

Explanatory Memorandum:
Review of the .au Domain:
auDA Governance and Administrative
Documents

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.auDA
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Explanatory Memorandum

Review of the .au Domain Administration: auDA Governance and Administrative Documents

In April 2018, the Department of Communications and the Arts released its final report of the review of Australia's management of the .au domain (the Review).

The review made 29 recommendations, along with new Terms of Endorsement requiring the .au Domain Administration (auDA) to undergo reform "to perform effectively and meet the needs of Australia's internet community".

Welcoming the findings of the Review, auDA issued an Implementation Plan in May 2018 outlining a program to achieve the necessary reforms within the stipulated timeframes of the Review.

Central to this was the development of a new Constitution for auDA, along with a number of governance and administrative documents required as a consequence of the Review's recommendations. The new documents were developed following an extensive process of public and targeted consultation with key stakeholders.

On 27 September 2018, auDA held a general meeting of its members, in which both the then 'demand' and 'supply' class members adopted the new constitutional and governance arrangements. Consequently, auDA has developed the following documents in accordance with the Review's findings:

- [A new auDA constitution](#)
- [Nomination Committee Charter](#)
- [Board Charter](#)
- [Board Skills Matrix](#)
- [Strategic Plan 2019 – 2023](#)
- [Enterprise Security Strategy](#)
- [Stakeholder Engagement Plan 2019-2023](#) (in consultation as of 15 Feb 2019)
- [Transparency and Accountability Framework](#) (in consultation as of 15 Feb 2019)

While auDA has released these documents for public and stakeholder feedback, this explanatory memorandum seeks to summarise each of the documents, and provide context and linkage.

[New auDA Constitution](#)

The Review proposed a timeline of up to six months for auDA to hold a general meetings of its members with a view to amending its constitution. As stated, this occurred on 27 September 2018.

The new constitution abolished the previous 'demand' and 'supply' membership classes, and introduced a single member class of 'associate members' as well as establishing a Nomination Committee to access and recommend for appointment new directors of auDA, who will also be the governing members of the company.

The new constitution further sets the term limits for directors, as well as ensuring the new auDA board has at least six (independent) directors, and four directors elected by the associate members. The new constitution also establishes a General Advisory Standing Committee, and a Technical Advisory Standing Committee.

The constitutional changes address the requirements of recommendations 1, 2, 3, 7 and 10.

Nomination Committee Charter

The Nomination Committee Charter provides detail on the composition, role, terms, meetings, reporting and administration of the Nomination Committee. The committee will be appointed by the board of auDA upon the recommendation of the Australian Government.

The Committee will have no more than 10 members, comprising the Independent Chair of the auDA Board, a government representative, and no more than two representatives from industry, the business sector, consumers and associate members of auDA.

The Committee will meet at least twice annually and is responsible for approving candidates for appointment or election to the auDA Board. The Committee will assess the auDA Board Skills Matrix to determine its contemporary application, and conduct a process to identify and attract suitably qualified candidates for appointment and for election.

The Nomination Committee Charter is consistent with recommendation 7.a.

Board Charter

The auDA Board Charter outlines the composition (consistent with the auDA Constitution), role of the board, role of the Chair, directors' duties and responsibilities as well as board committees and conduct of board meetings.

The Charter further outlines the auDA Board's oversight, strategic, financial/operations governance, stakeholder relationship management and role appointing the CEO.

The Board Charter meets the requirements of recommendations 7 & 8.

auDA Board Skills Matrix

The Skills Matrix was developed by applying best practice in board professional skills and experience, based upon mandatory, desirable and specialist skills expected and required of a director to be considered for appointment to the auDA Board.

The Matrix identifies 18 separate skill categories which will be applied and weighted to assess potential director candidates. The key objective for the new auDA board is to ensure there is a balanced mix of skills and experience and no individual director is expected to have all of the identified skills and experience.

The auDA Board Skills Matrix is consistent with recommendation 7.a.ii.

Strategic Plan 2019 – 2023

auDA's Strategic Plan 2019-2023 outlines auDA mission, vision, strategic framework and operating plan and deliverables.

auDA's core mission, as outlined in the Plan, "is to administer the .au country code top level domain (ccTLD) namespace for the benefit of the more than 20 million Australian Internet Users."

By applying a 4-layer strategic framework of Build, Strengthen, Enhance and Future, the Plan proposes to:

- Build the capabilities of auDA to deliver,
- Strengthen the stability and security of .au,
- Enhance the future value of the .au ccTLD, and,
- Identify new opportunities to provide more benefit to the more than 20 million Australian internet users.

The Strategic Plan addresses the requirements of recommendation 1, 2, 3, 4 and 6.

Enterprise Security Strategy

The auDA Enterprise Security Strategy (ESS) is designed to ensure the organisation implements world's best practice with respect to its information security management systems. The ESS outlines and describes the .au ecosystem in addition to identifying the groups auDA will collaborate and partner with to achieve these goals, including external organisations and the Australian Government's security agencies.

The ESS further outlines auDA's planned deliverables in financial year 2018-2019 to achieve its security objectives, in addition to identifying the separate roles and responsibilities of the .au registry operator, .au accredited registrars and resellers.

The Enterprise Security Strategy is a requirement under recommendations 24, 25, 26, 27 and 29.

Stakeholder Engagement Strategy 2019-2023

auDA's Stakeholder Engagement Strategy (SES) provides context around auDA's role and responsibilities, and the important part that stakeholder engagement plays in governance of .au.

The SES provides a description of auDA's stakeholders, the organisation's principles for engagement, the engagement process, success measures to determine effectiveness and a stakeholder engagement roadmap.

auDA's Stakeholder Engagement Strategy is built on the principles of accountability, inclusivity, accessibility, transparency, balance and flexibility.

The process auDA has identified for successful stakeholder engagement includes:

- Identifying relevant stakeholders,
- Determining the method to engage, applying reasonable decision criteria and communicating outcomes, and
- Evaluating progress against decisions and objectives.

The SES provides examples of how and whom auDA will engage with, including the Australian community, business, associate members, international organisations and government. Success will be measured by ensuring that .au is seen as the first choice of domain for Australian business and that auDA is trusted by Australian and global stakeholders on the basis of its values, integrity and transparency.

The Stakeholder Engagement Strategy is consistent with recommendations 4, 18, 21, 22 and 24.

Transparency and Accountability Framework

auDA's Transparency and Accountability (T&A) Framework provides the principles, mechanisms, public reporting and review processes to ensure auDA meets the requirements of the new Terms of Endorsement and continues to operate in the public interest.

The T&A Framework describes auDA's principles and aims of acting:

- Transparently by ensuring it publishes all relevant information and consults extensively as outlined in its SES,
- In a multi-stakeholder environment, actively seeking broad, informed participation in its activities,
- Always in the public interest,
- Fairly in administering the .au namespace, and,
- To ensure stability, security and reliability of the .au domain.

The T&A Framework further outlines the mechanisms auDA will apply to meet these requirements and references the relevant complementary governance and strategic documents including the Strategic Plan, the SES and the ESS.

Public reporting is a key requirement under the Framework, in addition to providing a process to address complaints and disputes against the organisation.

The Transparency and Accountability Framework addresses the requirements of recommendations 7 and 9.

Conclusion

The above documents have been developed to meet the New Terms of Endorsement which auDA is now operating under. auDA has a responsibility to the Australian public to provide confidence and trust in the .au namespace, which is critical to the growth of Australia's economy.

A separate, yet complementary KPI Framework, has been developed in accordance with recommendation 5 of the review. The KPI Framework will:

- a. Ensure auDA measures its performance against its stated objectives in its Terms of Endorsement, and;
- b. Report against its performance in its Annual report and at its Annual General Meeting

In addition to the public reporting against its KPI Framework, auDA will also report annually on initiatives to grow its associate membership (recommendation 12), will also report annually on objectives against its Stakeholder Engagement Strategy (recommendation 19), in addition to submitting quarterly reports to government on its security activities (recommendations 29).

The above documents provide the context, governance arrangements, direction and reporting framework to ensure the objectives of the new Terms of Endorsement are met, and that auDA continues to operate as a not-for-profit entity (recommendation 3) in the public interest.

auDA
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