

THE AUSTRALIAN DOMAIN NAME ADMINISTRATOR

.au Domain Administration Limited

2008-09

Annual Report

.au Domain Administration Ltd (auDA) is the not-for-profit, Australian Government-endorsed policy authority and industry self-regulatory body for the .au domain space.

Fostering a sustainable industry self-regulatory environment to meet the changing needs of the Australian public as the Internet evolves.

auDA 2008-10 Strategic Plan

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Overview

Taking the view that the Internet Domain Name System is a public asset, and that the .au ccTLD is under the sovereign control of the Commonwealth of Australia, auDA will administer the .au ccTLD for the benefit of the Australian community.

auDA Constitution

.au Domain Administration Ltd (auDA) is the not-for-profit, membership-based policy authority and industry self-regulatory body for the .au domain space.

The .au domain space is a vital national resource and, in 1999, as the culmination of efforts since 1995, auDA was formed to manage it.

In December 2000, the Australian Government formally endorsed auDA as the appropriate body to administer the .au domain space.

In October 2001, the Internet Corporation for Assigned Names and Numbers (ICANN), the global manger of the Internet's naming and numbering systems, recognised auDA as the suitable operator for .au under a Sponsorship Agreement.

auDA performs the following functions:

- develop and implement domain name policy
- license 2LD registry operators
- accredit and license registrars
- implement consumer safeguards
- facilitate .au Dispute Resolution Policy
- represent .au at ICANN and other international fora.

auDA currently has eight staff members:

- Chris Disspain Chief Executive Officer ceo@auda.org.au
- Jo Lim Chief Policy Officer jo.lim@auda.org.au
- Paul Szyndler Public Affairs Officer paul.szyndler@auda.org.au
- Elspeth Ross Industry Liaison Officer <u>elspeth.ross@auda.org.au</u>
- Adam King Technical Administrative Officer <u>adam.king@auda.org.au</u>
- Vanessa Stanford Policy Compliance Officer vanessa.stanford@auda.org.au
- Lujia Chen Policy Research Assistant <u>lujia.chen@auda.org.au</u>
- Jacki O'Sullivan Executive Assistant -jacki.osullivan@auda.org.au

2008/09 auDA Board

Independent Directors

Tony Staley (Chair) – Appointed 04/09/2000 Julie Hammer – Appointed 12/02/2007 Graham McDonald – Appointed 18/02/2008

Demand Class Directors

Joshua Rowe - 22/10/2007 - 2009 AGM Tony Steven - 22/10/2007 - 2009 AGM Kim Heitman - 20/10/2008 - 2010 AGM Cheryl Langdon-Orr - 20/10/2008 - 2010 AGM

Supply Class Directors

Alex Woerndle (Distribute.IT Pty Ltd) - 22/10/2007 - 2009 AGM Amin Kroll (IntaServe Pty Ltd) - 22/10/2007 - 2009 AGM Marty Drill (Domain Candy Pty Ltd) - 20/10/2008 - 2010 AGM Dwayne Varey (Westnet Pty Ltd) - 20/10/2008 - 2010 AGM Bennett Oprysa (Enetica Pty Ltd) - 22/10/2007 - 20/10/2008

Chris Disspain - auDA CEO

CEO Report

2009 marked the 10th Anniversary of auDA's establishment as the not-for-profit body tasked with managing Australia's vital .au domain space for the benefit of the Australian Internet community. Over the last decade, we've witnessed radical changes in how "the Internet community" is defined and exponential growth in the role the Internet plays in every part of our everyday lives – in commerce, education, communications and social interaction.

In many ways, auDA's development has mirrored these changes to the Internet –from our start as a small, new company with a largely technical stakeholder and user base, through an unprecedented period of growth and development, and to a new phase of consolidation and maturation.

An important part of auDA maturing as an organisation has been the development of a <u>Strategic</u> <u>Plan for 2008-10</u> - a clear and detailed expression of our organisational goals, challenges and management strategies.

Aligned with the principal purposes outlined in auDA's Constitution, auDA has responsibilities in six key areas:

- Enabling and enforcing regulatory compliance,
- Reviewing and developing relevant policy,
- Maximising security and technical stability of the .au name space,
- Educating .au name space stakeholders,
- Efficient administration of auDA activities, and
- Representing Australian Internet industry interests at national and international fora

Over the last twelve months, auDA has made significant progress against these responsibilities and we look forward to taking further steps in 2009-10 to confirm the operation .au as an example of world's best practice in ccTLD management.

A summary of some of the highlights from 2008-09 can be found in the following section of this report. Also included is more detailed coverage of auDA's activities within the broader community – the auDA Foundation, .au Community Domains and the 2009 Australia and New Zealand Internet Best Practice Awards.

As a final note, one issue I would like to afford special mention is the increased level of legal action in which auDA has been involved in 2008-09. While it would not qualify as a highlight *per se*, it is a demonstration of auDA's commitment to the enforcement of policy compliance within the .au environment and an indication that auDA takes it role as .au manager very seriously.

Chris Disspain Chief Executive Officer

2008-09 Highlights

Security

Consistent with recommendations from its Security and Stability Advisory Committee, auDA has continued to improve the resiliency and redundancy of .AU DNS infrastructure over the past year.

In January 2009, auDA entered into discussions with UltraDNS (Neustar) regarding their DNS platform services and, in February, began trailing their services.

In April 2009, auDA and AusRegistry entered into a 12 month agreement with UltraDNS to provide secondary DNS resolution services for the .AU and 2LD.AU zones. The UltraDNS product strengthens the .AU domain space through a large network of internationally dispersed multi-homed nodes utilising Anycast technology.

auDA continues to strengthen its own DNS services and recently completed the establishment of a third owned site in Europe. This will soon be added to the list of authoritative name servers for .au and increases auDA's ability to provide a complete DNS resolution service on its own. A fourth site is currently being prepared in North America with deployment scheduled for the first half of 2010.

Policy

Throughout 2008-09, auDA maintained an ongoing schedule of policy reviews and updates, including a review of Registrar Accreditation Criteria and the implementation of policy recommendations from the 2008 Industry Competition Advisory Panel and 2007 New Names Panel.

auDA is also undertaking a public consultation on the Domain Renewal, Expiry and Deletion policy (2006-07).

In October 2009, auDA launched a significant public consultation process calling for:

- proposals for the creation of new second level domains in .au; and
- proposals for the reactivation of conf.au and info.au

auDA has only once before solicited input for the creation of new 2LDs – resulting in the establishment of state and territory domains (such as sa.au and net.au) for use by representative community groups.

The current new 2LDs process is guided by the recommendations of the 2002-03 New Names Advisory Panel and is expected to run throughout 2010.

Regulatory Compliance

Throughout 2008-09, auDA undertook two major activities relating to enabling and enforcing regulatory compliance.

The first was a detailed audit of registrations in the "org.au" 2LD, to ensure registrant policy compliance. auDA audited 18103 org.au domain names registered between 1 January 2007 and 28 February 2009. auDA found that 4,113 (23%) did not comply with the eligibility criteria.

Registrars were notified of non-compliant registrations and were required to contact their affected customers and take remedial action.

auDA also undertook an in-depth review of internal complaints-handling procedures and ongoing improvement to the complaints management database.

Steps involved in complaint management were examined and, in some cases, appropriately readjusted. Resultant improvements include clearer communication to all parties involved in a complaint and increased transparency and efficiency of processing.

Registry & Registrars

The accreditation of registrars is a key element of auDA's commitment to the facilitation of competition and consumer choice and confidence in .au.

Following the finalisation of reforms as part of the findings of the Industry Competition Advisory Panel, auDA re-opened its registrar accreditation process in June 2009.

Accreditations were halted during the ICAP's deliberations to avoid processing of applications while the potential for policy change existed. In addition to the 30 auDA accredited registrars, four new registrars are now provisionally accredited.

Also following the ICAP's recommendations, auDA negotiated an extension of the Registry Licence Agreement held by AusRegistry to 2014. The ICAP recommended, and the auDA Board agreed, that the extension of the Agreement from 4 to 6 years would deliver significant security and stability benefits and an increased likelihood of further wholesale .au domain name price reductions.

International activities

In addition to its domestic responsibilities, auDA is an active participant in a range of international fora that addresses issues of Internet Governance, policy-development and information exchange. Engagement throughout 2008-09 included:

- The Internet Corporation for Assigned Names and Numbers (ICANN), the global manager of Internet naming and numbering resources. auDA's CEO is the Chair of ICANN's country code Names Supporting Organisation, the mechanism by which ccTLD managers provide policy input to the ICANN Board.
- The United Nations Internet Governance Forum (IGF) A multi-stakeholder collaborative forum involving governments, industry and the civil society that meets annually to discuss a broad range of Internet-related issues including online child-protection, accessibility bridging the digital divide, and e-security. auDA's CEO sits on the IGF's co-ordinating body, the Multi-stakeholder Advisory Group (MAG).
- The Asia-Pacific Top Level Domain Association. The association of ccTLD managers in the Asia-Pacific region.

Participation in these for allows auDA to represent the interests of the Australian Internet community in the development and refinement of international governance and policy structures that will impact upon the future operation of .au.

auDA Foundation

Supporting Innovators to Enhance the Utility of the Internet for the Benefit of the Australian Community

The auDA Foundation was established in 2005 to support Australian communities through the provision of grants for eligible Internet related projects.

The objects of the Foundation state that grants will be provided for:

- the provision of open scholarships and prize funds to encourage and reward academic and applied excellence;
- the funding of pure and applied research including academic positions and the publication of results for the benefit of the Australian community;
- the finding of community demonstration projects and the publication of results for the benefit of the Australian community;
- the funding of public education and awareness initiatives through all relevant mediums and institutions.

Funding for the Foundation was provided by auDA through the release of the generic domain names in 2002. The initial capital was \$2.1m and typically grants of between \$5,000 and \$20,000 are given every year.

The Foundation has four board members who are responsible for its oversight and decide how to distribute the funds. They are Greg Watson, Chair, Craig Ng Partner Maddocks, John Higgins Partner Hayes Knight and Chris Disspain CEO auDA. The Board aims to achieve a balanced portfolio of funded projects that complement each other in terms of aims, geographic spread and target group.

Since its establishment, the Foundation has conducted 4 funding rounds and 55 projects have been awarded funding totalling nearly \$1 million.

Grants recipients have included academic research bodies, not-for-profit organisations, PhD scholarships, community groups, local councils and charities from metropolitan, regional and rural areas in all states in Australia.

Projects funded include:

Sydney Community College - Skilled Migrant Mentoring Program Website \$20,000 Grant

Their aim was to create an online environment for skilled migrants and skilled refugees who have recognised professional or trade qualifications from their country of origin to gain a job and experience in a similar field after arrival in Australia. The website provides access to information and resources as well as opportunities for networking, mentoring and the sharing of information.

"We are most grateful for the auDA Foundation's assistance in funding the development of the site and encourage you to keep an eye on it as it continues to grow and develop in the future. The website has proved to be a valuable resource for the college and also for our program participants in the Skilled Migrant Mentoring Program and will be an ongoing part of our delivery of this government funded initiative."

Ann Brady, Sydney Community College



Goulburn Valley Family Care – Coach the Coach Project \$11,000 Grant

The project aims to reach men and women in rural Victoria through training key personnel of established community sporting organisations in Mental Health First Aid. Mental Health First Aid is an established early intervention tool aimed at raising awareness of mental health problems within sporting clubs and the wider community. For further information please refer to <u>www.coachthecoach.net.au</u>

In the first year, they trained 36 coaches and key personnel on the program and touched over 720 players and approximately 1200 people through the year.

"Simply put, we were thrilled with the outcome of the website and the project overall...

I would like to thank auDA for the support for the Coach the Coach Portal. The project was a huge success and without support from people like you it would not have happened. ... We are passionate about this project and would welcome an opportunity to present to the board if they are interested. Thanks to you we reached over 1200 men in rural and remote areas, and we able to intervene with four young men – thereby getting them help."

Jennifer Dobell, Director of Business Services, Goulburn Valley FamilyCare

Future of the Foundation

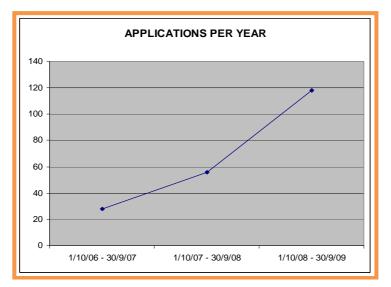
At the moment, grants are taken from capital but pursuant to a new registry licence agreement signed with AusRegistry Pty Ltd, from 1 July 2010 a \$0.25 donation will be made to the auDA Foundation for every .com.au and .net.au domain renewal and new registration.

.au Community Domains Trust (auCD)

au Community Domains Pty Ltd is a not-for-profit company acting as trustee of the .au Community Domains Trust (auCD). It was established by auDA to facilitate the development of Community Geographic Domain Names (CGDNs).

auCD provides support services to communities who want to register their geographic domain name for a community website portal and processes applications based on policy and guidelines for the purpose of preserving Australian geographic names for use by the relevant local community.

Community Geographic Domain Names (CGDNs) have been available for use as community websites for just over 3 years with a total of **232** applications received.



CGDN applications have **doubled in each of the last two years**:

In addition to these applications there are over 450 communities who have indicated that they will apply or have registered their interest in their CGDN.

CGDN applications have been received from across Australia:



auCD's marketing strategy continued at be at a grassroots level with the main drivers being the promotion of a free "Community Site in a Box" offer and the promotion of website launches and outcomes/initiatives. auCD primarily focussed on reaching the target market through local government, public seminars and direct marketing and included:

- 13 public seminars nationally with a total of 185 attendees
- 5,000 plus letters to community groups nationally
- Presented/exhibited at 8 local government/peak body conferences
- Over 100 media releases resulting in coverage in over 100 local press/radio

The auCD brand is strong:

- Over the last year, web traffic has **more than doubled** and there have been over 1.1 million hits and over 110,000 visits to the auCD website in the last 12 months
- Over 1,200 subscribers to the auCD e-news announcements

Community outcomes / initiatives

Some of the outcomes and initiatives as a result of CGDN websites include the following (for more details, see <u>www.aucd.org.au/outcomes</u>):

- Emergency Communication and Information
- Community fire plan
- Reuniting long lost friends
- Council involvement
- Driving for a community bank
- Helping people relocate
- Rosters for community groups

- Providing an employment section
- Conservation and environmental sustainability
- Youth involvement/engagement
- Giving communities a voice to influence
- A community of communities

2009 Victorian Bushfires

Pre-existing community websites that suffered emergency situations and provided local emergency information advised that their websites were much utilised during the bushfires. Mirboo North, in South Gippsland Victoria, experienced **7 times** their normal community website traffic during the weekend of the bushfires in January, 2009.

In addition to this, communities from around Australia were asked how auCD could provide help in crisis situations. As they strongly indicated that local websites can have a huge influence at the point that other communication mechanisms fail, auCD temporarily set up 28 CGDN community web sites for the localities affected by "Black Saturday". The benefits from these sites have included:

- One localised portal for authorities to inform and provide links to rebuilding information
- Help with the healing process allowing a forum for community members to remember people, share stories, thank people, look at what worked well in relation to the aftermath, evacuation, etc.
- Providing a "virtual" community for displaced members
- Providing a tool to encourage visitors and the promotion of existing businesses to help facilitate the economic recovery

2009 Australia & NZ Internet Best Practice Awards

At its 2008 annual retreat, the auDA Board discussed the importance of the organisation moving away from being "a mere conduit" for domain names to assuming a more proactive role in enhancing the benefits of the Internet in Australia. The discussion was partly facilitated by a presentation on the experiences of Nominet, the .uk registry.

Topics discussed included how auDA could engage more effectively with stakeholders, regulatory authorities and end users, and act as a "facilitator" to help build and maintain trust in the DNS and the Internet generally.

One of the major outcomes from these deliberations was the creation of the 2009 Australia and New Zealand Internet Best Practice Awards.

The initiative has been organised in conjunction with InternetNZ. It is expected this alliance will provide an increased profile and potentially lead to regional awards that engage developing countries throughout the Asia-Pacific.

The Awards were launched in Sydney on 20 June 2009 and featured a keynote speech from the Rt Hon Alun Michael MP, former UK Minister for State and Industry and Chair of the UK Internet Best Practice Challenge. The event was attended by Senator Scott Ludlam (Australian Greens) and received messages of support from Senator Stephen Conroy, Minister for Communications, Broadband and the Digital Economy, and Senator Kate Lundy.

It is expected the awards will be an annual event and will:

- engage new stakeholders in internet governance-related fora;
- provide a mechanism for improved collaboration between government, industry, academia and civil society;
- raise the profile of Internet-related issues; and
- contribute to the development of national and regional Internet Fora.

The awards categories are based around the core themes of the United Nations' Internet Governance Forum (IGF):

Security – initiatives that are at the forefront of developing solutions to security threats and building trust and confidence in the online environment.

Openness – initiatives that enable internet users to benefit from increased access to online materials, knowledge or information.

Access – initiatives that aim to combat the digital divide, facilitating access for groups such as the elderly, disabled or socially disadvantaged.

Diversity – initiatives that encourage expressions of cultural diversity and identity, including the promotion of multilingualism and indigenous cultures online.

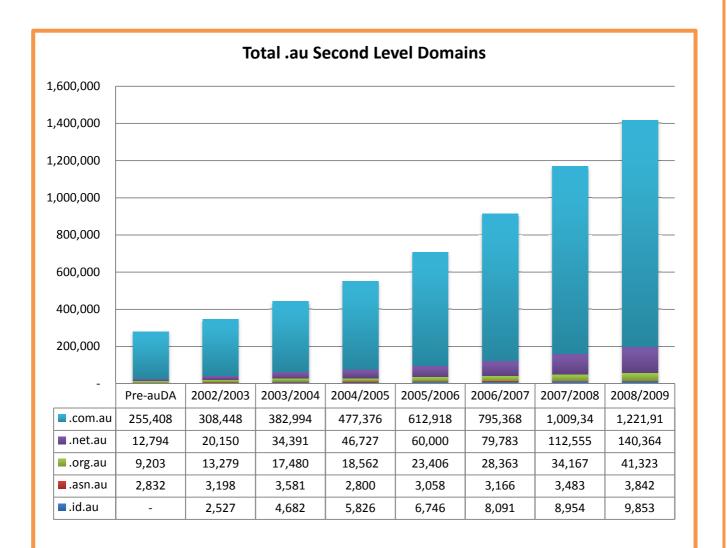
Award winners and their achievements will be promoted as outstanding examples of "Internet Best Practice" both domestically and at the global IGF meeting in Sharm el Sheikh, Egypt, in November 2009.

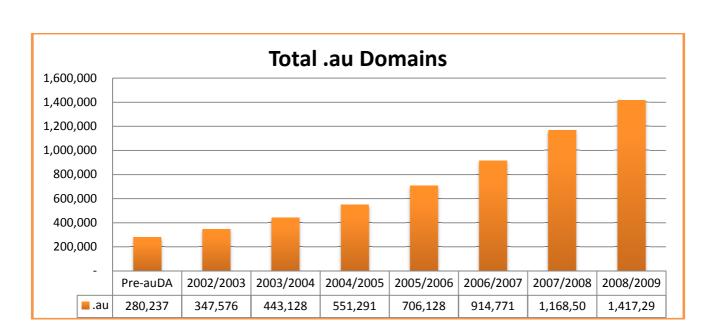
.au Statistics

Prior to auDA administration of the .au domain name space in 2002, approximately 280,237 were already in existence. This figure includes the com.au; net.au; org.au; asn.au; and id.au second level domain names.

Since then, the number of registrations has risen substantially. As of the end of the 2008-09 financial year, the total number of .au domain names registered in these 2LDs was 1,417,297.

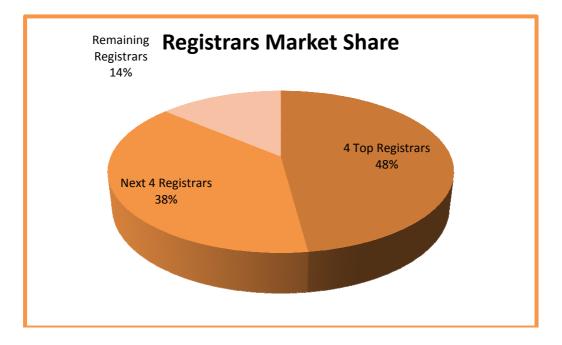
This number reached **1.5 million names** in September 2009.





Market Share of Accredited Registrars

The top four accredited registrars are rated according to the number of domains, irrespective of the type or quality of customer services provided by these registrars. The top four registrars, as of the end of this financial year, hold 48% of the .au domain name market. This contrasts with figures from 2002, where the top 4 registrars held approximately 93% of all registrations.



auDRP Statistics

The .au Dispute Resolution Process (auDRP) is designed to provide a cheaper, speedier alternative to litigation for the resolution of disputes between the registrant of a .au domain name and a party with competing rights in the domain name. The auDRP was drafted by auDA's Dispute Resolution Working Group and commenced on 1 August 2002.

For the twelve months to September 2009, approximately 27 auDRP proceedings regarding 102 .au domain names were lodged with accredited resolution providers. This equates to only 0.0068% of .au names being disputed.

auDA Accredited Registrars

As at 12 October 2009, there were 30 organisations accredited by auDA to provide registrar services in the .au domain space.

The auDA Accredited Registrar logo was designed to assist registrants in clearly identifying an organisation that has been authorised by auDA to be a .au registrar.

- Anchor Systems Pty Ltd
- AussieHQ Pty Ltd
- Aust Domains International Pty Ltd
- Australian Style Pty Ltd trading as Bottle Domains
- Bottle Domains Pty Ltd
- Cheaper Domains Pty Ltd
- Connect West Pty Ltd
- Discount Domain Name Services Pty Ltd
- Distribute.IT Pty Ltd trading as Click'n Go
- Domain Bandit Pty Ltd
- Domain Candy Pty Ltd
- Domain Central Pty Ltd
- Domain Directors Pty Ltd
- Domain Name Registrar (Australia) Pty Ltd trading as Domain Registration Services
- Domain8 Pty Ltd
- Education .au Limited
- Enetica Pty Ltd
- Explorer Domains Pty Ltd
- IntaServe Pty Ltd
- MD Web Hosting Pty Ltd
- Melbourne IT Limited
- Namescout Corporation
- NetRegistry Pty Ltd
- Planet Domain Pty Ltd
- Safenames Ltd
- SmartyHost Pty Ltd
- Sublime IP Pty Ltd trading as GoDomains
- TPP Domains Pty Ltd trading as TPP Internet
- Web Access Pty Ltd
- WestNet Pty Ltd



If you would like information about becoming a .au registrar, please check out our website at <u>http://www.auda.org.au/registrars/</u> <u>accreditation/</u>.

If you have any further enquiries, please send an email to <u>accreditation@auda.org.au</u> or phone the office on 1300 732 929.

[A Company Limited by Guarantee]

079 009 340

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2009

Meagher Howard & Wright Certified Practising Accountants

> Suite 505 55 Grafton Street BONDI JUNCTION NSW 2022

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DIRECTORS' REPORT

Your directors submit the financial accounts of the company for the year ended 30 June 2009.

Directors

The names of the directors who held office during the year, and attendance at meetings are:

	Eligible	Attended	Apologies
Tony STALEY	6	6	0
Kim HEITMAN (Deputy Chair)	6	6	0
Bennett OPRYSA (Resigned 20/10/2008)	1	1	0
Cheryl LANGDON-ORR	6	6	0
Joshua ROWE	6	6	0
Julie HAMMER	6	6	0
Marty DRILL	6	5	1
Chris DISSPAIN	6	6	0
Amin KROLL	6	6	0
Tony STEVEN	6	6	0
Alex WOERNDLE	6	6	0
Graham MCDONALD	6	6	0
Dwayne VAREY (Appointed 20/10/2008)	5	5	0

Principal Activities

The principal activities of the company in the course of the year were:

Management of .au Domain name space.

No significant change in the nature of these activities occurred during the year.

Net Profit

The deficit of the company for the financial year amounted to \$415,781. (2008 - \$26,344 deficit).

Dividends paid or recommended

By virtue of its Constitution no dividends are payable by the company.

Members' Guarantee

In accordance with clause 7 of the Constitution of the company, each member has undertaken to contribute towards the assets of the company an amount of one hundred dollars (\$100) in the event the company is wound up whilst they are still a member or within one year after they cease to be a member. As at 30 June 2009, the company had 111 members.

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Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, in subsequent financial years.

Likely Developments

Likely developments in the operations of the company and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the company.

Benefits under contracts with Directors

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or a related body corporate with the director, a firm of which the director is a member or an entity in which the director has a substantial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received, or due and receivable, by directors as shown in the company's financial accounts for the financial year or the fixed salary of a full-time employee of the company or a related body corporate.

Indemnifying Officer or Auditor

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

* indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings.

Signed in accordance with a resolution of the Board of Directors:

Director ____

Chris DISSPAIN

Director ____

Tony STALEY

Dated this

day of

2009

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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		\$	\$
Revenue	2	3,520,609	3,028,170
Depreciation and amortisation expenses		(107,474)	(96,382)
Employee benefits expenses		(948,769)	(698,120)
Finance costs		(13)	-
Other expenses		(2,880,134)	(2,260,012)
Profit (Loss) for the year		(415,781)	(26,344)
Retained earnings at the beginning of the financial year			
		4,331,537	4,357,881
Profit attributable to members of the company		3,915,756	4,331,537

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BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009	2008
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	3,971,731	4,234,880
Trade and other receivables	6	443,521	445,151
Other current assets	7	21,499	24,533
TOTAL CURRENT ASSETS		4,436,751	4,704,564
NON-CURRENT ASSETS			
Property, plant and equipment	8	288,615	292,176
TOTAL NON-CURRENT ASSETS		288,615	292,176
TOTAL ASSETS		4,725,366	4,996,740
CURRENT LIABILITIES			
Trade and other payables	9	711,869	586,676
Provisions	10	97,741	78,527
TOTAL CURRENT LIABILITIES		809,610	665,203
TOTAL LIABILITIES		809,610	665,203
NET ASSETS		3,915,756	4,331,537
EQUITY			
Retained earnings	11	3,915,756	4,331,537
TOTAL EQUITY		3,915,756	4,331,537

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 30 June 2007 Profit attributable to members	4,357,881 (26,344)	-	4,357,881 (26,344)
Balance at 30 June 2008 Profit/(Loss) attributable to members Balance at 30 June 2009	4,331,537 (415,781)	-	4,331,537 (415,781)
Dalalice at 50 Julie 2009	3,915,756		3,915,756

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CASH FLOW STATEMENT AS AT 30 JUNE 2009

	NOTE	2009	2008
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITES			
Receipts from debtors		3,678,988	2,408,499
Payments to suppliers and employees		(3,930,500)	(3,050,682)
Interest received		188,164	299,983
Goods and Services Tax Paid		(95,875)	(18,994)
		(13)	
Net Cash Used in Operating Activities		(159,236)	(361,194)
CASH FLOWS FROM INVESTING ACTIVITIES			
Plant & Equipment at Cost		(103,913)	(181,927)
Net Cash used in Investing Activities		(103,913)	(181,927)
CASH FLOWS FROM FINANCING ACTIVITES			
Net Increase (Decrease) in Cash Held		(263,149)	(543,121)
Cash at Beginning of Year		4,234,880	4,778,001
Cash at End of Year		3,971,731	4,234,880

[A Company Limited by Guarantee]

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

The financial report is for .au Domain Administration Ltd as an individual entity, incorporated and domiciled in Australia. .au Domain Administration Ltd is a company limited by guarantee.

Note 1

Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report AASB containing relevant

and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are

presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable by the measurement at fair

value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Grant revenue is recognised in the income statement when the entity obtains control of the grant and it is probable that the economic benefits

gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial rate financial assets is the rate inherent

in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%
Computers	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

[A Company Limited by Guarantee]

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(d) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

(e) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax* Assessment Act 1997.

(i) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(j) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(k) Critical Accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

(a) Impairment

The company assesses impairment at each reporting date by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(I) New Accounting Standards for application in future periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:-

* AASB 2008-11: Amendments to Australian Accounting Standard – Business Combinations among Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 July 2009). These amendments make the requirements in AASB 3: Business Combinations applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled, and to include specific recognition, measurement and disclosure requirements in AASB 3 for restructures of local governments.

*AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

The Company does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the Company's financial statements.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2	Revenue	2009	2008
	Operating activities	3,327,913	2,723,482
	Interest	188,164	299,983
	Subscriptions	4,082	4,705
	Sundry Income	450	
		3,520,609	3,028,170
3	Auditor's Remuneration		
	Auditor's Remuneration - Fees	5,600	4,600
4	Income Tax		
	The company has been deemed a non profit organisation and is not subject to tax.		
5	Cash and Cash Equivalents		
	Reconciliation of cash		
	Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
	Cash in Hand	490	397
	Nat Australia Bank	68,943	161,730
	Cash on Deposit	3,893,817	3,874,038
	USD Account	8,481	198,715
		3,971,731	4,234,880
6	Trade and Other Receivables		
	Current	310,569	378,864
	Other Debtors	22,609	9,857
	GST on acquisitions	110,343	56,430
		443,521	445,151
7	Other Current Assets		
	Deposits	16,470	16,470
	Prepayments	5,029	8,063
		21,499	24,533
8	Property, Plant and Equipment		
	Plant and equipment:		
	At cost	578,799	474,886
	Accumulated depreciation	(290,184)	(182,710)
	Total plant and equipment	288,615	292,176

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	Movements in Carrying Amounts	2009 \$	2008 \$
	Plant & Equipment		
	Balance at beginning of year Additions (at cost) Disposals Depreciation	292,176 103,913 - (107,474)	206,631 181,927 - (96,382)
	Balance at End of Year	288,615	292,176
9	Trade and Other Payables		
	Current		
10	Trade Creditors Prepaid Income Payroll Clearing GST on supplies Other Creditors Provisions	509,306 51,000 25,320 87,021 <u>39,222</u> 711,869 22,520	365,556 49,375 38,111 128,984 4,650 586,676 4,975
	Provision for Holiday Pay	22,520 69,621	
	Prov'n for Long Service Leave	92,141	
	Total Prov'n for Employee Entitlement	92,141	13,321
	Provision for Audit Fees	5,600	4,600
	Total provisions	97,741	78,527
11	Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities Profit/(Loss) from Ordinary Activities After Gifts	(415,781)	(26,344)
	Non-cash flows in profit from ordinary activities		
	Depreciation	107,474	96,382
	Change in assets and liabilities,		
	(Increase)/Decrease in receivables	1,630	(340,323)
	(Increase)/decrease in other assets	3,034	(17,447)
	Increase/(decrease) in payables	125,193	(73,264)
	(Increase)/decrease in provisions	19,214	(198)
	Cash Flows from Operations	159,236	(361,194)

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

12. Credit risk - Trade and Other Receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount \$	Past due and impaired \$	Past du	e but not im	paired (day	vs overdue)	Within initial trade terms \$
2009			<30 \$	31 – 60 \$	61 – 90 \$	>90 \$	
Trade and term receivables Other receivables	310,569 132,952		Ψ	Ψ	Ψ	Ψ	310,569 132,952
Total	443,521	-	-	-	-	-	443,521
	Gross Amount \$	Past due and impaired \$	Past du	e but not im	paired (day	vs overdue)	Within initial trade terms \$
2008			<30	31 – 60	61 – 90	>90	
Trade and term receivables Other receivables	378,864 66,287		\$	\$	\$	\$	378,864 66,287
Total	445,151	-	-	-	-	-	445,151

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are impaired and are post due. It is expected that these balances will be received when due.

Financial Risk Management Policies

Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:-

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing surplus cash only with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Financial liability	and financial ass	et maturity a	analysis					
	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities	s due for paymer	nt						
Trade and other payables (excl. est. annual leave and deferred income)	711,869	586,676	-	-			711,869	586,676
Total expected outflows	711,869	586,676	-	-			711,869	586,676
	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets -	cash flows reali	sable						
Cash and cash equivalents	3,971,731	4,234,880	-	-			3,971,731	4,234,880
Trade, term and loa	ans receivables		-	-			-	-
Other investments							-	-
Total anticipated inflows	3,971,731	4,234,880	-	-			3,971,731	4,234,880
Net (outflow) / inflow on financial instruments	3,259,862	3,648,204	-	-			3,259,862	3,648,204

c. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counter parties), ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 7 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the finance committee has otherwise cleared as being financially sound. Where the company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed by retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 6

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counter parties with a Standard and Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P counter party credit ratings.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Cash and cash equivalents - AA Rated		3,971,731	4,234,880
	4	3,971,731	4,234,880
13 Directors and Key Management Personnel Compensation	Salary & Fees \$	Superannuation Contribution \$	Total \$

2009 Total Compensation 402,525 108,710 493,285 2008 Total Compensation 425,462 35,035 460,497

Additional Information

Registered Office	Principal Place of Business
114 Cardigan Street	114 Cardigan Street
Carlton Victoria 3053	Carlton Victoria 3053

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PROFIT & LOSS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
INCOME		
Subscriptions received	4,082	4,705
Interest Received	188,164	299,983
Registry licence Fees	590,946	463,788
Domain Name Fees	2,651,592	2,192,094
Registrar Fees	85,375	67,600
TOTAL INCOME	3,520,159	3,028,170
EXPENSES		
Accountancy	90,000	84,250
Auditors Remuneration - Fees	6,500	4,600
Bank Charges	2,294	1,924
AGM & Committee Meetings	34,900	103,606
Computer Expenses	211,494	262,942
Conference Expenses	-	15,000
Depreciation	107,474	96,382
Directors Fees	99,924	144,586
Directors Expenses	143,520	82,436
Donations	20,500	-
Entertainment	32,187	18,130
Education & Media	273,192	246,727
Fringe Benefits Tax	57,835	50,654
General Expenses	378	1,526
Geographics	8,910	3,420
Holiday Pay Provision	17,545	22,500
Insurance	11,395	12,578
Interest on Leases	13	23,570
Legal Costs	900,050	278,447
License Fee-ICAAN/CCTLD	246,904	218,851
Long Service Leave	669	18,520
Office Expenses	24,101	20,635

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PROFIT & LOSS FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
Payroll Tax	24,386	16,250
Postage, Printing & Stationery	10,855	14,283
Rent	54,981	62,553
Salaries & Wages	930,555	658,016
Security	102,541	101,271
Staff Amenities	10,801	10,072
Staff Training	14,751	39,226
Sponsorship	-	7,935
Subscriptions	9,125	10,952
Technical Support	137,976	115,111
Telephone	37,289	30,779
Travelling Expenses	313,345	268,604
TOTAL EXPENSES	3,936,390	3,046,401
OPERATING PROFIT/(LOSS	(416,231)	(18,231)
NON-OPERATING INCOME AND EXPENSES		
Non Operating Expenses		
Unrealised Foreign Exchange Gain/(Loss)	450	(8,113)
OPERATING PROFIT FOR THE YEAR	(415,781)	(26,344)

	.au Domain Administration Limited	
	[A Company Limited by Guarantee]	
	079 009 340	
	DIRECTOR'S DECLARATION	
The directo	ors of the company declare that:	
1.	The financial statements and notes, as set out on pages 1 to 20 present fa position as at 30 June 2009 and its performance for the year ended on tha Australian Accounting Standards and other mandatory professional report	at date in accordance with
2.	In the directors' opinion there are reasonable grounds to believe that the c debts as and when they become due and payable.	ompany will be able to pay its
This declar	ration is made in accordance with a resolution of the Board of Director	rs.
Director:	Tony Staley	
Director:		
	Chris Disspain	
Dated this	day of	

[A Company Limited by Guarantee]

079 009 340

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF .AU DOMAIN ADMINISTRATION LIMITED

We have audited the accompanying financial report of .au Domain Administration Ltd, which comprises the balance sheet as at 30 June 2009 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of .au Domain Administration Ltd on 30June 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of .au Domain Administration Ltd as of 30 June 2009, and of its financial performance and its cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including Australian Accounting Interpretations).

Name of Firm:	Meagher Howard & Wright
	ineagner riowaru & wright

Name of Partner: Ken Wright

Address: Suite 505, No 55 Grafton Street BONDI JUNCTION NSW 2022

Dated this

day of

2009

[A Company Limited by Guarantee]

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the	e year ended 30 June 2009 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.

Name of Firm	Meagher Howard & Wright
-	
Name of Partner	Ken Wright
Date	08/09/2009
Address	Suite 505 No 55 Grafton Street
	BONDI JUNCTION NSW 2022

Glossary

2LD

The .au domain space is divided into a number of "second level domains" or "2LDs. Each has their own eligibility and registration rules and serves a distinct segment of the Internet community. These include com.au for business-related activities, .asn.au for associations, .gov.au for Government Departments and initiatives and edu.au for educational institutions.

APTLD

Asia-Pacific Top Level Domain Association (<u>www.aptld.org/</u>). The association of ccTLD managers in the Asia-Pacific region.

ccTLD

Country Code Top Level Domain reserved for use by a country or dependent territory. ".au" is Australia's ccTLD. Other examples include ".de" for Germany and ".uk" for the United Kingdom. Each country appoints a ccTLD manager which sets the rules and policies for allocation of names in the domain.

DNS

Domain Name System – the technical protocol that maps the Internet Protocol (IP) addresses used by computers to navigate the Internet to more human-friendly domain names such as: www.yourbusinessname.com.au

Domain name

At the simplest level, a domain name is an identification label on the Internet. It is analogous to an "address" eg, www.yourbusinessname.com.au

gTLD

Generic Top Level Domain

ICANN

Internet Corporation for Assigned Names and Numbers (www.icann.org/) An international, not-for-profit, private sector organisation created to coordinate four key functions of the Internet: managing the domain name system, allocating IP address space, assigning protocol parameters and managing the root server system.

IGF

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

IPv4 / IPv6

Internet Protocol version 4 and Internet Protocol version 6. The technical, numerical addressing protocols by which computers navigate the Internet.

ISP

Internet Service Provider

Registrant

Someone who holds, is applying for, or renewing, a domain name licence

Registrar

auDA-accredited companies who handle domain name licence applications and renewals. The list of auDA-accredited registrars can be found at <u>www.auda.org.au/registrars/</u>

Registry

The database of domain names registered in each 2LD. For more information go to www.auda.org.au/registry/

Reseller

Non-accredited companies, affiliated with an accredited registrar, who handle domain name licence applications and renewals.

WHOIS

A search tool to find contact details for domain names. For more information go to <u>www.auda.org.au/whois/</u>. To use WHOIS, go to <u>www.mywebname.com.au</u>