, Angelo Guiffrida, was not involved in the decision-making process.

### b) Other related party transactions

The Nomination Committee's role is to identify, scrutinise and approve candidates for appointment or election as a director of auDA's Board. The Independent Chair of the auDA Board is also the Chair of auDA's Nomination Committee. The Independent Chair of the auDA Board did not receive any additional remuneration for performing this role. In 2024 two Directors were added to the Nomination Committee and received fees of \$1,665 each in 2023–24 for their Nomination Committee duties. These fees fall within the annual cap on directors' remuneration.

The government representative on the Nomination Committee did not receive any remuneration.

The Nomination Committee's other members (who are not Directors of auDA) were remunerated in accordance with Clause 10 of the Nomination Committee Charter totalling \$81,585 (2023: \$70,500).

There are no other related party transactions with the Group.

## Note 21 – Contingencies

There are no significant contingencies as at 30 June 2024 (2023: nil).

## Note 22 – Parent entity disclosures

As at and throughout the financial year ended 30 June 2024 the parent entity of the Group was .au Domain Administration Limited.

### a) Statement of profit or loss and other comprehensive income

	2024 \$	2023 \$
Revenue	24,083,222	23,084,067
Other income	–	3,441
Employee related expenses expense	(9,708,867)	(8,058,404)
Staff development and related expenses	(510,335)	(577,552)
Compliance services expense	(272,652)	(306,036)
Consultancy expense	(1,985,909)	(1,537,423)
Domain Name System infrastructure expense	(2,237,320)	(1,836,489)
Grant expense	–	(600,000)
Engagement expense	(233,271)	(139,924)
Marketing and communication expense	(3,068,081)	(2,915,037)
Insurance expense	(338,594)	(300,387)
Travel expense	(1,054,962)	(864,426)
Directors' remuneration expense	(559,774)	(572,011)
Subscription expense	(438,931)	(432,592)
Research and development grants	(305,631)	–
Depreciation and amortisation expense	(393,984)	(575,114)
Depreciation – right-of-use asset	(275,370)	(275,369)
Registry tender expense	(604,452)	(1,397,050)
Other expenses	(351,156)	(394,993)
<b>Result from operating activities</b>	<b>1,743,933</b>	<b>2,304,701</b>
Change in fair value of financial assets classified at FVTPL*	2,833,543	3,017,632
Net finance income	903,374	683,958
	<b>3,736,917</b>	<b>3,701,590</b>
<b>Profit before tax</b>	<b>5,480,850</b>	<b>6,006,291</b>
Income tax expense	–	–
<b>Profit for the year</b>	<b>5,480,850</b>	<b>6,006,291</b>
Other comprehensive income	–	–
<b>Total comprehensive income</b>	<b>5,480,850</b>	<b>6,006,291</b>

\* Fair value through profit or loss

### b) Statement of financial position

ASSETS	2024 \$	2023 \$
<b>Current assets</b>		
Cash and cash equivalents	20,649,716	16,482,776
Trade and other receivables	3,105,631	2,378,221
Prepayments	621,963	618,855
<b>Total current assets</b>	<b>24,377,310</b>	<b>19,479,852</b>
<b>Non-current assets</b>		
Other assets	444,487	566,507
Investments	42,406,078	34,068,480
Plant and equipment	996,940	1,325,078
Right-of-use assets	711,370	986,740
<b>Total non-current assets</b>	<b>44,558,875</b>	<b>36,946,805</b>
<b>Total assets</b>	<b>68,936,185</b>	<b>56,426,657</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	2,217,907	1,202,465
Employee benefits	759,447	617,471
Deferred income	20,581,570	17,579,038
Lease liabilities	409,232	411,501
<b>Total current liabilities</b>	<b>23,968,156</b>	<b>19,810,475</b>
<b>Non-current liabilities</b>		
Deferred income	10,551,421	7,312,864
Employee benefits	149,419	127,827
Provision for make good	128,675	128,675
Lease liabilities	746,841	1,135,993
<b>Total non-current liabilities</b>	<b>11,576,356</b>	<b>8,705,359</b>
<b>Total liabilities</b>	<b>35,544,512</b>	<b>28,515,834</b>
<b>Net assets</b>	<b>33,391,673</b>	<b>27,910,823</b>
<b>EQUITY</b>		
Retained earnings	33,391,673	27,910,823
<b>Total equity</b>	<b>33,391,673</b>	<b>27,910,823</b>

### c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2024 (2023: Nil).

### d) Contractual capital commitments of the parent entity

The parent entity did not have any contractual capital commitments as at 30 June 2024 (2023: Nil).

## Note 23 – Auditor’s remuneration

	2024 \$	2023 \$
<b>Auditor of the Group – KPMG</b>		
Audit of financial statements – Group	84,190	69,990
Audit of financial statements – Subsidiary	13,780	13,000
	<b>97,970</b>	<b>82,990</b>
<b>Other services – KPMG</b>		
Financial statement compilation services	14,100	13,300
Integrated reporting analysis	–	35,530
	<b>14,100</b>	<b>48,830</b>

## Note 24 – Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations, the results of those operations, or the state of affairs of the Group, in future financial years.

# Consolidated Entity Disclosure Statements

For the year ended 30 June 2024

Entity name	Body corporate, partnership or trust	Place incorporated/formed	% of shares held directly or indirectly by the Company	Australian or foreign tax resident	Jurisdiction for foreign tax resident
.au Domain Administration Limited (Parent entity) (A)	Body corporate	Australia	–	Australian*	N/A
auDA Foundation Pty Ltd (B)	Body corporate	Australia	100%	Australian*	N/A
auDA Foundation (a public charitable trust)	Body corporate	Australia	100%	Australian*	N/A

\* These entities are exempt from income tax as they are not-for-profit (NFP) organisations

(A) .au Domain Administration Limited is a not-for-profit public company limited by guarantee and self assesses as income tax exempt. The Company is not registered to pay tax.

(B) auDA Foundation Pty Ltd is a not-for-profit entity, established under the Australian Charities and Not-for-profits Commission (ACNC). As a registered charity with the ACNC, auDA Foundation Pty Ltd has been endorsed by the Australian Taxation Office (ATO) as eligible for an income tax exemption. auDA Foundation Pty Ltd is not registered to pay tax.

auDA Foundation Pty Ltd is required to meet a set of governance standards set out by the ACNC to maintain its charitable status. These standards ensure that the charity is working towards its charitable purpose, using its profits and assets solely for its charitable purpose, meeting its reporting obligations, keeping records, and adhering to the ACNC Governance Standards.



# Directors' Declaration

In the opinion of the Directors of .au Domain Administration Limited ("the Group"):

- a) the financial statements and notes, set out on pages 95 to 111, are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the Consolidated Entity Disclosure Statement as at 30 June 2024 set out on page 112 is true and correct; and
- c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors:



Alan Cameron AO  
Independent Chairperson

Dated at Melbourne this 14<sup>th</sup> day of October 2024



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of .au Domain Administration Limited and controlled entities.

I declare that, to the best of my knowledge and belief, in relation to the audit of .au Domain Administration Limited and controlled entities for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Kate Howswell

Partner

Melbourne

14 October 2024

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## Independent Auditor's Report

To the members of .au Domain Administration Limited

### Opinion

We have audited the **Financial Report** of .au Domain Administration Limited (the Group).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2024;
- Consolidated statements of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### Other Information

Other Information is financial and non-financial information in .au Domain Administration Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report .

#### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.



#### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our Auditor's Report.

KPMG

Kate Rowswell

Partner Melbourne

14 October 2024

# Glossary

## **.au member**

.au members are members of auDA as set out in the auDA Constitution. They are critical stakeholders who enhance auDA's understanding of Australians' online needs and provide input to auDA policies and strategy. Members support the independent administration of the .au domain and have access to a range of benefits including events, insights and partner offers.

## **Board Advisory Committees**

Committees formed to provide advice to the auDA Board: the edu.au Advisory Committee, General Advisory Standing Committee and Technical Advisory Standing Committee.

## **Country code Top Level Domain (ccTLD)**

A two-character top level domain reserved for a specific country listed in the ISO 3166 standard (e.g. .au).

## **Domain name**

A human-readable internet address that allows internet users to find websites and send emails without having to remember complex Internet Protocol (IP) addresses.

## **Domain name licence**

When you register a domain name you don't 'own' it, instead you're granted permission to use the domain name for specific period of time via a licence. The domain name holder (registrant) can choose to renew the licence before its expiry date or let it lapse, making the domain name available to be registered by other eligible parties.

## **Domain name system (DNS)**

A critical component of the internet that enables users to find and connect to websites and email addresses by mapping domain names to their corresponding IP addresses. The .au DNS is defined as critical infrastructure under Federal legislation.

## **DNS abuse**

Malicious behaviour that uses the DNS and domain names to carry out online harm. DNS abuse is classified into five categories; malware (such as ransomware), botnets, phishing, pharming and spam (where it facilitates one of the other four categories of DNS abuse).

## **DNS Security Extensions (DNSSEC)**

Security extensions that facilitate the digital signing of DNS records, helping to ensure the integrity and authenticity of DNS information.

## **DNS query**

A DNS query is a request for information sent from an internet connected device to a DNS server. When an internet user types a domain name into an internet search bar or sends an email, they commence a DNS query.

## **Integrated Reporting**

The International Integrated Reporting Framework is a globally recognised framework for corporate reporting based on integrated thinking. It focuses on how the organisation creates value in the short, medium and long term.

## **Internet Corporation for Assigned Names and Numbers (ICANN)**

The organisation responsible for coordinating the internet's number and naming systems to help ensure a stable, secure and unified global internet.

## **Internet Protocol (IP) address**

A unique series of numbers identifying where a website or email address is hosted online e.g. 104.17.238.107 is the IP address for auDA's website. Every internet-connected device has an IP address that allows devices to communicate with each other. IP addresses are long and often difficult to remember. The DNS maps IP addresses to domain names, which makes it easier for internet users to find what they are looking for online.

## **ISO 27001**

An international standard for best practice information security.

## **ISO 22301**

An international standard for best practice business continuity management.

### Multi-stakeholder community

auDA's multi-stakeholder community is the network of key stakeholders that auDA regularly interacts with including the .au registry operator, registrars, resellers, registrants, local, state, and federal government entities, civil society, industry bodies, academia, technical community and .au members.

### Multi-stakeholder internet governance

The rules, policies, standards and practices that coordinate and shape global cyberspace, which operate largely by consensus, with ideas and proposals debated on their merits. This leads to outcomes that have considered a full range of perspectives and have broad support. Representatives from governments, industry, the technical community, civil society and academia all participate on an equal footing.

### Namespace

Domain name extensions (or different types of .au domain names) including .au direct, com.au, net.au, org.au etc.

### Open, free, secure and global internet

An open, free, secure and global internet is an internet that is interoperable across borders, accessible to all without undue restrictions, and is safe, reliable and resilient.

### Registrant

The individual or organisation who holds a domain name licence. Registrants do not own a domain name. They hold a licence that allows them to use the registered domain name for the duration of the licence period.

### Registrar

Companies that offer domain name services to the public, including registering, maintaining and renewing .au domain name licences. auDA accredited .au registrars are accredited by auDA to offer .au domain name registration services. They have direct access to the .au registry database.

### Registry database

A database of all licensed .au domain names and associated information, such as the name and contact details of the registrant and registrar. Selected registry data is publicly available via the WHOIS tool, which allows people to find information about a domain name licence.

### Registry operator

The .au registry operator is a third-party contracted by auDA to deliver registry services and support the reliable operation of the .au domain. Identity Digital Australia (formerly known as Afilias Australia) was appointed as the .au registry operator following a global tender process in 2017 and reappointed following a subsequent global tender process in 2023.

### Resellers

Businesses that provide domain name registration services to the public but are not auDA accredited registrars. Resellers do not have direct access to the .au registry. They register domain names through an interface with a registrar.

### Security of Critical Infrastructure Act 2018 (Cth)

The *Security of Critical Infrastructure Act 2018* (Cth), often referred to as the SOCI Act, is Federal legislation that outlines the legal obligations for operators of critical infrastructure assets. The .au DNS is defined as Australian critical infrastructure under the Act.

### Terms of Endorsement

auDA's Terms of Endorsement from the Federal Government outline the Government's formal endorsement of auDA. auDA must operate the .au for the benefit of all Australians in accordance with the Terms for ongoing endorsement.

### WHOIS tool


The .au WHOIS tool enables people to check selected .au registry data including the registration status of .au domain names.





# Acronyms

<b>AASB</b>	Australian Accounting Standards Board
<b>ABN</b>	Australian Business Number
<b>ACCAN</b>	Australian Communications Consumer Action Network
<b>ACN</b>	Australian Company Number
<b>ACNC</b>	Australian Charities and Not-for-profits Commission
<b>AI</b>	Artificial Intelligence
<b>AIIA</b>	Australian Information Industry Association
<b>ANU</b>	Australian National University
<b>APIGA</b>	Asia Pacific Internet Governance Academy
<b>APNIC</b>	Asia Pacific Network Information Centre
<b>APrIGF</b>	Asia Pacific Regional Internet Governance Forum
<b>APTLD</b>	Asia Pacific Top Level Domain Association
<b>ASPI</b>	Australian Strategic Policy Institute
<b>auDA</b>	.au Domain Administration Limited
<b>auDRP</b>	.au Dispute Resolution Policy
<b>auIGF</b>	Australian Internet Governance Forum
<b>bp</b>	basis points
<b>ccNSO</b>	Country Code Name Supporting Organization
<b>ccTLD</b>	country code Top Level Domain
<b>CEDA</b>	Committee for Economic Development of Australia
<b>CENTR</b>	Council of European National Top-Level Domain Registries
<b>CEO</b>	Chief Executive Officer
<b>CIRMP</b>	Critical Infrastructure Risk Management Program

<b>CRC</b>	Cooperative Research Centre
<b>DNS</b>	Domain name system
<b>DNSSEC</b>	DNS Security Extensions
<b>ECL</b>	Expected Credit Loss
<b>ESG</b>	Environmental, Social and Governance
<b>FVOCI</b>	Fair value through other comprehensive income
<b>FVTPL</b>	Fair value through profit or loss
<b>GDC</b>	Global Digital Compact
<b>GST</b>	Good and Services Tax
<b>IAS</b>	International Accounting Standards
<b>ICANN</b>	Internet Corporation for Assigned Names and Numbers
<b>IETF</b>	Internet Engineering Task Force
<b>IGF</b>	Internet Governance Forum
<b>IIC</b>	International Institute of Communications
<b>IFRS</b>	International Financial Reporting Standards
<b>IP</b>	Internet Protocol
<b>IRAP</b>	Infosec Registered Assessors Program
<b>PICISOC</b>	Pacific Islands Chapter of the Internet Society
<b>PITA</b>	Pacific Islands Telecommunications Association
<b>R&amp;D</b>	Research and Development
<b>SDGs</b>	Sustainable Development Goals
<b>TLD</b>	Top Level Domain
<b>WSIS+20</b>	World Summit on the Information Society 20-year anniversary review

# Appendix – auDA performance scorecard: basis of preparation

Measure	Definition	Methodology
<b>Trust</b>		
 <b>.au domain names with an instance of DNS abuse</b>	<p>DNS abuse is classified into five categories; malware (such as ransomware), botnets, phishing, pharming and spam (where it facilitates one of the other four categories of DNS abuse).</p> <p>We aim to reduce the percentage of .au domain names with an instance of DNS abuse.</p>	<p>auDA receives more than 25 threat feeds from external third parties that identify suspected instances of DNS abuse in .au.</p> <p>auDA reviews all instances of suspected DNS abuse within one business day to assess and rectify confirmed instances of abuse.</p> <p>The total percentage for a given financial year is the percentage of confirmed active instances of DNS abuse as at the end of that financial year.</p> <p><i>Note: auDA updated the methodology in 2023-24 to improve accuracy of reporting through the use of internal auDA data. 2022-23 actual data is based on data provided by the ICANN DNS Abuse Activity Reporting, which provides the number of domain names reported with DNS abuse, rather than names with active DNS abuse.</i></p>
<b>.au DNS availability</b>	<p>.au DNS nameservers respond to DNS queries from internet users and internet connected devices, enabling internet users to navigate to web and email addresses ending .au.</p> <p>The availability of .au DNS nameservers is a measure of how often .au nameservers were operational.</p>	<p>An external third-party tests the .au DNS availability continuously throughout each month, with 20 measurement probes spread around the world.</p> <p>The results are collated and provided to auDA at the end of each month.</p> <p>The total availability for a given financial year is the average of the monthly availability results across that financial year.</p> <p>Where the result is less than 100 per cent, we report this measure to two decimal places.</p>
<b>.au WHOIS availability</b>	<p>The .au WHOIS tool enables users to search the .au registry for .au domain name registrations. Selected registration data is available to the public supporting the integrity of the .au.</p> <p>The availability of the .au WHOIS tool is a measure of how often the .au WHOIS tool was operational.</p>	<p>An external third-party tests the .au WHOIS availability continuously throughout each month, with 20 measurement probes spread around the world.</p> <p>The results are collated and provided to auDA at the end of each month.</p> <p>The total availability for a given financial year is the average of the monthly availability results across that financial year.</p> <p>Where the result is less than 100 per cent, we report this measure to two decimal places.</p>
<b>.au registry database availability</b>	<p>The .au registry database contains the listing of all .au domain name registrations. auDA and .au registrars have access to enter new and update existing .au domain name registrations into the .au registry.</p> <p>The availability of the .au registry database is a measure of time the database was available to auDA and .au registrars to make updates.</p>	<p>An external third-party tests the .au registry availability continuously throughout each month, with 20 measurement probes spread around the world.</p> <p>The results are collated and provided to auDA at the end of each month.</p> <p>The total availability for a given financial year is the average of the monthly availability results across that financial year.</p> <p>Where the result is less than 100 per cent, we report this measure to two decimal places.</p>

Measure	Definition	Methodology
 <b>Registrars with best practice security certification</b>	<p>auDA requires .au registrars to meet best practice security standards. Those who have not yet achieved compliance, have a progress plan in place, which is monitored by auDA.</p> <p>Best practice security standards currently accepted by auDA are:</p> <ul style="list-style-type: none"> <li>• ISO 27001, the international standard for information security</li> <li>• Infosec Registered Assessors Program (IRAP), a security standard administered by the Australian Signals Directorate.</li> </ul>	<p>auDA verifies that each registrar has the required certification with the relevant external body. Registrars provide their accreditation certificates to auDA and we store them in our systems.</p> <p>auDA then calculates the number of .au registrars with an ISO 27001 or IRAP certification as a percentage of the total number of .au registrars as at the end of each financial year.</p>
 <b>Validated .au domain name licences (new registrations and renewals)</b>	<p>.au domain name registrations are validated by the .au registrar or reseller to ensure they meet the Australian presence requirement at the time of registration and renewal.</p> <p>auDA performs an additional validation step for new .au domain name registrations and .au domain name renewals each month, helping support compliance with the .au Licensing Rules.</p>	<p>An external third-party conducts validation checks for new .au domain name registrations and renewals by validating the Australian presence requirement where the registrant meets the requirement via a valid Australian Business Number (ABN) or Australian Company Number (ACN).</p> <p>Where a registrant has a valid ABN or ACN, their registered or renewed .au domain name is considered “validated”. Where the registrant does not hold a valid ABN or ACN, auDA takes action to support compliance, suspend or delete the .au domain name.</p> <p>auDA calculates the validated percentages as follows:</p> <ul style="list-style-type: none"> <li>• Validated registrations – the number of validated .au registrations as a percentage of the total number of .au registrations in the quarter</li> <li>• Validated renewals – the number of validated .au renewals as a percentage of the total number of .au renewals in the quarter.</li> </ul> <p>The total validated percentages for a given financial year are the average of the quarterly results across that financial year.</p>
<b>Innovation</b>		
 <b>.au direct registrations</b>	<p>.au direct is the newest Australian namespace. It launched in 2022. It enables Australians to register domain names directly before the .au (e.g. auda.au) and provides Australians greater choice of .au domain names.</p>	<p>All .au direct domain name registrations are recorded in the .au registry database.</p> <p>We calculate .au direct domain names as a percentage of all .au domain names recorded in the .au registry as at the end of each financial year.</p>
<b>Investment in innovation initiatives</b>	<p>auDA invests to enable innovation and research on the internet by others through our Public Benefit Program. We do this by providing funding for initiatives that improve the utility of the internet for key cohorts.</p> <p>In 2022–23, this comprised the Community Grant Program. In 2023–24, this comprised the Community Grant Program and R&amp;D Grant Program pilot projects.</p>	<p>auDA's investment in innovation is calculated based on our financial records for each financial year. It includes:</p> <ul style="list-style-type: none"> <li>• Grant funding delivered under the Community Grant Program</li> <li>• Funds distributed to support the R&amp;D Grant Program pilot projects (not applicable in 2022–23).</li> </ul>
<b>Multi-stakeholder engagement</b>		
 <b>.au membership growth and diversity</b>	<p>auDA is a membership-based organisation and seeks to support a membership that reflects the diversity of the Australian community.</p> <p>We have focused on member growth as well as diversity across a number of areas including industry, age, geographic and gender diversity. Increasing the representation of women members has been a key focus area.</p>	<p>auDA records .au member registration in auDA's Customer Relationship Management tool. We report:</p> <ul style="list-style-type: none"> <li>• The total number of .au members as at 30 June each financial year</li> <li>• The total number of new members who have joined the program within a given financial year</li> <li>• The number of new members who are women as a percentage of total new members who joined the program within a given financial year.</li> </ul>



Measure	Definition	Methodology
 <b>Engagement at key international and domestic internet governance and policy forums</b>	<p>One of auDA's core functions under our Terms of Endorsement from the Federal Government is to advocate for and actively participate in multi-stakeholder internet governance processes domestically and internationally.</p> <p>We engage in internet governance and public policy forums to influence positive outcomes and champion the multi-stakeholder model of internet governance, which underpins an open, free, secure and global internet.</p> <p>The number of forums where auDA representatives take an active role is used as a way to assess our contribution.</p>	<p>auDA tracks attendance and participation at domestic and international internet governance and policy forums. Each forum is assessed against the below criteria to determine if it meets our threshold for active engagement.</p> <p>Active engagement includes forums where at least one auDA representative:</p> <ul style="list-style-type: none"> <li>• Delivered a speech or participated in a panel discussion</li> <li>• Participated in or delivered a workshop</li> <li>• Participated in committee meetings as part of a broader event or conference (e.g. Nominating Committee meetings at an ICANN meeting)</li> <li>• Hosted a roundtable or event.</li> </ul> <p>The number reported is the total number of events that meet at least one of the criteria in a given financial year.</p>
<b>People</b>		
 <b>Staff engagement</b>	<p>auDA's people are a core capability that underpin our effectiveness. We seek to uphold an inclusive, collaborative culture that supports excellence.</p> <p>Each year, we conduct an engagement survey to monitor engagement and respond to emerging opportunities to support our team.</p>	<p>An external third-party conducts auDA's annual staff survey.</p> <p>To ensure consistency over time, auDA has identified five key statements that are included each year. Staff are asked to respond to each statement using a six-point scale from "strongly agree" to "strongly disagree".</p> <p>auDA calculates an average engagement score to track movement over time.</p> <p>Specifically, auDA:</p> <ul style="list-style-type: none"> <li>• Adds the percentage of responses that "strongly agree" and "agree" with each of the five statements</li> <li>• Calculates an average of the combined "strongly agree" and "agree" percentages.</li> </ul> <p>This provides the average engagement score.</p> <p><i>Note: auDA updated the methodology from the 2022-23 Annual Report. The updated methodology has been applied to the 2022-23 actual result reported in the 2023-24 Annual Report.</i></p>
<b>Staff retention rate</b>	<p>The proportion of staff members retained by auDA over a given financial year. This provides another indication of employee engagement.</p>	<p>auDA calculates staff retention based on data maintained in internal auDA systems.</p> <p>Staff retention is the number of employees at the end of the financial year expressed as a percentage of the total number of staff at the beginning of the financial year.</p>
<b>Governance</b>		
 <b>Integrated Reporting Framework adopted</b>	<p>The Integrated Reporting Framework is an international best practice guide for corporate reporting.</p> <p>auDA has committed to adopting the Integrated Reporting Framework in full by the 2024-25 financial year. This includes adoption of all content elements, as appropriate for our organisation.</p>	<p>Supported by independent third-party advice, auDA self-assesses progress against its adoption of elements of the Framework.</p> <p>In 2022-23, auDA engaged an independent external third-party to perform an assurance readiness assessment to support progress.</p>
<b>Sustainable financial performance</b>	<p>auDA's Terms of Endorsement from the Federal Government require auDA to operate as a fully self-funding not-for-profit organisation.</p> <p>auDA uses a number of measures to regularly monitor financial sustainability, including operating surplus.</p>	<p>auDA's sustainable financial performance is based on its operating surplus, which is calculated based on auDA's financial records. It is calculated as the difference between auDA's operating revenue and operating expenses for a given financial year.</p> <p>auDA's financial reports are audited by an external third-party at the conclusion of each financial year and reported in our Annual Financial Report.</p>

Quotes have been edited for brevity and clarity  
without altering their original intent.

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