



# Annual report

2018/19

# Contents

About auDA.....	3
From the Executive Chair.....	4
The .au marketplace.....	7
Complaints handling & contractual compliance.....	8
Policy development.....	13
Registry operations.....	21
Security update.....	24
Stakeholder engagement.....	33
Governance.....	50
Financial statements.....	53
Glossary.....	90





# About auDA

.au Domain Administration Ltd (auDA) is the administrator of the .au country code top level domain (ccTLD) namespace in Australia.

The Domain Name System is the distributed system of computers that seamlessly directs users or the software on their devices to the website or computer service they expect when they enter a domain name into a web browser, send an email, or use a mobile app.

The DNS is at the heart of today's digital economy and socially-connected society, increasingly relied on by business, government and the public for commerce, connections and communication.

## auDA's role

As a critical part of the digital economy, auDA's role is to ensure the .au ccTLD remains stable, reliable and secure.

auDA performs the following functions:

- develop and implement domain name policy;
- license 2LD registry operators;
- accredit and license registrars;
- implement consumer safeguards;
- facilitate a Dispute Resolution Policy;
- represent .au at ICANN and other international fora;
- technical management of the .au zone file; and
- manage and maintain a secure and stable Domain Name System.

## auDA's stakeholders

auDA operates under an industry self-regulatory model, working closely with suppliers, business users, non-profit organisations, consumers and the Australian Government.

It seeks to serve the interests of the internet community as a whole and takes a multi-stakeholder approach to internet governance, where all interested parties can have their say.

auDA belongs to a global community of organisations and plays an active role in representing .au at international fora such as the Internet Corporation for Assigned Names and Numbers (ICANN) and the Asia Pacific Top Level Domain Association (APTLD).



# From the Executive Chair



Suzanne Ewart  
Executive Chair

Millions of Australians own domain names or visit .au websites every day to communicate and transact business. As the designated administrator of the nation's namespace, auDA has a special responsibility to ensure they do so using a Domain Name System that is reliable, stable and secure.

## Transformation program

In 2018/19 auDA embarked on an ambitious program of transformation.

On a single day in July 2018 we transitioned more than 3.1 million domain names to Afilias, a new registry operator that was selected following a tender process conducted in 2017. Three months later we began transitioning to a new governance model that will give more Australians a stake in our work.

In October 2018 auDA's new constitution came into effect. Developed after significant consultation with members, the new constitution takes into account principles of best practice governance and will contribute to stability, good governance and the achievement of auDA's objects.

Early in the new year we implemented a new platform that will reduce the time taken to resolve complaints. Just before Easter we launched a new associate membership program that had attracted nearly 600 members in its first three months. And to enhance transparency we implemented Tier 1 financial reporting and adopted new revenue recognition standards. These stricter standards affect when revenue can be recognised and resulted in a reported loss for the year of \$4.5m. Had we not changed accounting standards auDA would have reported a profit of \$7.6m, representing a substantial improvement on last year.

The sum of these reforms has made auDA more efficient, responsive, representative, accountable and transparent.

## Shorter domain names

Throughout the year we continued preparing for the launch of new, shorter domain names that will help boost the digital economy and drive social inclusion, and we progressed plans to introduce new licensing rules that will make it simpler to understand who can have a .au domain name, what name they can have and what they can do with it.

These preparations took the form of extensive policy development and consultation, which continues into 2019/20.

## Security testing

The protection of our systems is paramount, so in 2018/19 we tested and improved the security of auDA's external facing IT platforms, infrastructure

and offices, and began overhauling our systems, processes and policies to give effect to new, stricter ISO standards.

## Stakeholder engagement

We recognise that the .au namespace is a finite public resource, and that our endorsement by the Commonwealth Government and our delegation of authority from ICANN come with special obligations, including about how we engage. We must operate transparently and accountably, engage deeply with the sector's multiple stakeholders and, wherever possible, seek consensus.

This report contains an expanded description of how auDA has done this. It describes the special efforts we have made to involve our members, suppliers, business users, non-profit organisations, consumers and the Australian Government.

## Performance reporting

This report is accompanied by a special companion document which transparently measures auDA's performance against the Australian Government's terms of endorsement via a detailed framework of key performance indicators.

This companion document reports our progress in implementing recommendations made in April 2018 by the Department of Communications and the Arts, and given effect through a set of auDA corporate policies relating to strategy, security, stakeholder management, transparency, accountability and board operations.

## Board transition

This is the final annual report auDA will publish before the board is reconstituted based on an appointment process approved by members in September 2018.

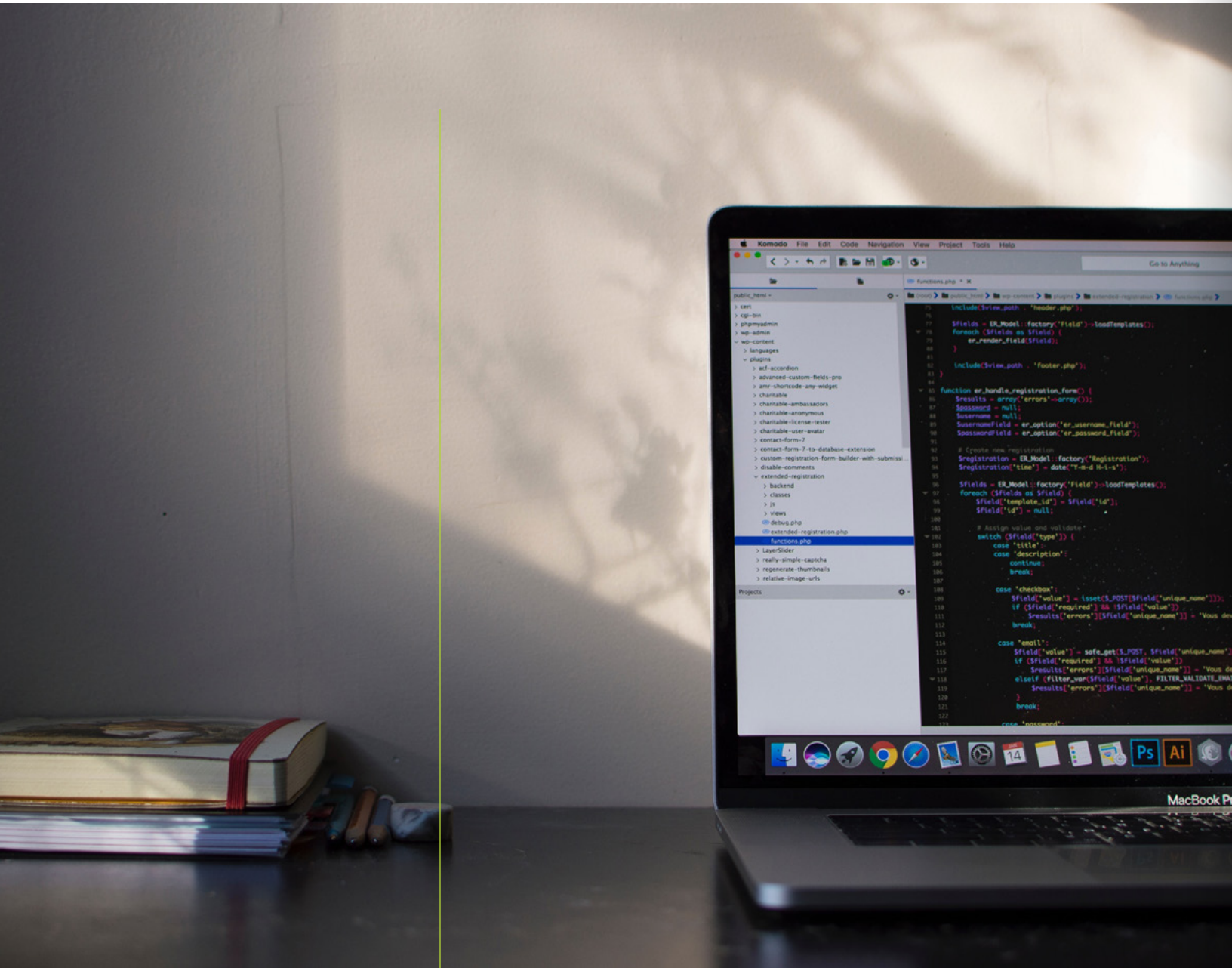
I would like to take this opportunity to sincerely thank my fellow board directors for their hard work, diligence and collegiality over the past year to transform auDA into the successful organisation that it is today.

As we review the past year, my fellow directors and I look back with great satisfaction at just how much has been achieved, notwithstanding a challenging environment which has seen changing models of governance and membership, ever-present advances in technology, the development of new policies, and transitions at both board and executive level.

They join me in thanking you for the opportunity to support the critical work of this important Australian institution.

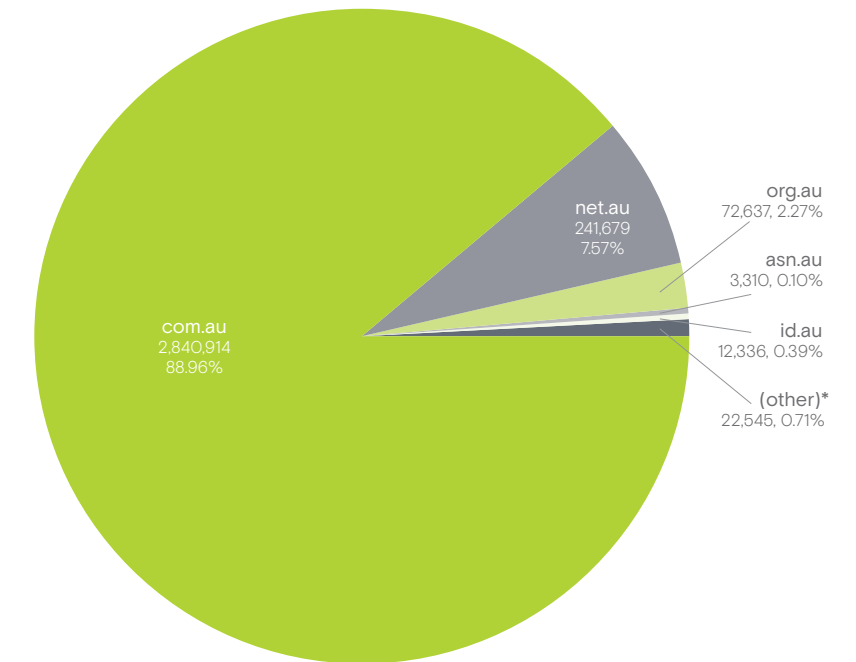
*Suzanne Ewart Executive Chair*

# The .au marketplace



On 30 June 2019 the total number of domains under management was 3,193,421, representing a year-on-year increase of 1.25 per cent.

Number of domains under management on 30 June 2019



Source: auDA

\*Other includes conf.au, gov.au, edu.au and state and territory namespaces (vic.au, nsw.au, act.au, tas.au, qld.au, wa.au, sa.au, nt.au).

# Complaints handling & contractual compliance

## Complaints management

auDA's compliance team ensures that .au policy is properly implemented by registrars and resellers and adhered to by registrants. Its work managing enquiries and complaints about .au domain names, and .au registrars and resellers, is crucial in maintaining the operation and reputation of .au as a safe, secure and reliable namespace.

The compliance team also manages .au domain information and deletion requests received from government and law enforcement agencies. It works closely with those agencies in relation to online consumer protection issues.

auDA provides registrants with a WHOIS information service, available at [www.whois.ada.org.au](http://www.whois.ada.org.au). The service enables members of the public to check what .au domain names have been registered by which entities across all accredited registrars.

## New complaints platform

On 1 January 2019 the organisation migrated its stakeholder interaction to a single new platform. The platform is now used to manage all email, web and phone complaints and enquiries, as well as auDA's Associate Membership program. The change has made auDA's compliance activities more efficient and responsive, meaning stakeholders receive more meaningful and insightful information.

The new platform enables auDA to more accurately identify trends in the complaints cycle and initiate targeted audits that help maintain the integrity of the domain space. Other benefits include:

- a more accessible and stable complaints platform;
- a reduction in complaint response time;
- more accurate customer information that ensures the right people are contacted for the right reasons;
- improved time management through accurate tracking of progress on enquiries and complaints; and
- stronger collaboration through use of the CRM's online interaction tool.

## Historical registry database

auDA has also implemented a historical registry database that contains information from the previous registry operator and a live feed of transactions from the new registry operator. This permits auDA to search different fields such as ABN numbers or email addresses, identify cases where registrants are not complying with policies, and search historical information – for instance previous registrants of any particular domain name – to assist law enforcement agencies.

## Interactions

During 2018/19 auDA received 1,225 general enquiries, 1,000 domain complaints and 84 industry complaints. All complaints were closed.

### Number of interactions 2018/19

Year	Year on year							
	Domain complaints	Industry complaints	General enquiries	Govt & law enforcement requests	Requests for registry database search	Audits	Internal reviews	Registrant review panel
2017/2018	1,019	233	551	40	82	5	-	-
2018/2019	1,000	84	1,225	30	3	2	8	2
% change	-2%	-64%	+122%	-25%	-96%	not material	not material	not material

Source: auDA

While the overall number of complaints was relatively stable year-on-year, the number of general enquiries appears to have increased. This is because auDA took the opportunity presented by the cutover to a new platform to recategorise interactions and capture more issues. It also resulted from changes to policy, growth in membership and the growing practice of registrars to refer more enquiries directly to auDA. To better address the issues raised in this way, auDA increased the size of its compliance team from three to five full-time employees.

For transparency, the following table maps interaction types across the technology platforms that auDA used in the first and second half-years.

### Categorisation of interactions 2018/19

Period	Jul to Dec 2018	Jan to June 2019	Total
Platform used	Case management	CRM	
Domain complaints	285	715	1,000
Industry complaints	84	-	84
General enquiries	327	898	1,225
Phone enquiries	not previously recorded	72	72
Government/law requests	23	7	30
Registry database search requests	2	1	3
Audits	1	2	3
Internal reviews	-	8	8
Registrant review panel	-	2	2

Source: auDA

### Dispute resolution

auDA administers a dispute resolution policy that provides a mechanism to resolve complaints about alleged trademark infringements. The objective of the policy is to provide complainants with a dispute resolution mechanism that is faster and cheaper than litigation. Proceedings are administered by independent, qualified providers who are approved by auDA.

Throughout the year 44 matters were lodged and 28 domain names were transferred. On 30 June 2019 three matters were pending.

### Outcome of disputes 2018/19

	2018/19
Complaint denied	5
Complaint dismissed	4
Case terminated	1
Complaint terminated	6
Complaint upheld	28
Total disputes lodged	44

Source: auDA

### Complaints survey

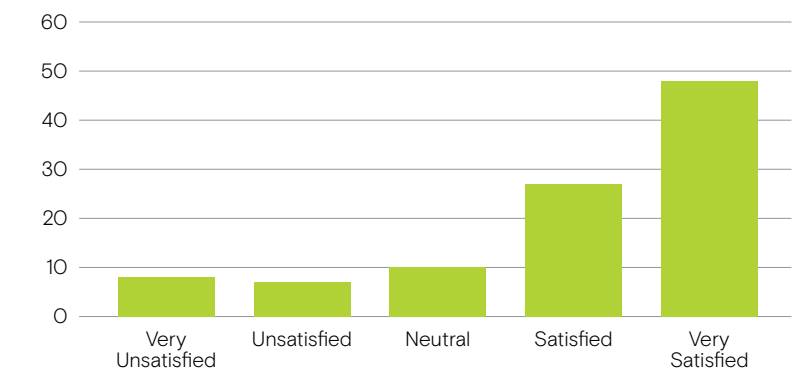
Soon after the close of FY18/19 auDA conducted a month-long survey of complainants.

Three-quarters of the 48 respondents reported they were 'very satisfied' (48 per cent) or 'satisfied' (27 per cent) with the handling of their complaint. Those who responded this way complimented auDA's speed (33 per cent), level of genuine interest (17 per cent), quality of service (13 per cent), team member knowledge (13 per cent) or other matters.

Ten per cent of respondents were 'neutral', while 15 per cent were 'unsatisfied' or 'very unsatisfied'. Those who were unsatisfied cited speed (30 per cent), level of genuine interest (26 per cent), quality of service (17 per cent), team member knowledge (13 per cent) or other matters.

auDA has reviewed the outcomes and aims to continuously improve the experience of complainants.

### Satisfaction with auDA complaint handling 2019



Source: auDA





# Policy development

## Prior to 2018/19

- Dec 2014 – auDA appoints a Names Policy Panel
- Dec 2015 – Names Policy Panel issues final report recommending that .au be opened to direct registrations
- Apr 2016 – 97,000 registrants surveyed, with 60 per cent ‘likely’ or ‘highly likely’ to take advantage of direct registration if available
- Apr 2016 – auDA board accepts recommendation to open .au to direct registrations
- Oct 2017 – auDA board appoints a Policy Review Panel (PRP) tasked to develop a policy to implement direct registration and reform existing 33 policies
- Oct 17 – PRP releases *Issues Paper: Implementation of Second Level Domain Name Registrations (Direct Registration)* for public consultation and receives 52 public submissions
- Nov 17 – Deloitte Access Economics releases an economic analysis of the .au domain range
- Jan 18 – PRP releases *Issues Paper: Registrant Policy: Enabling Australia’s Digital Economy and Society* and receives 60 public submissions
- Feb 18 – PRP holds public forums in Perth, Sydney, Melbourne and Brisbane attended by 85 people
- May 18 – PRP releases an Interim Report for public review

## Priorities for 2018/19

Much of the year’s policy activity was a continuation of work outlined above focused around three main priorities:

- (1) refine the priority process for existing registrants of names in the .au registry to apply for a second level .au domain name;
- (2) review the existing 33 policies and develop policy rules that would apply to registrants of names at the second level of .au; and,
- (3) consolidate the 33 policies into a registrant policy (.au licensing rules), a registrar policy and a complaints policy.



The PRP primarily focused on the first two tasks, and auDA's Manager of Policy and Strategy focused on the third task.

Members of the PRP during 2018/2019 were:

- Professor Dan Hunter (Academic Representative)
- Narelle Clark (Consumer Protection Representative)
- Brett Fenton (Supply Class Member)
- Ian Halson (Demand Class Member)
- Nicola Seaton (Business Representative)
- Jeff Hole (Government Representative)

### September 2018 – Focus groups

Following the February 2018 public fora, the PRP requested focus groups be staged to better understand the concerns of key stakeholders. Focus groups were convened for domain investors, registrars, large corporates and small business, government and education sectors plus previous submitters. More than 55 individuals from across Australia participated.

### February 2019 – Further consultation paper

Based on submissions generated by the two public consultation papers, as well as public fora and focus groups, in February 2019 the PRP issued the *Public Consultation Paper: Reform of Existing Policies & Implementation of Direct Registration* for public comment. The PRP highlighted where it had made amendments to the policies and explained why it did not accept recommendations from the focus groups.

To help stimulate further written submissions, the PRP also reconvened the focus groups and published an *Information Paper for Focus Group Participants: Reform of Existing Policies & Implementation of Direct Registration*.

Further, to engage a wider set of stakeholders, the PRP Secretariat wrote to more than 100 representatives from government, education, corporate and small businesses, inviting each to make written submissions on this further iteration of the model.

### March 2019 – Consumer perception survey

In March 2019 the PRP commissioned OmniPoll to conduct a consumer sentiment survey of 1,290 respondents to assess consumer trust and choice in the internet domain name system in Australia, create a baseline on attitudes and obtain metrics, including on market demand, for direct registration.

The survey found that .au stood in third place, equal with the .net.au namespace, on virtually all measures and that registrants were highly likely to choose a .au domain name if their desired .com.au name is unavailable.

### March 2019 – Cost-benefit analysis

In the same month auDA commissioned ACIL Allen to conduct a cost-benefit analysis of the whole-of-economy impact of introducing direct registration in Australia. ACIL Allen was asked to review how direct registration had grown domain spaces overseas, how it would likely grow the domain space in Australia, assess the direct and indirect costs to existing registrants, assess the costs associated with the use of non-regulated name spaces operated outside Australian jurisdiction, and advise how to maximise the economic benefits of direct registration.

ACIL Allen found:

- The costs of direct registration would be more than offset by even a very small lift in e-commerce. An uplift should be possible by making it easier for Australian organisations and individuals to obtain a domain name in .au, and encouraging internet users in Australia and overseas to interact with those with a .au domain name via email and websites;
- the economy would benefit from an increase in online purchasing from those with an Australian presence;
- there would be social benefits from interaction between Australian organisations and individuals online; and,
- consumers interacting with a party with an Australian presence would also benefit from the additional protections under Australian consumer and privacy laws.

### March 2019 – Final report

Taking into account written submissions, focus group findings, the consumer sentiment survey and the cost-benefit analysis, in March 2019 the PRP published its final set of recommendations for public comment.

It made 25 recommendations concerning eligibility and allocation rules, registrations on the basis of an Australian trademark, resale and warehousing, eligibility and allocation rules (the 'close and substantial connection' rule), domain monetisation, grandfathering of eligibility and allocation rules, conditions relating to transfers between domain name holders, conditions relating to licence suspension and cancellation, prohibition on misspellings, unblocking domain names on the prohibited misspellings list, reserved names, and direct registration.

A public comment process that followed attracted 34 written submissions.

### April 2019 – Public awareness campaign

Before making a final decision on the recommendations of the PRP, the auDA board commissioned Campaign Edge to run a widespread consumer awareness campaign about the proposed approach to direct registration.

A short video was created and downloaded 1.5 million times. Advertising on Facebook and Instagram reached 1.4 million people across Australia. A dedicated website – [www.shorternames.com.au](http://www.shorternames.com.au) – was published in English, Chinese, Japanese, Korean, Vietnamese and Arabic. The website contained answers to frequently asked questions and included a three-question survey:

- Would you apply to get a shorter .au domain name if they are introduced? (86 per cent yes);
- We propose that to register a domain name ending in .au, you must have an Australian presence. Do you agree with this? (94 per cent yes); and,
- We propose to give existing domain name licence holders in .au priority to apply for their corresponding domain name in .au for six months from launch date (forexample .net.au can apply for forexample.au). Do you agree with this? (83 per cent yes).

The website received 11,808 unique site visits and 1,750 people completed the survey.

auDA also conducted a series of one-on-one meetings with key organisations including Telstra, City of Melbourne, Australian Hotels Association of Victoria, Business Council of Australia, Victorian Chamber of Commerce, Medibank, Jetstar, Salvation Army, Australian Chamber of Commerce and Industry and Australian Retailers Association.

A final focus group meeting reviewed the recommendations.

This was augmented by correspondence to Federal Members of Parliament, State Ministers and Opposition spokespeople in every State and Territory whose portfolio responsibility related to business, trade or consumer affairs.

In addition, auDA management wrote to the Australian Competition and Consumer Commission and the Australian Communications and Media Authority about the broader policy reforms and any competition implications, as well as government agencies involved in cyber security and other 'law enforcement agencies' to ascertain views on the public interest test.

The auDA CEO also wrote to the Digital Transformation Agency, Australian Federal Police, Department of Home Affairs (Cyber Security), the Australian Cyber Security Centre, the Australian eSafety Commissioner and the Australian Communications and Media Authority.

### April 2019: auDA management response

In parallel with the work of the PRP, auDA management worked on:

- consolidating the existing 33 policies to a set of .au licensing rules (including a complaints policy) and a set of registrar rules;
- drafting policy to give effect to the recommendations of the PRP;
- making minor policy amendments where change was required for administrative, technical or legal reasons;
- reviewing the public feedback on the final report of the PRP; and,
- reviewing the experience of auDA's compliance team in administering compliance with the existing 33 policies.

As a result, the auDA management team provided the board in April 2019 with:

- a report of the public consultation undertaken in relation to the final report;
- a draft set of .au namespace implementation rules to give effect to the PRP's recommendations on the implementation of direct registration at the second level;



- a management response to the PRP's final report; and
- a draft set of .au licensing rules consistent with the management response.

A further round of public consultation was then conducted, which consisted of written submissions and consultation with affected stakeholders.

### May 2019 – *Board consideration of .au namespace implementation rules*

In May 2019 the auDA board approved the .au namespace implementation rules and announced that the implementation policy for second level .au domain names had been approved.

auDA developed a set of registrar rules in conjunction with a new registrar agreement, which modernises existing legal arrangements and reduces the regulatory burden on registrars. The draft registrar rules and the registrar agreement were circulated to registrars for comment in May 2019.

auDA is still receiving feedback from registrars on the rules and agreement.

### June 2019 – *Board consideration of .au licensing rules*

In June 2019 the auDA board approved the .au licensing rules subject to receiving further feedback from the Department of Communications and the Arts (DOCA). The Board also approved key parameters such as wholesale pricing for the launch of direct registration. This information was announced to the public on 19 June 2019.

DOCA's feedback was subsequently provided on 5 August 2019. In addition to rearticulating concerns about the 'public interest test', DOCA raised concerns about changes to the 'close and substantial connection rule' for com.au and net.au, and the degree of consultation undertaken in respect of changes to the existing 33 policies that differed from the recommendations from the PRP, or were not considered by the PRP.

In response, the auDA Board undertook to conduct a further 12-week targeted consultation in relation to these changes.

## Other policy activities

auDA is committed to transparency and accountability in how it develops, reviews and implements policies for the administration of the .au ccTLD.

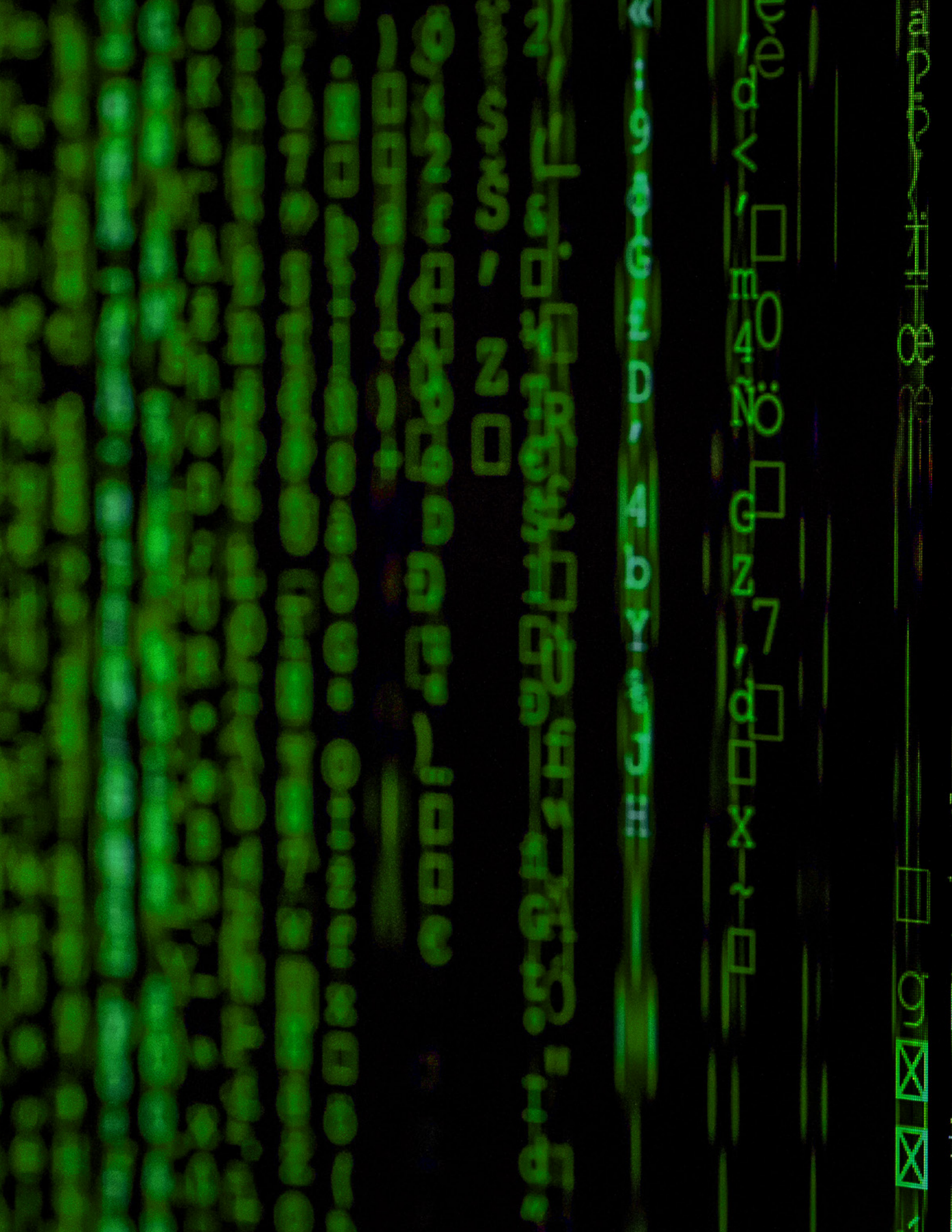
As part of this commitment, auDA developed and published for consultation The Corporate Policy: Process for the Development and Review of auDA Published Policies ('the Policy'), which sets out the core objectives and key principles that guide policy development for the .au domain.

The key principles are drawn from regulatory best practice and reflect the Australian Government Terms of Endorsement dated 18 April 2018.

This policy was endorsed by the 2017 PRP in August 2018, which agreed to follow the key principles in its policy deliberations. It was released for public consultation on 4 September 2018 for a period of 23 calendar days and approved by the auDA Board on 23 November 2018.

auDA continues to work with Australian government agencies to develop internal processes and policies for approving the use of domain names containing words or letters whose use is restricted or prohibited under Australian law. auDA continues to update the reserved list to reflect the sunseting or repeal of legislation.





# Registry operations

## Transition to new registry operator

In December 2017, following a global Request for Tender process, auDA announced the selection of Afilias Australia as the new registry operator for the .au namespace.

Afilias Australia is a subsidiary of Afilias Inc., the world's second largest registry operator. Established in 2000, the organisation has more than 21 million names under management, including .org (more than 10 million domains) and .info (more than four million domains).

The company was selected for its ability to perform to the technical specification required, meet or exceed auDA's required service levels, support the registry transformation project goals, its security and risk management capabilities and the value for money it provided.

The transition of 3,153,979 .au domain names in a single transfer on 1 July 2018 earned Afilias and auDA a Guinness World Record title for the largest top-level domain transfer in the history of the internet. Importantly, the transition occurred as planned with no interruption in the operation of the .au namespace.

## State-of-the-art systems

Not only is the new registry system state-of-the-art, it is built with security as a core design principle. Regular operational and security upgrades ensure that the backend registry maintains the highest levels of security and continues to deliver excellent performance.

## Enhanced DNS

Afilias significantly expanded the DNS coverage across Australia by installing new authoritative name servers in each state and territory capital city. By increasing the number of DNS locations, the .au namespace operates faster and the infrastructure supporting it is more robust.

## DNS security

In April 2019, .gov.au completed its Domain Name System Security Extensions (DNSSEC) signing, a major step in securing the DNS infrastructure in .au. Afilias Australia has supported auDA throughout the deployment of DNSSEC to ensure an additional layer of security is provided for the entire .au namespace.



## ISO certifications

In January 2019, Afilias Australia received ISO 22301 certification in Business Continuity and ISO 27001 certification in Security Management. These certifications set a high standard for business operations and indicate that the .au registry is operating at global best practices.

## Registrar collaboration

Frequent and open dialogue between auDA, Afilias Australia and .au registrars ensures that working relationships remain strong. Regular collaboration provides the opportunity to highlight key achievements and the early identification of any registrar concerns.

## 2018 Registrar Summit

In November 2018, Afilias, auDA, .au registrars and external stakeholders attended auDA's inaugural registrar summit. The event, held on the Gold Coast, was an opportunity for industry professionals to meet, discuss and collaborate on ideas and opportunities within the .au namespace.

## Co-marketing program

A co-marketing program initiative was introduced by auDA in July 2018 to provide financial assistance to .au registrars in promoting growth and awareness of .au.

Afilias Australia has been involved in the co-marketing steering group since these early stages to ensure any registrar applications meet the requirements of the program.

## Second level registration

In its first year, the registry operator and Afilias have worked hard to implement major improvements across the .au namespace. The launch of second level registration will be another significant stage of .au namespace evolution requiring close relationships with Afilias Australia.

## Registrar satisfaction

Registrars are important stakeholders, so after the end of 2018/19 auDA invited accredited registrars to participate in an anonymous satisfaction survey.

Respondents were broadly representative of the sector, with responses received from registrars in several Australian jurisdictions, Asia and North America. They included small, medium and large registrars.

All 13 respondents were aware of auDA's major functions, including those not directly related to registry operations. Nine respondents rated auDA's overall performance as 'excellent' or good, with three rating it as 'fair' and one as 'poor'.

# Security update

## Penetration testing

In the latter half of calendar year 2018, auDA conducted annual penetration testing of its external facing systems. auDA continued its usual practice of engaging third party and subject matter experts to test, evaluate and exploit potential threats. As in previous years, no critical threats were identified. auDA addressed and remediated each of the findings and all threats are closed.

Following the annual penetration test, auDA sought to further test its systems through a Red Team penetration-testing exercise. Red Team exercises involve engaging an independent group to assume an adversarial role. The group then challenges the organisation to improve its effectiveness by attempting to identify and exploit weaknesses in people and immature business processes and to gain access to systems, infrastructure or physical locations.

During the exercise auDA detected and prevented a number of threats and approaches. Certain vulnerabilities were identified and varying levels of compromise occurred.

auDA took remedial action which addressed all findings in Red Team's final report and is using the report to improve processes and monitoring of the organisation's assets. Many of the findings were known to auDA as weaknesses and are being addressed as part of the ISO implementation.

## ISO implementation

auDA is implementing ISO standards and using the project to completely overhaul its systems, processes, internal policies and security. This ground-up approach, whilst slower than remediation, will enable auDA to use newer technologies that provide greater benefit to the organisation in the longer term.

A key focus of the ISO project is streamlining automation tools to ensure consistency across all aspects of the business. It will also facilitate managing future improvements and centralising documentation.

## Hardware Security Modules replacement

auDA has replaced the Hardware Security Modules (HSMs) used to generate and store cryptographic keys used to sign the .au zone.

The existing HSM hardware, which was approaching its end of life, was replaced with the latest model from auDA's preferred vendor. The new HSMs allow the use of new features and increase the security standard of the cryptographic module.

Previous HSMs were Federal Information Processing Standard (FIPS) Publication 140-2 level 3. auDA has now moved to FIPS 140-2 level 4, the highest level under the standard.

The introduction of new HSMs has enabled auDA to increase the Zone Signing Key size from 1280 bits to 2048 bits, meaning both the Zone Signing Key and the Key Signing Keys are now 2048 bits.

Further information about auDA's Domain Name System Security Extensions (DNSSEC) practices is available by visiting the DNSSEC Policy and Practice Statement (DPS) on auDA's website.

After upgrading HSMs, auDA worked with the Digital Transformation Agency (DTA) in February and March of 2019 to test and implement DNSSEC for the gov.au zone. This signing of the gov.au zone allowed for the state.gov.au zones to also be signed. This was completed in April 2019.

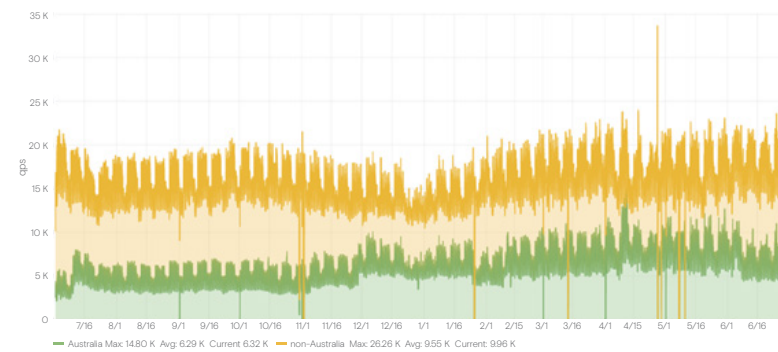


## Traffic levels

Traffic on Afilias servers for .au and 2LD zones was relatively stable throughout 2018/19 and comparable to traffic reported in the prior year. The servers received an average of 15,860 queries per second and peak loads of 33,620 per second.

From May 2019 auDA also reports queries seen by Packet Clearing House, a third-party provider of DNS anycast services. Its nodes saw an average of 8,160 queries per second and peak loads of 12,040 per second. Total queries peaked at 45,660 per second.

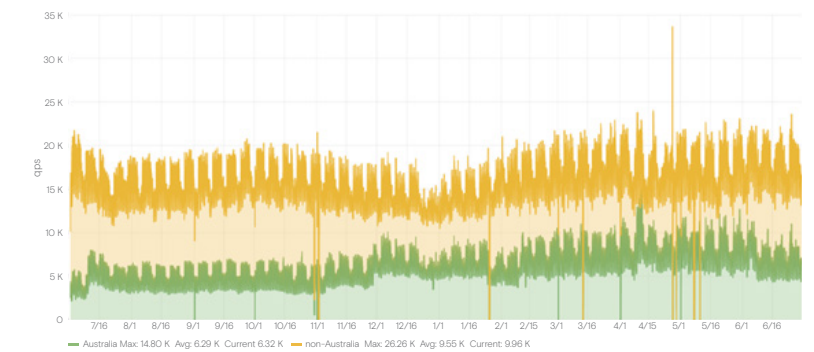
### Queries per second 2018/19



Source: auDA and Afilias

An average of 6,290 queries per second and peak loads of 14,800 queries per second originated from Australia. Queries per second from outside Australia averaged 9,550 and peaked at 26,360, highlighting the importance of maintaining a global network of DNS servers that support .au.

### Queries per second from Australia vs outside Australia 2018/19



Source: auDA and Afilias

## International security

As part of its international engagement, auDA engages with key international security fora, including ICANN's Security and Stability Advisory Committee, to ensure that it is kept updated on international security developments.

auDA attended each of the public meetings of ICANN's Security and Stability Advisory Committee held in October 2018, March 2019 and June 2019. The organisation's interests are well represented on the SSAC, whose members include:

- Geoff Huston, a member of auDA's Technical Advisory Standing Committee, who advises auDA on SSAC reports that may be relevant.
- Julie Hammer, a former auDA board member from 2007 to 2016, former deputy auDA chair and former chair of auDA's security and risk board committee.
- Ram Mohan, the Chief Operating Officer of auDA's registry operator, who was once also the liaison point between SSAC and ICANN's board.

## SAC101

In December 2018 the SSAC released *SAC101: SSAC Advisory Regarding Access to Domain Name Registration Data*.

This Advisory was written in the context of discussions at ICANN on the European Union's (EU) General Data Protection Regulation. auDA already broadly follows most of the recommendations in the Advisory, and operates a 'thick' WHOIS service, as recommended in the document.

The Advisory also recommended the development of an appropriate statement with respect to the purposes for the collection and publication of the data. auDA has reviewed its current registrar agreements, registrant policies and privacy policies to bring them up to date with the current Australian Privacy Law.

SSAC also recommended adopting a new access protocol, called RDAP.

The contract between auDA and its registry operator includes provisions to move to the new protocol, but is presently waiting for agreement on a stable, international best-practice before turning on this protocol for .au. auDA will continue to monitor the deployment of RDAP amongst gTLD registries and registrars, including through attending relevant sessions at ICANN meetings.

To date, the combination of controls to rate-limit data mining on the WHOIS service, and a port-43 protocol that enables the identification of high-volume queries, works satisfactorily for .au.

Moreover, auDA also does not permit proxy registrations where the identity of the holder of a domain name can be masked from the public. The organisation also has a process for law enforcement that requires additional information in conformance with the Privacy Act. Finally, auDA has a service level agreement with Afiliis to govern the amount of rate limiting and 100 per cent availability of the service.

## SAC102

In August 2018 the SSAC released *SAC102: Comment on the Updated Plan for Continuing the Root KSK Rollover*, which supported ICANN's plans for a rollover of the root KSK key.

auDA supported ICANN's plans. Subsequent to the rollover, auDA attended sessions at ICANN which canvassed lessons learnt from the rollover,

particularly in relation to legacy infrastructure. This included discussions with Verisign, which monitored the process closely. auDA was not aware of any significant impacts affecting Australian organisations. In February 2019 there were also updates to DNS infrastructure which were publicised on the DNS flag day website, [www.dnsflagday.net/2019](http://www.dnsflagday.net/2019). auDA advised registrars to ensure the DNS servers on their infrastructure would not be affected.

## SAC105

In June 2019 SSAC released *SAC105: The DNS and the Internet of Things (IoT): Opportunities, Risks, and Challenges*.

This report was intended as a tutorial on developments in IoT and DNS, and how the system may evolve in the future. SSAC noted the DNS allows IoT devices to:

- authenticate resolvers and encrypt DNS traffic;
- support message authenticity;
- provide additional ways for IoT devices to validate the services they connect to; and,
- offer an opportunity for registration providers to provide additional security services.

The report also discussed new protocols, *DNS-Over-HTTPS (DoH)* and *DNS-over-TLS (DoT)*. DNSSEC protects message integrity in the DNS, which will be important for IoT devices. The report also noted concerns about the potential for DDOS attacks on the DNS using IoT devices.

In many ways auDA is well positioned to encourage use of .au in the context of IoT devices, because .au requires validation of identity before a registrant can register a domain name in .au, and that registrants have an Australian presence.

.au also supports DNSSEC and has DNS nodes in every capital city of Australia to improve response times and resiliency against attack or natural disasters. For instance, if telecommunications services are severed between Tasmania and the mainland, Tasmania will still have an active .au name server operating in Hobart for Tasmanians.

auDA continues to monitor DNS traffic for any changes that might arise from the growth in the use of the DNS by IoT, and is tracking how technical developments such as DoH and DoT will affect the DNS services in Australia.



## Domain name hijacking

In its public meeting in March 2019, SSAC discussed the growing issue of domain name hijacking, in which attackers modify registration records by gaining access to registrant accounts at the registrar level.

.au has available a registry lock service for domain names associated with critical services such as banking, which can prevent hijacks of this kind.

New minimum security provisions developed by auDA will require that registrars make available two-factor authentication to protect the accounts of registrants.

auDA has also deployed other security measures recommended by SSAC, including a secure process to retrieve domain name passwords (via one time use links) and the use of DNSSEC.

## DNSSEC Workshop contributions

auDA has sponsored and contributed to DNSSEC workshops at ICANN. At the workshop held in March 2019, auDA presented on how it conducted the largest DNSSEC transition in the world when, in June 2018, it transitioned from the previous to the new registry operator. At this workshop auDA also learnt how other ccTLDs have worked to encouraged the update of DNSSEC amongst their registrants, through the use of pricing incentives.

## ccNSO Tech Day

auDA attends and contributes to the ccNSO Tech Day at ICANN meetings. For instance, auDA provided a presentation on the .au transition at the group's meeting in October 2018. The ccNSO Tech Day includes presentations by ccTLD managers on the implementation of various technical developments, including security improvements. Tech Day has also covered topics such as the deployment of internationalised domain names (IDNs) and management of security issues, as well as the experience of ccTLDs in implementing emojis. auDA has been following closely the experience of ccTLDs in implementing IDNs as part of its own plan to introduce certain IDNs under the new .au policy.

## DNS Operations Analysis and Research Center

auDA is also a member of DNS-OARC (<https://www.dns-oarc.net/>) the DNS Operations Analysis and Research Center (DNS-OARC) (<https://www.dns-oarc.net/>). auDA attended a DNS-OARC workshop in October 2018 (<https://indico.dns-oarc.net/event/29/>). This is a key event attended by most of the major DNS operators from around the world. auDA found that many of the ccTLD DNS operators were also in the process of implementing the ISO 27001 security standard and was able to share experiences with that process. auDA received positive feedback from large threat intelligence operators that .AU rates fairly low for malicious domains, which was pleasing to hear. A key feature of DNS-OARC conferences is how better to measure and understand the DNS traffic. As a result of attending the conference auDA has begun investigating C-DNS, a new implementation of capturing DNS traffic for metric collation. This will be considered as part of a metrics solution auDA is currently planning. auDA was also able to learn about the possible impact of changes to DNS software on Australian DNS operators in the lead up to DNS Flag Day (<https://dnsflagday.net/2019/>) in February 2019.



# Stakeholder engagement

## Member engagement

The .au namespace is a critical public resource that auDA manages on trust for all Australians, and auDA's role as administrator is conditional on endorsement by the Commonwealth Government and its delegation of authority from ICANN. These things mean engagement with stakeholders is of crucial importance to auDA.

auDA recognises that a large and diverse membership base will enable it to better represent the community it was created to serve.

The organisation is transitioning to a new membership model that will improve organisational stability, increase the take-up of membership, and better represent the diversity of the Australian internet community. This model was developed after consultation by auDA and a working group created to engage internet users, and follows recommendations made by the Department of Communications and the Arts.

During the transition to new governance arrangements, auDA's board has established a Nomination Committee to assess and select board candidates. The work of the Nomination Committee is reported elsewhere in this document. For the time being, these individuals are auDA's 'Governing Members' and serve as members of the company for the purposes of the Corporations Act.

A new transitional class of membership is available to any person who meets eligibility criteria, including those individuals whose membership lapsed automatically when auDA adopted its new constitution in September 2018. Known as 'Associate Members', they are entitled to many of the benefits of membership, including the right to participate in ballots for member-elected director positions.

The interim structure will be reviewed in September 2020, or when auDA reaches 12,500 Associate Members if that occurs sooner.

## Associate Membership program

auDA's Associate Membership program was launched in Melbourne on 15 April 2019, and is supported by dedicated website – [www.joinaуда.org.au](http://www.joinaуда.org.au) – and a simple new membership application process.

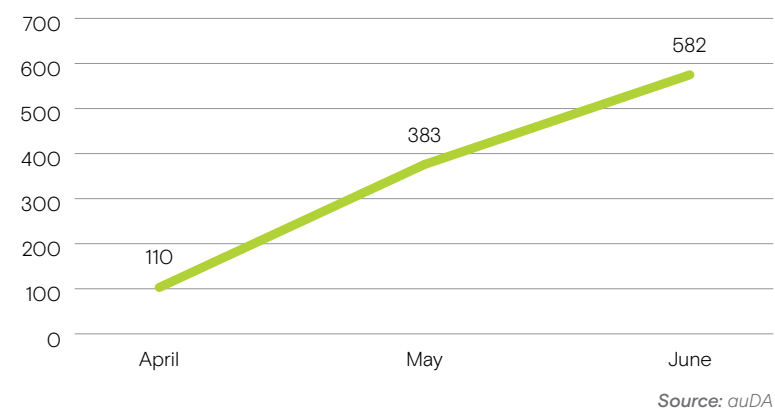
Associate membership is free and open to anyone with a connection to Australia who is interested in the policy framework and infrastructure for the



.au name space. Associate Members have a voice in the future of the .au name space and access the latest news on industry research, trends and issues in Australia's digital landscape. They are also entitled to exclusive benefits including networking events, a free annual subscription to LinkedIn Learning, and the opportunity to apply to attend an ICANN conference.

Supported by a targeted, digital marketing campaign, uptake of associate membership has been strong and consistent. On 30 June 2019 auDA had 582 Associate Members and approximately 200 new members join every month.

Number of Associate Members 2018/19



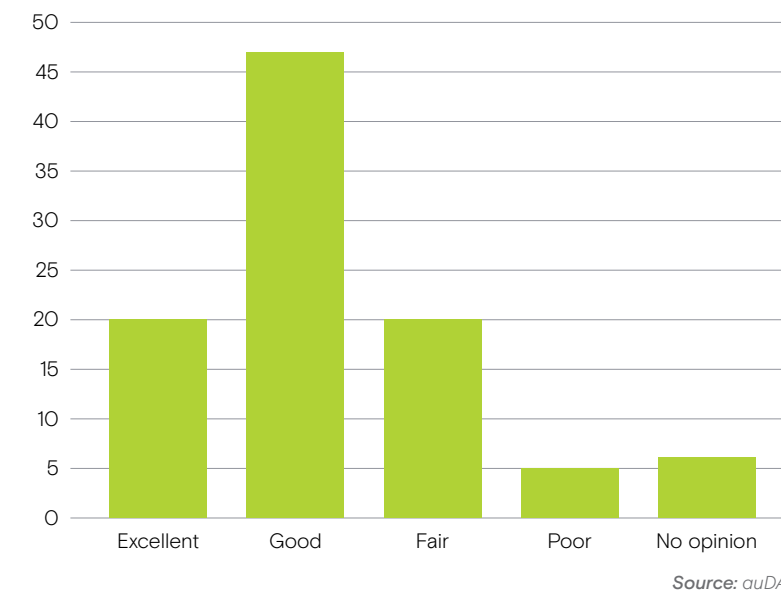
### Member survey

auDA conducted its first member satisfaction survey in August 2019 to better understand members' opinions of the company's performance.

Of 74 member responses, approximately 40 per cent were from business, 35 per cent identified with technical internet communities, 11 per cent worked in the education sector and 14 per cent were from government, civil society or other areas.

Almost half (47 per cent) rated auDA's performance as good, 20 per cent as fair and 20 per cent as excellent. Five per cent described it as poor and seven per cent expressed no opinion.

### Member satisfaction levels 2019



Respondents' motivations for joining were primarily to be informed about news and developments (33 per cent), to support the independent administration of domain names (30 per cent) or to influence policy (29 per cent).

Awareness of auDA's functions was extremely high with 88 per cent aware that auDA develops and implements domain name policy, 77 per cent knowing that auDA represents .au at ICANN and other international fora, and nearly 67 per cent that auDA accredits and licenses registrars.

The lowest levels of awareness of auDA's functions were around member events (54 per cent) and licensing second level domain registry operators (around half).

Policy enforcement, cracking down on scammers, evidence of outcomes of recent disputes and improving awareness of auDA among the general community featured among the more common responses for possible areas of improvement.

Survey respondents were invited to suggest what would make membership more appealing to them. Amongst a range of suggestions, an increase in networking events, more opportunities to be involved in policy and decision making and the option to display an auDA logo to signify membership were recurrent answers.

## Sponsorship and community programs

One of auDA's responsibilities is to build Australia's digital capability. One of the ways the organisation does this is by supporting a wide range of community programs.

### iAwards

auDA is the National Program Sponsor for the Australian Information Industry Association (AIIA)'s iAwards, the premier technology industry awards recognising innovation across the entire spectrum of the Australian industry. auDA's chief financial officer presented the 2019 Consumer Markets category iAward to The Wiggles for the development of a new app, Fun Time with Faces.

### The Telco Together Foundation

auDA is a member of the Telco Together Foundation. The Telco Together Foundation brings the telecommunications industry together in support of disadvantaged communities including indigenous communities and causes including homelessness and food security, mental health and youth unemployment and disadvantage.

### Pivot Summit 2019

auDA partners with Pivot, a business event for the technology sector that focuses on providing innovation and support to regional start-ups, entrepreneurs and small businesses. By doing so, Pivot engages those living outside capital cities and helps regional businesses realise their potential. Pivot's two-day summit in Geelong in 2019 provided an opportunity for people living in remote places to connect face-to-face and share best practices in the technology sector.

### AWIA Awards and Edge of the Web Conference

The Australian Web Industry Association's (AWIA) annual conference and awards ceremony brings together members of the Australian web design and search industries to recognise excellence in website development. auDA's participation in the 2019 conference as a Gold Level sponsor enabled the company and Australia's leading creative agencies to exchange insights.

## 2019 Henry Sutton Oration

auDA supported the 2019 Henry Sutton Oration dinner, an annual event hosted by TelSoc, an organisation that promotes telecommunications, its applications and contribution to Australia's digital economy. The 2019 Oration was presented by Geoff Huston, Chief Scientist at Asia Pacific Network Information Centre (APNIC) and a pioneer of the internet in Australia.

## International engagement

auDA continues to participate in international fora to build on the organisation's already solid relationships to understand and adopt best practice, share its experiences with other top level domains, and support the adoption of best practice by other domains, especially overseas where Australians live and work.

This engagement supports the objectives articulated in auDA's Strategic Plan 2014-2019 to:

- improve the utility of .au to better support micro-businesses and individuals, and to support new internet applications such as Internet of Things;
- minimise domain name abuse through improved eligibility checking of registrants, and pro-active compliance activities;
- improve the security and stability of the .au name space by implementing international IT security standards; and,
- assist top level domains in the Asia Pacific to operate with best practice across policy, compliance, and to better protect Australian internet users who access the internet using these top level domains.

In 2018/19 auDA has not taken an active role in international policy development processes, but rather, has contributed to improving best practice in ccTLD and gTLD management through presentations about our work in Australia to improve policies and systems.

Additionally, auDA has used information obtained and shared at these fora to shape policies and to refine the organisation's operational capability in compliance and IT security.

The key fora that ICANN engages with include ICANN and APTLD.



## ICANN

ICANN is a not-for-profit public-benefit corporation that draws participants from around the world to work together to keep the internet secure, stable and interoperable. It promotes competition and develops policy on the internet's unique identifiers.

ICANN conferences bring together most of the managers of ccTLDs, gTLDs, global registrars (which make up a significant portion of auDA's accredited registrars), business users, not-for-profit users, individual users, academics, civil society and representatives from governments around the world. The ICANN organisation itself also has capability in compliance management and IT security.

At each ICANN meeting in 2018/19, auDA hosted one-on-one meetings with its accredited registrars that are based outside Australia (including GoDaddy, Tucows, MarkMonitor, Corporation Service Company (CSC), Uniregistry, Rebel.com and CentralNic). These meetings were convened to obtain feedback on auDA's new policies, and to provide feedback on how each registrar can improve their compliance with the .au policies. In addition, auDA uses ICANN meetings to engage with the executive team of registry operator, Afilias, as part of its contract governance processes, in order to continue to improve the operation of the registry.

### ICANN63, Barcelona, October 2018

A key focus of the ICANN meeting in Barcelona was the refinement of WHOIS services to respond to the European Union's General Data Protection Regulation (GDPR) to protect the personal information of individuals.

GDPR rules can directly impact Australian citizens residing in the EU who hold domain names in .au, together with European citizens who have an Australian trademark and hold domain names in .au, as well as auDA accredited registrars that have operations in Europe and hold registrant information in databases located there.

auDA's registry agreement requires the introduction of the RDAP protocol for retrieval of registry information. auDA will therefore need to reflect RDAP protocol in its policies, the advice it provides to registrants, and its agreements with the registry, registrars and registrants.

WHOIS services operated by gTLDs and ccTLDs have previously published personal information that identified registrants. The introduction of GDPR has seen many registry operators and registrars almost completely redact this information from the public WHOIS service, making it available only to law enforcement agencies in the relevant country.

Before adopting its own version of RDAP protocol in Australia, auDA has taken the opportunity provided by ICANN meetings to closely monitor the adoption of RDAP protocol by other gTLDs and ccTLDs. This will help auDA adopt the protocol in a way that is compliant, and balances privacy and accountability.

At ICANN's Barcelona meeting, auDA's Chief Operating Officer chaired a cross-community session on this subject that involved speakers from registry operators, law enforcement agencies and governments.

While in Barcelona, auDA representatives also participated in a roundtable hosted by Nominet (operator of .uk) along with management and board members of other major ccTLDs including .uk, .nz, and .ca, the subject of which was how ccTLDs are diversifying their activities to improve the services they provide to their communities. This assisted auDA to consider the future of the auDA Foundation and initiatives with the Australian Strategic Policy Institute to improve website security.

As part of auDA's advocacy of better security and DNS abuse management, the company's Chief Executive Officer delivered a public briefing to ccTLD registry managers about the company's registry operator tender process and how requirements to improve registry security and minimise DNS abuse were key components of the tender process. auDA has subsequently received visits from the .nz registry operator to learn more about its approach and has provided advice in one-on-one meetings with other ccTLDs in the Pacific region that are embarking on tenders.

auDA representatives also attended presentations about the ability to register domain names that contain emojis and discussed the matter directly with other ccTLD operators. auDA determined that it was premature to introduce the innovation in Australia due to security concerns and is instead proposing to introduce internationalised domain names (IDNs) using Chinese, Korean, Japanese, Arabic and Vietnamese characters.

## ICANN64, Kobe, March 2019

Discussions on changes to the WHOIS policies as a result of GDPR continued at the Kobe meeting, and auDA continued to closely monitor discussions to help inform its approach to the .au policies and privacy policy.

Another area of considerable interest at Kobe was the acceptance of IDNs. One of the challenges in introducing new domain name spaces (such as registration at the second level) and IDNs (e.g. 例如.au), is the level of acceptance in internet applications.

While mainstream software applications such as web browsers and email clients now work with new domain name spaces and IDNs, the larger challenge is the acceptance of these in web forms used by the millions of businesses that operate websites: many will reject an email address that is not in the traditional form.

auDA's engagement at Kobe with other ccTLDs and gTLDs that have launched new name spaces (e.g. .uk and .nz) or IDNs (.cn, .jp, .in) reinforced that even relatively small changes take a long time to propagate across all internet applications in use. This reinforced to auDA the importance of conducting a widespread public awareness campaign about the new .au licensing rule changes so that software developers and website owners not familiar with the .au domain name space are aware of the new changes and can adjust their software to accept the formats of the new names.

auDA sponsored a DNSSEC workshop in Kobe and presented on technical steps taken to preserve stability during the largest migration of a DNSSEC signed registry in history. Presenters identified steps they have taken to improve the take-up of DNSSEC within their ccTLD or gTLD. In some cases, this included wholesale discounts for registrars that registered DNSSEC signed domains in the registry. For instance .nl (The Netherlands) highlighted the security benefits of DNSSEC through the development of a tool (<https://www.internet.nl/>) for checking website security.

The lessons learnt from the .nl experience are reflected in a website testing tool that auDA has sponsored with the Australian Strategic Policy Institute (ASPI), the objective of which is to further encourage Australian businesses to take advantage of the additional security available from using DNSSEC which, turn, will encourage the use of secure DNS services that underpin new internet applications such as Internet of Things (IoT).

## ICANN GDD Industry Summit, Bangkok, May 2019

This summit for gTLD registries and registrars was organised by ICANN's Global Domains Division for gTLD registries and registrars and was attended by most gTLD registry operators and global registrars. auDA was represented by the Manager, Compliance and Analytics.

Key topics of discussion included RDAP (Registration Data Access Protocol) Implementation, Data Privacy and European Union (GDPR), Registry Lock standardisation and improvements, DNS trends (over HTTPS and over TLS/SSL), DNS Abuse and Consumer Safeguards and compliance.

Relevantly, auDA has been refining processes to improve the efficiency of contractual compliance and has updated its complaints process in new .au Licencing Rules, a key element of which requires complainants to first raise their complaint with the registrar, and then escalate to auDA with a copy of the decision made by the registrar.

At this event auDA learned more about similar approaches used by ICANN in contractual compliance processes with registrars, and about ICANN's structured system of providing escalating notices to registrars before a registrar agreement is cancelled.

auDA receives from the registry operator a daily report of domain names that are associated with DNS abuse, and is learning how other registry operators and registrars make use of that information in their abuse processes. While auDA can take action if the domain name holder has breached an auDA policy, it is generally up to the operator of an email or web hosting service to take action when a website is used for phishing or hosting malware, or an email address is associated with a cyberattack.

auDA has generally found that the existence of phishing webpages and malware is usually as a result of a website being hacked, meaning the registrant of the domain name continues to be eligible to hold the domain name.

auDA is investigating the best way to convey information on DNS Abuse to registrants, registrars, website hosting companies and email providers, notwithstanding that each operator has a different process for receiving reports, making it difficult to develop an automated and scalable solution.

The company will continue to monitor developments on minimising DNS Abuse at ICANN meetings and will share its own practices in combating DNS Abuse.



The .au registry operator provides a Registry Lock service, which helps prevent hackers from changing a domain name's DNS information by hacking a registrant's account at a registrar. The current service is not consistent with current international practice.

auDA is taking into account the lessons learnt at the GDD summit to work with Afilias to update the registry lock service to increase the protection it can provide for mission critical domain names.

### ICANN65, Marrakech, June 2019

High interest topics at ICANN Marrakech included policy aspects of DNS over HTTPS (DoH) and DNS over TLD (DoT), the effectiveness of the multi-stakeholder model and further sessions on WHOIS polices/GDPR and Universal Acceptance of new domain name spaces and IDNs.

Changes in how DNS queries are being made is an emerging topic at ICANN meetings and will affect the nature of DNS traffic received by DNS operators such as auDA. Most users in Australia receive their DNS services from their ISP, but increasingly users are choosing to use public DNS services such as Google (8.8.8.8), Quad9 (9.9.9.9), and Cloudflare (1.1.1.1). The use of a few large DNS providers may lead to market concentration and the ability of these companies to data mine user behaviour. It also means that users can bypass blocking of some websites that might be done through an ISP's DNS service. This will have implications for content regulators in Australia and to where auDA should locate its DNS servers globally to provide the best service. auDA is continuing to monitor this topic for implications for the configuration of its DNS services.

auDA continues to support the multi-stakeholder model of internet governance but is also aware of its limitations as more people become involved in policy development from a wider range of backgrounds and perspectives. Key challenges include the speed at which it operates (for example the introduction of direct registration at the second level of .au has taken more than five years and no significant improvements have been made to ICANN WHOIS policies for nearly 20 years) and the time needed by volunteers to meaningfully participate (many hours a week for multiple years).

ICANN has initiated a review of how it conducts policy development to improve the effectiveness of the multi-stakeholder model. For example,

ICANN used professional facilitators to help the ICANN community work on new bylaws as part of the IANA transition process. auDA used a similar approach for working with groups to develop a new constitution in facilitated meetings and workshops. auDA has now used the same facilitation approach to consider community feedback on the new .au licencing rules and is exploring new techniques for active participation in policy discussions via webinar using a virtual whiteboard.

Following the terrorist attack in Christchurch, New Zealand, ccTLD operators discussed how they can act quickly to prevent the use of domain names as part of a terrorist or major criminal activity that affects many users. auDA explained how it had developed the new public interest test in the .au Licensing Rules to allow law enforcement to contact auDA to request a rapid take down of a domain name where a significant portion of the public has been harmed. Internet NZ explained the action it took with respect to domain names involved in the incident and described a new policy development process it has initiated to consider handling of any future incidents. Other ccTLDs are considering similar processes and auDA encourages all TLD operators to develop processes allowing liaison with law enforcement and rapid action where it affects the public interest.

As part of auDA's new Associate Member program, auDA provided the opportunity for two Associate Members to attend the Marrakesh meeting and take international best practice to assist in improving their participation in local policy development activities. auDA sought applications from Associate Members and auDA's General Advisory Standing Committee (GASC) selected Kim Lowton and John Rundell to attend.

As part of implementing the recommendations from the 2017 Policy Review Panel on the introduction of direct registration at the second level of .au, auDA met with representatives from Nominet (.uk) and Internet NZ (.nz) to learn about how they ran advertising campaigns to raise awareness amongst their communities of the policy changes and also the priority registration process. This has helped auDA refine its plans for raising awareness of the ability to register names at the second level of .au and how existing registrants can participate in the priority process to register their matching names in .au.

### Asia Pacific Top Level Domain Association (APTLD)

APTLD is an organisation for ccTLD registries in the region. These range from large countries such as Russia, China and India, to smaller Pacific

Island countries such as New Zealand and Tuvalu. Established in 1998, it provides a forum for registries to canvas technological and operational issues, interface with other co-ordinating bodies and foster the participation of all regional ccTLDs in global forums.

auDA's main objective in participating in APTLD is to assist it to operate TLDs with best practice across policy, compliance and security to better protect Australian internet users that access internet resources using these ccTLDs.

auDA is an active member of APTLD and will host the group's next major international event in Melbourne in February 2020.

### APTLD74, Tashkent, September 2018

Key topics discussed at APTLD 74 included:

- how some ccTLDs, including Germany (.de) and New Zealand (.nz) have considered changes to their WHOIS policies to improve privacy following the introduction of GDPR regulation in Europe;
- how to manage registrants when a registrar agreement is terminated;
- the introduction of IDNs into a ccTLD and universal acceptance (e.g. .PФ in Russia);
- marketing programs to raise awareness of ccTLDs;
- cooperation with law enforcement (in .nz);
- business continuity for natural disasters (e.g. earthquakes, and tsunamis – Japan); and,
- security challenges with IDNs – e.g. Japanese (.jp), and Saudi Arabia (السعودية).

auDA took a particular interest in understanding how IDNs have been rolled out in other ccTLDs. Challenges include universal acceptance on various web forms and security implications when characters from one language set look like those from another. This will inform how auDA will roll out IDNs using languages from the Asia Pacific region: Chinese, Japanese, Korean, Arabic and Vietnamese in .au.

Business continuity is an important area for auDA as it works towards compliance with the ISO 22301 Business Continuity standard. auDA is developing the capability to take over from Afilias if its primary and

secondary sites are compromised in a disaster scenario that affects both Melbourne and Sydney. auDA is learning from ccTLDs that have experienced major natural disasters as the result of earthquakes, cyclones and tsunamis.

One consequence of cancelling a registrar agreement is helping registrants transfer to an alternative registrar. auDA last did this many years ago and is keen to learn how other ccTLD registries have managed more recent examples of registrar termination. This will allow auDA to refine documentation of its operational procedures and also allow internal exercises to test procedures as part of business continuity planning.

auDA's Chief Executive provided a briefing on auDA's registry transformation project, emphasising how auDA has focussed on improving the security of .au and minimising DNS Abuse. auDA is encouraging incorporating criteria related to improving DNS security in any registry tender in the region.

### APTLD75, Dubai, February 2019

Key topics included:

- use of local presence services;
- email address internationalisation and universal acceptance;
- registry lock services; and,
- application of local laws.

A common situation in ccTLDs that require a local presence to be eligible to register in the ccTLD is for foreign organisations or individuals to use a "local presence" service. Essentially this means someone in the country registers a domain name in their name and then makes it available for use by a party outside the country. The new .au Licencing Rules require that a registrant have an "Australian presence", which means that the registrant must be an Australian organisation, Australian citizen or Australian permanent resident. Taking into account the use of local presence arrangements in other ccTLDs, .au has proposed a restriction on sub-leasing of a domain name. This is to prevent persons without an Australian presence from being able to subvert Australian presence rules.

A key part of the roll out of Internationalized Domain Names (IDNs) in .au is the ability to use them in email addresses. auDA learnt how IDNs are



beginning to be used in email applications, providing confidence that the roll-out of IDNs in Australia will improve the utility of the .au name space for non-native English speakers.

auDA is reviewing the current registry lock service provided by Afilias Australia and plans to upgrade it to meet international best practice. auDA is attending sessions at international fora on how registry lock has been rolled out in other TLDs.

A key feature of ccTLDs is that registrants, regardless of their location, must use their domain name in compliance with local laws. Many countries are introducing new legislation that relates to internet services including better privacy protections and measures against terrorism and criminal activity online. auDA is applying learnings from other ccTLDs in this area to increase cooperation between auDA and the various government agencies in Australia responsible for enforcing Australian laws. The new public interest test in the .au licencing rules is intended to help facilitate cooperation between auDA and law enforcement in Australia.

auDA representatives also met with counterparts from Papua New Guinea to discuss operation of the .pg domain with respect to best practice across policy, compliance and security.

### **Internet & Jurisdiction Policy Network Conference, Berlin, June 2019**

The Internet & Jurisdiction Policy Network (I&J) is the multi-stakeholder organisation addressing the tension between the cross-border internet and national jurisdictions. The I&J's role is to develop policy standards and operational solutions to pressing legal challenges at the intersection of the global economy, human rights and security. The I&J has three streams of policy work: data and jurisdiction; content and jurisdiction; and domains and jurisdiction.

auDA's Manager of Policy and Strategy participated in the Domains and Jurisdiction program and concluded that:

- regulation is inevitable – especially in the absence of viable stakeholder driven policy solutions/responses;
- the 'internet community' has a window of opportunity to influence policy development and regulatory reform;

- the internet community also needs to develop a more proactive approach to deal with 'social harms' associated with the internet; and,
- existing stakeholder mechanisms lack legitimacy.

The I&J maintains a global database that tracks jurisdictional responses to internet related issues. It has also been working on a Global Status Report. auDA provided input into the survey in respect of legal developments in internet-related regulation (Encryption Act 2018), government policy changes and cybersecurity risks.

auDA is taking into account lessons from the program for considering how best to cooperate with law enforcement agencies outside Australia that are dealing with illegal activity involving domain names registered in the .au registry. These lessons have influenced the design of the public interest test in the .au Licencing Rules.

### **ICANN Processes**

auDA is involved in four ICANN processes:

1. Nominating Committee Working Group – auDA is seeking to improve the independence and skills of ICANN Board members that make decisions that affect Australian internet users;
2. Chair, special interest session GDPR – auDA is seeking to reinforce the need to have a workable WHOIS service in all gTLDs and ccTLDs to ensure consumer protection for Australian users of those TLDs;
3. Presentation DNSSEC working group – .au transition – auDA is seeking to improve the take up of DNSSEC security measures in .au and other regional TLDs that are used by Australian consumers; and,
4. Independent Review Process (IRP) working group – auDA has volunteered to contribute to improve ICANN's independent review process and also take learnings into improving processes in .au Licence Review Panel.

## Government engagement

The Commonwealth Government's Terms of Endorsement require auDA to:

- ensure stable, secure and reliable operation of the .au domain space;
- respond quickly to matters that compromise DNS security;
- promote principles of competition, fair trading and consumer protection;
- operate as a fully self-funding and not-for-profit organisation;
- actively participate in national and international technical and policy namespace fora to ensure that Australia's interests are represented and to identify trends and developments relevant to the administration of the .au namespace; and,
- establish appropriate dispute resolution mechanisms.

auDA's primary governmental relationship is with the Commonwealth Department of Communications and the Arts. The company's engagement is organised around quarterly meetings that track progress against recommendations from the Department to improve auDA's delivery against the Terms of Endorsement issued by the Government in April 2018. In addition, auDA engages with the Department on matters of policy.

auDA's responsibilities also require the organisation to liaise with government agencies responsible for cyber security and cyber safety. These include the Department of Home Affairs, Department of Foreign Affairs and Trade, Ambassador for Cyber Affairs, the Australian Competition and Consumer Commission, the eSafety Commissioner, the Australian Small Business and Family Enterprise Ombudsman, and the Department of Defence, Australian Signals Directorate and Australian Cyber Security Centre.

One of auDA's most active relationships is with the Commonwealth's Digital Transformation Agency, which is responsible for the gov.au namespace. The company also engages with the Agency's counterparts in Australian states and territories.

In 2018/19 auDA conducted extensive liaison and discussions with government departments and agencies on subjects including:

- security of the domain space such as DNSSEC
- organisational security
- ISO compliance
- auDA governance and performance
- external and international engagement
- licensing rules
- direct registration
- reserved .gov.au names



# Governance

As part of the transformation program, auDA has significantly transformed its governance arrangements. Following extensive consultation with members and endorsement at auDA's September 2018 Extraordinary General Meeting, in October 2018 auDA's new constitution came into effect. The new constitution takes into account principles of best practice governance, models of comparable organisations and feedback from members and government. It satisfies the company's obligations under its terms of endorsement as the .au domain administrator and will contribute to stability, good governance and the achievement of auDA's objects.

## Board

auDA's Board will now consist of four 'Elected Directors' and six 'Independent Directors' (including the chair), all of whom have been nominated by a Nomination Committee subject to approval by the Board having been selected on the basis of the board skills matrix.

This board composition and nomination process ensures that the auDA Board effectively represents stakeholders and possesses the skills, experience and background to make decisions in the best interests of the broader Australian internet community.

## Membership

auDA is transitioning to a new membership model, reported elsewhere in this document.

## Advisory Committees

auDA's Board now includes a Nomination Committee, a General Advisory Standing Committee, a Technical Advisory Standing Committee and other ad hoc advisory committees established by the Board. These Board Committees will advise the Board and seek input from stakeholders, improve stakeholder engagement and ensure that auDA's policies and actions best balance the public interest with the interest and views of auDA's many stakeholders.

## Nomination Committee

The formation of a Nomination Committee was a recommendation of the Australian Government's 2018 review of auDA's management frameworks.

The review, published in April 2018, recommended that board appointments be endorsed by a Nomination Committee, which includes representatives independent of auDA to ensure optimal transparency in the selection

process. The review also recommended the Committee establish a skills matrix and undertake probity and disclosure assessments to identify candidates suitable for appointment or election to auDA's Board.

The auDA constitution adopted on 27 September 2018 provided for the establishment of the Nomination Committee. Its role is to:

- ensure that the process of appointment and election of directors is transparent;
- oversee and assess the effectiveness of the board as a whole and the contribution of individual directors to its effectiveness;
- report on the effectiveness of the board; and,
- receive and consider notices of concern from Associate Members or Governing Members regarding the performance or conduct of directors.

Consistent with auDA's constitution, a charter for the Committee was approved by the board in September 2018. The charter outlines how the Committee will operate and function.

In October 2018 individuals were invited – in national print media advertising, online and via governance organisations such as the Australian Institute of Company Directors and the Governance Institute of Australia – to express interest in joining the Committee.

The Committee was established on 16 May 2019 when auDA's board, with approval from the Department of Communications and the Arts, appointed its members, who became Governing Members and members of the company for the purposes of the Corporations Act.

Committee members represent a range of sectors and expertise. The members first appointed were Chris Leptos AM, Richard Bean, Keith Besgrove, David Epstein, Karen Hayes AM, Jacqui Lefevre, Nikki Scholes and Neville Stevens AO.

The Government was represented initially by Richard Bullock, Assistant Secretary, Department of Communications and the Arts, and then from August 2019, by Vicki Middleton, First Assistant Secretary of the Department. The Government representative is not a Governing Member.

An additional Governing Member, Anne Hurley, was subsequently appointed.

Upon the resignation of the auDA Chair, Chris Leptos, in June 2019, Suzanne Ewart became Chair of both auDA and the Nomination Committee.

The Nomination Committee met five times in 2018/19 to review the auDA Board Skills Matrix, establish a selection process and recommend an executive search company to the auDA Board.

It also commenced identifying candidates for the independent director roles, including the chair, and reviewed auDA's complaints handling systems.



# Financial statements

# .au Domain Administration Limited

A.B.N. 38 079 009 340  
A company limited by guarantee

## Annual Financial Report 30 June 2019

## Contents

	<b>Page</b>
Directors' report	56
Consolidated statement of profit or loss and other comprehensive income	62
Consolidated statement of financial position	63
Consolidated statement of changes in equity	64
Consolidated statement of cash flows	65
Notes to the consolidated financial statements	66
Directors' declaration	85
Lead auditor's independence declaration	86
Independent auditor's report	87



**.au Domain Administration Limited  
Directors' report**

For the year ended 30 June 2019

The directors present their report together with the financial report of .au Domain Administration Limited (the "Group") consisting of .au Domain Administration Limited (the "Company") and the entities it controlled for the financial year ended 30 June 2019 and the auditor's report thereon.

**1. Directors**

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

<i>Name</i>	<i>Appointment date</i>	<i>Resignation date (if applicable)</i>
Suzanne Ewart	16 November 2017	
Damian Smith	11 May 2018	
Erhan Karabardak	12 November 2012	
Grant Wiltshire	30 November 2015	
Harriet Raiche	11 May 2018	
James Deck	27 November 2017	
Joseph Manariti	12 November 2012	
Nigel Phair	11 May 2018	
Sandra Hook	24 April 2017	
Christopher Leptos AM	20 November 2017	17 June 2019
Cameron Boardman*	30 August 2016	27 October 2018
Timothy Connell	28 November 2016	7 August 2018

\* Cameron Boardman ceased to be a director of the company following implementation of the new Constitution in October 2018

**Suzanne Ewart – Chair and Independent Director**

Ms Ewart is an experienced chair and non-executive director and is currently serving on the boards of various state government bodies, private and public companies. She has deep experience chairing board committees including audit, risk, finance, infrastructure and remuneration. Ms Ewart is the principal of a corporate advisory business and has provided strategy, change management and business transformation, treasury and finance advice to various ASX listed companies. Ms Ewart is a former chair, non-executive director and CFO of start-up ecommerce, digital and biotech businesses and has significant experience in M&A activities, divestments, corporate finance, capital market initiatives, and new business start-ups. Ms Ewart held senior operational and financial roles with ASX top 20 companies, including Woodside, Fosters Group, NAB, and Telstra. Ms. Ewart is a non-executive director of Dexu Wholesale Property Fund Ltd, TT Line Pty Ltd and Chairs her local Bendigo Community Bank.

**.au Domain Administration Limited  
Directors' report**

For the year ended 30 June 2019

**1. Directors (continued)**

**Damian Smith – Director**

Mr Smith has over 2 decades' experience in senior leadership positions in technology businesses in both Australia and internationally. He has held Chief Executive Officer roles for several businesses, including LookSmart (one of Australia's first NASDAQ-listed entities), RateCity and Nuix.

Mr Smith also serves as a Non-Executive Director for the Australasian Medical Publishing Company Limited, publisher of the Medical Journal of Australia. He is also a Director of the auDA Foundation.

He holds a Masters in Public Policy from the John F Kennedy School of Government at Harvard University, a Bachelor of Arts from the University of Sydney and is a Graduate member of the Australian Institute of Company Directors.

**Erhan Karabardak – Director**

Mr Karabardak is a technology lawyer and Trade Marks Attorney. He is a Director of Cooper Mills Lawyers and has been practising law for over 20 years.

Mr Karabardak has been involved in the domain name industry for almost two decades and has represented domain name owners, registrars and resellers. Mr Karabardak is currently a Non-Executive Director of Asia Pacific Top Level Domain Association (apTLD) (which represents over 60 TLD and ccTLD operators), and Deputy Chairman of auDA. Before being appointed to the auDA Board, he served on various auDA Policy panels (since 2004), including the Industry Advisory Panel of 2012.

Mr Karabardak has a strong interest in Cybersecurity, and has undertaken further studies in Cybersecurity at Harvard University. He has served on the auDA Board's Risk Committee and the Governance Committee.

Mr Karabardak acts for brand owners, in the management and protection of their intellectual property rights. He acts for both national and international clients, including well known global brands. He is regularly engaged to provide expert advice and commentary on domain name and trademark issues. He is recognised as a leading trademark professional by the World Trademark Review 2016, 2017, 2018 and 2019 (The World's Leading Trademark Professionals).

**Grant Wiltshire – Director**

Mr Wiltshire is self-employed delivering consultancy services across leadership, sales, business and management. He has been an executive with the Victorian Government and the owner of various businesses.

Mr Wiltshire spent 23 years at Telstra. From 2005-2011, Mr Wiltshire was Telstra's Executive Director for Victoria and Tasmania – accountable for over \$2.5 billion in revenue and managed Telstra's operations throughout both states.

Mr Wiltshire's education background is extensive and includes accounting, marketing, commercial law, business management, Australian Institute of Company Directors, Advanced Diploma of Management, Australian Graduate School of Management and many domestic and global leadership programs.

Over the years, Mr Wiltshire has sat on various boards, many of them in a voluntary capacity.

**1. Directors (continued)**

**Harriet (Holly) Raiche – Director**

Ms Raiche is a Director of Internet Australia (the Australian Chapter of ISOC), of the Australian Communications Consumer Action Network, (ACCAN) and of the Australian Privacy Foundation. Ms Raiche is a member of the Internet Corporation of Assigned Names' (ICANN) At-Large Advisory Committee (ALAC), representing ALAC's Asia-Pacific Regional Organisation. She is also a member of the Communications and Media Law Association.

Ms Raiche has an MA and an LLB, is a non-practising solicitor in New South Wales. She is an Adjunct Lecturer at the Law Faculty of University of New South Wales, where she teaches Communications Law, and also lectures at the Department of Media and Communications at Sydney University in Internet Cultures and Governance.

**James Deck - Director**

Mr Deck has been a Director of auDA since November 2017. He is an Executive Director of Clevvi, a Queensland based firm specialising in web design, digital marketing, software engineering and IT strategy. He has participated in a number of startups, most recently the "FridgeBrain" remotely monitored vaccine refrigerator.

Prior to joining the board, Mr Deck's involvement in auDA included serving on the 2012 Industry Advisory Panel and 2015 Names Panel. He is also a Director of the auDA Foundation.

Mr Deck is Chair of the Australian Web Industry Association.

Mr Deck has an MBA from the University of Southern Queensland and is a Graduate member of the Australian Institute of Company Directors.

**Joseph Manariti – Director**

In 1996, Mr Manariti founded SWiM Communications, a digital agency practising in website development, eCommerce, online applications and content strategy. Earlier, Mr Manariti was a manager with Fairfax at both The Age and Business Review Weekly. His business was also Australia's first auDA Registered Domain Reseller. He is passionate about web industry best practice and next gen development.

**Nigel Phair – Director**

Adjunct Professor Nigel Phair is Director of auDA and holds a portfolio of executive and non-executive roles. He is Executive Director, UNSW Canberra Cyber; Non-Executive Director of the Canberra Institute of Technology, Molonglo Financial Services and Canberra Cemeteries. He has previously chaired a number of non-for-profit organisations. Adjunct Professor Phair is an influential analyst on the intersection of technology, crime and society. Adjunct Professor Phair has published three acclaimed books on the international impact of cybercrime, is a regular media commentator and provides executive and board advice on strategy, risk & governance of technology.

In a 21 year career with the Australian Federal Police Adjunct Professor Phair achieved the rank of Detective Superintendent and headed up investigations at the Australian High Tech Crime Centre for four years. He holds post-graduate qualifications in law and public policy.

**2. Directors (continued)**

**Sandra Hook – Independent Director**

Ms Hook has a track record in driving customer-centred business transformation and transitioning traditional organisations in rapidly evolving environments. She has extensive operational, digital, financial management and strategic experience built over 25 years as a CEO and in senior executive roles for some of Australia's largest media companies including News Limited, Foxtel, Federal Publishing Company, Murdoch Magazines and Fairfax.

Since 2000 she has also served as a non-executive director on listed, public and private companies and government bodies. Ms Hook is currently an independent director of digital/technology companies RXP Services Ltd, MedAdvisor Ltd as well as IVE Group Limited and the Sydney Fish Market. She is a trustee of the Sydney Harbour Federation Trust and the Royal Botanic Gardens and Domain Trust.

**3. 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 Company during the financial year were:

Director	Board meetings		Finance and audit committee		Security and risk committee		Governance committee	
	A	B	A	B	A	B	A	B
Suzanne Ewart	13	14	12	13	10	10		
Damian Smith	12	14			5	10		
Erhan Karabardak	13	14					5	5
Grant Wiltshire	12	14					5	5
Harriet Raiche	11	14					4	5
James Deck	14	14			10	10		
Joseph Manariti	13	14			10	10		
Nigel Phair	12	14			10	10		
Sandra Hook	13	14	12	13			5	5
Christopher Leptos AM	14	14	13	13				
Cameron Boardman*	6	6	3	4	3	5	2	2
Timothy Connell	2	2					1	1

A - number of meetings attended

B - number of meetings held during the time the director held office during the year

\* - Cameron Boardman ceased to be a director of the company following implementation of the new Constitution in October 2018

**4. Principal activities**

The principal activities of the Group during the year ended 30 June 2019 comprised of management of .au Domain name space. There were no changes in the nature of the activities of the Group during the year.

**.au Domain Administration Limited  
Directors' report**

For the year ended 30 June 2019

**5. Operating and financial review**

Revenue from operations for the year ended 30 June 2019 was \$4,799,024 (2018: \$7,865,797). The result for the year ended 30 June 2019 is a loss of \$4,522,314 (2018: Loss of \$1,512,912).

For the year to 30 June 2019 the Group generated net cash from operating activities of \$6,853,394 (2018: used \$495,163).

	2019	2018	Variance
	\$	\$	\$
Revenue from operations	4,799,024	7,865,797	3,066,773
Loss for the year	(4,522,314)	(1,512,912)	(3,009,402)
Net cash from/(used in) operating activities	6,853,394	(495,163)	7,348,557

This is the first set of the Group's annual financial statements in which AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments have been applied, refer to note 2(f) of the financial statements. The loss in the current period is attributable to significant changes in the Group's accounting policies, specifically the adoption of AASB 15 Revenue from Contracts with Customers which resulted in a change in revenue recognition. Had the Group not adopted AASB 15, revenue and the net result for the year would have been \$12,092,717 higher with revenue of \$16,891,741 and profit of \$7,570,403.

**6. 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.

**7. Likely developments**

There are no likely developments that will have an effect on the Group's operations or the expected results of its operations.

**8. 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 Company, to affect significantly the operations, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

**9. Member's guarantee**

The Company is limited by guarantee. If the Company is wound up the constitution states that each governing is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company. At 30 June 2019, the number of governing members was 7. (At 30 June 2018 under the former constitution the combined number of supply and demand class members was 1,344)

**10. Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 86 and forms part of the Directors' Report for the year ended 30 June 2019.

**.au Domain Administration Limited  
Directors' report**

For the year ended 30 June 2019

This report is made with a resolution of the Directors:



Suzanne Ewart  
Executive Chair

Dated at Melbourne this 18<sup>th</sup> day of October 2019



**.au Domain Administration Limited**  
**Consolidated statement of profit or loss and other comprehensive income**

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	4(a)	4,799,024	7,865,797
Other income	5	727	467,583
Employee benefits expense	6	(3,432,534)	(3,085,093)
Consultancy expense	7	(2,169,718)	(4,247,022)
Domain Name System infrastructure expense		(653,734)	(789,529)
Marketing and communication expense		(1,793,059)	(276,874)
Travel expense		(442,261)	(350,991)
Directors' remuneration expense		(276,426)	(285,431)
Professional subscriptions expense		(236,902)	(281,612)
Occupancy expense		(102,445)	(116,589)
Depreciation and amortisation expense		(195,210)	(135,413)
Other expenses		(697,282)	(496,658)
<b>Result from operating activities</b>		<b>(5,199,820)</b>	<b>(1,731,832)</b>
Finance income	8	683,167	232,439
Finance costs	8	(5,661)	(13,519)
<b>Net finance income</b>		<b>677,506</b>	<b>218,920</b>
<b>Loss before tax</b>		<b>(4,522,314)</b>	<b>(1,512,912)</b>
Income tax expense	3(j)	-	-
<b>Loss for the year</b>		<b>(4,522,314)</b>	<b>(1,512,912)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Available-for-sale assets – net change in fair value		-	209,575
<b>Total other comprehensive income, net of tax</b>		<b>-</b>	<b>209,575</b>
<b>Total comprehensive income</b>		<b>(4,522,314)</b>	<b>(1,303,337)</b>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**.au Domain Administration Limited**  
**Consolidated statement of financial position**

As at 30 June 2019

	Note	2019 \$	2018 \$
<b>Assets</b>			
Cash and cash equivalents	9(a)	10,492,836	3,243,175
Trade and other receivables	10	2,015,032	1,039,127
Investments	11	2,210,000	2,770,000
<b>Total current assets</b>		<b>14,717,868</b>	<b>7,052,302</b>
Other assets		134,608	144,980
Investments	11	9,193,650	8,931,560
Property, plant and equipment	12	782,410	827,330
<b>Total non-current assets</b>		<b>10,110,668</b>	<b>9,903,870</b>
<b>Total assets</b>		<b>24,828,536</b>	<b>16,956,172</b>
<b>Liabilities</b>			
Trade and other payables	13	1,211,428	1,328,912
Deferred income	4(b)	7,756,421	78,970
Employee benefits		317,675	246,314
<b>Total current liabilities</b>		<b>9,285,524</b>	<b>1,654,196</b>
Deferred income	4(b)	4,441,428	-
Other liabilities		321,922	-
Provision for make good		53,000	53,000
<b>Total non-current liabilities</b>		<b>4,816,350</b>	<b>53,000</b>
<b>Total liabilities</b>		<b>14,101,874</b>	<b>1,707,196</b>
<b>Net assets</b>		<b>10,726,662</b>	<b>15,248,976</b>
<b>Equity</b>			
Asset revaluation reserve		-	115,326
Retained earnings		10,726,662	15,133,650
<b>Total equity</b>		<b>10,726,662</b>	<b>15,248,976</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**.au Domain Administration Limited**  
**Consolidated statement of changes in equity**

For the year ended 30 June 2019

	Note	Asset revaluation reserve \$	Retained earnings \$	Total Equity \$
Balance at 1 July 2017		(94,249)	16,646,562	16,552,313
<b>Total comprehensive income</b>				
Loss		-	(1,512,912)	(1,512,912)
Other comprehensive income		209,575	-	209,575
<b>Total comprehensive income</b>		<b>209,575</b>	<b>(1,512,912)</b>	<b>(1,303,337)</b>
<b>Balance at 30 June 2018</b>		<b>115,326</b>	<b>15,133,650</b>	<b>15,248,976</b>
Opening balance at 1 July 2018		115,326	15,133,650	15,248,976
Adjustment on initial application of AASB 9	2(f)	(115,326)	115,326	-
Adjusted Balance at 1 July 2018		-	<b>15,248,976</b>	<b>15,248,976</b>
<b>Total comprehensive income</b>				
Loss		-	(4,522,314)	(4,522,314)
Other comprehensive income		-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>(4,522,314)</b>	<b>(4,522,314)</b>
<b>Balance at 30 June 2019</b>		<b>-</b>	<b>10,726,662</b>	<b>10,726,662</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**.au Domain Administration Limited**  
**Consolidated statement of cash flows**

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Cash received from customers		17,576,239	9,096,926
Cash paid to suppliers and employees		(11,156,060)	(9,883,823)
Finance income received		433,215	291,734
<b>Net cash from/(used in) operating activities</b>	9(b)	<b>6,853,394</b>	<b>(495,163)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investments		858,857	92,084
Proceeds from disposal of plant and equipment		74	-
Acquisition of investments		(312,300)	(1,916,183)
Acquisition of plant and equipment		(150,364)	(790,312)
<b>Net cash from/(used in) investing activities</b>		<b>396,267</b>	<b>(2,614,411)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash from financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		7,249,661	(3,109,574)
Cash and cash equivalents at 1 July		3,243,175	6,352,749
<b>Cash and cash equivalents at 30 June</b>	9(a)	<b>10,492,836</b>	<b>3,243,175</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**1. Reporting entity**

These consolidated financial statements comprise .au Domain Administration Limited (the 'Company') and its subsidiaries (together referred to as the 'Group') as at and for the year ended 30 June 2019.

.au Domain Administration Limited is a public company limited by guarantee, incorporated and domiciled in Australia and the address of the Company's registered office is Level 17, 1 Collins Street, Melbourne, Victoria, Australia. The Group is a not-for-profit entity.

**2. Basis of preparation**

**(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.

This is the first set of the annual financial statements in which AASB 9 Financial Instruments, AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers have been applied. Changes to significant accounting policies are described in Note 2(f).

They were authorised for issue by the Board of Directors on 18 October 2019. Details of the Group's accounting policies are included in Note 3.

**(b) Basis of measurement**

These 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 financial statements are presented in Australian dollars, which is the Group's functional currency.

**(d) Use of estimates and judgement**

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**(e) Terms of Endorsement**

On 18th of April, 2018 the Commonwealth Government published new Terms of Endorsement (ToE) for the Company as the appropriate entity to hold the delegation of authority for administration of the .au control code top level domain. The Company is operating under the new ToE and is implementing the 29 recommendations for reform outlined in the Department of Communications and the Arts' (DoCA) "Review of the .au Domain Administration". The ongoing support of DoCA and retention of the Commonwealth Government's endorsement is relevant to the Company's capacity to continue as a going concern.

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**2. Basis of preparation (continued)**

**(e) Terms of Endorsement (continued)**

The Directors are confident that the Company will maintain its endorsement for the following reasons:

- The 29 recommendations and ToE have been accepted by the Company and a comprehensive implementation plan to address the necessary reforms has been embarked upon and demonstrable progress has been achieved on the requirements against the Commonwealth Government's timeline for reform.
- Several key milestones in undertaking reform have been achieved since the release of the ToE, including:
  - Formation of a Constitutional Model Working Group which from May 2018 to September 2018 worked with Directors, Management and industry stakeholders to develop a new constitution.
    - Within the new constitution, a transparent Nomination Committee process has been established to appoint Board members, encompassing of a Board Skills Matrix and Board Charter.
    - Further, the new constitution brings increased independent director representation to bring stability and improved governance
  - Adoption by members of the new constitution and cancellation of existing class rights was completed at an Extraordinary General Meeting held on the 27<sup>th</sup> of September, 2018 (prior to the Commonwealth Government's deadline of mid-October 2018).
  - Formation in May 2019 of the Company's Nomination Committee.
    - The Nominations Committee has embarked upon a search for a new Chair, Independent Directors and Elected Directors to be appointed following the 2019 Annual General Meeting. This search had progressed and announcements on the reconstitution of the Company's Board are pending.

The Directors and Management continue to work collaboratively to enhance the Company's performance in responding to the ToE and to continue to deliver a secure and stable .au namespace.

As at September 2019, DoCA have communicated that the Company was on track to implement reforms to achieve compliance with the new ToE by April 2020. Given the reforms undertaken by the Company to date, the Directors have no reason to believe that the endorsement will not be maintained.

Should the reform agenda not be met to the satisfaction of DoCA and the endorsement of the Company be withdrawn, the Directors are of the opinion that the Company could scale back its operations in an orderly fashion and that the Company currently has the financial capacity to do so in a manner which would facilitate paying its debts as and when they become due and payable. In the unlikely event of the Company being wound up as a result of its endorsement being withdrawn, any property or money remaining after the satisfaction of all debts and liabilities must be dealt with as set out in Note 3(l).



**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**2. Basis of preparation (continued)**

**(f) Change in accounting policies**

**(i) AASB 9 Financial Instruments**

The Group has adopted AASB 9 Financial Instruments from 1 July 2018 which replaces AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities and a new model for calculating the provision for doubtful debts (now termed the credit loss allowance).

The adoption of AASB 9 Financial Instruments from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 3(b) and 3(d).

The impact on the Group from the adoption of AASB 9 is set out below.

*(i) Classification and measurement*

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. AASB 9 eliminates the previous AASB 139 categories of held to maturity, loans and receivables and available-for-sale. AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial liabilities.

The following table explains the original measurement categories under AASB 139 and the new measurement categories under AASB 9 for each class of the Group's financial assets and financial liabilities as at 1 July 2018. The effect of adopting AASB 9 had no impact on the carrying amounts of financial assets at 1 July 2018.

	Original classification under AASB 139	New classification under AASB 9
<b>Financial assets</b>		
Managed funds	Available-for-sale	FVTPL
Equity securities	Available-for-sale	FVTPL
Term deposits	Held to maturity	Amortised cost
Cash and cash equivalents	Held to maturity	Amortised cost
Trade and other receivables	Loans and receivables	Amortised cost
<b>Financial liabilities</b>		
Trade and other payables	Other financial liabilities	Other financial liabilities

The following table summarises the impact, net of tax, of transition to AASB 9 on the opening balance of reserves and retained earnings. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated.

	Retained earnings	Asset revaluation reserve
Closing balance – 30 June 2018	15,133,650	115,326
Reclassify financial assets from available-for-sale to FVTPL	115,326	(115,326)
Opening balance – 1 July 2018	15,248,976	-

*(ii) Credit losses on trade receivables*

The Group has elected to apply the simplified approach to measuring expected credit losses, using the lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. A provision matrix is then determined based on the historic credit loss rate for each group, adjusted for any material expected changes to the future credit risk for that group.

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**2. Basis of preparation (continued)**

**(f) Change in accounting policies (continued)**

**(i) AASB 9 Financial Instruments (continued)**

The difference between the credit loss allowances calculated under AASB 9 compared to the incurred loss calculated under AASB 139 is not material to the Group.

**(ii) AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers**

The Group has adopted AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers from 1 July 2018, which replaces AASB 118 Revenue.

AASB 15 establishes a principles-based approach for revenue recognition whereby revenue is recognised when performance obligations are satisfied and the control of goods or services is transferred. The new accounting policies are set out in note 3(g).

In relation to registry licence fees, the adoption of AASB 15 has changed the timing of revenue recognition from point in time to over time. Under AASB 15 registry licence fees is characterised a licence of intellectual property. Under the terms of the licencing agreement, the identified performance obligations of the Group are both the licence of intellectual property and the technical management of the .au zone file in order for Afilias to benefit from its licence rights. The performance obligations are satisfied over time as Afilias receives and consumes the benefits provided by the Group's continuous maintenance of the .au zone file during the life of the licencing agreement. As such, revenue is recognised over the course of the domain registration period (e.g. revenue of a 5 year domain registration is recognised on a straight line basis over the 5 year period). Domain registrations can vary between 1 and 5 years in length. Under AASB 118, revenue was recognised at the point of domain registration.

In relation to registrar fees, the adoption of AASB 15 has not impacted the timing of revenue recognition which continues to occur over time.

The Group has adopted AASB 15 using the cumulative effect method together with applying the completed contracts practical expedient, with the effect of initially applying this standard recognised as the date of initial application (i.e. 1 July 2018). Accordingly, the information presented for 2018 has not been restated i.e. it is presented, as previously reported, under AASB 118, and related Interpretations. The following tables summarise the impacts of adopting AASB 15 on the Group's statement of financial position as at 30 June 2019 and its statement of profit or loss and OCI for the year then ended for each of the line items affected. There was no material impact on the Group's statement of cash flows for the year ended 30 June 2019.

**Impact on the consolidated statement of financial position**

	As reported \$	Adjustments \$	Amounts without adoption of AASB 15 \$
Deferred income	7,756,421	(7,651,289)	105,132
Total current liabilities	9,285,524	(7,651,289)	1,634,235
Deferred income	4,441,428	(4,441,428)	-
Total non-current liabilities	4,816,350	(4,441,428)	374,922
Total liabilities	14,101,874	(12,092,717)	2,009,157
Net assets	10,726,662	12,092,717	22,819,379
Retained earnings	10,726,662	12,092,717	22,819,379
Total equity	10,726,662	12,092,717	22,819,379

.au Domain Administration Limited  
Notes to the consolidated financial statements

For the year ended 30 June 2019

2. Basis of preparation (continued)

(f) Change in accounting policies (continued)

(ii) AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers (continued)

Impact on the consolidated statement of profit or loss and OCI

	As reported \$	Adjustments \$	Amounts without adoption of AASB 15 \$
Revenue	4,799,024	12,092,717	16,891,741
Result from operating activities	(5,199,820)	12,092,717	6,892,897
Loss before tax	(4,522,314)	12,092,717	7,570,403
Loss for the year	(4,522,314)	12,092,717	7,570,403
Total comprehensive income	(4,522,314)	12,092,717	7,570,403

3. Significant accounting policies

The accounting policies set out below have been applied consistently by all Group entities.

(a) 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.

(b) 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) 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.

.au Domain Administration Limited  
Notes to the consolidated financial statements

For the year ended 30 June 2019

3. Significant accounting policies

(b) Foreign currency transactions (continued)

(ii) Financial assets (continued)

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 at amortised cost:

The Company 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 Company recognises the following financial assets in this category: Managed funds, equity securities.

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.

(iii) Financial liabilities

Financial liabilities are classified as measured at amortised cost. 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. The Company recognises the following liabilities in this category: Trade and other payables, other liabilities.

(c) 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.

(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.

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**3. Significant accounting policies (continued)**

**(c) Plant and equipment (continued)**

**(iii) Depreciation**

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally 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:

	2019	2018
Office equipment	5 years	5 years
Leasehold Improvements	5 years	5 years
Computer equipment	4 years	4 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.

**(d) 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.

**(e) 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.

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**3. Significant accounting policies (continued)**

**(e) Employee benefits (continued)**

**(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, 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.

**(f) 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 premise to its original condition, taking into account due consideration of the Group's past history of vacating office premises.

**(g) Revenue**

**(i) Registry licence fees**

Registry licence fees are charged by the Group to Afilias Australia Pty Ltd (Afilias), the Registry Operator, for licencing of the .au registry. Fees are charged by reference to the volume of domain names registered in the .au domain space each period by Afilias. 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 Afilias, and the technical management of the .au zone file in order for Afilias to benefit from its licence rights. The performance obligations are satisfied over time as Afilias receives and consumes the benefits provided by the Group's continuous maintenance of the .au zone file during the life of the licencing 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 registrations can vary between 1 and 5 years in length.

Prior to 1 July 2018, the Registry Operator was AusRegistry Pty Ltd.

**(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 amount received is deferred, and is recognised as revenue over the duration of the registration period.

**(ii) Donations**

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when recoverability of the consideration is probable. Revenue is comprises income from donations from customers of the .au domain space.

**(iii) Membership fees**

Membership fees are recognised in profit or loss as membership services are provided. This fee was revoked from October 2018 due to change in the Company Constitution and membership structure.



**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**3. Significant accounting policies (continued)**

**(h) Leases**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

*Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

**(i) Finance income and finance costs**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on finance leases and the financial effect of unwinding of the make good provision. 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.

**(j) Income tax**

No income tax expense is charged and no income tax is payable by the Group as the Australian Taxation Office ("ATO") has granted the group entities an exemption from income tax.

**(k) Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**3. Significant accounting policies (continued)**

**(l) Corporate structure**

The Company is incorporated in Australia and is an unlisted public company limited by guarantee. In the event of the Company being wound up or dissolved, the right to administer the .au country code top level domain any property that remains after settlement of all its debts and liabilities, may not be distributed among the members, but must be transferred on to another entity nominated or approved by the Commonwealth of Australia or, in the absence of such approval, be transferred to the Commonwealth of Australia.

At the end of the financial year the Company had 7 members (2018: 1,344 members).

**(m) 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 arising from intra-group transactions, are eliminated.

**(n) New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019, and have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below.

**(i) AASB 16 Leases**

AASB 16 removes the lease classification test for lessees and requires all leases (including those classified as operating leases) to be brought onto the balance sheet. There is new guidance on when an arrangement would meet the definition of a lease. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time.

The Group has elected to transition to AASB 16 on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings on 1 July 2019, with no restatement of comparative information.

Based on the elected transition method, the Group will recognise a lease liability of approximately \$610,000 and a corresponding right of use asset of approximately \$610,000. There will be no impact to opening retained earnings. The Group has only identified one real estate lease. The group's future minimum lease payments under non-cancellable operating leases are disclosed in Note 16(a)

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

4(a). Revenue	2019	2018
	\$	\$
<b>Revenue from contracts with customers</b>		
Registry licence fees	4,692,839	7,338,439
Registrar fees	120,129	94,780
	<u>4,812,968</u>	<u>7,433,219</u>
<b>Other revenue</b>		
Donations	10,895	397,838
Membership fees	(24,839)	34,740
	<u>(13,944)</u>	<u>432,578</u>
<b>Total revenue</b>	<u>4,799,024</u>	<u>7,865,797</u>

**4(b). Deferred income**

Recorded in the consolidated statement of financial position is deferred income in relation to registry licence fees of \$12,092,717 (2018: \$0) and deferred income in relation to registrar fees of \$105,132 (2018: \$78,970).

5. Other income	2019	2018
	\$	\$
Payroll tax recovery	-	465,398
Other	727	2,185
	<u>727</u>	<u>467,583</u>

**6. Employee benefits expense**

	2019	2018
	\$	\$
Wages and salaries	3,117,484	2,830,428
Contributions to defined contribution plans	228,880	213,257
Other employment expenses	86,170	41,408
	<u>3,432,534</u>	<u>3,085,093</u>

**7. Consultancy expense**

	2019	2018
	\$	\$
Registry tender costs	-	1,481,479
Other	2,169,718	2,765,543
	<u>2,169,718</u>	<u>4,247,022</u>

**8. Finance income and finance costs**

	2019	2018
	\$	\$
Change in fair value of financial assets classified at FVTPL	248,652	-
Interest income	108,730	63,766
Dividend income	325,785	168,673
<b>Finance income</b>	<u>683,167</u>	<u>232,439</u>
Net foreign exchange losses	(5,661)	(13,519)
<b>Finance costs</b>	<u>(5,661)</u>	<u>(13,519)</u>
<b>Net finance income</b>	<u>677,506</u>	<u>218,920</u>

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**9. Cash and cash equivalents**

**a) Components of cash and cash equivalents**

	2019	2018
	\$	\$
Cash at bank	10,487,071	3,237,916
Cash on hand	5,765	5,259
	<u>10,492,836</u>	<u>3,243,175</u>

**b) Reconciliation of loss after tax to cash flows from operating activities**

	2019	2018
	\$	\$
Loss for the year	(4,522,314)	(1,512,912)
Adjusted for non-cash items in net profit:		
- Depreciation and amortisation	195,210	135,413
- Change in fair value of financial assets at FVTPL	(248,652)	-
Decrease/(increase) in trade and other receivables	(975,905)	98,838
Decrease/(increase) in other assets	10,372	(7,423)
Increase/(decrease) in trade and other payables	(117,479)	589,947
Increase/(decrease) in deferred income	12,118,879	-
Increase/(decrease) in employee benefits	71,361	147,974
Increase/(decrease) in other liabilities	321,922	-
Increase/(decrease) in provision for makegood	-	53,000
<b>Net cash from/(used in) operating activities</b>	<u>6,853,394</u>	<u>(495,163)</u>

**10. Trade and other receivables**

	2019	2018
	\$	\$
Trade receivables	1,724,570	604,980
Other receivables	5,434	1,375
Accrued income	-	106,838
Prepayments	285,028	325,934
	<u>2,015,032</u>	<u>1,039,127</u>

The trade receivables balance is recorded net of a loss allowance of \$3,696 (2018: \$17,076). No amounts were written of during the year (2018: nil).

**11. Investments**

	2019	2018
	\$	\$
<b>Current</b>		
Term deposits	2,210,000	2,770,000
	<u>2,210,000</u>	<u>2,770,000</u>
<b>Non-current</b>		
Equity securities	812,520	790,421
Managed funds	8,381,130	8,141,139
	<u>9,193,650</u>	<u>8,931,560</u>

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**12. Plant and equipment**

	Office equipment \$	Leasehold improvement \$	Computer equipment \$	Total \$
<b>Cost</b>				
Balance at 1 July 2017	195,328	44,404	440,984	680,716
Acquisitions	148,305	602,799	92,208	843,312
Disposals	(162,822)	(44,404)	(106,045)	(313,271)
<b>Balance at 30 June 2018</b>	<b>180,811</b>	<b>602,799</b>	<b>427,147</b>	<b>1,210,757</b>
Balance at 1 July 2018	180,811	602,799	427,147	1,210,757
Acquisitions	2,680	52,709	94,975	150,364
Disposals	-	-	(74)	(74)
<b>Balance at 30 June 2019</b>	<b>183,491</b>	<b>655,508</b>	<b>522,048</b>	<b>1,361,047</b>
<b>Accumulated depreciation</b>				
Balance at 1 July 2017	186,162	33,151	330,152	549,465
Depreciation	26,131	78,274	31,008	135,413
Disposals	(161,523)	(36,490)	(103,438)	(301,451)
<b>Balance at 30 June 2018</b>	<b>50,770</b>	<b>74,935</b>	<b>257,722</b>	<b>383,427</b>
Balance at 1 July 2018	50,770	74,935	257,722	383,427
Depreciation	27,111	103,955	64,144	195,210
Disposals	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>77,881</b>	<b>178,890</b>	<b>321,866</b>	<b>578,637</b>
<b>Carrying amounts</b>				
<b>At 30 June 2018</b>	<b>130,041</b>	<b>527,864</b>	<b>169,425</b>	<b>827,330</b>
<b>At 30 June 2019</b>	<b>105,610</b>	<b>476,618</b>	<b>200,182</b>	<b>782,410</b>

**13. Trade and other payables**

	2019 \$	2018 \$
Trade payables	377,186	365,678
Other payables and accrued expenses	834,242	936,946
Grants payable	-	26,288
	<b>1,211,248</b>	<b>1,328,912</b>

**14. 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	
		2019	2018
auDA Foundation Pty Ltd	Australia	100%	100%
auDA Foundation (a public charitable trust)	Australia	100%	100%

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**15. Related parties**

**(a) Transactions with key management personnel**

Key management personnel of the Group comprise of the Directors and 4 members of the executive management (2018: Directors and the 4 members of the executive management). The key management personnel compensation is outlined below. There are no other transactions with the Group's key management personnel.

	2019 \$	2018 \$
Short-term employee benefits	1,485,652	1,225,459
Post-employment benefits	115,468	90,891
Other long-term benefits	-	-
Termination benefits	-	183,333
<b>Key management personnel compensation</b>	<b>1,601,120</b>	<b>1,499,683</b>

**(b) Other related party transactions**

There are no other related party transactions with the Group.

**16. Commitments**

**(a) Lease commitments**

The Group leases office space under a non-cancellable operating lease expiring within five years. On renewal, the terms of the leases are renegotiated. Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2019 \$	2018 \$
Within one year	103,407	96,427
Later than one year but not later than five years	593,967	697,375
	<b>697,374</b>	<b>793,802</b>

**(b) Capital commitments**

There are no significant capital commitments as at 30 June 2019 (2018: nil).

**17. Auditors' Remuneration**

	2019 \$	2018 \$
<b>Auditors of the Company – KPMG</b>		
Audit and review of financial statements	80,500	84,562
<i>Other services</i>		
Financial statement compilation services	12,000	6,304
Agreed upon procedures	-	38,950

**18. Financial Instruments – Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. 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.



**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**18. Financial Instruments – Accounting classifications and fair values (continued)**

**30 June 2019**

	Note	Amortised cost	FVTPL	Other financial liabilities	Total
<b>Financial assets measured at fair value</b>					
Equity securities	11	-	812,520	-	812,520
Managed funds	11	-	8,381,130	-	8,381,130
<b>Total</b>		<b>-</b>	<b>9,193,650</b>	<b>-</b>	<b>9,193,650</b>
<b>Financial assets not measured at fair value</b>					
Cash and cash equivalents	9	10,492,836	-	-	10,492,836
Trade and other receivables	10	1,730,004	-	-	1,730,004
Term deposits	11	2,210,000	-	-	2,210,000
<b>Total</b>		<b>14,432,840</b>	<b>-</b>	<b>-</b>	<b>14,432,840</b>
<b>Financial liabilities</b>					
Trade and other payables	13	-	-	(1,211,428)	(1,211,428)
Other liabilities		-	-	(321,922)	(321,922)
<b>Total</b>		<b>-</b>	<b>-</b>	<b>(1,533,350)</b>	<b>(1,533,350)</b>

**30 June 2018**

	Note	Amortised cost	FVTPL	Other financial liabilities	Total
<b>Financial assets measured at fair value</b>					
Equity securities	11	-	790,421	-	790,421
Managed funds	11	-	8,141,139	-	8,141,139
<b>Total</b>		<b>-</b>	<b>8,931,560</b>	<b>-</b>	<b>8,931,560</b>
<b>Financial assets not measured at fair value</b>					
Cash and cash equivalents	9	3,243,175	-	-	3,243,175
Trade and other receivables	10	713,193	-	-	713,193
Term deposits	11	2,770,000	-	-	2,770,000
<b>Total</b>		<b>6,726,368</b>	<b>-</b>	<b>-</b>	<b>6,726,368</b>
<b>Financial liabilities</b>					
Trade and other payables	13	-	-	(1,328,912)	(1,328,912)
Other liabilities		-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>(1,328,912)</b>	<b>(1,328,912)</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.

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**19. 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 finance and audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group finance and audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**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.

	2019	2018
	\$	\$
Loss allowance	3,696	17,076
<b>Total</b>	<b>3,696</b>	<b>17,076</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.

At 30 June 2019, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows.

	Notes	2019	2018
		\$	\$
Trade and other receivables	10	1,730,004	713,193
<b>Total</b>		<b>1,730,004</b>	<b>713,193</b>

No receivables were either past due or impaired at year end (2018: nil) and there was \$3,696 impairment recorded. (2018: \$17,076)

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**19. Financial risk management (continued)**

**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.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>30 June 2019</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	1,211,428	1,211,428	1,211,428	-
Other liabilities	321,922	321,922	-	321,922
<b>Total</b>	<b>1,533,350</b>	<b>1,533,350</b>	<b>1,211,428</b>	<b>321,922</b>
<b>30 June 2018</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	1,407,882	1,407,882	1,407,882	1,407,882
<b>Total</b>	<b>1,407,882</b>	<b>1,407,882</b>	<b>1,407,882</b>	<b>1,407,882</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.

- Foreign exchange risk: There is no direct foreign exchange risk and the Group has not hedged its exposure arising from foreign exchange.
- Interest rate risk.
- Equity price risk.

**Interest rate risk**

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

	Notes	2019 \$	2018 \$
<b>Floating rate instruments</b>			
Cash and cash equivalents	9	10,492,836	3,243,175
<b>Total</b>		<b>10,492,836</b>	<b>3,243,175</b>

**Cashflow sensitivity analysis for variable-rate instruments**

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit and loss pre-tax by the amounts shown below. This analysis assumes that all other variables remain constant.

Effect in dollars	Profit or Loss		Equity, net of tax	
	100bp increase	100bp decrease	100bp increase	100bp decrease
<b>30 June 2019</b>				
Variable rate instrument	104,928	(104,928)	-	-
<b>Cash flow sensitivity (net)</b>	<b>104,928</b>	<b>(104,928)</b>	<b>-</b>	<b>-</b>
<b>30 June 2018</b>				
Variable rate instruments	32,432	(32,432)	-	-
<b>Cash flow sensitivity (net)</b>	<b>32,432</b>	<b>(32,432)</b>	<b>-</b>	<b>-</b>

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**

For the year ended 30 June 2019

**19. Financial risk management (continued)**

**iv) Market risk**

**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 the proportion of its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Finance and Risk Committee.

**20. 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 Company, to affect significantly the operations, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

**21. Parent entity disclosures**

As at, and throughout, the financial year ended 30 June 2019 the parent entity of the Group was .au Domain Administration Limited.

**(a) Statement of profit or loss and other comprehensive income**

	2019 \$	2018 \$
Revenue	4,788,129	7,467,958
Other income	727	467,583
Employee benefits expense	(3,432,534)	(3,085,093)
Consultancy expense	(2,142,885)	(4,160,743)
Domain Name System infrastructure expense	(653,734)	(789,529)
Marketing and communication expense	(1,793,059)	(276,874)
Travel expense	(442,261)	(350,804)
Directors remuneration expense	(276,426)	(285,431)
Professional subscriptions expense	(236,902)	(281,612)
Occupancy expense	(102,445)	(116,589)
Depreciation and amortisation expense	(195,210)	(135,413)
Other expenses	(692,620)	(496,094)
<b>Result from operating activities</b>	<b>(5,179,220)</b>	<b>(2,042,641)</b>
Finance income	580,921	206,005
Finance costs	(5,661)	(13,519)
<b>Net finance income</b>	<b>575,260</b>	<b>192,486</b>
<b>Loss before tax</b>	<b>(4,603,960)</b>	<b>(1,850,155)</b>
Income tax expense	-	-
<b>Loss for the year</b>	<b>(4,603,960)</b>	<b>(1,850,155)</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Available-for-sale assets – net change in fair value	-	193,392
<b>Total other comprehensive income, net of tax</b>	<b>-</b>	<b>193,392</b>
<b>Total comprehensive income</b>	<b>(4,603,960)</b>	<b>(1,656,763)</b>

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**  
For the year ended 30 June 2019

**21. Parent entity disclosures (continued)**

**(b) Statement of financial position**

	2019	2018
	\$	\$
<b>Assets</b>		
Cash and cash equivalents	9,478,677	2,369,106
Trade and other receivables	2,012,278	932,528
Investments	1,740,000	2,300,000
<b>Total current assets</b>	<b>13,230,955</b>	<b>5,601,634</b>
Other assets	134,608	144,980
Investments	7,711,138	7,485,377
Property, plant and equipment	782,410	827,330
<b>Total non-current assets</b>	<b>8,628,156</b>	<b>8,457,687</b>
<b>Total assets</b>	<b>21,859,111</b>	<b>14,059,321</b>
<b>Liabilities</b>		
Trade and other payables	1,207,028	1,394,410
Deferred income	7,756,421	-
Employee benefits	317,675	246,314
<b>Total current liabilities</b>	<b>9,281,124</b>	<b>1,640,724</b>
Deferred income	4,441,428	-
Other liabilities	321,922	-
Provision for make good	53,000	53,000
<b>Total non-current liabilities</b>	<b>4,816,350</b>	<b>53,000</b>
<b>Total liabilities</b>	<b>14,097,474</b>	<b>1,693,724</b>
<b>Net assets</b>	<b>7,761,637</b>	<b>12,365,597</b>
<b>Equity</b>		
Asset revaluation reserve	-	99,143
Retained earnings	7,761,637	12,266,454
<b>Total equity</b>	<b>7,761,637</b>	<b>12,365,597</b>

**(c) Contingent liabilities of the parent entity**

The parent entity did not have any contingent liabilities as at 30 June 2019 (2018: Nil).

**(d) Contractual commitments of the parent entity**

The parent entity did not have any contractual commitments as at 30 June 2019 (2018: Nil).

**.au Domain Administration Limited**  
**Notes to the consolidated financial statements**  
For the year ended 30 June 2019

**Directors' declaration**

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

- (a) the financial statements and notes, set out on pages 54 to 89, 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 2019 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) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Suzanne Ewart  
Executive Chair

Dated at Melbourne this 18<sup>th</sup> day of October 2019





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

To the Directors of .au Domain Administration Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of .au Domain Administration Limited for the financial year ended 30 June 2019 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

KPMG

Adrian Nathanielsz

Partner

Melbourne

18 October 2019

31

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Liability limited by a scheme approved under Professional Standards Legislation.



## 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 Company).

In our opinion, the accompanying Financial Report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- *Consolidated statement of financial position* as at 30 June 2019
- *Consolidated statement 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
- Notes including a summary of significant accounting policies
- *Directors' Declaration*.

The **Group** consists of .au Domain Administration Limited (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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

32

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#### Emphasis of matter

##### *Terms of Endorsement*

We draw attention to note 2(e) to the financial statements, which highlights .au Domain Administration Limited is subject to a review by the Commonwealth Government in relation to its endorsement as the appropriate entity to hold the delegation of authority for administration of the .au control code top level domain. Our opinion is not modified in respect of this matter.

#### Other Information

Other Information is financial and non-financial information in .au Domain Administration Limited's annual reporting 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 that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and 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

Adrian Nathanielsz

Partner

Melbourne

18 October 2019

# Glossary

## 2LD

Second Level Domains. The .au domain space is divided into a number of second level name spaces, including com.au, net.au, org.au, gov.au and edu.au. Each has their own eligibility and registration rules and serves a distinct segment of the Internet community.

'Open 2LDs' are open to registrations by the public, subject to eligibility criteria. These include com.au for business-related activities and org.au for organisations.

'Closed 2LDs' are only available to entities within a defined sector. Examples include gov.au for government and edu.au for educational institutions.

## ALAC

At-Large Advisory Committee. ALAC is an advisory committee to ICANN. Its mission is to act as an advocate for the interests and viewpoints of the global individual users of the internet.

## APNIC

Asia Pacific Network Information Centre. APNIC is an open, membership-based, not-for-profit organisation providing internet addressing services to the Asia Pacific.

## APTLD

Asia Pacific Top Level Domain Association. APTLD is a forum for information exchange regarding technological and operational issues of domain name registries in the Asia Pacific region.

## auDRP

.au Dispute Resolution Policy. auDRP is a process which provides a cheaper, speedier alternative to litigation for the resolution of disputes between the registrant of a .au domain name and a party with competing rights in the domain name.

## ccTLD

Country Code Top Level Domain. ccTLDs are reserved for exclusive use by a country or external territory. The codes are determined according to a list maintained by the International Organization for Standardization (ISO 3166-1). .au is Australia's ccTLD. Other examples of ccTLDs include .nz for New Zealand and .uk for the United Kingdom.

## CGDNs

Community Geographic Domain Names. Geographic domain names in each Australian state and territory that are reserved for use by local community groups. They comprise vic.au, nsw.au, sa.au, tas.au, act.au, qld.au, wa.au, and nt.au.

## DNS

Domain Name System. The technical protocol that maps the Internet Protocol (IP) addresses used by computers to navigate the internet to more human-friendly domain names.

## DNSSEC

Domain Name System Security Extensions. DNSSEC facilitates the digital signing of DNS responses, providing improved integrity and authenticity of DNS responses. Once fully implemented, DNSSEC offers additional protection against a range of vulnerabilities such as cache-poisoning, man-in-the-middle attacks and the Kaminsky exploit.

## gTLD

Generic Top Level Domain. gTLDs are operated by registries at the global level with policies developed through ICANN processes. gTLDs can be unrestricted (such as .com, .org and .net, .melbourne, .sydney, and .afl) or sponsored (such as .aero and .museum).

## IANA

Internet Assigned Numbers Authority. The global coordination of the DNS Root, IP addressing, and other internet protocol resources is performed as the IANA functions. As of 1 October 2016, the IANA functions are being provided by Public Technical Identifiers (PTI), an affiliate of ICANN.

## IETF

Internet Engineering Task Force. The IETF is a large, open, international community of network designers, operators, vendors and researchers concerned with the evolution of the internet architecture and the smooth operation of the internet.

## ICANN

Internet Corporation for Assigned Names and Numbers. ICANN is an international, not-for-profit, private sector organisation created to coordinate four key functions of the internet: managing the domain name system, allocating IP address space, assigning protocol parameters and managing the root server system.

## IGF

Internet Governance Forum. The IGF was established by the United Nations to accommodate multi-stakeholder policy dialogue in the field of internet governance. It aims to bring together all stakeholders in the internet governance debate, whether they represent states, the private sector or civil society, on an equal basis and through an open and inclusive process.

## ISS

Information Security Standard. A set of technical operations and rules for registrars to enhance domain name security.

## KSK

Key Signing Key. A KSK is a public/private key pair. The KSK private key is used to generate a digital signature for the ZSK. The KSK public key is stored in the DNS to be used to authenticate the ZSK.

## Registrant

Someone who holds a domain name licence.

## Registrar

auDA-accredited companies who handle domain name licence applications and renewals.

## Registry

The database of domain names registered in each 2LD.

## Reseller

Non-accredited companies, affiliated with an accredited registrar, who handle domain name licence applications and renewals. They are typically web hosting companies, website developers, telecommunications companies and other IT service providers.

## ZSK

Zone Signing Key. A ZSK is a public/private key pair. The ZSK private key is used to generate a digital signature, known as a Resource Record Signature (RRSIG), for each of the resource record sets (RRSET) in a zone. The ZSK public key is stored in the DNS to authenticate an RRSIG.



# Performance Report

October 2019

# Contents

1. Executive summary.....	2
2. auDA's reporting requirements .....	6
2.1 Context.....	6
2.2 Reporting methodology.....	7
3. Performance assessment .....	9
3.1 DoCA 1-3: Purpose of the .au domain administrator.....	9
3.2 DoCA 4-6: Management framework.....	14
3.3 DoCA 7-9: Transparency and consultation.....	21
3.4 DoCA 10-13: Membership.....	34
3.5 DoCA 14-17: Expectations and role of the Government.....	38
3.6 DoCA 18-23: Stakeholder engagement.....	42
3.7 DoCA 24-29: Trust and confidence in .au.....	51
4. Next steps.....	61
5. Appendix.....	62
5.1 Performance against auDA's 61 KPIs.....	62
5.2 Terms of Endorsement Initiatives.....	77
5.3 Board Charter Initiatives.....	79
5.4 Enterprise Security Strategy Initiatives.....	82
5.5 Nomination Committee Charter Initiatives.....	85
5.6 Stakeholder Engagement Strategy Initiatives.....	86
5.7 Strategic Plan Initiatives.....	88
5.8 Transparency & Accountability Framework Initiatives.....	93

# 1. Executive summary

This report documents the considerable achievements of the .au Domain Administration Limited (auDA) in reforming its management framework, improving the effectiveness of its engagement with stakeholders, and fostering greater trust and confidence in the .au namespace.

It tracks the organisation's progress from 2018, when auDA adopted recommendations that flowed from a review by the Department of Communications and the Arts (DoCA), to October 2019, when a process commenced to appoint or elect new directors in accordance with those recommendations.

The period has seen substantial improvements to governance, more rigorous management processes, greater transparency and accountability, the adoption of a new membership model, a closer relationship with government and other stakeholders, and measures that build trust and confidence in .au. Importantly, it has also coincided with the secure, stable and sustainable maintenance of the name space.

For convenience, this report is organised around recommendations made by DoCA in 2018, which were adopted by auDA as a blueprint to reform the organisation's management and governance framework.

Of the 43 DoCA recommendations and sub-recommendations, 38 of these are relevant to auDA. Table 1 provides a progress update on these recommendations and sub-recommendations, with all those relevant to auDA having been completed or otherwise on track for completion.

**Table 1: Progress status of DoCA recommendations and sub-recommendations**

Status	Count
Complete	34
On track / Satisfactory progress	4
Behind schedule / At risk	0
Overdue / At risk	0
Not started / Not at risk	0
Actions to be undertaken by DoCA	5

To give effect to the recommendations, auDA developed a Transparency and Accountability Framework and a Key Performance Framework, together with a series of corporate documents relating to enterprise security, strategy, stakeholder engagement and the operation of the board. These sit alongside the Terms of Endorsement issued by the Australian Government.

Together, these source documents include 121 individual management initiatives chosen by auDA to direct its progress. Every one of these initiatives has been completed or is on track for completion: a remarkable achievement given the organisation's finite resources and competing priorities. Table 2 provides a summary of progress.

**Table 2: Progress status of auDA individual management initiatives**

Status	Count
Complete	89
On track / Satisfactory progress	28
Behind schedule / At risk	0
Overdue / At risk	0
Not started / Not at risk	4

The section below provides a summary of auDA's progress against each cluster.

**DoCA recommendations 1-3: Purpose of the .au domain administrator:**

- These recommendations guide auDA's purpose as a not-for-profit (NFP) entity concerned with maintaining the security, stability and sustainability of the .au space.
- auDA has performed in accordance with this subset of recommendations by continuing to deliver on its purpose and maintaining its NFP status.



#### ***DoCA recommendations 4-6 Management framework:***

- These recommendations guide auDA's strategic planning and accountability for delivering on its initiatives.
- auDA has performed in accordance with this subset of recommendations. Specifically, it has developed a 5-year Strategic Plan and a KPI framework that provides a reporting mechanism against the Strategic Plan. The 2018-19 Annual Report and Performance Report provide detailed reporting against auDA's initiatives. Progress will also be presented at the auDA Annual General Meeting in November 2019.

#### ***DoCA recommendations 7-9 Transparency and consultation:***

- These recommendations guide auDA's transparency, accountability and consultation to stakeholders and internet users in Australia.
- auDA has performed in accordance with these recommendations by reforming its governance arrangements in accordance with DoCA guidelines; establishing a Board Charter that holds the Board accountable to DoCA guidelines; and formalising the auDA Transparency and Accountability Framework, consistent with recommendations in the Westlake review<sup>1</sup>.

#### ***DoCA recommendations 10-13 Membership:***

- These recommendations guide auDA's planning, implementation and accountability for increasing its membership numbers and diversity in Australia, such that they are representative of the broader Australian internet community.
- auDA has performed in accordance with these recommendations by reforming its existing membership model and being on track to significantly increase its number and diversity of members.

#### ***DoCA recommendations 14-17 Expectations and role of the government:***

- These recommendations guide auDA's relationship with and accountability to the Government. This includes DoCA adopting a more formal oversight role of auDA, and auDA reporting accordingly.
- auDA has performed in accordance with these recommendations by reporting as required under the more formal oversight role that DoCA has adopted.

#### ***DoCA recommendations 18-23 Stakeholder engagement:***

- These recommendations guide auDA's stakeholder engagement strategy and implementation, such that the organisation is representative of and accountable to the Australian internet community.
- auDA has performed in accordance with these recommendations by developing, publishing and implementing a comprehensive stakeholder engagement strategy.

#### ***DoCA recommendations 24-29 Trust and confidence in .au:***

- These recommendations guide auDA's Enterprise Security Strategy and implementation, such that the organisation maintains the trust and confidence that the Australian internet community has in the .au domain.
- auDA has performed in accordance with these recommendations by implementing an enterprise security strategy and maintaining relationships with key international and Government security agencies.

In terms of next steps, auDA will continue to perform against the new policy framework it has established, which includes the Transparency and Accountability Framework, the KPI Framework, the Board Charter, Stakeholder Engagement Strategy and Strategic Plan.

auDA intends to develop a flexible, systematic reporting framework that aligns with auDA's operating model.

## 2. auDA's reporting requirements

### 2.1 Context

The purpose of this Performance Report is to demonstrate the considerable progress that auDA has achieved in implementing the 43 recommendations and sub-recommendations of the DoCA Review of auDA, the related KPI Framework and initiatives contained in auDA's relevant corporate documents.

In April 2018, the Australian Government released the Final Report into the DoCA Review of auDA. The Review contained 43 recommendations and sub-recommendations focused on reforming auDA's management framework, supporting effective stakeholder engagement, outlining the role and expectations of the Australian Government and fostering greater trust and confidence in the .au namespace. The Australian Government accepted all recommendations from the Review and charged auDA with the responsibility for implementing the Review findings and recommendations. auDA has been working cooperatively and effectively with DoCA to implement the recommendations contained in the Review.

Coinciding with the Review, the Australian Government issued modernised Terms of Endorsement (ToE) to auDA that reflected the changes to the digital landscape. The ToE outline the Government's expectations and provide auDA with the mandate to make the necessary reforms to its governance arrangements. Under the ToE, auDA's core functions are to:

- ensure stable, secure, and reliable operation of the .au domain space
- respond quickly to matters that compromise DNS security
- promote principles of competition, fair trading and consumer protection
- operate as a fully self-funding and not-for-profit organisation
- actively participate in national and international fora
- establish appropriate dispute resolution mechanisms
- develop the Policy framework for the .au ccTLD
- manage the operation of critical technical functions
- establish complaints handling processes.

Following the Review, auDA developed a series of new governance and administrative documents and adopted a new constitutional framework. The documents include the new Transparency and Accountability Framework and associated KPI Framework, which form the basis of this report: a Policy Development Framework, a Stakeholder Engagement Strategy, Complaints and Dispute handling mechanisms, Enterprise Security Strategy and a range of policies and frameworks that relate to the Board

such as the Board Charter and Skills Matrix. These documents are available on the auDA website.

The Annual Report together with this Performance Report fulfil the obligations auDA has set for itself to report transparently on its progress to delivering on its purpose and initiatives.

### 2.2 Reporting methodology

This Performance Report is structured around the 29 DoCA recommendations, as well as the related sub-recommendations. Specifically, the document maps auDA's initiatives and actions contained in its corporate documents against the combined total of 43 DoCA recommendations and sub-recommendations. This provides a single point to track in detail how auDA is performing against those actions and initiatives designed to deliver on the DoCA recommendations.

The seven auDA corporate documents developed in response to DoCA's recommendations and covered in this Performance Report are:

- KPI Framework
- 2019-2024 Strategic Plan
- Transparency and Accountability Framework
- Stakeholder Engagement Strategy
- Enterprise Security Strategy
- Board Charter
- Nomination Committee Charter.

In the document, related initiatives have been grouped under the 'initiative' column of the reporting tables in the following pages to provide alignment and a holistic approach. The individual initiatives can be found by using the identifiers in the 'source' column and these correspond to detailed explanations in the 'initiatives' tables in the Appendix. The identifiers are comprised of letters, which indicate the source document (shown in the table below), and numbers, which indicate the initiative number.

## 2.2 Reporting methodology

Table 3: Source document legend

Prefix	Source Document
B-	Board Charter
E-	Enterprise Security Strategy
KPI-	KPI Framework
N-	Nomination Committee Charter
S-	Strategic Plan
SE-	Stakeholder Engagement Strategy
TA-	Transparency & Accountability Framework
TE-	Terms of Endorsement

A target date or goal is provided for each action or initiative, if applicable, followed by an update on the progress or completion of the initiative by auDA.

The status of each individual action or initiative has been determined using the ranking and colour-coding (refer to Figure 1) in order to clearly show the overall extent to which auDA has satisfied each DoCA recommendation and the actions and initiatives related to that recommendation.

Figure 1: Progress status categories

Completed	On track / Satisfactory progress	Behind schedule / At risk	Overdue / At risk	Not started / Not at risk
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# 3. Performance assessment

This section provides detailed reporting of auDA's KPIs, and specific actions and initiatives in response to the 29 DoCA recommendations. This report includes updates and activities up to 11 October 2019 where relevant.

## 3.1 DoCA 1-3: Purpose of the .au domain administrator

### Overview

This subset of recommendations guides auDA's purpose as a NFP entity concerned with maintaining the security, stability and sustainability of the .au space. auDA has performed in accordance with this subset of recommendations by continuing to deliver on its purpose and maintaining its NFP status.

<b>DoCA Rec 1</b>	<b>While auDA has an ongoing role in the security and stability of the .au space including as part of the critical infrastructure sector, this should not in the foreseeable future alter auDA's role and purpose.</b>	<b>Status</b>
<b>Progress Summary</b>	auDA has maintained its focus on security and stability of .au ccTLD while also maintaining its original role and purpose of being the administrator of and maintaining the operational stability of the .au ccTLD.	Completed
<b>Actions</b>	<b>Progress</b>	
<p><b>Actions:</b> The objects in auDA's current constitution, primarily require the organisation:</p> <p>a. to be the administrator of, and the Australian self-regulatory policy body for the .au ccTLD and its associated Second Level Domains</p> <p>b. to maintain and promote the operational stability and utility of the .au ccTLD and more generally, the Internet's unique identifier system, and to enhance the benefits of the Internet to the wider community.</p> <p><b>Implementation plan:</b> auDA will maintain these principles in its new constitution to be consistent with these recommendations and the new terms of reference.</p>	<p>auDA has maintained its role as the administrator of the .au ccTLD by continuing to develop, review and enforce policies that address the registration of .au domain names and the operation of the Australian domain industry. All published policies are available on the auDA website.</p> <p>These principles are included in auDA's new Constitution and Strategic Plan.</p>	Completed

3.1 DoCA 1-3: Purpose of the .au domain administrator

DoCA Recommendation 1: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
1.1	Be the administrator and maintain operational stability of the .au ccTLD	TE1, TE3	Achieve initiative	As the administrator of .au ccTLD, auDA develops, reviews and enforces policies that address the registration of .au domain names and the operation of the Australian domain industry. All published policies are available on the auDA website.	Completed
1.2	ACCC Review of major policy changes	KPI6	100%	ACCC stated in correspondence dated 4 July 2019 that it has no comments to raise about the proposed changes in the context of the competition provisions of the Competition and Consumer Act 2010.	Completed
1.3	Maintain DNS uptime and resolution metrics	KPI11	100% availability	As of October 2019, auDA achieved 100% overall DNS availability.	Completed
1.4	Maintain EPP registration uptime and performance metrics	KPI12	100% availability	As of October 2019, auDA achieved 100% EPP service availability.	Completed
1.5	Maintain WHOIS service update and performance metrics	KPI13	100% availability	As of October 2019, auDA achieve 100% WHOIS service availability.	Completed
1.6	Perform a Technical Review	TA19	Completion by December 2021	auDA reports its technical performance in monthly registry reports available on the auDA website and is operating at world's best practice standard. auDA has also engaged external security experts to perform an external security vulnerability assessment and a red-team penetration test, which did not identify any critical issues.	Completed

3.1 DoCA 1-3: Purpose of the .au domain administrator

DoCA Recommendation 1: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
1.7	Publish quarterly operational reports	KPI1	Quarterly	Quarterly operational reports commenced in Q1 2019 and are published on an ongoing basis.	Completed
1.8	Publish quarterly policy updates	KPI10	Quarterly	Quarterly policy updates are incorporated into the quarterly operational reports that commenced in Q1 2019 and are published on an ongoing basis.	Completed
1.9	Report monthly DNS uptime and resolution metrics	KPI2	Monthly	Registry reports with DNS uptime and resolution metrics have been published each month on the auDA website.	Completed
1.10	Perform a policy decision process review	TA21	Conduct periodic review	auDA reviewed its policy development process and issued a new Corporate policy on "Process for the Development and Review of auDA published policies" for public comment in September 2018, which was approved by the Board in November 2018.	Completed

DoCA Rec 2	That auDA continues to operate as a not-for-profit entity and does not seek to maximise profit.	Status
Progress Summary	auDA has confirmed its not-for-profit status and plans to reinvest operating surpluses into growing the value of the .au namespace.	Completed
Actions		Progress
Implementation plan: auDA remains a not-for-profit entity and its primary purpose is the administration of the .au ccTLD		auDA satisfies the Australian Taxation Office guidelines for a not-for-profit organisation, specifically as a resource development organisation.
		Completed



3.1 DoCA 1-3: Purpose of the .au domain administrator

DoCA Recommendation 2: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
2.1	Ensure a cost effective administration of the .au ccTLD and provide annual financial statements	B11, B12, B14	Achieve initiative	auDA manages a cost-effective administration of the .au ccTLD by tightly managing operating costs and revenue, for example by renegotiating the revenue model between auDA and the registry operator. Annual financial statements approved by the Board and reviewed by an external auditor are publicly available on the auDA website.	Completed
2.2	Ensure an adequate internal control framework	B13	Achieve initiative	auDA has a suite of internal policies and procedures governing its operations to provide the required governance of the organisation. These policies are reviewed regularly by the Board committees and Board.	Completed
2.3	Maintain not-for-profit status	TE4, KPI22	Annually	auDA satisfies the Australian Taxation Office guidelines for a not-for-profit organisation, specifically as a resource development organisation.	Completed
2.4	Publish quarterly and annual financial reports	KPI7	Quarterly	Quarterly financial reports are incorporated into the quarterly operational reports that commenced in Q1 2019 and are published on an ongoing basis.	Completed
2.5	Treatment of operating surpluses	S55	Achieve initiative	Operating funds have been invested in core auDA functions and balances reserved for growing the value of the .au namespace for Australian internet users, whilst maintaining capital reserves to ensure funding for unforeseen technical, legal or security issues that may arise in the future.	Completed
2.6	Select an independent auditor and review audit findings	B15	Annually	auDA's independent auditor is KPMG.	Completed

3.1 DoCA 1-3: Purpose of the .au domain administrator

DoCA Rec 3	Consideration of commercial strategies relevant to the sustainability of the domain administrator should not detract from the domain administrator's core function as described in the terms of endorsement and core purpose.	Status
<b>Progress Summary</b>	auDA does not let consideration of commercial strategies relevant to the sustainability of the domain administrator detract from its core purpose, as evidenced in its 2019-2020 Operating Plan.	Completed
<b>Actions</b>	<b>Progress</b>	
<b>Implementation plan:</b> any other (commercial) strategies do not detract from this core purpose.	The 2019-2020 Operating Plan details auDA's core functions and how auDA will perform in line with those core functions.	Completed

DoCA Recommendation 3: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
3.1	Deliver 2018-2019 Operating plan and Budget	KPI54	Completion by July 2018	The 2018-2019 Budget was approved at the June 2018 Board meeting, and auDA has delivered against the initiatives detailed in this budget.	Completed
3.2	Deliver 2019-2020 Operating plan and Budget	KPI38, KPI55, S54, B10	Completion by July 2019	The 2019-2020 Operating Plan and Budget were approved at the June 2019 Board meeting. The 2019-2020 Operating plan was published on the auDA website in June 2019.	Completed

## 3.2 DoCA 4-6: Management framework

### Overview

This subset of recommendations guides auDA's strategic planning and accountability for delivering on its initiatives. auDA has performed in accordance with this subset of recommendations. Specifically, it has developed a 5-year Strategic Plan and a KPI framework that provides a reporting mechanism against the Strategic Plan. The 2018-19 Annual Report and Performance Report provide detailed reporting against auDA's initiatives. Progress will also be presented at the auDA Annual General Meeting in November 2019.

<b>DoCA Rec 4</b>	That auDA provide an annual Strategic Plan covering at least a four-year period and with the Strategic Plan reflecting company purpose and terms of endorsement. The auDA Board and management should present progress against the organisation's purpose and its strategic objectives at auDA's Annual General Meeting and in its Annual Report.	<b>Status</b>
<b>Progress Summary</b>	auDA has developed a 2019-2024 Strategic Plan and reporting of performance against the Strategic Plan are presented in the Annual Report and Annual General Meeting in November 2019.	Completed
<b>Actions</b>	<b>Progress</b>	
<b>Actions:</b> auDA will develop a 4-year Strategic Plan which will build upon its strategic review from late 2017.	The 2019-2024 Strategic Plan was approved by the Board in January 2019 and published on the auDA website. The Strategic Plan includes references to the Terms of Endorsement.	Completed

DoCA Recommendation 4: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
4.1	Publish corporate documents after consultation	KPI23	Completion by April 2019	Public consultation for all Corporate Policies required in the DoCA recommendations were held until March 2019 and are available for viewing on the auDA website. All Corporate Policies were approved and published by May 2019.	Completed

DoCA Recommendation 4: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
4.2	Review and publish a strategic plan	KPI40, KPI46, S13, B4, B5	Completion by November 2019	The public comment period on the strategic plan was closed in September 2018. The 2019-2024 Strategic Plan was approved by the Board in January 2019 and published on the auDA website. The next review is planned for Q1 2020.	Completed
4.3	Publish Annual Report	KPI37	Completion by November 2019	The 2018-2019 Annual Report will be published in October 2019.	Completed
4.4	Report in the Annual Report and Annual General Meeting	S15, TA7, TA9, TE20	Completion by November 2019	Reporting on the Strategic Plan is included in the Annual Report in October 2019 and Annual General Meeting in November 2019.	Completed
4.5	Develop an alternative domain administrator transition strategy	S18, TE24	Management initiative to complete by June 2019	With other priorities, auDA has not yet completed the preparation of a transition plan, but is on track to do so by April 2020.	On track / Satisfactory progress
4.6	Build predictable and scalable compliance processes	S25	Achieve initiative	A central CRM tracks all enquiries and complaints with defined time frames for each action and the ability to scale as required.	Completed
4.7	Shift from reactive to proactive compliance processes	S26	Achieve initiative	auDA has automation to check for compliance of domains subject to complaints and conducts proactive data analysis to identify other domains that breach policy that match the characteristics of complaints.  auDA will continue developing more proactive processes.	On track / Satisfactory progress

3.2 DoCA 4-6:  
Management  
framework

DoCA Recommendation 4: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
4.8	Develop policy development tools for exploring alternative solutions	S29	Achieve initiative	auDA applies a facilitated workshop approach to public forums for policy development, following the successful use of this approach during the development of the 2018 Constitution. The facilitated workshop uses tools such as voting from mobile devices and breakout groups to discuss alternatives.  The facilitated workshop approach will be used in the policy public forums being held in October 2019.	Completed
4.9	Develop skills in pro-actively reviewing contractual compliance	S31	Achieve initiative	auDA uses new database tools that allow searches in fields, such as email addresses or de-registered ACN numbers that match domains that have been found to not comply with auDA policy.	Completed
4.10	Develop skills in iteratively improving the contracts to take into account new industry developments.	S32	Achieve initiative	auDA has done a complete review of the mandatory terms and conditions for registrants, the registrar agreement with auDA, and has also requested changes to the Afilias agreement with registrars.  auDA is currently seeking feedback from affected stakeholders on these agreements prior to finalisation in late 2019 or early 2020.	On track / Satisfactory progress
4.11	Measure the availability and performance of all key systems	S37	Achieve initiative	auDA uses an external array of 20 measurement servers to measure the availability and performance of all key systems. The array has been in place since 1 July 2018, and the results are published on auDA's website every month.	Completed

3.2 DoCA 4-6:  
Management  
framework

DoCA Recommendation 4: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
4.12	Identify market opportunities for growth	S50	Achieve initiative	auDA has identified that individuals and sole traders that do not have an ABN number for tax purposes have not been able to register in .com.au. auDA has updated the .au licensing rules to allow Australian citizens and permanent residents to apply for names at the second level of .au.  The policy is planned to be finalised in early 2020, after which the public education campaign will start.	On track / Satisfactory progress
4.13	Build advanced search capability	S52	Achieve initiative	New search tools have been available for staff since January 2019.	Completed
4.14	Management of policy rules	S53	Periodically	All 33 existing policies were reviewed and consolidated in 3 main policies, which were approved by the Board in June 2019.  The policies are now subject to an additional round of public comment.	On track / Satisfactory progress
4.15	Annual strategic plan reflects the Terms of Endorsement	TE18	Completion by November 2019	The Strategic Plan includes a section on the Terms of Endorsement and describes how auDA will discharge its functions as a not-for-profit entity in the Operating Plan and Deliverables section.	Completed

3.2 DoCA 4-6:  
Management  
framework

<b>DoCA Rec 5a</b>	That auDA develop a KPI framework to: a. measure its performance against its stated objectives in its terms of endorsement;	<b>Status</b>
<b>Progress Summary</b>	auDA has developed a KPI framework to measure its performance against its stated objectives in its terms of endorsement.	Completed
<b>Actions</b>	<b>Progress</b>	
<b>Actions:</b> A KPI framework against the plan and a reporting mechanism consistent with recommendation 5 will be developed.	The KPI Framework was approved by the Board in February 2019.	Completed

DoCA Recommendation 5a: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
5a.1	Develop a KPI framework	SE1, SE7	Achieve initiative	The KPI Framework was approved by the Board in February 2019.	Completed

<b>DoCA Rec 5b</b>	That auDA develop a KPI framework to: b. report against in its Annual Report and at its Annual General Meeting.	<b>Status</b>
<b>Progress Summary</b>	auDA has reported its performance against KPIs in its Annual Report in October 2018 and is scheduled to do so at its Annual General Meeting in November 2019.	Completed
<b>Actions</b>	<b>Progress</b>	
<b>Actions:</b> This will be reported in the annual report and at the AGM as per recommendation 6.	Reporting on auDA's performance against the KPI Framework is included in the Annual Report in October 2019 and is also scheduled to be reported at the Annual General Meeting in November 2019.	Completed

3.2 DoCA 4-6:  
Management  
framework

DoCA Recommendation 5b: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
5b.1	Report in the Annual Report and Annual General Meeting	S15, TA7, TA9, TE20	Completion by November 2019	Reporting on auDA's performance against the KPI Framework is included in the Annual Report in October 2019 and is also scheduled to be reported at the Annual General Meeting in November 2019.	Completed
5b.2	Publish corporate documents after consultation	KPI23	Completion by April 2019	Public consultation for all Corporate Policies were held until 31 March 2019 and are available for viewing on the auDA website. All Corporate Policies were approved and published by May 2019.	Completed
5b.3	Publish Annual Report	KPI37	Completion by November 2019	The 2018-2019 Annual Report will be published in October 2019.	Completed

<b>DoCA Rec 6</b>	As part of its Strategic Plan, that auDA outline how it intends to discharge its functions as a not-for-profit company and report on its effectiveness in its Annual Report and at its Annual General Meeting.	<b>Status</b>
<b>Progress Summary</b>	In the Strategic Plan, auDA has outlined how it intends to discharge its functions as a not-for-profit company, and has included reporting on its effectiveness in its Annual Report in October 2019 and will also do so at its Annual General Meeting in November 2019.	Completed
<b>Actions</b>	<b>Progress</b>	
<b>Actions:</b> This will be reported in the annual report and at the AGM as per recommendation 6. <b>Implementation plan:</b> Develop a comprehensive Stakeholder Engagement Plan incorporating auDA's current: <ul style="list-style-type: none"> <li>International Engagement Strategy</li> <li>Consultation Model Working Group</li> <li>Membership attraction campaign</li> <li>Other relevant initiatives.</li> </ul>	Reporting on the Strategic Plan will be included in the 2018-2019 Annual Report in October 2019 and Annual General Meeting in November 2019. The Stakeholder Engagement Strategy was approved by the Board on 20 May 2019 and published on the auDA website.	Completed



### 3.2 DoCA 4-6: Management framework

DoCA Recommendation 6: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
6.1	Report in the Annual Report and Annual General Meeting	S15, TA7, TA9, TE20	Completion by November 2019	Reporting on the Strategic Plan will be included in the 2018-2019 Annual Report in October 2019 and Annual General Meeting in November 2019.	Completed
6.2	Maintain not-for-profit status	KPI22, TE4	Annually	auDA satisfies the Australian Taxation Office guidelines for a not-for-profit organisation, specifically as a resource development organisation.	Completed
6.3	Publish corporate documents after consultation	KPI23	Completion by April 2019	Public consultations for all Corporate Policies were held open until March 2019 and are available for viewing on the auDA website. All Corporate Policies were approved and published by May 2019.	Completed
6.4	Publish Annual Report	KPI37	Completion by November 2019	The 2018-2019 Annual Report will be published in October 2019.	Completed

### 3.3 DoCA 7-9: Transparency and consultation

#### Overview

This subset of recommendations guides auDA's transparency, accountability and consultation to stakeholders and internet users in Australia. auDA has performed in accordance with these recommendations by reforming its governance arrangements in accordance with DoCA guidelines; establishing a Board Charter that holds the Board accountable to DoCA guidelines; and formalising the auDA Transparency and Accountability Framework, consistent with recommendations in the Westlake review.

DoCA Rec 7a	That auDA reform its governance arrangements to ensure: a. that the nomination of all Board positions is undertaken by a Nomination Committee comprised of representatives from industry, the business sector, consumers, auDA, and the Commonwealth	Status
<b>Progress Summary</b>	The Nomination Committee members were selected so that a variety of backgrounds, experiences and skills are represented.	Completed
Actions	Progress	
<p><b>Actions:</b> auDA agrees to complete a process to amend its current constitution to meet the requirements under recommendation 7. This is further explained (in paragraphs 2-4, pp 5-6 Implementation Plan).</p> <p>This will include the establishment of a Nominations Committee process consistent with recommendations 7.a.i-iv.</p> <p><b>Implementation plan:</b> Consultation Model Working Group (CMWG), and concurrent development of auDA's new constitution based on member/stakeholder feedback.</p>	<p>Utilising the Consultation Model Working Group (CMWG), auDA adopted a new Constitution on 27 September 2018, which came into effect one month later.</p> <p>auDA's Nomination Committee was established on 16 May 2019.</p>	Completed

DoCA Recommendation 7a: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
7a.1	Establish a Nomination Committee	KPI15, TE7	Completion by May 2019	auDA's Nomination Committee was established on 16 May 2019.	Completed

3.3 DoCA 7-9:  
Transparency and  
consultation

<b>DoCA Rec 7a(i)</b>	(i). in establishing the Nomination Committee, the auDA Board will undertake a consultative merit-based process to identify members, with a Department representative as a panellist, and the Department to select the committee members from this process.	<b>Status</b>
<b>Progress Summary</b>	In establishing the Nomination Committee, the auDA Board has undertaken a consultative merit-based process to identify members, with a Department representative as a panellist, and the Department having selected the committee members from this process.	Completed
<b>Actions</b>	<b>Progress</b>	
Same as 7a.	Same 7a.	Completed

DoCA Recommendation 7a(i): auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
7ai.1	Establish a Nomination Committee	KPI15, TE7	Completion by May 2019	auDA's Nomination Committee was established on 16 May 2019.	Completed
7ai.2	Number of Nomination Committee meetings per annum	KPI16	2 per annum	The Nomination Committee has met on more than 10 occasions since its inception in May 2019.	Completed
7ai.3	Review Nomination Committee Charter	N11	Completion by April 2020	A review of the Nomination Committee Charter is planned by April 2020, 12 months from the inception of the Nomination Committee.	On track / Satisfactory progress

3.3 DoCA 7-9:  
Transparency and  
consultation

<b>DoCA Rec 7a(ii)</b>	(ii). the Nomination Committee will undertake probity and disclosure assessments and develop a skills matrix to ensure new directors have an appropriate mix of technical and corporate skills and industry experience.	<b>Status</b>
<b>Progress Summary</b>	The Nomination Committee have developed a new skills matrix by which candidates were measured against. The skills matrix is subject to Board approval. An update on the probity and disclosure assessments will be provided to the Board.	On track / Satisfactory progress
<b>Actions</b>	<b>Progress</b>	
None	N/A	N/A

DoCA Recommendation 7a(ii): auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
7aii.1	Review Board Skills Matrix	KPI19, N1	As needed, determined by the Nomination Committee	The previous Board Skills Matrix was approved in September 2018.  A new Board Skills Matrix is currently being reviewed and a decision will be made on the approval of the new Board Skills Matrix in the October 2019 Board meeting.	On track / Satisfactory progress

3.3 DoCA 7-9:  
Transparency and  
consultation

<b>DoCA Rec 7a(iii)</b>	(iii). the Nomination Committee will shortlist: member candidates to stand for election by members; and independent candidates to stand for election by the Board.	<b>Status</b>
<b>Progress Summary</b>	The Nomination Committee has shortlisted Elected Director candidates to stand in a ballot of Associate Members and proposed candidates to be considered by the Board for appointment as Independent Directors.	Completed
<b>Actions</b>		<b>Progress</b>
None		N/A

DoCA Recommendation 7a(iii): auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
7aiii.1	Review nomination and remuneration of the Board	N5	As needed, determined by the Board	The Nomination Committee has reviewed Board appointments and made recommendations, which are planned to be effective in November 2019. The Nomination Committee has reviewed the Board remuneration schedule and has proposed changes which will be considered at the November 2019 Annual General Meeting.	Completed

<b>DoCA Rec 7a(iv)</b>	(iv). however, the first Board, following the reform of auDA's governance arrangements will be selected according to the skills mix identified by the Nomination Committee with shortlisted nominees agreed with the Department.	<b>Status</b>
<b>Progress Summary</b>	The first Board, following the reform of auDA's governance arrangements, has been selected according to the skills mix identified by the Nomination Committee with shortlisted nominees agreed with DoCA.  The Nomination Committee has shortlisted Elected Director candidates to stand in a ballot of Associate Members and proposed candidates to be considered by the Board for appointment as Independent Directors.	On track / Satisfactory progress
<b>Actions</b>		<b>Progress</b>
None		N/A

3.3 DoCA 7-9:  
Transparency and  
consultation

DoCA Recommendation 7a(iv): auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
7aiv.1	Recruit Board members that have a collective mix of technical and corporate skills, and industry experience, as defined in the Board Skills Matrix	S1, TE8	Completion by November 2019	The short list of Board candidates selected with the Board Skills Matrix and an update on probity and disclosure assessments will be presented at the October 2019 Board meeting. A ballot for Elected Directors by Associate Members will be conducted following the Board meeting. Board appointments will take effect on 15 November 2019, subject to approval.	On track / Satisfactory progress

<b>DoCA Rec 7b</b>	b. length of terms directors can serve is capped at three years with directors appointed for no more than two consecutive terms.	<b>Status</b>
<b>Progress Summary</b>	The 2018 Constitution dictates that the length of terms directors can serve is capped at three years with directors appointed for no more than two consecutive terms.	Completed
<b>Actions</b>		<b>Progress</b>
None		N/A

DoCA Recommendation 7b: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
7b.1	Establish director appointment terms that support ongoing Board renewal	TE10	Achieve initiative	Per the 2018 Constitution, "all Directors are subject to a maximum term of the greater of: (i) six years; and (ii) two terms of appointment or election, whether acting as an Independent Director or an Elected Director."	Completed

3.3 DoCA 7-9:  
Transparency and  
consultation

<b>DoCA Rec 7c</b>	c. the Board is structured so that the majority of the Board is independent of auDA's membership.	<b>Status</b>
<b>Progress Summary</b>	The Board has been structured so that the majority of the Board is independent of auDA's membership.	Completed
<b>Actions</b>	<b>Progress</b>	
None	N/A	N/A

DoCA Recommendation 7c: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
7c.1	Appoint a majority of Independent Directors	TE9	Completion by November 2019	Per the 2018 Constitution, the Board size and composition were determined as follows: 1 Independent Chairperson, 5 Independent Directors and 4 Elected Directors.	Completed

<b>DoCA Rec 7d</b>	d. that within 12 months the Board is reconstituted to ensure all appointments meet this criteria.	<b>Status</b>
<b>Progress Summary</b>	The Board is being reconstituted to ensure all appointments meet the criteria of Recommendation 7a.	On track / Satisfactory progress
<b>Actions</b>	<b>Progress</b>	
None	N/A	N/A

DoCA Recommendation 7d: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
7d.1	Appoint new Board	S2, N2, N6, KPI17, KPI18, KPI21	Completion by November 2019	The short list of Board candidates selected with the Board Skills Matrix and an update on probity and disclosure assessments will be presented at the October 2019 Board meeting. A ballot for Elected Directors by Associate Members will be conducted following the Board meeting. Board appointments will take effect on 15 November 2019, subject to approval.	On track / Satisfactory progress

3.3 DoCA 7-9:  
Transparency and  
consultation

DoCA Recommendation 7d: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
7d.2	Develop a Board induction process	N7	Achieve initiative	auDA has prepared an induction process ready for the Board's approval at its October 2019 meeting.	On track / Satisfactory progress
7d.3	Develop Board succession plans	N3	Achieve initiative	This will be within the remit of the new Board.	Not started / Not at risk
7d.4	Develop a Director professional development program	N8	Achieve initiative	This will be within the remit of the new Board.	Not started / Not at risk

<b>DoCA Rec 8a</b>	That auDA establish a Board Charter: a. to set out the respective roles and responsibilities of the Board, Chair and CEO.	<b>Status</b>
<b>Progress Summary</b>	auDA has established a Board Charter that sets out the respective roles and responsibilities of the Board, Chair and CEO.	Completed
<b>Actions</b>	<b>Progress</b>	
<b>Implementation plan:</b> auDA will conclude its previously initiated work regarding the establishment of a Board Charter, as described in paragraph 5	The Board Charter was approved by the Board in January 2019 and published on the auDA website.	Completed

DoCA Recommendation 8a: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
8a.1	Establish a Board Charter	S3, TE11	Achieve initiative	The Board Charter was approved by the Board in January 2019 and published on the auDA website.	Completed
8a.2	Appoint CEO	B6	Completion by February 2020	The Board has approved a recruitment firm to identify candidates for the CEO position.	On track / Satisfactory progress



3.3 DoCA 7-9:  
Transparency and  
consultation

DoCA Recommendation 8a: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
8a.3	Develop a CEO succession plan	B9	Achieve initiative	This will be the remit of the next Board.	Not started / Not at risk
8a.4	Ensure the Board's core responsibilities are addressed	B1, B3, B26	Achieve initiative	As evidenced in the Board meeting minutes, a sample of topics addressed by the Board include operation updates, finance updates, approval of policies, committee updates, DoCA updates, stakeholder engagement, external auditor matters, membership and remuneration, amongst other topics.	Completed
8a.5	Establish an enterprise-wide risk management policy	B16, B17	Achieve initiative	The Enterprise Risk Management Policy was approved by the Board in June 2018.  An update on the enterprise-wide risk management policy will be provided at its October 2019 Board meeting.	On track / Satisfactory progress
8a.6	Evaluate CEO performance	B7, B8	Achieve initiative	KPIs had been established for the previous CEO.  The Board will adopt a new set of KPIs to evaluate the performance of the incoming CEO.	On track / Satisfactory progress
8a.7	Publish corporate documents after consultation	KPI23	Completion by April 2019	Public consultations for all Corporate Policies were held open until March 2019 and are available for viewing on the auDA website. All Corporate Policies were approved and published by May 2019.	Completed
8a.8	Review Board Charter	KPI20	Annually	The Board Charter was reviewed and updated in February 2019.	Completed

3.3 DoCA 7-9:  
Transparency and  
consultation

DoCA Rec 8b	That auDA establish a Board Charter: b. to set out the basis for appointment of the Chair.	Status
<b>Progress Summary</b>	auDA has established a Board Charter that contains a section on the appointment of the chair.	Completed
<b>Actions</b>	<b>Progress</b>	
Same as 8a.	Same as 8a.	Completed

DoCA Recommendation 8b: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
8b.1	Establish a Board Charter	S3, TE11	Annually	The Board Charter was approved by the Board in January 2019 and published on the auDA website. It contains a section on the appointment of the chair.	Completed

3.3 DoCA 7-9:  
Transparency and  
consultation

<b>DoCA Rec 8c</b>	That auDA establish a Board Charter: c. that requires the Board to report on an annual basis to stakeholders publicly on its performance against this charter.	<b>Status</b>
<b>Progress Summary</b>	The Board has measured its performance against this charter, which was undertaken and approved at the September 2019 Board meeting.	Completed
<b>Actions</b>	<b>Progress</b>	
None	N/A	N/A

DoCA Recommendation 8c: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
8c.1	Conduct technical, T&A, Board effectiveness reviews	KPI45	Annually	<p>auDA reports its technical performance in monthly registry reports available on the auDA website and is operating at world's best practice standard. auDA has also engaged external security experts to perform an external security vulnerability assessment and a red-team penetration test, which did not identify any critical issues.</p> <p>The next review of the Transparency and Accountability Framework is expected to be completed by December 2023.</p> <p>The Board undertook an external review by Cameron Ralph Khoury of its performance in January 2019. In September 2019, it performed a self-assessment against the Board Charter.</p>	On track / Satisfactory progress
8c.2	Ensure the Board's core responsibilities are addressed	B1, B3, B26	Achieve initiative	As evidenced in the Board meeting minutes, a sample of topics addressed by the Board include operation updates, finance updates, approval of policies, committee updates, DoCA updates, stakeholder engagement, external auditor matters, membership and remuneration, amongst other topics.	Completed

3.3 DoCA 7-9:  
Transparency and  
consultation

DoCA Recommendation 8c: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
8c.3	Establish Board Committee Charters	B2	Achieve initiative	Terms of Reference have been established for the Board Committees.	Completed
8c.4	Perform a policy decision process review	TA21	Completion by December 2022	auDA reviewed its policy development process and issued a new Corporate policy on "Process for the Development and Review of auDA published policies" for public comment in September 2018, which was approved by the Board in November 2018.	Completed
8c.5	Provide an annual compliance statement by chair	KPI25	Annually	The annual compliance statement by the Chair will be included in the 2018-2019 Annual Report in October 2019.	Completed
8c.6	Publish Board meeting minutes	KPI36	Monthly	Board minutes have been published on the auDA website for each month of the 2018-2019 financial year.	Completed
8c.7	Report in the Annual Report and Annual General Meeting	S15, TA7, TA9, TE20	Completion by November 2019	Reporting on the Board Charter is included in the Annual Report in October 2018 and the Annual General Meeting in November 2019.	Completed
8c.8	Review Board performance	N4, TA23, KPI24	Completion by November 2020	The Board undertook an external review by Cameron Ralph Khoury of its performance in January 2019. In September 2019, it performed a self-assessment against the Board Charter.	Completed

3.3 DoCA 7-9:  
Transparency and  
consultation

<b>DoCA Rec 9a</b>	That auDA: a. formalise its transparency and accountability framework, consistent with recommendations in the Westlake review.	<b>Status</b>
<b>Progress Summary</b>	auDA has formalised its transparency and accountability framework, consistent with recommendations in the Westlake review.	Completed
<b>Actions</b>	<b>Progress</b>	
<b>Implementation plan:</b> auDA...will formalise the Accountability and Transparency Framework, as per the recommendations in the Westlake Review.	The Transparency and Accountability Framework was approved by the Board in May 2019 and published on the auDA website.	Completed

DoCA Recommendation 9a: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
9a.1	Review and publish a Transparency and Accountability Framework	TE19, KPI41, KPI39	Completion by April 2019	The Transparency and Accountability Framework was approved by the Board in May 2019 and published on the auDA website.	Completed
9a.2	Comply with the Transparency and Accountability Framework	KPI42, KPI43, KPI44	Achieve initiative	Per the Transparency and Accountability Framework, auDA's Board meeting minutes, Constitution, strategic plans, key policy decisions and public comments are all publicly available on the auDA website.	Completed
9a.3	Prepare a Nomination Committee Report	N10	Achieve initiative	A Nomination Committee update is provided at Board meetings, as documented within the Board meeting minutes.	Completed
9a.4	Publish corporate documents after consultation	KPI23	Completion by April 2019	Public consultations for all corporate policies were held open until March 2019 and are available for viewing on the auDA website. All corporate policies were approved and published by May 2019.	Completed

3.3 DoCA 7-9:  
Transparency and  
consultation

<b>DoCA Rec 9b</b>	That auDA: b. report annually on its performance against the [transparency & accountability] framework in its Annual Report and at its AGM.	<b>Status</b>
<b>Progress Summary</b>	auDA has reported on its performance against the Transparency & Accountability Framework in its Annual Report in October 2019, and has prepared to also do so at the upcoming Annual General Meeting in November 2019.	Completed
<b>Actions</b>	<b>Progress</b>	
None	N/A	N/A

DoCA Recommendation 9b: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
9b.1	Conduct technical, T&A, Board effectiveness reviews.	KPI45	Annually	auDA reports its technical performance in monthly registry reports available on the auDA website and is operating at world's best practice standard. auDA has also engaged external security experts to perform an external security vulnerability assessment and a red-team penetration test, which did not identify any critical issues.  The next review of the Transparency and Accountability Framework is expected to be completed by December 2023.  The Board undertook an external review by Cameron Ralph Khoury of its performance in January 2019. In September 2019, it performed a self-assessment against the Board Charter.	On track / Satisfactory progress
9b.2	Publish Annual Report	KPI37	Completion by November 2019	The 2018-2019 Annual Report will be published in October 2019.	Completed
9b.3	Report in the Annual Report and Annual General Meeting	S15, TA7, TA9, TE20	Completion by November 2019	Reporting on the Transparent and Accountability Framework is included in the Annual Report in October 2019 and Annual General Meeting in November 2019.	Completed

3.3 DoCA 7-9:  
Transparency and  
consultation

DoCA Recommendation 9b: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
9b.4	Review Transparency and Accountability framework	TA22	Completion by December 2023	The next review of the Transparency and Accountability Framework is expected to be completed by December 2023.	On track / Satisfactory progress

### 3.4 DoCA 10-13: Membership

#### Overview

This subset of recommendations guides auDA's planning, implementation and accountability for increasing its membership numbers and diversity in Australia, such that they are representative of the whole Australian internet community. auDA has performed in accordance with these recommendations by reforming its existing membership model and being on track to significantly increase its number and diversity of members.

<b>DoCA Rec 10</b>	That auDA reforms its existing membership model by creating a single member class or a functional constituency model and that membership reform is non-discriminatory and supported with transparent membership guidelines.		<b>Status</b>
<b>Progress Summary</b>	auDA has reformed its existing membership model by creating a single member class C, and this membership reform is non-discriminatory and supported with transparent membership guidelines.		Completed
<b>Actions</b>		<b>Progress</b>	
None		N/A	N/A

DoCA Recommendation 10: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
10.1	Implement a new membership structure	S9, TE15	Achieve initiative	auDA has implemented a new single class membership structure, consisting of members with an Australian presence, and is currently recruiting Associate Members.	Completed

3.4 DoCA 10-13:  
Membership

DoCA Recommendation 10: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
10.2	Publish membership expansion plan	KPI31	Completion by April 2019	auDA's membership expansion plan was published in April 2019.	Completed

<b>DoCA Rec 11</b>	That auDA diversify its member base in the short-term with a focus on extending membership to stakeholders that are underrepresented.		<b>Status</b>
<b>Progress Summary</b>	auDA has diversified its member base in the short-term with a focus on extending membership to groups of stakeholders that are underrepresented. auDA has increased the number of members as a result, and is working towards meeting its membership target by 2020.		On track / Satisfactory progress
<b>Actions</b>		<b>Progress</b>	
auDA has initiated a campaign to attract a larger and more diverse membership base consistent with recommendation 11.		auDA has initiated a campaign that includes member education events, complimentary subscriptions to LinkedIn Learning and funding up to \$10,000 per organisation for activities to drive awareness of auDA and increase the number and diversity of members.	Completed

DoCA Recommendation 11: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
11.1	Initiate campaign to grow and diversify member base	TE16, S12	Achieve initiative	auDA has initiated a campaign that includes member education events, complimentary subscriptions to LinkedIn Learning and funding up to \$10,000 per organisation for activities to drive awareness of auDA and increase the number and diversity of members.	Completed



3.4 DoCA 10-13:  
Membership

DoCA Recommendation 11: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
11.2	Number of new members	KPI30	12,500 members by October 2020	auDA has recruited 1,321 Associate Members as of 30 September 2019. While attracting members is a priority for the organisation, auDA's primary objective is to ensure that growth in its membership delivers greater diversity and engagement.	On track / Satisfactory progress

DoCA Rec 12	That auDA report annually on its initiatives for growing its membership, and their effectiveness at diversifying the membership in its Annual Report and at its Annual General Meeting.		Status
Progress Summary	auDA will report on its initiatives for growing its membership, and their effectiveness at diversifying the membership, in its 2018-2019 Annual Report in October 2019, and will also report against this at its Annual General Meeting in November 2019.		Completed
Actions		Progress	
auDA will report annually as stipulated in recommendation 12.		Reporting on initiatives for growing and diversifying membership will be included in the Annual Report in October 2019 and Annual General Meeting in November 2019.	Completed

DoCA Recommendation 12: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
12.1	Number of member events	KPI29	6 events per annum	auDA will have conducted 4 member events within the first 7 months of its new membership model.	On track / Satisfactory progress
12.2	Publish Annual Report	KPI37	Completion by November 2019	The Annual Report will be published in October 2019.	Completed

3.4 DoCA 10-13:  
Membership

DoCA Rec 13	That auDA review its assessment process for new members, in conjunction with the implementation of Recommendations 10, 11 and 12.		Status
Progress Summary	auDA has developed criteria for membership requiring an Australian presence and has put in place an assessment process to validate membership applicants.		Completed
Actions		Progress	
None		N/A	N/A

DoCA Recommendation 13: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
13.1	Implement a membership recruitment process and CRM system	S10, TE17	Achieve initiative	auDA has implemented a membership recruitment process and had 1,321 Associate Members as of 30 September 2019. Salesforce was implemented in April 2019 as the CRM system to accept and manage memberships.	Completed
13.2	Develop registry management software tools	S27	Achieve initiative	auDA has an automated sign-up process that uses Australian mobile number validation to confirm the member has an Australian presence and is a unique member, as well as a visual audit before approval to confirm there are not multiple members per legal entity.	Completed

### 3.5 DoCA 14-17: Expectations and role of the Government

#### Overview

This subset of recommendations guides auDA's relationship with and accountability to the Government. This includes DoCA adopting a more formal oversight role of auDA, and auDA reporting accordingly. auDA has performed in accordance with these recommendations by reporting as required under the more formal oversight role that DoCA has adopted.

<b>DoCA Rec 14</b>	<b>That the Minister for Communications issue new terms of endorsement, setting out the Government's expectations for .au domain administration and that auDA respond by publishing a statement on how it will deliver on these expectations.</b>	<b>Status</b>
<b>Progress Summary</b>	auDA has responded by publishing a statement on how it will deliver on the Government's expectations. auDA has also demonstrated progress towards meeting these expectations and fulfilling the Terms of Endorsement at DoCA Review checkpoints.	Completed
<b>Actions</b>	<b>Progress</b>	
<p><b>Actions:</b> The deliverables and requirements described under this Implementation Plan will fulfil the conditions of the new Terms of Endorsement. auDA will work with the Department on the processes to ensure that the Department's oversight role meets the expectations of recommendation 16-17.</p> <p><b>Implementation plan:</b> auDA will continue to engage with Government:</p> <ul style="list-style-type: none"> <li>Regular briefings with department officials and other relevant agencies on registry transition activities;</li> <li>Regular briefings with department officials on operational and policy issues;</li> <li>Engagement with other relevant government agencies on matters of mutual interest including cyber security initiatives, internet governance and expanded community activities consistent with government policy.</li> </ul>	<p>auDA provided a response to the Minister of Communications on 17 May 2018 in relation to the new Terms of Endorsement released on 18 April 2018. Since then auDA has been implementing recommendations made by DoCA, such as developing a new policy framework, in order to fulfill the Terms of Endorsement. At the 12 month checkpoint, DoCA in the letter of 16 May 2019 stated <i>"In considering auDA's progress to date, the Department assesses that, overall, auDA is on track to achieve compliance with the Terms of Endorsement"</i>.</p> <p>auDA reports on registry transition activities, security activities, and operational and policy updates on a quarterly basis at the scheduled DoCA Review checkpoints.</p> <p>auDA collaborates with Australian Government agencies, such as the Australian Signals Directorate, Department of Home Affairs and Joint Cyber Security Centre, on an ongoing basis.</p>	Completed

### 3.5 DoCA 14-17: Expectations and role of the Government

DoCA Recommendation 14: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
14.1	Fulfill the Terms of Endorsement	TA18	Completion by April 2020	auDA provided a response to the Minister of Communications on 17 May 2018 in relation to the new Terms of Endorsement released on 18 April 2018. Since then auDA has been implementing recommendations made by DoCA, such as developing a new policy framework, in order to fulfill the Terms of Endorsement. At the 12 month checkpoint, DoCA in the letter of 16 May 2019 stated <i>"In considering auDA's progress to date, the Department assesses that, overall, auDA is on track to achieve compliance with the Terms of Endorsement"</i> .	Completed

<b>DoCA Rec 15</b>	<b>That the Government review these terms of endorsement within two years from when they are issued to ensure they remain fit-for-purpose, with reviews scheduled every three years going forward.</b>
<b>Progress Summary</b>	DoCA to report progress separately.

<b>DoCA Rec 16</b>	<b>That the Department of Communications and the Arts adopts a more formal oversight role of auDA, including that:</b>
<b>Progress Summary</b>	DoCA to report progress separately.

<b>DoCA Rec 16a</b>	<b>a. auDA report quarterly to the Department on its implementation of reforms, work agenda &amp; key work priorities</b>	<b>Status</b>
<b>Progress Summary</b>	auDA reports on a quarterly basis at the scheduled DoCA Review checkpoints.	Completed
<b>Actions</b>	<b>Progress</b>	
None	N/A	N/A

3.5 DoCA 14-17:  
Expectations and  
role of the  
Government

DoCA Recommendation 16a: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
16a.1	Report at quarterly DoCA Review checkpoints to the Australian Government	KPI49, S16, TA4, TE21	Quarterly	auDA has complied with and demonstrated progress towards fulfilling the Terms of Endorsement at quarterly DoCA Review checkpoints.	Completed
16a.2	Number of satisfactory quarterly reports	KPI47	Quarterly	auDA has provided satisfactory quarterly reports to the Australian Government as evidenced by DoCA's statement at the 12 month checkpoint on 16 May 2019 - <i>"In considering auDA's progress to date, the Department assesses that, overall, auDA is on track to achieve compliance with the Terms of Endorsement"</i> .	Completed

<b>DoCA Rec 16b</b>	b. the Department conducts independent verification of some or all of auDA's reporting provided through its Annual Report, including those requirements identified as part of the review
<b>Progress Summary</b>	DoCA to report progress separately.

<b>DoCA Rec 16c</b>	c. a senior executive officer from the Department continue as a non-voting observer at auDA Board meetings and is present for all decisions taken by the Board.	<b>Status</b>
<b>Progress Summary</b>	A senior officer from DoCA has attended 14 out of 15 auDA Board meetings where auDA Review-related decisions have been made.	Completed
<b>Actions</b>		<b>Progress</b>
None		N/A

3.5 DoCA 14-17:  
Expectations and  
role of the  
Government

DoCA Recommendation 16c: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
16c.1	Australian Government senior officer is included in all relevant auDA governance processes	KPI48, S17, TE23	90% attendance	A DoCA senior officer has attended 14 out of 15 Board meetings with agenda items related to the auDA Review, except for the 16 July 2018 Board meeting. There has been a total of 18 Board meetings from July 2018 to September 2019.  DoCA clarified the non-voting observer role of the senior officer in a letter to auDA in May 2019. This letter is available on the auDA website.	Completed

<b>DoCA Rec 17</b>	That the oversight role of the Department of Communications and the Arts is reviewed periodically by Government to ensure it is fit-for-purpose.
<b>Progress Summary</b>	DoCA to report progress separately.

### 3.6 DoCA 18–23: Stakeholder engagement

#### Overview

This subset of recommendations guides auDA's stakeholder engagement strategy and implementation, such that the organisation is representative of and accountable to the Australian internet community. auDA has performed in accordance with these recommendations by developing, publishing and implementing a comprehensive stakeholder engagement strategy.

<b>DoCA Rec 18</b>	<b>That auDA develops a public stakeholder engagement strategy and implementation plan to articulate how it will engage with stakeholders in all levels of operation and decision making.</b>	<b>Status</b>
<b>Progress Summary</b>	auDA has developed and published a stakeholder engagement strategy. auDA has also engaged with stakeholders at all levels of operation and relevant decision making.	Completed
<b>Actions</b>	<b>Progress</b>	
A framework will be established for continued improvement and feedback from stakeholders.	The Stakeholder Engagement Strategy was approved by the Board in May 2019 and published on the auDA website.	Completed

DoCA Recommendation 18: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
18.1	Publish and implement the Stakeholder Engagement Strategy	KPI32, S5, TE13	Completion by April 2019	The Stakeholder Engagement Strategy was approved by the Board in May 2019 and published on the auDA website. The Interim Head of Stakeholder Engagement Strategy was appointed in July 2019.	Completed
18.2	Consult with stakeholders on deliberations and decisions	S4, TA20, TE12	Achieve initiative	auDA attends public meetings and holds workshops with domestic and international stakeholders such as ICANN and APTLD. A General Advisory Standing Committee is available to receive stakeholder feedback. auDA also has a public comment forum available on its website.	Completed

### 3.6 DoCA 18–23: Stakeholder engagement

DoCA Recommendation 18: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
18.3	Develop tools for working groups	S28	Achieve initiative	auDA has provided case studies from overseas jurisdictions and commissioned independent research and economic analysis to aid deliberations of working groups.	Completed
18.4	Develop tools to help analyse stakeholder feedback	S30	Achieve initiative	auDA's main tool for analysing stakeholder feedback is auDA's membership survey.	Completed
18.5	Build training materials to assist registrars in properly implementing .au policies	S33	Achieve initiative	auDA's Compliance Manager conducts face-to-face and telephone briefings with registrars, generally monthly. Additionally, auDA hosts a Registrar Summit which includes briefings on auDA policies.	Completed
18.6	Establish General and Technical Advisory Standing Committees	S46, B18, B19, B20, TA8, E7	Achieve initiative	The General and Technical Advisory Standing Committees have been established. Through the Standing Committees, stakeholders can raise relevant issues for auDA's consideration.	Completed
18.7	Develop various methods of stakeholder engagement	SE3, SE4, SE5, TA2	Achieve initiative	auDA has established many methods of stakeholder engagement including General and Technical Advisory Standing Committees, public consultation on policies, facilitated workshops, external communications (news and consumer alerts), a complaints submission process and a general enquiry submission process.	Completed



3.6 DoCA 18-23:  
Stakeholder  
engagement

DoCA Recommendation 18: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
18.8	Implement a complaints handling and dispute resolution process	B25, TA3, TA10, TA11, TA12, TA13, TA14, TA15, TA16, TE6	Achieve initiative	A complaint handling and dispute resolution policy was established on 18 March 2004 and an updated policy was published on 14 May 2015. Majority of complaints are addressed within 45 days.  auDA has also updated its domain name complaints handling policy in the new .au Licencing Rules which were approved in June 2019, and subject to further public comment.	Completed
18.9	Periodically publish consumer alerts	KPI5	Quarterly	61 external communications (news and consumer alerts) have been published since the beginning of the 2018-2019 financial year.	Completed
18.10	Publish corporate documents after consultation	KPI23	Completion by April 2019	Public consultations for all Corporate Policies were held open until March 2019 and are available for viewing on the auDA website. All Corporate Policies were approved and published by May 2019.	Completed
18.11	Annual number of public consultations / focus groups	KPI26	6 per annum	auDA has held 14 public consultations since the beginning of the 2018-2019 financial year.	Completed
18.12	Publish quarterly auDRP metrics	KPI9	Quarterly	Quarterly auDRP metrics are incorporated into the quarterly operational reports that commenced in Q1 2019 and which will be published on an ongoing basis.	Completed
18.13	Review Stakeholder Engagement Strategy	SE6	Achieve initiative	The timing of the Stakeholder Engagement Strategy review will be determined by the Board.	On track / Satisfactory progress

3.6 DoCA 18-23:  
Stakeholder  
engagement

DoCA Recommendation 18: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
18.14	Perform and report on annual stakeholder survey	KPI33	Annually	The annual stakeholder survey was undertaken in 15 August 2019 and surveyed 1,024 members. The results of the annual stakeholder survey will be included in the Annual Report in October 2019.	Completed
18.15	Perform and report on survey of complainants and respondents	KPI14	Annually	The last survey of complainants was undertaken in August 2019. auDA has reviewed the outcomes and aims to continuously improve the experience of complainants.  The results of the complainants and respondents survey are included in the Annual Report in October 2019.	Completed
18.16	Review complaint handling process	TA17	Achieve initiative	auDA's complaint handling process was improved in 2019 when the organisation migrated to a new CRM platform. The new platform improved the capture information and provides complainants with faster and more relevant service.  A new complaint handling process is contained in the new .au policies.	Completed
18.17	Educate public on .au	S51	Achieve initiative	auDA has held member education events and provide complimentary LinkedIn Learning subscriptions as a membership incentive.  auDA will continue to have events and initiatives to spread awareness of the .au domain name to the public.	On track / Satisfactory progress

3.6 DoCA 18-23:  
Stakeholder  
engagement

DoCA Recommendation 18: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
18.18	Develop a Stakeholder Engagement Charter and Code of Conduct	SE2	Achieve initiative	auDA's Stakeholder Engagement Strategy guides the manner of engagement with stakeholders at all levels, therefore, a Separate Stakeholder Engagement Charter and Code of Conduct was not needed.	Not started / Not at risk
18.19	Develop a best-practice framework to assist ccTLDs in developing and emerging nations	S34	Achieve initiative	auDA has engaged with developing and emerging nations in multilateral forums such as ICANN and Asia-Pacific Top Level Domain. Additionally, auDA has provided bilateral assistance and advice to developing and emerging nations including Indonesia, Papua New Guinea and Afghanistan.	Completed

DoCA Rec 19	Through its Annual Report and at its Annual General Meeting, auDA should report on its performance against its stakeholder engagement strategy.	Status
<b>Progress Summary</b>	auDA is reporting on its performance against its stakeholder engagement strategy its Annual Report and this Performance Report accompanying the Annual Report.	Completed
<b>Actions</b>		<b>Progress</b>
None		N/A
		N/A

DoCA Recommendation 19: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
19.1	Publish Annual Report	KPI37	Completion by November 2019	The 2018-2019 Annual Report will be published in October 2019.	Completed
19.2	Report in the Annual Report and Annual General Meeting	S15, TA7, TA9, TE20, S6	Completion by November 2019	Reporting on the Stakeholder Engagement Strategy are included in the Annual Report in October 2019 and the Annual General Meeting in November 2019.	Completed

3.6 DoCA 18-23:  
Stakeholder  
engagement

DoCA Rec 20	That auDA publish conclusions from its review on its community activities and publish an implementation plan on future community activities.	Status
<b>Progress Summary</b>	auDA published its Events and Community Strategy in July 2019 that reflects its review of past events and incorporates learnings. Three community activities that received substantial funding from auDA in the past were reviewed:  1. The Australian Internet Governance Forum (auIGF) 2. Australia and New Zealand Internet Awards (ANZIAs) 3. auDA Foundation	Completed
<b>Actions</b>		<b>Progress</b>
None		N/A
		N/A

DoCA Recommendation 20: auDA's supporting initiatives				
Initiative	Source	Target	Progress	Status
None	N/A	N/A	N/A	N/A

DoCA Rec 21	That auDA continue to engage with ICANN and other international bodies to represent Australian interests.	Status
<b>Progress Summary</b>	auDA has done and continues to engage with ICANN and other international bodies by attending fora and being involved in certain processes.	Completed
<b>Actions</b>		<b>Progress</b>
None		N/A
		N/A

3.6 DoCA 18-23:  
Stakeholder  
engagement

DoCA Recommendation 21: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
21.1	Engage with international and national fora	S7, SE8, TE5, TE14, B24	Achieve initiative	auDA interacts and maintains relationships with agencies such as ICANN, APTLD, DNS-OARC, and CENTR through events, workshops and discussions.	Completed
21.2	Number of domestic fora attended	KPI28	6 per annum	<p>auDA has participated in 17 domestic fora, as follows:</p> <ol style="list-style-type: none"> <li>1. "Securing Aust Domain" - Aust Cyber Security Centre, Canberra</li> <li>2. Maurice Payne Launch Cyber Security Strategy - Sydney</li> <li>3. ASPI Advisory Council, Canberra</li> <li>4. auCloud Industry Event, Canberra</li> <li>5. Govt Briefing, Canberra</li> <li>6. Govt Briefing, Canberra</li> <li>7. Pivot Summit, Geelong</li> <li>8. Internet Governance Stakeholder Roundtable, Canberra</li> <li>9. UTS Stakeholder Roundtable, Sydney</li> <li>10. AWIA Conference &amp; Awards, QLD</li> <li>11. iAwards, Canberra &amp; Melbourne</li> <li>12. AusSec 2019, Canberra</li> <li>13. auDA Member Event, Canberra</li> <li>14. Govt Briefing, Canberra</li> <li>15. ACOMM Awards, Sydney</li> <li>16. Licensing Policy Workshop, Canberra</li> <li>17. ASBFEO Small Bus Ombudsman, Canberra</li> </ol>	Completed

3.6 DoCA 18-23:  
Stakeholder  
engagement

DoCA Recommendation 21: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
21.3	Number of ICANN processes involved in	KPI34	3	<p>auDA is involved in 4 ICANN processes, as follows:</p> <ol style="list-style-type: none"> <li>1. Nominating Committee Working Group</li> <li>2. Chair, special interest session GDPR</li> <li>3. Presentation DNSSEC working group - .au transition</li> <li>4. Independent Review Process (IRP) working group</li> </ol>	Completed
21.4	Number of international fora attended	KPI27	5 per annum	<p>auDA has attended 9 international fora, as follows:</p> <ol style="list-style-type: none"> <li>1. ICANN63 Barcelona</li> <li>2. ICANN64 Kobe</li> <li>3. ICANN65 Marrakech</li> <li>4. APTLD73 Kathmandu</li> <li>5. APTLD74 Tashkent</li> <li>6. APTLD75 Dubai</li> <li>7. APTLD76 Iskandar Puteri</li> <li>8. Internet &amp; Jurisdictional Policy Network (IJPN) Berlin - Internet Law Discussions</li> <li>9. GDD Summit (Global Domains Division) Bangkok - Compliance Discussions</li> </ol>	Completed
21.5	Timely payment of ICANN fees	KPI35	Annually	ICANN fees were paid ahead of the due date.	Completed

DoCA Rec 22	That auDA's stakeholder engagement strategy (Recommendation 18) include ICANN and other relevant international fora and bodies.	Status
Progress Summary	auDA's stakeholder engagement strategy includes ICANN and other relevant international fora and bodies.	Completed
Actions		Progress
None		N/A
		N/A

### 3.6 DoCA 18-23: Stakeholder engagement

DoCA Recommendation 22: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
22.1	Publish and implement the Stakeholder Engagement Strategy	KPI32, S5, TE13	Completion by April 2019	The Stakeholder Engagement Strategy was approved by the Board in May 2019 and published on the auDA website. ICANN and other international bodies are mentioned as key stakeholders.	Completed

<b>DoCA Rec 23</b>	As part of its Strategic Plan (Recommendation 4), auDA publishes a forward-looking international travel schedule and describes in its Annual Report the effectiveness of its international activity.		<b>Status</b>
<b>Progress Summary</b>	auDA has published a 2019 Operational Calendar and will report on the effectiveness of its international activity in its 2018-2019 Annual Report in October 2019.		Completed
<b>Actions</b>		<b>Progress</b>	
None		NA	N/A

DoCA Recommendation 23: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
23.1	Publish an international travel schedule and report on the effectiveness of international activity	S8, TA5, TA6	Annually	auDA has published a 2019 Operational Calendar on its website. Reporting on auDA's international activity is included in the Annual Report in October 2019.	Completed
23.2	Publish quarterly trip reports	KPI8	Quarterly	Quarterly trip reports are incorporated into the quarterly operational reports that commenced in Q1 2019 and are published on an ongoing basis.	Completed

### 3.7 DoCA 24-29: Trust and confidence in .au

#### Overview

This subset of recommendations guides auDA's Enterprise Security Strategy and implementation, such that the organisation maintains the trust and confidence that the Australian internet community has in the .au domain. auDA has performed in accordance with these recommendations by implementing an enterprise security strategy and maintaining relationships with key international and Government security agencies.

<b>DoCA Rec 24</b>	As part of its international engagement (Recommendations 21, 22 and 23), auDA engage with key international security fora including ICANN's Security and Stability Advisory Committee to ensure that it is kept updated on international security developments.		<b>Status</b>
<b>Progress Summary</b>	auDA has engaged with key international security fora with a focus on improving deployment of DNSSEC, improving the WHOIS service, offering Internationalised Domain Names, monitoring DNS traffic for malicious activity, and overall security improvements.		Completed
<b>Actions</b>		<b>Progress</b>	
auDA monitors and reviews recommendations from ICANN's Security and Stability Committee for relevance to .au.		auDA has participated in 3 of ICANN's Security and Stability Committee's public meetings, as follows:	Completed
auDA will participate in public meetings of ICANN's Security and Stability Committee and identify other security fora for active participation as part of its enterprise security strategy.		<ol style="list-style-type: none"> <li>1. ICANN63 Barcelona</li> <li>2. ICANN64 Kobe</li> <li>3. ICANN65 Marrakech</li> </ol> From these meetings and ongoing monitoring, auDA reviews and identifies recommendations from ICANN's Security and Stability Committee that can be utilised in auDA's enterprise security strategy.	



3.7 DoCA 24-29:  
Trust and  
confidence in .au

DoCA Recommendation 24: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
24.1	Engage with international and national security fora	E19, S19, TE25	Achieve initiative	auDA interacts with security agencies such as ICANN's Security and Stability Committee, ASD and the ACSC through events, meetings and partnerships. auDA has participated in 3 of ICANN's Security and Stability Committee's public meetings, as follows: 1. ICANN63 Barcelona 2. ICANN64 Kobe 3. ICANN65 Marrakech	Completed
24.2	Number of security fora attended	KPI50	3 per annum	auDA has attended 8 international fora that have covered security issues, as follows: 1. DNS-OARC Amsterdam 2. ICANN63 Barcelona 3. ICANN64 Kobe 4. ICANN65 Marrakech 5. APTLD73 Kathmandu 6. APTLD74 Tashkent 7. APTLD75 Dubai 8. APTLD76 Iskandar Puteri	Completed

3.7 DoCA 24-29:  
Trust and  
confidence in .au

DoCA Rec 25	That auDA develop and implement an enterprise security strategy based on domestic and international best practice in consultation with all relevant stakeholders.	Status
<b>Progress Summary</b>	auDA published its Enterprise Security Strategy in November 2018 and has implemented its strategy by ensuring compliance with international standards, building the security capability of auDA, the registry, and registrars, and engaging external experts to regularly test the security of its systems. The registry and registrars are also required to get regular external security audits.	Completed
Actions	Progress	
auDA identifies relevant international standards related to IT security and service management, along with relevant Australian Government publications such as the Information Security Manual and the ASD Essential Eight to guide its enterprise security strategy.	auDA has identified relevant international standards and recommendations to implement into its IT security and service management processes.	On track / Satisfactory progress
auDA will enhance its policies for compliance with ISO 27001 and ISO 22301.	As a result, auDA has initiated projects to achieve ISO 22701 and 22301 compliance and utilises ISO20000 guidelines in service management.	
auDA will review and update its ISS security standard for accredited registrars.	Accredited registrars have been certified as being compliant with the auDA Information Security Standard (ISS) with audits of registrars' compliance with the ISS.  With direct registration coming in Q4 2019, auDA has proposed a new Registrar Agreement that contains updated security requirements aligned with ISO 27001 with some specific minimum standards related to domain name registration. To sell domain names directly under .au, registrars will need to sign and operate under this new Registrar Agreement.	

DoCA Recommendation 25: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
25.1	Achieve ISO 22301 certification	S38, S39, E10, E14, KPI52	Completion by June 2020	A disaster recovery (DR) and business continuity plan test is expected to be completed by 30 June 2020, in accordance with the ISO 22301 standard.	On track / Satisfactory progress

3.7 DoCA 24-29:  
Trust and  
confidence in .au

DoCA Recommendation 25: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
25.2	Achieve ISO 27001 certification	S41, S42, E5, E6, KPI51	Completion by December 2019	<p>auDA has completed phase 1 of its ISO 27001 certification project, which involved documenting all information systems, identifying risks and identifying additional security controls.</p> <p>auDA has begun phase 2 of its ISO 27001 project, which involves incorporating the controls from the ISO 27001 standard, ASD Essential Eight and the Australian Government's Information Security Manual into the ISMS.</p>	On track / Satisfactory progress
25.3	Assist the Digital Transformation Agency to improve security of gov.au	E17	Achieve initiative	auDA and Afilias assisted the Digital Transformation Agency in signing the .gov.au and state.gov.au zones and using DNSSEC, which improves the security of the zone by providing non-repudiation and response validation.	Completed
25.4	Build IT security capabilities with a specialisation in DNS services	S23	Achieve initiative	Internally auDA has been building capabilities in its IT department so that staff are able to individually manage, monitor and mitigate impacts to DNS services in the case of absences and departures.	Completed
25.5	Conduct penetration testing of all critical systems	S43, E4, E16	Annually	The annual penetration test was completed in October 2018 with the 7 reported risks being resolved by January 2019.	Completed
25.6	Conduct red-team penetration testing of auDA's and registry systems	S44, E8, E12	Periodically	<p>Red-team penetration testing was completed in April 2019.</p> <p>12 reported risks are being addressed in the ISO 27001 implementation.</p>	On track / Satisfactory progress

3.7 DoCA 24-29:  
Trust and  
confidence in .au

DoCA Recommendation 25: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
25.7	Encourage resellers to implement the ASD Strategies to Mitigate Cyber Security Incidents	E18	Achieve initiative	auDA does not directly work with resellers of registrar services. Instead, auDA has a 5-year plan to update the security of registrars and will work with the registrars to encourage security improvements for resellers.	On track / Satisfactory progress
25.8	Ensure screening compliance at AS-4811 standard and identify national proofing guidelines level 3	S40, E3	Achieve initiative	Employee screening and identity check compliance with AS 4811 and the National Identity Proofing Guidelines was implemented in December 2017.	Completed
25.9	Establish a registry operator selection and governance process	B21, B22, B23	Achieve initiative	The Registry Transformation Project in 2017 included a rigorous registry operator selection process used to select a new registry operator and put a new registry contract in place in December 2017. The current contract completes in July 2022 with the option of a two year extension. auDA has a best-practice governance process built into the contract with regular quarterly reviews of performance, and weekly operational meetings.	Completed
25.10	Have best-practice security and risk processes	S24, S35, S36, E1, E11	Achieve initiative	auDA has identified relevant international standards and recommendations to implement into its security and service management processes. As a result, auDA has initiated projects to achieve ISO 22701 and 22301 compliance and utilises ISO20000 guidelines in service management.	On track / Satisfactory progress

3.7 DoCA 24-29:  
Trust and  
confidence in .au

DoCA Recommendation 25: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
25.11	Monitor performance against auDA-Afilias registry agreement	E13	Achieve initiative	auDA utilises the RegMon monitoring service provided by Security Shift to identify when SLAs are breached. Performance is measured on a monthly basis and any breaches are handled by the COO. auDA also meets with Afilias weekly to review registry operations. As of September 2019, Afilias has met all minimum performance standards.	Completed
25.12	Obtain an independent review of security effectiveness	KPI56	Annually	The independent review of security effectiveness involves an annual penetration test and red-team penetration testing. The annual penetration test was completed in October 2018 with the 7 reported risks being resolved by January 2019. Red-team penetration testing was completed in April 2019.  12 reported risks from the red-team penetration testing are being addressed in the ISO 27001 implementation.	On track / Satisfactory progress
25.13	Obtain Government security clearances	E9	Achieve initiative	At least two people at auDA have obtained the Negative Vetting Level 1 security clearance.	Completed
25.14	Provide education and training on best security practices for registrars and resellers	S48, S49	Achieve initiative	auDA ran a session on security for registrars at the registrar summit in November 2018 with the participation of a representative from the Australian Signals Directorate. Registrars and resellers can take advantage of education-related member incentives by becoming associate members either individually or as an organisation.  auDA will be providing a security briefing for registrars at the annual summit in October 2019.	On track / Satisfactory progress

3.7 DoCA 24-29:  
Trust and  
confidence in .au

DoCA Recommendation 25: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
25.15	Provide incident reports with time to resolve	TE2, KPI3	As needed	3 incidents occurred between mid-August and mid-September 2019. These have been reported internally and resolved, as follows:  2 incidents relating to the .au DNS where an authoritative server was intermittent for 2 hours  1 incident relating to the web WHOIS service being unavailable for 7 hours	Completed
25.16	Publish corporate documents after consultation	KPI23	Completion by April 2019	Public consultations for all Corporate Policies were held open until 31 March 2019 and are available for viewing on the auDA website. All Corporate Policies were approved and published by May 2019.	Completed
25.17	Publish Enterprise Security Strategy	S20, TE26, KPI53	Completion by April 2019	The Enterprise Security Strategy was approved by the Board in November 2018 and published to the auDA website.	Completed
25.18	Review and update ISS for accredited registrars	S47, E15	Achieve initiative	Accredited registrars have been certified as being compliant with the auDA Information Security Standard (ISS) with audits of registrars' compliance with the ISS.  With direct registration coming in Q4 2019, auDA has proposed a new Registrar Agreement that contains updated security requirements aligned with ISO 27001 with some specific minimum standards related to domain name registration. To sell domain names directly under .au, registrars will need to sign and operate under this new Registrar Agreement.	On track / Satisfactory progress

3.7 DoCA 24-29:  
Trust and  
confidence in .au

DoCA Recommendation 25: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
25.19	Third party review of incidents	KPI4	Annually	The 3 incidents are scheduled to be reviewed by the auDA Information Security Management Forum (comprised of the COO, CTO and CFO) in October or November 2019. Afterwards, the incidents are submitted to the Security and Risk Committee.	On track / Satisfactory progress

DoCA Rec 26	That auDA publishes a public facing version of its enterprise security strategy, having regard to relevant sensitivities.	Status
<b>Progress Summary</b>	auDA published a public facing version of its Enterprise Security Strategy on the auDA website in November 2018.	Completed
<b>Actions</b>	<b>Progress</b>	
auDA will publish a public facing version of its enterprise security strategy.	The Enterprise Security Strategy was approved by the Board in November 2018 and published to the auDA website.	Completed

DoCA Recommendation 26: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
26.1	Publish Enterprise Security Strategy	S20, TE26, KPI53	Completion by April 2019	The Enterprise Security Strategy was approved by the Board in November 2018 and published to the auDA website.	Completed

3.7 DoCA 24-29:  
Trust and  
confidence in .au

DoCA Rec 27	As part of its stakeholder engagement plan (Recommendation 18), that auDA maps its relationship with Australian Government security agencies and the internet industry and community on security of the .au namespace.	Status
<b>Progress Summary</b>	auDA maintains its relationship with Australian Government security agencies and other cyber security agencies through partnerships and attending events.	Completed
<b>Actions</b>	<b>Progress</b>	
None	N/A	N/A

DoCA Recommendation 27: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
27.1	Build partnerships with relevant Australian cyber security agencies	S21, TE27	Achieve initiative	auDA joined the Joint Cyber Security Centre in Melbourne as an Australian Cyber Security Centre (ACSC) partner and meets regularly with staff from the Australian Signals Directorate (ASD).  A workshop with ASD is being held in October 2019.	Completed
27.2	Collaborate with Australian Government agencies	S45, E20	Achieve initiative	auDA collaborates with Australian Government agencies on an ongoing basis. Example engagements include attending a workshop in August 2019 with representatives from ASD, the Australian Federal Police, Department of Home Affairs and the Attorney General's Department and establishing a partnership with the Joint Cyber Security Centre.	Completed



3.7 DoCA 24-29:  
Trust and  
confidence in .au

<b>DoCA Rec 28</b>	That the Department of Communications and the Arts facilitate partnerships between auDA and relevant cyber security agencies.
<b>Progress Summary</b>	DoCA to report progress separately.

<b>DoCA Rec 29</b>	As part of its quarterly reports to Government (Recommendation 16) that auDA report on its security activities.	<b>Status</b>
<b>Progress Summary</b>	auDA has reported on its security activities during the quarterly DoCA Review checkpoints.	Completed
<b>Actions</b>		<b>Progress</b>
None		N/A

DoCA Recommendation 29: auDA's supporting initiatives					
#	Initiative	Source	Target	Progress	Status
29.1	Report to the Government quarterly on auDA's security activities	S22	Quarterly	auDA has reported on its security activities at quarterly DoCA Review checkpoints.	Completed

## 4. Next steps

Following the release of the 2018-2019 Annual Report and Performance Report, auDA will continue to perform against the new policy framework it has established, which includes the Transparency and Accountability Framework, the KPI Framework, the Board Charter, Stakeholder Engagement Strategy and Strategic Plan.

auDA intends to develop a flexible, systematic reporting framework that aligns with auDA's operating model.

# 5. Appendix

## 5.1 Performance against auDA's 61 KPIs

The objectives of auDA's KPI Framework are to outline how auDA will publicly report against its core functions under its new Terms of Endorsement and better meet stakeholder expectations.

Reporting against auDA's core functions and DoCA's requirements

Completed	On track / Satisfactory progress	Behind schedule / At risk	Overdue / At risk	Not started / Not at risk
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## 5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
Ensure stable, secure, and reliable operation of the .au domain space	KPI1	1	Quarterly public operational reports	Quarterly	Completed	Quarterly operational reports commenced in Q1 2019 and are published on an ongoing basis.
	KPI2	2	Monthly DNS uptime/resolution metrics (on auDA website)	Monthly	Completed	Registry reports with DNS uptime and resolution metrics have been published each month on the auDA website.
Core Function - Terms of Endorsement Respond quickly to matters that compromise DNS security	KPI3	3	Incident reports - with time to resolve	As needed	Completed	3 incidents occurred between mid-August and mid-September 2019. These have been reported internally and resolved, as follows:  2 incidents relating to the .au DNS where an authoritative server was intermittent for 2 hours  1 incident relating to the web WHOIS service being unavailable for 7 hours
	KPI4	4	Third party review of incidents	Annually	On track / Satisfactory progress	The 3 incidents are scheduled to be reviewed by the auDA Information Security Management Forum (comprised of the COO, CTO and CFO) in October or November 2019. Afterwards, the incidents are submitted to the Security and Risk Committee.

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
Promote principles of competition, fair trading and consumer protection	KPI5	5	Publication of consumer alerts periodically	Quarterly	Completed	61 external communications (news and consumer alerts) have been published since the beginning of the 2018-2019 financial year.
	KPI6	6	ACCC Review of major policy changes	100%	Completed	ACCC stated in correspondence dated 4 July 2019 that it has no comments to raise about the proposed changes in the context of the competition provisions of the Competition and Consumer Act 2010.
Operate as a fully self-funding and not-for-profit organisation	KPI7	7	Quarterly and annual financial reports	Quarterly	Completed	Quarterly financial reports are incorporated into the quarterly operational reports that commenced in Q1 2019 and are published on an ongoing basis.
Actively participate in national and international fora	KPI8	8	Trip reports (in quarterly operational reports)	Quarterly	Completed	Quarterly trip reports are incorporated into the quarterly operational reports that commenced in Q1 2019 and are published on an ongoing basis.
Establish appropriate dispute resolution mechanisms	KPI9	9	Quarterly auDRP metrics	Quarterly	Completed	Quarterly auDRP metrics are incorporated into the quarterly operational reports that commenced in Q1 2019 and are published on an ongoing basis.

Core Function - Terms of Endorsement

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
Develop the Policy framework for the .au ccTLD	KPI10	10	Quarterly policy updates	Quarterly	Completed	Quarterly policy updates are incorporated into the quarterly operational reports that commenced in Q1 2019 and are published on an ongoing basis.
Manage the operation of critical technical functions	KPI11	11	DNS uptime/resolution metrics (on auDA website)	100% availability	Completed	As of October 2019, auDA achieved 100% overall DNS availability.
	KPI12	12	EPP registration uptime/perf. Metrics (on auDA website)	100% availability	Completed	As of October 2019, auDA achieved 100% EPP service availability.
	KPI13	13	WHOIS service update/perf. Metrics	100% availability	Completed	As of October 2019, auDA achieve 100% WHOIS service availability.
Establish complaints handling processes	KPI14	14	Quarterly public operational reports (on auDA website)	Quarterly	Completed	Quarterly operational reports commenced in Q1 2019 and are published on an ongoing basis.
	KPI15	15	Survey of complainants and respondents	Annually	Completed	The last survey of complainants was undertaken in August 2019. auDA has reviewed the outcomes and aims to continuously improve the experience of complainants.  The results of the complainants and respondents survey are included in the Annual Report in October 2019.

auDA Constitution

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
Effective Governance Arrangements for the .au namespace	KPI15	16	Date Nomination Committee formed	Completion by May 2019	Completed	auDA's Nomination Committee was established on 16 May 2019.
	KPI16	17	Number of Nomination Committee meetings per annum	2 per annum	Completed	The Nomination Committee has met on more than 10 occasions since its inception in May 2019.
	KPI17	18	Process for director recruitment undertaken	Completion by November 2019	On track / Satisfactory progress	The short list of Board candidates selected with the Board Skills Matrix and an update on probity and disclosure assessments will be presented at the October 2019 Board meeting. A ballot for Elected Directors by Associate Members will be conducted following the Board meeting. Board appointments will take effect on 15 November 2019, subject to approval.
	KPI18	19	Election by Associate Members for 4 directors	Completion by November 2019	On track / Satisfactory progress	The short list of Board candidates selected with the Board Skills Matrix and an update on probity and disclosure assessments will be presented at the October 2019 Board meeting. A ballot for Elected Directors by Associate Members will be conducted following the Board meeting. Board appointments will take effect on 15 November 2019, subject to approval.

New Terms of Endorsement Requirements

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
New Terms of Endorsement Requirements	KPI19	20	Board Skills Matrix reviewed	Annually	On track / Satisfactory progress	The previous Board Skills Matrix was approved in September 2018.  A new Board Skills Matrix is currently being reviewed and a decision will be made on the approval of the new Board Skills Matrix in the October 2019 Board meeting.
	KPI20	21	Board Charter reviewed	Annually	Completed	The Board Charter was reviewed and updated in February 2019.
	KPI21	22	Date new board appointed.	Completion by November 2019	On track / Satisfactory progress	The short list of Board candidates selected with the Board Skills Matrix and an update on probity and disclosure assessments will be presented at the October 2019 Board meeting. A ballot for Elected Directors by Associate Members will be conducted following the Board meeting. Board appointments will take effect on 15 November 2019, subject to approval.
	KPI22	23	Not-for-profit status confirmed	Annually	Completed	auDA satisfies the Australian Taxation Office guidelines for a not-for-profit organisation, specifically as a resource development organisation.
	KPI23	24	Corporate documents published after consultation	Completion by April 2019	Completed	Public consultations for all Corporate Policies were held open until March 2019 and are available for viewing on the auDA website. All Corporate Policies were approved and published by May 2019.

New Terms of Endorsement Requirements



5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
New Terms of Endorsement Requirements Facilitate effective stakeholder engagement	KPI24	25	Board performance reviewed annually	Completion by November 2020	Completed	The Board undertook an external review by Cameron Ralph Khoury of its performance in January 2019. In September 2019, it performed a self-assessment against the Board Charter.
	KPI25	26	Annual compliance statement by chair	Annually	Completed	The annual compliance statement by the Chair will be included in the 2018-2019 Annual Report in October 2019.
	KPI26	27	Annual number of public consultations / focus groups	6 per annum	Completed	auDA has held 14 public consultations since the beginning of the 2018-2019 financial year.
	KPI27	28	Number of international fora attended	5 per annum	Completed	auDA has attended 9 international fora, as follows: 1. ICANN63 Barcelona 2. ICANN64 Kobe 3. ICANN65 Marrakech 4. APTLD73 Kathmandu 5. APTLD74 Tashkent 6. APTLD75 Dubai 7. APTLD76 Iskandar Puteri 8. Internet & Jurisdictional Policy Network (IJPN) Berlin - Internet Law Discussions 9. GDD Summit (Global Domains Division) Bangkok - Compliance Discussions

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
New Terms of Endorsement Requirements	KPI28	29	Number of domestic fora attended	6 per annum	Completed	auDA has participated in 17 domestic fora, as follows: 1. "Securing Aust Domain" - Aust Cyber Security Centre, Canberra 2. Maurice Payne Launch Cyber Security Strategy - Sydney 3. ASPI Advisory Council, Canberra 4. auCloud Industry Event, Canberra 5. Govt Briefing, Canberra 6. Govt Briefing, Canberra 7. Pivot Summit, Geelong 8. Internet Governance Stakeholder Roundtable, Canberra 9. UTS Stakeholder Roundtable, Sydney 10. AWIA Conference & Awards, QLD 11. iAwards, Canberra & Melbourne 12. AusSec 2019, Canberra 13. auDA Member Event, Canberra 14. Govt Briefing, Canberra 15. ACOMM Awards, Sydney 16. Licensing Policy Workshop, Canberra 17. ASBFEO Small Bus Ombudsman, Canberra
	KPI29	30	Number of events for members	6 per annum	On track / Satisfactory progress	auDA will have conducted 4 member events within the first 7 months of its new membership model.

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
New Terms of Endorsement Requirements	KPI30	31	Number of new members	12,500 members by October 2020	On track / Satisfactory progress	auDA has recruited 1,321 Associate Members as of 30 September 2019. While attracting members is a priority for the organisation, auDA's primary objective is to ensure that growth in its membership delivers greater diversity and engagement.
	KPI31	32	Date membership expansion plan published	Completion by April 2019	Completed	auDA's membership expansion plan was published in April 2019.
	KPI32	33	Date stakeholder engagement plan published	Completion by April 2019	Completed	The Stakeholder Engagement Strategy was approved by the Board in May 2019 and published on the auDA website. The Interim Head of Stakeholder Engagement Strategy was appointed in July 2019.
	KPI25	34	Annual compliance statement by chair	Annually	Completed	The annual compliance statement by the Chair will be included in the 2018-2019 Annual Report in October 2019.
	KPI33	35	Annual stakeholder survey	Annually	Completed	The annual stakeholder survey was undertaken in 15 August 2019 and surveyed 1,024 members. The results of the annual stakeholder survey will be included in the Annual Report in October 2019.

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
New Terms of Endorsement Requirements	KPI34	36	Number of ICANN processes involved in	3	Completed	auDA is involved in 4 ICANN processes, as follows: 1. Nominating Committee Working Group 2. Chair, special interest session GDPR 3. Presentation DNSSEC working group - .au transition 4. Independent Review Process (IRP) working group
	KPI35	37	Timely payment of ICANN fees	Annually	Completed	ICANN fees were paid ahead of the due date.
	KPI36	38	Date Board minutes published	Monthly	Completed	Board minutes have been published on the auDA website for each month of the 2018-2019 financial year.
	KPI37	39	Date Annual Report published	Completion by November 2019	Completed	The 2018-2019 Annual Report will be published in October 2019.
	KPI38	40	Date operating plan and budget published	Completion by July 2019	Completed	The 2019-2020 Operating Plan and Budget were approved at the June 2019 Board meeting. The 2019-2020 Operating plan was published on the auDA website in June 2019.
	KPI39	41	T&A framework published and reviewed	Completion by April 2019	Completed	The Transparency and Accountability Framework was approved by the Board in May 2019 and published on the auDA website.

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
New Terms of Endorsement Requirements	KPI40	42	Date strategic plan published and reviewed	Completion by November 2019	Completed	The public comment period on the strategic plan was closed in September 2018. The 2019-2024 Strategic Plan was approved by the Board in January 2019 and published on the auDA website. The next review is planned for Q1 2020.
	KPI41	43	Date T&A framework published	Completion by April 2019	Completed	The Transparency and Accountability Framework was approved by the Board in May 2019 and published on the auDA website.
	KPI25	44	Annual compliance statement by chair	Annually	Completed	The annual compliance statement by the Chair will be included in the 2018-2019 Annual Report in October 2019.
	KPI42	45	Board papers published in compliance with T&A	Achieve KPI	Completed	Per the Transparency and Accountability Framework, auDA's Board meeting minutes, Constitution, strategic plans, key policy decisions and public comments are all publicly available on the auDA website.
	KPI43	46	Meeting minutes published in compliance with T&A	Achieve KPI	Completed	Per the Transparency and Accountability Framework, auDA's Board meeting minutes, Constitution, strategic plans, key policy decisions and public comments are all publicly available on the auDA website.
	KPI44	47	Public comments published in compliance with T&A	Achieve KPI	Completed	Per the Transparency and Accountability Framework, auDA's Board meeting minutes, Constitution, strategic plans, key policy decisions and public comments are all publicly available on the auDA website.

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
New Terms of Endorsement Requirements	KPI45	48	Conduct technical, T&A, Board effectiveness reviews	Annually	On track / Satisfactory progress	<p>auDA reports its technical performance in monthly registry reports available on the auDA website and is operating at world's best practice standard. auDA has also engaged external security experts to perform an external security vulnerability assessment and a red-team penetration test, which did not identify any critical issues.</p> <p>The next review of the Transparency and Accountability Framework is expected to be completed by December 2023.</p> <p>The Board undertook an external review by Cameron Ralph Khoury of its performance in January 2019. In September 2019, it performed a self-assessment against the Board Charter.</p>
	KPI46	49	Date strategic plan published	Completion by November 2019	Completed	The public comment period on the strategic plan was closed in September 2018. The 2019-2024 Strategic Plan was approved by the Board in January 2019 and published on the auDA website. The next review is planned for Q1 2020.
	KPI25	50	Annual compliance statement by chair	Annually	Completed	The annual compliance statement by the Chair will be included in the 2018-2019 Annual Report in November 2019.

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments	
New Terms of Endorsement Requirements	Engagement with the Australian Government	KPI47	51	Number of satisfactory quarterly reports	Quarterly	Completed	auDA has provided satisfactory quarterly reports to the Australian Government as evidenced by DoCA's statement at the 12 month checkpoint on 16 May 2019 - "In considering auDA's progress to date, the Department assesses that, overall, auDA is on track to achieve compliance with the Terms of Endorsement".
		KPI48	52	Number of Board meetings attended by senior officer	90% attendance	Completed	A DoCA senior officer has attended 14 out of 15 Board meetings with agenda items related to the auDA Review, except for the 16 July 2018 Board meeting. There has been a total of 18 Board meetings from July 2018 to September 2019.  DoCA clarified the non-voting observer role of the senior officer in a letter to auDA in May 2019. This letter is available on the auDA website.
		KPI49	53	Compliance with DoCA Review checkpoints	Quarterly	Completed	auDA has complied with and demonstrated progress towards fulfilling the Terms of Endorsement at quarterly DoCA Review checkpoints.

5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments	
New Terms of Endorsement Requirements	Support trust and confidence in .au	KPI50	54	Number of security fora attended	3 per annum	Completed	auDA has attended 8 international fora that have covered security issues, as follows:  1. DNS-OARC Amsterdam 2. ICANN63 Barcelona 3. ICANN64 Kobe 4. ICANN65 Marrakech 5. APTLD73 Kathmandu 6. APTLD74 Tashkent 7. APTLD75 Dubai 8. APTLD76 Iskandar Puteri
		KPI47	55	Number of satisfactory quarterly reports	Quarterly	Completed	auDA has provided satisfactory quarterly reports to the Australian Government as evidenced by DoCA's statement at the 12 month checkpoint on 16 May 2019 - "In considering auDA's progress to date, the Department assesses that, overall, auDA is on track to achieve compliance with the Terms of Endorsement".
		KPI51	56	Achieve ISO 27001 certificate	Completion by December 2019	On track / Satisfactory progress	auDA has completed phase 1 of its ISO 27001 certification project, which involved documenting all information systems, identifying risks and identifying additional security controls.  auDA has begun phase 2 of its ISO 27001 project, which involves incorporating the controls from the ISO 27001 standard, ASD Essential Eight and the Australian Government's Information Security Manual into the ISMS.

## 5.1 Performance against auDA's 61 KPIs

Requirements	ID	#	KPI	Target	Status	Comments
New Terms of Endorsement Requirements	KPI52	57	Achieve ISO 22301 certificate	Completion by June 2020	On track / Satisfactory progress	A disaster recovery (DR) and business continuity plan test is expected to be completed by 30 June 2020, in accordance with the ISO 22301 standard.
	KPI53	58	Date Enterprise Security Strategy published	Completion by April 2019	Completed	The Enterprise Security Strategy was approved by the Board in November 2018 and published to the auDA website.
	KPI54	59	Deliver 2018-2019 Operating plan	Completion by July 2018	Completed	The 2018-2019 Budget was approved at the June 2018 Board meeting, and auDA has delivered against the initiatives detailed in this budget.
	KPI55	60	Deliver 2019-2020 Operating plan	Completion by July 2019	Completed	The 2019-2020 Operating Plan and Budget were approved at the June 2019 Board meeting. The 2019-2020 Operating plan was published on the auDA website in June 2019.
	KPI56	61	Independent review of security effectiveness	Annually	On track / Satisfactory progress	The independent review of security effectiveness involves an annual penetration test and red-team penetration testing. The annual penetration test was completed in October 2018 with the 7 reported risks being resolved by January 2019. Red-team penetration testing was completed in April 2019.  12 reported risks from the red-team penetration testing are being addressed in the ISO 27001 implementation.

## 5.2 Terms of Endorsement Initiatives

ID	Page #	Original Description
TE1	1	Ensure stable, secure and reliable operation of the .au domain space
TE2	1	Respond quickly to matters that compromise DNS security
TE3	1	Promote principles of competition, fair trading and consumer protection
TE4	1	Operate as a fully self-funding and not-for-profit organisation
TE5	1	Actively participate in national and international technical and policy namespace fora to ensure that Australia's interests are represented and to identify trends and developments relevant to the administration of the .au namespace
TE6	1	Establish appropriate dispute resolution mechanisms.
TE7	2	An independent process that can provide assurances of the suitability of candidates considered for board appointments, such as a Nomination Committee
TE8	2	A board that has the collective mix of technical and corporate skills, and industry experience, to effectively administer the .au namespace
TE9	2	A board that appoints a majority of directors who are independent of the organisation, including the Chair
TE10	2	Appointment terms that support ongoing board renewal
TE11	2	A Board Charter that outlines the roles and responsibilities of the board, Chair and CEO and the basis for appointment of the Chair.
TE12	2	Consults with stakeholders on deliberations and decisions that will impact on the Australian internet community
TE13	2	Develop a comprehensive stakeholder engagement plan, including how it will engage with key stakeholders such as industry, members of the community, Government and relevant international bodies and organisations
TE14	2	Consistent with this stakeholder engagement plan, participate in international fora and relevant community activities
TE15	2	Has a clearly defined membership structure that can represent the views of the Australian internet community
TE16	2	Initiate activities that engage the internet community and support the diversification of its member base
TE17	2	Establish an effective process for assessing and processing new members.



## 5.2 Terms of Endorsement Initiatives

ID	Page #	Original Description
TE18	2	An annual strategic plan that reflects these Terms of Endorsement and the company's purpose with reference to how it will discharge its functions as a not-for-profit entity.
TE19	2	A transparency and accountability framework
TE20	3	An effective reporting framework which would include reporting through its Annual Report and at its Annual General Meeting on performance against: <ul style="list-style-type: none"> <li>• these terms of endorsement, supported by a key performance indicator framework board performance against its charter</li> <li>• its strategic plan the transparency and accountability framework</li> <li>• stakeholder engagement activities including international and community activities and initiatives that aim to expand the member base.</li> </ul>
TE21	3	Provide quarterly updates on performance and work priorities to the Department
TE22	3	Acknowledge that the Government reserves the right to independently review auDA's reporting and reporting processes at any time
TE23	3	Ensure that a senior officer from the Department is included in all relevant auDA governance processes, including, but not limited to, non-voting observer status at board meetings for all decisions
TE24	3	Develop a strategy to enable an orderly transition to an alternative domain administrator in the event that endorsement is withdrawn by the Government.
TE25	3	Engage with key international security fora to ensure it is aware of international security developments and best practice
TE26	3	Develop, maintain and, to the greatest extent possible, publish an enterprise security strategy which is informed by domestic and international best practice
TE27	3	Work with the Department of Communications and the Arts to facilitate partnerships between auDA and relevant cyber security agencies

## 5.3 Board Charter Initiatives

ID	Page #	Original Description
B1	2	Oversight of the Company's activities to achieve the objectives set out in the Constitution;
B2	2	Establishing and approving the charters of Board Committees; and
B3	2	Monitoring compliance with ethical, legislative and regulatory requirements including occupational health and safety, equal opportunity, environmental, corporate governance and reporting obligations.
B4	2	Reviewing annual business plans to ensure alignment with the strategic direction, priorities and corporate strategies; and
B5	2	Providing Board oversight of strategic decision making and initiatives.
B6	2	Appointing the CEO
B7	2	Establishing and implementing a structured annual performance evaluation process for the CEO;
B8	2	Monitoring the CEO's evaluation of the performance of senior executives against measurable and qualitative indicators; and
B9	2	Developing a CEO succession plan.
B10	2	Approving auDA's annual budget and monitoring the efficiency of auDA's operations and its performance against the budget,
B11	2	Ensuring that the company has sufficient resources to carry out its administrative functions and implement operational policies,
B12	2	Setting and regularly reviewing the financial delegations to the CEO and other auDA staff,
B13	2	Ensuring auDA has an adequate internal control framework,
B14	2	Approving auDA's annual financial statements, and
B15	2	Selecting an independent auditor and reviewing audit findings.
B16	3	Approving auDA's enterprise-wide risk management policy.
B17	3	Monitoring high and very high risks.
B18	3	Setting the terms of reference and appointing chairs and members for the Standing Advisory Committees, and other industry and policy panels;
B19	3	Ensuring effective operation of the Standing Committees, industry and policy panels;

### 5.3 Board Charter Initiatives

ID	Page #	Original Description
B20	3	Considering policies recommendations developed by committees and Advisory Panels and ensuring such advice is incorporated into the Board's decision making.
B21	3	Ensuring an appropriate process is used to select the registry operator to which auDA outsources the operation of .au domain.
B22	3	Ensuring appropriate contracting arrangements are put in place for the selected registry operator including a reporting framework.
B23	3	Ensuring that a proper governance process is in place so that the registry operator complies with the terms of its agreement with auDA.
B24	3	Maintaining relationships with key stakeholders at a Board/ senior government official level including (but not limited to): <ul style="list-style-type: none"> <li>international organisations: Internet Corporation for Assigned Names and Numbers (ICANN), Asia Pacific Top Level Domain Association (APTLD) and Council of European National Top-Level Domain Registries (CENTR).</li> <li>domain administration authorities in countries with similar arrangements eg. United Kingdom (.uk), New Zealand (.nz) and Canada (.ca).</li> <li>relevant Australian government departments including the Department of Communications and the Arts (DOCA), the Department of Home Affairs, the Department of Defence and the Department of Foreign Affairs and Trade (DFAT).</li> </ul>
B25	3	Ensuring that there is an effective process for handling complaints by stakeholders including: <ul style="list-style-type: none"> <li>appropriate selection and contracting arrangements of any external dispute resolution providers.</li> <li>adequate resourcing of any internal complaints handling function.</li> <li>regular complaint trend analysis and identification, and implementation of any improvement opportunities.</li> </ul>

### 5.3 Board Charter Initiatives

ID	Page #	Original Description
B26	5	To meet standards of good governance, the Board must develop and follow an agenda cycle that has some flexibility to deal with changing priorities, and achieves coverage of the Board's core responsibilities including: <ul style="list-style-type: none"> <li>an environmental scan and review of organisational performance and risk at least once per year to set future strategy and key risk management measures;</li> <li>review of Board's key strategic initiatives, major projects and key risks via CEO reports and presentations;</li> <li>review of major outsourced operations;</li> <li>consultations with key stakeholders as appropriate;</li> <li>complaints report;</li> <li>regular review of financial results;</li> <li>approval of budget;</li> <li>approval of annual financial statements;</li> <li>meeting with the external auditor;</li> <li>preparation for and review of AGM matters;</li> <li>governance education as appropriate e.g. sessions that facilitate a better understanding of the Board's role and the organisation's business;</li> <li>Board effectiveness review;</li> <li>CEO performance appraisal and remuneration review; and</li> <li>reporting by Board committees.</li> </ul>

## 5.4 Enterprise Security Strategy Initiatives

ID	Page #	Original Description
E1	3	To become a world leader in managing security, confidentiality, integration and availability of au registry data.
E2	3	To build a data science and data analytics capability in relation to the registry data.
E3	4	Enhanced director and employee screening processing to comply with AS 4811 and conduct identity checks in accordance with the National Identity Proofing Guidelines (level 3)
E4	4	Conduct automated penetration testing of auDA's key IT platforms – including .au DNS systems and auDA data repository
E5	4	Update ISO 27001 compliant Information Security Management System (ISMS) that can be mapped to the relevant components of the Australian Government's Information Security Manual
E6	4	Incorporate compliance with the ASD Strategies to Mitigate Cyber Security Incidents also known as the Essential Eight into the ISMS
E7	4	Form a Technical Advisory Standing Committee – comprising a combination of auDA members, stakeholders and other interested parties
E8	4	Conduct red-team penetration testing of auDA's key IT platforms
E9	4	Work with the Australian Government on ensuring some staff have the Government security clearances required to receive briefings on matters of national security
E10	4	Update auDA's Business Continuity Management Systems (BCMS) to be ISO 22301 compliant, including running a disaster recovery test for the failure of the Afilias registry at least annually
E11	4	Based on international best-practice, further reform of auDA's security and risk processes to ensure continued monitoring and improvement, including consideration of service management (SMS) best practice in ISO 20000
E12	4	Conduct red-team penetration testing of Afilias' key IT platforms
E13	4	Ongoing monitoring of performance against the auDA-Afilias registry agreement – including approvals of changes to key personnel, and any changes in subcontractors (such as data centre providers)
E14	4	Participate in disaster recovery test for the failure of the Afilias registry at least annually

## 5.4 Enterprise Security Strategy Initiatives

ID	Page #	Original Description
E15	5	Review of auDA's Information Security Standard (ISS) for accredited registrars. The review will consider the option of using the ISO 27001 ISM Framework, incorporate the ASD Essential Eight, and review which controls from the Australian Government's Information Security Manual (ISM) should be made mandatory
E16	5	Conduct penetration testing of Registrar systems
E17	5	Assist the Digital Transformation Agency to improve security of gov.au – including using DNSSEC to secure gov.au and csiro.au
E18	5	Encourage resellers to implement the ASD Strategies to Mitigate Cyber Security Incidents
E19	6	<p>auDA will collaborate with and where possible participate in the following technical and security groups :</p> <ul style="list-style-type: none"> <li>• ICANN's Security and Stability Advisory Committee (SSAC) <ul style="list-style-type: none"> <li>- Attend public meetings</li> <li>- Share information</li> <li>- Formally review SSAC advice, once it is published, for relevance to .au</li> </ul> </li> <li>• Domain Name System Operations Analysis and Research Center (DNS-OARC) <ul style="list-style-type: none"> <li>- Attend public meetings</li> <li>- Share information</li> </ul> </li> <li>• Council of European National Top-level Domain Registries (CENTR) <ul style="list-style-type: none"> <li>- Associate member</li> <li>- Attend public meetings</li> <li>- Share information</li> </ul> </li> <li>• Internet Engineering Task Force (IETF) <ul style="list-style-type: none"> <li>- Attend meetings of the Domain Name System Operations (dnsop) working group</li> <li>- Participate in the DNS related mailing lists</li> </ul> </li> <li>• Asia-Pacific Network Information Centre (APNIC) <ul style="list-style-type: none"> <li>- Collaborate on the development of training materials around DNS and IP addressing</li> </ul> </li> <li>• Internet NZ <ul style="list-style-type: none"> <li>- Joint-meetings</li> <li>- Share information about security incidents</li> </ul> </li> </ul>

#### 5.4 Enterprise Security Strategy Initiatives

ID	Page #	Original Description
E20	6	<p>auDA will collaborate with and exchange information with the following Australian Government agencies</p> <ul style="list-style-type: none"> <li>• Australian Signals Directorate (ASD) <ul style="list-style-type: none"> <li>- Seek guidance on choices of hardware and software that meet ASD security standards</li> <li>- Engage in scenario exercises</li> <li>- Seek guidance on scope of work for penetration testing</li> </ul> </li> <li>• CERT Australia <ul style="list-style-type: none"> <li>- Subscribe to security alerts</li> <li>- Share information on security incidents</li> </ul> </li> <li>• Australian Cyber Security Centre (ACSC) <ul style="list-style-type: none"> <li>- Follow publicly available information on strategies to reduce cyber security incidents, and evaluated products list</li> </ul> </li> <li>• Joint Cyber Security Centre (JCSC) - Melbourne <ul style="list-style-type: none"> <li>- Participate in local activities of the JCSC</li> <li>- Provide briefings on best practice DNS management</li> </ul> </li> <li>• Australian Federal Police (AFP) <ul style="list-style-type: none"> <li>- Share information on trends in domain related complaints</li> <li>- Training on what to look for with domain names and IP addresses</li> <li>- Respond to formal requests for information</li> </ul> </li> <li>• Critical Infrastructure Centre, Department of Home Affairs <ul style="list-style-type: none"> <li>- Follow and contribute to the development of cyber security policy</li> <li>- Seek guidance on choices of hardware and software vendors, and IT service providers</li> </ul> </li> </ul>

#### 5.5 Nomination Committee Charter Initiatives

ID	Page #	Original Description
N1	5	Develop and periodically review the Company's board skills matrix.
N2	5	Review and recommend to the Board the size and composition of the Board;
N3	5	Develop succession plans for the Board;
N4	5	Assist the Board to assess Board performance, and the performance of Board committees and individual Directors;
N5	5	Review and make recommendations in relation to any corporate governance issues, in respect to nomination and remuneration, as requested by the Board from time to time;
N6	6	Review the time expected to be devoted by Directors to the Company's affairs;
N7	6	Develop and review an effective induction process; and
N8	6	Develop and review a professional development program to ensure Directors have the opportunity to develop and maintain the requisite skills and knowledge.
N9	6	The Committee will meet at least twice annually, and more frequently if it is deemed necessary to fulfil its role.
N10	6	The Chairperson will prepare a written report of the actions of the Committee (Report). The Report will be included in the Board papers for the Board meeting next following a meeting of the Committee. The Report will include Committee meeting agendas, papers and minutes.
N11	7	The Committee will review its Charter from time to time and make recommendations to the Board as to any changes it considers should be made.

## 5.6 Stakeholder Engagement Strategy Initiatives

ID	Page #	Original Description
SE1	6	auDA will develop a range of KPIs to measure the timeliness, quality and achievements of stakeholder engagement against this strategy.
SE2	8	auDA intends to formulate a Charter and supporting Code of Conduct to embody these principles in easily accessible documents.
SE3	9	auDA will adopt a range of engagement tools to connect with its stakeholders. These tools include: <ul style="list-style-type: none"> <li>• The General Advisory Standing Committee</li> <li>• The Technical Advisory Standing Committee</li> <li>• Webinars</li> <li>• Public discussion papers</li> <li>• Focus Groups, Roundtables and co co-design workshops</li> <li>• Published decision papers with supporting rationale</li> </ul>
SE4	10	auDA will develop a series of regular external operating rhythm mechanisms to maximise stakeholder transparency and encourage engagement (including the development of stakeholder stakeholder-led channels of communication).

## 5.6 Stakeholder Engagement Strategy Initiatives

ID	Page #	Original Description
SE5	11	<p>auDA will adopt an operating rhythm underlined by a set of processes of regular communication and interaction that will be put in place to ensure auDA's stakeholder activities are continuous, understood and valued by stakeholders. This will consist of the following operating rhythm:</p> <ul style="list-style-type: none"> <li>• Regular newsletter or blog blog-like communications sent out to relevant stakeholders from the Chairman and or CEO. These newsletters will seek to inform readers of what's happening at auDA, what's happening in the Australian Internet community, new developments and decisions.</li> <li>• A standardised approach to complaints handling such as an automated standardised acknowledgement email, a committed complaints handling turnaround time, a published procedure for complaints handling, with tailored templates for particular complaints to be sent out where necessary. Training a number of people in handling these will free up time for senior leadership to focus on improving auDA's strategic partnerships.</li> <li>• It is important that auDA has appropriate and consistent senior leadership representation at international fora and its collaboration with other organisations (such as ICANN) is consistent and meaningful. Having core team members in these collaborations will not only provide the knowledge and familiarity with auDA's day day-to day operations but will also mean that these members will be able to bring learnings back to the business. This will facilitate skills capability growth within auDA's core team and form strong strategic linkages between policies. The rhythm around international engagement should focus on a small number of regularly regularly-pursued impactful activities.</li> <li>• auDA will provide structured formats for stakeholders to access key documents and information (with respect to any existing and relevant confidentiality agreements), to be able to submit queries as required.</li> <li>• auDA decisions on important matters will be communicated regularly through web web-based updates, as well as stakeholder communication. Not all decisions or outcomes will be in line with stakeholder preferences and in such cases auDA will be ready to provide "if not, why not?" explanation where needed.</li> <li>• auDA needs to balance the conflicting requirements of its many stakeholders and chart a course where the interests of stakeholders are appropriately taken into account in solutions that provide a net benefit to the Australian and global Internet community.</li> </ul>
SE6	13	From time to time the auDA Board will conduct a review of auDA's Stakeholder Engagement Strategy, utilising any informal and formal stakeholder feedback received from engagement, as well as learnings and opportunities identified by auDA.
SE7	13	auDA management will develop KPIs to measure stakeholder inclusion and participation in the engagement process, consistent with auDA's Transparency and Accountability Framework.
SE8	13	Whilst auDA aspires to become a world world-leading domain administrator in the field of stakeholder engagement, it will continuously connect with other agencies (and ICANN) to review and improve its stakeholder engagement.



## 5.7 Strategic Plan Initiatives

ID	Page #	Original Description
S1	10	Focus on recruiting, evaluating, and developing Board members that have a collective mix of technical and corporate skills, and industry experience to effectively administer the .au namespace as defined in the auDA Board Skills Matrix
S2	10	Leverage the mechanisms in the new constitution that include a Nominating Committee to identify, scrutinise and approve candidates for appointment or election as a director (consistent with Recommendation 7 of the Review), term lengths for new directors of 3 years with a maximum of two terms (consistent with Recommendation 7b of the Review), and a requirement that 6 out of the 10 directors be independent (consistent with Recommendation 7c of the Review)
S3	10	Comply with the Board Charter (consistent with Recommendation 8 of the Review) that sets out the roles and responsibilities of the Board (including CEO appointment, oversight and succession planning), the Board Chair, and individual directors
S4	10	Continue to consult with stakeholders on deliberations and decisions that will impact on the Australian internet community, including the use of focus groups, public meetings, and public comment forums on the auDA website
S5	10	Implement the Stakeholder Engagement Plan that details how auDA will engage with key stakeholders such as industry, members of the community, Government and relevant international bodies and organisations (consistent with Recommendation 18 of the Review)
S6	10	Report performance against the Stakeholder Engagement Plan as part of auDA's Annual Report and at auDA's Annual General Meeting (consistent with Recommendation 19 of the Review)
S7	10	Continue to participate in international fora such as ICANN meetings, IETF, DNS-OARC, CENTR and APTLD, and local community events such as NetThing and iAwards (consistent with Recommendation 21 and 22 of the Review)
S8	10	Publish a forward-looking international travel schedule and report on the effectiveness of its international activity in auDA's Annual Report (consistent with Recommendation 23 of the Review). Over the period of the Strategic Plan, auDA will conduct a range of international engagement activities. A detailed travel schedule can be found at <a href="https://www.auda.org.au/about-auda/our-org/2019-calendar/">https://www.auda.org.au/about-auda/our-org/2019-calendar/</a>
S9	10	Implement the new membership structure set out in Schedule 1 of the new Constitution whereby any legal person that is eligible to hold a .au domain name licence is eligible to become an Associate Member (consistent with Recommendation 10 of the Review).

## 5.7 Strategic Plan Initiatives

ID	Page #	Original Description
S10	10	auDA will implement a membership recruitment process with a target of achieving at least 12,500 members within 2 years (consistent with Recommendation 11 of the Review), along with a customer relationship management (CRM) system to manage the assessment and processing of new members (consistent with Recommendation 13 of the Review)
S11	11	auDA will report annually on its initiatives for growing its membership and its effectiveness at diversifying its members (consistent with Recommendation 12 of the Review)
S12	11	Develop a broad range of activities that engage the Internet community and support the diversification of its member base. These activities will go beyond simply seeking input on policy development, and focus on educational materials for Australian Internet users on the benefits of .au domain names, training IT service providers in the implementation of auDA policies, training service providers in the domain name complaints process, and training service providers how to make improvements in domain name security
S13	11	Review, update and publish a strategic plan annually, with a focus on continuing to comply with the Terms of Endorsement (ToE), objects of the company set out in the Constitution, and remaining a not-for-profit entity (consistent with Recommendations 2 and 6 of the Review)
S14	11	Comply with the Transparency and Accountability Framework (consistent with Recommendation 9 of the Review)
S15	11	Implement a reporting framework (consistent with Recommendation 5 and 9b of the Review), which includes reporting through auDA's annual report and auDA's annual general meeting on performance against: <ul style="list-style-type: none"> <li>• The Terms of Endorsement, supported by a Key Performance Indicator Framework</li> <li>• auDA Board performance against its Charter</li> <li>• auDA's Strategic Plan</li> <li>• auDA's Transparency and Accountability Framework</li> <li>• auDA's Stakeholder Engagement Plan including international and community activities and initiatives that aim to expand the member base.</li> </ul>
S16	11	Provide quarterly updates on performance and work priorities to the Australian Government with an understanding that the Government reserves the right to independently review auDA's reporting and reporting processes at any time (consistent with Recommendation 16 of the Review),
S17	11	Ensure that a senior officer from the Australian Government is included in all relevant auDA governance processes, including as a non-voting observer at Board meetings for all decisions (consistent with Recommendation 16c of the Review).

## 5.7 Strategic Plan Initiatives

ID	Page #	Original Description
S18	11	Develop a strategy by June 2019 to enable an orderly transition to an alternative domain administrator in the event that endorsement is withdrawn by the Government
S19	11	Engage with key international security fora related to domain names including ICANN's SSAC committee and DNS-OARC, as well as share information with other ccTLDs through CENTR and ICANN's ccNSO, to continue to track international security developments and best practice (consistent with Recommendation 24 of the Review)
S20	12	Implement the Enterprise Security Strategy, which is informed by domestic (including the Australian Government Information Security Manual) and international (including ISO 27001 standards) best practice (consistent with Recommendation 25 and 26 of the Review)
S21	12	Build partnerships with relevant Australian cyber security agencies including the Australian Cyber Security Centre (ACSC), and the Australian Signals Directorate (ASD) (consistent with Recommendations 27 and 28 of the Review)
S22	12	Report to the Government quarterly on auDA's security activities (consistent with Recommendations 29 of the Review)
S23	12	A focus on building IT security capabilities amongst the staff with a specialisation in DNS services
S24	12	Build service management capabilities to international standard levels - ISO 27001, ISO 22301, and ISO 20000.
S25	12	Focus on building predictable and scalable compliance processes
S26	12	Shifting from predominantly reactive processes in response to complaints to proactive processes based on data analysis
S27	12	Development of software tools to assist in daily review of registry activity and regular audits of registrant eligibility
S28	12	Develop tools to help prepare working groups with the key facts, Australian legal principles, and relevant Australian best practice, and relevant international best practice associated with a particular policy area.
S29	12	Develop tools to help explore alternative solutions to a particular problem
S30	12	Develop tools to help analyse stakeholder feedback
S31	12	Develop skills in pro-actively reviewing contractual compliance, rather than relying on complaints from registrars or registrants.
S32	12	Develop skills in iteratively improving the contracts to take into account new industry developments.

## 5.7 Strategic Plan Initiatives

ID	Page #	Original Description
S33	12	Build training materials to assist registrars in properly implementing .au policies
S34	12	Develop a best-practice framework to assist ccTLDs in developing and emerging nations to focus on competitive and value-for-money back-end registry operations, effective compliance and corporate governance structures and appropriate policy implementation and management
S35	13	Requirements to meet international standards for security, staff screening, disaster recovery and business continuity
S36	13	Requirements to meet Australian best practice security standards - such as the Australian Signal Directorate's Essential Eight
S37	13	Use an array of 20 measurement servers spread globally to measure the availability and performance of all key systems including the registry, WHOIS service and DNS services
S38	13	Ensure auDA and the registry operator develops a business continuity plan to ISO 22301 standard, and conduct annual business continuity exercises where auDA is required to temporarily resume the registry service
S39	13	Achieve ISO 22301 certification
S40	13	Ensure that all auDA staff that have access to sensitive information are screened at AS-4811 standard, and national identity proofing guidelines level 3
S41	13	Create security management processes that are ISO 27001 compliant and are consistent with PROTECTED level as set out in the Australian Government's Information Security Manual
S42	13	Achieve ISO 27001 certification
S43	13	Undertake annual automated penetration tests of all critical systems, and correct any vulnerabilities found
S44	13	Undertake regular "red team" penetration tests of the registry and auDA's systems, to further improve security culture.
S45	13	As set out in the Enterprise Security Strategy and the Stakeholder Engagement strategy - liaise with the Australian Government security agencies to seek advice and share information on security exploits that rely on the features of the DNS System.
S46	14	Form a Technical Advisory Standing Committee comprising a combination of auDA Associate Members, stakeholders and other interested parties to meet at least quarterly to consider new developments in cyber security that may impact on the .au eco-system

## 5.7 Strategic Plan Initiatives

ID	Page #	Original Description
S47	14	Take into account international security standards, and Australian security standards, and determine what practices should be mandatory for registrars.
S48	14	Provide education and training on best practices
S49	14	Provide education and training on best practices for managing security of domain name processes, and the appropriate configuration of available IT solutions.
S50	14	auDA will identify the barriers of entry or lack of information available to some segments of community and seek to address through policy change, and targeted education campaigns.
S51	15	auDA will look to improve education materials to better inform the public on the .au policy framework and what users can expect with respect to a .au domain name.
S52	15	auDA will build IT system capabilities to allow more sophisticated searches across data in the .au namespace.
S53	15	auDA will also ensure that the policy rules relating to 2LDs are clear and can be proactively managed through compliance. The outcome of a review of the eligibility to hold a domain name by the compliance team should be predictable and repeatable - to ensure that the processes can scale, and ensure that Australian users can trust in using a .au domain name.
S54	16	auDA will develop an annual operating plan and budget with clear deliverables that are consistent with the strategic framework set out in the section above, and consistent with auDA operating as a fully self-funding and not-for-profit organisation (consistent with Recommendations 2 and 6 of the Review). This operating plan will align with the financial boundaries of 1 July to 30 June.
S55	16	auDA cannot distribute funds to members, cannot pay dividends, and must reinvest any surpluses towards the organisation's purposes. auDA takes the general approach of re-investing any operating surpluses into growing the value of the .au namespace for Australian Internet users, whilst maintaining capital reserves to ensure funding for unforeseen legal, technical or security issues that may arise in the future.

## 5.8 Transparency & Accountability Framework Initiatives

ID	Page #	Original Description
TA1	6	As a guiding principle, wherever practical, auDA's constitution and rules, policies, strategic and business plans, key decisions, and consultation activities will be publicly available
TA2	6	auDA recognises that it operates in a multi-stakeholder environment and it actively seeks and supports broad, informed participation and engagement that reflects the functional, geographic, cultural and gender diversity of the .au domain.
TA3	6	It is committed to working in a way that achieves both substantive and perceived fairness and to be held accountable for this through its complaints and disputes processes
TA4	7	auDA will provide reporting to Government through the provision of documents, reports and other information necessary to meet the new Terms of Endorsement. Governance and strategic documents will be made available for public comment and auDA's website has a specific page listing these documents and the public feedback process. As required, auDA will conduct formal and informal meetings with both DoCA, and from time-to-time, the relevant Minister.
TA5	7	auDA publishes a calendar of its international commitments consistent with Recommendation 23 of the 2018 DoCA Review
TA6	7	Publishes reports against the effectiveness and outcomes of international commitments in its Annual Report
TA7	8	auDA is an Australian Corporation and accountable to its company members consistent with the Corporations Act. This includes reporting to members at an Annual General Meeting (AGM) and the powers reserved to company members under the Corporations Act and the Constitution.
TA8	8	auDA's 2018 Constitution establishes two Standing Advisory Committees. The two Committees are the General Standing Advisory Committee (with a focus on management, operations, decisions or actions of auDA) and the Technical Standing Advisory Committee (with a focus on the technical aspects of the operations, decision or actions of auDA).  Each Committee has its own terms of reference, must meet at least 4 times per year, and reports periodically to the Board.

## 5.8 Transparency & Accountability Framework Initiatives

ID	Page #	Original Description
TA9	9	This formal reporting should be consistent with the new Terms of Endorsement, should be regular parts of Annual General Meetings and Annual Reports and include: <ul style="list-style-type: none"> <li>• performance against agreed operational and service indicators</li> <li>• financial details of revenue and expenditure</li> <li>• operation of transparency and accountability mechanisms</li> <li>• key decisions of the Board</li> <li>• engagement activity</li> <li>• dealing with complaints and disputes</li> </ul>
TA10	9	auDA is committed to providing mechanisms for handling complaints and disputes that meet five criteria - accessible, fair, independent, timely and accountable.
TA11	9	For transparency, auDA will provide (non-private) information to stakeholders about the numbers, general nature, time taken and outcomes of complaints by category.
TA12	9	auDA will provide general Complaints information on its website page that sets out how to make a general (non-Industry or Domain Name) complaint. This will include contact points for making confidential complaints and will make the minimum demands of formality
TA13	9	auDA will assess each complaint on its nature to determine the appropriate process that should be followed to ensure fairness (both actual and perceived).
TA14	10	auDA will ensure that anyone handling a complaint or dispute is of appropriate seniority - ie. able to freely make a decision regarding the conduct and that may impact the person(s) who is the subject of the complaint.
TA15	10	As a general rule, complaints should be handled in 45 days or less and where a matter is likely to take longer than this, auDA will keep the parties informed as to progress and likely time required.
TA16	10	auDA will enable stakeholders to hold it to account for its effectiveness in handling complaints through transparent reporting of (non-private) information about numbers and general nature of complaints, the time taken and the outcomes by category.
TA17	10	At intervals of 4-6 years, the auDA Board will commission an independent review of its complaint-handling effectiveness and publish the outcomes of this review.
TA18	10	auDA commits to implementing any necessary improvements or reforms identified through this or any of the processes listed below, to ensure that the organisation continues to meet the expectations of the ToE, and continue to operate in the Australian public's best interests.

## 5.8 Transparency & Accountability Framework Initiatives

ID	Page #	Original Description
TA19	11	While most of the policy impacting the technical operation of the internet name system is set internationally by ICANN, auDA also has technical responsibilities and its relationship with the Registry Operator in particular is a critical element of its effectiveness is periodically reviewed. This Review is in addition to regular reviews by auDA management of the performance of the operator against the contract and any advice that may be provided by the Technical Advisory Standing Committee. This Review is intended to provide assurance to the .au community that auDA's technical performance is sound. Generally, these reviews should be conducted every 3-5 years. The first Technical Review should be completed no later than end of 2021.
TA20	11	auDA provides opportunity for public comment on specific Policy proposals via both its public comment website pages and through advice that may be provided by the General Advisory Standing Committee.
TA21	11	The way in which these policy decisions are made is also subject to a periodic Review as determined by the Board. Generally, these Reviews will be conducted every 3-5 years. The first Review will be held no later than 2022.
TA22	11	The effectiveness of auDA's overall transparency and accountability framework is also subject to a Review. Generally, these Reviews will be conducted every 5 years. Given the extensive changes that are proposed in 2018, and the need to draw from both the Technical and Policy reviews discussed above, the first Review should be completed no later than the end of 2023.
TA23	11	Under the 2018 Constitution, a regular review of the Board effectiveness will be conducted annually by the Nominations Committee.



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