

APNIC EC Meeting Minutes

Face-to-Face meeting, Brisbane, Australia

Friday, 25 November 2016, 9:35 – 16:40 (UTC+10)

Meeting Start: 9:35 (UTC+10), Friday 25 November 2016

Present

Gaurab Raj Upadhaya (Chair)
Rajesh Chharia (Secretary)
James Spenceley (Treasurer)
Jessica Shen
Kam Sze Yeung
Kenny Huang
Paul Wilson
Roopinder Singh Perhar

Craig Ng
Richard Brown
Sanjaya
Connie Chan

Apologies

Agenda

1. Opening of meeting and declaration of quorum
2. Agenda bashing
3. Declaration of interests
4. Review of minutes of last meeting and record of circular resolutions passed since the last meeting
5. Matters arising from the last meeting
6. Chair update
7. Financial reports
8. Approval of 2017 budget and activity plan
9. NIR membership options analysis
10. NRO Number Council (NC) appointment
11. Risk Register
12. APNIC Foundation update
13. Secretariat report
14. Any other business
15. Next EC meeting

Minutes

1. Opening of meeting and declaration of quorum

The Chair of the Executive Council welcomed all attendees. The Chair declared the meeting open at 9:35 (UTC+10) on Friday, 25 November 2016, and noted that a quorum was present.

2. Agenda bashing

The Chair called for comments on the agenda. The matter of a condolence message to Kusumba Sridhar was added to the agenda as an item of AOB.

3. Declaration of interests

The Chair asked the EC members to review the Register of Interests (attached), and declare any potential conflicts of interests, and for any such declaration to be recorded in the minutes.

Gaurab Raj Upadhaya declared that he is on the Program Committee of APRICOT.

James Spenceley noted that he will email the Secretariat of additional interests to be declared.

Action 2016-10: JS to advise Secretariat of additional interests to be declared.

Action 2016-11: The Secretariat to update the Register of Interests.

4. Review of minutes of last meeting and record of circular resolutions passed since the last meeting

The following circular resolutions (which require the agreement of all EC members who are entitled to vote on the resolution) were passed by the EC during the period between the last EC meeting and this meeting, and are recorded in these minutes for completeness.

Resolution 2016-23: On 9 November 2016, the EC resolved to adopt the minutes of the EC meeting of 2 October 2016.

5. Matters arising from the last meeting

The following matters were completed:

Action 2016-08: RC to advise Secretariat of additional interests to be declared.

Action 2016-09: The Secretariat to update the Register of Interests.

There were no outstanding actions from previous meetings.

6. Chair update

The Chair noted the need to finalize the EC travel policy that was discussed during the executive discussion on 24 November 2016.

There were no further updates.

Action 2016-12: Chair to work with the Secretariat to finalize the EC travel policy.

7. Financial reports

Richard Brown spoke to the Monthly Financial Report and the Investment Fund Management Report for October 2016 (attached).

The current projected operating surplus for 2016 is AUD 2.43M, which is 74% higher than the budget forecast. Revenue is projected at 4% over budget, due to strong membership growth, and expenses are projected at 1% under budget forecasts.

As of 31 October 2016, APNIC had a total of 5,905 Members serving 54 economies.

The EC asked the Secretariat to provide further details of membership closures by economy due to non-contactable and discontinued business.

The EC considered and discussed the report, noting that it remains on track to report a strong position at the end of the financial year. The EC also noted that APNIC is solvent and able to meet all current debts.

Action 2016-13: The Secretariat to report on membership closures by economy due to non-contactable and discontinued business.

8. Approval of 2017 budget and activity plan

Richard Brown spoke to the proposed budget and activity plan for 2017 (attached).

The EC considered and discussed the proposed base budget and additional initiatives.

The EC agreed to discuss the current pricing model during its February meeting.

It is noted that the 2017 APNIC Budget and Activity Plan will be available for comments and input from Members before the February meeting. It is also noted that an activity status for each of the projects listed in the plan would help Members track the development of the APNIC's activities compared to the previous year.

Resolution 2016-24: The EC resolved to designate an Investment Sub-Committee, pursuant to paragraph 56 of the APNIC by-laws, comprising APNIC's Treasurer and Business Director from time to time, and a third person who has knowledge and experience in investment matters, to advise the Executive Council from time to time on investments matters affecting APNIC. The EC resolved to now appoint James Spenceley and Richard Brown to the Investment Sub-Committee.

Motion proposed by Gaurab Raj Upadhaya; seconded by Kenny Huang. James Spenceley abstained. The motion passed with one abstention.

Resolution 2016-25: The EC resolved to approve and adopt the 2017 budget (as attached) that provides authority to the Director General for a total operational expenditure of AUD 20,699,337 and a total capital expenditure of AUD 1,292,618 for 2017.

Motion proposed by James Spenceley; seconded by Kenny Huang. Passed unanimously.

9. NIR membership options analysis

There were no further comments on the NIR membership options analysis presented by KPMG during the executive discussion on 24 November 2016.

The EC asked the Secretariat to develop options for a new model, based on the KPMG findings, for consideration at the next EC meeting.

Action 2016-14: The Secretariat to propose a new NIR model for EC's consideration at the next EC meeting.

10. NRO Number Council (NC) appointment

Resolution 2016-26: The EC resolved to appoint Aftab Siddiqui to the NRO Number Council for 2017.

Motion proposed by Roopinder Perhar; seconded by Paul Wilson. Passed unanimously.

11. Risk Register

The EC reviewed the current status of the APNIC Risk Register.

[James Spenceley left the meeting at 12:47 (UTC +10)]

12. APNIC Foundation update

Duncan Macintosh joined the meeting for this agenda item, and spoke to the APNIC Foundation update presentation (attached).

The EC agreed to identify prospective board members of the Foundation, and asked the Secretariat to work on a timeline for the Foundation.

Richard Brown spoke to the APNIC Foundation budget presentation for 2017 (attached).

The EC considered the proposed Memorandum of Understanding (MoU), or Affirmation of Commitments (AoC), between APNIC and the APNIC Foundation, and agreed a ten-year commitment to the Foundation.

The Chair nominated Kams Yeung to serve as the APNIC EC liaison to the APNIC Foundation.

Action 2016-15: The EC to suggest names of prospective board members of the Foundation.

Action 2016-16: The Secretariat to work on a timeline for the Foundation.

Action 2016-17: Craig Ng to draft the Affirmation of Commitments between APNIC and the APNIC Foundation for EC's consideration at the next EC meeting.

13. Secretariat report

The DG spoke to the Secretariat report (attached).

[Confidential material redacted]

The EC asked the DG to share his vision for the coming year with staff.

Action 2016-18: The DG to share his vision with staff before the end of 2016.

14. Any other business

a. APNIC 42 conference survey report

The EC considered the APNIC 42 conference survey report (attached).

b. Condolence motion for Sridhar Kusumba

Proposed resolution 2016-27: The EC resolved that the APNIC Executive Council, on behalf of APNIC staff and the APNIC community, expresses its condolences to the family and the Asia Pacific Community on the passing away of Sridhar Kusumba. May his soul rest in peace.

Motion proposed by Gaurab Raj Upadhaya; seconded by Rajesh Chharia. Passed unanimously

15. Next EC Meeting

The next EC meeting will be held in Ho Chi Minh City, Viet Nam, on Monday, 27 February 2017.

Meeting adjourned at 16:40 (UTC+10), Friday, 25 November 2016.

Attachments:

- A. Register of interest**
- B. October 2016 financial report & presentation**
- C. October 2016 investment report**
- D. 2017 budget and activity plan document & presentation**
- E. [Confidential material redacted]**
- F. APNIC Foundation update presentation**
- G. APNIC Foundation budget presentation**
- H. APNIC Foundation factsheet**
- I. Secretariat report**
- J. [Confidential material redacted]**
- K. [Confidential material redacted]**
- L. APNIC 42 conference survey report**

Agenda Item 3

Declaration of Interests

EC Register of Interests

Declaration of interests of EC members

This register records the interests of EC members, which may conflict with the EC members' duties to APNIC. This register is accurate as at 1 Nov 2016.

Gaurab Raj Upadhaya declared that he currently holds the following positions:

- Employee of Limelight Networks as Director, Network Strategy and Interconnect
- Director of the Nepal Research and Education Network (NREN)

James Spenceley declared that he currently holds the following positions:

- Executive Director of Vocus Group Ltd
- Also see JRS Directorships (updated 15 Dec 2015)

Jessica Shen declared that she currently holds the following positions:

- Employee of CNNIC as Director of IP Operation, under the Ministry of the Cyberspace Administration of China

Kam Sze Yeung declared that he currently holds the following positions:

- Member of the HKNOG Program Committee
- Employee of Akamai Technologies, Inc

Kenny Huang declared that he currently holds the following positions:

- Member of IP Committee of TWNIC
- Board of Director, ISOC Taiwan Chapter
- Member of the Advisory Council of DotAsia Organization
- Director of Mind Extension Inc.

Rajesh Chharia declared that he currently holds the following positions:

- President of the Internet Service Providers Association of India (ISPAI)
- Director of the National Internet Exchange of India (NIXI)
- CEO of CJ Online Pvt. Ltd
- Director of Chandra Industrial Company Private Limited
- Director of Soulmicron Techserve LLP

Roopinder Perhar declared that he currently holds the following positions:

- Employee of Netplus Broadband Services Pvt Ltd
- Member of the Internet Service Providers Association of India (ISPAI)

Paul Wilson declared no conflict of interests.

Agenda Item 7

Financial reports

Monthly Financial Report

(in AUD)

October 2016

APNIC



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1 Statement of Financial Position

	31/10/2016	Year-End 2015	% Change from 31/12/2015
CURRENT ASSETS			
Cash/ Term deposits	7,249,363	6,286,996	15%
Receivables	1,218,395	896,345	36%
Others	786,638	589,997	33%
TOTAL CURRENT ASSETS	9,254,396	7,773,338	19%
NON-CURRENT ASSETS			
Other financial assets	21,073,542	18,951,801	11%
Property, plant and equipment	7,805,551	7,842,424	-0%
Deferred tax assets/ liabilities	139,580	139,580	0%
TOTAL NON-CURRENT ASSETS	29,018,674	26,933,805	8%
TOTAL ASSETS	38,273,070	34,707,143	10%
CURRENT LIABILITIES			
Payables	978,674	1,144,483	-14%
Provisions	1,290,575	1,138,287	13%
Unearned revenue	9,445,402	8,546,573	11%
TOTAL CURRENT LIABILITES	11,714,652	10,829,344	8%
NON - CURRENT LIABILITIES			
Deferred Tax Liabilities	276,432	276,432	0%
Provisions	309,310	281,908	10%
TOTAL NON-CURRENT LIABILITIES	585,742	558,340	5%
TOTAL LIABILITIES	12,300,394	11,387,683	8%
NET ASSETS	25,972,676	23,319,460	11%
EQUITY			
Share capital	1	1	0%
Reserves other financial assets investment	608,617	589,460	3%
Retained earnings	22,729,998	20,773,833	9%
Net Income	2,634,060	1,956,165	35%
TOTAL EQUITY	25,972,676	23,319,460	11%

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 11% compared to the end of last year.

2 Statement of Income

The 2016 full year forecast has been derived from a detailed review of the expected revenues and committed and planned expenditure for the remainder of 2016.

2.1 Revenue

REVENUE (AUD)	YTD Actual Oct 2016	YTD Actual Oct 2015	Variance %	Forecast 2016	Budget 2016	Forecast Variation to Budget \$	Forecast Variation to Budget %
Investment income	829,257	760,312	9%	881,480	832,500	48,980	6%
Membership fees	15,219,713	14,020,425	9%	18,313,885	17,736,118	577,767	3%
Non-members fees	201,583	203,358	-1%	242,613	246,170	-3,557	-1%
Reactivation fees	31,700	34,600	-8%	33,867	46,000	-12,133	-26%
Sign-Up fees	405,000	361,375	12%	488,000	438,000	50,000	11%
Transfer fees	110,045	56,206	96%	132,545	75,000	57,545	77%
Sundry income	180,165	238,393	-24%	183,231	117,500	65,731	56%
TOTAL REVENUE	16,977,463	15,674,669	8%	20,275,621	19,491,288	784,333	4%

Table 2. Revenue

Notes to Revenue:

- Investment income** – Income from the investment portfolio is tracking lower than anticipated in the budget, this is partially offset by a positive variance in interest income. The forecast provided by the investment advisor has improved since the last report and indicates that by year end the performance of the funds will only be around \$16k below budget, with Interest income expected to be close to \$65k above budget.
 - The portfolio fell -1.35% for the month, outperforming the benchmark which fell -1.55%.
 - For the calendar year to date, the portfolio is up 3.52% (after fees) against the benchmark performance of 4.03%. Since inception, the portfolio is up 5.26% (after fees) against 5.44% for the benchmark.
 - Credit Suisse retain mildly negative view on global equities amid weak earnings, elevated valuations, slow growth, political risks and looming Fed tightening. Volatility is below average despite the nervousness towards the upcoming US elections and macro uncertainties.
- Membership fees** – Membership fees are tracking 3% higher than the budget, a result of the final 2015 membership growth being higher than estimated in the budget submission and new membership growth so far in 2016 being greater than anticipated, this is also highlighted in the positive variance for Sign-Up Fees. Growth continues on a linear basis.
- Sign-up fees** - Sign-up fees are estimated to be above budget by the end of the year as new membership growth is tracking above the target of 925 set out in the budget. New members are forecast to be around 1,000 in 2016. Around 14% of new members are from LDC's.
- Transfer fees** – Transfers are tracking higher than budget, based on the activity up to the end of October, it is anticipated that fees from transfers will exceed budget by more than \$57k by the end of the year.
- Sundry income** – Sundry income is forecast to exceed the 2016 budget. This variance is attributed to higher levels of sponsorships for APNIC meetings than budgeted and meeting/workshop registrations at these events expected to be higher than budgeted.

2.2 Expenses

EXPENSES (AUD)	YTD Actual Oct 2016	YTD Actual Oct 2015	Variance %	Forecast 2016	Budget 2016	Forecast Variation to Budget \$	Forecast Variation to Budget %
Bank charges	138,218	126,163	10%	165,548	170,000	-4,452	-3%
Communication expenses	437,512	479,876	-9%	527,718	556,186	-28,468	-5%
Computer expenses	461,760	445,220	4%	565,821	624,521	-58,700	-9%
Depreciation expense	653,372	634,918	3%	786,767	812,365	-25,598	-3%
Doubtful debt expenses	15,849	-91,090	-117%	20,019	25,000	-4,981	-20%
ICANN contract fee	206,948	236,644	-13%	243,026	262,000	-18,974	-7%
Insurance expense	107,544	108,873	-1%	127,844	136,800	-8,956	-7%
Meeting and training expenses	318,421	318,022	0%	365,081	447,900	-82,819	-18%
Membership fees	40,312	40,043	1%	48,330	72,168	-23,838	-33%
Office operating expenses	263,461	255,112	3%	319,737	325,676	-5,939	-2%
Postage & delivery	37,935	51,915	-27%	39,385	48,700	-9,315	-19%
Printing & photocopy	32,387	28,482	14%	36,707	37,940	-1,233	-3%
Professional fees	1,114,252	865,291	29%	1,469,842	1,473,120	-3,278	-0%
Recruitment expense	85,729	91,452	-6%	101,559	95,000	6,559	7%
Salaries and personnel expenses	8,309,644	7,664,707	8%	10,231,618	10,231,618	0	0%
Sponsorship and Publicity expenses	306,464	177,955	72%	643,844	639,750	4,094	1%
Staff training/ Conference expenses	123,593	122,240	1%	160,673	162,500	-1,827	-1%
Translation expenses	9,974	2,883	246%	11,644	10,000	1,644	16%
Travel expenses	1,680,028	1,668,034	1%	1,976,678	1,960,000	16,678	1%
TOTAL EXPENSES	14,343,403	13,226,739	8%	17,841,841	18,091,244	-249,403	-1%

Table 3. Expenses

Notes to Expenses:

It is forecast that expenses will be less than the approved budget for 2016. Major variances include:

- **Communication expenses** – The expense will be below budget at the end of the year, planned expenditure on the VOIP system will not occur and expenditure for the Global Whois service is also tracking below budget.
- **Computer expenses** – Some expenses included in the budget will not be expensed in 2016, examples are; stenography software, VMware licensing, offsite backup, and SAN emergency support. These savings will be partially offset by expenses for the CRM development work that will be redistributed from the capital budget and recognised in operating expenses as set out in section 3 below.
- **Depreciation expenses** – Depreciation expenses are lower than budget, this is a result of timing and the value of capital expenses being lower than planned in the budget.
- **ICANN contract fee** – The variance is mainly due to exchange rate difference being used in the budget and actual expense being incurred. A favourable Australia dollar has caused the saving of \$19k against budget.
- **Meeting & training expenses** – Overall forecast by the end of the year is expected to be below budget due to savings from conference delivery and room hire costs for training workshops being absorbed by host communities.
- **Membership fees** – The major variance relates to the ISOC Membership being Silver rather than Gold as budgeted; this saving is used in Sponsorship to support IETF.

- **Travel expenses** – Travel expenses are expected to be slightly above budget. This forecast will continue to be reviewed for the remainder of 2016. During 2016 some non-budgeted items were included in the travel budget including the support for SIG chair and co-chair travel costs.

2.3 Operating Surplus/ Deficit

REVENUE and EXPENSES (AUD)	YTD Actual Oct 2016	YTD Actual Oct 2015	Variance %	Forecast 2016	Budget 2016	Forecast Variation to Budget \$	Forecast Variation to Budget %
Total Revenue	16,977,463	15,674,669	8%	20,275,621	19,491,288	784,333	4%
Total Expenses	14,343,403	13,226,739	8%	17,841,841	18,091,244	-249,403	-1%
OPERATING SURPLUS/(DEFICIT)	2,634,060	2,447,930	8%	2,433,780	1,400,044	1,033,736	74%

Table 4. Operating Surplus/ Deficits

3 Capital Expenditure

The table below provides overview of current capital expenditure as of October 2016.

CAPITAL (AUD)	YTD Actual Oct 2016	YTD Actual Oct 2015	Variance %	Forecast 2016	Budget 2016	Forecast Variation to Budget \$	Forecast Variation to Budget %
Equipment & Software	610,208	652,262	-6%	880,208	1,783,884	-903,676	-51%
Office Furniture & Fittings	10,016	17,351	-42%	51,765	66,765	-15,000	-22%
Total - Capital Expenditure	620,223	669,613	-7%	931,973	1,850,649	-918,676	-50%

Table 5. Capital Expenditure

Notes to Capital Expenditure:

Major projects that will be partially completed or on hold contributing to this variance are:

- The 2016 budget included \$323k for the virtualisation of US, JP, HK remote sites virtualisation, many this will not be incurred in 2016, an in-depth study into the hosting strategy will be undertaken during 2016 with any expenditure likely to be incurred in 2017.
- The budget contained \$150k for Root Server deployment and upgrades, it is forecast that only \$30k of this will be committed in 2016.
- The Statistics development work was budgeted at \$100k, it is anticipated that only \$30k will be expensed in 2016, with parts of the implementation being deferred until 2017.
- The CRM development work was budgeted at \$100k, however forecast expenditure will be around \$45k and will be treated as Operating Expense rather than as CAPEX set out in the budget submission.
- Licensing for software such as Office 2016, VMware fusion upgrade, and Visio were budgeted at \$69k, anticipated capital expenditure to be \$19k due to changes in licensing requirements.
- New routers & switches replacement budget of \$161k will not be utilised.
- Customer billing development, originally budgeted \$30k as CAPEX, will be delivered through operating expenditure.
- Email Exchange and archive upgrade project budgeted at \$45k will be delivered 2017.
- All conference related equipment has been purchased and remainder budget of \$45k will not be utilised this year.

4 Activity Reporting

4.1 Expense by Activity Code

APNIC's expenditure has been aligned to the Activity Plan, allowing financial analysis against core service delivery activities.

Global Cooperation activities have gone above budget primarily due to the heavy out of the region travel schedule during the first half of this year. Some of these activities (ICANN, IETF) will be held in the AP region and we expect to stay close to budget by the end of this year.

Regional Development activities have gone above budget due to higher travel activities to support the APNIC Foundation and various regional events in September and October.

EXPENSES (AUD)	YTD Actual Oct 2016	YTD Budget Oct 2016	Variance \$	Variance %
Facilities	430,046	343,860	86,186	25%
Finance & Administration	1,029,290	1,206,585	-177,295	-15%
Human Resource Management	924,009	914,946	9,063	1%
Legal & Governance	557,001	595,063	-38,062	-6%
Total – Corporate	2,940,345	3,060,454	-120,109	-4%
Global Research	330,487	347,462	-16,975	-5%
Global Technical Community	737,581	703,167	34,414	5%
Inter-governmental Outreach	259,180	229,406	29,774	13%
Total – Global Cooperation	1,327,248	1,280,035	47,213	4%
APNIC Conferences	1,074,772	1,057,621	17,151	2%
APNIC Foundation	168,744	148,544	20,200	14%
Community Engagement	1,038,191	917,029	121,162	13%
Regional Technical Development	715,857	742,797	-26,940	-4%
Total – Regional Development	2,997,564	2,865,991	131,573	5%
Registration Services	1,165,769	1,315,549	-149,780	-11%
Customer Service	2,758,861	2,399,263	359,598	15%
Member Training	880,099	921,338	-41,239	-4%
Technical Infrastructure	2,273,516	2,795,271	-521,755	-19%
Total – Serving Members	7,078,246	7,431,421	-353,175	-5%
Total – Expenses	14,343,403	14,637,901	-294,498	-2%

Table 6. Expense by Activity Code

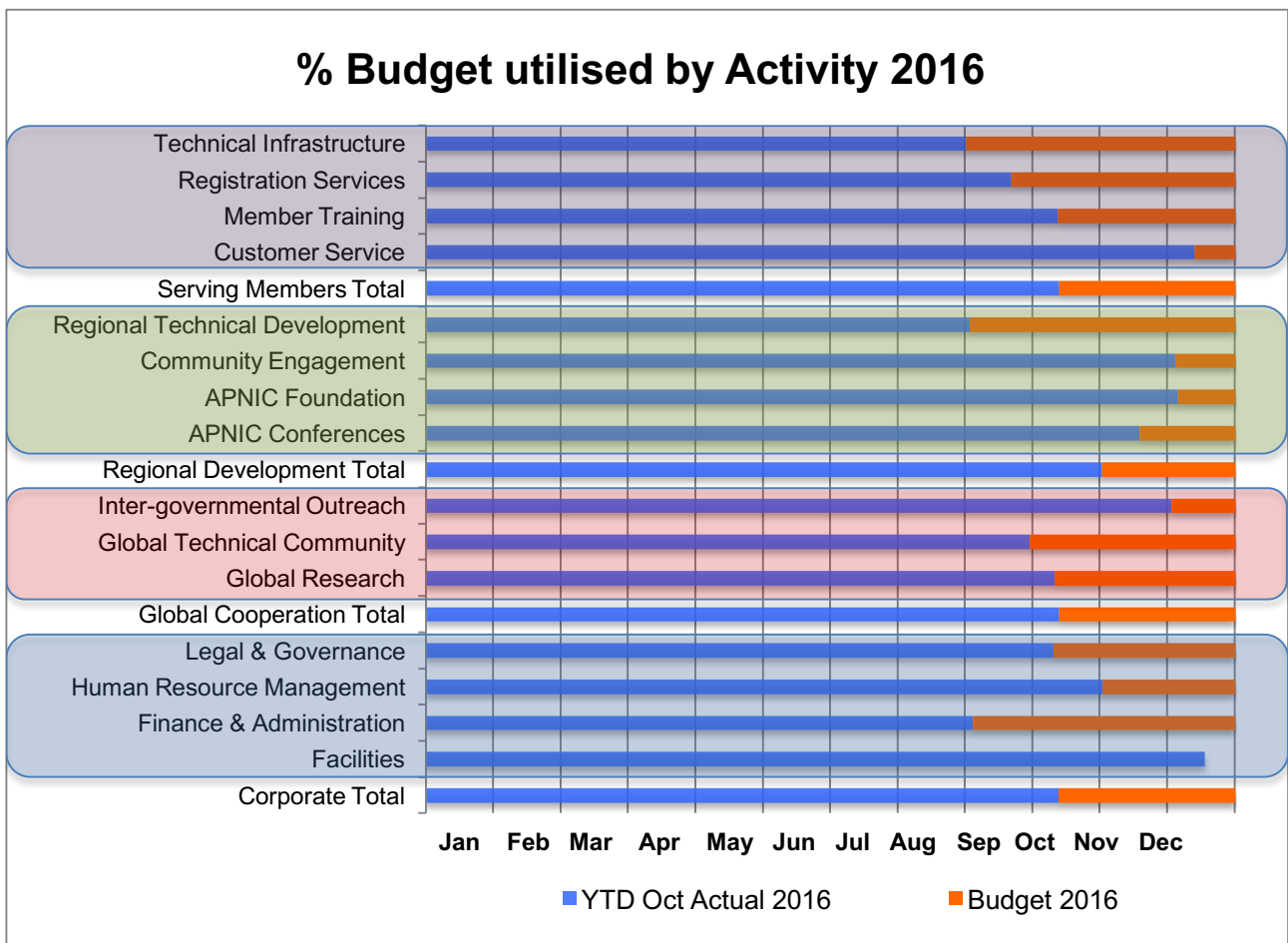


Figure 1. Expenses by Activity Code

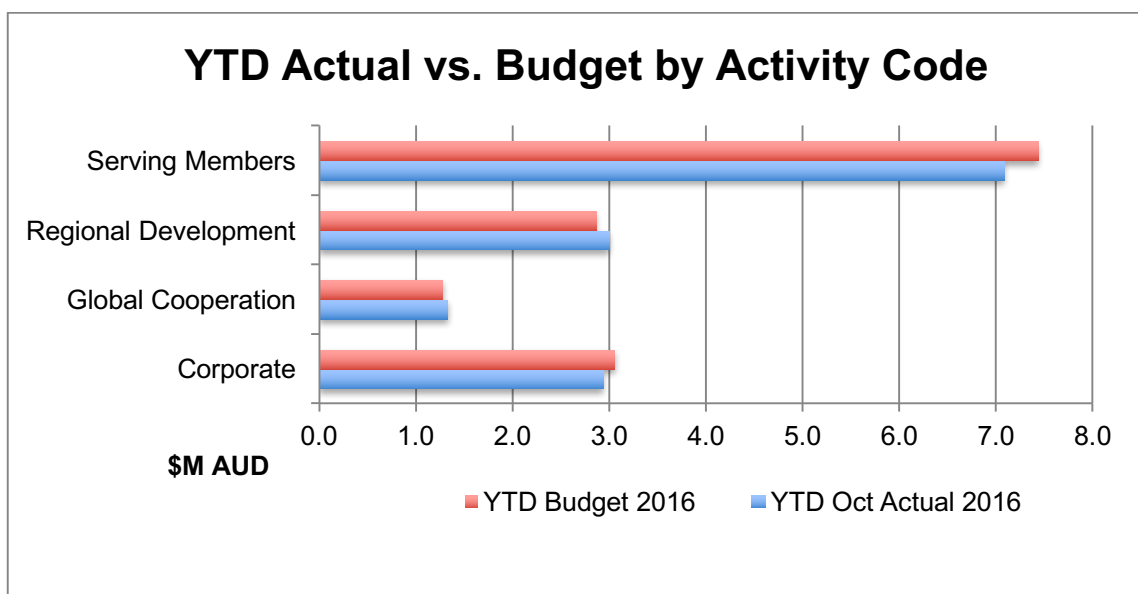


Figure 2. YTD Actual vs. Budget by Activity

4.2 Capital Expenditure by Activity Code

CAPITAL (AUD)	YTD Actual Oct 2016	YTD Budget Oct 2016	Variance \$	Variance %
Facilities	10,016	55,640	-45,624	-82%
Finance & Administration	5,598	7,920	-2,322	-29%
Human Resource Management	3,162	2,920	242	8%
Legal & Governance	3,800	2,920	880	30%
Total - Corporate	22,575	69,400	-46,825	-67%
Global Research	25,920	58,330	-32,410	-56%
Global Technical Community	4,460	3,330	1,130	34%
Inter-governmental Outreach	2,490	2,920	-430	-15%
Total - Global Cooperation	32,870	64,580	-31,710	-49%
APNIC Conferences	6,535	19,170	-12,635	-66%
Regional Technical Development	9,920	150,000	-140,080	-93%
Total - Regional Development	16,455	169,170	-152,715	-90%
Registration Services	6,072	5,000	1,072	21%
Customer Service	29,590	206,510	-176,920	-86%
Member Training	138,783	61,670	77,113	125%
Technical Infrastructure	373,879	965,900	-592,021	-61%
Total - Serving Members	548,323	1,239,080	-690,757	-56%
Total - Capital Expenditure	620,223	1,542,230	-922,007	-60%

Table 7. Capital Expenditure by Activity Code

5 APNIC Reserve

5.1 Cash Flow Statement

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

Accounts	YTD Oct 2016
Operating Activities	
Net Income	2,634,060
Adjustments to Profit/(Loss)	
Accounts Receivable	-253,416
Other Current Asset	-265,275
Accounts Payable	36,955
Sales Tax Payable	1,996
Other Current Liabilities	846,357
Total Adjustments to Profit/(Loss)	366,617
Total Operating Activities	3,000,677
Investing Activities	
Fixed Asset	36,872
Other Asset	-2,121,742
Total Investing Activities	-2,084,869
Financing Activities	
Long Term Liabilities	27,402
Other Equity	19,157
Total Financing Activities	46,559
Net Change in Cash for Period	962,368
Cash at Beginning of Period	6,286,996
Cash at End of Period	7,249,363

Table 8. Cash Flow Statement

5.2 Capital Reserve

The Reserve is diversified between Cash Investments, Investment Portfolio, and Property (APNIC Office). At the end of October, APNIC maintained \$7.2M in cash reserves, \$21M has been invested in the investment portfolio and \$6.3M invested in Property. Figure 3 below tracks the value and the allocation of these reserves over time and also tracks the operating expenses for each year for comparison:

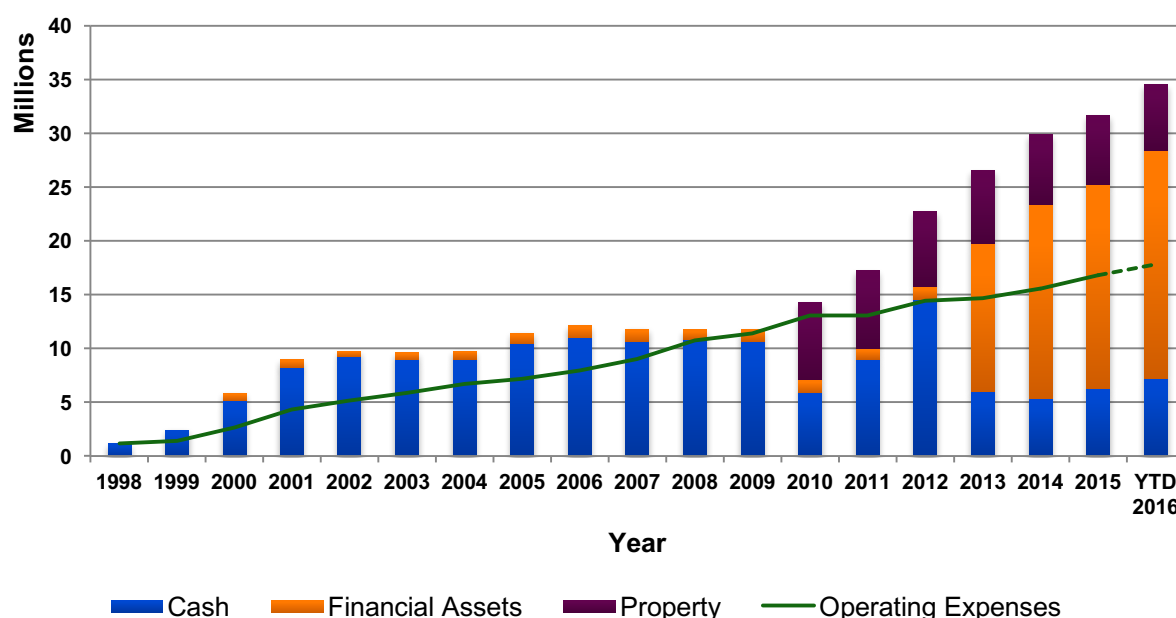


Figure 3. APNIC Reserves

5.3 Investment Policy

The amount of \$21M comprising invested funds, capital growth and reinvested returns in the Credit Suisse investment management account at the end of October. So far, this year \$1.5M of surplus cash from the operating account has been transferred to the investment portfolio. Please refer to the attached investment report outlining the portfolio.

5.4 APNIC's Equity and Reserves

By comparing the Total Equity (including retained earnings and unrealised capital gains) to the Daily Operating Costs, the number of month's coverage of operational expenses is set out below:

	31/10/2016	2015	2014	2013
Total Equity	\$25,972,677	\$23,319,460	\$21,388,497	\$17,826,296
% Equity covered by Cash/ Cash Equivalents	109.0%	108.2%	109.1%	110.7%
Forecast/ Actual Daily Operating Expenses	\$48,748	\$46,077	\$42,558	\$39,959
Number of Months of expenses covered by Equity	17.47	16.64	16.52	14.67

Table 9. Equity and Reserves

6 Membership

6.1 Membership Statistics

As at the end of October 2016, APNIC had a total of 5,905 Members serving 54 economies.

6.2 Membership by Category

The table below shows the year to date changes in membership. Majority of Members remain in the Very Small and Small membership tiers.

Membership	Total Dec-15	New YTD Oct-16	Reactivate YTD Oct-16	(Closed) YTD Oct-16	Size Change YTD Oct-16	Total YTD Oct-16	% Total
Extra Large	22	0	0	0	0	22	0%
Very Large	44	1	0	-2	1	44	1%
Large	137	0	1	-2	-2	134	2%
Medium	431	6	0	-11	16	442	7%
Small	2,165	346	25	-119	176	2,593	44%
Very Small	2,336	504	14	-118	-184	2,552	43%
Associate	133	22	3	-33	-7	118	2%
TOTAL	5,268	879	43	-285	0	5,905	100%

Table 10. Membership by Category

6.3 Membership by Economy

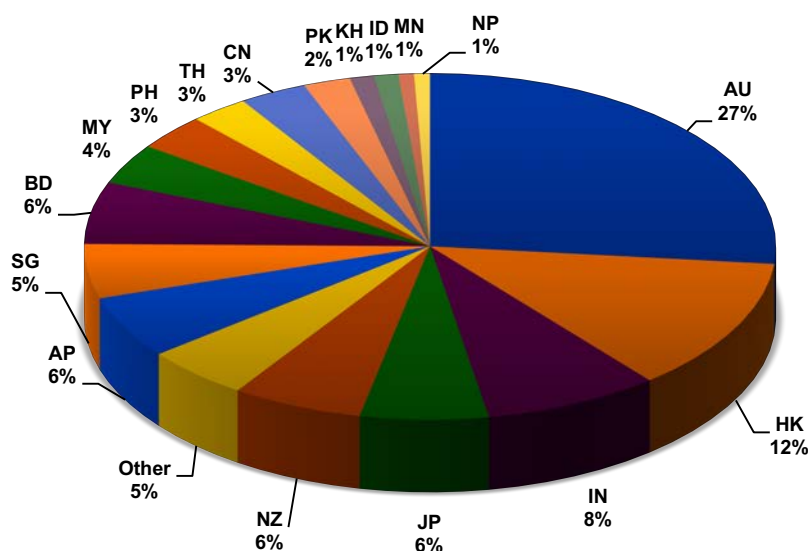


Figure 4. Membership by Economy

6.4 Membership Growth

APNIC membership monthly movements are illustrated at Figure 5 below. Membership growth budgeted for 2016 has been incorporated in this graph to track monthly growth.

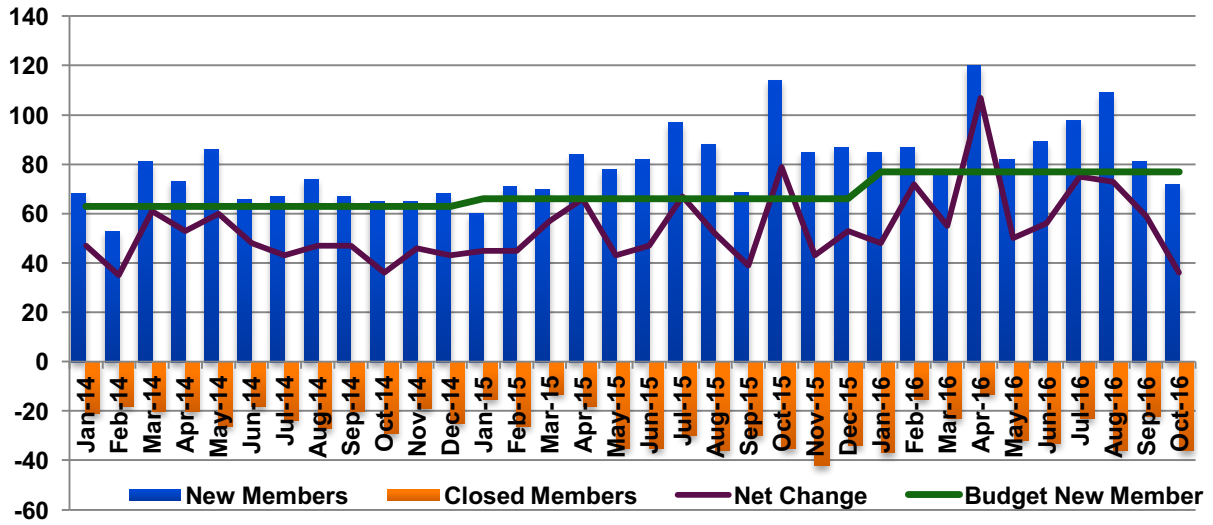


Figure 5. Membership Growth Analysis

Figure 6 below illustrates Membership growth by membership tier:

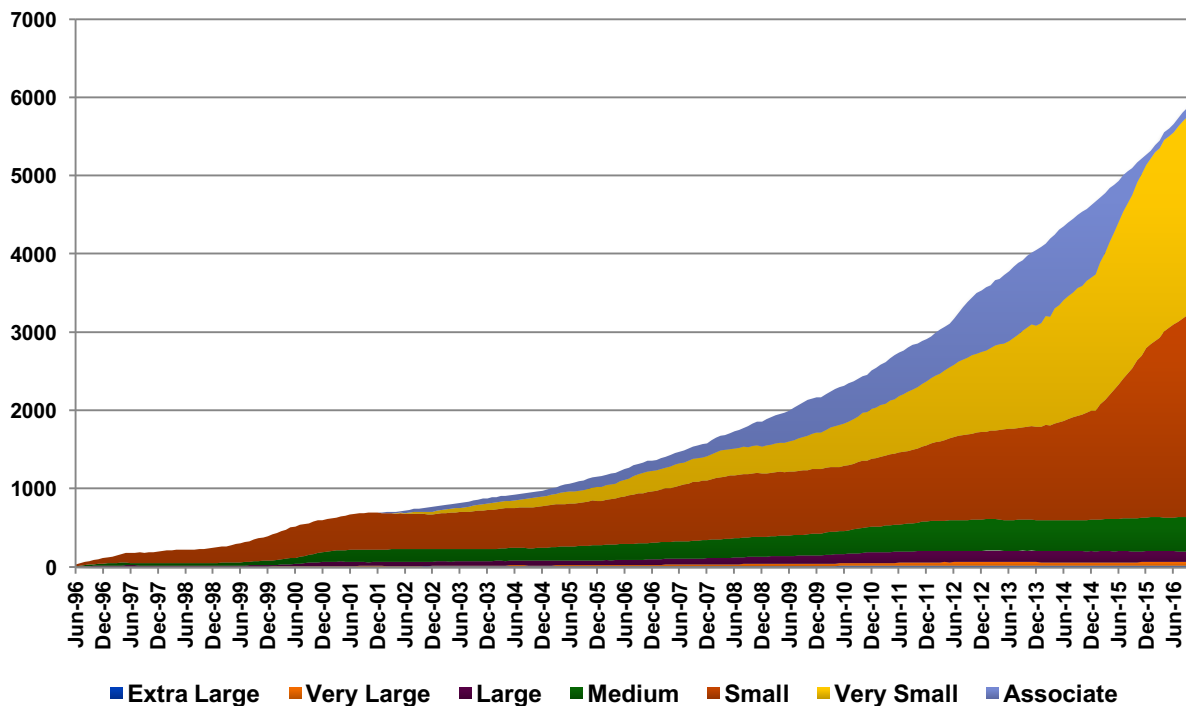


Figure 6. Total Membership

6.5 Year-to-Date Membership Movement by Economy

Figure 7 below shows new and closed membership movement by economy as at end of October 2016.

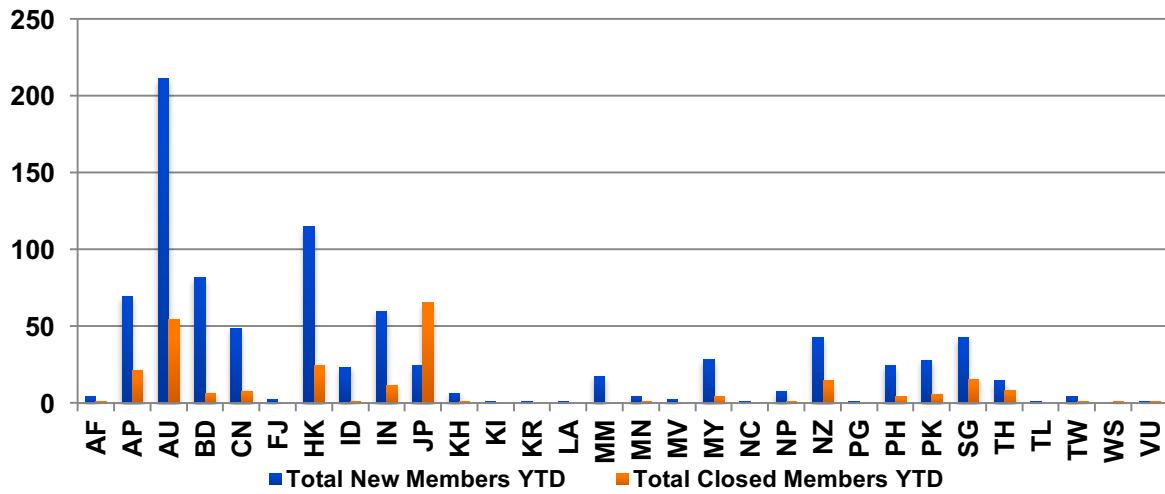


Figure 7. New and Closed Members Analysis

Figure 8 below provides an analysis of 266 Membership closures as at the end of October. 62% of the 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.

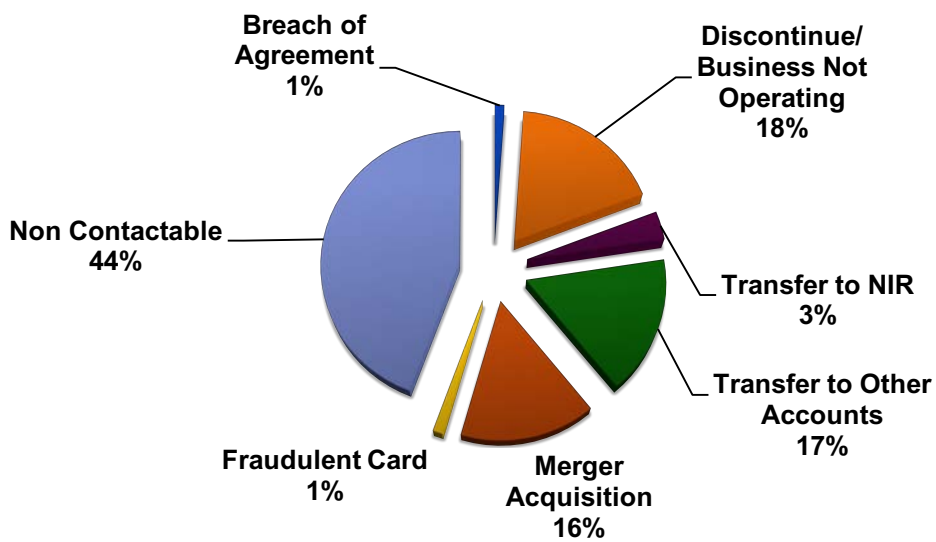
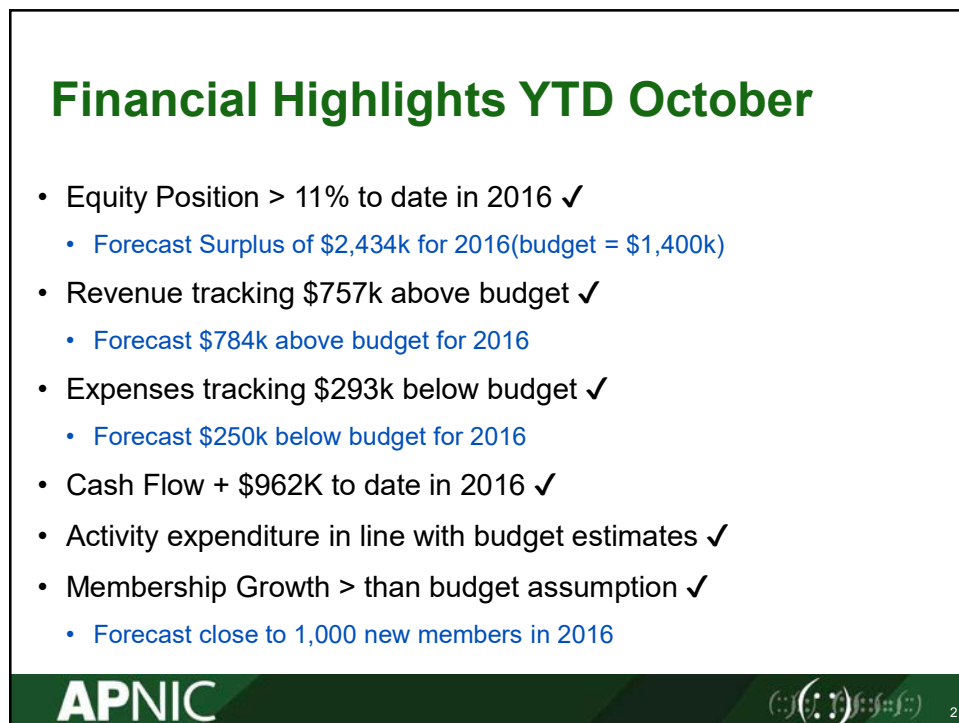


Figure 8. Closure Analysis



Statement of Financial Position

	31/10/16	Year End 2016	Variance	% Variance
ASSETS				
Current Assets	9,254,396	7,773,338	1,481,058	19%
Non-Current Assets	29,018,674	26,933,805	2,084,869	8%
Total ASSETS	38,273,070	34,707,143	3,565,927	10%
LIABILITIES				
Current Liabilities	11,714,652	10,829,344	885,308	8%
Long Term Liabilities	585,742	558,340	27,402	5%
Total LIABILITIES	12,300,394	11,387,684	912,710	8%
TOTAL EQUITY	25,972,676	23,319,459	2,653,217	11%

All amounts in AUD – Australian Dollars

APNIC



3

Financial Stability Measure

	31/10/2016	2015	2014	2013
Total Equity	\$25,972,677	\$23,319,460	\$21,388,497	\$17,826,296
% Equity covered by Cash/ Cash Equivalents	109.0%	108.2%	109.1%	110.7%
Forecast/ Actual Daily Operating Expenses	\$48,748	\$46,077	\$42,558	\$39,959
Number of Months of expenses covered by Equity	17.47	16.64	16.52	14.67

Target of 18 Months

All amounts in AUD – Australian Dollars

APNIC



4

Statement of Financial Position

Net Equity position has increased by 11% (\$2.65M) in 2016

- Current Assets increased by 19% \$1.48M
 - Increase in cash \$0.96M
 - Membership renewals effect on receivables \$253k.
 - Expenses incurred for NRO to be recovered \$235k
 - Prepayment of deferred expenses \$227k
- Non-Current Assets increased by 8% \$2.08M
 - Investment portfolio \$2.12M
 - Capital Growth \$19k
 - Transfers of Funds \$1.5M
 - Investment income net of fees \$690k

All amounts in AUD – Australian Dollars

APNIC



5

Statement of Financial Position

- Current liabilities increased by 8% \$885k
 - Decrease in Payables \$165k
 - Increase in Prepaid Member fees \$898k.
 - Increase in Leave Provisions \$152k
- Non-Current Liabilities increased by 5% \$27k
 - Increase in Non current Leave Provisions

All amounts in AUD – Australian Dollars

APNIC



6

Operating Surplus

REVENUE and EXPENSES (AUD)	YTD Actual Oct 2016	YTD Actual Oct 2015	Variance %	Forecast 2016	Budget 2016	Forecast Variation to Budget \$	Forecast Variation to Budget %
Total Revenue	16,977,463	15,674,669	8%	20,275,621	19,491,288	784,333	4%
Total Expenses	14,343,403	13,226,739	8%	17,841,841	18,091,244	-249,403	-1%
OPERATING SURPLUS/(DEFICIT)	2,634,060	2,447,930	8%	2,433,780	1,400,044	1,033,736	74%

All amounts in AUD – Australian Dollars

APNIC



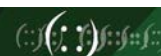
7

Statement of Income - Revenue

REVENUE (AUD)	YTD Actual Oct 2016	YTD Actual Oct 2015	Variance %	Forecast 2016	Budget 2016	Forecast Variation to Budget \$	Forecast Variation to Budget %
Investment income	829,257	760,312	9%	881,480	832,500	48,980	6%
Membership fees	15,219,713	14,020,425	9%	18,313,885	17,736,118	577,767	3%
Non-members fees	201,583	203,358	-1%	242,613	246,170	-3,557	-1%
Reactivation fees	31,700	34,600	-8%	33,867	46,000	-12,133	-26%
Sign-Up fees	405,000	361,375	12%	488,000	438,000	50,000	11%
Transfer fees	110,045	56,206	96%	132,545	75,000	57,545	77%
Sundry income	180,165	238,393	-24%	183,231	117,500	65,731	56%
TOTAL REVENUE	16,977,463	15,674,669	8%	20,275,621	19,491,288	784,333	4%

All amounts in AUD – Australian Dollars

APNIC



8

Statement of Income - Revenue

Revenue tracking \$757k(5%) above budget

Forecast \$784k (4%) above budget for 2016

- Membership Fees \$477k above budget
 - Membership growth continues above trend following strong growth at the end of 2015
 - Forecast to be close to 1,000 new members in 2016
 - » Net growth of 637 at the end of October
 - » Net growth forecast at 732
- Transfers increasing, \$48k above budget
- Investment income \$135k above budget

APNIC



9

Statement of Income - Expenses

EXPENSES (AUD)	YTD Actual Oct 2016	YTD Actual Oct 2015	Variance %	Forecast 2016	Budget 2016	Forecast Variation to Budget \$	Forecast Variation to Budget %
Bank charges	138,218	126,163	10%	165,548	170,000	-4,452	-3%
Communication expenses	437,512	479,876	-9%	527,718	556,186	-28,468	-5%
Computer expenses	461,760	445,220	4%	565,821	624,521	-58,700	-9%
Depreciation expense	653,372	634,918	3%	786,767	812,365	-25,598	-3%
Doubtful debt expenses	15,849	-91,090	-117%	20,019	25,000	-4,981	-20%
ICANN contract fee	206,948	236,644	-13%	243,026	262,000	-18,974	-7%
Insurance expense	107,544	108,873	-1%	127,844	136,800	-8,956	-7%
Meeting and training expenses	318,421	318,022	0%	365,081	447,900	-82,819	-18%
Membership fees	40,312	40,043	1%	48,330	72,168	-23,838	-33%
Office operating expenses	263,461	255,112	3%	319,737	325,676	-5,939	-2%
Postage & delivery	37,935	51,915	-27%	39,385	48,700	-9,315	-19%
Printing & photocopy	32,387	28,482	14%	36,707	37,940	-1,233	-3%
Professional fees	1,114,252	865,291	29%	1,469,842	1,473,120	-3,278	-0%
Recruitment expense	85,729	91,452	-6%	101,559	95,000	6,559	7%
Salaries and personnel expenses	8,309,644	7,664,707	8%	10,231,618	10,231,618	0	0%
Sponsorship and Publicity expenses	306,464	177,065	72%	643,844	639,750	4,094	1%
Staff training/ Conference expenses	123,593	122,240	1%	160,673	162,500	-1,827	-1%
Translation expenses	9,974	2,883	246%	11,644	10,000	1,644	16%
Travel expenses	1,680,028	1,668,034	1%	1,976,678	1,960,000	16,678	1%
TOTAL EXPENSES	14,343,403	13,226,739	8%	17,841,841	18,091,244	-249,403	-1%

APNIC



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Statement of Income - Expenses

Expenses tracking \$293k(2%) below budget
 Forecast \$249k (1%) below budget for 2016

- **Communication expenses** – The expense will be below budget at the end of the year, planned expenditure on the VOIP system will not occur and expenditure for the Global Whois service is also tracking below budget.
- **Computer expenses** – Some expenses included in the budget will not be expensed in 2016, examples are; stenography software, VMware licensing, offsite backup, and SAN emergency support. These savings will be partially offset by expenses for the CRM development work that will be redistributed from the capital budget and recognised in operating expenses
- **Depreciation expenses** – Depreciation expenses are lower than budget, this is a result of timing and the value of capital expenses being lower than planned in the budget.
- **Meeting & training expenses** – Overall forecast by the end of the year is expected to be slightly below budget due to savings from conference delivery and room hire costs absorbed by host communities.
- **Membership fees** – expense area included provision for corporate sponsorship of industry events, currently tracking below budget. The major variance relates to the ISOC Membership being Silver rather than Gold as budgeted, this saving is used in Sponsorship to support IETF.
- **Salaries and personnel expenses** – Salary and wages expenses are affected by many variables including leave provisions and staff movements, the current forecast indicates that this expense area will be in line with budget by the end of 2016.
- **Travel expenses** – Travel expenses are expected to be above budget by more than \$17k, this forecast will continue to be reviewed as we get a better picture of travel requirements for the remainder of 2016.

Cash Flows YTD October 2016

Accounts	YTD Oct 2016
Operating Activities	
Net Income	2,634,060
Adjustments to Profit/(Loss)	
Accounts Receivable	-253,416
Other Current Asset	-265,275
Accounts Payable	36,955
Sales Tax Payable	1,996
Other Current Liabilities	646,357
Total Adjustments to Profit/(Loss)	366,617
Total Operating Activities	3,000,677
Investing Activities	
Fixed Asset	36,872
Other Asset	-2,121,742
Total Investing Activities	-2,084,869
Financing Activities	
Long Term Liabilities	27,402
Other Equity	19,157
Total Financing Activities	46,559
Net Change in Cash for Period	962,368
Cash at Beginning of Period	6,286,996
Cash at End of Period	7,249,363

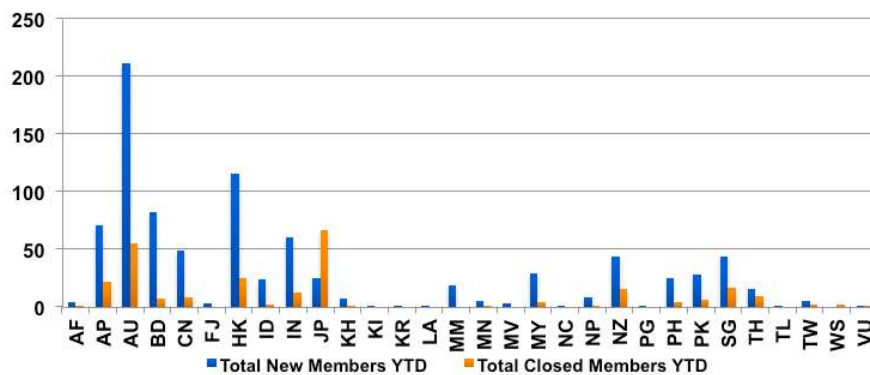
Capital Expenditure YTD October 2016

CAPITAL (AUD)	YTD Actual Oct 2016	YTD Actual Oct 2015	Variance %	Forecast 2016	Budget 2016	Forecast Variation to Budget \$	Forecast Variation to Budget %
Equipment & Software	610,208	652,262	-6%	880,208	1,783,884	-903,676	-51%
Office Furniture & Fittings	10,016	17,351	-42%	51,765	66,765	-15,000	-22%
Total - Capital Expenditure	620,223	669,613	-7%	931,973	1,850,649	-918,676	-50%

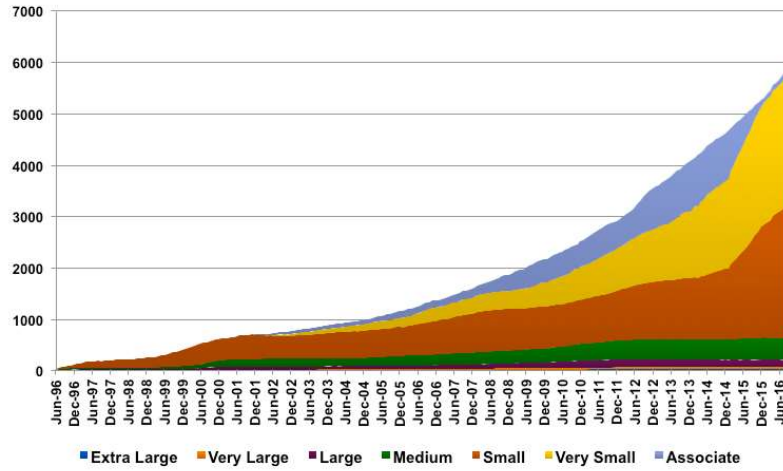
Major projects that will be partially completed or on hold contributing to this variance are:

- virtualisation of US, JP, HK remote sites virtualisation, many this will not be incurred in 2016, an in-depth study into the hosting strategy will be undertaken during 2016 with any expenditure likely to be incurred in 2017.
- \$150k for Root Server deployment and upgrades, it is forecast that only \$30k of this will be committed in 2016.
- Statistics development work was budgeted at \$100k, it is anticipated that only \$30k will be expensed in 2016, with parts of the implementation being deferred until 2017.
- The CRM development work was budgeted at \$100k, however forecast expenditure will be around \$45k and will be treated as Operating Expense rather than as CAPEX set out in the budget submission.

Membership Growth



Membership Growth

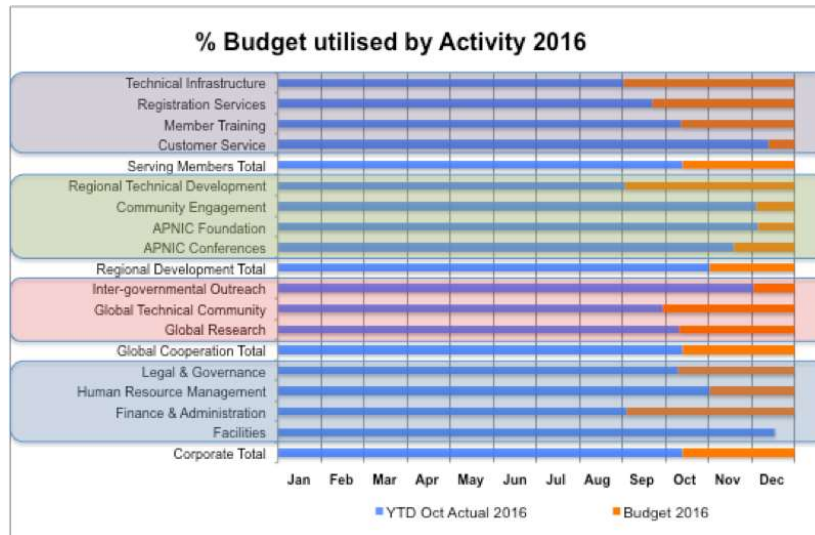


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Expenses by Activity

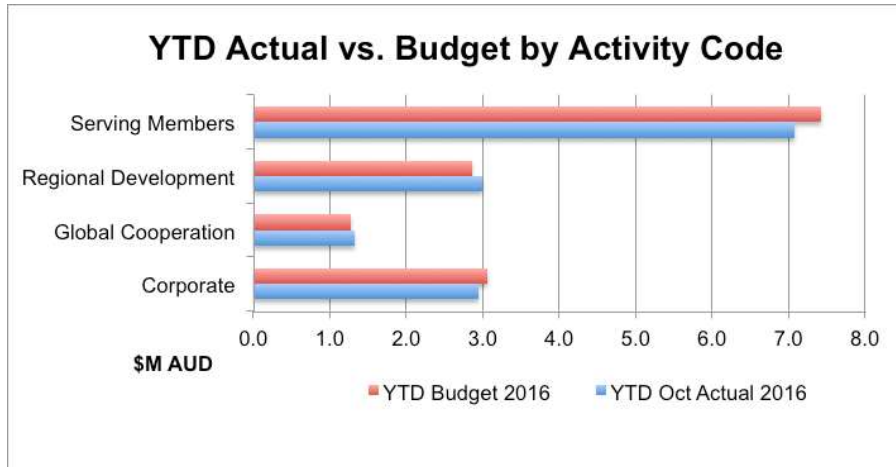


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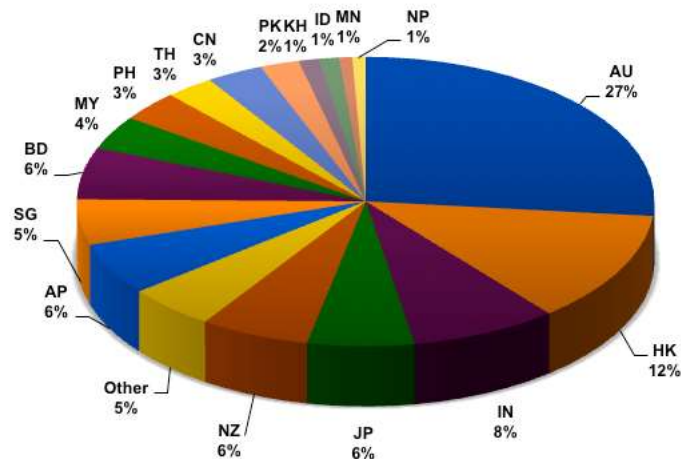


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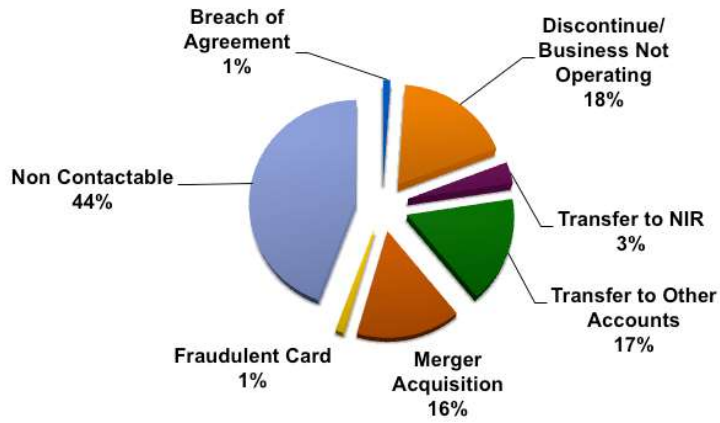
Expenses by Activity



Membership by Economy



Closures YTD October



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Private Banking

Investment Report 1.10.2016 – 31.10.2016

APNIC PTY LTD

Portfolio Group: 3000039

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Private Banking

Investment Report 1.10.2016 – 31.10.2016

Portfolio Group **3000039**
In the Name of APNIC PTY LTD

Produced on 1.11.2016
Reporting Currency AUD

Relationship Manager Andrew Page
Phone +61 2 8205 4416

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

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Scope of Analysis
 as of 31.10.2016

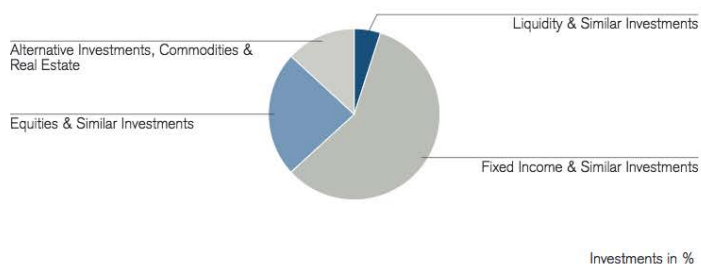
Components	Portfolio	Asset Value in AUD	Discretionary Mandate	Opened	Closed
Portfolio Group: 3000039					
Investment related Positions					
AUD Portfolio	3000039-10	14		16.08.2013	
AUD Portfolio	3000039-70	21,073,542	Yes	16.08.2013	
Total Investments		21,073,556			
Total Wealth		21,073,556			

1. Overview

1.1. Asset Allocation

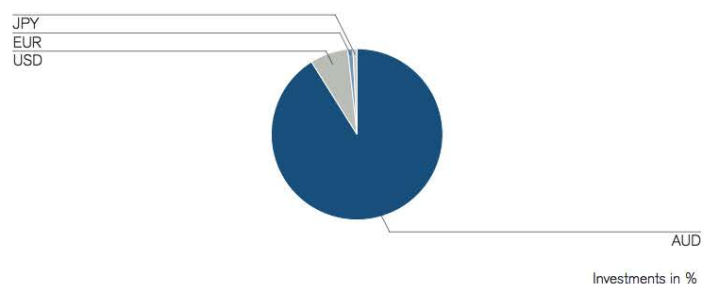
Asset Allocation by Asset Category
 Period 1.10.2016 - 31.10.2016

	Beginning of Period in AUD	Change	End of Period in AUD	End of Period Proportion
■ Liquidity & Similar Investments	949,633	94,701	1,044,333	4.96%
■ Fixed Income & Similar Investments	12,505,349	-229,644	12,275,705	58.25%
■ Equities & Similar Investments	5,152,335	-167,323	4,985,012	23.66%
■ Alternative Investments, Commodities & Real Estate	2,777,912	-9,406	2,768,506	13.14%
Total Investments	21,385,228		21,073,556	100.00%



Asset Allocation by Currency
 Period 1.10.2016 - 31.10.2016

	Beginning of Period in AUD	Change	End of Period in AUD	End of Period Proportion
■ AUD - Australian Dollar	19,497,466	-300,409	19,197,057	91.10%
■ USD - US Dollar	1,523,046	-10,815	1,512,231	7.18%
■ EUR - Euro	205,169	-4,944	200,225	0.95%
■ JPY - Japan Yen	159,547	4,496	164,042	0.78%
■ GBP - Pound Sterling	1	0	1	
Total Investments	21,385,228		21,073,556	100.00%



1.2. Income and Activity

Income Summary

Period 1.10.2016 - 31.10.2016

	Current Period in AUD	Year to Date in AUD
Cash Dividend	64,582	680,045
Coupon Received/Paid	0	0
Interest Earned/Paid	1,001	10,581
Net Income	65,584	690,626

Activity Summary

Period 1.10.2016 - 31.10.2016

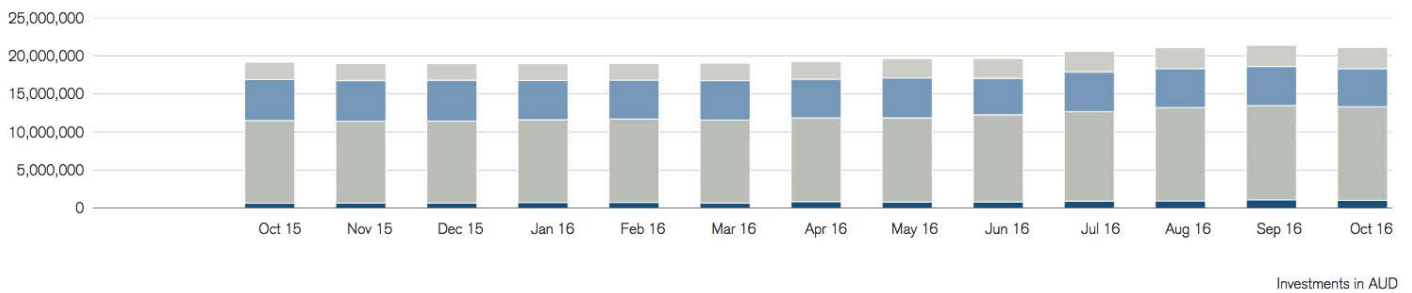
	Current Period in AUD	Year to Date in AUD
Asset Inflows	0	3,000,000
Asset Outflows	0	-1,500,000
Total Asset Flows	0	1,500,000

2. Analyses

2.1. Asset Allocation

Asset Allocation by Asset Category Details Period 1.10.2015 - 31.10.2016

	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16
■ Liquidity & Similar Investments	647,543	660,367	655,831	745,290	750,797	671,082	855,502	810,646	827,295	923,201	959,539	1,097,489	1,044,333
■ Fixed Income & Similar Investments	10,851,169	10,764,009	10,780,398	10,854,509	10,955,451	10,901,405	10,994,114	11,047,253	11,441,707	11,758,795	12,260,398	12,360,692	12,275,705
■ Equities & Similar Investments	5,395,208	5,343,270	5,357,884	5,177,033	5,098,267	5,167,214	5,077,419	5,241,443	4,775,282	5,214,932	5,093,919	5,142,445	4,985,012
■ Alternative Investments, Commodities & Real Estate	2,257,831	2,206,384	2,157,688	2,164,055	2,192,625	2,276,812	2,302,148	2,512,059	2,587,753	2,660,006	2,737,858	2,773,717	2,768,506
Total Ending Market Value in AUD	19,151,752	18,974,030	18,951,801	18,940,887	18,997,140	19,016,512	19,229,183	19,611,400	19,632,036	20,556,935	21,051,714	21,374,343	21,073,556



3. Positions

3.1. Investment Related Positions as of 31.10.2016

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
Liquidity & Similar Investments							
Accounts							
AUD	13.89	Current Account -20300003910945 AUD Portfolio: 3000039-10	1.0000		14		
AUD	641,082.34	Current Account -20300003970945 AUD Portfolio: 3000039-70	1.0000		641,082		
						3.04%	
GBP	0.53	Current Account -20300003970089 AUD Portfolio: 3000039-70	1.0000		1	0	-14.14%
			1.8679 GBP/AUD			0	-14.14%
USD	51,873.77	Current Account -20300003970780 AUD Portfolio: 3000039-70	1.0000		68,190	-274	-0.40%
			0.7577 AUD/USD			-274	-0.40%
						0.32%	
Total Accounts					709,287		
					3.37%		
Call & Time Deposits							
AUD	335,000	1.67% Deposit – Fixed Term (MM1630201083) 28.10.2016 - 11.11.2016 Total interest at maturity: AUD 214.58 AUD Portfolio: 3000039-70	1.0000		335,046	46	1.59%
						1.59%	
Total Call & Time Deposits					335,046		
					1.59%		
Total Liquidity & Similar Investments					1,044,333		
					4.96%		

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
Fixed Income & Similar Investments							
Fixed Income & Similar Investments AUD							
AUD	4,007,008.59	UNITS BLACKROCK INDEXED AUSTRALIAN BOND FUND AUD Portfolio: 3000039-70	AU60BGL01056 2244170	1.0284	1.0488 BID 28.10.2016	4,202,619 19.94%	81,998 1.99%
AUD	2,246,273.04	UNITS ABERDEEN AUSTRALIAN FIXED INCOME FUND AUD Portfolio: 3000039-70	AU60CRS00041 1739745	1.1455	1.1478 NAV 28.10.2016	2,578,272 12.23%	5,147 0.20%
AUD	596.579	UNITS PIMCO GLOBAL CREDIT FUND AUD Portfolio: 3000039-70	AU60ETL01145 3432906	1,002.0954	982.2031 NAV 28.10.2016	585,962 2.78%	-11,867 -1.99%
AUD	1,522.926	UNITS PIMCO AUSTRALIAN BOND FUND CLASS -A- AUD Portfolio: 3000039-70	AU60ETL01152 3432899	1,112.0257	1,106.7905 NAV 28.10.2016	1,685,560 8.00%	-7,973 -0.47%
AUD	2,827,697.43	UNITS VANGUARD AUSTRALIAN FIXED INTEREST INDEX FUND AUD Portfolio: 3000039-70	AU60VAN00014 1653500	1.1304	1.1399 NAV 26.10.2016	3,223,292 15.30%	26,834 0.84%
Total Fixed Income & Similar Investments						12,275,705	58.25%
Equities & Similar Investments							
Equities & Similar Investments AUD							
AUD	1,300	SHS AGL ENERGY LTD AUD Portfolio: 3000039-70	AU000000AGL7 2449486 AGL.AX	18.3437	19.1800 CLO 31.10.2016	24,934 0.12%	1,087 4.56%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD 4,127	SHS AMCOR LTD AUD Portfolio: 3000039-70	AU000000AMC4 640267 AMC.AX	14.1711	14.7000 CLO 31.10.2016	60,667 0.29%	2,183 2,183	3.73% 3.73%
AUD 4,962	SHS AUSTRALIA & NEW ZEALAND BANKING GROUP LTD AUD Portfolio: 3000039-70	AU000000ANZ3 640139 ANZ.AX	30.3330	27.8500 CLO 31.10.2016	138,192 0.66%	-12,321 -12,321	-8.19% -8.19%
AUD 3,184	STAPLED SECURITY APA GROUP AUD Portfolio: 3000039-70	AU000000APA1 1083439 APA.AX	6.5414	7.9600 CLO 31.10.2016	25,345 0.12%	4,517 4,517	21.69% 21.69%
AUD 6,691	SHS BHP BILLITON LTD AUD Portfolio: 3000039-70	AU000000BHP4 640390 BHP.AX	27.9425	23.0700 CLO 31.10.2016	154,361 0.73%	-32,602 -32,602	-17.44% -17.44%
AUD 9,485	SHS BORAL LTD AUD Portfolio: 3000039-70	AU000000BLD2 1050991 BLD.AX	5.8191	6.3000 CLO 31.10.2016	59,756 0.28%	4,561 4,561	8.26% 8.26%
AUD 5,063	SHS BRAMBLES LTD AUD Portfolio: 3000039-70	AU000000BxB1 2373150 BxB.AX	9.3002	11.5300 CLO 31.10.2016	58,376 0.28%	11,289 11,289	23.98% 23.98%
AUD 2,366	SHS COMMONWEALTH BANK OF AUSTRALIA AUD Portfolio: 3000039-70	AU000000CBA7 646758 CBA.AX	76.5088	73.3900 CLO 31.10.2016	173,641 0.82%	-7,379 -7,379	-4.08% -4.08%
AUD 41	SHS COCHLEAR LTD AUD Portfolio: 3000039-70	AU000000COH5 102261 COH.AX	125.7176	127.9600 CLO 31.10.2016	5,246 0.02%	92 92	1.78% 1.78%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD 1,148	SHS CSL LTD AUD Portfolio: 3000039-70	AU000000CSL8 241548 CSL.AX	71.6511	100.5100 CLO 31.10.2016	115,385 0.55%	33,130 33,130	40.28% 40.28%
AUD 633	SHS CALTEX AUSTRALIA LTD AUD Portfolio: 3000039-70	AU000000CTX1 640410 CTX.AX	33.0548	30.7300 CLO 31.10.2016	19,452 0.09%	-1,472 -1,472	-7.03% -7.03%
AUD 6,767	STAPLED SECURITY GOODMAN GROUP AUD Portfolio: 3000039-70	AU000000GMG2 18079202 GMG.AX	6.7525	6.7900 CLO 31.10.2016	45,948 0.22%	254 254	0.56% 0.56%
AUD 1,740	CHESSE UNITS OF FOREIGN SECURITIES JAMES HARDIE INDUSTRIES PLC AUD Portfolio: 3000039-70	AU000000JHX1 1303670 JHX.AX	20.4416	19.6300 CLO 31.10.2016	34,156 0.16%	-1,412 -1,412	-3.97% -3.97%
AUD 916	SHS MAGELLAN FINANCIAL GROUP LTD AUD Portfolio: 3000039-70	AU000000MFG4 2807450 MFG.AX	24.5940	21.2900 CLO 31.10.2016	19,502 0.09%	-3,026 -3,026	-13.43% -13.43%
AUD 146,667	STAPLED SECURITY MIRVAC GROUP AUD Portfolio: 3000039-70	AU000000MGR9 821911 MGR.AX	1.8010	2.0900 CLO 31.10.2016	306,534 1.45%	42,382 42,382	16.04% 16.04%
AUD 1,041	SHS MACQUARIE GROUP LTD AUD Portfolio: 3000039-70	AU000000MQG1 3422370 MQG.AX	57.2762	79.8000 CLO 31.10.2016	83,072 0.39%	23,447 23,447	39.32% 39.32%
AUD 11,330	SHS MAYNE PHARMA GROUP LTD AUD Portfolio: 3000039-70	AU000000MYX0 12045052 MYX.AX	1.9009	1.6400 CLO 31.10.2016	18,581 0.09%	-2,956 -2,956	-13.73% -13.73%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD 3,827	SHS NATIONAL AUSTRALIA BANK LTD AUD Portfolio: 3000039-70	AU000000NAB4 641643 NAB.AX	32.7535	28.0000 CLO 31.10.2016	107,156 0.51%	-18,192 -18,192	-14.51% -14.51%
AUD 1,408	SHS NEWCREST MINING LTD AUD Portfolio: 3000039-70	AU000000NCM7 650853 NCM.AX	24.5387	22.5600 CLO 31.10.2016	31,764 0.15%	-2,786 -2,786	-8.06% -8.06%
AUD 20,206	SHS ORORA LTD AUD Portfolio: 3000039-70	AU000000ORA8 22750502 ORA.AX	2.3282	2.9000 CLO 31.10.2016	58,597 0.28%	11,553 11,553	24.56% 24.56%
AUD 279,029	STAPLED SECURITY PROPERTYLINK GROUP AUD Portfolio: 3000039-70	AU000000PLG5 33393604 PLG.AX	0.8233	0.7300 CLO 31.10.2016	203,691 0.97%	-26,024 -26,024	-11.33% -11.33%
AUD 885	SHS RAMSAY HEALTH CARE LTD AUD Portfolio: 3000039-70	AU000000RHC8 646740 RHC.AX	44.6936	73.3600 CLO 31.10.2016	64,924 0.31%	25,370 25,370	64.14% 64.14%
AUD 1,005	SHS RIO TINTO LTD AUD Portfolio: 3000039-70	AU000000RIO1 603520 RIO.AX	62.5745	54.1800 CLO 31.10.2016	54,451 0.26%	-8,436 -8,436	-13.42% -13.42%
AUD 78,668	STAPLED SECURITY SCENTRE GROUP AUD Portfolio: 3000039-70	AU000000SCG8 23931192 SCG.AX	3.6180	4.2100 CLO 31.10.2016	331,192 1.57%	46,573 46,573	16.36% 16.36%
AUD 5,971	STAPLED SECURITY STOCKLAND AUD Portfolio: 3000039-70	AU000000SGP0 642077 SGP.AX	4.5725	4.4200 CLO 31.10.2016	26,392 0.13%	-910 -910	-3.33% -3.33%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD	20,615 UNITS SPDR S&P/ASX 200 LISTED PROPERTY FUND EXCHANGE TRADED FUND AUD Portfolio: 3000039-70	AU000000SLF1 1377855 SLF.AX	10.0474	12.1400 CLO 31.10.2016	250,266 1.19%	43,139 43,139	20.83% 20.83%
AUD	9,085 UNITS SPDR S&P/ASX 200 FUND ETF AUSTRALIAN EQUITY EXCHANGE TRADED FUNDS AUD Portfolio: 3000039-70	AU000000STW9 1285707 STW.AX	51.4548	49.7300 CLO 31.10.2016	451,797 2.14%	-15,670 -15,670	-3.35% -3.35%
AUD	6,661 STAPLED SECURITY SYDNEY AIRPORT AUD Portfolio: 3000039-70	AU000000SYD9 14298059 SYD.AX	6.3037	6.2600 CLO 31.10.2016	41,698 0.20%	-291 -291	-0.69% -0.69%
AUD	4,075 STAPLED SECURITY TRANSURBAN GROUP AUD Portfolio: 3000039-70	AU000000TCL6 444655 TCL.AX	8.3734	10.3900 CLO 31.10.2016	42,339 0.20%	8,218 8,218	24.08% 24.08%
AUD	10,748 SHS TELSTRA CORPORATION LTD AUD Portfolio: 3000039-70	AU000000TLS2 720464 TLS.AX	5.1133	4.9800 CLO 31.10.2016	53,525 0.25%	-1,433 -1,433	-2.61% -2.61%
AUD	4,887 SHS WESTPAC BANKING CORP AUD Portfolio: 3000039-70	AU000000WBC1 642372 WBC.AX	32.8020	30.4700 CLO 31.10.2016	148,907 0.71%	-11,397 -11,397	-7.11% -7.11%
AUD	669 SHS WESFARMERS LTD AUD Portfolio: 3000039-70	AU000000WES1 642397 WES.AX	44.6135	41.0100 CLO 31.10.2016	27,436 0.13%	-2,411 -2,411	-8.08% -8.08%
AUD	799 SHS WOOLWORTHS LTD AUD Portfolio: 3000039-70	AU000000WOW2 81350 WOW.AX	34.7890	23.6500 CLO 31.10.2016	18,896 0.09%	-8,900 -8,900	-32.02% -32.02%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD	713 SHS WOODSIDE PETROLEUM LTD AUD Portfolio: 3000039-70	AU00000WPL2 642429 WPL.AX	40.3070	28.3700 CLO 31.10.2016	20,228 0.10%	-8,511 -8,511	-29.62% -29.62%
AUD	33,464.65040 UNITS ABERDEEN EMERGING OPPORTUNITIES FUND AUD Portfolio: 3000039-70	AU60ETL00329 2220820	2.1370	2.2945 NAV 28.10.2016	76,785 0.36%	5,272 5,272	7.37% 7.37%
AUD	30,007.0395 UNITS IRONBARK KARARA AUSTRALIAN SMALL COMPANIES FUND CLASS -A- AUD Portfolio: 3000039-70	AU60PAT00021 2879000	2.9637	3.3173 BID 28.10.2016	99,542 0.47%	10,612 10,612	11.93% 11.93%
AUD	5,381 SHS OIL SEARCH LTD AUD Portfolio: 3000039-70	PG0008579883 809900 OSH.AX	7.8272	6.6600 CLO 31.10.2016	35,837 0.17%	-6,281 -6,281	-14.91% -14.91%
Total Equities & Similar Investments AUD					3,488,572 16.55%		
Equities & Similar Investments EUR							
EUR	1,220 SHS ISHARES II PLC - ISHARES MSCI EUROPE UCITS ETF (DIST) EXCHANGE TRADED FUND EUR AUD Portfolio: 3000039-70	IE00B1YZSC51 3246398 IQQY.DE	20.7244 1.5167 EUR/AUD	21.2600 OFF 31.10.2016	37,407 0.18%	-942 942 -1,884	-2.46% 2.58% -5.04%
EUR	8,295 ACCUM.PTG.SH.S WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC - WELLINGTON STRATEGIC EUROPEAN EQUITY FUND CLASS -N- UNHEDGED EUR AUD Portfolio: 3000039-70	IE00B9DPD161 20938626	13.5086 1.4590 EUR/AUD	13.6100 NAV 28.10.2016	162,818 0.77%	-673 1,214 -1,887	-0.41% 0.75% -1.16%
Total Equities & Similar Investments EUR					200,225 0.95%		

3. Positions / 3.1. Investment Related Positions

12/18

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Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
Equities & Similar Investments JPY							
JPY	732	UNITS NIKKEI 225 EXCHANGE TRADED FUND AUD Portfolio: 3000039-70	JP3027650005 1264151 1321.T	17,106.7773 88.8849 AUD/JPY	17,860.0000 CLO 31.10.2016	164,042 0.78%	23,162 6,918 16,244 16.44% 4.40% 12.04%
Total Equities & Similar Investments JPY					164,042	0.78%	
Equities & Similar Investments USD							
USD	369	ACCUM.PTG.SHS ISHARES VII PLC - ISHARES NASDAQ 100 UCITS ETF EXCHANGE TRADED FUND USD AUD Portfolio: 3000039-70	IE00B53SZB19 10737617 CSNDX.S	185.1428 0.9196 AUD/USD	265.1400 CLO 31.10.2016	128,611 0.61%	54,323 38,804 15,519 73.13% 43.21% 29.92%
USD	317	SHS -IP- RAM (LUX) SYSTEMATIC FUNDS SICAV - EMERGING MARKETS EQUITIES CAPITALISATION AUD Portfolio: 3000039-70	LU0704154458 14219625	149.4364 0.7594 AUD/USD	157.7700 NAV 28.10.2016	65,744 0.31%	3,362 3,473 -111 5.39% 5.58% -0.19%
USD	5,739	SHS DBX ETF TRUST DEUTSCHE X-TRACKERS MSCI EUROPE HEDGED EQUITY ETF AUD Portfolio: 3000039-70	US2330518539 22178054 DBEU.P	27.5818 0.7787 AUD/USD	25.8100 CLO 31.10.2016	194,715 0.92%	-8,572 -13,367 4,795 -4.22% -6.42% 2.21%
USD	1,145	SHS ISHARES GLOBAL HEALTHCARE ETF AUD Portfolio: 3000039-70	US4642873255 1352444 IXJ.P	95.1959 0.8872 AUD/USD	93.8600 CLO 31.10.2016	141,274 0.67%	18,423 -2,011 20,434 15.00% -1.40% 16.40%
USD	1,765	TRUST UNITS SPDR S&P 500 ETF TRUST AUD Portfolio: 3000039-70	US78462F1030 45088 SPY.P	186.8538 0.8911 AUD/USD	212.5500 CLO 31.10.2016	493,152 2.34%	123,069 59,620 63,450 33.25% 13.75% 19.50%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
USD	2,190 SHS VANGUARD FTSE EMERGING MARKETS ETF AUD Portfolio: 3000039-70	US9220428588 2093958 VWO.P	37.7585 0.7596 AUD/USD	37.7500 CLO 31.10.2016	108,677 0.52%	-178 -24 -153	-0.16% -0.02% -0.14%
Total Equities & Similar Investments USD					1,132,173 5.37%		
Total Equities & Similar Investments					4,985,012 23.66%		
Alternative Investments, Commodities & Real Estate							
Hedge Funds							
AUD	444,928.77 UNITS GMO SYSTEMATIC GLOBAL MACRO TRUST CLASS -B- AUD Portfolio: 3000039-70	AU60GMO00067 3375604	1.0075	1.0895 NAV 27.10.2016	484,750 2.30%	36,486 36,486	8.14% 8.14%
AUD	312,604.78 UNITS BLACKROCK GLOBAL ALLOCATION FUND (AUST) CLASS -D- WHOLESALE AUD Portfolio: 3000039-70	AU60MAL00181 3379478	1.2404	1.2834 BID 28.10.2016	401,211 1.90%	13,447 13,447	3.47% 3.47%
AUD	232,606 RED.PTG.SHS -A1- AHL (CAYMAN) SPC AUD CLASS A EVOLUTION SEGREGATED PORTFOLIO AUD Portfolio: 3000039-70	KYG012291145 22393979	1.1382	1.5136 NAV 30.09.2016	352,072 1.67%	87,318 87,318	32.98% 32.98%
AUD	292,701 RED.PTG.SHS -A- AHL DIMENSION (CAYMAN) LIMITED AUD AUD Portfolio: 3000039-70	KYG0132G1652 30773689	1.0037	0.9741 NAV 30.09.2016	285,120 1.35%	-8,662 -8,662	-2.95% -2.95%
Total Hedge Funds					1,523,154 7.23%		

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
Commodities & Precious Metals							
AUD	3,148	ETC SECURITY ETFS METAL SECURITIES AUSTRALIA LTD 2003-WITHOUT FIXED MATURITY ON GOLD COMMODITY AUD Portfolio: 3000039-70	AU00000GOLD7 1583458 GOLD.AX	144.2376	159.5600 CLO 31.10.2016	502,295 48,235 2.38%	10.62% 10.62%
USD	296	UBS ETC UBS AG, LONDON BRANCH 2007- OPEN END ON UBS BLOOMBER CMCI COMPOSITE TOTAL RETURN AUD Portfolio: 3000039-70	CH0031794263 3179426 TCMCI.S	1,137.5326 0.9120 AUD/USD	801.5000 CLO 31.10.2016	311,868 -57,339 -130,752 73,413 1.48%	-15.53% -29.54% 14.01%
Total Commodities & Precious Metals					814,163 3.86%		
Other Alternative Investments							
AUD	4,105	PTG.SHS LEGG MASON GLOBAL FUNDS PLC - LEGG MASON WESTERN ASSET MACRO OPPORTUNITIES BOND FUND PREMIER CLASS DISTRIBUTING (S) HEDGED AUD AUD Portfolio: 3000039-70	IE00BYOZZ17 28828240	100.9462	105.0400 NAV 28.10.2016	431,189 16,805 2.05%	4.06% 4.06%
Total Other Alternative Investments					431,189 2.05%		
Total Alternative Investments, Commodities & Real Estate					2,768,506 13.14%		
Total Investments					21,073,556 100.00%		
of which Accrued Interest					46		

4. Appendix

4.1. Explanations

Accrued Interest

Accrued interest is not displayed for financial instruments with variable interest rate or frequency 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 and are calculated recognizing trades end of day. 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.

Activity Summary

The asset inflows and outflows include client-instructed transactions as well as non-investment related transactions such as loans which do not contribute to the performance of client's account. Such asset inflows and outflows do not include fees and taxes.

Analyses

Values displayed for the respective month labels are as of month-end dates. If the report end period is not a month-end, the report period end month label will show the values as of the report period end date.

Asset Classification

If an instrument is classified as 'not classifiable', the instrument is pending its proper classification. As soon this is available in the system, the instrument will reflect the correct classification.

Cost Valuation Exchange Rates

For the Positions section, the cost valuation exchange rate displayed is always the instrument currency against the portfolio currency.

For the Transactions section, the cost valuation exchange rate displayed is always between the instrument currency and reporting currency. For execution of FX purchase/sale transactions, the transaction valuation is based on the end of day exchange rate on the value date and the cost valuation is based on the FX contract rate.

Duration

Modified duration is a change in the price of a bond arising from a change in market yields. Modified duration is expressed as an approximate percentage. The investment report displays the Modified Duration method for all Fixed Income instruments.

Income Summary

Coupon received and coupon paid, as well as interest earned and interest paid, does not include accrued or unpaid coupon or interest.

Year to date figures include the addition of the monthly figures inclusive of any backdated income processing/ adjustments.

Figures shown can be gross or net depending on the specific country and market practice.

Non-Investment related Income is included in the Income Summary.

Market Value

The values stated as begin of period are asset values as of the last reported statement period. The values stated as beginning/ ending market values are asset values that are inclusive of most updated market prices and backdated transactions.

Non-Investment Related Positions

Non-Investment Related Positions are displayed in the Scope of Analysis and in the Non-Investment Related Positions section. However, they are not included in any other analyses.

Profit/ Loss Calculation

Realized and unrealized profit and loss are calculated by comparing the market or transaction value with the average cost value. For every trade date the system computes the average cost, first processing investments before disinvestments. Transaction costs are included in both realized and unrealized profit/loss calculation.

Unrealized profit/ loss displayed in the Positions section are calculated as of the reporting date.

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.

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.

Yield

The investment report displays Yield for all Fixed Income instruments and is displayed per market price.

Abbreviations

BID = Bid Price
CLO = Closing Price
NAV = Net Asset Value
OFF = Official Price

Rounding logic

Values in this investment report are calculated with exact numbers, however when presenting the data, values are rounded and therefore minor rounding differences might occur.

Large Numbers

The figures are consolidated and shown in denominations of thousands, millions and billions where applicable. 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 1,526,555.33 in thousands in the report. If the value exceeds the column limit, a further division will take place and the phrase in millions/in billions will be displayed.

Conversion Rates as of 31.10.2016

AUD 1.0000 = JPY 79.6960
AUD 1.0000 = USD 0.7607
EUR 1.0000 = AUD 1.4422

GBP 1.0000 = AUD 1.6023

4.2. 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.

Agenda Item 8
Approval of 2017 budget and activity plan

2017 Activity Plan and Budget

1 Introduction

This document explains APNIC's 2017 Activity Plan and Budget, for the information of APNIC Members and the wider community.

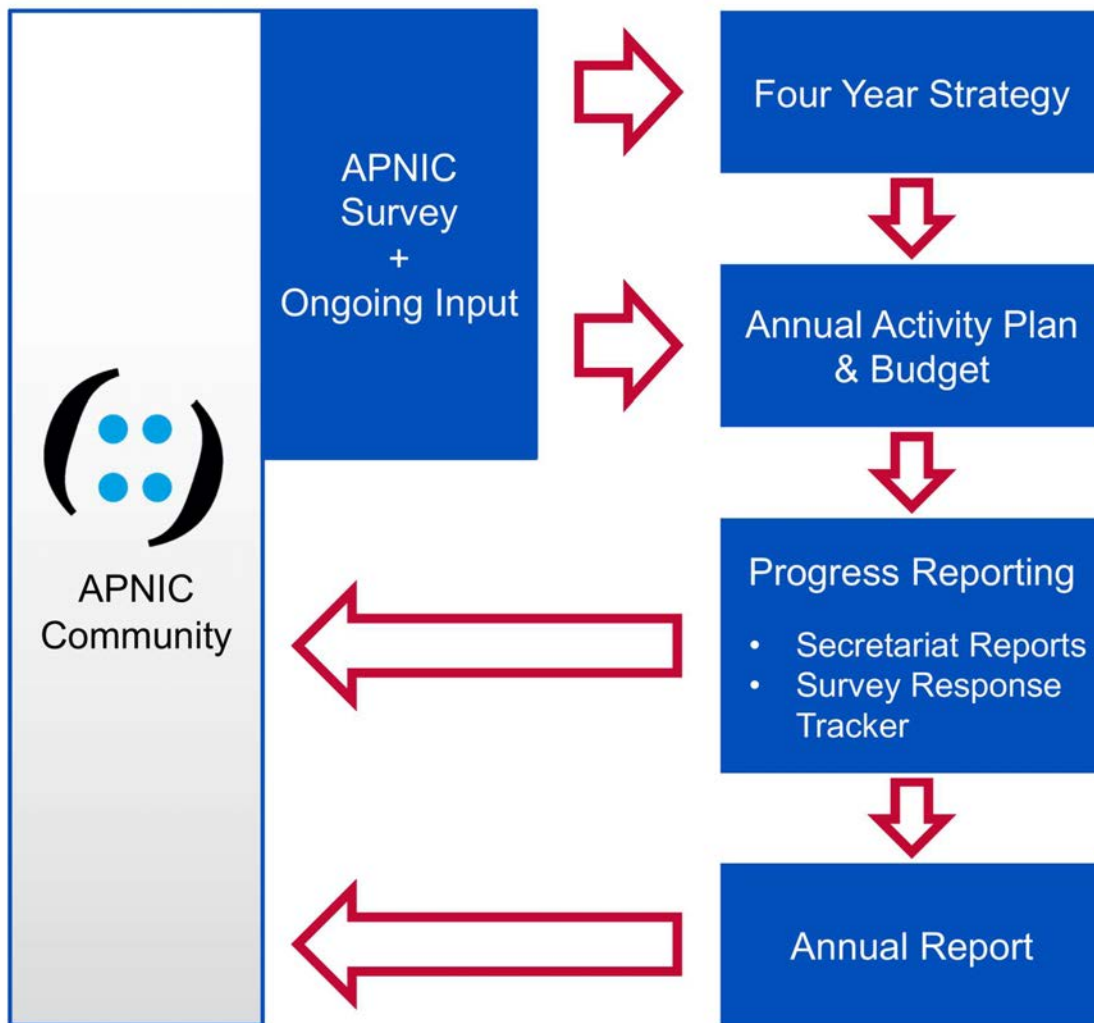
APNIC's activities are categorized into four main areas. The first three are aligned with the organization's mission, and the fourth covers administrative activity and resources required to operate the Secretariat:

- Serving Members
- Regional Development & Outreach
- Global Cooperation
- Corporate

Feedback on the plan is welcome. If you would like to comment, please email the APNIC EC via exec-sec@apnic.net or through MyAPNIC's secured EC submission form.

1.1 APNIC Planning and Reporting Overview

The APNIC EC and Secretariat receive input from the community through the biennial survey and other continual feedback mechanisms. These inputs guide APNIC’s strategy and annual planning, and the Secretariat reports progress on its activities back to the community during the year. This process is illustrated below, with the arrows indicating the flow of information.



1.2 Strategic Goals

The current four-year (2016-2019) strategic goals were set by the APNIC EC on 1 December 2015. They are:

1. Deliver advanced number registry and Member information services
2. Strengthen Core Technical Focus (such as IPv6, RPKI and DNSSEC) and engage community to advance adoption and deployment
3. Sustainably support AP Internet infrastructure and human capacity development
4. Engage our community to strengthen open, multistakeholder, bottom-up and transparent policy development processes and Internet governance model
5. Maintain a strong organization to carry out APNIC's mission

2017 is the second year of this four-year plan, and the year where the additional input from the APNIC Survey 2016 helps direct the activity plan towards achieving the strategic goals.

1.3 Structure of this Document

APNIC categorizes its activities under four main areas. This document is structured according to these areas, and the activities underneath them, as follows:

Serving Members

- Registration Services
 - All activities related to the registration of Internet number resources (IPv4, IPv6, and ASNs) and developing and maintaining registry applications.
- Customer Service
 - Maintaining a high level of service to Members via the Helpdesk, MyAPNIC, Member communication, and quality management systems.
- Technical Infrastructure Services
 - The operation and maintenance of the technical infrastructure underpinning APNIC and its services, including networks, data centres, applications and licensing.
- Member Training
 - APNIC's technical training and technical assistance services provided throughout the region.

Regional Development & Outreach

- APNIC Conferences
 - Arranging the APRICOT and stand-alone APNIC conference each year.
- Regional Technical Development
 - Support for the Policy Development Process, infrastructure development in the region, NOGs, and security programs.
- Community Engagement

- Collaboration with other Asia Pacific Internet organizations, maintaining the fellowship program, participating in the regional IGF and working with Asia Pacific government organizations on Internet development.
- APNIC Foundation
 - Developing funding partnerships with international development agencies and supporting the ISIF Asia grants program.

Global Cooperation

- Global Technical Community
 - Collaboration with other RIRs, global technical organizations such as ICANN, the IETF and the Internet Society, and participation in global forums such as the IGF.
- Inter-governmental Outreach
 - Participation in global inter-governmental forums as a member of the technical community.
- Global Research
 - Undertaking global research and measurement programs, and presenting research outcomes at regional and global events.

Corporate

- Human Resource Management
 - Managing staff resources, development and knowledge management.
- Finance and Administration
 - Managing APNIC's finance, office and travel functions.
- Legal and Governance
 - Activity related to legal matters and APNIC's compliance with workplace health and safety.
- Facilities
 - Maintaining APNIC's office facilities.

In each section, APNIC's planned work is listed under 'Ongoing' and 'Projects'. 'Ongoing' includes core, ongoing work that APNIC does each year to meet its objectives; 'Projects' are short-term pieces of work with definitive start and end times (most being complete within one to two years).

A table summarizes the resources (financial and human) needed to successfully complete the activities and projects in each section. These resources are summarized under the following headings:

- **FTE:** The number of Full-Time Equivalent employees required for the activity. In all cases, contributions from more than one employee are involved, and the FTE number will comprise a percentage of time from each employee. For example – an FTE of 1.6 may be made up of four employees who each dedicate 40% (0.4) of their time to the activity.
- **Expenses:** Refers to all operational costs directly incurred by the activity (in AUD).
- **CAPEX:** Refers to capital expenditure (for equipment, hardware, software, property etc) required by the activity (in AUD).

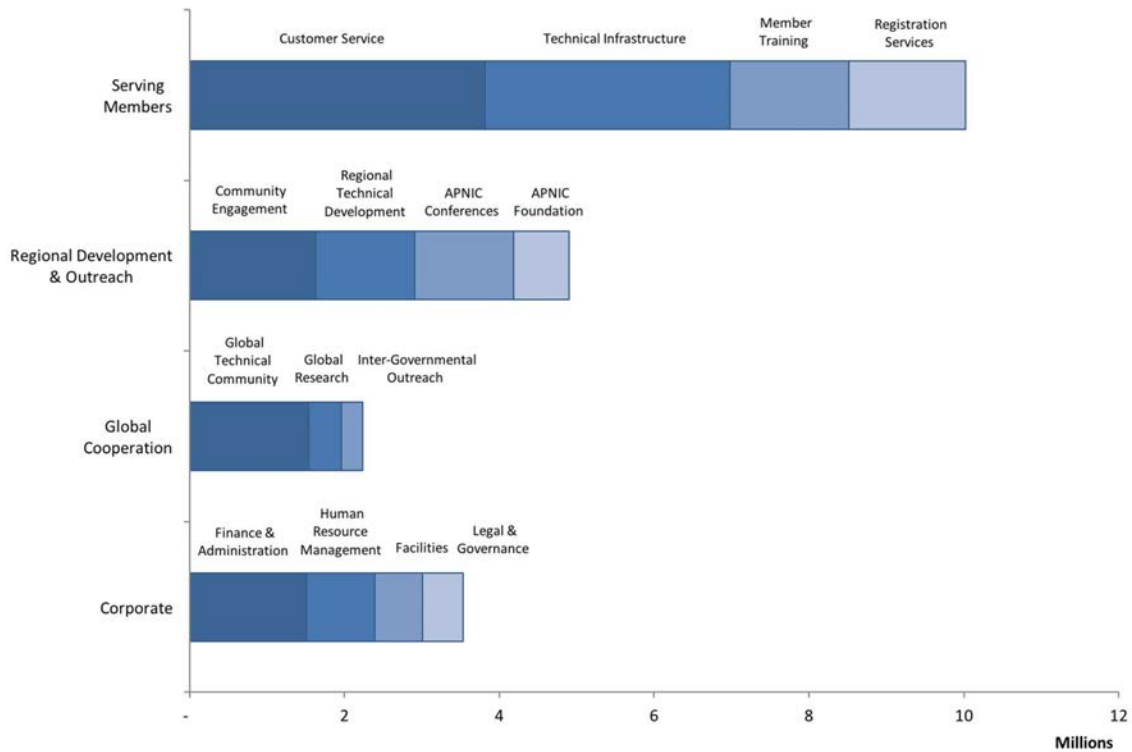
2 Executive Summary

The majority of APNIC’s resources and expenditure in the 2017 plan are allocated to Serving Members – accounting for 59% of APNIC’s full time equivalent employees, 48% of operating expenses and 71% of capital expenditure.

The following table and chart provide a breakdown of APNIC’s 2017 budget.

Activity	FTE	%	Expenses (AUD \$)	%	CAPEX (AUD \$)	%
Serving Members	45.8	59%	10,023,486	48%	915,118	71%
Regional Development & Outreach	16.7	21%	4,904,670	24%	298,000	23%
Global Cooperation	4.3	6%	2,239,324	11%	30,000	2%
Corporate	11.0	14%	3,531,857	17%	49,500	4%
Grand Total	77.8	100%	20,699,337	100%	1,292,618	100%

2.1 Operating Expenditure 2017



3 APNIC 2017 Activity Plan

3.1 Serving Members

3.1.1 Registration Services

FTE	Expenses	CAPEX
8.6	\$1,506,879	-

Ongoing

- **IPv4, IPv6 and ASN delegation and registration services**

In 2016, APNIC processed close to 7,000 resource and transfer requests. It is assumed that this activity level will continue and require the same resources in 2017 as in 2016.

- **Registry operation and maintenance**

This activity includes:

- Operation and administration of the APNIC Whois Database.
- Operation of APNIC's Reverse DNS service, including DNSSEC.
- Maintenance of Members' DNSSEC configurations within MyAPNIC.
- Operation and enhancements to resource certification services using RPKI.

It is assumed that the resources needed to operate these services will be slightly lower than 2016 due to increased automation.

Projects

- **Registry System architecture**

During 2016, work was done to separate the registry system into front-end and back-end services, linked within a 'message bus' architecture. In 2017, this registry system development will continue.

- Objectives
 - Port ARMS resource-selection source code to Java registry service.
 - Update current registry service to use event-sourcing for its authoritative state.
- Benefits to Members
 - A more reliable, robust, and flexible registry system that can be adapted more easily to implement policy changes.

- **Historical whois service ('whowas')**

To provide a public record of previous whois objects related to APNIC resources.

- Objectives
 - To provide a Registration Data Access Protocol (RDAP) query and response extension to allow users to query past whois records.
- Benefits to Members
 - Authoritative information about the historical state of the registry made publicly available through an RDAP extension.

- **Whois upgrade**

This project, which began in 2016, involves updating APNIC's whois master server to use the latest version of the RIPE whois codebase.

- Objectives

- Complete the update of the whois master server, including APNIC-specific source code modifications.
 - Benefits to Members
 - Stable, maintainable and updated whois service.
 - Access to new whois features.
- **Whois data quality improvement**

Creation of a new visual whois dashboard module in MyAPNIC, which allows Members to track the currency of their whois objects.

 - Objectives
 - Provide Members with a visualization on whois data quality management and encourage more frequent updates.
 - Integrate whois bulk update tool to make multiple changes in one go.
 - Provide reporting features to track updates regionally.
 - Benefits to Members
 - Quick access to information on last review and update of Members' Internet resources.
 - Faster, easier whois updates.
- **Public statistics improvement**

Building on APNIC's new statistics portal, an open data service will provide Members with better access to APNIC's network information services.

 - Objectives
 - Develop an API to deliver information services such as resource distribution statistics, vizAS, ftpstat, whois, APNIC Labs measurement and other data as required by the community.
 - Investigate access to relevant 3rd party datasets (such as RIPE Labs).
 - Benefits to Members
 - Improved access to the APNIC registry data.
 - Access to additional data that can provide insights into the state of the Internet, and industry benchmarking.
 - Opportunities for future two-way communication through APIs that can collect and aggregate contributed data.
- **Resource certification improvements**

Simplify the user interface for resource certification tasks, extend certification to historical resource holders, and complete improvements in the management of RPKI data.

 - Objectives
 - Deploy and monitor the Delta protocol distribution mechanism for the APNIC RPKI repository.
 - Improve user interface, including two factor authentication.
 - Provide RPKI to historical maintenance account holders who also have a membership account.
 - Benefits to Members
 - Increased performance distribution mechanism for RPKI data.
 - Global alignment with other RIRs on RPKI service delivery.
 - Improved user experience performing resource certification tasks.
 - Wider community access to RPKI services.

3.1.2 Customer Service

FTE	Expenses	CAPEX
17.9	\$3,819,787	\$233,000

Ongoing

- **Member Services/Helpdesk/Billing**

On average, each quarter the Member Services team handles more than 5,100 Member requests, 300 phone calls, and 840 online chat sessions. A similar workload is expected throughout 2017. More than 7,300 Member invoices and receipts are expected to be processed by the Finance team in 2017.
- **Membership outreach**

APNIC's Membership outreach helps ensure those organizations that need Internet resources are aware of APNIC and the services it offers. The Secretariat will increase its outreach efforts in 2017 via online and face-to-face engagement throughout the region.
- **MyAPNIC development and maintenance**

MyAPNIC development will follow a new services roadmap for 2017. The focus will be on improved performance and usability, and additional features. There will be an increase in resources, including an additional software staff member added this year, to bolster APNIC's development capacity and reduce the current backlog.
- **Quality management**

APNIC completed its ISO 9001:2016 Quality Management System recertification in 2016, and in 2017 will continue to improve quality controls across all customer-facing processes. The professional fees associated with the certification process will no longer occur this year.

Projects

- **Improving online experience**

Integrating APNIC's online services to create a single point of access and improved experience for users of APNIC's services. This will be a multi-year project, beginning in 2017, with all services migrated by end 2018.

 - Objectives
 - Create a single portal for access to APNIC online services including MyAPNIC, meeting and training registration and any other authenticated services.
 - Migration of services to single sign on (SSO) user access.
 - Provide SSO authentication for access to services by any interested member of the community.
 - Benefits to Members
 - Better user experience across all online APNIC services.
 - Improved problem resolution through self-service tools.
 - Personalized support and offerings suited to the end user.
- **Customer Relationship Management (CRM)**

Ongoing implementation of CRM to support and streamline Member engagement, external relations and communications activities.

 - Objectives
 - Improve organization-wide processes for managing external relationships.
 - Continue integration with existing systems, primarily ARMS/MyAPNIC and email management.
 - Benefits to Members
 - Improved understanding of Member needs.
 - Improved communications with all Members.

3.1.3 Technical Infrastructure Services

FTE	Expenses	CAPEX
12.7	\$3,157,280	\$570,118

Ongoing

- **Operation of APNIC service infrastructure**

These activities also cover the internal technical support required to deliver all internal services, and services to APNIC Members.

- Data centres and interconnections
APNIC maintains its main technical infrastructure in two fully-redundant data centres in Brisbane, linked to the APNIC office via a triangle of fibre interconnection. In addition, data centres in Hong Kong, Japan, and USA provide additional redundancy and load-balancing
- Maintenance, depreciation and licensing
Significant technical infrastructure expenses are related to equipment maintenance and depreciation, and various licenses associated with this equipment.

As APNIC moves towards more virtualized and ‘cloud’ infrastructure, capital expenditure will decrease in 2017 compared with 2016. Operational costs, software support and licenses will also decrease slightly.

Projects

- **Improved reliability and availability of publicly accessible services**

Several important infrastructure upgrades are planned in 2017 to improve the reliability and availability of APNIC’s publicly accessible services.

- Objectives
 - Increase the resilience and availability of DNS services by using higher-level automation, and anycasted DNS query servers.
 - Deploy upgraded core switches and advanced firewall and intrusion detection and prevention systems in datacentres.
 - Move RDAP service to the more resilient whois server infrastructure.
 - Improve network monitoring and logging capabilities.
 - Review and upgrade disaster recovery plans.
- Benefits to Members
 - More available and better performing services.
 - Higher level of security for services, systems and information.
 - Faster recovery of services in case of disaster.
- **Adoption of ISO 27001:2013 Information Security Standard**

Resolve all areas for improvement identified by ISO 27001 audits in 2016 and begin continuous operation within the security framework.

 - Objectives
 - Improve IT system security by creating controls, practices, and policies where they are currently lacking.
 - Operate within the newly created framework.
 - Evaluate performance through an external audit.
 - Benefits to Members
 - Assurance that APNIC’s information security is in line with international standards.

3.1.4 Member Training

FTE	Expenses	CAPEX
6.6	\$1,539,540	\$112,000

Ongoing

- **Training services**

Training services will continue to expand course material to meet community needs. In response to the APNIC Survey 2016, course material will be developed for network security best practices in network operation, and Internet governance. Training expenditure will increase in 2017 with additional training staff added at the end of 2016.

- **Technical assistance**

APNIC responds to requests from Members for technical assistance wherever possible. We refer work to recognized technical experts, with funding by external agencies where available. Technical assistance activity is expected to increase in 2017.

Projects

- **Curriculum improvements**

Revision and update of the existing curriculum, and development of new curriculum materials by APNIC staff and external subject matter experts.

- Objectives

- Expansion of the Training Labs' ISP network to support up to 10 new exercise modules.
- Development of new course modules for security, NFV/SDN, and LEA training.

- Benefits to Members

- Access to up-to-date, high quality, cost effective operational training.

- **Community Trainers**

Continued development of the Community Trainer network, comprising experienced and respected technical trainers throughout the region who can deliver localized training as needed.

- Objectives

- Coordination and support of at least two to three Community Trainers for each APNIC sub-region (South Asia; South East Asia; East Asia; Oceania).
- Support for professional networking and development of Community Trainers.

- Benefits to Members

- Greater access to high quality technical training for Members in local language and context.
- Larger community of qualified trainers available to the community.
- Lower costs due to reduced travel expenses.

- **APNIC Academy**

Continued development of the APNIC Academy, an online training delivery platform initiated in 2016 that will include self-paced, eLearning modules, examinations, and certification for APNIC training courses.

- Objectives

- Release of at least two online courses featuring APNIC's core technical training materials.

- Development of examination and certification processes for APNIC training.
 - Benefits to Members
 - An online learning platform available anywhere, anytime.
- **Joint training with the ITU**

Continued collaboration with the ITU on IPv6 and network security capacity development in AP developing economies.

 - Objectives
 - Five-day IPv6 and infrastructure network security workshop.
 - Three-day IPv6 and infrastructure network security workshop.
 - Two days of Country Direct technical assistance.
 - Benefits to Members
 - Training opportunities on IPv6 and network security.
 - Better-informed government policy officers and regulators throughout the region.
- **Cybersecurity workshops**

Collaboration with the security community on security training workshops.

 - Objectives
 - Four cybersecurity workshops in selected locations, focusing on security awareness, IP addressing and registration, and establishing CERTs/CSIRTs.
 - Collaboration with FIRST to coordinate 'Technical Colloquia' events.
 - Benefits to Members
 - Increased local awareness of security issues as related to APNIC Members and community.
 - Improved effectiveness of governmental security activities and initiatives.
 - Support for local security initiatives such as community organizations, CERT/CSIRTs, and so on.

3.2 Regional Development and Outreach

3.2.1 APNIC Conferences

FTE	Expenses	CAPEX
4.8	\$1,274,959	\$23,000

Ongoing

- **APNIC Conferences**

APRICOT 2017 will be held in Ho Chi Minh City, Vietnam (20 February – 2 March 2017).

APNIC 44 will be held in Taichung, Taiwan (7 – 14 September 2017).

Expenditure on APNIC Conferences will remain steady in 2017.

3.2.2 Regional Technical Development

FTE	Expenses	CAPEX
5.3	\$1,277,726	\$275,000

Ongoing

- **Policy development**

Support for Policy SIG meetings (twice per year) and mailing lists, exchanging policy related information with other RIRs, and support of ASO Address Council Members from the APNIC region. Staff time and travel costs will remain at last year's level.

- **Rootserver maintenance**

Ongoing support for DNS anycast rootservers, coordinating with hosts and root server operators, managing maintenance work, and handling requests for new installations.

- **Internet exchanges and measurement support**

APNIC will continue to support the deployment and management of Internet Exchange Points as needed, and collaborate with RIPE NCC in the deployment of probes for the RIPE Atlas program, at the same level as in 2016.

- **Network Operator Group (NOG) support**

Support for technical expertise, training, and sponsorship will be increased in 2017 for new NOGs formed in 2016. There will be a slight increase in sponsorship, travel and staff costs for this support.

- **Security support**

Collaboration with regional and global security organizations - APCERT, FIRST, Interpol, GFCE and others - to provide speakers, sponsorship, and support for events in the APNIC region. APNIC will continue to share resources where possible, but in response to the 2016 Survey, this budget is increased in 2017.

Projects

- **Policy engagement**

Increase accessibility and awareness of the APNIC Policy Development Process (PDP) to allow for greater community participation.

- Objectives

- Increase awareness of policy impacts, both online and at events around the region.

- Improve accessibility of policy-related content and materials, through streamlining and translation.
 - Target fellowships to candidates with a stated interest in the policy process.
 - Benefits to Members
 - Greater awareness of the APNIC PDP.
 - Reduction of knowledge and language barriers to participating in the PDP.
- **IPv6 awareness**

Increase promotion of IPv6 deployment to technical and business decision makers, in response to the 2016 Survey.

 - Objectives
 - Revamp and improve APNIC IPv6 website content.
 - Develop IPv6 case studies and best practice content to share via the IPv6 website, presentations, and the APNIC Blog.
 - Target IPv6 awareness among decision makers of APNIC membership and community.
 - Benefits to Members
 - Development of a more relevant and effective business case for IPv6.
 - Education of senior business management on the need to deploy IPv6.
- **DNS rootservers**

Increase DNS support in response to global security incidents in 2016.

 - Objectives
 - Coordinate deployment of 10 to 20 additional anycast rootservers in selected locations.
 - Conduct research on rootserver query prioritization (APNIC Labs).
 - Benefits
 - Increase resilience of global DNS services.

3.2.3 Community Engagement

FTE	Expenses	CAPEX
5.6	\$1,631,704	-

Ongoing

- **Community sponsorship**

APNIC sponsorship of Asia-Pacific Internet organizations and events (see: <http://www.apnic.net/community/support/memberships-and-partnerships>) will increase in line with additional community events planned in 2017.
- **Fellowship program**

Provide opportunities for community members to participate in APNIC conferences and training. During 2017 we will continue to identify ‘emerging leaders’ and will allocate additional resources to encourage their continuing professional development within the APNIC community. We will increase fellowships through additional partner funding where possible.
- **Government and sub-regional liaison**

Engagement with governments and regional inter-governmental organizations such as APEC TEL, APT, SAARC and ASEAN, in the form of providing advice on IP addressing and critical Internet infrastructure issues, will continue at the same level as in 2016.
- **Community awareness**

Increasing awareness of APNIC activities and initiatives throughout the region (with the engagement of local partners as required) to boost engagement and participation in APNIC community activities.

3.2.4 APNIC Foundation

FTE	Expenses	CAPEX
1.0	\$720,281	-

Ongoing

- **Foundation incubation**
From 2017, APNIC will transfer two full-time staff to the Foundation, where they will work on fundraising, project development and partnerships. APNIC will continue to underwrite the cost of these positions during the Foundation's incubation period, 2017 and 2018. Additional support from other Secretariat functions will total one FTE.
- **ISIF Asia**
From 2017 the Information Society Innovation Fund (ISIF) Asia will be considered an activity of the APNIC Foundation, and administered by Foundation staff (transferred from APNIC). APNIC will continue the existing contribution to ISIF Grants and Awards.

3.3 Global Cooperation

3.3.1 Global Technical Community

FTE	Expenses	CAPEX
2.9	\$1,533,562	-

Ongoing

- **RIR collaboration**

APNIC will continue to collaborate with other RIRs in 2017 through NRO coordination activities, joint projects (including projects under the Cooperation MoU with the RIPE NCC), staff exchanges and meeting attendance. All RIRs will increase their contribution to the NRO budget in 2017, and APNIC's staff time/travel expenses will also increase in 2017 with APNIC taking on the role of the NRO Secretariat.
- **Collaboration with ICANN, IANA, IETF, ISOC**

APNIC will continue work with ICANN in 2017 to ensure that the IANA transition is implemented smoothly. APNIC will participate in ICANN's Cross Community Working Group on Accountability (CCWG) (Workstream 2), the GAC Public Safety Working Group, and the RSSAC, among others. Travel and related costs will increase in 2017.
- **Other forums**

APNIC participation in other forums, such as FIRST, APT, PITA, ITU, APEC TEL, GFCE, OECD and others, will continue at the same level in 2017.

Projects

- **IANA Transition**

There are remaining tasks to be completed in 2017.

 - Objectives
 - Support appointed Review Committee representatives to execute their duties under the SLA.
 - Complete work with ICANN on CCWG (Workstream 2).
 - Benefits to Members
 - Monitoring of PTI performance to ensure compliance with the SLA.
- **Internet governance outreach**

Participation in 'Internet governance' related events, and bringing relevant Internet governance issues into the APNIC community.

 - Objectives
 - Develop Internet governance training materials for delivery via face-to-face sessions and the APNIC Academy.
 - Contributions to 'School of Internet Governance' and related events, explaining technical Internet concepts, policies, addressing and infrastructure.
 - Benefits to Members
 - Better understanding of wider Internet Governance processes.
 - Better representation of technical issues in wider Internet governance discussions.
- **NRO Secretariat**

The NRO Secretariat duties rotate between the RIRs and 2017 is APNIC's turn.

- Objectives
 - Coordinate joint activities among the RIRs via NRO Coordination Groups (engineering, registration services, communications) in 2017.
- Benefits to Members
 - Ongoing improvement of APNIC operations via sharing of global best practice among RIRs.

3.3.2 Inter-governmental Outreach

FTE	Expenses	CAPEX
0.7	\$278,051	-

Ongoing

- **Inter-governmental liaison**

APNIC participates in inter-governmental forums as a recognized member of the technical community advocating:

- The necessity of IPv6 adoption for future Internet growth.
- The importance of training and technical assistance to the security and stability of Internet infrastructure.
- The role of the APNIC community in the Internet ecosystem.
- Promoting the multistakeholder model of Internet governance.

Inter-governmental organizations include the ITU, APEC, the OECD, ASEAN, the CTO and Interpol. Staff time and travel costs associated with this activity will be the same as in 2016.

3.3.3 Global Research

FTE	Expenses	CAPEX
0.7	\$427,711	\$30,000

Ongoing

- **Global research and measurements**

In 2017, APNIC Labs will continue research and measurement of technologies including IPv6, BGP, RPKI and DNSSEC. The primary aim is to assist discussions on IP addressing policy and Internet operational matters within the region and globally. New research that will be undertaken in 2017 includes MTU issues related to 'jumbograms', QUIC support and UDP transmission, and DNS rootserver resilience through resolver whitelisting.

There will be a slight increase in capital expenditures this year, but other expenses are expected to be at the 2016 level.

- **Technical advocacy at global forums**

Speaking opportunities for the presentation of research outcomes and current trends allow APNIC to raise awareness, gather input and address issues faced by its community. Staff time and travel spend will remain the same as last year.

3.4 Corporate

3.4.1 Human Resource Management

FTE	Expenses	CAPEX
2.0	\$886,763	\$3,500

Ongoing

- **Secretariat staffing**
Three additional positions (in communications, technical, and executive support) will require recruitment and its associated costs. Other than that, we anticipate that staff resignations and replacements should not vary from previous years.
- **Staff development**
Skills training and professional development relevant to staff roles will continue to be provided at the same level as in 2016.
- **Knowledge management**
A focus on knowledge/information management will continue in 2017. This includes collaborating with all business units on process reviews, and the review/integration of systems to improve the quality and relevance of information generated, received and used by staff. No spending increase is expected this year.

Projects

- **Employer branding**
Review of the use of the APNIC Jobs website, social media, and internal communications to ensure that branding is attractive and authentic to future candidates and current staff.
 - Objectives
 - Review recruitment materials and processes.
 - Benefits to Members
 - APNIC continues to attract and retain strong talent.
- **HR management system**
Streamlining existing various staff performance and development systems into a single portal for staff to improve usability and organizational reporting.
 - Objectives
 - A centralized portal for staff to access their personal, benefits, performance and development information.
 - Benefits to Members
 - Improved efficiency and automation to reduce staff time used on administration.

3.4.2 Finance and Administration

FTE	Expenses	CAPEX
6.9	\$1,508,299	\$12,500

Ongoing

- **Financial management**
In 2017, APNIC's finance team is expected to pay in excess of 2,000 invoices, prepare 1,000

journals, settle over 400 expense claims, and reconcile more than 3,000 credit card transactions.

- **Office management**
Management of office supplies, telephony costs, postage/shipment, document management, collaboration tools and general administrative tasks in 2017 is expected to remain the same as in 2016.
- **Travel management**
Travel planning, quotations, booking, liaising with travel agencies and airlines, travel insurance and emergency support is expected to be at the same workload as last year.

Projects

- **Document management and collaboration platform**
Evaluate existing document management and collaboration tools with a view to consolidating to create greater efficiencies.
 - Objectives
 - Review of document management and intranet to streamline internal collaboration tools and create improved document repository.
 - Benefits to Members
 - Enhanced management of corporate information leading to improved service.

3.4.3 Legal and Governance

FTE	Expenses	CAPEX
0.4	\$522,538	-

Ongoing

- **Legal counsel and business advisors**
General legal advice, contract drafting and reviews, guidance in corporate governance, and legal cooperation with other organizations is expected to be at the same level as in 2016, however professional fees to corporate advisors will reduce.
- **Workplace health and safety compliance**
2017 will focus on health and safety awareness, annual compliance training to health and safety officers, and staff training on business conduct such as bullying and harassment prevention and equal employment opportunity. We will also continue to provide external counselling services for staff who need it.

Projects

- **Enterprise policies**
Internal deployment of framework for managing policy procedure-related documentation and review of existing internal management documents.
 - Objectives
 - Robust hierarchy structure for internal documentation.
 - Benefits to Members
 - System to support strong internal controls and governance framework.

3.4.4 Facilities

FTE	Expenses	CAPEX
1.7	\$614,257	\$33,500

Ongoing

- **Building and office facilities**

The cost of building management, utility equipment, interior fit-outs, office furniture, building security, repair and maintenance of APNIC's office in Brisbane will increase in 2017 with the addition of dedicated headcount.

Projects

- **Office accommodation**

Respond accordingly to requirements for additional workstations to meet business resourcing levels in 2017, and where possible, planning for medium-term requirements (two to five years).

- Objectives
 - Ensure appropriate levels of office accommodation are available to meet organizational needs.
- Benefits to Members
 - Office accommodation which supports organizational stability long term.

4 Budget Summary

Activity	FTE	%	Expenses (AU\$)	%	CAPEX (AU\$)	%
Serving Members	45.8	59%	10,023,486	48%	915,118	71%
Customer Service	17.9		3,819,787		233,000	
Member Training	6.6		1,539,540		112,000	
Registration Services	8.6		1,506,879			
Technical Infrastructure	12.7		3,157,280		570,118	
Regional Development & Outreach	16.7	21%	4,904,670	24%	298,000	23%
APNIC Conferences	4.8		1,274,959		23,000	
APNIC Foundation	1.0		720,281		-	
Community Engagement	5.6		1,631,704		-	
Regional Technical Development	5.3		1,277,726		275,000	
Global Cooperation	4.3	6%	2,239,324	11%	30,000	2%
Global Research	0.7		427,711		30,000	
Global Technical Community	2.9		1,533,562			
Inter-governmental Outreach	0.7		278,051			
Corporate	11.0	14%	3,531,857	17%	49,500	4%
Facilities	1.7		614,257		33,500	
Finance & Administration	6.9		1,508,299		12,500	
Human Resource Management	2.0		886,763		3,500	
Legal & Governance	0.4		522,538			
Total	77.8	100%	20,699,337	100%	1,292,618	100%

4.1 FTE Distribution

Activity	Total FTE	Bus	Comms	Devt	DG	HR	Srvcs	Tech
Serving Members	45.8	3.1	2.1	5.7	1.6	0	11.9	21.4
Customer Service	17.9	3.1	1.9		1.1		6.7	5.1
Member Training	6.6		0.2	5.7			0.5	0.2
Registration Services	8.6				0.4		4.7	3.5
Technical Infrastructure	12.7				0.1			12.6
Regional Development & Outreach	16.7	0.7	4.5	4.9	2.6	0.2	0.9	2.9
APNIC Conferences	4.8	0.2	2.5					2.1
APNIC Foundation	1.0	0.5	0.2			0.2		0.1
Community Engagement	5.6		1	1.7	2.0		0.9	
Regional Technical Development	5.3		0.8	3.2	0.6			0.7
Global Cooperation	4.3	0.2	0.4	0.4	2.4	0	0.2	0.7
Global Research	0.7				0.5			0.2
Global Technical Community	2.9	0.2	0.4	0.2	1.4		0.2	0.5
Inter-governmental Outreach	0.7			0.2	0.5			
Corporate	11.0	7.8	0	0	0.4	1.8	0	1.0
Facilities	1.7	1.4						0.3
Finance & Administration	6.9	6.2						0.7
Human Resource Management	2.0				0.2	1.8		
Legal & Governance	0.4	0.2			0.2			
Total	77.8	11.8	7.0	11.0	7.0	2.0	13	26

APNIC's 2017 Budget Submission provides more details on the 2017 APNIC Budget and is available with the Minutes of the November 2016 EC meeting.

APNIC Budget 2017 - Draft

EC Meeting November 2016

APNIC



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1 Executive Summary

This document contains the APNIC budget submission for the financial year from January to December 2017. The budget submission includes revenue, expense, and capital expenditure projections based on the planned activities for the APNIC Secretariat for 2017.

The purpose of this paper is to allow the APNIC Executive Council to approve an expenditure level for 2017, 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 \$20,699,337 and projected revenue of AUD \$21,622,140 providing an operating surplus of AUD \$922,803 for 2017. The capital expenditure requirements for 2017 are AUD \$1,292,618. All values in this document are expressed in Australian Dollars (AUD) unless otherwise indicated.

2 Budget Summary

The 2017 budget for revenue and expenses including planned new initiatives for 2017 is included in the table below:

<----- Initiatives 2017 ----->									
REVENUE (AUD)	Forecast 2016	Budget 2017	Change	Change %	APNIC Foundation	APNIC Capacity Building	Revised Budget 2017	Change	Change %
Investment income	881,480	1,021,893	140,413	15.9%			1,021,893	140,413	15.9%
Membership fees	18,313,885	19,551,336	1,237,451	6.8%			19,551,336	1,237,451	6.8%
Non-members fees	242,613	246,170	3,557	1.5%			246,170	3,557	1.5%
Reactivation fees	33,867	35,000	1,133	3.3%			35,000	1,133	3.3%
Sign-Up fees	488,000	486,750	-1,250	-0.3%			486,750	-1,250	-0.3%
Transfer fees	132,545	125,991	-6,554	-4.9%			125,991	-6,554	-4.9%
Sundry income	183,231	155,000	-28,231	-15.4%			155,000	-28,231	-15.4%
TOTAL REVENUE	20,275,621	21,622,140	1,346,519	6.6%			21,622,140	1,346,519	6.6%
<----- Initiatives 2017 ----->									
EXPENSES (AUD)	Forecast 2016	Budget 2017	Change	Change %	APNIC Foundation	APNIC Capacity Building	Revised Budget 2017	Change	Change %
Bank charges	165,568	177,000	11,432	6.9%			177,000	11,432	6.9%
Communication expenses	527,718	594,905	67,187	12.7%			594,905	67,187	12.7%
Computer expenses	565,821	734,651	168,830	29.8%			734,651	168,830	29.8%
Contribution to APNIC Foundation					720,281		720,281	720,281	100.0%
Depreciation expense	786,767	821,978	35,211	4.5%			821,978	35,211	4.5%
Doubtful debt expenses	20,019	25,000	4,981	24.9%			25,000	4,981	24.9%
ICANN contract fee	243,026	270,000	26,974	11.1%			270,000	26,974	11.1%
Insurance expense	127,844	148,000	20,156	15.8%			148,000	20,156	15.8%
Meeting and training expenses	365,081	452,250	87,169	23.9%			452,250	87,169	23.9%
Membership fees	48,330	54,210	5,880	12.2%			54,210	5,880	12.2%
Office operating expenses	319,737	337,900	18,163	5.7%			337,900	18,163	5.7%
Postage & delivery	39,385	51,000	11,615	29.5%			51,000	11,615	29.5%
Printing & photocopy	36,707	48,000	11,293	30.8%			48,000	11,293	30.8%
Professional fees	1,469,842	1,396,720	-73,122	-5.0%		387,000	1,783,720	313,878	21.4%
Recruitment expense	101,559	120,000	18,441	18.2%			120,000	18,441	18.2%
Salaries and personnel expenses	10,231,618	11,287,705	1,056,087	10.3%	-277,836	208,273	11,218,142	986,524	9.6%
Sponsorship and Publicity expenses	643,844	746,730	102,886	16.0%			746,730	102,886	16.0%
Staff training/ Conference expenses	160,673	161,070	397	0.2%			161,070	397	0.2%
Translation expenses	11,644	22,500	10,856	93.2%			22,500	10,856	93.2%
Travel expenses	1,976,678	2,199,786	223,108	11.3%	-57,786	70,000	2,212,000	235,322	11.9%
TOTAL EXPENSES	17,841,861	19,649,405	1,807,544	10.1%	384,659	665,273	20,699,337	2,857,476	16.0%
<----- Initiatives 2017 ----->									
REVENUE and EXPENSES (AUD)	Forecast 2016	Budget 2017	Change	Change %	APNIC Foundation	APNIC Capacity Building	Revised Budget 2017	Change	Change %
Total Revenue	20,275,621	21,622,140	1,346,519	6.6%			21,622,140	1,346,519	6.6%
Total Expenses	17,841,861	19,649,405	1,807,544	10.1%	384,659	665,273	20,699,337	2,857,476	16.0%
OPERATING SURPLUS/(DEFICIT)	2,433,760	1,972,735	-461,025	-18.9%	-384,659	-665,273	922,803	-1,510,957	-62.1%

Table 2.1 2017 Budget summary

3 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 2016 APNIC Survey
- The 2017 APNIC Activity Plan
- 2017 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

3.1 Projection techniques

Projections for membership fees are calculated by evaluating the current membership database and the resource holdings. 2017 membership revenues budgets are calculated based on the current (2015) fee schedule. A linear projection of membership growth and account closure is used to estimate the incremental growth in revenue for membership fees in 2017.

Interest income is based on analysis of APNIC's existing cash deposits and the contracted rates and maturity dates for fixed deposits. Estimates of interest from the current account are based on current returns. Investment income predictions are based on forecasts provided by APNIC's investment managers across the range of investment categories set out in APNIC's Investment Policy.

The ERP system allows for the verification of all current approved spending commitments. This data is combined with new planned expenditure in 2017.

An overall inflation rate of 1.3%, and (1.7% excluding volatile items) was recorded for the 12 months ending September 2016 and this has been used in projecting costs for 2017.

3.2 APNIC's Taxation Status

APNIC's taxation status as a "Mutual Organisation" by way of a Private Ruling from the Australian Taxation Office is confirmed until June 2017. These accounts are prepared on the basis that APNIC's taxation status remains unchanged.

4 Provisions and Allowances 2017

4.1 APNIC Foundation

The APNIC foundation was registered in Hong Kong SAR during 2016, with steps for formal recognition as a charitable entity currently underway along with processes to establish local banking facilities. Company secretary functions were established with PWC during the year.

For 2017, this budget assumes that APNIC will transfer two staff on secondment to the Foundation. Costs to support the foundation incurred by APNIC and from other parties will be charged to the Foundation. APNIC will underwrite these costs in 2017 recognizing this as a "Contribution to the Foundation" in its expenses.

Transferring two development staff from the Secretariat to concentrate on Foundation activities will require the replacement of the Development Director; this cost is included in the budget submission.

The total cost of the Foundation activities in 2017 is budgeted at \$720,281. This amount represents the maximum contribution in 2017, as funds are contributed by other parties for projects, the Foundation will recover overhead and will require less contribution from APNIC.

4.2 Capacity Building 2017

4.2.1 *Community engagement*

This initiative that will add \$125k in Professional fees and \$70k in travel, will add resources 'on the ground' to promote more active participation in APNIC activities (PDP, SIGs, and community engagement), APNIC will engage local partners with the following criteria:

- Proven track record of getting community members actively involved in APNIC activities
- Have shown to work effectively across technical and management layers
- Ability to work across industry segments
- A good standing in their communities

4.2.2 *New staff 2017*

This budget contains an allowance for three new positions in 2017 increasing salary and wages costs by \$208k in 2017.

1. The Communications Area proposes one new FTE to handle the additional communications workload caused by:
 - Increasing Blog readership growth requiring more in-house blog writing and coordination of guest blogs
 - The need for improved community engagement support through a more tailored communication by sub-segments
 - Increased APNIC Foundation communication support, now that it has been incorporated
2. The Technical Area proposes one new FTE to reduce important software backlog such as:
 - Performance improvement (responding to survey feedback)
 - Improved system support for membership closure and reactivation requests
 - Improvements on other public facing systems such as RDAP and forums/ mailing lists

3. The Director General Area proposes one new FTE to provide needed executive support to the APNIC EC, ELT and DG.
 - The EC requires an increased level of support for meeting preparation, reporting and administration
 - Connie Chan previously received assistance from Ira Wulandari, who departed APNIC in September 2016 and has not been replaced.

4.2.3 *New Development Initiatives*

The budget includes an allowance of \$262k in Professional Fees for the following initiatives:

1. Engagement of Consultant/s for Curriculum Development:
 - A new on-line learning platform called the APNIC Academy was successfully developed in 2016. The aim is to use this new platform to provide Members with direct access to APNIC's extensive and operationally relevant technical training curriculum by developing these materials into modules that provide training anytime, anywhere and in a format that will meet international standards of online learning (testing, certification etc.). Starting in 2017, APNIC's core technical curriculum will be developed and prepared for the APNIC Academy via the engagement of technical and subject-matter experts.
2. Engagement of Technical Assistance Services including travel and expenses:
 - As IPv6 adoption rates accelerate in the APNIC region, demand is growing for technical assistance from Members to support their deployment plans. This initiative supports APNIC's engagement with its Members in this area, particularly the use of experienced, operational experts as well as other programs such as the ITU IPv6 collaboration; specifically two direct country assistance programs in 2017 and the engagement of technical consultants. Technical assistance for Members in the area of security is also expected to grow in 2017.

5 Revenue

The table below tracks APNIC's revenue from 2012 through to the forecast for 2016 and the budget submission for 2017.

REVENUE (AUD)	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Forecast 2016	Budget 2017	Change 2016 to 2017	Change %
Investment income	595,635	585,522	754,563	792,041	881,480	1,021,893	140,413	15.9%
Membership fees	14,361,213	15,074,781	15,903,111	16,933,413	18,313,885	19,551,336	1,237,451	6.8%
Non-members fees	227,966	240,225	254,706	243,049	242,613	246,170	3,557	1.5%
Reactivation fees	43,200	37,050	67,800	37,600	33,867	35,000	1,133	3.3%
Sign-Up fees				456,000	488,000	486,750	-1,250	-0.3%
IP Resource Application Fees	2,232,250	1,420,625	1,323,250	-18,375				
Transfer fees	11,616	61,339	81,304	77,943	132,545	125,991	-6,554	-4.9%
Sundry income	186,481	115,481	211,569	225,580	183,231	155,000	-28,231	-15.4%
Foreign Exchange Loss/Gain	-3,930	33,618	26,628	27,185				
TOTAL REVENUE	17,654,431	17,568,641	18,622,931	18,774,436	20,275,621	21,622,140	1,346,519	6.6%
Change		-0.5%	6.0%	0.8%	8.0%	6.6%		

Table 5.1 Revenue over time

5.1 Investment Income

The value APNIC's investments continue to increase as excess funds continue to be transferred from the operating account to the Investment Fund and investment returns are reinvested in line with the Investment Policy. The increased value of the investment continues to improve income, and in 2017 it is estimated that the fund will be forecast to return over \$1m dollars for the first time.

5.2 Membership Fees

5.2.1 Membership growth

APNIC's membership growth continues and the 2017 Budget assumes a linear continuation of membership growth. The 2017 budget was developed based on detailed modelling of the current membership database using the current resource holdings of each Member to calculate fees payable for 2017. Membership growth is based on analysis of recent trends. The table below shows membership growth since 2009.

Membership	2009	2010	2011	2012	2013	2014	2015	Est 2016	Budget 2017
Extra Large	13	16	21	20	20	21	22	22	22
Very Large	31	33	41	45	43	40	44	44	44
Large	106	141	145	144	147	142	137	134	134
Medium	276	324	378	402	392	402	431	442	442
Small	823	867	970	1,114	1,198	1,388	2,165	2,653	3,160
Very Small	472	637	817	1,021	1,294	1,701	2,336	2,612	2,813
Associate	449	503	575	788	957	924	133	118	106
Total	2,170	2,521	2,947	3,534	4,051	4,618	5,268	6,025	6,721
New	478	507	615	832	813	805	968	1,050	1,080
Close	163	156	189	245	296	250	318	318	384
Net Gain	315	351	426	587	517	555	650	732	696
Average Monthly Net Gain	26	29	36	49	43	46	54	61	58

Table 5.2 Membership growth over time

5.2.2 Membership fee revenue – sensitivity analysis

The tables below shows the potential impact on membership revenue if the actual growth of membership in 2017 varies from the assumptions included in the budget. Assumed growth for 2017 is 1080 Members who will join as either Very Small or Small Members. The average annual fee a new Member will pay is \$1,720 AUD which accounts for allocations from the last /8 and the IANA reclaimed pool, and for discounts applied to new Members from LDC's.

New Members 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	135	135	135	135	135	135	135	135	135	135	135	135	1620
25%	113	113	113	113	113	113	113	113	113	113	113	113	1350
10%	99	99	99	99	99	99	99	99	99	99	99	99	1188
Budget	90	90	90	90	90	90	90	90	90	90	90	90	1080
-10%	81	81	81	81	81	81	81	81	81	81	81	81	972
-25%	68	68	68	68	68	68	68	68	68	68	68	68	810
-50%	45	45	45	45	45	45	45	45	45	45	45	45	540

Revenue Impact	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	\$ 6,450	\$ 12,900	\$ 19,350	\$ 25,800	\$ 32,250	\$ 38,700	\$ 45,150	\$ 51,600	\$ 58,050	\$ 64,500	\$ 70,950	\$ 77,400	\$ 503,100
25%	\$ 3,225	\$ 6,450	\$ 9,675	\$ 12,900	\$ 16,125	\$ 19,350	\$ 22,575	\$ 25,800	\$ 29,025	\$ 32,250	\$ 35,475	\$ 38,700	\$ 251,550
10%	\$ 1,290	\$ 2,580	\$ 3,870	\$ 5,160	\$ 6,450	\$ 7,740	\$ 9,030	\$ 10,320	\$ 11,610	\$ 12,900	\$ 14,190	\$ 15,480	\$ 100,620
Budget													
-10%	\$ (1,290)	\$ (2,580)	\$ (3,870)	\$ (5,160)	\$ (6,450)	\$ (7,740)	\$ (9,030)	\$ (10,320)	\$ (11,610)	\$ (12,900)	\$ (14,190)	\$ (15,480)	\$ (100,620)
-25%	\$ (3,225)	\$ (6,450)	\$ (9,675)	\$ (12,900)	\$ (16,125)	\$ (19,350)	\$ (22,575)	\$ (25,800)	\$ (29,025)	\$ (32,250)	\$ (35,475)	\$ (38,700)	\$ (251,550)
-50%	\$ (6,450)	\$ (12,900)	\$ (19,350)	\$ (25,800)	\$ (32,250)	\$ (38,700)	\$ (45,150)	\$ (51,600)	\$ (58,050)	\$ (64,500)	\$ (70,950)	\$ (77,400)	\$ (503,100)

Table 5.3 Sensitivity analysis – membership growth

With an estimated growth of 1,080 Members in 2017, analysis of closures finds that the average value of closed accounts in 2016 was \$2,216 and on average there are 32 account closures each month. The table below shows the impact on Membership revenue if the actual number of membership closures in 2017 varies from the assumptions included in the budget.

Account Closures 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
100%	64	64	64	64	64	64	64	64	64	64	64	64	768
50%	48	48	48	48	48	48	48	48	48	48	48	48	576
10%	35	35	35	35	35	35	35	35	35	35	35	35	420
Budget	32	32	32	32	32	32	32	32	32	32	32	32	384
-10%	29	29	29	29	29	29	29	29	29	29	29	29	348
-50%	16	16	16	16	16	16	16	16	16	16	16	16	192
-100%													

Revenue Impact	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	\$ (5,909)	(11,819)	(17,728)	(23,637)	(29,547)	(35,456)	(41,365)	(47,275)	(53,184)	(59,093)	(65,003)	(70,912)	\$ (460,928)
25%	\$ (2,955)	(5,909)	(8,864)	(11,819)	(14,773)	(17,728)	(20,683)	(23,637)	(26,592)	(29,547)	(32,501)	(35,456)	\$ (230,464)
10%	\$ (554)	(1,108)	(1,662)	(2,216)	(2,770)	(3,324)	(3,878)	(4,432)	(4,986)	(5,540)	(6,094)	(6,648)	\$ (43,212)
Budget													
-10%	\$ 554	1,108	1,662	2,216	2,770	3,324	3,878	4,432	4,986	5,540	6,094	6,648	\$ 43,212
-25%	\$ 2,955	5,909	8,864	11,819	14,773	17,728	20,683	23,637	26,592	29,547	32,501	35,456	\$ 230,464
-50%	\$ 5,909	11,819	17,728	23,637	29,547	35,456	41,365	47,275	53,184	59,093	65,003	70,912	\$ 460,928

Table 5.4 Sensitivity analysis – membership closures

5.3 Non-Members Fees

Fees from Non-Member account holders continue to be very stable and it is anticipated that in 2017 that there will be minimal change to this revenue item in 2017.

5.4 Reactivation Fees

Reactivation Fees are charge to Members to reactivate their accounts after closure. The revenue for this item is expected to be similar to 2016.

5.5 Sign-Up Fees

Sign-Up fees are directly related to membership growth as outlined in table 5.2 above. The fee is \$500 and is discounted by 50% for LDC economies that represent around 10% of forecasted new Member growth. The effect of a variance to the budget assumption for this revenue item is set out in the table below:

New Members 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	135	135	135	135	135	135	135	135	135	135	135	135	1620
25%	113	113	113	113	113	113	113	113	113	113	113	113	1350
10%	99	99	99	99	99	99	99	99	99	99	99	99	1188
Budget	90	90	90	90	90	90	90	90	90	90	90	90	1080
-10%	81	81	81	81	81	81	81	81	81	81	81	81	972
-25%	68	68	68	68	68	68	68	68	68	68	68	68	810
-50%	45	45	45	45	45	45	45	45	45	45	45	45	540

Revenue Impact	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 243,375
25%	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 121,688
10%	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 48,675
Budget													
-10%	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (48,675)
-25%	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (121,688)
-50%	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (243,375)

Table 5.5 Sensitivity analysis – Sign-Up fees

5.6 Transfer Fees

The volume of transfers increased in 2016 and 2017 and estimates are based on similar activities. This revenue item is very difficult to predict because of the nature of the transfer transactions.

5.7 Sundry Income

Sundry income includes revenue for sources such as:

- Meeting receipt registration – Members/Non-Members
- Meeting receipt – Sponsorship
- External training receipts - Member

Meeting Sponsorship was higher than anticipated in 2016; based on early forecasts for the events in 2017 this revenue line will be lower than 2016 and this is reflected in the budget estimation.

5.8 Foreign Exchange Gains/Losses

The budget for exchange rate variances has been set as zero; it is not possible to forecast the total gain or loss on APNIC transactions. APNIC has a low exposure to currency variations as the vast majority of expenses are in Australian dollars along with all revenue.

6 Expenses

The tables below set out APNIC's expenses since 2012, with commentary on the major expenses is included below:

EXPENSES (AUD)	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Forecast 2016	Budget 2017	Change 2016 to 2017	Change %
Salaries and personnel expenses	8,145,433	8,298,111	8,731,164	9,586,575	10,231,618	11,218,142	986,524	9.6%
Travel expenses	1,822,239	1,937,230	1,955,471	1,961,551	1,976,678	2,212,000	235,322	11.9%
Professional fees	939,882	1,246,373	1,052,757	1,195,494	1,469,842	1,783,720	313,878	21.4%
Depreciation expense	816,998	753,032	765,548	764,145	786,767	821,978	35,211	4.5%
Sponsorship and Publicity expense	270,696	319,623	340,946	575,775	643,844	746,730	102,886	16.0%
Computer expenses	551,362	548,748	572,528	520,784	565,821	734,651	168,830	29.8%
Contribution to APNIC Foundation						720,281	720,281	100.0%
Communication expenses	440,762	490,600	483,803	591,885	527,718	594,905	67,187	12.7%
Meeting and training expenses	191,561	332,819	374,850	350,313	365,081	452,250	87,169	23.9%
Office operating expenses	249,930	300,757	312,744	315,608	319,737	337,900	18,163	5.7%
ICANN contract fee	321,655	136,732	260,333	284,161	243,026	270,000	26,974	11.1%
Bank charges	132,080	138,337	145,823	156,496	165,568	177,000	11,432	6.9%
Staff training/ Conference expense	151,386	163,053	135,996	169,122	160,673	161,070	397	0.2%
Insurance expense	126,673	126,751	129,971	131,550	127,844	148,000	20,156	15.8%
Recruitment expense	99,574	89,472	144,423	119,077	101,559	120,000	18,441	18.2%
Membership fees	68,392	48,294	55,611	49,532	48,330	54,210	5,880	12.2%
Postage & delivery	28,493	45,269	22,071	51,029	39,385	51,000	11,615	29.5%
Printing & photocopy	38,115	36,586	48,508	33,807	36,707	48,000	11,293	30.8%
Doubtful debt expenses	27,099	30,990	34,259	-54,293	20,019	25,000	4,981	24.9%
Translation expenses	11,928	15,255	1,623	2,883	11,644	22,500	10,856	93.2%
Income Tax Expenses	-17,506	-96,166	-34,609	12,777				
Miscellaneous Expense	3	-376,729						
Rent and Outgoings	-12,562							
TOTAL EXPENSES	14,404,193	14,585,138	15,533,822	16,818,271	17,841,861	20,699,337	2,857,476	16.0%
Change		1.3%	6.5%	8.3%	6.1%	16.0%		

Table 6.1 Expenses over time – by value

6.2 Salary and Wages

Salary and wages will increase by 9.6% in 2017 when compared to the forecast expenditure for the 2016 year. The assumptions included in this budget are:

- Employee superannuation contributions will remain at 9.5%
- All permanent staff will take 3.5 weeks of annual leave
- The overall allowance for salary increases resulting from role changes and annual performance reviews will be set at 3.5%
- Existing headcount commitments continue from 2016 with the new positions outlined in 4.2.2 above, these appointments will occur during the year.
- Two APNIC staff will move to the APNIC foundation, their costs will be included in the new expense; Contribution to APNIC foundation.

6.3 Travel Expenses

APNIC's travel expenses will increase in 2017, the travel budget was developed based on assessment of individual travel plans for 2017. The increase results from a number of changes to 2016 as follows;

- The introduction of a more comprehensive community engagement program as set out in the new initiatives section in 4.2.1
- The APNIC 41 conference was held in New Zealand which significantly reduced the cost of travel for APNIC; the conferences in 2017 will increase this budget item
- Support for the SIG Chairs was introduced at the last meeting; future meetings will increase expenditure

Travel expenses include all corporate travel management fees and International SOS membership, which provides advice and emergency assistance for those travelling on APNIC business.

6.4 Professional fees

The baseline budget before initiatives is below the forecast for 2016; this is a result of costs such as the APNIC Survey and the KPMG NIR work that was undertaken on 2016 not requiring budget allocations for 2017. The inclusion of Professional fees in the new Initiatives will see the final budget increase by 21.4%. The major items are:

• I-Root and F-Root maintenance	145,000
• Legal advice and expenses	145,000
• Non-staff trainers - increase to cover costs of community trainers	140,000
• Investment consultant service - Credit Suisse (\$22.5m @ 0.6%)	135,000
• Technical Assistance Services including travel and expenses	132,000*
• Curriculum development including new on-line and workshop material	130,000*
• New community collaboration consultant(s)	125,000*
• Design consultancy	120,000
• HR related consultants	116,800
• APNIC 43 and 44 Stenography	56,000
• Financial and tax advice	50,000
• Benchmarking consultancy, product management consultancy	50,000
• CRM consultation & implementation	50,000
• Audit fees	36,000
• ERP consulting support	35,000
• Usability test plans, workshops and consulting	35,000

*Included in New Initiatives in 4.2 above

6.5 Depreciation Expenses

Depreciation expenses are budgeted based on analysis of the existing depreciation and capital allowance schedules; including anticipated depreciation based on Capital Expenditure planned for 2017. The amounts budgeted for 2017 are:

• Equipment depreciation	650,000
• Capital works allowances (6 Cordelia St)	171,978

6.6 Sponsorship and Publicity Expenses

Sponsorship and Publicity includes APNIC contributions to the NRO expenses, the ISIF program, and sponsorship of NOG's and other community events. Major expenses in 2017 include:

• NRO expenses - APNIC Contribution (23.60% of USD 632,000 @ 0.72)	208,000
• APNIC contribution to ISIF grants pool	100,000
• Regional technical development and increase for new NOGs	90,000
• Research grants on technical issues (for 2017)	60,000
• Google PPC advertising	60,000
• APNIC conference fellowships (youth and female fellows included)	50,000
• Regional community development conferences and events.	45,000
• Regional/national IGFs sponsorship	30,000
• Regional technical development - security and CERTs and increase	30,000
• General promotional items for Training and other Units	13,000

6.7 Computer Expenses

Computer expenses include all non-capital purchases of equipment, consumables, license and support fees for hardware and software. There are a number of costs related to work commenced in 2016 which contribute to the increase in 2017. Major contributors to this cost in 2017 are:

• ERP licenses users and modules	110,000
• CRM marketing license	30,000
• VPN & load balancer premium services	26,373
• Document Management System	25,000
• CRM license	25,000
• Cloud computing costs	25,000
• Virtualisation OS enterprise host licenses	24,480
• Expense reporting system subscription	20,000
• E-learning and other HR system	20,000
• HK cloud service	20,000
• JP cloud service	20,000
• Maintenance contract - DNSSEC signers	18,360
• HRIS Licenses - 1 March (19,100 yearly cost)	16,250
• Office and calendaring system	15,606
• CMS Support & Hosting	15,000

6.8 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 2017 budget include the following:

• Rack hire, power, cross connect	95,325
• Rack hire - 2 x 48RU	55,202
• Transit connection	42,840
• Anycast DNS service	35,700
• DNS loadbalancing - for regional whois (port 43)	26,928
• IP backbone	22,644
• Smartnet	20,383
• Transit connection	18,360
• Dark Fibre: Office – Data Centre 2	18,000
• Dark Fibre: Data Centre 1 – Data Centre 2	15,000
• TBS equipment maintenance	14,728
• IP backbone with QoS 10M	12,325
• Switch – Data Centre 1	10,037
• Switch – Data Centre 2	10,036

6.9 Contribution to APNIC Foundation

As detailed in 4.1 above APNIC will cover Foundation costs up to a maximum of \$720,281 in 2017. Of this cost \$384,659 relates to costs that would normally have been included in APNIC accounts.

6.10 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. The major contributors to this expense are the APNIC conferences in 2017 in Vietnam and Taiwan. While not all meeting expenses are included in this expense, the major venue and logistic costs are included. A portion of these costs in some instances is offset by sponsorship and Registration/workshop income. Major costs included in the 2017 budget are:

• Training support (venue and catering costs) - one event per month	96,000
• APNIC 44 Conference week - venue hire	50,000
• APNIC 44 Conference week - catering based on 400 pax f@ \$60 each	40,150
• APNIC 43 (APRICOT Closing Reception)	26,000
• APNIC 44 Conference AV rental	25,000
• Mid-year & year-end staff events	24,000
• APNIC 44 Opening reception	17,000

• APNIC 44 Workshop week - venue hire	15,000
• APNIC 44 Workshop week – catering	15,000
• APNIC 44 Closing dinner - Thursday	15,000
• Quarterly offsite meeting for ELT	12,000
• APNIC 43 Conference Room Rental	10,000
• Services outreach exhibition (CommuniCast and CommunicAsia)	10,000

6.11 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 2016 allowing for CPI increases and overall staffing increases. Major planned expenditure for 2017 includes:

• Cordelia Street - Electricity	60,000
• Land Tax	52,500
• Kitchen Supply and Catering Expense	50,000
• Office Cleaning Contract	40,000
• BCC Rates	34,000
• General Maintenance and repairs	12,500
• WHS Support	10,560
• General Workplace Health & Safety	7,500
• Health Checks	7,500
• Office building A/C service 600/monthly	7,200

7 Capital Expenditure

Capital expenditure comprises equipment & software and office equipment. For the 2017 budget submission capital expenditure is planned at \$1,292,618. Of this \$1,259,118 relates to Equipment & Software, and \$33,500 relates to Office Furniture & Fittings as set out in the table below:

Capital Expenditure	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Forecast 2016	Budget 2017	Change 2016 to 2017	Change %
Equipment & Software	337,479	661,095	662,698	671,551	880,208	1,259,118	35,211	4.0%
Office Furniture & Fittings	60,664	89,911	31,728	36,731	51,765	33,500	4,981	9.6%
OPERATING SURPLUS/(DEFICIT)	398,143	751,006	694,426	708,282	931,973	1,292,618	40,192	4.3%

Table 7.1 Capital Expenditure over time

Major items in Equipment & Software include:

• Root Server new installations, upgrade and maintenance	230,000
• Firewall/Intrusion detection and prevention system	180,000
• Stats & Data Development Work - Project Consultancy	100,000
• APNIC Portal Development work - Project Consultancy	100,000
• Switch – Data Centre 1	63,520
• Switch – Data Centre 2	63,520
• New routers for Training Lab	50,000
• RIPE Anchors	30,000
• Services and Maintenance of Lab Equipment New Software Upgrades	30,000
• Improvements to software systems to manage training and fellowships	20,000
• E-Learning H/W, equipment, and upgrades	20,000
• Server - DNS - Anycast NS	20,000
• Server - DNS - Anycast Secondaries	20,000
• Server – Brisbane	20,000
• Router – Hong Kong	18,243
• Router – Japan	18,243
• VoIP UCS software upgrade	15,000
• Switch – Office network	10,812
• Email and Calendaring system	10,800
• VoIP UCS training	10,000
• CRM development work	10,000

Office Furniture & Fittings include allowances for replacement of office furniture and kitchen equipment, office modifications and alterations.

8 APNIC Foundation

The APNIC foundation as explained under initiatives will require up to \$720k of funding in 2017, this may be reduced if some current proposals are accepted. The table below sets out a scenario of projected project funding out to 2021:

PROJECT FUNDING	APNIC Foundation 2017	Overhead Recovery 2017	Overhead Recovery 2018	Overhead Recovery 2019	Overhead Recovery 2020	Overhead Recovery 2021
IDRC 170k CAD	169,803	16,980	16,980	16,980	16,980	16,980
Australian Department of Foreign Affairs \$3,513,250 AUD	3,513,250	70,265	70,265	70,265	70,265	70,265
World Bank \$2,650,750 AUD	2,650,750	66,269	66,269	66,269	66,269	
Other Funding 2018	5,000,000		100,000	100,000	100,000	100,000
Other Funding 2019	6,500,000			130,000	130,000	130,000
Other Funding 2020	8,000,000				160,000	160,000
Other Funding 2021	10,000,000					200,000
Total	35,664,000	153,514	253,514	383,514	543,514	677,245

Table 8.1 Project funding scenarios

Based on the assumptions in the table above the financial impact might look like the table below:

REVENUE (AUD)	APNIC Foundation 2017	APNIC Foundation 2017	APNIC Foundation 2018	APNIC Foundation 2019	APNIC Foundation 2020	APNIC Foundation 2021
Contribution from APNIC	720,281	566,767	484,774	373,231	232,150	117,810
Contribution from other Funders		153,514	253,514	383,514	543,514	677,245
TOTAL REVENUE	720,281	720,281	738,288	756,745	775,664	795,055

EXPENSES (AUD)	APNIC Foundation 2017	APNIC Foundation 2017	APNIC Foundation 2018	APNIC Foundation 2019	APNIC Foundation 2020	APNIC Foundation 2021
Bank charges	350	350	359	368	377	386
Communication expenses	5,000	5,000	5,125	5,253	5,384	5,519
Computer expenses	5,000	5,000	5,125	5,253	5,384	5,519
Depreciation expense	2,640	2,640	2,706	2,774	2,843	2,914
Meeting and training expenses	1,500	1,500	1,538	1,576	1,615	1,656
Postage & delivery	250	250	256	263	269	276
Printing & photocopy	5,000	5,000	5,125	5,253	5,384	5,519
Professional fees	30,000	30,000	30,750	31,519	32,307	33,114
Recruitment expense	5,000	5,000	5,125	5,253	5,384	5,519
Salaries and personnel expenses	512,481	512,481	525,293	538,425	551,886	565,683
Staff training/ Conference expenses	5,000	5,000	5,125	5,253	5,384	5,519
Translation expenses	2,500	2,500	2,563	2,627	2,692	2,760
Travel expenses	145,560	145,560	149,199	152,929	156,752	160,671
TOTAL EXPENSES	720,281	720,281	738,288	756,745	775,664	795,055

REVENUE and EXPENSES (AUD)	APNIC Foundation 2017	APNIC Foundation 2017	APNIC Foundation 2018	APNIC Foundation 2019	APNIC Foundation 2020	APNIC Foundation 2021
Total Revenue	720,281	720,281	738,288	756,745	775,664	795,055
Total Expenses	720,281	720,281	738,288	756,745	775,664	795,055
OPERATING SURPLUS/(DEFICIT)						

Table 8.2 APNIC Foundation – Scenario financial impact

The graph below graphically illustrates the impact of the above scenario:

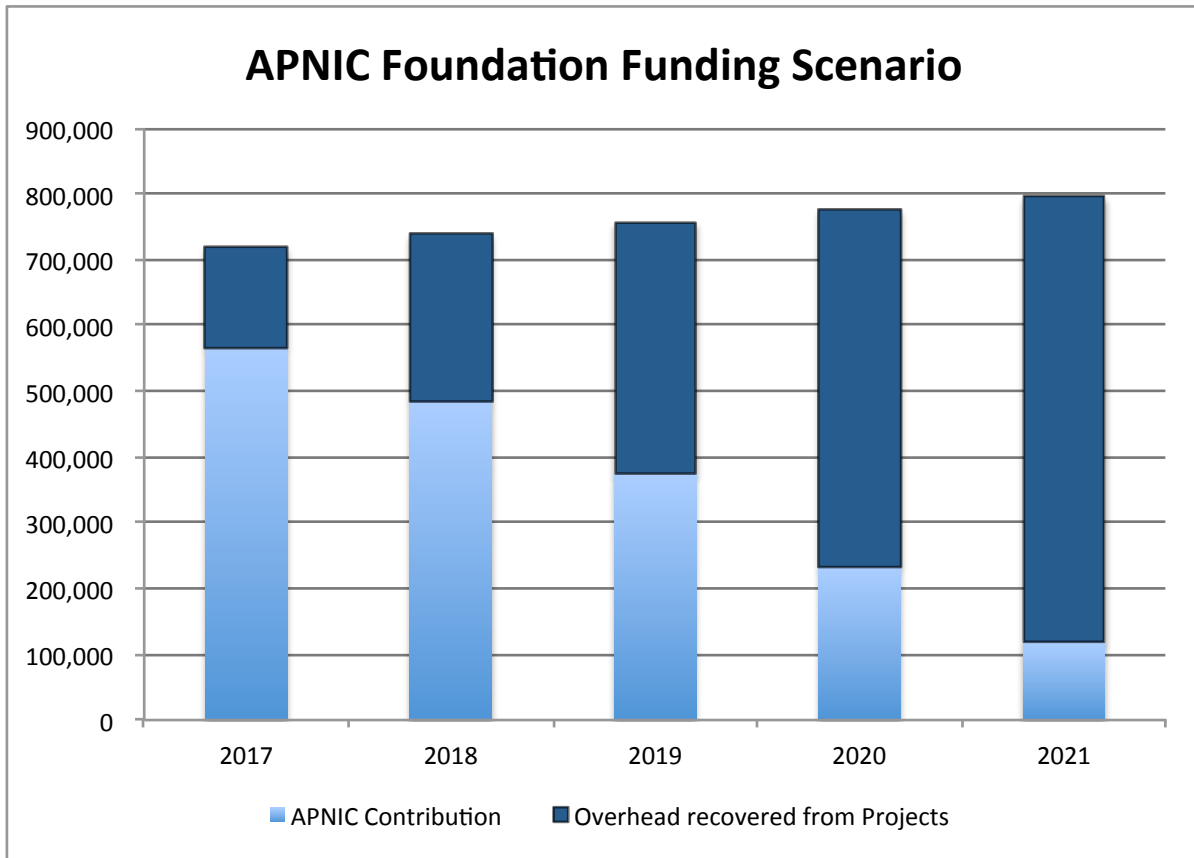


Figure 8.2 APNIC Foundation funding over time



2017 Budget Submission

EC Retreat, Brisbane
November 2016

Issue Date: November 2016
Revision: 01

APNIC



Budget 2017 Summary

- The proposed budget includes:
 - Operational **expenditure of AUD \$20,699,337** and,
 - projected **revenue of AUD \$21,622,140** providing,
 - an operating **surplus of AUD \$922,803** for 2017.
 - Capital Expenditure requirements for 2017 is AUD **\$1,292,618**.

All values in this document are in AUD unless otherwise stated.

APNIC



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Revenue and Expenses 2017

← Intellerra 2017 →									
REVENUE (AUD)	Forecast 2016	Budget 2017	Change	Change %	APNIC Foundation	APNIC Capacity Building	Revised Budget 2017	Change	Change %
Investment income	851,480	1,021,853	140,413	16%			1,021,853	140,413	16%
Membership fees	18,313,885	19,551,338	1,237,451	7%			19,551,338	1,237,451	7%
Non-members fees	242,613	246,170	3,557	1%			246,170	3,557	1%
Reactivation fees	33,987	30,000	(1,133)	3%			30,000	(1,133)	3%
Sign-up fees	488,000	488,750	750	0%			488,750	750	0%
Transfer fees	132,545	125,951	(6,594)	-5%			125,951	(6,594)	-5%
Sundry income	183,231	155,000	(28,231)	-15%			155,000	(28,231)	-15%
TOTAL REVENUE	20,276,621	21,622,148	1,346,519	7%			21,622,148	1,346,519	7%
← Intellerra 2017 →									
EXPENSES (AUD)	Forecast 2016	Budget 2017	Change	Change %	APNIC Foundation	APNIC Capacity Building	Revised Budget 2017	Change	Change %
Bank charges	165,568	177,000	11,432	7%			177,000	11,432	7%
Communication expenses	527,718	584,905	67,187	13%			584,905	67,187	13%
Computer expenses	665,621	734,651	68,830	10%			734,651	68,830	10%
Contribution to APNIC Foundation					720,281		720,281	720,281	100%
Discussion expenses	786,767	821,278	35,211	4%			821,278	35,211	4%
Doubtful debt expenses	20,019	25,000	4,981	25%			25,000	4,981	25%
ICANN contract fee	243,028	270,000	26,974	11%			270,000	26,974	11%
Insurance expense	127,844	148,000	20,156	16%			148,000	20,156	16%
Meeting and training expenses	365,081	452,250	87,169	24%			452,250	87,169	24%
Membership fees	48,326	54,210	5,884	12%			54,210	5,884	12%
Office operating expenses	315,737	327,000	11,263	4%			327,000	11,263	4%
Postage & delivery	39,385	51,000	11,615	29%			51,000	11,615	29%
Printing & photocopy	39,707	48,000	11,293	31%			48,000	11,293	31%
Professional fees	1,459,342	1,386,720	(72,622)	-5%			1,386,720	(72,622)	-5%
Recruitment expense	101,559	120,000	18,441	18%			120,000	18,441	18%
Research and personal expenses	10,231,818	11,287,750	1,055,932	10%			11,287,750	1,055,932	10%
Donorship and Publicity expenses	643,844	745,720	102,886	16%			745,720	102,886	16%
Staff training Conference expenses	160,073	161,070	997	0%			161,070	997	0%
Translation expenses	11,644	22,500	10,856	93%			22,500	10,856	93%
Travel expenses	1,976,978	2,199,786	223,168	11%			2,199,786	223,168	11%
TOTAL EXPENSES	17,841,861	19,648,458	1,807,544	10%	720,281		20,498,327	2,657,476	15%
← Intellerra 2017 →									
REVENUE AND EXPENSES (AUD)	Forecast 2016	Budget 2017	Change	Change %	APNIC Foundation	APNIC Capacity Building	Revised Budget 2017	Change	Change %
Total Revenue	20,276,621	21,622,148	1,346,519	7%			21,622,148	1,346,519	7%
Total Expenses	17,841,861	19,648,458	1,807,544	10%	384,659	665,273	20,498,327	2,657,476	15%
OPERATING SURPLUS/DEFICIT	2,434,760	1,973,730	(461,030)	-19%	384,659	665,273	1,123,821	(1,514,891)	-62%



Provisions and Allowances 2017

APNIC Foundation

- APNIC will transfer two staff on secondment to the Foundation in 2017
- Will require the replacement of the Development Director
- Costs to support the foundation incurred by APNIC and from other parties will be charged to the Foundation. (Activity code = APNIC Foundation)
- APNIC will underwrite these costs in 2017 recognizing this as a "Contribution to the Foundation" in its expenses.
- Total cost of the Foundation activities in 2017 is budgeted at \$720,281. This amount represents the maximum contribution in 2017
- As funds are contributed by other parties for projects, the Foundation will recover overhead and will require less contribution from APNIC.



Provisions and Allowances 2017

Capacity Building budget initiatives in 2017 comprising:

- Community Engagement
- New Staff
- Development Initiatives

APNIC



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Provisions and Allowances 2017

Community Engagement

This initiative will add \$125k in Professional fees and \$70k in travel.

The aim is to add resources 'on the ground' to promote more active participation in APNIC activities (PDP, SIGs, and community engagement),

APNIC will engage local partners with the following criteria:

- Proven track record of getting community members actively involved in APNIC activities
- Have shown to work effectively across technical and management layers
- Ability to work across industry segments
- A good standing in their communities

APNIC



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Provisions and Allowances 2017

New Staff

This budget contains an allowance for **three new positions in 2017** increasing salary and wages costs by \$208k in 2017.

The Communications Area proposes **one new FTE** to handle the additional communications workload caused by:

- Increasing Blog readership growth requiring more in-house blog writing and coordination of guest blogs
- The need for improved community engagement support through a more tailored communication by sub-segments
- Increased APNIC Foundation communication support, now that it has been incorporated

APNIC



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Provisions and Allowances 2017

New Staff cont'd.

The Technical Area proposes **one new FTE** to reduce important software backlog such as:

- Performance improvement (responding to survey feedback)
- Improved system support for membership closure and reactivation requests
- Improvements on other public facing systems such as RDAP and forums

The Director General Area proposes **one new FTE** to provide needed executive support to the APNIC EC, ELT and DG:

- The EC requires an increased level of support for meeting preparation, reporting and administration
- Connie Chan previously received assistance from Ira Wulandari, who departed APNIC in September 2016 and has not been replaced.

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Provisions and Allowances 2017

Development Initiatives.

The budget includes an allowance of \$262k in Professional Fees for the following initiatives:

Engagement of Consultant/s for Curriculum Development:

- APNIC Academy gives Members direct access to APNIC's extensive and operationally relevant technical training curriculum that will be developed and prepared by external subject-matter experts.

Engagement of Technical Assistance Services:

- The use of experienced, operational experts as well as other programs such as the ITU IPv6 collaboration; specifically two direct country assistance programs in 2017 and the engagement of technical consultants. Technical assistance for Members in the area of security is also expected to grow in 2017.

APNIC



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Revenue

REVENUE (AUD)	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Forecast 2016	Budget 2017	Change 2016 to 2017	Change %
Investment income	595,635	585,522	754,563	792,041	881,480	1,021,893	140,413	15.9%
Membership fees	14,361,213	15,074,781	15,903,111	16,933,413	18,313,885	19,551,336	1,237,451	6.8%
Non-members fees	227,966	240,225	254,706	243,049	242,613	246,170	3,557	1.5%
Reactivation fees	43,200	37,050	67,800	37,600	33,867	35,000	1,133	3.3%
Sign-Up fees				456,000	488,000	486,750	-1,250	-0.3%
IP Resource Application Fees	2,232,250	1,420,625	1,323,250	-18,375				
Transfer fees	11,616	61,339	81,304	77,943	132,545	125,991	-6,554	-4.9%
Sundry income	186,481	115,481	211,569	225,580	183,231	155,000	-28,231	-15.4%
Foreign Exchange Loss/Gain	-3,930	33,618	26,628	27,185				
TOTAL REVENUE	17,654,431	17,568,641	18,622,931	18,774,436	20,275,621	21,622,140	1,346,519	6.6%
Change		-0.5%	6.0%	0.8%	8.0%	6.6%		

APNIC



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Membership Trend

Membership	2009	2010	2011	2012	2013	2014	2015	Est 2016	Budget 2017
Extra Large	13	16	21	20	20	21	22	22	22
Very Large	31	33	41	45	43	40	44	44	44
Large	106	141	145	144	147	142	137	134	134
Medium	276	324	378	402	392	402	431	442	442
Small	823	867	970	1114	1198	1388	2165	2653	3160
Very Small	472	637	817	1021	1294	1701	2336	2612	2813
Associate	449	503	575	788	957	924	133	118	106
Total	2170	2521	2947	3534	4051	4618	5268	6025	6721
New	478	507	615	832	813	805	968	1050	1080
Close	163	156	189	245	296	250	318	318	384
Net Gain	315	351	426	587	517	555	650	732	696
Average Monthly Net Gain	26	29	36	49	43	46	54	61	58

- Net member growth in 2017 is estimated at 696, comprising new members of 1080, with 384 accounts expected to close, the revenue impact of variations from this estimate are set out below for both membership fees and Sign-up fees:

APNIC



Membership Trend

Sensitivity of new membership growth on Membership Fees:

New Members 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	135	135	135	135	135	135	135	135	135	135	135	135	1620
25%	113	113	113	113	113	113	113	113	113	113	113	113	1350
10%	99	99	99	99	99	99	99	99	99	99	99	99	1188
Budget	90	90	90	90	90	90	90	90	90	90	90	90	1080
-10%	81	81	81	81	81	81	81	81	81	81	81	81	972
-25%	68	68	68	68	68	68	68	68	68	68	68	68	810
-50%	45	45	45	45	45	45	45	45	45	45	45	45	540

Revenue Impact	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	\$ 4,450	\$ 12,900	\$ 19,350	\$ 25,800	\$ 32,250	\$ 38,700	\$ 45,150	\$ 51,600	\$ 58,050	\$ 64,500	\$ 70,950	\$ 77,400	\$ 503,100
25%	\$ 3,225	\$ 6,450	\$ 9,675	\$ 12,900	\$ 16,125	\$ 19,350	\$ 22,575	\$ 25,800	\$ 29,025	\$ 32,250	\$ 35,475	\$ 38,700	\$ 251,550
10%	\$ 1,290	\$ 2,580	\$ 3,870	\$ 5,160	\$ 6,450	\$ 7,740	\$ 9,030	\$ 10,320	\$ 11,610	\$ 12,900	\$ 14,190	\$ 15,480	\$ 100,620
Budget													
-10%	\$ (1,290)	\$ (2,580)	\$ (3,870)	\$ (5,160)	\$ (6,450)	\$ (7,740)	\$ (9,030)	\$ (10,320)	\$ (11,610)	\$ (12,900)	\$ (14,190)	\$ (15,480)	\$ (100,620)
-25%	\$ (3,225)	\$ (6,450)	\$ (9,675)	\$ (12,900)	\$ (16,125)	\$ (19,350)	\$ (22,575)	\$ (25,800)	\$ (29,025)	\$ (32,250)	\$ (35,475)	\$ (38,700)	\$ (251,550)
-50%	\$ (6,450)	\$ (12,900)	\$ (19,350)	\$ (25,800)	\$ (32,250)	\$ (38,700)	\$ (45,150)	\$ (51,600)	\$ (58,050)	\$ (64,500)	\$ (70,950)	\$ (77,400)	\$ (503,100)

Sensitivity of membership closures on Membership Fees:

Member Account Closures 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
100%	64	64	64	64	64	64	64	64	64	64	64	64	768
50%	48	48	48	48	48	48	48	48	48	48	48	48	576
10%	35	35	35	35	35	35	35	35	35	35	35	35	420
Budget	32	32	32	32	32	32	32	32	32	32	32	32	384
-10%	29	29	29	29	29	29	29	29	29	29	29	29	348
-50%	16	16	16	16	16	16	16	16	16	16	16	16	192
-100%													

Revenue Impact	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	\$ (5,909)	\$ (11,819)	\$ (17,728)	\$ (23,637)	\$ (29,547)	\$ (35,456)	\$ (41,365)	\$ (47,275)	\$ (53,184)	\$ (59,093)	\$ (65,003)	\$ (70,912)	\$ (460,928)
25%	\$ (2,955)	\$ (5,909)	\$ (8,864)	\$ (11,819)	\$ (14,773)	\$ (17,728)	\$ (20,683)	\$ (23,637)	\$ (26,592)	\$ (29,547)	\$ (32,501)	\$ (35,456)	\$ (230,464)
10%	\$ (554)	\$ (1,108)	\$ (1,662)	\$ (2,216)	\$ (2,770)	\$ (3,324)	\$ (3,878)	\$ (4,432)	\$ (4,986)	\$ (5,540)	\$ (6,094)	\$ (6,648)	\$ (43,212)
Budget													
-10%	\$ 554	\$ 1,108	\$ 1,662	\$ 2,216	\$ 2,770	\$ 3,324	\$ 3,878	\$ 4,432	\$ 4,986	\$ 5,540	\$ 6,094	\$ 6,648	\$ 43,212
-25%	\$ 2,955	\$ 5,909	\$ 8,864	\$ 11,819	\$ 14,773	\$ 17,728	\$ 20,683	\$ 23,637	\$ 26,592	\$ 29,547	\$ 32,501	\$ 35,456	\$ 230,464
-50%	\$ 5,909	\$ 11,819	\$ 17,728	\$ 23,637	\$ 29,547	\$ 35,456	\$ 41,365	\$ 47,275	\$ 53,184	\$ 59,093	\$ 65,003	\$ 70,912	\$ 460,928

APNIC



Revenue – Membership Fees

Membership Fees

Membership Fees 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
Existing Members in ARMS	\$ 1,544,755	\$ 1,547,830	\$ 1,549,821	\$ 1,550,846	\$ 1,552,510	\$ 1,553,331	\$ 1,556,304	\$ 1,557,999	\$ 1,559,715	\$ 1,559,715	\$ 1,559,715	\$ 1,559,715	\$ 18,652,056
New members in 2017	\$ 64,930	\$ 77,830	\$ 90,730	\$ 103,630	\$ 116,530	\$ 129,430	\$ 142,330	\$ 155,230	\$ 168,130	\$ 181,030	\$ 193,930	\$ 206,830	\$ 1,630,560
Closures/Mergers etc.	\$ (28,439)	\$ (34,348)	\$ (40,257)	\$ (46,167)	\$ (52,076)	\$ (57,985)	\$ (63,895)	\$ (69,804)	\$ (75,713)	\$ (81,623)	\$ (87,532)	\$ (93,441)	\$ (731,280)
Estimated Membership Fees	\$ 1,581,246	\$ 1,591,312	\$ 1,600,293	\$ 1,608,310	\$ 1,616,964	\$ 1,624,775	\$ 1,634,740	\$ 1,643,425	\$ 1,652,132	\$ 1,659,122	\$ 1,666,113	\$ 1,673,104	\$ 19,551,336

- Budget based on detailed analysis of current Membership database and predictions for 2017
- Growth in membership (annual) fee revenue continues to be limited to small increments resulting from "final /B" allocations (to new and existing members), and unpredictable increments resulting from transfers received.
- Average annual fee for a new member in 2016 is \$1,720
- Average annual fee for closed accounts in 2016 is \$2,216

Sign Up-Fee

Sensitivity of new membership budget on Sign-Up Fees:

New Members 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	135	135	135	135	135	135	135	135	135	135	135	135	1620
25%	113	113	113	113	113	113	113	113	113	113	113	113	1350
10%	99	99	99	99	99	99	99	99	99	99	99	99	1188
Budget	90	90	90	90	90	90	90	90	90	90	90	90	1080
-10%	81	81	81	81	81	81	81	81	81	81	81	81	972
-25%	68	68	68	68	68	68	68	68	68	68	68	68	810
-50%	45	45	45	45	45	45	45	45	45	45	45	45	540

Revenue Impact	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017
50%	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 20,281	\$ 243,375
25%	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 10,141	\$ 121,688
10%	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 48,675
Budget	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 4,056	\$ 48,675
-10%	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ (4,056)	\$ 48,675
-25%	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ (10,141)	\$ 121,688
-50%	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ (20,281)	\$ 243,375

- New member growth for 2017 is 1080, the average fee paid in 2016 is \$450 AUD, after accounting for discounts to LDC's.
- Just under 10% of members join from LDC's.

Revenue - Investment & Interest Income

Credit Suisse Investment fund

- Cash reserves invested as set out in the approved Investment Policy.
- At the end of October 2016, \$21.1M invested, income reported at \$691k, Capital Growth of \$19k
- Forecast income of \$714k for 2016
- Budget of \$857k for 2017 based on a detailed forecast for income over the next 12 months provided by Credit Suisse
- Likely to transfer excess funds of \$1M to the fund during 2017, \$1.5M transferred so far in 2016.

Interest Income

- Retain over \$4.0M in short-term deposits and at-call deposit accounts
- Interest received to end of Oct 2016 was \$139k
- 2017 estimated at \$165k

APNIC



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Revenue - Sundry Income

Includes income from sponsorship for APNIC conferences and registration fees received for other events and training activities, in 2017 the budget comprises:

- Meeting Receipt Registration – Members/Non Members
- Meeting Receipt – Sponsorship
- External Training Receipts - Member

Meeting Sponsorship was higher than anticipated in 2016, based on early forecast for the events in 2017 this revenue line will be lower than 2016 and this is reflected in the budget estimation.

APNIC



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Expenses

EXPENSES (AUD)	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Forecast 2016	Budget 2017	Change 2016 to 2017	Change %
Salaries and personnel expenses	8,145,433	8,298,111	8,731,164	9,586,575	10,231,618	11,218,142	986,524	9.6%
Travel expenses	1,822,239	1,937,230	1,955,471	1,961,551	1,976,678	2,212,000	235,322	11.9%
Professional fees	939,882	1,246,373	1,052,757	1,195,494	1,469,842	1,783,720	313,878	21.4%
Depreciation expense	816,998	753,032	765,548	764,145	786,767	821,978	35,211	4.5%
Sponsorship and Publicity expense	270,696	319,623	340,946	575,775	643,844	746,730	102,886	16.0%
Computer expenses	551,362	548,748	572,528	520,784	565,821	734,651	168,830	29.8%
Contribution to APNIC Foundation						720,281	720,281	100.0%
Communication expenses	440,762	490,600	483,803	591,885	527,718	594,905	67,187	12.7%
Meeting and training expenses	191,561	332,819	374,850	350,313	365,081	452,250	87,169	23.9%
Office operating expenses	249,930	300,757	312,744	315,608	319,737	337,900	18,163	5.7%
ICANN contract fee	321,655	136,732	260,333	284,161	243,026	270,000	26,974	11.1%
Bank charges	132,080	138,337	145,823	156,496	165,568	177,000	11,432	6.9%
Staff training/ Conference expense	151,386	163,053	135,996	169,122	160,673	161,070	397	0.2%
Insurance expense	126,673	126,751	129,971	131,550	127,844	148,000	20,156	15.8%
Recruitment expense	99,574	89,472	144,423	119,077	101,559	120,000	18,441	18.2%
Membership fees	68,392	48,294	55,611	49,532	48,330	54,210	5,880	12.2%
Postage & delivery	28,493	45,269	22,071	51,029	39,385	51,000	11,615	29.5%
Printing & photocopy	38,115	36,586	48,598	33,807	36,707	48,000	11,293	30.8%
Doubtful debt expenses	27,099	30,990	34,259	-54,293	20,019	25,000	4,981	24.9%
Translation expenses	11,928	15,255	1,623	2,883	11,644	22,500	10,856	93.2%
Income Tax Expenses	-17,506	-96,166	-34,609	12,777				
Miscellaneous Expense	3	-376,729						
Rent and Outgoings	-12,562							
TOTAL EXPENSES	14,404,193	14,585,138	15,533,822	16,818,271	17,841,861	20,699,337	2,857,476	16.0%
Change		1.3%	6.5%	8.3%	6.1%	16.0%		

Expenses – Salary & Wages

Salary and wages will increase by 9.6% in 2017 when compared to the forecast expenditure for 2016.

The assumptions included in this budget are:

- Employee superannuation contributions will remain at 9.5%
- All permanent staff will take 3.5 weeks of annual leave
- The overall allowance for salary increases resulting from role changes and annual performance reviews will be set at 3.5%
- Existing headcount commitments continue from 2016 with new positions, these appointments will occur during the year.

2 APNIC staff will move to the APNIC foundation, their costs will be included in the new expense; Contribution to APNIC foundation.

Expenses – Travel

APNIC's travel expenses will increase by 11.9% in 2017, the travel budget was developed based on assessment of individual travel plans for 2017. The increase results from a number of changes to 2016;

- The introduction of a more comprehensive community engagement program as set out in the new initiatives section
- The APNIC 41 conference was held in New Zealand that significantly reduced the cost of travel for APNIC, the conferences in 2017 will increase this budget item
- Support for the SIG Chairs/Co-Chairs was introduced at the last meeting, future meetings will increase expenditure
- Travel expenses include all corporate travel management fees and International SOS membership, which provides advice and emergency assistance for those travelling on APNIC business.

Travel budget for EC members is \$224k or \$32k per EC member.

Expenses – Professional Fees

The baseline budget before initiatives is below the forecast for 2016; APNIC Survey and the KPMG NIR work not requiring budget allocations for 2017.

The inclusion of Professional fees in the new Initiatives will see the final budget increase by 21.4% (\$313k), the major items are:

• I-Root & F-Root Maintenance	145,000
• Legal Advice & Expenses	145,000
• Non-staff trainers - Increase to cover costs of community trainers	140,000
• Investment Consultant Service - Credit Suisse (\$22.5m @ 0.6%)	135,000
• Technical Assistance Services including travel and expenses	132,000*
• Curriculum development	130,000*
• New community collaboration Consultant(s)	125,000*
• Design Consultancy	120,000

*Included in New initiatives for 2017

Expenses – Depreciation

Depreciation expenses are budgeted based on analysis of the existing depreciation and capital allowance schedules; including anticipated depreciation based on Capital Expenditure planned for 2017 an increase of 4.5%.

The amounts budgeted for 2017 are:

- | | |
|---|---------|
| • Equipment depreciation | 650,000 |
| • Capital Works allowances(6 Cordelia St) | 171,978 |

Expenses – Sponsorship & Publicity

Sponsorship and Publicity includes APNIC contributions to the NRO expenses, the ISIF program, and sponsorship of NOG's and other community events. This will increase by 16% in 2017

Major expenses in 2017 include:

- | | |
|---|---------|
| • NRO Expenses APNIC Contribution | 208,000 |
| • APNIC contribution to ISIF grants pool | 100,000 |
| • Regional technical development, new NOGs etc. | 90,000 |
| • Research grants on technical issues | 60,000 |
| • Google PPC Advertising | 60,000 |
| • APNIC conference fellowships | 50,000 |
| • Regional conferences and events. | 45,000 |
| • Regional/national IGFs sponsorship | 30,000 |
| • Regional technical development - security and CERTs | 30,000 |

Expenses – Computer Expenses

Computer expenses include all non-capital purchases of equipment, consumables, license and support fees for hardware and software. There are a number of costs related to work commenced in 2016 which contribute to the increase to in 2017. Major contributors to this cost in 2017 are:

• ERP licenses users and modules	110,000
• CRM marketing license*	30,000
• VPN & load balancer premium services	26,373
• Document Management System	25,000
• CRM license*	25,000
• Cloud computing costs*	25,000
• Virtualisation OS enterprise host licenses	24,480
• Expense reporting system subscription	20,000
• E-learning & Other HR system*	20,000
• HK Cloud Service*	20,000
• JP Cloud Service*	20,000
• Instant Messenger*	14,000

*new for 2017

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Expenses- Contribution to APNIC Foundation

- APNIC will cover Foundation costs up to a maximum of \$720,281 in 2017.
- \$335,622 relates to costs that would normally have been included in APNIC accounts.

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Expenses – Communication Expenses

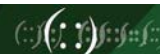
Communication expenses include data network expenses, Internet connectivity expenses, telephony and mobile phone expenses.

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 2017 budget include the following:

• Rack hire, power, cross connect	95,325
• Rack hire - 2 x 48RU	55,202
• Transit connection	42,840
• Anycast DNS service	35,700
• DNS load balancing - for regional whois	26,928
• IP backbone	22,644
• Smartnet	20,383
• Transit connection	18,360
• Dark Fibre: Office – Data Centre 2	18,000
• Dark Fibre: Data Centre 1 – Data Centre 2	15,000

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Expenses – Meeting & Training Expenses

Meeting and Training expenses include all the costs incurred in running the meetings including APNIC conferences and other meeting/training events.

The major contributors to this expense are the APNIC conferences in 2017 in Vietnam and Taiwan. This expense will increase by 23.9% with increased costs for training events and an overall increase in conference costs.

Major costs included in the 2017 budget are:

• Training support (venue and catering costs) - one event per month	96,000
• APNIC 44 Conference week - venue hire	50,000
• APNIC 44 Conference week – catering	40,150
• APNIC 43 (Closing Reception)	26,000
• APNIC 44 Conference AV rental	25,000
• Mid-year and year-end staff events	24,000
• APNIC 44 Opening reception	17,000
• APNIC 44 Workshop week - venue hire	15,000
• APNIC 44 Workshop week – catering	15,000
• APNIC 44 Closing dinner	15,000
• Quarterly offsite meeting for ELT	12,000
• APNIC 43 Conference Room Rental	10,000
• Services outreach exhibition (CommuniCast and CommunicAsia)	10,000

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Expenses – Office Operating Expenses

Overall costs are expected to increase by 11.1% compared to 2016 allowing for CPI increases and overall staffing increases.

Major planned expenditure for 2017 includes:

• Cordelia Street - Electricity	60,000
• Land Tax	52,500
• Kitchen Supply and Catering Expense	50,000
• Office Cleaning Contract	40,000
• BCC Rates	34,000
• General Maintenance and repairs	12,500
• WHS Support	10,560
• General Workplace Health & Safety	7,500
• Health Checks	7,500
• Office building A/C service	7,200

APNIC



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Expenses – ICANN Contract Fee

APNIC's contribution to the ICANN contract fee is based on the split between the RIR's based on Membership Revenue.

The total payable to ICANN is \$823k USD.

APNIC's portion will increase to \$270k (up 11.1%) in 2017

New PTI budget includes \$1.4M in costs for IANA numbering services. NRO have yet to agree to any increase above \$823k USD.

APNIC



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Expenses – Bank Fees

During 2016, all transactional banking moved from NAB to Westpac.

2017 see fees rise by nearly 7% to \$177k

- Volume of transactions will increase by > 10%
- Increase in use of credit card as payment method
- PayPal take-up around 5%

Capital Expenditure

Capital Expenditure	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Forecast 2016	Budget 2017	Change 2016 to 2017	Change %
Equipment & Software	337,479	661,095	662,698	671,551	880,208	1,259,118	35,211	4.0%
Office Furniture & Fittings	60,664	89,911	31,728	36,731	51,764	33,500	4,961	9.6%
OPERATING SURPLUS/(DEFICIT)	398,143	751,006	694,426	708,282	931,973	1,292,618	40,192	4.3%

Major items for 2017 include:

Root Server new installations, upgrade and maintenance	230,000
Firewall/Intrusion detection and prevention system	180,000
Stats & Data Development Work	100,000
APNIC Portal Development work	100,000
Switch – Data Centre 1	63,520
Switch – Data Centre 2	63,520
New routers for Training Lab	50,000
DNS Anycast	40,000
RIPE Anchors	30,000
Lab Equipment, new software upgrades	30,000



Activity Plan 2017

Underneath each activity in the 2017 plan, a table summarises the resources (both financial and human) which are required to complete the activity.

FTE: The number of Full-Time Equivalent employees required for the activity

Expenses: Refers to all operational costs directly incurred by the activity.

CAPEX: Refers to Capital Expenditure (such as equipment, hardware, software, property, or buildings) required by the activity.

APNIC uses the accrual method of accounting in all reporting; where revenue and expenses are matched to the period in which they are incurred. All expenditures are in Australian Dollars.



Activity Plan 2017

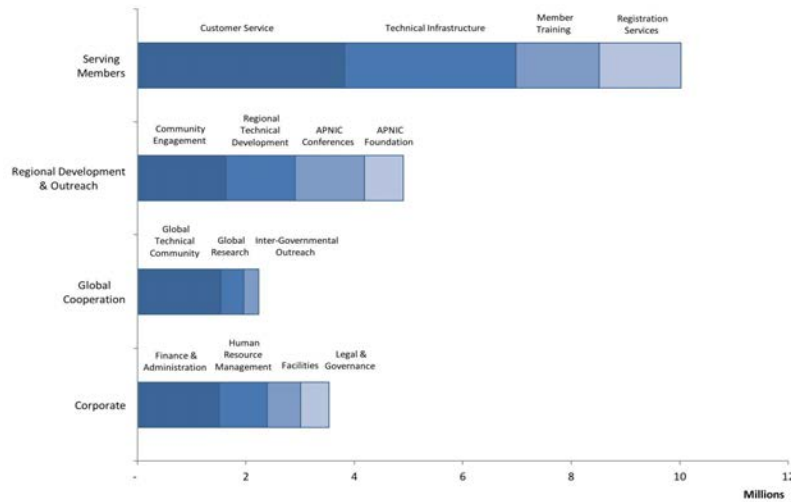
The majority of APNIC's resources and expenditure in the 2017 plan are allocated to Serving Members – accounting for 59% of APNIC's full time equivalent employees, 48% of operating expenses and 71% of capital expenditure.

The following table and chart provide a breakdown of APNIC's 2017 budget.

Activity	FTE	%	Expenses (AUD \$)	%	CAPEX (AUD \$)	%
Serving Members	45.8	59%	10,023,486	48%	915,118	71%
Regional Development & Outreach	16.7	21%	4,904,670	24%	298,000	23%
Global Cooperation	4.3	6%	2,239,324	11%	30,000	2%
Corporate	11.0	14%	3,531,857	17%	49,500	4%
Grand Total	77.8	100%	20,699,337	100%	1,292,618	100%



Activity Plan 2017



Activity Plan 2017

Activity	FTE	%	Expenses (AUS)	%	CAPEX (AUS)	%
Serving Members	45.8	59%	10,023,486	48%	915,118	71%
Customer Service	17.9		3,819,787		233,000	
Member Training	6.6		1,539,540		112,000	
Registration Services	8.6		1,506,879			
Technical Infrastructure	12.7		3,157,280		570,118	
Regional Development & Outreach	16.7	21%	4,904,670	24%	298,000	23%
APNIC Conferences	4.8		1,274,959		23,000	
APNIC Foundation	1.0		720,281		-	
Community Engagement	5.6		1,631,704		-	
Regional Technical Development	5.3		1,277,726		275,000	
Global Cooperation	4.3	6%	2,239,324	11%	30,000	2%
Global Research	0.7		427,711		30,000	
Global Technical Community	2.9		1,533,562			
Inter-governmental Outreach	0.7		278,051			
Corporate	11.0	14%	3,531,857	17%	49,500	4%
Facilities	1.7		614,257		33,500	
Finance & Administration	6.9		1,508,299		12,500	
Human Resource Management	2.0		886,763		3,500	
Legal & Governance	0.4		522,538			
Total	77.8	100%	20,699,337	100%	1,292,618	100%

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Serving Members

- Registration Services
 - All activities related to the registration of Internet number resources (IPv4, IPv6, and ASNs) and developing and maintaining registry applications.
- Customer Service
 - Maintaining a high level of service to Members via the Helpdesk, MyAPNIC, Member communication, and quality management systems.
- Technical Infrastructure Services
 - The operation and maintenance of the technical infrastructure underpinning APNIC and its services, including networks, data centres, applications and licensing.
- Member Training
 - APNIC's technical training and technical assistance services provided throughout the region.

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Serving Members - Registration Services

Ongoing:

- IPv4, IPv6 and ASN delegation and registration services
- Registry application development, operation and maintenance (Whois, statistics, RDNS, DNSSEC, RPKI)

Projects:

- Registry System architecture
- Historical whois service ('whowas')
- Whois upgrade
- Whois data quality improvement
- Public statistics improvement
- Resource Certification Improvements

FTE	Expenses	CAPEX
8.6	\$1,506,879	-

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Serving Members – Customer Service

Ongoing:

- Member Services/Helpdesk/Billing
- Membership outreach
- MyAPNIC development and maintenance
- Quality management

Projects:

- Improving online experience
- Customer Relationship Management (CRM)

FTE	Expenses	CAPEX
17.9	\$3,819,787	\$233,000

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Serving Members – Technical infrastructure services

Ongoing:

Operation of APNIC service infrastructure

- Covers the internal technical support required to deliver all internal services, and services to APNIC Members.
 - Data centres and interconnections
 - Maintenance, depreciation and licensing

Projects:

- Improved reliability and availability of publicly accessible services
- Adoption of ISO 27001:2013 Information Security Standard
- Remote infrastructure maintenance and improvement

FTE	Expenses	CAPEX
12.7	\$3,157,280	\$570,118

APNIC



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Serving Members – Member training

Ongoing:

- Training services
- Technical assistance

Projects:

- Training curriculum improvements
- Community technical trainer network
- “APNIC Academy” online platform
- Joint Training with ITU
- Cybersecurity Workshops

FTE	Expenses	CAPEX
6.6	\$1,539,540	\$112,000

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Regional Development and Outreach

- APNIC Conferences
 - Arranging the APRICOT and stand-alone APNIC conference each year.
- Regional Technical Development
 - Support for the Policy Development Process, infrastructure development in the region, NOGs, and security programs.
- Community Engagement
 - Collaboration with other Asia Pacific Internet organizations, maintaining the fellowship program, participating in the regional IGF and working with Asia Pacific government organizations on Internet development.
- APNIC Foundation
 - Developing funding partnerships with international development agencies and supporting the ISIF Asia grants program.

Regional Development and Outreach – APNIC conferences

Ongoing:

- APNIC Conferences
 - APRICOT 2017 will be held in Ho Chi Minh City, Vietnam
 - APNIC 44 will be held in Taichung, Taiwan

FTE	Expenses	CAPEX
4.8	\$1,274,959	\$23,000

Regional Development and Outreach – Regional technical development

Ongoing:

- Policy development
- Root server maintenance and deployment
- Internet exchanges and measurement support
- Network Operator Group (NOG) support
- Security Support

Projects:

- Policy engagement
- IPv6 awareness
- DNS rootservers

FTE	Expenses	CAPEX
5.3	\$1,277,726	\$275,000

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Regional Development and Outreach – Community engagement

Ongoing:

- Community sponsorship
- Fellowship program
- Government and sub-regional liaison
- Community awareness

FTE	Expenses	CAPEX
5.6	\$1,631,704	-

APNIC



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Regional Development and Outreach – APNIC Foundation

Ongoing:

- Foundation incubation
- ISIF Asia
- Administrative, technical and Communications support

FTE	Expenses	CAPEX
1.0	\$720,281	-

Global Cooperation

- Global Technical Community
Collaboration with other RIRs, global technical organizations such as ICANN, IETF and Internet Society, and participation in global for a such as the IGF.
- Inter-governmental Outreach
Participation in global inter-governmental forums as a member of the technical community.
- Global Research
Undertaking global research and measurement programs, and presenting research outcomes at regional and global events.

Global Cooperation – Global technical community cooperation

Ongoing:

- Collaboration work with other RIRs
- Collaboration with I* (ICANN, IANA, IETF, ISOC)
- Participation in other global Internet forums

Projects:

- IANA Transition
- NRO Secretariat

FTE	Expenses	CAPEX
2.9	\$1,533,562	-

APNIC



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Global Cooperation – Inter-governmental outreach

Ongoing:

- Inter-governmental liaison
Inter-governmental organizations include ITU, APEC, OECD, ASEAN, CTO and Interpol.

FTE	Expenses	CAPEX
0.7	\$278,051	-

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Global Cooperation – Global Research

Ongoing:

- Global research and measurements
- Technical advocacy at global forums

FTE	Expenses	CAPEX
0.7	\$427,711	\$30,000

Corporate

- Human Resource Management
Managing staff resources, development and knowledge management.
- Finance and Administration
Managing APNIC's finance, office and travel functions.
- Legal and Governance
Activity related to legal matters and APNIC's compliance with workplace health and safety.
- Facilities
Maintaining APNIC's office facilities.

Corporate – Human Resource Management

Ongoing:

- Secretariat staffing
- Staff development
- Knowledge Management

Key projects:

- Employer Branding
- HR Management System

FTE	Expenses	CAPEX
2.0	\$886,763	\$3,500

APNIC



51

Corporate – Finance & Administration

Ongoing:

- Financial management
- Office management
- Travel management

Projects:

- Document Management and Collaboration Platform

FTE	Expenses	CAPEX
6.9	\$1,508,299	\$12,500

APNIC



52

Corporate – Legal & governance

Ongoing:

- Legal counsel and business advisors
- Workplace health and safety compliance

Projects:

- Enterprise Policies

FTE	Expenses	CAPEX
0.4	\$522,538	-

APNIC



53

Corporate – Facilities

Ongoing:

- Building and office facilities

Projects:

- Office Accommodation

FTE	Expenses	CAPEX
1.7	\$614,257	\$33,500

APNIC



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Agenda Item 12

APNIC Foundation update

APNIC Foundation Update

EC meeting

Brisbane

25 November 2016

APNIC



Foundation update

- 1) Board selection process improved/clarified (Fact Sheet)
- 2) EC twiki Foundation page– providing easy access to comprehensive list of documents
- 3) Foundation website completed
- 4) Advisory Council terms and conditions completed

Foundation update (2)

5) Foundation Executive Director/CEO PD completed

6) Three proposals submitted to donors

7) Bank account processes underway with Standard Chartered Hong Kong

Next steps:

- Charitable registration and Board processes
- Continued fund raising

Board selection process

1) PRE EC MEETING

- EC and Foundation board members are invited to submit names for selection to the Foundation Board (responding to the criteria of the position description).

2) DURING EC MEETING

- EC discusses nomination list and agrees on a short list of 2-3 candidates for possible appointment.

Board selection process cont.

3) POST EC MEETING

- a) Selected candidates are contacted and asked to submit expressions of interest (candidates will be contacted one-by-one) and confirm willingness to serve.
- b) EC considers candidates' applications and makes appointment to the Foundation Board.

Foundation Advisory Council

- Maximum of 15 members;
- Appointment process to be determined
- Providing non-binding, strategic advice, guidance and support to the Foundation Board and its management;
- Meets once a year (virtually) and engages regularly with Executive Director/CEO and Board

Foundation Advisory Council 2

Main functions:

1. Identification and cultivation of important strategic relationships
2. Promotion of the Foundation and its work
3. Support engagement with the government, corporate, philanthropic and development sectors
4. Provide in-depth, strategic understanding of the Internet's development in the Asia Pacific from different perspectives
5. Provide counsel on strategic issues being considered by the Foundation's Board and management

Foundation Advisory Council 3

Candidates should have:

- Professional experience in the Internet and/or development communities;
- A commitment to and understanding of the Foundation's goals;
- Diplomatic skills and natural ability to cultivate relationships and build support
- Personal qualities of integrity, credibility, and a passion for the goals of the Foundation

Now available on the EC twiki

- Board information and strategy
- Advisory Council information and strategy
- Executive Director/CEO position information
- Business case
- Funding strategy/proposals

2016 Funding

- CAD500,000 (AUD490,000) in supplement funding from Canada's IDRC for the Seed Alliance
- USD15,000 (AUD20,000) in funding from the ITU for IPv6 training in Cambodia and IXP deployment in Timor Leste
- USD20,000 (AUD26,000) in funding from Japan International Cooperation Agency (JICA) for development of on-line security training materials
- AUD4,000 in funding from JICA for security training in Indonesia

Funding proposal (1)

Understanding, fostering and scaling digital innovations in the Pacific: Information Society Innovation Fund (ISIF Asia)

- Proposed donor: Australian Department of Foreign Affairs
- Proposed timeframe: 2017 – 2021
- Proposed budget: AUD3,513,250.00

DECISION PENDING

Funding proposal (2)

IPv6 deployment: Ensuring robust, efficient, secure and resilient Internet infrastructure for development in the Pacific

- Proposed donor: World Bank
- Proposed timeframe: 2017 – 2020
- Proposed budget: AUD2,650,750.00

DECISION PENDING

Funding proposal (3)

Robust, efficient, secure and resilient Internet infrastructure for development in the Pacific

Proposed donor: IDRC

Proposed timeframe: 2017 – 2020

Proposed budget: AUD2,650,750.00

DECLINED. REQUEST TO RE-FOCUS ON AFGHANISTAN

2016 Funding discussions

- World Bank support for IPv6 deployments in the Pacific and Myanmar
- JICA support for more on-line, security training materials
- China Internet Development Foundation support for the APNIC Development Program
- Australian Department of Foreign Affairs (DFAT) support for security training and ISIF in the Pacific
- Asia Pacific Tele community (APT) support for APNIC training

Questions?

Thank you.

APNIC Foundation

EC Retreat, Brisbane
November 2016

APNIC

Issue Date: December 2015

Revision: 01



APNIC Foundation

The APNIC foundation as explained under initiatives will require up to \$720k of funding in 2017, this may be reduced if some current proposals are accepted.

The table below sets out a scenario of projected project funding out to 2021:

PROJECT FUNDING	APNIC Foundation Funding	Overhead Recovery 2017	Overhead Recovery 2018	Overhead Recovery 2019	Overhead Recovery 2020	Overhead Recovery 2021
IDRC 170k CAD 2017	169,803	16,980	16,980	16,980	16,980	16,980
ADFA \$3,513,250 AUD 2017	3,513,250	70,265	70,265	70,265	70,265	70,265
World Bank \$2,650,750 AUD 2017	2,650,750	66,269	66,269	66,269	66,269	
Other Funding 2018	5,000,000		100,000	100,000	100,000	100,000
Other Funding 2019	6,500,000			130,000	130,000	130,000
Other Funding 2020	8,000,000				160,000	160,000
Other Funding 2021	10,000,000					200,000
Total	35,664,000	153,514	253,514	383,514	543,514	677,245

APNIC Foundation

Based on the assumptions of project funding in the previous slide, the impact on the Foundation's finances would look similar to this:

REVENUE (AUD)	APNIC Foundation 2017	APNIC Foundation 2017	APNIC Foundation 2018	APNIC Foundation 2019	APNIC Foundation 2020	APNIC Foundation 2021
Contribution from APNIC	720,281	566,767	484,774	373,231	232,150	117,810
Contribution from other Funders		153,514	253,514	383,514	543,514	677,245
TOTAL REVENUE	720,281	720,281	738,288	756,745	775,664	795,055

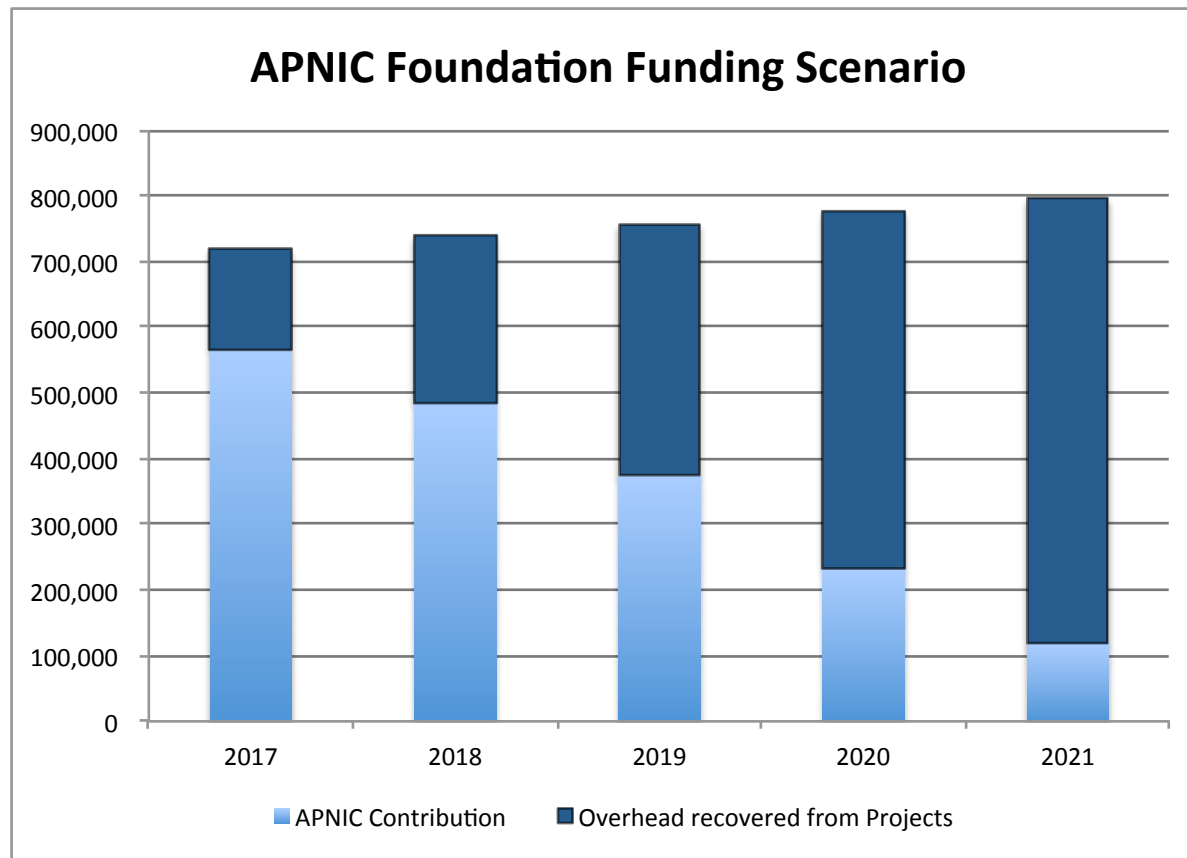
EXPENSES (AUD)	APNIC Foundation 2017	APNIC Foundation 2017	APNIC Foundation 2018	APNIC Foundation 2019	APNIC Foundation 2020	APNIC Foundation 2021
Bank charges	350	350	359	368	377	386
Communication expenses	5,000	5,000	5,125	5,253	5,384	5,519
Computer expenses	5,000	5,000	5,125	5,253	5,384	5,519
Depreciation expense	2,640	2,640	2,706	2,774	2,843	2,914
Meeting and training expenses	1,500	1,500	1,538	1,576	1,615	1,656
Postage & delivery	250	250	256	263	269	276
Printing & photocopy	5,000	5,000	5,125	5,253	5,384	5,519
Professional fees	30,000	30,000	30,750	31,519	32,307	33,114
Recruitment expense	5,000	5,000	5,125	5,253	5,384	5,519
Salaries and personnel expenses	512,481	512,481	525,293	538,425	551,886	565,683
Staff training/ Conference expenses	5,000	5,000	5,125	5,253	5,384	5,519
Translation expenses	2,500	2,500	2,563	2,627	2,692	2,760
Travel expenses	145,560	145,560	149,199	152,929	156,752	160,671
TOTAL EXPENSES	720,281	720,281	738,288	756,745	775,664	795,055

REVENUE and EXPENSES (AUD)	APNIC Foundation 2017	APNIC Foundation 2017	APNIC Foundation 2018	APNIC Foundation 2019	APNIC Foundation 2020	APNIC Foundation 2021
Total Revenue	720,281	720,281	738,288	756,745	775,664	795,055
Total Expenses	720,281	720,281	738,288	756,745	775,664	795,055
OPERATING SURPLUS/(DEFICIT)						

Incremental cost to APNIC is \$384,659 in 2017

APNIC Foundation

Based on the assumptions of project funding in the previous slide, the impact on the Foundation's finances would look similar to this:



Proposed Affirmation of Commitments between APNIC and APNIC Foundation

- Parties: APNIC and APNIC Foundation
- Term: 5 or 7 years
- Commitment from APNIC to APNIC Foundation:
To support APNIC Foundation's start-up costs by funding them to an agreed monetary limit
- Commitment from APNIC Foundation to APNIC:
To diligently seek to achieve its stated objectives*
and to operate the APNIC Foundation with financial
and corporate accountability and transparency

* To support Internet development in the Asia Pacific region, through training, education, human capacity building and related projects and activities by fundraising in support of activities delivered by APNIC and partner organizations

The APNIC Foundation

Fact Sheet

Introduction

APNIC is the Regional Internet address Registry (RIR) for the Asia Pacific region, responsible for the allocation and management of critical Internet resources including IPv4 and IPv6 address space. It is a membership community of over 6,000 companies and organisations engaged in building and managing Internet infrastructure and networks in the region.

Since its inception in 1993, APNIC has supported regional Internet development by providing professional development, training and technical assistance services to the community. In most cases, these activities have been subsidised or funded entirely by APNIC member funds. This has naturally set a limit on the scale of the development activities that can be supported.

Because the demand for APNIC's development activities continues to exceed its funding capacity, the APNIC Executive Council proposed in 2014 to investigate options for identifying and using other resources, through an educational foundation or similar structure. This would allow these new resources to be invested in regional Internet development to the benefit of APNIC's members, while maintaining an important separation from APNIC's core membership funds and services.

1. Incorporation and charitable status

The APNIC Foundation Limited was incorporated in Hong Kong on 28 September 2016 and will be operational once its bank accounts are open. It is also seeking charitable status under Hong Kong law and expects to be a registered charitable foundation in Hong Kong (only) by the end of 2017.

2. Primary objective and activities

Under its Articles of Association, the primary objective of the Foundation is:

To advance education, on a non-profit making basis, in technical, operational and policy matters relating to Internet infrastructure, through undertaking or funding activities in Hong Kong and elsewhere in the Asia and the Pacific region, such as (without limitation):

- technical training for engineers;
- technical assistance (including support for the deployment of infrastructure such as Internet Exchange Points);
- provision of scholarships and fellowships for conferences, training and other similar events;
- support for community development activities such as organization and event sponsorships;
- research on Internet operational issues;
- and to raise funds to support the training, capacity building and other developmental activities of APNIC

The Foundation will primarily achieve these objectives through the APNIC Development Program but may develop carefully selected programs of its own.

3. Board and Advisory Council

There can be up to 7 members of the Foundation Board. The Foundation Advisory Council will have a maximum of 15 members. The Council will focus on providing non-binding, strategic advice, guidance and support to the Foundation Board and its management.

4. Offices and staff

The management of all operations and the Foundation's full-time staff will be based in Brisbane while project staff and partners may be based around the region as needed by individual projects.

Pricewaterhouse Coopers provide the Foundation's registered address in Hong Kong and act as the company secretary.

5. Funding

Funding for the Foundation's projects and activities will come from the following sources:

- Development agencies (ADB, JICA, IDRC, etc.)
- Foundations and philanthropy (Hewlett Foundation, China Internet Development Foundation etc.)
- Private sector
- APNIC and its members

The funding will support:

- Projects (of usually of up to 5 years in duration) that will seek to resolve or alleviate technical problems or challenges facing the APNIC community. For example, a training project to deploy IPv6 in a specific country.
- Programs (on-going) that will support specific issues of concern to the APNIC community. For example, a program to support CERT development in the APNIC community

While funding targets are flexible, a minimum target of USD100,000 is preferred.

6. Operating costs

The operating costs of the Foundation will be paid by the following:

- An overhead of up to 15 per cent on all projects and activities
- Support from APNIC

The Foundation will be audited annually

Agenda Item 13

Secretariat report

APNIC Secretariat Report November 2016

Draft

23 November 2016

CONFIDENTIAL

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1 Introduction

This report is provided to the APNIC Executive Council for the quarterly face-to-face meeting in Brisbane, Australia on 25 November 2016.

2 Services Area

The APNIC Services Area is responsible for delivery of key services, including:

- Membership administration and support
- Internet resources delegation and registration

This Services report includes activity highlights and KPIs that support APNIC’s strategic goals. Statistics included for the Services area are as of 31 October 2016, therefore note that data for Q4 covers only 1 month: October 2016.

2.1 Membership administration and support

2.1.1 Membership Statistics

APNIC Membership has seen a stable quarterly growth of around 250 new Members.

	Q1	Q2	Q3	Q4
New Members	288	271	263	55
Total Members	5502	5567	5886	5905

Table 1 – Membership growth 2016

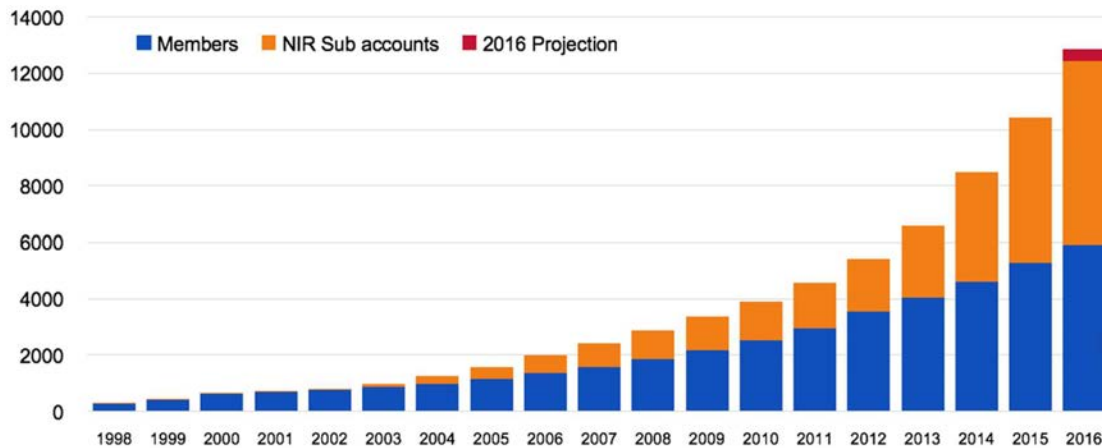


Figure 1 - Total membership

2.1.2 Membership Industry type

During 2016, APNIC has worked with RIPE NCC to agree on a common list of Member industry types. This list was implemented in APNIC’s system in August 2016 and in the recent APNIC Member survey. Around 3,000 APNIC Members have updated their industry types. The Member Services team has taken the initiative to engage with Members to make updates and has set a target for this industry type data to be available for reporting at APRICOT 2017.

The new categories are:

- Internet Service Provider
- Telecommunications/Mobile Provider
- Internet Exchange Point (IXP)
- Data centre/Cloud services provider
- Hosting/ Domain name registry/registrar
- Non-profit/NGO/Civil society
- Internet technical community
- IT services/Vendor/Consultancy
- Government department/agency/ Regulator
- Academic/Educational/Research Institute
- Banking/Financial services organization
- Other

2.1.3 Services Projects

Projects	Overview	Status
Services Roadmap 2016 planning	Selected Member Service projects are tracked and published on APNIC's website https://www.apnic.net/services-roadmap	Completed
Statistics web page improvement	APNIC released a revamped statistics page in Q3. This provides easy and quick access to statistics on IPv4, IPv6 and AS numbers with an improved interface and graphs www.apnic.net/stats	Completed
MyAPNIC improvement	Merger and acquisition transfer handling Authorised contact management Reverse DNS management ROA and route management MyAPNIC portal restyle MyAPNIC video guides	Completed Completed Completed Completed Completed
APNIC Registration Management System improvement	IP deaggregation management Inter-RIR transfer invoicing	Completed Completed
	Member account closure and reactivation management	In progress

Table 2 – Member Services Projects 2016



Figure 2 – APNIC new statistics web page

2.1.4 Instant Feedback

Instant Feedback was deployed to seek Members' feedback on Helpdesk support in 2015 as a pilot project. Members are invited to answer a very short survey after a service interaction.

Service	Q1	Q2	Q3	Q4
Helpdesk	99	38	84	15
HM consultation	8	_**	_**	9
Online chat	_***	6	64	15

Table 3 - Instant feedback submissions

**No face-to-face HM consultation held in Q2 & Q3

***Online chat feedback started from late Q2

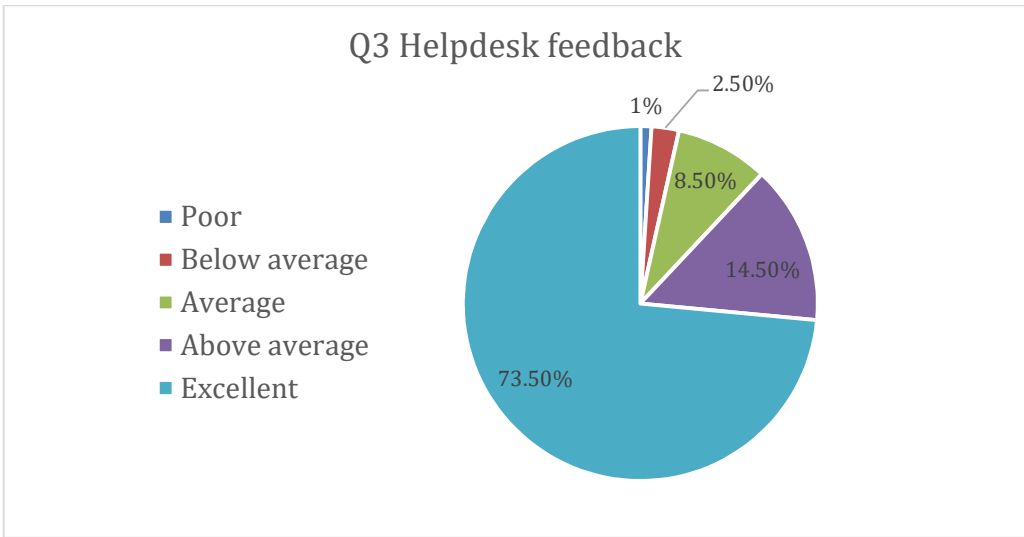


Figure 3 - Instant feedback: APNIC Helpdesk

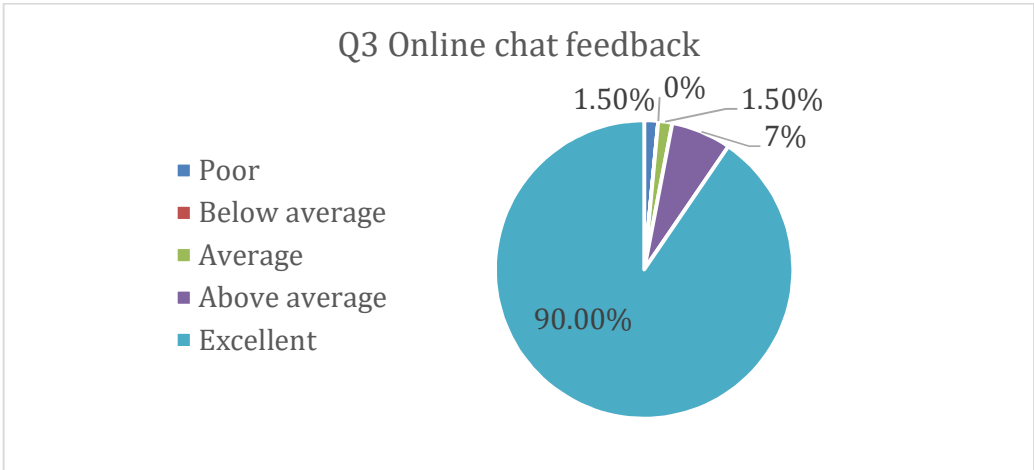


Figure 4 - Instant feedback: Online Chat

One Helpdesk ticket was rated poorly. The Member had additional whois update questions and the Member Services team followed it up.

One online chat session was rated poorly, as the issue could not be resolved at the time. The Member Services team later followed it up and resolved the issue via a Helpdesk ticket.

Throughout Q3 to Q4 2016, APNIC will deploy Instant Feedback to cover the following services interactions:

Services interaction	Status
New Member application	Completed
Existing Member resource request	In progress
IPv4 transfer	In progress
Membership renewal	In progress
Online chat	Completed
Other (Non-Member application/historical resource claim)	In progress

Table 4 – Instant Feedback channels

2.2 Internet resources delegation and registration

2.2.1 IPv4, IPv6 and ASN delegations

The following table shows the number of delegations for each resource during 2016. In Q2, the Services area processed a larger volume of IPv4 and IPv6 requests.

IPv4 delegations in Q2 were almost double of that in Q1, but a much higher percentage was delegated by NIRs.

Resource	Q1	Q2	Q3	Q4
IPv4 (103 /8)	594 (APNIC 47.25%)	1165 (APNIC 28.19%)	650 (APNIC 48.46%)	156 (APNIC 50.64%)
IPv4 (recycled space)	132 (APNIC 42.25%)	306 (APNIC 23.43%)	157 (APNIC 81.53%)	0 (n/a)
IPv6	228	421	550	97
AS numbers	302	441	281	168

Table 5 - Resource delegations 2016

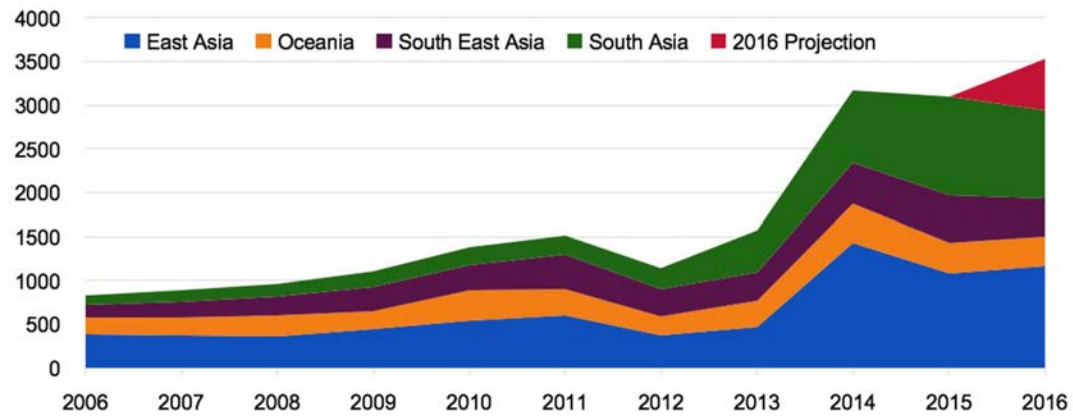


Figure 5 - Annual IPv4 delegations

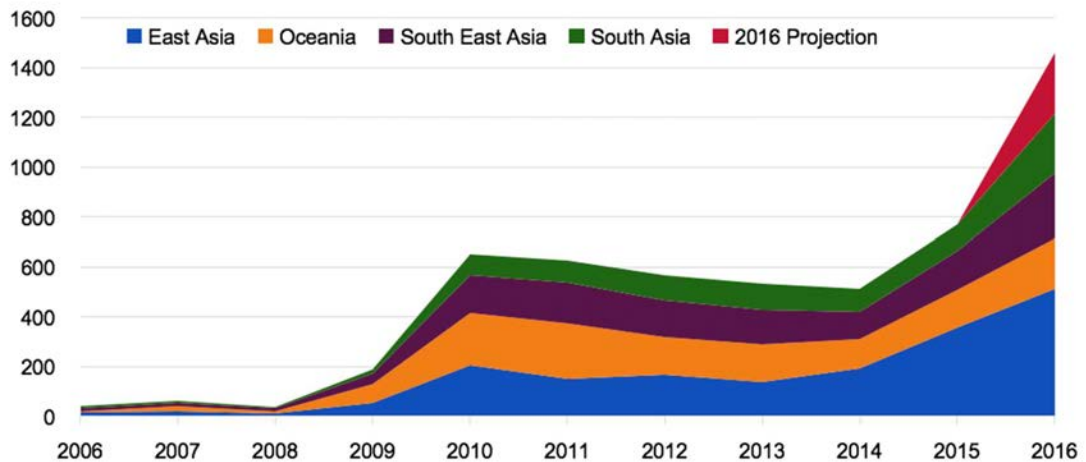


Figure 6 - Annual IPv6 delegations

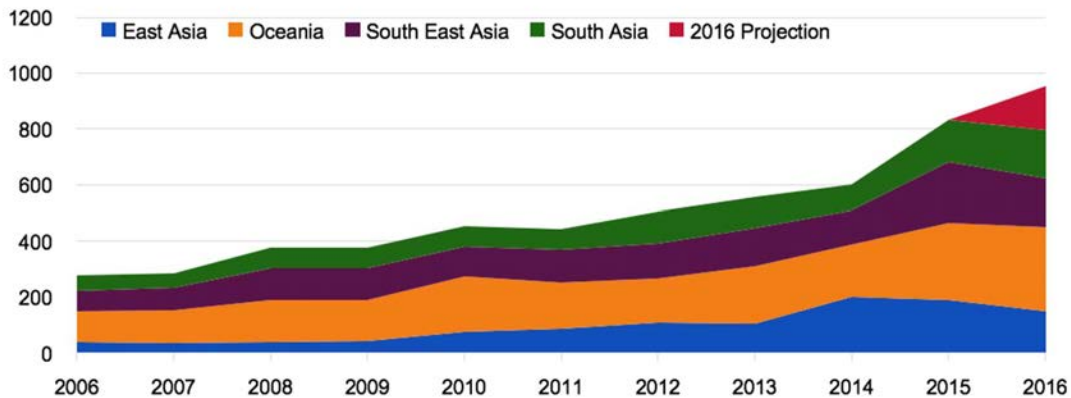


Figure 7 - Annual ASN delegations

2.2.2 Available IPv4 addresses (103/8)

APNIC is currently delegating IPv4 addresses from its last /8 (103/8), and also from the ‘recycled’ pool. With justification, every Member is entitled to receive a maximum of a /22 from each of these pools.

Resource	Q1	Q2	Q3	Q4
Delegations (/24)	1921	3972	2080	458
Remaining	59%	48%	45%	44.5%

Table 6 - Available IPv4 address space

At the current consumption rate of around 1000 /24s per month, the remaining pool of 29,177 /24s would last until February 2019 (2.4 years from now).

2.2.3 Waiting list for IPv4 recycled addresses

APNIC exhausted its recycled space on 9 June 2016. Requests for recycled IPv4 addresses have since been put on the waiting list. APNIC has a system to return terminated addresses weekly into the recycled pool and requests on the waiting list are fulfilled accordingly as well.

As of 1 November 2016, there are 112 entries on the waiting list, for a total of 429 x /24 IPv4 blocks.

2.2.4 Member resource type holding

APNIC started tracking the proportion of Members holding specific resource types from Q3 2016.

Resource type	Q1	Q2	Q3	Q4
IPv4 (103/8)	-	-	65%	65%
IPv4 recycled space	-	-	27%	26%
IPv6	-	-	48%	49%

Table 7 - Member resource type holding (% of Members holding a particular resource type)

2.2.5 IPv4 transfer activities

IPv4 blocks may be transferred due to mergers/acquisitions or market transfers.

Market transfers can be made within the APNIC region, or to and from other RIR regions. Currently, ARIN and RIPE are the two regions that have the compatible inter-RIR transfer policy.

IPv4 transfers	Q1	Q2	Q3	Q4
Mergers/acquisitions	11	19	21	9
Market transfers	72	54	67	18
- Intra RIR	56	46	45	14
- Inter RIR	16	8	22	4

Table 8 - IPv4 transfers 2016

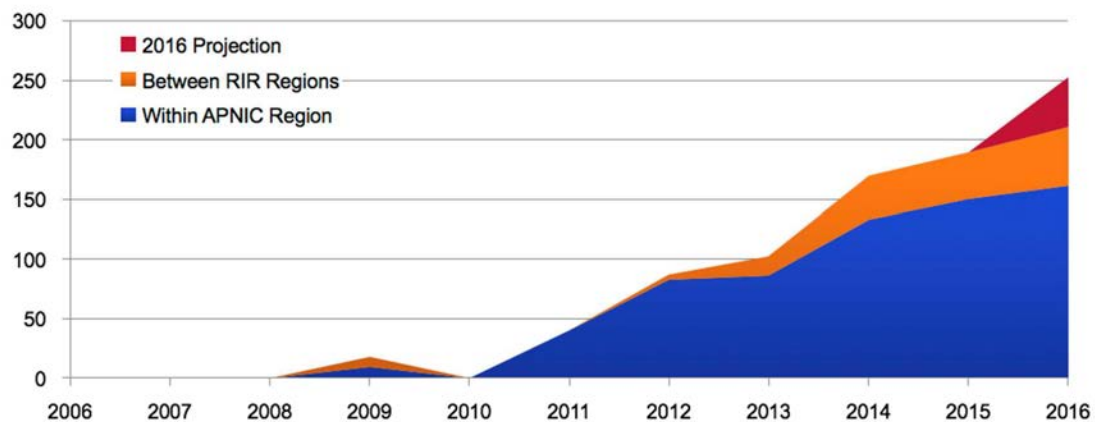


Figure 8 - Annual IPv4 transfers

As of 31 October 2016, a total of approximately a /9 of IPv4 addresses has been transferred to APNIC from ARIN. A total of a /18 has been transferred from APNIC to ARIN and a total of a /15 has been transferred from APNIC to the RIPE region.

Inter-RIR market transfer	Q1	Q2	Q3	Q4
ARIN to APNIC	4,049	4,992	50,2784	32,768
RIPE to APNIC	0	0	32,768	0
APNIC to ARIN	14	20	512	0
APNIC to RIPE	60	0	100,352	0

Table 9 - Inter-RIR transfer volume 2016 (number of /24s)

Services staff are tracking the number of transfers of the “last /8” address blocks, and are reporting these during APNIC meetings.

Market transfers	Q1	Q2	Q3	Q4
Market transfers	20	22	22	9

Mergers/acquisitions	12	26	24	10
-----------------------------	----	----	----	----

Table 10 - Transfers of 103/8 space

2.2.6 Whois data quality improvement

APNIC whois data quality improvement is focused on cleaning up invalid registration information such as organisation details, contact person, email addresses, phone numbers and addresses for APNIC delegated resources.

Projects	Overview	Status
Monthly whois clean up	Automated process to remove 'orphaned' objects This process started in Q4 of 2015	Ongoing
Whois guideline	This guideline provides information on how APNIC registers delegations to Members	Completed
Whois registration review	Conduct Member consultations to verify and update information registered in the whois database Engage Members who use Helpdesk support to perform "whois checks"	Ongoing
Organisation object	Part of whois database version upgrade for Q1 2017 Internet resources held by the same organisation are mapped to the same organisation object, which contains information about the resource custodian	In progress

Table 11 – Whois data quality

2.2.7 Resource certification (RPKI)

As part of the "Ready to ROA" campaign to promote awareness of resource certification, ROA sessions are conducted in events where APNIC staff can meet Members and help them create ROAs.

So far, APNIC has held eight ROA sessions and another five sessions are planned for the rest of 2016.

Sessions conducted	Planned sessions
APRICOT 2016, February SANOG 27, February bdNOG 5, April PCTA, April BKNIX peering forum, May CommunicAsia, June IDNOG 3, July SANOG 28, August APNIC 42, October	CommuniCast, November BTNOG 3, November PACNOG, November

Table 12 – Ready to ROA 2016

APNIC has a daily report tracking how many IPv4 and IPv6 addresses are signed using RPKI for APNIC's region. The following table shows the total percentage of IP addresses under ROA out of the total IP addresses delegated by APNIC. This report is available from the new statistic web page.

Resources	Q1	Q2	Q3	Q4
IPv4	0.78%	0.87%	0.90%	0.91%
IPv6	0.22%	0.24%	0.26%	0.28%

Table 13 – ROA coverage 2016

3 Communications & Events

3.1 Communications

3.1.1 APNIC Blog

2016	Q1	Q2	Q3	Q4
Views	32,595	38,988	61,638	11,974
Posts	70	84	95	43

*Q4 statistics till 6 Nov

Table 14 - APNIC Blog activity level 2016

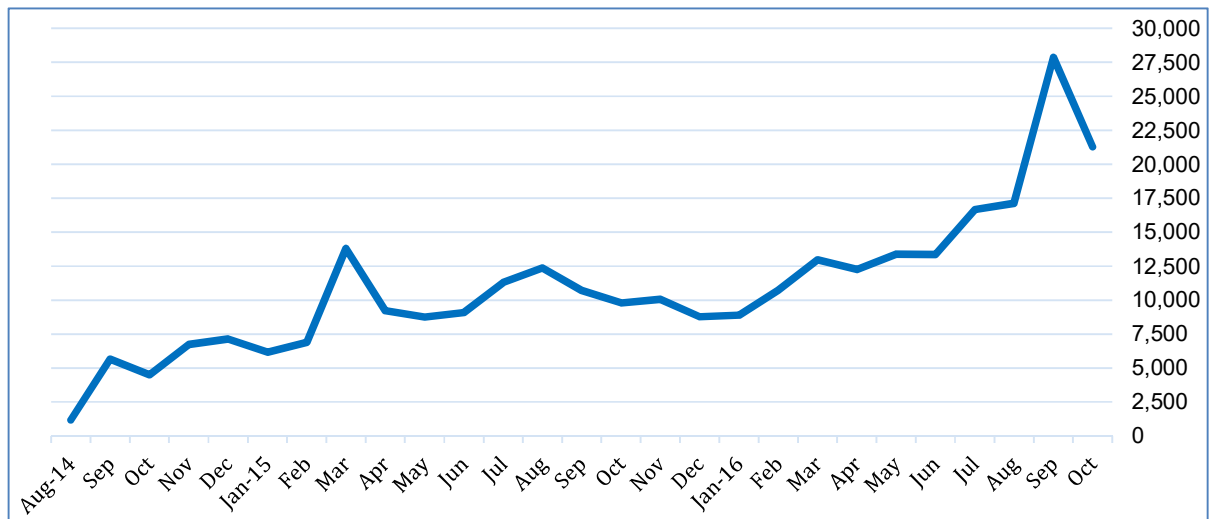


Figure 9 - Monthly APNIC Blog views

- The APNIC Blog continued to set new readership records in Q3, with 27,860 views in September. While Q4 is only just over a month old, already 11,974 views have been recorded. The blog has continued to increase monthly average views in each quarter of 2016: Q1 monthly average was 10,865; Q2 monthly average was 12,996; Q3 monthly average was 20,546.
- Significant content in this period included the ‘LK Series’ of posts on Sri Lanka’s Internet identities in the lead up to APNIC 42; Philipp Richter’s ‘All Quiet on the IPv4 Internet’ post, and Geoff Huston’s ‘The Death of Transit?’ piece, (which was subsequently reported on by [WIRED](#)).

3.1.2 Social Media

	Q1	Q2	Q3	Q4*
Facebook				
Organic reach	134,719	178,704	256,073	65,513
Likes	11,898	20,263	25,665	25,684
Twitter				
Followers	5,416	6,059	6,462	6,622
RT/Likes/Mentions	1,173	1,205	1,287	928
YouTube				
Views	9,639	5,270	4,269	6,332
Minutes	77,451	32,552	26,488	36,900
Slideshare				
Views	89,799	74,303	45,946	16,324
LinkedIn				
Reach	35,847	34,965	33,913	12,488
Followers	1,601	1,689	1,798	1,834

*Q4 statistics till 6 Nov

Table 15 - APNIC Social Media activity 2016

3.1.3 Website

- Work is continuing on a redesign of the IPv6 pages, and the upgrade of the website Content Management System (CMS) is progressing to complete in December.

3.2 Events

3.2.1 APNIC 42

- APNIC 42 was successfully hosted in Colombo, Sri Lanka. Key statistics from the event include:

Total number of on-site delegates	332 (excludes APNIC staff)
Economies represented	39
APNIC Member organizations represented	133
AMM delegates	287
Remote participants:	
Adobe Connect	131
YouTube	1,414 views; 10,646 minutes viewed
#apnic42 tweets	467 by 119 unique users
Total people reached	256,451
Meeting network site and mobile app	162 delegates signed in

- Post-conference survey feedback on the event was positive, with 94% of respondents indicating that they were either satisfied or very satisfied with APNIC 42.

3.2.2 APRICOT 2017

- APRICOT 2017 will be held in Ho Chi Minh City, from 20 February to 2 March.
- Preparations for the meeting remain on track, with keynote speakers Tim O'Reilly and Avi Freedman secured to present.

3.2.3 Future conferences

- Preparations for APNIC 44 in Taichung, Taiwan, are at an early stage and a venue selection site visit is planned for Q4.

3.2.4 APNIC Regional Meetings

- The final regional meeting support in 2016 will be provided to PACNOG 19 in Fiji, from 28 November to 2 December. APNIC's Elly Tawhai, Adli Wahid and Fakrul Alam will present at the conference, and as part of the following workshops, Adli and Fakrul will run a four-day training session on Security, Incident Management and Response.

4 Technical Area

4.1 Software

4.1.1 Core Registry improvements

- Initial integration of core “Pool Service” service is complete.
- ARMS integration with “Pool Service” continues.
- Planned completion date: end Dec 2016.

4.1.2 MyAPNIC/ARMS roadmap development

This activity relates to ongoing improvements to our MyAPNIC Member portal, and related Resource Management System. The following features/improvements have been deployed or are in the process of being deployed this year:

Status of features/improvements:

- Bounced emails (ARMS) – Work in progress, scheduled completion date: end Dec 2016.

4.1.3 WHOIS development

This activity relates to the upgrade of the WHOIS master to Version 4.

Status of projects/activities:

- Work on project has been delayed due to resources being moved to support JPNIC.
- Completed the private query node deployment.
- Organisation object rules are being incorporated.
- Planned completion date: March 2017.

4.2 Infrastructure Services

4.2.1 Network and Systems Architecture Improvements

- Continuing to implement network improvements that were identified during review in previous quarter.
- Draft network architecture design proposal completed.
- Server migrations from soon to be unsupported operating system CentOS5 to CentOS7.
- Investigating cloud hosting of DNS services.
- Gathering firewall/Intrusion prevention system requirements.
- Cloudflare used as a caching and DDoS mitigation frontend for www.apnic.net and blog.apnic.net.

4.2.2 Monitoring improvements

- Zenoss decommissioning completed.
- Planning and proof of concept phase of log event alerting system.

4.2.3 Archiving improvements

- Planning and testing proof of concept archive system.

4.3 Web and Systems

4.3.1 CRM

- Evaluation complete – will move forward Salesforce CRM.
- Purchasing in progress followed by deployment and initial configuration.
- Contact management features will be completed in January with specific ER stakeholders.

4.3.2 Internet Directory

- This project has been completed with the deployment of the first revision. Additional features are being collected for a subsequent release per the 2017 activity plan.

4.3.3 CMS

- WordPress installation complete.
- Working on creating “Themes”.
- Migration planning in progress.
- Planned completion date: end Dec 2016.

4.4 Information Analysis and Visualisation

4.4.1 “WHOWAS” – Historical WHOIS

APNIC is undertaking the development of a public historical information service to enable retrieval of historical Internet number resource registration information.

Status of projects/activities:

- Historical service API system moving towards production.
- Draft RDAP extension spec has been shared with the ECG and will be further discussed at the IETF.
- Planned completion date for API – December 2016.

4.4.2 IDN and EAI support on APNIC systems

- APNIC has been involved with the ICANN Universal Acceptance Steering Group’s work on case studies.
- No further work for this year.

4.5 Information/Cyber Security

4.5.1 Information Security Management System (ISMS)

- The various areas are creating and/or updating policies as defined in the workshop. This is still in progress.
- All policies expected to be completed by end of December 2016.

4.5.2 IS Security-related improvements

- All high and medium risk items from the independent vulnerability assessment done in Q3 have been corrected.
- Corrections are currently being applied for low risk category vulnerabilities.
- Draft network design proposal incorporating network security best practices completed.
- Requirements for a central Firewall/Intrusion prevention system(IPS) in progress.

4.5.3 Security incident report summary

The following list summaries the security incidents that APNIC has experienced since the previous Secretariat Report. (An incident report is available for more detailed information).

Date:	21/10/2016
Type of attack:	DDoS against Dyn DNS infrastructure
Systems/Services affected:	Whois.apnic.net: possible DNS resolution delays (No detected or reported incidents however)
Remediation:	Investigating options to switch DNS provider for whois.apnic.net in cases Dyn is unavailable.

5 Strategic Engagement

5.1 IANA Stewardship Transition

- This historical milestone occurred at midnight on 30 September. There was a celebration at APNIC 42.
- During our celebration in Colombo on 3 October, APNIC EC Chair Gaurab Upadhaya thanked the APNIC community for their important role in the IANA stewardship transition. At the Members meeting, Gaurab Upadhaya proposed the “Colombo Declaration on the IANA Stewardship Transition”, on behalf of the APNIC community, and this was accepted by acclamation:
 - The transition of the stewardship of the IANA functions from the United States government to the global Internet community is a significant achievement that is 18 years in the making. As the world’s fastest growing Internet region, it was vital that the voice of the Asia Pacific was heard in the IANA Stewardship Transition process and we salute the tireless efforts of all those involved. This is a celebration of the process as much as it is of the results. This process has – once again – demonstrated that the multistakeholder model works, and is the best governance model to maintain a growing, stable and open Internet. No single person, company, organization, or government runs the Internet; it belongs to everyone. The APNIC community will continue to manage Internet number resources responsibly and is ready to assume its role in the oversight of these critical functions.

See:

<https://blog.apnic.net/2016/10/02/yestoiana-community-takes-responsibility-iana-functions/>

<https://blog.apnic.net/2016/10/14/reflecting-iana-stewardship-transition-process/>

5.2 ICANN 57 (Hyderabad)

The ICANN meeting in Hyderabad was the largest ever ICANN meeting in terms of registered attendance. It was the first-ever “C meeting”, which is the third and largest of the year in the new meeting arrangements; so it had a long and packed agenda which seemed to be far too busy for many people.

This meeting was the last for Kuo Wei Wu as ICANN Board member for the ASO, and the start of Akinori Maemura’s 3-year term in seat #10 of the Board.

Notable events and meetings for APNIC and the RIRs included the following:

- Prior to the ICANN meeting, an INSIG (Indian School of IG) event was held, and Sunny Chendi presented APNIC’s “card game” which illustrates IP addressing, registry, routing and infrastructure concepts.
- I gave a speech to the ICANN opening plenary, following Minister Ravi Shanker Prasad, which was very well received. See here:

<https://blog.apnic.net/2016/11/07/nro-address-icann-57/>

<https://www.youtube.com/watch?v=Kacmfegb4FI>

- RIR reps met with the Global Strategic Engagement (GSE) team regarding RIR relationships with ICANN regional activities. I was able to report on very positive and friendly relationship between APNIC and the ICANN “APAC” office in Singapore.
- We met with Steve Crocker, Board Chairman. This followed a private meeting between myself and Steve in which we discussed the future of ICANN, APNIC and “I*” relationships, along with security and ITU issues.
- We met with Goran Marby, ICANN CEO, regarding ICANN future plans. This followed a private meeting between myself and Goran.
- We met with ICANN staff involved with SO reviews, to discuss the coming ASO review process.
- I co-chaired, with Steve Crocker, a public joint meeting between the ASO and ICANN Board, where we discussed issues including IPv6 transition, RIR whois policies, and the ASO review.
- I attended a meeting related to the future distribution of gTLD auction proceeds. The ASO is likely to agree to becoming a chartering organisation of the CCWG on Auction Proceeds, which will determine the mechanisms for distribution of a fund that could be larger than US \$300 million.
- APNIC had individual meetings with KISA/KRNIC, IDRC, GAC Secretariat, DotAsia, ISOC, ICANN staff including Adiel Akplogan and David Conrad, InternetNZ, netnod (I-root), CENTR, ICANN board including Akinori Maemura and Ram Mohan.
- A joint meeting with ISOC, ICANN, and DotAsia people to discuss coordinated responses to the many requests we receive for sponsorship of NOGs, Schools of Internet Governance (SIGs and Similar), Fellowships and other causes.

See:

<https://blog.apnic.net/2016/11/23/event-wrap-icann-57-hyderabad-india/>

5.3 IETF97 (Seoul)

APNIC attended IETF in Seoul in larger numbers, including myself, Sanjaya, Geoff Huston and 3 technical area staff, as usual for IETF events in our region

A dinner meeting with Chairs of IETF and IAB, and ISOC, to discuss the “I* Retreat” meeting which will happen during IGF in Mexico. I have suggested a number of agenda items to the group, including the outcomes of WTSA, collective response to the Dyn attacks, IPv6, and the future configuration of the I* group.

APNIC sponsored 2 fellows to each of the ISOC “policy leaders” and “technical fellows” programs. I made an appearance in the policy leaders session to introduce APNIC, and Sanjaya presented a training module on Internet infrastructure, jointly with RIPE NCC.

APNIC staff will attend NRO ECG (Engineering Coordination Group) meeting to discuss cooperative activities including RPKI and APNIC’s proposed RDAP extensions to support historical “whois” queries.

We visited KRNIC to meet with KRNIC Vice President, discussing IPv6 activities, technical cooperation and the APNIC Foundation.

As usual in IETF meetings there were many useful informal meetings between APNIC staff and their peers in the Internet community; and as usual the opportunity to meet with regional peers (in the Asia Pacific region) is important and useful.

The “event wrap” for IETF97 will be published soon.

5.4 WIC 2016 (Wuzhen)

The third Wuzhen Summit was held on 16-18 November. It was held in the purpose-built WIIICC (Wuzhen International Internet Exhibition and Convention Centre), and attracted around 1500 people.

The High-level Advisory Committee (HAC) meeting was held on 15 November. In recent weeks a draft “Wuzhen Report” was presented by email and HAC members submitted comments; a final version was presented during the HAC meeting, without opportunity for revision. This document was then released after the event.

See: <http://www.wuzhenwic.org>

5.5 ITU-T WTSA16 (Hammamet, Tunisia)

- The quadrennial World Telecommunication Standardization Assembly 2016 (WTSA-16) was held in Hammamet, Tunisia from 25 October to 3 November. The ITU reports over 700 people from 92 of the organization’s 193 Member States attended.
- The assembly for the technical standards division of the ITU is a venue for approving new standards, but primarily it is a meeting to discuss objectives and working methods for the next four years.
- The meeting had 211 proposals to consider, which resulted in 427 working documents during the conference, 16 new resolutions, 31 revised resolutions, and 5 new standards. Six existing resolutions were removed.
- The meeting was very contentious as a number of Member States pushed to expand the mandate for the ITU, in particular, by promoting the Digital Object Architecture (DOA) as the primary access and control schema for future ITU-T standards. Their views suggest that future ITU-T work in the areas of mobile telecommunications and Internet of Things (IoT) should increasingly rely on the DOA framework.
- Other subjects discussed during the WTSA were policy, regulatory, economic, and security issues around application layer solutions. Issues such as Over the Top (OTT), cloud, privacy and identification, and mobile money were targeted for future attention by the Study Groups.
- Frameworks for tiered charging regimes that now include SIP, CDN, QoS, and MPLS traffic, along with deep packet inspection to identify such traffic, were introduced along with new Recommendations for the regulation of regional/national IXPs as governments seek to reduce the cost of international transit.
- Numbering, Naming, Addressing and Identification were also contentious topics. APNIC was able to participate in the editing of the Resolution on IPv6, however, no direct attempts by Member States were made for the ITU to have any role in the management of IP addressing. The future direction of work agreed at the WTSA will be to develop new addressing and identification schemas, which aim to augment and ultimately replace IP addresses, particularly in IoT applications. DOA, with its persistent identifier capabilities, is the principal vehicle suggested at the ITU to achieve this.
- Attempts to exert control over the DNS at the UN level did not reach agreement and no change was recorded for the Resolutions regarding International Domain Names and ccTLDs. A proposal from the African region attempted to expand the scope of the ITU’s position on ccTLDs to include geographical gTLDs, with the stated intention of reaching a treaty-level agreement in the future. This proposal was hotly debated but did not pass.

- In 2016 a new Expert Group was formed by the ITU to consider the need for a review of the International Telecommunications Regulations (ITRs). This would result in another World Conference on International Telecommunications (WCIT), the highly contentious treaty conference held by the ITU in 2012. Moves were made at the WTSA to allow Study Groups to provide input into this process, which would have resulted in a wish list of changes required to accomplish the new application-level mandates achieved at this Assembly. A compromise was reached that would allow the T-sector to provide aggregated input to this group. A new WCIT could be held as early as 2020.

See: <https://blog.apnic.net/2016/11/18/event-wrap-wtsa-16>

5.6 External Relations

5.6.1 Select October to mid-November 2016 ER Highlights

- All APNIC external engagements are reported in the APNIC blog and sometimes followed by extended blogposts about these events. The “event wraps”, as the reports are called, are available here: <http://blog.apnic.net/category/events/>
- A visualization of 2016 ER activities and planning can be found in section 5.3.2 below.

Below are some highlights from October and mid-November 2016:

5.6.1.1 Coordination and Collaboration

- APNIC continued its strong partnership with the ITU regional office to conduct an Internet Exchange Point (IXP) training workshop in Timor L’este that resulted in the establishment of a test case IXP for the country.
- APNIC staff joined the LACNIC 26, ARIN 38 and RIPE 73 meetings to share developments from the Asia Pacific and gain insights from their regions on developments and practices that can be shared with the APNIC community.
<https://blog.apnic.net/2016/10/27/event-wrap-lacnic-26-costa-rica/>
<https://blog.apnic.net/2016/10/24/event-wrap-nanog-68-arin-38-dallas/>
<https://blog.apnic.net/2016/11/04/event-wrap-ripe-73-madrid/>
- Staff took advantage of the RIR meetings in San José, Dallas and Madrid to share APNIC research and analysis as well as engage with the technical communities at NANOG, RIPE and ESNOC.
- ICANN 57 in Hyderabad, India was the first ICANN meeting to take place following the IANA transition. As the meeting happened in the Asia Pacific region, it offered the opportunity to celebrate this milestone with many APNIC stakeholders, while also planning future collaboration. Data sharing initiatives were discussed with the APTLD; support for capacity building was discussed with ICANN, ISOC and .asia; and security enhancement options were discussed with Netnod and ICANN.
- APNIC contributed in a number of capacity-building efforts, such as APIGA (Seoul), APSIG (Bangkok) and INSIG (Hyderabad). These events served as trial for an IP addressing card game to explain fundamental principles of RIR technical coordination.
- APNIC attended APCERT in Tokyo
<https://blog.apnic.net/2016/11/14/event-wrap-apcert-2016-tokyo/>

5.6.1.2 IPv6

- In October, APNIC's training team conducted two IPv6 workshops in Beijing and Chengdu, partnership with CNNIC. The training team also recruited one of its Pacific Community Trainers to help deliver an IPv6 workshop in the Marshall Islands.
- In November, APNIC participated in APEC TEL 54, including a regular IPv6 deployment update to TEL's Development Steering Group, which has long been a strong proponent for IPv6 deployment across the region.
- APNIC staff continue to support the Internet Governance Forum (IGF) IPv6 Best Practices Forum by encouraging regional contributions to the effort. The effort will result in a Best Practices document that will be finalized around the IGF in Mexico this December.

5.6.1.3 Security Outreach

- Paul Wilson was invited to take part in the inaugural Singapore International Cyber Week conference, which included the closed Cyber Leaders' Symposium with international and ASEAN ICT ministers, cybersecurity coordinators and Heads of cyber agencies.
- APNIC continued its strong regional partnerships on security including joint training with JICA in Indonesia, KISA in South Korea, and participation at the APCERT AGM and Conference.

5.6.1.4 Incident Response in the Pacific

- APNIC joined the Vanuatu's second Regulatory Internet Symposium to present an introduction to network security and to share best practices for the establishment of a CERT. The meeting resulted in the formation of a Working Group to explore the development of a national CERT in Vanuatu.
- APNIC Security Specialist, Adli Wahid, joined the NGN Forum in Fiji to present on the importance of developing incident response capabilities and conducted a desktop exercise for the group.
- APNIC is partnering with FIRST to deliver Network Security and Incident Response training at the upcoming PacNOG meeting in Fiji.

5.6.2 APNIC External Engagements – January to mid-November 2016

Completed & Planned External Engagements 2015-2016		
Subregion	2015	2016 (Planned to Date)
S Asia	40	31 (34)
SE Asia	73	48 (57)
E Asia	36	19 (23)
Oceania	28	30 (35)
Global	37	31 (34)
Total	212	159 (183)

Completed & Planned External Engagements 2015-2016		
Category	2015	2016 (Planned to Date)
● APNIC	13	5 (5)
● Coordination	26	17 (20)
● Development	7	13 (15)
● Government	16	11 (12)
● Internet Governance	10	6 (10)
● Member Outreach	n/a	8 (9)
● Membership Development	9	8 (9)
● NOG	19	12 (15)
● Security	23	25 (28)
● Technical	6	5 (8)
● Training/TA	83	49 (55)
Total	212	159 (183)

5.6.3 Infographic | APNIC External Engagements 2015-2016

APNIC External Relations | Jan to mid-Nov 2016

- Completed
- Planned

- APNIC
- Coord
- Dev
- Gov
- NetGov
- MemOut
- MemDev
- NOG
- Sec
- Tech
- Training/TA



6 Development Area

6.1 APNIC SIGs

Travel support for APNIC SIG Chairs attending APNIC 42 was successfully provided as planned. Three SIG meetings were held as follows:

6.1.1 Policy SIG

A joint sitting of the three APNIC SIGs took place during the Policy SIG. The community considered a proposal to make changes to the SIG Chair election procedures. Two issues were raised:

- (a) Determining eligible voters in SIG Chair elections
- (b) The term of service alignment in the case of a Chair resigning

There was support for and against the changes and the community did not reach consensus. The author committed to submit a revised proposal at the next SIG meeting.

Also during the Policy SIG:

- The Secretariat presented a series of informational updates in support of community/policy discussions taking place in the SIG meeting.
- Prop-116 to prohibit the transfer of IPv4 addresses in the final /8 block was discussed, but did not reach consensus at APNIC 42. The author was encouraged to consider community feedback before further discussion on the proposal.
- A representative of the Sri Lankan Police presented to the SIG about the importance of whois data quality. New Zealand Police, and the US FBI also participated in the discussion. Similar presentations have been made at all the RIRs with the intention of putting forward a Globally Coordinated Policy Proposal on whois data quality at a future meeting.

6.1.2 NIR SIG

An election was held for the position of Chair during APNIC 42. Shyam Nair was elected and will serve as SIG Chair for a two-year term. Acting Chair, Ajai Kumar reverted to his original role as Co-Chair.

- The following NIRs presented updates to the community; CNNIC, IRINN, KRNIC, TWNIC, JPNIC, IDNIC, and VNNIC.

6.1.3 Cooperation SIG

The Chair requested an additional session be allocated to the SIG at the next meeting to accommodate the high number of speakers requesting the floor. The session ran 30 minutes over time and had to be stopped before all speakers were finished.

The SIG considered reports on the following topics: The Asia Pacific Internet Governance Academy; The IGF 2016; the IANA Transition; a Pacific Update, as well as ISOC Sri Lanka Chapter & IGF Sri Lanka reports.

6.2 Training

6.2.1 Key Metrics

1 Oct to 4 Nov	Face-to-Face	eLearning
Courses	11	11 classes held
Locations	7 cities in 6 economies	N/A
Participants	428	68
YouTube channel	(As of 1 November) 10,854 views + 111 subscribers	

Table 16 – Training in 2016

6.2.2 Highlights

- The APNIC 42 training workshops were successfully held. They were well attended with 114 participating in the three workshop tracks.
- Collaboration with CNNIC to provide two training sessions on IPv6 in China featuring Philip Smith.
- In addition to a full program of regional training events, training was conducted in two new economies where APNIC has not done any training before: Marshall Islands and Federal States of Micronesia. The Prime Minister of the Marshall Islands attended the closing ceremony of the training there.

6.3 Technical Assistance

6.3.1 TA Summary

1 Oct to 4 Nov	Dedicated TA Session	TA Demo at Conference	Email & Skype TA
Number of Activities	1	0	2
Locations	Timor-Leste with the ITU: 1		India: 1 Sri Lanka: 1
Topics	IXP		RPKI/RPSL Security BCP, RPKI

Table 17 – TA in 2016

6.3.2 Highlights

- The APNIC Technical Assistance team, in partnership with the ITU's regional office in Bangkok, helped to establish the test case Internet Exchange Point for Timor-Leste, TLIXP.

6.4 Security

After moving from Technical Services at the beginning of the year, Security Specialist Adli Wahid, increased his engagement with the Development team, particularly in technical training.

6.4.1 Key Metrics – Q4 2016

- Security events attended and presentations given by Adli:
 - 11 events attended
 - 13 presentations given
- Communities engaged by Adli: APNIC Members, Law Enforcement Agencies (LEAs), CERTs, Inter-Governmental (APECTEL, ITU)
- Countries visited by Adli: 9
- Security Events Supported: 1 (Sri Lanka CERT Annual Conference)
- Security blog posts: 5 (including posts by guest bloggers)

6.4.2 Highlights

- A two-day cyber security workshop in Bhutan was organized by the newly established Bhutan CERT and Ministry of ICT. The workshop was attended by 30 participants from the government, justice and the private sectors.
- The FIRST-TC Colombo was organized at APNIC 42 in collaboration with Sri Lanka CERT CC, FIRST, APNIC and APCERT. The event was originally planned to be held in Dhaka with the Bangladesh E-Gov CIRT.
- Supported JICA's CSIRT Training for National CERTs in Indonesia and KISA's Asia Pacific Information Security Conference in South Korea. Both events focused on enhancing incident response capabilities in the region and beyond.

6.5 Community Development

6.5.1 IPv6

APNIC 42 held the following sessions on IPv6:

- IPv6 Transition Strategies
- IPv6 Readiness Measurement BoF
- Asian Information Superhighway (AP-IS) and IPv6
 - APNIC contributed to the Asian Information Superhighway initiative of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the regional development arm of the United Nations for the Asia Pacific region.
 - IPv6 has been included under "Initiative 5: Policy and regulations for leveraging existing infrastructure, technology and inclusive broadband initiatives" of the AP-IS Master Plan; and Initiative 4: Enhancing ICT infrastructure resilience in the Asia-Pacific region: Support preparedness for IPv6.
- Two IPv6 training workshops in China (Beijing and Chengdu) in collaboration with CNNIC.

6.5.2 NOGs

- APNIC continues to provide systems support via the use – for example – of the APNIC-funded fellowship system to SANOG and also APRICOT.
- APNIC is also planning to or has sponsored the following NOG events:
 - National
 - HKNOG 3.0
 - JANOG 39
 - IDNOG 04
 - BTNOG 2016
 - MMNOG 2016
 - PKNOG
 - Sub-regional
 - PACNOG 19

6.5.3 Organizational sponsorships and support

APNIC has sponsored or supported:

- [MyIX](#) - Kuala Lumpur - Malaysia
- [aulGF 2016](#) - Melbourne - Australia
- [ICANN 57](#) - Hyderabad - India
- [IETF 97](#) - Seoul - South Korea
- [IDNIC / APJII ANM](#) - Jakarta - Indonesia
- VNIX-NOG - Hanoi - Vietnam
- [AINTEC 2016](#) - Bangkok - Thailand
- [IGF 2016](#) in Mexico
- [Communicast 2016](#) in Yangon, Myanmar
- TWNIC (w/ IPv6 Summit) - Taipei - Taiwan

APNIC also provides annual membership contributions to APT, PTC, and ISOC.

6.5.4 Fellowships

APNIC successfully supported 53 fellows to attend APNIC 42 in Colombo – the largest group ever supported. The fellows came from across the Asia Pacific region, including Afghanistan and the Pacific, and featured the largest group of female fellows so far. It was also the first time to have community contributions to the APNIC Fellowship program with community members joining the selection committee with 50% from APNIC staff and 50% from the community.

APNIC also contributed AUD 10,000 to the APriGF 2016 fellowship program with 50% funding for women and 50% for applicants from developing economies in the Asia Pacific region.

6.5.5 Infrastructure

- Root servers: In partnership with Verisign, a J root is being deployed in Brisbane and hosted by APNIC.
- IXPS:
 - In a collaboration with the ITU, the APNIC training team successfully supported the deployment of the first IXP in Timor Leste.
 - APNIC also provided support to APIX to organize a meeting at APNIC 42 and supported the Pakistan community for the launch of PKIX in Islamabad, Karachi and Lahore.
 - Anchors and Probes: Anchors are being deployed in Papua New Guinea, Myanmar, and Vizag in India. Work is underway with PCH in Sydney and interested organizations in Queensland for more deployments. Probes continue to be distributed at every training event and other events in the region.

6.6 The APNIC Development Program

6.6.1 APNIC Foundation

- The APNIC Foundation was officially incorporated in Hong Kong on 28 September 2016.
- The Foundation website is completed.
- Advisory Council terms and conditions completed.
- Foundation CEO PD completed.
- Three proposals have been submitted to donors.

Next steps:

- Charitable registration and Board processes.
- Continued fund raising.

6.6.2 The APNIC Development Program

6.6.2.1 Funding support

- The ITU supported APNIC training for an IXP deployment in Timor Leste.
- A JICA-funded project continued for the development of online training materials for CERTs.
- Funding discussions also continued with the World Bank, JICA, the Japanese Ministry of Foreign Affairs and the Australian Department of Foreign Affairs.

- Three funding proposals were developed and submitted to prospective donors and are currently under review.

6.6.2.2 The Asian Information Superhighway Initiative (AP-IS) of The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP):

- APNIC attended ESCAP's Committee on Information and Communications Technology & Science, Technology and Innovation in Bangkok in October where the AP-IS Master plan was presented for endorsement. A regional cooperation framework, including a strong emphasis on capacity building was approved, as well as the development of the AP Innovation Forum for 2017. Both offer opportunities for the APNIC Foundation.

6.6.2.3 New gTLD Auction Proceeds Drafting Team of ICANN

- Finalized a charter for the Cross Community Working Group that will be working on the mechanisms to allocate the new gTLDs funding proceeds. The charter work was completed in September and its adoption will be discussed at ICANN 57 in Hyderabad.

6.6.3 ISIF Asia

6.6.3.1 New Awards announced

Two ISIF Asia 2016 awards for AUD 3,000 and a travel grant of up to AUD 4,000 for travel to the 2016 IGF in Guadalajara where the Awards ceremony will take place were given. The winners are:

- Community Impact Award 2016: Restoring Connectivity: Movable and Deployable Resource ICT Unit (MDRU). CVISNET Foundation, the Philippines.
- Technical Innovation Award 2016: Towards A Fairer Electoral System: 1 Person, 1 Vote, 1 Value. Tindak, Malaysia.

6.6.3.2 Grants update

- Two reports out of the three 2015 grants have been received and approved (Pacific Peering project and Telemedicine in Bangladesh). The report from Nepal Wireless is pending.
- AUD 441,000 in grants was allocated in Q3 to 10 grants in 9 economies during the last period. All 10 projects are well underway. Progress reports are due Q2 2017.
- A comprehensive mentoring program for scale-up grants has started and will be completed by 21 December. The program is facilitated by JFDI.Asia and benefit the following two projects:
 - Community Impact Scale-up Grant: Equal Access to the Information Society in Myanmar, the Myanmar Book Aid and Preservation Foundation, Myanmar.
 - Technical Innovation Scale-up Grant: Khushi Baby, India
- Representatives from the following two projects have received fellowship support to attend the workshop organized by ISIF around cybersecurity at the IGF:
 - Developing Tonga National CERT to the Department of Information & ICT under the Ministry of Meteorology, Energy, Environment, Climate Change, Information, Communication, Disaster Management (MEIDECC), Tonga.

- Deployment of Collaborative Modern HoneyNet to improve Regional Cybersecurity Landscape (CMoHN). Institute of Systems Engineering, Riphah International University, Pakistan.
- Developing Tonga National CERT to the Department of Information & ICT under the Ministry of Meteorology, Energy, Environment, Climate Change, Information, Communication, Disaster Management (MEIDECC), Tonga.

7 Business Area

7.1 Activity Based Costing

All financial expenses are allocated to the define Activity codes set out in the 2016 Budget submission. At the end of October, these costs are tracking in line with budget estimates. More details are included in the finance report.

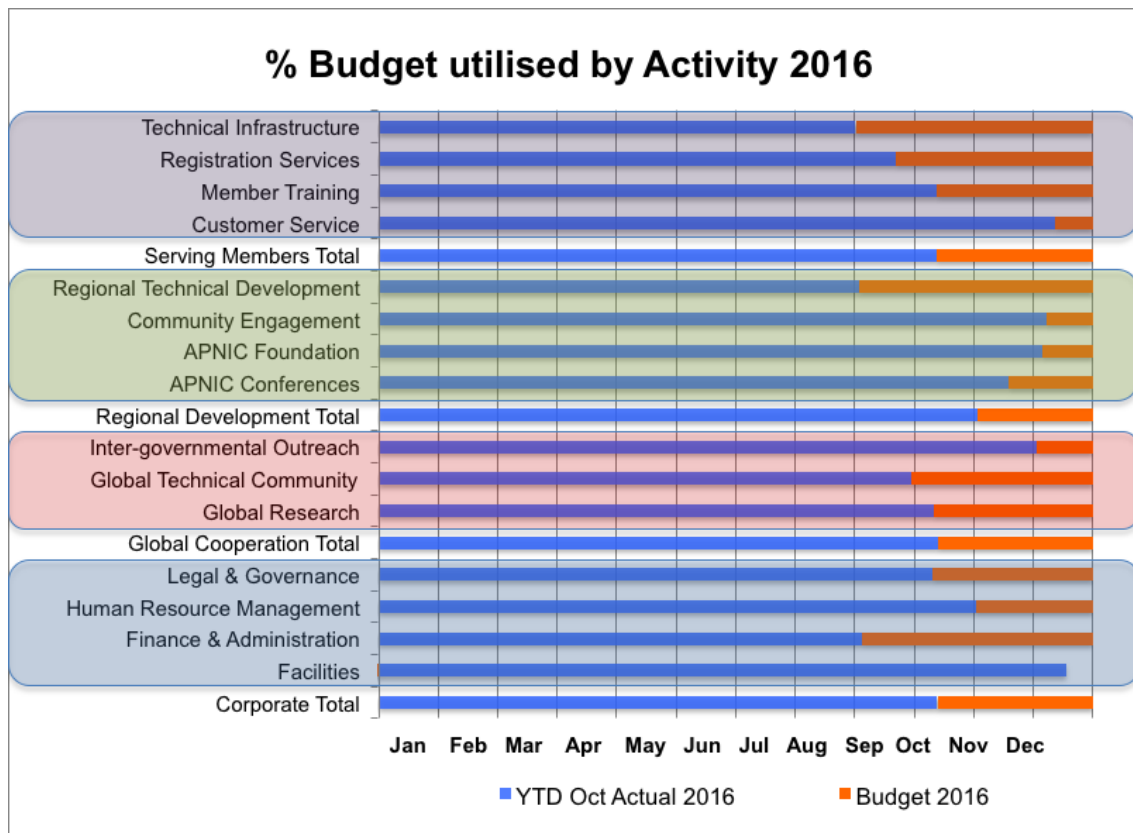


Figure 10 – Activity Budget 2016

7.2 Billing Improvements

7.2.1 Credit Card Security

- 3D secure was implemented in May allowing account holders to utilize dual factor authentication for credit card payments. PayPal uptake continues to improve.

7.2.2 Flexible Billing Options

- The flexible billing project is nearing completion with pilot trails for recurring credit card and quarterly and six-monthly invoicing commencing in Q4 as planned.

7.3 APNIC Survey

- The 2016 Member Survey was presented to the community at the APNIC conference in Colombo. Survey Matters provided a report on the survey and have made recommendations to enhance future survey outcomes. This will be provided to the EC for discussion at the November retreat. A review of the overall survey project is currently being completed; important learning will be incorporated into the 2018 APNIC Survey, which will commence planning at the end of 2017.

7.4 Facilities Review

- An engineering review of the current APNIC office was completed to determine the viability of increasing the footprint of APNIC's current office in Cordelia Street. The engineer's report finds that the current structure will not support significant changes and will involve significant cost to add to the existing structure.
- A design firm has been engaged to undertake a review of APNIC's current premises to determine the viability of reconfiguring the existing work areas to accommodate more workstations.

7.5 KPMG – NIR Analysis

- The Business team continues to assist KPMG in their NIR analysis project that is being undertaken on behalf of the EC. A report outlining key recommendations will be presented to the EC at the November retreat.

7.6 Business Continuity Planning

- Business Continuity Plan activities continue, with quarterly scenario testing undertaken by the core BCP team.

7.7 ERP Usability review

- An initial review of the Netsuite ERP system was undertaken in November to benchmark APNIC's implementation against others. A consultation process with all key users has documented the key processes and issues for consideration; a detailed review of the findings will result in a project to improve usability and will be completed in December/January.

7.8 NRO CFO Meeting

7.8.1 NRO – CFO Retreat

- APNIC hosted the NRO-CFO Retreat in Canberra on 13 to 15 November. Senior finance staff from each of the RIRs attended. The successful meeting concluded with the final forecast of NRO expenses for 2016, and the development of the proposed 2017 Budget for the NRO EC to consider. The meeting is an opportunity for the attendees to discuss finance and administration issues. The main focus areas of this year were: risk management; the Joint RIR stability fund; RIR revenues and expenses; treasury management experience; and accountability and transparency initiatives.
- APNIC hosted a Finance team member from AFRINIC for one week before the meeting under the RIR Staff exchange program. This is a very positive initiative to support RIR

cooperation, with a structured week of engagement proving very effective for both the AFRINC staff member and the APNIC finance team.

7.9 Budget Preparation

- The 2017 budget and activity plan submission involved an organization-wide, bottom-up process. The comprehensive review of revenue and expenses was completed during September and October, and will be submitted for approval at the EC retreat in November.

7.10 2016 Financial Audit

- The 2016 accounts will be audited by PricewaterhouseCoopers, who began their assignment in early November with the initial review of the accounts and sample testing activities. The final audit will be completed in early January.

8 Human Resources (confidential)

[Confidential material redacted]

Agenda Item 14

APNIC 42 conference survey report

APNIC 42 Conference Survey

How satisfied were you with the conference venue?

Response	Chart	Percentage	Count
5 – Very satisfied		63.8%	44
4 – Satisfied		27.5%	19
3 – Neutral		7.2%	5
2 – Dissatisfied		0.0%	0
1 – Very dissatisfied		1.4%	1
		Total Responses	69

How satisfied were you with the conference catering?

Response	Chart	Percentage	Count
5 – Very satisfied		66.2%	45
4 – Satisfied		23.5%	16
3 – Neutral		8.8%	6
2 – Dissatisfied		1.5%	1
1 – Very Dissatisfied		0.0%	0
		Total Responses	68

How satisfied were you with the quality of the keynote presentations?


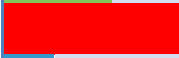



	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Did not attend	Total Responses
Zaid Ali Kahn	20 (29.9%)	25 (37.3%)	15 (22.4%)	2 (3.0%)	1 (1.5%)	4 (6.0%)	67
Prof. Rohan Samarajiva	34 (50.7%)	23 (34.3%)	6 (9.0%)	0 (0.0%)	1 (1.5%)	3 (4.5%)	67

How satisfied were you with the quality of the program sessions?

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Did not attend	Total Responses
IPv6 Transition Strategies tutorial	29 (43.3%)	20 (29.9%)	7 (10.4%)	0 (0.0%)	0 (0.0%)	11 (16.4%)	67
Network Performance	20 (29.9%)	27 (40.3%)	8 (11.9%)	0 (0.0%)	0 (0.0%)	12 (17.9%)	67
NIR SIG	12 (18.2%)	23 (34.8%)	10 (15.2%)	0 (0.0%)	2 (3.0%)	19 (28.8%)	66
DNS and INR Security	21 (31.3%)	25 (37.3%)	6 (9.0%)	0 (0.0%)	1 (1.5%)	14 (20.9%)	67
APNIC Survey Report	16 (24.6%)	22 (33.8%)	8 (12.3%)	0 (0.0%)	1 (1.5%)	18 (27.7%)	65
Regional Reporting	13 (20.0%)	26 (40.0%)	9 (13.8%)	0 (0.0%)	1 (1.5%)	16 (24.6%)	65
APNIC Foundation BoF	20 (30.3%)	19 (28.8%)	9 (13.6%)	0 (0.0%)	0 (0.0%)	18 (27.3%)	66
Cooperation SIG	13 (19.7%)	29 (43.9%)	8 (12.1%)	1 (1.5%)	1 (1.5%)	14 (21.2%)	66
Introduction to IoT tutorial	26 (39.4%)	20 (30.3%)	7 (10.6%)	0 (0.0%)	1 (1.5%)	12 (18.2%)	66
Network Operations	27 (40.9%)	20 (30.3%)	5 (7.6%)	0 (0.0%)	0 (0.0%)	14 (21.2%)	66
IXP design and Operational BCP tutorial	20 (30.3%)	20 (30.3%)	4 (6.1%)	0 (0.0%)	0 (0.0%)	22 (33.3%)	66
IPv6 tutorial	21	21	4 (6.1%)	0 (0.0%)	1 (1.5%)	19 (28.8%)	66

	(31.8%)	(31.8%))	
Network SSR	13 (19.4%)	25 (37.3%)	10 (14.9%)	0 (0.0%)	1 (1.5%)	18 (26.9%)	67
APNIC Services	20 (29.9%)	28 (41.8%)	6 (9.0%)	0 (0.0%)	0 (0.0%)	13 (19.4%)	67
Policy SIG	15 (22.7%)	32 (48.5%)	7 (10.6%)	1 (1.5%)	0 (0.0%)	11 (16.7%)	66
IPv6 Readiness Measurement BoF	16 (23.9%)	33 (49.3%)	10 (14.9%)	1 (1.5%)	0 (0.0%)	7 (10.4%)	67
Lightning Talks	15 (23.1%)	18 (27.7%)	9 (13.8%)	0 (0.0%)	2 (3.1%)	21 (32.3%)	65
First TC Security Session	17 (25.4%)	20 (29.9%)	11 (16.4%)	0 (0.0%)	0 (0.0%)	19 (28.4%)	67
AMM	8 (12.1%)	30 (45.5%)	9 (13.6%)	0 (0.0%)	1 (1.5%)	18 (27.3%)	66

How satisfied were you with the overall quality of the conference speakers?

Response	Chart	Percentage	Count
5 – Very satisfied		31.3%	21
4 – Satisfied		50.7%	34
3 – Neutral		14.9%	10
2 – Dissatisfied		1.5%	1
1 – Very Dissatisfied		1.5%	1
Total Responses			67

How satisfied were you with the APNIC 42 social events?

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Did not attend	Total Responses
Newcomers' Welcome	28 (41.8%)	23 (34.3%)	6 (9.0%)	0 (0.0%)	0 (0.0%)	10 (14.9%)	67
Conference Opening Reception	37 (55.2%)	21 (31.3%)	7 (10.4%)	0 (0.0%)	0 (0.0%)	2 (3.0%)	67
Women in ICT luncheon	20 (30.3%)	18 (27.3%)	10 (15.2%)	1 (1.5%)	0 (0.0%)	17 (25.8%)	66
Conference Closing Dinner	28 (43.1%)	17 (26.2%)	7 (10.8%)	1 (1.5%)	0 (0.0%)	12 (18.5%)	65




Overall, how satisfied were you with APNIC 42?

Response	Chart	Percentage	Count
5 – Very satisfied		52.9%	36
4 – Satisfied		41.2%	28
3 – Neutral		5.9%	4
2 – Dissatisfied		0.0%	0
1 – Very Dissatisfied		0.0%	0
Total Responses			68



Did you visit the APNIC Members Services lounge?

Response	Chart	Percentage	Count
Yes		50.7%	34
No		49.3%	33
Total Responses			67




Were you satisfied with the service you received at the Member Services lounge?

Response	Chart	Percentage	Count
5 – Very satisfied		53.3%	16
4 – Satisfied		26.7%	8
3 – Neutral		20.0%	6
2 – Dissatisfied		0.0%	0
1 – Very dissatisfied		0.0%	0
Total Responses			30

Did you make use of the APNIC Hostmaster Consultation service?

Response	Chart	Percentage	Count
Yes		29.5%	18
No		70.5%	43
Total Responses			61

Was your APNIC Hostmaster Consultation:



Response	Chart	Percentage	Count
4 – Very useful		58.8%	10
3 – Useful		35.3%	6
2 – Neutral		5.9%	1
1 – Not useful		0.0%	0
Total Responses			17

Was it easy to find all the information you needed to participate at APNIC 42 on the Conference website?



Response	Chart	Percentage	Count
Yes		94.7%	54
No		5.3%	3

Total Responses	57
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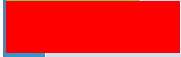

Did the Conference offered enough networking opportunities for you?

Response	Chart	Percentage	Count
Yes		89.5%	51
No		10.5%	6
Total Responses			57





Did you use the APNIC 42 mobile app?

Response	Chart	Percentage	Count
Yes		70.2%	40
No		29.8%	17
Total Responses			57

If yes, how satisfied were you overall with the mobile app?



Response	Chart	Percentage	Count
5 – Very satisfied		38.6%	17
4 – Satisfied		50.0%	22
3 – Neutral		11.4%	5
2 – Dissatisfied		0.0%	0
1 – Very dissatisfied		0.0%	0
Total Responses			44

Did you use the mobile app to:



Response	Chart	Percentage	Count
Customize your agenda		80.0%	32
Network with colleagues		45.0%	18
Find information on sponsors		37.5%	15
Use the maps		40.0%	16

Total Responses	40
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Did you use the networking functionality offered by the Presdo Match website to connect with colleagues and friends?

Response	Chart	Percentage	Count
Yes		38.9%	21
No		61.1%	33
		Total Responses	54

Would you attend another APNIC conference?

Response	Chart	Percentage	Count
Yes		90.7%	49
No		9.3%	5
		Total Responses	54

The APNIC workshops are currently 5 days long and the conference program is 3 days long. Thinking only of the conference program length, how many days should the conference program be?

Response	Chart	Percentage	Count
2 days		10.9%	6
3 days		47.3%	26
4 days		20.0%	11
5 days		21.8%	12
		Total Responses	55