

APNIC EC Meeting Minutes

Teleconference
Thursday 23 April 2009

Meeting Start: 11:00 am (UTC +0800)

Present

Akinori Maemura (Chair)
Che-Hoo Cheng
Kuo-Wei Wu
Ma Yan
Hyun-Joon Kwon
James Spenceley
Jian Zhang
Paul Wilson

Geoff Huston (minutes)
Irene Chan
Richard Brown
Connie Chan

Apologies

Agenda

1. Agenda Bashing
2. Review of Minutes and Action List Review from 26 March meeting
3. Financial Report
4. Director-General's Report
5. EC response to APNIC Member Survey
6. 2010 APNIC Fee Schedule
7. AOB

Minutes

1. Agenda bashing

No changes were made to the agenda.

2. Minutes of Last Meeting and Matters Arising

The minutes from the meeting of 26 March 2009 were approved unanimously.

Action ec-09-011: Secretariat to publish minutes of the March 26 meeting

Review of action items:

Action ec-09-008: Secretariat to publish minutes of the February 23 meeting
Completed

Action ec-09-009: Secretariat to publish the proposed APNIC Fee Schedule and conduct a call for comment with the membership.

Completed

Action ec-09-010: Send followup questions to NIXI regarding the application for recognition of an NIR for India.

Completed

3. Finance Reports

Irene Chan reported to the EC on the March 2009 APNIC Financial Statement (attached). It was noted that the balance sheet contained an entry related to the reversal of asset valuation. This may be transferred to the expense ledger.

Revenue and expenses are slightly lower than the pro-rata projection of the annual budget estimates, owing to seasonal variations in allocation activity and anticipated salary movement later in the year.

The March Financial Statement was accepted by the EC.

4. Director-General's Report

The Director-General noted a number of staff movements, including 2 positions moved into network operations, 1 appointment made to host services, and the appointment of a casual position to the HR manager role due to extended sick leave.

The APNIC program of extension of the RIPE NCC's TTM system to the AsiaPac region is now underway, with 4 units being deployed at present and a further 6 deployments in preparation.

The ASO AC has appointed Ray Plzak, former CEO of ARIN to the ICANN Board as the ASO AC's nominee. The ASO AC have established a subcommittee to review the AC's procedures used to fill these ICANN Board positions.

The D-G noted APNIC attendance and participation at a number of regional and international forums, including the IPv6 Summit in Beijing, the WTF forum in Lisbon, an NGN and IPv6 meeting in Colombo, and will be supporting the forthcoming APECTEL workshops in Mexico later this year.

APNIC, together with the other RIRs, is part of the Internet Technical Advisory Committee to the OECD, organised with the Internet Society.

The NRO EC is proposing four workshops for the 2009 IGF meeting, covering the topics of IPv6 adoption and operation, IPv4 depletion and the business aspects of Internet operations.

5. EC Response to APNIC Member Survey

The EC reviewed the initial draft response to the APNIC Member survey. Further consideration of this item was deferred to the next EC meeting.

6. 2010 APNIC Fee Schedule

The EC considered the comments received from the earlier EC call for comments on the proposed fee schedule.

The EC unanimously agreed to task the Treasurer, assisted by the Secretary, to prepare a final version of the 2010 fee schedule.

The EC unanimously agreed to obtain a second legal opinion on the provisions in the APNIC By-Laws regarding the role of the EC in setting fees.

The matter will be further considered at the next EC meeting.

Action ec-09-012: Treasurer and Secretary to provide a final version for the proposed Fee Schedule for the EC.

Action ec-09-013: Secretariat to obtain a second legal opinion on the ByLaws, with the terms of the request for legal advice to be reviewed by Hyun-Joon Kwon.

7. AOB

Meeting Reminder

The EC requested that electronic meeting reminders be sent out the day prior to the meeting.

Next Meeting

21st May 2009 (Teleconference)

Meeting closed: 1:20 pm (UTC+1000)

Summary of Action Items

Action ec-09-011: Secretariat to publish minutes of the March 26 meeting

Action ec-09-012: Treasurer and Secretary to provide a final version for the proposed Fee Schedule for the EC.

Action ec-09-013: Secretariat to obtain a second legal opinion on the ByLaws, with the terms of the legal advice to be reviewed by Hyun-Joon Kwon.



APNIC

Monthly financial report (in AUD)

For the month ending March 2009

Asia Pacific Network Information Centre

1. Balance Sheet

Statement of Financial Position (AUD)					
	31/03/2009	% of Total Asset or Liab+Equity	% change from 31/12/2008	Year-End 2008	Year-End 2007
CURRENT ASSETS					
Cash	6,764,442	43%	-1.2%	6,844,414	6,626,341
Term deposit investment	2,300,000	15%	0.0%	2,300,000	2,300,000
Receivables	1,710,545	11%	12.6%	1,518,540	737,859
Others	647,809	4%	19.8%	540,688	325,739
TOTAL CURRENT ASSETS	11,422,796	73%	2.0%	11,203,642	9,989,939
NON-CURRENT ASSETS					
Other financial assets	844,311	5%	-4.4%	883,201	1,222,666
Property, plant and equipment	1,618,982	10%	-5.2%	1,708,216	1,667,091
Long term deposit investment	1,700,000	11%	0.0%	1,700,000	1,700,000
TOTAL NON-CURRENT ASSETS	4,163,292	27%	-3.0%	4,291,417	4,589,758
TOTAL ASSETS	15,586,089	100%	0.6%	15,495,060	14,579,696
CURRENT LIABILITIES					
Payables	517,056	3%	-17.9%	629,650	1,139,160
Provisions	945,493	6%	-4.5%	989,847	888,178
Unearned revenue	5,501,161	35%	2.2%	5,383,679	3,817,898
TOTAL LIABILITIES	6,963,710	45%	-0.6%	7,003,177	5,845,236
EQUITY					
Share capital	1.00	0%	0.0%	1.00	1.00
Reserves other financial assets investment *	(41,319)	0%	0.0%	0	90,827
Retained earnings	8,663,696	56%	2.0%	8,491,882	8,643,633
TOTAL EQUITY	8,622,379	55%	1.5%	8,491,883	8,734,461
TOTAL LIABILITIES & EQUITY	15,586,089	100%	0.6%	15,495,060	14,579,696

Note:

* The negative value in "Reserves on other financial assets investment" is due to the revaluation of our investment in unit trusts based on the market valuation as at the end of March.

2. Income Statement

2.1 Expenses

This report provides a comparison of the current year to date and the previous year to date for each summary Expense and Revenue account. All expenses represent the actual and accrued costs as at the end of March, and are compared to the approved budget 2009.

EXPENSES (AUD)	YTD 2009	YTD 2008	% Change	Budget 2009	YTD Budget		
					YTD (**) Budget 2009	YTD Budget Variation	Variation %
Bank charges	17,154	17,414	-1.5%	73,816	18,454	(1,300)	-7.0%
Communication expenses	34,243	44,654	-23.3%	158,549	39,637	(5,394)	-13.6%
Computer expenses	109,417	22,130	394.4%	339,423	84,856	24,562	28.9%
Depreciation expense	173,912	154,631	12.5%	679,860	169,965	3,947	2.3%
Sponsorship and Publicity expenses	43,410	27,353	58.7%	176,981	44,245	(836)	-1.9%
Doubtful debt expenses	1,804	57	3048.4%	27,175	6,794	(4,990)	-73.4%
ICANN contract fee	82,299	71,250	15.5%	329,200	82,300	(1)	0.0%
Insurance expense	37,155	32,135	15.6%	130,310	32,577	4,578	14.1%
Meeting and training expense	44,299	25,574	73.2%	213,500	53,375	(9,076)	-17.0%
Membership fees	16,117	13,357	20.7%	68,700	17,175	(1,058)	-6.2%
Miscellaneous expenses	685	707	-3.1%	2,000	500	185	37.0%
Office operating expenses	24,811	21,639	14.7%	126,731	31,683	(6,872)	-21.7%
Postage & delivery	6,767	12,353	-45.2%	35,000	8,750	(1,983)	-22.7%
Printing & photocopy	10,822	12,970	-16.6%	45,000	11,250	(428)	-3.8%
Professional fees *	264,164	67,202	293.1%	854,832	213,708	50,456	23.6%
Recruitment expense *	41,316	32,075	28.8%	118,826	29,707	11,609	39.1%
Rent and outgoings	145,487	120,525	20.7%	646,179	161,545	(16,058)	-9.9%
Salaries and personnel expenses *	1,224,489	1,075,217	13.9%	6,103,160	1,408,422	(183,932)	-13.1%
Staff Training/conference expenses	16,195	36,581	-55.7%	132,000	33,000	(16,805)	-50.9%
Tax expense	0	0	0.0%	135,000	33,750	(33,750)	-100.0%
Translation expenses	0	0	0.0%	35,000	8,750	(8,750)	-100.0%
Travel expenses	336,201	291,997	15.1%	1,627,237	406,809	(70,608)	-17.4%
TOTAL EXPENSES	2,630,747	2,079,823	26.5%	12,058,479	2,897,251	(266,504)	-9.2%

2.2 Revenue

REVENUE (AUD)	YTD 2009	YTD 2008	% Change	Budget 2009	YTD Budget		
					YTD (**) Budget 2009	YTD Budget Variation	Variation %
Interest income	162,513	176,525	-7.9%	617,000	154,250	8,263	5.4%
IP Resource application fees	316,900	293,119	8.1%	1,263,282	315,821	1,079	0.3%
Membership fees	1,895,496	1,541,561	23.0%	7,943,814	1,985,954	(90,457)	-4.6%
Non-members fees	31,324	32,079	-2.4%	131,984	32,996	(1,672)	-5.1%
Per Allocation fees	328,070	454,894	-27.9%	1,876,701	469,175	(141,106)	-30.1%
Reactivation fees	3,804	1,268	200.0%	15,601	3,900	(96)	-2.5%
Sundry income	43,589	18,880	130.9%	237,744	59,436	(15,847)	-26.7%
Foreign Exchange gain/(loss)	20,866	(6,178)	-437.7%	0	0	20,866	0.0%
TOTAL REVENUE	2,802,561	2,512,147	11.6%	12,086,125	3,021,531	(218,970)	-7.2%

2.3 Operating Profit/ Loss

Revenue and Expenses (AUD)	YTD 2009	YTD 2008	% Change	Budget 2009	YTD (**) Budget 2009	YTD Budget Variation	YTD Budget Variation %
Total Revenue	2,802,561	2,512,147	11.6%	12,086,125	3,021,531	(218,970)	-7.2%
Total Expenses	2,630,747	2,079,823	26.5%	12,058,479	2,897,251	(266,504)	-9.2%
OPERATING PROFIT/ (LOSS)	171,814	432,325	-60.3%	27,647	124,280		

Notes on some significant variances:

- 1) Salaries and personnel:
 - Full year budget includes salary increments
 - Time taken to find replacement staff
 - There has been significant focus on reducing leave accruals
- 2) Professional Fees:
 - APNIC contributed its committed USD \$100k to the ISIF project in February
- 3) Recruitment Expenses:
 - Placement of new Software Manager and Internet Resource Analyst during March

(**) YTD Budget and Variation values are based on a linear prorated calculation of the annual budget.

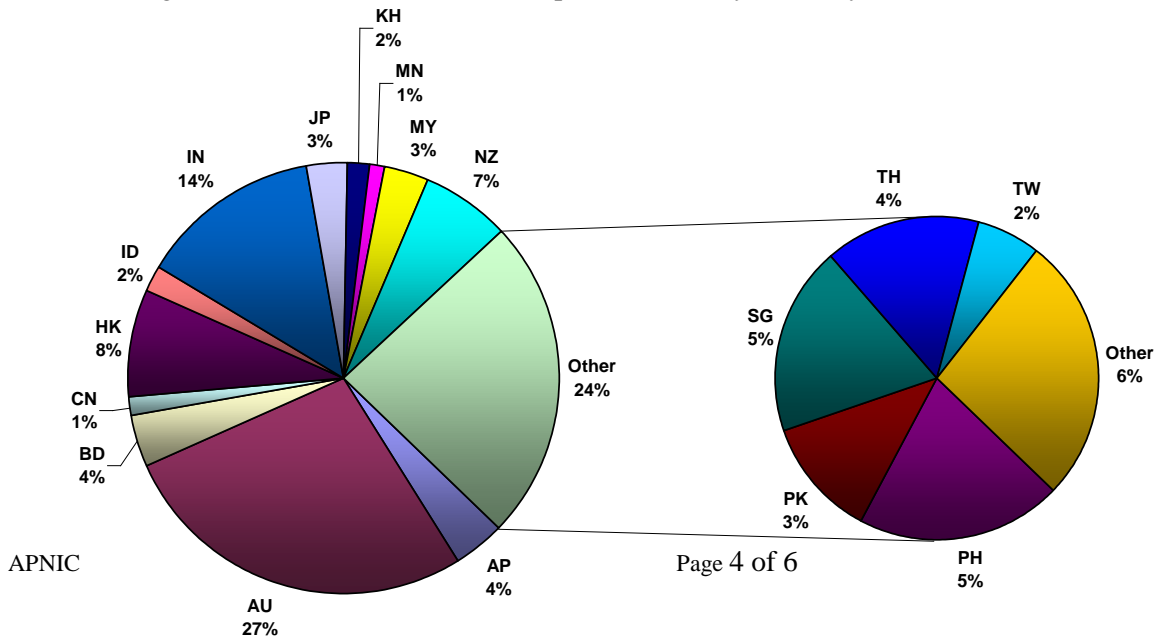
3. Membership

3.1 Membership statistics

At the end of March 2009, APNIC had a total of 1,943 members serving 51 economies. There is net growth of 31 members, with 42 new members, and 12 member accounts were closed during March.

3.1.1 Membership by Economy

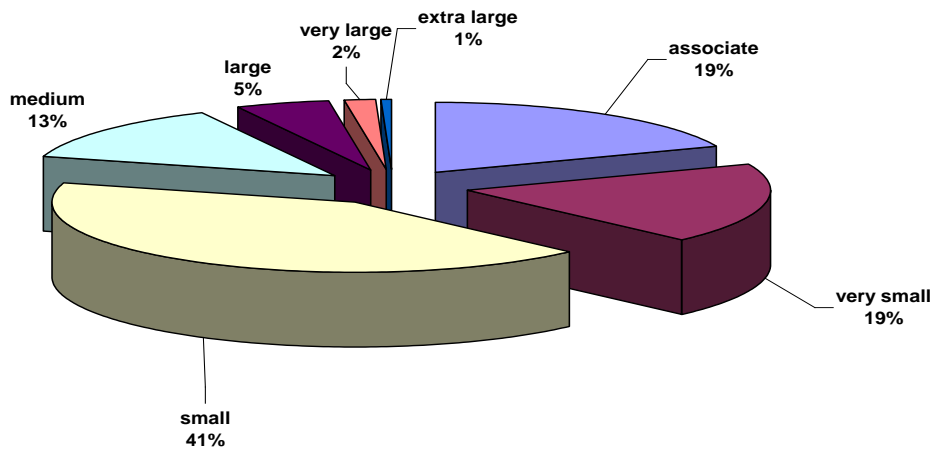
The following chart shows APNIC membership distribution by economy.



3.1.2 Membership by Category

The following table shows the monthly changes in membership across APNIC's membership tiers. The graph below based on this data shows the relative size of each category and highlights the fact that 41% of APNIC members are included in the Small membership tier.

Membership	Total	New	Reactivate	(Closed)	Size	Total YTD
	Feb-09	Mar-09	Mar-09	Mar-09	Change Mar-09	Mar-09
Extra Large	12	0	0	0	0	12
Very Large	31	0	0	0	0	31
Large Member	95	0	0	0	2	97
Medium	256	2	0	(1)	1	258
Small	810	5	0	(4)	4	815
Very Small	360	4	0	(1)	2	365
Associate	348	31	1	(6)	(9)	365
TOTAL	1912	42	1	(12)	0	1943



The table below compares the actual growth in each tier of membership at the end of March 2009 to the budgeted annual growth on a monthly pro-rata basis. Overall growth at the end of March is above budget, with Associate membership growing at a faster rate than anticipated, on the other hand, growth in the Small tier is significantly less than forecast.

Membership	Actual Total EOY 2008	Actual Total YTD Mar-09	Actual Growth YTD 2009	Budgeted Total EOY 2009	Budgeted Growth EOY 2009	Budgeted Growth YTD (*)	Variation Actual vs. Budget (*)
Extra Large	12	12	0	13	1	0	0
Very Large	30	31	1	33	3	1	0
Large Member	92	97	5	101	9	2	3
Medium	251	258	7	271	20	5	2
Small	813	815	2	903	90	23	-21
Very Small	345	365	20	420	75	19	1
Associate	312	365	53	408	96	24	29
TOTAL	1855	1943	88	2149	294	74	14

The graph below is based on historical figures of the total number of members since the establishment of APNIC's membership system in 1996. This graph illustrates the strong growth in APNIC membership for the first quarter 2009.

