

APNIC EC Meeting Minutes

Teleconference
Wednesday 7 February 2001

Meeting Start: 11:20 a.m

Minutes

Present:

Tommi Chen
Che-Hoo Cheng
Akinori Maemura
Kuo Wei Wu
Paul Wilson
Kyoko Day
Gerard Ross (minutes)

Agenda:

1. Agenda bashing
2. Financial statements for 2000
3. Budget for 2001
4. ICANN issues
5. Membership structure (response to KRNIC)
6. AOB

1. Agenda bashing

no amendments

2. Financial statements for 2000

There was a discussion of the current monthly Financial Statement. KD explained that these figures go to the Annual Report to be published.

KD commented on the following issues:

The cash reserve is still growing steadily.

The AU \$800,000 investment declined, mostly due to exchange rate fluctuations, but it is not a concern at this point as it is intended to be a long-term investment.

The accounts receivable balance is the lowest since March.

There have been a lot of closures since last year, mostly due to mergers and acquisitions. Generally, these are small members being bought up by bigger players, especially in AU.

Revenue was 13.6% more than budgeted, due to gains in membership.

Spending was lower than expected, mainly due to staffing and the exchange rate.

TC noted that account aging figure was quite large. KD explained that much of it was due to a late payment by a large member, which has now paid.

It was noted that there is not much bad debt. KD explained that some of the closed accounts were from organisations that never actually received resources.

PW explained that the small member category has become static but the growth is happening in the larger membership categories, confirming the usefulness in the change to the fee structure.

3. Budget for 2001

KD gave an overview of the draft budget.

KD noted that there are no major changes in donations to AP* organisations, but that one major change will be the payment to ICANN, as so far no fees have been paid.

TC asked about expected membership growth. KD explained that the budget estimate is based on recent trends. The figures are conservative to reflect the drop in growth over the past year. There was a discussion of membership growth and trends in India.

It was noted that a major increase in expenses will be in staff salaries, due to delayed recruitment from 2000.

There was discussion of the expansion in office and facilities.

KD explained the creation of a PR category in the budget.

PW raised the issue of bonuses. KD discussed the approach taken to distribute the bonus. PW explained there is currently no bonus performance policy. PW sought EC clarification of the payment of staff bonus. TC suggested giving Management the mandate to distribute bonuses.

KD explained budgeting for special projects. PW explained the staffing of these projects will depend upon the new Tech Services Manager.

The R&D budget was discussed. PW asked that this be raised at KL, especially the suggestion that members could tender to APNIC for funding to take on R&D projects and thus redistribute some APNIC funding back out into the membership.

There was discussion about the size of the increase in expected revenue.

KD explained cash flow for 2001. There was then a general discussion of the level of the cash reserve.

There was discussion about the increase in tax expense. KD explained the effect of exceeding the payroll tax threshold, the taxable gains in exchange rate, and non-membership income. KD clarified that the total membership income remains untaxable. PW summarised the KPMG research into payroll tax implications and APNIC's location.

PW discussed the need to increase staff development and training to avoid the hidden costs of staff attrition.

The draft budget was approved by consensus.

- **Action:** PW to set up an informal discussion with GAR board representatives.
- **Action:** Bonus to be put on EC agenda for KL meeting.
- **Action:** Discussion of R&D tendering idea.
- **Action:** KD to be prepared to explain tax issues at AMM.

4. ICANN issues

PW explained there is nothing else to report beyond the contract and contribution agreement distributed previously.

PW explained how the proportional payments were reassessed along the lines of comparative RIR budgets. The new figure of 21 percent, up from 15 percent, does represent a realistic contribution.

5. Membership structure (response to KRNIC)

PW explained that the EC was tasked at the Brisbane meeting to take this issue further and make a recommendation about the establishment of a non-resource membership category be discussed. So far no progress to report.

PW reminded the EC that KD had compiled figures to illustrate balances of APNIC voting across countries.

AM reported that SML was to be preparing a draft NIR position, but so far he knows of no progress on this draft.

KD gave an overview of the implications of establishing a non-member resource category.

- **Action:** Chair to add this to agenda for major discussion at KL meeting.
- **Action:** AM to speak to SML about the progress of the proposal.

6. AOB

KD explained that the TWNIC proposal is very detailed and appears to be very good. The one problem is that it does go along with another large meeting. It was discussed that so long as the independence of the Open Policy Meeting is upheld this is not a problem.

KW mentioned that there can be visa delays between CN and TW but there seems to be some advanced preparation already underway.

It was suggested that with the deregulation of TW industry that this will be a very good year for APNIC to meet in TW.

There was a discussion about whether there are any problems with August, but no real problems were found.

KD explained the need to explain to TWNIC that APNIC is looking to arrange the funding of the meeting. KW reported that TWNIC are looking forward to sponsoring an APNIC meeting.

- **Action:** Decision to be made at KL.

Meeting closed: 12:30pm