

APNIC EC Meeting Minutes

Face-to-Face Meeting
Tuesday, 24th August 2010

Meeting Start: 9:20 am (UTC +1000)

Present

Akinori Maemura
Ma Yan
James Spenceley
Che-Hoo Cheng
Hyun-Joon Kwon
Jian Zhang
Paul Wilson

Geoff Huston (minutes)
Richard Brown
Irene Chan

Agenda

1. Agenda Bashing
2. Review of Minutes and Actions
3. Financial Report
4. DG Report
5. Election Review Panel Report
6. Status Updates
7. APNIC 30 Preparations
8. AOB

Minutes

The Chair of the Executive Council called the meeting to order at 9:20 UTC+1000.

1. Agenda Bashing

The following items were added to the agenda under AOB:

- Consideration of the decision regarding APNIC 32 location
- Review of IPv6 Initial Fees

2. Review of Minutes and Actions

The minutes of the regularly scheduled EC meeting held on 15 July 2010 were approved.

Action ec-10-016: Secretariat to publish minutes of the 15 July meeting

Review of Actions:

Action ec-10-003: Secretariat to proceed with implementation of the non-member fee schedule, with an adoption date of 1 January 2011
Underway

- Action ec-10-005:** Commission a report into the conduct of the APNIC EC Election on 5 March 2010
Completed
- Action ec-10-006:** Review of the current APNIC EC election procedures.
Underway
- Action ec-10-014:** Secretariat to publish minutes of the 17 June meeting
Completed
- Action ec-10-015:** Secretariat to prepare a financial report of all capital and operational expenditure associated with the purchase and fitout of the new APNIC office accommodation.
Underway

3. Financial Report

The EC noted the financial report for July 2010 (attached).

The cash reserve is at some \$8M for July. Some further draw down on the cash reserves is anticipated later this year for the Cordelia St Office furnishing. Expenses were noted to be 1% over budget, due primarily to the addition of the estimated costs of office relocation, which were not included in the original 2010 budget. Revenue is 0.7% higher than the budget projections.

The EC was advised that KPMG has informed APNIC that the objection to the taxation ruling from the Australian Taxation Office is to be upheld, in APNIC's favour. Formal advice from the ATO on this determination is forthcoming.

The financial report detailing the complete schedule of capital and operational expenditures associated with the purchase and fitout of the new office accommodation is awaiting a report from the Quantity Surveyor. The office relocation is anticipated to be completed by 17 December 2010.

APNIC Membership is now at a total of now 2349 members, with 36 new members in the month of July, all at the Associate level.

The EC approved the July 2010 financial report.

4. D-G report

The D-G spoke to the APNIC Update report (attached).

The EC considered a question relating to the EC's role and accountability. As a duly elected executive body representing the members of APNIC, the EC has the authority to exercise judgement and make decisions that are in the interests of the members of APNIC.

5. Election Review Panel

The EC accepted the Election Review Panel Report (attached), and expressed their appreciation to the Review Panel members, Adiel Akplogan, Savenaca Vocea and Philip Smith.

Further consideration of the recommendations in this report will be undertaken by the EC following APNIC 30.

Action ec-10-017: EC to respond to the Election Review Panel's report.

6. Status Updates

India NIR Application

The EC noted that no response has been received to the EC's letter to NIXI of 4 June 2010. It was reported to the EC on informal conversations with NIXI indicated that NIXI intend to provide a response to the EC's correspondence in due course. The EC determined to await such a response until taking further action on this matter.

7. APNIC 30 Preparations

BOF session

The EC considered the proposed form of conduct of the BOF scheduled during APNIC 20 to consider the proposals relating to governance of APNIC.

The EC noted legal advice concerning the responsibility of the EC to conduct the affairs of APNIC in an efficient and responsible manner, and in accordance with the provision of the APNIC By Laws.

The EC determined to advise the chairs of the BOF session that it would be appropriate to form Working Groups to further consider each these proposals on the condition that there was a clear indication of interest to proceed along such lines within the BOF.

NRO NC Election

The EC reviewed the arrangements for the NRO NC election. In the light of the recommendations of the Election Review Panel report, the EC determined to appoint the Chair of the EC as the Chair of the NC Election. Tellers for the election are to be drawn from APNIC Secretariat staff, and appointed by the Chair of the NC Election. Scrutineers are appointed by the Chair of the Election to observe vote count, and ensure its integrity. Scrutineers will be drawn randomly from staff of other RIRs who are present at this meeting. The result will be announced by the Chair of the Election, and will include the name and total vote count received by each candidate in election, and the total number of ballots cast and number of invalid ballots.

8. AOB

APNIC 32

The EC decided to hold APNIC 32 at Busan, South Korea, with KISA undertaking the role of local host.

IPv6 Initial Fees

The EC reviewed a proposal to alter the IPv6 initial fee component of the APNIC Fee Schedule. Further financial analysis was considered necessary for the EC to make an informed decision on this proposal.

Next Scheduled Meeting

10 September 2010 (teleconference)

Meeting closed: 5:10 pm (UTC+1000)

Summary of Action Items

- Action ec-10-003:** Secretariat to proceed with implementation of the non-member fee schedule, with an adoption date of 1 January 2011
Underway
- Action ec-10-004:** Secretariat to draft query handling guidelines, for EC review and approval
Underway
- Action ec-10-005:** Commission a report into the conduct of the APNIC EC Election on 5 March 2010.
Underway
- Action ec-10-006:** Review of the current APNIC EC election procedures.
Underway
- Action ec-10-015:** Secretariat to prepare a financial report of all capital and operational expenditure associated with the purchase and fitout of the new APNIC office accommodation.
Underway
- Action ec-10-016:** Secretariat to publish minutes of the 15 July meeting
- Action ec-10-017:** EC to respond to the Election Review Panel's report.



APNIC

Monthly financial report

(in AUD)

For the month ending July 2010

Asia Pacific Network Information Centre

1. Balance Sheet

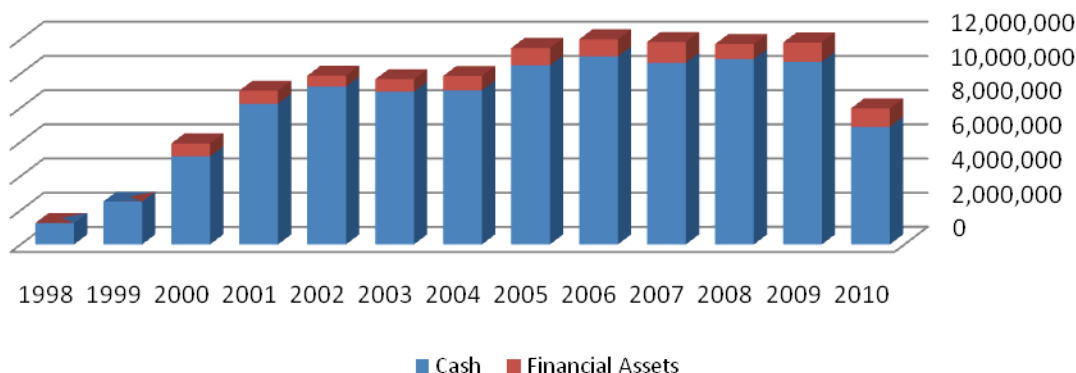
Statement of Financial Position (AUD)					
	31/07/2010	% of Total Asset or Liab+Equity	% change 31/12/2009	Year-End 2009	Year-End 2008
CURRENT ASSETS					
Cash	5,184,663	31%	-22.5%	6,686,084	6,844,414
Term deposit investment	0	0%	-100.0%	2,300,000	2,300,000
Receivables	1,066,357	6%	114.7%	496,734	1,518,540
Others	1,533,611	9%	41.8%	1,081,905	540,688
TOTAL CURRENT ASSETS	7,784,631	46%	-26.3%	10,564,723	11,203,642
NON-CURRENT ASSETS					
Other financial assets	1,080,474	6%	-4.2%	1,127,796	883,201
Property, plant and equipment *	6,346,978	38%	294.8%	1,607,819	1,708,216
Long term deposit investment	1,700,000	10%	0.0%	1,700,000	1,700,000
TOTAL NON-CURRENT ASSETS	9,127,452	54%	105.8%	4,435,615	4,291,417
TOTAL ASSETS	16,912,083	100%	12.7%	15,000,337	15,495,060
CURRENT LIABILITIES					
Payables	458,832	3%	-54.6%	1,010,114	629,650
Provisions	1,076,501	6%	2.0%	1,055,625	989,847
Unearned revenue	5,664,750	33%	37.1%	4,130,987	5,383,679
TOTAL LIABILITIES	7,200,083	43%	16.2%	6,196,726	7,003,177
EQUITY					
Share capital	1.00	0%	0.0%	1.00	1.00
Reserves other financial assets investment *	75,027	0%	0.0%	166,675	0
Retained earnings	9,636,971	57%	11.6%	8,636,936	8,491,882
TOTAL EQUITY	9,711,999	57%	10.3%	8,803,612	8,491,883
TOTAL LIABILITIES & EQUITY	16,912,083	100%	12.7%	15,000,337	15,495,060

Note *:

- Property, plant and equipment – balances have increased significantly compared to last year due to the settlement of the APNIC office building in May 2010.
- Reserves on other financial assets investment – This balance is due to the revaluation of our investment in unit trusts and was based on the market valuation as at the end of June 2010. These investments are revalued on a quarterly basis.

1.1 APNIC Reserve

By the end of July, APNIC has maintained \$8 million cash reserves. 86% of the reserve has been invested in a range long and short term deposits, whilst 14% remains invested in managed funds. Part of the APNIC cash reserve was used to purchase the office building at 6 Cordelia Street, South Brisbane in May. During the second half of 2010 more of the cash reserve will be used to fund the new office refurbishment. The following chart tracks the value and the allocation of these reserves over time.



2. Income Statement

2.1 Expenses

This report incorporates the year to date actual, budget and projected estimates. The Year to Date July figures are compared to figures for the same period last year. The Projected Actual figures are based on forecast estimates of expenditure and include allowances for costs associated with the new building refurbishment and relocation.

EXPENSES (AUD)	YTD Jul-10	YTD Jul-09	Variance %	Budget 2010	Projected Actual	Budget Variation %
Bank charges	43,499	41,251	5.5%	79,202	74,570	-5.8%
Communication expenses	136,461	89,695	52.1%	327,376	323,933	-1.1%
Computer expenses	204,923	227,589	-10.0%	511,120	501,297	-1.9%
Depreciation expense *	413,120	415,577	-0.6%	783,975	808,321	3.1%
Sponsorship and Publicity expenses	96,137	77,190	24.5%	183,787	164,806	-10.3%
Doubtful debt expenses	0	1,804	-100.0%	4,791	4,791	0.0%
ICANN contract fee *	187,350	209,239	-10.5%	306,000	321,172	5.0%
Insurance expense	69,341	78,553	-11.7%	135,900	118,871	-12.5%
Meeting and training expenses *	57,437	56,405	1.8%	287,400	351,464	22.3%
Membership fees	31,041	37,723	-17.7%	55,660	53,213	-4.4%
Miscellaneous expenses	517	1,467	-64.8%	6,850	886	-87.1%
Office operating expenses	93,487	70,736	32.2%	140,160	160,264	14.3%
Postage & delivery	17,077	12,961	31.8%	34,550	29,275	-15.3%
Printing & photocopy	14,805	16,357	-9.5%	26,260	25,380	-3.4%
Professional fees	317,090	430,084	-26.3%	933,300	923,582	-1.0%
Recruitment expense *	79,315	57,141	38.8%	80,000	115,969	45.0%
Relocation/ new office expenses *	12,178	0	0.0%	0	140,877	0.0%
Rent and outgoings *	371,776	343,848	8.1%	608,753	632,743	3.9%
Salaries and personnel expenses	3,458,021	3,310,044	4.5%	6,725,352	6,659,469	-1.0%
Staff training/conference expenses *	106,630	50,551	110.9%	150,155	173,794	15.7%
Tax expense	0	0	0.0%	103,464	103,464	0.0%
Translation expenses	0	0	0.0%	25,000	25,000	0.0%
Travel expenses *	810,180	749,933	8.0%	1,518,750	1,460,881	-3.8%
	0	0	0.0%			
TOTAL EXPENSES	6,520,385	6,278,148	3.9%	13,027,805	13,174,021	1.1%

2.2 Revenue

Revenue (AUD)	YTD Jul-10	YTD Jul-09	Variance %	Budget 2010	Projected Actual	Budget Variation %
Interest income *	225,010	442,324	-49.1%	460,555	275,940	-40.1%
IP Resource application fees	715,986	697,180	2.7%	1,442,149	1,227,405	-14.9%
Membership fees *	5,394,044	4,487,991	20.2%	9,944,932	10,137,795	1.9%
Non-members fees	82,024	73,620	11.4%	137,357	140,613	2.4%
Per Allocation fees *	945,125	995,353	-5.0%	688,926	975,125	41.5%
Reactivation fees	16,500	6,340	160.3%	13,101	28,286	115.9%
Sundry income	134,629	158,099	-14.8%	191,320	174,629	-8.7%
Foreign exchange gain/(loss)	7,103	(23,154)	-130.7%	0	12,177	0.0%
TOTAL REVENUE	7,520,421	6,837,752	10.0%	12,878,340	12,971,969	0.7%

2.3 Operating Profit/ Loss

REVENUE and EXPENSES (AUD)	YTD Jul-10	YTD Jul-09	Variance %	Budget 2010	Projected Actual	Budget Variation %
Total Revenue	7,520,421	6,837,752	10.0%	12,878,340	12,971,969	0.7%
Total Expenses	6,520,385	6,278,148	3.9%	13,027,805	13,174,021	1.1%
OPERATING PROFIT/(LOSS)	1,000,035	559,604		(149,465)	(202,052)	

Notes:

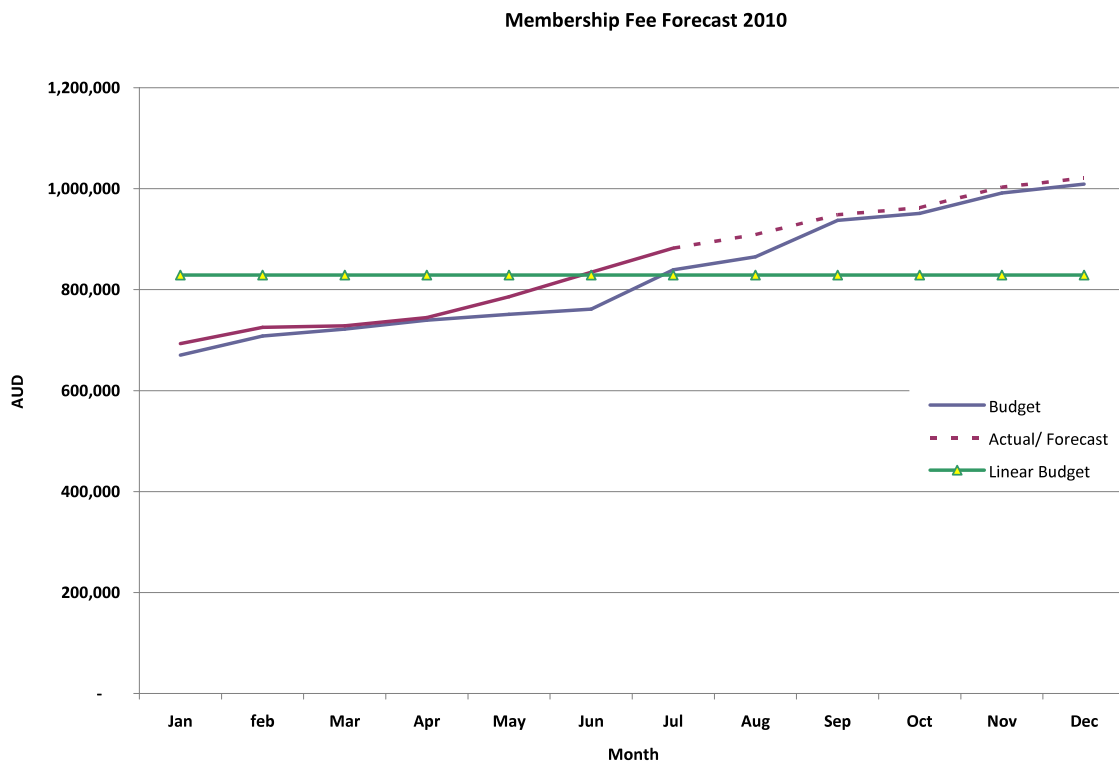
The major factors causing the variance between the budgeted and forecast operating position were:

1. Expenses

- **Depreciation expenses** - Includes the estimated capital allowance and depreciation for the new office building, which were not budgeted
- **ICANN contract fee** - Recalculated according to revised APNIC proportion of NRO expenses, which was not available during budget process
- **Meeting and training expenses** - Projection of higher costs for APNIC 30 meeting, which are offset by similar savings in travel expenses (below)
- **Recruitment expenses** - Includes extraordinary expenses associated with overseas recruitments during 2010
- **Relocation/ new office expenses** - Includes office relocation expenses planned for December (further expenses will be incurred in 2011)
- **Rent and outgoings** - Includes provision for "make good" costs related to the current lease (as requested in 2009 Audit report)
- **Staff Training** - Exceeds budget by \$23,000 do to unbudgeted expenses for training of staff in "Agile Programming" methodologies which have been adopted by Software Unit
- **Travel expenses** - Includes savings resulting from relocation of APNIC 30 to the Gold Coast

2. Revenue

- **Interest Income** – APNIC utilized cash from term deposits for the property purchase in May, and a further reduction in cash deposits will occur relating to the office refurbishment expenses, this will result in a reduction in interest income earned for the rest of the year when compared to the original budget.
- **Membership fees** - The new membership fee schedule was implemented from 1 Jan 2010, as each member reaches their new anniversary date they will be invoiced under the new fee schedule. There will be large negative variance for the first half of the year when compared to the linear budget (Full Year/12). The graph below shows the Membership fees forecast that includes actuals up until the end of July is tracking closely to the phased budget estimates.



- **Per allocation fees** charged for allocations to the NIR's were significantly higher than expected due to large requests from NIRs during the first half of 2010. As at the end of July, majority of the NIRs have renewed under the 2010 fee schedule, and the Per allocation fee will no longer be charged. The budget estimates were based on analysis of NIR member anniversary dates and analysis of historical NIR allocation activity.

3. Other Important Considerations

- No adjustment is included in these accounts in respect of APNIC's current dealings with the Australian Taxation office, our advice is that our objection is to be upheld.
- The final projected amount related to the building refurbishment in relation to the capital cost and future operating expenses will be provided when Capital Allowance and Depreciation schedules are available from the Quantity Surveyor.

Note: Accounts are projected base on the following:-

- *pro-rata from the actual figures and projected until end of year*
- *year to date figures will be used if further expenses are not expecting*
- *budget figures, or*
- *other updated information on hand.*

3. Membership

3.1 Membership Statistics

At the end of July 2010, APNIC had a total of 2,349 members serving 52 economies. There was a net growth of 31 members, with 36 new members, whilst 6 member accounts were closed and 1 member account has been reactivated during July.

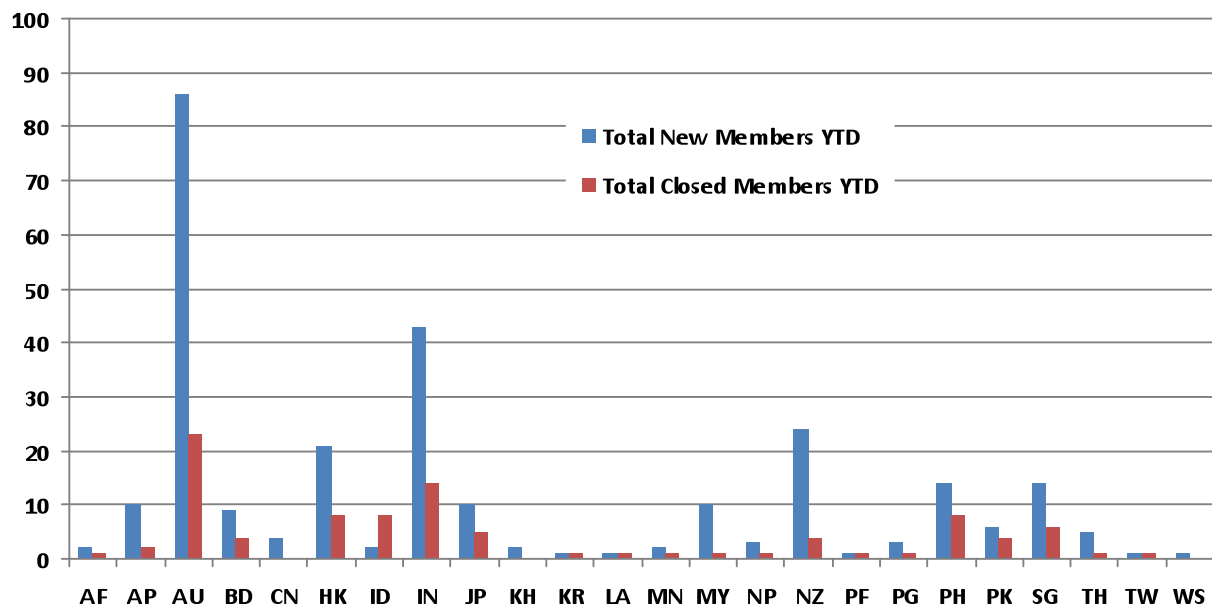
3.1.1 Membership by Category

The following table shows the monthly changes in membership and provides an analysis of APNIC's membership tiers. The majority of APNIC members remain in the Small membership tier.

Membership	Total Jun-10	New Jul-10	Reactivate Jul-10	(Closed) Jul-10	Size Change Jul-10	Total YTD Jul-10	Total YTD (%) Jul-10
Extra Large	15	0	0	0	0	15	1%
Very Large	33	0	0	0	0	33	1%
Large	120	0	0	0	4	124	5%
Medium	293	0	0	(1)	5	297	13%
Small	829	0	1	(1)	5	834	36%
Very Small	542	0	0	(1)	13	554	24%
Associate	486	36	0	(3)	(27)	492	21%
TOTAL	2318	36	1	(6)	0	2349	100%

3.1.2 YTD Membership Movement - Economy

The graph below illustrates membership movement by economy, the year to date number of new members who have joined APNIC and the number who have closed accounts. Australia has the highest number of both new and closed members, i.e. 86 new and 23 closed members, followed by India and Hong Kong.



APNIC Update



Paul Wilson
Director General

2010 Operational Plan

- Key Outcomes
 - *Delivering Value*
 - *Supporting Internet Development*
 - *Collaborating and Communicating*
 - *Corporate Support*

Operational Plan - Framework

- Drivers
 - Member and Stakeholder Survey major influence in operational planning
 - Annual Budget developed by staff and EC to support required activities
- Timeline
 - Biannual review of achievements and key priorities
 - Annual budget process
 - Biennial M&S Survey

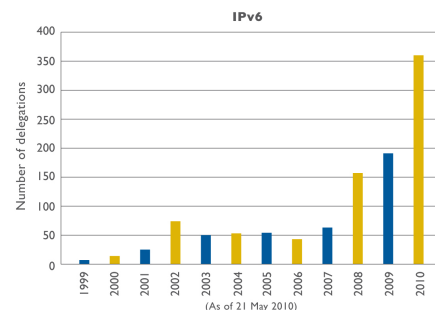
Delivering Value

- *As a service organization APNIC provides value to all stakeholders according to their specific needs.*
- *The Secretariat is funded by the membership, and applies those funds in the mutual interest of all Members, through provision of a core set of high-quality services related to Internet address allocation and management.*

Internet Resource Services

- Resource Quality Assurance
 - Evaluation of all blocks before distribution
 - Reachability/visibility and traffic testing
- Transfer implementation
 - Fee structure established
 - MyAPNIC enhancements
- IPv6 deployment
 - "1-click" IPv6 allocation and assignment
 - IPv6 readiness and deployment
- Helpdesk hours
 - Extended to 12 hours x 5 days/week

IPv6 Deployment - Global



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Technical Services

- DNSSEC 3-phase plan
 - Phase 3 underway - Member DNSSEC data management
- Resource Certification
 - RPKI and implementation
 - Global coordination
- High Availability
 - Service and site redundancy

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Supporting Internet Development

- *APNIC stakeholders share a common interest in the healthy and vigorous development of the Internet throughout all parts of the Asia Pacific region, and the world.*
- *APNIC supports the maintenance of an open and neutral Internet, based on global addressability of all network components, and minimal barriers to global end-end reachability.*

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IPv6 Program

- IPv6 deployment outreach activities
 - APEC-Tel 41
 - Summits, seminars
 - Governmental consultations
 - APIIPv6TF support
 - APNIC as Secretariat from 2010-March 2012
 - ICONS IPv6 Wiki



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Training

- Increased and improved Training content and courses
- Two eLearning sessions per month



- Enhanced IPv6 content
 - Advanced technical workshops

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Internet Infrastructure

- Root server deployment
 - Total 25+ deployed with APNIC support
 - Additional 20+ by others
 - Latest "F" root server deployed in Cambodia
- TTM
 - Test Traffic Measurement
 - Collaboration with RIPE NCC

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Collaborating and Communicating

- *APNIC exists within a global community of Internet stakeholders, whose openness and cooperation is critical to the success of the organization and of the Internet itself.*
- *APNIC will work with other stakeholders for the mutual benefit of respective missions.*

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Other

- ISIF
 - Fundraising planning underway
- Fellowships
 - APNIC and APRICOT meetings
- AfriNIC support
 - Staff exchanges
 - RPKI software and support

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Internet Governance

- APEC Tel and TELMIN meetings
- ITU IPv6 Group
- ITU WTDC-10
- ITU PP-10
- APT
- IGF (and AP-rIGF)

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Public Affairs

- New appointment - Senior Public Affairs Advisor

- Pablo Hinojosa
- Represents APNIC in a senior diplomatic capacity

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NRO

- Formal and informal coordination
- Engineering: RPKI, DNSSEC, ERX
- Communications: Publications, website, participation on global events (eg ITU)
- Services managers: Coordination of service activities
- Human resources: Staff exchanges

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Corporate Support

- *The APNIC Secretariat exists to provide services and support the activities of APNIC.*
- *It operates as a professional team with full accountability to the Members and Stakeholders of APNIC*

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Office relocation

- Occupation from December 2010
- Currently undergoing refit

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24 - 27 August 2010, Gold Coast, Australia

Systems

- Business Continuity Plan
 - Including Disaster Recovery Plan
- “Meeting improvement plan”
- Workplace health and safety
 - Successful audit recently
- Operational planning
- Activity-based financial reporting
- NRO staff exchanges

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24 - 27 August 2010, Gold Coast, Australia

Human Resources

- Continuous improvement
 - Refining staff position descriptions
 - Revised performance appraisal system
- Training and development
 - Executive/manager coaching
- Diversity
 - 60+ staff
 - 23 cultures/nationalities, 26 languages
 - Continued focus on hiring people from across the region

APNIC 30
24 - 27 August 2010, Gold Coast, Australia

Thank You!

dg@apnic.net

APNIC Executive Council Election Review Panel Report

At its meeting of 15 April 2010, the EC decided to commission an independent report into the conduct of the EC Election on the 5th March.

The EC invited Adiel Akplogan, CEO of AfriNIC, Savenaca Vocea, Global Partnerships, Manager, Regional Relations - Australasia/Pacific Islands, ICANN, and Philip Smith, Consulting Engineering, Cisco Systems, to form a Election Review Panel, with a brief to prepare this independent report. While the Panel members were present at the APNIC Member Meeting, they were not an "interested party" in terms of the conduct and outcome of the EC election in any way, they did not participate in the election, nor did they participate in the counting of the votes.

The terms of reference of this review panel were to:

- 1) prepare a factual report of what happened in the EC election in March 2010, and
- 2) consider the following questions:
 - Were the election procedures followed?
 - Was the integrity of the election impaired in any manner? If so, how?
 - To note recommendations as to how the conduct of the election process could be improved, as appropriate.

In conducting this review, the Review Panel has consulted the transcript and video recording of the member meeting, received written submissions from a number of individuals who were involved with the election, including the candidates, the scrutineers and staff members who were involved with the conduct of the Election.

The Review Panel is aware that following a call for submissions to the Review Panel, subsequent community discussion has included some individuals advocating a broader brief for this Review Panel. The Review Panel notes that it has confined its study to the brief provided by the EC, and this report will address specifically those questions posed by the EC in setting up this Panel.

APNIC Election Process

APNIC has used the same process to operate EC elections for a number of years. The election process and the procedures used to conduct the elections is described in a number of documents and announcements, including:

- the APNIC ByLaws,
- announcements that are sent to APNIC membership during the course of the election process,
- notices posted on the APNIC web site,
- online instructions provided to members who chose to use the online voting process,
- a description of the election procedure provided during the member meeting, supported with directions and descriptions with the presentation material
- instructions provided on the ballot paper.

APNIC voting is by a secret ballot, and the confidentiality of individual votes appears to be an accepted and valued attribute of the voting system. Because the voting framework used by APNIC allocates individual voting entitlements to each APNIC member according to their membership tier, the ballot papers used by APNIC are issued with a watermark that denotes the number of individual votes associated with each ballot paper. The Panel understands that there are a relatively small number of Extra Large and Very Large members, and correspondingly, a small number of ballots with 64 and 32 votes. While ballot papers do not identify the voting member, the panel understands that in certain cases it may be possible to infer the likely ballot for these large vote ballots from this small subset of members. The Panel understands that in order to preserve the secrecy of the ballot, and to ensure that there is no interference with the ballots

during the counting process, the vote counting process is undertaken by a group of individuals who were unaffiliated in any way with any APNIC member, and unaffiliated in any way with any candidate in the election, and the vote count was undertaken by these individuals in a closed room without any observers present.

Summary of Panel Findings

1. The Panel found that established APNIC EC election procedures were followed by all concerned in accordance with their roles, with the exception of:
 - There were interruptions to the counting process, and there were no established procedures to govern such events;
 - An unprecedented ad hoc vote that was undertaken on the floor of the APNIC member meeting, regarding resumption of the counting process;
 - An interested party gained access to at least some part the counting process as a scrutineer, in violation of the stated requirements for scrutineers to be completely independent of any APNIC member and any election candidate.
2. There is no evidence that the integrity of the election result itself was impaired, however the assumed secrecy of the election ballot was potentially compromised. The panel found no evidence that confidential information was actually gained or used by any party.
3. The panel is of the view that the APNIC election procedure that has been used consistently over the past decade is generally appropriate and adequately sound. The panel finds therefore that there is no compelling case to be made for a major overhaul or revision of the APNIC EC election procedure. However, it is also clear from the events of 2010, that the APNIC EC election procedures could be further clarified, and extended to encompass events and exceptions which were not previously foreseen. The Panel's report includes a recommendation for the EC to review of all procedures related to the election process, with a view to formal documentation, and inclusion of specific measures that deal with a wider range of circumstances which may occur in the course of any election.

Detailed Panel Findings

1. Were the election procedures followed?

Nominations

It appears that established procedures for nominations were followed accurately. The timelines of the nomination procedure were adhered to, and all public notices were posted on time. According to copies of correspondence held on file by the APNIC Secretariat, nominees were provided with information of their nomination and information relating to the roles, responsibilities and potential personal liabilities associated with the role of being a member of the Executive Council. Nominees were asked to confirm their nomination as an informed decision.

There were 6 nominees for three vacant EC positions.

There were no complaints received by the Review Panel on the nominations procedure.

Announcements:

[Apnic-announce] Call for nominations to the APNIC Executive Council
<http://mailman.apnic.net/mailling-lists/apnic-announce/archive/2010/01/msg00001.html>

[Apnic-announce] Nominations for APNIC Executive Council close soon
<http://mailman.apnic.net/mailling-lists/apnic-announce/archive/2010/02/msg00002.html>

On-Line Voting

OnLine voting opened on the 19th February 2010, 10 working days prior to the Member Meeting, and closed at 3 March 2010, 09:00 UTC +8, 48 hours prior to the Member Meeting, which is in accordance with the requirements as stated in Part IV, Paragraph 23 the APNIC ByLaws. It appears that the report from online voting was handled with due care and attention to privacy.

Again it appears that the election procedures for online voting were followed accurately.

There were no complaints received by the Review Panel on the On-Line voting procedure.

Proxy Authorities

The lodging of proxy authorities for these elections opened on the 19th February 2010, 10 working days prior to the Member Meeting, and closed at 3 March 2010, 09:00 UTC+8, 48 hours prior to the Member Meeting, which is in accordance with the requirements as stated in Part IV, Paragraph 21 of the APNIC ByLaws.

It is noted that the precise time of closing of the lodging of proxy authorities was not uniformly interpreted by all participants in the election.

However, it is also noted that the APNIC ByLaws state that "The instrument appointing a proxy shall be produced in person or by verifiable electronic means to any member of the

Executive Council or the Director General, or at the principle place of business of the corporation, 48 hours before the time for holding the meeting at which the person named in such instrument proposes to vote."

The actions of the APNIC staff, and the actions of the subsequent review by the Executive Council of the decision not to accept proxies lodged after the closing time, appear to be fully consistent with the provisions of the APNIC ByLaws relating to the lodging of proxy authorities.

The specification of the closing time as "3 March 2010, 09:00 UTC+8" appears to the panel to be entirely consistent with the convention of the specification of a date, a time of day and a timezone identifier (in this case the timezone "UTC+8" specifies a local time zone 8 hours ahead of Coordinated Universal Time, or UTC). The review panel notes that the APNIC secretariat has posted a notice describing date and time representation used in APNIC notices and announcements. The Panel notes that APNIC's practices, including those applied during the 2010 election process, are consistent with international standards for the specification of dates and times (ISO8601 in particular). [<http://www.apnic.net/about-APNIC/organization/apnics-region/date-and-time>].

The Review Panel is aware that there are some complaints over the handling of proxy authorities that were lodged after the announced deadline, and the Review Panel is of the view that the actions of the staff and the EC were procedurally correct and entirely consistent with the provisions of the APNIC ByLaws.

On Site Voting

In terms of the distribution of ballots to individuals who registered to vote, the Review Panel believes that the procedures were followed diligently. Individuals who were eligible to vote by virtue of being nominated as the voting individual for a member, or by virtue of being a nominee in a valid proxy authority, and who had not already voted using the online facility, were provided with the correct number of voting ballots as far as the review panel is aware.

The integrity of the ballot box was ensured by the constant presence of APNIC staff members beside the ballot box at all times, until the ballot box was passed to the scrutineers.

The Election Review Panel is confident that the election procedure was followed in respect to the conduct of the onsite vote itself.

The Panel is not aware of any complaints regarding the conduct of the On Site Vote.

Vote Counting

The APNIC ByLaws states that: "At any meeting of the Members the Executive Council shall be responsible for the counting of votes in such manner as it considers appropriate in the circumstances, and may for this purpose appoint 2 or more persons to serve as tellers." [Part IV, Paragraph 13, APNIC ByLaws]

The process of having the Director-General, who is an ex-officio member of the Executive Council, conducting a call for individuals who are not APNIC members and not candidates in the election to act as tellers for the counting of the votes is consistent with this provision in the ByLaws and consistent with established practice in APNIC. The Panel also regards the instructions given during the meeting as clear and unambiguous in this regard, in terms of both the presentation material used in the meeting

[http://meetings.apnic.net/__data/assets/pdf_file/0010/19000/ec-election-2010.pdf], and the specific spoken instructions provided to meeting attendees.

“The normal procedure here is that we call for independent scrutineers. Volunteer who would like to offer their services to help to count the votes, and this excludes anyone who is actually an APNIC Member or anyone who is voting...”
[<http://meetings.apnic.net/29/program/amm/transcript#wilson-procedure>]

It is noted that there was no process of vetting the individuals who had volunteered to be scrutineers, and confirming that each volunteer had no association with any APNIC member or with any candidate in the election. Nor is there a clear procedure to follow in the case that a candidate or a member wishes to object to the presence of an individual scrutineer. The Panel believes that these omissions can be regarded as a weakness in the existing procedures.

The presence of one individual in the group of scrutineers, Mr Naresh Ajwani, who was a member of the Board of Directors of NIXI (<http://nixi.in/images/BoardDirectors.pdf>), itself an APNIC member who had a candidate in the EC election, was not in regular accordance with election procedures because someone with an interest in the outcome of the election was placed in a position of counting the ballots..

There are no fixed procedures to be followed for the manner of counting of votes, as the current procedures regard this as a matter to be determined by the scrutineers.

The Review Panel was informed that in this case the vote counting was performed using two groups, and each group compared its tally at the end of the count, so that every vote was counted twice. The group also compared the tally to the original number of ballots to ensure that no votes were added or removed from the count. The Panel is of the view that these procedures provided adequate protection against the possibility of any interference with the ballots during the counting process by any single scrutineer.

Due to objections that were raised to the EC and in the course of Member Meeting to the presence of a particular individual as part of the scrutineer group, the vote counting process was interrupted twice. In the view of the Panel, this represented a breach of the established protocol, and of reasonable expectations of the independence and confidentiality of the election process and the counting of ballots. Both of these interruptions were undertaken at the specific behest of members of the Executive Council, and performed under their direction. The vote group reported that they took measures to ensure that the integrity of the ballot collection was protected in the light of the interruptions to the vote counting process. The Panel is once more of the view that these procedures provided adequate protection against the possibility of any interference with the ballots during the counting process by any single scrutineer.

2. Was the integrity of the election impaired in any manner? If so, how?

The Panel finds that the established process of the APNIC EC election was not followed in every aspect, due to the irregularities in the vote counting process. However, the Panel also finds that there is no evidence to suggest that the election outcome was in any way affected by these events.

All members who lodged proxy forms before the announced deadline for acceptance of such forms had their proxy forms processed, and the Panel believes that all members who used the online voting facility within the stipulated times for the lodging of such votes had their votes included in the total vote.

The Panel is of the view that all validly lodged ballots were included in the ballot count, and that no other votes were included into the count.

The Panel is of the view that the secrecy of the ballot was maintained as the ballots provided to the vote counters gave no indication of the identify of the APNIC member who lodged the vote, and no other individual had access to the ballots between being lodged in the ballot box and being counted by the scrutineer group.

There is no grounds for the Panel to come to a view that the integrity of the election and its outcome was impaired in any way in terms of the operation of the process.

However, the presence of a scrutineer in the scrutineer's group who had a direct connection to a candidate in the election was contrary to the intended operation of the election process. While the staff of the Secretariat operate all the processes relating to the election up to the counting of the votes, the Secretariat staff have no assigned role in the vote counting process and were unable to take any direct action, even when this matter was brought to their attention prior to the commencement of the vote counting. It appears that the EC initially took a similar stance of being seen to be at a distance from the vote counting process, even though under the terms of the APNIC ByLaws, the counting of member votes is performed under the auspices of the EC. The guidance the EC provided to the Executive Secretary of the EC in directing him to interview Mr Naresh Ajwani while the vote counting was underway was not well considered with respect to established procedures. Similarly, the second interview conducted by members of the EC with Mr Ajwani was undertaken in the form of an ad hoc measure due to a lack of established procedures that could be applied in such cases.

From the perspective of APNIC being able to conduct an election within the parameters of integrity, trust and preservation of the secrecy of the voting intentions of members, these events have negatively impacted upon the integrity of the election process in terms of its damage to the trust and reputation of APNIC.

3. To provide recommendations as to how the conduct of the EC election process could be improved, as appropriate.

The Panel has deliberately restricted its view of recommendations to matters that lie within its brief, and has not considered those topics subsequently raised in online forums concerning the existing structure of membership tiers, the concepts of terms of office for EC members, regional representation or similar matters outside the terms of reference for this EC Election Review Panel.

The recommendations of this report are specifically addressed to the EC Election process itself, and are deliberately limited in scope to precisely this topic.

The Panel is of the view that the APNIC EC Election procedures have been used consistently over the past decade, and these procedures have generally served their purpose satisfactorily, as evidenced by the lack of past challenge or controversy. Panel members are also aware that during this time, the administrative procedures of the election (in terms of the form of ballot papers, the clarity and detail of instructions and announcements, etc) have evolved to make the process smoother and clearer to all participants. The Panel finds therefore that there is no necessity for a major overhaul or revision of the APNIC election procedure, based on the current review.

However, it is also clear from the events of 2010, that the APNIC election procedures could be further clarified and formalised, and extended to encompass events and exceptions which were not previously foreseen. Therefore the Panel does recommend a review of all procedures related to the election process, with a view to formal documentation, and specific measures which deal with a wider range of circumstances which may occur in the course of any election.

Specifically, the Panel would like to recommend that the EC consider the following refinements to the EC Election process (in no particular order):

- While, formally, the authority for the conduct of the election falls within the conduct of the member meeting, and rests with the Chair of the Member Meeting, the Panel recommends that the EC consider appointing a Chair of the EC Election, who shall be responsible for the conduct of all aspects of the election procedure and shall have the delegated authority from the EC to discharge this responsibility, including the adjudication of disputes. The intent of this recommendation is to provide procedural clarity in term of nominating an individual who is responsible for the conduct of the all processes associated with the EC Election.
- Specify the qualifying criteria for independent scrutineers¹ to be drawn from ICANN staff, staff members of other RIRs, and staff members from ISOC who are present at the APNIC Member Meeting, selected by the Chair of the Election.
- Conduct the vote count using staff members from the APNIC Secretariat to perform the vote count itself, and use the independent scrutineers to oversee the operation of the

¹ In general, a "scrutineer" is a person who observes any process which requires rigorous oversight, either to prevent the occurrence of corruption or genuine mistakes. It is most commonly known as part of voting in an election, where the scrutineer observes the counting of ballot papers, in order to check that election rules are followed." [Wikipedia, <http://en.wikipedia.org/wiki/Scrutineer>]

vote count. The Panel understands that this practice has been adopted by the RIPE NCC, and believes that this allows the vote counting to be conducted in an efficient manner with due respect for integrity of the handling of the ballots using trained staff, while ensuring the integrity of the election in terms of independent scrutineers to oversee the operation of the count.

- Cease using 64 and 32 vote ballots in the EC Election. Part of the sensitivity of the vote counting process is the relatively small number of ballots with 32 and 64 votes, which impacts on the integrity of secrecy of the votes cast by larger members. The Panel recommends using ballots with 1, 2, 4, 8 and 16 votes, but discontinue the use of 32 vote and 64 vote ballots.
- The election procedure, including the procedure that is to be used to count ballots in EC Elections and the manner of dispute resolution, to be comprehensively documented and published as a public document.

It is recommended that the APNIC Executive Council further examine these recommendations in light of the issues identified in this report, their practical feasibility, and the cost and potential efficiency of the measures.

Submitted by the APNIC EC Election Review Panel:

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August 2010