



Annual Report 2021-22

.au for all Australians



.auDA

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.

About the report

auDA strives for excellence in its operational activities and seeks to demonstrate its commitment to transparency and accountability through comprehensive corporate reporting.

auDA's 2021–25 Strategy states our aim to achieve international best practice in our corporate reporting by adopting the Integrated Reporting Framework by financial year 2024–25. Integrated Reporting is an international framework focussed on how organisations create value over time. Throughout this multi-year process, auDA will incrementally embed integrated reporting principles across the organisation and demonstrate the value auDA creates and maintains for stakeholders.

Our 2020–21 Annual Report reflected auDA's initial steps to incorporate core elements of Integrated Reporting with a focus on value delivery. This year, auDA has built on this foundation, exploring auDA's external environment, governance framework, business model, strategy, performance and basis of presentation.



auDA's 2021-22 Annual Report

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From the Chair

Alan Cameron AO
auDA Chair



On behalf of the auDA Board of Directors, I am pleased to present the auDA 2021-22 Annual Report.

This year's Report centres on the theme ".au for all Australians". The theme acknowledges auDA's purpose to administer a trusted .au for the benefit of all Australians and champion an open, free, secure and global internet. In particular, it highlights the significant activity carried out by the organisation in 2021-22 to unlock value for Australians. This included:

- The introduction of **.au direct**, a new namespace providing innovative online opportunities to all Australians
- A refresh of the **.au membership program** to grow and diversify our membership to reflect the Australian community
- A renewed **auDA Foundation Grant Program** to drive benefits for Australians through the internet

- Release of our inaugural **Digital Lives of Australians** research report, which provides insights to better support Australians online
- Continued delivery of our **core functions**, which support Australians to benefit from .au and the internet more broadly.

The Board was delighted to oversee and guide this activity. Over the course of the year, we also had a keen focus on strategy and governance. We provided input into and approved **auDA's 2021-25 Strategy** and strategic performance measures, and contributed to an update to **auDA's risk management framework**. This included defining the Board Risk Appetite Statement and monitoring key risks, all of which were managed within our risk appetite tolerance in the period.

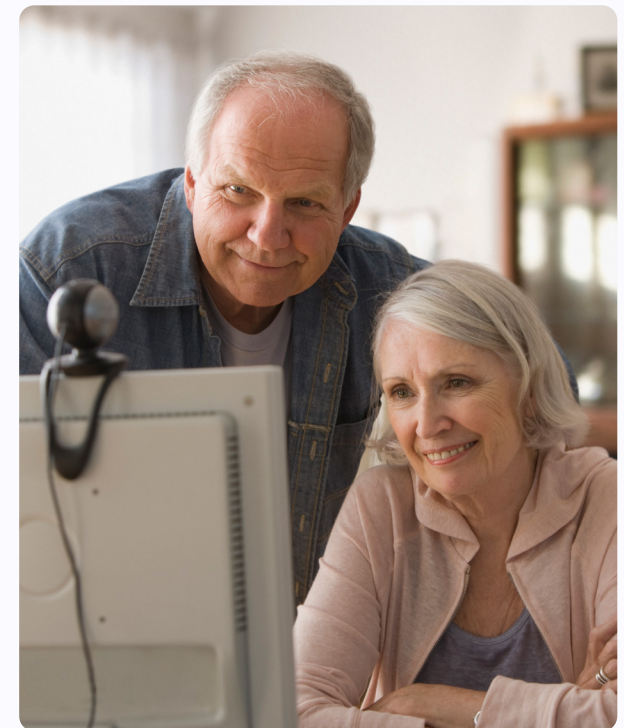
Preparation for the **transition of .au membership** to a new model in September 2022 was another key focus throughout the year and we have been pleased to see many new and existing members opt-in to the new model. It was also wonderful to welcome new members to our **General and Technical Advisory Committees**, which play an important role providing advice to the Board on matters of strategic importance to the organisation.

In addition to our Strategy, auDA is guided by its **Terms of Endorsement** from the Federal Government. In November 2021, we welcomed new Terms following a public consultation by Government. The new Terms support our ongoing role as the administrator of Australia's .au domain, our work to ensure the security and stability of the .au, and participation in and advocacy for the multi-stakeholder approach to internet governance.

This financial year, auDA's Nomination Committee, of which I am Chair, worked on recruitment to fill five appointed Director and three Elected **Director positions**, which will take effect following the 2022 Annual General Meeting. We are pleased to have received interest from highly qualified candidates and look forward to further supporting the election and incoming Directors in the first half of 2022-23. I am also honoured to have been approved by my peers on the Committee and appointed by fellow Directors to continue as an Appointed Director and Independent Chair for a further three-year term from February 2022.

The Board's effectiveness is enabled by our current set of capable and experienced Directors. I extend my gratitude to my fellow Directors for their dedication to .au. Thank you also to auDA Chief Executive Officer (CEO) Rosemary Sinclair AM for her commitment and leadership, to auDA's Executive, Chief Operating Officer (COO) Dr Bruce Tonkin, Chief Financial Officer (CFO) James Shady, Chief Communications Officer (CCO) Sophie Mitchell and Chief People and Culture Officer (CPCO) Colin Brown, and the entire auDA team for a successful 2021-22.

Looking ahead, I am energised by the opportunities that 2022-23 holds. I look forward to ongoing constructive engagement with auDA's local and international multi-stakeholder community, increased contribution to internet governance and policy processes and continued delivery of a trusted, secure .au for all Australians.



From the CEO

Rosemary Sinclair AM
auDA CEO



Financial year 2021-22 was a significant year in auDA's history, marking 25 years of our stewardship of the .au domain.

Harnessing a quarter of a century's experience, we proactively contributed to unlocking positive social and economic value for Australians through our support of an open, free, secure and global internet.

In September, we finalised our **2021-25 Strategy**. The Strategy was informed by many months of engagement with auDA staff, Directors and the Australian community. It sets a clear direction for the organisation through to 2025. It also established the core values that guide our internal behaviours, our engagement with others and our focus on value delivery locally and globally.

March marked the end of seven years of community consultation and comprehensive planning with the launch of Australia's newest namespace, .au direct.

We are proud to have delivered this key strategic project and important innovation in the .au domain. The new namespace delivers a greater choice of trusted domain names and enables a new way for businesses, organisations and individuals to establish a recognisably Australian online presence. The Australian community responded with enthusiasm – elevating .au direct to our third largest namespace only one week after its introduction.

The launch of .au direct was a clear example of the auDA value "better together". auDA staff collaborated to ensure the launch was a success and worked closely with the .au registry operator, auDA accredited registrars and the broader industry to support the successful introduction of the new namespace.

Other key initiatives delivered under our Strategy in 2021–22 included:

- Partnering with industry and conducting compliance activity to drive down already low levels of **Domain Name System (DNS) abuse**
- Maintaining high standards of **cyber security** in .au and partnering with others to uplift cyber security in the community
- Undertaking a comprehensive audit program and supporting registrar validation processes to enhance the **integrity of .au registry data**
- A successful relaunch of the **auDA Foundation Grants Program**, providing funding to uplift digital inclusion, accessibility and cyber security
- The release of our inaugural **Digital Lives of Australians** research study, exploring the online experiences of Australians and seeking to promote better online outcomes
- More opportunities to **connect with members** through a renewed program aimed at growing and diversifying our membership base
- Increasing our active participation in local and global **internet policy and governance** processes in Australia and internationally.

These strategic activities complement our day-to-day focus on our core functions operating a stable, secure and reliable .au domain, administering fit-for-purpose licensing rules, and advocating for and participating in multi-stakeholder internet governance.

Our success administering the .au domain contributes to the high degree of trust Australians have in .au. This **consumer confidence** was demonstrated through substantial growth in registrations over 2021–22, with

a record 3.6 million domain names under management by 30 June 2022. This strong activity supports auDA's stable financial position and enables our continued investment and innovation in .au and the Australian internet ecosystem.

Our achievements in the financial year are underpinned by our strategic capabilities; our robust governance framework and skilled, motivated people. Throughout the year, we continued to invest in **our team**, growing in both number and capability to support our ongoing work on behalf of Australians. It was also wonderful to see the team come together in our new office location in Melbourne from April 2022, putting new technology and collaboration spaces to effective use.

I wish to extend my thanks to the auDA team for the positive, collaborative mindset brought to work each day. My thanks also to the auDA Executive for your leadership and to the auDA Directors for your ongoing support, in particular Chair Alan Cameron AO. On behalf of auDA, I also extend my gratitude to our multi-stakeholder community who have supported auDA this year, including our .au members, .au registrants, auDA committees and the Australian and international domain industry.



We enter 2022–23 with a strong foundation and a clear direction ahead. We welcome ongoing community engagement on our strategic and operational initiatives as we continue to champion opportunities for all Australians through .au and the internet.

About auDA

auDA, the .au Domain Administration Limited, is a not-for-profit organisation established by the Australian internet community in 1997.

Our purpose is to administer a trusted .au for the benefit of all Australians and champion an open, free, secure and global internet. We operate through multi-stakeholder processes to deliver a stable, secure and reliable .au that meets the changing needs of Australian internet users. Our multi-stakeholder community includes the Australian public, industry, government, civil society, academia and the domestic and international internet governance sector.

auDA is endorsed by the Federal Government to administer the .au. The Government has provided its endorsement through Terms of Endorsement since 2000. Updated Terms of Endorsement from Government were issued in November 2021. The Terms outline our core functions and core principles.

auDA also operates under an agreement with the Internet Corporation for Assigned Names and Numbers (ICANN), which is the international body responsible for coordinating the internet's naming and numbering system.

Our operations are governed by the auDA Constitution, which guides the appointment and duties of Board Directors, and membership of auDA and its Advisory Committees.

Australians demonstrate strong support for the .au, which is one of the top ten largest country code Top Level Domains (ccTLDs) globally by volume, according to Verisign. We recognise the critical importance of our work administering a trusted .au for all Australians and hold ourselves to high standards of corporate governance and integrity.

You can find our Terms of Endorsement, ICANN Sponsorship Agreement and auDA's Constitution on the [auDA website](#).



Terms of Endorsement

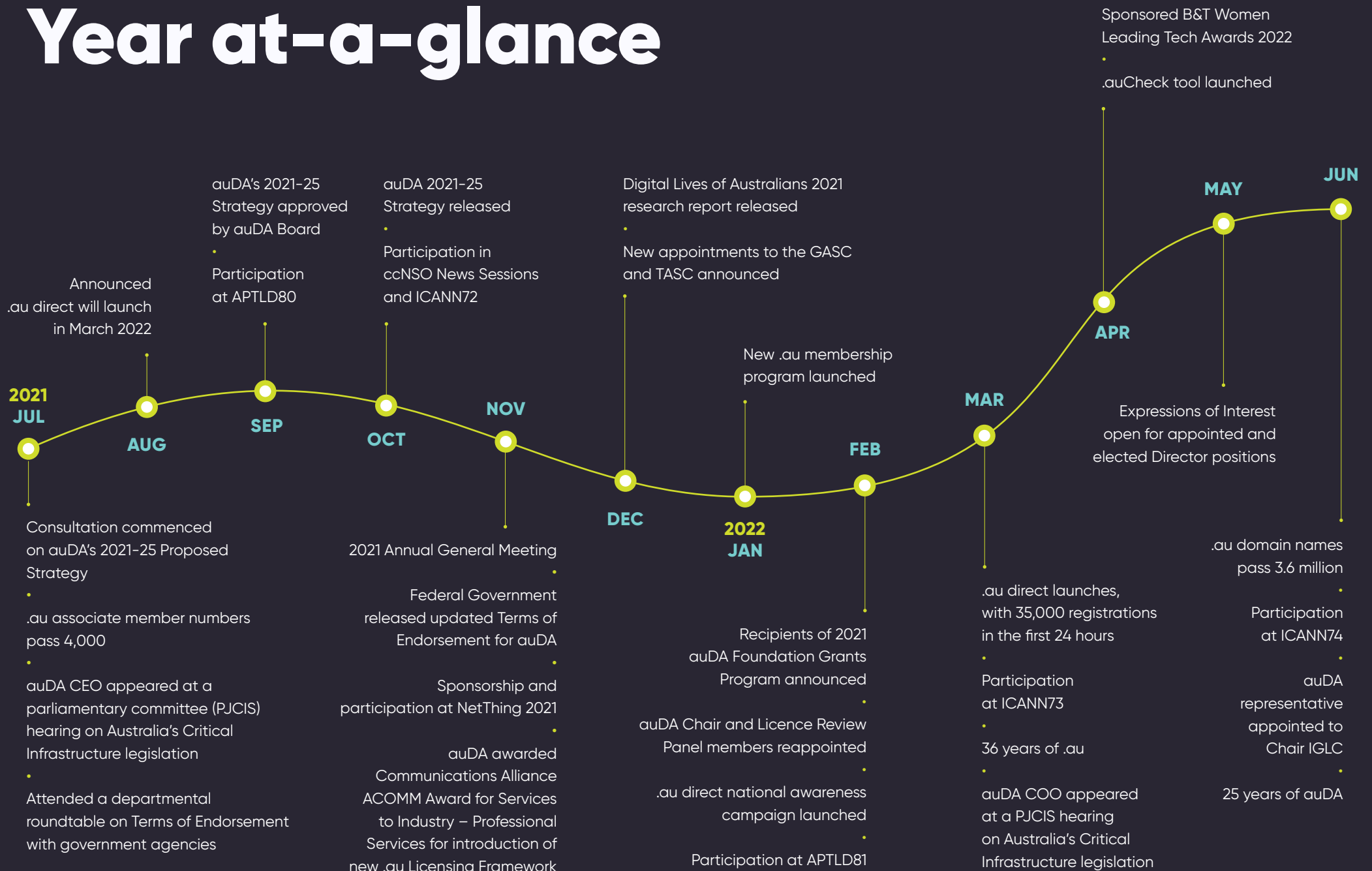
Core functions

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

Core principles

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

Year at-a-glance



Year at-a-glance

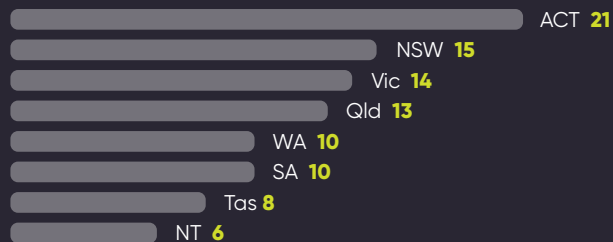
Variations are year-on-year

REGISTRATIONS

.au domains under management

3,603,924  8%

.au domain names under management by state, per 100 people



Average new .au domain names created per month

61,000  19%

REGISTRY OPERATIONS

Average DNS queries per second

30,200  33%

COMPLIANCE

Complaints

1,541  30%

auDRP disputes

39  30%

Enforcement body requests

81  8%

Customer satisfaction survey

826  21%

Survey completions

Enquiries

4,027  4%

Audits

3,594  129%

SECURITY

auDA passed its second ISO 27001 surveillance audit



Registrars hold ISO 27001 certification or equivalent

Registrars have a progress plan in place to achieve certification

OUR PEOPLE

Team members as at 30 June 2022

40  54%

50/50% Women/Men

Uplift in all culture factors. Top rated strengths: Values / Leadership / Communication

.AU MEMBERS

.au associate members as at 30 June 2022

4,820  21%

3 .au member networking events **4** .au member webinars

ENGAGEMENTS

8 auDA community webinars

8 Industry speaking engagements

8 Participation at international events



Delivering value

Key themes that create value: the concept of materiality

Materiality is a core principle from the Integrated Reporting Framework. Things that have a substantive impact on an organisation's ability to create value are "material". In 2021-22, we undertook a materiality survey to better understand those themes that are of material importance to internal and external stakeholders.

Our inaugural materiality survey was carried out by specialists Materiality Counts in February 2022. Through the process, 19 internal and 10 external stakeholders were surveyed and 12 material themes were identified. These material themes provide a guide for us as we continue our ongoing efforts to unlock value for all Australians through .au. They also act as a framework for our corporate reporting, enabling us to report on issues most relevant to our stakeholders.

We will conduct a materiality survey again in 2022-23 and biennially thereafter, building towards a representative stakeholder sample as we implement the Integrated Reporting Framework in full by 2024-25.

The 12 material themes identified are listed in order of priority on the next page.

"We are pleased to have taken this first step in growing our understanding of themes of material importance to our stakeholders. We found strong alignment between top material themes identified and our strategic pillars. This indicates we are strategically focussed on the right areas to deliver greatest value for all Australians."

**auDA CEO,
Rosemary Sinclair AM**



auDA's top 12 material themes



Stakeholder engagement and trust

We engage widely with our multi-stakeholder community. We operate through and participate in multi-stakeholder internet governance processes and our engagements with the Australian and international community enable us to unlock benefits for all Australians.



Stable, secure and reliable infrastructure

The Australian DNS is part of our nation's suite of critical infrastructure assets. We deliver a .au DNS that Australians can rely on by achieving high standards of security and service continuity.



Open, free, secure, and global internet

An open, free, secure and global internet enables social and economic benefits to be realised by local and international communities. We uphold this by proactively engaging in domestic and global internet governance processes and advocacy in support of it.



Cyber security

We implement international best practice cyber security standards across the .au ecosystem to ensure .au is secure, reliable and resilient. We collaborate with others to reduce DNS abuse in .au and raise the standards for cyber security in the Australian community.



Transparency and accountability

We demonstrate our commitment to high levels of corporate transparency and accountability through a robust governance framework and international best practice corporate reporting.



DNS abuse

DNS abuse in .au is well below the global average and we remain committed to reducing it further. We drive down abuse through innovative approaches to detection and mitigation and by collaborating with stakeholders locally and globally.



Complaint and dispute resolution

We have implemented best practice dispute resolution and complaint policies that are clear, consistent and accessible. This supports high levels of compliance with .au rules and promotes consumer protection.



Compliance with the .au rules

Our Compliance Posture sets out our proportionate three-step approach to compliance that promotes trust and confidence in .au; educating registrants about .au, guiding registrants to comply with .au rules and enforcing the rules where necessary.



Technological innovation

We innovate and invest to enable innovation by others to improve the utility of .au and the Australian internet ecosystem. The helps us meet the evolving needs of internet users and drives benefits for all Australians.



Financially stable not-for-profit

We operate as a fully self-funded not-for-profit corporation. Our stable financial performance enables us to reliably and efficiently administer the .au and support initiatives that enhance the internet for all Australians.



Representing the .au's interests locally and globally

We represent the .au's interests by engaging widely with our diverse multi-stakeholder community and positively influencing domestic and international internet governance and policy discussions.



Internet accessibility and digital inclusion

We support internet accessibility and digital inclusion by improving the utility of .au, which encourages Australians to connect and innovate online. We also invest to enable research and innovation to enhance the ways Australians benefit from the internet.

Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) help guide the creation of sustainable communities, economies and environments globally.

auDA's inaugural materiality survey asked participants to identify the SDGs to which auDA could contribute most meaningfully. The three top SDGs identified are set out below, alongside ways auDA supports their achievement. This represents our contribution on sustainability, which will be a continued focus for auDA as we work to adopt the Integrated Reporting Framework in full by 2024-25.



SDG8:
**Decent work
and economic growth**

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

We administer a secure and reliable .au that enables Australia's digital economy, supporting millions of Australians to establish a trusted online presence. We also support Australian small businesses to uplift their cyber security practices through initiatives such as .auCheck with the Australian Strategic Policy Institute (ASPI).



SDG9:
**Industry, innovation and
infrastructure**

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

The .au DNS is critical infrastructure that underpins Australia's digital economy and society and enables internet users to connect globally. Our strategic focus on innovation enables us to innovate to improve .au and invest in innovation through the auDA Foundation and partnerships that boost the utility of the internet for Australians.



SDG10:
Reduce inequalities

Reduce inequality within and among countries.

We promote diversity and inclusion by championing the auDA Value of "Better Together". In 2021-22, we commenced work on a Reconciliation Action Plan to advance reconciliation in Australia and embed the principles of reconciliation within our organisation. We also champion an open, free, secure and global internet, which benefits communities globally.



How we create value

Resources and relationships

Our team

- auDA staff and Board with diverse experience and skills
- auDA's values

Our multi-stakeholder community

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

Our infrastructure

- .au DNS and registry database that connects internet users globally to websites and email addresses ending in .au
- WHOIS tool that supports the integrity of .au

Our expertise

- .au policy rules and compliance processes that keep .au trusted
- Expertise to maintain high levels of security
- Expertise in internet governance and policy
- Skilled stakeholder engagement and member relations professionals
- Robust governance framework that supports transparency and accountability

Our finances

- Stable financial position

Value creating activities

- Operation of the .au DNS
- Engagement with Australian domain name sector
- Delivery of the .au membership program
- Compliance activity including dispute and complaint processes and audits
- Partnerships with industry and educational institutions
- Management of .au rules based on multi-stakeholder engagement
- Consultation and engagement with auDA's multi-stakeholder community
- Promotion of the benefits of .au
- Contribution to domestic and international internet policy and governance processes
- Investment in innovation to improve .au and the Australian internet ecosystem
- Investment in auDA's people and culture

Outputs

- A stable, secure and reliable .au DNS
- .au domain name registrations
- Informative and engaging membership program
- Transparent, responsive, accountable, accessible and efficient .au rules
- An understanding of the digital needs of Australians
- A voice for .au in international and domestic policy forums
- Dispute resolution policies consistent with Australian and international best practice
- Support for the Australian internet ecosystem through partnerships, sponsorships and grants

Our purpose

Administering a trusted .au for the benefit of all Australians and championing an open, free, secure and global internet.

Our vision

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

Outcomes

Our team

- Engaged staff and Board motivated to deliver for all Australians and global internet users

Our multi-stakeholder community

- Community trust and confidence in .au and auDA
- Industry partners furthering our strategic aims and growing our reach
- Ongoing endorsement from Government and delegation from ICANN
- Constructive domestic and international relationships that support our purpose and vision
- Diverse membership base reflecting the Australian community and engaged on .au, auDA and internet governance matters

Our infrastructure

- The .au DNS supporting Australia's digital economy and society, enabling billions of internet users locally and globally to connect with Australian individuals and organisations online each day

Our expertise

- A strong, trusted .au brand that Australian internet users choose when building an online presence
- High levels of compliance with .au rules
- Positive impact on international and domestic policy to support continued economic and social benefits that flow from an open, free, secure and global internet

Our finances

- Stable financial position that enables continued investment in .au and the Australian internet ecosystem

auDA's 2021-25 Strategy

One year into our 2021-25 Strategy, we are making significant progress against our strategic objectives. We continue to review our external environment, outlook and performance against our objectives to refine the implementation of key projects.

In 2020-21, auDA staff and Directors undertook a thorough process to develop a Proposed Strategy for the 2021-25 financial years. This included a series of internal workshops and engagement with technology, business and government experts.

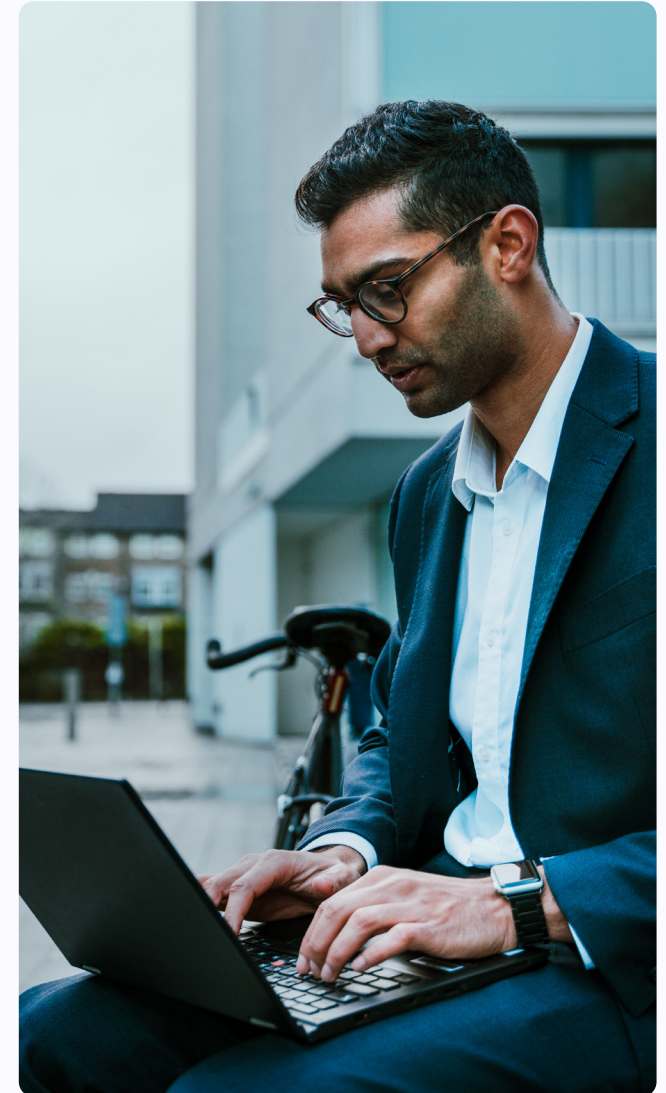
The Proposed Strategy was released for public consultation in July and August 2021. The feedback enabled us to refine our Strategy, reflecting the views of our multi-stakeholder community.

During the first quarter of 2021-22, we conducted a survey of staff and Directors and two internal workshops to define the values through which we choose to conduct ourselves and carry out our work.

The 2021-25 Strategy was approved by the auDA Board in September 2021 and released in October 2021.



"Our strategic planning process coincided with a period of significant digital transformation driven by COVID-19. The rapid shift online during the pandemic shaped our understanding of the ways in which we can best deliver value to Australians." auDA CEO, Rosemary Sinclair AM



auDA's 2021-25 Strategy

Purpose Administering a trusted .au for the benefit of all Australians and championing an open, free, secure and global internet.

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

Strategic focus areas

Strategic capabilities

Trust

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

Innovation

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

Multi-stakeholder engagement

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

People

- Build an organisation regarded as an Employer of Choice
- Strengthen the trust and confidence our stakeholders have in us

Governance

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

Terms of Endorsement from the Federal Government

auDA's core functions and core principles

Values

Contribute: Locally & Globally

We serve all Australians and global internet users.

Better Together

We collaborate and work together as one auDA.

Strive for Excellence

We deliver value. On time, every time.

Our outlook

Our external environment is a critical consideration in the way in which we implement our Strategy and our core functions. Environmental trends create both opportunities and risks and shape how we create value for all Australians.

Outlook

How we respond

| | |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Effective relationships with our multi-stakeholder community will play an integral role in our success</p> | <p>We build and maintain stakeholder confidence through our management of a trusted .au and regular, constructive engagement.</p> <p>Our .au membership base is growing and diversifying, we support and partner with an expanding group of respected and like-minded organisations, and we are engaging more deeply in domestic and international internet policy forums. The Federal Government and ICANN continue to endorse auDA.</p> |
| <p>Competition from emerging technologies is increasing</p> | <p>There are more than 3.6 million .au domain names under management, up eight per cent from June 2021. We undertake research to understand the digital needs of Australians and innovate to provide greater choice of .au domain names, ensuring Australians have a range of choices and opportunities for a local, trusted online presence.</p> |
| <p>Consolidation of the registrar market in Australia has increased in recent years</p> | <p>The registrar market has undergone some consolidation but remains competitive. There are 33 auDA accredited registrars with diverse offerings that compete for market share, including six each with more than 100,000 .au domain names under management. We support the dynamic registrar environment and promote competition amongst registrars through our Co-Marketing and Innovation Program.</p> |
| <p>Sovereign state interest in regulation of the online environment continues</p> | <p>We are committed to positively influencing regional and global policy discussions related to the online environment. We work to actively advance an open, free, secure and global internet and we advocate for multi-stakeholder internet governance processes.</p> |
| <p>Australians' reliance on the internet continues to increase</p> | <p>Our consistent engagement with .au members and other key stakeholders underpins our understanding of the digital needs of Australians. This enables us to deliver value to the community through a trusted and reliable .au and invest in innovation by others to enhance the utility of the internet.</p> |
| <p>Cyber threats are ongoing</p> | <p>We maintain the stability, security and integrity of .au by implementing the highest standards of security for the .au domain ecosystem, and through .au policy rules and compliance oversight. This is supported by our robust governance processes and strong relationships with local authorities and cyber experts, including the Australian Cyber Security Centre (ACSC).</p> |
| <p>Australia's jobs market is challenging</p> | <p>Our people and their capabilities enable us to deliver our operational and strategic objectives to a high level. We invest in developing and supporting our people through targeted professional development opportunities, our Reward and Recognition Framework, workplace flexibility and culture of inclusiveness and excellence.</p> |

Our performance

Our .au scorecard provides an overview of performance against our strategic objectives and key results. Our strategic objectives are closely aligned with the top material issues and SDGs identified through our materiality process.

Our objectives have been completed or are on track to achieve the corresponding key result, except the .au associate member growth target, which is being managed within tolerance. While the ambitious growth targets were not met, we are comfortable with the growth achieved taking us to more than 4,800 associate members at 30 June 2022. In 2022-23, we will continue our focus on growing and diversifying our membership base.

- On track
- Being managed within tolerance
- Outside tolerance

| Status | Objective | Key result | Material theme | SDG |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Trust | | | | |
| | Drive down DNS abuse | DNS abuse in .au is less than 0.04 percent of all registered names by June 2022 |     | |
| | Drive up the integrity of the .au domain | 95 percent of .au registrants have a validated Australian presence by June 2023 |    | |
| | Lead world's best practice ccTLD security | Maintain ISO 27001 certification |     | |
| Innovation | | | | |
| | Improve the utility of the .au by providing greater choice of .au domain names | Launch .au direct namespace in March 2022 |     | |
| | Produce leading insights from our data and community research | Deliver 2022 Digital Lives of Australians research report |      | |
| | Invest to enable innovation and research by others | auDA Foundation Grants Program invests \$600,000 in community projects by June 2022 |      | |
| Multi-stakeholder engagement | | | | |
| | Grow and diversify auDA's membership | 3,000 new .au associate members from January to June 2022 |   | |
| | Increase auDA's influence in multi-stakeholder internet governance | Majority of participants identify auDA's multi-stakeholder processes as inclusive (establish baseline by April 2023) |       | |
| People | | | | |
| | Build an organisation regarded as an Employer of Choice | Improve auDA's culture score against independent global ranking assessment (2021 survey results act as baseline) |    | |
| | Strengthen the trust and confidence our stakeholders have in us | Establish effective working relationships with Advisory Committees (establish baseline by December 2022) |    | |
| Governance | | | | |
| | Strengthen transparency and accountability | ASX Corporate Governance Principles reported publicly by auDA annually with all relevant Principles addressed satisfactorily |    | |
| | Strive for excellence in our reporting | Increase elements of Integrated Reporting in auDA's 2021-22 Annual Report |   | |



Engagement

Our people



Material theme: Stakeholder and trust
Strategic capability: People
TOE: Core principle: Trust in .au

Our people are our greatest asset and a core strategic capability. They help us deliver on our purpose and vision. In turn, we invest in their development and wellbeing and support them to deliver excellence.

Who we are

The auDA team has grown to 40 in June 2022 from 26 in June 2021 and 19 in June 2020.

This growth aligns with:

- A refreshed direction for the organisation in 2019-20, including the appointment of a new Board and CEO that financial year
- An ambitious 2021-25 Strategy
- Updated Terms of Endorsement from the Federal Government
- Designation of the .au DNS as critical infrastructure under Federal legislation.

The growing team enables us to deliver on our strategic objectives, Terms of Endorsement and legislative requirements.

Alongside this growth, we have increased our focus on diversity. Women comprise 50 per cent of auDA's staff, consistent with 50 per cent in June 2021 and up from 37 per cent in June 2020. We also have staff representation from a range of culturally diverse backgrounds and cities around Australia, enabled by our flexible working policy.

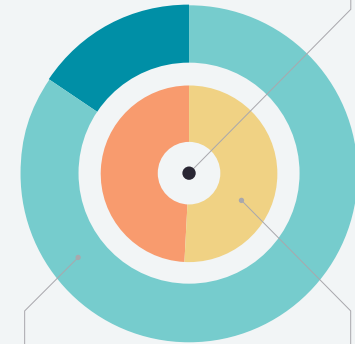
Financial year 2021-22 also saw a welcome return to the office for our Melbourne-based staff, following two years largely working from home during the COVID-19 pandemic. We moved into a new office in April 2022 to accommodate our growing team and to access facilities that promote productivity and collaboration.

auDA team

No. staff members:

Jun 2022

40



35

Full time



5

Part time



50%

Women



50%

Men

Staff work flexibly between the Melbourne office and their homes across Australia





Supporting our people

In the financial year, we introduced a new **Reward and Recognition Framework**. This included an updated performance development framework establishing objectives and key results. Through the framework, each staff member sets goals aligned to auDA's Strategy and identifies professional development opportunities to further their role and career.

The Reward and Recognition Framework also includes an annual job sizing process to benchmark staff remuneration against an independent database, providing a transparent process and competitive remuneration.

During the financial year, we also consulted with staff on the development of a **Health and Wellbeing program**. The program will be finalised and implemented in the first half of 2022-23.

"We cultivate a positive workplace culture to support our team and provide a safe and productive working environment. We continue to invest in supporting our people and developing an engaged, collaborative and motivated workforce."

auDA CPO, Colin Brown



Our culture

Defining our values and developing a clear and meaningful purpose and vision have contributed to a constructive workplace culture.

In March 2021, we carried out our first **culture pulse survey**. Staff rated auDA on 10 factors relating to culture, including values, training, performance, communication, leadership and teamwork. Eight factors were rated neutral and two rated as weaknesses.

In March 2022, we conducted our second culture pulse survey. The results evidenced a significant uplift across all factors. Values, leadership and communication were our top-rated strengths.

Strengths of auDA's culture:

- 1 **Values**
- 2 **Leadership**
- 3 **Communication**

.au members



Material theme: Stakeholder and trust

Strategic focus area: Multi-stakeholder engagement

TOE: Core principle: Membership reflects Australian community

We refreshed our member program in 2021-22, helping us grow and diversify our membership base to reflect the Australian community – one of our strategic objectives and a core principle set out in our Terms of Endorsement.

Renewed member program

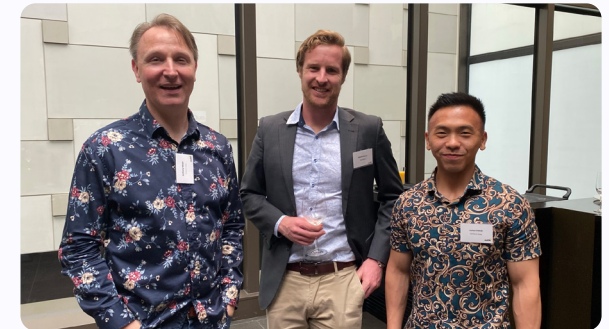
In January 2022, we launched the new .au member program, which offers additional value to members, including:

- More .au member networking **events**, with events in Melbourne, Sydney and Brisbane over the period, when COVID-19 health and safety restrictions were lifted
- A .au member **webinar program**, with four webinars delivered from February to June 2022
- A new .au member **weekly newsletter** to provide members with timely news and information on the .au and the Australian and global domain and internet industry
- A .au member **partnership program**, providing members access to benefits with partner organisations. In 2022, auDA established its first partnership with Cynch Security, an Australian organisation that provides cyber security support to small businesses.

Member transition

On 27 September 2022, the .au membership program will transition to a new membership model as set out in auDA's Constitution. Under the new model, auDA's associate members who choose to do so will become full members of auDA under the Corporations Act. While our membership numbers will reduce from around 4,800 because some associate members do not make that transition, we expect to have around 3,000 members at the transition date and to increase that number further in the future.

Over the reporting period, auDA invested heavily in communicating the transition to our existing members and ensuring new members opt-in to the new model. As at 30 June 2022, 1,810 members had opted-in to the new membership model.

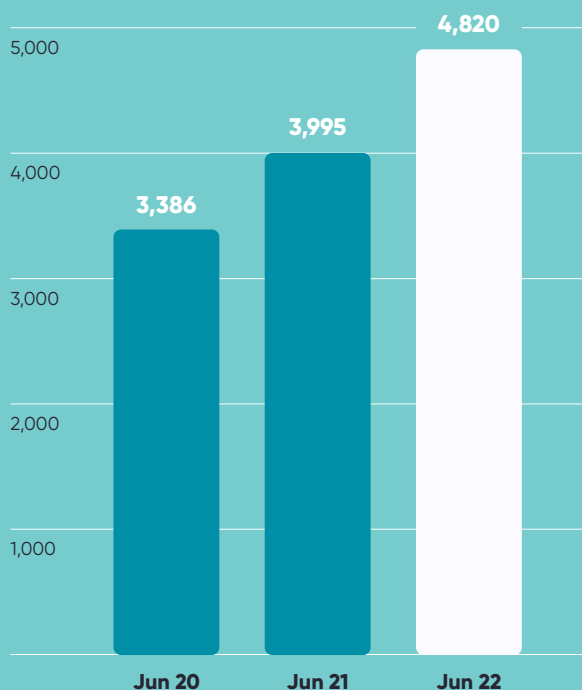


Growing our membership base

In the period, .au membership grew by 21 per cent, reaching **4,820 associate members** by the end of 2021-22.

In addition to refreshing our member program, we undertook a digital awareness campaign to attract new members by raising awareness of the program and its benefits. We also carried out an outreach program with industry association bodies to increase recognition and participation in the program.

.au associate members



By industry

| | | |
|-------------------------|-------|-----|
| Technology | 1,132 | 23% |
| Web development | 456 | 9% |
| Marketing | 234 | 5% |
| Registrar | 226 | 5% |
| Education | 192 | 4% |
| Finance | 155 | 3% |
| Healthcare | 143 | 3% |
| Web hosting | 127 | 3% |
| Telecommunications | 125 | 3% |
| Government | 123 | 3% |
| Did not disclose /Other | 1,907 | 40% |

By state

| | | |
|------------------------------|-------|-----|
| Victoria | 1,538 | 32% |
| New South Wales | 1,504 | 31% |
| Queensland | 884 | 18% |
| Western Australia | 412 | 9% |
| South Australia | 218 | 5% |
| Australian Capital Territory | 135 | 3% |
| Tasmania | 75 | 2% |
| Northern Territory | 42 | 1% |
| International | 12 | 0% |

Annual member survey

In September 2021, we conducted our annual member survey. The survey provided continued insight into the value members receive from .au membership and what they would like to see improved. The survey indicated that members continue to join the program to stay informed about the domain name industry and support the administration of .au.

Of the respondents, 47 per cent reported they were satisfied or extremely satisfied. They expressed a desire for greater access to educational information. To address this, we increased investment in industry information and educational resources, including webinars, fact sheets and more frequent newsletters. In 2022-23, we will continue to listen and respond to our members and further develop our membership program to support our growing membership base.

Key reasons for joining auDA

| | |
|--------------------------------------------------|------------|
| Keep up to date with .au issues | 70% |
| IT industry information and trends | 67% |
| Support independent administration of .au domain | 61% |

Main challenges

| | |
|--------------------------------------------------|------------|
| Keep up to date with the latest technology/tools | 21% |
| Cyber security | 20% |
| Domain registration/administration | 16% |

Community

Our Strategy and Terms of Endorsement define that we carry out our work for the benefit of all Australians. We engage widely to understand and respond to the needs of Australia's diverse community.

.au members play a vital role in the .au ecosystem, representing the views of the Australian community to auDA. Our Board Advisory Committees provide advice to the Board on strategic issues of relevance to our work to benefit all Australians.

Read more about .au membership on page 23 and Board Advisory Committees on page 55.



Material theme: Stakeholder and trust + Internet accessibility and inclusion

Strategic focus area: Multi-stakeholder engagement + Innovation

TOE: Core principle: Multi-stakeholder engagement

auDA Foundation

The auDA Foundation has been in existence for more than 20 years and was established to fund research and education initiatives that increase the utility of the internet in Australia. The program supports our strategic vision to unlock positive social and economic benefits for Australians and helps us achieve our strategic objective to enable innovation and research by others.

In September 2021, the auDA Foundation Board, chaired by auDA Director James Atkins, opened applications for its 2021 Grant Program. This was the first grant round since the Foundation Board developed new grant guidelines in 2020-21. The 2021 Grant Program focussed on education and research initiatives that enhance the utility of the internet for Australians across three key areas:

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

An abundance of high-quality applications saw 15 grants of \$40,000 each awarded to a broad range of not-for-profit organisations and university research programs from across Australia. Initiatives spanned development of online support tools, digital literacy workshops and research into online accessibility. A full list of 2021 Grant Program recipients can be found on the [auDA website](#).

The auDA Foundation Board was delighted with the success of the 2021 Program and is pleased to be opening another round of funding in early 2022-23.



More information on the auDA Foundation can be found on its [website](#).



auDA community webinars

In September 2021, we introduced a monthly webinar series that is open to the public and complements our member exclusive webinar series. We held eight webinars over the financial year, providing a forum to share information on topics related to .au and the internet. Popular webinars included those on the introduction of .au direct, demonstrating keen community interest in the new namespace. We were also pleased to deliver webinars connecting participants to a range of expert guests throughout the financial year including eSafety, ASPI, Australian Competition and Consumer Commission, IDCare, Asia Pacific Network Information Centre (APNIC) and SEC Newgate Research.

Engagement with multicultural and First Nations communities

A strategic objective for auDA in the area of innovation is to improve the utility of the .au domain by providing greater choice of .au domain names. In addition to the introduction of .au direct, this financial year we consulted on other potential innovations to increase choice in .au.

We worked with community organisation Sydney Alliance to host two workshops with members of Australian multicultural communities on Internationalised Domain Names (IDNs) (such as 例如.au). We heard directly from community members and gained insight into how we can consult on IDNs more broadly in 2022-23.

We also began seeking community views on a potential First Nations namespace. This included a workshop with representatives from First Nations communities hosted by professional services firm, PwC. The workshop represented a first step to understand community demand for a First Nations namespace and how we can respectfully and inclusively approach further consultation.

Reconciliation Action Plan

This financial year, we began work to develop a Reconciliation Action Plan. Based around the core pillars of relationships, respect and opportunities, our Reconciliation Action Plan will help us develop our vision for reconciliation and explore the role we can play in advancing reconciliation in Australia.

First steps included exploring how we develop our relationships with Aboriginal and Torres Strait Islander stakeholders and planning cultural awareness training for all staff in early 2022-23.

NetThing

auDA is a proud sponsor of NetThing, Australia's annual Internet Governance Forum. It brings together members of Australia's multi-stakeholder internet community to discuss internet-related public policy issues. The theme of the 2021 NetThing forum was "Building Bridges". Topics included protecting Australia's critical infrastructure, digital rights, and the internet as an essential service. auDA Director Sandra Davey, CEO Rosemary Sinclair AM and COO Dr Bruce Tonkin participated in sessions. Sandra Davey and auDA's Specialist Policy Adviser Annaliese Williams are members of the NetThing Steering Committee, helping to bring the Forum together for the benefit of the Australian community.

Our support for NetThing contributes to our strategic objective to increase auDA's influence in multi-stakeholder internet governance and our core function to advocate for and actively participate in multi-stakeholder internet governance processes.

Case study

Digital Lives of Australians 2021

auDA has an ambitious strategic vision to unlock positive social and economic value for Australians through an open, free, secure and global internet. We also seek to support innovation across the digital ecosystem. To deliver on these goals, we established a comprehensive research study to understand the online experiences of Australians.

The research explores how Australian consumers and small businesses use and value the internet and the online challenges they face. The research was carried out with SEC Newgate Research. It comprised a survey of more than 1,500 consumers and 400 small businesses in October 2021.

Our inaugural Digital Lives of Australians research report was released in December 2021. The findings reinforced our understanding that the internet is vital to many Australians' lives and careers.

Importantly, it also highlighted the barriers Australians face that limit access to internet-related benefits.

These insights guide our work managing a trusted .au. It also informs how we partner with others to boost innovation and tackle online challenges, for example, through the auDA Foundation and partnerships on initiatives such as .auCheck.

We also shared the findings widely with our multi-stakeholder community to support industry, business, government and educational groups to deliver effective digital services to their stakeholders and generate action that improves online outcomes for Australians.

We will undertake this research annually to continue to build on our 2021 findings and meet our strategic aims.

AUSTRALIAN CONSUMERS AND SMALL BUSINESSES



Less than half of Australian consumers feel very **confident online**.

The internet plays an important **social role** for consumers.



More than a third of small businesses feel they would not be able to operate or would experience a big reduction in **income** without the internet.

Concerns about **cyber security** are holding small businesses back from using the internet more often.



Nine of ten consumers and small businesses consider the internet important to their **everyday lives**.



Privacy and Cyber security are the **greatest concerns** for Australian consumers and small businesses.

Industry and government



Material theme: Stakeholder and trust + Reliable infrastructure + Represent .au locally and globally

Strategic focus area: Trust + Innovation + Multi-stakeholder engagement

TOE: Core principles: Multi-stakeholder engagement + Engagement with Australian Government

Registrars

auDA accredited registrars are essential partners in delivering a trusted, reliable .au. In 2021–22, they continued to uplift security and validation practices in line with our high standards and most chose to participate in the launch of .au direct.

In the financial year, auDA hosted monthly briefings for .au registrars. Ahead of the introduction of .au direct, briefings focussed on preparations for the new namespace. This included process and system updates as well as communications and marketing activity to raise awareness amongst new and existing registrants. While participation in .au direct is optional, at the end of the reporting period 29 of 33 registrars had taken up the opportunity to offer registration services for the new namespace.

"auDA accredited registrars are a vital part of our .au ecosystem. We work closely with them on our strategic goal of leading world's best practice ccTLD security. Their work helps support community confidence in .au and has contributed to the incredible growth we've seen in .au this year."

auDA CEO, Rosemary Sinclair AM



In 2020–21, a new Registrar Agreement was introduced. The Agreement strengthened compliance and security requirements to support trust and confidence in .au. This included requirements for registrars to:

- Implement a validation plan to check the eligibility of registrants at the time of registration, renewal and transfer
- Manage complaints about .au domain name licences as the first point of contact
- Obtain ISO 27001 certification or equivalent to achieve international security best practice standards.

This financial year we continued working closely with registrars to support their delivery against these requirements. We developed and launched an online Registrar Portal and Learning Management System to deliver registrars ready access to information, training modules and knowledge articles. At the end of the financial year, all registrars had achieved ISO 27001 certification or equivalent (24 registrars) or had a progress plan in place to work towards certification (nine registrars).

Under the Registrar Agreement, registrars agree to undertake comprehensive security audits, known as Baseline Security Audits. The audits focus on key security controls, including those recommended by the Australian Signal Directorate's Essential Eight. They are conducted by an external security specialist and each registrar is provided with recommendations for improvement. Baseline Security Audits are conducted annually and we review the outcomes with each registrar to ensure security requirements are being met.

Registrars also support resellers to provide domain name registration services to the public. A vibrant registrar and reseller market supports competition in .au.



Co-Marketing and Innovation Program

auDA's Co-Marketing and Innovation Program promotes innovation and competition in .au. Specifically, it aims to:

- Support the growth of the .au domain
- Build a resilient and capable registrar industry
- Drive innovation
- Improve digital inclusion for all Australians.

auDA accredited registrars can apply for funding for projects that meet the Program's objectives, including advertising campaigns, skills development and productivity improvements. In 2021-22, auDA awarded more than \$450,000 in funding to accredited registrars through the Program.

The Program supports our innovation strategic focus area and core principle under our Terms of Endorsement to promote competition.

| Registrar | Project description | Amount (incl. GST) |
|----------------------------------------------|------------------------------------------------------------|--------------------|
| Micron21 Data Centre Pty Ltd | Digital campaign promoting .au direct | \$24,745 |
| Micron21 Data Centre Pty Ltd | Software development | \$25,000 |
| VentralP Australia Pty Ltd | Development of video and email content for new registrants | \$25,000 |
| Micron21 Data Centre Pty Ltd | Radio campaign promoting .au | \$25,000 |
| Domain Directors Pty Ltd trading as Instra | Only Domains digital campaign promoting .au direct | \$39,000 |
| Webcentral Group Ltd trading as Melbourne IT | Sponsorship of St Kilda Football Club promoting .au | \$63,750 |
| Web Address Registration Pty Ltd | Crazy Domains digital campaign promoting .au | \$250,000 |

Australian Top Level Domain (TLD) registry managers

There are other Australian territory TLD registry managers including .cc, .nf, .cx, .sydney, .melbourne that together with auDA form the Australian domain name sector. In 2021-22, we hosted quarterly meetings with Australian TLD registry managers to exchange ideas and views on policy

issues. This included sharing information on DNS abuse mitigation measures and how international regulatory measures may impact the global DNS. We also provided updates on Australia's Critical Infrastructure legislation, which identifies the .au DNS as critical infrastructure.

Domain portfolio holders

Domain portfolio holders are engaged members of the .au domain name community. We hold regular briefings with domain portfolio holders to keep them up to date on .au policy and compliance matters and answer their questions. In 2021-22, briefings largely focussed on the introduction of .au direct.



Technology and business sectors

We engage with Australia's technology and business sectors to build trust in and raise awareness of .au and auDA. We partner with likeminded organisations to support initiatives aligned with our Strategy and Terms of Endorsement.

This financial year, we sponsored and participated in a range of events, contributing our expertise to conversations about Australia's internet ecosystem. This included key speaking engagements, webinars and roundtables hosted by the Committee for Economic Development of Australia (CEDA), Council of Small Business Organisations Australia (COSBOA) and Victorian Chamber of Commerce and Industry (VCCI). Topics spanned the benefits of .au direct for Australian businesses, the impact of the pandemic on Australia's cyber security and the benefits of digitisation on small businesses.

We were also proud to sponsor the B&T Women Leading Tech Awards for a third year. The 2022 event took place in Sydney and celebrated exceptional women leaders in Australia's tech sector. auDA Director Jackie Korhonen presented the Entrepreneur/Founder award and participated in a panel discussion, sharing lessons from her career in technology.

In 2021-22, we also supported:

Australian Communications Consumer Action Network • Asia Pacific Top Level Domain Association (APTLD) • APNIC • Australian Information Industry Association (AIIA) • ASPI • CEDA • Communications Alliance • Council of European National Top-Level Domain Registries • Cyber Security Cooperative Research Centre • DNS Operations, Analysis, and Research Center • ICANN • NetThing • Internet Watch Foundation • Telco Together Foundation

Government

We engage in constructive dialogue with government to champion auDA initiatives and provide our expertise on matters such as .au, internet policy and cyber security. This supports the Federal Government's ongoing endorsement of auDA as stewards of Australia's internet.

Updated Terms of Endorsement from the Federal Government

During 2021, the then Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) led a review of the Government's Terms of Endorsement for auDA to ensure the Terms remain fit-for-purpose. We engaged constructively with the Department during its review and contributed to its public consultation in August and September 2021.

The Government released its new Terms of Endorsement in November 2021. Then Federal Minister for Communications, Urban Infrastructure, Cities and the Arts The Hon Paul Fletcher MP formally shared the revised Terms with auDA. auDA Chair Alan Cameron AO confirmed auDA's acceptance of the revised Terms in a letter to the Minister.

"We welcome the Australian Government's ongoing commitment to multi-stakeholder internet governance, and to auDA as the administrator of the .au ccTLD. We look forward to continuing to collaborate with you, your department, other government departments and agencies, and non-government stakeholders to champion an open, free, secure, and global internet."

auDA Chair, Alan Cameron AO

Letter to the Minister for Communications, Urban Infrastructure, Cities and the Arts, 26 November 2021



Ongoing engagement with government

We have regular engagement with the Federal Government. We meet with and provide updates to DITRDC on matters related to .au and a representative from DITRDC joins auDA Board meetings to observe and provide an update from Government.

In the financial year, we also contributed to key internet-related legislation including:

- Engagement with Home Affairs and the Parliamentary Joint Committee on Intelligence and Security (PJCIS) on Australia's Critical Infrastructure legislation
- A submission to Home Affairs on Australia's Cyber Security Strategy
- A submission to the National Indigenous Australians Agency on its Indigenous Digital Inclusion Plan
- A submission to the Digital Transformation Agency on proposed Digital Identity legislation
- Contributions to submissions made by Communications Alliance and AIIA.

As part of our ongoing engagement, we provided regular updates to the Communications Minister and his office, as well as other Federal Government and Shadow Ministers and government agencies with responsibilities related to the digital economy, internet policy and cyber security. Following the Federal Election in May 2022, we engaged with the new Federal Government, including new Minister for Communications The Hon Michelle Rowland MP. We look forward to further engaging with federal and state parliamentarians in 2022-23.

International

We engage proactively in international forums to positively influence policy discussions. Through this, we champion the multi-stakeholder model of internet governance and advocate for an open, free, secure and global internet.

ICANN

ICANN hosts three forums each year, bringing together the international multi-stakeholder community to support the operation of a global internet. We participated in each of the forums over the financial year. ICANN72 and ICANN73 were held online, and ICANN74 was a hybrid meeting with attendees participating online and in-person in The Hague, Netherlands. It was the first ICANN forum with an in-person component since November 2019 and auDA was delighted to attend in person.

Key areas of interest at ICANN74 included cyber security, DNS abuse mitigation, global WHOIS services, geopolitical, legislative and regulatory developments, and multi-stakeholder internet governance. The threat of a splintered internet gained significant attention at ICANN73 following hostilities between Russia and the Ukraine, and the Ukrainian government's request to remove .ru from the DNS root zone. The multi-stakeholder community largely supported ICANN's position not to support the request, recognising, as auDA does, the importance of an open, free, secure and global internet.



Material theme: Stakeholder and trust + Open, free, secure and global internet + Represent .au locally and globally

Strategic focus area: Trust + Multi-stakeholder engagement

TOE: Core principle: Internet governance

country code Name Supporting Organization (ccNSO)

ICANN's ccNSO hosts News Sessions in the lead up to each ICANN meeting. auDA actively participated in these sessions, with the auDA team contributing to sessions on .au direct, internet governance trends and cyber security.

auDA's Specialist Policy Adviser Annaliese Williams is a member of the ccNSO Internet Governance Liaison Committee (IGLC), which encourages participation of ccTLD managers in international internet policy

discussions. In February 2022, she was appointed as Vice Chair of the IGLC. In June 2022, she was appointed as Chair. COO Dr Bruce Tonkin is Vice Chair of the ccNSO DNS Abuse Standing Committee and auDA is a member of the ccNSO's Strategic and Operational Planning Standing Committee, which coordinates participation of ccTLD managers in the strategic, operational planning and related budgetary processes of ICANN.

Engaging with ccTLD managers

We host quarterly meetings with fellow international TLD managers, CIRA (.ca), Nominet (.uk), and InternetNZ (.nz). The meetings enable discussion of key issues affecting the domain name sector, such as regulatory initiatives and geopolitical developments. We also participate in regular meetings with operational counterparts overseas, including compliance and membership teams to share information and support best practice.

APTLD hold twice-yearly forums where ccTLD managers from Asia Pacific share information to support a strong domain sector in the region. This financial year, auDA presented on topics such as .au direct, our strategic planning process and compliance approach, and the 2017 .au Registry Transformation Project. auDA's Compliance Manager Steph Viljoen sits on the Members Meeting Program Standing Committee, helping to plan APTLD meetings.

Internet Governance Forums

The United Nations Secretary-General established the Internet Governance Forum in 2005 to progress multi-stakeholder discussions on internet policy. In December 2021, the 16th Internet Governance Forum was held as a hybrid meeting, online and in Katowice, Poland. The theme was "Internet United" and there were more than 10,000 participants. Topics of interest for auDA included global internet governance, cyber security, digital sovereignty, the future of the internet and protecting the public core of the internet. We will continue our involvement in global and regional Internet Governance Forums in 2022-23, including Australia's forum, NetThing, which you can read about on page 27.



Contributing to a secure and trusted global internet

In addition to our work with ICANN, APTLD and Internet Governance Forums, we partner with other international organisations to support a secure and trusted global internet. These include the **DNS Abuse Institute Advisory Council**, of which auDA's COO Dr Bruce Tonkin is a member. The Council comprises global experts who provide guidance on initiatives to reduce DNS abuse.

In July 2021, auDA became a member of UK-based non-profit charity **Internet Watch Foundation**. The Foundation partners with member organisations, including internet bodies, law enforcement agencies, governments and charities, to remove child sexual abuse material from the internet. Our membership and active participation aids auDA's purpose to administer a trusted .au for internet users.



"Engagement with our international counterparts and members of the global internet governance community is core to our purpose. Consistent with our Strategy, we have increased our participation in international policy discussions this financial year and look forward to further deepening our engagement in the year ahead."

auDA CCO,
Sophie Mitchell





Administering a trusted .au

.au registrations

Ongoing community trust and confidence in .au and the introduction of .au direct enabled another strong year of growth in registrations as businesses, organisations and individuals continued to choose .au.

Domain names under management

Total .au domain names under management reached **3,603,924** on 30 June 2022, an increase of eight per cent year-on-year. This builds on strong growth in the prior financial year where digital transformation resulting from COVID-19 drove a five per cent increase in registrations in the year to 30 June 2021. Demand for .au domain names in both 2020-21 and 2021-22 significantly outperformed 2019-20 (0.4 per cent decrease in registrations in the year to 30 June 2020).

The growth in domain names this financial year was driven by the introduction of the .au direct namespace on 24 March 2022. As set out in our Strategy, the new namespace provides greater utility for internet users by providing greater choice of distinctly Australian domain names. Shorter, simpler domain names proved a popular choice with the community and boosted registrations from March to June 2022.

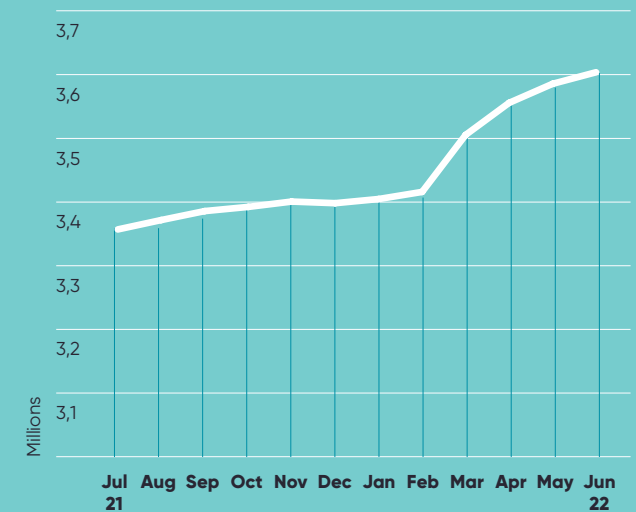


Material theme: Stakeholder and trust + Reliable infrastructure

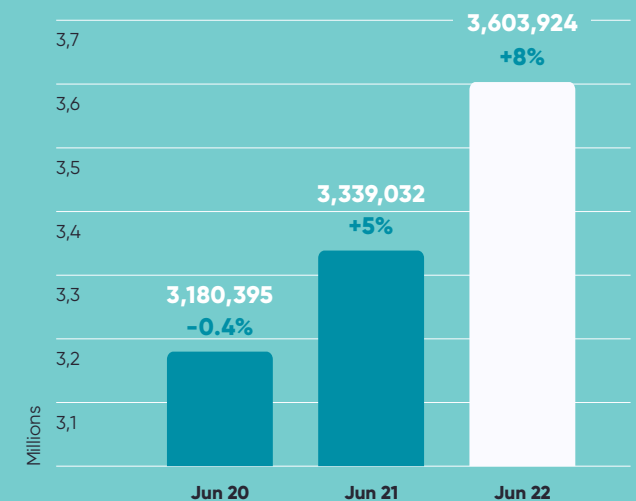
Strategic focus area: Trust

TOE: Core principle: Trust in .au

.au domain names under management by month



.au domain names under management year-on-year growth



.au domain names by state and territory

| | Jun 22 |
|------------------------------|-----------|
| New South Wales | 1,182,880 |
| Victoria | 942,749 |
| Queensland | 690,625 |
| Western Australia | 275,098 |
| South Australia | 173,745 |
| Australian Capital Territory | 95,278 |
| Tasmania | 43,383 |
| Northern Territory | 15,898 |
| Overseas | 70,052 |

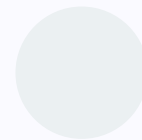


Namespaces

| | Jun 22 |
|------------|-----------|
| com.au | 3,097,866 |
| net.au | 218,245 |
| .au direct | 172,415 |
| org.au | 75,068 |
| edu.au | 17,223 |
| id.au | 13,187 |
| gov.au | 6,194 |
| asn.au | 3,223 |
| Other | 503 |

The com.au namespace remained the largest namespace, accounting for 86 per cent of all .au domain names registered at 30 June 2022. This is down from 90 per cent at 30 June 2021, due in large part to the additional choice provided by .au direct domain names. The com.au namespace was followed by net.au (six per cent) .au direct (five per cent) and org.au (two per cent).

The strong results in 2021-22 place .au at ninth place in the top ccTLDs by number, according to Verisign's calendar year Q1 2022 Domain Name Industry Brief.



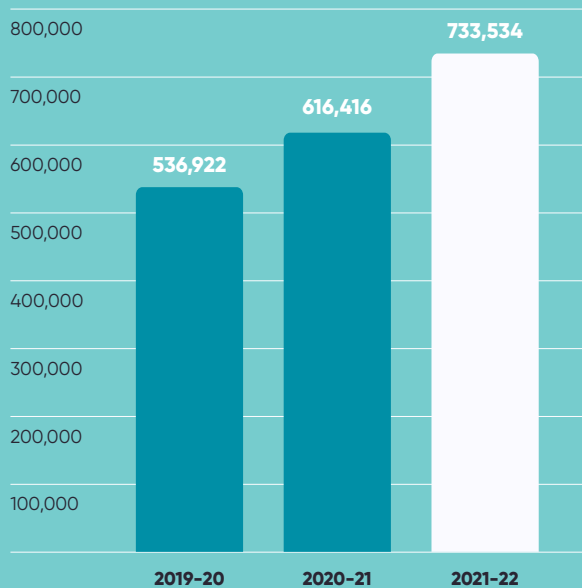
The **id.au namespace** is designed for use as a personal identifier for Australians. On 24 March 2022, a change under the .au Licensing Framework came into effect requiring domain names registered in id.au to match or be an abbreviation of a registrant's legal name, first name or family name or match a nickname. Under the change, id.au domain names can no longer refer to a personal interest or hobby, however, personal interests and hobbies can be registered in .au direct. At 30 June 2022, registrations in id.au represented 0.4 per cent of total .au domain names.

New domains created

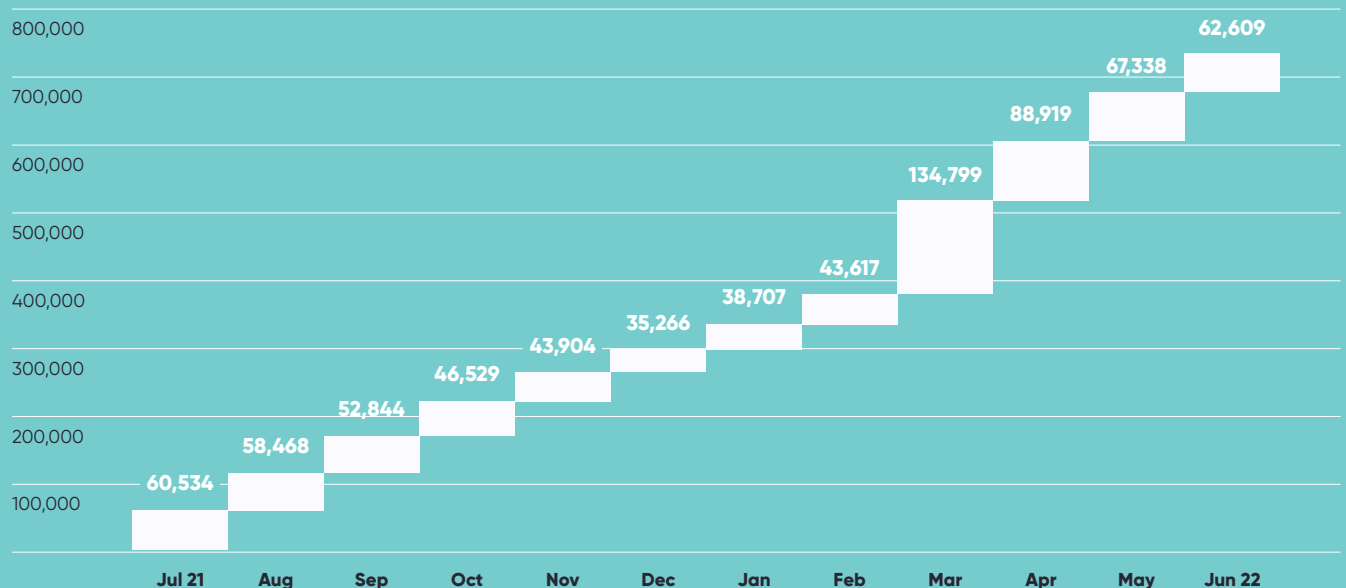
In March 2022, the .au registry recorded the largest number of new .au registrations created in a single month. Over 134,000 new .au domain names were added to the registry, more than double the previous record of 61,874 new registrations in July 2020. Of the new registrations in March 2022, .au direct domain names accounted for 59 per cent.

Consistent with seasonal trends, new registrations slowed over the December and January summer period. However, this did not dampen overall demand for .au domain names in the financial year. An average of 61,000 new .au registrations were created each month in 2021-22. This is up 19 per cent from a monthly average of 51,300 in 2020-21 and up 37 per cent from a monthly average of 44,700 in 2019-20.

New .au domain names created per year



New .au domain names created per month



Innovating .au

In March 2022, auDA launched its highly anticipated new namespace, .au direct, which is open to everyone with an Australian presence. The shorter, simpler domain names quickly became popular, with more than 170,000 registrations in the three months to 30 June 2022.

On 24 March 2022, .au direct launched enabling Australians to register domain names directly before the .au for the first time (e.g. getyour.au).

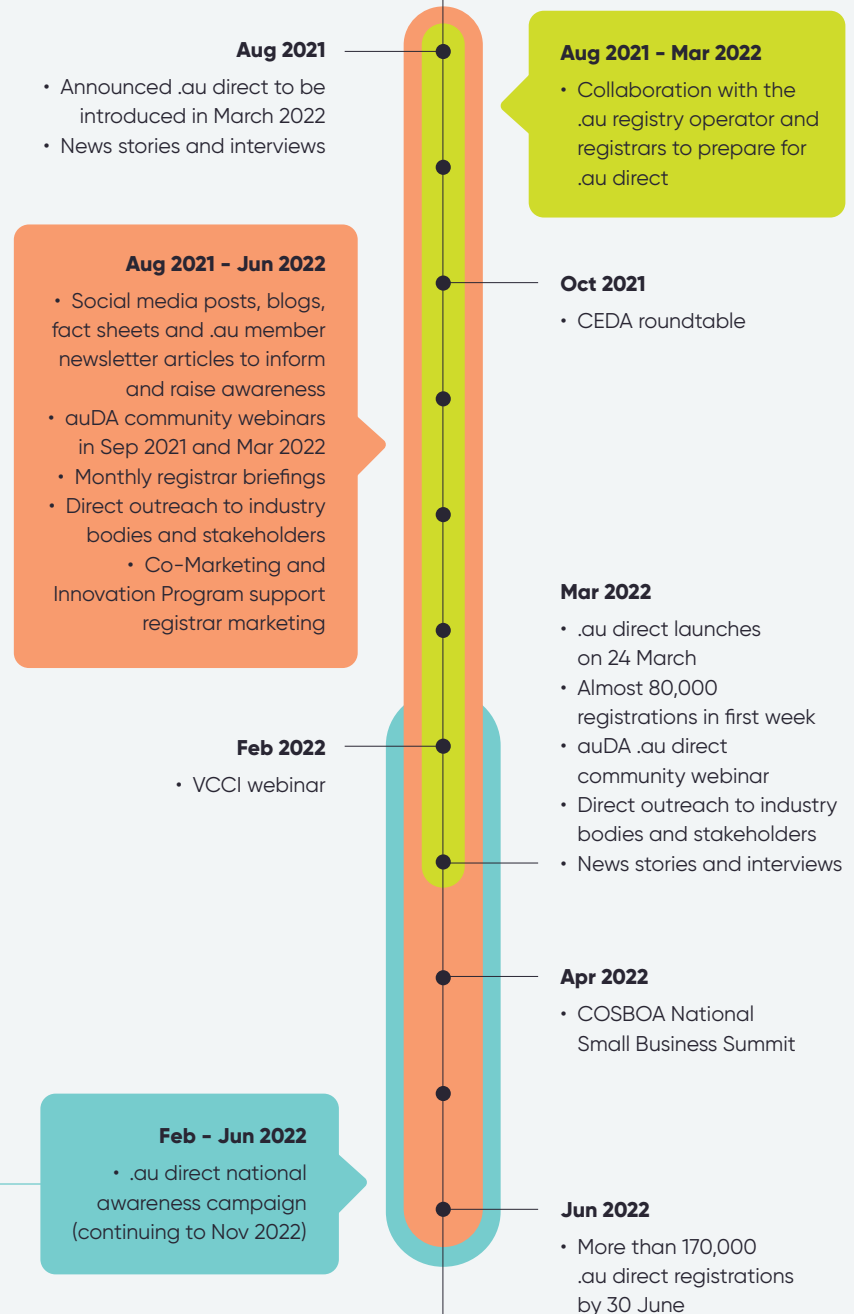
The introduction was the biggest innovation in .au in more than 20 years, following updates to the com.au namespace that allowed the registration of dictionary words in 2002. Community feedback on .au direct was sought through extensive public consultation in 2015, 2018 and 2019 and was overwhelmingly in favour of its introduction.



Material theme: Technological innovation

Strategic focus area: Innovation

TOE: Core function: Administer .au licensing regime



.au direct

.au direct is available to anyone with a validated Australian presence, including Australian citizens, residents, trade mark holders, and businesses and organisations registered in Australia. **It provides:**

- Greater choice of trusted, uniquely Australian domain names
- Access to shorter, simpler website and email addresses
- Domain names that are easier to type and display on mobile devices
- A great option for new business ideas, marketing campaigns, one-off events and personalised websites and email addresses.

The introduction of the new namespace is consistent with our Strategy, unlocking value for Australians through more choice of trusted .au domain names. It also delivers on the core functions in our Terms of Endorsement from the Federal Government by developing .au policies through a multi-stakeholder approach to deliver benefits for Australians.

The value of .au direct to Australians is evident through strong uptake from launch. Among the new registrants are individuals, not-for-profit organisations and businesses, demonstrating that .au direct is opening up new opportunities for a wide range of Australians.

Throughout 2021-22, auDA, .au registry operator Identity Digital Australia (formerly Afilias Australia) and accredited registrars prepared for the introduction of .au direct, including raising awareness amongst existing registrants and the Australian community. We worked closely with registrars to notify existing registrants about the Priority Allocation Process. Priority Allocation enabled registrants with a .au domain name registered prior to the launch of .au direct (e.g. ending in com.au, net.au, org.au etc.), priority to apply for the matching .au direct domain name until 20 September 2022. Our awareness raising continued into the first quarter of 2022-23.

More than 170,000 registrations were made from March to June 2022.

Registry operations

Together with the .au registry operator, Identity Digital Australia, we provide a stable, secure and reliable DNS that supports trust in .au and connects billions of internet users to .au websites and email addresses each day.



Material theme: Reliable infrastructure + Cyber security

Strategic focus area: Trust

TOE: Core function: Stable operation of .au

.au registry operator

In June 2021, we finalised a two-year extension to the **Registry Licence Agreement** between auDA and Identity Digital Australia, then known as Afilias Australia. This was announced in July 2021. The Agreement enables Identity Digital Australia to continue as the .au registry operator until 30 June 2024. Ahead of that time the registry operator contract will go out again to public tender.

The updated Agreement includes new requirements for Identity Digital Australia that strengthen .au security and reliability of service, such as undertaking regular cyber security exercises with auDA and implementation of the ISO 31000 risk management framework.

Supporting .au DNS traffic

The .au DNS nameservers facilitate access to .au websites, emails and servers. In 2021-22, .au nameservers processed an average of 30,200 DNS queries per second, down 33 per cent from 44,900 in 2020-21 and up 56 per cent from 19,400 in 2019-20. This represents an average 2.6 billion queries processed by .au nameservers each day in 2021-22.

In early 2021-22, Identity Digital Australia released a new **Registry-Registrar Agreement** between itself and registrars. It sets out the roles and responsibilities of the registry operator and registrars. auDA provided input into this Agreement to ensure it was fit-for-purpose and aligned to the .au Licensing Framework.

As part of the introduction of **.au direct**, auDA and Identity Digital Australia worked closely to prepare the registry and DNS for the new namespace. Notably, we transitioned the .au top level DNS nameserver, or .au zone, from auDA managed servers to servers managed by the registry operator and implemented a new Domain Name System Security Extensions (DNSSEC) process that increases resilience in the DNS. You can read about DNSSEC on page 46.

Variations in DNS query volumes are common and can be driven by:

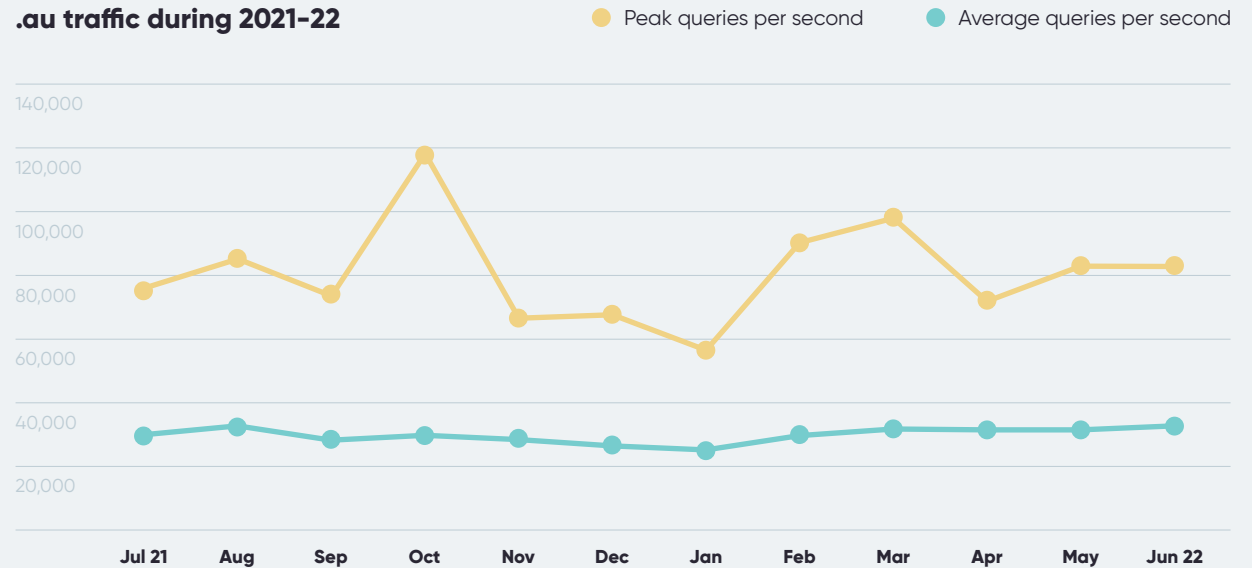
- Internet users visiting websites or sending emails
- Machine-to-machine communications between servers
- DNS server settings such as caching policies.

The spike in 2020–21 was associated with changes to the number of DNS service providers (e.g. registrars) relying on .au domain names to deliver their DNS services. It also corresponds with increased internet usage during the peak of COVID-19 health and safety restrictions.

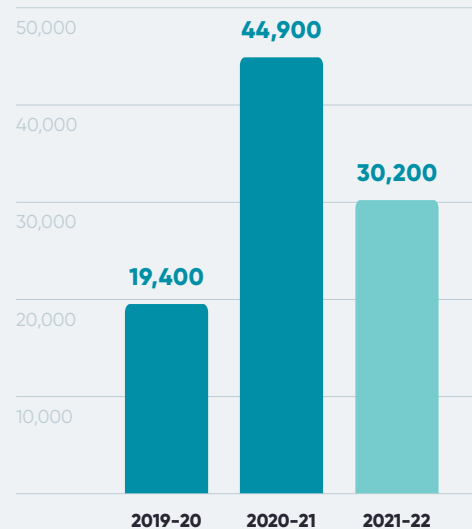
Approximately 30 per cent of all .au nameserver data originates from Australia. The remaining 70 per cent originates from overseas. This demonstrates the importance of .au to Australia’s digital economy and society, and its role in the global internet, providing a channel for Australian businesses, organisations and individuals to access and engage with international internet users.

We support this high volume of queries by operating DNS infrastructure that is stable, secure, reliable and distributed. While Identity Digital Australia and auDA consistently met the performance service levels for .au in the period, in March 2022, a DNSSEC related service interruption was identified and rectified within two hours. An investigation identified the cause as an error in the DNS nameserver software relating to DNSSEC signatures, which impacted one public DNS resolver provider and its end users. The software error was patched and improvements in testing and monitoring have been implemented to prevent any recurrence.

.au traffic during 2021–22



Average queries per second



Average queries processed by .au nameservers each day in 2021–22

2.6 billion

DNS and registry services

| | 2019–20 | 2020–21 | 2021–22 |
|--------------------------------|---------|---------|---------|
| DNS availability | 100.00% | 100.00% | 99.98% |
| WHOIS availability | 99.99% | 100.00% | 100.00% |
| Registry database availability | 99.89% | 99.99% | 100.00% |

Security

Maintaining a secure .au for all Australians is paramount to our strategic and operational purpose. We defend the .au against potential cyber incidents, prepare to respond to new and emerging threats, and contribute our expertise to uplifting cyber security across the internet ecosystem.

"We strive for excellence in our approach to security by achieving globally recognised certifications, maintaining a strong security culture and partnering with the domain industry, cyber experts and local authorities. This helps us deliver a stable, secure .au for all internet users."

**auDA COO,
Dr Bruce Tonkin**



Keeping .au secure

We maintain strong cyber defences to keep .au secure, including through:

- Maintenance of our ISO 27001 certification, the international standard for best practice information security. We undertake an annual surveillance audit and recertification every three years. In 2021-22, we passed our second surveillance audit after becoming certified in 2020
- Adherence to the ACSC Essential Eight Maturity Model. The Model defines four maturity levels that establish increasing levels of security management from Maturity Level Zero to Maturity Level Three. It is focussed on prevention, limitation of damage and system recovery. auDA has achieved a Maturity Level Two and continues to upgrade security measures to achieve a Maturity Level Three
- Regular evaluation and testing of our physical and network security defences by reputable specialist third parties
- Enabling DNSSEC, which provides encrypted protection for data on the .au DNS
- Delivering security awareness training for auDA staff and Board Directors and specialist training for technical staff to remain aware of emerging security trends
- Undertaking stringent screening checks for new auDA staff
- Monitoring matters related to security through the Board Security and Risk Committee.



Material theme: Reliable infrastructure + Cyber security + DNS abuse + Technological innovation

Strategic focus area: Trust

TOE: Core function: Stable operation of .au



We also have robust recovery and continuity plans in place to minimise service disruptions on the .au DNS, including:

- Regular recovery and continuity testing of our infrastructure and disaster recovery exercises with the .au registry operator
- Crisis simulation exercises to test the organisation's technical and communications responses to crises and incidents
- Progress towards ISO 22301 certification, an international standard that sets out best practice business continuity management to protect against, prepare for and recover from incidents

- Participation in discussions with the Australian telecommunications sector and Federal Government agencies and departments about disaster recovery to uplift resilience across the industry.

As outlined in our 2021–25 Strategy, we aim to lead best practice ccTLD security by raising security standards in the .au ecosystem. We do this through robust contractual security obligations with the .au registry operator and auDA accredited registrars, and ensuring these obligations are met. You can read more about our work with registrars on page 28 and the registry operator on page 41.

Critical infrastructure

Since 2020, auDA has regularly engaged with the Federal Government about proposed amendments to its critical infrastructure legislation. This included consultations with the Department of Home Affairs, appearances before the PJCIS in July 2021 and March 2022, and engagement with Australia's telecommunications and domain name industries.

In December 2021, initial amendments were enacted in the Security Legislation Amendment (*Critical Infrastructure*) Act 2021, recognising the .au DNS as a critical infrastructure asset. In March 2022, the second critical infrastructure bill passed. The Security Legislation Amendment (*Critical Infrastructure Protection*) Act 2022

sets out security requirements for critical infrastructure assets, including notification to the Federal Government where a security incident occurs and provision of information to the Register of Critical Infrastructure Assets. auDA's already established high levels of security for .au ensured we were readily compliant with the majority of measures. We have since implemented processes to support the new legislative notification scheme.

Throughout the period, we engaged with the Australian domain name industry including the .au registry operator, auDA accredited registrars and Australian territory TLD registry managers on our shared industry responsibilities under the new legislation.

DNS abuse

DNS abuse mitigation is a strategic focus for auDA, ensuring .au remains secure and trusted. DNS abuse comprises five categories of online harm that use domain names to carry out harmful activity. The categories are:

- Botnets
- Malware
- Pharming
- Phishing
- Spam, where the spam is used to facilitate one of the other four categories.

Occurrences of DNS abuse in .au are **well below the global average**. In June 2022, only 0.03 per cent of .au domain names had an instance of DNS abuse compared to approximately 0.17 per cent for generic TLDs globally, according to ICANN's Domain Abuse Activity Reporting. Despite this, we remain committed to further driving down DNS abuse to 0.005 per cent of .au domain names by 2025, as well as supporting a reduction in the broader domain ecosystem.

In 2021–22, auDA COO Dr Bruce Tonkin continued his participation on the DNS Abuse Institute Advisory Council and as Vice Chair of the ccNSO DNS Abuse Standing Committee. The Advisory Council and Standing Committee bring global experts together to contribute to industry-wide abuse mitigation activity.

At ICANN74 in June 2022, the DNS Abuse Institute launched NetBeacon, a service allowing people to notify registries and registrars of DNS abuse. The Advisory Council provided input and guidance on the development of the tool. auDA will integrate the tool into its operations once ccTLD support is added.

In 2022, the auDA Compliance Team also introduced an improved process to identify and address instances of DNS abuse. This includes reviewing daily DNS abuse threat intelligence feeds from security organisations and regular engagement with industry and enforcement bodies. The majority of DNS abuse cases in 2021–22 were instances of phishing and malware that resulted from hacked small business websites. This largely results from small businesses not applying timely security patches to their content management system and website plug-ins, making them vulnerable to hacking.

When we become aware of instances of DNS abuse on .au, we notify the registrant and the registrar to address the issue. Where the issue is not addressed within 72 hours, we suspend the domain name to minimise harm caused to internet users.



In 2022–23, we will continue to explore new approaches to combat online scams and DNS abuse in partnership with industry and enforcement agencies, and refine our processes and systems to better detect and address DNS abuse.

DNSSEC

In 2021–22, auDA and registry operator Identity Digital Australia worked together to develop and implement a new DNSSEC offline key signing process. DNSSEC is a security protocol that provides encrypted verification of the information that passes through the DNS, defending against hackers attempting to redirect internet users to malicious websites. A key signing ceremony is carried out annually and ensures encryption over the .au DNS remains in place for the following 12-month period.

The new DNSSEC key signing system involves an offline key management structure where auDA and the .au registry operator both participate in the DNS encryption but auDA retains ultimate control. This provides us flexibility to assume control of the DNS zone files in an emergency. The offline key approach is used for the root (top level) zone, however, it is the first known time the configuration has been used for a large-scale ccTLD like .au.

Case study

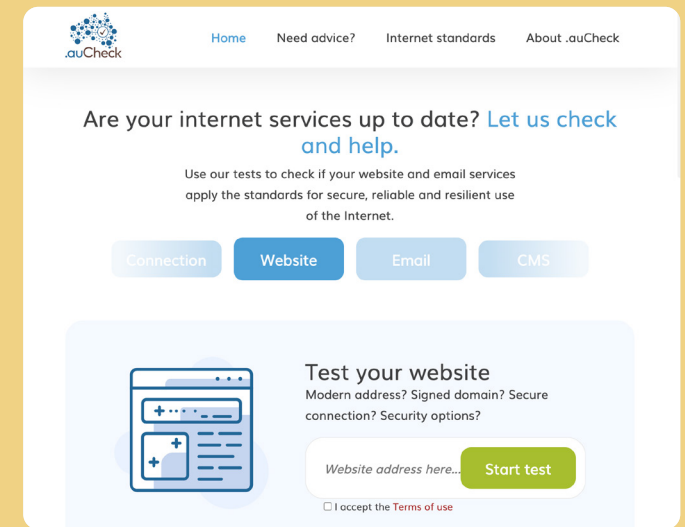
.auCheck your internet security

.auCheck is a free online tool that allows users to check whether their websites, email addresses and internet connections meet best practice security standards recommended by the ACSC.

The tool was developed by ASPI with support from auDA to simply and effectively uplift cyber security capabilities of small businesses and others across Australia.

While available to all internet users, .auCheck was developed primarily to benefit Australian small businesses. The recent wave of digital transformation in Australia driven by COVID-19 disruptions saw small businesses embrace digital operations in record numbers. Our 2021 Digital Lives of Australians research found that nine of ten small businesses feel the internet is important to their business and more than a third feel they would not be able to operate or would experience a significant reduction in income without the internet.

Despite the benefits of moving online, many small businesses are vulnerable to cyber incidents. Often, small businesses lack the skills or resources to prepare, defend, mitigate and remedy a cyberattack and compromised business websites are a common target for online abuse such as malware or phishing attacks.



.auCheck supports small businesses to tackle issues highlighted in the auDA study. The reports generated for users by .auCheck provide information to help them understand the cyber health of their online services and enable informed discussions with their IT support providers. By adopting standards recommended by .auCheck, internet users can secure their online presence and minimise the risk of online harm.

Since the launch of .auCheck in April 2022, auDA has supported ASPI to raise awareness of it broadly amongst .au members and stakeholders, including through webinars, newsletters and speeches at industry events. We will continue to do so to further uplift cyber security across the Australian internet ecosystem and create a more secure .au domain for all Australians.

To check the security of your online services, visit www.aucheck.com.au.

Compliance

Our compliance policies and processes are clear, consistent and provide procedural fairness. This is essential to deliver a transparent and accountable .au Licensing Framework and enhance trust in .au.

Compliance Transformation Project

In 2020, external consultancy, the Nous Group, was engaged to conduct an independent review of .au complaints processes and enhance complaints management across the .au ecosystem.

In 2020-21, we commenced the Compliance Transformation Project to implement the recommendations of the review. The implementation supported improvements to:

- Articulate auDA's approach to compliance
- Build capability and capacity in auDA and registrar compliance teams
- Refine communications throughout the complaints process
- Uplift data analysis and reporting to support ongoing improvement.

Implementation was completed within the scheduled 18-month project timeframe, resulting in:

- Improved communications
- Publication of the auDA Compliance Posture, which sets out our three-step approach to compliance
- Enhanced registrar capability through training and support
- A capable, well-resourced Compliance Team.

We are committed to continuous improvement and identifying opportunities to further advance our compliance function, with a focus on excellence and innovation. In 2022-23, this will include a review of the first 18 months of the .au Licensing Framework, which was implemented in April 2021.



Material theme: Complaint and dispute resolution + Compliance with .au rules

Strategic focus area: Trust

TOE: Core function: Administer .au licensing regime + Core principle: Promote competition and consumer protection



Our compliance priorities

In 2021–22, our first annual Compliance Plan was published, which set out our compliance priorities for the period. The Plan included five priority areas that enhance trust, support greater transparency and accountability, and preserve the integrity of .au for all Australians.

We designed an audit program to support our compliance priorities. Audits of org.au domain names review compliance with the org.au rules, including updated eligibility criteria introduced under the .au Licensing Rules in April 2021 (priority 1). Creation and renewal audits review the eligibility of registrations when they are created or renewed, and include trade mark and trustee registrations (priorities 2–3). Through these audits, we identified improvement opportunities for registrar validation plans (priority 4).

Together, the org.au, creation and renewal audits accounted for 79 per cent of all compliance audits conducted during the financial year. More information on our audit program can be found on page 49.

Consistent with our Compliance Posture, we worked with registrars and registrants to ensure compliance with the .au rules and updated registration data where possible. When necessary, we enforced the rules, which included licence suspensions and cancellations.

We also worked closely with registrars to support priorities 4–5 through:

- Regular registrar briefings
- Provision of training and resources
- Review of and guidance on registrar validation plans.

Additional information on our work with registrars can be found on page 28.

Our 2022–23 Compliance Plan will be published in the first half of the financial year and will include a revised set of compliance priorities:

- Identifying and addressing instances of DNS abuse in .au
- Ensuring compliance in the new .au direct namespace through audit activity
- Undertaking a review of the first 18 months of the updated .au Licensing Rules, in consultation with key stakeholders
- Working with the .au registry operator, registrars and resellers to improve the integrity of .au registry data.

OUR 2021–22 COMPLIANCE PRIORITIES

- 1 Ensuring registrants in the org.au namespace are not-for-profit organisations as defined by the .au Licensing Rules
- 2 Ensuring foreign entities using an Australian trade mark to establish Australian presence register a domain name that is an exact match to their trade mark
- 3 Ensuring registrars record the names of the legal entities responsible for domain names registered on behalf of trusts and unincorporated bodies in the registry
- 4 Ensuring registrars have validation plans in place to support accurate and eligible .au registrations
- 5 Supporting registrars to meet their compliance obligations under the .au Licensing Framework

Compliance activity

Complaints

This financial year, we received 1,541 complaints, down 30 per cent from 2020-21 (2,188) and 65 per cent from 2019-20 (4,458). The decrease in complaints to auDA was driven by the shift to complaints being handled by registrars in the first instance, introduced in April 2021 under the .au Licensing Framework. Our considerable communications activity prior to the introduction of .au direct also meant there was no significant increase in complaints following its launch.

In 2021-22, 11 complainants exercised their right to an internal review by an auDA senior manager, down from 48 in 2020-21 and 83 in 2019-10.

The Licence Review Panel is an independent review body comprising experienced legal professionals with expertise in the .au Licensing Framework. The Panel provides an avenue for an independent review of auDA's internal review decision. The Licence Review Panel was established in April 2021 under the .au Licensing Framework, replacing the Registrant Review Panel. During the period, there were no referrals to the Licence Review Panel for an independent review. One case was escalated to the Registrant Review Panel in 2020-21 and two cases in 2019-20.

Enquiries

We received 4,027 enquiries in 2021-22. This is consistent with 2020-21 (4,181) and is an increase of 18 per cent from 2019-20 (3,426). The increase in enquiries from 2019-20 was associated with the introduction of new Licensing Framework in April 2021. .au direct was the most common enquiry topic in 2021-22 (983 enquiries).

.au Dispute Resolution Policy (auDRP)

The auDRP provides an independent process for disputes where parties have competing rights for the same .au domain name, for example, where someone believes another party's .au domain name infringes their Australian trade mark. auDRP disputes are handled by independent dispute arbitrators from the Resolution Institute or the World Intellectual Property Organization. In 2021-22, 39 auDRP disputes were lodged. Of those, 17 resulted in the transfer of a domain name. This is down from 56 disputes and 30 transfers in 2020-21 and consistent with 38 disputes and 15 transfers in 2019-20.

Enforcement body requests

auDA responds to formal requests from Commonwealth and State law enforcement agencies and consumer affairs and fair-trading bodies. These requests involve .au domain name registrations associated with enforcement activity under the relevant body's legal remit. In the financial year, we responded to 81 requests, which was consistent with 2020-21 (88 requests) and up from 2019-20 (52 requests). We evaluate all requests in accordance with Australian law. In the period, we denied 17 per cent of requests.

Audits

Our audit program enables us to proactively improve the integrity of .au registry data and increase trust in the .au domain. In the financial year, auDA carried out 3,594 audits, an increase of 129 per cent on 2020-21 (1,569). Decreasing complaints coupled with increased team capacity and capability from the Compliance Transformation Project enabled an uplift in audit activity. Our audit program is guided by the priorities set out in our Compliance Plan, outlined on page 48. We commenced our audit program in 2020-21.

1,541 Complaints



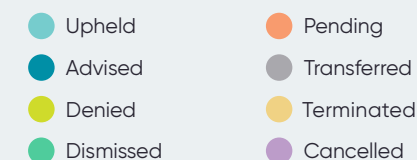
4,027 Enquiries



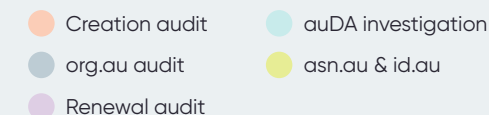
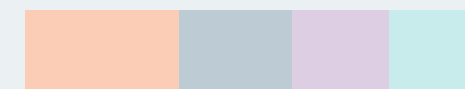
39 auDRP disputes



81 Enforcement body requests



3,594 Audits



Customer Satisfaction Survey

When a complaint is closed, the parties to the complaint are invited by auDA to complete our customer satisfaction survey. In 2021-22, 826 people completed the survey, up 21 per cent from 2020-21 (683 respondents) and 59 per cent from 2019-21 (520 respondents).

This financial year, 70 per cent of respondents reported being satisfied or very satisfied with our service. This is up from 68 per cent in 2020-21 and down slightly from 72 per cent in 2019-20. We saw steady improvements in customer satisfaction particularly in the second half of the financial year, resulting from enhancements to our complaint handling processes.

Case study

Compliance Posture in action

In 2020-21, we developed auDA's Compliance Posture, which sets out our proportionate three-step approach to compliance in .au. Developed in consultation with auDA staff, Board Directors and external experts, the Compliance Posture is guided by the principles of natural justice, user convenience and fairness.

Our three-step approach is:

- 1 Communicate and educate
- 2 Guide and facilitate
- 3 Enforce the rules where necessary.

By first educating and then facilitating compliance with the .au Licensing Framework, the Posture assists registrants and registrars to achieve compliance and minimises the need for enforcement action.

Our Compliance Posture guides the work of our Compliance Team. One such example is helping businesses operating with a .au domain name where the registry information shows that the company holding the licence has been deregistered. This often occurs inadvertently when a business changes structure or the business is sold or transferred to a new entity. A non-existent company does not have standing to hold or transfer a .au domain name licence under the rules. In these instances, businesses face losing their domain names, which are valuable digital assets used to connect with customers and stakeholders via websites and email addresses.



To help facilitate compliance with the rules, auDA and registrars work with the parties to identify whether the domain name licence was transferred with the business and how. This includes collating evidence to confirm that the transfer was compliant when it took place. This can be a complicated process, depending on how much time has passed and the number of parties involved.

During the financial year, we streamlined this process through the development of a new chain of title document. The document makes it easier for people to provide information and demonstrate compliance. This helps all parties understand and work through the requirements and leads to positive outcomes for businesses.

Guided by our Compliance Posture, we continue to support registrants to understand compliance obligations and to comply with the .au Licensing Rules.



Governance

auDA's Board and Constitution

The auDA Board sets the tone for a culture of strong governance. The oversight and expertise it provides supports us to administer a .au for the benefit of all Australians.

Responsibilities of the Board

The auDA Board guides the organisation's delivery against our Terms of Endorsement and 2021–25 Strategy in line with our Constitution. It oversees our operational and strategic activity, champions good governance, and drives strategic planning and innovation.

This financial year, the Board oversaw the implementation of the new .au direct namespace and contributed to the development of auDA's strategic objective and key result performance measures and further strengthened robust governance arrangements. It oversaw an update to the risk management framework and actively monitored key organisational risks. In the period, all organisational risks were managed within the Board's risk appetite tolerance.

The Board also engaged with auDA's multi-stakeholder community throughout 2021–22, including with the Board Advisory Committees, consultation on the auDA 2021–25 Strategy, and participation at .au member events, NetThing and ICANN forums.

The Board met nine times during the financial year. In addition, Directors participated in Board Committee meetings, workshops and consultations including on Director obligations, auDA's risk framework, Board reporting, Integrated Reporting and internet governance.

A schedule of Board meetings and meeting minutes are published on the auDA website.



Material theme: Stakeholder and trust + Transparency and accountability

Strategic capability: Governance

TOE: Core principle: Effective governance

Key Board decisions during the financial year included approval of:

- auDA's 2021–25 Strategy and strategic objectives and key results for 2021–22
- Implementation of the .au direct namespace, including the list of reserved names
- Updated Board Risk Appetite Statement and Enterprise Risk Register
- Plans to support the member transition and refresh of the member program
- auDA's 2021–22 Compliance Plan
- Updated guidelines for the Co-Marketing and Innovation Program
- Updates to the auDA Constitution
- Updated Nomination Committee Charter and reappointment of seven members for a second three-year term, with two members retiring from the Committee
- Appointments to the General Advisory Standing Committee (GASC) and Technical Advisory Committee (TASC), and updated Terms of Reference for the .edu Advisory Committee (EAC)
- Reappointment of Alan Cameron AO as an Appointed Director and Independent Chair for a further three-year term
- Reappointment of the Licence Review Panel members for a further one-year term
- Lease for the new office premises
- Corporate Policies in line with the Policy Review schedule.

Board composition and performance

An optimal mix of skills and experience required by auDA's Directors is set out in the Board Skills Matrix. This financial year, the Board engaged an independent consultant to review the Matrix to support alignment with the 2021–25 Strategy. The updated Matrix reflects the Board's focus on:

- Strategy, planning and policy development
- Governance
- International and domestic internet policy and regulation
- Technical and industry knowledge
- Innovation
- Stakeholder relations
- Finance and reporting.

The consultant also surveyed auDA Directors and Executive to assess the Board's collective strength relative to the refreshed Board Skills Matrix. The review found the Board has relevant and appropriate depth of experience across the seven areas and is appropriately skilled to deliver on its remit.

In addition to a broad mix of skills and professional experience, the Board values diversity. The Director group has a gender balance of 50 per cent men and 50 per cent women, reflects a range of ages, and has representation from across Australia, with Directors based in the Australian Capital Territory (one) South Australia (one), New South Wales (three), Queensland (one) and Victoria (four).

Read about each Director's experience and expertise on page 58.

auDA Board Directors



Alan Cameron AO
Independent Chair



James Atkins
Independent Director



Dr Kate Cornick
Independent Director



Sandra Davey
Elected Director



Peter Elford
Independent Director



Tania Fryer
Elected Director



Angelo Giuffrida
Elected Director



Matthew Healy
Independent Director



Dr Alice McCleary
Independent Director



Jackie Korhonen
Elected Director

Nomination Committee

The Nomination Committee contributes to auDA's effective governance through its role identifying, assessing and recommending candidates for appointment or election as a Director of the Company. auDA Chair Alan Cameron AO chairs the Nomination Committee. He is joined by representatives from industry, business and consumer organisations, .au members and the Federal Government.

During the financial year, the Nomination Committee recommended auDA Chair Alan Cameron AO be reappointed for three years. The appointment was approved by the auDA Board and took effect on 16 February 2022. Alan was not involved in the Nomination Committee or Board decisions regarding his reappointment. In the period, the Committee also began preparations to fill five appointed Director and three Elected Director positions. In May, the Committee opened Expressions of Interest applications for the positions and it met in June to shortlist candidates. The selection process will progress in the first half of 2022-23 and appointments will take effect after the 2022 Annual General Meeting in November 2022.

Amendment to auDA's Constitution

A resolution was passed at auDA's Annual General Meeting in November 2021 to amend the auDA Constitution. The Board proposed amendments to ensure the Constitution remains appropriate for auDA's operations and structure, reflects the updated Terms of Endorsement and to update transitional arrangements. Members of auDA for Corporations Act purposes are able to vote on matters related to auDA. At the time of the 2021 Annual General Meeting, those members were the individual members of the Nomination Committee, except for the auDA Chair and Government representative. All eligible members voted to approve the adoption of the new Constitution.

Board Committees

auDA's Board Committees support the Board to effectively fulfil its role by overseeing and reviewing work undertaken by the organisation and making recommendations to the Board for decision.

Finance and Audit Committee

The Finance and Audit Committee is chaired by auDA Director, Dr Alice McCleary. It provides oversight and advice to the Board on financial management and performance, compliance, financial policies, investment strategy and external financial reporting. The Committee also engages with external auditors on the statutory audit and in 2021-22 supported the move to auDA's new office location. It met five times in the financial year.

People and Culture Committee

The People and Culture Committee is chaired by auDA Director, Tania Fryer. It provides oversight and advice to the Board on people and culture matters including strategy and policies, the remuneration framework, CEO and Executive performance, resourcing and organisational structure. In 2021-22, the Committee supported the development of auDA's values, review of the Board Skills Matrix, Advisory Committee appointments and ongoing response to COVID-19 working arrangements. It met five times in the financial year.

Security and Risk Committee

The Security and Risk Committee is chaired by auDA Director, Peter Elford. It provides oversight and advice to the Board on security, information technology, privacy, risk, and business continuity operations and policies. In 2021-22, the Committee supported a review and update of auDA's Risk Appetite Statement and Enterprise Risk Register and activity to ensure auDA meets its obligations under updated Critical Infrastructure legislation. It met four times in the financial year.

Board Advisory Committees

The auDA Board is supported by three Advisory Committees. The Committees are part of our multi-stakeholder community and provide independent advice to the Board on matters of importance to auDA.

The **GASC** provides advice on general and community focussed matters related to .au. It supports auDA to carry out effective multi-stakeholder processes.

The **TASC** provides advice on technical matters related to .au and supports initiatives on internet security, DNS operations and risk management.

The **EAC** provides advice on the edu.au namespace, including policies and performance of edu.au and engagement with the education sector.

In December 2021, we announced 10 new appointments to each of the GASC and TASC. The appointees have extensive experience across consumer advocacy, governance, academia and the telecommunications, internet and technology sectors. They commenced their terms in January 2022.

The EAC also welcomed three new members during the period, with representation across the early childhood, tertiary and catholic education sectors. New EAC Terms of Endorsement were approved by the Board in February 2022.

The Committees each met four times in the period and worked to identify strategic priority areas and develop workplans for the 2022-23 financial year.



Transparency and accountability

Good governance is one of our strategic capabilities and we hold ourselves to high levels of transparency and accountability, consistent with our Terms of Endorsement.

“Good governance and prudent financial management are central to auDA’s operations. Thanks to a stable financial position, we are able to invest in .au and the internet ecosystem in Australia on behalf of all Australians.”

auDA CFO,
James Shady



auDA’s not-for-profit status

auDA is incorporated as an Australian Public Company limited by guarantee, which requires us to reinvest our profits into the organisation and its purposes and does not permit the distribution of funds to members. Our ongoing endorsement from the Federal Government also relies on our continued operation as a fully self-funding not-for-profit and for-purpose corporation.

We maintain our not-for-profit status by investing surplus funds into initiatives that support our delivery of a trusted .au, our work championing an open, free, secure and global internet, and partnerships and innovations that drive public good for Australians through the internet. We maintain financial reserves to manage unforeseen future expenses.



Material theme: Transparency and accountability + Financially stable not-for-profit

Strategic capability: Governance

TOE: Core principle: Effective governance

ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Principles and Recommendations set out eight corporate governance practices that support good governance. While they were designed for entities listed on the Australian Securities Exchange, auDA reports against the Principles and Recommendations as an independent benchmark for governance, transparency and accountability, as outlined in our 2021–25 Strategy.

Our first Corporate Governance Statement was published on the auDA website in October 2021. An updated statement was published in the first quarter of 2022–23, reflecting governance activity and changes during the 2021–22 financial year. This included updates to the Board Skills Matrix, development of strategic objective and key result performance measures, changes to Director term provisions in the auDA Constitution, reviews of key internal policies, and the approval of an updated Board Risk Appetite Statement and Enterprise Risk Register.

Annual Financial Report

30 June 2022

A.B.N. 38 079 009 340 and controlled entities

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Directors' report

For the year ended 30 June 2022

The directors present their report together with the financial report of .au Domain Administration Limited (the "Group") consisting of .au Domain Administration Limited (the "Group") and the entities it controlled for the financial year ended 30 June 2022 and the auditor's report thereon.

1. Directors

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

| Name | Appointment date | Resignation date (if applicable) |
|---------------------|------------------|----------------------------------|
| Alan Cameron AO | 15 November 2019 | |
| James Atkins | 15 November 2019 | |
| Dr. Kate Cornick | 15 November 2019 | |
| Sandra Davey | 15 November 2019 | |
| Peter Elford | 15 November 2019 | |
| Tania Fryer | 15 November 2019 | |
| Angelo Giuffrida | 15 November 2019 | |
| Matthew Healy | 15 November 2019 | |
| Alice McCleary | 15 November 2019 | |
| Jacqueline Korhonen | 11 November 2020 | |

ALAN CAMERON AO BA LLM HON LLD SYDNEY FAICD LIFE FAAL

Independent Chair

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

JAMES ATKINS BA BComm FAICD

Independent Director

James Atkins is an experienced non-executive director in the commercial and not-for-profit sectors. In addition to his role on the auDA Board, James is the Chair of BIG4 Holiday Parks and Greening Australia, and a Non-Executive Director of the Connective Group and Melbourne Water. James has many years' experience as a business strategist and senior executive in highly competitive markets, and is currently the principal of Vantage Strategy, which works with a wide range of organisations helping them clarify their strategy and supporting their growth.

KATE CORNICK PhD (Electrical Engineering) BE/BSc

Independent Director

Kate Cornick is currently the CEO of LaunchVic, the Victorian Government's start-up agency. Her previous roles include CEO of an ASX listed start-up, Director of Innovation and Industry Engagement at the University of Melbourne and General Manager at NBN Co. Kate is currently a Member of Charles Sturt University (CSU) Council, a Member of the CSU Audit and Risk Committee and CSU Foresighting Committee and a Director of Zoologi and Alice Anderson Trust Pty Ltd.

1. Directors (continued)

SANDRA DAVEY MAICD

Elected Director

Sandra Davey is an agile product consultant and coach with Organa. Across more than 25 years she has launched more than 30 digital products covering disruptive products in new markets and new products for existing or adjacent markets. At Organa she helps people and teams adopt new ways of working in the pursuit of better product value for customers, and helps create organisational change through building high performing teams, agile coaching, and teaching product excellence. She is currently a Director with Screenrights. Her past Board roles include Director and Chair of CHOICE, Chair of Australia's internet governance community, NetThing (previously auIGF) and Director and Chair of the Australian Interactive Media Industry Association. She was an inaugural Director of auDA when it was known as the Australian Domain Name Authority.

PETER ELFORD BSc (Hons) GAICD

Independent Director

Peter Elford is an Australian internet veteran and passionate internet advocate having "built the internet in Australia" in 1989 as the second employee at the Australian Academic and Research Network (AARNet). From 1993-2013 he held a variety of technical and senior management roles at Cisco, before returning to AARNet as Director, Government Relations and eResearch from 2014-19. Peter is currently a Director of the Regional Development Australia (RDA) ACT Board and President of the Gungahlin Community Council.

TANIA FRYER LLB (Hons) BA MCommrcLaw GAICD

Elected Director

Tania Fryer is a non-executive director experienced in technology, communications and law. The game-changing potential of innovative people, technology and data energises Tania in helping values-driven organisations grow with fit-for-purpose governance. Formerly an executive at Telstra and earlier a lawyer at Allens in technology and intellectual property, Tania has worked with boards and management teams for 25 years. She is also currently a Non-Executive Director of Greater Western Water and a member of the Victorian State Committee JDRF Australia (Juvenile Diabetes Research Foundation).

ANGELO GIUFFRIDA

Elected Director

Angelo Giuffrida is a domain name industry veteran with extensive experience in registrar operations, policy implementation and management, registry functions and registrant support. Angelo is the co-founder and co-CEO of the Nexigen Digital group of companies which includes VentrailP, Synergy Wholesale and Digital Eagles. Angelo is focused on utilising his breadth of industry knowledge and experience to deliver outcomes that benefit all community interests and the Australian digital economy.

MATTHEW HEALY BA/LLB GAICD

Independent Director

Matthew Healy has over 25 years' experience in technology, communications, regulation and law. He has held numerous board positions on industry and member-based organisations including Communications Alliance Ltd, Competitive Carriers Coalition Ltd and OzHub Ltd. Matthew has also held executive positions at Macquarie Telecom Group and leadership roles at the Australian Competition and Consumer Commission, United Energy and in the airline sector. He is currently a Non-Executive Director of Eco-Markets Australia Ltd, Non-Executive Director and Trustee of the McClelland Sculpture Park+Gallery, Board Member of The Macfarlane Fund and Principal of Healy Advisory.

1. Directors (continued)

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

Independent Director

Alice McCleary is a Chartered Accountant and has been a professional company director for over 20 years. She was formerly a corporate tax partner at Coopers & Lybrand (now PwC), and was the first female President of the Taxation Institute of Australia. Her directorship career covers ASX companies, not-for-profits, industry associations and government bodies. She was a founding director of National ICT Australia Limited (NICTA), a research body funded by state and federal governments to improve the reach and quality of Australia's IT research.

JACQUELINE KORHONEN BSc, BEng (Hons) GAICD

Elected Director

Jackie Korhonen has over 30 years' experience in Information Technology, Telecommunications and Financial Services. She was an engineer at IBM for 23 years with roles in Australia, New Zealand, Southeast Asia, India and China. She later returned to IBM as the Vice President of Cognitive Transformation Services in the Asia Pacific Region. Jackie's previous roles also include CEO of Infosys Australia and New Zealand, CEO of SMS Management & Technology and Non-Executive Director of NetComm Wireless. She is currently an Independent Non-Executive Director of MLC Insurance, Director of Auswide Bank Ltd, Director Nuix, Chair of International House Council (a residential college of Sydney University), and Director of Chief Executive Women.

2. Meetings of Directors

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

| Director | Board Meetings | | Finance and Audit Committee | | Security and Risk Committee | | People and Culture Committee | |
|---------------------------|----------------|---|-----------------------------|---|-----------------------------|---|------------------------------|---|
| | A | B | A | B | A | B | A | B |
| Meetings held in the year | 9 | | 5 | | 4 | | 5 | |
| Alan Cameron | 9 | 9 | 5 | 5 | 4 | 4 | 5 | 5 |
| James Atkins | 9 | 9 | 5 | 5 | | | | |
| Kate Cornick | 8 | 9 | 5 | 5 | 4 | 4 | | |
| Peter Elford | 9 | 9 | | | 4 | 4 | | |
| Matthew Healy | 9 | 9 | | | 3 | 4 | 5 | 5 |
| Alice McCleary | 9 | 9 | 5 | 5 | | | | |
| Sandra Davey | 9 | 9 | | | | | 5 | 5 |
| Tania Fryer | 9 | 9 | | | | | 5 | 5 |
| Angelo Giuffrida | 7 | 9 | 5 | 5 | | | 4 | 5 |
| Jacqueline Korhonen | 9 | 9 | | | 4 | 4 | | |

A Number of meetings attended

B Number of meetings held during the time the director held office during the year ended 30 June 2022

3. Secretaries

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

| Name | Appointment date | Resignation date (if applicable) |
|------------------|------------------|----------------------------------|
| Sonia Joksimovic | 20 May 2019 | |
| Linda Brown | 9 June 2020 | |

3. Secretaries (continued)

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

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

4. Principal activities

The principal activities of the Group during the year ended 30 June 2022 comprised of management of the .au domain. There were no changes in the nature of the activities of the Group during the year.

5. Operating and financial review

Revenue from operations for the year ended 30 June 2022 was \$19,671,868 (2021: \$18,381,818). The result for the year ended 30 June 2022 is a profit of \$618,713 (2021: \$10,901,331).

For the year to 30 June 2022 the Group generated net cash from operating activities of \$5,663,271 (2021: \$10,340,598).

| | 2022 \$ | 2021 \$ | Variance \$ |
|------------------------------------|------------|------------|--------------|
| Revenue from operations | 19,671,868 | 18,381,818 | 1,290,050 |
| Profit for the year | 618,713 | 10,901,331 | (10,282,618) |
| Net cash from operating activities | 5,663,271 | 10,340,598 | (4,677,327) |

Profit performance has diminished in the current financial year as a consequence of a deterioration in the fair value of investments held, an increase in employee benefits expenses as the Group has increased its investment in human capital and increased marketing and communication expenditure to ensure awareness of the launch of .au direct.

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

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

.au direct registrations commenced in March 2022 and the priority allocation period for these registrations will concluded in September 2022. auDA will continue its focus on implementation of its 2021-25 strategy through continued focus on trust, innovation and multi-stakeholder engagement and building strategic capabilities.

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 Group, 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 Group is limited by guarantee. If the Group is wound up the constitution states that each governing member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Group. At 30 June 2022, the number of governing members was 6. (2021: 8).

10. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 83 and forms part of the Directors' Report for the year ended 30 June 2022.

This report is made with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Alan Cameron', followed by a long horizontal line extending to the right.

Alan Cameron AO

Independent Chair

Dated at Sydney this 10th day of October 2022

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|-------------------------------------------|---------|--------------------|-------------------|
| Revenue | 4 | 19,671,868 | 18,381,818 |
| Other income | | 104,000 | 4,615 |
| Employee benefits expense | 6 | (6,733,555) | (5,008,139) |
| Consultancy expense | | (1,842,681) | (1,596,944) |
| Domain Name System infrastructure expense | | (1,332,592) | (1,276,523) |
| Marketing and communication expense | | (2,655,211) | (1,647,187) |
| Travel expense | | (187,575) | (55,759) |
| Directors' remuneration expense | | (570,001) | (503,750) |
| Professional subscriptions expense | | (325,050) | (310,246) |
| Grant expense | 7 | (600,000) | – |
| Depreciation of plant and equipment | 13 | (303,044) | (229,558) |
| Depreciation of right-of-use assets | 15(iii) | (457,015) | (165,020) |
| Other expenses | | (795,591) | (1,099,702) |
| Result from operating activities | | 3,973,553 | 6,493,605 |
| Net finance (costs)/income | 8 | (3,354,840) | 4,407,726 |
| Profit before tax | | 618,713 | 10,901,331 |
| Income tax expense | 3(j) | – | – |
| Profit for the year | | 618,713 | 10,901,331 |
| Other comprehensive income | | – | – |
| Total comprehensive income | | 618,713 | 10,901,331 |

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

Consolidated statement of financial position

As at 30 June 2022

| Assets | Note | 2022 \$ | 2021 \$ |
|--------------------------------------|-------------|-------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents | 9 | 11,304,994 | 11,023,141 |
| Trade and other receivables | 11 | 2,325,209 | 2,695,345 |
| Total current assets | | 13,630,203 | 13,718,486 |
| Non-current assets | | | |
| Other assets | | 588,913 | 139,039 |
| Investments | 12 | 33,362,273 | 33,747,039 |
| Plant and equipment | 13 | 1,604,096 | 472,366 |
| Right-of-use asset | 15(ii) | 1,262,109 | 342,278 |
| Total non-current assets | | 36,817,391 | 34,700,722 |
| Total assets | | 50,447,594 | 48,419,208 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 14 | 1,340,318 | 1,463,497 |
| Employee benefits | | 538,265 | 349,568 |
| Other liabilities | | – | 2,351,692 |
| Deferred income | 5 | 13,474,163 | 12,447,352 |
| Lease liabilities | 15(i) | 645,207 | 229,979 |
| Total current liabilities | | 15,997,953 | 16,842,088 |
| Non-current liabilities | | | |
| Deferred income | 5 | 8,073,525 | 7,234,087 |
| Employee benefits | | 89,680 | 69,227 |
| Provision for make good | | 204,850 | 53,000 |
| Lease liabilities | 15(i) | 1,439,693 | 197,626 |
| Total non-current liabilities | | 9,807,748 | 7,553,940 |
| Total liabilities | | 25,805,701 | 24,396,028 |
| Net assets | | 24,641,893 | 24,203,180 |
| Equity | | | |
| Retained earnings | | 24,641,893 | 24,023,180 |
| Total equity | | 24,641,893 | 24,023,180 |

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

Consolidated statement of changes in equity

For the year ended 30 June 2022

| | Note | Retained earnings \$ | Total Equity \$ |
|---------------------------------------|------|----------------------|-------------------|
| Balance at 1 July 2020 | | 13,121,849 | 13,121,849 |
| Total comprehensive income | | | |
| Profit | | 10,901,331 | 10,901,331 |
| Total comprehensive income | | 10,901,331 | 10,901,331 |
| Balance at 30 June 2021 | | 24,023,180 | 24,023,180 |
| Opening balance at 1 July 2021 | | | |
| | | 24,023,180 | 24,023,180 |
| Total comprehensive income | | | |
| Profit | | 618,713 | 618,713 |
| Total comprehensive income | | 618,713 | 618,713 |
| Balance at 30 June 2022 | | 24,641,893 | 24,641,893 |

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

Consolidated statement of cash flows

For the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|-------------------------------------------------------------|--------|--------------------|---------------------|
| Cash flows from operating activities | | | |
| Cash received from customers | | 21,186,965 | 22,772,463 |
| Cash paid to suppliers and employees | | (16,511,323) | (12,820,369) |
| Finance income received | | 987,629 | 388,504 |
| Net cash from operating activities | 10 | 5,663,271 | 10,340,598 |
| Cash flows from investing activities | | | |
| Proceeds from disposal of investments | | 11,953,927 | 10,310,103 |
| Acquisition of investments | | (16,314,029) | (26,242,053) |
| Acquisition of plant and equipment | | (1,406,140) | (50,622) |
| Net cash used in investing activities | | (5,766,242) | (15,982,572) |
| Cash flows from financing activities | | | |
| Lease incentives received | | 802,992 | – |
| Payment of lease liabilities | 15(iv) | (418,169) | (189,154) |
| Net cash from/(used in) financing activities | | 384,823 | (189,154) |
| Net increase/(decrease) in cash and cash equivalents | | 281,853 | (5,831,128) |
| Cash and cash equivalents at 1 July | | 11,023,141 | 16,854,269 |
| Cash and cash equivalents at 30 June | 9 | 11,304,994 | 11,023,141 |

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

Notes to the consolidated financial statements

For the year ended 30 June 2022

1. Reporting entity

These consolidated financial statements comprise .au Domain Administration Limited (the 'Group') and its subsidiaries (together referred to as the 'Group') as at and for the year ended 30 June 2022.

.au Domain Administration Limited is a public company limited by guarantee, incorporated and domiciled in Australia and the address of the Group's registered office is Level 19, 8 Exhibition Street, Melbourne, Victoria, Australia. The Group is a not-for-profit entity.

2. Basis of accounting

(a) STATEMENT OF COMPLIANCE

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

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

They were authorised for issue by the Board of Directors on 10th October 2022. 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) GOING CONCERN

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

3. Significant accounting policies

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

(a) 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.

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

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

Financial assets at FVTPL:

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

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

3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(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 Group 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.

(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:

| | 2022 | 2021 |
|------------------------|-------------|-------------|
| Office equipment | 4 - 6 years | 4 - 6 years |
| Leasehold Improvements | 4 - 6 years | 4 - 6 years |
| Computer equipment | 4 - 6 years | 4 - 6 years |

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

(iv) Leasehold improvements

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

(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.

3. Significant accounting policies (continued)

(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.

(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 to 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) Domain name licence fees

Domain name licence fees are charged by the Group to Identity Digital Australia Pty Ltd (formerly Afilias Australia Pty Ltd), 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 Identity Digital. As such, it is a sales or usage based royalty. The identified performance obligations of the Group are both the licence of intellectual property to Identity Digital, and the technical management of the .au zone file in order for Identity Digital to benefit from its licence rights. The performance obligations are satisfied over time as Identity Digital 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.

(ii) Registrar fees

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

(h) LEASES

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

3. Significant accounting policies (continued)

(h) Leases (continued)

(i) As a lessee

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

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

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

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The right-of-use asset is subsequently depreciated from the commencement date to the

end of the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy and adjustment for certain remeasurements of lease liability. The right-of-use asset is assessed for impairment indicators at each reporting date.

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

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

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

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

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

3. Significant accounting policies (continued)

(h) Leases (continued)

(i) As a lessee (continued)

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short term and low value leases

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

(ii) As a lessor

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

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

(i) FINANCE INCOME AND FINANCE COSTS

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

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

(j) INCOME TAX

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

(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.

3. Significant accounting policies (continued)

(l) CORPORATE STRUCTURE

The Group is incorporated in Australia and is an unlisted public company limited by guarantee. In the event of the Group being wound up or dissolved, the right to administer the .au country code top level domain and 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 Group had 6 members (2021: 8 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) STANDARDS ISSUED BUT NOT YET EFFECTIVE STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

4. Revenue

| | 2022 \$ | 2021 \$ |
|----------------------------------------------------------|-------------------|-------------------|
| Revenue from contracts with customers | | |
| Domain name licence fees and .au direct application fees | 19,588,619 | 18,281,894 |
| Registrar fees | 83,249 | 99,924 |
| Total revenue | 19,671,868 | 18,381,818 |

5. Deferred income

| | 2022 \$ | 2021 \$ |
|-------------------------------------|-------------------|-------------------|
| Current | | |
| Domain name licence fees | 13,474,163 | 12,374,752 |
| Registrar fees | – | 72,600 |
| | 13,474,163 | 12,447,352 |
| Non-current | | |
| Domain name licence fees | 7,062,435 | 6,791,867 |
| Provision for registry licence fees | 1,011,090 | 442,220 |
| | 8,073,525 | 7,234,087 |

6. Employee benefits expense

| | 2022 \$ | 2021 \$ |
|---------------------------------------------|------------------|------------------|
| Wages and salaries | 6,040,742 | 4,489,708 |
| Contributions to defined contribution plans | 437,161 | 353,060 |
| Other employment expenses | 255,652 | 165,371 |
| | 6,733,555 | 5,008,139 |

7. Grant expense

| | 2022 \$ | 2021 \$ |
|---------------|---------|---------|
| Grant expense | 600,000 | – |

During the year the Group was able to recommence its philanthropic activities which were conducted through the auDA Foundation. The grant round received 43 applications for funding and after assessment the auDA Foundation made 15 grants of \$40,000, totalling \$600,000 (2021: nil).

8. Finance income and finance costs

| | 2022 \$ | 2021 \$ |
|---------------------------------------------------------------|--------------------|------------------|
| Change in fair value of financial assets classified at FVTPL* | – | 3,990,445 |
| Interest income | 4,460 | 4,732 |
| Dividend income | 1,195,286 | 620,480 |
| Finance income | 1,199,746 | 4,615,657 |
| Change in fair value of financial assets classified at FVTPL* | (4,276,710) | – |
| Interest on lease liability | (47,475) | (24,957) |
| Net foreign exchange losses | (31,866) | (9,084) |
| Investment management fees | (198,535) | (173,890) |
| Finance costs | (4,554,586) | (207,931) |
| Net finance income/(costs) | (3,354,840) | 4,407,726 |

* Fair value through profit or loss

9. Cash and cash equivalents

| | 2022 \$ | 2021 \$ |
|--------------|-------------------|-------------------|
| Cash at bank | 11,299,951 | 11,017,940 |
| Cash on hand | 5,043 | 5,201 |
| | 11,304,994 | 11,023,141 |

10. Reconciliation of profit after tax to cash flows from operating activities

| | 2022 \$ | 2021 \$ |
|------------------------------------------------------|------------------|-------------------|
| Profit for the year | 618,713 | 10,901,331 |
| Adjusted for non-cash items in net profit: | | |
| • Depreciation and amortisation | 274,410 | 229,558 |
| • Depreciation - right-of-use asset | 457,015 | 165,020 |
| • Interest on lease liability | 47,475 | 24,957 |
| • Change in fair value of financial assets at FVTPL* | 4,294,994 | (3,990,445) |
| Decrease/(increase) in trade and other receivables | 370,136 | (83,040) |
| Increase/(decrease) in trade and other payables | (123,179) | 339,391 |
| Increase/(decrease) in deferred income | 1,866,249 | 277,825 |
| Increase/(decrease) in employee benefits | 209,150 | 124,309 |
| Increase/(decrease) in other liabilities | (2,351,692) | 2,351,692 |
| Net cash from operating activities | 5,663,271 | 10,340,598 |

* Fair value through profit or loss

11. Trade and other receivables

| | 2022 \$ | 2021 \$ |
|-------------------|------------------|------------------|
| Trade receivables | 2,277,858 | 2,248,227 |
| Other receivables | 1,670 | 1,420 |
| Prepayments | 45,681 | 445,698 |
| | 2,325,209 | 2,695,345 |

12. Investments

| | 2022 \$ | 2021 \$ |
|------------------------------------|-------------------|-------------------|
| Non-current | | |
| Equity securities | 23,736,386 | 23,705,296 |
| Managed funds | 2,504,793 | 8,492,393 |
| Alternatives and other investments | 7,121,094 | 1,549,350 |
| | 33,362,273 | 33,747,039 |

During the financial year the Group reinvested dividends and interest of \$1.2 million and an additional \$3 million of cash was contributed to reserve funds. The market value of investments decreased during the financial year by \$4,276,710 due to high volatility resulting from the post COVID-19 economic environment and geo-political factors from eastern Europe. Subsequent to year end, there has been no indicators which will significantly impact the market valuation of investments.

13. Plant and equipment

| | Office equipment \$ | Leasehold improvement \$ | Computer equipment \$ | Total \$ |
|---------------------------------|---------------------|--------------------------|-----------------------|------------------|
| Cost | | | | |
| Balance at 1 July 2020 | 196,567 | 718,858 | 473,823 | 1,389,248 |
| Additions | 2,316 | – | 48,306 | 50,622 |
| Disposals | – | – | – | – |
| Balance at 30 June 2021 | 198,883 | 718,858 | 522,129 | 1,439,870 |
| Balance at 1 July 2021 | 199,280 | 718,858 | 522,129 | 1,439,870 |
| Additions | 71,538 | 1,108,957 | 255,500 | 1,435,995 |
| Disposals | – | – | (1,221) | (1,221) |
| Balance at 30 June 2022 | 270,818 | 1,827,815 | 776,408 | 2,874,644 |
| Accumulated depreciation | | | | |
| Balance at 1 July 2020 | 102,447 | 307,804 | 327,695 | 737,946 |
| Depreciation | 31,443 | 131,482 | 66,633 | 229,558 |
| Disposals | – | – | – | – |
| Balance at 30 June 2021 | 133,890 | 439,286 | 394,328 | 967,504 |
| Balance at 1 July 2021 | 133,890 | 439,286 | 394,328 | 967,504 |
| Depreciation | 34,596 | 178,515 | 89,933 | 303,044 |
| Disposals | – | – | – | – |
| Balance at 30 June 2022 | 168,486 | 617,801 | 484,261 | 1,270,548 |
| Carrying amounts | | | | |
| At 30 June 2021 | 64,993 | 279,572 | 127,801 | 472,366 |
| At 30 June 2022 | 101,935 | 1,210,014 | 292,147 | 1,604,096 |

14. Trade and other payables

| | 2022 \$ | 2021 \$ |
|-------------------------------------|------------------|------------------|
| Trade payables | 1,100,242 | 560,943 |
| Other payables and accrued expenses | 240,076 | 902,554 |
| | 1,340,318 | 1,463,497 |

15. Leases

The Group has two leases of commercial office space as at 30 June 2022:

- Collins St – This lease expires on 28 June 2023 and while it contains an extension option, the Group has vacated the premises and re-located to Exhibition St. The lease is not to be renewed. The right-of-use asset has a value of nil at 30 June 2022, as it has been fully depreciated.
- Exhibition St – This lease was entered into on 1 February 2022 for a period of 5 years with the option to renew for 3 years as set out in Note 15(v) below.

i) Lease liabilities

| | 2022 \$ | 2021 \$ |
|--------------------|------------------|----------------|
| Current | | |
| Lease liabilities | 645,207 | 229,979 |
| Non-Current | | |
| Lease liabilities | 1,439,693 | 197,626 |
| | 2,084,900 | 427,605 |

ii) Right-of-use-assets

| | 2022 \$ | 2021 \$ |
|--------------------------|------------------|----------------|
| Right of use assets | 1,376,846 | 676,397 |
| Accumulated depreciation | (114,737) | (334,119) |
| | 1,262,109 | 342,278 |

iii) Amounts recognised in profit or loss

| | 2022 \$ | 2021 \$ |
|------------------------------------------|----------------|----------------|
| Interest on lease liability (see Note 8) | 47,475 | 24,957 |
| Depreciation-right-of-use assets | 457,015 | 165,020 |
| | 504,490 | 189,977 |

iv) Amounts recognised in statement of cash flows

| | 2022 \$ | 2021 \$ |
|-------------------------------|----------------|----------------|
| Total cash outflow for leases | 418,169 | 189,154 |
| | 418,169 | 189,154 |

v) Extension options

The Exhibition St lease contains an extension option to further the lease term for an additional three years, exercisable by the Group up to nine months before the end of the agreement. The Group has estimated that the potential future lease payments, should it exercise the further extension option, would result in an increase in lease liability of \$1,046,573 as at 30 June 2022.

16. 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 | |
|---------------------------------------------|-----------------------------|--------------------|------|
| | | 2022 | 2021 |
| auDA Foundation Pty Ltd | Australia | 100% | 100% |
| auDA Foundation (a public charitable trust) | Australia | 100% | 100% |

17. Related parties

(a) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel of the Group comprise of the Directors and 5 current members of the executive management (2021: Directors and 5 current members of executive management and 1 former member of the executive management). The key management personnel compensation is outlined below.

| | 2022 \$ | 2021 \$ |
|----------------------------------------------|------------------|------------------|
| Short-term employee benefits | 2,384,256 | 2,470,054 |
| Post-employment benefits* | 162,840 | 122,432 |
| Other long-term benefits | 21,148 | 12,576 |
| Termination benefits | 78,566 | – |
| Key management personnel compensation | 2,646,810 | 2,605,062 |

* Superannuation benefits

The Group operates a Co-Marketing and Innovation Program under which registrars in the .au domain may apply for and be awarded funding. During the year, total funding of \$0.378 million was awarded to six registrar groups, including a \$25,000 marketing voucher awarded to Nexigen Digital Pty Ltd trading as VentralIP Australia, a business in which auDA director Angelo Giuffrida has significant influence. The award of the voucher was made under management delegation and in the usual course of business and in compliance with the Group's usual policies.

There are no other transactions with the Group's key management personnel.

(b) OTHER RELATED PARTY TRANSACTIONS

The nomination committee members were remunerated in accordance with Clause 10 of the Nomination Committee Charter totalling to \$58,200 (2021: \$62,915).

There are no other related party transactions with the Group.

18. Commitments

There are no significant capital commitments as at 30 June 2022 (2021: nil).

19. Auditor's Remuneration

| | 2022 \$ | 2021 \$ |
|-------------------------------------------------------|---------------|---------------|
| Auditors of the Group – KPMG | | |
| Audit and review of financial statements – Group | 67,390 | 59,160 |
| Audit and review of financial statements – Subsidiary | 11,625 | 6,936 |
| | 79,015 | 66,096 |
| Other services – KPMG | | |
| Financial statement compilation services | 12,460 | 10,710 |
| Integrated reporting analysis | 9,520 | 34,155 |
| | 21,980 | 44,865 |

20. Financial Instruments – Accounting classifications and fair values

The following table shows the carrying amounts financial assets and financial liabilities. Their levels in the fair value hierarchy are summarised at Note 19(a). It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 JUNE 2022

| | Note | Carrying amount | | | Fair value |
|----------------------------------------------------|-------|-------------------|-------------------|-----------------------------|-------------------|
| | | Amortised cost | FVTPL | Other financial liabilities | |
| | | | | | Total |
| Financial assets measured at fair value | | | | | |
| Equity securities | 12 | – | 23,736,386 | – | 23,736,386 |
| Managed funds | 12 | – | 2,504,793 | – | 2,504,793 |
| Alternatives and other investment | 12 | – | 7,121,094 | – | 7,121,094 |
| Total | | – | 33,362,273 | – | 33,362,273 |
| Financial assets not measured at fair value | | | | | |
| Cash and cash equivalents | 9 | 11,304,994 | – | – | 11,304,994 |
| Trade and other receivables | 11 | 2,279,528 | – | – | 2,279,528 |
| Total | | 13,584,522 | – | – | 13,584,522 |
| Financial liabilities | | | | | |
| Trade and other payables | 14 | – | – | 1,340,318 | 1,340,318 |
| Other liabilities | | – | – | 1,011,090 | 1,011,090 |
| Lease liabilities | 15(i) | – | – | 2,084,900 | 2,084,900 |
| Total | | – | – | 4,436,308 | 4,436,308 |

30 JUNE 2021

| | Note | Carrying amount | | | Fair value |
|----------------------------------------------------|-------|-------------------|-------------------|-----------------------------|-------------------|
| | | Amortised cost | FVTPL | Other financial liabilities | |
| | | | | | Total |
| Financial assets measured at fair value | | | | | |
| Equity securities | 12 | – | 23,705,296 | – | 23,705,296 |
| Managed funds | 12 | – | 8,492,393 | – | 8,492,393 |
| Alternatives and other investment | 12 | – | 1,549,350 | – | 1,549,350 |
| Total | | – | 33,747,039 | – | 33,747,039 |
| Financial assets not measured at fair value | | | | | |
| Cash and cash equivalents | 9 | 11,023,141 | – | – | 11,023,141 |
| Trade and other receivables | 11 | 2,249,647 | – | – | 2,249,647 |
| Total | | 13,272,788 | – | – | 13,272,788 |
| Financial liabilities | | | | | |
| Trade and other payables | 14 | – | – | 1,463,497 | 1,463,497 |
| Other liabilities | | – | – | 1,057,188 | 1,057,188 |
| Lease liabilities | 15(i) | – | – | 427,605 | 427,605 |
| Total | | – | – | 2,948,290 | 2,948,290 |

20. Financial Instruments – Accounting classifications and fair values

(continued)

(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.

21. 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 Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

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

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

ii) Credit risk

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

| | 2022 \$ | 2021 \$ |
|----------------|--------------|--------------|
| Loss allowance | 3,696 | 3,696 |
| Total | 3,696 | 3,696 |

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 2022, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows:

| | Note | 2022 \$ | 2021 \$ |
|-----------------------------|------|------------------|------------------|
| Trade and other receivables | 11 | 2,279,528 | 2,249,647 |
| Total | | 2,279,528 | 2,249,647 |

21. 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 trade and other payables and other liabilities are gross and undiscounted and lease liabilities is discounted.

| | Contractual cash flows | | | |
|---------------------------------------------|------------------------|------------------|---------------------|---------------------|
| | Carrying Amount | Total | Less than 12 months | More than 12 months |
| 30 JUNE 2022 | | | | |
| Non-derivative financial liabilities | | | | |
| Trade and other payables | 1,340,318 | 1,340,318 | 1,340,318 | – |
| Other liabilities | 1,011,090 | 1,011,090 | 642,465 | 368,625 |
| Lease liabilities | 2,084,900 | 2,307,263 | 646,789 | 1,660,474 |
| Total | 4,436,308 | 4,658,671 | 2,629,572 | 2,029,099 |
| 30 JUNE 2021 | | | | |
| Non-derivative financial liabilities | | | | |
| Trade and other payables | 1,463,497 | 1,463,497 | 1,463,497 | – |
| Other liabilities | 2,793,912 | 2,793,912 | 2,351,692 | 442,220 |
| Lease liabilities | 427,605 | 427,605 | 229,979 | 197,626 |
| Total | 4,685,014 | 4,685,014 | 4,045,168 | 639,846 |

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.

| | Note | 2022 \$ | 2021 \$ |
|----------------------------------|------|-------------------|-------------------|
| Floating rate instruments | | | |
| Cash and cash equivalents | 9 | 11,304,994 | 11,023,141 |
| Total | | 11,304,994 | 11,023,141 |

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 |
| 30 JUNE 2022 | | | | |
| Variable rate instrument | 113,050 | (113,050) | – | – |
| Cash flow sensitivity (net) | 113,050 | (113,050) | – | – |
| 30 JUNE 2021 | | | | |
| Variable rate instrument | 110,231 | (110,231) | – | – |
| Cash flow sensitivity (net) | 110,231 | (110,231) | – | – |

21. Financial risk management (continued)

iv) Market risk (continued)

Other market price risk

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

22. Subsequent events

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

23. Parent entity disclosures

As at and throughout the financial year ended 30 June 2022 the parent entity of the Group was .au Domain Administration Limited.

(a) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 2022 \$ | 2021 \$ |
|-------------------------------------------|--------------------|-------------------|
| Revenue | 19,671,868 | 18,381,818 |
| Other income | 104,000 | 4,250 |
| Employee benefits expense | (6,733,555) | (5,008,139) |
| Consultancy expense | (1,642,315) | (1,596,671) |
| Domain Name System infrastructure expense | (1,332,592) | (1,276,523) |
| Marketing and communication expense | (2,655,211) | (1,647,187) |
| Travel expense | (187,575) | (55,759) |
| Directors remuneration expense | (570,001) | (503,750) |
| Professional subscriptions expense | (325,689) | (307,052) |
| Grant expense | (600,000) | – |
| Depreciation and amortisation expense | (303,044) | (229,558) |
| Depreciation – right-of-use asset | (457,015) | (165,020) |
| Other expenses | (795,958) | (1,098,428) |
| Result from operating activities | 4,172,913 | 6,497,981 |
| Net finance (loss)/income | (3,057,527) | 4,091,773 |
| Profit before tax | 1,115,387 | 10,589,754 |
| Income tax expense | – | – |
| Profit for the year | 1,115,387 | 10,589,754 |
| Other comprehensive income | – | – |
| Total comprehensive income | 1,115,387 | 10,589,754 |

23. Parent entity disclosures (continued)

(b) STATEMENT OF FINANCIAL POSITION

| Assets | 2022 \$ | 2021 \$ |
|--------------------------------------|-------------------|-------------------|
| Current assets | | |
| Cash and cash equivalents | 11,154,674 | 10,678,564 |
| Trade and other receivables | 2,311,806 | 2,674,594 |
| Total current assets | 13,466,480 | 13,353,158 |
| Non-current assets | | |
| Other assets | 588,913 | 139,039 |
| Investments | 30,788,635 | 30,878,332 |
| Plant and equipment | 1,604,096 | 472,366 |
| Right-of-use asset | 1,262,109 | 342,278 |
| Total non-current assets | 34,243,753 | 31,832,015 |
| Total assets | 47,710,233 | 45,185,173 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 1,340,318 | 1,463,497 |
| Employee benefits | 538,265 | 349,568 |
| Other liabilities | – | 2,351,692 |
| Deferred income | 13,474,163 | 12,447,352 |
| Lease liabilities | 645,207 | 229,979 |
| Total current liabilities | 15,997,953 | 16,842,088 |
| Non-current liabilities | | |
| Deferred income | 8,073,525 | 7,234,087 |
| Employee benefits | 89,680 | 69,227 |
| Provision for make good | 204,850 | 53,000 |
| Lease liabilities | 1,439,693 | 197,626 |
| Total non-current liabilities | 9,807,748 | 7,553,940 |
| Total liabilities | 25,805,701 | 24,396,028 |
| Net assets | 21,904,532 | 20,789,145 |
| Equity | | |
| Retained earnings | 21,904,532 | 20,789,145 |
| Total equity | 21,904,532 | 20,789,145 |

(c) CONTINGENT LIABILITIES OF THE PARENT ENTITY

The parent entity did not have any contingent liabilities as at 30 June 2022 (2021: Nil).

(d) CONTRACTUAL COMMITMENTS OF THE PARENT ENTITY

The parent entity did not have any contractual capital commitments as at 30 June 2022 (2021: Nil).

Directors' declaration

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

- (a) the financial statements and notes, set out on pages 63 to 81, 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 2022 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 Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Alan Cameron AO

Independent Chair

Dated at Sydney this 10th day of October 2022



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

To the Directors of .au Domain Administration

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 2022 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

Adrian Nathanielsz

Partner

Melbourne

10 October 2022

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Independent Auditor's Report

To the members of .au Domain Administration Limited

Opinion

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

In our opinion, the accompanying Financial Report of the Company 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 2022 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 2022
- 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 (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of .au Domain Administration Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

Other Information

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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. This description forms part of our Auditor's Report.

KPMG

Adrian Nathanielsz

Partner

Melbourne

12 October 2022

Glossary

auDA accredited registrar (registrar)

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

Board Advisory Committees

Committees formed to provide advice to the auDA Board. Comprised of the EAC, GASC and TASC.

Country code Top Level Domain (ccTLD)

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

Domain names

Part of internet addresses expressed in written word that stand in for IP addresses e.g. auDA.org.au. They are used in website and email addresses. IP addresses are unique series of numbers that identify where a website or email address is hosted online. Every Internet-connected device has an IP address that allows devices to communicate with each other.

Domain name system (DNS)

A component of the internet that enables users to find and connect to local websites and email addresses by mapping Internet Protocol (IP) numeric addresses to their corresponding domain names.

DNS abuse

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

DNS Security Extensions (DNSSEC)

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

DNS query

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

Identity Digital Australia

The .au registry operator. Contracted by auDA to perform registry operations as outlined in the Registry Licence Agreement. Note: name change from Afilias Australia in June 2022.

Integrated Reporting

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

Internationalised Domain Names (IDNs)

Domain names that contain characters not included in the traditional DNS-preferred form. They enable people around the world to use domain names in local languages and scripts.

Internet Corporation for Assigned Names and Numbers (ICANN)

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

ISO 27001

An international standard for best practice information security.

ISO 22301

An international standard for best practice business continuity management.

ISO 31000

An international standard for best practice risk management.

Multi-stakeholder internet governance

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

Namespace

Domain name extensions including .au direct, com.au, net.au, org.au etc.

Open, free, secure and global internet

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

Registrant

Domain name licence holder.

Registry

A database of all licensed .au domain names and associated information, such as the name and contact details of the registrant and registrar.

Resellers

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

Terms of Endorsement

The Terms of Endorsement outline the Federal Government's formal endorsement of auDA. The Terms of Endorsement require auDA to administer the .au domain in the public interest and in accordance with Australian laws, and ensure it is stable, secure and reliable.

Acronyms

ACSC Australian Cyber Security Centre

AIIA Australian Information Industry Association

APNIC Asia Pacific Network Information Centre

APTLD Asia Pacific Top Level Domain Association

auDA .au Domain Administration Limited

auDRP .au Dispute Resolution Policy

ASPI Australian Strategic Policy Institute

ccNSO country code Name Supporting Organization

ccTLD country code Top Level Domain

CEDA Committee for Economic Development of Australia

CCO Chief Communications Officer

CEO Chief Executive Officer

CFO Chief Financial Officer

COO Chief Operating Officer

CPCO Chief People and Culture Officer

COSBOA Council of Small Business Organisations Australia

DITRDC The Department of Infrastructure, Transport, Regional Development and Communications. Note: name change to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRCA) from July 2022.

DNS Domain name system

EAC edu.au Advisory Committee

GASC General Advisory Standing Committee

ICANN Internet Corporation for Assigned Names and Numbers

IDNs Internationalised Domain Names

IGLC Internet Governance Liaison Committee

PJCIS Parliamentary Joint Committee on Intelligence and Security

SDGs Sustainable Development Goals

TASC Technical Advisory Standing Committee

TLD Top Level Domains

VCCI Victorian Chamber of Commerce and Industry

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