Quarterly Report

2020 – Q4

**October
November
December**

.auDA

From the CEO

During the fourth quarter of 2020, COVID-19 continued to dominate public discourse across the country. In Melbourne, where auDA is headquartered, lengthy stay-at-home orders were lifted providing much needed respite and optimism for the holiday period and the year ahead.

As a result of COVID-19, Q4 also marked the third quarter of auDA staff working from home. Thankfully, with safe and reliable Internet at our disposal, the team continued to come together via virtual meetings and workshops to deliver our important responsibilities in overseeing the .au domain.

A key priority over the quarter was progressing our new licensing framework. In November, we announced that new licensing rules will launch on 12 April 2021. They represent an evolution in the rules that govern the .au domain. While many rules remain unchanged, there are some notable updates that will help keep .au trusted and

Australian. With the launch date in sight, we increased our efforts over Q4 to prepare registrars for the transition so that they can guide registrants through those changes. You can read about our preparations on page 11.

Another component of the licensing framework is our new Registrar Agreement. During the quarter, the team has been busy transitioning registrars onto new Registrar Agreements and also working closely with registrars to help them meet their new security and validation requirements under the Agreements and uplift security across the .au domain.

Rosemary Sinclair AM
auDA Chief Executive Officer

> "A key priority over the quarter was progressing our new licensing framework. In November, we announced that new licensing rules will launch on 12 April 2021. They represent an evolution in the rules that govern the .au domain."

The rapid digitisation of our lives and economy – necessitated by COVID-19 – continued to underpin strong growth in .au registrations. New .au domains created in December 2020 were up 23 percent from December 2019, while total domains under management were up more than 2.1 percent over the same period. This highlights the importance of a reliable .au domain to Australians during this time of economic uncertainty and business innovation. We also saw growth in our Associate Member base, with more Australians choosing to play a part shaping the .au domain.

Another milestone in the fourth quarter was the launch of our new brand and website. Much work and consideration went into these significant projects, which are an essential part of continuing to shape auDA for the future. You can expect to see much more of our signature wattle branding, which will add a more modern and uniquely Australian feel to everything we do, and is designed to feel fresh, open and engaging.

We also progressed work on our refreshed strategy. We held several workshops attended by auDA Board and staff. These included an interactive workshop that we hosted at the 2020 NetThing Internet governance forum where we sought input

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from the community to help shape our future direction. In another session, we were joined by InternetNZ CEO Jordan Carter who provided valuable insights on InternetNZ's own strategy. These sessions provided wonderful contributions to our thinking about our future. We will bring you more on our strategy refresh in 2021.

On the governance front, we released our FY2019/20 Annual Report, which was followed closely by our 2020 Annual General Meeting, hosted by auDA Chair Alan Cameron AO. We also welcomed Jackie Korhonen as auDA's fourth Elected Director, who commenced her three-year term on 11 November.

For auDA, 2020 has been a year of significant change – transforming how we look, how we work, and furthering

key policy development. We have brought renewed focus to our role as the .au administrator, and how we can best fulfil our remit in the public interest. There is a great deal of work ahead of us, however, 2021 is full of promise and opportunity for the .au domain. Thank you to all our stakeholders and Associate Members who supported us through 2020, and I anticipate more great work and close engagement in the year ahead.
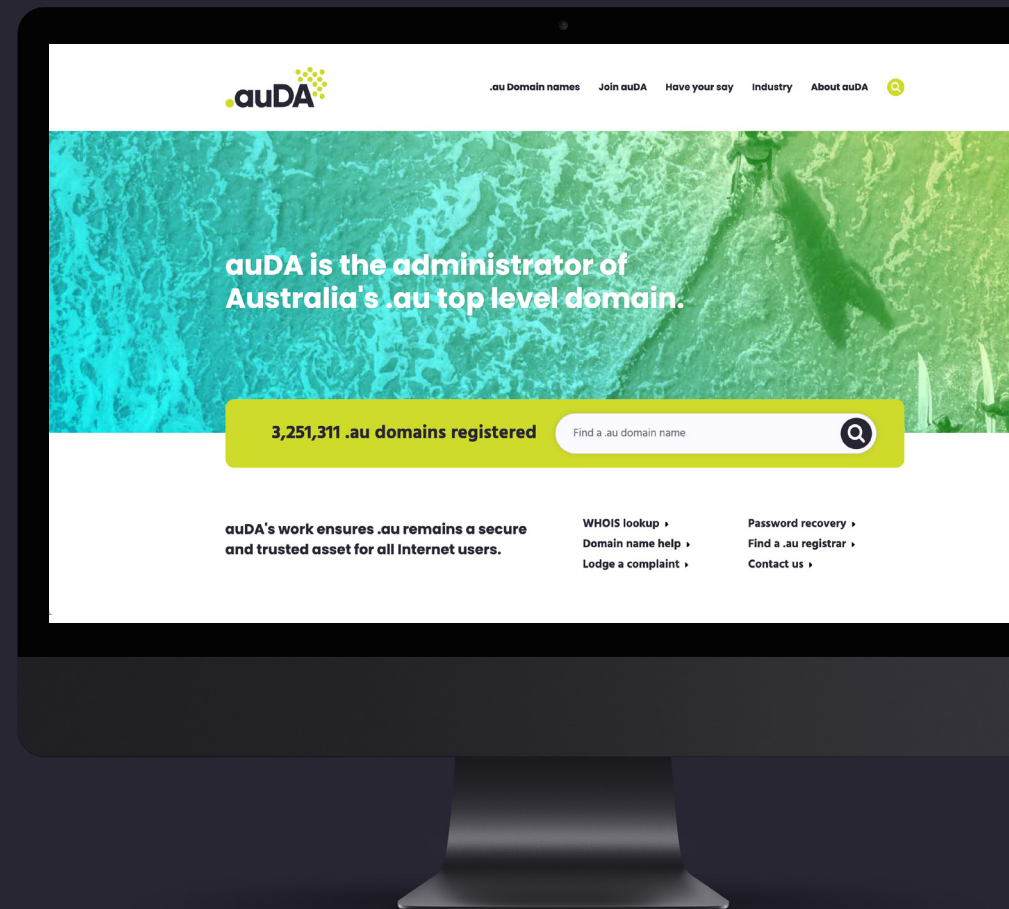
Contents

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

On 16 November 2020, we launched a redeveloped auda.org.au website. This was the first major redesign of our website since 2013, and it marked the beginning of the rollout of our new visual brand.

New website and brand launch

The new branding features throughout our new website and provides a more contemporary look and feel for auDA. It takes inspiration from Australia's iconic national flower, the wattle, while our use of the "dot" signifies that Australia's Internet community is at the heart of all that we do.

A focus on Australia's Internet community was also central to auDA's website redevelopment. We used analytics to identify common tasks, most visited information and to inform the new design and support an improved user experience.

New auda.org.au website homepage

In the backend, the website boasts new and improved security features and allows us more flexibility to deliver content tailored to our audiences.

Following the website launch, new brand assets were also rolled out across our other digital channels, and product logos were provided to registrars, along with an accredited registrar logo, as part of the new licensing rules implementation.

In 2021, we will continue to embed our new brand, and refine and update our website.

The branding includes a new auDA logo, and a bespoke logo for each .au namespace.
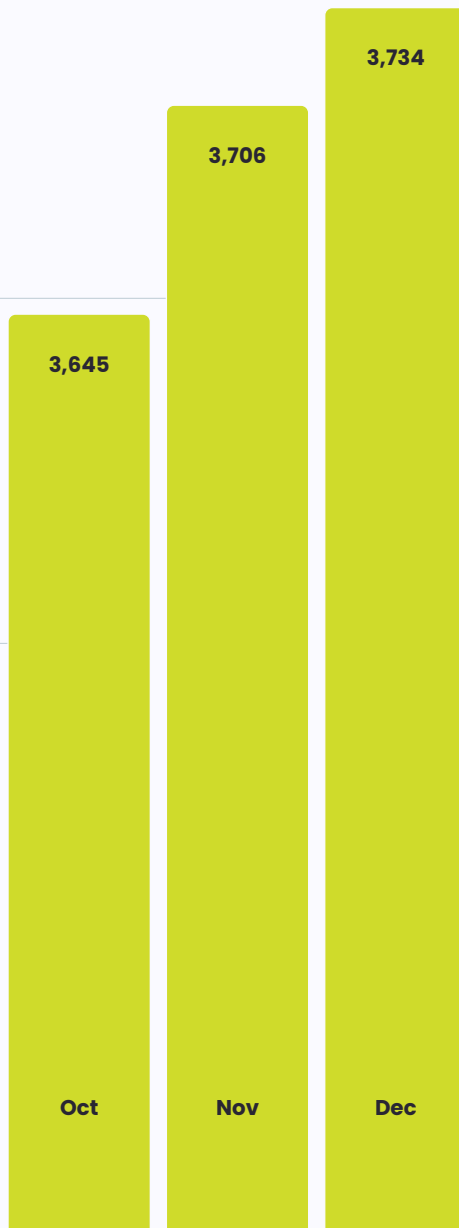
No. active members

Associate
membership
growth

3750

3650

3550

		3,734
	3,706	
3,645		
Oct	**Nov**	**Dec**

Actuals as
of 31.12.2020

Our members

As our membership numbers climb, we continue to invest in developing our Associate Member program to support a diverse membership base reflective of the Australian Internet community.

Over the quarter, auDA Associate Membership grew consistently reaching 3,734 members at the end of December, from 3,567 at the end of September.

We communicated regularly with Associate Members during Q4 through our monthly Associate Member newsletter which, like our website, underwent a refresh to feature our new brand and logo. Our monthly updates continue to be well-received, and we appreciate our Associate Members taking the time to provide us with feedback.

In October, Associate Members cast their vote in the Elected Director ballot, making an important contribution to auDA's governance. The Nominations Committee and the Board shortlisted three candidates from a strong pool of 80 applicants to fill the fourth Elected Director vacancy on the Board. Jackie Korhonen was the successful candidate, receiving the most favourable votes from members, and a majority of favourable votes, as required under the auDA Constitution.
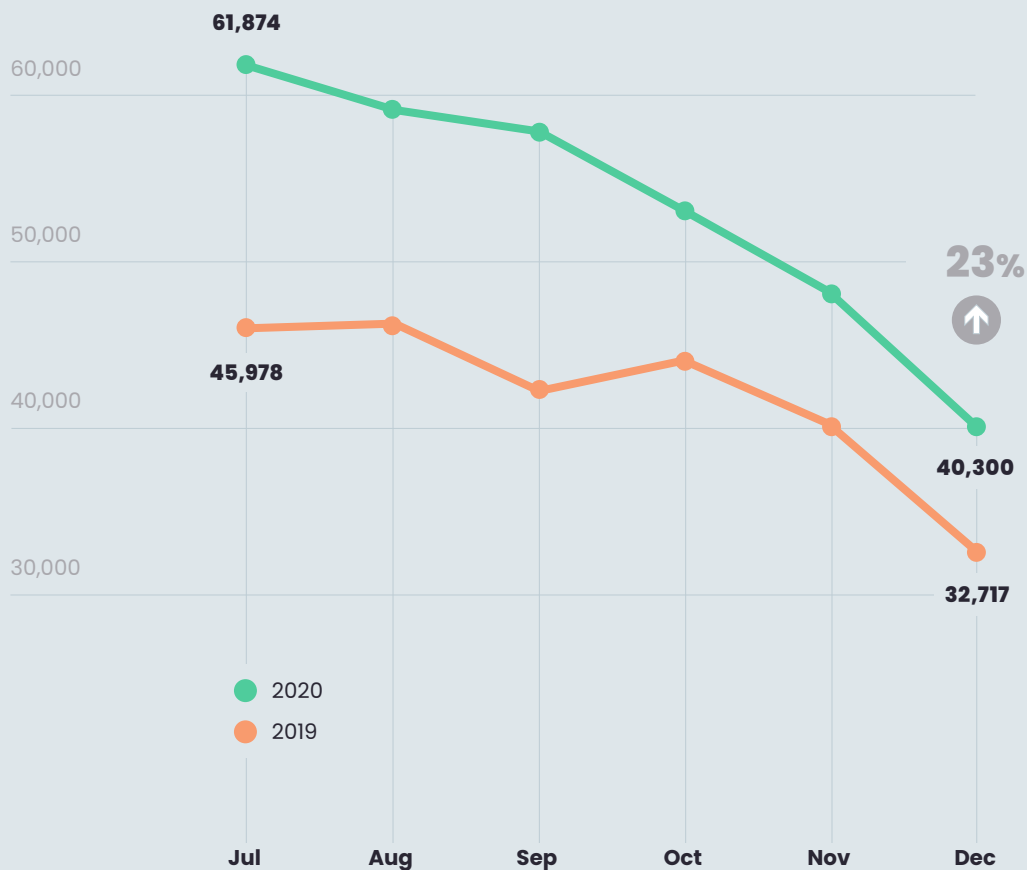
During Q4, our team also reviewed the results from the Associate Member survey. Our thanks to everyone who took the time to complete the survey. The survey results provide valuable insights that will contribute to the ongoing development of our membership program and deliver additional value to our members, including through member events. With uncertainty still surrounding group gatherings and travel as a result of COVID-19, we will be exploring opportunities to provide virtual member events in 2021.

For anyone who is not yet a member but is interested in playing a role in auDA's future and Australia's digital landscape, you can sign up free of charge at auda.org.au/join-auda.

3,734 members

Associate membership by industry

Industry	
Domain investor	34
Media	62
Manufacturing	72
Not-for-profit	76
Legal	83
Construction	84
Student	92
Other	95
Web hosting	96
Healthcare	98
Government	101
Telecommunications	105
Finance	121
Education	144
Marketing & Comms	193
Registrar	228
Web development	380
Didn't answer	713
Technology	957

Associate membership by state

	State
9	International
35	Northern Territory
54	Tasmania
103	Australian Capital Territory
169	South Australia
320	Western Australia
676	Queensland
1148	New South Wales
1220	Victoria

Actuals as of 31.12.2020

.au registrations

New domains created

61,874

60,000

50,000

45,978

40,000

23%

40,300

30,000

32,717

● 2020
● 2019

Jul   Aug   Sep   Oct   Nov   Dec

.au registrations remained high in Q4, bolstered by the rapid digitisation experienced during 2020 as a result of COVID-19.

As we approached the end of calendar year 2020, growth in new registrations slowed from a peak in July 2020. This is consistent with seasonal trends that generally see new registrations slow in December, and also reflects the COVID-19 impact, which resulted in a high level of registrations in Q2 and Q3 as businesses quickly pivoted online.

However, with more than 141,000 .au domain names created in Q4, new registrations were up 21 percent compared to the same period in 2019, and up 23 percent in December 2020 compared to December 2019.

The majority of new domains created were in the com.au namespace, indicating the continued importance of a local, trusted and verified domain name for Australian businesses as they pivoted online in response to COVID-19.

Domains under management

3,238,672

3,230,000

3,197,515

3,210,000

3,190,000

3,192,100

3,170,000

3,171,889

3,150,000

● 2020
● 2019

Jul   Aug   Sep   Oct   Nov   Dec

Total domains under management continued to increase steadily, reaching a high of 3,238,672 at the end of December, up more than 2.1 percent compared to December 2019.

Domains under management in the com.au, org.au and id.au namespaces were up year-on-year, with fewer domains under management in net.au and asn.au.

	Dec 2020	Dec 2019	YoY%
com.au	2,908,058	2,828,925	**2.80%**
net.au	217,595	232,032	**−6.22%**
org.au	74,195	72,954	**1.70%**
id.au	12,552	12,331	**1.79%**
asn.au	3,075	3,253	**−5.47%**

Policy update

Our work to introduce the new Licensing Framework, designed to modernise our policies, enhance trust in the .au domain, and ensure .au remains Australian and secure, continued as a priority during Q4.

Licensing rules

On 19 November 2020, we announced that new licensing rules that include rules for the com.au, net.au, org.au, asn.au, edu.au, and state and territory namespaces will come into effect on 12 April 2021, following approval by the auDA Board.

To prepare for the transition, we delivered a first round of training webinars and held several briefing sessions with registrars. The training webinars were delivered by our dedicated training specialist to provide an overview of the licensing rule changes and outline next steps.

Training will continue in Q1 2021, with our training specialist to deliver detailed training for registrar compliance and support staff.

In addition to our training program, we created a Registrar Hub, which provides a central location for resources and helpful information, such as templated communications and training resources, to support registrars in the lead up to 12 April.

We have also developed a refreshed Licence Certificate, that registrars will issue to each registrant who registers a .au domain name to ensure they have convenient access to key registration information.

Registrar Agreements

As part of the new Licensing Framework, we continued to transition registrars to new Registrar Agreements. At the end of the quarter, new Agreements were finalised for registrars representing 96 percent of domains under management.

In the first quarter of 2021, we will assist registrars to meet their requirements under the new Registrar Agreements, including:

- **Developing a Validation Plan:** Each registrar will develop a plan outlining how they will validate the identity and eligibility of a person wishing to register a name in one of the namespaces in the .au domain, and;

- **Gaining ISO 27001 Information Security Management System certification** (or equivalent): This will bring the security standards of registrars into line with global best practice.

Registry operations

The .au registry is operated by Afilias Australia, working closely with us at auDA.

This quarter, registry operations continued to perform strongly, delivering reliable services on the .au domain.

Service level name		Expected	Oct	Nov	Dec
Overall DNS Availability		100%	100%	100%	100%
DNS availability per Anycast node	q.au	99.9%	100%	100%	100%
	r.au	99.9%	100%	100%	100%
	s.au	99.9%	100%	100%	100%
	t.au	99.9%	100%	100%	100%
DNS update delay time – % of updates within 5 mins		96%	99.99%	100%	99.99%
Cross network name server round trip time		300ms	81ms	67ms	66ms
DNS Round Trip Time (RTT) – % processed within 250 ms		95%	99.93%	99.99%	100%
WHOIS service availability		100%	100%	100%	100%
WHOIS update delay time – % of updates within 5 mins		96%	99.90%	100%	99.98%
WHOIS Round Trip Time (RTT) – % processed within 1 sec		95%	100%	100%	100%
EPP service availability		100%	100%	99.99%	99.99%
EPP Round Trip Time – % of queries processed within 500 ms		95%	99.92%	99.86%	99.90%
EPP Round Trip Time – % of changes processed within 1 sec		95%	100%	99.99%	100%

Measure name		Oct	Nov	Dec
Overall DNS Availability		100%	100%	100%
DNS availability per Anycast node	a.au (auDA)	99.99%	100%	99.98%
	c.au (Cloudflare)	100%	100%	100%
	d.au (Cloudflare)	100%	100%	100%
	m.au (Neustar)	100%	100%	100%
	n.au (Neustar)	100%	100%	100%
	q.au (Afilias)	100%	100%	100%
	r.au (Afilias)	100%	100%	100%
	s.au (Afilias)	100%	100%	100%
	t.au (Afilias)	100%	100%	100%
DNS Round Trip Time (RTT) – % processed within 250 ms		100%	99.99%	99.99%

International engagement

We regularly engage in international fora; contributing to international policy discussions, representing Australia's interests, and applying learnings from our international peers to issues relevant to the Australian namespace.

ccNSO
1 October 2020

ICANN's country-code Names Supporting Organization (ccNSO) held a series of virtual sessions to bring the international community together to prepare for ICANN69. Our Chief Operations Officer, Bruce Tonkin, presented to ccNSO about critical infrastructure laws in Australia. The session provided an opportunity to share information on new government regulations relating to domain name infrastructure with other country-code Top Level Domain (ccTLD) managers, and learn from similar legislation in other countries. The insights gained through the session helped inform our submission to the Australian Government's proposed changes to the Security of Critical Infrastructure Act 2018.

ICANN69
13–22 October 2020

ICANN69, like ICANN67 and ICANN68, was moved online due to COVID-19.

auDA staff and Board members attended a number of virtual sessions, including meetings of ICANN's Security and Stability Advisory Committee (SSAC), Generic Names Supporting Organization (GNSO), and Government Advisory Committee (GAC). We also attended sessions about Domain Abuse Activity Reporting (DAAR), combating DNS Abuse, ccTLD technical issues, and the impact of the European General Data Protection Regulation (GDPR) on the public availability of WHOIS information, which outlined the difficulty of tackling online crime given limited data availability. The international experiences of data protection regulation and the impact on WHOIS services will help inform our consideration of proposed changes in Australian privacy laws.

DNS Abuse Activity Reporting
November 2020

We actively participate in ICANN's Domain Abuse Activity Reporting (DAAR) system, and in November we received our first individualised .au report.

ICANN's DAAR system analyses and reports on security threat activity and domain abuse behaviour each month across top-level domain registries to assist anti-abuse efforts, inform international policy discussion, and support consumer confidence and trust.

In November, around 0.04 percent of domains in the .au ccTLD were found to have at least one security threat, compared to an average of 0.25 percent of abusive domains in generic top-level domain (gTLD) namespaces.
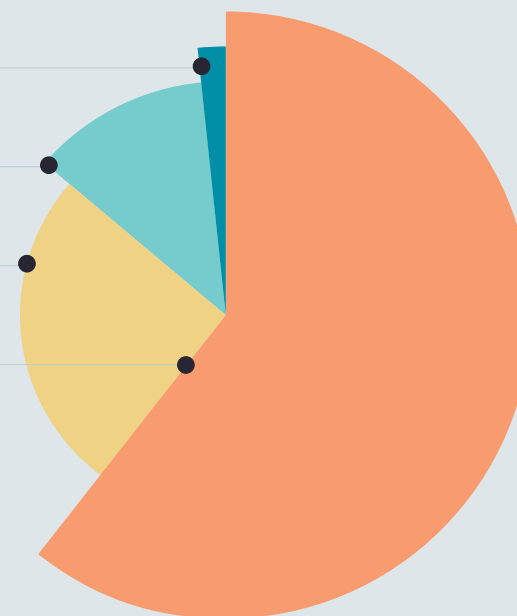
The validation of registrant information and the availability of this information in our WHOIS service contributes to the relatively low percentage of domain abuse in the .au ccTLD, helping .au remain secure and trusted.

Botnet C&C Domains   **1.5%**

Spam Domains   **12.3%**

Malware Domains   **25.5%**

Phishing Domains   **60.7%**

Breakdown of the 1,308 domains identified as security threats across all DAAR threat types for .au ccTLD

Source: DAAR report, November 2020

Complaints and dispute resolution

Our complaints and dispute resolution processes support compliance with our rules and policies, which helps us maintain trust and confidence in the .au domain. In Q4, complaints and disputes were down from Q3, and more than 80 percent were resolved in less than 14 days.
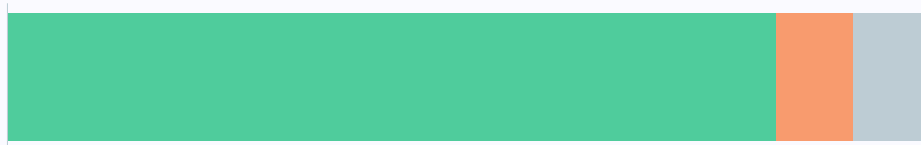
442 Complaints

584 Enquiries
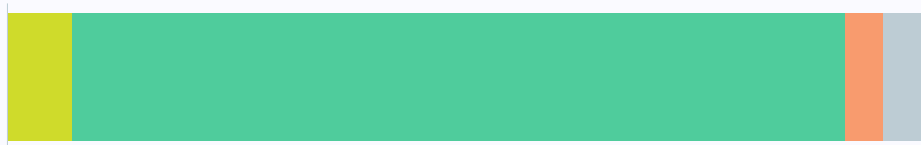
12 Law enforcement requests

19 Disputes

Days to resolve all complaints and disputes

- 0−7
- 8−14
- 15−21
- 22−28
- 29−35
- Upheld
- Advised
- Denied
- Transferred
- Adjourned
- Terminated
- Cancelled

Security

Our commitment to security spans beyond our IT team. We involve all auDA staff in cyber security awareness training and, through our new Registrar Agreements, we're helping implement global best practice security across the industry to keep .au secure and trusted.

Registrar security

Registrars are required to become ISO 27001 compliant (or equivalent) under the new Registrar Agreement, as outlined on page 11.

To help prepare registrars for their certification, we have engaged an external cyber security organisation to complete a Baseline Security Assessment audit for each registrar. The audits assess each registrar's current security profile to identify areas for improvement. This is a key step to enable registrars to uplift their security systems and processes before undertaking their compliance assessments.

The majority of Baseline Security Assessment audits were completed in Q4. Remaining audits will be completed in Q1 2021.

We are also supporting registrars through this process by providing security expertise and advice, including through example security frameworks and procedures.

Security training and upskilling

auDA is committed to ongoing security training and upskilling for every person in the organisation. Each month, auDA staff and Board complete online security awareness training courses. During the quarter, PwC's senior cyber security team delivered a presentation to staff on recent high-profile cyberattacks to highlight vulnerabilities and ensure continued adherence best practice. Staff and Board members also attended several ICANN69 sessions on security. You can read more about our involvement at ICANN69 on page 14.

auDA's IT staff also demonstrated their commitment to continuous professional development by attending the CrowdStrike Cybersecurity Conference in October, which featured international experts discussing how to combat sophisticated attacks and breaches. They also attended the annual Gov in Tech conference in November, which brought together senior technology leaders from across government and covered issues including cyber security, digital transformation, cloud and data, and identity.
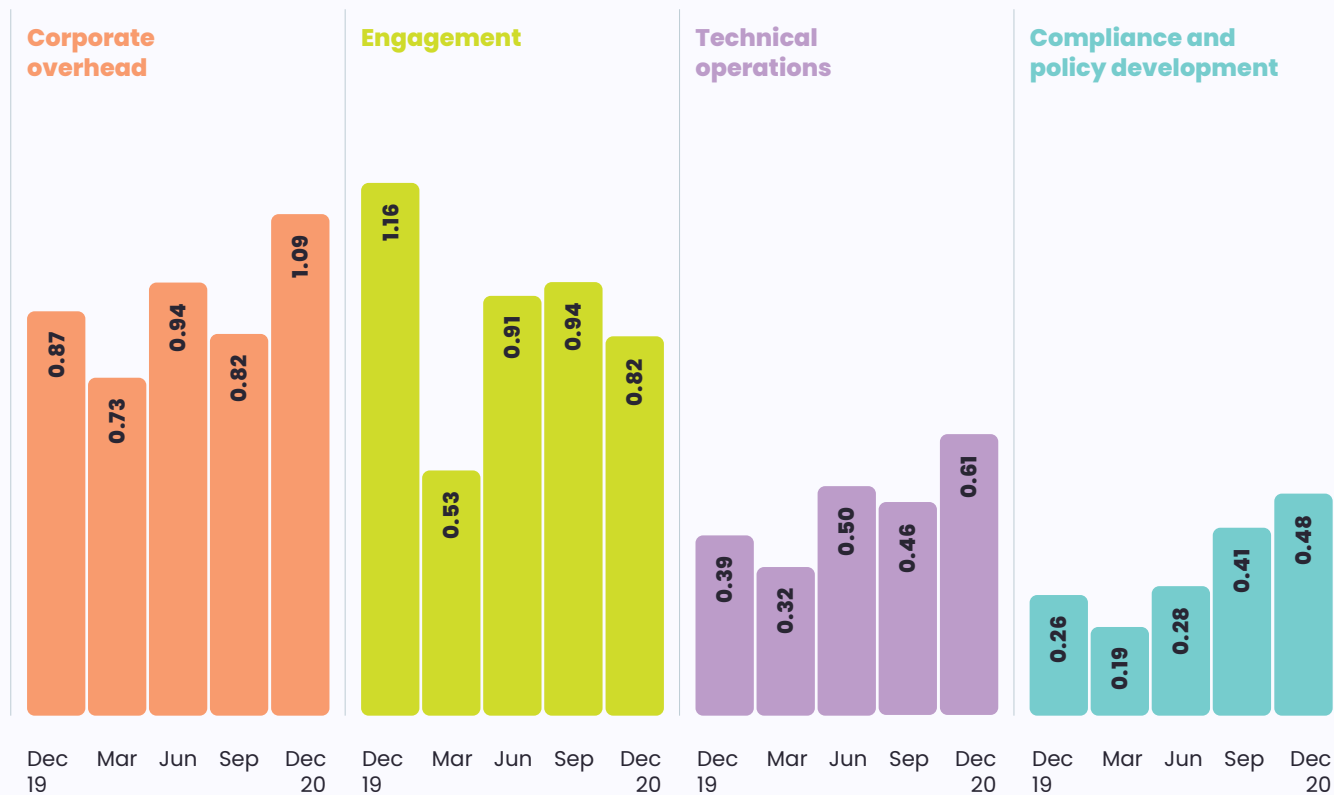
Website upgrade

In November 2020, we launched our refreshed website, which includes improved security features. The move to a new Content Management System for the website allowed us to take advantage of newer security features in cloud infrastructure. This will better protect the website from being compromised and keep visitors to our website safer from security threats.

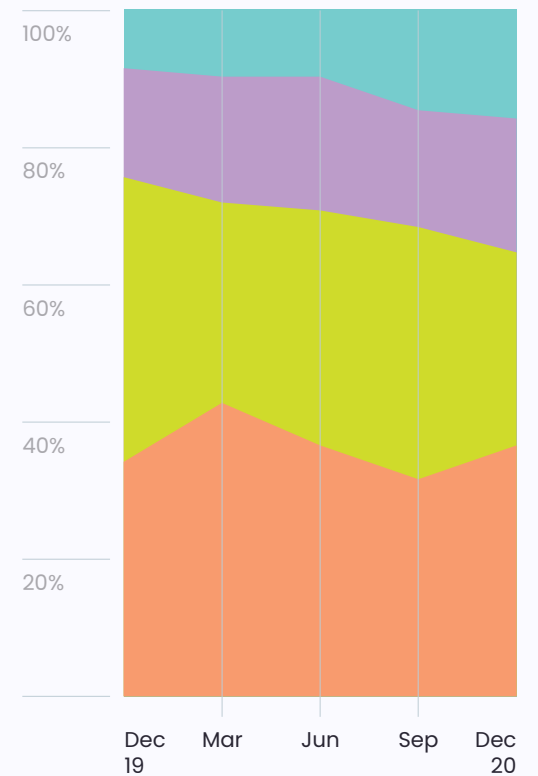You can read about our refreshed brand and website on page 5.

Financials

As part of our commitment to transparency, accountability and cost efficiency, we report on the costs of administering the .au domain each quarter.

Operational costs quarterly $M

Corporate overhead

	Dec 19	Mar	Jun	Sep	Dec 20
	0.87	0.73	0.94	0.82	1.09

Engagement

	Dec 19	Mar	Jun	Sep	Dec 20
	1.16	0.53	0.91	0.94	0.82

Technical operations

	Dec 19	Mar	Jun	Sep	Dec 20
	0.39	0.32	0.50	0.46	0.61

Compliance and policy development

	Dec 19	Mar	Jun	Sep	Dec 20
	0.26	0.19	0.28	0.41	0.48

Operational costs quarterly %