Quarterly Report

2021 – Q3

**July
August
September**

.auDA

From the CEO

auDA celebrated several key milestones during the third quarter of 2021, building on our successes in the first half of the year.

First and foremost, the auDA 2021-25 Strategy was finalised following community consultation. Our Strategy establishes a strong foundation that will guide auDA over the next four-year period to unlock positive social and economic value for Australians through an open, free, secure and global Internet. It outlines our strategic projects and objectives under three key focus areas and two strategic capabilities. Work is already well underway on several strategic projects, and we are developing operational plans for the remaining projects. Thank you to all those who contributed to our strategy development and consultation processes. I look forward to updating you on our progress in due course.

A second significant milestone was our announcement that .au direct will be launching in 2022. .au direct is the first new namespace in the .au country code top level domain (ccTLD) in more than 15 years and will allow Australians to register short, memorable domain names directly before the .au. The launch represents Phase Two in the implementation of the .au Licensing Rules. It builds on the successful execution of Phase One on 12 April 2021 and extensive public consultation by independent Policy Panels over 2015, 2018 and 2019. We are pleased the new namespace will be available from March next year, at a time when digital engagement and innovation is vital to our society and economy.

The important work of administering a trusted, secure .au domain also continued throughout the period. Alongside the .au registry operator Afilias Australia and accredited registrars, we supported the second highest number of new .au domain names registered in a single month (more than 60,500) in July. This demonstrates that as the pandemic continues, the .au domain remains a valuable digital asset for Australians.

As always, security and engagement with our multi-stakeholder community remained high priorities, including through an updated Registry Licence Agreement with strengthened security measures and a new series of community webinars. We were also thrilled to support the launch of a new round of community funding round through the auDA Foundation. Successful projects will enhance the utility of the Internet through grants for research and education initiatives.

Looking ahead, I am energised by auDA's refreshed strategic purpose and vision, and excited to partner with members, industry and the broader community to continue to deliver value for all Australians through .au.

Rosemary Sinclair AM
auDA Chief Executive Officer

Contents

auDA's 2021–25 Strategy

Unlocking positive social and economic value for Australians.

Over the course of 2020-21, auDA staff and Board Directors undertook a detailed planning process to set the organisation's new strategic direction. A series of eight internal workshops were complemented by engagement with external experts to consider our strengths, opportunities and challenges, and determine how we can best deliver value to Australians. This process was set against a backdrop of significant digital transformation across Australia in response to COVID-19, as people turned to the .au domain and the Internet for everyday life, work and education more than ever before.
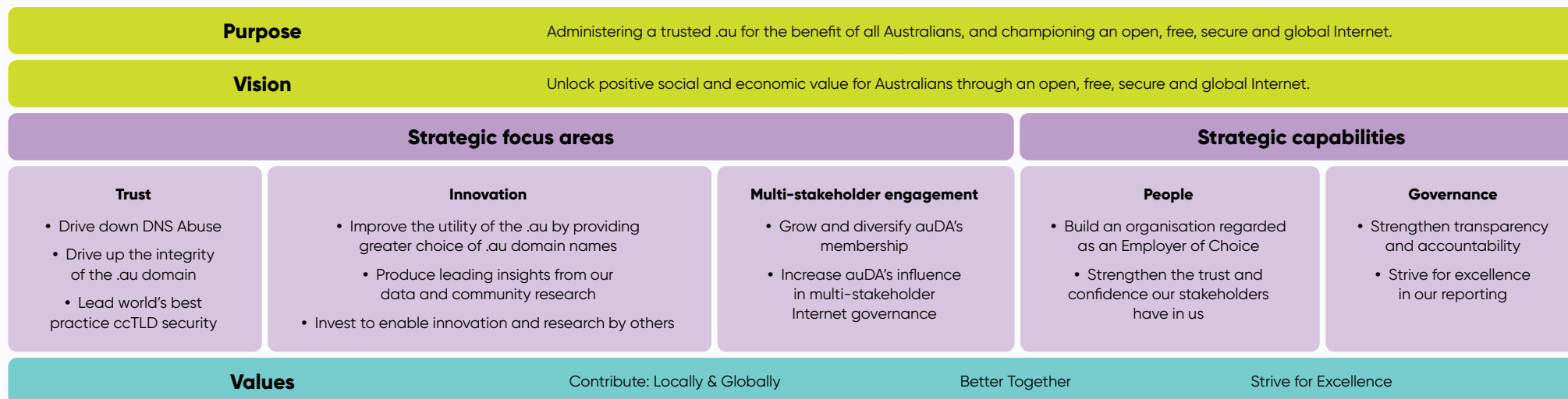
During the quarter, we released our 2021–25 Proposed Strategy for public consultation, which included two Associate Member workshops. Stakeholder feedback was largely supportive and helped us refine our Strategy and better articulate our areas of strategic focus.

The 2021-25 Strategy was signed off by the auDA Board in September 2021.

The Strategy:

- Guides our program of work over the next four years to administer a trusted .au domain and champion an open, free, secure and global Internet
- Sets out how we conduct ourselves and carry out our work through our organisation's values
- Enables us to unlock positive social and economic value for Australians.

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.

Strategic focus areas			Strategic capabilities	
Trust	**Innovation**	**Multi-stakeholder engagement**	**People**	**Governance**
• Drive down DNS Abuse • Drive up the integrity of the .au domain • Lead world's best practice ccTLD security	• 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	• Grow and diversify auDA's membership • Increase auDA's influence in multi-stakeholder Internet governance	• Build an organisation regarded as an Employer of Choice • Strengthen the trust and confidence our stakeholders have in us	• Strengthen transparency and accountability • Strive for excellence in our reporting

Values	Contribute: Locally & Globally	Better Together	Strive for Excellence

Our members

Associate Members are a valued part of our multi-stakeholder community and this quarter we sought their feedback on topics to help shape the future of auDA and the .au.

In July, auDA Associate Members were invited to contribute to our strategy development progress by attending one of two interactive online workshops on the 2021-25 Proposed Strategy. The workshops provided an opportunity to hear members' thoughts on what worked well in the Proposed Strategy and additional areas for auDA to consider. More than 70 Associate Members attended the sessions. The feedback received in the sessions, along with other feedback from our public consultation, allowed us to refine our Strategy and ensure it reflects the views of the multi-stakeholder community.

In September, we invited Associate Members to participate in our annual Associate Member survey. The survey provided members with the chance to share their views on the program, including what education and engagement opportunities they would like to see more of. Insights from the survey will contribute

to our strategic objective to grow and diversify our membership base. We will share the results in the final quarter of 2021.

From 2022, Associate Members will be able to transition to become full members of auDA under the Corporations Act. This will provide members with increased opportunities to have a say on the future of the .au. In Q3, we began developing communications materials to inform current Associate Members and potential new members about the upcoming transition. We will share more information about transitioning to full membership over coming months.

auDA Associate membership passed 4,000 members for the first time, reaching 4,103 in September 2021, up from 3,995 in June 2021 and 3,567 in September 2020.

Associate membership (Sep 2021)

4,103 members

Top ten industries disclosed

Technology	1,031	25.1%
Web development	403	9.8%
Registrar	229	5.6%
Marketing & Communications	202	4.9%
Education	159	3.9%
Finance	131	3.2%
Telecommunications	116	2.8%
Healthcare	114	2.8%
Web hosting	107	2.6%
Government	105	2.6%

By state

Victoria	1,319	32.1%
New South Wales	1,290	31.4%
Queensland	738	18.0%
Western Australia	346	8.4%
South Australia	188	4.6%
Australian Capital Territory	114	2.8%
Tasmania	64	1.6%
Northern Territory	35	0.9%
International	9	0.2%

Community engagement

This quarter we progressed important initiatives to engage with a broad range of stakeholders and partner with others to enable innovation.

Community webinar series

In September, auDA commenced a new monthly webinar series that features discussions on topics such as Internet governance, cyber security, small business and the .au domain. The webinars are open to the general public, including auDA Associate Members and industry stakeholders. The first session was led by CEO Rosemary Sinclair on the upcoming launch of .au direct, including how .au direct will benefit Australian Internet users and the Priority Allocation Process. More than 200 participants joined the webinar, generating a lively discussion and demonstrating a keen interest in the upcoming launch.

Find more about .au direct on page 11. You can also read about the webinar and find information about upcoming events on the auDA website.

Board Advisory Committees

In August, the auDA Board opened applications to refresh the membership of the General Advisory Standing Committee (GASC) and Technical Advisory Standing Committee (TASC). This followed the approval of new Committee Charters in June, which set out updated responsibilities and focus areas for each committee.

The auDA Board's People and Culture Committee will review short-listed candidates and provide recommendations for appointment to the Advisory Committees to the auDA Board in Q4 this year.

During the quarter, the edu.au Advisory Committee (EAC) welcomed three new members with representation across the early childhood, tertiary and catholic education sectors, following the appointment of a new Chair in June. The Chair worked with auDA to establish a 2022 workplan for the EAC.

auDA Foundation

The auDA Foundation, which was established in 2005, provides grant funding to support education and research initiatives that improve the utility of the Internet to benefit Australians.

In financial year 2020-21, the auDA Foundation Board refined the Foundation's purpose and developed new grant guidelines, complementing auDA's strategic focus on innovation. In September, the auDA Foundation announced a new round of funding in which $200,000 will be awarded via five grants of $40,000 for education and research projects. The grants focus on three key areas:

- Digital inclusion (with an emphasis on First Nations peoples)
- Cyber security for small businesses
- Internet access for young Australians.

Applications will be assessed by the auDA Foundation Board, with successful applicants to be announced in the final quarter of 2021.

Australian TLD meeting

auDA hosted a meeting of Australian TLD registry operators (including .cc, .nf, .cx, .sydney, .melbourne) in July to exchange views on policy issues. This included sharing information on domain abuse mitigation measures. auDA also provided an update on the amendments to the Security Legislation Amendment (Critical Infrastructure) Bill 2020.

International engagement

Engagement with the international multi-stakeholder community enables us to take part in policy discussions and represent the .au at international forums.

APTLD80
6–9 September

The 80th meeting of the Asia Pacific Top Level Domain Association (APTLD) was held as a virtual meeting, bringing together ccTLDs in the region to share information and support skills development.

auDA's Chief Operating Officer Bruce Tonkin and Compliance Manager Steph Viljoen both spoke on panels at the forum, alongside representatives from Tuvalu, India and Vietnam among others. Bruce discussed the planned launch of .au direct and auDA's strategic planning process, and Steph talked about how auDA is building compliance capacity through our Compliance Posture and Compliance Plan, and by partnering with registrars.

Internet Watch Foundation (IWF)

In July, auDA became a member of the IWF. The IWF is a UK-based non-profit charity that partners with member organisations from the Internet industry, law enforcement agencies, governments and other charities to remove child sexual abuse material from the Internet. The vital work of the IWF contributes to a safer Internet for everyone. Our membership to the IWF recognises this work and aids our strategic purpose to administer a trusted .au domain for Internet users.

Trans-Tasman engagement

auDA commenced a Trans-Tasman quarterly compliance meeting with our peers at InternetNZ in July. The meetings are intended to support the achievement of best practice operations. The .au and .nz share many similarities, including a number of registrars, and the quarterly meetings provide an opportunity to promote information sharing between the two teams.

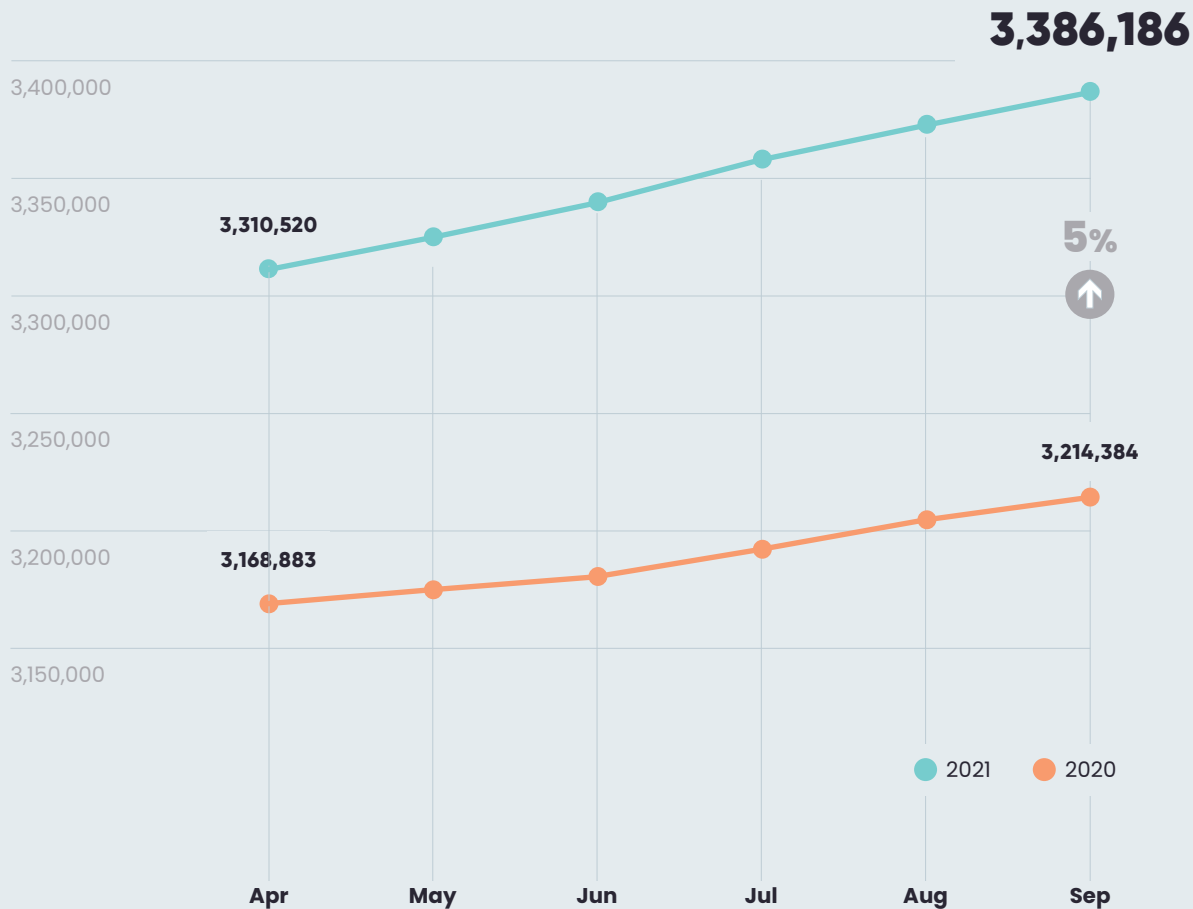### Domain Name System (DNS) Abuse Institute Advisory Council

Bruce Tonkin also continued his involvement in the DNS Abuse Institute Advisory Council. The Council met to provide expert guidance on the development of the Centralized Abuse Reporting Tool (CART). The tool aims to make reporting of DNS abuse easier and provide more useful reports to registrars that will enable them to take action against DNS abuse. The Council also discussed different approaches to effectively measure DNS abuse and the preparation of educational resources to address knowledge gaps. auDA intends to integrate CART into its .au operations when available.

Country Code Name Supporting Organization (ccNSO) Internet Governance Liaison Committee (IGLC)

auDA's Specialist Policy Adviser, Annaliese Williams continued to participate in the ccNSO IGLC on behalf of auDA. The IGLC aims to increase the participation of ccTLD managers in discussions and processes relating to Internet governance. The Committee progressed work on a regional heat map of the most important Internet governance issues in each of the five Internet Corporation of Assigned Names and Numbers (ICANN) regions. The heat map aims to improve the understanding of key issues and their impacts for ccTLD managers.

.au registrations

Domains under management

3,386,186

3,310,520

5%

3,168,883

3,214,384

● 2021 ● 2020

Apr   May   Jun   Jul   Aug   Sep

3,400,000
3,350,000
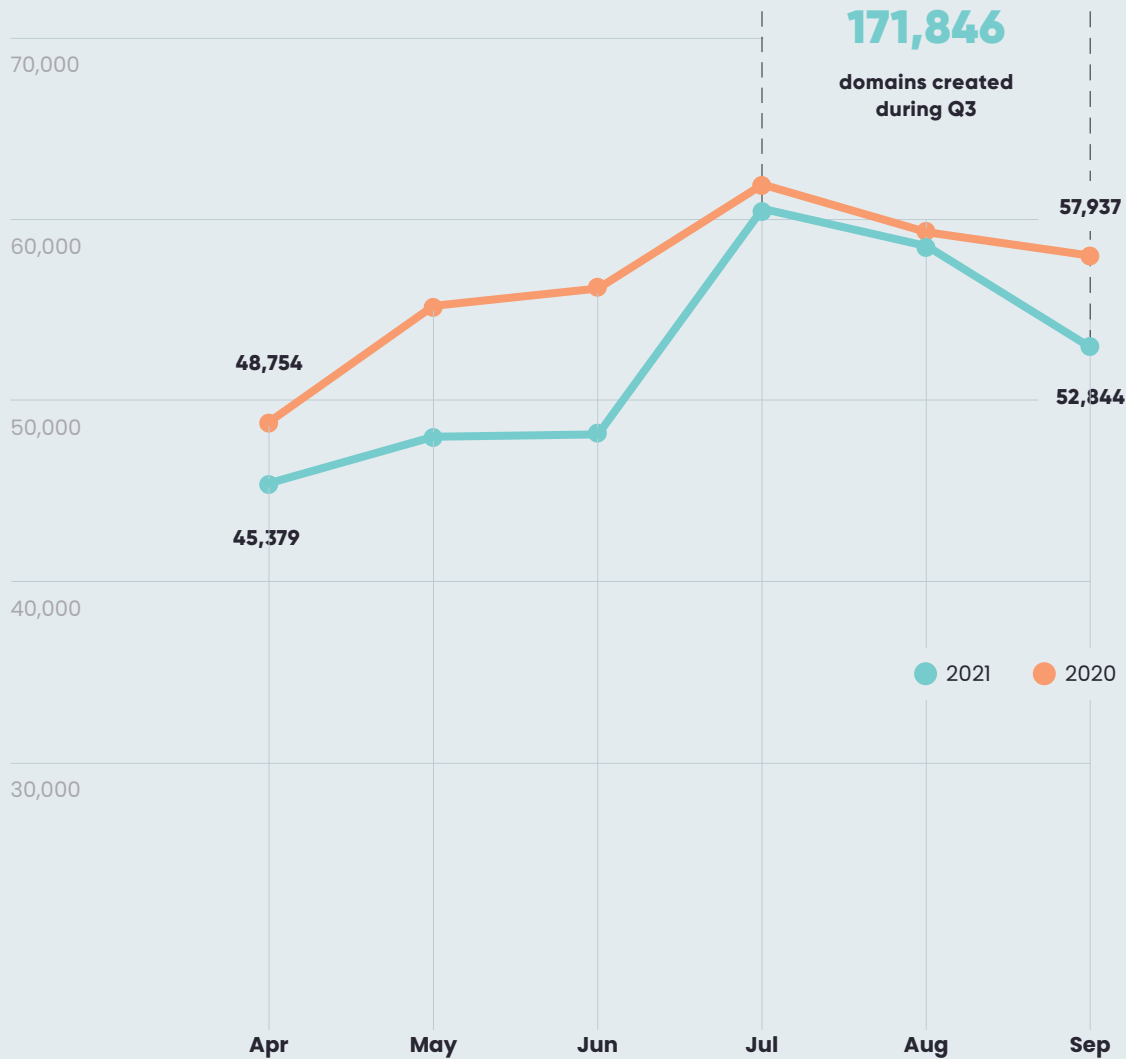3,300,000
3,250,000
3,200,000
3,150,000

Growth in .au domain names throughout Q3 demonstrates Australians are favouring .au to build a presence online and that com.au continues to represent value to Australian businesses.

.au domain names under management reached 3,386,186 in September 2021, up five percent from September 2020. Consistent with previous quarters, this growth is underpinned by demand for com.au domain names, with the com.au namespace increasing six percent year-on-year.

	Sep 20	Sep 21	YoY%
com.au	2,882,489	3,055,131	6.0%
net.au	220,039	216,717	−1.5%
org.au	73,681	75,315	2.2%
edu.au	17,042	17,050	0.0%
id.au	12,502	12,901	3.2%
gov.au	5,438	5,623	3.4%
asn.au	3,102	3,136	1.1%

New domains created

171,846

domains created during Q3

48,754

45,379

57,937

52,844

● 2021 ● 2020

70,000

60,000

50,000

40,000

30,000

Apr May Jun Jul Aug Sep

During the quarter, 171,846 new .au domain names were created, a 22 percent increase from the second quarter of 2021. This increase took place at a time when COVID-19 restrictions were re-introduced in several states, and followed a levelling out of demand and seasonal dip over Easter in Q2. However, Q3 registrations are only slightly below the same period in 2020, which experienced a historic peak in new domain names created, driven by COVID-19.

In July we supported more than 60,500 new .au domain name registrations, which is the second highest level of monthly .au registrations ever.

Registry operations

auDA and registry operator Afilias Australia work together to deliver a secure and reliable .au domain name service to Internet users.

An extension to the Registry Licence Agreement between auDA and Afilias Australia was announced in July, retaining Afilias Australia as the registry operator until 30 June 2024. The updated Agreement affirms our shared commitment to high levels of reliability and security and includes new requirements to further strengthen .au registry security measures.

Service level name		Expected	Jul 21	Aug 21	Sep 21
Overall DNS Availability		100%	100%	100%	100%
DNS availability per Anycast node	q.au	99.9%	100%	100%	100%
	r.au	99.9%	100%	100%	100%
	s.au	99.9%	100%	100%	100%
	t.au	99.9%	100%	100%	100%
DNS update delay time – % of updates within 5 mins		96%	100%	99.64%	99.93%
Cross network name server round trip time		300ms	61ms	59ms	56ms
DNS Round Trip Time (RTT) – % processed within 250 ms		95%	99.99%	99.98%	100%
WHOIS service availability		100%	100%	100%	100%
WHOIS update delay time – % of updates within 5 mins		96%	100%	100%	100%
WHOIS Round Trip Time (RTT) – % processed within 1 sec		95%	100%	100%	100%
EPP service availability		100%	100%	99.96%	100%
EPP Round Trip Time – % of queries processed within 500 ms		95%	99.99%	99.99%	100%
EPP Round Trip Time – % of changes processed within 1 sec		95%	100%	100%	100%

Measure name			Jul 21	Aug 21	Sep 21
Overall DNS Availability			100%	100%	100%
DNS availability per Anycast node	a.au	(auDA)	100%	100%	100%
	c.au	(Cloudflare)	100%	100%	100%
	d.au	(Cloudflare)	100%	100%	100%
	m.au	(Neustar)	99.49%	100%	100%
	n.au	(Neustar)	99.49%	100%	100%
	q.au	(Afilias)	100%	100%	100%
	r.au	(Afilias)	100%	100%	100%
	s.au	(Afilias)	100%	100%	100%
	t.au	(Afilias)	100%	100%	100%
DNS Round Trip Time (RTT) – % processed within 250 ms			99.99%	99.99%	100%

Policy update
.au direct — Australia's newest domain namespace

.au direct will allow people with an Australian presence the ability to register domain names directly before the .au (such as getyour.au) for the first time.

On 19 August, we announced the expansion of the existing Australian domain to include .au direct, which launches on 24 March 2022.

The introduction comes after several rounds of extensive public consultation in 2015, 2018 and 2019. The new namespace will improve the utility of the .au domain, enabling the .au to keep pace with evolving community expectations, international innovations and the varied needs of Australians.

Anyone with a validated local connection to Australia will be eligible to register a .au direct name through an auDA accredited registrar from 24 March 2022. A Priority Allocation Process will apply for the first six months from launch, allowing existing .au registrants the first opportunity to apply for the exact match of their existing domain name at the .au direct level.

auDA, the .au registry operator Afilias Australia and accredited registrars are working closely together

to prepare for the launch, including facilitating communications to raise awareness of the new namespace.

Find out more about .au direct and the Priority Allocation Process at the auDA website.

.au direct will:

- Deliver a wider choice of available names in the Australian domain
- Allow users to register shorter, more memorable domain names
- Provide names that are easier to type and display on mobile devices
- Provide a great option for entrepreneurs and new online ventures.

Compliance activity

During the quarter, auDA's compliance activity was guided by our Compliance Posture, Compliance Plan and continuing work on the Compliance Transformation Project.

As outlined in our Compliance Posture, we promote trust and confidence in the .au domain with a proportionate three-step approach to compliance:

- Communicate to and educate people about their compliance obligations
- Guide and facilitate people to meet their obligations
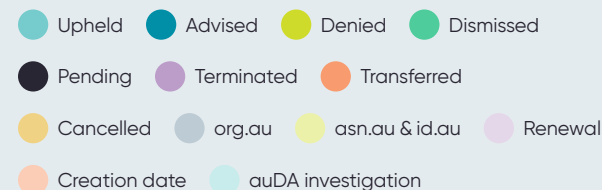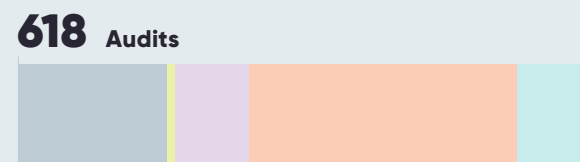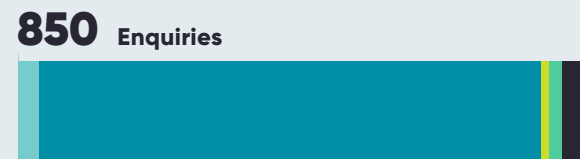- Enforce the .au rules where necessary.

Compliance activity is also guided by an annual Compliance Plan that sets out our priorities to uplift compliance in key areas.

Implementation of the Compliance Transformation Project continued, including increased communications about .au policies and compliance matters coupled with process improvements. This work contributed to a decrease in enquiries by 27 percent in Q3 compared to the previous quarter.

Over the period, as a result of complaints being directed to registrars under the new .au Licensing Rules arrangements, complaints received by auDA also decreased by 41 percent compared to Q2.

We also conducted 618 proactive audits in the quarter. The majority of audits focused on two areas of priority in our Compliance Plan – recent domain name licence renewals and eligibility to hold an org.au domain name licence. Consistent with our Compliance Posture, often the matters can be addressed and the registrant can retain their domain name licence, for example by correcting the registry information, but in cases where the registrant is not eligible the domain name licence is deleted.

The 18-month Compliance Transformation Project is scheduled to be completed in mid-2022.

850 Enquiries

392 Complaints

24 Enforcement body requests

14 Disputes

618 Audits

Upheld · Advised · Denied · Dismissed
Pending · Terminated · Transferred
Cancelled · org.au · asn.au & id.au · Renewal
Creation date · auDA investigation

Security

auDA's purpose to administer a trusted .au domain is supported by our commitment to implement best practice security and raise security standards across the .au ecosystem.

Protecting Australia's critical infrastructure

During the quarter, auDA continued its engagement with the Federal Government on the Critical Infrastructure Bill. On 8 July, CEO Rosemary Sinclair AM represented auDA at the Parliamentary Joint Standing Committee on Intelligence and Security (PJCIS) hearing into the Bill. She appeared on a panel of representatives from the Australian technology sector. The Committee also heard from global technology companies and Australian cyber security policy bodies. Rosemary articulated auDA's support for the policy objectives of the Bill while calling for proportionate use of proposed government assistance measures. auDA's opening statement can be read here and a full transcript of the hearing can be found here.

In August, Rosemary attended a virtual roundtable on Australia's cyber security regulations, hosted by the Australian Strategic Policy Institute (ASPI). Led by Hamish Hansford, the First Assistant Secretary of Cyber, Digital and Technology Policy at the Department of Home Affairs, the roundtable was attended by experts from Australian and global technology, telco and cyber security organisations and policy bodies. The session enabled valuable discussion between government and industry on opportunities to further enhance Australia's cyber security defences. Consistent with our strategic focus on trust, we will continue to engage with government and industry to improve cyber security practices in the .au and more broadly.

Registrar security

auDA is focussed on continuing to work with industry to uplift .au security in line with global best practice. As part of this work, the new Registrar Agreements require registrars to become ISO 27001 complaint.

In Q3, three registrars achieved ISO 270001 certification and we supported two registrars to complete baseline security audits, contributing to their security improvement plans towards achieving ISO 27001 certification. In the period, we also commenced planning for the next round of baseline registrar security audits.
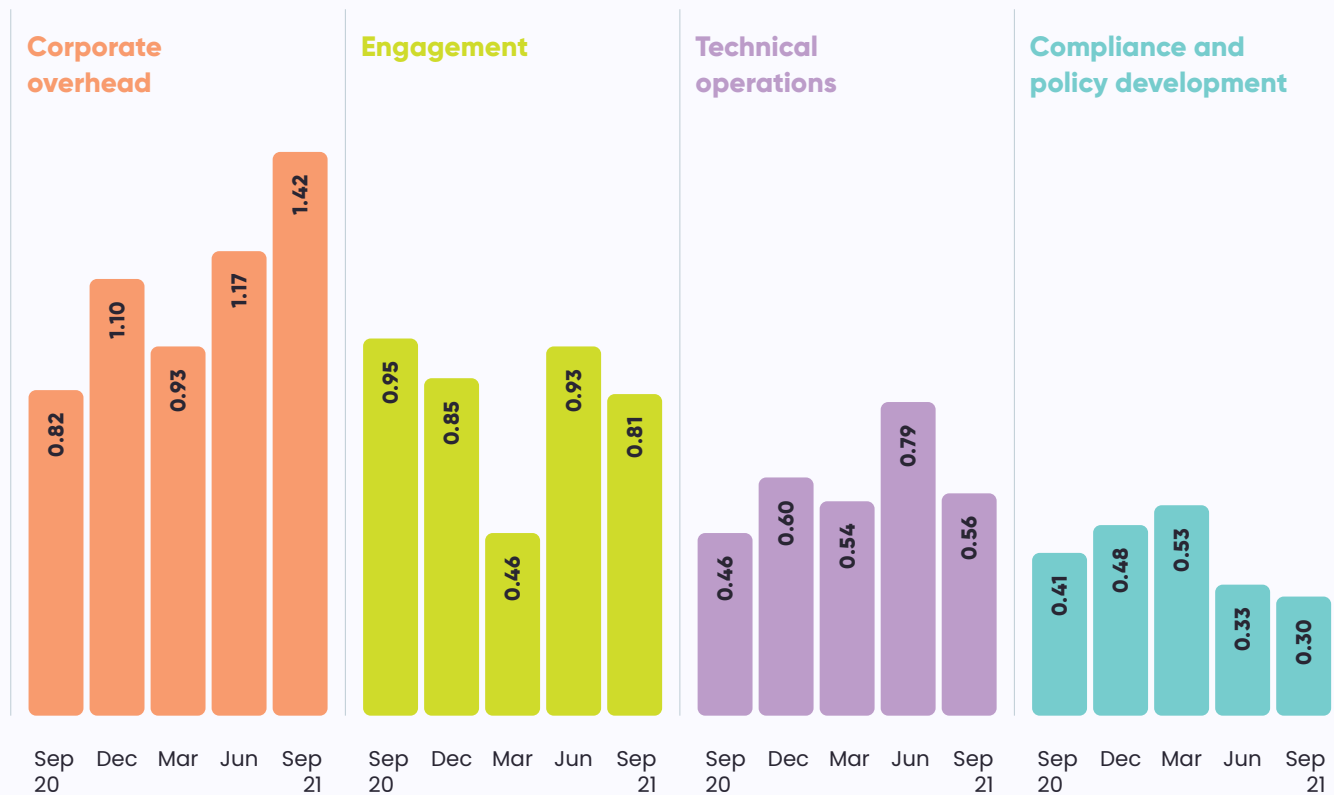
Essential Eight

The Essential Eight are the top mitigation strategies recommended by the Australian Cyber Security Centre (ACSC) for organisations to protect themselves from cyber threats. To assist organisations to implement the Essential Eight, the ACSC developed and regularly updates the Essential Eight Maturity Model (the Model). The Model enables organisations to identify and work towards a target maturity level appropriate for their operating environments.

With regard to the Essential Eight, auDA continues to improve and upgrade security measures to achieve a Maturity Level Three, which is the highest maturity level under the Model. In the quarter, we strengthened our Application Control capability to only allow a defined list of software to operate on auDA devices and servers, and improved our capability to detect and remediate vulnerabilities.
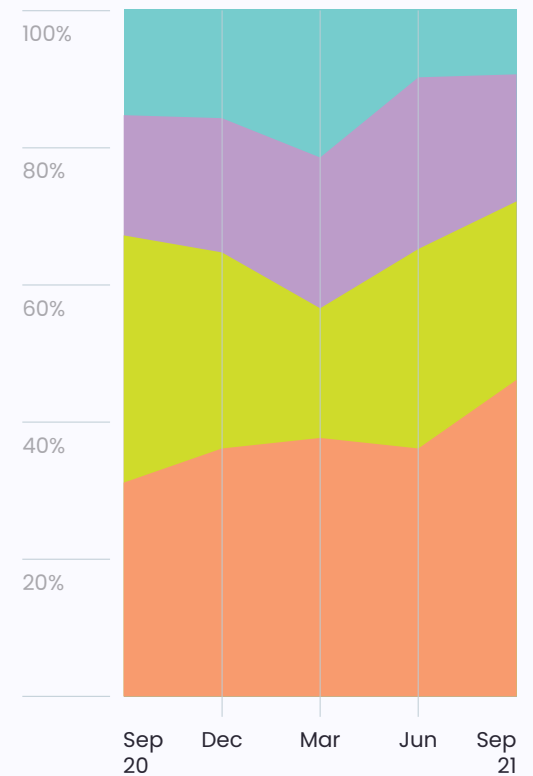
Quarterly Report 2021–Q3

Financial information from July-September 2021 is unaudited – audited financials are published annually in our Annual Report.

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Financials

In line with our 2021-25 Strategy, we are committed to high standards of transparency and accountability, and we report on the costs of administering the .au domain each quarter.

Operational costs quarterly $M

Corporate overhead

Sep 20	Dec	Mar	Jun	Sep 21
0.82	1.10	0.93	1.17	1.42

Engagement

Sep 20	Dec	Mar	Jun	Sep 21
0.95	0.85	0.46	0.93	0.81

Technical operations

Sep 20	Dec	Mar	Jun	Sep 21
0.46	0.60	0.54	0.79	0.56

Compliance and policy development

Sep 20	Dec	Mar	Jun	Sep 21
0.41	0.48	0.53	0.33	0.30

Operational costs quarterly %