

6/03/2026

Jonathan Brewer
via email

Dear Jonathan,

RE: APNIC 61 AGM Feedback

Thank you again for sharing your thoughts with the EC at the APNIC 61 AGM in Jakarta. We welcome all genuine Member feedback, no matter how robust, as it helps us work with the membership to guide APNIC.

There were several points you made that we promised to address and I hope this message helps cover your concerns on encouraging greater EC diversity; the EC's oversight of APNIC's financials; the strategic realignment in 2025; and APNIC's ability to weather future uncertainty.

Independent Directors

We appreciate your response at the AGM to EC Secretary Roopinder Perhar's [letter](#), which we acknowledge was delayed due to the nature of the topic requiring significant discussion and the EC's decision to prioritise other by-law reforms, including the introduction of term limits.

While the EC has conveyed the outcome of our discussions – that the fully elected structure is integral to ensuring accountability, transparency, and Member trust in the organisation's governance – the conversation is not closed. On the contrary, your contributions have started a renewed effort to make consequential, long-lasting improvements to diversify representation on the EC.

As conveyed in the letter, we have directed the Secretariat to facilitate community discussion on this matter, and our expectation is that this dialogue will lead to meaningful community initiatives to improve the diversity of EC candidates. While our letter focused on gender representation for this engagement, we are happy for this discussion to also include skills diversity so we can better understand community concerns in this area and the potential solutions. We would welcome you taking a leading role in those initiatives and to help us encourage others in the community to participate.

We are optimistic about the future as foundations are being laid for change. As mentioned in the letter, we have now introduced EC term limits, and we have three female leaders in APNIC's four Special Interest Groups (SIG). Community leadership positions, such as SIG Chair/Co-Chair roles, could be used as stepping stones to the EC, and we look forward to further community discussion to expand in these areas.

The EC remains open to suggestions from Members and the wider community for further governance reform. Since 2022, reforms have included:

- Strengthening the power of APNIC Members to update the By-laws by reducing the voting threshold from two-thirds of all Members to two-thirds of votes cast
- Improving the governance structure by appointing EC Members as directors of APNIC Pty Ltd and establishing a corporate trustee to hold the single share in APNIC Pty Ltd
- Enhancing the eligibility criteria for EC election nominees and mitigating vulnerabilities in the EC election process

- Establishing a formal EC finance, risk, and audit committee to provide additional oversight of governance areas outside the formal EC meeting
- The introduction of EC Member term limits, in response to community feedback and consultation.

Again, we appreciate your feedback and suggestions on this issue.

EC oversight of APNIC's financial position

We also wanted to address the concerns you expressed about the EC's oversight of APNIC's financials. You noted that from the period 2018–2025, expenses grew faster than revenue, leading to reduced net assets and financial pressure. You asked why the EC allowed expenses to increase, resulting in the need for organisational realignment in 2025.

The Secretariat keeps the EC well-apprised of the organisation's financial position. In addition to detailed analysis presented quarterly by APNIC's finance team (which includes both reports and forecasts), the EC receives regular investment reports and consults with APNIC's investment advisors. The Finance, Risk and Audit Committee – introduced in December 2024 – holds additional quarterly meetings to assess APNIC's financials in even more detail, alongside reviewing strategic risks and how they are being mitigated. Importantly, all annual planning and budgeting is fully reviewed by the EC before being approved.

We agree that APNIC has faced a challenging financial environment in recent years. Membership growth has continued to decline since 2018 from 9% down to 1.6% in 2025, impacting revenue growth. As outlined in the Treasurer's Report at the APNIC 61 AGM, APNIC has also experienced fee leakage through consolidation and transfers. It is worth noting that 31% of APNIC's new Members since 2018 are from LDC economies, meaning they only pay 50% of the published fees.

The impact of the decline in revenue growth was exacerbated by increasing expenses, mostly driven by inflation.

The ongoing cumulative impact of inflation on APNIC expenses required fees to increase in 2020 back to the previous 2011 level; in hindsight, the decision by the EC to lower fees in 2015 was premature.

Between 2018 – 2025, cumulative inflation was 24.8% in Australia, where most of the Secretariat's costs are incurred, driven in large part by a rampant surge in the prices of goods and services globally post-COVID. At the same time, APNIC's base fee did not keep pace with inflation, increasing by 17.13%.

As you pointed out, a large proportion of APNIC's costs were salaries. It is important for APNIC to retain talent. In a period of high inflation, coupled with strong demand for skilled employees in the region, APNIC staff salaries needed to remain competitive with industry benchmarks, leading to wage growth during this period.

An increasingly complex regulatory and operating environment has also increased APNIC's compliance burden in recent years, with governance costs rising from AUD 573,523 in 2018 to AUD 3.1m in 2025.

As a result of these factors, the EC reviewed APNIC's fees and established the current fee arrangements in September 2023 to provide Members with future fee certainty. This came with a directive to the Secretariat to control costs (maximum 4% increase per year) and deliver a balanced budget over the longer term. However, the 61% reduction in APNIC Foundation funding in 2026 accelerated the cost control process dramatically.

The influx of Foundation funding between 2022 and 2023 of AUD 8.3M (in total) required a ramp up in resourcing to deliver the development programs funded. The resourcing increased APNIC's cost base, and the EC acknowledges that additional rigour should have been applied to headcount growth during this time; alternative resourcing models could have been explored to meet APNIC's commitments while reducing financial risk.

Strategic realignment

The strategic realignment process in 2025 concluded that APNIC needed to refine its approach across the organisation. Resources needed to be rebalanced from areas that were overstaffed to those that were understaffed, and skills gaps needed to be addressed.

Staff movement was therefore an important part of the realignment: changed roles, headcount reductions and some new hires. The EC acknowledges the reduction in headcount was a painful process, and not something anyone involved with APNIC wishes to repeat. This is why we endorsed the Secretariat's recommendation to make change in one year rather than cost cutting measures including staff reductions over several years that would sap morale by creating persistent uncertainty and not provide the organisation with the room for a strategic reset.

It is worth noting that cost savings resulting from the realignment were not solely due to staff reductions. The change in area-level strategies resulted in the scope of some projects or activities being altered – a good example is in the Development area where [changes to strategy](#) in curriculum, virtual labs, the Community Trainer program, Academy platform and M-Root support all generated savings, while the activities remain true to APNIC's mission.

We are pleased to note that since the realignment, the level of service to Members has remained high.

In 2025, APNIC maintained a Helpdesk service satisfaction level of 95% 'excellent' and 'above average' ratings, which was above the target of 93%. The average response time to Members' Helpdesk enquiries reduced from 8.4 hours (in 2024) to 7.6 hours (in 2025). Satisfaction with APNIC training remained a very high 99.2%, and the September conference Net Promoter Score was 60 (excellent).

The Secretariat has plans to further improve APNIC's services to Members in 2026 as highlighted by the Director General's Update [presentation](#) during the AGM. These include efforts to keep building team capability, improve processes and upgrade tools to unlock efficiencies and deliver further value.

Looking ahead

We agree with your sentiment and appreciate your understanding that there is uncertainty ahead, and therefore a need for a "war chest". This would help us manage upcoming issues including the implications of the RIR Governance Document, increasing regulatory compliance, and potential geopolitical issues. The Director General noted at the AGM that the Secretariat will review the appropriateness of the capital reserve target (currently equivalent to 18 months' coverage of expenses) and the EC supports APNIC's conservative financial forecasting of a small deficit in 2026 as a result.

While there are still some roles we are hiring to fill, APNIC has emerged a stronger organisation following the realignment with the right strategies and skills in place and a conservative fiscal approach.

The five-year strategic planning process will begin later this year with the APNIC Member Survey. This is an opportunity to canvass Member views on some of the topics you and others raised at the AGM.

Thank you again for raising these issues with the EC. We are committed to good governance for the benefit of the Membership, the broader APNIC community, and the Internet as a whole. Engaging in constructive debate and maintaining an active dialogue between the community and its elected leaders is essential to ensure we are accountable and that we, collectively, remain focused on our vision of a global, open, stable, and secure Internet.

This letter will be published on the EC Correspondence page on apnic.net for transparency.

Yours sincerely,



Kenny Huang
APNIC Executive Council Chair
On behalf of the APNIC Executive Council