

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Final Report: 2025 auDA Terms of Endorsement Review

March 2025



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Executive summary

The Australian Government's Terms of Endorsement (ToE) for the .au Domain Administration (auDA) have been reviewed and updated to ensure Australia continues to be well-placed to support an open, free, secure and interoperable global Internet.

auDA manages a significant piece of Internet infrastructure (the .au domain space), which is a key foundation to Australia's social and economic success.

auDA's management of .au and advocacy and support for the multistakeholder model (MSM) of Internet governance both contribute to the continuing functioning of the Internet in the interests of all Australians.

This review report outlines the background to the ToE, the 2025 ToE review process and the production of an updated ToE.

The review began with a consideration of current and upcoming developments in Internet governance. It was informed by consultation with auDA, relevant government agencies and non-government stakeholders. Feedback received since the last review in 2021 and work by the Internet Governance team informed the development of proposed changes to the ToE to be shared with the public. A four-week public consultation was held based on the proposed changes, and the feedback received (five submissions) was evaluated and, where appropriate, actioned.

The review found that the current ToE should be refreshed to ensure Australia continues to be well-placed to support an open, free, secure and interoperable global Internet in line with our <u>Internet Governance Principles</u> and <u>2023-2030 Australian Cyber Security Strategy</u>.

The review determined that the ToE should be amended to:

- align with the 2023-2030 Australian Cyber Security Strategy
- bolster support for the MSM including in the Asia-Pacific region
- continue auDA's important domestic MSM engagement
- reference relevant legal obligations under the Security of Critical Infrastructure Act 2018
- add adoption of international standards for information security and business continuity
- include the need to stay abreast of future key developments that could affect the security, integrity and resilience of .au
- make auDA's responsibilities clearer in the unlikely event that a timely re-delegation is needed
- set baseline conduct and transparency expectations

The revised ToE have been approved by the Minister for Communications.

Regular routine reviews of the ToE will help ensure auDA is best placed to serve the Australian community and it is recommended a review occur in three years' time.

Background

The Terms of Endorsement (ToE) for the .au Domain Administration (auDA) outline the Australian Government's expectations of auDA as the organisation responsible for the operation and management of the .au domain space. Government conducts a regular review of the ToE to make sure the .au domain continues to be managed effectively. This report covers the most recent ToE review completed in 2025.

This report outlines the background to the ToE, the 2025 ToE review process and the production of an updated ToE.

auDA and the .au domain space

auDA is an industry self-regulatory body that manages the .au country code top level domain. auDA develops and administers the policies and rules for .au domain. The .au domain means all websites ending in ".au", and consists of over 4.2 million .au websites under management in 2024¹. auDA's core functions as currently captured within its 2021 Terms of Endorsement are to:

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

auDA operates under a sponsorship agreement² with the Internet Corporation for Assigned Names and Numbers (ICANN). This sponsorship is based on ongoing endorsement from the Australian Government.

The Australian Government and auDA's Terms of Endorsement (ToE)

The ongoing endorsement of auDA by the Australian Government is captured within auDA's ToE. The purpose of the ToE is for government to communicate its expectations to auDA, along with setting out auDA's core functions and the principles under which it administers the .au domain.

auDA continues to effectively and competently operate and manage .au. There are many aspects of auDA's performance of its core functions as captured within the ToE that warrant praise. auDA has ensured low rates of domain name system (DNS) abuse ³ on the .au domain and high integrity of .au registrations with 99 per cent of new .au registrations and 92 per cent of all .au registrations having a validated Australian presence ⁴. auDA is also a respected and active participant in Internet governance processes domestically and internationally.

While the government appreciates auDA's dedication to its role managing the .au domain, it continues to see a valuable role in routinely reviewing its expectations of auDA.

The <u>current auDA Terms of Endorsement</u> were last reviewed in 2021.

¹Q1, 2024-25 auDA Quarterly report - <u>auda q1 2024-25 quarterly report.pdf</u>

² ICANN

³ Definition of DNS Abuse refers to websites are being used in harmful ways through the following (1) botnets (2) malware (3) pharming (4) Phishing (5) Spam where used as a delivery mechanism for the earlier tools, for further information see the DNS Abuse Mitigation Program - ICANN

⁴ Q1, 2024-25 auDA Quarterly report - auda q1 2024-25 quarterly report.pdf

In addition to endorsing auDA, the government has powers under the *Telecommunications Act 1997* and the *Australian Communications and Media Authority Act 2005*. These provide for intervention in the event that a self-regulatory body is unable to manage electronic addressing in an effective manner, which could include the transfer of .au to another party. This ensures the continuation of effective management of .au, its security and its availability to Australian society.

The government also has powers and responsibilities relevant to auDA under the *Security of Critical Infrastructure Act 2018* (the SOCI Act). The SOCI Act outlines the legal obligations you have if you own, operate, or have direct interests in critical infrastructure assets. The SOCI Act also outlines how the government can support if an incident occurs that impacts a critical infrastructure asset⁵. The DNS, as critical infrastructure, supports the operation of the Internet. It is the backbone of the digital economy, with almost any activity on the Internet relying on it. The vital role of the DNS in supporting the Internet is evidenced by its classification as a critical asset in the SOCI Act⁶.

Review overview

Context

As the Internet and the .au domain name space have developed, their importance has grown and the breadth and complexity of public policy issues that influence (and are impacted by) digital technologies have increased. Internet governance matters are being contemplated by an increasing range of stakeholders, and in a growing number of international fora, as part of broader global discussions around digital governance and policy matters.

Internet governance has also become an increasingly contested space, as governments and non-government stakeholders navigate a shifting governance landscape. There are mounting efforts to move Internet governance away from existing multistakeholder institutions into multilateral fora, or to increase the influence governments have over the management of Internet resources. Some governments are turning to regulatory or policy interventions to apply a technical solution to domestic policy issues, while stakeholders (both government and non-government) are increasingly seeking to influence international standards development processes to shape how the Internet infrastructure operates and is managed.

Digital and cyber policy – including combatting cybercrime, regulating harms, promoting online safety and maximising the benefits of the digital economy – has become central to many countries' national interests. This has led governments to increasingly prioritise control over digital resources. This higher priority is reflected in heightened geopolitical tensions and increasing competition over how the digital space should be managed (and by whom).

It is against this evolving digital landscape, in conjunction with key documents that guide Australia's position in Internet governance – our <u>Internet Governance Principles</u> and <u>2023-2030 Australian Cyber Security Strategy</u>, that this review was carried out.

Review steps

The review process included several phases:

- an initial research phase on current and upcoming Internet governance developments
- consultation with auDA, relevant government agencies and non-government stakeholders
- a 4-week public consultation period
- the final revised ToE being approved by the Minister for Communications

⁵ Security of Critical Infrastructure Act 2018 (SOCI)

⁶ Submission to the Department of Home Affairs: 2023-2030 Australian Cyber Security Strategy | auDA

Public consultation

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) launched a public consultation asking for submissions from interested persons on the revised ToE. A discussion paper seeking feedback on proposed changes was also released. This consultation ran for four weeks from 22 January to 19 February 2025, and was publicised via social media posts and mentions on the Department's website.

- a 'Have your say' page was created on the Department's website to take submissions
- a news story on the consultation was published on the Department's news page
- this report outlines the background to the ToE, the 2025 ToE review process and the production of an updated ToE

Posts promoting the consultation and linking to it appeared on the Department's Facebook, X and LinkedIn pages, at the beginning, part way through and at the end of the submission period.

Summary of public submissions

Feedback was collected since the last 2021 review, and throughout the current review process, to inform amendments to the Terms of Endorsement.

A total of five written submissions were received during the public consultation.

The small number of submissions, and the broadly supportive tone of most of them, indicate that there is little concern among stakeholders with regard to the overall proposed direction of the ToE. However, comments made in a couple of submissions indicated an expectation of an appropriate transparency standard and auDA's preparedness for current and future security challenges. These suggestions were considered and actioned.

The submissions will be published on the Department's website, except for one which the author requested be kept private.

Three submissions made general comments in support of the revised ToE, with no suggestions for change (Afilias, ACCAN and auDA).

Amendments to the Terms of Endorsement

This review was tasked to consider current and upcoming developments in Internet governance, assess how fit-for-purpose the current ToE is and to consult stakeholders on possible amendments.

This review followed earlier significant work by the department in the 2018 and 2021 reviews of auDA. Unlike those reviews, the 2025 review followed a period of relative stability for auDA. This meant this review could open its focus to global developments in Internet governance and ensuring Australia continues to be well placed over the next 3 years to support an open, free, secure and interoperable global Internet.

The review determined that the ToE should be amended to:

- align with the <u>2023-2030 Australian Cyber Security Strategy</u>
- bolster support for the MSM including in the Asia-Pacific region
- continue auDA's important domestic MSM engagement
- reference relevant legal obligations under the Security of Critical Infrastructure Act 2018
- add adoption of international standards for information security and business continuity

- include the need to stay abreast of future key developments that could affect the security, integrity and resilience of .au
- make auDA's responsibilities clearer in the unlikely event that a timely re-delegation is needed
- set baseline conduct and transparency expectations

Deletions

- rephrasing under the membership structure principle to provide some flexibility
- in governance processes, removal of a narrow process for the Minister to raise concerns noting there are a variety of appropriate ways the Minister can raise concerns with auDA.

Minor amendments

- adding periodic review of auDA's licensing regime
- updating the Department's title
- broadening the range of different parts of government for auDA to engage with
- emphasising auDA's education role to support trust and confidence in .au
- adding quarterly reporting to auDA's members, reflecting current reporting practices
- adding new headings "Re-delegation process" and "commencement and review"
- making clearer auDA's responsibilities in the unlikely event that a timely re-delegation is needed

Finalisation process

The Minister for Communications has approved publication of the new ToE. As per the revised ToE, the auDA Board Chair will need to write to the Minister accepting the new ToE within 30 days of publication.

Conclusion and timing of next review

Having consulted a range of stakeholders, both within and outside government, with auDA and via a public consultation process, this review has determined that the current ToE can be improved. The improvements recommended ensure Australia continues to be well-placed to support an open, free, secure and interoperable global Internet in line with our Internet Governance Principles and 2023-2030 Australian Cyber Security Strategy.

auDA administers a significant piece of Australia's Internet infrastructure, and the expectations of government should be regularly reviewed and communicated to auDA in the ToE. A revised ToE has been produced which reflects improvements suggested by the Department and stakeholders. Regular routine reviews of the ToE will help ensure auDA is best placed to serve the Australian communication and it is recommended the review occur in three years' time.