

APNIC EC Meeting Minutes

Face-to-Face Meeting, APNIC Offices, Brisbane

Friday, 6 December 2013

Meeting Start: 9:10am (UTC +10:00)

Present

Akinori Maemura
Che-Hoo Cheng
Kenny Huang
James Spenceley
Gaurab Raj Upadhaya
Ma Yan
Wendy Zhao
Paul Wilson

Geoff Huston
Craig Ng
Richard Brown
Connie Chan
Sanjaya

Agenda

1. Appointment of Meeting Chair
2. Agenda Bashing
3. Matters arising from Last Meeting
4. Financial Reports
 - a. October Financial Report
 - b. APNIC Investment Policy
5. 2014 Budget
6. APNIC Conference Procedures
7. EC Meetings and Travel Schedule for 2014
8. NRO NC Appointment for 2014
9. AOB
 - a. Risk Registry
 - b. APNIC 2014 Membership and Stakeholder Survey
 - c. Montevideo Statement

Minutes

The EC Chair called the meeting to order at 9:10, Friday 6 December 2013.

1. Appointment of Meeting Chair

Ma Yan was appointed as Chair of the Meeting.

2. Agenda Bashing

The matters of the EC adoption of the Risk Registry, the 2014 APNIC Membership and Stakeholder Survey and the Montevideo Statement were added to the meeting agenda as matters of AOB.

3. Matters arising from Last Meeting

The following votes were conducted electronically prior to this meeting, and are recorded in these minutes according to the EC's electronic voting procedures.

On 12 October 2013, the EC resolved to adopt the minutes of the EC meeting of the 26th August.

Motion to approve the minutes of the August EC meeting proposed by Akinori Maemura.

On 27 November 2014, the EC unanimously resolved to endorse policy proposals 105 (Distribution of Returned IP Addresses), 107 (AS number transfer) and 108 (Changes to the Policy Development Process) (attached).

Motion to endorse policy proposals 105, 107 and 108 proposed by Paul Wilson.

4. Financial Reports

a. October Financial Report

The EC reviewed the APNIC Financial Report for October 2013 (attached). Total assets are reported to be \$28M, and current liabilities are \$10M. The net asset position of \$18M shows a rise of 19% since the start of the year. Expenditure to date is reported to be \$11.7M and revenue is reported to be \$14.6M. Current operating surplus is reported to be \$2.9M. The defence interval ratio is currently 16.2 months.

At the end of October 2013, APNIC has a total of 3,973 members. There were 76 new members and 27 members who had closed their accounts during the month.

The EC noted the October financial report as representing the financial position of APNIC as of the end of the October 2013, and the EC was satisfied that the company is solvent and able to meet all current debts.

b. APNIC Investment Report

The EC reviewed the APNIC Investment Report (attached), and received a detailed briefing on the investment fund management principles by the fund manager, Credit Suisse.

5. 2014 Budget

The EC reviewed the proposed budget for 2014 (attached).

The EC unanimously resolved to adopt a budget for 2014 that provides authority to the Director General for an total operational expenditure of AUD \$18,094,206 and a total capital expenditure of AUD \$1,038,300 for 2014.

Motion to adopt the 2014 budget proposed by James Spenceley, seconded by Akinori Maemura

The EC requested the Secretariat to develop a research fellowship funding program for EC review during the usual mid-year budget review, or during consideration of APNIC's 2015 activity program.

6. APNIC Conference Proposal

The EC reviewed the proposed APNIC Conference Location Selection procedures (attached).

The EC unanimously resolved to adopt the APNIC Conference Location Selection procedures.

Motion to adopt the APNIC Conference Location Selection procedures proposed by James Spenceley, seconded by Paul Wilson.

7. EC Meetings and Travel Schedule for 2014

The EC considered a schedule of RIR and related meetings for 2014. EC members were requested to respond with their individual availability to attend these meetings to the Secretariat.

8. NRO NC Appointment for 2014

The EC unanimously determined to appoint Aftab Siddiqui as the APNIC EC-nominated member of the NRO Number Council for 2014, subject to his acceptance of the role.

Motion to appoint Aftab Siddiqui proposed by Gaurab Raj Upadhaya, seconded by James Spenceley.

9. AOB

a. Risk Registry

The EC unanimously resolved to adopt the APNIC Risk Registry Criteria (attached).

Motion to adopt the APNIC Risk Registry Criteria proposed by James Spenceley, seconded by Che-Hoo Cheng.

b. APNIC Membership and Stakeholder Survey

The EC unanimously resolved to approve the operational and logistical arrangements for conducting the 2014 APNIC Membership and Stakeholder Survey (attached).

Motion to adopt the survey arrangements proposed by James Spenceley, seconded by Che-Hoo Cheng.

c. Montevideo Statement

The EC unanimously resolved to ratify and support APNIC's position, as stated in the Montevideo Statement (<http://www.apnic.net/publications/news/2013/montevideo-statement-on-future-of-internet-cooperation>).

Motion to ratify the Montevideo Statement proposed by Akinori Maemura, seconded by Kenny Huang.

Next EC Meeting

The next meeting will be held at the APNIC 37 venue, on 24 February 2014, in Bangkok, Thailand.

Meeting Adjourned: 12:40pm Friday, 6th December 2013

Attachments:

A.1 October 2013 Financial Statement:

Monthly Financial Report

(in AUD)

October 2013

APNIC



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1 Statement of Financial Position

	31/10/2013	% of Total	Year-End 2012	% Change from 31/12/2012
CURRENT ASSETS				
Cash/ Term deposits	9,016,043	33%	13,909,532	-35%
Receivables	299,612	1%	933,777	-68%
Others	729,661	3%	1,123,515	-35%
TOTAL CURRENT ASSETS	10,045,317	36%	15,966,824	-37%
NON-CURRENT ASSETS				
Other financial assets	9,603,169	35%	1,150,123	735%
Property, plant and equipment	7,912,756	29%	8,012,422	-1%
Deferred tax assets/ liabilities	78,492	0%	78,492	0%
TOTAL NON-CURRENT ASSETS	17,594,417	64%	9,241,036	90%
TOTAL ASSETS	27,639,734	100%	25,207,861	10%
CURRENT LIABILITIES				
Payables	1,017,824	4%	1,685,736	-40%
Provisions	1,410,514	5%	1,145,960	23%
Unearned revenue	7,528,951	27%	7,567,408	-1%
TOTAL LIABILITIES	9,957,289	36%	10,399,104	-4%
NET ASSETS	17,682,444	64%	14,808,757	19%
EQUITY				
Share capital	1.00	0%	1.00	0%
Reserves other financial assets investment	77,480	0%	107,535	-28%
Retained earnings	17,604,963	64%	14,701,221	20%
TOTAL EQUITY	17,682,444	64%	14,808,757	19%

Table 1 Statement of Financial Position

1.1 Notes to Financial Position

The Statement of Financial Position shows that APNIC's net position has increased by 19% compared to the end of last year. Key points worth noting are:

- The new investment policy commenced implementation in September. As recommended by the new Investment Manager existing managed funds have been liquidated, proceeds from the sale of these funds and term deposits that matured during the month have been transferred to the new investment portfolio. Details of the investment of APNIC's capital reserve are explained in more detail in section 3 below.

2 Statement of Income

A revision of the 2013 forecast for Revenue and Expenses was undertaken as part of development of the 2014 budget submission. The new forecast represents the best estimate for the end of year 2013 actual expenditure and revenue based on detailed analysis of committed and planned expenditure and expected revenues.

2.1 Expenses

This report incorporates the approved 2013 budget and the October year-to-date expenses are compared to the figures for the same period last year.

EXPENSES (AUD)	YTD Oct-13	YTD Oct-12	Variance %	Forecast	Forecast Variation to Budget	Forecast Variation	Budget 2013
Bank charges	116,101	111,734	4%	139,000	3,000	2%	136,000
Communication expenses	403,970	377,647	7%	485,000	(46,416)	-9%	531,416
Computer expenses	439,789	426,442	3%	544,000	(93,160)	-15%	637,160
Depreciation expense	622,854	688,750	-10%	749,000	(145,609)	-16%	894,609
Doubtful debt expenses	0	1,258	-100%	15,000	(11,000)	-42%	26,000
ICANN contract fee	136,732	266,103	-49%	136,732	(173,268)	-56%	310,000
Income tax expense	(68,165)	0	0%	(68,165)	(128,165)	-214%	60,000
Insurance expense	105,560	105,768	0%	127,507	(4,343)	-3%	131,850
Meeting and training expenses	310,327	176,785	76%	349,000	(3,550)	-1%	352,550
Membership fees	37,610	57,399	-34%	49,000	(5,641)	-10%	54,641
Miscellaneous expenses	(376,339)	0	0%	(376,339)	(376,339)	0%	0
Office operating expenses	242,582	206,849	17%	289,965	545	0%	289,420
Postage & delivery	41,813	26,849	56%	46,627	13,580	41%	33,047
Printing & photocopy	28,728	30,376	-5%	32,605	(13,000)	-29%	45,605
Professional fees	989,176	502,131	97%	1,241,214	86,439	7%	1,154,775
Recruitment expense	62,966	73,622	-14%	88,000	(12,000)	-12%	100,000
Salaries and personnel expenses	6,704,291	6,524,370	3%	8,229,535	(442,265)	-5%	8,671,800
Sponsorship and publicity expenses	178,667	148,544	20%	344,329	8,829	3%	335,500
Staff training/conference expenses	123,905	125,630	-1%	164,000	0	0%	164,000
Translation expenses	15,255	11,928	28%	16,000	(14,000)	-47%	30,000
Travel expenses	1,660,916	1,578,628	5%	1,910,000	(120,182)	-6%	2,030,182
TOTAL EXPENSES	11,776,738	11,440,814	3%	14,512,010	(1,476,545)	-9%	15,988,555

Table 2 Expenses

Notes to Expenses:

Similar to previous month report, it is forecast that expenses will be less than the original budget approved for 2013, the major variances are explained below:

- **Computer Expenses** has been tracking well below budget and will be 93k below budget by the end of 2013. A number of planned activities were not completed in 2013 such as the Document Management system, the CMS upgrade, and some projects such as the ERP have reduced in cost due to rationalising licenses. Some estimates were much more than actuals costs.
- **Depreciation expenses** are tracking below forecast due to timing of capital expenditure during the year. Based on the Capital expenditure to date and planned for the rest of the year, this expense will be below budget.
- **ICANN contract fees** are below budget due to the APNIC portion of the NRO contribution being much lower than previous year. The budget was based on APNIC's share of this fee being consistent with previous years. This represents a saving of \$173k against budget.
- **Income tax expenses** are in a credit position due to APNIC receiving a tax refund from previous years in relation to foreign exchange losses. Under the assumption that APNIC's taxation status does not change, APNIC is not expecting to pay income tax for 2013.
- **Miscellaneous expenses** includes the recognition income of AUD \$376k related to the liquidation of managed funds in September, these were transacted as part of the new Investment policy implementation plan.
- **Professional fees** will be greater than the budget primarily due to the use of consultants to undertake work that is offset by savings in Salary & Wages below.
- **Salary and personnel expenses** are tracking below the budget; this is a result of the delay in recruitment for approved roles and where replacing existing staff has taken longer than anticipated. The budget includes expenses that are incurred only in December.

2.2 Revenue

REVENUE (AUD)	YTD Oct-13	YTD Oct-12	Variance %	Forecast	Forecast Variation to Budget	Forecast Variation	Budget 2013
IP Resource application fees	1,234,250	1,940,000	-36%	1,455,025	(2,725)	0%	1,457,750
Investment income	530,327	484,685	9%	581,421	(25,579)	-4%	607,000
Membership fees	12,518,789	11,902,345	5%	15,047,891	2,063	0%	15,045,828
Non-members fees	200,263	190,767	5%	240,791	10,791	5%	230,000
Reactivation fees	28,950	29,700	-3%	25,800	(9,300)	-26%	35,100
Transfer fees	51,291	5,224	882%	60,979	(14,021)	-19%	75,000
Sundry income	98,246	170,529	-42%	117,313	(127,187)	-52%	244,500
Foreign exchange gain/(loss)	18,365	(3,761)	-588%	22,784	22,784	0%	0
TOTAL REVENUE	14,680,481	14,719,490	0%	17,552,003	(143,175)	-1%	17,695,178

Table 3 Revenue

Notes to Revenue:

- **IP Resource application fees** – It is forecast that by the end of the year, the actuals will be close to budget. The YTD actuals include January and February fees assessed under the previous fee structure.
- **Investment Income** – Interest and investment income have been combined in this category to reflect the new investment policy. Interest Income is tracking below budget as a result of the continuing reduction in retail deposit rates. The new Investment policy is being implemented and we are working with out investment advisors to develop a robust forecast for income going forward, but at this stage the outlook of the rest of 2013 is estimated to be in line with previous forecast.
- **Sundry Income** – Cost recovery training and consultancy is well below budget.

2.3 Operating Surplus/ Deficit

REVENUE and EXPENSES (AUD)	YTD Oct-13	YTD Oct-12	Variance %	Forecast	Forecast Variation to Budget	Forecast Variation	Budget 2013
Total Revenue	14,680,481	14,719,490	0%	17,552,003	(143,175)	-1%	17,695,178
Total Expenses	11,776,738	11,440,814	3%	14,512,010	(1,476,545)	-9%	15,988,555
OPERATING SURPLUS	2,903,743	3,278,676	-11%	3,039,993	1,333,370	78%	1,706,623

Table 4 Operating Surplus/ Deficits

3 APNIC Reserve

3.1 Cash Flow Statement

This report shows the draft cash flow status for the year as at the end of October.

Accounts	Amount
Operating Activities	
Net Income	2,903,743
Adjustments to Profit/(Loss)	
Accounts Receivable	634,164
Other Current Asset	(193,394)
Accounts Payable	(7,048)
Sales Tax Payable	(20,902)
Other Current Liabilities	(491,211)
Total Adjustments to Profit/(Loss)	(78,391)
Total Operating Activities	2,825,351
Investing Activities	
Fixed Asset	99,666
Other Asset	(8,453,046)
Total Investing Activities	(8,353,381)
Financing Activities	
Long Term Liabilities	77,347
Other Equity	(30,055)
Total Financing Activities	47,292
Net Change in Cash for Period	(5,480,737)
Cash at Beginning of Period	14,496,780
Cash at End of Period	9,016,043

Table 5 Cash Flow Statement

3.2 APNIC Capital Reserve

The APNIC Reserve is diversified between Cash Investments, Investment Portfolio, and Property (APNIC Office). At the end of October, APNIC maintained \$9M in cash reserves, \$9.6M has been invested as at the end of October in the investment portfolio, and \$6.8M invested in the APNIC Property. Figure 3.1 below tracks the value and the allocation of these reserves over time and also tracks the operating expenses for each year for comparison:

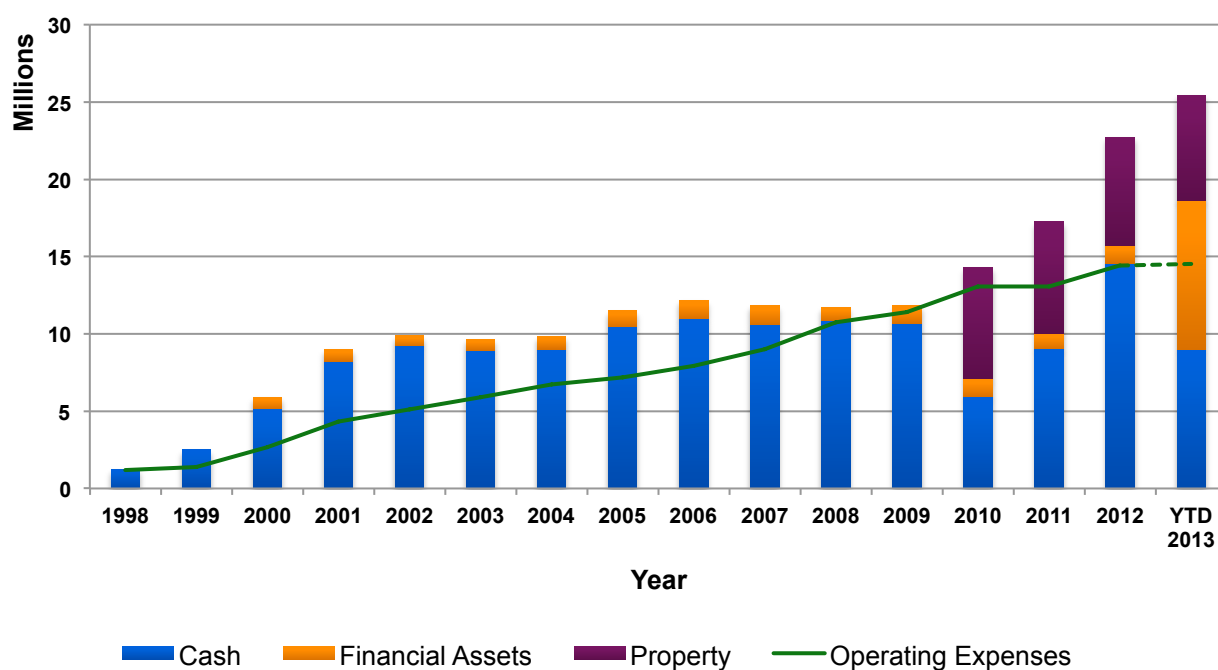


Figure 3.1 Reserve

3.3 APNIC Investment policy

After final approval by the EC at the October meeting, funds from the redemption of previous managed fund, together with those matured cash term deposit have been transferred to the Credit Suisse investment management accounts. There is \$12M fund has been transferred in October. Please refer to the attached investment report for the status of \$12M funds portfolio. Out of the \$12M, \$2.5M remains in the cash account at the end of October.

3.4 Basic Defence Interval Ratio

The Defence Interval Ratio is a high level indicator used to measure the number of days that APNIC could operate without requiring access to Non-Current Assets.

Total Current and Financial Assets	\$19,651,156
Forecast Daily Operating Expenses	\$39,800
Basic Defence Interval Ratio	16.23 Months

4 Membership

4.1 Membership Statistics

As at the end of October 2013, APNIC had a total of 3,973 Members serving 53 economies.

4.2 Membership by Category

The table below shows the monthly changes in membership. Majority of APNIC Members remain in the Very Small and Small membership tiers.

Membership	Total Sep-13	New Oct-13	Reactivate Oct-13	(Closed) Oct-13	Size Change Oct-13	Total YTD Oct-13	% Total
Extra Large	20	0	0	0	0	20	1%
Very Large	44	0	0	0	0	44	1%
Large	148	0	0	(2)	0	146	4%
Medium	393	0	0	(1)	2	394	10%
Small	1179	0	2	(9)	18	1190	30%
Very Small	1238	0	2	(10)	38	1268	32%
Associate	898	76	0	(5)	(58)	911	23%
TOTAL	3920	76	4	(27)	0	3973	100%

Table 6 Membership by Category

4.3 Membership by Economy

Figure 4.1 illustrates the APNIC membership distribution by economy.

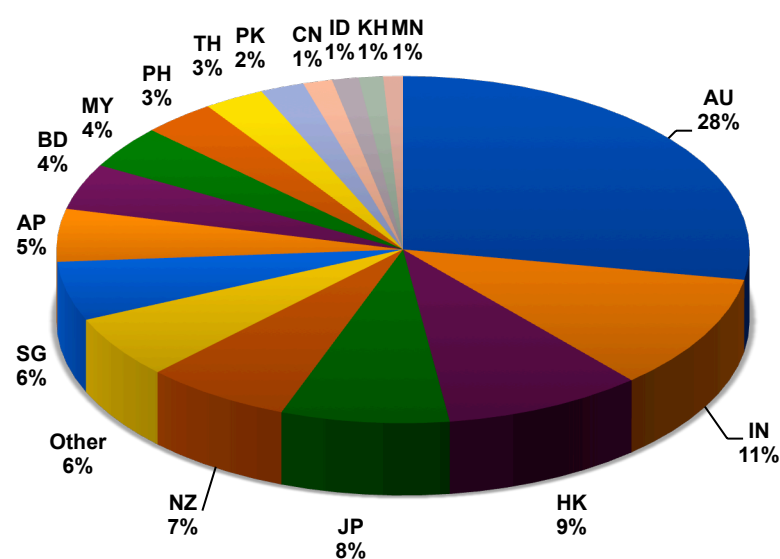


Figure 4.1 Membership by Economy

4.4 Membership Growth

APNIC membership monthly movements are illustrated at Figure 4.2 below. Membership growth budgeted for 2013 has been incorporated in this graph to track monthly growth against monthly budget growth.

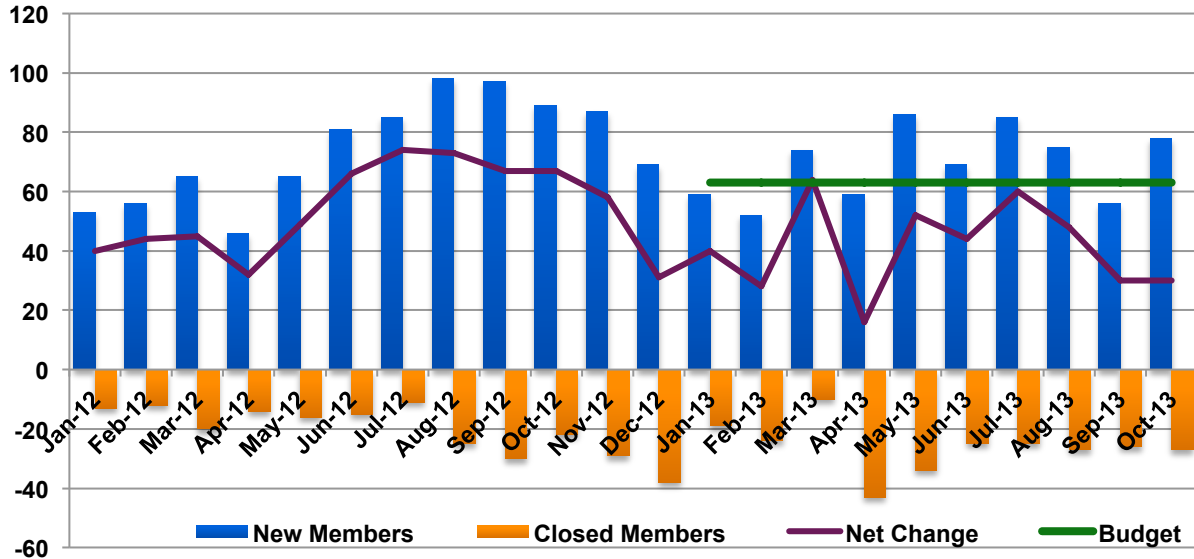


Figure 4.2 Monthly Growth Analysis

Figure 4.3 below illustrates APNIC membership growth by membership tier:

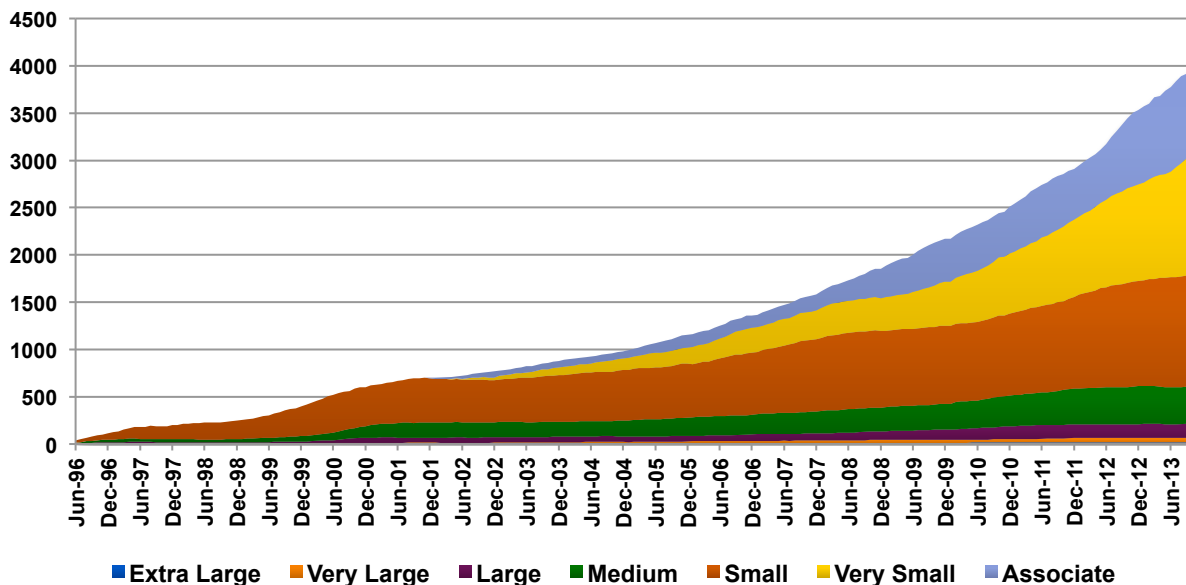


Figure 4.3 Total membership

4.5 Year-to-Date Membership Movement by Economy

Figure 4.4 below shows new and closed membership movement by economy as at end of October 2013.

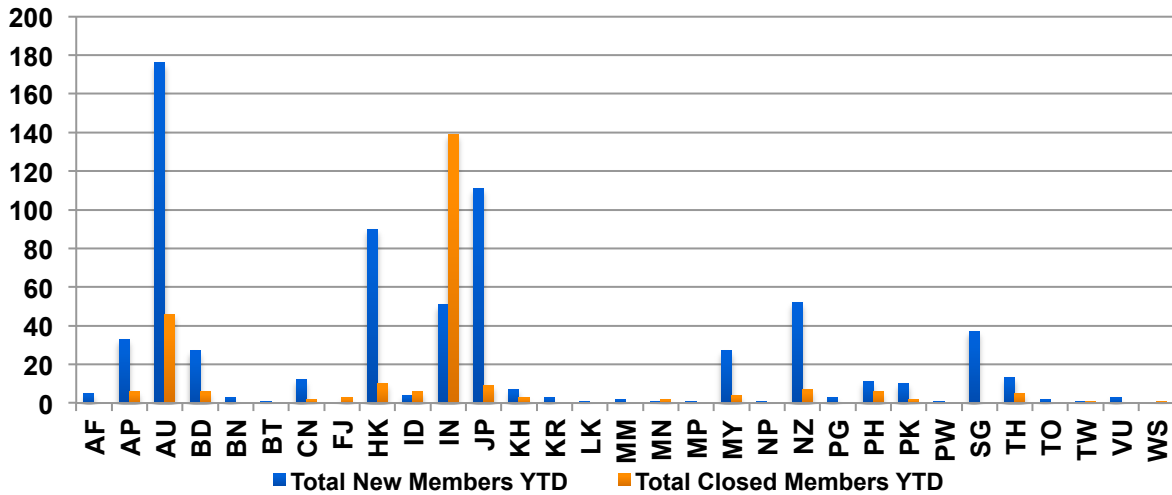


Figure 4.4 New and Closed Members Analysis

Figure 4.5 below provides an analysis of the Membership closures as at the end of October. 53% of the closures (137 out of 258 total) are due to account transfers to NIRs, and 31% of the accounts closures relate to accounts closed due to the failure to establish contact or the business is no longer operating and resource holdings are returned to APNIC.

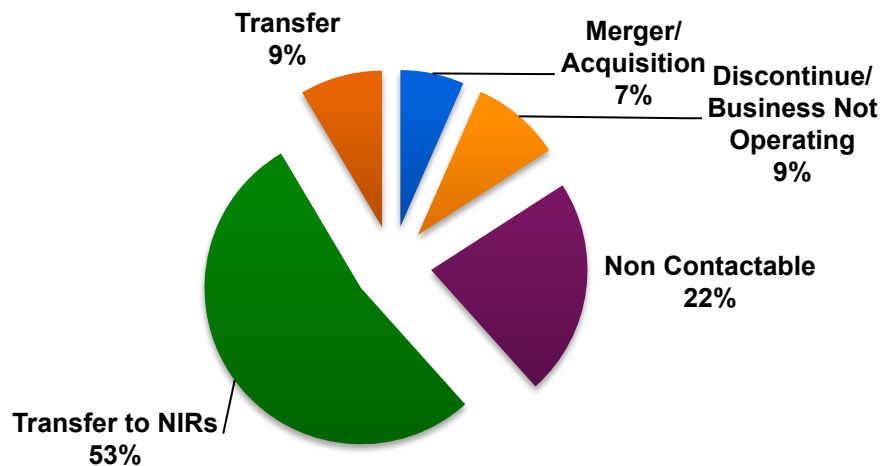


Figure 4.5 Closure Analysis

4.6 India Membership NIR Transfer Analysis

By the end of October 2013, the APNIC membership had 139 account closures from the Indian economy, 130 of these are due to transfers to IRINN. Others were closed due to non-payment and discontinued APNIC membership. There were 511 Indian members as at the end of last year, and the 2013 budget assumes that around 25% of these members will transfer to IRINN during 2013.

Table below provides analysis of India Memberships transferred to the NIR, and the forecast revenue impact in 2013.

India Membership	YTD Oct-13	YTD Budget 2013	YTD Variance	Budget 2013	Forecast 2013	2013 Forecast Revenue Impact (AUD)
Extra Large	0	1	-1	1	0	\$0
Very Large	2	3	-1	3	2	-\$35,739
Large	8	5	3	6	10	-\$81,335
Medium	13	9	4	11	16	-\$59,232
Small	38	25	13	30	46	-\$77,510
Very Small	49	43	6	51	59	-\$45,253
Associate	20	23	-3	27	24	-\$8,100
TOTAL	130	109	21	129	223	-\$307,169
					Budget 2013	-\$225,000
					Variance	-\$82,169

Table 7 India Membership NIR Transfer Analysis

A.2 Investment Report:

0360580016636059



APNIC PTY LTD
PO BOX 3646
SOUTH BRISBANE, QLD 4101
AUSTRALIA



0360580016636059

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0360580026636059

Private Banking

Investment Report as of 29.11.2013

APNIC PTY LTD

Client Number: 3000039



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Private Banking

Investment Report as of 29.11.2013

Client Number 3000039
In the Name of APNIC PTY LTD
Produced on 30.11.2013
Reporting Currency AUD
Relationship Manager Nigel Renton
Phone +612 8205 4095

APNIC PTY LTD
PO BOX 3646
SOUTH BRISBANE, QLD 4101
AUSTRALIA

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Scope of Analysis

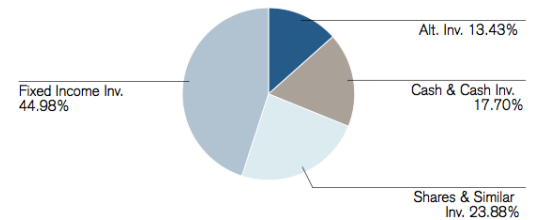
Components	Portfolio
AUD - Portfolio	3000039-10
AUD - Portfolio	3000039-70



1. Summary of all Portfolios

Portfolio Structure by Investment Category

	Last Month's Value AUD	Current Value AUD	% Change from last Month	Proportion
Cash and Cash Investments	3,773,633	2,419,243	-35.89%	17.70%
Investments	8,362,544	11,249,407	34.52%	82.30%
Fixed Income Investments	4,642,807	6,148,560	32.43%	44.98%
Shares and Similar Investments	2,476,215	3,264,527	31.84%	23.88%
Alternative Investments	1,243,522	1,836,207	47.66%	13.43%
Foreign Exchange and Precious Metal Transactions		113		0.00%
Total Assets	12,136,177	13,668,650	12.63%	100.00%
Cash and Cash Investments	-25,654	-20,503	-20.08%	100.00%
Foreign Exchange and Precious Metal Transactions	-24	0		0.00%
Total Liabilities	-25,678	-20,503	-20.15%	100.00%
Total Net Value	12,110,499	13,648,147	12.70%	



Foot Note:

Alt. Inv. - Alternative Investments

Cash & Cash Inv. - Cash and Cash Investments

Shares & Similar Inv. - Shares and Similar Investments

Fixed Income Inv. - Fixed Income Investments

Income Summary

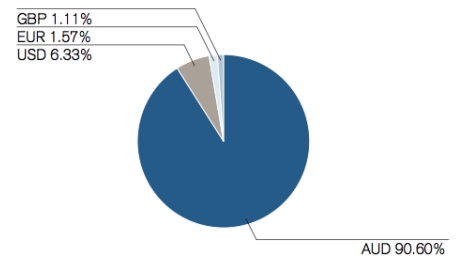
	Current Month AUD	Year to Date AUD
Cash Dividend	379	19,452
Stock Dividend	0	0
Interest Earned/Coupon Paid	5,311	19,873
Interest Paid	0	0
Total Income	5,690	39,325

Activity Summary

	Current Month AUD	Year to Date AUD
Asset Inflows	4,000,000	25,500,000
Asset Outflows	-2,500,000	-12,000,000
Sum of Asset Flows	1,500,000	13,500,000

Portfolio Structure by Currency

	Current Value AUD	Proportion
AUD - Australian Dollar	12,384,187	90.60%
USD - US Dollar	865,200	6.33%
EUR - Euro	214,078	1.57%
GBP - Pound Sterling	151,867	1.11%
JPY - Japanese Yen	53,318	0.39%
Total Assets	13,668,650	100.00%
USD - US Dollar	-20,503	100.00%
Total Liabilities	-20,503	100.00%
Total Net Value	13,648,147	



2. Individual Portfolio Summary

Portfolio Structure by Investment Category

	Last Month's Value AUD	Current Value AUD	% Change from last Month	Proportion
Cash and Cash Investments	2,507,330	1,508,240	-39.85%	100.00%
Total Assets	2,507,330	1,508,240	-39.85%	100.00%
Total Net Value	2,507,330	1,508,240	-39.85%	

Income Summary

	Current Month AUD	Year to Date AUD
Cash Dividend	0	0
Stock Dividend	0	0
Interest Earned/Coupon Paid	910	8,240
Interest Paid	0	0
Total Income	910	8,240

Portfolio Structure by Currency

	Current Value AUD	Proportion
AUD - Australian Dollar	1,508,240	100.00%
Total Assets	1,508,240	100.00%
Total Net Value	1,508,240	

Activity Summary

	Current Month AUD	Year to Date AUD
Asset Inflows	1,500,000	13,500,000
Asset Outflows	-2,500,000	-12,000,000
Sum of Asset Flows	-1,000,000	1,500,000

3. Cash and Cash Investments

CCY	Number/ Nominal	Position Description	Value in AUD Accrued Interest	As of	Prop.
Cash and Cash Investments					
Cash Accounts					
AUD	1,508,240.30	Current Account - 2300003910945	1,508,240		100.00%
Total Cash Accounts			1,508,240		100.00%
Total Cash and Cash Investments			1,508,240		100.00%



4. Appendix

Explanations

Accrued Interest

Accrued interest is not displayed for financial instruments with variable interest rate frequency or with variable interest rate within the same interest period, except for Floating Rate Notes. For FINER Revexus, the accrued interest displayed is based on the deposit currency for reference purpose only. Entitlement to the accrued interest depends on the product features. All accrued interests are displayed in the reporting currency of the portfolio. The FX conversion rates (reflected below) are used to convert the amount from original currency to reporting currency. The accrued interest payable/receivable is displayed as the net amount on Current Account balances. As a result of the foregoing and other factors, the accrued interest is only an estimate and may not reflect the actual interest accrued, if any.

Duration

The investment report displays the Modified Duration method for all fixed income instruments. However, Duration is not displayed if the last available price is more than 5 days old.

FX Options and Precious Metal Options

In relation to the section pertaining to "Foreign Exchange and Precious Metal Transactions", all the figures set out for executed FX Option and Precious Metal Option transactions under the profit/loss column in this investment report reflect only the market valuations and do not in any manner reflect the actual profit earned or loss incurred nor the prevailing market prices of such FX Option and Precious Metal Option transactions. Such market valuations are computed based on a cut off time of 20:00 hours Singapore time on the business day (including public holidays but excluding Saturdays and Sundays) immediately preceding the preparation of this investment report.

The "Market Value" of a FX option is calculated separately and uploaded into our booking system which in turn calculates the "Current price". This price does not represent a FX conversion rate but a mark-to-market in the alternate currency.

Yield

The investment report displays Yield for all fixed income instruments only. However, Yield is not computed for floating rate instruments and/or if the last available price is more than 5 days old.

Income Summary

Interest earned, coupon paid and interest paid includes interest or coupon which is either earned or paid, and does not include accrued but unpaid interest or coupon.

Year to date figures include the addition of the monthly figures inclusive of any backdated income processing/adjustments e.g. income generated in the month of February but processed in March.

Figures shown can be gross or net depending on the specific country and market practice. Please contact the Bank if in doubt.

Rating

Rating refers to the rating of an investment product and is either based on information available to the Bank or is obtained from sources believed to be reliable by the Bank as of the investment report date.

Securities Transaction

Direct Market Trades are trades executed through external/third party brokers and not through Credit Suisse AG, Sydney Branch. Trade date(s) indicated in this Investment Report may not reflect the actual trade date(s) conducted with such external/third party broker. Credit Suisse AG, Sydney Branch is not responsible for the trade advices/confirmations for such Direct Market Trades. Direct Market Trade purchases are paid for by the cash balances in this account, and cash payments received for Direct Market Trade sales are in favor of this account.

Unrealized Profit/Loss

The investment report does not display unrealized profit/loss for Cash Accounts, Time Deposits, Structured Investments, Ratio Knock Out Forward positions, Commodities Options and Loans. FX conversion rates used in the computation of the unrealized profit/loss is the derived rate based on the average price as of the individual transaction date.

Abbreviations

KI = Knock-In
KO = Knock-Out

Consolidation of Figures

The figures are consolidated and shown in denominations of thousands. If a value is too long to be displayed in the report itself, e.g. 1,526,555,333.26 the figure is consolidated and displayed as 1,526,555.3333 in thousands in the report.



Legal Information

According to the Account Opening Terms and Conditions, this investment report shall be conclusive and binding if the Bank does not receive your objection in writing to any matters contained in this investment report within 14 days from the issue date.

Deposits with Credit Suisse are not subject to Division 2 of the Banking Act - Protection of Depositors.

If your account is booked with Credit Suisse AG, Sydney Branch or if your Relationship Manager (RM) or Investment Consultant is located in Australia, please refer to the Important Notice on Sales Disclosure to Investors for sales related information including information on monetary benefits received by the Bank where it distributes an investment product to you.

The Bank provides price indications for financial derivatives transactions, structured products and non-listed financial instruments based upon available market reference prices believed to be reliable. The Bank does not make any representation as to the accuracy or completeness of price indications for transactions nor the guarantee to buy/sell at the price indicated. The Bank does not accept liability for any loss arising from the client's use of, or reliance on, such price indications. The price indications of the initial purchase price may be different from the actual purchase price.

In the absence of reliable market reference prices, the Bank may assign a nominal value or make an appropriate comment on your investment report. As a result, the investment report may contain price indications or comments as the Bank sees appropriate in the prevailing circumstances. If you have any queries in this respect, please contact your Relationship Manager.

The Bank will, at the time of printing this investment report, use the last price indications available to it. Due to the time differences between the Asia Pacific region and markets in other regions, the price indications reflected in the Bank's investment report will not always reflect the price indications available on the last business day of the month in certain markets.

The Bank may use either an onshore or offshore CNY rate for FX conversion to reporting currency depending on the asset. Please note that there may be a differential between the onshore and offshore rate. Please refer to your RM if you need further information on the FX conversion rate applied in relation to your CNY positions.

The information in this investment report does not constitute legal or tax advice. You should consult your legal and/or tax experts if you need any such advice. The investment report does not take tax rules and regulations into consideration, and thus it cannot be used for tax reporting purposes.

This investment report is an electronically generated report and does not require a signature.

A.3 2014 Budget

APNIC Budget Submission 2014

EC Meeting December 2013

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1 Executive Summary

This document contains the APNIC budget submission for the financial year from January to December 2014. The budget submission includes revenue, expense, capital expenditure projections based on the planned activities for the APNIC Secretariat for 2014.

The purpose of this paper is to allow the APNIC Executive Council to approve an expenditure level for 2014, 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 \$16,126,401 and projected revenue of AUD \$18,094,206 providing an operating surplus of AUD \$1,967,805 for 2014. The Capital Expenditure requirements for 2014 are AUD \$1,038,300. All values in this document are expressed in Australian Dollars (AUD).

2 Significant Assumptions

The 2014 budget includes a number of assumptions in relation to APNIC's operating environment, membership and service trends, and other factors. These include:

1. The APNIC EC approved the APNIC Investment Policy in 2013 and Credit Suisse was engaged as investment manager. The transfer of funds into this facility commenced in September and the account will hold AUD \$13.5M by the end of 2013. This budget assumes that excess operating cash of AUD \$2M will be transferred to the account during 2014 and APNIC will retain term deposits of \$3M outside of this investment. Forecast returns provided by Credit Suisse are 3.47% for 2014 on the investment funds, with a return of 2.75% forecast for APNIC managed deposits.
2. Assuming a continuation of growth patterns in 2013 the budget allows for a 750 new members in 2014, and net membership growth of 600 members (with 10% located in Least Developed Countries).
3. Members from India continue to cancel their APNIC membership and transfer to IRINN at their renewal date; this budget makes a conservative estimate that 50% of the remaining members will transition during 2014.
4. Transfer fees remain difficult to forecast, a conservative allowance of \$75k, which was the estimate in the original fee proposal document, has been budgeted for 2014. The number of transfers in a year is showing a slight up-trend, from 83 in 2012 to 90 (estimated) in 2013.
5. The majority of APNIC's expenses are in Australian Dollars (AUD), which significantly reduces APNIC's exposure to any foreign currency risk; therefore no provision is made for exchange gain or loss. As recent as 21/11/2013, the IMF estimated that the AUD was around 10% overvalued against the USD at 0.9331, where there are commitments in USD, this budget used a conservative rate of 0.90.
6. The annual Consumer Price Index (CPI) for the eight Australian capital cities is running at 2.2% at the end of September, and this rate of inflation is assumed for 2014 where more specific data is not available.
7. During 2014, APNIC is planning to hold up to 4 Regional Meetings as "scaled-down" versions of regular APNIC conferences. More details on the plan for Regional Meetings can be found in Appendix A.

3 Budget Summary

APNIC Pty Ltd APNIC Profit and Loss

	FY 2013 Forecast	2013 Budget	2014 Budget	2014 v. 2013 Forecast Var.	2014 v. 2013 Budget Var.
Revenue:					
IP Resource Application Fee	\$1,455,025	\$1,457,750	\$1,241,625	-14.67%	-14.83%
Investment Income	\$581,421	\$595,000	\$620,000	6.64%	4.20%
Membership Fees Income	\$15,047,891	\$15,045,828	\$15,627,681	3.85%	3.87%
Non-Member Fees Income	\$240,791	\$230,000	\$245,000	1.75%	6.52%
Reactivation Fees	\$25,800	\$35,100	\$32,400	25.58%	-7.69%
Sundry Income	\$117,312	\$256,500	\$252,500	115.24%	-1.56%
Foreign Exchange Gain/Loss	\$22,784			-100.00%	
Transfer Fees	\$60,979	\$75,000	\$75,000	22.99%	
Total - Revenue	\$17,552,003	\$17,695,178	\$18,094,206	3.09%	2.26%
Change %			3.09%		
	FY 2013 Forecast	2013 Budget	2014 Budget	2014 v. 2013 Forecast Var.	2014 v. 2013 Budget Var.
Expenses:					
Bank Service Fees	\$139,000	\$136,000	\$145,950	5.00%	7.32%
Communication Expenses	\$485,000	\$531,416	\$502,772	3.66%	-5.39%
Computer Expenses	\$544,000	\$637,160	\$584,632	7.47%	-8.24%
Depreciation Expenses	\$749,000	\$894,609	\$769,800	2.8%	-14.0%
Doubtful Debt Expenses	\$15,000	\$26,000	\$20,000	33.33%	-23.08%
ICANN Contract Fees	\$136,732	\$310,000	\$225,000	64.56%	-27.42%
Income Tax Expenses		\$60,000		-100.00%	-100.00%
Insurance Expenses	\$127,507	\$131,850	\$134,350	5.4%	1.9%
Meeting and Training Expenses	\$349,000	\$352,550	\$424,835	21.73%	20.50%
Membership Fees	\$49,000	\$54,641	\$64,485	31.60%	18.02%
Office Operating Expenses	\$289,965	\$289,420	\$306,195	5.60%	5.80%
Postage & Delivery	\$46,627	\$33,047	\$51,500	10.45%	55.84%
Printing & Photocopy	\$32,605	\$45,605	\$44,200	35.56%	-3.08%
Professional Fees	\$1,241,214	\$1,154,775	\$1,321,800	6.49%	14.46%
Recruitment Expense	\$88,000	\$100,000	\$90,000	2.27%	-10.00%
Salaries and Personnel Expenses	\$8,229,535	\$8,671,800	\$8,768,982	6.56%	1.12%
Sponsorship and Publicity Expense	\$344,329	\$335,500	\$426,700	23.92%	27.18%
Staff Training Expense	\$164,000	\$164,000	\$172,200	5.00%	5.00%
Translation Expense	\$16,000	\$30,000	\$23,000	43.75%	-23.33%
Travel Expenses	\$1,910,000	\$2,030,182	\$2,050,000	7.33%	0.98%
Total - Expenses	\$14,956,514	\$15,988,555	\$16,126,401	7.82%	0.86%
Change %			7.82%		
Abnormal Expenses:					
Income tax refund	(\$68,165)				
Proceeds from Investments	(\$376,339)				
Total - Expenses after abnormals	\$14,512,010	\$15,988,555	\$16,126,401	11.12%	0.86%
Change %			11.12%		
Net Surplus/(Deficit)	\$3,039,993	\$1,706,623	\$1,967,805		
	FY 2013 Forecast	2013 Budget	2014 Budget	2014 v. 2013 Forecast Var.	2014 v. 2013 Budget Var.
Total - Revenue	\$17,552,003	\$17,695,178	\$18,094,206	3.09%	2.26%
Total - Expenses	\$14,512,010	\$15,988,555	\$16,126,401	11.12%	0.86%
Net Surplus/(Deficit)	\$3,039,993	\$1,706,623	\$1,967,805		

4 Budget Preparation Notes

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

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

- The 2012 APNIC Survey
- 2014 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
- Taxation expense forecasts, which are based on advice from APNIC's accounting advisers and tax consultants

4.1 Projection techniques

Projections for membership renewal revenue rely on timing of annual fee payments from existing members, and a schedule of fees to be recognized in 2014. Revenues from new Members are calculated based on forecast trends in new membership.

Interest income is based on analysis of existing deposits and their rates, and maturity dates.

The ERP system allows for the verification of all current approved spending commitments. This data is combined with new planned expenditure in 2014.

An inflation rate of 2.2% is assumed for 2014, as described above.

5 Provisions and Allowances in 2014

5.1 Reduction in IP resource application fees

The APNIC fee schedule was adjusted to reduce applicable IP resource application fees by 50% effective from March 1, 2013. The 2014 budget includes the full year impact of this change.

5.2 Provision for revenue impact of the Indian NIR

The budget includes a provision of AUD \$540,000 for revenue loss in 2014 resulting from APNIC members transitioning to the Indian NIR.

This allowance was calculated according to anniversary dates and address holdings of Indian members, to forecast the impact on billings in 2014. This amount of represents approximately 50% of the total risk on 2014.

5.3 Regional Meetings

The budget allows \$47,000 for up to 4 Regional Meetings, which are described in detail in Appendix A.

6 Revenue

The table below sets out the trends in APNIC revenues from 2008 through to our forecast for 2013 and budget estimates for 2014. It shows an increase of 3.09% in 2014 compared to the 2013 full year forecast.

6.1 APNIC revenue over time

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	2014
	Actual	Actual	Actual	Actual	Actual	Forecast	Budget
Revenue:							
IP Resource Application Fee	\$1,053,679	\$1,194,713	\$1,373,986	\$1,530,500	\$2,232,250	\$1,455,025	\$1,241,625
Investment Income	\$771,499	\$566,854	\$397,689	\$395,591	\$583,052	\$581,421	\$620,000
Membership Fees Income	\$6,678,051	\$7,863,971	\$10,199,249	\$12,968,291	\$14,361,213	\$15,047,891	\$15,627,681
Non-Member Fees Income	\$127,336	\$125,598	\$149,382	\$198,425	\$227,966	\$240,791	\$245,000
Per Allocation Fees	\$1,633,389	\$1,542,369	\$994,277				
Reactivation Fees	\$10,144	\$8,876	\$23,550	\$25,200	\$43,200	\$25,800	\$32,400
Sundry Income	\$264,316	\$161,853	\$205,760	\$298,657	\$199,063	\$117,312	\$252,500
Foreign Exchange Gain/Loss	\$71,832	(\$38,262)	(\$18,471)	\$57	(\$4,930)	\$22,784	
Transfer Fees					\$11,616	\$60,979	\$75,000
Total - Revenue	\$10,614,374	\$11,425,972	\$13,325,422	\$15,416,721	\$17,653,431	\$17,552,003	\$18,094,206
Change %	21.18%	7.65%	16.62%	15.69%	14.51%	-0.57%	3.09%

6.2 IP Resource Application Fee

This budget assumes 750 new members joining APNIC in 2014, 10% from Least Developed Countries (LDCs).

Membership Fees 2014													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2014
Non_LDC	56	56	56	56	56	56	56	56	56	55	55	55	669
LDC	7	7	7	7	7	7	7	7	7	6	6	6	81
	63	63	63	63	63	63	63	63	63	61	61	61	750
Initial Application Fees													
Non_LDC	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	96,250	96,250	96,250	1,170,750
LDC	6,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125	5,250	5,250	5,250	70,875
	104,125	104,125	104,125	104,125	104,125	104,125	104,125	104,125	104,125	101,500	101,500	101,500	1,241,625

6.3 Investment Income

The APNIC Executive Council approved the APNIC Investment Policy in August 2013 and appointed Credit Suisse as investment manager. The approved implementation schedule will see \$13.5M being managed under this policy by the end of 2013, with expected transfers of \$2.0M excess cash flow being transferred during 2014. This aim of this investment strategy is to not only continue to receive investment returns, but to also achieve capital growth over time. Interest, coupons paid, and dividends will be included in income statement, where as any capital growth will be maintained in the balance sheet until it is realised.

6.4 Membership Fees Income

Growth in membership (annual) fee revenue is limited to small increments resulting from "final /8" allocations (to new and existing members), and unpredictable increments resulting from transfers received.

Net member growth in 2014 is estimated at 600, as follows:

Membership Projection									
Membership Tier	2006	2007	2008	2009	2010	2011	2012	2013 F'Cast	2014 Budget
X-Large	9	9	12	13	16	21	20	20	20
V-Large	21	27	30	31	33	41	44	44	44
Large	70	77	92	106	141	145	145	149	149
Medium	210	231	251	276	324	378	394	397	400
Small	658	765	813	823	867	970	1,103	1,233	1,411
V-Small	261	304	345	472	637	817	1,002	1,383	1,792
Assoc	133	171	312	449	503	575	914	910	920
Total	1,362	1,584	1,855	2,170	2,521	2,947	3,622	4,136	4,736
Growth		16.3%	17.1%	17.0%	16.2%	16.9%	22.9%	14.2%	14.5%

Based on the assumption that around 50% of Indian members will move to the India NIR in 2014, the following represents the effect on APNIC membership levels:

Membership Projection											
Membership Tier	2006	2007	2008	2009	2010	2011	2012	2013 F'Cast	2014 Budget	To NIR	2014 Est
X-Large	9	9	12	13	16	21	20	20	20	- 1	19
V-Large	21	27	30	31	33	41	44	44	44	- 4	40
Large	70	77	92	106	141	145	145	149	149	- 7	142
Medium	210	231	251	276	324	378	394	397	400	- 12	388
Small	658	765	813	823	867	970	1,103	1,233	1,411	- 47	1,364
V-Small	261	304	345	472	637	817	1,002	1,383	1,792	- 98	1,694
Assoc	133	171	312	449	503	575	914	910	920	- 36	884
Total	1,362	1,584	1,855	2,170	2,521	2,947	3,622	4,136	4,736	- 205	4,531
Growth		16.3%	17.1%	17.0%	16.2%	16.9%	22.9%	14.2%	14.5%		9.6%

Membership Revenue

The budget for the 2014 membership revenue is based on a detailed analysis of the entire member database. The ARMS database provides details on each the expected fees for each member at their next anniversary date; this is combined with the unrecognised revenue in the accounting system that will be recognised in 2014. Income from new members is based on the target of new members joining as associates in 2014.

Membership Fees 2014													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2014
ARMS Renewal Forecast	313,811	386,360	465,411	592,746	713,100	849,901	989,992	1,113,139	1,248,288	1,341,740	1,343,111	1,343,101	10,700,700
From Revenue Recognition	968,745	903,361	829,452	716,745	601,906	474,084	340,904	224,249	94,899	7,343	806	678	5,163,171
	1,282,556	1,289,721	1,294,863	1,309,491	1,315,006	1,323,984	1,330,896	1,337,389	1,343,187	1,349,083	1,343,917	1,343,779	15,863,871
New Member Fees	10,688	13,359	16,031	18,703	21,375	24,047	26,719	29,391	32,063	34,734	37,406	40,078	304,594
Membership Income	1,293,243	1,303,081	1,310,894	1,328,194	1,336,381	1,348,031	1,357,614	1,366,780	1,375,249	1,383,817	1,381,323	1,383,857	16,168,465
<i>India Member Fees</i>	<i>32,758</i>	<i>41,618</i>	<i>49,072</i>	<i>79,552</i>	<i>90,206</i>	<i>100,595</i>	<i>112,296</i>	<i>119,139</i>	<i>129,437</i>	<i>137,528</i>	<i>137,822</i>	<i>137,822</i>	<i>1,167,847</i>
<i>Already Paid</i>	<i>95,528</i>	<i>87,735</i>	<i>80,381</i>	<i>56,524</i>	<i>45,921</i>	<i>36,226</i>	<i>25,034</i>	<i>18,623</i>	<i>8,987</i>	<i>876</i>	<i>-</i>	<i>-</i>	<i>455,834</i>
<i>Not Expected to go to NIR</i>													
<i>India Member Fees</i>	<i>1,078</i>	<i>2,578</i>	<i>2,578</i>	<i>2,578</i>	<i>6,791</i>	<i>7,696</i>	<i>8,117</i>	<i>8,634</i>	<i>11,226</i>	<i>11,788</i>	<i>11,788</i>	<i>11,788</i>	<i>86,638</i>
<i>Already Paid</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Expected Revenue Loss based on % transferring at Anniversary date in 2014</i>													
25% -	7,920	9,760	11,623	19,244	20,854	23,225	26,045	27,626	29,553	31,435	31,509	31,509	270,302
50% -	15,840	19,520	23,247	38,487	41,707	46,450	52,089	55,253	59,106	62,870	63,017	63,017	540,604
75% -	23,760	29,280	34,870	57,731	62,561	69,675	78,134	82,879	88,659	94,305	94,526	94,526	810,906
Revised Revenue after accounting for India NIR													
25%	1,285,323	1,293,321	1,299,271	1,308,951	1,315,528	1,324,806	1,331,570	1,339,153	1,345,696	1,352,382	1,349,815	1,352,348	15,898,163
50%	1,277,403	1,283,561	1,287,647	1,289,707	1,294,674	1,301,582	1,305,525	1,311,527	1,316,143	1,320,947	1,318,306	1,320,839	15,627,861
75%	1,269,483	1,273,800	1,276,024	1,270,463	1,273,820	1,278,357	1,279,480	1,283,900	1,286,590	1,289,511	1,286,797	1,289,331	15,357,558

6.5 Non-Member Fees Income

Non-member fee revenue for 2014 is estimated based on the analysis of the non-members contained in the APNIC database.

6.6 Reactivation Fees

Reactivation fees are charged when members' accounts have been suspended for non-payment, the budget for this fee is based on previous billing activity.

6.7 Sundry Income

Sundry income includes revenue from sponsorship for APNIC conferences and registration fees received for other events and training activities, in 2014 the budget comprises:

- APNIC 37 Sponsorship \$27,000
- Workshop registration income \$9,000
- Training event registration \$162,500
- Engineering Assistance income \$54,000

All sponsorship and registration fees for the APNIC38 meeting will be passed on the meeting host.

7 Expenses

APNIC's expense budget is developed after extensive review of all outstanding commitments and planned future expenditure. 2013 included 2 abnormal items; an income tax refund of \$68k relating to foreign exchange rate losses in previous years, and \$376k resulting from the recognition of capital gains from the sale of managed funds that were liquidated as part of the implementation of the new investment policy.

7.1 Expenses over time

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	2013	2014	2014 v. 2013
	Actual	Actual	Actual	Actual	Forecast	Budget	Budget	Forecast Var.
Expenses:								
Bank Service Fees	\$65,148	\$81,607	\$102,974	\$132,080	\$139,000	\$136,000	\$145,950	5.00%
Communication Expenses	\$156,901	\$339,964	\$385,819	\$440,762	\$485,000	\$531,416	\$502,772	3.66%
Computer Expenses	\$381,519	\$328,583	\$397,535	\$551,362	\$544,000	\$637,160	\$584,632	7.47%
Depreciation Expenses	\$718,927	\$703,869	\$875,273	\$816,998	\$749,000	\$894,609	\$769,800	2.8%
Doubtful Debt Expenses	\$4,928	\$2,106	\$12,808	\$27,099	\$15,000	\$26,000	\$20,000	33.33%
ICANN Contract Fees	\$358,696	\$321,172	\$284,889	\$321,655	\$136,732	\$310,000	\$225,000	64.56%
Income Tax Expenses	\$48,830	(\$64,301)	(\$97,250)			\$60,000		
Insurance Expenses	\$133,822	\$116,824	\$120,236	\$126,673	\$127,507	\$131,850	\$134,350	5.4%
Meeting and Training Expenses	\$138,458	\$249,401	\$398,014	\$191,561	\$349,000	\$352,550	\$424,835	21.73%
Membership Fees	\$69,496	\$53,663	\$54,261	\$68,392	\$49,000	\$54,641	\$64,485	31.60%
Office Operating Expenses	\$132,009	\$404,527	\$275,653	\$249,930	\$289,965	\$289,420	\$306,195	5.6%
Postage & Delivery	\$27,170	\$27,394	\$32,842	\$28,493	\$46,627	\$33,047	\$51,500	10.45%
Printing & Photocopy	\$24,309	\$21,618	\$37,515	\$38,115	\$32,605	\$45,605	\$44,200	35.56%
Professional Fees	\$591,140	\$554,295	\$605,124	\$939,882	\$1,241,214	\$1,154,775	\$1,321,800	6.49%
Recruitment Expense	\$73,836	\$140,220	\$123,485	\$99,574	\$88,000	\$100,000	\$90,000	2.27%
Salaries and Personnel Expenses	\$6,033,254	\$6,507,584	\$7,203,720	\$8,145,433	\$8,229,535	\$8,671,800	\$8,768,982	6.56%
Sponsorship and Publicity Expense	\$177,469	\$252,182	\$293,035	\$270,696	\$344,329	\$335,500	\$426,700	23.9%
Staff Training Expense	\$107,973	\$146,287	\$107,752	\$151,386	\$164,000	\$164,000	\$172,200	5.00%
Translation Expense	\$15,637	\$14,498	\$10,297	\$11,928	\$16,000	\$30,000	\$23,000	43.75%
Travel Expenses	\$1,404,359	\$1,404,527	\$1,576,246	\$1,822,239	\$1,910,000	\$2,030,182	\$2,050,000	7.33%
Total - Expenses	\$11,280,919	\$13,074,865	\$12,830,055	\$14,421,699	\$14,956,514	\$15,988,555	\$16,126,401	7.82%
Change %		15.90%	-1.87%	12.41%	3.71%	6.90%	7.82%	

Abnormal taxation expenses (tax credits) for 2013 have been excluded from in the table above to make the comparison with previous years more easily compared.

7.2 Expenses ranked by total

The table below shows the budget 2014 expenses compare to the forecast for 2013 and the original 2013 budget. The expenses have been ranked by total for 2014.

	FY 2013 Forecast	2013 Budget	2014 Budget	2014 v. 2013 Forecast Var.	2014 v. 2013 Budget Var.
Salaries and Personnel Expenses	\$8,229,535	\$8,671,800	\$8,768,982	6.56%	1.12%
Travel Expenses	\$1,910,000	\$2,030,182	\$2,050,000	7.33%	0.98%
Professional Fees	\$1,241,214	\$1,154,775	\$1,321,800	6.49%	14.46%
Depreciation Expenses	\$749,000	\$894,609	\$769,800	2.78%	-13.95%
Computer Expenses	\$544,000	\$637,160	\$584,632	7.47%	-8.24%
Communication Expenses	\$485,000	\$531,416	\$502,772	3.66%	-5.39%
Meeting and Training Expenses	\$349,000	\$352,550	\$424,835	21.73%	20.50%
Sponsorship and Publicity Expense	\$344,329	\$335,500	\$426,700	23.92%	27.18%
Office Operating Expenses	\$289,965	\$289,420	\$306,195	5.60%	5.80%
ICANN Contract Fees	\$136,732	\$310,000	\$225,000	64.56%	-27.42%
Staff Training Expense	\$164,000	\$164,000	\$172,200	5.00%	5.00%
Bank Service Fees	\$139,000	\$136,000	\$145,950	5.00%	7.32%
Insurance Expenses	\$127,507	\$131,850	\$134,350	5.37%	1.90%
Recruitment Expense	\$88,000	\$100,000	\$90,000	2.27%	-10.00%
Membership Fees	\$49,000	\$54,641	\$64,485	31.60%	18.02%
Postage & Delivery	\$46,627	\$33,047	\$51,500	10.45%	55.84%
Printing & Photocopy	\$32,605	\$45,605	\$44,200	35.56%	-3.08%
Translation Expense	\$16,000	\$30,000	\$23,000	43.75%	-23.33%
Doubtful Debt Expenses	\$15,000	\$26,000	\$20,000	33.33%	-23.08%
Income Tax Expenses		\$60,000			
Total - Expenses	\$14,956,514	\$15,988,555	\$16,126,401	7.82%	0.86%
Change %			7.82%		

7.3 Major Expenses 2014

7.3.1 Salary And Wages

Salary and wages expense for 2014 will increase by 6.56% compared to the forecast for 2013, and 1.12% above the 2013 budget. This budget is calculated based on the following assumptions:

- Employer superannuation contribution will increase from 9.25% to 9.5% at the end of June 2014
- All staff will utilise their 4 weeks annual leave entitlement
- Overall increase to account for role changes, performance and cost of living is 3.5%
- Existing head count commitments continue from 2013, plus new positions in 2014:
 - Services Director
 - Administrator (seconded to the DG Office)
 - Trainer (additional trainer needed to increase focus on train the trainer program)

7.3.2 Travel Expenses

As discussed at the EC meeting in August, travel expenses will be impacted by the decline in the Australian dollar, on top of regular activities. Allocations have been made for travel by EC and NC members to RIR, ICANN, IGF and other meetings in 2014. The latest working list of 2014 events can be found in appendix B, however attendance at these events is to be determined.

Travel expenses include the International SOS membership, providing advice and emergency assistance for those travelling on APNIC business, including staff, contractors and EC.

7.3.3 Professional Fees

Professional fees continue to increase as APNIC moves to engaging specialist consultants to support its activities as an alternative to full time employment contracts. Major consulting activities planned for 2014 include:

- Technical consulting - \$150k*
- Legal Fees - \$142k
- Training Consulting - \$132k
- I-Root & F-Root Maintenance & Implementation \$130k
- Auditing and Financial Advice - \$100k
- Investment Consultant Service - \$84k*
- PR engagement - \$60k
- Stenography - \$42k
- 2014 Survey - Facilitation and Analysis - \$35k*
- Billing Renewal and ERP Development - \$18k
- Document Management Implementation - \$18k*
- Payroll outsourcing - \$15k*

**Incremental costs for 2014.*

7.3.4 Depreciation Expenses

Depreciation expenses are budgeted based on analysis of the existing depreciation and capital allowance schedules and including anticipated depreciation based on Capital Expenditure planned for 2014.

7.3.5 Computer Expenses

Computer expenses include all non-capital purchases of equipment, consumables, license and support fees for hardware and software. Major contributors to his cost in 2014 are:

- Netsuite ERP licenses and support \$87.5k
- Google Ads for research and membership development \$48k
- HR performance management applications \$27k
- Server load-balancing (F5) maintenance \$36k
- Network support (Cisco Smartnet) maintenance \$35k
- Certification Authority hardware encryption (SafeNet) maintenance \$33.5k

- Business Intelligence visualisation (Jaspersoft) license \$25k
- Network storage (NetApp) maintenance \$25k
- Server virtualisation (VMware vSphere) license \$24k
- Document management solution \$20k
- Java application server (RedHat - JBoss) license \$20k
- Web content management system (Squiz CMS) support \$20k

7.3.6 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 2014 budget include the following:

- Dark fibre: Pipe - Office - NextDC – Interactive \$120k
- NextDC - Rack space \$55.2k
- Interactive - Rack Space \$46.2k
- Interactive - PIPE 100Mbps Up-link \$42k
- NextDC - Dark fibre to NextGen \$25.8k
- NextDC - Rack space for F Root - K Root and R&D equipment \$19.8k
- NextDC - Peering to PIPE-IX \$12k

7.3.7 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 this costs will increase by close by nearly 28% in 2014. APNIC's contribution to the meeting in Noumea will increase from \$50k to \$80k as approved at APNIC36.

The major increase in costs for this expense is the regional meetings, which will incur an additional \$47k in 2014. These meetings will require a high level of cooperation with the local organisers, the key undertakings for APNIC in this model are:

- APNIC will co-locate its regional meetings with the respective local Organisers
- APNIC will undertake all cost of the regional meetings including Social Event
- APNIC will contribute Speakers, Workshop/Tutorial presenters at the Organiser's events.
- APNIC may assist with finding sponsors to help cover the cost of the event

7.3.8 Sponsorship and Publicity Expenses

Sponsorship and publicity expenses include sponsorship for regional events such as NOG's and regional IGF meetings, fellowships, training and speaker's gifts, and membership development activities. Also included in this expense item is expenses related to Government events such as APT, APEC TEL, and Regional ITU meetings.

A major contributor to this expense is APNIC's contribution to the NRO expenses, which in 2014 is estimated at \$150k that is based on APNIC's contribution calculated at \$150k of the total NRO costs of \$529k USD in 2014. The NRO costs have increased significantly to include the permanent secretary role's travel and salary costs.

7.3.9 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. There are a number of major contracts currently being renegotiated, but overall costs are expected to be in line with 2013.

During the 2012/13 the unimproved land value of the APNIC office was reassessed from \$2.1M to \$3.0M, resulting on higher Land tax and Council rates.

8 Capital Expenditure

Capital expenditure comprises Equipment & Software and Office Equipment. For the 2014 budget submission capital expenditure is planned at \$1,038,300.

Expenditure on Equipment and Software is budgeted at \$935,800 for 2014; this includes capitalised expenditure on technical infrastructure, software, and implementation costs including consulting fees. Major contributors in 2014 to this budget are:

- Storage Area Network: controller & disks replacement: 3 NetApp 2240 20TB \$230k
- Root server new installations and upgrades \$150k
- Virtualisation for US and JP colocation: HP BLC3000 - Server - SAN - Network switch \$135k
- Replacement of staff laptops and monitors \$114k
- Big Data & Business Intelligence implementation stage 2 & 3 \$100k
- Load Balancing: F5 - 2 GTM/LTM license for US/JP \$49k
- DNSSEC: keymaker1 & 2 - 2 x HP RX2800 \$48k
- Training Labs - physical and virtual equipment & software \$25k
- Physical Security: RFID - deployment and asset tagging \$25k
- Network infrastructure at APNIC office: Router - Cisco ASR1002 \$25k
- Microsoft Office upgrade \$25k

Office equipment major expenditures are budgeted at \$102.5k, the major projects include the following:

- Complete upgrade of the server room air-conditioning unit \$45k, the current units were moved from the previous office, they are ageing and their ongoing performance and maintenance requirements highlights the need to upgrade to a more economical and efficient unit. As part of this project sub-meters will be installed at a cost of \$4k, so that the electricity cost related to this infrastructure can be more effectively managed.
- There is a budget of \$16k to improve soundproofing across the office, this includes sound dampening in all meeting rooms to improve acoustics and to reduce sound transferred from the kitchen area. This work will include implementing solutions to reduce sound leakage to the general office from private meeting rooms.
- Refurbishment of the front stairs to meet WH&S recommendations is estimated to cost \$10k, although the facilities team are working with consultants to identify more cost effective solutions.

Appendix A APNIC Regional Meeting Implementation Plan

A-1 Background

As not all members and stakeholders are able to attend the regular, twice a year APNIC conferences due to conflicting schedule, travel cost constraints etc., we need to pro-actively bring the information gathered in the conferences to other events in the region. We call these additional outreach events as the APNIC Regional meeting (ARM).

ARM will also enable APNIC to learn about the technical, administration and policy issues that affect members and stakeholders in various geographical regions. The meetings are also an opportunity for APNIC to gain valuable feedback about APNIC's services and activities.

In addition to the above, attendees can find out how they may participate in both the APNIC Policy Development Process and in APNIC Working Groups.

This paper serves to identify events & organisations that APNIC can partner with and review the cost involved in holding the ARM.

A-2 Platforms identified

The following have been identified as the proposed platforms to co-locate the ARM for each quarter commencing from Q4, 2013 until Q3, 2014. It is recommended that APNIC hold four (4) Regional Meetings in a year. Including its bigger meetings in February and August each year, APNIC will have in total six (6) Meetings in the Asia Pacific Region in a year.

	Q4 (2013)	Q1 (2014)	Q2 (2014)	Q3 (2014)	Q4 (2014)
Article I. vent	1) MyNOG 3	Internet 20 PH	BDNOG 1	Myanmar	2) Mongolia
3) Date	Nov 2013	Mar 2014	May 2014	4) Jul 2014	5) Sep 2014
6) Country/Region	7) Malaysia/SEA	Philippines/SEA	Dhaka/SA	8) TBD/SEA	9) Ulaanbaatar/EA
Organizer	MyNOG	ASTI	BDNOG	TBD	APNIC

A-3 Draft program

The ARM program will be a scaled-down version of APNIC's Feb/Aug meetings to give its members and stakeholders the gist of the proceedings. However, it will focus on areas that would be more specific to the region where the meeting is held.

This 1 day meeting will target to attract up to 100 attendees (depending on region). It would be open to prospective members too, to share with them the services that APNIC can provide and the activities that they can participate in.

Time	Program
0830hrs - 0900hrs	Registration
0900hrs - 0910hrs	Welcome Address APNIC <i>APNIC EC Member</i>
0910hrs - 0945hrs	Keynote Speech <i>Invited Keynote Speaker</i>
0945hrs - 1030hrs	Policy Development Process/ Internet Eco-System <i>Adam Gosling/Sunny Chendi, APNIC</i>
1030hrs – 1100hrs	Coffee Break
1100hrs – 1200hrs	APNIC Services <i>Anna Mulingbayan, APNIC</i>
1200hrs – 1430hrs	Lunch Break
1430hrs - 1600hrs	Tutorial: DNS/DNSSEC <i>Nominated Trainer, APNIC</i>
1600hrs -1615hrs	Coffee Break
1615hrs -1745hrs	Tutorial: IPv6 <i>Nominated Trainer, APNIC</i>

A-4 Draft budget

The proposed budget will cater to up to 100 persons to attend the ARM. Participation in the event is free for all Members. Potential members will also be invited to attend the event.

Please refer to Appendix 1 for details of the budget.

Quarter	Q4 (2013)	Q1 (2014)	Q2 (2014)	Q3 (2014)	Q4 (2014)
Event	MyNOG3 KL	Internet20Ph PH	BDNOG 1 BD	Myanmar MM	Mongolia MN
Budget	AUD 19,000	AUD 16,000	AUD 11,000	AUD 10,000	AUD 10,000

A-5 Cooperation model with the local organizer

- (1) APNIC will co-locate its ARM with the respective local organizers.
- (2) APNIC will undertake all cost of the ARM including Social Event (if it decides to hold one).
- (3) APNIC will contribute speakers in the organizer's events. For example, Workshop/Tutorial Instructor.
- (4) APNIC may look for sponsors to help cover the cost of the event.

A-6 Conclusion

To proceed to the planning of the meeting, the above planned venues and budget will need to be approved. The first meeting to be held in November 2013 will give us the initial experience to further improve the following meetings.

A-6-1 Budget outline**A-6-2**

Quarter	Q4 (2013)	Q1 (2014)	Q2 (2014)	Q3 (2014)	Q4 (2014)
Meeting Expenses	AUD	AUD	AUD	AUD	AUD
Function Room & F&B (AUD 60/pax)	6,000	6,000	6,000	6,000	6,000
Social Event (AUD60/pax)	6,000	6,000	6,000	6,000	6,000
Internet Access	2,000	5,000	5,000	5,000	5,000
Miscellaneous Requirement & Contingency	5,000	5,000	5,000	5,000	5,000
Total Expenses	19,000	22,000	22,000	22,000	22,000
Sponsorship	0	6,000	11,000	12,000	12,000
Net Expenses	19,000	16,000	11,000	10,000	10,000

Notes:

- Travel and accommodation cost will be taken from the general travel budget, consisting of 1 EC, 1 ELT, and 3 staff (5 people total per event)
- In-kind sponsorship will be accepted, e.g. paying for the social event, sponsoring the internet connectivity, providing a free venue etc.

Appendix B Events List 2014

January

- 2014/01/13-21 - SANOG 23 - Thimphu - Bhutan
- 2014/01/19-22 - PTC 14 - Honolulu - Hawaii
- 2014/01/21 - APNIC Presentation TEIN 4 Meeting - Bandung - Indonesia
- 2014/01/20-24 - APAN 37 - Bandung - Indonesia
- 2014/01/23-24 - JANOG 33 - Beppu - Japan
- 2014/01/24-25 - Membership Development: User-Generated Conference 2014 - Yangon - Myanmar
- 2014/01/27-31 - NZNOG 2014 - Nelson - New Zealand

February

- 2014/02/05-07 - IPv4/IPv6 Routing Workshop - Brisbane - Australia
- 2014/02/10-12 - NANOG 60 - Atlanta - USA
- 2014/02/17-18 - WSIS+10 Multi-stakeholder Preparatory Platform (MPP) - Geneva - Switzerland
- 2014/02/18-28 - APRICOT 2014 and APNIC 37 - Bangkok - Thailand
- 2014/02/23-26 - NDSS Symposium 2014 - San Diego - United States

March

- 2014/03/02-07 - IETF 89 - London - United Kingdom
- 2014/03/11-12 - eCrime Congress 2014, LEA meeting - London - United Kingdom
- 2014/03/12-13 - Membership Development: Future Schools (eduTECH) - Sydney - Australia
- 2014/03/12-14 - IPv6 Workshop - Phnom Penh - Cambodia
- 2014/03/13-15 - Membership Development: Connect Conference 2014 - Melbourne - Australia
- 2014/03/15 - Internet Fundamentals - Phnom Penh - Cambodia
- 2014/03/17-19 - IPv6 Workshop - TBD - Indonesia
- 2014/03/19-21 - IPv6 Workshop - Mumbai - India
- 2014/03/23-27 - ICANN 49 - Singapore
- 2014/03/25-27 - Network Security Workshop - Port Moresby - Papua New Guinea
- 2014/03/23-04/01 - MENOG 14 - Dubai - United Arab Emirates
- 2014/03/31-04/04 - Philippines Internet 20 Years, and APNIC Regional Meeting - Manila – Philippines
- 2014/03/31-04/11 - ITU World Telecommunication Development Conference 2014 (WTDC-14) - Sharm el-Sheikh - Egypt
- 2014/03/TBD - WSIS+10 Open Consultation: Final Briefing - TBD

April

- 2014/04/01-04 - BGP Routing Workshop - Manila - Philippines

- 2014/04/08 - Internet Hall of Fame Awards Ceremony 2014 - Hong Kong
- 2014/04/08-10 - IPv6 Workshop -Adelaide - Australia
- 2014/04/09-11 - PRAGMA 26 - Tainan - Taiwan
- 2014/04/13-16 - ARIN 33 - Chicago - United States
- 2014/04/14-15 - RIPE NCC SEE 3 - Sofia - Bulgaria
- 2014/04/14-18 - WSIS Forum 2014 - Geneva - Switzerland
- 2014/04/28-05/02 - PITA 18 AGM - TBD
- 2014/04/29-30 - Broadband Asia 2014 - Singapore
- 2014/04/TBD - Regional Preparatory Meeting (RPM-ASP) - TBD
- 2014/04/TBD - WSIS+10 High Level Event - TBD

May

- 2014/05/05-06 - OECD Forum 2014 - Paris - France
- 2014/05/05-07 - CeBIT 2014 - Sydney - Australia
- 2014/05/06 - Vietnam IPv6 Day - TBD - Vietnam
- 2014/05/07-09 - IPv6 Workshop - Vientiane - Laos
- 2014/05/12-14 - Network Security Workshop - Bangkok - Thailand
- 2014/05/12-16 - RIPE 68 - Warsaw - Poland
- 2014/05/14 - BDNOC 2014 - Dhaka - Bangladesh
- 2014/05/14-16 - Membership Development: ICT Expo 2014 - Jakarta - Indonesia
- 2014/05/19-23 - World Summit on the Information Society (WSIS) Forum 2014 - Geneva - Switzerland
- 2014/05/19-24 - BDNOC 1 and Regional Meeting - Dhaka - Bangladesh
- 2014/05/21-23 - Intro to MPLS Workshop - Singapore
- 2014/05/26-28 - Network Security Workshop - Cyberjaya - Malaysia
- 2014/05/25-04/06 - AFNOG 2014 - Djibouti
- 2014/05/TBD - LacNIC 21 - TBD
- 2014/05/TBD - AusCERT 2014 - Gold Coast - Australia
- 2014/05/TBD - VNNIC OPM - TBD - Vietnam
- 2014/05/TBD - ITU Council Working Group on WSIS - TBD

June

- 2014/06/02-04 - NANOG 61 - Bellevue - United States
- 2014/06/04-06 - AfriNIC 20 - TBD
- 2014/06/16 - RIPE NCC Regional Meeting - Almaty - Kazakhstan
- 2014/06/17-20 - CommunicAsia 2014 - Singapore
- 2014/06/22-26 - ICANN 50 - London - United Kingdom
- 2014/06/22-27 - 26th Annual FIRST Conference - Boston - United States
- 2014/06/23-27 - IPv4/IPv6 BGP Routing Workshop - Bangkok - Thailand
- 2014/06/25-27 - Routing II Workshop - TBD - Indonesia

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- 2014/06/30-07/04 - ITU Workshop - Bangkok - Thailand
 - 2014/06/TBD - WSIS+10 High Level Meeting on the Overall Review - TBD

July

- 2014/07/17-18 - JANOG 34 - TBD
- 2014/07/20-25 - IETF 90 - Toronto - Canada
- 2014/07/22-23 - RSA Conference Asia Pacific 2014 - Singapore
- 2014/07/28-08/01 - Agile 2014 - Orlando - United States
- 2014/07/TBD - APNIC Regional Meeting - Myanmar
- 2014/07/TBD - INNOG 2014 - TBD - India
- 2014/07/TBD - NetHui 2014 - TBD - New Zealand
- 2014/07/TBD - CCG Meeting (RIR Collaboration) - TBD
- 2014/07/TBD - IRINN OPM - TBD - India
- 2014/07/TBD - TWNIC OPM - Taipei - Taiwan

August

- 2014/08/11-15 - APAN 38 - Taipei/Nantou - Taiwan
- 2014/08/19-21 - AHRI National Convention 2014 - Melbourne - Australia
- 2014/08/23-26 - Membership Development: Computer and Communications Festival - Hong Kong

September

- 2014/09/02-12 - APNIC 38 - Noumea - New Caledonia
- 2014/09/04-05 - AusNOG 2014 - Sydney - Australia
- 2014/09/17-19 - Network Security Workshop - TBD - Indonesia
- 2014/09/15-17 - LTE Asia 2014 - Singapore
- 2014/09/15-17 - Global Business Travel Conference - Sydney - Australia
- 2014/09/21-30 - MENOG 15 - TBD
- 2014/09/24-26 - Routing II Workshop, and APNIC Regional Meeting - Ulaanbaatar - Mongolia
- 2014/09/TBD - NRO CFO Meeting - Montevideo - Uruguay
- 2014/09/TBD - LEA Security Conference 2014 - Hyderabad – India
- 2014/09/TBD - APriGF 2014 - TBD - India
- 2014/09/TBD - Europol-INTERPOL Cybercrime Conference 2014 - TBD
- 2014/09/TBD - NRO HR Forum - TBD

October

- 2014/10/06-08 - NANOG 62 - Baltimore - United States
- 2014/10/07-09 - IPv6 Workshop - Canberra - Australia
- 2014/10/09-10 - ARIN 34 - Baltimore - United States
- 2014/10/12-16 - ICANN 51 - Los Angeles - United States
- 2014/10/16-17 - Seoul Conference on Cyberspace 2014 - Seoul - South Korea

- 2014/10/20-11/07 - ITU Plenipotentiary Conference (PP-14) - Busan - Korea
- 2014/10/TBD - ITCN Asia Exhibitions & Conferences 2014 - Karachi - Pakistan

November

- 2014/11/03-07 - RIPE 69 - London - United Kingdom
- 2014/11/09-14 - IETF 91 - Honolulu - Hawaii
- 2014/11/10-14 - BGP Routing Workshop - Paro - Bhutan
- 2014/11/24-28 - Open Source Developers' Conference 2014 - TBD - Australia
- 2014/11/25-27 - IPv4/IPv6 Routing Workshop - TBD - Indonesia
- 2014/11/TBD - APNIC-RIPE-NCC BCP Workshop - TBD
- 2014/11/TBD - IRINN OPM - TBD - India
- 2014/11/TBD - ELT Strategic Meeting - Brisbane - Australia
- 2014/11/TBD - LacNIC 22 - TBD
- 2014/11/TBD - ITU Telecom World 2014 - TBD
- 2014/11/TBD - AfriNIC 21 - TBD
- 2014/11/TBD - MyNOG 2014 - TBD

December

- 2014/12/TBD - APNIC EC Retreat 2014 - Brisbane - Australia
- 2014/12/TBD - PacNOG 15 - TBD
- 2014/12/TBD - Annual Information Security Summit - TBD - India
- 2014/12/TBD - OECD CISP 49 - TBD
- 2014/12/TBD - NRO RSCG/ECG Joint Meeting - TBD
- 2014/12/TBD - eASIA 2014 – TBD

A.4 APNIC Conference Selection

Choosing the location of APRICOT/APNIC conferences

Identified issues:

- The current system where we rely on local host proposals results in some sub-regions not getting enough exposures to our conferences.
- A small portion of members attend, as travel costs and permission from their corporate hierarchy are often cited as a barrier to attendance.
- The differing local host's ability (skills, funding, resources etc.) may result in non-standard, sometimes expensive (in terms of monitoring and guidance) effort in maintaining the conference quality.
- Leaving the conference organisation to a local host who is not actually 'local' (as what Philip observed) has proven to be inefficient and ineffective.
- Hosts often wish to host the conference for their prestige, and do very little to encourage the local industry to participate.
- The pool of local hosts tends to be quite limited, thus limiting us in terms of where we may go, not to mention, we are left at their mercy at times if the local host is not up the mark.

Desired outcome:

- A balanced rotation of locations throughout AP sub-regions i.e. South Asia, East Asia, South East Asia, and Oceania
- Better control of dates, not too much reliance of local host's other businesses
- Better conference quality by getting experienced, English speaking local events organiser to manage the logistics
- Better choice of locations to maximise key stakeholders attendance (NOT necessarily tourist destinations)
- We are in control and can set consistent standards in the delivery of our conferences, wherever we may go.
- Adopting the well-established process (e.g. by IETF) of determining venue, then sponsor, then host.
- Consistent control of the costs of organising the conference. Hosting of an APRICOT or APNIC Conference needs to set fixed expectations on the host, so that APNIC are in control, not the host. The cost to APNIC of an APNIC conference varies year on year – very hard for budgeting, and not a good way of spending scarce member resources.

Proposed Scheduling

APRICOT	East Asia	Oceania	South East Asia	South Asia
APNIC	South East Asia	South Asia	East Asia	Oceania
	2015	2016	2017	2018
	2019	2020	2021	2022

Selection process

1. (D – 3 year) At the earliest, APNIC Events coordinators issue an RFP to well-known IT Event Organisers to come up with 2 candidate locations
 - a. Choose candidate cities, taking into consideration APIA Board (APRICOT) / APNIC EC's (APNIC Conference) list of suggested cities
 - b. Evaluate proposals (including venue inspection)
 - c. Rank the Event Organisers based on best business case and present recommendation to APIC Board (APRICOT) / APNIC EC (APNIC Conference)
 - d. APIA Board / APNIC EC make decision, contract signed with Event Organiser before D – 2 year at the latest
2. (D – 2 year) APNIC Events coordinators start working with the Event Organiser
 - a. Announce at this year's conference
 - b. Identify and contact prospective sponsors
 - c. Start the promotion program
 - d. Event Organiser must come to current conference
3. (D – 1 year) APNIC Events coordinators ensure completion of the following work
 - a. Secure sponsorship pledges
 - b. Management committee (logistics) event preparation
 - c. Program committee finalise the program
 - d. Fellowship committee finalise the fellowship recipient

Note:

1. In emergency, APNIC conference defaults to Brisbane, and APRICOT defaults to Kuala Lumpur
2. Hong Kong is considered overlapping South East Asia and East Asia, Bangkok is considered overlapping South Asia and South East Asia
3. Sub-regions are defined in <http://www.apnic.net/about-APNIC/organization/apnics-regions>

A.5 Risk Management Criteria

Risk Management Criteria

Risk Matrix

	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Medium	High	High	Extreme	Extreme
Likely	Medium	Medium	High	Extreme	Extreme
Possible	Low	Medium	High	High	High
Unlikely	Low	Medium	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

Legend

Risk Rating	Action Required
Low	<ul style="list-style-type: none"> • Manage by routine controls and processes • Ongoing monitoring of control effectiveness by unit management
Medium	<ul style="list-style-type: none"> • Manage by routine controls and processes • May require a detailed risk action plan • Ongoing monitoring of control effectiveness by unit management
High	<ul style="list-style-type: none"> • Immediate notification of relevant Director • Should have a detailed risk action plan • Risk action plan to be monitored by relevant Director and progress reported to relevant Operational Director/Director General • Updates to be provided to Executive Council members, as required • Ongoing monitoring of control effectiveness by Executive Leadership Team
Extreme	<ul style="list-style-type: none"> • Immediate notification of relevant Director, Operational Director, Director General and Executive Council • Must have specific risk mitigation plan • Risk action plan to be monitored by Operational Director and progress reported to the Director General • Updates to be provided to Executive Leadership Team, and Director General • Ongoing monitoring of control effectiveness by Operational Director

Risk Consequence Table

Consequence Type	Insignificant	Minor	Moderate	Major	Catastrophic
Audit and Compliance	Compliance with standards and internal procedures maintained with negligible level of control weakness	Compliant with standards and internal procedures / minimal level of control weakness	Single non compliance with standards or internal procedures resulting in recommendations for improvement / moderate level of control weakness identified	Multiple non compliances with standards or internal procedures resulting in recommendations for improvement / high level of control weakness	Fully non compliant with standards or internal procedures resulting in sanction or penalty / Critical failure of key controls
Business Continuity	Loss / interruption less than 1 hour	Loss / interruption <= 4 hours / some disruption manageable by altered operational routine	Loss / interruption <=8 Hours / Disruption to key membership facing and external services, to be affected. Internal services compromised	Loss / interruption <= 5 days / Disruption to key membership facing and external services, to be affected. Internal services compromised	Total system dysfunction and/or total shut-down of operations and unavailability of external services
Finance	< \$10k	\$10 –50k	\$50 – 200k	\$200 – 1m	Greater than \$1m
Fraud	<\$2k	\$2-5k	\$5-10k	\$10-50k	Greater than \$50k
Health and Safety	No injury / illness – no time lost, minor adjustment to operational routine	Single injury / minor illness – lost time of less than 4 working days	Single serious injury >4 working days lost.	Multiple serious injuries or illness (more than 4 working days lost, or an event which is notifiable)	Fatality
Project Delivery	Negligible increase in cost, disruption of schedule, or degradation of deliverable	Minor increase in cost, disruption of schedule, or degradation of deliverable	Moderate increase in cost, disruption of schedule, or degradation of deliverable	Major increase in cost disruption of schedule, or degradation of deliverable	Extreme increase in cost, disruption of schedule, or degradation of deliverable
Reputation	Minimal adverse local publicity	Significant adverse local publicity Minimal adverse regional/International publicity	Significant adverse regional/International publicity	Significant and sustained regional/ international publicity	Sustained Regional/International adverse publicity
Vision and Values	Negligible misalignment with strategic objectives or expected behaviours	Minor misalignment with strategic objectives or expected behaviours	Moderate misalignment with strategic objectives or expected behaviours	Major misalignment with strategic objectives or expected behaviours	Significant misalignment with strategic objectives or expected behaviours
Workforce	Short term low staffing level Temporarily reduces service quality	Ongoing low staffing level reduces service quality	Moderate annualised staff turnover (< 20%) Late delivery of key objectives / services due to lack of staff	Very high annualised staff turnover (> 20% / Uncertain delivery of key objectives / service due to lack of staff	Non -delivery of key objectives / services due to lack of staff

Risk Likelihood Table

Likelihood Rating	Descriptor
Almost Certain	Is expected to occur frequently (in most circumstances)
Likely	Is expected to occur occasionally (to be expected)
Possible	Could occur at least once (capable of happening / foreseeable)
Unlikely	Might occur at some time (not to be expected)
Rare	May occur in exceptional circumstances only

Control Effectiveness

Rank	Colour	Description
Low	1	Action plans, policies or controls are not mitigating the risk and /or deemed to be very weak or ineffective. Risk may be outside control of organisation.
Medium	2	Action plans, policies or controls may be partially mitigating the risk and scope for some improvement.
High	3	Action plans, controls or policies deemed to be satisfactory and tested regularly.