

# auDA Transparency and Accountability Framework

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**.auDA**  
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## Introduction

In April 2011, the Board of auDA commissioned Westlake Consulting Ltd (WCL) to undertake an independent review of the governance of .au, following 10-years of industry self-regulation. The final report was presented to auDA on 8 December 2011 and made 15 recommendations to improve auDA's governance and operations.

The auDA board considered the 15 recommendations at its meeting of 20 February, 2012, whereby it accepted 10 of the recommendations, rejected 1 recommendation and provided qualification of the remaining 4. Recommendation 1 of this Review was that auDA "develop and publish an Accountability and Transparency Framework, broadly similar to that developed by ICANN".

In April 2018, the Department of Communications and the Arts (DoCA), released its "Review of the .au Domain Administration" which made a further 29 recommendations to improve trust and confidence in .au along with the management framework of auDA, in order to meet the new Terms of Endorsement from the Commonwealth Government.

Recommendation 9 of the DoCA Review stated that auDA:

- a) *formalise its transparency and accountability framework, consistent with the recommendations of the Westlake review*
- b) *report annually on its performance against the framework in its Annual Report and at its Annual General Meeting"*

As a consequence of the DoCA review, auDA developed a series of new governance and administrative documents, consistent with the Review's findings and recommendations, and held an Extraordinary General Meeting on 27 September, 2018, to adopt a new constitutional framework. These documents are summarized and explained in the associated Explanatory Memorandum.

The Framework has been developed to meet the expectation of recommendation 9 of the DoCA Review, and formalizes the recommendations of the 2011 Westlake Review. It was noted in both the Westlake and DoCA Reviews that auDA administers the .au ccTLD for the benefit of the Australian Community, and that "auDA members, staff, Australian Internet users and stakeholders expect auDA to take responsibility for its actions, to be accountable for its decisions and to be transparent in its operations". This Framework is designed to meet this expectation.

As identified by Westlake, transparency refers to:

- The openness of processes and procedures; and
- The disclosure, dissemination and further explanation (where required) of information (including ease of access).

As part of auDA's response to the DoCA Review, a separate Stakeholder Engagement Strategy has been developed. This Strategy identifies the principles of auDA's stakeholder engagement, the engagement process, success measures to determine effectiveness and a stakeholder engagement roadmap. The Strategy provides the basis of the operating rhythm auDA will adopt to meet the public reporting expectations of the Strategy, and this Framework.

This framework document is subject to the same principles of transparency and accountability that it sets out. Stakeholders will be provided with the opportunity to comment on its effectiveness and on any proposed changes.

## 1. Framework Overview

.au Domain Administration Ltd (auDA) is the policy authority and industry self-regulatory body for the .au domain space (a Country Code Top level Domain or ccTLD). auDA is a public purpose organisation and this document sets out its obligation to operate with transparency and accountability to the stakeholders that it serves.

### 1.1 Purpose

The principal objects of auDA are set out in its Constitution as follows:

1. to be the administrator of, and the Australian self-regulatory policy body for the .au ccTLD and its associated Second Level Domains;
2. to maintain and promote the operational stability and utility of the .au ccTLD and more generally, the Internet's unique identifier system, and to enhance the benefits of the Internet to the wider community;
3. to ensure a cost effective administration of the .au ccTLD and its sub-domains;
4. to develop and establish a policy framework for the development and administration of the .au ccTLD including:
  - a. rules governing the operations of second level domain registries;
  - b. the creation of second level domains;
  - c. rules governing the accreditation of registrars and registry operators;
  - d. rules governing the registration of names within second level domains and access to second level domain registries;
  - e. ensuring that registrars have equal access to second level registry services.
5. to manage the operation of critical technical functions including:
  - a. the primary and secondary .au name servers;
  - b. zone files for second level domains; and
  - c. a searchable data base containing information on registrations within the .au ccTLD.
6. to liaise with national and international bodies on issues relating to the development and administration of domain name systems; and
7. to establish appropriate complaints handling and dispute resolution processes to provide for conciliation or redress of grievances on matters associated with the administration of the .au ccTLD.

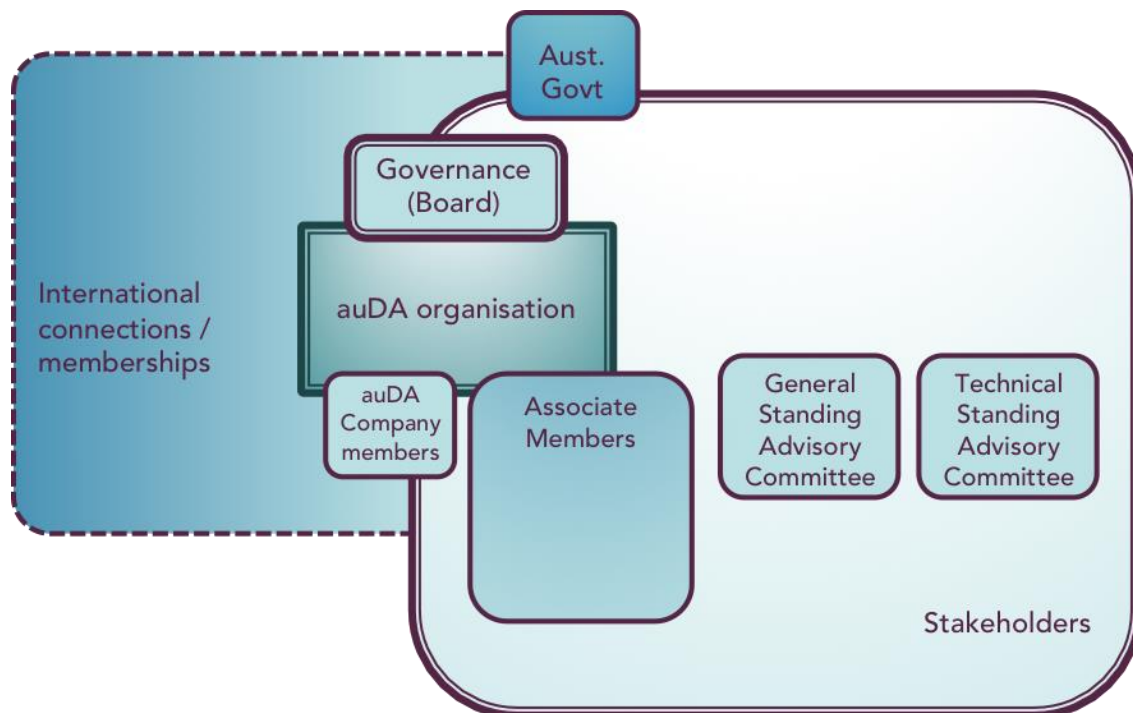
### 1.2 Authority

auDA draws its authority to operate from two sources:

1. The Commonwealth of Australia through a formal instrument of endorsement, previously issued in 2000, and re-issued as the new Terms of Endorsement resulting from the recommendations of the 2018 DoCA Review of the .au Domain Administration.
2. ICANN through a sponsorship agreement that sets out the relationship including the specific obligations on ICANN and on auDA as the ccTLD administrator, the requirements for establishing specifications and policies and a range of contractual terms and conditions.

### 1.3 Accountabilities

auDA has both general and specific accountabilities to the stakeholders shown in the diagram below.



The principal accountability relationships are:

#### Commonwealth Government of Australia

Through the Government's Terms of Endorsement for administration of the .au domain, through periodic government reviews and its status as an observer at Board meetings, auDA is accountable to the Australian Federal Government.

#### ICANN (international)

auDA is accountable to ICANN for effectively carrying out its responsibilities for the top level country domain .au, and auDA's part in maintaining the stability, security and resilience of the global domain name system. auDA contributes to global operation of the internet's system of unique identifiers through its participation in ICANN.

#### Governing Board

The primary accountability for auDA as an organisation is to its governing Board, achieved through reporting to the Board, referring major decisions to the Board, executing delegated authority provided by the Board and through performance oversight by the Board.

#### Company Members

auDA is an Australian Corporation and accountable to its company members consistent with the Corporations Act. This includes reporting to members at an Annual General Meeting and the powers reserved to members under the Corporations Act and the Constitution.

#### Associate Members

Under the 2018 Constitution, a single membership class (Associate Members) is open to any legal person who is able to register a 2LD in the .au domain under published policies.

#### Standing Advisory Committees

The Standing Advisory Committees provide an important source of stakeholder advice and a channel for general feedback through to the management of auDA and its Board.

## Other stakeholders

auDA is a public-purpose body and is in principle, accountable to all of its stakeholders (including domain name licence holders, internet-related service providers and the public generally) for effective operation, for transparently sharing information about its work, for assisting the public in understanding and using the .au domain, seeking stakeholder feedback on issues affecting them and for handling complaints and disputes about the operation of the .au domain.

Some of this is achieved through ad-hoc or issue-specific engagement and some through two formal mechanisms of accountability. The first is formal, structured public reporting against agreed indicators, financial details and the operation of transparency and accountability mechanisms. The second is handling complaints and disputes in a way that is accessible, fair, independent, timely and accountable. auDA's Stakeholder Engagement Strategy articulates auDA's principles and approach to stakeholder engagement.

## 2. Transparency and Accountability Principles

This section aims to set out the high level principles that auDA aims for – in all of its work and external stakeholder interactions such as those described in Chapter 2.3.

### Transparency

auDA is committed to operating openly and transparently. As a guiding principle, wherever practical, auDA's constitution and rules, policies, strategic and business plans, key decisions, and consultation activities will be publicly available.

By way of example, Board minutes and agendas will be posted on the auDA website.

In another example, Advisory Committee and Panel working papers will generally be available publicly, except where they may contain commercial-in-confidence or security-related information with the potential to be misused.

### Multi-stakeholder environment

auDA recognises that it operates in a multi-stakeholder environment and it actively seeks and supports broad, informed participation and engagement that reflects the functional, geographic, cultural and gender diversity of the .au domain.

auDA recognises that different groups of stakeholders will have different areas of interest, levels of knowledge, preferred means of engagement and capacity to contribute. To achieve meaningful transparency and accountability for these different groups of stakeholders, auDA must have multiple varied approaches.

auDA's Stakeholder Engagement Strategy, in its 'Introduction and Purpose' articulates the multi-stakeholder internet governance model, along with the principles and process to engage with its stakeholders.

### Public interest

auDA is a public-purpose custodian on behalf of the whole spectrum of those with a stake in the effective operation of the .au domain. Its operations and decision-making place the overall benefit to the Australian community as its primary duty.

### Fairness

auDA recognises the importance of the administration of the .au domain balancing the interests of all stakeholders. It is committed to working in a way that achieves both substantive and perceived fairness and to be held accountable for this through its complaints and disputes processes.

### Stability, security and resilience

auDA recognises that the effective operation of the .au domain is a critical service of national importance. The Australian Government noted that the operation of the .au domain name is part of the telecommunications critical infrastructure sector in the economy. The security, stability and resilience of the domain is a precondition, and will be prioritised over other aims in auDA's operational focus and decision-making.

### 3. Transparency and Accountability Mechanisms

In this section, the approach that auDA takes to each of its accountability mechanisms is outlined.

#### 3.1 Government liaison and accountability

Through the Government's terms of endorsement of auDA to administer the .au domain, through quarterly reporting to DoCA by auDA, the government's status as an observer at Board meetings and through occasional reviews, auDA is accountable to the Australian Federal Government.

auDA will provide reporting to Government through the provision of documents, reports and other information necessary to meet the new Terms of Endorsement. Governance and strategic documents will be made available for public comment and auDA's website has a specific page listing these documents and the public feedback process. As required, auDA will conduct formal and informal meetings with both DoCA, and from time-to-time, the relevant Minister.

auDA's Stakeholder Engagement Strategy describes the "Operating Rhythm" the organisation will adopt to ensure that processes and decisions are regularly and appropriately communicated to its stakeholders. This "Rhythm" is consistent with the recommendations of the DoCA Review and a separate KPI Framework has been adopted to ensure that auDA publishes annually its performance against this objective.

#### 3.2 International liaison and accountability

auDA is accountable to ICANN for effectively carrying out its responsibilities for the top level country domain .au, and its part in maintaining the stability, security and resilience of the global domain name system. auDA contributes to global operation of the internet's system of unique identifiers through its participation in ICANN.

As part of both its Enterprise Security Strategy and its Stakeholder Engagement Plan, auDA has mapped and identified its key international stakeholders and the approach and management of these groups. This includes, but is not limited to, the Security and Stability Advisory Committee (SSAC) of ICANN, the DNS Operations, Analysis, and Research Center (DNS-OARC), and the Country-Codes Supporting Organisation (ccNSO) of ICANN, in addition to regional bodies such as the Asia-Pacific Top Level Domain Association (APTLD).

auDA publishes a calendar of its international commitments consistent with Recommendation 23 of the 2018 DoCA Review and publishes reports against the effectiveness and outcomes of these commitments in its Annual Report.

#### 3.3 Board and Board Committees

The primary accountability for auDA the organisation is to its governing Board, achieved through reporting to the Board, referring major decisions to the Board, executing delegated authority provided by the Board and through performance oversight by the Board.

Under the 2018 Constitution, the Board is composed of an Independent Chairperson, five independent Directors and four Directors elected by the Associate Members.

To assist with managing its workload, the Board may establish Board Committees which focus on particular areas of responsibility and which meet and report regularly to the Board. These may vary from time to time as needed. At the adoption of the 2018 Constitution, the Board Committees were:

- a. The **Finance, Audit and Chairman's Committee** whose focus includes oversight of financial management of auDA, auditors, internal policy and controls, oversight of performance management and remuneration.
- b. The **Security and Risk Committee** whose focus includes risks to the .au domain space and to auDA, oversight of risk policies and the effectiveness of auDA as a technical manager of the .au zone.

- c. The **Governance Committee** focus includes oversight of Board compliance with applicable standards, oversight of auDA governance policies, ensuring effective performance of the Board, committees and management support.

### 3.4 Membership

auDA is an Australian Corporation and accountable to its company members consistent with the Corporations Act. This includes reporting to members at an Annual General Meeting (AGM) and the powers reserved to company members under the Corporations Act and the Constitution.

Under the 2018 constitutional arrangements, auDA has created an Associate Member class as described in 2.3.5. The aim of this is to support effective engagement with participants in the .au domain. Associate Members elect four Directors to the auDA Board and may attend the AGM. Obligations and deliverables to Associate Members are described in the auDA Stakeholder Engagement Strategy.

### 3.5 Advisory Committees

auDA's 2018 Constitution establishes two Standing Advisory Committees. The two Committees are the General Standing Advisory Committee (with a focus on management, operations, decisions or actions of auDA) and the Technical Standing Advisory Committee (with a focus on the technical aspects of the operations, decision or actions of auDA).

Each Committee has its own terms of reference, must meet at least 4 times per year, and reports periodically to the Board. auDA may create additional policy panels and other committees/working group as necessary to meet its objectives. Membership, reporting and outcomes associated with these committees are published on auDA's website and in the Annual Report.

### 3.6 Policy development

Another process through which auDA seeks to make its operations transparent to members and other stakeholders is through its policy development process. The 2018 auDA constitution states that "the Board may from time to time establish one or more Advisory Committees".

auDA has used, and will continue to use 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.

These groups operate according to a few general principles:

- membership is voluntary (but auDA has discretion to provide financial assistance where required)
- members are appointed on the basis of their individual skills and experience, as well as the stakeholder interests they represent
- meeting minutes are published on the auDA website
- draft proposals and recommendations are released for public comment, before being submitted for auDA approval
- secretariat support is provided by auDA.

By conducting policy development in this way, auDA endeavors to make the process transparent for stakeholders so that they understand the rationale behind policies and are able to contribute meaningfully.

### 3.7 Stakeholder communication and engagement

auDA is a public-purpose body and while less formal, is accountable to all of its stakeholders (domain name owners, internet-related service providers and the public generally) for effective operation, for transparently sharing information about its work, for assisting the public in understanding and using the .au domain, seeking stakeholder feedback on issues affecting them (including policy development discussed above) and for handling complaints and disputes about the operation of the .au domain.

auDA's Stakeholder Engagement Strategy identifies auDA's stakeholders and networks and provides the framework for interaction, management and reporting.



### 3.8 Public Reporting

The fundamental transparency obligation on a multi-stakeholder, public purpose organisation is to provide information to all stakeholders that will enable scrutiny and challenge. This form of information sharing needs to be more structured, formal and predictable than the ad-hoc or issue-specific engagement that may be needed from time to time.

This formal reporting should be consistent with the new Terms of Endorsement, should be regular parts of Annual General Meetings and Annual Reports and include:

- performance against agreed operational and service indicators
- financial details of revenue and expenditure
- operation of transparency and accountability mechanisms
- key decisions of the Board
- engagement activity
- dealing with complaints and disputes

### 3.9 Complaints and Dispute-handling

auDA recognises that an essential element of accountability is openness to feedback, criticism and effectively handling complaints and disputes. auDA the organisation and its governing and advisory bodies encourage feedback from stakeholders, provide readily accessible avenues for feedback, take the feedback seriously and provide meaningful responses.

auDA is committed to providing mechanisms for handling complaints and disputes that meet five criteria - accessible, fair, independent, timely and accountable. For transparency, auDA will provide (non-private) information to stakeholders about the numbers, general nature, time taken and outcomes of complaints by category.

Under its published policies auDA provides two distinct pathways for dealing with domain and industry-related complaints and disputes:

1. For disputes about the rights to domain names, the .au Disputes Resolution Policy (auDRP) sets out the framework which requires payment of a fee, a written submission and handling by one of a number of approved independent dispute resolution providers. This is a model derived from the ICANN Uniform Disputes Resolution Process (UDRP).
2. Complaints against registrants, accredited registrars and resellers (includes specific aspects relating to domain names and industry matters) are handled in accordance with the published auDA Complaints Policy.

auDA encourages all employees to report any suspected fraud, corrupt conduct or any other form of inappropriate behaviour that involves auDA or its employees in any way, provided that these concerns have some reasonable foundation for being raised. Processes for handling these matters are set out in auDA's Whistle Blower Policy for employees, managers and Directors.

auDA also provides a process for handling other complaints that may relate to the conduct of the organisation, its employees, managers, Directors, Company Members, Associate Members, Advisory Panels or other authorised positions or forums. Because complaints such as these are infrequent and the nature of the complaint may vary widely, a brief outline of the approach to be taken is provided below – according to the five complaint-handling principles mentioned above.

#### *Accessible*

auDA will provide general Complaints information on its website page that sets out how to make a general (non-Industry or Domain Name) complaint. This will include contact points for making confidential complaints and will make the minimum demands of formality

#### *Fair*

auDA will assess each complaint on its nature to determine the appropriate process that should be followed to ensure fairness (both actual and perceived). This consideration will include issues of privacy, any remedies that have been sought or are possible, avoiding any reasonable impression of bias (eg. involving anyone who is the subject of the complaint or

was involved in the original conduct), providing the complainant with an opportunity to comment on the proposed process, allowing all parties to the dispute a chance to address the issues raised, allowing the complainant a chance to respond to any explanation or defence provided, providing the complainant with an adequate explanation of the reasons for any decision (including dismissing the complaint) and as appropriate providing a point of escalation if the complainant is dissatisfied with the process.

#### *Independent*

auDA will ensure that anyone handling a complaint or dispute is of appropriate seniority – ie. able to freely make a decision regarding the conduct and that may impact the person(s) who is the subject of the complaint. For example, a complaint about an auDA employee should be handled by a more senior manager from a different area or the CEO. A complaint about the Chairperson or a Director may be initially considered by an independent, non-involved Director but should be referred to the Nominations Committee (excluding any member who may have a conflict) for final decision.

Where a matter is of sufficient seriousness and it is considered that the complaint cannot be considered in a way that would be accepted as fair and independent by auDA people or forums, then it is open to auDA to engage an external dispute resolution resource.

#### *Timely*

auDA aims to handle all complaints in a timely fashion, but understands that complaints will vary in complexity and circumstances and may need to take longer for a quality process and outcome. As a general rule, complaints should be handled in 45 days or less and where a matter is likely to take longer than this, auDA will keep the parties informed as to progress and likely time required.

#### *Accountable*

auDA will enable stakeholders to hold it to account for its effectiveness in handling complaints through transparent reporting of (non-private) information about numbers and general nature of complaints, the time taken and the outcomes by category. At intervals of 4-6 years, the auDA Board will commission an independent review of its complaint-handling effectiveness and publish the outcomes of this review.

## 4. Reviews of auDA

Public purpose organisations demonstrate transparency and accountability through periodic independent reviews of their effectiveness. These reviews must provide an opportunity for stakeholders to air any areas of concern, to provide feedback from their experience of dealing with auDA, to provide the Board with an assessment of perceptions of key strengths and weaknesses and to provide assurance to stakeholders that auDA is being held to account.

There are a number of dimensions of auDA's effectiveness that are currently subject to periodic review (below) and it is open to auDA to identify additional reviews as required.

The new Terms of Endorsement (ToE) issued by DoCA state that the "Government reserves the right to independently review auDA's reporting and reporting processes at any time". auDA commits to implementing any necessary improvements or reforms identified through this or any of the processes listed below, to ensure that the organisation continues to meet the expectations of the ToE, and continue to operate in the Australian public's best interests.

#### 4.1 Technical Review

While most of the policy impacting the technical operation of the internet name system is set internationally by ICANN, auDA also has technical responsibilities and its relationship with the Registry Operator in particular is a critical element of its effectiveness is periodically reviewed.

This Review is in addition to regular reviews by auDA management of the performance of the operator against the contract and any advice that may be provided by the Technical Advisory Standing Committee. This Review is intended to provide assurance to the .au community that auDA's technical performance is sound. Generally, these reviews should be conducted every 3-5 years. The first Technical Review should be completed no later than end of 2021.

Policy Review  
auDA's Board, policy panels and advisory bodies are responsible for numbers of decisions that impact on the usability and consumer choice in the .au domain. These may involve making choices that trade-off between the interests of different users and can be controversial. auDA provides opportunity for public comment on specific Policy proposals via both its public comment website pages and through advice that may be provided by the General Advisory Standing Committee.

The way in which these policy decisions are made is also subject to a periodic Review as determined by the Board. Generally, these Reviews will be conducted every 3-5 years. The first Review will be held no later than 2022.

#### 4.2 Transparency and Accountability Review

The effectiveness of auDA's overall transparency and accountability framework is also subject to an Review. Generally, these Reviews will be conducted every 5 years.

Given the extensive changes that are proposed in 2018, and the need to draw from both the Technical and Policy reviews discussed above, the first Review should be completed no later than the end of 2023.

#### 4.3 Board effectiveness Review

Under the 2018 Constitution, a regular review of the Board effectiveness will be conducted annually by the Nominations Committee.