

# APNIC Budget 2018

**APNIC**



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## 1 Executive Summary

This document contains the APNIC budget submission for the financial year from January to December 2018. The budget submission includes revenue, expense, and capital expenditure projections based on the planned activities for the APNIC Secretariat for 2018.

The purpose of this paper is to allow the APNIC Executive Council to approve an expenditure level for 2018, in the manner as described in the APNIC By-laws:

*“to establish the basis for the budget of APNIC and determine, in the light of the decisions taken by the Members on the reports referred to in by-law 5(b) above, a ceiling for the expenditure of APNIC until the next AGM after considering all relevant aspects of the work of APNIC in that period” [APNIC By-laws 30 (g)]*

**The proposed budget includes operational expenditure of AUD \$21,917,453 and projected revenue of AUD \$22,164,017 providing an operating surplus of AUD \$246,564 for 2018. The capital expenditure requirements for 2018 are AUD \$1,013,800. All values in this document are expressed in Australian Dollars (AUD) unless otherwise indicated.**

## 2 Budget Summary

The 2018 budget for revenue, expenses, and capital expenditure are included in the table below:

REVENUE (AUD)	Forecast 2017	Budget 2018	Change
Investment income	777,607	960,000	23.46%
Membership fees	19,307,002	20,182,202	4.53%
Non-members fees	263,398	237,315	-9.90%
Reactivation fees	23,030	23,500	2.04%
Sign-Up fees	373,870	378,000	1.10%
Transfer fees	120,870	130,000	7.55%
Sundry income	210,859	253,000	19.99%
<b>TOTAL REVENUE</b>	<b>21,076,636</b>	<b>22,164,017</b>	<b>5.16%</b>

  

EXPENSES (AUD)	Forecast 2017	Budget 2018	Change
Bank service fees	180,355	180,500	0.08%
Communication expenses	578,155	581,328	0.55%
Computer expenses	680,901	886,136	30.14%
Contribution to APNIC Foundation	632,544	700,683	10.77%
Depreciation expense	809,158	827,368	2.25%
Doubtful debt expenses	25,000	25,000	
ICANN contract fee	244,656	248,340	1.51%
Insurance expense	178,914	186,000	3.96%
Meeting and training expenses	402,989	479,000	18.86%
Membership fees	53,581	52,840	-1.38%
Office Operating Expenses	324,578	352,425	8.58%
Postage & delivery	39,720	39,000	-1.81%
Printing & photocopy	28,511	39,000	36.79%
Professional fees	1,618,705	1,813,500	12.03%
Recruitment expense	138,411	120,000	-13.30%
Salaries and personnel expenses	11,266,199	12,094,603	7.35%
Sponsorship and Publicity expenses	738,636	860,730	16.53%
Staff training/ Conference expenses	158,688	157,500	-0.75%
Translation expenses	11,450	23,500	105.24%
Travel expenses	2,223,001	2,250,000	1.21%
<b>TOTAL EXPENSES</b>	<b>20,334,152</b>	<b>21,917,453</b>	<b>7.79%</b>

  

REVENUE and EXPENSES (AUD)	Forecast 2017	Budget 2018	Change
Total Revenue	21,076,636	22,164,017	5.16%
Total Expenses	20,334,152	21,917,453	7.79%
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>742,484</b>	<b>246,564</b>	<b>-66.79%</b>

  

CAPITAL (AUD)	Forecast 2017	Budget 2018	Change
Equipment & Software	800,000	923,800	15.48%
Office Furniture & Fittings	115,000	90,000	-21.74%
<b>Total - Capital Expenditure</b>	<b>915,000</b>	<b>1,013,800</b>	<b>10.80%</b>

Table 2.1 2018 Budget summary

### 3 Budget Preparation Notes

The budget is developed on a zero-based methodology, and involves extensive consultation across the organization.

There are a range of key inputs that are included in the budget process, including:

- The 2016 APNIC Survey
- The 2018 APNIC Activity Plan
- 2018 priorities as established through the operational planning process
- The APNIC organization structure, HR cost analysis and recruitment plans
- Membership projections, derived from analysis of historical membership growth and recent trends
- Investment return forecasts provided by APNIC's investment advisors
- The asset register and quantity survey reports, which form the basis of depreciation and capital allowance forecast

#### 3.1 Projection techniques

Projections for membership fees are calculated by analysing recent trends in membership activity. 2018 membership revenues budgets are calculated based on the current (2015) fee schedule. A linear projection of membership growth and account closure is used to estimate the incremental growth in revenue for membership fees in 2018.

Interest income is based on analysis of APNIC's existing cash deposits and the contracted rates and maturity dates for fixed deposits. Estimates of interest from the current account are based on current returns. Investment income predictions are based on forecasts provided by APNIC's investment managers across the range of investment categories set out in APNIC's Investment Policy.

The ERP system allows for the verification of all current approved spending commitments. This data is combined with new planned expenditure in 2018.

An overall inflation rate of 1.8%, and (1.9% excluding volatile items) was recorded for the 12 months ending September 2017 and this has been used in projecting costs for 2018.

#### 3.2 APNIC's Taxation Status

APNIC's taxation status as a "Mutual Organisation" by way of a Private Ruling from the Australian Taxation Office was re-confirmed in November 2017 for another five years ending June 2022.

## 4 Revenue

The table below tracks APNIC's revenue from 2012 through to the forecast for 2017 and the budget submission for 2018.

REVENUE (AUD)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Forecast 2017	Budget 2018	Change
Investment income	595,635	585,522	754,563	792,041	890,951	777,607	960,000	23.46%
IP Resource Application fee	2,232,250	1,420,625	1,323,250	-18,375				
Membership fees	14,361,213	15,074,781	15,903,111	16,933,413	18,354,898	19,307,002	20,182,202	4.53%
Non-members fees	227,966	240,225	254,706	243,049	243,923	263,398	237,315	-9.90%
Reactivation fees	43,200	37,050	67,800	37,600	37,700	23,030	23,500	2.04%
Sign-Up fees				456,000	465,000	373,870	378,000	1.10%
Transfer fees	11,616	61,339	81,304	77,943	130,139	120,870	130,000	7.55%
Sundry income	182,552	149,100	238,198	252,764	193,829	210,859	253,000	19.99%
<b>TOTAL REVENUE</b>	<b>17,654,431</b>	<b>17,568,641</b>	<b>18,622,931</b>	<b>18,774,435</b>	<b>20,316,440</b>	<b>21,076,636</b>	<b>22,164,017</b>	<b>5.16%</b>

Table 4.1 Revenue over time

### 4.1 Investment Income

The value APNIC's investments continue to increase as excess funds are transferred from the operating account to the Investment Fund and investment returns are reinvested in line with the Investment Policy. APNIC's investment advisors have forecast a yield of 3.49% in 2018. Interest on cash deposits not held in the fund are forecast to achieve 2.5% in 2018.

### 4.2 Membership Fees

#### 4.2.1 Membership growth

APNIC's membership growth continues and the 2018 Budget assumes a linear continuation of membership growth. The 2018 budget was developed based on the modelling of the recent membership trends. The table below shows membership growth since 2010.

Member Tier	2010	2011	2012	2013	2014	2015	2016	F'cst 2017	Budget 2018
Extra Large	16	21	20	20	21	22	22	22	22
Very Large	33	41	45	43	40	44	43	42	42
Large	141	145	144	147	142	137	138	138	138
Medium	324	378	402	392	402	431	449	465	481
Small	867	970	1114	1198	1388	2165	2643	2901	3159
Very Small	637	817	1021	1294	1701	2336	2590	2843	3095
Associate	503	575	788	957	924	133	109	123	125
<b>Total</b>	<b>2521</b>	<b>2947</b>	<b>3534</b>	<b>4051</b>	<b>4618</b>	<b>5268</b>	<b>5994</b>	<b>6534</b>	<b>7062</b>
New	478	615	832	813	805	968	1048	849	840
Closed	163	189	245	296	238	318	322	309	312
<b>Net Gain</b>	<b>315</b>	<b>426</b>	<b>587</b>	<b>517</b>	<b>567</b>	<b>650</b>	<b>726</b>	<b>540</b>	<b>528</b>
Average Net Monthly Gain	26	36	49	43	47	54	61	45	44

Table 4.2 Membership growth over time

## 4.2.2 Membership fee revenue – sensitivity analysis

The table below illustrates the potential impact on membership revenue if the actual growth of membership in 2018 varies from the assumptions included in the budget. The average annual fee a new Member will pay is estimated at \$1,430 AUD which accounts for allocations from the last /8 and the IANA reclaimed pool, and for discounts applied to new Members from LDC's.

### Impact of Member Growth on estimates (% Variation in Member Numbers)

Variance to Budget \$

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018
Budget New Members #	70	70	70	70	70	70	70	70	70	70	70	70	840
40%	3,337	6,673	10,010	13,347	16,683	20,020	23,357	26,693	30,030	33,367	36,703	40,040	260,260
30%	2,503	5,005	7,508	10,010	12,513	15,015	17,518	20,020	22,523	25,025	27,528	30,030	195,195
20%	1,668	3,337	5,005	6,673	8,342	10,010	11,678	13,347	15,015	16,683	18,352	20,020	130,130
10%	834	1,668	2,503	3,337	4,171	5,005	5,839	6,673	7,508	8,342	9,176	10,010	65,065
0%	-	-	-	-	-	-	-	-	-	-	-	-	-
-10%	(834)	(1,668)	(2,503)	(3,337)	(4,171)	(5,005)	(5,839)	(6,673)	(7,508)	(8,342)	(9,176)	(10,010)	(65,065)
-20%	(1,668)	(3,337)	(5,005)	(6,673)	(8,342)	(10,010)	(11,678)	(13,347)	(15,015)	(16,683)	(18,352)	(20,020)	(130,130)
-30%	(2,503)	(5,005)	(7,508)	(10,010)	(12,513)	(15,015)	(17,518)	(20,020)	(22,523)	(25,025)	(27,528)	(30,030)	(195,195)
-40%	(3,337)	(6,673)	(10,010)	(13,347)	(16,683)	(20,020)	(23,357)	(26,693)	(30,030)	(33,367)	(36,703)	(40,040)	(260,260)

Table 4.3 Sensitivity analysis – membership growth

Based on analysis of recent trends, it is forecast that 840 new Members will join APNIC in 2018, the average value of closed accounts is estimated at \$1,686 and it is 26 account closures are expected each month, in 60% of cases, resources are returned to APNIC. The table below illustrates the impact on Membership revenue if the actual number of membership closures in 2018 varies from the assumptions included in the budget.

### Impact of Member Closures on estimates (% Variation in Member Numbers)

Variance to Budget \$

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018
Budget Closures #	26	26	26	26	26	26	26	26	26	26	26	26	312
-40%	877	1,754	2,631	3,508	4,384	5,261	6,138	7,015	7,892	8,769	9,646	10,523	68,398
-30%	658	1,315	1,973	2,631	3,288	3,946	4,604	5,261	5,919	6,577	7,234	7,892	51,298
-20%	438	877	1,315	1,754	2,192	2,631	3,069	3,508	3,946	4,384	4,823	5,261	34,199
-10%	219	438	658	877	1,096	1,315	1,535	1,754	1,973	2,192	2,411	2,631	17,099
0%	-	-	-	-	-	-	-	-	-	-	-	-	-
10%	(219)	(438)	(658)	(877)	(1,096)	(1,315)	(1,535)	(1,754)	(1,973)	(2,192)	(2,411)	(2,631)	(17,099)
20%	(438)	(877)	(1,315)	(1,754)	(2,192)	(2,631)	(3,069)	(3,508)	(3,946)	(4,384)	(4,823)	(5,261)	(34,199)
30%	(658)	(1,315)	(1,973)	(2,631)	(3,288)	(3,946)	(4,604)	(5,261)	(5,919)	(6,577)	(7,234)	(7,892)	(51,298)
40%	(877)	(1,754)	(2,631)	(3,508)	(4,384)	(5,261)	(6,138)	(7,015)	(7,892)	(8,769)	(9,646)	(10,523)	(68,398)

Table 4.4 Sensitivity analysis – membership closures

## 4.3 Non-Members Fees

Fees from Non-Member account holders continue to be very stable and it is anticipated that in 2018 that there will be minimal change to this revenue for this item.

## 4.4 Reactivation Fees

Reactivation Fees are charge to Members to reactivate their accounts after closure. The revenue for this item is expected to be in line with 2017.



## 4.5 Sign-Up Fees

Sign-Up fees are directly related to membership growth as outlined in table 4.2 above. The fee is \$500 and is discounted by 50% for LDC economies that represent in recent trends have averaged around 20% of forecasted new Member growth. The effect of a variance to the budget assumption for this revenue item is set out in the table below:

Variance to Budget \$

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018
Sign-Up Fees - Budget \$	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	31,500	378,000
40%	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	151,200
30%	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450	113,400
20%	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	75,600
10%	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	37,800
0%	-	-	-	-	-	-	-	-	-	-	-	-	-
-10%	(3,150)	(3,150)	(3,150)	(3,150)	(3,150)	(3,150)	(3,150)	(3,150)	(3,150)	(3,150)	(3,150)	(3,150)	(37,800)
-20%	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(6,300)	(75,600)
-30%	(9,450)	(9,450)	(9,450)	(9,450)	(9,450)	(9,450)	(9,450)	(9,450)	(9,450)	(9,450)	(9,450)	(9,450)	(113,400)
-40%	(12,600)	(12,600)	(12,600)	(12,600)	(12,600)	(12,600)	(12,600)	(12,600)	(12,600)	(12,600)	(12,600)	(12,600)	(151,200)

Table 4.5 Sensitivity analysis – Sign-Up fees

## 4.6 Transfer Fees

The revenue from transfer fees is estimated as similar to the actuals achieved in 2016, and 2017.

## 4.7 Sundry Income

Sundry income includes revenue for sources such as:

- Meeting receipt registration – Members/Non-Members
- Meeting receipt – Sponsorship
- External training receipts - Members/Non-Members

Meeting Sponsorship will be higher in 2018 with some of the additional revenue used to fund the increased fellowship program.

## 4.8 Foreign Exchange Gains/Losses

The budget for exchange rate variances has been set as zero; it is not possible to forecast the total gain or loss on APNIC transactions. APNIC has a low exposure to currency variations as all fees from members and the majority of expenses in running APNIC's operations are paid in Australian dollars.

## 5 Expenses

The tables below set out APNIC's expenses since 2012, with commentary on the major expenses is included below:

EXPENSES (AUD)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Forecast 2017	Budget 2018	Change
Bank service fees	132,080	138,337	145,823	156,496	167,917	180,355	180,500	0.08%
Communication expenses	440,762	490,600	483,803	591,885	532,212	578,155	581,328	0.55%
Computer expenses	551,362	548,748	572,528	520,784	533,628	680,901	886,136	30.14%
Contribution to APNIC Foundation					18,003	632,544	700,683	10.77%
Depreciation expense	816,998	753,032	765,548	764,145	785,218	809,158	827,368	2.25%
Doubtful debt expenses	27,099	30,990	34,259	-54,293	-6,225	25,000	25,000	
ICANN contract fee	321,655	136,732	260,333	284,161	243,026	244,656	248,340	1.51%
Insurance expense	126,673	126,751	129,971	131,550	128,793	178,914	186,000	3.96%
Meeting and training expenses	191,561	332,819	374,850	350,313	363,343	402,989	479,000	18.86%
Membership fees	68,392	48,294	55,611	49,532	48,971	53,581	52,840	-1.38%
Miscellaneous expenses	3	-376,729						
Office Operating*	249,930	300,757	312,744	315,608	324,948	324,578	352,425	8.58%
Postage & delivery	28,493	45,269	22,071	51,029	41,893	39,720	39,000	-1.81%
Printing & photocopy	38,115	36,586	48,508	33,807	38,165	28,511	39,000	36.79%
Professional fees	939,882	1,246,373	1,052,757	1,195,494	1,409,430	1,618,705	1,813,500	12.03%
Recruitment expense	99,574	89,472	144,423	119,077	94,307	138,411	120,000	-13.30%
Rent and Outgoings	-12,562							
Salaries and personnel expenses	8,145,433	8,298,111	8,731,164	9,586,575	10,459,153	11,266,199	12,094,603	7.35%
Sponsorship and Publicity expense	270,696	319,623	340,946	575,775	624,179	738,636	860,730	16.53%
Staff training/ Conference expense	151,386	163,053	135,996	169,122	164,441	158,688	157,500	-0.75%
Tax expenses	-17,506	-96,166	-34,609	12,777	-18,217			
Translation expenses	11,928	15,255	1,623	2,883	11,147	11,450	23,500	105.24%
Travel expenses	1,822,239	1,937,230	1,955,471	1,961,551	2,085,745	2,223,001	2,250,000	1.21%
<b>TOTAL EXPENSES</b>	<b>14,404,193</b>	<b>14,585,138</b>	<b>15,533,822</b>	<b>16,818,270</b>	<b>18,050,078</b>	<b>20,334,152</b>	<b>21,917,453</b>	<b>7.79%</b>

Table 5.1 Expenses over time – by value

### 5.2 Salary and Wages

Salary and wages will increase by 7.35% in 2018 when compared to the forecast expenditure for the 2017 year. The assumptions included in this budget are:

- Employee superannuation contributions will remain at 9.5%
- All permanent staff will take 3.5 weeks of annual leave
- The overall allowance for salary increases resulting from role changes and annual performance reviews will be set at 3.5%
- Existing headcount commitments continue from 2017 with the no new positions requested in this budget submission
- As in 2017, two APNIC staff will be seconded to the APNIC foundation, their costs are included in the expense; Contribution to APNIC foundation.

### 5.3 Travel Expenses

APNIC's travel expenses will increase in 2018, the travel budget was developed based on assessment of individual travel plans for 2018.

This category includes travel for; APNIC Staff, APNIC EC, NRO AC, Support for SIG Chairs.

Travel expenses include all corporate travel management fees and International SOS membership, which provides advice and emergency assistance for those travelling on APNIC business.

### 5.4 Professional fees

Professional Fees will increase by 12%, the major contributors are the APNIC Survey and consultancy for the APNIC Academy. Details for 2018 expenses are:

• Legal Advice & Expenses	155,000
• Non-staff trainers	150,000
• Survey Instrument, Analysis and Report	140,000*
• Investment Consultant Service	125,000
• Design Consultancy	120,000
• Content development - APNIC Academy	120,000*
• HR Agreements	120,000
• Research Consulting Support	115,000
• Technical Assistance Services	80,000
• Benchmarking consultancy	60,000*
• New community collaboration Consultant	50,000
• Non-staff trainers - travel expenses	50,000
• ISO27001 (ISMS) Consulting fees	44,000
• Audit Fees	40,000
• Financial and Tax advice	35,000
• NetSuite Consulting Support	35,000
• Travel for guest speakers	35,000
• CMS & Web Consultation & Development	35,000

\* Incremental for 2018

### 5.5 Computer Expenses

Computer expenses include all non-capital purchases of equipment, consumables, license and support fees for hardware and software. There are a number of costs related to work already commenced which contribute to the increase in 2018. Major expenses in 2018 are:

• ERP Licenses users and modules (Including FAM, Sandbox)	110,000
• Salesforce Licence Expenses	80,000
• Firewall & Intrusion detection/prevention system - IA, NX – Support	57,240

• F5 BIG-IP Support and maintenance	54,000
• Cloud computing costs - Labs	50,000
• Vmware licenses - Hosts, Vcenter and ROBO/VSAN	40,000
• ISC Bronze support/subscription	31,000
• Pardot Licence Expenses	27,000
• Expense Reporting applications	25,000
• Office 365 Business Premium	22,000
• E-learning [AdobeConnect] + IOS [Smart] + Other S/W licenses	20,000
• API's (Zapier/Ungerboeck/MS, etc.)	20,000
• Salesforce Applications	20,000
• Maintenance contract - DNSSEC signers - Secure64	18,360
• Halogen - Performance, Learning, Compensation & Job Description	15,500
• NetApp IA and NX FAS storage maintenance and support	15,000
• HR IS Licences	12,000
• Jitterbit license fee	11,000
• Virus and endpoint security	10,500
• Ungerboeck license and hosting fees 11 user	10,500
• Safenet Support and Maintenance - BPKI	10,200
• Safenet Support and Maintenance - RPKI	10,200
• Dell Server Maintenance	10,000
• Network accessories (Cables, Fiber, etc.)	10,000
• Data Visualisation	10,000

## 5.6 Depreciation Expenses

Depreciation expenses are budgeted based on analysis of the existing depreciation and capital allowance schedules; including anticipated depreciation based on Capital Expenditure planned for 2018. The amounts budgeted for 2018 are:

• Equipment depreciation	661,500
• Capital works allowances (6 Cordelia St)	165,868

## 5.7 Sponsorship and Publicity Expenses

Sponsorship and Publicity expenses include APNIC contributions to the NRO expenses, the ISIF program, and sponsorship of NOG's and other community events. Major expenses in 2018 include:

• NRO Expenses APNIC Contribution	174,260
• Regional technical development + new NOGs	100,000
• APNIC contribution to ISIF grants pool	100,000
• Google PPC Advertising	70,000

- |  |         |
|--|---------|
| • APNIC 46 Conference Additional 25 Fellows                          | 65,000* |
| • APNIC conference fellowships                                       | 60,000  |
| • Research grants on technical issues                                | 60,000  |
| • Regional community development events                              | 50,000  |
| • Regional/National IGFs sponsorship                                 | 40,000  |
| • Regional technical development - security & CERTs                  | 40,000  |
| • Google PPC Advertising – ASN Project                               | 20,000  |
|  |         |
| • <i>New but offset by increased sponsorship in “Sundry Income”.</i> |         |

## 5.8 Communication Expenses

Communication expenses include data network expenses, Internet connectivity expenses, telephony and mobile phone expenses. The major contributors to costs here are the ongoing cost of the dark fibre network and the cost of rack-space in the co-locations that are critical to APNIC’s network resilience. The major costs included in the 2018 budget include the following:

- |   |        |
|---|--------|
| • Rack hire, power, cross connect                       | 98,400 |
| • Telstra: IP MAN PRIM Dual access 10M rental           | 70,000 |
| • Interactive rack hire                                 | 58,000 |
| • AU switch, router, wifi, vpn smartnet                 | 51,366 |
| • Peering: 250Mbps PIPE/TPG Transit & Peering           | 50,000 |
| • Dark Fibre: Office-EMP (Eight Mile Plain)             | 42,000 |
| • Autonomica Services (NetNod) Anycasted DNS service    | 35,700 |
| • DNS loadbalancing - for regional whois (port 43)      | 26,928 |
| • VoIP/Telephony support, rental, uplinks, SIP channels | 24,000 |
| • Backup: Cloud storage                                 | 24,000 |
| • Vocus dark fibre and peering (Equinix)                | 18,360 |
| • Telstra: TBS equipment maintenance                    | 15,000 |
| • Server hosting - DNS                                  | 12,000 |
| • Other Office Phone charges                            | 10,750 |

## 5.9 Contribution to APNIC Foundation

As detailed in 4.1 above, APNIC will underwrite Foundation costs up to a maximum of \$700,683 in 2018. Included in this amount is the costs for the two APNIC staff seconded to the Foundation and recovery of other internal resource costs.

## 5.10 Meeting and Training Expenses

Meeting and Training expenses include all the costs incurred in running the meetings including APNIC conferences and other meeting/training events. This includes; venue and equipment hire, catering and social events. The major contributors to this expense are the APNIC conferences in 2018 at Nepal and New Caledonia. While not all meeting expenses are included in this expense, the major venue and logistic costs are included. A portion of these costs in some instances is offset by sponsorship and Registration/workshop income. Major costs included in the 2018 budget are:

• APNIC 46 Conference - venue hire + catering	72,600
• APNIC 46 Conference AV rental	50,000
• Training support (venue and catering costs)	50,000
• APNIC 46 Opening reception	33,500
• End of Year and Mid-Year staff events	27,500
• APNIC 45 (APRICOT Closing Reception)	26,000
• APNIC 45 AV-Webcast Equipment Rental	17,000
• APNIC 46 Conference closing dinner - Thursday 150 pax	15,000
• APNIC 46 Workshop week - venue hire	14,500
• APNIC 46 Workshop week - catering (90pax)	13,050
• Services outreach exhibition (CommuniCast, CommunicAsia, etc.)	13,000
• APNIC 46 Conference signage	12,500
• APNIC 45 Conference Room Rental	12,000
• Quarterly offsite meeting for ELT	12,000
• APNIC 46 Conference week - venue hire	10,000
• APNIC 46 Workshop week closing dinner	8,000
• APNIC 45 - APRICOT Registration Fees for Guest	7,500
• 6 Member gathering	7,200
• APNIC 45 APIX meeting - catering and meeting room	7,000
• APNIC 46 Member Services Lounge furniture hire, signage and AV	6,000
• APNIC 46 Meet the EC Cocktail	6,000

## 5.11 Office Operating Expenses

The major costs in this item include electricity, land tax, council and water rates, cleaning and rubbish removal, air-conditioning and security. Major planned expenditure for 2018 includes:

• Cordelia Street - Electricity	60,000
• Land Tax	54,200
• Kitchen Supply and Catering Expense	52,500
• Office Cleaning	37,500
• Local Council Rates and charges	35,800



## 6 Capital Expenditure

Capital expenditure comprises equipment & software and office equipment. For the 2018 budget submission capital expenditure provision is \$1,013,800. Of this amount, \$923,900 relates to Equipment & Software, and \$90,000 relates to Office Furniture & Fittings as set out in the table below:

CAPITAL (AUD)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Forecast 2017	Budget 2018	Change
Equipment & Software	337,479	661,095	662,698	671,551	809,626	800,000	923,800	15.48%
Office Furniture & Fittings	60,664	89,911	31,728	36,731	12,136	115,000	90,000	-21.74%
<b>Total - Capital Expenditure</b>	<b>398,143</b>	<b>751,006</b>	<b>694,425</b>	<b>708,282</b>	<b>821,762</b>	<b>915,000</b>	<b>1,013,800</b>	<b>-6.26%</b>

**Table 6.1 Capital Expenditure over time**

Major items in Equipment & Software include:

- New IXP Development - (4 x \$30K) 120,000
- Root Server new installations and upgrades 100,000
- CRM Development Work - Reduced form 250k 100,000
- Stats & Data Development Work - Project Consultancy 100,000
- APNIC Portal Development work - Project Consultancy 100,000
- SQL server, storage expansion, switches, laptops, screens. 80,000
- Telephony replacement equipment 40,000
- Server - DNS - JP replacement 30,000
- Switches - Openflow lab content of SDN workshop 25,000
- Firewalls to enhance lab of security workshop 20,000
- Virtualisation server storage cache 20,000
- RIPE Anchors 15,000
- VoIP Upgrade by Integrator 15,000
- Intel NUC - for SDN lab in workshop 12,000
- Conference/Spare laptops (4x replacements) 12,000
- Software improvement to manage training, fellowships, etc. 10,000
- Fibre testing kit 10,000
- Sony PTZ main cameras (conference) 10,000
- Staff monitors due for replacement 10,000

Office Furniture & Fittings include allowances for replacement of office furniture and kitchen equipment, office modifications and alterations.



## 7 APNIC Foundation

The APNIC foundation will require up to a maximum of \$700,683 of funding in 2018, this may be reduced if some current proposals are accepted. Details of expected revenue and expenses for the foundation are included below:

REVENUE (AUD)	Forecast 2017	APNIC Foundation Budget 2018	2018 Budget vs 2017 Forecast Var	Var %	Budget Var %
<b>Contribution from APNIC</b>	<b>632,544</b>	<b>700,683</b>	<b>208,139</b>	11%	-3%
Contribution from other Funders	5,000	145,000	0	2800%	0%
<b>TOTAL REVENUE</b>	<b>637,544</b>	<b>845,683</b>	<b>208,139</b>	33%	17%

EXPENSES (AUD)	Forecast 2017	APNIC Foundation Budget 2018	2018 Budget vs 2017 Forecast Var	Var %	Budget Var %
Bank charges	212	500	288	136%	43%
Communication expenses	0	3,000	3,000	0%	-40%
Computer expenses	524	1,000	476	91%	-80%
Grant Activity Expenses	5,000	145,000	140,000	2800%	0%
Meeting and training expenses	230	1,500	1,270	553%	0%
Postage & delivery	0	250	250	0%	0%
Printing & photocopy	3,596	1,000	(2,596)	-72%	-80%
Professional fees	79,656	40,000	(39,656)	-50%	33%
Recruitment expense	0	2,000	2,000	0%	-60%
Salaries and personnel expenses	450,273	532,873	82,600	18%	4%
Staff training/ Conference expenses	1,767	2,000	233	13%	-60%
Translation expenses	0	1,000	1,000	0%	-60%
Travel expenses	96,286	115,560	19,274	20%	-21%
<b>TOTAL EXPENSES</b>	<b>637,544</b>	<b>845,683</b>	<b>208,139</b>	33%	17%

REVENUE and EXPENSES (AUD)	Forecast 2017	APNIC Foundation Budget 2018	2018 Budget vs 2017 Forecast Var	Var %	Budget Var %
Total Revenue	637,544	845,683	208,139	33%	17%
Total Expenses	637,544	845,683	208,139	33%	17%
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>

Table 7.1 APNIC Foundation – Financial Estimates 2018