

ANNUAL REPORT

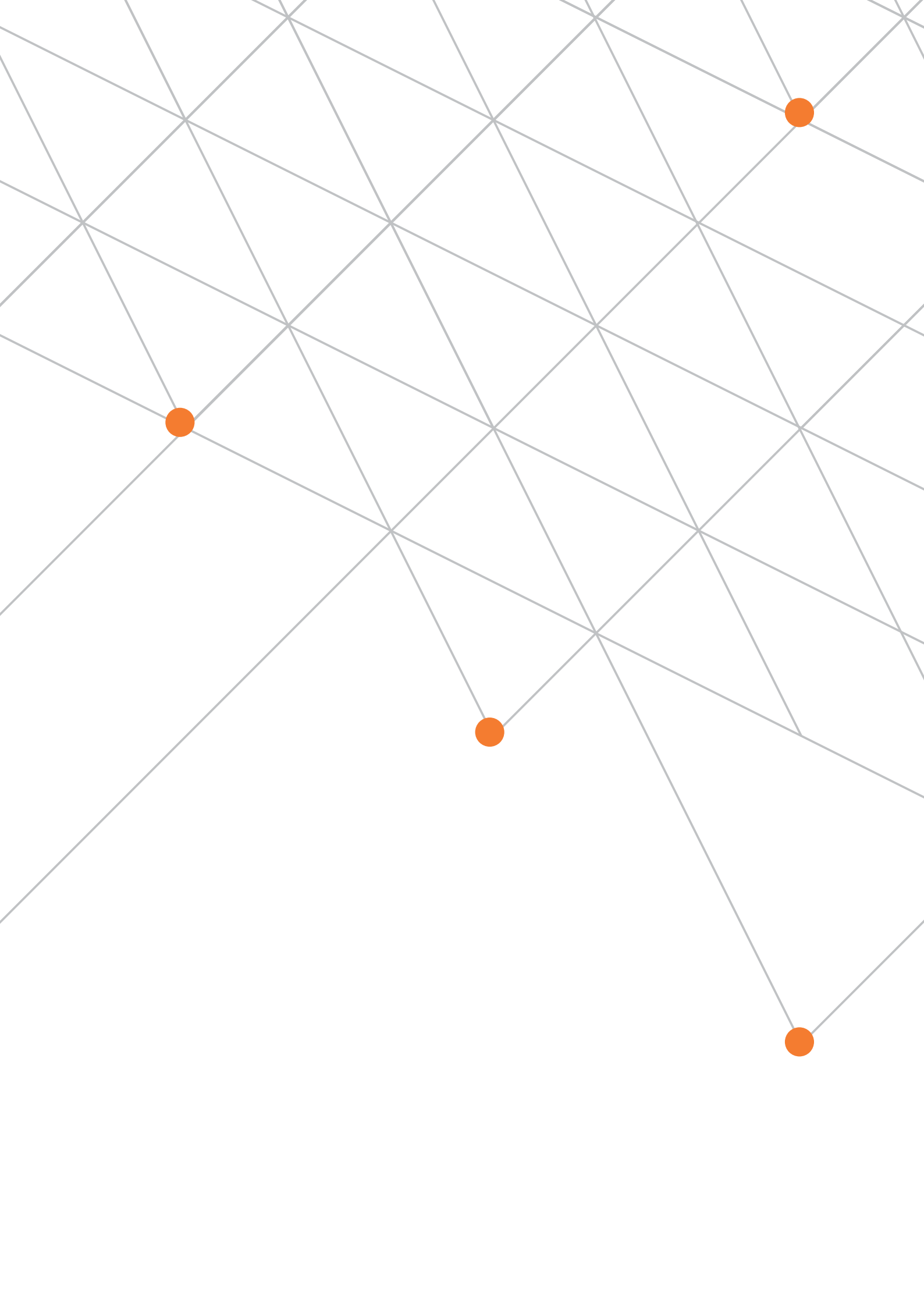


2014-2015

.au DOMAIN ADMINISTRATION LTD
ANNUAL REPORT 2014-15

.auDA
.au DOMAIN ADMINISTRATION LTD





Contents

.au DOMAIN ADMINISTRATION LIMITED ANNUAL REPORT 2014-15

INTRODUCTION	4-5
CHAIR & CEO'S STATEMENT	6-7
THE .au MARKETPLACE	8-9
REGULATORY	10-11
SECURITY	12
COMMUNICATIONS	13
COMMUNITY PROGRAMS	14-20
AUSTRALIAN INTERNET GOVERNANCE FORUM	21
THE auDA BOARD	24-29
BOARD COMMITTEES & STAFF	30-31
GLOSSARY	32-33
FINANCIALS	35-51

**.au Domain
Administration Ltd
is the administrator
of the domain name
system in Australia**

.au Domain Administration Ltd (auDA) is the administrator of the Domain Name System (DNS) in Australia. The DNS is the technical system that seamlessly directs users to the website or service they expect when they enter an Internet address into their computer's browser.

Given it is used by millions of Australian businesses, organisations and individuals every day, auDA's role in ensuring this element of Australia's Internet infrastructure is stable and reliable, is of vital importance.

The core elements of auDA's role are:

- developing and reviewing .au policies
- enabling and enforcing regulatory compliance
- maximising the security and technical stability of the .au space
- facilitating competition and consumer choice through the accreditation of .au registrars
- engaging and educating .au stakeholders and the broader community
- protecting consumer safeguards and providing effective dispute resolution mechanisms.

auDA operates under an industry self-regulatory model. Stakeholders from both the supply and demand side of the Internet industry are represented at the highest levels of our corporate governance structure and are consulted in the development and refinement of all of auDA's policies. auDA works closely with the Australian Government, from whom we have received endorsement to perform our role.

We acknowledge that .au is just one element of the Internet's vast international policy and management network. As such, we play an active role in representing the interests of .au in relevant fora such as the Internet Corporation for Assigned Names and Numbers (ICANN), the Internet Governance Forum (IGF), and the Internet Engineering Task Force (IETF).

Chair's Statement



Greetings and welcome to the 2014-15 auDA Annual Report. We hope you enjoy reading about some of the highlights during the past financial year.

A major highlight of 2014-15 for auDA has been the focus on improving our communications, which has led to the breadth of speaking opportunities and media appearances over the year. With the hard work of committed auDA staff, we have been more effectively promoting the value of .au to our stakeholders and educating the wider community about auDA's essential role in Internet governance. We also focused on improving our engagement with the Australian Government through contributions to a number of consultation processes, and will expand this effort to a broader range of federal and state agencies in 2015-16.

As part of auDA's continued support of the community sector, we were delighted to sponsor the Third Sector Expo in Melbourne in March. We also took part in a panel on 'Harnessing online strategies to generate growth' with Australian Prostate Cancer Research, an auDA Foundation grant recipient and 2014 ANZIA highly commended winner. The Expo was a good opportunity to engage with not-for-profit groups and promote the work of auDA, particularly our community programs.

The deployment of Domain Name System Security Extensions (DNSSEC) for the .au domain space was another important achievement for auDA during this financial year.

We were pleased to appoint a number of auDA members to the 2015 Names Policy Panel, which has been tasked with reviewing the policy framework underlying the allocation of .au domain names.

At auDA's AGM in October 2014, we welcomed Simon Johnson to the auDA Board as a Demand Class Director. Simon Johnson brings to the auDA Board over two decades of commercial experience in the Internet industry and we look forward to him sharing his expertise on domain name issues.

The auDA Board and staff were sad to see the departure of long-standing Demand Class Director Cheryl Langdon-Orr. She has played an active role in the Internet community, both in Australia and overseas. We greatly valued her expertise and input at auDA Board meetings and we wish her all the best.

Again, I would like to take this opportunity to thank the auDA staff for the valuable contributions they make to ensure the .au space is kept secure, safe and open for all Australians. It is a good thing for Australia that our splendid CEO Chris Disspain plays a significant international role as a member of the ICANN Board.

The Hon. Tony Staley AO

CEO's Statement



It is my pleasure to present auDA's operational activities and community outreach efforts over the 2014-15 financial year in this report.

Since the launch of the auDA brand awareness advertising campaign in May 2014, we have been rapidly spreading our communications to reach a broad range of audiences and inform them of auDA's role in managing .au and our various programs.

In addition, we held our annual community outreach events – the sixth Australia and New Zealand Internet Awards (ANZIAs) and the third Australian Internet Governance Forum (auIGF), which were both hosted by auDA in Melbourne.

The 2014 ANZIAs marked the first year for the Leonie Dunbar Memorial Award for Community Websites, for which we received the largest number of entries. Given Leonie's leadership of the Community Geographic Domain Names (CGDN) initiative, and her dedication to supporting the development of community websites, it was heartening that two CGDN sites received the inaugural awards in the category dedicated to her.

As a Director of the auDA Foundation, I was impressed by the high calibre of online projects and research in the 2014 funding round, which attracted the most applications to date. The Foundation Directors were encouraged to see the increase in applications from tertiary institutions for research projects, which comprised 30% of the total applications received. We are delighted to showcase a couple of the 2014 grant recipients in this report, and look forward to hearing about the further progress of their projects and others supported in 2014.

Internationally, we maintained an extremely active role across a range of fora. This included the global IGF and United Nations' Internet Governance reviews and, in particular, critical reform processes underway within ICANN relating to improving accountability and facilitating the transition of management responsibilities from the US Government to the global Internet community.

The past financial year was a success for auDA, demonstrated by the many new and innovative ways in which we have contributed to the strengthening of the .au domain space. Our latest research shows people who choose .au are doing so because it's the most popular domain space in Australia and best represents Australian organisations. Whilst the proportion of people holding .au domain names is steady, the growth of the market has started to slow. With this data, and the entry of new participants in the domain name market, we plan to boost the level of promotion around the value and benefits of .au in the new financial year.

Chris Disspain



The .au Marketplace

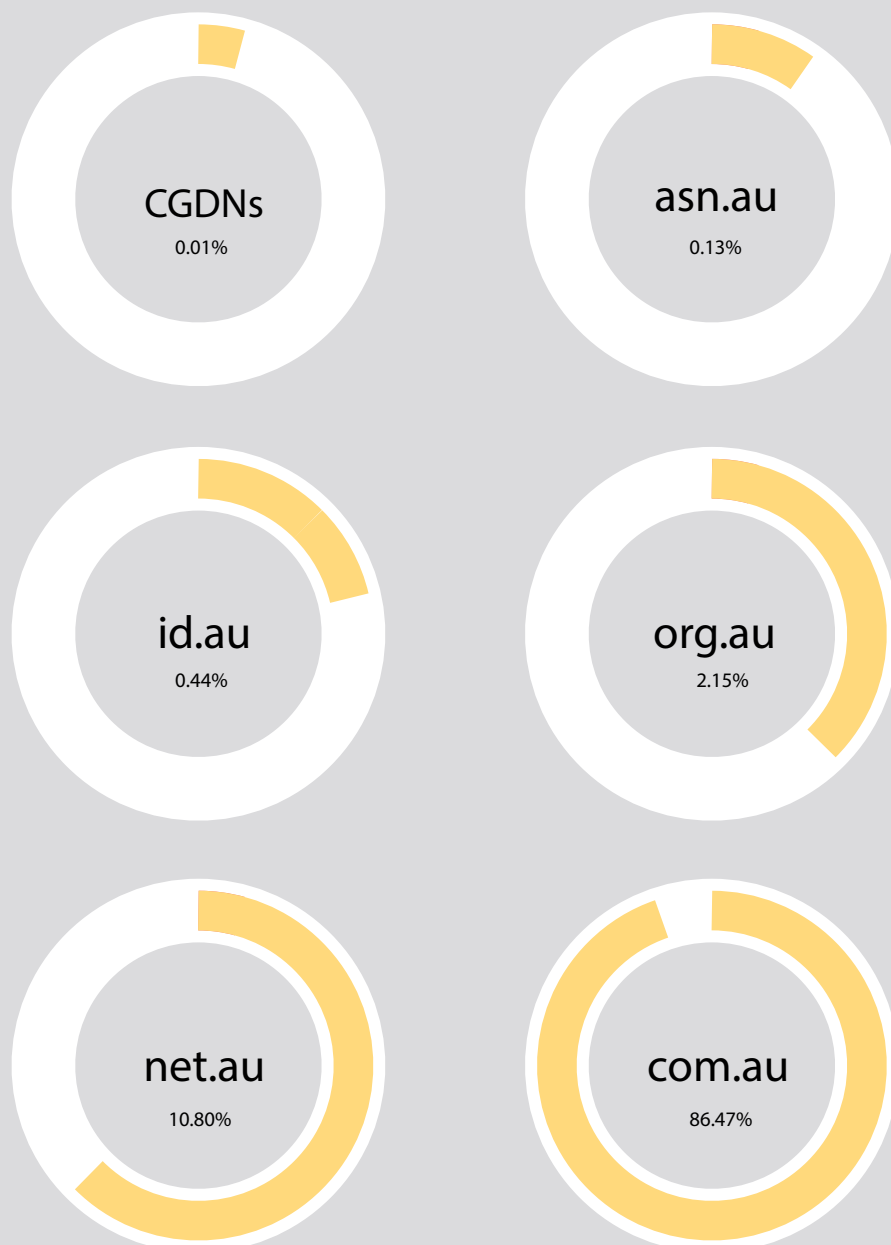
.au OPEN 2LD BREAKDOWN AT 30 JUNE 2015

Source: AusRegistry Total .au: 2,972,751

In 2002, prior to auDA's introduction of a new domain name regime and policy rules, approximately 280,000 domain names were registered in .au.

This figure includes the 'open' 2LDs which are directly managed by auDA – com.au, net.au, org.au, asn.au, and id.au.

By 30 June 2015, .au had 2,972,751 total registrations, an increase from 2,841,217 at the same time last year.



DOMAIN REGISTRATIONS	CGDNs	asn.au	id.au	org.au	net.au	com.au
	222	3,731	13,143	64,080	320,910	2,570,665

Regulatory

2015 NAMES POLICY PANEL

auDA uses a variety of advisory panels, committees (standing and ad hoc), and other consultative groups to help it develop policies and practices that are appropriate for the Australian environment, and responsive to user needs.

The 2015 Names Policy Panel was appointed by the auDA Board in December 2014 to:

- review the policy framework underlying the allocation and use of domain names in the .au domain space
- provide recommendations to the auDA board about what changes (if any) should be made to the policy framework.

The Panel comprises 23 members representing a wide range of stakeholders, and is chaired by Derek Whitehead, Adjunct Professor, Swinburne University of Technology.

The Panel commenced work in February 2015 and released an Issues Paper for public comment in May. It is expected to provide its final report to the auDA Board in November 2015.

auDA INFORMATION SECURITY STANDARD (ISS)

The auDA Information Security Standard (ISS) for Accredited Registrars (2013-03) came into effect on 17 October 2013.

The ISS was developed in consultation with registrars and other industry participants through the 2012 Industry Advisory Panel, and was approved by the auDA Board in February 2013.

The ISS forms part of auDA's Registrar Accreditation Criteria (2013-04) and compliance is mandatory for all auDA accredited registrars. Existing registrars at 17 October 2013 must achieve ISS compliance within 24 months of the commencement date. New applicants for registrar accreditation must achieve ISS compliance as part of the provisional accreditation process.

By 30 June 2015, 12 accredited registrars were ISS certified, with the majority of remaining registrars well on track to meet the compliance deadline.

COMPLAINTS

In 2014-15, auDA received 529 complaints; of these 371 were about .au domain names or registrants, and 158 were about industry participants.

REGISTRARS AND RESELLERS

Registrars provide services in .au to people who want to register a new domain name, renew their existing domain name or make changes to their domain name record. Much like registrars, resellers provide services in .au, usually managing domain name records on behalf of their customers.

In order to act as a registrar in .au, an organisation needs to be accredited by auDA and enter into a Registrar Agreement. Resellers are not directly accredited by auDA, and operate under an agreement with a registrar.

During 2014-15, one new registrar was accredited and one registrar's accreditation was terminated by consent, resulting in the number of auDA accredited registrars at 30 June 2015 remaining steady at 45. In addition, 5,898 resellers had been notified to auDA.

auDRP

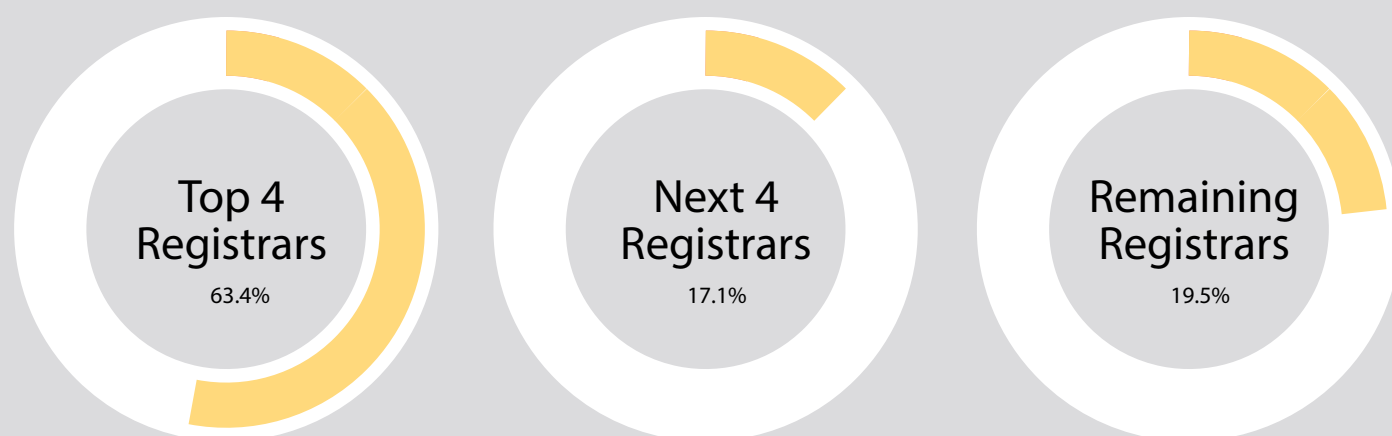
The .au Dispute Resolution Policy (auDRP) is designed to provide a cheaper, speedier alternative to litigation for the resolution of disputes between the registrant of a .au domain name and a party with competing rights in the domain name. The auDRP was drafted by auDA's Dispute Resolution Working Group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

In 2014-15, 50 complaints were lodged with the auDRP providers; of these:

- 28 complaints were found in favour of the complainant and the domain names were ordered to be transferred or cancelled
- 7 complaints were found in favour of the respondent and they were permitted to keep the domain name
- 12 complaints were withdrawn or terminated prior to decision
- 3 complaints commenced but decision has not been reached.

.au REGISTRAR MARKET SHARE

Source: AusRegistry

**.au REGISTRY**

AusRegistry was appointed the 2LD registry operator through open tender processes held in 2001 and 2005, and negotiated licence extensions in 2009 and 2013.

Registry highlights for 2014-15 include:

- successful Domain Name System Security Extensions (DNSSEC) deployments
- surveying 3,000 Australian internet users about their relationship with .au for the execution of the annual .au benchmark report
- publication of the State of the Domain report, 'Behind the Dot', an AusRegistry quarterly magazine presenting .au statistics, expert commentary and analysis, and Industry related feature stories
- the net.au and id.au marketing promotion, offering a reduction to the wholesale fees for the month of June 2014 for participating registrars
- continued promotion of security measures such as the auDA ISS and .auLOCKDOWN, an AusRegistry product which increases domain name security by locking records at the registry level
- regular presentations at auDA Board Meetings on the state of the namespace and industry performance
- active industry participation and policy input, including membership to the auDA 2015 Names Policy Panel
- ongoing commitment to registrar engagement aimed at strengthening relationships and providing technical support
- support and sponsorship of the auDA Foundation, Internet Society of Australia and the auIGF.

Security

Domain Name System Security Extensions (DNSSEC) was a major focus for auDA during this financial year. The DNSSEC deployment for the .au domain space was upgraded from 'experimental' to 'full production' on 20 November 2014.

The public Key Signing Key (KSK) was submitted to ICANN for inclusion in the root zone file. The .au zone was officially included in the root zone on 26 November 2014. We have since successfully completed a KSK rollover and three ZSK (Zone Key Signing Key) rollovers for the .au zone.

In February 2015, 14 of the 16 2LDs (www.auda.org.au/industry-information/au-domains) were also signed. This included all five of the 'open' 2LDs, one of the three 'closed' 2LDs and all eight of the 'Community Geographic' 2LDs. Registrants in each of the signed zones are now able to add their own DS (Delegation Signer) records to complete the chain of trust. As of 30 June 2015, there were 134 registrations within these zones.

All auDA domain names have DNSSEC signatures, and can therefore be validated, and their DS records have been added to their relevant parent zones.

Work has continued on the migration of all auDA websites. In the last financial year, auDA rebuilt and relaunched the ANZIA (www.anzia.org.au) and auIGF (www.igf.org.au) sites. Each site has maintained a similar look and feel, but are benefitting from faster response times and ease of management.



Communications

In early 2014, auDA added a General Manager, Communications to the team. With a greater focus on communications, we have been able to more effectively promote the value of .au to our many stakeholders and educate people about the vital role auDA plays within the ccTLD community at home and abroad.

The cornerstone of our communications plan was a pre-roll advertising campaign, editing four animated video assets. The year-long video pre-roll campaign was built around our strap line 'Do you .au?' It targeted online news and entertainment portals, as well as YouTube. The key objective was to raise auDA brand awareness and highlight the importance of .au. We used digital performance media to drive consumers to seek further information on our website.

The campaign has been viewed 10,545 million times since it launched in May 2014, generating over 205,000 clicks through to the auDA website. This is an extremely positive click-through rate, in relation to industry averages.

To further promote the work of auDA and particularly our community programs, we created a series of speaking opportunities for auDA staff across a variety of topics within the not-for-profit, Internet and wider technology sectors. These included APNIC 38 (September 2014), IPSANZ (September 2014), ICANN 52 (February 2015), Third Sector Expo (March 2015), Edge of the Web and Port80 (March 2015), Australian Cyber Security Conference (April 2015), Communities in Control (May 2015).

We responded to media calls for thought leadership, leveraging our position as a key player in Internet governance, with auDA staff giving radio and television interviews.

We have also continued to develop a strong set of blogs this past financial year, from auDA staff and guest writers.



Community Programs



2014 ANZIA gala dinner at Crown Promenade, Melbourne

The Australia and New Zealand Internet Awards (ANZIA) is a collaborative initiative between auDA and InternetNZ. The awards are an annual event celebrating the achievements of organisations, businesses and individuals that have made significant contributions to the development and use of the Internet in Australia and New Zealand.

ANZIA winners receive recognition as industry leaders who have set new standards for making the Internet a more inclusive, accessible and safe place.

The sixth annual ANZIA were presented at a gala dinner in Melbourne on 25 August 2014. Over 200 people attended the awards ceremony to celebrate the creative and diverse finalist projects.

Six different category winners were announced, with a Highly Commended recognised for each category. It was the first year for the Leonie Dunbar Memorial Award for Community Websites, which was created in honour of an auDA staff member and leader of the work with community geographic domain names, who sadly passed away in 2013. This category attracted the highest number of submissions.



The 2014 ANZIA winners were:

ACCESS & DIGITAL SKILLS WINNER

GET UP TO SPEED PROGRAM – THE TRAINING COLLECTIVE

www.thetrainingcollective.com.au/guts

Get Up To Speed is a 12 week digital skills training program, which is delivered completely online, enabling busy professionals to study in a flexible manner around their work, family and life commitments. Over 650 people from around Australia and New Zealand have participated in this program and gained new knowledge on essential digital skills, including social media, e-marketing, SEO, website design and development, pay per click, cloud computing, e-commerce and more.



Presenting the Access & Digital Skills award to The Training Collective

DIVERSITY WINNER

CULTURAL INFUSION

www.culturalinfusion.org.au

Cultural Infusion is a social enterprise that has worked for more than 10 years within education, youth, communities and the arts to build intercultural understanding. Cultural Infusion won the Diversity category award for its website, which features the programs, activities and services Cultural Infusion provides for the education sector and the wider community, as well as the portal to Sound Infusion – Cultural Infusion’s innovative online music studio and educational game.



Cultural Infusion staff with their Diversity award

INFORMATION WINNER

POLICY ONLINE (APO)

www.apo.org.au

Policy Online (APO) is an open access digital library of public policy related research and resources for Australian and New Zealand researchers and policy makers. The database and alert service provides easy access to a wide range of hard-to-find materials, including research reports, working papers, discussion papers and commentary. Established in 2002, as a project of the Swinburne Institute at Swinburne University of Technology, APO now contains over 20,000 research records from more than 2,000 organisations, and receives over half a million visits each year.



Presenting the Information award to Policy Online

INNOVATION WINNER

ARTS:LIVE – THE SONG ROOM

www.artslive.com.au

ARTS:LIVE is The Song Room’s interactive learning platform designed to deliver engaging arts-based education resources to all schools in Australia. The aim of ARTS:LIVE is to assist teachers to confidently incorporate arts into their curriculum and achieve sustainable music and arts learning outcomes in school communities. ARTS:LIVE promotes active collaboration between teachers and students across all five art forms of the Australian Arts Curriculum: Dance, Drama, Media Arts, Music and Visual Arts. It enables access to in-depth, curriculum-aligned, classroom-ready interactive learning from anywhere in Australia.



The Song Room staff with their Innovation award

SECURITY & ONLINE SAFETY WINNER

REALME, DEPARTMENT OF INTERNAL AFFAIRS (NEW ZEALAND)
www.realme.govt.nz

RealMe is a secure way for people to access services and prove their identity and other information about themselves digitally. It gives users a single login to multiple services, and a verified RealMe account works as an online ID. RealMe is run as a collaboration between the Department of Internal Affairs and New Zealand Post.



Presenting the Security & Online Safety award to the Department of Internal Affairs

THE LEONIE DUNBAR MEMORIAL AWARD FOR COMMUNITY WEBSITES WINNER

APOLLO BAY COMMUNITY WEBSITE INC
www.apollobay.vic.au

The Apollo Bay Community Website is a comprehensive, multimedia site about Apollo Bay – a coastal township on the southwest coast of Victoria, in the middle of the world-renowned Great Ocean Road. The website provides comprehensive details about all facets of the Apollo Bay community. It provides up-to-date information on community services, local businesses and events. The website is a focal point for the many thousands of visitors to the iconic Great Ocean Road.



Presenting The Leonie Dunbar Memorial Award for Community Websites to Apollo Bay Community Website Inc



Community Geographic Domain Names (CGDN)

Community Geographic Domain Names (CGDNs) take a similar form to a postal address – www.town.state.au. CGDNs are available for every addressable locality in Australia, except capital cities, e.g. www.carlton.vic.au and www.eden.nsw.au. This website address provides an easy way for communities to be found on the Internet and gives a focal point for community organisations, who may not be able to afford their own website.

To be eligible for a CGDN, applicants must be a legally registered not-for-profit organisation or a special committee of local council that broadly represents the community. The CGDN must be used as a community website for the benefit of the entire local community.

Since CGDNs were launched in August 2006, 444 applications have been received from across Australia, including seven applications in 2014-15.

In 2014, auDA undertook a review of CGDN operations and policy, as well as the Community Site in a Box (CSIAB) website builder which auDA has been offering to community groups.

auDA surveyed current and past CSIAB users to obtain more information on its effectiveness and value for users. The survey responses indicated that, whilst CSIAB is a useful, affordable tool for community groups with limited website skills and resources, it has become outdated as groups have gained advanced Internet skills and require better functionality.

As an outcome of this review, auDA decided to discontinue CSIAB and hosting services in 2015. We have been supporting CGDN community groups through their transition arrangements from CSIAB to another website, including offering alternative packages from other service providers for CSIAB users to choose from, depending on their needs, budget and web expertise.

Two CGDN websites were recognised for their outstanding contribution to their local communities at the 2014 ANZIs. Apollo Bay Community Website Inc was the winner of the new Leonie Dunbar Memorial Award for Community Websites category for www.apollobay.vic.au. Mirboo Country Development Incorporated also received a highly commended award in this category for www.mirboonorth.vic.au.



Apollo Bay Community Website – 2014 winner of The Leonie Dunbar Memorial Award for Community Websites



auDA Foundation

The auDA Foundation is a charitable fund established in 2005 to provide grants for projects that will enhance the utility of the Internet for the benefit of the Australian community.

As of 1 July 2010, \$0.25 from every renewal and registration in the 'open' 2LDs has been directed to the auDA Foundation.

Since its establishment, the Foundation has awarded grants to 112 projects for a total of \$2,283,096.

The Board Directors are Greg Watson (Chair), Chris Disspain, John Higgins, Craig Ng and Derek Whitehead. The Board aims to achieve a balanced portfolio of funded projects that complement each other in terms of aims, geographic spread and target group.

The auDA Foundation funded 14 projects in the 2014 round, including two PhD scholarships. There was a considerable increase in research applications from tertiary and research bodies. The grants covered a wide range of project target areas, such as sustainability, cyber-safety and digital literacy.



EXAMPLES OF 2014 PROJECTS FUNDED BY THE auDA FOUNDATION:

BUTTERFLY FOUNDATION – DEVELOPMENT OF EXISTING EDUCATION SERVICES INTO ONLINE RESOURCES

Butterfly Foundation received an auDA Foundation grant to convert their face-to-face, prevention-focused workshop for parents, 'Raising Body Confident Children & Teens', into an online, evidence-based and interactive e-learning resource.

The online resource on body image and eating disorders prevention is targeted to parents and guardians of primary and secondary school-aged young people. The grant met a gap in the availability of online educational tools for use in homes.

"This resource aims to support parents so that they can better understand body image, the things that influence it and what they can do, through role modelling, to help foster and develop their child's body confidence, and also what to do if they are concerned," said Danni Rowlands, Manager – Education Services.

"When a young person is experiencing body dissatisfaction, it can have an impact on their overall wellbeing and potential. They are also at greater risk of engaging in unhealthy behaviours, such as restrictive dieting. Dieting, in conjunction with other risk factors, can lead to the development of a clinical eating disorder."

"Our aim with this project is to empower more parents on this important topic so that we can support more young people around the country. The Butterfly Foundation is extremely grateful to the auDA Foundation for their support."

For more information about the Butterfly Foundation, visit www.thebutterflyfoundation.org.au



Butterfly Foundation sessional presenter, Amy Bowe, and Education Services Coordinator, Amberley Laverick, at the 'Champions for Change Youth Days' workshop in Geelong



Margaret and Errol Wallace working on tablet-based skills at Shipton's Flat

UNIVERSITY OF SOUTHERN QUEENSLAND – DIGITAL LITERACIES AND LEARNING WITHIN REMOTE INDIGENOUS COMMUNITIES

In June 2015, researchers from the University of Southern Queensland (USQ) commenced work on a community-based digital portal to address ICT literacy with a remote indigenous community in far north Queensland.

Jon Austin is working to assist traditional owners of this community with the development of digital communications competencies and community development activities. Shipton's Flat community, southwest of Cooktown, has only recently gained access to the Internet.

"Community elders are working with the project team to take advantage of Internet access to contribute to cultural renewal and resilience, and to assist with various entrepreneurial activities that may lead to the establishment of an economic base sufficient to secure the viability of members of these communities remaining on-country," said Jon Austin, Associate Professor of the School of Linguistics at USQ.

The project involves three periods of developmental work on-site with the community, culminating in a community-directed symposium on "cultural and economic futures in an increasingly digital time".

The current focus of the project is on developing competencies with various tablet-based applications and website construction. Further planned developmental activities include the construction of a digital language archive, the development of an ecotourism website, the capacity to post local indigenous weather and seasonal information, and the promotion of local artists' work.

auIGF

The Internet Governance Forum (IGF) is an annual event convened by the United Nations that serves to bring people from across the globe together to discuss Internet-related issues, exchange ideas and best practices, and help shape the future of the Internet.

It is unique among UN events because all stakeholders – businesses, non-government organisations and end users – can participate on equal footing with governments. While there is no negotiated outcome, the IGF informs and inspires those with policy-making power in both the public and private sectors.

The third Australian Internet Governance Forum (auIGF) was held in Melbourne on 26 and 27 August 2014. auDA convened the forum with the assistance of a number of auIGF ambassadors who provided both specialist knowledge and input for the domestic event, and represented auDA and Australia at the ninth global IGF in Istanbul, Turkey.

The event attracted approximately 250 attendees from a range of sectors including government, business, peak industry bodies and Internet users.

It was comprised of five main panel discussions on topics of local and international significance. These were:

- Who “governs the Internet” and what is its future?
- Governance on the Internet - the regulation of Internet content
- Mandatory metadata retention in Australia
- Haters, griefers, flammers and trolls: young people and the mobile mob
- Health and digital technology in Australia - what’s possible, who benefits and how can we help those who need it most?

The forum also included a number of smaller, interactive workshops on specific topics, including:

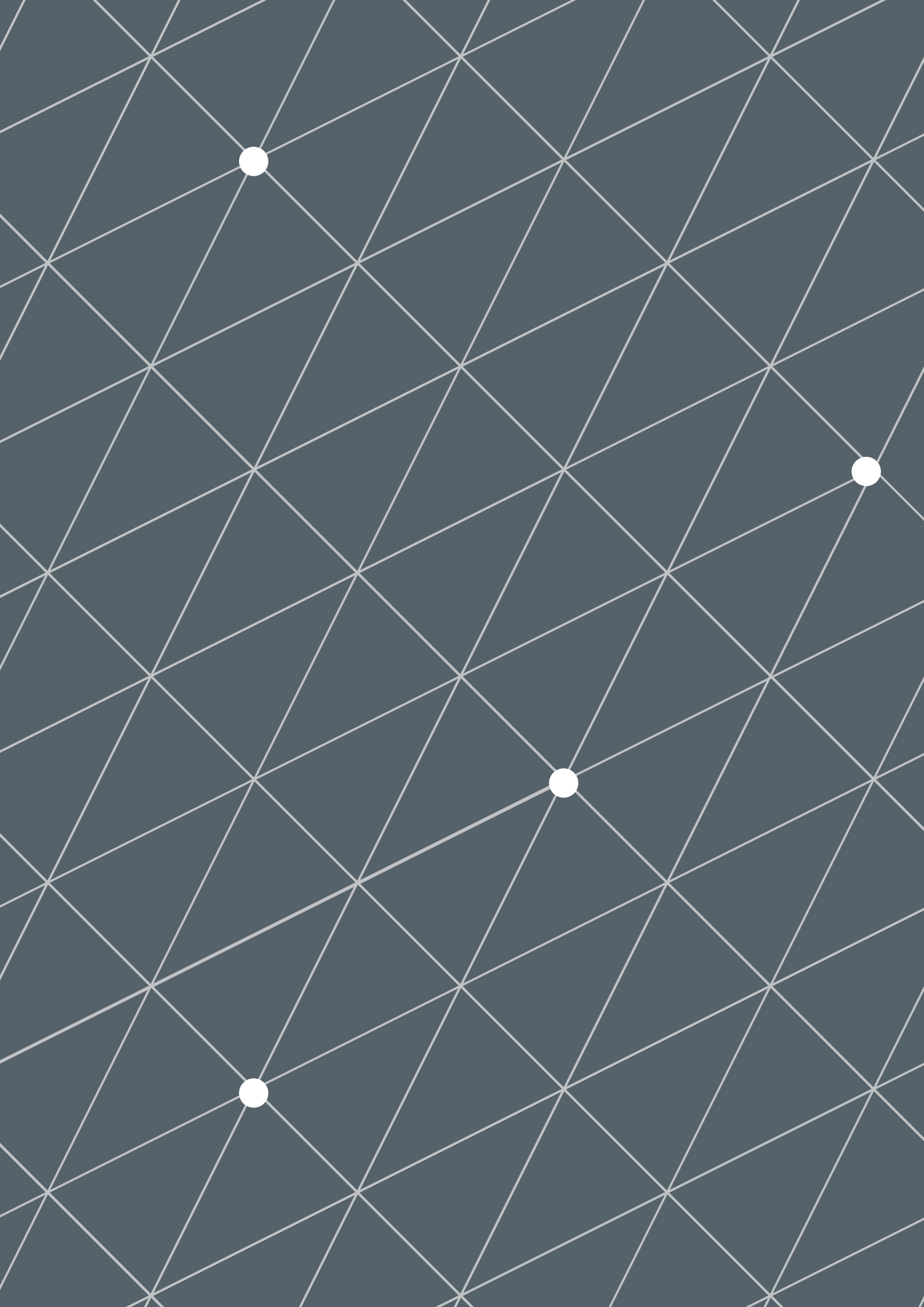
- The emerging tort of privacy
- Is the Digital Age facilitating global citizenship?
- Internet access and delivery of services to regional and rural communities
- Obligations, immunities and liabilities of online intermediaries
- Death and the Internet
- The Internet has a Help Button.

Consistent with auDA’s prominent role in the governance of the DNS in Australia and internationally, a number of workshops were devoted to topics in this specific area, including:

- The official launch of auDA’s ‘auDRP Overview’
- Ensuring accountability in the future of the Internet Governance ecosystem
- A stakeholder discussion on the .melbourne new gTLD
- An update from the Australian Government on their activities in the international Internet Governance debate.

Australian Internet Governance Forum







The auDA Board



THE HON TONY STALEY AO



AIR VICE-MARSHAL JULIE HAMMER AM, CSC



GRAHAM MCDONALD



ERHAN KARABARDAK

THE HON TONY STALEY AO – CHAIR

Tony Staley has been independent Chair of the auDA Board since 2001.

He spent a decade in the Australian Parliament, including three years as Minister for Post and Telecommunications, before pursuing a career in the private sector. He has been Chairman or Director of a variety of companies and organisations, including Mitsubishi Motors, Ogilvy and Mather, Alexander Stenhouse, National Museum of Australia, Playbox Theatre, the Telecommunications Industry Ombudsman Council, the Liberal Party of Australia, Energy and Water Ombudsman Board, Partners in Performance International and the Co-operative Research Centre's Association.

Tony graduated in law and political science from the University of Melbourne, where he also lectured in Australian Government.

AIR VICE-MARSHAL JULIE HAMMER AM, CSC – DEPUTY CHAIR

Air Vice-Marshal Julie Hammer, an electronics engineer, served in the Royal Australian Air Force for over 28 years in the fields of aircraft maintenance, technical intelligence, electronic warfare and ICT systems. She acted as the CIO for Defence for the year prior to her retirement.

She holds a Bachelor of Science with Honours in Physics, a Masters degree in Aero Systems Engineering, a Graduate Diploma in Strategic Studies and a Doctor of Engineering Honoris Causa. She was National President of Engineers Australia throughout 2008 and has been a Director of auDA since April 2007.

In March 2012, Julie was appointed to the ICANN Security and Stability Advisory Committee (SSAC) and also acts as the At-Large Advisory Committee Liaison (ALAC) to the SSAC.

GRAHAM MCDONALD – INDEPENDENT DIRECTOR

Graham McDonald has practiced law for over 40 years. He was a Presidential Member of the federal Administrative Appeals Tribunal for 20 years, during which time he also served as the inaugural Australian Banking Ombudsman and as Chairman of the Superannuation Complaints Tribunal. Graham has extensive experience as a partner in legal firms, as a barrister, and has held a number of state and federal government appointments.

ERHAN KARABARDAK – SUPPLY CLASS DIRECTOR

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

Erhan has been involved in the domain name industry for over a decade. He acts for .au registrars and resellers, and has advised some of the world's largest domain name registrars. Erhan also acts for brand owners, in the management and protection of their intellectual property rights. He is regularly engaged to provide expert advice and commentary on domain name and trademark issues.

Erhan has been an auDA Director since 2012, and has served on numerous auDA Panels since 2004, including the 2010 and 2014 Names Policy Panel and the 2012 Industry Advisory Panel.

JOE MANARITI – SUPPLY CLASS DIRECTOR

In 1996, Joe founded SWiM Communications, a digital agency practising in website development, eCommerce, video for web and social media. Earlier, Joe was a manager with Fairfax at both The Age and Business Review Weekly.

Joe also serves as Vice Chairman of the Australian Web Industry Association (AWIA).

He is passionate about web industry best practice and next generation development.

KARTIC SRINIVASAN – SUPPLY CLASS DIRECTOR

Kartic has extensive experience in the domain industry and was elected to the auDA Board in October 2011. Kartic is the General Manager for Enterprise Sales (Australia) and Global Operations of Melbourne IT Ltd. Kartic was part of the 2007 Names Policy Panel which recommended relaxing the Transfers policy. Kartic holds a Masters in Information Technology and Bachelor of Engineering (Electronics and Communications).

GEORGE PONGAS – SUPPLY CLASS DIRECTOR

George Pongas has been actively involved with the Australian domain industry since 2003. In his current position, George is the General Manager of Naming Services at Bombora Technologies, the parent company of AusRegistry, the appointed .au 2LD Registry Operator. In the past, he has held CEO and other senior positions at established registrars, playing a valuable leadership role in shaping the .au retail sector in its formative years.

Over the period, George has been an active and visible industry member, participating on every auDA panel since 2007, as well as many working groups. He has a determined focus towards policy development and reforms, to address the impact of the ever-changing Internet landscape for Australian Internet users.

His role as an auDA Board Director perfectly positions George to apply his commercial sensibility and extensive industry experience to ensure the delivery of a valuable Supply Class perspective for the benefit of the Australian domain industry.

STUART BENJAMIN – DEMAND CLASS DIRECTOR

Born and raised in regional Victoria, Stuart studied and worked around Australia before settling in Ballarat to start a family. With his wife Naomi, he has four children and runs a business group operating across the state.

Stuart is a Director of Elmstone, a multi-faceted land and construction group operating in Western Victoria, and a Director of Aviation Accommodation Australia, a specialised residential and commercial accommodation provider to the aviation industry. He also sits on the Board of Enterprising Communities Inc, aimed at strengthening the connections between the community, families and schools.

Stuart is currently the Chair of Regional Development Australia Grampians, a federal government body; a Director of Ballarat Regional Tourism, the peak tourism industry body for the Ballarat region; and a member of the Regional Policy Advisory Committee to the Victorian Minister for Regional Development and the Victorian Premier.

Stuart is also the Victorian representative on the Federal Government Regional Development Reference Group, reporting to the Deputy Prime Minister and Minister for Infrastructure and Regional Development.

SIMON JOHNSON – DEMAND CLASS DIRECTOR

Simon Johnson brings over two decades of commercial experience in the Internet industry to auDA. After first using the Internet in 1989, he co-founded one of Australia's first ISPs. He has since bought and sold multiple Internet companies, written multiple books and has been widely interviewed in the international media. Simon has also advised many public companies in the areas of governance, risk management and information security, including Coca-Cola and ANZ Bank.

Currently Simon serves as a Director of the domain name intelligence and intellectual property management firm, IPNeighborhood. As an authority on Internet security and domain name issues, he regularly advises on acquisitions and brand protection strategies.

Simon has also served on the auDA 2010 Names Policy Panel and holds a Bachelor of Computing (Information Systems) from Monash University.





PAUL LEVINS – DEMAND CLASS DIRECTOR

Paul is President, Intellectual Ventures, for Australia and New Zealand, and also manages the monetisation program across all of Intellectual Ventures' Asian offices.

Previously he was Executive Officer and Vice President at ICANN, where he took a leading role in negotiating ICANN's Affirmation of Commitment with the US Government. Prior to joining ICANN, Paul was General Manager, Operations and Corporate Affairs at Bilfinger Berger Australia, and also worked as a corporate affairs manager for Telstra Corporation.

Paul has substantial public sector policy experience having been an adviser and Chief of Staff to Australian federal and state government Ministers. Paul is also a director of the ANZAC Medical Research Institute.

JOSHUA ROWE – DEMAND CLASS DIRECTOR

Josh is the CEO of realAs – a free website and app that helps home buyers and property investors find their next home. Josh is a digital entrepreneur who is passionate about eCommerce. Josh has been helping businesses – like Australia Post, Tarazz and Medibank – improve their performance by using the Internet, for over 20 years.

CHRIS DISSPAIN – CEO AND DIRECTOR

Chris was appointed CEO of auDA in October 2000. Under his guidance, auDA has become self-funding, introduced competition into the domain name market in .au, simplified the policy regime and introduced an industry code of practice.

From its foundation in June 2004 until March 2011, Chris was the Chair of ICANN's ccNSO, a body that represents the interests of, and sets global policy and best practice for, ccTLDs.

In June 2011, Chris became a Board Member of ICANN.

From 2006 until 2013 he was a member of the UN Secretary General's IGF Multi-stakeholder Advisory Group.

JO LIM – COMPANY SECRETARY

Jo Lim is auDA's Company Secretary and Chief Operations and Policy Officer. She has been with auDA since 2001, and in that time, she has been primarily responsible for managing the policy and regulatory framework for the .au domain.

Jo has previous experience in government policy work on communications and information technology issues, including a stint as ministerial adviser. Jo was also a member of the taskforce that drafted the Telecommunications Act 1997, to facilitate open competition in the Australian telecommunications market.

Jo holds a Bachelor of Laws and Bachelor of Arts (Hons) from the University of Melbourne, and Diplomas in Management and Business from Swinburne University.

Board Committees

THE BOARD HAS ESTABLISHED THE FOLLOWING STANDING COMMITTEES:

FINANCE & AUDIT COMMITTEE

Members: Graham McDonald (Chair), Stuart Benjamin, Joe Manariti, Joshua Rowe, Kartic Srinivasan – with John Higgins (Nexia ASR)

The purpose of the Committee is to provide the Board with advice and guidance on issues affecting the financial strategy of the business, including:

- reviewing the operational and capital budgets prepared by management and recommending them to the Board for approval
- reviewing the monthly financial reports and the annual financial statements
- reviewing the investment guidelines and monitoring the financial performance of funds invested by the company
- reviewing financial issues on request from the Board
- recommending the appointment of auditors to the Board.

STRATEGIC RISK COMMITTEE

Members: Julie Hammer (Chair), Simon Johnson, Graham McDonald, George Pongas, Kartic Srinivasan

The Committee is responsible for:

- the identification and assessment of strategic risks to auDA and the .au domain space
- the oversight of auDA's strategic risk management.

GOVERNANCE, BOARD SUCCESSION & REMUNERATION COMMITTEE

Members: Tony Staley (Chair), Julie Hammer, Erhan Karabardak, Paul Levins, Joe Manariti

The Committee is responsible for:

- oversight of auDA's governance processes and ensuring that they conform as far as practicable with generally accepted good practice in not-for-profit governance
- assisting the Board to enhance its performance
- monitoring the Board and Committee composition and providing recommendations on succession planning
- oversight of the performance management, remuneration and contractual arrangements of the CEO
- oversight of the process for Board remuneration, both independent and elected Directors, individually and in aggregate.

auDA Staff

CHRIS DISSPAIN Chief Executive Officer

ZARLEEN BLAKELEY Community Programs and Communications Officer

NICK BOOTH Web Services - DevOps

LUJIA CHEN Registrar Liaison and Policy Officer

OSLEY DIAS IT Support Officer

LIZ GUZMAN Policy Enquiry Officer

HELEN HOLLINS General Manager, Communications

ADAM KING Chief Technology Officer

JO LIM Chief Operations and Policy Officer

LISA LUNARDI Office Manager

JACKI O'SULLIVAN Executive Assistant to the CEO

VANESSA STANFORD General Manager, Complaints

PAUL SZYNDLER General Manager, International and Government Affairs

JOHN TOMIC Policy Compliance and Technical Officer

Glossary

2LD

Second Level Domains. The .au domain space is divided into a number of 2LDs. Each has their own eligibility and registration rules and serves a distinct segment of the Internet community.

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

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

ALAC

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

ANZIAs

The Australia and New Zealand Internet Awards. The ANZIAs are an annual event celebrating the achievements of organisations, businesses and individuals that have made significant contributions to the development and use of the Internet in Australia and New Zealand.

APNIC

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

APTLD

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

auDRP

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

auIGF

Australian Internet Governance Forum. An initiative based on the UN IGF (see IGF below). It brings government, business and individuals together to facilitate an ongoing dialogue about Internet governance policies and issues in Australia.

ccTLD

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

CGDNs

Community Geographic Domain Names. Geographic domain names in each Australian state and territory that are reserved for use by local community groups.

DNS

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

DNSSEC

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

gTLD

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

IETF

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

ICANN

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

IGF

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

ISS

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

KSK

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

REGISTRANT

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

REGISTRAR

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

REGISTRY

The database of domain names registered in each 2LD.

RESELLER

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

ZSK

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



Financials

.au DOMAIN ADMINISTRATION LIMITED [A COMPANY LIMITED BY GUARANTEE] 079 009 340

Meagher Howard & Wright, Certified Practising Accountants
Suite 505, 55 Grafton Street, Bondi Junction NSW 2022

DIRECTORS' REPORT

Directors

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

	Eligible	Attended	Apologies
Tony STALEY (Chair)	7	7	
Julie HAMMER (Deputy Chair)	7	7	
Stuart BENJAMIN	7	7	
Simon JOHNSON (Appointed 27 October 2014)	4	4	
Erhan KARABARDAK	7	7	
Cheryl LANGDON-ORR (Resigned 27 October 2014)	3	3	
Paul LEVINS	7	6	1
Joe MANARITI	7	7	
Graham MCDONALD	7	7	
George PONGAS	7	7	
Joshua ROWE	7	7	
Kartic SRINIVASAN	7	4	
Chris DISSPAIN	7	7	

The Hon Tony Staley AO – Chair

Tony Staley has been independent Chair of the auDA Board since 2001. He spent a decade in the Australian Parliament, including three years as Minister for Post and Telecommunications before pursuing a career in the private sector. He has been Chairman or Director of a variety of companies and organisations, including Mitsubishi Motors, Ogilvy and Mather, Alexander Stenhouse, National Museum of Australia, Playbox Theatre, the Telecommunications Industry Ombudsman Council, the Liberal Party of Australia, Energy and Water Ombudsman Board, Partners in Performance International and the Co-operative Research Centre's Association. Tony graduated in law and political science from the University of Melbourne, where he also lectured in Australian Government.

Air Vice-Marshal Julie Hammer AM, CSC – Deputy Chair

Air Vice-Marshal Julie Hammer, an electronics engineer, served in the Royal Australian Air Force for over 28 years in the fields of aircraft maintenance, technical intelligence, electronic warfare, and ICT systems. She acted as the CIO for Defence for the year prior to her retirement. She holds a Bachelor of Science with Honours in Physics, a Masters degree in Aero Systems Engineering, a Graduate Diploma in Strategic Studies and a Doctor of Engineering Honoris Causa. She was National President of Engineers Australia throughout 2008 and has been a Director of auDA since April 2007. In March 2012, Julie was appointed to the ICANN Security and Stability Advisory Committee (SSAC) and also acts as the At-Large Advisory Committee Liaison (ALAC) to the SSAC.

Graham McDonald – Independent Director

Graham McDonald has practiced law for 40 years. He was a Presidential Member of the federal Administrative Appeals Tribunal for the last 20 years during which time he also served as the inaugural Australian Banking Ombudsman and as Chairman of the Superannuation Complaints Tribunal. Graham has extensive experience as a partner in legal firms, as a barrister and has held a number of state and federal government appointments.

Erhan Karabardak – Supply Class Director

Erhan Karabardak is an IT & T lawyer and Registered Trade Marks Attorney. He is a Director of Cooper Mills Lawyers and has been practising law for 17 years. Erhan has been involved in the domain name industry for over a decade. He acts for .au registrars and resellers, and has advised some of the world's largest domain name registrars. He is regularly engaged to provide expert advice and commentary on domain name issues. Erhan has been an auDA Director since 2012, and has served on numerous auDA Panels since 2004, including the 2010 Names Policy Panel and the 2012 Industry Advisory Panel.

Joe Manariti – Supply Class Director

In 1996, Joe founded SWiM Communications, a digital agency practising in website development, eCommerce, video for web and social media. Earlier, Joe was a manager with Fairfax at both The Age and Business Review Weekly. Joe also serves as Vice Chairman of the Australian Web Industry Association (AWIA). He is passionate about web industry best practise and next gen development.

George Pongas – Supply Class Director

George Pongas has been actively involved with the Australian domain industry since 2003. In his current position, George is the General Manager of Naming Services at Bombora Technologies, the parent company of AusRegistry, the appointed .au 2LD Registry Operator. In the past, he has held CEO and other senior positions at established Registrars, playing a valuable leadership role in shaping the .au retail sector in its formative years. Over the period, George has been an active and visible industry member, participating on every auDA panel since 2007, as well as many working groups. He has a determined focus towards policy development and reforms, to address the impact of the ever-changing Internet landscape for Australian Internet users.

Kartic Srinivasan – Supply Class Director

Kartic has extensive experience in the domain industry and was elected to the auDA Board in October 2011. Kartic is the General Manager for Enterprise Sales (Australia) and Global Operations of Melbourne IT Ltd. Kartic was part of the 2007 Names Policy Panel which recommended relaxing the transfers policy. Kartic holds a Masters in Information Technology and Bachelor of Engineering (Electronics & Communications).

Stuart Benjamin – Demand Class Director

Born and raised in Regional Victoria, Stuart studied and worked around Australia before settling in Ballarat to start a family. With his wife Naomi, he has four children and runs a business group operating across the State. Stuart is currently a Director of Elmstone Property Group, Aviation Accommodation Australia and Ballarat Regional Tourism, Chairman of Regional Development Australia Grampians, a Board member of Enterprising Communities Inc.

Paul Levins – Demand Class Director

Paul is President, Intellectual Ventures for Australia and New Zealand and also manages the monetisation program across all of Intellectual Ventures Asian offices. Previously he was Executive Officer and Vice President at ICANN, where he took a leading role in negotiating ICANN's Affirmation of Commitment with the US Government. Prior to joining ICANN, Paul was General Manager, Operations and Corporate Affairs at Bilfinger Berger Australia, and also worked as a corporate affairs manager for Telstra Corporation. Paul has substantial public sector policy experience having been an adviser and Chief of Staff to Australian Federal and State Government Ministers. Paul is also a director of the ANZAC Medical Research Institute.

Joshua Rowe - Demand Class Director

Josh is the CEO of realAs - a free web site and app that helps home buyers and property investors find their next home. Josh is a digital entrepreneur who is passionate about eCommerce. Josh has been helping businesses – like Australia Post, Tarazz and Medibank – improve their performance by using the Internet, for over 20 years.

Chris Disspain – CEO and Director

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Simon Johnson - Demand Class Director

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Currently Simon serves as a Director of the domain name intelligence and Intellectual Property management firm, IPNeighborhood. As an authority on Internet Security and domain name issues, he regularly advises on acquisitions and brand protection strategies.

Simon has also served on the auDA 2010 Names Policy Panel and holds a Bachelor of Computing (Information Systems) from Monash University.

Jo Lim – Company Secretary

Jo Lim is auDA's Company Secretary and Chief Operations and Policy Officer. She has been with auDA since 2001, and in that time, she has been primarily responsible for managing the policy and regulatory framework for the .au domain. Jo has previous experience in government policy work on communications and IT issues, including a stint as ministerial adviser. Jo was also a member of the taskforce that drafted the *Telecommunications Act 1997*, to facilitate open competition in the Australian telecommunications market. Jo holds a Bachelor of Laws and Bachelor of Arts (Hons) from the University of Melbourne, and Diplomas in Management and Business from Swinburne University.

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.

The entity's short term objectives are:

- Ensure stability and security of internet .
- Demonstrate the value and validity of the industry self regulatory model.
- Maintain the .au brand as an indicator of quality to Australian consumers operating in a global marketplace.
- Development and monitoring of policy breaches in an ever more sophisticated environment.

The entity's long term objectives are:

- Managing risks associated with industry business failure.
- Managing the increase in demand for IPv6 addresses due to the global exhaustion of IPv4 address space.
- Maintain a structure that allows auDA to remain relevant to stakeholders in a changing industry environment.

To achieve these objectives, the entity has adopted the following strategies:

- Strengthen industry engagement by developing and implementing support services for Registrars to make it easier for them to understand and meet their regulatory obligations.
- Through the auDA Foundation, to continue to promote education and research activities that will enhance the utility of the internet for the benefit of the Australian community.
- Participate in international internet fora activities.
- Strengthen knowledge management and implement succession and capacity planning.

OPERATING RESULTS

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 2015, the company had 144 members.

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.

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 _____
Tony STALEY

Director _____
Chris DISSPAIN

Dated this _____ day of _____ 2015

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received.

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

Director:

Dated this _____ day of _____ 2015

**COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue	2	7,257,739	6,953,841
Depreciation and amortisation expenses		(106,421)	(137,086)
Employee benefits expenses		(2,216,970)	(2,156,000)
Finance costs		(5,607)	(14,836)
Other expenses		(3,256,593)	(2,983,116)
Profit (Loss) for the year		1,672,148	1,662,803
Retained earnings at the beginning of the financial year		9,230,186	7,567,383
Profit attributable to members of the company		10,902,334	9,230,186

**BALANCE SHEET AS AT
30 JUNE 2015**

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	9,103,858	7,242,580
Trade and other receivables	6	588,197	616,333
Other current assets	7	45,295	144,732
TOTAL CURRENT ASSETS		9,737,350	8,003,645
NON-CURRENT ASSETS			
Investments		2,211,724	2,110,667
Property, plant and equipment	8	151,853	247,995
TOTAL NON-CURRENT ASSETS		2,363,577	2,358,662
TOTAL ASSETS		12,100,927	10,362,307
CURRENT LIABILITIES			
Trade and other payables	9	602,336	615,639
Provisions	10	596,257	516,482
TOTAL CURRENT LIABILITIES		1,198,593	1,132,121
TOTAL LIABILITIES		1,198,593	1,132,121
NET ASSETS		10,902,334	9,230,186
EQUITY			
Retained earnings	11	10,902,334	9,230,186
TOTAL EQUITY		10,902,334	9,230,186

**BALANCE SHEET AS AT
30 JUNE 2015**

	Note	2015	2014
		\$	\$
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EQUITY			
Retained earnings	11	10,902,334	9,230,186
TOTAL EQUITY		<u>10,902,334</u>	<u>9,230,186</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 30 June 2013	7,567,383	-	7,567,383
Profit attributable to members	<u>1,662,803</u>	-	<u>1,662,803</u>
Balance at 30 June 2014	9,230,186	-	9,230,186
Profit/(Loss) attributable to members	<u>1,672,148</u>	-	<u>1,672,148</u>
Balance at 30 June 2015	<u>10,902,334</u>	-	<u>10,902,148</u>

**CASH FLOW STATEMENT AS AT
30 JUNE 2015**

	NOTE	2015	2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from debtors		8,090,574	7,464,314
Payments to suppliers and employees		(6,375,803)	(6,002,103)
Interest received		246,726	214,396
Net Cash from Operating Activities		<u>1,961,497</u>	<u>1,676,607</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Plant & Equipment Sales		19,590	-
Plant & Equipment at Cost		(40,803)	(95,567)
Purchase Investments		(79,006)	(2,036,597)
Net Cash used in Investing Activities		<u>(100,219)</u>	<u>(2,132,164)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Increase (Decrease) in Cash Held		1,861,278	(455,557)
Cash at Beginning of Year		7,242,580	7,698,137
Cash at End of Year		<u>9,103,858</u>	<u>7,242,580</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1 Statement of Significant Accounting Policies

These financial statements and notes represent those of .au Domain Administration Limited.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the entity's accounting policies, which are described throughout this note, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Accounting Policies

(a) Revenue

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

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

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 value 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.

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.

An asset 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 entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction 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

Financial 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.

(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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(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 asset 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 employee superannuation funds 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 six 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.

(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 entity assesses impairment at each reporting date by evaluation of conditions and events specific to the entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use

2	Revenue	2015	2014
	Operating activities	7,005,133	6,734,081
	Interest	246,726	214,396
	Subscriptions	<u>5,880</u>	<u>5,364</u>
		<u>7,257,739</u>	<u>6,953,841</u>
3	Auditor's Remuneration		
	Auditor's Remuneration - Fees	8,500	8,100
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	1,355	814
	National Australia Bank ("NAB")	1,077,867	198,782
	NAB Cash on Deposit	4,335,744	3,575,228
	NAB USD Account	394,552	280,606
	Term Deposits	2,251,367	3,129,512
	Cash Management Account	<u>1,042,973</u>	<u>60,638</u>
		<u>9,103,858</u>	<u>7,242,580</u>
6	Trade and Other Receivables		
	Current	526,228	552,043
	Other Debtors	4,728	2,179
	GST on acquisitions	<u>57,241</u>	<u>62,111</u>
		<u>588,197</u>	<u>616,333</u>
7	Other Current Assets		
	Deposits	13,000	13,000
	Prepayments	<u>32,295</u>	<u>131,732</u>
		<u>45,295</u>	<u>144,732</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

8 Property, Plant and Equipment

Plant and equipment:

At cost	823,411	1,102,415
Accumulated depreciation	(671,558)	(854,420)
Total plant and equipment	<u>151,853</u>	<u>247,995</u>

Movements in Carrying Amounts

Plant & Equipment

Balance at beginning of year	247,995	289,514
Additions (at cost)	40,804	95,567
Disposals	(30,525)	-
Depreciation	(106,421)	(137,086)
Balance at End of Year	<u>151,853</u>	<u>247,995</u>

9 Trade and Other Payables

Current

Trade Creditors	141,594	222,838
Prepaid Income	75,500	51,000
Payroll Clearing	43,601	40,014
GST on supplies	296,949	269,466
Other Creditors	<u>44,692</u>	<u>32,321</u>
	<u>602,336</u>	<u>615,639</u>

10 Provisions

Provision for Holiday Pay	287,442	255,151
Provision for Long Service Leave	<u>278,421</u>	<u>229,794</u>
Total Provision for Employee Entitlement	565,863	484,945

Provision for Audit Fees	9,350	8,100
Provision for Bonus	<u>21,044</u>	<u>23,435</u>
Total provisions	<u>596,257</u>	<u>516,480</u>

**11 Reconciliation of Cash Flow from Operations
with Profit from Ordinary Activities**

Profit/(Loss) from Ordinary Activities	1,672,148	1,662,803
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Non-cash flows in profit from ordinary activities

Depreciation & Loss on Disposal of Assets	117,355	137,086
Increase in Market Value of Investments	(22,051)	(74,070)

(Increase)/Decrease in receivables	28,136	(32,610)
(Increase)/Decrease in other assets	99,437	(97,634)
Increase/(Decrease) in payables	(13,303)	7,760
Increase/(Decrease) in provisions	<u>79,775</u>	<u>73,272</u>
Cash Flows from Operations	<u>1,961,497</u>	<u>1,676,607</u>

12 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short term investments and accounts receivable and payable and investments in bonds funds .

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows.

Financial Assets	Note	2015	2014
Cash and cash equivalents	5	9,103,858	7,242,580
Loans and receivables	6	588,197	616,333
Investments in bonds funds		2,211,724	2,110,667
Total financial assets		<u>11,903,779</u>	<u>9,969,580</u>
Financial Liabilities			
Trade and other payables		602,336	615,639
Total Financial Liabilities		<u>602,336</u>	<u>615,639</u>

Additional Information

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

PROFIT & LOSS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
INCOME		
Subscriptions Received	5,880	5,364
Interest Received	246,726	214,396
Registry Licence Fees	1,557,500	1,346,873
Domain Name Fees	5,189,846	5,166,788
Registrar Fees	139,500	135,000
Sundry Income	-	1,000
Community Site Fees	5,400	10,350
Unrealised Increase in Market Value	22,051	74,070
	<hr/>	<hr/>
TOTAL INCOME	7,166,903	6,953,841
EXPENSES		
Accounting & Financial Consulting	150,000	142,000
ANZIA Award & Australian IGF	277,043	220,983
Auditors Remuneration - Fees	8,500	8,100
Bank Charges	5,607	7,031
Communications	701,556	314,728
Depreciation	106,421	137,086
Directors Fees	162,705	158,706
Directors & Meeting Expenses	108,814	137,258
Donations	10,000	6,000
Entertainment	24,973	21,891
External Consultants	47,522	45,652
Fringe Benefits Tax	65,246	78,768
General Expenses	337	245
Holiday Pay and Long Service Leave	80,918	113,052
Insurance	19,622	21,311
Internet Expenses	338,735	332,055
Legal Costs	154,356	106,100
License Fee-ICANN/CCTLD	350,704	676,595
Office Expenses	56,756	48,454
Payroll Tax	85,396	84,640
Postage, Printing & Stationery	8,741	9,754
Rent	133,008	127,892
Registry Enhancements	119,400	119,400
Salaries & Wages	2,070,801	1,857,571
Security	22,909	18,798

Security	22,909	18,798
Staff Amenities	17,226	12,142
Staff Training	32,244	25,295
Subscriptions	13,316	4,573
Technical Support	131,678	106,612
Telephone	21,217	22,834
Travelling Expenses	248,906	213,718
Website Redevelopment	-	69,178
TOTAL EXPENSES	5,574,657	5,276,202
 OPERATING PROFIT/(LOSS)	 1,592,246	 1,677,639
 NON-OPERATING INCOME AND EXPENSES		
Non Operating Gains/(Expenses)		
Profit /(Loss) on Disposal of Assets	(10,934)	-
Unrealised Foreign Exchange Gain/(Loss)	61,151	(11,124)
Realised Foreign Exchange Gain/(Loss)	29,685	(3,712)
 Total Non Operating Gains/(Expenses)	 79,902	 14,836
 OPERATING PROFIT FOR THE YEAR	 1,672,148	 1,662,803

DIRECTOR'S DECLARATION

1. The financial statements and notes, as set out on pages 7 to 18 present fairly the company's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: _____
Tony Staley

Director: _____
Chris Disspain

Dated this _____ **day of** _____ **2015**

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



MEAGHER, HOWARD & WRIGHT

CERTIFIED PRACTISING ACCOUNTANTS

ABN 42 664 097 441

PARTNERS

K.J. WRIGHT J.P. M.COMM. F.C.P.A

G. MIDDLETON B.COMM. ACA

FINANCIAL PLANNING

MARK MAYCOCK

ASSOCIATE

L.J. HOWARD O.A.M. J.P. B Ec. F.C.P.A.

Suite 505

Level 5 / 55 Grafton Street
BONDI JUNCTION NSW 2022
PO Box 653
BONDI JUNCTION NSW 1355

Phone: 02 9387 8988

Fax: 02 9387 8388

ken@mhw.net.au

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 statement of financial position as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 30 June 2015, 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

- a.) gives a true and fair view of the financial position of .au Domain Administration Ltd as of 30 June 2015, and of its financial performance and its cash flows for the year then ended.
- b.) Complies with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Accounting Standards (including Australian Accounting Interpretations) as described in Note 1 and the Corporations Act 2001.

Name of Firm: Meagher Howard & Wright

Name of Partner: Ken Wright

Address: Suite 505, 55 Grafton Street Bondi Junction NSW 2022

Dated: this day of 2015



MEAGHER, HOWARD & WRIGHT

CERTIFIED PRACTISING ACCOUNTANTS

ABN 42 664 097 441

PARTNERS

K.J. WRIGHT J.P. M.COMM. F.C.P.A

G. MIDDLETON B.COMM. ACA

FINANCIAL PLANNING

MARK MAYCOCK

ASSOCIATE

L.J. HOWARD O.A.M. J.P. B Ec. F.C.P.A.

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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 year ended 30 June 2015 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.

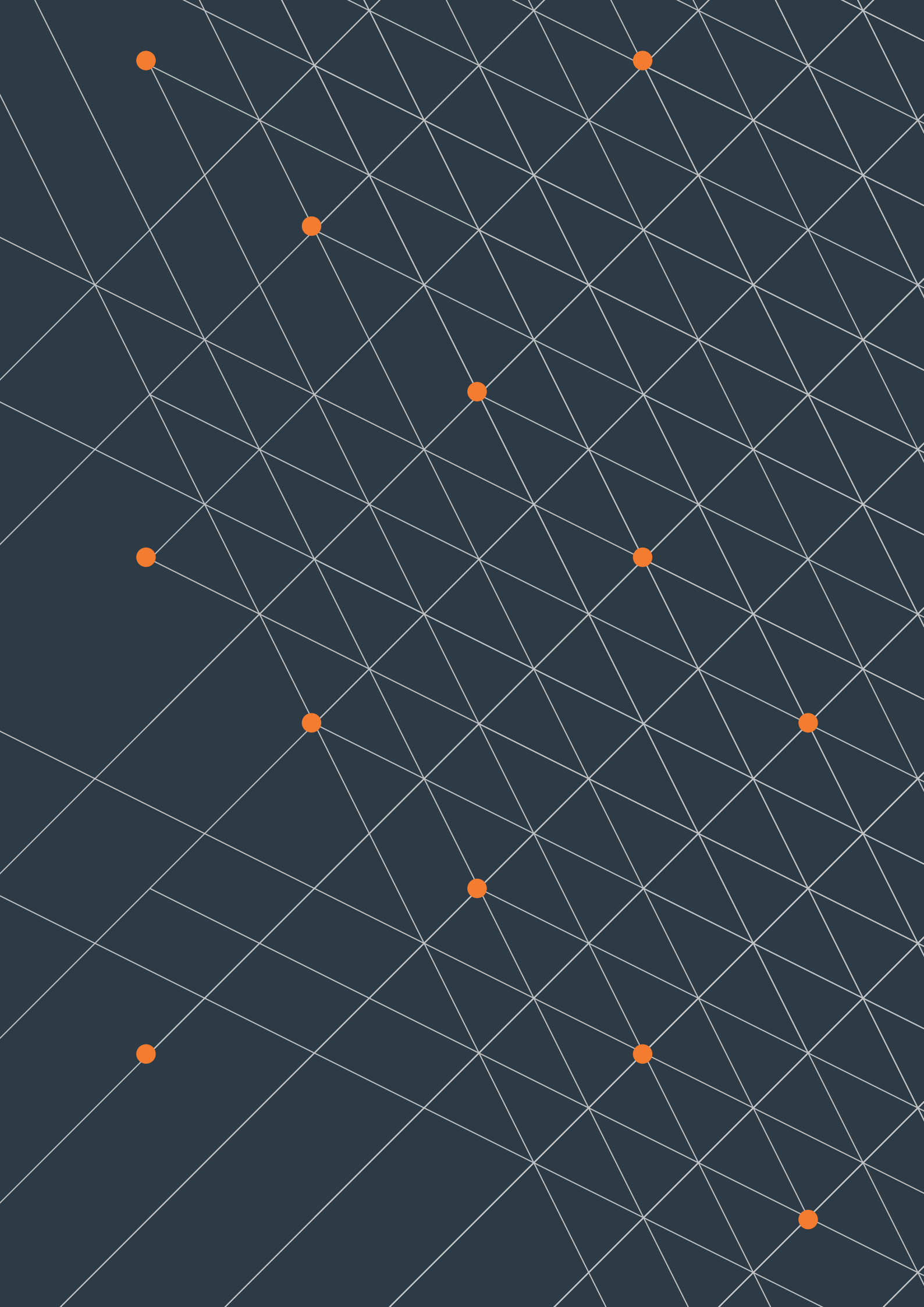
Name of Firm Meagher Howard & Wright

Name of Partner Ken Wright

Date _____

Address Suite 505 No 55 Grafton Street

BONDI JUNCTION NSW 2022





2014-2015

.au DOMAIN ADMINISTRATION LTD
ANNUAL REPORT 2014-15

