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EXECUTIVE COUNCIL

Maemura Akinori, Chair
General Manager, Internet Development
Department, Japan Network Information Center (JPNIC)

Ma Yan, Secretary
Executive Committee Member, China Education and Research Network (CERNET)

James Spenceley, Treasurer
Executive Director, Vocus Group Ltd

Kenny Huang
IP Committee Member, TWNIC and Board Member, Mind Extension Inc.

Gaurab Raj Upadhaya
Director, Network Strategy and Interconnection, Limelight Networks

Che-Hoo Cheng
Associate Director (Infrastructure) of IT Services, The Chinese University of Hong Kong

Jessica Shen
Director of IP Operations, China Network Information Center (CNNIC)

Paul Wilson, Ex-officio
Director General, APNIC
INTRODUCTION FROM THE DIRECTOR GENERAL

Looking back on 2015, it seems that APNIC made special efforts, even more than usual, on Member service throughout the year. In this short note I’ll try to cover our most important achievements of 2015.

We made it easier for Members to interact with APNIC.
We introduced “instant feedback” for all Member service tickets, and on the APNIC website. The home page received a makeover and the Services section was updated and improved for easier navigation. New options were added for payment of Member fees. The usability of MyAPNIC was improved, with better tools to manage whois objects, better responsiveness, and a new, modern design.

Our core technical focus was strengthened.
The ‘Ready to ROA’ campaign encouraged Members to certify their resources, and tripled RPKI adoption in the region to 2.7%. We deployed the Registration Data Access Protocol (RDAP) into production in 2015, supporting whois queries and responses in a structured, standardised format. We deployed redundant whois servers around the world, better able to handle query traffic and the occasional DDoS attack.

More than 2,900 trainees received APNIC technical training in 2015, and more than 40 fellowships were awarded for delegates to attend regional and global events. We provided Technical Assistance to 31 Members, in a trial which covered Sri Lanka, Bangladesh and Thailand. We supported new RIPE Atlas Anchors in India, Nepal, Philippines, Pakistan and the Maldives, and distributed an additional 120 Atlas probes throughout the region. The APNIC Labs DNSSEC measurement system was improved, and provided critical data to ICANN to assist preparations for the planned DNS root zone key signing key rollover in 2016.

We continued to support IPv6.
APNIC provided IPv6 training to 539 trainees in 2015, and we made more than a dozen IPv6 presentations at technical events around the region. With ARIN reaching the end of its IPv4 free pool, and four out of five RIRs having now reached IPv4 exhaustion, the need for IPv6 became clearer than ever. The good news was that IPv6 continued to grow: by the end of 2015, APNIC Labs measured global user capability at 5.5%, and Google reported IPv6 usage at 10%.

APNIC remains transparent and accountable.
The 2015 Activity Plan and Budget were published at the start of the year to provide a clear account of APNIC plans, activities and expenditure. This Annual Report closes 2015 by reporting against the very activities and measures set out at the start of the year.

Additional transparency improvements in 2015 included: an online tracker for actions on the last APNIC Survey, increased reporting of APNIC activity on the Blog and social media, and a comparative RIR governance matrix.

There was more!
2015 saw a very successful APRICOT in Fukuoka; and the largest ever stand-alone APNIC conference, in Jakarta, with 529 attending. And APNIC membership passed 5,000 organizations in August. All in all, 2015 was very big year for APNIC, our Members, and the numbers community; and you can read much more in this detailed report.

Before I sign off, I’d like to recognise the contribution of two long-standing Executive Council (EC) Members who decided not to seek re-election at APNIC 41. Maemura Akinori and Che-Hoo Cheng have served the APNIC community on the EC for 16 and 18 years respectively, both serving time as EC Chair (Akinori for 13 years; and Che-Hoo for two). APNIC has benefitted greatly from their leadership during that time, and the strength of the organization is a testament to their efforts. They have my sincerest thanks for their enormous contribution to the APNIC community.

Paul Wilson
Director General
MESSAGE FROM THE EC CHAIR

I am always happy to provide my thoughts to you, the APNIC membership and community, in the Annual Report as Chair of the APNIC Executive Council (EC).

2015 was one of the most memorable years in my career with the Internet. In February to March, APRICOT-APAN2015 was held in Fukuoka, Japan. It was the second joint conference with APAN (Asia Pacific Advanced Network) after the successful first in Hong Kong in 2011. It was fabulous to welcome various friends from all over the region and from around the world to my lovely hometown of Fukuoka!

The EC now has quarterly face-to-face meetings each year, two of which are held at APNIC Conferences. For 2015, we had decided to hold the other two in our region to see our community at APNIC Regional Meetings (ARMs), and went to Manila where PhNOG was jointly held with ARM in June, and to Guam in December with PacNOG. We experienced how wonderful the communities in our region are, and talked with a lot of fantastic people there. The community runs the Internet. We realized how that comes, and got more confident that APNIC needs to continue doing its job with the community, hand-in-hand.

In the global Internet, 2015 was the year to design the new IANA, Internet Assigned Numbers Authority, into the future. The CRISP team, working with the global Numbers community, completed the proposal for the Numbers function in time in January. After that, active discussion with the Protocol Parameters and Domain Names communities continued. At the time of writing, the integrated proposal, including the accountability enhancement of ICANN, is still receiving some fine tuning before the submission goes to the US Government. But we will have the new IANA in the near future, which will then be genuinely run by the Internet community.

The Internet community that I mentioned is not the same as it was, but involves far more stakeholders who need the Internet. APNIC definitely needs a strong operation and accountability in which the Internet community can place its confidence.

Technically, the Internet of Things and Mobile Internet are two concepts which will change the Internet dramatically. APNIC underpins the Internet’s infrastructure through its core business of resource management, and through its other activities like skills development, community support and research, it helps ensure Internet infrastructure can be sustainably developed. APNIC’s responsible execution of this technical role is important so the Internet can cope with dramatic growth and change.

With this in our mind, the EC determined a new strategic plan for 2016–2019 which pursues a high level of stable operation, coupled with a renewed core technical focus on technologies such as IPv6, RPKI and DNSSEC.

“We are APNIC”, I said in Fukuoka (after APAN’s then Chairman, Sureswaran Ramadass, said “We are APAN”). It sounded a bit funny at that time, but is true that APNIC consists of its Members within a broader community, with the EC and Secretariat to help. I am confident with the current performance of APNIC, which you will see in this Annual Report, but your suggestions, visions and thoughts are all precious for APNIC to perform even better.

See you in conferences and anywhere in the region or around the globe, and please tell us what you think on APNIC!

Maemura Akinori
VISION

A global, open, stable and secure Internet that serves the entire Asia Pacific community.

MISSION

APNIC...

- **Functions** as the Regional Internet Registry for the Asia Pacific, in the service of the community of Members and others
- **Provides** Internet registry services to the highest possible standards of trust, neutrality and accuracy
- **Provides** information, training and supporting services to assist the community in building and managing the Internet
- **Supports** critical Internet infrastructure to assist in creating and maintaining a robust Internet environment
- **Provides** leadership and advocacy in support of its vision and the community
- **Facilitates** regional Internet development as needed throughout the APNIC community
APNIC in the Internet ecosystem

**INTERNET USERS**
- Access
- Applications
- Content

**ENABLERS**
- Governments/Regulators
- Industry associations
- NGOs
- At-large communities
- Operator groups
- Standards bodies
- Number registries

**PROVIDERS**
- APNIC MEMPERS
- INTERNET COMMUNITY
- ASIA PACIFIC REGION
- Service
- Support
- Collaboration

**APNIC is one of five RIRs**

**Resource distribution**
- IP addresses
- AS numbers

**Registration services**
- reverse DNS
- Internet routing registry
- resource certification
- whois registry

**INTERNET COMMUNITY**

**APNIC MEMBERS**

**Policy development**
- Capacity building
  - training
  - workshops
  - conferences
  - fellowships
  - grants

**Infrastructure**
- root servers
- IXP
- engineering assistance

**Original research**
- Data collection and measurements
- Publications
- Local/regional/global events
- Government outreach
- Intergovernmental & technical organizations collaboration
- Internet security
### 2015 in Numbers

#### Serving Members

- **Delegations**
  - IPv4: 4,498
  - IPv6: 785
  - ASN: 881

- **Training**
  - Face to face: 77
  - Trained: 2,194
  - Locations: 29
  - eLearning classes: 117
  - eLearners: 726

- **Member Services**
  - Tickets: 23,282
  - Phone calls: 1,255
  - Chat sessions: 2,054
  - Skype calls: 161
  - Instant feedback: 357

- **Technical Assistance**
  - Members: 31
    - Sri Lanka: 31
    - Bangladesh: 31
    - Thailand: 31

- **Whois**
  - Queries: 7,388
  - Queries/sec: 234
  - RDAP queries: 16,412

- **RPKI Adoption**
  - 0.8% to 2.7%

- **Social Media**
  - YouTube views: 179,221
  - Reach: 9,929
  - Followers: 1,017
  - Slideshare views: 137,161
  - Views: 255,497

- **APNIC Blog**
  - Posts: 376
  - Guest posts: 44
  - Views: 116,892
  - Comments: 174

- **RIR Transfers**
  - Intra-RIR: 184
  - Inter-RIR: 38

#### Regional Development

- **APNIC 39 & 40**
  - Attendees: 1,364
  - Remote users: 2,324
  - Economies: 105
  - Fellowships: 40

- **Regional Meetings**
  - ARMs: 5
  - Attendees: 314

- **NOGS**
  - Attended: 17
  - Sponsored: 13

- **RIPE Atlas**
  - Anchors supported: 120

- **Member Outreach**
  - Member Gatherings: 300
  - Attendees: 11

- **Global Collaboration**

- **Engagements**
  - Presented at 32 other meetings
  - Presented at 58 technical forums

- **Corporate**

- **APNIC**
  - Job applications: 671
  - Invoices issued: 6,900
  - Staff exchanges: 3
Notes on the Report
Alongside the activities in this report, a small table summarizes the resources (both financial and human) which were required to successfully complete the activity. These resources are summarized under the following headings:

FTE: The number of Full-Time Equivalent employees required to complete the activity in 2015. In all cases, contributions from more than one employee are involved, and the FTE number comprises a percentage of time from each employee. For example – an FTE of 1.6 may be made up of four employees who each dedicated a total of 40% (0.4) of their time to the activity during 2015.

Expenses: Refers to all operational costs directly incurred by the activity.

CAPEX: Refers to Capital Expenditure (for purchase of equipment, hardware, software, property, or buildings) required by the activity.

All expenditure is in Australian Dollars.

A detailed breakdown of the 2015 financial performance is available on Page 44.
GOALS AND STRATEGIES

- Ensure that APNIC services are widely known and used by all who need them
- Listen to community needs through surveys and other feedback mechanisms
- Add value to APNIC membership through responsive service provision
- Cultivate community support throughout the region through effective engagement programs
- Maintain and improve core registry services
- Adopt the best current practices, technologies and standards
- Continuous improvement of services in response to community feedback and anticipation of future needs

Serving Members

<table>
<thead>
<tr>
<th></th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE</td>
<td>41.2</td>
<td>41.6</td>
</tr>
<tr>
<td>Expenses</td>
<td>$8,297,437</td>
<td>$7,887,747</td>
</tr>
<tr>
<td>CAPEX</td>
<td>$922,883</td>
<td>$583,405</td>
</tr>
</tbody>
</table>
Under the fee structure revision for 2015, new Members pay the annual fee (and join the membership tier) determined by their initial resource allocation. This accounts for the change in Associate Members (AS) between 2014 and 2015.
Registration services

CORE ACTIVITIES:

IPv4, IPv6 and ASN management

APNIC’s core activity as a Regional Internet Registry is the distribution and registration of Internet number resources (IP addresses and AS numbers).

In 2015, APNIC made 785 IPv6 delegations, 4,498 IPv4 delegations, and 881 AS number assignments. It also processed 184 transfers within the Asia Pacific region and 38 transfers between APNIC and other RIR regions.

For a detailed breakdown of Internet number resource distribution in 2015, please refer to the charts on page 13.

Registry services development and maintenance

APNIC maintains a publicly accessible whois database and associated registry services which support the use of Internet number resources.

In 2015, APNIC deployed the Registration Data Access Protocol (RDAP) service into production. RDAP standardizes the whois query and response format, allowing for automated, machine-based queries through JSON (Javascript Object Notation) query and responses. RDAP supports redirection; so, for example, querying APNIC for an ARIN address will redirect to ARIN’s service, and vice-versa. RDAP also supports internationalization, with data presented in UTF-8 character encoding.

www.apnic.net/whois

www.apnic.net/rdap

<table>
<thead>
<tr>
<th></th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE</td>
<td>6.7</td>
<td>7.3</td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,296,115</td>
<td>$1,150,169</td>
</tr>
<tr>
<td>CAPEX</td>
<td>$6,000</td>
<td>$6,218</td>
</tr>
</tbody>
</table>
Registration services

KEY 2015 PROJECTS:

ARMS development

APNIC uses the APNIC Resource Management System (ARMS) to delegate and register IP addresses and AS numbers to Members. It has been constantly improved since 2002.

ARMS development in 2015 was focused on back-end redevelopment, involving the conversion of the existing Perl libraries into a set of Java services (generally HTTP-based, but some services are accessed via the internal message bus). In 2015, the ASN delegation functionality was redeveloped and deployed, with the client applications of that logic now using that service to allocate, transfer, and de-allocate ASNs. Work on ARMS will be ongoing for 2016.

RPKI promotion

APNIC supports Resource Public Key Infrastructure (RPKI), which cryptographically verifies the association between resource holders and their Internet number resources. Adoption of RPKI in the Asia Pacific region has been slow compared to some other regions.

To increase measurable RPKI adoption rates during 2015, APNIC conducted RPKI presentations and ROA sessions at events throughout the Asia Pacific to encourage the use of APNIC’s Resource Certification service. RPKI adoption rates increased from under 1% to 2.7% in 2015.

www.apnic.net/rpki
Customer service

CORE ACTIVITIES:

Member Services/Helpdesk

The first point of contact for APNIC Members and others is the Helpdesk, which deals with enquiries regarding resource applications, membership, billing, the whois database, and instances of network abuse.

In 2015, the Member Services team handled more than 23,000 tickets, 2,054 chat sessions and 1,255 phone calls.

MyAPNIC development and maintenance

MyAPNIC is a secure services website for Members to manage Internet resources, update contact information, and receive APNIC services online, anytime.

In 2015, a MyAPNIC user survey was conducted for the first time and identified the following desired improvements:

- Improved speed and responsiveness
- Modernized design and navigation
- Creation of a tool to check whether ASNs are in use
- Simplified tools to manage whois objects
- A single page to manage reverse DNS delegations

These changes have been included in the Services Roadmap project for the September 2015 to March 2016 period. Two-factor authentication, as an alternative to the existing certificate-based authentication, was implemented in 2015.

Quality management

APNIC is an ISO 9001:2008 Quality Management System certified organisation, ensuring that it delivers a high quality and consistent service to our Members.

Each year APNIC is required to undergo a surveillance audit of its Quality Management System. APNIC passed this audit successfully in 2015.

Customer service

<table>
<thead>
<tr>
<th></th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE</td>
<td>15.7</td>
<td>16.0</td>
</tr>
<tr>
<td>Expenses</td>
<td>$3,081,702</td>
<td>$2,917,080</td>
</tr>
<tr>
<td>CAPEX</td>
<td>$77,000</td>
<td>$91,553</td>
</tr>
</tbody>
</table>
## Customer service

### KEY 2015 PROJECTS:

#### Billing service improvement

APNIC introduced a new merchant facility in 2015 as part of its aim to improve flexibility of membership payment. This facility allows for receiving payments via PayPal, which was in the final stages of testing at the end of 2015. Further enhancements, including recurring credit card billing, were developed in 2015 for general release in 2016.

#### Website improvements

Website improvements during 2015 focused on providing a better user experience for the community. The old Services information pages were updated, with the section split into an easier navigation structure, information revised, and duplicate pages removed. APNIC also redesigned the homepage, based on web visitor data and feedback, to make the most popular visitor tasks easier to complete and to remove visual clutter.

#### Implement instant service feedback mechanisms

To help APNIC keep improving its services to Members and the community in 2015, APNIC implemented instant online feedback tools for the following activities:

- Helpdesk support
- Hostmaster consultation
- MyAPNIC
- Member Gathering events

APNIC received 357 responses via the feedback tool from its implementation in mid-2015 to the end of the year.

### 2015 Planned Project

<table>
<thead>
<tr>
<th>2015 Planned Project</th>
<th>Member Benefit</th>
<th>2015 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide additional payment methods, including PayPal</td>
<td>Allow Members to choose from a greater variety of payment methods</td>
<td>New merchant facility introduced. PayPal and recurring credit card billing readied for 2016</td>
</tr>
<tr>
<td>Improved <a href="http://www.apnic.net">www.apnic.net</a> home page with simple navigation</td>
<td>Easier to find information on APNIC websites and an improved user experience</td>
<td>Services pages restructured and improved, and new APNIC home page created</td>
</tr>
<tr>
<td>Improved IPv6 and Services pages with a streamlined structure and updated information</td>
<td></td>
<td>IPv6 pages review postponed to 2016</td>
</tr>
<tr>
<td>Implementation of an instant online feedback tool to gather opinions from recipients of APNIC services</td>
<td>Ability to provide timely feedback that will influence future improvements in APNIC services</td>
<td>Instant feedback service implemented across four Member contact points</td>
</tr>
</tbody>
</table>
Customer service

KEY 2015 PROJECTS:

Member outreach

APNIC membership outreach communication helps ensure that those organizations that need Internet number resources are aware of APNIC, and the services it offers them.

In 2015, eleven APNIC information sessions and Member Gathering events were held in nine economies: Bangladesh, Cambodia, Hong Kong, Lao PDR, Malaysia, Myanmar, Pakistan, Philippines and Singapore. More than 300 Members and network operators attended these events.

Implement a new Customer Relationship Management (CRM) system

APNIC is continuing to implement a more integrated and functional CRM system for managing communications with Members and other stakeholders.

Project planning and user requirements analysis were completed in 2015, with two specific CRM projects initiated following the planning phase – one for contact management and distribution, and the other for corporate relationship management. Work on the CRM project will be ongoing for 2016 and 2017.

Additional Project: Expansion of Helpdesk contact methods

APNIC integrated Skype into its Helpdesk contact centre technology in 2015 to provide Members with another method to contact Helpdesk staff. Regional toll-free phone services were investigated, but none with sufficient coverage at a reasonable cost were identified.

<table>
<thead>
<tr>
<th>2015 Planned Project</th>
<th>Member Benefit</th>
<th>2015 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot of roadshow program and Member gathering events throughout the region to increase awareness of APNIC services</td>
<td>Greater understanding of ways to manage the impact of IPv4 address exhaustion and help increase IPv6 deployment</td>
<td>Eleven events held in nine economies, with more than 300 Members and network operators attending</td>
</tr>
<tr>
<td>New CRM system implemented</td>
<td>Improved customer service experience</td>
<td>Project planning and user requirements indicated project scope was larger than initially anticipated. Project underway and due for completion 2017</td>
</tr>
<tr>
<td>Unplanned project – Integrate Skype into Helpdesk telephony system</td>
<td>Additional contact method for improved access to Helpdesk</td>
<td>Skype integration completed and in use</td>
</tr>
</tbody>
</table>
Technical infrastructure

CORE ACTIVITIES:

Maintenance of APNIC systems and online services

APNIC uses metropolitan Dark Fibre to connect its office to facilities at two independent data centres.

APNIC switched to a more cost-effective Dark Fibre provider in 2015, reducing operational expenses significantly while maintaining service levels and capacity. In addition APNIC moved to ‘containerization’ of online services, for higher efficiency of server resource usage.

<table>
<thead>
<tr>
<th>Technical infrastructure</th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE</td>
<td>12.7</td>
<td>13.3</td>
</tr>
<tr>
<td>Expenses</td>
<td>$2,858,742</td>
<td>$2,866,933</td>
</tr>
<tr>
<td>CAPEX</td>
<td>$769,883</td>
<td>$462,061</td>
</tr>
</tbody>
</table>
# Technical infrastructure

## KEY 2015 PROJECTS:

### Review of backup management

In 2015, APNIC reviewed its data backup approach against best current practice to see where improvements could be made. From the detailed review, a new system was chosen and implemented, providing system improvements and reduced costs.

### Whois version update

A project planned for 2015, but now moved to 2016, is upgrading the Master and NRTM whois services to the latest RIPE whois software version, in sync with RIPE NCC’s latest code releases. These upgrades will allow for a more stable and updated whois system.

### Enhanced systems monitoring

After a comprehensive review, the Sensu monitoring system was successfully integrated into APNIC’s Puppet configuration system in 2015. The system monitors services to proactively prevent system errors and provides faster recovery and rebuild (should an incident occur) through improved automated system deployment.

<table>
<thead>
<tr>
<th>2015 Planned Project</th>
<th>Member Benefit</th>
<th>2015 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of data backup approach</td>
<td>Maintain and improve upon the high quality of APNIC data safety and integrity</td>
<td>Review of backup approach completed, with new technology implemented to improve APNIC’s backup systems</td>
</tr>
<tr>
<td>Review backup management software to ensure APNIC is making full use of its virtualised technology environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Updated Master and NRTM whois</td>
<td>Stable and updated whois system</td>
<td>Project postponed to 2016</td>
</tr>
<tr>
<td>Inclusion of improved monitoring setup in systems configuration management</td>
<td>Faster recovery after potential incidents Reduced potential downtime frequency and duration</td>
<td>New monitoring system integrated into APNIC systems</td>
</tr>
</tbody>
</table>
Technical infrastructure

KEY 2015 PROJECTS:

Adoption of ISO 27001:2013 Information Security Standard

APNIC plans to adopt the ISO/IEC 27001:2013 Information Security Standard that specifies the requirements for implementing, maintaining and continually improving its information security management systems.

In 2015, APNIC completed an initial Information Security Management Benchmark (ISMB) test to help identify areas of priority. From this test, an ISMB framework was established according to the ISO 27001 standard, to be used as the basis for ongoing work in 2016.

Additional Project: IDN and EAI support on APNIC systems

APNIC completed a gap analysis in 2015 to examine whether its systems are able to correctly handle IDN (Internationalized Domain Names) and EAI (Email Address Internationalization) information. The outcome was a set of requirements which, when executed, will provide APNIC systems the capability to work with IDN and EAI information.

### 2015 Planned Project

<table>
<thead>
<tr>
<th>2015 Planned Project</th>
<th>Member Benefit</th>
<th>2015 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk assessment in key areas relevant to APNIC</td>
<td>Assurance that APNIC’s information security is in line with international standards</td>
<td>Risk assessment completed and a security framework established for planned continuation of project in 2016</td>
</tr>
<tr>
<td>Security policies and procedure documents to be checked and revised where necessary to be in accordance with the ISO 27001 standard</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Unplanned Project:

<table>
<thead>
<tr>
<th>Unplanned Project:</th>
<th>Ability for Members to access APNIC services using internationalized domain name or email information</th>
<th>Analysis and project recommendations completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of APNIC’s IDN and EAI system capability</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CORE ACTIVITIES:

Training services

APNIC supports Internet growth and development in the Asia Pacific region by providing training and education services. The training program aims to build the capacities of APNIC community members on Internet number resource management and best practices in network operation.

In 2015, APNIC held 77 face-to-face training sessions in 29 locations around the region, training 2,194 participants. An additional 726 technical trainees participated in 117 eLearning courses delivered by APNIC.

training.apnic.net

Technical assistance

APNIC’s technical and training staff respond to requests from Members for technical assistance by providing one-on-one support in a format that is neutral, independent and cost effective. In many cases this is done through partnerships and collaboration with other recognised technical experts.

In 2015, APNIC provided Technical Assistance to Members in Sri Lanka (January – 8 Members), Bangladesh (May – 13 Members), and Thailand (July – 10 Members). Assistance provided ranged from IPv6 network deployment advice, RPKI information and ROA creation, and network security guidance.

apnic.net/tas

Member training

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Member training

KEY PROJECTS

Training needs assessment

In 2015, APNIC conducted a thorough training needs assessment which surveyed the community and provided recommendations to improve the effectiveness of APNIC’s training activities. In response to the findings, APNIC took the following actions:

- Reduced weekly eLearning sessions from four to three sessions
- Updated eLearning content to maintain relevance
- Changed eLearning time slots to 11:00; 13:00 and 15:00 (UTC+10) to increase participation
- Recruited two new trainers to meet the demand for increased training around the region

Curriculum revamp and accreditation system development

APNIC continually maintains its face-to-face and on-line training curricula to ensure relevance to today’s best current practices.

Updates in 2015 included revised Internet Resource Management (IRM) and Advanced Routing course materials; additional modules for MPLS training; new hands-on exercises for IPv6 courses; and new, peer-reviewed DNS training modules. The training lab was also upgraded to support multiple vendors (including the addition of Juniper equipment). In addition, APNIC starting preparing for the introduction of Huawei and MikroTik-related training content.

Preliminary work on developing an exam-based accreditation system for both the face-to-face and online training also began (to be competed 2016).
REGIONAL DEVELOPMENT & OUTREACH

GOAL AND STRATEGIES:

- Develop cost effective and sustainable ways to support AP Internet infrastructure and industry development
- Technical: strengthen the region’s technical infrastructure robustness and develop technical skills and knowledge (as needed)
- Policy: contribute uniquely to the development of a policy environment which can maximise the value of the Internet to the AP region
- Partnership: work with others in attracting resources and implementing development strategies

Regional development and outreach

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</table>
APNIC conferences

CORE ACTIVITIES:

APNIC Conferences

APNIC conferences provide Members and the technical community with opportunities to participate in training, hear from global experts, participate in policy discussions and attend formal Member meetings.

APNIC’s two conferences in 2015 were APRICOT 2015 in Fukuoka, Japan, and APNIC 40 in Jakarta, Indonesia. A combined 1,364 delegates from 54 economies attended the conferences in 2015, with an additional 2,324 users watching sessions remotely.

conference.apnic.net

APNIC Regional Meetings

Regional Meetings provide additional opportunities for community members to meet with their peers, share experiences, and get the latest updates on APNIC’s activities.

During 2015, APNIC held five regional meetings in Thailand, Philippines, Mongolia, Guam, and Lao PDR, welcoming 314 attendees.

www.apnic.net/arm

APNIC conferences

Planned | Actual
---|---
FTE | 4.8 | 4.8
Expenses | $1,243,203 | $1,243,539
CAPEX | $27,500 | $12,984

1,364 Attendees
2,324 Remote users
105 Economies represented
40 Fellowships
5 ARM
314 Attendees
Regional technical development

CORE ACTIVITIES:

Policy development

APNIC supports community policy development primarily through the Policy SIG, which develops policies and procedures that relate to the management and use of Internet address resources by APNIC, NIRs, and Members in the Asia Pacific region. APNIC facilitates twice-yearly Policy SIG meetings, the Policy SIG mailing list, the election and support of ASO Address Council Members from the APNIC region, and exchanges policy-related information with other RIRs and ICANN.

Policy SIG results
APNIC 39 (APRICOT 2015)

- prop-112v001: On demand expansion of IPv6 address allocation size in legacy space.
  This proposal did not reach consensus and was abandoned.

- prop-113: Modification in the IPv4 eligibility criteria
- prop-114: Modification in the ASN eligibility criteria
- prop-115: Registration of detailed assignment information in whois DB
  These proposals did not reach consensus and were returned to the authors and Policy SIG mailing list for further consideration.

Masato Yamanishi was elected as the Chair of the Policy SIG.

Regional technical development

<table>
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<tr>
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<th>Planned</th>
<th>Actual</th>
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<tbody>
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</table>
Regional technical development

CORE ACTIVITIES:

Policy SIG Results
APNIC 40

- prop-113: Modification in the IPv4 eligibility criteria
- prop-114: Modification in the ASN eligibility criteria
  These proposals reached consensus and were recommended to the EC for ratification as APNIC policy.

- prop-115: Registration of detailed assignment information in whois DB
  This proposal did not reach consensus and was returned to the author and Policy SIG mailing list for further consideration.

Sumon Ahmed Sabir was elected as the Policy SIG Co-Chair for a term of two years.

In response to Member survey feedback, a summary of policy proposals and outcomes discussed at APNIC 40 were made available in nine languages. The translated summaries will continue to be made available in 2016 and beyond.

www.apnic.net/policy
Regional technical development

CORE ACTIVITIES:

Sharing technical knowledge and insights

In 2015, APNIC speakers delivered technical presentations at 58 events around the region, covering topics such as IPv6, DNSSEC, and RPKI.

APNIC staff produced 376 posts for the APNIC Blog, with community members contributing 44 guest posts in 2015.

IXP and Root server deployment

APNIC supports a number of IXP (Internet Exchange Point) and DNS root server installations in the region, coordinating with hosts and root server operators, managing maintenance work and handling requests for new installations.

In 2015, APNIC worked with the Samoan government and NSRC by providing funds for equipment and technical support to help establish an IXP and a new L-root server instance in Samoa. APNIC also provided technical training support for New Caledonia’s new IXP in 2015.
Regional technical development

KEY PROJECTS

Cooperation SIG establishment and support structure

The APNIC community resolved to establish the Cooperation SIG at APNIC 38 in September 2014, to facilitate discussion about Internet issues which may require cooperation between the APNIC community and others.

The new SIG was launched at APNIC 39, where a Chair and Co-Chair were elected and a SIG Charter was adopted.

Regional technical community development strategy

During 2015, APNIC provided sponsorship for 13 NOG events and sent staff to 17 national and regional NOGs. A total of 40 fellowships were provided, with nine of those awarded to females, and six to youths. APNIC-supported RIPE Atlas Anchors were deployed in India, Nepal, Philippines, Pakistan and the Maldives; with at least 120 RIPE Atlas probes distributed to network operators in the APNIC community.

<table>
<thead>
<tr>
<th>2015 Planned Project</th>
<th>Member Benefit</th>
<th>2015 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitation of two Cooperation SIG meetings including one election process</td>
<td>New forum to discuss matters and issues relating to Internet public policy and governance</td>
<td>Cooperation SIG established, with Chair and Co-Chair elected. Two SIG meetings held in 2015 and mailing list hosted by APNIC</td>
</tr>
<tr>
<td>Management of mailing list</td>
<td>New mechanism to potentially provide feedback to policy makers</td>
<td></td>
</tr>
<tr>
<td>Sponsorship of up to six NOG events</td>
<td>Improved collaboration and cooperation through increased engagement at events</td>
<td></td>
</tr>
<tr>
<td>Provision of at least 20 fellowships</td>
<td>Improved regional technical knowledge</td>
<td>Five RIPE Atlas anchors deployed and 120+ RIPE Atlas probes distributed</td>
</tr>
<tr>
<td>Deployment of four RIPE Atlas anchors and at least 10 RIPE Atlas probes</td>
<td>Improved regional technical infrastructure</td>
<td></td>
</tr>
</tbody>
</table>
CORE ACTIVITIES:

Collaboration with other AP organizations

*APNIC continues to collaborate with other Asia Pacific organizations in projects and partnerships that develop the Internet in the region. The collaboration includes human capacity development (training), strengthening Internet critical infrastructure, research and measurements, meetings and conferences, and policy development.*

New Memorandums of Understanding (MoUs) were signed in 2015 with organizations including APCERT, APAN, Sri Lanka Next Generation (SLNG), and Telecom Vanuatu.

ISIF Asia grants and awards program

*The Information Society Innovation Fund (ISIF Asia) is a grants and awards program aimed at stimulating creative solutions to ICT development needs in the Asia Pacific region. APNIC operates the ISIF Asia Secretariat, providing administrative support, facilitating the selection process, grantee reporting and dissemination strategy, fund raising, and program evaluation.*

In 2015, ISIF Asia awarded grants to four projects from Bangladesh, Nepal, India and the Pacific Islands. The grant recipients receive funding of up to AUD 30,000 to help develop their projects.

Five projects from India, Indonesia, and Pakistan received ISIF Asia Awards of AUD 3,000 for their ISIF-supported projects. The winners attended the 10th Internet Governance Forum in João Pessoa, Brazil, in November 2015 where an awards ceremony was held. ISIF Asia also provided travel assistance to several recipients to attend events including APNIC 40, APrIGF 2015, ICTD 2015 and ICG 2015, through the ISIF Capacity Building Fund.

www.isif.asia
Community engagement

CORE ACTIVITIES:

Regional IGF

APNIC contributes actively to national and regional IGFs to ensure that IP addressing and critical Internet infrastructure issues are understood on all levels.

APNIC staff participated in the 2015 Asia Pacific Regional Internet Governance Forum (APrIGF) in Macao, to join discussions and collaboration on Internet governance issues at a regional level. APNIC Director General, Paul Wilson, was re-elected as Chair of the APrIGF Multistakeholder Steering Group and will hold the position until 2017.

Government and sub-regional liaison

Governments and sub-regulatory bodies are important partners in supporting the sustainable growth of the Internet and IPv6 deployment. APNIC provides these organizations with advice on IP addressing and critical Internet infrastructure issues wherever possible.

In 2015, APNIC participated in the Asia Pacific Economic Cooperation Telecommunications and Information Working Group’s APEC TEL 51 and 52 in 2015, providing updates on IPv6 deployment and network security issues in the region.

APNIC also participated at the 2015 Asia Pacific Telecommunity (APT) Cybersecurity Forum and attended the APT preparatory meeting for the World Telecommunication Standardization Assembly (WTSA), to be held during 2016.
Community engagement

KEY PROJECTS

Finalize a plan for an APNIC foundation / development mechanism

APNIC has been investigating new structures and mechanisms to support expansion of APNIC’s development services and attract additional support from new sources.

A concept note on a proposed “APNIC Foundation” was considered positively by the APNIC Executive Council in 2015, followed by a further detailed review of the requirements to establish a foundation as a charitable organization registered in Hong Kong.

At the same time, the World Bank, the Japanese International Cooperation Agency, and the ITU provided support for APNIC’s development activities.

Additional Project: Internet operations research grants

In 2015, APNIC established the ISIF Asia Internet Operations Research Grants to support independent technical research on Internet operations, infrastructure, protocols and related issues. The AUD 60,000 fund aims to support the development of an Internet research community to help improve the availability, reliability, security and application of the Internet in the Asia Pacific. The awardees will be announced in 2016.

www.isif.asia/researchgrant
GLOBAL COLLABORATION

GOAL AND STRATEGIES:

- Promote and strengthen the open, multi-stakeholder, bottom-up and transparent Internet governance model and policy development process
- Develop and maintain APNIC’s position as a neutral and cooperative source of technical expertise
- Engage with a relevant stakeholder base – governments, law enforcement agencies, civil society, Internet organizations, businesses, academic/research institutions and so on

Global collaboration

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</table>
Global technical community collaboration

CORE ACTIVITIES:

Collaboration work with other RIRs

APNIC works with other RIRs to share experiences and expertise, and collaborate on joint projects and activities. Through the Number Resource Organisation (NRO), the five RIRs work together on issues and projects of importance to the entire RIR community.

In 2015, some of the highlights included:

- An RIR stability fund was established through voluntary pledges of funds, from individual RIR financial reserves, should emergency funding be required to maintain the stability of an RIR due to an unforeseen event (such as a natural disaster).
- Senior R&D Scientist, George Michaelson, spent several months in residency with both the RIPE NCC Labs and LACNIC R&D teams to collaborate on research projects.
- Visits from two recently-appointed RIR CEOs (Oscar Robles, LACNIC, and Alan Barrett, AFRINIC) to the APNIC offices in Brisbane to learn more about how APNIC operates.
- Event Project Manager, Blandine Cousin, assisted AFRINIC in staging AFRINIC 22 in Pointe Noire, Congo.
- NRO support for the Internet Governance Forum (IGF) in João Pessoa, Brazil, including the development of a joint IPv6 best practice guide released during the event.

Global technical community collaboration

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</table>
Global technical community collaboration

CORE ACTIVITIES:

Collaboration with I* (ICANN, IANA, IETF, ISOC)

APNIC maintains relationships with global technical organizations such as ICANN, IANA, IETF, and ISOC to ensure global Internet discussions and policies include regional technical considerations.

In 2015, coordination meetings between the I* organizations were held in London and via conference calls, with discussions focusing primarily on the IANA Stewardship Transition and the WSIS+10 review process.

APNIC’s Chief Scientist, Geoff Huston, was appointed to ICANN’s Security and Stability Advisory Committee (SSAC) in February 2015, contributing research and advice to the ICANN Board.

Participation in other global Internet forums

APNIC provided Asia Pacific technical perspectives in several global Internet forums in 2015, including:

- World Internet Conference in Wuzhen, China. Paul Wilson was a speaker and invited to join the conference’s ‘High Level Advisory Council’ which will provide advice on future events.
- Mobile World Congress. APNIC participated for the first time in the GSMA Ministerial Program of Mobile World Congress in Barcelona, and Paul Wilson delivered a keynote presentation on IPv6 at the ‘Internet of Things Summit’ during Mobile World Congress in Shanghai.
- 27th Annual FIRST Conference. APNIC’s Adli Wahid was re-elected as a member of the FIRST Board of Directors.

A full library of event wrap reports, covering all regional and global engagements by APNIC staff, is available on the APNIC Blog.
Global technical community collaboration

KEY PROJECTS

IANA Stewardship Transition plan

APNIC contributed to the IANA Stewardship Transition process at a global level through the IANA Stewardship Transition Coordination Group (ICG), and at a regional level by supporting the appointees to the Consolidated RIR IANA Stewardship Proposal (CRISP) Team. The ICG team included ASO/NRO representatives Paul Wilson (APNIC), Alan Barrett (AFRINIC), and Hartmut Glaser (Address Council). The APNIC community was represented on the CRISP team by Izumi Okutani (Chair), Dr Govind, and APNIC’s Craig Ng.

In January 2015, the CRISP Team submitted the Internet number community’s Final Proposal to the ICG. The proposal was the result of consensus output of community discussions held in each RIR region. The ICG consolidated the contribution from CRISP into its final proposal at the end of 2015, and has since been awaiting the Cross Community Working Group on Enhancing ICANN Accountability (CCWG) to complete its related work so the final proposal can be submitted to the ICANN Board and subsequently, to the US Government.

www.apnic.net/ianaxfer

<table>
<thead>
<tr>
<th>2015 Planned Project</th>
<th>Member Benefit</th>
<th>2015 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Successful participation in development of the Internet numbering community’s transition plan</td>
<td>Assured continuity of IANA services</td>
<td>Numbering community plan submitted on schedule to ICG. Final proposal will be submitted to US Government by the ICG once CCWG completes its work</td>
</tr>
<tr>
<td>Delivery of the IANA Stewardship Transition plan to the US Government</td>
<td></td>
<td></td>
</tr>
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</table>
Inter-governmental outreach

CORE ACTIVITIES:

Inter-governmental liaison

2015 marked the 10-year review of the World Summit on Information Society (WSIS+10), and the Internet Governance Forum (IGF). APNIC made official submissions to the WSIS+10 Review consultation process, participated in the development of the Pattaya Key Messages (an Asia Pacific submission to the Review), and provided advice to government participants from the Asia Pacific region who attended the WSIS+10 UN General Assembly High-Level Meeting. The output document from WSIS+10 supported a multistakeholder Internet governance model and renewed the mandate of the IGF.

APNIC contributed to three INTERPOL meetings and workshops held in Singapore and China in 2015. APNIC Security Specialist Adli Wahid was invited to join the INTERPOL Global Cybercrime Expert Group. Geoff Huston continued his work with the OECD in 2015, attending two meetings to provide advice and research data to the OECD in preparation for its 2016 Ministerial Meeting that will address the digital economy, innovation, growth and social prosperity.

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<tr>
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<td>CAPEX</td>
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</table>
Global research

CORE ACTIVITIES:

Global research and measurements

APNIC Labs delivers globally-recognized research and measurement reports of key technologies including IPv6, BGP and DNSSEC.

In 2015, the Labs measurement platform was recoded to use HTML5 instead of Flash, allowing measurement of mobile devices. Improved data visualizations were also developed for some of Labs’ core reports.

APNIC Labs provided critical data on the behaviour of DNS resolvers when dealing with large DNS responses, contributing to global preparations for the DNS Root Zone key rollover in 2016. Labs also completed an experiment that highlighted some issues with ICANN’s Universal Acceptance program for new Generic Top Level Domains.

Technical advocacy at global forums

In 2015, APNIC shared its research findings at 18 technical forums across the globe, helping network engineers and policy makers make better decisions about Internet design and development.

Global research

<table>
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<td>CAPEX</td>
<td>$79,500</td>
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</table>
GOAL AND STRATEGIES:

- Create a resilient organization to meet APNIC’s goals and obligations
- Maintain a sustainable business model for the organization
- Motivate and align skilled people by providing a clear vision, optimal structure and enabling conditions to deliver tangible outcomes
- Provision adequate resources to support membership growth and additional services
- Maintain and attract the right human resources to meet organizational needs

Corporate

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</table>
**Human resources management**

**CORE ACTIVITIES:**

**Staff training and development**

*APNIC staff regularly undertake skills training and professional development, relevant to their roles, to improve their effectiveness and expertise.*

In 2015, staff exchanges were completed with LACNIC, RIPE NCC and AFRINIC for three APNIC staff members. A comprehensive training plan ensured that staff training needs were met as effectively and economically as possible. The third annual staff engagement survey results in 2015 confirm that APNIC continues to meet global High Performance benchmarks, as measured independently by the Hay Group.

**Human resource management**

<table>
<thead>
<tr>
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<tr>
<td>CAPEX</td>
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<td>-</td>
</tr>
</tbody>
</table>
### Human resources management

**KEY PROJECTS**

**Recruitment**

The focus of recruitment in 2015 was to expand APNIC’s capacity for training and improve the coordination and effectiveness of APNIC’s community outreach efforts.

**Systematic management of contractors and consultants**

APNIC standardized agreements and procedures for engaging with contractors and consultants in 2015.

**KPI measurement improvements**

APNIC expanded internal KPI systems to improve alignment of organizational goals with individual performance plans, and measurement of performance.

<table>
<thead>
<tr>
<th>2015 Planned Project</th>
<th>Member Benefit</th>
<th>2015 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 x Trainer (subject to training needs assessment findings)</td>
<td>Additional training coverage</td>
<td>2 x trainers recruited</td>
</tr>
<tr>
<td>1 x External relations manager</td>
<td>Dedicated external relations resource (previously part-time) to gather and respond to Member and community needs</td>
<td>1 x External relations manager recruited</td>
</tr>
<tr>
<td>Standardized terms and conditions for consultants and contractors</td>
<td>Diligent management of professional fee expenses</td>
<td>New standard agreement introduced, including guidelines for performance evaluation</td>
</tr>
<tr>
<td>Consultant and contractor performance evaluation process</td>
<td>Improved staff accountability to performance measures linked to overall APNIC objectives</td>
<td>Improved internal KPI dashboard established and all goals cascaded to individual performance plans / appraisals</td>
</tr>
<tr>
<td>Expanded internal KPI dashboard populated with updated economy/sub-regional data and indicators</td>
<td>Cascading new goals to individual performance plans</td>
<td></td>
</tr>
</tbody>
</table>
CORPORATE

Finance and administration

CORE ACTIVITIES:

Financial management

APNIC reviewed its banking provider in 2015 and selected Westpac (Australia) as its new provider. All transactional banking will be transferred to Westpac by January 2016.

A new merchant payment facility was also introduced in 2015 to provide additional Member payment options. The new facility allows for payments via PayPal, and others which will be enabled in 2016.

APNIC successfully renewed the existing private ruling of the Australian Taxation Office, confirming APNIC’s “mutuality” status (which exempts Member fee contributions from company taxation) through to the end of June 2017.

Office management

APNIC’s office management team maintained a healthy and productive work environment for APNIC staff, including managing office supplies, telephone/fax costs, postage/shipment, and general administrative tasks.

Travel management

APNIC staff, APNIC Executive Council members, and APNIC NRO NC members undertake significant travel to cover various events in the Asia Pacific region and globally. APNIC’s incumbent corporate travel provider was reviewed in 2015 for service quality and pricing alongside alternative suppliers. A new provider, Pulse Travel, was selected in November 2015 based on a favourable analysis.

Finance & administration

Planned | Actual
---|---
FTE | 8.0 | 8.0
Expenses | $1,394,258 | $1,403,214
CAPEX | $6,000 | $7,713
Legal, Governance and Facilities

CORE ACTIVITIES:

Legal counsel

In addition to providing ongoing legal advice, drafting and reviewing contracts, and corporate governance guidance, APNIC’s legal counsel was heavily involved in the development of the draft Service Level Agreement (SLA) between the IANA Numbering Services Operator and the five RIRs.

Workplace health and safety compliance

APNIC has a legal responsibility to provide a safe work environment to staff, contractors, and visitors. A range of activities to comply with these requirements, including quarterly audits and inspections, were completed in 2015 to minimize the risk of workplace incidents. No significant workplace accident or injury was recorded in 2015.

Building and office facilities

APNIC took an active approach to managing APNIC’s main office in Brisbane, including oversight of utility equipment, interior fit-outs, office furniture, building security, and repair and maintenance.
Facilities

KEY PROJECTS

Facilities review

During 2015, the Secretariat commenced a review of APNIC’s office facilities to determine its requirements over the next 5–10 years. APNIC moved to Cordelia Street in South Brisbane in December 2010, and there has been a significant change in the surrounding property market since then, with a large number of large residential developments either planned or under construction on neighbouring sites.

An analysis was presented to the APNIC EC in December identifying options for APNIC to review and update its current investment, and this work will continue in 2016.

<table>
<thead>
<tr>
<th>2015 Planned Project</th>
<th>Member Benefit</th>
<th>2015 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive facilities</td>
<td>Care and maintenance of a significant APNIC financial asset</td>
<td>Review of APNIC facilities underway with an analysis of options presented to EC; work to continue in 2016.</td>
</tr>
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</table>
## 2015 Financial Report by Activity

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<tr>
<th>Activity</th>
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<th>OPEX</th>
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</tr>
<tr>
<td>Technical Infrastructure</td>
<td>12.7</td>
<td>13.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Member Training</td>
<td>6.1</td>
<td>5.0</td>
<td>-1.1</td>
</tr>
<tr>
<td>Customer Service</td>
<td>15.7</td>
<td>16.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Registration Services</td>
<td>6.7</td>
<td>7.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Total</td>
<td>41.2</td>
<td>41.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Regional Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Technical Development</td>
<td>3.4</td>
<td>3.4</td>
<td>0.0</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>5.6</td>
<td>5.1</td>
<td>-0.5</td>
</tr>
<tr>
<td>APNIC Conferences</td>
<td>4.8</td>
<td>4.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>13.8</td>
<td>13.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Global Collaboration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter-governmental Outreach</td>
<td>1.3</td>
<td>1.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Global Technical Community</td>
<td>2.3</td>
<td>2.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Global Research</td>
<td>1.2</td>
<td>1.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>4.8</td>
<td>4.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Corporate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal &amp; Governance</td>
<td>1.6</td>
<td>1.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Human Resource Management</td>
<td>4.4</td>
<td>4.4</td>
<td>0.0</td>
</tr>
<tr>
<td>Finance &amp; Administration</td>
<td>8.0</td>
<td>8.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Facilities</td>
<td>0.3</td>
<td>0.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>14.3</td>
<td>14.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>74.0</td>
<td>73.9</td>
<td>-0.1</td>
</tr>
</tbody>
</table>
### STATEMENT OF FINANCIAL POSITION

Notes: For a better understanding of APNIC Pty Ltd's financial position and performance, as represented by the results of its operations for the financial year ended 31 December 2015, the statement of financial position, and statement of income, should be read in conjunction with the annual statutory financial report and the audit report contained therein.

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>2015 (AUD)</th>
<th>2014 (AUD)</th>
<th>% change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,785,266</td>
<td>1,062,097</td>
<td>68%</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5,486,288</td>
<td>5,335,670</td>
<td>3%</td>
</tr>
<tr>
<td>Other current assets</td>
<td>553,685</td>
<td>486,032</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>7,825,239</td>
<td>6,883,799</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>18,951,801</td>
<td>17,924,950</td>
<td>6%</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>7,842,424</td>
<td>7,905,733</td>
<td>-1%</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>139,580</td>
<td>157,749</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>26,933,805</td>
<td>25,988,432</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>34,759,044</td>
<td>32,872,231</td>
<td>6%</td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2015 (AUD)</th>
<th>2014 (AUD)</th>
<th>% change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>1,196,385</td>
<td>1,215,729</td>
<td>-2%</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,138,287</td>
<td>1,374,701</td>
<td>-17%</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>8,546,573</td>
<td>8,366,881</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>10,881,245</td>
<td>10,957,311</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>276,432</td>
<td>284,963</td>
<td>-3%</td>
</tr>
<tr>
<td>Provisions</td>
<td>281,908</td>
<td>241,459</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>558,340</td>
<td>526,422</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>11,439,585</td>
<td>11,483,733</td>
<td>-0%</td>
</tr>
</tbody>
</table>

**Net Assets**

|                      | 23,319,459 | 21,388,498 | 9%     |

**Equity**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>1</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Reserves</td>
<td>589,460</td>
<td>614,663</td>
<td>-4%</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>22,729,998</td>
<td>20,773,834</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>23,319,459</td>
<td>21,388,498</td>
<td>9%</td>
</tr>
</tbody>
</table>
## STATEMENT OF INCOME

### Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 (AUD)</th>
<th>2014 (AUD)</th>
<th>% change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP resource application fees</td>
<td>(18,375)</td>
<td>1,323,250</td>
<td>-101%</td>
</tr>
<tr>
<td>Investment income</td>
<td>792,041</td>
<td>754,563</td>
<td>5%</td>
</tr>
<tr>
<td>Membership fees</td>
<td>16,933,413</td>
<td>15,903,111</td>
<td>6%</td>
</tr>
<tr>
<td>Non-member fees</td>
<td>243,049</td>
<td>254,706</td>
<td>-5%</td>
</tr>
<tr>
<td>Reactivation fees</td>
<td>37,600</td>
<td>67,800</td>
<td>-45%</td>
</tr>
<tr>
<td>Sign-up fees</td>
<td>456,000</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Sundry income</td>
<td>303,523</td>
<td>292,872</td>
<td>4%</td>
</tr>
<tr>
<td>Foreign exchange gain</td>
<td>27,185</td>
<td>26,629</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>18,774,436</td>
<td>18,622,931</td>
<td>1%</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 (AUD)</th>
<th>2014 (AUD)</th>
<th>% change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication expenses</td>
<td>591,885</td>
<td>483,803</td>
<td>22%</td>
</tr>
<tr>
<td>Computer expenses</td>
<td>520,784</td>
<td>572,528</td>
<td>-9%</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>764,145</td>
<td>765,548</td>
<td>-0%</td>
</tr>
<tr>
<td>ICANN contract fees</td>
<td>284,161</td>
<td>260,333</td>
<td>9%</td>
</tr>
<tr>
<td>Meeting and training expenses</td>
<td>350,313</td>
<td>374,850</td>
<td>-7%</td>
</tr>
<tr>
<td>Office operating expenses</td>
<td>315,608</td>
<td>312,744</td>
<td>1%</td>
</tr>
<tr>
<td>Professional fees</td>
<td>1,195,494</td>
<td>1,052,757</td>
<td>14%</td>
</tr>
<tr>
<td>Salaries and personnel expenses</td>
<td>9,586,575</td>
<td>8,731,164</td>
<td>10%</td>
</tr>
<tr>
<td>Sponsorship/publicity expenses</td>
<td>575,775</td>
<td>340,946</td>
<td>69%</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>1,961,551</td>
<td>1,955,471</td>
<td>0%</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>659,204</td>
<td>718,286</td>
<td>-8%</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>16,805,495</td>
<td>15,568,430</td>
<td>8%</td>
</tr>
</tbody>
</table>

### Operating surplus

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 (AUD)</th>
<th>2014 (AUD)</th>
<th>% change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating surplus before income tax</td>
<td>1,968,941</td>
<td>3,054,501</td>
<td>-36%</td>
</tr>
<tr>
<td>Income tax benefit/(expense)</td>
<td>(12,777)</td>
<td>34,609</td>
<td>-137%</td>
</tr>
<tr>
<td><strong>Operating surplus after income tax</strong></td>
<td>1,956,164</td>
<td>3,089,110</td>
<td>-37%</td>
</tr>
</tbody>
</table>
## CASH FLOW STATEMENT

For the year ended 31 December

### Cash flows from operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 (AUD)</th>
<th>2014 (AUD)</th>
<th>% change from 201</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from members and customers</td>
<td>18,570,973</td>
<td>18,712,686</td>
<td>-1%</td>
</tr>
<tr>
<td>Payments to suppliers, employees and grantees</td>
<td>(17,227,843)</td>
<td>(16,195,699)</td>
<td>6%</td>
</tr>
<tr>
<td>Grants received</td>
<td>799,587</td>
<td>875,783</td>
<td>-9%</td>
</tr>
<tr>
<td>Interest received</td>
<td>142,420</td>
<td>179,033</td>
<td>-20%</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td><strong>2,285,137</strong></td>
<td><strong>3,571,803</strong></td>
<td><strong>-36%</strong></td>
</tr>
</tbody>
</table>

### Cash flows from investing activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 (AUD)</th>
<th>2014 (AUD)</th>
<th>% change from 201</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption of short-term deposits</td>
<td>(400,000)</td>
<td>214,795</td>
<td>-286%</td>
</tr>
<tr>
<td>Payments for property, plant and equipment</td>
<td>(709,029)</td>
<td>(707,464)</td>
<td>0%</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>7,230</td>
<td>24,678</td>
<td>-71%</td>
</tr>
<tr>
<td>Purchase of available-for-sale financial assets</td>
<td>(500,000)</td>
<td>(3,008,343)</td>
<td>-83%</td>
</tr>
<tr>
<td><strong>Net cash outflow from investing activities</strong></td>
<td><strong>(1,601,799)</strong></td>
<td><strong>(3,476,334)</strong></td>
<td><strong>-54%</strong></td>
</tr>
</tbody>
</table>

### Net increase (decrease) in cash and cash equivalents:

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 (AUD)</th>
<th>2014 (AUD)</th>
<th>% change from 201</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at the beginning of year</td>
<td>1,062,097</td>
<td>943,980</td>
<td>13%</td>
</tr>
<tr>
<td>Effects of exchange rate changes on cash and cash equivalents</td>
<td>39,831</td>
<td>22,648</td>
<td>76%</td>
</tr>
<tr>
<td><strong>Cash at the end of year</strong></td>
<td><strong>1,785,266</strong></td>
<td><strong>1,062,097</strong></td>
<td><strong>68%</strong></td>
</tr>
</tbody>
</table>
Supporters

APNIC acknowledges and thanks the following organizations for their generous support during 2015.

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DMM. Com
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Nippon Telegraph And Telephone Corporation
Nissho Electronics Corporation
NIXI, National Internet Exchange of India
Nominum
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PACNOG
PANDI
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PhNOG
PT Pandata System
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OPT Nouvelle-Caledonie
PITA, Pacific Islands Telecommunications Association
SLNG, Sri Lanka Next Generation
Telecom Fiji Limited
Telecom Niue
UP ITDC, University of the Philippines Information Technology Development Center
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