

APNIC EC Meeting Minutes

Face-to-Face Meeting, InterContinental Singapore

Wednesday, 26 November 2014, 9:05am – 16:35pm,
Thursday, 27 November 2014, 9:10am – 17:00pm

Meeting Start: 9:05am (UTC +8:00)

Present

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

Craig Ng
Richard Brown
Sanjaya
Connie Chan

Apologies

Ma Yan

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. Financial reports
 - a. October Financial Report
 - b. APNIC Investment Report
7. DG Report
8. HR – Staff Survey
9. Risk Register Update
10. Development: update on fund raising proposal for development services
11. Review of EC meeting procedures
12. Strategic Priorities for 2015
13. Timetable for the next two EC meetings
14. Appointment of meeting chair for next meeting
15. Fee Schedule Proposal
16. Activity Plan and Budget for 2015
17. APNIC meetings
18. APNIC Survey Report
19. ICANN IANA stewardship transition discussions
20. Discussion on enhancing APNIC accountability and transparency
21. Inter-RIR transfer policy discussions
22. EC travel and community engagement plan for next six months
23. AOB

Minutes

1. Opening of meeting and declaration of quorum

The Chair of the Executive Council declared the meeting open at 9:05 (UTC+8) on Wednesday, 26 November 2014, and noted that a quorum was present.

The meeting adjourned at 16:35pm, resumed at 9:10am, Thursday, 27 November 2014 and closed at 17:00pm.

Akinori Maemura was appointed as Chair of the Meeting.

2. Agenda Bashing

The Chair called for comments. The minutes follow the sequence of the revised meeting agenda.

3. Declaration of interests

The Chair asked the EC members to declare any potential conflicts of interest, and any such declaration is recorded in the minute.

Akinori Maemura declared that he currently holds the following positions:

- Director of JPCERT Coordination Center
- Member of APRICOT-APAN 2015 Japan Executive Committee
- Employee of JPNIC as General Manager, Internet Development Department

James Spenceley declared that he currently holds the following positions:

- Chief Executive Officer and director of Vocus Communications Limited
- Director of FX Networks
- He also has an equity interest in AmCom

Che-Hoo Cheng declared that he currently holds the following positions:

- Secretary of APIX Steering Committee
- Member of the HKNOG Program Committee
- Employee of the Chinese University of Hong Kong as Associate Director (Infrastructure) of IT Services

Wendy Zhao declared that she currently holds the following positions:

- Employee of CNNIC as Deputy Director of Operation Management Department, under the Ministry of the Cyberspace Administration of China

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

- Member of the APRICOT Program Committee
- Member of the ICANN Fellowship Committee
- Employee of Limelight Networks as Director, Network Strategy and Interconnect

Kenny Huang declared that he currently holds the following positions:

- Director of TWNIC
- Board of Director, ISOC Taiwan Chapter
- Member of the Advisory Council of DotAsia

Paul Wilson declared no conflict of interests.

4. Review of minutes of past 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 prior to this meeting, and are recorded in these minutes for completeness.

On 14 October 2014, the EC resolved to adopt the minutes of the EC meetings held on the 14 and 15 September 2014.

Motion proposed by Akinori Maemura.

On 12 November 2014, the EC resolved to appoint Izumi Okutani as an APNIC community representative to the CRISP (Consolidated RIR IANA Stewardship Proposal) team.

Motion proposed by Paul Wilson.
Akinori Maemura abstained from voting.

On 12 November 2014, the EC resolved to appoint Dr Govind as an APNIC community representative to the CRISP (Consolidated RIR IANA Stewardship Proposal) team.

Motion proposed by Paul Wilson.

On 12 November 2014, the EC resolved to appoint Craig Ng as an APNIC staff representative to the CRISP (Consolidated RIR IANA Stewardship Proposal) team.

Motion proposed by Paul Wilson.

5. Matters arising from the last meeting

The EC noted that the matters from the last meeting are covered in other agenda items.

6. Financial Reports

a. October Financial Report

The EC considered the Monthly Financial Report for October 2014 (*attached*). The current projected operating surplus for 2014 is \$2.8M, which is higher than forecast in the budget. Revenue is tracking at 3% over budget and expenses are tracking at 2% under budget forecasts.

As at the end of October 2014, APNIC had a total of 4,537 Members serving 54 economies. There were 65 new members and 29 members who had closed their accounts during the month.

The EC noted the October financial report as representing the financial position of APNIC as of the end of the October 2014, and the EC was satisfied that the company is solvent and able to meet all current debts as and when they fall due.

b. APNIC Investment Report

The EC reviewed the APNIC Investment Report (*attached*).

7. DG Report

The DG reported on the activities of the Secretariat (attached).

The EC noted the Secretariat's provision of national IP resource reports (comprising only public data) to Governments and other who requested these, and instructed the Secretariat to continue the development of this service.

The EC suggested getting APNIC member feedback at the next AMM in relation to APNIC involvement in the ongoing NETmundial activities, as these are broad internet governance issues and the EC would like to seek the views of the community.

8. HR – Staff Survey

The DG presented the staff survey findings and proposed improvement areas (attached). The EC noted the positive outcomes from the staff survey results and congratulated the Director General and APNIC staff on the outstanding survey result.

9. Risk Register Update

The EC was briefed on the current status of the APNIC Risk Register [REDACTED]

The EC suggested that the risk register be reviewed comprehensively every two years.

10. Development: update on fund raising proposal for development services

The EC considered a proposal for a developmental funding foundation (attached). A Concept Paper will be further developed for the next EC meeting in Fukuoka.

The EC also noted the need for a revamped training curriculum and the development of new training materials.

11. Review of EC meeting procedures

The EC undertook a review of the EC meeting procedures including meeting frequency, rotating meeting chair, adequacy and format of board documents, secretariat support and continuous improvement.

Gaurab Raj Upadhaya attended the RIPE NCC's executive board meeting in London as an observer, and reported on his observations.

The EC indicated that they would like to have more time for their quarterly EC meetings, of approximately two days for each standalone meeting, with a shorter period of one day during the May meeting, and half day during APRICOT to facilitate deeper community engagement during APNIC conferences.

The EC requested the Secretariat to establish and maintain a standing Register of Interests.

12. Strategic Priorities for 2015

The EC was briefed on APNIC's strategic priorities for 2015, and suggested a number of amendments to the priorities identified by the Secretariat.

The EC resolved to adopt the strategic priorities (with agreed amendments) for 2015 (attached).

Motion proposed by Che-Hoo Cheng, seconded by Kenny Huang.
James was absent from this discussion

The EC instructed the Secretariat to make the adopted strategic priorities for 2015 available to APNIC members for their comments, before the Fukuoka meeting.

Meeting adjourned at 16:35 pm

Meeting resumed at 9:10 am, Thursday, 27 November 2014

13. Timetable for the next two EC meetings

The next EC meeting will be held during APNIC 39, Fukuoka, Japan. The exact timetable will depend on the draft agenda which will be circulated by the end of December 2014.

The EC agreed to propose a joint meeting with AFRINIC Board, during the AFRINIC/AIS meeting of June 2015.

14. Appointment of meeting chair for next meeting

Akinori Maemura is appointed as the Chair of the next meeting in Fukuoka.

15. Fee Schedule Proposal

The EC considered a proposal to vary the schedule of member fees and non-member fees for 2015 (attached).

The EC unanimously resolved to approve and adopt the fees set out in the APNIC Member Fee Schedule (as attached), with effect from 1 January 2015.

Motion proposed by James Spenceley, seconded by Gaurab Raj Upadhaya.

The EC unanimously resolved to approve and adopt the fees set out in the APNIC Non-Member Fee Schedule (as attached), with effect from 1 January 2015.

Motion proposed by James Spenceley, seconded by Gaurab Raj Upadhaya.

16. Activity Plan and Budget for 2015

The EC considered the proposed activity plan and budget for 2015 (attached).

The EC unanimously resolved to approve and adopt the 2015 budget that provides authority to the Director General for a total operational expenditure of AUD17,065,293 and a total capital expenditure of AUD1,244,383 for 2015.

Motion proposed by James Spenceley, seconded by Gaurab Raj Upadhaya.

The EC instructed the Secretariat to make the approved budget available to APNIC members for their comments, before the Fukuoka meeting.

17. APNIC meetings

The EC considered the format and duration of APNIC meetings (attached). The EC instructed the APNIC Secretariat to apply the new structure and format to APNIC 40 in Jakarta, Indonesia.

The EC also considered the backup location proposal (attached) and instructed the Secretariat to revise the APNIC Conference Location Selection procedures for further consideration at the next EC meeting in Fukuoka.

18. APNIC Survey Report

The EC considered the 2014 survey response implementation progress report and the proposed survey response to the survey (attached).

The EC approved the publication of the proposed response.

19. ICANN IANA stewardship transition discussion

The EC was briefed on the ICANN IANA stewardship transition discussions, relationship between the US Government and ICANN, review of proposals submitted in other RIRs, and CRISP progress.

20. Discussion on enhancing APNIC accountability and transparency

The EC considered the current APNIC accountability and transparency measures and discussed how these measures can be enhanced.

The EC instructed the Secretariat to publish more information on APNIC's website about the EC's roles and responsibilities and meeting attendance record, and to add further materials on APNIC's website relating to EC nomination and election process.

21. Inter-RIR transfer policy discussion

The EC considered the Inter-RIR transfer policy discussions [REDACTED].

The EC unanimously resolved to place a temporary moratorium on inter RIR transfer with RIPE NCC, pending discussions and confirmation with APNIC, ARIN and RIPE communities that such transfers will not change APNIC's status as sharing reciprocal, compatible, needs-based policy with ARIN.

Motion proposed by Paul Wilson, seconded by Akinori Maemura.

22. EC travel and community engagement plan

The EC considered the EC travel schedule and budget for 2015. The EC noted that priority will be given to events in the Asia Pacific region. The Chair asked the EC to complete their travel plans for the coming year of events.

23. AOB

a. APNIC 40

The EC requested the Secretariat to give an update presentation on meeting costs, logistics and status of current meeting location approximately 6 months before the conference.

b. Cooperation SIG

The EC was briefed on the preparation being made for the Cooperation SIG to be held in Fukuoka.

Kenny Huang has volunteered to serve as interim co-chair, with Aftab Siddiqui and Dr Govind.

At the first meeting of the Cooperation SIG in Fukuoka, the community will be asked to endorse the proposed charter and to formally elect the Chair and Co-Chairs for the SIG.

Next EC Meeting

The next meeting will be held in Fukuoka, 28 February 2015.

Meeting Adjourned: 17:00 pm Thursday, 27 November 2014

Attachments:

- A. October Financial Report
- B. APNIC Investment Report
- C. DG Report
- D. Staff Survey findings
- [REDACTED]
- F. Developmental funding foundation proposal
- G. Strategic Priorities for 2015
- H. Fee Schedule Proposal
- I. Activity Plan and Budget for 2015
- J. Format of APNIC meetings
- K. Backup location proposal
- L. EC response to APNIC survey
- M. ICANN IANA stewardship transition discussions
- N. Enhancing APNIC accountability and transparency discussions
- [REDACTED]

Financial Report

(in AUD)

October 2014

APNIC



Table of Contents

1 Statement of Financial Position	3
2 Statement of Income.....	4
2.1 Expenses	4
2.2 Revenue	6
2.3 Operating Surplus/ Deficit	7
3 APNIC Reserve	7
3.1 Cash Flow Statement	7
3.2 APNIC Capital Reserve	8
3.3 APNIC Investment policy	8
3.4 APNIC's Equity and Reserves	8
4 Membership	8
4.1 Membership Statistics	9
4.2 Membership by Category	9
4.3 Membership by Economy	9
4.4 Membership Growth	10
4.5 Year-to-Date Membership Movement by Economy	11
4.6 India Membership NIR Transfer Analysis	12

Table of Figures

Figure 3.1 Reserve	8
Figure 4.1 Membership by Economy	9
Figure 4.2 Monthly Growth Analysis	10
Figure 4.3 Total membership.....	10
Figure 4.4 New and Closed Members Analysis	11
Figure 4.5 Closure Analysis.....	11

Table of Tables

Table 1 Statement of Financial Position	3
Table 2 Expenses.....	4
Table 3 Revenue	6
Table 4 Operating Surplus/ Deficits	7
Table 5 Cash Flow Statement.....	7
Table 6 Membership by Category	9
Table 7 India Membership NIR Transfer Analysis	12

1 Statement of Financial Position

	31/10/2014	Year-End 2013	% Change from 31/12/2013
CURRENT ASSETS			
Cash/ Term deposits	5,615,640	6,002,531	-6%
Receivables	1,207,098	935,741	29%
Others	694,937	538,735	29%
TOTAL CURRENT ASSETS	7,517,674	7,477,007	1%
NON-CURRENT ASSETS			
Other financial assets	16,500,129	13,736,690	20%
Property, plant and equipment	7,830,195	8,000,431	-2%
Deferred tax assets/ liabilities	127,006	127,006	0%
TOTAL NON-CURRENT ASSETS	24,457,330	21,864,127	12%
TOTAL ASSETS	31,975,004	29,341,134	9%
CURRENT LIABILITIES			
Payables	1,215,948	2,296,356	-47%
Provisions	1,136,728	1,060,908	7%
Unearned revenue	8,150,220	7,810,665	4%
TOTAL CURRENT LIABILITES	10,502,895	11,167,929	-6%
NON - CURRENT LIABILITIES			
Deferred Tax Liabilities	81,187	81,187	0%
Provisions	265,608	265,723	-0%
TOTAL NON-CURRENT LIABILITIES	346,795	346,910	-0%
TOTAL LIABILITIES	10,849,690	11,514,839	-6%
NET ASSETS	21,125,314	17,826,296	19%
EQUITY			
Share capital	1	1	0%
Reserves other financial assets investment	411,626	141,571	191%
Retained earnings	17,684,724	14,701,221	20%
Net Income	3,028,963	2,983,503	2%
TOTAL EQUITY	21,125,314	17,826,296	19%

Table 1 Statement of Financial Position

Notes to Financial Position

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

- Payments from the SIDA along with transfers to the Credit Suisse investment account have reduced the Cash balance when compared to the end of last year.

- The reduction in Payables reflects the payment of funds from the SIDA grant fund.
- The value of the investment portfolio has increased by \$2.8m this includes transfers of \$2M into the portfolio during 2014.

2 Statement of Income

2.1 Expenses

This report incorporates the approved 2014 budget and the October year-to-date expenses are compared to the figures for the same period last year. The Forecast figures have been derived from a detailed review of the expected revenues and committed planned expenditure for 2014, to compare with the budget.

EXPENSES (AUD)	YTD Actual Oct 2014	YTD Actual Oct 2013	Variance %	Forecast 2014	Budget 2014	Forecast Variation to Budget \$	Forecast Variation to Budget %
Bank charges	121,777	116,049	5%	142,000	145,950	-3,950	-3%
Communication expenses	399,794	403,970	-1%	477,275	502,772	-25,497	-5%
Computer expenses	484,266	439,789	10%	585,000	584,632	368	0%
Depreciation expense	643,741	622,854	3%	772,000	769,800	2,200	0%
Doubtful debt expenses	37,169	0	0%	23,910	20,000	3,910	20%
ICANN contract fee	217,755	136,732	59%	261,000	225,000	36,000	16%
Income tax expense	0	-68,165	-100%	0	0	0	0%
Insurance expense	108,793	105,560	3%	132,873	134,350	-1,477	-1%
Meeting and training expenses	353,052	310,327	14%	424,068	424,835	-767	-0%
Membership fees	46,706	37,610	24%	56,743	64,485	-7,742	-12%
Miscellaneous Expenses	0	-376,729	-100%		0	0	0%
Office operating expenses	247,727	242,582	2%	307,304	306,195	1,109	0%
Postage & delivery	22,477	41,813	-46%	26,122	51,500	-25,378	-49%
Printing & photocopy	43,356	28,728	51%	44,200	44,200	0	0%
Professional fees	850,676	989,176	-14%	1,189,728	1,321,800	-132,072	-10%
Recruitment expense	98,369	62,966	56%	114,847	90,000	24,847	28%
Salaries and personnel expenses	6,969,083	6,704,291	4%	8,752,754	8,768,981	-16,227	-0%
Sponsorship and Publicity expenses	151,705	178,667	-15%	385,000	426,700	-41,700	-10%
Staff training/conference expenses	106,322	123,905	-14%	135,000	172,200	-37,200	-22%
Translation expenses	579	15,255	-96%	1,000	23,000	-22,000	-96%
Travel expenses	1,680,475	1,660,767	1%	1,925,000	2,050,000	-125,000	-6%
TOTAL EXPENSES	12,583,823	11,776,148	7%	15,755,824	16,126,400	-370,576	-2%

Table 2 Expenses

Notes to Expenses:

Similar to previous month report, it is forecast that expenses will be less than the original budget approved for 2014, the major variances are explained below:

- **Communication Expenses** are below budget as a result of the VOIP administration training that will not be incurred in 2014, as suitable training is unavailable. VOIP enhancements planned for 2014 will not occur until Q4.
- **ICANN contract fee** – The formula used to calculate APNIC's share of the NRO expenses for the budget did not reflect the final NRO agreed calculation resulting in a variance to budget of \$36k in 2014.
- **Postage and Delivery expenses** will be below budget by \$25k at the end of the year, this is a result of the savings in the shipping costs for the APNIC Meeting planned for New Caledonia.
- **Professional Fees** are tracking below budget at the end of October due to the timing of planned activities in 2014 and are expected to be \$132k below budget by the end of the year. Around \$50k relates to the implementation of the new Business Intelligence tool that was capitalized rather than expensed. \$40k relates to Accounting, Audit and legal advice costs being lower than anticipated in the budget submission. \$12.8k of expense has been reclassified to Computer expenses above.
- **Recruitment Expenses** will exceed budget in 2014, there has been redefinition of some roles and 2 recent replacements have involved migration costs.
- **Salary and personnel expenses** are tracking close to budget; but are expected to be in slightly below the budget at the end of 2014. This expense is very difficult to predict and the estimate will continue to be reviewed in detail in the future months.
- **Sponsorship and Publicity expenses** are tracking below budget. Some planned expenditure on sponsorship will not occur in 2014. Planned expenditure for Membership development activities will be lower than budgeted.
- **Staff Training** – The timing of training expenses shows that this expense is well below budget, it is anticipated that the training expenses will be below budget at the end of 2014 by \$37.2k.
- **Translation expenses** - a review of translation activities is currently underway, but expenditure will not be more than \$1k in 2014
- **Travel expenses** are forecast to below budget at the end of 2014, this is mainly due to the reduced costs in staff flight and accommodation resulting from the relocation of the APNIC meeting to Brisbane.

2.2 Revenue

REVENUE (AUD)	YTD Actual Oct 2014	YTD Actual Oct 2013	Variance %	Forecast	Budget 2014	Forecast Variation to Budget \$	Forecast Variation to Budget %
IP Resource application fees	1,191,125	1,234,250	-3%	1,383,375	1,241,625	141,750	11%
Investment income	687,477	530,327	30%	735,000	620,000	115,000	19%
Membership fees	13,191,908	12,518,789	5%	15,901,743	15,627,681	274,062	2%
Non-members fees	212,031	200,263	6%	256,910	245,000	11,910	5%
Reactivation fees	57,000	28,950	97%	73,200	32,400	40,800	126%
Transfer fees	73,328	51,291	43%	83,810	75,000	8,810	12%
Sundry income	197,146	98,246	101%	202,000	252,500	-50,500	-20%
Foreign exchange gain/(loss)	2,771	18,606	-58%	-16,345	0	-16,345	0%
TOTAL REVENUE	15,612,785	14,680,721	6%	18,619,693	18,094,206	525,487	3%

Table 3 Revenue

Notes to Revenue:

- **Investment Income** – At this stage, income from the investment portfolio and interest income is conservatively estimated to achieve \$115k over the budget at the end of the year. The actual capital increase in the value of the Investment portfolio since the beginning of the year stands at \$270k at the end of October.
- **Membership Income** – Membership fees are anticipated to achieve \$274k above budget by the end of 2014. The prime driver for this is the slowdown in Indian members transferring to the Indian NIR. The budget made a provision for 50% of the remaining members to transition to the NIR during 2014. Details of the actual movement are below at section 4.6, showing that only 22 of the estimated 205 members had transitioned up until the end of October.
- **Sundry Income** – There will be no income from cost recovery training in 2014, this was budgeted at \$54k. Income from training is also tracking below budget, but is expected to improve once recruitment of a new training manager is completed.

2.3 Operating Surplus/ Deficit

REVENUE and EXPENSES (AUD)	YTD Actual Oct 2014	YTD Actual Oct 2013	Variance %	Forecast	Budget 2014	Forecast Variation to Budget \$	Forecast Variation to Budget %
Total Revenue	15,612,785	14,680,721	6%	18,619,693	18,094,206	525,487	3%
Total Expenses	12,583,823	11,776,148	7%	15,755,824	16,126,400	-370,576	-2%
OPERATING SURPLUS/(DEFICIT)	3,028,963	2,904,573	4%	2,863,869	1,967,806	896,063	46%

Table 4 Operating Surplus/ Deficits

Notes to Revenue and Expenses:

- **Operating Surplus** – Favourable variances for expenses and revenue are forecast to result in an increase in the full year surplus from \$1,968k to \$2,864k, a favourable variance of \$896k.

3 APNIC Reserve

3.1 Cash Flow Statement

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

Accounts	YTD Oct 2014
Operating Activities	
Net Income	3,028,963
Adjustments to Profit/(Loss)	
Accounts Receivable	-283,897
Other Current Asset	-143,661
Accounts Payable	-138,011
Sales Tax Payable	24,452
Other Current Liabilities	-551,474
Total Adjustments to Profit/(Loss)	-1,092,592
Total Operating Activities	1,936,371
Investing Activities	
Fixed Asset	170,236
Other Asset	-2,763,439
Total Investing Activities	-2,593,203
Financing Activities	
Long Term Liabilities	-115
Other Equity	270,056
Total Financing Activities	269,941
Net Change in Cash for Period	-386,891
Cash at Beginning of Period	6,002,531
Cash at End of Period	5,615,640

Table 5 Cash Flow Statement

3.2 APNIC Capital Reserve

The APNIC Reserve is diversified between Cash Investments, Investment Portfolio, and Property (APNIC Office). At the end of October, APNIC maintained \$5.6M in cash reserves, \$16.5M has been invested in the investment portfolio, and \$6.6M invested in the APNIC Property. Figure 3.1 below tracks the value and the allocation of these reserves over time and also tracks the operating expenses for each year for comparison:

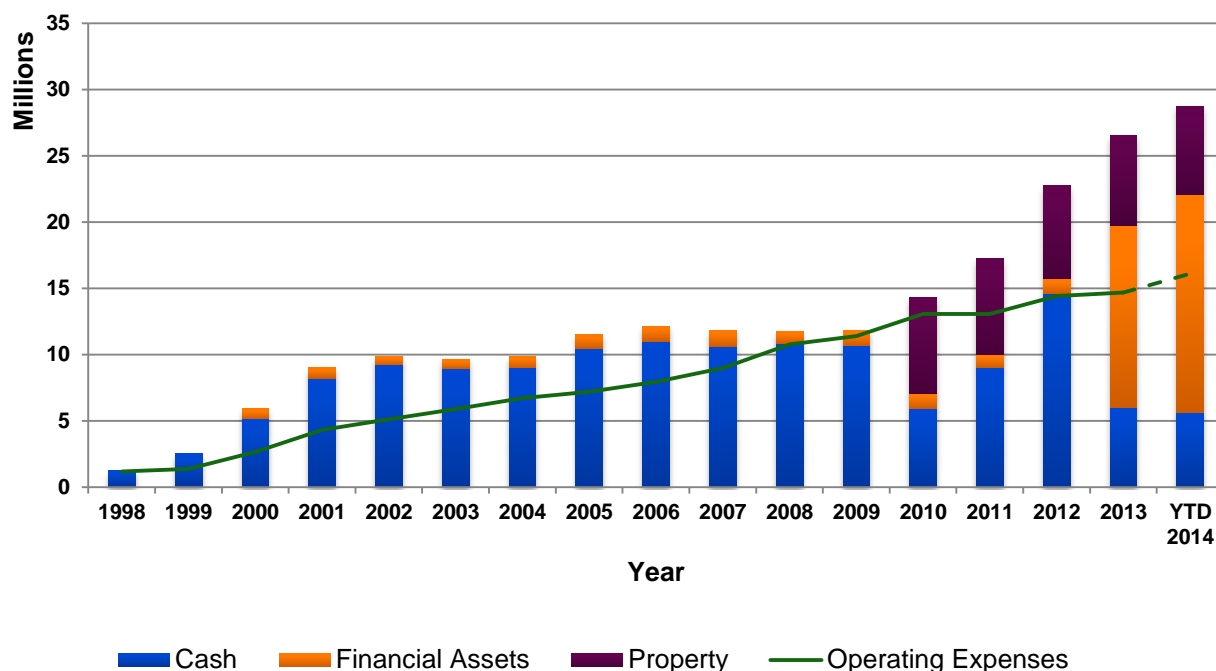


Figure 3.1 Reserve

3.3 APNIC Investment policy

The amount of \$16.5M is invested in the Credit Suisse investment management account at the end of October. Please refer to the attached investment report outlining the portfolio. \$2M of APNIC's surplus cash has been transferred to the investment portfolio as at the end of October.

3.4 APNIC's Equity and Reserves

By comparing APNIC's 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:

	31/10/2014	2013	2012
Total Equity	\$21,125,314	\$17,826,296	\$14,808,757
% Equity covered by Cash and/or Equivalent	113.7%	119.0%	105.7%
Forecast/Actual Daily Operating Expenses	\$43,167	\$39,864	\$39,461
Number of Months of expenses covered by Equity	16.09	14.70	12.34

4 Membership

4.1 Membership Statistics

As at the end of October 2014, APNIC had a total of 4,537 Members serving 54 economies.

4.2 Membership by Category

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

Membership	Total Sep-14	New Oct-14	Reactivate Oct-14	(Closed) Oct-14	Size Change Oct-14	Total YTD Oct-14	% Total
Extra Large	21	0	0	0	0	21	0%
Very Large	39	0	0	0	1	40	1%
Large	144	0	0	0	-1	143	3%
Medium	395	0	0	0	2	397	9%
Small	1,336	0	0	-12	22	1,346	30%
Very Small	1,630	0	0	-12	28	1,646	36%
Associate	936	65	0	-5	-52	944	21%
TOTAL	4,501	65	0	-29	0	4,537	100%

Table 6 Membership by Category

4.3 Membership by Economy

Figure 4.1 illustrates the APNIC membership distribution by economy.

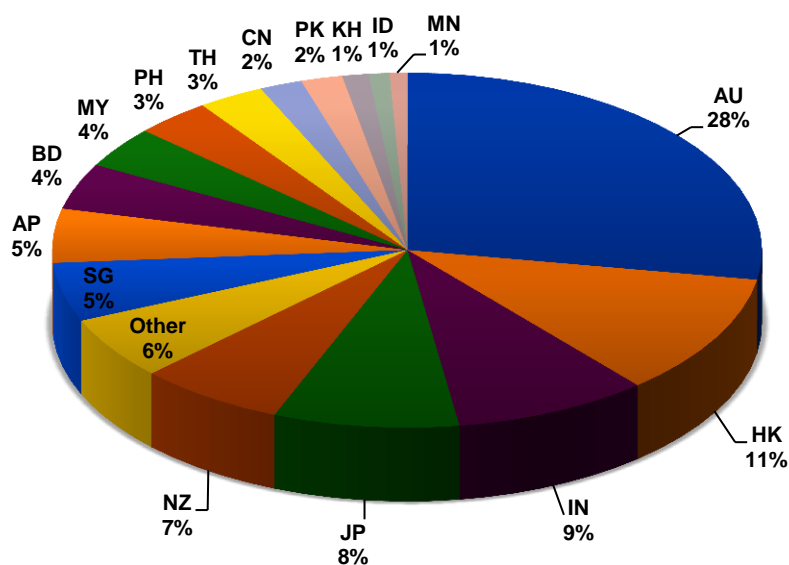


Figure 4.1 Membership by Economy

4.4 Membership Growth

APNIC membership monthly movements are illustrated at Figure 4.2 below. Membership growth budgeted for 2014 has been incorporated in this graph to track monthly growth against monthly budget growth.

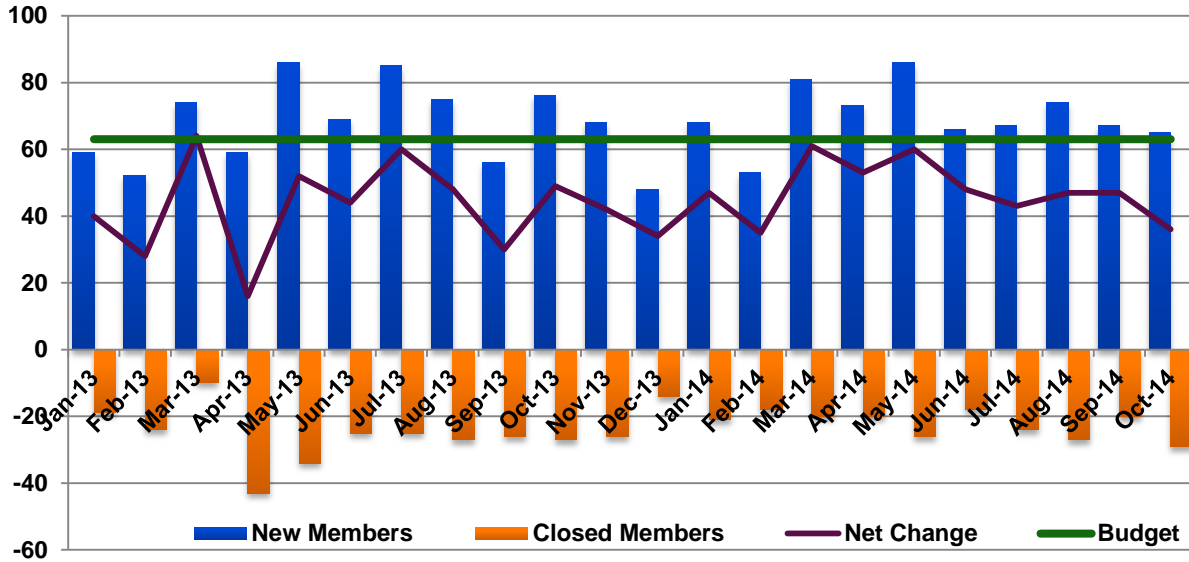


Figure 4.2 Monthly Growth Analysis

Figure 4.3 below illustrates APNIC membership growth by membership tier:

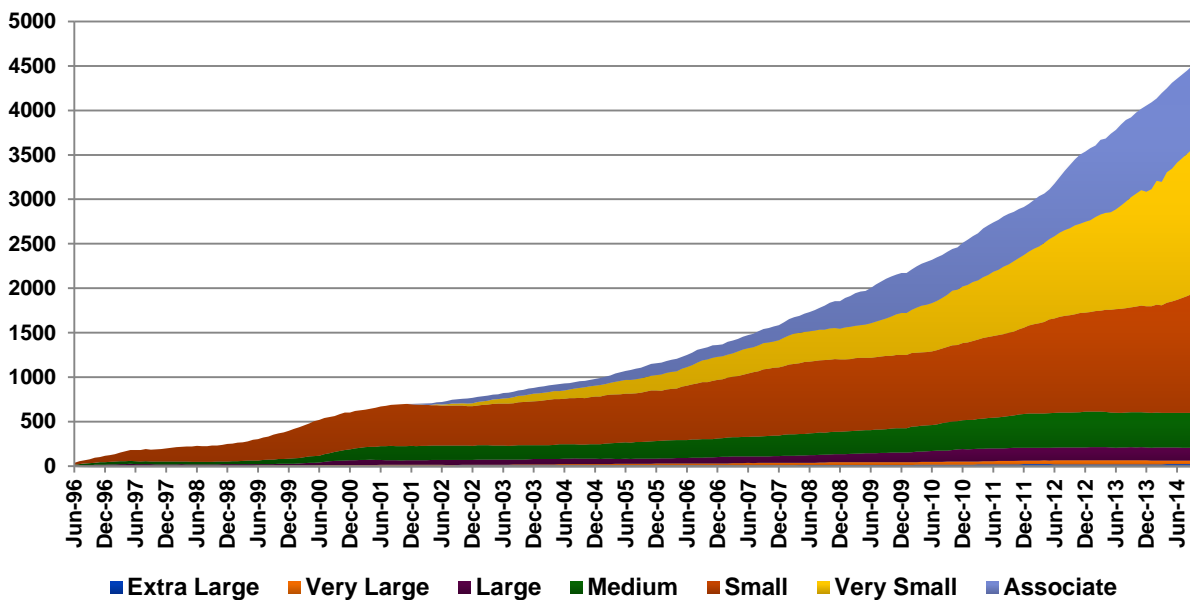


Figure 4.3 Total membership

4.5 Year-to-Date Membership Movement by Economy

Figure 4.4 below shows new and closed membership movement by economy as at end of October 2014.

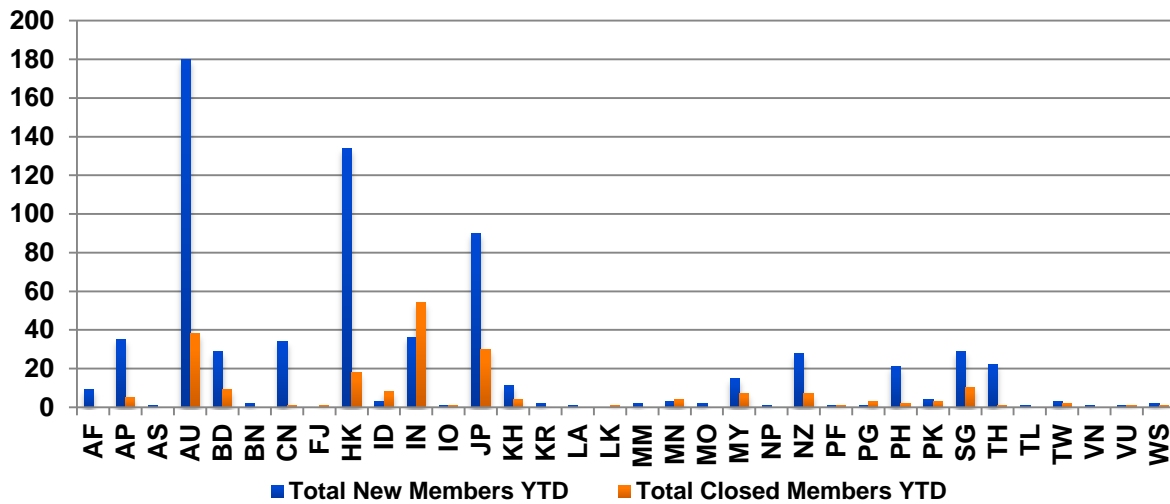


Figure 4.4 New and Closed Members Analysis

Figure 4.5 below provides an analysis of the Membership closures as at the end of October. 12% of the closures (26 out of 212 total) are due to account transfers to NIRs, and 67% of the accounts closures relate to accounts closed due to the failure to establish contact or the business is no longer operating and resource holdings are returned to APNIC.

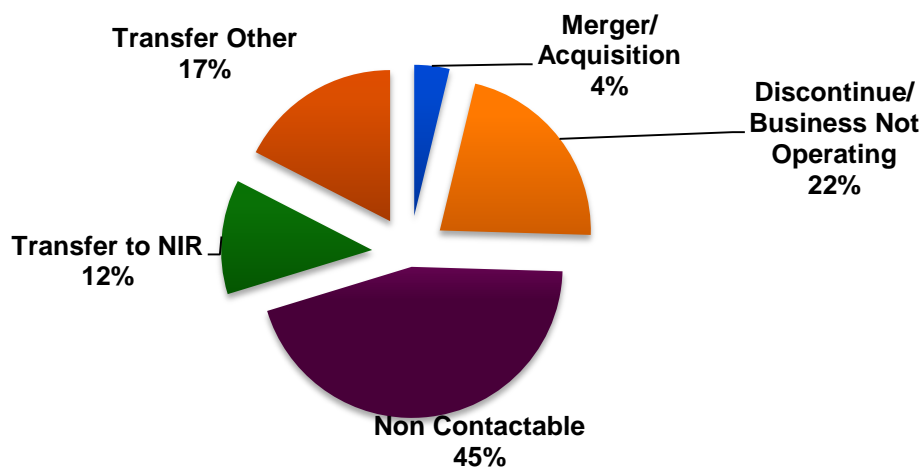


Figure 4.5 Closure Analysis

4.6 India Membership NIR Transfer Analysis

By the end of October 2014, the APNIC membership had 54 account closures from the Indian economy, 22 of these are due to transfers to IRINN. Others were closed due to non-payment and discontinued APNIC membership. There were 405 Indian members as at the end of last year, and the 2014 budget assumes that around 50% of these members will transfer to IRINN during 2014.

Transfers to IRINN are well below that anticipated in the budget for 2014.

The table below provides analysis of India Memberships transferred to the NIR.

India Membership	YTD Oct-14	YTD Budget 2014	YTD Variance	Budget 2014
Extra Large	0	1	-1	1
Very Large	1	4	-3	5
Large	2	7	-5	8
Medium	3	11	-8	13
Small	9	43	-34	51
Very Small	6	100	-94	120
Associate	1	6	-5	7
TOTAL	22	172	-150	205

Table 7 India Membership NIR Transfer Analysis

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

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Private Banking

Investment Report 1.10.2014 – 31.10.2014

APNIC PTY LTD

Portfolio Group: 3000039

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Private Banking

Investment Report 1.10.2014 – 31.10.2014

Portfolio Group 3000039
 In the Name of APNIC PTY LTD
 Produced on 1.11.2014
 Reporting Currency AUD
 Relationship Manager Nigel Renton
 Phone +612 8205 4095

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

Table of Contents

	Page
1. Overview	
1.1. Asset Allocation	3
2. Analyses	
2.1. Asset Allocation	4
3. Positions	
3.1. Investment Related Positions	5
4. Appendix	
4.1. Explanations	15
4.2. Legal Information	17

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Scope of Analysis as of 31.10.2014

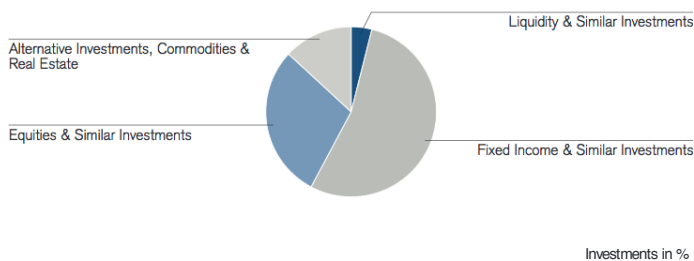
Components	Portfolio	Asset Value in AUD	Discretionary Mandate	Opened	Closed
Portfolio Group: 3000039					
AUD Portfolio	3000039-10	0		16.08.2013	
AUD Portfolio	3000039-70	16,500,129	Yes	16.08.2013	
Total Investments		16,500,129			

1. Overview

1.1. Asset Allocation

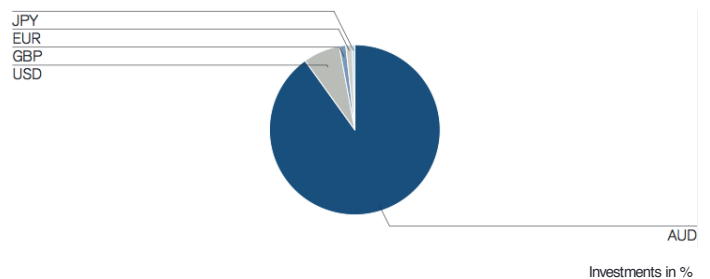
Asset Allocation by Asset Category
 Period 1.10.2014 - 31.10.2014

	Beginning of Period in AUD	Change	End of Period in AUD	End of Period Proportion
■ Liquidity & Similar Investments	604,392	42,445	646,836	3.92%
■ Fixed Income & Similar Investments	8,770,759	115,681	8,886,440	53.86%
■ Equities & Similar Investments	4,646,432	157,319	4,803,752	29.11%
■ Alternative Investments, Commodities & Real Estate	2,274,601	-111,499	2,163,101	13.11%
Total Investments	16,296,183		16,500,129	100.00%



Asset Allocation by Currency
 Period 1.10.2014 - 31.10.2014

	Beginning of Period in AUD	Change	End of Period in AUD	End of Period Proportion
■ AUD - Australian Dollar	14,671,356	217,062	14,888,417	90.23%
■ USD - US Dollar	1,154,018	2,822	1,156,841	7.01%
■ GBP - Pound Sterling	207,322	-7,160	200,162	1.21%
■ EUR - Euro	206,593	-9,013	197,579	1.20%
■ JPY - Japanese Yen	56,895	234	57,129	0.35%
Total Investments	16,296,183		16,500,129	100.00%

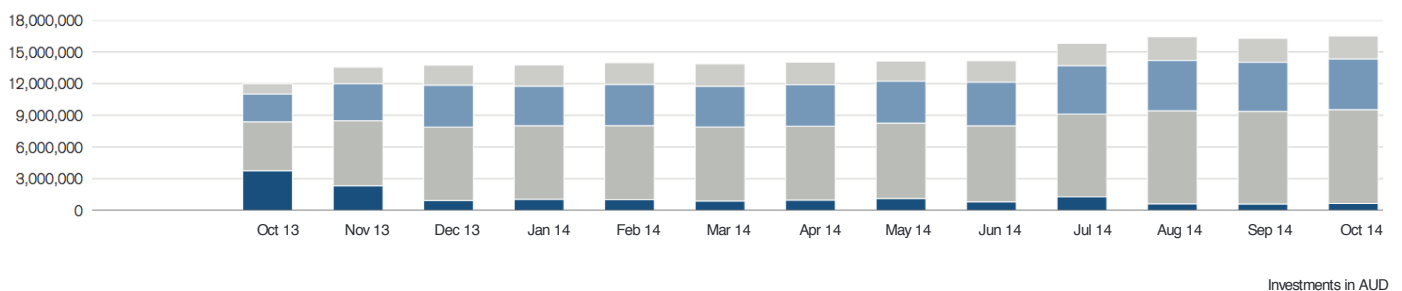


2. Analyses

2.1. Asset Allocation

Asset Allocation by Asset Category Details
 Period 1.10.2013 - 31.10.2014

	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14
■ Liquidity & Similar Investments	3,745,295	2,322,733	933,468	1,046,036	1,009,590	885,185	971,721	1,114,813	804,330	1,273,716	618,104	604,392	646,836
■ Fixed Income & Similar Investments	4,634,084	6,155,695	6,951,098	6,964,586	7,012,744	7,007,937	6,997,029	7,146,569	7,202,651	7,841,238	8,811,784	8,764,441	8,886,440
■ Equities & Similar Investments	2,639,693	3,509,288	3,965,344	3,747,390	3,897,294	3,854,490	3,916,919	3,967,091	4,126,990	4,587,248	4,759,789	4,645,388	4,803,752
■ Alternative Investments, Commodities & Real Estate	961,718	1,558,145	1,886,633	2,012,274	2,052,877	2,126,632	2,134,480	1,900,664	2,020,735	2,103,287	2,244,925	2,268,406	2,163,101
Total Ending Market Value in AUD	11,980,790	13,545,860	13,736,543	13,770,286	13,972,505	13,874,243	14,020,149	14,129,136	14,154,705	15,805,489	16,434,602	16,282,627	16,500,129



3. Positions

3.1. Investment Related Positions as of 31.10.2014

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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
Liquidity & Similar Investments							
AUD	443,700.34	Current Account -2300003970945 AUD Portfolio: 3000039-70	1.000		443,700	2.69%	
EUR	64.84	Current Account -2300003970056 AUD Portfolio: 3000039-70	1.000 1.4497 EUR/ AUD		93		-1 -1
GBP	876.99	Current Account -2300003970089 AUD Portfolio: 3000039-70	1.000 1.7663 GBP/ AUD		1,589	0.01%	40 40
JPY	61,416	Current Account -2300003970335 AUD Portfolio: 3000039-70	1.000 95.5951 AUD/ JPY		636		-6 -6
USD	709.54	Current Account -2300003970780 AUD Portfolio: 3000039-70	1.000 0.9283 AUD/ USD		804		39 39
AUD	200,000	2.658% Deposit - Fixed Term (MM1430300046) 30.10.2014 - 13.11.2014 Total interest at maturity: AUD 203.90 AUD Portfolio: 3000039-70	1.000		200,015 15 200,000	1.21%	
Total Liquidity & Similar Investments					646,836	3.92%	

3. Positions / 3.1. Investment Related Positions

5/17

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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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
Fixed Income & Similar Investments							
Fixed Income & Similar Investments AUD							
AUD	3,065,927	UNITS BLACKROCK INDEXED AUSTRALIAN BOND FUND AUD Portfolio: 3000039-70	AU60BGL01056 2244170	1.021	1.029 NAV 30.10.2014	3,155,348	19.12% 25,140 25,140
AUD	1,800,118.2	UNITS ABERDEEN AUSTRALIAN FIXED INCOME FUND AUD Portfolio: 3000039-70	AU60CRS00041 1739745	1.141	1.159 NAV 30.10.2014	2,087,057	12.65% 33,867 33,867
AUD	1,219.602	UNITS PIMCO AUSTRALIAN BOND FUND CLASS -A- AUD Portfolio: 3000039-70	AU60ETL01152 3432899	1,108.093	1,123.434 NAV 30.10.2014	1,370,142	8.30% 18,710 18,710
AUD	79,707	UNITS GOLDMAN SACHS GLOBAL STRATEGIC BOND FUND AUD Portfolio: 3000039-70	AU60JBW00976 23326554	1.028	1.020 BID 29.10.2014	81,325	0.49% -622 -622
AUD	1,952,593.72	UNITS VANGUARD AUSTRALIAN FIXED INTEREST INDEX FUND AUD Portfolio: 3000039-70	AU60VAN00014 1653500	1.114	1.123 NAV 30.10.2014	2,192,567	13.29% 18,151 18,151
Total Fixed Income & Similar Investments					8,886,440	53.86%	
Equities & Similar Investments							
Equities & Similar Investments AUD							
AUD	4,607	SHS AUSTRALIA & NEW ZEALAND BANKING GROUP LTD AUD Portfolio: 3000039-70	AU000000ANZ3 640139 ANZ.AX	31.841	33.500 CLO 31.10.2014	154,335	0.94% 7,645 7,645

3. Positions / 3.1. Investment Related Positions

6/17

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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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
AUD 5,931	STAPLED SECURITY APA GROUP AUD Portfolio: 3000039-70	AU000000APA1 1083439 APA.AX	6.168	7.870 CLO 31.10.2014	46,677	0.28%	10,094 10,094
AUD 4,686	SHS BHP BILLITON LTD AUD Portfolio: 3000039-70	AU000000BHP4 640390 BHP.AX	36.670	33.960 CLO 31.10.2014	159,137	0.96%	-12,699 -12,699
AUD 7,977	SHS BORAL LTD AUD Portfolio: 3000039-70	AU000000BLD2 1050991 BLD.AX	5.527	4.960 CLO 31.10.2014	39,566	0.24%	-4,525 -4,525
AUD 8,875	SHS BRAMBLES LTD AUD Portfolio: 3000039-70	AU000000BXB1 2373150 BXB.AX	8.677	9.530 CLO 31.10.2014	84,579	0.51%	7,573 7,573
AUD 2,272	SHS COMMONWEALTH BANK OF AUSTRALIA AUD Portfolio: 3000039-70	AU000000CBA7 646758 CBA.AX	76.171	80.480 CLO 31.10.2014	182,851	1.11%	9,790 9,790
AUD 1,189	SHS CSL LTD AUD Portfolio: 3000039-70	AU000000CSL8 241548 CSL.AX	67.315	80.190 CLO 31.10.2014	95,346	0.58%	15,308 15,308
AUD 551	SHS FLIGHT CENTRE TRAVEL GROUP LTD AUD Portfolio: 3000039-70	AU000000FLT9 90307 FLT.AX	50.221	41.920 CLO 31.10.2014	23,098	0.14%	-4,574 -4,574
AUD 1,199	STAPLED SECURITIES LEND LEASE GROUP AUD Portfolio: 3000039-70	AU000000LLC3 641373 LLC.AX	15.111	15.660 CLO 31.10.2014	18,776	0.11%	658 658

3. Positions / 3.1. Investment Related Positions

7/17

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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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
AUD 118,864	STAPLED SECURITY MIRVAC GROUP AUD Portfolio: 3000039-70	AU000000MGR9 821911 MGR.AX	1.750	1.795 CLO 31.10.2014	213,361	1.29%	5,295 5,295
AUD 1,657	SHS MACQUARIE GROUP LTD AUD Portfolio: 3000039-70	AU000000MQG1 3422370 MQG.AX	54.930	61.170 CLO 31.10.2014	101,359	0.61%	10,339 10,339
AUD 3,338	SHS NATIONAL AUSTRALIA BANK LTD AUD Portfolio: 3000039-70	AU000000NAB4 641643 NAB.AX	34.455	34.990 CLO 31.10.2014	116,797	0.71%	1,786 1,786
AUD 838	SHS RAMSAY HEALTH CARE LTD RHC AUD Portfolio: 3000039-70	AU000000RHC8 646740 RHC.AX	41.539	52.240 CLO 31.10.2014	43,777	0.27%	8,968 8,968
AUD 1,189	SHS RIO TINTO LTD AUD Portfolio: 3000039-70	AU000000RIO1 603520 RIO.AX	64.108	60.410 CLO 31.10.2014	71,827	0.44%	-4,397 -4,397
AUD 4,456	CHESSE DEPOSITARY INTERESTS RESMED INC ON A RATIO OF 10 CDIS PER ORD.SH AUD Portfolio: 3000039-70	AU000000RMD6 1058638 RMD.AX	5.509	5.920 CLO 31.10.2014	26,380	0.16%	1,829 1,829
AUD 67,311	STAPLED SECURITY SCENTRE GROUP AUD Portfolio: 3000039-70	AU000000SCG8 23931192 SCG.AX	3.448	3.540 CLO 31.10.2014	238,281	1.44%	6,209 6,209
AUD 91,123	STAPLED SECURITY SHOPPING CENTRES AUSTRALASIA PROPERTY GROUP AUD Portfolio: 3000039-70	AU000000SCP9 19791333 SCP.AX	1.550	1.810 CLO 31.10.2014	164,933	1.00%	23,648 23,648

3. Positions / 3.1. Investment Related Positions

8/17

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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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
AUD 1,375	SHS SEEK LTD AUD Portfolio: 3000039-70	AU000000SEK6 2128330 SEK.AX	17.126	16.570 CLO 31.10.2014	22,784	0.14%	-764 -764
AUD 33,697	UNITS SPDR S&P/ ASX 200 LISTED PROPERTY FUND AUD Portfolio: 3000039-70	AU000000SLF1 1377855 SLF.AX	9.523	10.500 CLO 31.10.2014	353,819	2.14%	32,924 32,924
AUD 7,537	UNITS SPDR S&P/ ASX 200 FUND AUD Portfolio: 3000039-70	AU000000STW9 1285707 STW.AX	51.016	52.160 CLO 31.10.2014	393,130	2.38%	8,621 8,621
AUD 3,968	SHS SUNCORP GROUP LTD AUD Portfolio: 3000039-70	AU000000SUN6 588679 SUN.AX	13.581	14.650 CLO 31.10.2014	58,131	0.35%	4,242 4,242
AUD 3,933	STAPLED SECURITY TRANSURBAN GROUP AUD Portfolio: 3000039-70	AU000000TCL6 444655 TCL.AX	7.793	8.130 CLO 31.10.2014	31,975	0.19%	1,325 1,325
AUD 20,805	SHS TELSTRA CORPORATION LTD AUD Portfolio: 3000039-70	AU000000TLS2 720464 TLS.AX	5.075	5.630 CLO 31.10.2014	117,132	0.71%	11,552 11,552
AUD 5,271	SHS WESTPAC BANKING CORP AUD Portfolio: 3000039-70	AU000000WBC1 642372 WBC.AX	32.914	34.780 CLO 31.10.2014	183,325	1.11%	9,836 9,836
AUD 1,094	SHS WESFARMERS LTD AUD Portfolio: 3000039-70	AU000000WES1 642397 WES.AX	43.980	44.140 CLO 31.10.2014	48,289	0.29%	175 175

3. Positions / 3.1. Investment Related Positions

9/17

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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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
AUD 1,158	SHS WOOLWORTHS LTD AUD Portfolio: 3000039-70	AU000000WOW2 81350 WOW.AX	34.789	36.000 CLO 31.10.2014	41,688	0.25%	1,402 1,402
AUD 931	SHS WOODSIDE PETROLEUM LTD AUD Portfolio: 3000039-70	AU000000WPL2 642429 WPL.AX	40.307	40.130 CLO 31.10.2014	37,361	0.23%	-165 -165
AUD 49,407.1123	UNITS ABERDEEN EMERGING OPPORTUNITIES FUND AUD Portfolio: 3000039-70	AU60ETL00329 2220820	2.114	2.166 NAV 30.10.2014	107,036	0.65%	2,576 2,576
AUD 23,362.8214	UNITS IRONBARK KARARA AUSTRALIAN SMALL COMPANIES FUND CLASS -A- AUD Portfolio: 3000039-70	AU60PAT00021 2879000	2.844	2.959 BID 30.10.2014	69,128	0.42%	2,682 2,682
AUD 159,568.25	UNITS VANGUARD INTERNATIONAL SHARES INDEX FUND HEDGED AUD Portfolio: 3000039-70	AU60VAN01053 2265005	0.780	0.783 NAV 30.10.2014	124,958	0.76%	521 521
AUD 71	SHS -PT (AUD)- ALLIANZ GLOBAL INVESTORS FUND SICAV - ALLIANZ EUROPE EQUITY GROWTH CAPITALISATION AUD Portfolio: 3000039-70	LU0757889166 18233884	1,435.257	1,538.690 NAV 31.10.2014	109,247	0.66%	7,344 7,344
AUD 2,047 984	SHS OIL SEARCH LTD of which is pending settlement AUD Portfolio: 3000039-70	PG0008579883 809900 OSH.AX	8.652	8.630 CLO 31.10.2014	17,666	0.11%	-46 -46
Total Equities & Similar Investments AUD					3,496,746	21.19%	

3. Positions / 3.1. Investment Related Positions

10/17

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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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
Equities & Similar Investments EUR							
EUR	1,703	UNITS ISHARES EURO STOXX BANKS 30-15 UCITS ETF (DE) AUD Portfolio: 3000039-70	DE0006289309 1232727 SX7EEX.DE	16.162 1.4489 EUR/ AUD 31.10.2014	14.288 OFF 31.10.2014	34,738 0.21%	-5,142 -4,556 -586
EUR	5,385	SHS ISHARES II PLC - ISHARES MSCI EUROPE UCITS ETF (DIST) GERMAN CERT. AUD Portfolio: 3000039-70	DE000A0M5X28 3570559 IQQY.DE	20.390 1.4577 EUR/ AUD 31.10.2014	21.170 CLO 31.10.2014	162,749 0.99%	2,693 5,997 -3,304
Total Equities & Similar Investments EUR					197,487	1.20%	
Equities & Similar Investments GBP							
GBP	16,766	SHS ISHARES PLC - ISHARES FTSE 100 UCITS ETF (DIST) EXCHANGE TRADED FUND GBP AUD Portfolio: 3000039-70	IE0005042456 1083749 ISFL	6.604 1.7310 GBP/ AUD 31.10.2014	6.537 OFF 31.10.2014	198,573 1.20%	6,917 -2,029 8,946
Total Equities & Similar Investments GBP					198,573	1.20%	
Equities & Similar Investments JPY							
JPY	326	UNITS NIKKEI 225 EXCHANGE TRADED FUND AUD Portfolio: 3000039-70	JP3027650005 1264151 1321.T	14,954.896 92.8329 AUD/ JPY 31.10.2014	16,730.000 CLO 31.10.2014	56,493 0.34%	3,976 5,994 -2,018
Total Equities & Similar Investments JPY					56,493	0.34%	
Equities & Similar Investments USD							
USD	346	ACCUM.PTG.SHS ISHARES VII PLC - ISHARES NASDAQ 100 UCITS ETF EXCHANGE TRADED FUND USD AUD Portfolio: 3000039-70	IE00B53SZB19 10737617 CSNDX.S	181.915 0.9285 AUD/ USD 31.10.2014	224.990 CLO 31.10.2014	88,183 0.53%	20,392 16,883 3,510

3. Positions / 3.1. Investment Related Positions

11/17

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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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
USD	399	SHS -I- VONTOBEL FUND SICAV - EMERGING MARKETS EQUITY CAPITALISATION AUD Portfolio: 3000039-70	LU0278093082 2870698	162.639 0.9324 AUD/ USD 29.10.2014	174.130 NAV 29.10.2014	78,703 0.48%	9,106 5,194 3,913
USD	1,689	SHS DBX ETF TRUST DEUTSCHE X-TRACKERS MSCI JAPAN HEDGED EQUITY ETF AUD Portfolio: 3000039-70	US2330515071 13179474 DBJP.P	35.839 0.9359 AUD/ USD 31.10.2014	40.670 CLO 31.10.2014	77,813 0.47%	13,131 9,243 3,889
USD	915	SHS ISHARES GLOBAL HEALTHCARE ETF AUD Portfolio: 3000039-70	US4642873255 1352444 IXJ.P	92.985 0.9262 AUD/ USD 31.10.2014	100.110 CLO 31.10.2014	103,764 0.63%	11,900 7,385 4,515
USD	2,215	TRUST UNITS SPDR S&P 500 ETF TRUST SERIES -1- ETF AUD Portfolio: 3000039-70	US78462F1030 45088 SPY.P	177.380 0.9389 AUD/ USD 31.10.2014	201.660 CLO 31.10.2014	505,989 3.07%	87,526 60,923 26,604
Total Equities & Similar Investments USD					854,453	5.18%	
Total Equities & Similar Investments					4,803,752	29.11%	
Alternative Investments, Commodities & Real Estate Hedge Funds							
AUD	358,654.091	UNITS GMO SYSTEMATIC GLOBAL MACRO TRUST CLASS -B- AUD Portfolio: 3000039-70	AU60GMO00067 3375604	0.998 0.982 NAV 28.10.2014	352,342 28.10.2014	2.14%	-5,722 -5,722
AUD	341,323.58	UNITS BLACKROCK GLOBAL ALLOCATION FUND (AUST) CLASS -D- WHOLESALE AUD Portfolio: 3000039-70	AU60MAL00181 3379478	1.225 1.283 NAV 29.10.2014	437,932 29.10.2014	2.65%	19,812 19,812

3. Positions / 3.1. Investment Related Positions

12/17

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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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
AUD 292,717.799	RED.PTG.SHS -A1- AHL (CAYMAN) SPC AUD CLASS A EVOLUTION SEGREGATED PORTFOLIO AUD Portfolio: 3000039-70	KYG012291145 22393979	1.138	1.265 NAV 30.09.2014	370,288	2.24%	37,078 37,078
AUD 184.596	RED.PTG.SHS -JD- PERSISTENT EDGE ASIA PARTNERS LTD SERIES JANUARY 2012 NON NEW ISSUE AUD Portfolio: 3000039-70	XD0146211822 14621182	1,306.500	1,354.060 NAV 29.08.2014	249,954	1.51%	8,779 8,779
AUD 30	RED.PTG.SHS -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES JANUARY 2014 NON NEW ISSUES AUD Portfolio: 3000039-70	XD0232843918 23284391	1,000.647	1,008.300 NAV 29.08.2014	30,249	0.18%	230 230
AUD 32	RED.PTG.SHS -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES JUNE 2014 NON NEW ISSUE AUD Portfolio: 3000039-70	XD0245413006 24541300	1,000.430	1,019.390 NAV 29.08.2014	32,620	0.20%	607 607
AUD 31	RED.PTG.SHS -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES SEPTEMBER 2014 NON NEW ISSUE AUD Portfolio: 3000039-70	XD0253504324 25350432	1,000.225	1,000.000 NAV 01.09.2014	31,000	0.19%	-7 -7
Total Hedge Funds					1,504,385	9.12%	
Commodities & Precious Metals							
AUD 2,744	ETC SECURITY ETFS METAL SECURITIES AUSTRALIA LTD 2003-WITHOUT FIXED MATURITY ON GOLD COMMODITY AUD Portfolio: 3000039-70	AU00000GOLD7 1583458 GOLD.AX	136.729	130.150 CLO 31.10.2014	357,132	2.16%	-18,053 -18,053

3. Positions / 3.1. Investment Related Positions

13/17

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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 of which Market Value	Prop.	Profit/ Loss Unrealized in AUD of which Instrument of which Forex
USD 241	UBS ETC UBS AG, LONDON BRANCH 2007-OPEN END ON UBS BLOOMBER CMC1 COMPOSITE TOTAL RETURN AUD Portfolio: 3000039-70	CH0031794263 3179426 TCMCI.S	1,203.195 0.9386 AUD/ USD	1,104.700 NAV 31.10.2014	301,584	1.83%	-7,356 -26,889 19,534
Total Commodities & Precious Metals					658,716	3.99%	
Total Alternative Investments, Commodities & Real Estate					2,163,101	13.11%	
Total Investments					16,500,129	100.00%	
of which Accrued Interest					15		

3. Positions / 3.1. Investment Related Positions

14/17

001970938 012 058

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.

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.

Cost Valuation Exchange Rates

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

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.

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. The total profit/ loss represents the result after taking account of realized/ unrealized profit/ loss, income and costs.

Unrealized profit/ loss displayed in the Positions section are calculated as of the reporting date. However, unrealized profit/ loss displayed in the Analyses section, are calculated for the period shown.

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.

Transactions

If no transactions have occurred during the reporting period, this section will be suppressed.

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 31.10.2014

AUD 1.0000 = JPY 96.5426
 AUD 1.0000 = USD 0.8828
 EUR 1.0000 = AUD 1.4276

GBP 1.0000 = AUD 1.8118

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.

APNIC Director General's report to the Executive Council 25 November 2014

This report is provided to the EC for the quarterly meeting in Singapore, on 26 and 27 November 2014.

Finance

At this meeting, APNIC financial, budget and investment reports will be presented for EC review.

The surplus forecast for 2014 is AUD 2,863,869, which is 46% higher than the budget AUD 1,967,806

The analysis and preparation for the proposed fee structure review has been completed, and is forecast to produce a much smaller surplus for the 2015 year.

As reported, APNIC's investment portfolio has performed very strongly in 2014.

APNIC's capital reserve target is now being measured in terms of Total Equity (including Retained earnings and unrealised capital gains), and is currently equal to 16.09 months of current operating expenses (as at 31/10/2014).

Planning

A more detailed activity-based approach to planning and budgeting has been developed for 2015, and will be ready for EC review. This will provide greater transparency to members, as requested.

Forward planning will now be based on a number of "activity codes", developed with the EC Treasurer, which will allow activities under these categories to be tracked and reported. While the Secretariat has operated internally in this way for a few years now, the approach is now mature enough for publication to APNIC members.

Also, the ELT has reviewed and updated the APNIC strategic planning process, for presentation to the APNIC EC. This includes a revised format of Goals, Strategies, Objectives and Activities, and a better link between APNIC Risk Register and SWOT analysis. Also a rolling 4-year planning window is proposed, with a biennial review which will respond to the regular APNIC survey.

The APNIC 2014 Survey was completed and the survey report presented at APNIC 38 in Brisbane. Secretariat has prepared a proposed response to the survey, for EC approval at this meeting.

Registration and Member Services

With receipt of additional IPv4 address space from the IANA, and implementation of prop-105 in May, monthly IPv4 allocation rates increased from 150/month in April to over 800 in August. Since August the rate has fallen to around 200/month.

Transfers of IPv4 space have fluctuated between 10 and 20 per month during 2014. Around 75% of all transfers are inter-regional, from ARIN to APNIC.

An inter-regional transfer policy is still being discussed in the RIPE region, and is likely to be approved soon. Due to inconsistency between ARIN and RIPE region policies, it is possible that our receipt of transfers from ARIN (a need-based policy environment) may be threatened by the implementation of transfers to RIPE NCC (which does not require demonstrated need for all transfers). APNIC needs to consider how it will deal with transfers to the RIPE region. This is a proposed topic for the current EC meeting.

There are increasing instances of unusual transfer requests, which will be reported to members at the next meeting. APNIC staff are in regular communication with staff of other RIRs about instances which involve inter-regional organisations and requests. We are also seeing reports to APNIC of alleged improper requests, by members of the community.

NIRs

There have been recent enquiries about possible establishment of new NIRs, but parties have been informed that the NIR application process is currently suspended by the EC.

We have been providing a National IP report to a number of governments, containing a compiled set of public data related to an individual economy. More work is now being done on a form of “national internet directory” which can provide a better interface to economy-specific data for those who require it.

Communications

The APNIC Communications Area recently appointed Communications Manager (Siena Perry) and Web developer (Daniel Franklin). See below for other staff movements during 2014.

During 2014 both APNIC conferences (APNIC 37 and 38) were relocated, causing extra work and logistical challenges. While the Brisbane meeting was a success, Secretariat will propose to review the policy of considering Brisbane as the backup location.

“ARM” regional meetings will have been held in 5 locations in 2014: Manila, Dhaka, Colombo, Yangon and Honiara. The regional meetings were not necessarily multi-country/economy in scope. The emphasis is to bring information to regional events and get more people appraised of what’s happening at APNIC.

The Communications team has been upgrading APNIC’s online presence and publications outputs, with the APNIC Blog and active social media presence. The Blog continues to be active, with articles almost daily, including Event Wraps, technical reports and analysis, service updates and guest posts.

Development

Under Duncan Macintosh, the Development Area includes training, technical assistance, community support and development projects (primarily ISIF at present). A new Training Manager (Kevin Meynell) started work in November 2014, replacing Champika Wijayatunga.

As agreed by the EC, research is underway on the possible establishment of an “APNIC Foundation” to attract funding and partnerships for increased development activities in future, with a structural separation from APNIC’s core member services and funding. Activities which may increase with additional Foundation support include training, fellowships, technical assistance, and infrastructure development (e.g. rootservers and IXPs).

Discussions are underway with AIT (Bangkok) about APNIC support for a new postgraduate programme in Internet Engineering.

Training

In 2014, we will have held 42 training workshops (with 1019 trainees to date) and 33 tutorials and other events (1193 attendees). A complete list of events is provided below.

NRO

APNIC has worked with the other RIRs in development of an accountability matrix which provide a comparison of accountability-related structures and processes at each RIR. This matrix is now being analysed to identify inconsistencies, and any opportunities for improvements by individual RIRs or by the NRO.

The next rotation of NRO EC officeholders (for 2015) will be:

Chair: RIPE-NCC
Secretary: LACNIC
Treasurer: ARIN (APNIC in 2016)

The NRO CRISP team is now established and will start work soon on developing the common RIR proposal for IANA transition.

The next NRO EC meeting will be held on 1 and 2 December, in Mauritius.

Strategic Engagement

While Connie Chan has been working as External Relations Manager during 2014, her time is now required as Senior Executive Assistance to the DG and EC, and a new External Relations manager will be recruited for 2015.

During this year APNIC joined APT as a member, and we have attended APT meetings (in Brunei and Australia), particularly in preparation for the ITU Plenipotentiary (PP14).

Adam Gosling attended PP14 for the 3-week duration, tracking the development of Internet-related issues. Pablo Hinojosa and I attended for shorter periods, during the final discussions on Internet matters. These had been documented in Event Wrap reports and on the APNIC blog.

The “NETmundial Initiative” meeting was launched at the WEF in Geneva in August, in a partnership with CGI.br (Brazilian Internet Steering Committee) and ICANN. The meeting proposed to advance a number of projects related to Internet governance, within a new multi-stakeholder organizational structure, including development of:

- Best practice models for Internet Governance at a national level
- Support systems for IGF and related meetings
- A “mapping” system linking issues with solutions

In November, the structure for ongoing NETmundial activities was announced. Controversially, ISOC Board made a statement that it will not support this initiative for the time being, as they were concerned about the perceived “top-down” processes.

The first annual World Internet Conference (WIC) conference was held in Wuzhen, China, with invited guests hosted by the Chinese government. A Wuzhen declaration draft was circulated but not finally proposed for adoption by the meeting.

Having served 3 years on the IGF MAG, I was not renewed for 2015. German Valdez has been appointed and will serve as an NRO representative. The 10th IGF will be held in Brazil in 2015; and the renewal of IGF for a 3rd term beyond 2015 is still pending UN approval.

APNIC Employee Engagement

Confidential

23rd October 2014



APNIC Response rate

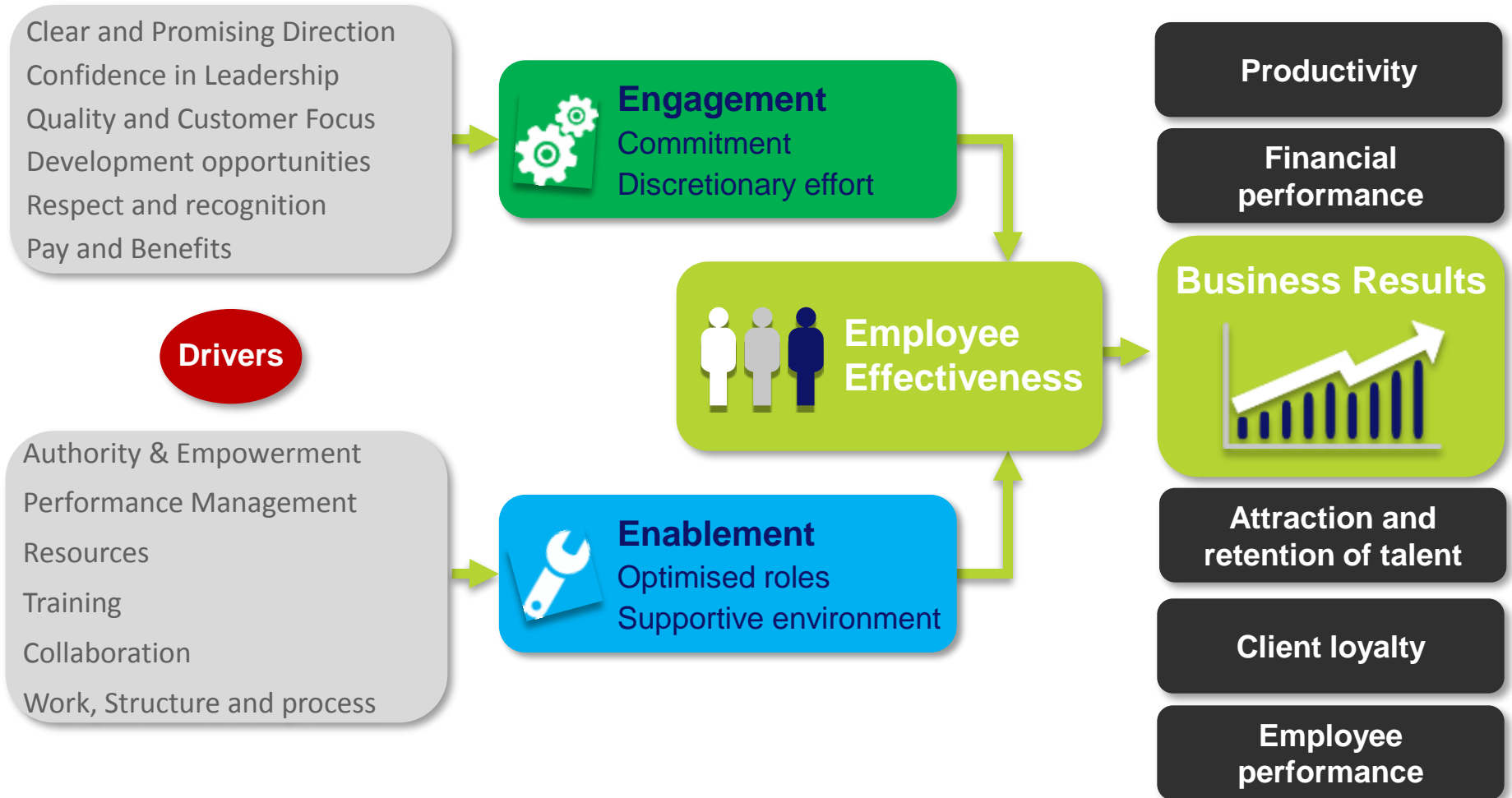
98%

(95% in 2013)



- Incredible response rate!
- An excellent view
- Definite improvements

Hay Group's Employee Effectiveness Framework



Benchmarks

APNIC:

- Measure against our own scores year on year

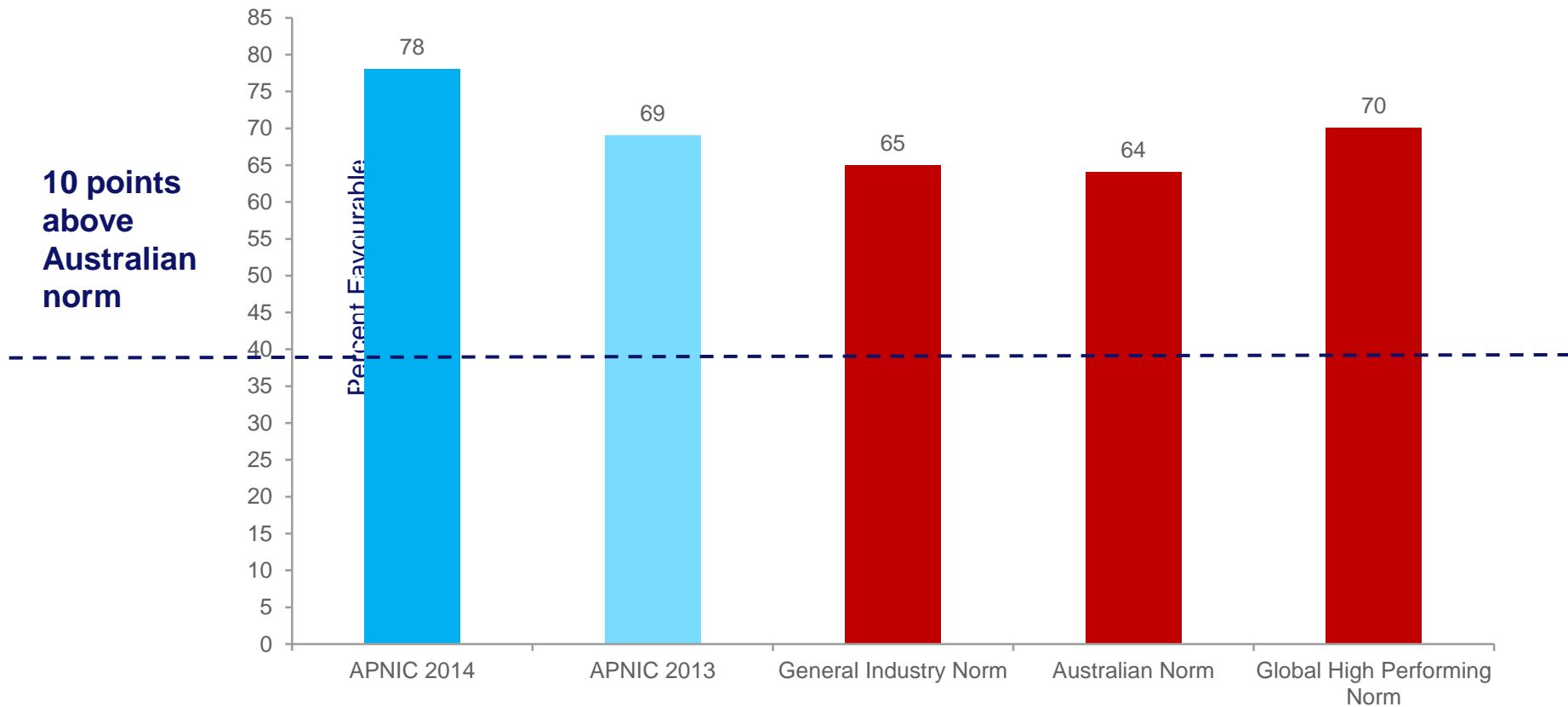
General Industry:

- Compare scores typical in other organisations based on data collected from over 6 700 000 employees in 400 organisations around the world in a variety of industries

High Performing:

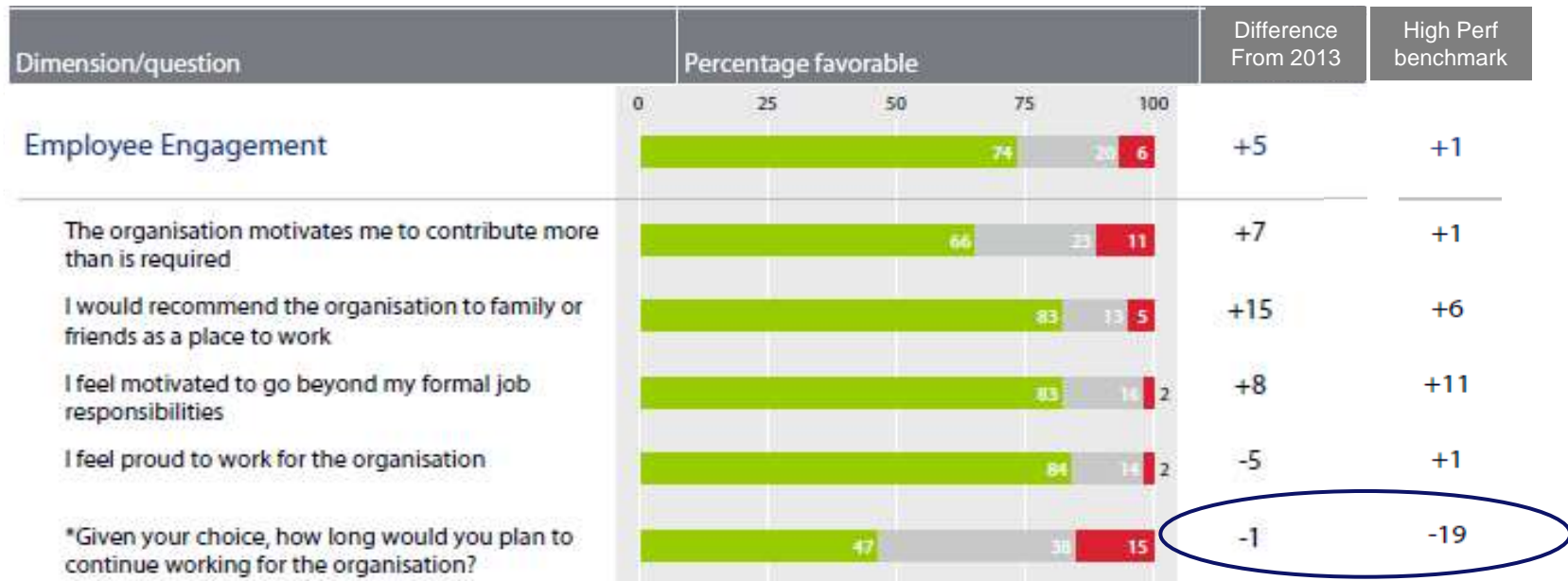
- Stretch target showing the average survey scores from over 1 700 000 employees in 35 high performing organisations around the world. Organisations are eligible for inclusion in this benchmark if they meet a minimum threshold on employee engagement and enablement, as well as meeting other financial KPIs.
- * *Hay Group also provide an indication of the Australian Norm*

APNIC Engagement score



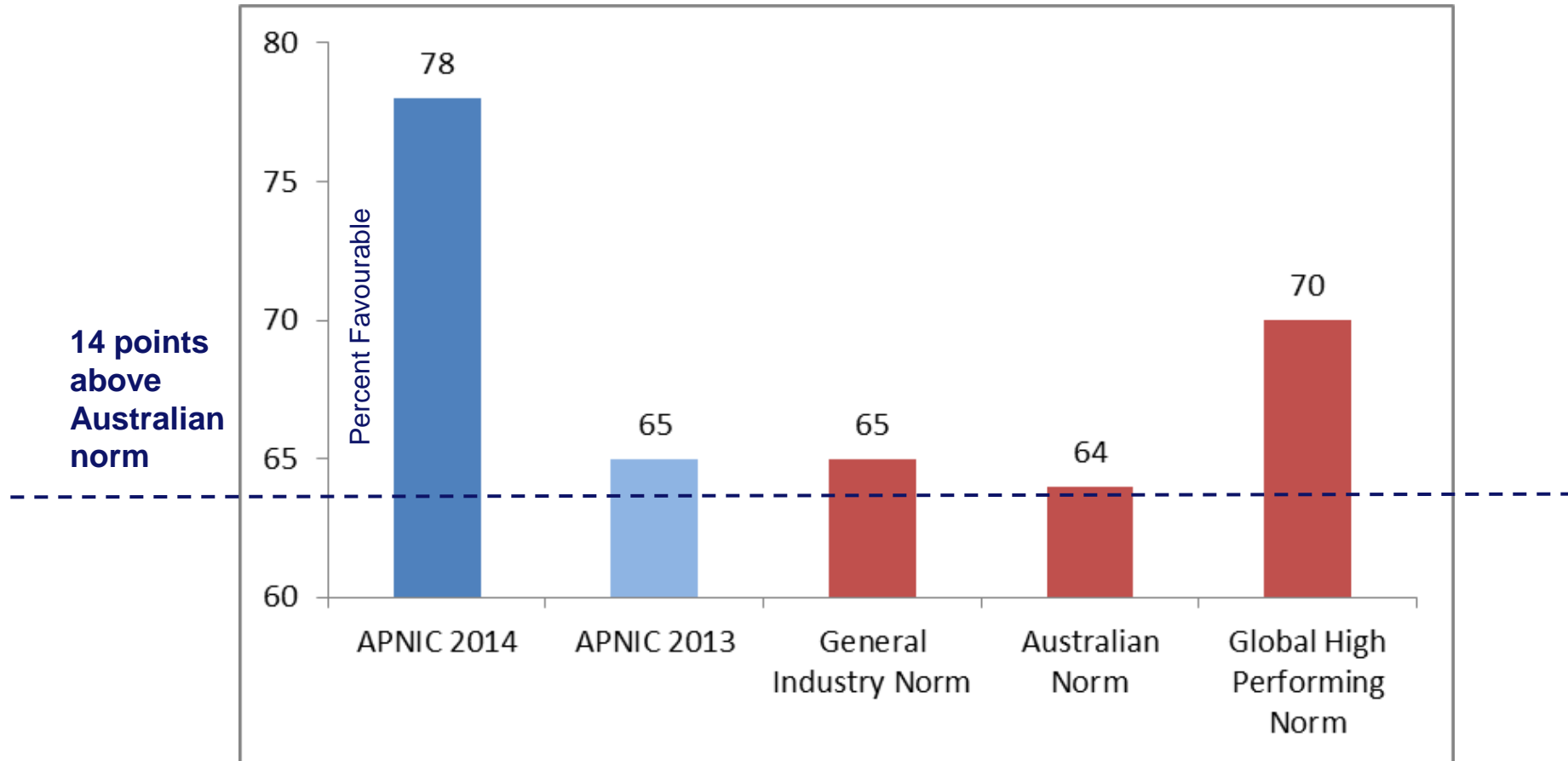
Engagement score

Commitment (pride in working for and motivation) are strong alongside levels of discretionary effort. Further focus on understanding the lack of willingness to stay.








Q49 Scale: Fav: More Than 5 Years (or Until Retirement); Neutral: 3-5 Years; Unfav: Less Than 1 Year, 1-2 Years

APNIC Enablement score



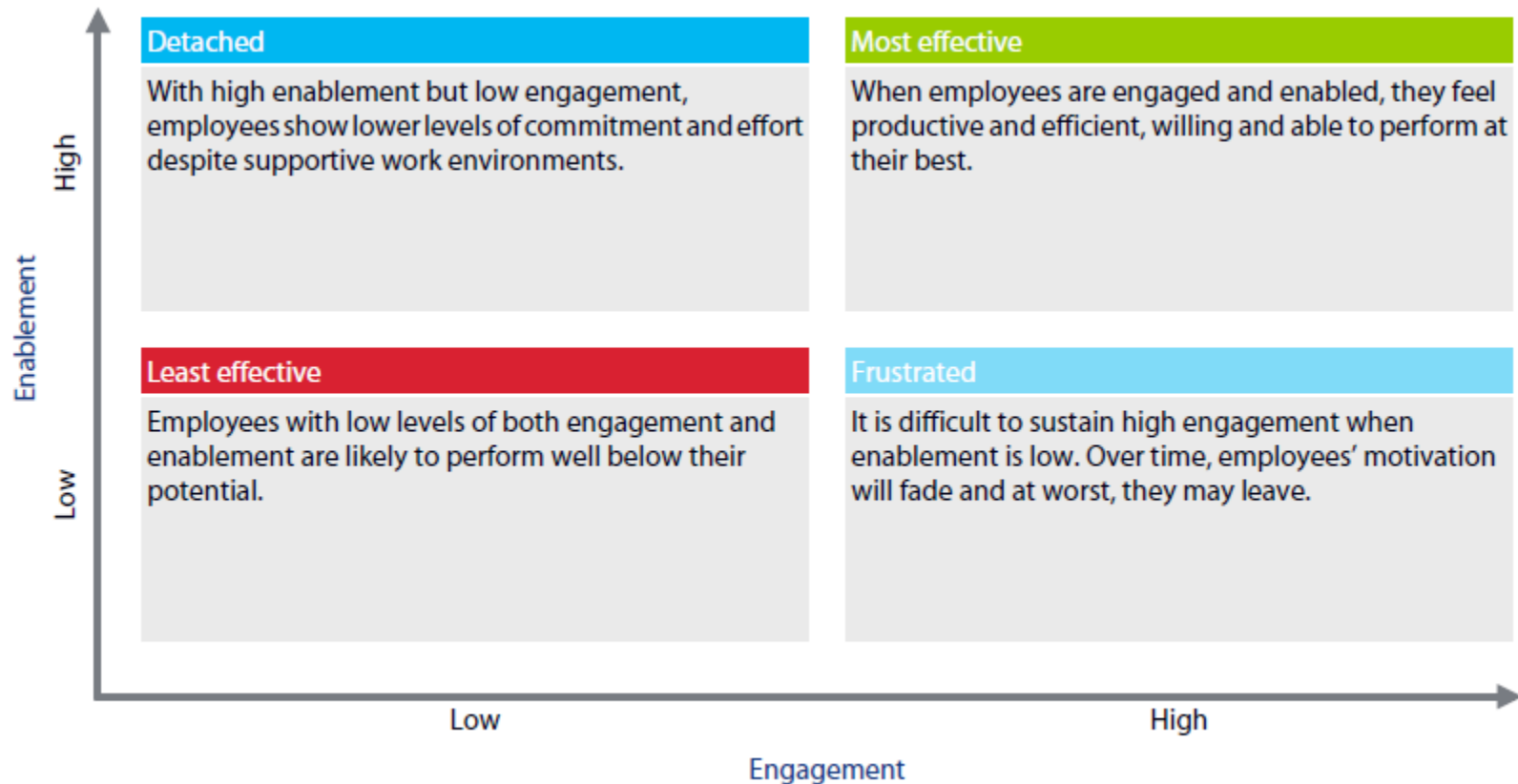
Enablement score

Focus on enabling people through removing significant barriers that could frustrate and restrict employees from being productive as they could be.

Dimension/question	Percentage favorable	Difference From 2013	High Perf benchmark
Employee Enablement		+13	+9
There are no significant barriers at work to doing my job well		+15	+5
My job provides me the opportunity to do challenging and interesting work		+9	+8
My job makes good use of my skills and abilities		+10	+5
Conditions in my job allow me to be about as productive as I can be		+20	+18

 % Fav  % Neutral  % Unfav

Engagement and enablement: Implications for action



Engagement and enablement: Implications for action



Suggested focus areas

Action Area	Suggested Steps
Performance Management (not Pay)	Ensure pay is being linked to performance Visibly manage poor performance, especially around quality of outputs
Training	Ensure employees have time to undertake training provided
Resources	Ensure that there is a continuous focus on automating tasks and improving efficiency of processes which require heavy resourcing; check that the right people are in the right roles

“APNIC Foundation”

EC meeting - Singapore

The EC Resolution

"The EC invited the Director of Development to develop a proposal **for a developmental funding foundation** for further EC consideration, **including consideration of developmental needs in the region**, and **the means and methods for fulfilling those needs**, noting that APNIC is committed to providing no lesser level of developmental support than is the case today."

What

“a developmental funding foundation”

- In line with APNIC's original mission
- To support extension of services as requested by members and the community of developing regions
- Where local resources are not available, but external resources may be
- With appropriate separation of funding administration from APNIC core activities

Why

“consideration of the developmental needs in the region”

- Developmental needs to be quantified
 - Training, fellowships and other HRD
 - Technical assistance
 - Infrastructure assistance
- Activities:
 - Training Needs Assessment under development for 2015 (with AIT, 6 months, AUD30,000).
 - Technical Assistance strategy under development for 2015.
 - Member engagement on-going in Sri Lanka and the Pacific.
 - New NOGs supported in Bhutan and (next year) Cambodia

How

“the means and methods for fulfilling those needs”

- Need to learn more about specific opportunities available
 - Funding sources available
 - Partner expectations
- Activities:
 - Attended the Credit Suisse philanthropy forum in Singapore
 - In contact with USAID about funding for Internet development in SE Asia and the Pacific
 - Studying possible engagement with Japan and Taiwan

Concept Paper

- Introduction
 - Importance of the Internet globally and especially in Asia; growth pressure in AP region; security and other challenges (e.g. IPv6)
- Rationale
 - Importance of human resource development for secure, stable, economical Internet; potential partners; why APNIC
- Proposal
 - Foundation or similar structure to support funding and services; location to be determined; feedback from partners will be needed

Road Map

- Nov 2014 (Singapore)
 - This presentation to APNIC EC*
- Feb 2015 (Fukuoka)
 - Presentation of Concept Paper*
- May 2015 (EC meeting, TBD)
 - Presentation of options identified*
- Aug 2015 (Jakarta)
 - Proposal for EC approval*
- Nov 2015 (EC meeting, TBD)
 - Implementation plan and budget approval*

* With go/no-go at each stage

APNIC 2015 Priorities

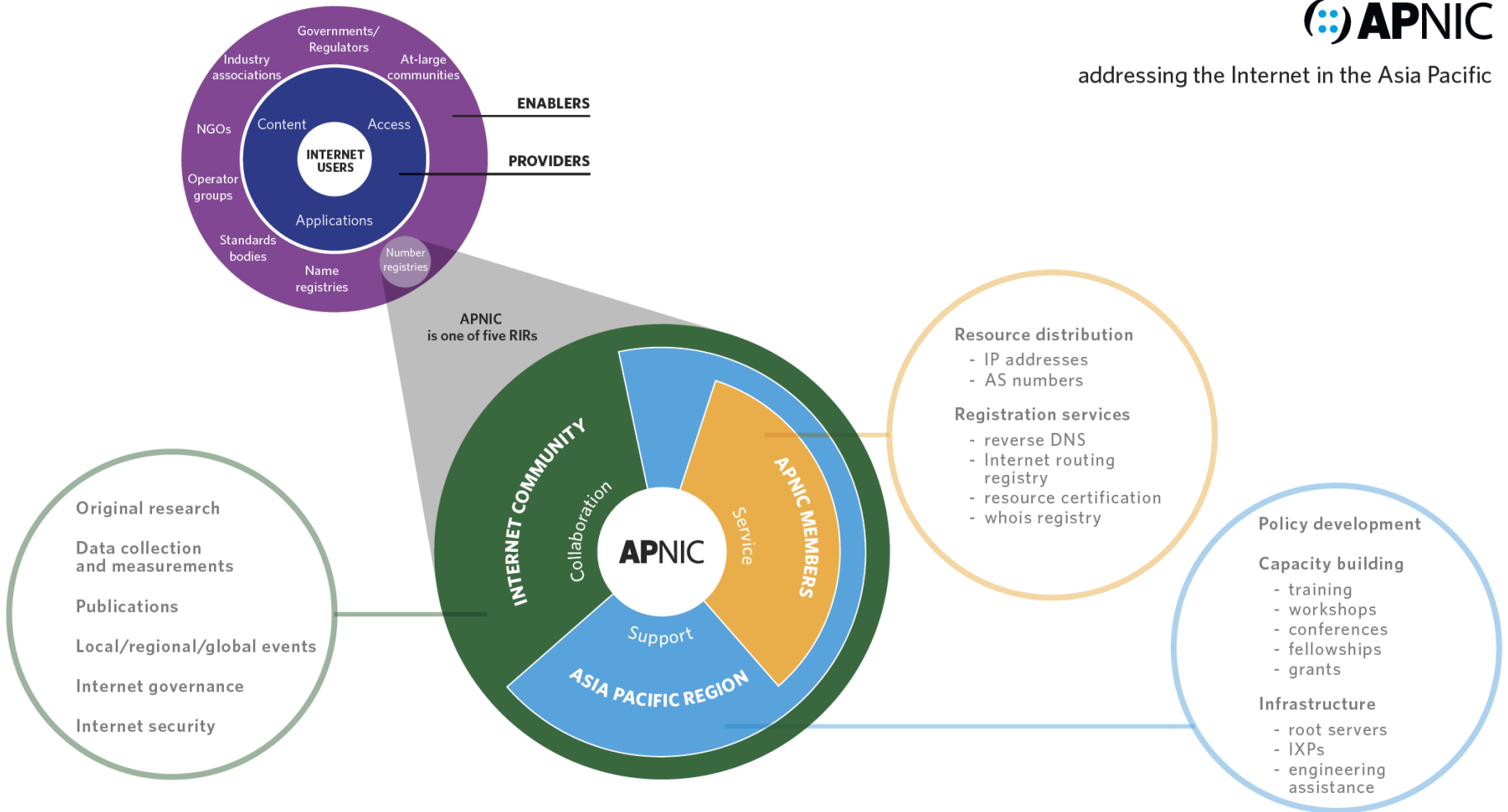
Overview

- 5-year goals & strategies
- 2015 priorities
- 2015 organisation structure
- Proposed strategic planning cycle (2016 ~)

APNIC activities



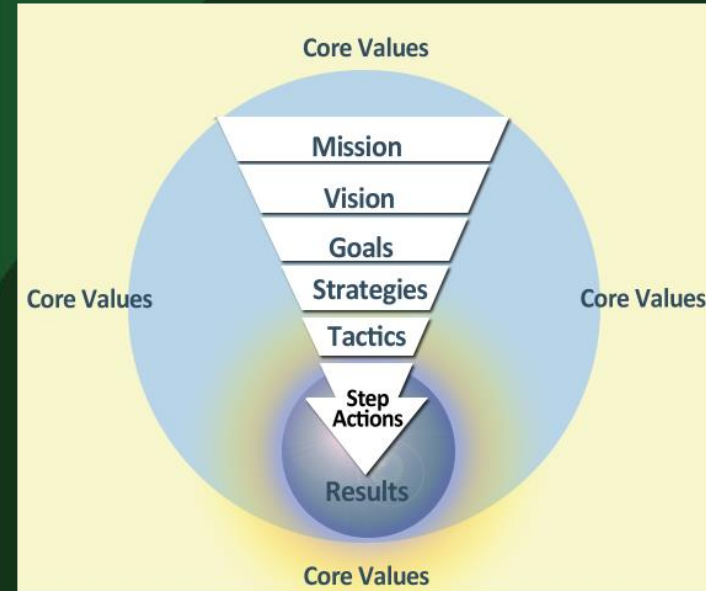
addressing the Internet in the Asia Pacific



5 year goals & strategies

2013 - 2017

APNIC



Serving Members

Goal #1: Ensure that APNIC services are widely known and used by all who need them

- Strategy
 - Listen to the community needs through surveys and other feedback mechanisms
 - Add value to APNIC membership through responsive service provision
 - Cultivate community support throughout the region through effective engagement programs
- Objective
 - Build APNIC & NIR membership to include all who need our services (Target: 15,000 based on RIPE-NCC as benchmark)

Serving Members

Goal #2: Maintain and improve core registry services

- Strategy
 - Adopt the best current practices, technologies and standards
 - Continuous improvement of services in response to community feedback and anticipation of future needs
- Objective
 - Deploy a new, highly reliable and adaptable registry system built on technologies that anticipate future demands

Supporting the AP region

Goal #3: Develop cost effective and sustainable ways to support AP Internet infrastructure and human capacity development

- Strategy
 - Technical: strengthen the region's technical infrastructure robustness and develop technical skills and knowledge (as needed)
 - Policy: contribute uniquely to the development of policy environment which can maximise the value of the Internet to the AP region
 - Partnership: work with others in attracting resources and implementing development strategies

Supporting the AP region (continued...)

- Objectives
 - Support establishment of Internet Exchanges, root servers, and other technical infrastructure as needed in the region
 - Develop and maintain a high quality training and technical assistance programs
 - Facilitate development and implementation of Internet Number Policies in the region
 - Develop and maintain strong relationship with like-minded organisations
 - Maintain effective grant and fellowship programs

Collaborating with the global Internet community

Goal #4: Promote and strengthen open, multi-stakeholder, bottom-up and transparent Internet governance model and policy development processes

- Strategy
 - Develop and maintain APNIC as a neutral and cooperative source of technical expertise
 - Engage with a wide stakeholder base e.g. governments, law enforcement agencies, civil society, Internet organisations, businesses, academic/research institutions etc.
- Objectives
 - High level of community engagement and recognition
 - High level of support across different stakeholders for APNIC policy development process

Corporate support

Goal #5: Create a resilient organisation to meet APNIC's obligations

- Strategy (Finance)
 - Maintain a sustainable business model for the organisation
- Objectives (Finance)
 - Maintain a year after year operating surplus
 - Maintain revenues through membership growth and additional services
 - Maintain equity reserve as directed by the EC

Corporate support

Goal #5: Create a resilient organisation to meet APNIC's obligations

- Strategy (Human Resources)
 - Motivate and align skilled people by providing a clear vision, optimal structure and enabling conditions to deliver tangible outcomes
 - Maintain and attract the right human resources to meet organisational needs
- Objectives (Human Resources)
 - Manage cost by increasing staff productivity and diligent use of technology
 - Recruit and maintain the right level of expertise

2015 Priorities

Serving Members				
Goals	Activities	Start	Due	Resp. Area
1. Ensure that APNIC services are widely known and used by all who need them	Implement billing support SLA	Q1	Q1	Services/Business
	Review web content and establish APNIC services charter	Q1	Q2	Services/Comms
2. Maintain and Improve core registry services	RPKI development work	Q1	Q3	Services/Labs
	RPKI promotion	Q1	Q4	Services
	Instant feedback system implementation	Q1	Q4	Services
	ARMS v3 development	Q1	Q4	Services/Tech
	MyAPNIC improvements	Q1	Q4	Services/Tech
	Publication of new resource statistics	Q2	Q4	Services/Labs
	Combined APNIC & NIR membership: 10,000	Q1	Q4	Services
	Implement flexible billing cycles	Q3	Q4	Business
	Training needs assessment	Q1	Q1	Development
	Technical Assistance business model and implementation	Q1	Q1	Development
	Curriculum revamp and accreditation system development	Q1	Q3	Development
	South-East Asia Membership Outreach campaign	Q1	Q4	Communications
	Website improvements: home page, IPv6 pages, Services pages	Q1	Q4	Communications
	Backup on SAN infrastructure	Q2	Q2	Technical
	Whois v4 for update	Q2	Q2	Technical
	Monitoring included in configuration management	Q3	Q4	Technical
	Adopt ISO 27001:2013 Information Security Standard	Q1	Q4	Technical

Supporting the AP region				
Goal	Activities	Start	Due	Resp. Area
3. Develop cost effective and sustainable ways to support AP Internet infrastructure and human capacity development	Regional community development strategy	Q1	Q1	Development
	Finalise a plan for APNIC foundation	Q1	Q4	Development
	Introduce APNIC conferences delegate networking and mobile app at APRICOT 2015	Q1	Q1	Communications
	APRICOT 2015	Q1	Q1	Communications
	Review of future APNIC meeting program	Q1	Q3	Communications
	APNIC 40	Q2	Q3	Communications
	Cooperation SIG establishment and support structure	Q1	Q1	SE
	Development of national registries and statistics	Q1	Q2	SE

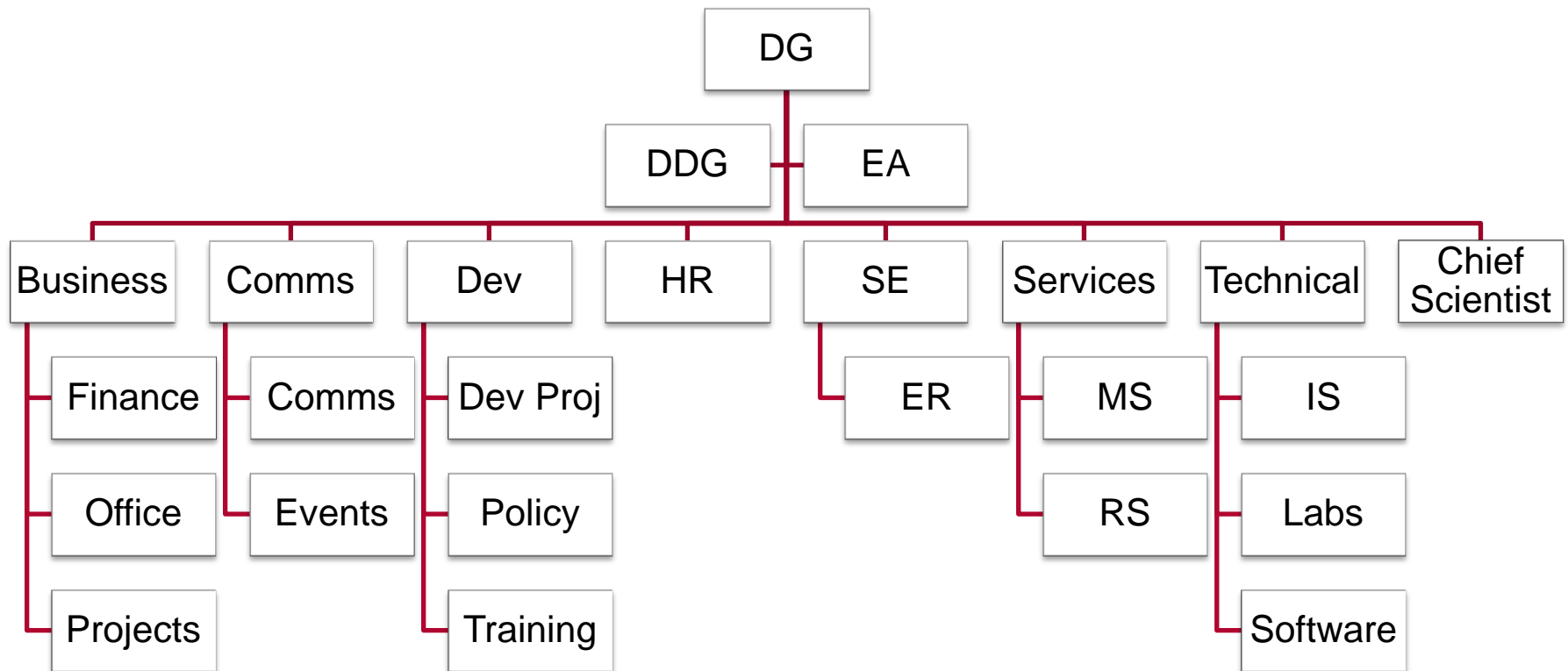
Collaborating with the Global Internet community

Goal	Activities	Start	Due	Resp. Area
4. Promote and strengthen open, multi-stakeholder, bottom-up and transparent Internet governance model and policy development processes	Labs website improvements	Q1	Q1	Labs/Comms
	Economy-based data extraction tool	Q1	Q1	Labs/Services
	Community tools for Internet address analysis	Q3	Q4	Labs/Services
	Enhanced-cooperation with RIR	Q1	Q4	Labs/Tech
	IANA transition plan	Q1	Q4	SE
	I*, ICANN & NRO engagements	Q1	Q4	SE

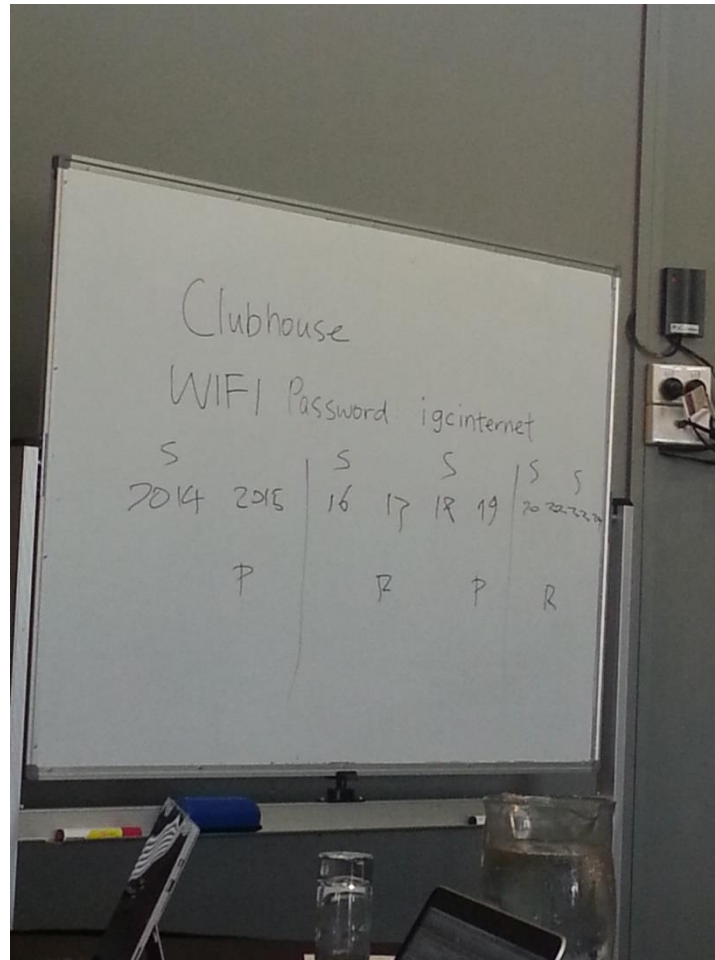
Corporate support

Goal	Activities	Start	Due	Resp. Area
5. Create a resilient organization to meet APNIC's obligations	Review banking service providers	Q2	Q2	Business
	Review travel providers	Q2	Q2	Business
	Facilities review	Q2	Q3	Business
	Implement 2015 organisation structure	Q1	Q1	HR
	Systematic management of contractors and consultants	Q1	Q1	HR
	Requisite organisation audit and development	Q1	Q2	HR
	KPI measurement improvements	Q3	Q3	HR/DG

2015 organisation structure



Proposed planning cycle



Planning Cycle Proposal #1

		2016-2019 strategic plan					2020-2023 strategic plan				
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Q1											
Q2	Survey		Survey		Survey			Survey		Survey	
Q3											
Q4		Planning		Review		Planning			Review		Planning

- 4-year strategic plan cycle
- Better alignment with the 2-yearly survey
- Mid-period review for plan adjustments as needed
- If approved, December 2015 EC retreat will include strategic planning session

Planning Cycle Proposal #2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Q1										
Q2	Survey		Survey		Survey		Survey		Survey	
Q3										
Q4		Planning		Planning		Planning		Planning		Planning

- n-year strategic plan refreshed every 2 year
- Better alignment with the 2-yearly survey
- If approved, December 2015 EC retreat will include strategic planning session, and every 2 year after

Questions?



Member Fee Schedule

APNIC Document identity

Title:	APNIC Member Fee Schedule
Short title:	member-fee-schedule
Document ref:	APNIC-120
Version:	005
Date of original publication:	18 June 2009
Date of this version:	1 January 2015
Review scheduled:	n/a
Obsoletes:	APNIC-120-v004
Status:	Draft
Comments:	APNIC-119-v002 was superseded by this document on 1 January 2011

1. Annual Membership Fees

Annual fees paid by APNIC Members are calculated on the address resources held by the Member at the time of the anniversary of APNIC membership. All fees are assessed, and are payable, using Australian Dollars (AUD).

The IPv4 and IPv6 components of the annual fee are calculated separately, according to the total address holdings of the Member. The annual membership fee is charged as the greater of these two components.

A Member with no IPv4 or IPv6 address space holdings is assessed as an Associate Member.

NIR (National Internet Registry) Members and Confederation Members are assessed on their total address holdings, with an additional premium, as described in section 1.4 of this schedule.

Members from Least Developed Countries will pay a discounted fee, as described in section 1.5 of this schedule.

1.1 Members with no address space holdings

A Member who holds no IPv4 addresses and no IPv6 addresses will be invoiced the Associate Membership Fee of AUD 500.

If an Associate Member subsequently receives a delegation of IP addresses, they will be charged the annual fee for the resources requested. The anniversary date of APNIC membership will be changed to reflect the date of this delegation.

An Associate Member may hold allocated AS numbers, or Experimental IPv4 or Experimental IPv6 addresses.

1.2 IPv4 Component

The Member's total IPv4 address holdings, including Historical and APNIC-allocated address space, will be used to assess the IPv4 component of the annual membership fee as follows:

$$\text{Fee}_{v4} = 1,050 \times 1.308^{(\log_2(\text{Addresses})-8)}$$

Notes:

- In this formula, address holdings are expressed as the total count of individual IPv4 addresses (/32) so that, for example, a holding of a /16 and a /18 would constitute 81,920 IPv4 addresses
- The minimum annual fee is AUD 1,050 Experimental allocations of IPv4 addresses are not included in this assessment of total address holdings

1.3 IPv6 Component

The Member's total IPv6 address holdings, including Historical and APNIC-allocated address space, will be used to assess the IPv6 component of the annual membership fee as follows:

$$\text{Fee}_{v6} = 1,050 \times 1.308^{(\log_2(\text{Addresses})-22)}$$

Notes:

- In this formula, address holdings are expressed as the total of IPv6 /56 subnets, so that, for example, a holding of a /32 and a /31 would constitute 50,331,648 /56 subnets
- The minimum annual fee is AUD 1,050 Experimental allocations of IPv6 addresses are not included in this assessment of total address holdings

1.4 NIR and Confederation Members

NIR and Confederation annual membership fees will be assessed in the manner described above, with an additional premium of 190% applied to the annual membership fee, such that the total NIR and Confederation annual membership fee is 290% of the ordinary membership fee.

1.5 Members from Least Developed Countries

The fees payable by Members from Least Developed Countries (LDCs), as calculated in items 1.1 through 1.4, are discounted by 50%.

The list of LDCs used for the purposes of this fee discount is defined and maintained by the United Nations Statistics Division (currently available as <http://unstats.un.org/unsd/methods/m49/m49regin.htm#least>). The discount will be applied in accordance with the LDC status of the Member's economy on the date of membership renewal.

2. IPv4 Transfer Fee

All regional and Inter-RIR IPv4 address transfers made by existing Members are subject to a transfer fee. This fee does not apply to:

- Initial IPv4 transfers to Member accounts holding no IP addresses
- IPv4 transfers to NIR Members
- A membership change to or from an NIR
- Transfers that are a result of a merger, acquisition, or takeover
- Transfers under the Historical resource transfer policy

The transfer fee is charged according to the size of the block that is being transferred. The fee is calculated as 20% of the annual membership fee for a Member holding a block of IPv4 addresses equal to that of the size of the block that is being transferred.

This fee is charged when the transfer occurs and must be paid before the transfer is processed.

3. Sign-Up Fee

New Member accounts are subject to a once-off non-refundable sign-up fee of AUD 500.

New Members receiving the following services are exempt from the sign-up fee:

- Critical infrastructure assignments
- IXP assignments
- A Non-Member converting to a Member
- Registration updates for Historical addresses ([Section 4 of APNIC-116](#))

Members of LDCs will receive a 50% discount on this fee, as per section 1.5.

4. Membership Reactivation Fee

A non-refundable AUD 1,000 fee will be applied to requests to reactivate a terminated account.

The reactivation fee and any outstanding fees must be paid in full to reactivate the account. This option is available for a limited period of three months after membership termination. After three months all previously allocated and assigned resources are subject to reallocation.

Members of LDCs will receive a 50% discount on this fee, as per section 1.5.

5. Member Fee Schedule Summary

Resource Service	Unit	Once off Fee	Annual Fee	Notes
Associate	Account name	N/A	AUD 500	1
IPv4 addresses	/32	N/A	$1050 \times 1.308^{(\log_2(\text{addresses})-8)}$	2,3
IPv6 addresses	/56 end site prefix	N/A	$1050 \times 1.308^{(\log_2(\text{addresses})-22)}$	2,3
NIR and Confederation Premium	Account name	N/A	+190%	4
LDC discount	Account name	N/A	-50%	4
Sign-Up Fee	Account name	AUD 500	N/A	
Reactivation	Account name	AUD 1000	N/A	5

Notes:

1. Fee applies when the Member holds no IP addresses

2. Minimum fee for Members accounts holding IP addresses is AUD 1,050
3. Assessed address fees are the greater of the IPv4 and IPv6 fees
4. Premium/Discount is added/subtracted to address fees
5. Plus payment of all outstanding unpaid fees

6. Taxes and Other Charges

All fees made under the Fee Schedule must be made in cleared funds, without any deduction or set-off, and free and clear of any taxes, levies, imports, duties, charges, fees, and withholdings of any nature imposed by any bank, financial institution, Governmental, or other body.

If such deductions are made, then the relevant fee is increased by such additional amounts as are necessary to ensure that APNIC receives the full amount which APNIC would have received but for the deduction.

7. Adoption of this Fee Schedule

This fee schedule will be applied for each Member on the first anniversary date of the annual membership fee on or after 1 January 2015.



Non-Member Fee Schedule

APNIC Document identity

Title:	APNIC Non-Member Fee Schedule
Short title:	non-member-fees
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Non-Members and Non-Member Fees

APNIC recognizes that some organizations wish to have access to resources from APNIC without becoming full APNIC Members. These organizations can apply for resources and access certain APNIC services as APNIC Non-Member account holders.

APNIC Non-Member account holders must pay the associated Non-Member service fee before APNIC can provide services to the Non-Member account holder. The fees associated with services are detailed below.

1. Annual Address Fee

Annual address fees paid by Non-Members of APNIC are based on the address holdings of the Non-Member. Address holdings of a Non-Member are those address resources registered as held by the Non-Member in registration records maintained by APNIC at the time of the anniversary of the Non-Member services agreement with APNIC.

These address holdings include all APNIC-allocated address space listed in the APNIC address registry, including all historically allocated address space.

All Non-Member fees are assessed, and are payable, using Australian Dollars (AUD).

The IPv4 and IPv6 components of the Non-Member address fee are calculated separately, according to the total address holdings of the Non-Member. The annual address fee is then charged as the greater of these two components.

Non-Members from Least Developed Countries will pay a discounted address fee, as described in section 1.3 of this schedule.

1.1 IPv4 Component

If a Non-Member holds IPv4 addresses that have been allocated by APNIC, then the Non-Member's total IPv4 address holdings, including all Historical and APNIC-allocated address space, will be used to assess the IPv4 component of the annual address fee as follows:

$$\text{Fee}_{v4} = 1,200 \times 1.308^{(\log_2(\text{Addresses})-8)}$$

Notes:

- In this formula, address holdings are expressed as the total count of individual IPv4 addresses (/32) so that, for example, a holding of a /16 and a /18 would constitute 81,920 IPv4 addresses
- The minimum annual fee is AUD 1,200
- Experimental allocations of IPv4 addresses are not included in this assessment of total address holdings

1.2 IPv6 Component

If a Non-Member holds IPv6 addresses that have been allocated by APNIC, then the Non-Member's total IPv6 address holdings of APNIC-allocated address IPv6 space, will be used to assess the IPv6 address fee as follows:

$$\text{Fee}_{v6} = 1,200 \times 1.308^{(\log_2(\text{Addresses})-22)}$$

Notes:

- In this formula, address holdings are expressed as the total of IPv6 end site addresses (/56), so that, for example, a holding of a /32 and a /31 would constitute 50,331,648 /56 site addresses
- The minimum annual fee is AUD 1,200
- Experimental allocations of IPv6 addresses are not included in this assessment of total address holdings

1.3 Non-Members from Least Developed Countries

The address fees payable by Non-Members from Least Developed Countries (LDCs) are discounted by 50%.

The list of LDCs used for the purposes of this fee discount is defined and maintained by the United Nations Statistics Division (currently available as <http://unstats.un.org/unsd/methods/m49/m49regin.htm#least>).

The discount will be applied in accordance with the LDC status of the Non-Member's economy on the date of non-membership renewal.

1.4 Autonomous System Number Fee

New Non-Members requesting only ASNs will pay the Basic Non-Member Fee of AUD 575 and a sign-up fee of AUD 575.

The fees for existing Non-Members requesting additional ASNs will be assessed on an annual basis as part of the total address holdings of the Non-Member.

Non-Members of LDCs will receive a 50% discount on this fee.

2. Sign-Up Fee

New Non-Member accounts are subject to sign-up fee of AUD 575. This fee is non-refundable.

New Non-Members receiving the following services are exempt from the sign-up fee:

- Critical infrastructure assignments
- IXP assignments
- Registration updates for Historical addresses ([Section 4 of APNIC-116](#))

Non-Members of LDCs will receive a 50% discount on this fee

3. IPv4 Transfer Fee

All regional and Inter-RIR IPv4 address transfers made by existing account holders are subject to a transfer fee. This fee does not apply to:

- Transfers that are to new Non-Member accounts established to receive IPv4 addresses
- Transfers that are a result of a merger, acquisition, or takeover

The transfer fee is charged according to the size of the block being transferred. The fee is calculated as 20% of the annual membership fee for a Non-Member holding a block of IPv4 addresses equal to that of the size of the block that is being transferred.

This fee is charged when the transfer occurs and must be paid before the transfer is processed.

4 Registry Database Maintenance Fee

Historical address account holdings (resources that were allocated to the holder before the movement of their allocation's registration records to APNIC's registry) wishing to have authorization to update these database registration records and create assignment records within historical resource ranges must pay an annual AUD 200 account fee.

Non-Members of LDCs will receive a 50% discount on this fee.

4.1 Historical Address Holders

Non-Member accounts who hold only Historical addresses and who pay the Registry database maintenance fee of AUD 200 may continue to do so.

These accounts requesting ASNs are subject to an application fee of AUD 1,000 per ASN and the annual fee for the registration record, which is AUD 100 per ASN.

If these accounts receive a further address delegation from APNIC, or receive a transfer of address space, the Annual address fee will apply, including both current and Historical addresses.

5. Service Reactivation Fee

A non-refundable fee of AUD \$1,200 will be applied to requests to reactivate a terminated Non-Member account.

The reactivation fee and any outstanding fees must be paid in full to reactivate the account. This option is available for a period of three months only after membership termination. After three months all previously allocated and assigned resources are subject to reallocation.

Non-Members of LDCs will receive a 50% discount on this fee, as per section 1.5.

4. Non-Member Fee Schedule Summary

Resource Service	Unit	Once Off Fee	Annual Fee	Notes
Sign-Up	Account name	AUD 575	N/A	
Basic Non-Member Fee	Account Name	N/A	AUD 575	
IPv4 addresses	/32	N/A	$1200 \times 1.308^{(\log_2(\text{Addresses})-8)}$	1, 2, 3
IPv6 addresses	/56 end site prefix	N/A	$1200 \times 1.308^{(\log_2(\text{Addresses})-22)}$	1, 2, 3
Autonomous System assignment	AS Number	AUD 1,000	AUD 100	
Registry database maintenance	Account name	N/A	AUD 200	3
Reactivation	Account name	AUD 1,200	N/A	3
LDC discount	Account name	N/A	-50%	

Notes:

1. The minimum annual address fee is AUD 1,200
2. The annual address fee is assessed as the greater of the IPv4 and IPv6 address fees
3. Reactivation also requires the payment of all outstanding unpaid fees
4. Non-Members who hold only historical address allocations and who currently subscribe to the registry database maintenance service may continue to do so, and not pay the address fee. If the Non-Member receives a further address allocation from APNIC, or is the recipient of a transfer of address space, the address fee will be payable, and will be assessed on the total address holdings of the Non-Member, including both current and Historical addresses
5. The reverse DNS Delegation fee has been removed from this Non-Member fee schedule

5. Taxes and Other Charges

All fees under the Non-Member Fee Schedule must be made in cleared funds, without any deduction or set-off, and free and clear of any taxes, levies, imports, duties, charges, fees, and withholdings of any nature imposed by any bank, financial institution, Governmental, or other body.

If such deductions are made, the relevant fee is increased by such additional amounts as are necessary to ensure that APNIC receives the full amount APNIC would have received but for the deduction.

APNIC 2015 Activity Plan and Budget

APNIC 2015 Activity Plan and Budget

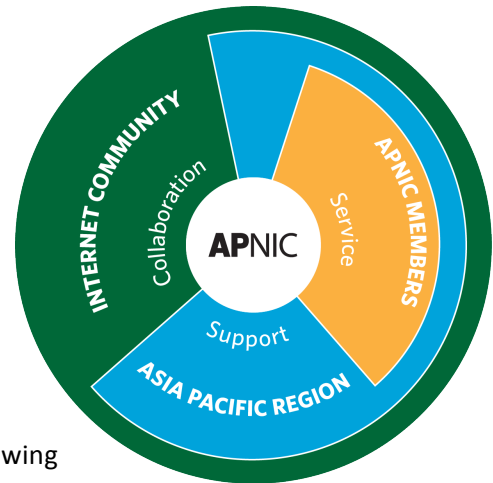
Table of Contents

Introduction.....	3
<i>Notes on the Plan</i>	4
Executive Summary	5
<i>Operating Expenditure 2015</i>	5
APNIC 2015 Activity Plan	6
Serving Members.....	6
<i>Registration services</i>	6
<i>Customer service</i>	7
<i>Technical infrastructure</i>	9
<i>Member training</i>	10
Regional development and outreach	12
<i>APNIC conferences</i>	12
<i>Regional technical development</i>	12
<i>Community engagement</i>	14
Global collaboration	15
<i>Global technical community collaboration</i>	15
<i>Inter-governmental outreach</i>	16
<i>Global research</i>	16
Corporate.....	17
<i>Human resource management</i>	17
<i>Finance and administration</i>	18
<i>Legal and governance</i>	18
<i>Facilities</i>	18
Summary.....	20

Introduction

During 2014, APNIC Members requested greater visibility of APNIC’s planned activities and resource allocation to gain a better understanding of its operations. The following 2015 Activity Plan and Budget document is one of the APNIC Secretariat’s main initiatives to provide Members and the wider community with that desired visibility.

APNIC’s activities are best categorised into three main areas, aligned with the organization’s mission. The approach APNIC has taken in preparing the 2015 Activity Plan and Budget is to use these categories as the structure for the document and budget allocations, so it is easier for Members to see the correlation between activities and resources allocated. An additional “Corporate” category is also used to capture underlying administrative activity and budget required to operate the Secretariat.



The Activity Plan and Budget is therefore divided into the following sections:

- Serving Members
- Regional development & outreach
- Global collaboration
- Corporate

The Secretariat and EC hope the 2015 Activity Plan and Budget document helps improve transparency of APNIC’s activities and budget to Members, and the intention is to use this document as the basis for activity reporting throughout the year as an additional accountability measure. Members will be able to clearly see if APNIC is achieving the deliverables set out in this document.

Member feedback on this new plan and budget format 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.

Notes on the Plan

Underneath each activity in this plan, a small table summarises the resources (both money and people) which are required to successfully complete the activity. These resources are summarised under the following headings:

FTE: The number of Full-Time Equivalent employees required to complete the activity. In all cases, time from more than one employee is needed to complete the activities listed in the plan, so the FTE number will comprise a percentage of time from each employee involved. 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.

CAPEX: Refers to Capital Expenditure. This includes all expenditure to acquire assets (such as equipment, hardware, software, property, or buildings) or expenditure which adds value to existing assets.

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

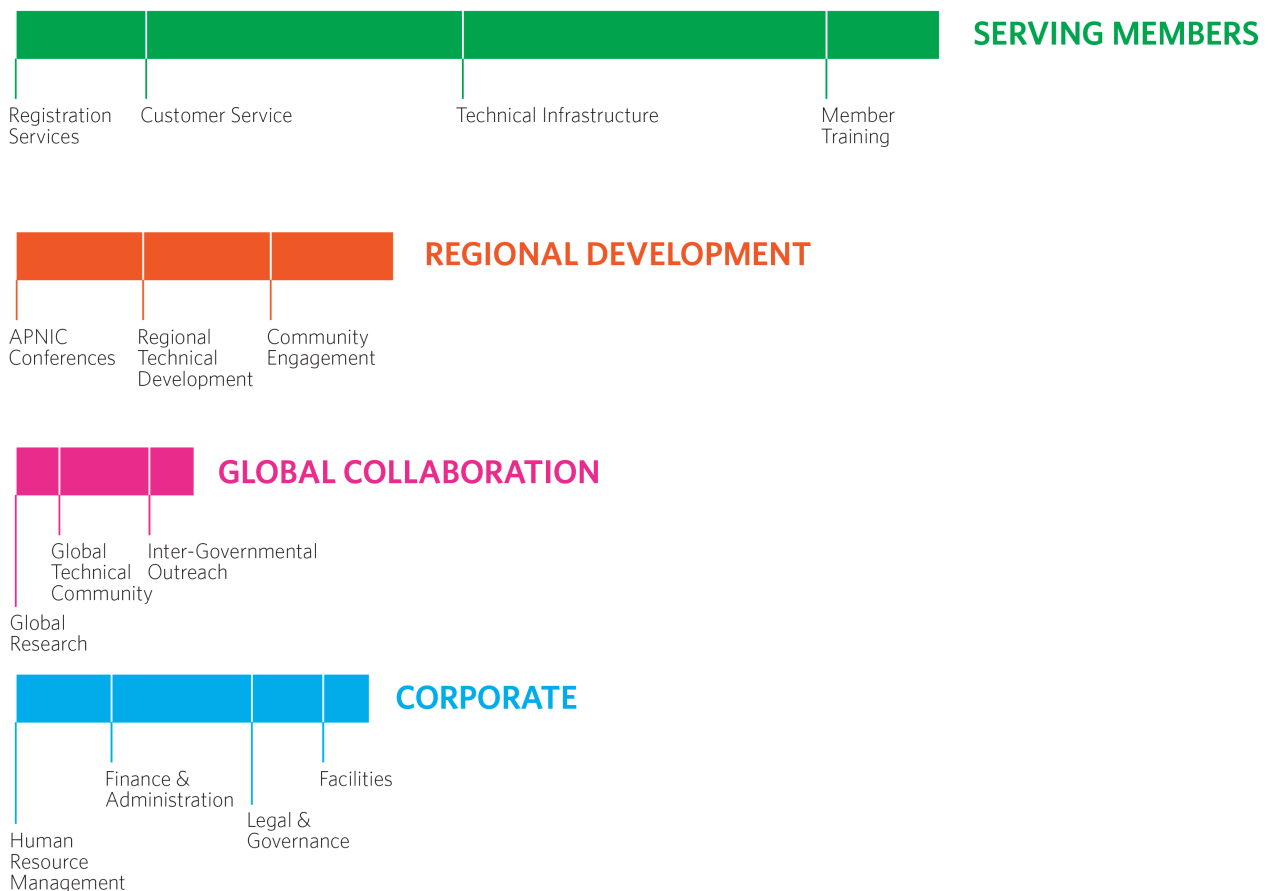
Executive Summary

The majority of APNIC's resources and expenditure in the 2015 plan are allocated to serving Members, followed regional development and outreach. Together, these two areas account for 75% of APNIC's full time equivalent employees, 70% of operating expenses and 91% of capital expenditure.

The following table and charts provides a visual breakdown of APNIC's 2015 budget.

Activity	FTE		Expenses		CAPEX	
Serving Members	41.2	56%	\$8,297,437	49%	\$922,883	74%
Regional Development & Outreach	13.8	19%	\$3,566,259	21%	\$207,500	17%
Global Collaboration	4.8	6%	\$1,703,670	10%	\$79,500	6%
Corporate	14.3	19%	\$3,497,927	20%	\$34,500	3%
Grand Total	74.0	100%	\$17,065,293	100%	\$1,244,383	100%

Operating Expenditure 2015



APNIC 2015 Activity Plan

Serving Members

Goals and strategies:

- Ensure that APNIC services are widely known and used by all who need them
 - Listen to community needs through surveys and other feedback mechanisms
 - Add value to APNIC membership through responsive service provision
 - Cultivate community support throughout the region through effective engagement programs
- Maintain and improve core registry services
 - Adopt the best current practices, technologies and standards
 - Continuous improvement of services in response to community feedback and anticipation of future needs

Registration services

FTE	Expenses	CAPEX
6.7	\$1,296,115	\$6,000

Core activities:

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

APNIC's main purpose is to manage the distribution and registration of Internet number resources in the Asia Pacific region. These resources include IPv4 and IPv6 addresses and Autonomous System (AS) numbers. The demand for resources continues to grow; in 2013, APNIC processed more than 3,143 resource requests for IPv4, IPv6 and AS numbers; comparatively in 2014, in the 10 months to October, APNIC had already processed 4,562 resource requests. On average, APNIC also processes around 150 IPv4 address transfers each year.
- **Registry application development and maintenance (Whois, statistics, RDNS, DNSSEC, RPKI)**

In addition to core registration services, APNIC maintains a public Whois database and provides related services, including Reverse DNS, DNSSEC and Resource Certification / RPKI. These services are constantly under development to ensure they keep pace with Members' changing needs.

 - The APNIC Whois Database is an official record containing information about organizations which hold IP address resources and AS numbers in the Asia Pacific. Numeric Internet resources must be properly and accurately registered to fulfil the goals of addressing policy outlined by IANA (the Internet Assigned Numbers Authority). This accurate registration of resource usage is a critical role APNIC plays in the operation of the Internet. Users querying the database can determine who is responsible for an IP address range or an Autonomous System number.
 - APNIC's Reverse DNS service allows Members to use the DNS (Domain Name System) to translate IP addresses to hostnames for network troubleshooting and system monitoring.

- APNIC enables Members to update Domain Objects in MyAPNIC for DNS Security (DNSSEC) purposes to help protect against malicious activity such as forged DNS data which can redirect Internet traffic to fraudulent websites.
- Resource Certification is an initiative from APNIC aimed at improving the security of inter-domain routing and augmenting the information published in the APNIC Whois Database service with a verifiable form of a holder's current right-of-use over an Internet resource. Resource Public Key Infrastructure (RPKI) enables users of public networks to verify the authenticity of data that has been digitally signed by the originator of the data.

Key 2015 projects:

- **ARMS development**

ARMS (APNIC Resource Management System) is an internal system used by APNIC's Services staff to delegate and register IP addresses and ASNs to Members. Initially developed in 2002, it is currently undergoing a major re-development to take advantage of new hardware and software platforms.

- 2015 deliverables
 - Delegation and registration process migrated to the new system
- Benefits to Members
 - Better overall experience in requesting and receiving ASNs and IP addresses

- **RPKI promotion**

Routing security is becoming one of the top issues faced by network operators. RPKI (Resource Public Key Infrastructure) is being developed by the IETF to address routing security by specifying a cryptographically secure way of verifying ASN/IP address 'right of use'. APNIC has developed RPKI features in MyAPNIC that Members can use, but usage has been low compared to other regions.

- 2015 deliverables
 - Increase measurable RPKI adoption rates in the Asia Pacific region
 - Notification of invalid ROAs to Members
- Benefits to Members
 - Important tool to help prevent address hijacking

Customer service

FTE	Expenses	CAPEX
15.7	\$3,081,702	\$77,000

Core activities:

- **Member Services/Helpdesk**

APNIC Member Services provides assistance to all APNIC account holders about their account or services which APNIC provides, as well as helping organizations that wish to apply for Internet resources to become Members. The Helpdesk, which operates from 9am-9pm weekdays, gives members and the community direct access to APNIC Hostmasters to resolve enquiries regarding resource applications, membership, billing, the Whois database, and report instances of network abuse. On average, each quarter the Member Services team receives more than 2,600 Member requests, handles 470 phone calls, and conducts in excess of 450 online chat sessions.

- **Membership outreach**
APNIC's Membership outreach communication helps ensure those organizations which need Internet resources are aware of APNIC and the services it offers to assist them.
- **MyAPNIC development and maintenance**
MyAPNIC is a secure services website for Members to manage Internet resources, update contact information, and receive APNIC services online, anytime. The MyAPNIC portal is constantly reviewed and developed by APNIC to improve its functionality and usability for APNIC account holders.
- **Quality management**
APNIC is an ISO 9001:2008 Quality Management System certified organisation. This ensures that we deliver a high quality and consistent service to our Members.

Key 2015 projects:

- **Billing service improvement**
We are addressing Members' requests for an improved payment experience by adding more bill payment options.
 - 2015 deliverables
 - Provide additional payment methods, including PayPal
 - Benefits to Members
 - Allow Members to choose from a greater variety of payment methods
- **Website improvements**
We will continue to improve the APNIC website to provide a better user experience for our community. This work builds upon the website refresh work and the creation of the APNIC Blog in 2014. The main focus areas in 2015 will be the home page, IPv6 pages, and Services pages.
 - 2015 deliverables
 - Improved www.apnic.net home page with simple navigation
 - Improved IPv6 and Services pages with a streamlined structure and updated information
 - Benefits to Members
 - Easier to find information on APNIC websites and an improved user experience
- **Implement instant service feedback mechanisms**
Throughout 2015 we will progressively add ways for recipients of APNIC services to provide feedback immediately after receiving the service.
 - 2015 deliverables
 - Implementation of a instant online feedback tool to gather opinions from recipients of APNIC services
 - Benefits to Members
 - Ability to provide timely feedback that will influence future improvements in APNIC services
- **Member outreach**
Provide opportunities for Members to have a face to face consultation on ASN/IP address needs and to receive the latest updates on other APNIC services and activities, in their own cities and language whenever possible.

- 2015 deliverables
 - Pilot of roadshow program and Member gathering events throughout the region to increase awareness of APNIC services
- Benefits to Members
 - Greater understanding of ways to manage the impact of IPv4 address exhaustion and help increase IPv6 deployment
- **Implement a new Customer Relationship Management (CRM) system**

The Secretariat has identified a need to improve its customer life cycle management, to integrate information from ERP, resource registry and customer communication systems with the aim to improve the quality of Member interactions.

 - 2015 deliverable
 - New CRM system implemented
 - Benefits to Members
 - Improved customer service experience

Technical infrastructure

FTE	Expenses	CAPEX
12.7	\$2,858,742	\$769,883

Core activities:

- **Operational and security maintenance of networks, systems and applications which support technical services to the APNIC community**

All of APNIC's public facing services are maintained and operated on this technical service platform. These activities also cover the internal technical support required to deliver all other services to APNIC Members.

 - Data centre and data communication

APNIC runs its main technical infrastructure from two data centres in Brisbane in full redundancy mode. The APNIC office and the two data centres form a triangle of fibre interconnection, ensuring high availability of services. In addition to this, APNIC has systems installed in co-location facilities in Hong Kong, Japan, and USA.
 - License, depreciation and maintenance of systems

APNIC relies heavily on automation to ensure its services are scalable to support all the 56 economies it serves, and continues to invest in IT equipment and software to ensure systems keep pace with Member service requirements. A significant part of its Technical infrastructure expenses are related to equipment depreciation and maintenance, and various licenses associated with operating this equipment.

Key 2015 projects:

- **Review of backup management**

Review current approach to data backup and verify approach against best current practice to see where any improvements can be made. This work follows the results of 2014's comprehensive systems audit.

 - 2015 deliverables
 - Review of data backup approach
 - Review backup management software to ensure APNIC is making full use of its virtualised technology environment

- Benefits to Members
 - Maintain and improve upon the high quality of APNIC data safety and integrity
- **Whois version update**

Upgrading the Whois system to perform updates using the latest version, in sync with RIPE NCC's latest code releases.

 - 2015 deliverables
 - Updated Master and NRTM Whois
 - Benefits to Members
 - Stable and updated Whois system
- **Enhanced systems monitoring**

Updating approach to systems monitoring to conform to best practice configuration management techniques. This will include monitoring information in disaster recovery, and allowing for faster recovery and rebuild (should an incident occur) through improved automated system deployment.

 - 2015 deliverables
 - Inclusion of improved monitoring setup in systems configuration management
 - Benefits to Members
 - Faster recovery after potential incidents
 - Reduced potential downtime frequency and duration
- **Adoption of ISO 27001:2013 Information Security Standard**

APNIC plans to adopt the ISO/IEC 27001:2013 Information Security Standard that specifies the requirements for establishing, implementing, maintaining and continually improving an information security management system within the context of the organization.

 - 2015 deliverables
 - Risk assessment in key areas relevant to APNIC
 - Security policies and procedure documents to be checked and revised where necessary to be in accordance with the ISO 27001 standard
 - Benefits to Members
 - Assurance that APNIC's information security is in line with international standards

Member training

FTE	Expenses	CAPEX
6.1	\$1,060,878	\$70,000

Core activities:

- **Training services**

APNIC supports Internet growth and development in the Asia Pacific region by providing training and education services. The Training Program aims to expand the capabilities, knowledge, and understanding of Internet network operators, engineers, managers, educators, and regulators, by helping them make full use of Internet resources and effectively apply relevant technologies and techniques. Training is provided in face-to-face sessions throughout the region and via regular online learning classes.
- **Technical assistance**

APNIC's technical and training staff respond to requests from members for technical assistance by providing one-on-one support in a format that is neutral, independent and cost effective. In many cases this is done through partnerships and collaboration with other recognised technical experts. Technical assistance requests have steadily grown in recent years and APNIC has responded by organising a technical assistance program that operates on a non-competitive, carefully focused, cost-recovery basis.

Key 2015 projects:

- **Training needs assessment**

In response to member requests for more training, the Training needs assessment will provide detailed information on the training needs, priorities and expectations of Members as well as identifying gaps, trends and collaborative opportunities.

- 2015 deliverables
 - Detailed report on the needs, priorities and expectations of Members regarding training
- Benefits to Members
 - Improved training delivery alignment to Members' needs

- **Technical Assistance business model and implementation**

APNIC provides one-on-one support and assistance to Members in response to their technical and networking needs in a format that is neutral, independent and cost effective, through partnership and collaboration with recognised experts.

- 2015 deliverables
 - At least six one-on-one technical assistance engagements
- Benefits to Members
 - Neutral, independent, cost-effective technical assistance

- **Curriculum revamp and accreditation system development**

APNIC will update its face-to-face and on-line curriculum to ensure it is providing Members with the best possible technical training. An exam-based accreditation system for training will also be developed.

- 2015 deliverables
 - 40 face-to-face trainings and workshops
 - Weekly online training sessions
 - Revised course material on the five subjects: IPv6, security, number resources, routing, and DNS
 - An examination-based accreditation system
- Benefits to Members
 - Continuing access to high-quality course material
 - Members will have staff certified to have reached a technical skill level

Regional development and outreach

Goal and strategies:

- Develop cost effective and sustainable ways to support AP Internet infrastructure and industry development
 - Technical: strengthen the region's technical infrastructure robustness and develop technical skills and knowledge (as needed)
 - Policy: contribute uniquely to the development of policy environment which can maximise the value of the Internet to the AP region
 - Partnership: work with others in attracting resources and implementing development strategies

APNIC conferences

FTE	Expenses	CAPEX
4.8	\$1,243,203	\$27,500

Core activities:

- **APNIC Conferences**

APNIC stages two major conferences in the region each year, APRICOT (Feb-Mar) and the stand-alone APNIC meeting (Sep). In 2015, APRICOT 2015 will be held in Fukuoka, Japan, and APNIC 40 will be held in Jakarta, Indonesia. Each conference comprises a Workshop week, with hands-on training provided by APNIC trainers and other experts, and a Conference week, where leading speakers from around the region and the world share their knowledge. The conferences also feature the two formal Member Meetings and dedicated Policy SIG sessions for policy discussion to take place. In 2015, a Cooperation SIG will be added.
- **APNIC Regional Meeting Program**

Alongside APNIC Conferences, the Regional Meeting Program allows Members and the technical community to meet with their peers, share their Internet resource management experiences, and get the latest updates on APNIC's activities. The meetings aim to complement the two major conferences and the region's NOG event program. Six meetings are planned for 2015.

Regional technical development

FTE	Expenses	CAPEX
3.4	\$1,092,557	\$180,000

Core activities:

- **Policy development**

Policy development activities are primarily focused on three key areas: the management and distribution of IPv4, IPv6 and the transfer of number resources. In support of these activities, APNIC also supports and facilitates the Policy SIG which develops policies and procedures that relate to the management and use of Internet address resources by APNIC, NIRs, and ISPs within the Asia Pacific region. The major fora for policy development are the face-to-face APNIC Meetings, which are held twice each year, and the SIG mailing list discussions.
- **Sharing technical knowledge and insights**

APNIC speakers deliver technical presentations at a wide variety of events around the region including NOGs, APNIC regional meetings, NIR meetings, Internet trade shows and more, with the aim to help advance awareness of key Internet numbering and network issues in the Asia Pacific. APNIC experts also produce articles and blog posts on technical topics which are posted on the APNIC Blog, other blogs and in news media around the region.

- **Root server deployment**

APNIC assists the community establish new root server sites into the Asia Pacific region by providing technical support and either full, or at least partial, funding. The root servers are maintained by an operator, as 'anycast' mirror copies of existing root servers. The aim is to strengthen the Domain Name System (DNS) by deploying additional resources to handle growing Internet traffic and disperse malicious traffic directed at root servers. New servers are located so they reach the largest possible user base, including diverse IP transit providers, and carrier-neutral Internet exchanges.

Key 2015 projects:

- **Cooperation SIG establishment and support structure**

APNIC will facilitate the establishment of a Cooperation SIG that will provide Members with a forum to discuss matters and issues relating to Internet public policy and governance. This will be the third SIG APNIC is facilitating (the others being the Policy SIG and NIR SIG).

- 2015 deliverables
 - Facilitation of two Cooperation SIG meetings including one election process
 - Management of mailing list
- Benefits to Members
 - New forum to discuss matters and issues relating to Internet public policy and governance
 - New mechanism to potentially provide feedback to policy makers

- **Regional technical community development strategy**

APNIC works to ensure the continuing development of a technically strong, well informed and collaborative Asia Pacific Internet community via support for Network Operator Groups (NOGs), attendance at technical events, the deployment of technical infrastructure and information sharing.

- 2015 deliverables
 - Sponsorship of up to six NOG events
 - Provision of at least 20 fellowships
 - Deployment of at least two root servers, four RIPE atlas anchors and at least 10 RIPE atlas probes
 - At least 10 technical presentations to regional events
- Benefits to Members
 - Improved collaboration and cooperation through increased engagement at events
 - Improved regional technical knowledge
 - Improved regional technical infrastructure

Community engagement

FTE	Expenses	CAPEX
5.6	\$1,230,499	-

Core activities:

- **Collaboration with other AP organisations**
APNIC collaborates with other Asia-Pacific organisations (see: <http://www.apnic.net/community/support/memberships-and-partnerships>) in various projects and partnerships aimed at developing the Internet in the region. The collaboration support scope is wide-ranging, including but not limited to human capacity development (training), strengthening Internet critical infrastructure, research and measurements, meetings and conferences, and policy development.
- **ISIF Asia grants program**
The Information Society Innovation Fund Asia (ISIF Asia) is a grants and awards program aimed at stimulating creative solutions to ICT development needs in the Asia Pacific region. APNIC will continue to operate the ISIF Asia Secretariat, providing administrative support, facilitating the selection process, grantee reporting and dissemination strategy, fund raising, and program evaluation.
- **Regional IGF**
The Asia Pacific Regional Internet Governance Forum (APrIGF) serves as a platform for discussion, exchange and collaboration on Internet governance issues at a regional level. Where possible, the APrIGF helps aggregate national IGF discussions, and ultimately it advances Internet governance development in the Asia Pacific region. APNIC contributes actively to national and regional IGFs, working as an information conduit between forums to ensure that IP addressing and critical Internet infrastructure issues are understood on all levels.
- **Government and sub-regional liaison**
Governments and regional inter-governmental organisations such as APECTEL, APT, SAARC and ASEAN are important stakeholders and key supporters in Internet development. APNIC engages in bilateral and multilateral meetings and provides expert advice in IP addressing and critical Internet infrastructure issues. This is an important activity to ensure effective involvement of governments in further development of the Internet, particularly in gaining support on IPv6 deployment.

Key 2015 projects:

- **Finalise a plan for an APNIC foundation / development mechanism**
To develop and implement a strategy to fund and support an expansion of APNIC's development services (training, Technical Assistance, fellowships and sponsorships)
 - 2015 deliverables
 - A concept note on the strategy and implementation of the chosen development mechanism
 - Benefits to Members
 - Additional source of development funding
 - Expanded development services

Global collaboration

Goal and strategies:

- Promote and strengthen the open, multi-stakeholder, bottom-up and transparent Internet governance model and policy development process
 - Develop and maintain APNIC’s position as a neutral and cooperative source of technical expertise
 - Engage with a relevant stakeholder base – e.g. governments, law enforcement agencies, civil society, Internet organizations, businesses, academic/research institutions and so on.

Global technical community collaboration

FTE	Expenses	CAPEX
2.3	\$898,545	-

Core activities:

- **Collaboration work with other RIRs**

This activity enables APNIC to be informed of developments and initiatives in the other RIR regions, and share those with the APNIC community. Key areas of collaboration are: policy development, technology, Internet governance, and corporate management.
- **Collaboration with I* (ICANN, IANA, IETF, ISOC)**

As part of APNIC’s role in the broader Internet ecosystem, key relationships need to be maintained and strengthened with global technical organizations such as ICANN, IANA, IETF, and ISOC so the development of global policies and standards includes regional technical considerations.
- **Participation in other global Internet forums**

In carrying out its representative role for its Members in the Asia-Pacific region, APNIC provides Asia Pacific technical perspectives in global multi-stakeholder forums. In participating in governance forums (such as the IGF), APNIC’s focus continues to remain squarely on our core responsibilities for IP addressing and critical Internet resources, on behalf of the membership we serve. It is more important than ever that a broader community understands these technical issues, and trusts APNIC’s capacity and expertise to play its role in keeping the Internet strong and successful in our region.

Key 2015 projects:

- **IANA Stewardship Transition plan**

APNIC will provide community feedback on the IANA Stewardship Transition to the CRISP team and continue to consult with the APNIC community on the proposal as it is developed by CRISP on behalf of the numbering community. APNIC staff will participate in CRISP and the IANA Stewardship Transition Coordination Group (ICG) to help develop the final proposal that will be submitted to the US Government. During the process, APNIC will maintain community mailing discussion lists and continue to communicate all relevant updates to the community.

 - 2015 deliverable
 - Successful participation in development of the Internet numbering community’s transition plan

- Delivery of the IANA Stewardship Transition plan to the US Government
- Benefits to Members
 - Assured continuity of IANA services

Inter-governmental outreach

FTE	Expenses	CAPEX
1.3	\$449,637	-

Core activities:

- **Inter-governmental liaison**

APNIC attends various global inter-governmental forums as a member of the technical community advocating:

- The importance of IPv6 adoption as the only viable option for future Internet growth
- The relevance of the APNIC community in the Internet ecosystem
- The need to preserve and promote the multi-stakeholder model of Internet governance.

Inter-governmental organisations include ITU, OECD and Interpol.

Global research

FTE	Expenses	CAPEX
1.2	\$355,488	\$79,500

Core activities:

- **Global research and measurements**

APNIC will continue to provide world-class research and measurement of key technologies including IPv6, BGP and DNSSEC. The research outcomes provide Members with insights to help inform decisions on network design and development, and are widely referenced by prominent international organisations and technical publications.

- **Technical advocacy at global forums**

Speaking opportunities for the presentation of research outcomes and current trends enable APNIC to raise awareness, gather input and address issues faced by its community.

Corporate

Goal and strategies:

- Create a resilient organization to meet APNIC's goals and obligations
 - Maintain a sustainable business model for the organisation
 - Motivate and align skilled people by providing a clear vision, optimal structure and enabling conditions to deliver tangible outcomes
 - Provision adequate resources to support membership growth and additional services
 - Maintain and attract the right human resources to meet organisational needs

Human resource management

FTE	Expenses	CAPEX
4.4	\$955,142	-

Core activities:

- **Staff recruitment**
Recruitment of talent with particular connections to the region or Internet industry skills will continue to be a focus, where there is identified need.
- **Staff training and development**
APNIC is a small organization with high tenure and therefore limited promotional opportunities. Staff are encouraged to proactively undertake skills training and professional development relevant to their roles, not only to improve their effectiveness but also to maintain staff retention rates.

Key projects:

- **Recruitment**
Fulfilment of identified need to expand Training capacity and improve outreach efforts
 - 2015 deliverables
 - 1 x Trainer (subject to training needs assessment finding)
 - 1 x External relations manager
 - Benefits to Members
 - Additional training coverage
 - Dedicated resource (previously part-time) to gather and respond to Members' and community needs
- **Systematic management of contractors and consultants**
Ensuring quality outputs and return on investment
 - 2015 deliverables
 - Standardised terms and conditions for consultants and contractors
 - Consultant and contractor performance evaluation process
 - Benefits to Members
 - Diligent management of professional fee expenses
- **KPI measurement improvements**
Expansion of existing KPI dashboard for better analysis of economies and sub-regions for improved alignment of goals to staff performance.
 - 2015 deliverables

- Expanded KPI dashboard populated with updated economy/sub-regional data and indicators
- Cascading new goals to individual performance plans
- Benefits to Members
 - Improved staff accountability to performance measures linked to overall APNIC objectives

Finance and administration

FTE	Expenses	CAPEX
8.0	\$1,394,258	\$6,000

Core activities:

- **Financial management**
This is the process of managing the financial resources, including accounting and financial reporting, budgeting, internal and external audit, payroll, taxation and investment management.
- **Office management**
Office management covers all activities related to maintaining a healthy and productive work environment for APNIC staff, which includes managing office supplies, telephone/fax cost, postage/shipment, and general administrative tasks.
- **Travel management**
APNIC staff, APNIC Executive Council members, and APNIC NRO NC members undertake significant travel to cover various events in the Asia-Pacific region and globally. The travel management activities involve travel planning, cost comparisons, booking, liaising with travel agencies and airlines, travel insurance and emergency support.

Legal and governance

FTE	Expenses	CAPEX
1.6	\$712,084	-

Core activities:

- **Legal counsel**
On-going legal advice, contract drafting and reviews, guidance in corporate governance, legal cooperation with other organisations.
- **Workplace health and safety compliance**
APNIC has a legal responsibility to provide a safe work environment to staff, contractors, and visitors. Management takes this responsibility seriously and undertake a range of activities to minimise the risk of workplace incidents.

Facilities

FTE	Expenses	CAPEX
0.3	\$297,065	\$28,500

Core activities:

- **Building and office facilities**
This set of activities cover building management, utility equipment, interior fit-outs, office furniture, building security, repair and maintenance of APNIC's main office in Brisbane.

Key 2015 projects:

- **Facilities review**

APNIC completed refurbishment and moved into the current building in 2010. A review of the building structure its associated infrastructure will be done to prepare for its next five years of occupation.

- 2015 deliverables
 - Comprehensive facilities review
- Benefits to Members
 - Care and maintenance of a significant APNIC financial asset

Summary

Activity	FTE	%	Expenses (AU\$)	%	CAPEX (AU\$)	%
Serving Members	41.2	56	8,297,437	49	922,883	74
<i>Registration Services</i>	6.7		1,296,115		6,000	
<i>Customer Service</i>	15.7		3,081,702		77,000	
<i>Technical Infrastructure</i>	12.7		2,858,742		769,883	
<i>Member Training</i>	6.1		1,060,878		70,000	
Regional Development & Outreach	13.8	19	3,566,259	21	207,500	17
<i>APNIC Conferences</i>	4.8		1,243,203		27,500	
<i>Regional Technical Development</i>	3.4		1,092,557		180,000	
<i>Community Engagement</i>	5.6		1,230,499			
Global Collaboration	4.8	6	1,703,670	10	79,500	6
<i>Global Technical Community</i>	2.3		898,545		-	
<i>Inter-governmental Outreach</i>	1.3		449,637			
<i>Global Research</i>	1.2		355,488		79,500	
Corporate	14.3	19	3,497,927	20	34,500	3
<i>Human Resource Management</i>	4.4		955,142			
<i>Finance & Administration</i>	8.0		1,394,258		6,000	
<i>Legal & Governance</i>	1.6		712,084			
<i>Facilities</i>	0.3		436,443		28,500	
Grand Total	74.0	100	17,065,293	100	1,244,383	100

APNIC's 2015 Budget Submission provides more details on the 2015 APNIC Budget and is available with the [Minutes of the November 2014 EC meeting](#).

Budget Submission 2015

Table of Contents

1	Executive Summary	3
2	Budget Summary	4
3	Budget Preparation Notes	5
3.1	Projection techniques	5
4	Provisions and Allowances in 2014	6
4.1	Revised Fee schedules in 2015	6
4.2	Provision for Members transferring to NIR	6
5	Revenue	7
5.1	APNIC revenue over time	7
5.2	Sign-Up Fee	7
5.3	Investment Income	7
5.4	Membership Fees Income	7
5.5	Non-Member Fees Income	8
5.6	Reactivation Fees	8
5.7	Sundry Income	8
6	Expenses	9
6.1	Expenses over time	9
6.2	Expenses ranked by total	9
6.3	Major Expenses 2014	10
6.3.1	Salary And Wages	10
6.3.2	Travel Expenses	10
6.3.3	Professional Fees	10
6.3.4	Depreciation Expenses	11
6.3.5	Sponsorship and Publicity Expenses	11
6.3.6	Computer Expenses	11
6.3.7	Communication Expenses	12
6.3.8	Meeting and Training Expenses	12
6.3.9	Office Operating Expenses	12
7	Capital Expenditure	14

1 Executive Summary

This document contains the APNIC budget submission for the financial year from January to December 2015. The budget submission includes revenue, expense, capital expenditure projections based on the planned activities for the APNIC Secretariat for 2015.

The purpose of this paper is to allow the APNIC Executive Council to approve an expenditure level for 2015, 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 \$17,065,293 and projected revenue of AUD \$18,262,000 providing an operating surplus of AUD \$1,196,707 for 2015. The Capital Expenditure requirements for 2015 are AUD \$1,244,383. All values in this document are expressed in Australian Dollars (AUD).

2 Budget Summary

	FY 2014 Forecast 2014	2014 Budget 2014	2015 Budget 2015	2015 v. 2014 Forecast Var.	2015 v. 2014 Budget Var.
Revenue					
Sign-up Fee			\$380,000	100.00%	100.00%
IP Resource Application Fee	\$1,383,375	\$1,241,625		-100.00%	-100.00%
Interest & Investment Income	\$735,000	\$620,000	\$855,000	16.33%	37.90%
Membership Fees Income	\$15,901,743	\$15,627,681	\$16,450,000	3.45%	5.26%
Non-Member Fees Income	\$256,910	\$245,000	\$232,000	-9.70%	-5.31%
Reactivation Fees	\$73,200	\$32,400	\$24,000	-67.21%	-25.93%
Transfer Fees	\$83,810	\$75,000	\$75,000	-10.51%	
Sundry Income	\$202,000	\$252,500	\$246,000	21.78%	-2.57%
Foreign Exchange Gain/Loss	(\$16,345)			-100.00%	
Total - Revenue	\$18,619,693	\$18,094,206	\$18,262,000	-1.92%	0.93%
Change %	5.98%	2.99%	-1.92%		
	FY 2014 Forecast 2014	2014 Budget 2014	2015 Budget 2015	2015 v. 2014 Forecast Var.	2015 v. 2014 Budget Var.
Expenses					
Bank Service Fees	\$142,000	\$145,950	\$151,950	7.01%	4.11%
Communication Expenses	\$477,275	\$502,772	\$537,940	12.71%	6.99%
Computer Expenses	\$585,000	\$584,632	\$642,172	9.77%	9.84%
Depreciation Expenses	\$772,000	\$769,800	\$762,266	-1.3%	-1.0%
Doubtful Debt Expenses	\$23,910	\$20,000	\$20,000	-16.35%	
ICANN Contract Fees	\$261,000	\$225,000	\$282,835	8.37%	25.70%
Insurance Expenses	\$132,873	\$134,350	\$136,900	3.03%	1.90%
Meeting and Training Expenses	\$424,068	\$424,835	\$519,400	22.5%	22.3%
Membership Fees	\$56,743	\$64,485	\$64,435	13.56%	-0.08%
Miscellaneous Expense					
Office Operating Expenses	\$307,304	\$306,195	\$305,107	-0.71%	-0.36%
Postage & Delivery	\$26,122	\$51,500	\$50,000	91.4%	-2.9%
Printing & Photocopy	\$44,200	\$44,200	\$44,840	1.45%	1.45%
Professional Fees	\$1,189,728	\$1,321,800	\$1,267,300	6.52%	-4.12%
Recruitment Expense	\$114,847	\$90,000	\$90,000	-21.63%	
Salaries and Personnel Expenses	\$8,752,754	\$8,768,982	\$9,460,248	8.08%	7.88%
Sponsorship and Publicity Expense	\$385,000	\$426,700	\$649,900	68.81%	52.31%
Staff Training Expense	\$135,000	\$172,200	\$155,000	14.81%	-9.99%
Translation Expense	\$1,000	\$23,000	\$25,000	2400.00%	8.70%
Travel Expenses	\$1,925,000	\$2,050,000	\$1,900,000	-1.30%	-7.32%
Total - Expenses	\$15,755,824	\$16,126,401	\$17,065,293	8.31%	5.82%
Change %	4.63%	7.10%	8.31%		
Net Surplus/(Deficit)	\$2,863,869	\$1,967,805	\$1,196,707		

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 2014 APNIC Survey
- The 2015 APNIC Activity Plan
- 2015 Priorities as established through the Operational Planning process
- The APNIC organization structure, HR cost analysis and recruitment plans
- Membership projections, derived from analysis of historical membership growth and recent trends
- Investment return forecasts provided by APNIC's investment advisors
- The asset register and quantity survey reports, which form the basis of depreciation and capital allowance forecast
- Taxation expense forecasts, which are based on advice from APNIC's accounting advisers and tax consultants and are based on APNIC continuing to operate as a mutual not-for-profit organisation.

3.1 Projection techniques

Projections for Membership Fees are developed by evaluation each existing member and evaluating the revenue for each month of 2015 to account for fees to be recognised under the existing and new fees schedules.

Interest income is based on analysis of existing deposits and their rates, and maturity dates. 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 2015.

An inflation rate of 2.3% was recorded for the 12 months ending September 2014, which has been used in projecting costs for 2015.

4 Provisions and Allowances in 2015

4.1 Revised Fee schedules in 2015

This budget is developed based on the introduction of new member and non-member fee schedules effective January 1, 2015. The key changes are:

- The removal of the IP initial allocation fee
- The introduction of a new “Sign-Up” fee for all new account holders:
 - AUD 500 for Member accounts
 - AUD 575 for Non-Member accounts
- A change to the base and the bit factor in the formula to assess annual fees for both IPv4 and IPv6 holdings:
 - Base from AUD 1,180 to AUD 1,050 for Member accounts
 - Base from AUD 1,357 to AUD 1,200 for Non-Member accounts
 - Bit Factor from 1.30 to 1.308 for all accounts
- A reduction in the Reactivation Fee of:
 - AUD 2,700 to AUD 1,000 for Member accounts
 - AUD 3,000 to AUD 1,200 for Non-Member accounts
- New members will no longer join as associates if they are requesting resources, and any existing Associate member who subsequently requests resources will have their anniversary revised to reflect the date of the delegation and will pay the annual fees relating to these resources.

4.2 Provision for Members transferring to NIR.

In the previous budgets, significant allowances were made to account for the transition of members in the Indian economy to transition to IRINN. Analysis of the 2014 trend shows that more members from this economy have joined APNIC than have transferred to IRINN so far, so no allowance had been made for this in the 2015 budget.

5 Revenue

The table below sets out the trends in APNIC revenues from 2009 through to our forecast for 2014 and budget estimates for 2015. It shows an overall decrease of 1.92% in 2015 compared to the 2014 full year forecast.

5.1 APNIC revenue over time

	FY 2009 Actuals	FY 2010 Actuals	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Forecast 2014	2014 Budget 2014	2015 Budget 2015	2015 v. 2014 Forecast Var.	2015 v. 2014 Budget Var.
Revenue										
Sign-up Fee								\$380,000	100.00%	100.00%
IP Resource Application Fee	\$1,194,713	\$1,373,986	\$1,530,500	\$2,232,250	\$1,420,625	\$1,383,375	\$1,241,625	\$855,000	-100.00%	-100.00%
Interest & Investment Income	\$566,854	\$397,689	\$395,591	\$595,635	\$585,522	\$735,000	\$620,000	\$16,450,000	16.33%	37.90%
Membership Fees Income	\$7,863,971	\$10,199,249	\$12,968,291	\$14,361,213	\$15,074,781	\$15,901,743	\$15,627,681	\$232,000	3.45%	5.26%
Non-Member Fees Income	\$125,598	\$149,382	\$198,425	\$227,966	\$240,225	\$256,910	\$245,000	\$24,000	-9.70%	-5.31%
Reactivation Fees	\$8,876	\$23,550	\$25,200	\$43,200	\$37,050	\$73,200	\$32,400	\$24,000	-67.21%	-25.93%
Transfer Fees				\$11,616	\$61,339	\$83,810	\$75,000	\$75,000	-10.51%	
Sundry Income	\$161,853	\$205,508	\$298,657	\$186,481	\$112,320	\$202,000	\$252,500	\$246,000	21.78%	-2.57%
Foreign Exchange Gain/Loss	(\$38,262)	(\$18,219)	\$57	(\$3,929)	\$36,780	(\$16,345)			-100.00%	
Total - Revenue	\$11,425,972	\$13,325,422	\$15,416,721	\$17,654,431	\$17,568,641	\$18,619,693	\$18,094,206	\$18,262,000	-1.92%	0.93%
Change %		16.62%	15.69%	14.51%	-0.49%	5.98%	2.99%	-1.92%		

5.2 Sign-Up Fee

The 2015 Fee schedule introduces a Sign-Up fee that is charged to account holders when joining APNIC, the previous Initial IP Allocation Fee has been removed. This budget is based on 800 new members in 2015, 10% of those members being from LDC's who receive a 50% discount on all fees. The table below highlights the revenue sensitivity of this fee depending on the actual number of new account holders joining APNIC in 2015. The base value is \$380k which assumes membership growth of 800 in 2015.

New Members 2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2015
500	- 11,250	- 12,000	- 12,000	- 12,000	- 12,000	- 12,000	- 12,000	- 12,000	- 12,000	- 12,000	- 12,000	- 11,250	- 142,500
600	- 7,500	- 8,000	- 8,000	- 8,000	- 8,000	- 8,000	- 8,000	- 8,000	- 8,000	- 8,000	- 8,000	- 7,500	- 95,000
700	- 3,750	- 4,000	- 4,000	- 4,000	- 4,000	- 4,000	- 4,000	- 4,000	- 4,000	- 4,000	- 4,000	- 3,750	- 47,500
800	-	-	-	-	-	-	-	-	-	-	-	-	-
900	3,750	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	3,750	47,500
1000	7,500	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,333	46,389
1100	11,250	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	11,250	142,500

5.3 Investment Income

The APNIC Executive Council approved the APNIC Investment Policy in August 2013 and appointed Credit Suisse as investment manager. APNIC has at the end of October 2014, 16.5M invested through this policy but maintains in excess of \$3.3M in short term deposits up to 12 months as part of its broader diversification strategy. The investment managers provided a detailed forecast for income over the next 12 months, this has been included with forecast returns on cash deposits to derive the 2015 budget estimate for Investment income.

5.4 Membership Fees Income

Growth in membership (annual) fee revenue is limited to small increments resulting from "final /8" allocations (to new and existing members), and unpredictable increments resulting from transfers received. The new fee schedule will see new members requesting resources joining as tiered members rather than associates.

Net member growth in 2015 is estimated at 559, as follows:

Member Tier	2006	2007	2008	2009	2010	2011	2012	2013	2014 F'cast	2015 Budget
Extra Large	9	9	12	13	16	21	20	20	21	21
Very Large	21	27	30	31	33	41	45	44	44	40
Large	70	77	92	106	141	145	144	146	149	148
Medium	210	231	251	276	324	378	402	391	400	420
Small	658	765	813	823	867	970	1,114	1,194	1,373	1,680
Very Small	261	304	345	472	637	817	1,021	1,291	1,697	2,775
Associate	133	171	312	449	503	575	788	965	941	100
Total	1,362	1,584	1,855	2,170	2,521	2,947	3,534	4,051	4,625	5,184
Growth		16.3%	17.1%	17.0%	16.2%	16.9%	19.9%	14.6%	14.2%	12.1%

The budget for the 2015 Membership Fees is based on a detailed bottom up analysis of the existing membership, combined with assumptions for membership growth, membership closure and expected allocations during 2015. This calculation assumes that the new member fee schedule will be effective January 1, 2015. The ARMS database provides details on each the expected fees for each member at their next anniversary date under this new fee schedule; this is combined with the unrecognised revenue in the accounting system that will be brought to account in 2015.

Membership Fees 2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2015
Existing Members in ARMS	1,334,987	1,327,736	1,320,941	1,320,474	1,338,828	1,356,225	1,376,181	1,379,426	1,372,024	1,363,831	1,356,153	1,352,308	16,199,114
800 New Members in 2015	7,552	15,104	22,656	30,208	37,760	45,313	52,865	60,417	67,969	75,521	83,073	90,625	589,063
Less: 10% from LDC's	- 378	- 755	- 1,133	- 1,510	- 1,888	- 2,266	- 2,643	- 3,021	- 3,398	- 3,776	- 4,154	- 4,531	- 29,453
Closures/Mergers etc. Last /8 Allocations	- 4,567 609	- 9,134 1,218	- 13,700 1,827	- 18,267 2,435	- 22,834 3,044	- 27,401 3,653	- 31,968 4,262	- 36,535 4,871	- 41,101 5,480	- 45,668 6,088	- 50,235 6,697	- 54,802 7,306	- 356,212 47,489
Estimated Membership Fees	1,338,203	1,334,169	1,330,591	1,333,339	1,354,910	1,375,524	1,398,697	1,405,158	1,400,973	1,395,995	1,391,535	1,390,906	16,450,000

The table below illustrates the revenue impact of varying levels of membership growth, the mid point being 800 new members as set out in the 2015 budget.

New Members 2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2015
500	- 2,690	- 5,381	- 8,071	- 10,762	- 13,452	- 16,143	- 18,833	- 21,523	- 24,214	- 26,904	- 29,595	- 32,285	- 209,854
600	- 1,794	- 3,587	- 5,381	- 7,174	- 8,968	- 10,762	- 12,555	- 14,349	- 16,143	- 17,936	- 19,730	- 21,523	- 139,902
700	- 897	- 1,794	- 2,690	- 3,587	- 4,484	- 5,381	- 6,278	- 7,174	- 8,071	- 8,968	- 9,865	- 10,762	- 69,951
800	-	-	-	-	-	-	-	-	-	-	-	-	-
900	897	1,794	2,690	3,587	4,484	5,381	6,278	7,174	8,071	8,968	9,865	10,762	69,951
1000	1,794	3,587	5,381	7,174	8,968	10,762	12,555	14,349	16,143	17,936	19,730	21,523	139,902
1100	2,690	5,381	8,071	10,762	13,452	16,143	18,833	21,523	24,214	26,904	29,595	32,285	209,854

5.5 Non-Member Fees Income

Non-member fee revenue for 2015 is estimated based on the analysis of the non-members contained in the APNIC database. This includes the adoption of the revised Non-Member fee schedule from January 1, 2015.

5.6 Reactivation Fees

Reactivation fees are charged when members' accounts have been suspended for non-payment, the budget for this fee is based on analysis of previous activity and reflects the reduced fees charged under the new fee schedules for both Member and Non-Member accounts.

5.7 Sundry Income

Sundry income includes revenue from sponsorship for APNIC conferences and registration fees received for other events and training activities, in 2015 the budget comprises:

- APNIC 40 Sponsorship (international and local sponsors) 75,000
- APNIC 40 Workshop and conference Registration Income 41,000
- APNIC 39 Sponsorship 30,000
- Training Events Income Members 53,500
- Training Events Income Non-Members 37,500
- Workshop registration income 9,000

6 Expenses

APNIC's expense budget is developed after extensive review of all outstanding commitments and planned future expenditure. The table below shows APNIC's expenses over time from 2009 to the forecast result for 2014 and the proposed budget for 2015.

6.1 Expenses over time

	FY 2009 Actuals	FY 2010 Actuals	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Forecast 2014	2014 Budget 2014	2015 Budget 2015	2015 v. 2014 Forecast Var.	2015 v. 2014 Budget Var.
Expenses										
Bank Service Fees	\$65,148	\$81,607	\$102,974	\$132,080	\$138,337	\$142,000	\$145,950	\$151,950	7.01%	4.11%
Communication Expenses	\$156,901	\$339,964	\$385,819	\$440,762	\$490,600	\$477,275	\$502,772	\$537,940	12.71%	6.99%
Computer Expenses	\$381,519	\$328,583	\$397,535	\$551,362	\$548,748	\$585,000	\$584,632	\$642,172	9.77%	9.84%
Depreciation Expenses	\$718,927	\$703,869	\$875,273	\$816,998	\$753,032	\$772,000	\$769,800	\$762,266	-1.3%	-1.0%
Doubtful Debt Expenses	\$4,928	\$2,106	\$12,808	\$27,099	\$30,990	\$23,910	\$20,000	\$20,000	-16.35%	
ICANN Contract Fees	\$358,696	\$321,172	\$284,889	\$321,655	\$136,732	\$261,000	\$225,000	\$282,835	8.37%	25.70%
Insurance Expenses	\$133,822	\$116,824	\$120,236	\$126,673	\$126,751	\$132,873	\$134,350	\$136,900	3.03%	1.90%
Meeting and Training Expenses	\$138,458	\$249,401	\$398,014	\$191,561	\$332,819	\$424,068	\$424,835	\$519,400	22.5%	22.3%
Membership Fees	\$69,496	\$53,663	\$54,261	\$68,392	\$48,294	\$56,743	\$64,485	\$64,435	13.56%	-0.08%
Miscellaneous Expense	\$5,234	\$1,032	\$1,221	\$3						
Office Operating Expenses	\$132,009	\$404,527	\$275,653	\$249,930	\$300,757	\$307,304	\$306,195	\$305,107	-0.71%	-0.36%
Postage & Delivery	\$27,170	\$27,394	\$32,842	\$28,493	\$45,269	\$26,122	\$51,500	\$50,000	91.4%	-2.9%
Printing & Photocopy	\$24,309	\$21,618	\$37,515	\$38,115	\$36,586	\$44,200	\$44,200	\$44,840	1.45%	1.45%
Professional Fees	\$591,140	\$554,295	\$605,124	\$939,882	\$1,246,373	\$1,189,728	\$1,321,800	\$1,267,300	6.52%	-4.12%
Recruitment Expense	\$73,836	\$140,220	\$123,485	\$99,574	\$89,472	\$114,847	\$90,000	\$90,000	-21.63%	
Salaries and Personnel Expenses	\$6,033,254	\$6,507,584	\$7,203,720	\$8,145,433	\$8,298,111	\$8,752,754	\$8,768,982	\$9,460,248	8.08%	7.88%
Sponsorship and Publicity Expense	\$177,469	\$252,182	\$293,035	\$270,696	\$319,623	\$385,000	\$426,700	\$649,900	68.81%	52.31%
Staff Training Expense	\$107,973	\$146,287	\$107,752	\$151,386	\$163,053	\$135,000	\$172,200	\$155,000	14.81%	-9.99%
Translation Expense	\$15,637	\$14,498	\$10,297	\$11,928	\$15,255	\$1,000	\$23,000	\$25,000	2400.00%	8.70%
Travel Expenses	\$1,404,359	\$1,404,527	\$1,576,246	\$1,822,239	\$1,937,230	\$1,925,000	\$2,050,000	\$1,900,000	-1.30%	-7.32%
Total - Expenses	\$11,232,089	\$13,139,166	\$12,927,306	\$14,421,699	\$15,058,033	\$15,755,824	\$16,126,401	\$17,065,293	8.31%	5.82%
Change %		16.98%	-1.61%	11.56%	4.41%	4.63%	7.10%	8.31%		

6.2 Expenses ranked by total

The table below shows the budget 2015 expenses compare to the forecast for 2014 and the original 2014 budget. The expenses have been ranked by total for 2015.

	FY 2014 Forecast 2014	2014 Budget 2014	2015 Budget 2015	2015 v. 2014 Forecast Var.	2015 v. 2014 Budget Var.
Salaries and Personnel Expenses	\$8,752,754	\$8,768,982	\$9,460,248	8.08%	7.88%
Travel Expenses	\$1,925,000	\$2,050,000	\$1,900,000	-1.30%	-7.32%
Professional Fees	\$1,189,728	\$1,321,800	\$1,267,300	6.52%	-4.12%
Depreciation Expenses	\$772,000	\$769,800	\$762,266	-1.3%	-1.0%
Sponsorship and Publicity Expense	\$385,000	\$426,700	\$649,900	68.81%	52.31%
Computer Expenses	\$585,000	\$584,632	\$642,172	9.77%	9.84%
Communication Expenses	\$477,275	\$502,772	\$537,940	12.71%	6.99%
Meeting and Training Expenses	\$424,068	\$424,835	\$519,400	22.5%	22.3%
Office Operating Expenses	\$307,304	\$306,195	\$305,107	-0.71%	-0.36%
ICANN Contract Fees	\$261,000	\$225,000	\$282,835	8.37%	25.70%
Staff Training Expense	\$135,000	\$172,200	\$155,000	14.81%	-9.99%
Bank Service Fees	\$142,000	\$145,950	\$151,950	7.01%	4.11%
Insurance Expenses	\$132,873	\$134,350	\$136,900	3.03%	1.90%
Recruitment Expense	\$114,847	\$90,000	\$90,000	-21.63%	
Membership Fees	\$56,743	\$64,485	\$64,435	13.56%	-0.08%
Postage & Delivery	\$26,122	\$51,500	\$50,000	91.4%	-2.9%
Printing & Photocopy	\$44,200	\$44,200	\$44,840	1.45%	1.45%
Translation Expense	\$1,000	\$23,000	\$25,000	2400.00%	8.70%
Doubtful Debt Expenses	\$23,910	\$20,000	\$20,000	-16.35%	
Total - Expenses	\$15,755,824	\$16,126,401	\$17,065,293	8.31%	5.82%
Change %	4.63%	7.10%	8.31%		

Major Expenses 2015

6.2.1 Salary And Wages

Salary and wages expense for 2015 will increase by 8.08% compared to the forecast for 2014, and 7.88% above the 2014 budget. This budget is calculated based on the following assumptions:

- Employer superannuation contributions will remain at 9.5% during 2015, having increased from 9.25% in July 2014
- All staff will utilise their weeks annual leave entitlement during 2015
- Overall increase to account for role changes, performance and cost of living is 3.25%
- Existing headcount commitments continue from 2014, plus new positions in 2015

Proposed headcount for 2015 is 74, and includes 2 new roles and 3 vacant from 2014:

- Communications - Member Communications Specialist (2014 Budget)
- Infrastructure Systems - Systems Administrator (2014 Budget)
- Member Services – Internet resource analyst (2014 Budget)
- Training and Development - Training Officer (New)
- ER Program Manager – (New)

6.2.2 Travel Expenses

The budget submission includes an overall reduction in travel expenses in 2015, revisions to the travel policy and the management of travel are currently being finalised. Allocations have been made for travel by EC and NC members to RIR, ICANN, IGF and other meetings in 2015. The latest working list of 2015 events can be found in appendix A, however attendance at these events is to be determined.

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

6.2.3 Professional Fees

Professional fees continue to increase as APNIC moves to engaging specialist consultants to support its activities as an alternative to full time employment contracts. Major consulting activities planned for 2015 include:

• Engineering Assistance and training.	180,000
• HR related consultancy	152,000
• Legal Advice & Expenses	135,000
• Design Consultancy	110,000
• I-Root & F-Root Maintenance	100,000
• Investment Consultant Service	96,000
• Curriculum development	50,000 *
• Audit Fees - PWC	40,000
• Financial and Tax advice - KPMG	40,000
• I-Root & F-Root Implementation	30,000
• Outreach events in AP region	30,000 *

• Fundraising activities	30,000 *
• APNIC 39 Steno	20,000
• APNIC 40 Steno	20,000
• PR Agency Project Fees - Thailand	20,000 *
• PR Agency Project Fees - Philippines	20,000 *
• PR Agency Project Fees - Malaysia	20,000 *

**Incremental costs for 2015.*

6.2.4 Depreciation Expenses

Depreciation expenses are budgeted based on analysis of the existing depreciation and capital allowance schedules and including anticipated depreciation based on Capital Expenditure planned for 2015.

6.2.5 Sponsorship and Publicity Expenses

Sponsorship and Publicity includes APNIC contributions to the NRO expenses, the ISIF program, and sponsorship of NOGS and other community events. Major expenses in 2015 include:

• NRO Expenses	183,400
• APNIC contribution to ISIF grants	100,000
• NOG sponsorships	60,000
• New Research Grant	60,000
• APNIC conference fellowships	35,000
• Non-NOG conferences and events.	35,000
• Regional/national IGFs sponsorship	30,000
• Government Events	25,000
• Google PPC Advertising	20,000
• Social Media Advertising	14,000

6.2.6 Computer Expenses

Computer expenses include all non-capital purchases of equipment, consumables, license and support fees for hardware and software. Major contributors to his cost in 2015 are:

• ERP Licenses users and modules	105,940
• Google Ads	72,000
• VMware licenses	59,322
• Commercial monitoring support	36,220
• F5 maintenance	25,000
• Cisco Smartnet	25,000
• Cloud computing costs	24,000
• CMS 24x7 support	20,000
• Document Management	19,200

• DNSSEC maintenance costs	18,000
• Dell blade Chassis, switch support	17,910
• Conference Registration annual fee	15,932
• Conference Software	15,000
• BI Software license	15,000

6.2.7 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 2015 budget include the following:

• Dark Fibre & Uplink	199,800
• Co-location 1	88,228
• VoIP maintenance and licenses	57,552
• Co-location 2	56,860
• DNS Anycast	30,000
• Puppet enterprise license	25,000
• Authentication licenses and support	10,000
• Security patrols and maintenance	10,000
• Mobile Phone Expenses	10,000
• Network Infrastructure in US	9,600

6.2.8 Meeting and Training Expenses

Meeting and Training expenses include all the costs incurred in running the meetings including APNIC conferences and other meeting/training events. This includes; venue and equipment hire, catering and social events this costs will increase by close by nearly 23% in 2015. The major contributors to this expense are the APNIC conferences in 2015 in Japan and Indonesia. Whilst not all meeting expenses are include in this expense, the major Venue and Logistic costs are included. A portion of these costs is offset by Sponsorship and Registration/workshop income. The budget includes a provision for venue and catering for 20 training events in 2015.

• APNIC 40 Meeting Costs	159,500
• APNIC 39 Meeting Costs	98,500
• Training event venue and catering costs	72,000
• Regional Meetings	52,000
• Membership Development Activities	40,000
• Staff Events	22,500

6.2.9 Office Operating Expenses

The major costs in this item include; electricity, land tax, council and water rates, cleaning and rubbish removal, air-conditioning and security. There are a number of major contracts currently being renegotiated, but overall costs are expected to be in line with 2014. Major planned expenditure includes:

• Electricity supply and usage	51,500
• State Land Tax	45,000
• Contracted maintenance and repairs	38,000
• Office Cleaning	32,000
• Facilities & Supplies	28,680
• Municipal Rates	28,000
• WHS Compliance and facilities	16,000
• Electrical repair & scheduled testing	10,000

7 Capital Expenditure 2015

Capital expenditure comprises Equipment & Software and Office Equipment. For the 2015 budget submission capital expenditure is planned at \$1,244,383. Capital Expenditure for 2014 was well below planned with a lack of resources available to complete some of the planned projects; this has resulted in some of the upgrades being moved into the 2015 budget.

Expenditure on Equipment and Software is budgeted at \$1,215,883 for 2015; this includes capitalised expenditure on technical infrastructure, software, and implementation costs including consulting fees. Major contributors in 2015 to this budget are:

Office equipment major expenditures are budgeted at \$28.5k in 2015, this allows for ongoing upgrade of furniture and fixtures in the buildings along with a redesign of the storage and archiving facilities. A major review of the facilities will be undertaken during 2015 as the facility will have been in use for 5 years, and the 2016 budget will include any required expenditure to ensure the facility is equipped adequately to function effectively through until 2020.

APNIC Conferences Future Structure Discussion Document

Following APNIC 38, the Secretariat has been examining the structure of the stand-alone APNIC meetings to see where improvements could be made. Primarily, the feedback received has been around the length of the conferences, and the suggestion that shortening them will result in an improved experience for Members. Following are some suggested changes and thoughts which aim to help the EC consider the best approach to future meetings.

CURRENT STRUCTURE

	Tue	Wed	Thur	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Morning	Workshops	Workshops	Workshops	Workshops	Workshops	AP* APIX	Tutorial EC	APOPS 1 NIR SIG	APOPS 3 Tutorial	APNIC Services	AMM
	Workshops	Workshops	Workshops	Workshops	Workshops	AP* APIX	Tutorial EC	Coop SIG IPv6 Plenary	Tutorial iGov	Policy SIG	AMM
Afternoon	Workshops	Workshops	Workshops	Workshops	Workshops	AP* APIX	Opening Keynotes	APOPS 2 Global Reports	Tutorial Security Track	Policy SIG	AMM
	Workshops	Workshops	Workshops	Workshops	Workshops	AP* APIX	Technical Keynotes EC	Tutorial BoFs	Tutorial Security Track	Lightning Talks	
Evening					Workshop Dinner		Opening Social		Meet the EC 2 nd Social		Closing Dinner

POTENTIAL NEW STRUCTURE

	Tue	Wed	Thur	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Morning			Workshops	Workshops	Workshops	Workshops APIX AP*	Workshops EC	Opening Keynotes	APOPS 3 Coop SIG	EC breakfast APNIC Services	
			Workshops	Workshops	Workshops	Workshops APIX AP*	Workshops EC	APOPS 1	IPv6 Plenary Tutorial	Policy SIG	
Afternoon			Workshops	Workshops	Workshops	Workshops APIX AP*	Workshops EC	APOPS 2 NIR SIG	Security Track Tutorial	Policy SIG	
			Workshops	Workshops	Workshops	Workshops APIX AP*	Workshops EC	Global reports APIPv6TF BoF	Security Track Tutorial Lightning Talks	AMM	
Evening								Opening Social	Meet the EC Drinks	Closing Dinner	

CONSIDERATIONS

- APIX and AP* will be held in parallel on Sunday. Other partner organisations' meetings, if any (e.g. APTLD, APCERT) can be held anytime in parallel to the conference apart from the opening ceremony and keynotes
- It is vital to maintain a strong level of technical presentations / content during APNIC conference so attendees can share experiences and gain new knowledge from industry experts. This content needs to be maintained to attract attendees – particularly new attendees from our community – and help delegates justify their trip
- iGov session will be merged with Cooperation SIG. This is the session where community consultation on non-address policy matters will take place
- BoFs and Lightning Talks are maintained as they are an important part of the bottom-up ethos of our community (and also necessary for some of the working of our bylaws ie. creation of SIGs)
- Policy sessions are maintained in this model as the chance to discuss policy and policy-related issues are obviously a cornerstone of why we have a meeting. It ensures Members have ample time to provide feedback on policy and other important issues – while APNIC 38 did not have many policy proposals to discuss, the session did provide an opportunity for Members to discuss a range of issues and was a productive use of time
- An EC Breakfast session on Thursday morning has been added to brief and prepare the EC on Policy and AMM matters
- The AMM will focus on members' affairs and SIG consensus calls. Other reports will be dropped or moved to other relevant sessions
- Socials are reduced from four to three – the conference opening social doubles as the workshop closing social
- Schedule is based on having two parallel sessions running for much of the conference. This is to contain venue and AV costs, but also to ensure webcasting and transcription resources (and costs) do not expand
- Potential savings would arise from shortening the conference program and the elimination of two socials

RECOMMENDED NEXT STEPS

- EC discussion and feedback
- Conduct a survey of Members on APNIC conference structure
- Assess APNIC 40 (which will be operating on the current model)
- Decide on APNIC conference structure for APNIC 42 onwards (by Nov 2015)

Backup Locations for APNIC Conferences

2014 was a challenging year for conference locations with both default backup locations – Kuala Lumpur (for APRICOT 2014) and Brisbane (for APNIC 38) – needing to be used.

While both conferences were successful, the Brisbane meeting was challenging for the Secretariat and the APNIC community. The Secretariat has conducted its usual post-event debrief and following this, recommends to the EC that the default backup location for stand-alone APNIC conferences be revised.

APNIC 38 - Challenges

There were a number of challenges related to holding APNIC 38 in Brisbane:

- **Venue, AV, catering and supplier costs** – holding the event in Brisbane saved on travel and shipping costs. However, the costs for other meeting items such as venue hire, AV, catering, social events and other supplier costs were higher than in most other locations in Asia. This meant that the Secretariat either had to pay more for suppliers than usual, or stick to the budget and accept lower quality / less choice.
- **Travel for APNIC Members** – Australia's location means it is an unavoidably long (and more expensive) journey for Members from Asia to attend a conference in Brisbane (note: this would also have been a problem in Noumea for Members from Asia). The length of the trip, combined with the expense, seemed to cause a reduction in attendance.
- **Visas** – Australia's strict visa rules (and visa processing times) made it difficult for some Members to obtain visas to visit the country. Several Members could not obtain visas and appealed to the Secretariat for assistance, and while this increases workload, there is only a limited amount the Secretariat can do. One Workshop trainer was denied a visa which meant the other trainers needed to cover additional classes.
- **Costs for APNIC Members** – Australia has become a relatively expensive country, so the cost of visiting Australia for up to a week can be prohibitive. Some delegates remarked that for the prices paid they would have enjoyed higher quality accommodation in Asia.
- **Business opportunities** – many attendees to APNIC meetings in Asia justify their trips by also holding private business meetings during the event. It seems that Brisbane does not provide the same opportunities as other Asian cities, making it harder for delegates to justify this travel.

These challenges contributed to a lower attendance than expected, and less speaker submissions than hoped for, among other impacts.

Recommendation

The Secretariat proposes to update the meeting selection process as follows.

1. The EC will provide the secretariat with some suggested locations (say three) for the future meeting, in the eligible sub-region (under the rotation policy).
2. The Secretariat will identify specific options (locations and venues) and assess them against selection criteria to give recommendations to the EC.
3. The EC will choose its preferred location, **as well as a second preference location**, which would be considered as the backup location (but not announced).
4. If the chosen meeting location becomes impossible for any reason, then the second preference would be announced as the new location for the meeting.
5. If the backup location is not available or becomes impossible for any reason, then the EC would need to look at options, including Brisbane, for hosting the meeting.

Note: this proposal does not apply to APRICOT, however the EC may suggest that APIA adopt this approach, in order to preserve the regional rotation system.

2014 APNIC Survey Executive Council Response

INTRODUCTION

APNIC's eighth Member and Stakeholder Survey was commissioned by the APNIC Executive Council (EC) on 6 December 2013 and launched in March 2014. The Survey is an important initiative which helps the EC and Secretariat to understand the views of the community on APNIC's past performance and future priorities.

In 2014, a series of face-to-face "focus group" discussions were held in March and April, followed by an online survey from 11 June to 11 July. The focus groups, conducted by two independent consultants, were held in 18 cities across 16 economies in the region. The feedback received during these discussions was used in the development of the online survey, which covered a range of topics:

- Core Member services
- Training
- External relations
- Reporting and feedback mechanisms
- Policy Development Process (PDP)
- APNIC's public information resources
- Transparency
- Executive Council

The survey received 1,039 valid responses, from developed (24.6%), developing (57.9%) and least developed economies (17.4%) in the region. APNIC Account Holders comprised 64.7% of the total. The results were presented to the community at APNIC 38 and published on the APNIC website on 17 September 2014.

KEY FINDINGS

The survey indicated that APNIC Members have high satisfaction with the performance of APNIC, with quality of APNIC's services rated at 6.15/7, and value of services and membership at 5.91/7. Similarly high scores were reflected across specific service categories, and throughout the survey.

Specific improvements, however, can still be made. The survey result provides detailed direction from the Members and community on APNIC priorities in the coming years.

During the Member Meeting at APNIC 38, the findings of the focus groups and survey were presented under six headings as follows:

- Value / Fees
- Services
- Training
- Transparency
- Communications
- Community Engagement

In the EC's view, these headings categorise the findings well and so we have based our response around these headings also.

Value / Fees

While the survey shows that Members are satisfied with the value of APNIC's services and membership, the EC [is currently reviewing APNIC fees. The results of this review will be announced by the end of the year].

– NOTE THE TIMING OF RELEASE OF THIS DOCUMENT COULD CHANGE THIS SENTENCE.

Services

The quality of APNIC Services have improved in the past two years according to the majority of Members, with 57% noting improvement and only 1.7% reporting a decline in Service quality.

The survey identifies improvement of APNIC's resource registration services as the number one future priority, and the focus group report noted the need to continue improving MyAPNIC and Whois usability. The Secretariat has advised it will publish a 2015 services roadmap and the EC trusts that Member feedback in this area will be taken into account.

Training

It is clear the community values APNIC's training services highly, with 62% of Members scoring the quality of APNIC training at 6/7 or 7/7; and the provision of training services was identified as the second highest future priority by Members.

Availability of training was highlighted in the focus group report, which identified a desire for more training in some regions. Expanding training availability, while balancing the associated costs, is an area which the EC believes needs careful assessment. During 2015 the Secretariat is planning a Training Needs Analysis, and a review of the business model for training services which will investigate how APNIC can expand training services through partnerships in funding, development, and course delivery.

Transparency

The focus group report highlighted a desire for more transparency in APNIC planning, future strategy and resource allocation, which was also demonstrated during the February Member Meeting. In response, the Secretariat is developing a new activity-based planning document to support the APNIC budget for 2015.

The EC will watch these developments closely and work with Members and the Secretariat to ensure that reporting and documentation satisfies Member needs.

The 2014 survey included questions about the EC itself, and its performance, reporting and communication processes,. While the overall results of these questions were positive, it is clear that EC documentation and communications could be improved.

Comprehensive information on the APNIC EC is available on the APNIC website, however this may need to be more visible to the community. The EC notes the initial steps taken to improve APNIC accountability and transparency in 2014, including the updated APNIC Transparency web page and the NRO's RIR accountability matrix, to which APNIC contributed. The new "EC Submission" feature of MyAPNIC also provides a means for members to contact the EC directly.

Communications

Focus group feedback echoed comments during the February Member Meeting about the need for clearer communication from the Secretariat. Since then, the EC believes the Secretariat has responded positively to these concerns. Member desires for increased focus on IPv6 promotion and communication is noted.

The EC believes the feedback on translation requirements from the survey was inconclusive. While 66% of respondents said that English posed no barrier to them, the survey does favour those with English proficiency. Regarding translation, the survey suggested that translation of APNIC Policy information would be most useful. Translation is expensive, however, and the EC suggests that a review of translation options is an appropriate course of action.

Community Engagement

Regarding APNIC collaboration with other communities and organizations, Members scored all groups at least 4.7 / 7 or higher, indicating general support for a collaborative approach. However, the clear priorities were NOGs, the international technical community, Asia Pacific technical community and other RIRs.

The EC agrees with Members and endorses APNIC's continued work with the technical community regionally – particularly with NOGs – and globally. The EC also notes a desire for greater clarity of these engagements, and recognises the Secretariat has already taken steps in regular event reporting, the new APNIC Blog, and the activity-based planning for 2015. In particular, the plan will show the financial and human resources allocated to external relations activities, as specifically requested by some members.

NEXT STEPS

The results of the 2014 survey will guide APNIC's planning for 2015 and 2016. While some work was begun in 2014 (as reported at APNIC 38), the EC looks forward to improved Secretariat planning for 2015, with additional details of resource allocation against key activities.

We expect that the Secretariat will take guidance from the Survey, especially in those areas described in this document, and will keep the APNIC community well informed of its progress.

On behalf of the EC, I would like to thank you again for participating in the 2014 APNIC Survey. The EC welcomes all feedback from the membership and community so please do get in touch with us if you have comments on this summary or any other APNIC issue.

Akinori MAEMURA
Chair
APNIC Executive Council

IANA Stewardship Transition discussions

APNIC EC Retreat
Singapore – 26-27 November 2014

Prepared by Craig Ng, General Counsel

Outline

- Source of US Government's oversight role
- Current contractual relationship between US Government and ICANN
- The transition process – what's happening at ICANN
- CRISP
- Proposals from other RIRs
- Discussions

Source of US Government's claim



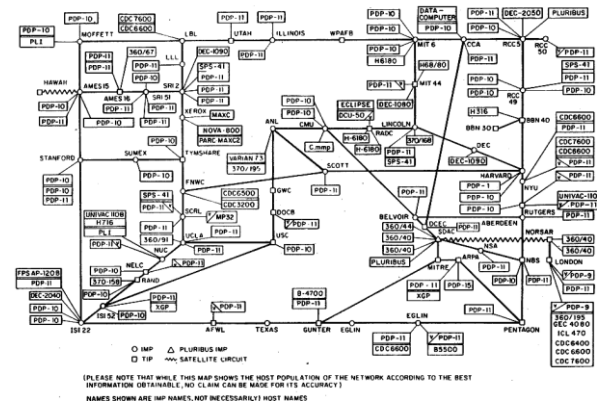
U.S. Department of Defense
Advanced Research Projects
Agency



ARPAnet

(Advanced Research Projects Agency Network)

ARPANET LOGICAL MAP, MARCH 1977



1960's →



Source of US Government's claim



U.S. Department of Defense
Advanced Research Projects
Agency



Contract for
development work



Dr. Jon Postel

These functions
became known as
**Internet Assigned
Numbers Authority**

- Maintain list of host names and addresses;
- Maintain list of RFCs
- Maintain list of assigned Internet numbers and names
- Publish list of technical parameters by protocol developers

1970's →

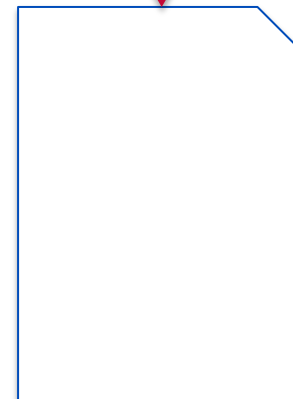
In the 1990's, pressure was building ...

- Dissatisfaction with absence of competition in domain name registration
- Conflicts between trademark holders and domain name holders
- Commercial interests calling for more formal and robust management structure
- Increasing percentage of Internet users outside of U.S., who want to participate in Internet coordination
- Need for more formal, accountable ways to add new TLDs
- Became less appropriate for U.S. research agencies to direct and fund these functions



NTIA published Green Paper in February 1998:
“A Proposal to Improve the Technical Management of Internet Names and Addresses”

in response to President Bill Clinton’s instructions to Department of Commerce (DOC) to “privatize the management of the domain name system”



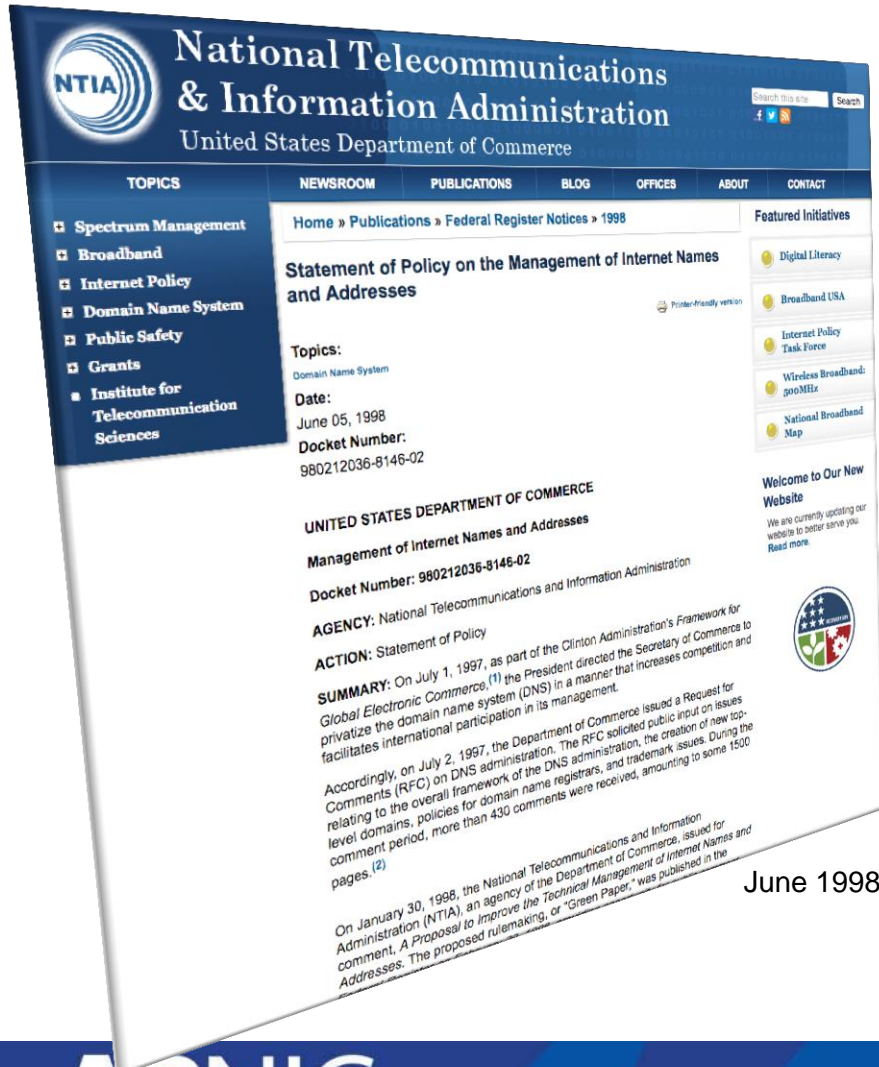
After receiving comments ...

NTIA issued White Paper in June 1998:
“Management of Internet Names and Numbers”

In the 1990's, pressure was building ...

4. Creation of the New Corporation and Management of the DNS. The Green Paper called for the creation of a new private, not-for-profit corporation(17) responsible for coordinating specific DNS functions for the benefit of the Internet as a whole. Under the Green Paper proposal, the U.S. Government(18) would gradually transfer these functions to the new corporation beginning as soon as possible, with the goal of having the new corporation carry out operational responsibility by October 1998. Under the Green Paper proposal, the U.S. Government would continue to participate in policy oversight until such time as the new corporation was established and stable, phasing out as soon as possible, but in no event later than September 30, 2000. The Green Paper suggested that the new corporation be incorporated in the United States in order to promote stability and facilitate the continued reliance on technical expertise residing in the United States, including IANA staff at USC/ISI.

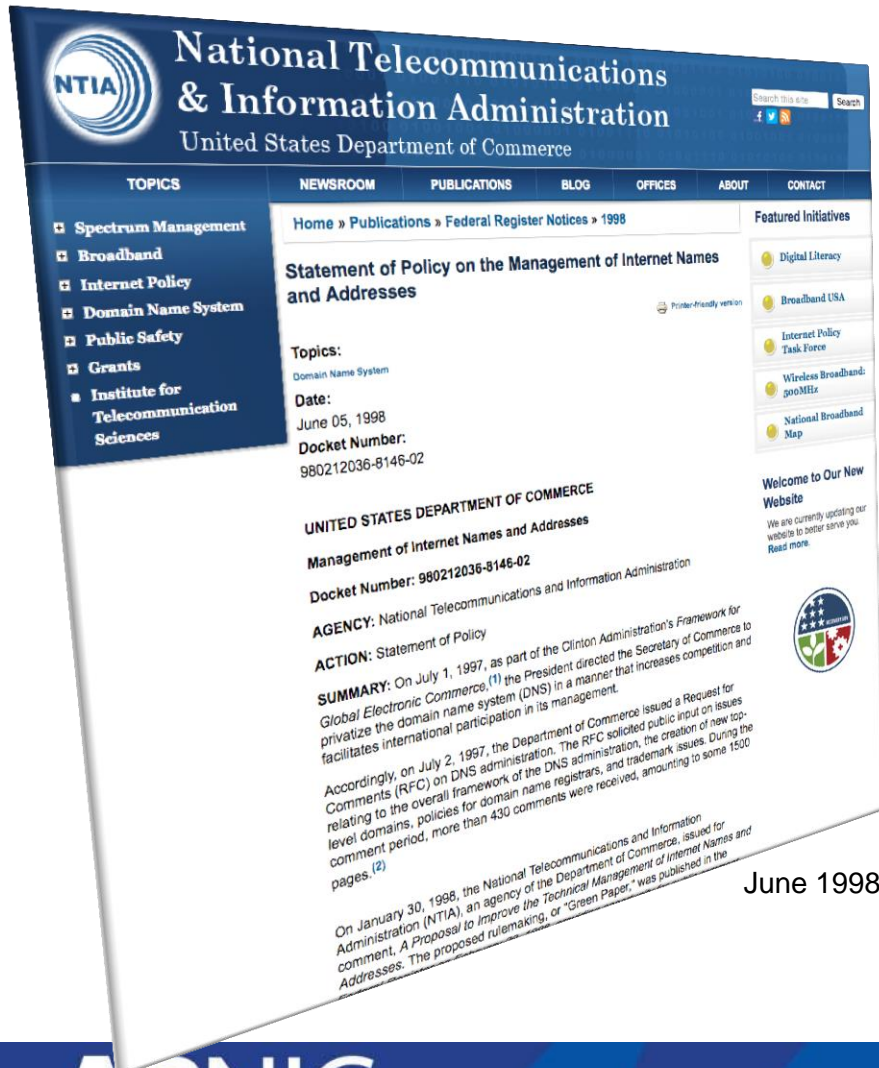
The White Paper – “Management of Internet Names and Addresses”



Principles for a New System:

- Stability
 - “The U.S. Government should end its role in the Internet number and name address system in a manner that ensures the stability of the Internet”
- Competition
- Private, bottom-up coordination
 - “... private-sector action is preferable to government control”
- Representation
 - “The new corporation should operate as a private entity for the benefit of the Internet community as a whole”

The White Paper – “Management of Internet Names and Addresses”



Purpose:

- Set policy for and direct allocation of IP number blocks to RIRs
- Oversee operation of authoritative Internet root server system
- Oversee policy for determining the circumstances under which new TLDs are added to the root system; and
- Coordinate the assignment of other Internet technical parameters as needed to maintain universal connectivity on the Internet

June 1998

Current contractual arrangement



Department of Commerce



National
Telecommunications
and Information
Administration



Current contractual arrangement

Affirmation of Commitments



Mutual affirmation of key commitments by US Government (Department of Commerce) and ICANN:

- Ensure decisions are made in the public interest and accountable and transparent
- Preserve the security, stability and resiliency of the DNS
- Promote competition, consumer trust, and consumer choice in the DNS marketplace
- Facilitate international participation in DNS technical coordination

Current contractual arrangement

Affirmation of Commitments



US Government (Department of Commerce) commits to multi-stakeholder, private sector led, bottom-up policy development model for DNS technical coordination, that acts for the benefit of global Internet users.

ICANN commits to:

- transparent and accountable budget processes
- fact-based development
- cross-community deliberations
- responsive consultation procedures (including basis for decision, how comments have influenced consideration)
- publish each year, ICANN's progress against by-laws, responsibilities, strategic and operating plans
- remain a not for profit corporation, headquartered in USA with offices around the world

Current contractual arrangement

Affirmation of Commitments



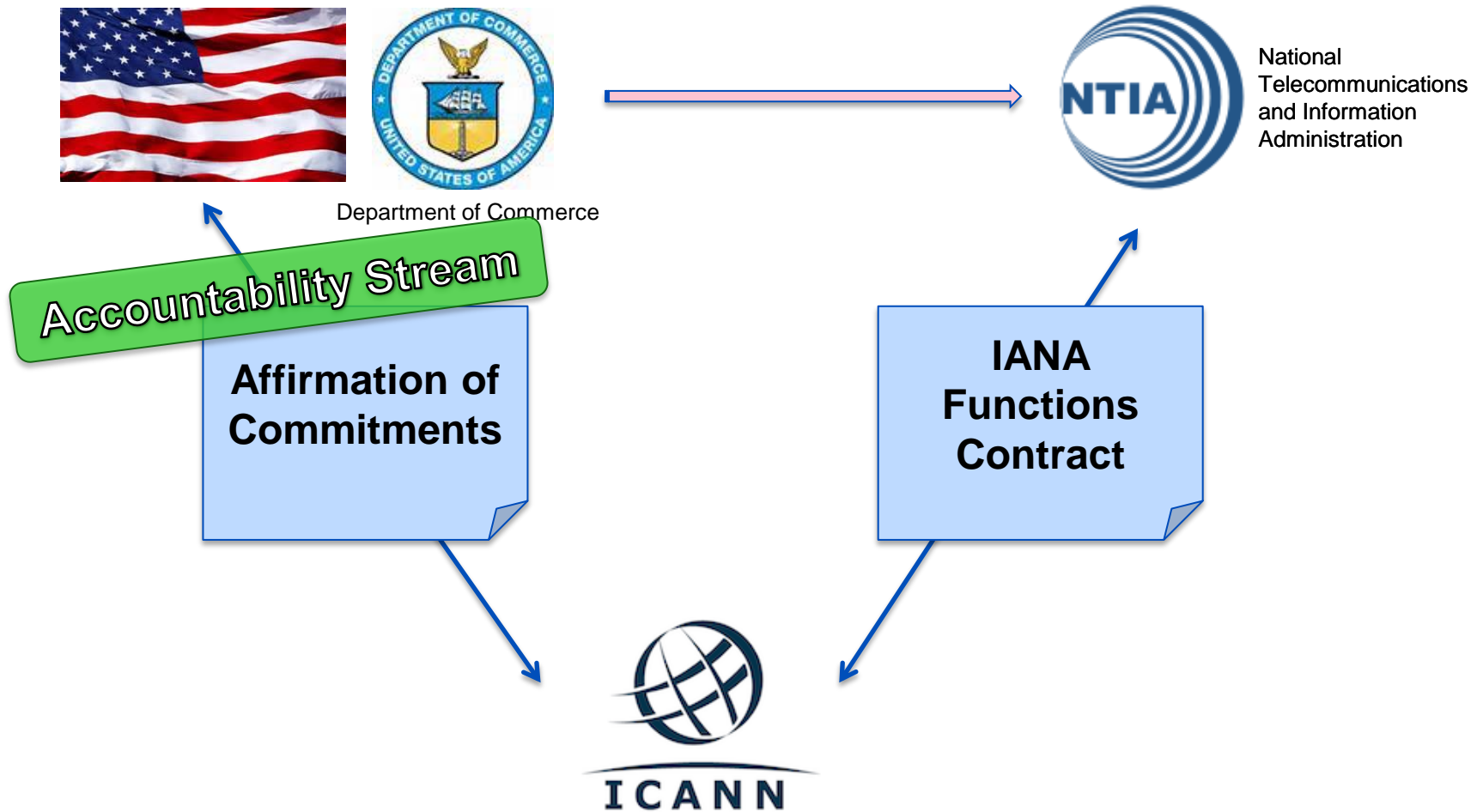
ICANN's specific commitments:

- Accountability and transparency:
 - continuing to assess and improve board governance; board performance; election process, whether it meets ICANN's needs; and the appeal mechanism for board decisions
 - assessing and improving the work of the NAC
 - assessing and improving public input to ICANN
 - assessing extent to which ICANN decisions are enforced, supported and accepted
 - assessing the PDP for enhanced cross community deliberations
- Preserve the security, stability and resiliency of the DNS
- Promote competition, consumer trust, and consumer choice in the DNS marketplace
- Facilitate international participation in DNS technical coordination

ATRT (3 yearly)

* ATRT = Accountability and Transparency Review Team

Current contractual arrangement



Current contractual arrangement

Overview:

- The IANA Functions Contract include three parts:
 - An “Award” issued by NTIA (65 pages long, specifies the statement of work, price/costs, deliverables, and other legal and administrative information) – dated 2 July 2012
 - ICANN proposal to NTIA’s request for proposals (550 pages long, incorporated by reference to the main contract)
 - Amendments made in October 2012 and April 2013
- “IANA Functions” include:
 - coordination of the assignment of technical Internet protocol parameters
 - administration of certain responsibilities associated with the Internet DNS root zone management
 - allocation of Internet numbering resources
 - other services related to the management of the ARPA and INT top level domains
- Main requirements of work are specified in sections C.1 to C.8

**IANA
Functions
Contract**



Current contractual arrangement

Part C – Contractor Requirements:

- C.1 – Background
- C.2 – Contractor requirements
 - develop performance standards
 - IANA functions (more in next slide)
 - coordinate assignment of technical protocol parameters including management of ARPA TLD
 - perform administrative functions associated with root zone management
 - root zone file change request management
 - root zone “WHOIS” change request and database management
 - delegation and redelegation of a ccTLD; gTLD
 - root zone automation
 - root DNSSEC key management
 - **allocate Internet numbering resources** (C.2.9.3)
- C.3 – Security requirements
- C.4 – Performance metric requirements
- C.5 – Audit requirements
- C.6 – Conflict of interest requirements
- C.7 – Continuity of operations
- C.8 – Performance exclusions

IANA
Functions
Contract



Current contractual arrangement

The table below summarizes the role of NTIA with respect to the IANA Functions defined in the IANA Functions Contract.

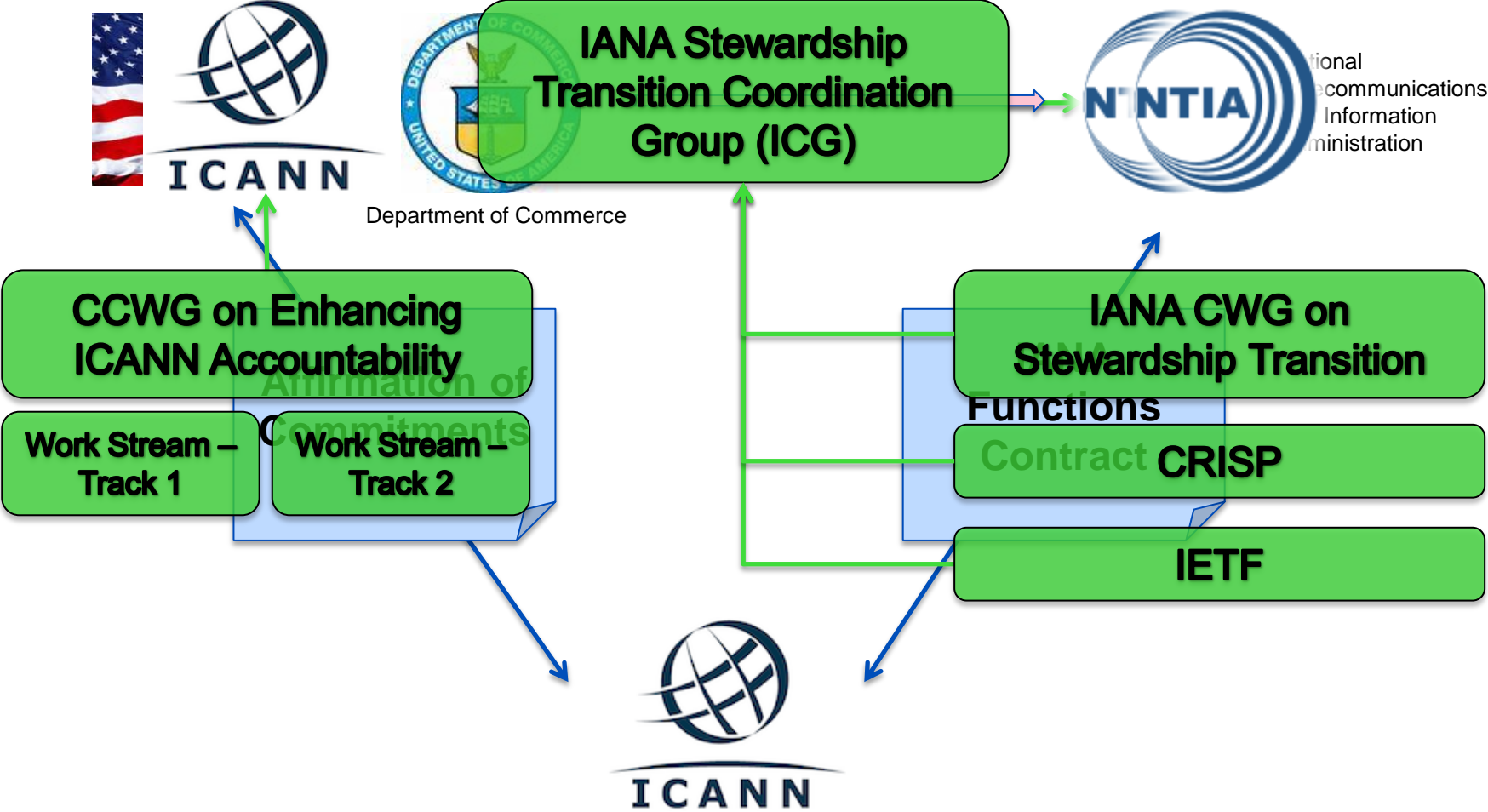
IANA Functions	Involved Parties	NTIA Role
DNS Root Zone Management	ICANN, NTIA and Verisign	IANA Functions Contract Administrator and Root Zone Management Process Administrator
Internet Numbers Registry Management	ICANN under authority of Regional Internet Registries and their communities	IANA Functions Contract Administrator
Protocol parameter registry management	ICANN under authority of The Internet Engineering Task Force (IETF) / Internet Architecture Board (IAB)	IANA Functions Contract Administrator
.ARPA and .INT management	ICANN under authority of IETF/IAB and other existing processes	IANA Functions Contract Administrator

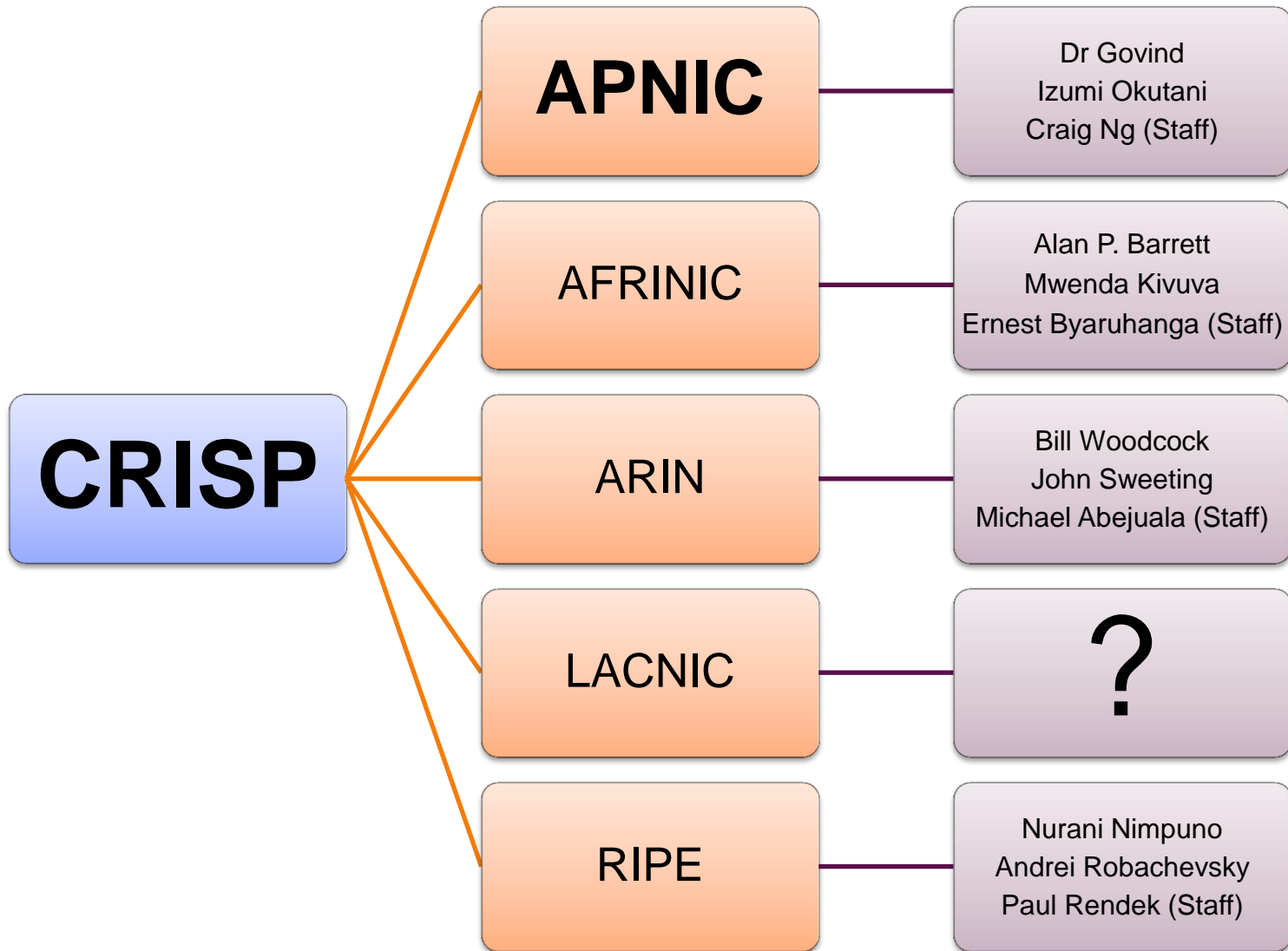
**IANA
Functions
Contract**



* Source: SSAC Report on the IANA Functions Contract SAC068

IANA transition process





Proposals from other RIRs

APNIC

IANA Functions Contract (SLA)

Affirmation of Commitments (MOU)

LACNIC

IANA Functions Contract (SLA)

Affirmation of Commitments (MOU)

Multistakeholder Oversight Numbers Council (MONC)

RIPE

IANA Functions Contract (SLA)

ARIN (Survey results)

59% - ICANN has historically managed number resources well

57% - ICANN should continue to manage number resources

58% - There is a need for external IANA oversight

64% - Oversight mechanism should make RIRs accountable

70% - RIRs should be able to terminate IANA functions contract

38% - IANA transition should go ahead regardless of enhanced accountability process

AFRINIC

?

Discussion points

- APNIC proposal discussed at APNIC38
 - AOC/MOU + SLA
- NRO (signed by all RIRs) as party to agreement with ICANN
- Preserving ICANN's accountability framework
- Legal enforceability; Jurisdiction; Dispute resolution
- Commitment to pay fees to ICANN; Charging model
- Termination of contract with ICANN.

Enhancing APNIC accountability and transparency discussions

APNIC EC Retreat
Singapore – 26-27 November 2014

Prepared by Craig Ng, General Counsel

Outline

- Why the focus on accountability and transparency?
- What is APNIC (and other RIRs) doing on accountability and transparency?
- Learning from ICANN ATRT recommendations
- Applying principles from ICANN ATRT recommendations to enhance APNIC accountability and transparency
- Discussions

*ATRT = Accountability and Transparency Review Team

Why focus on accountability and transparency?

- Fundamental safeguards to ensure bottom-up, multi-stakeholder model remains effective
- No institutions or bodies that can provide competing service to Internet names and numbers resources – there is an absence of direct competition
- **Accountability** – being responsible to someone for actions taken; being able to explain, clarify and justify actions
- **Transparency** – being easy to understand, and being open, frank and honest in all communications, transactions and operations

***What is APNIC (and other RIRs)
doing on accountability and
transparency?***

APNIC's accountability framework

- Most importantly: APNIC is a **membership organisation**
- Members elect Executive Council
- Executive Council primarily accountable to members

The objective of this session is to discuss how we can improve APNIC accountability and transparency measures ...

APNIC's accountability framework

- Financial accountability
 - budgeting process
 - investment policy
 - fraud prevention
 - internal control
 - external audit
- Risks management
- Quality management
 - ISO 9001 certification
- EC
 - improving governance practices
 - conflict of interests management
 - clarity on roles and responsibilities
 - reviewing EC composition

Transparency



About APNIC



► The APNIC Secretariat

▼ Transparency

► Employment

► Meet the team

► Supporters

Transparency

Like Share 1 Tweet 2

Corporate Governance

Executive Council (EC)

The APNIC membership is governed by the EC, who are [elected](#) by the APNIC membership. [EC Members](#) serve as individuals who are committed to this role for the benefit of APNIC.

You can also view a list of [past EC Members](#)

Openness

Financial Reports

Every year, comprehensive and audited full year financial and operational positions are made available in [Annual Reports](#). All of APNIC's Annual Reports dating back to 1997 are available.

Each year an internationally recognized accounting firm audits the financial report. The reports are available in the [EC minutes](#).

The [2013 Auditor's Report](#) is available to view.

APNIC also provides monthly financial performance reports to

Community

Policy Development

IP resources are shared and available for use by anyone who needs them. The open, transparent, bottom-up Policy Development Process ensures that [Internet resources](#) are distributed fairly across the region.

The Policy Development Process

Anyone can propose and discuss policies; all discussions and decisions are documented; and it is the community that drives policy development. The [Policy Development Process](#) was designed by the community and is open for community review.

APNIC [documents all policy discussions and decisions](#).

RIR Governance Matrix

The five Regional Internet Registries (RIRs) operate within robust governance frameworks that ensure effectiveness of their corporate structures, transparency of processes, and accountability to members and communities. These frameworks vary across the five RIRs, according to legal requirements and regional policies, but all are transparently accessible and publicly documented.

This matrix provides a comparative overview of the governance frameworks of the RIRs, and serves as a reference for the global Internet community. It provides a structured view of various aspects of RIR governance, with links to source documents on the respective websites of the RIRs.

This is a public document that will be reviewed and revised annually, or as needed.

1. [RIR Bylaws and Operational Documents](#)
2. [Regional Policy Development Processes](#)
3. [Contractual Relationship with Members](#)
4. [Terms and Conditions for Internet Number Resources](#)
5. [Terms and Conditions for Historical Resources](#)
6. [Due Diligence and Resource Maintenance](#)
7. [Auditing of Internet Number Resource Registration Records](#)
8. [Number Resource Dispute Resolution](#)
9. [Deregistration of Internet Number Resources](#)
10. [Use of the Database and Privacy Issues](#)
11. [Handling Requests for Information by Law Enforcement Authorities](#)
12. [Security Management and External Auditing](#)
13. [Budget and Activity Planning](#)

1. RIR Bylaws and Operational Documents

RIR	Document
AFRINIC	AFRINIC Bylaws  AFRINIC Membership fees  Billing Policy 
APNIC	APNIC By-laws  Articles of Association  Memorandum of Association 
ARIN	By-Laws of American Registry for Internet Numbers, LTD.  Articles of Incorporation w/Amendments  ARIN Fee Structure 
LACNIC	LACNIC Creation Agreement  Statute 
RIPE NCC	RIPE NCC Articles of Association  Charging Scheme  Clearing House Procedure 

RIR Accountability Questions and Answers

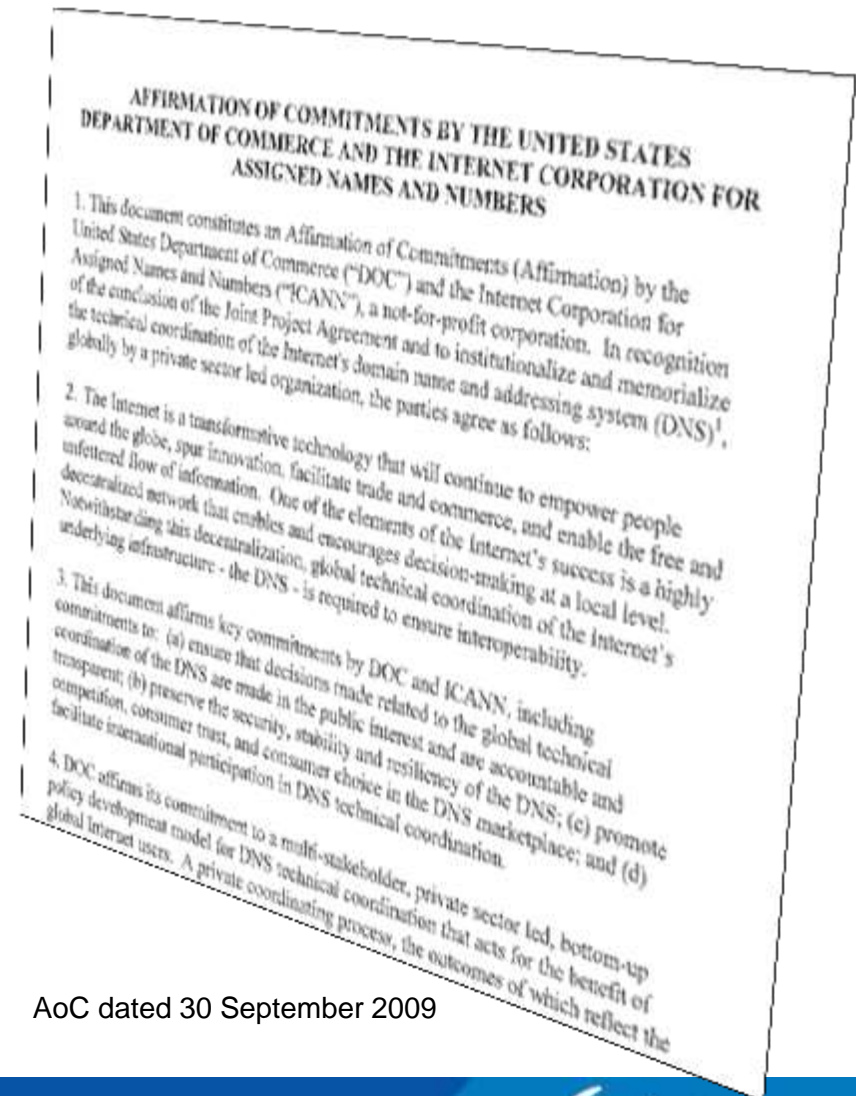
1. Questions about the accountability of the RIRs
 - 1.1. Delegation of authority
 - 1.1.1. What is the (legal) basis of the RIRs' authority?
 - 1.1.2. How Are RIRs Created?
 - 1.1.3. Does ICANN have a role in this process?
 - 1.1.4. Do governments have a role in this process?
 - 1.1.5. How are disputes between RIRs and ICANN handled?
 - 1.1.6. How are disputes between RIRs handled?
 - 1.2. Redress mechanism
 - 1.2.1. To whom are RIRs accountable, and how do they report to their stakeholders?
 - 1.3. Withdrawal of authority
 - 1.3.1. Who can withdraw RIRs' authority?
 - 1.4. The "community"
 - 1.4.1. How do we define "The community" and ensure that the interest of all relevant parties are represented?
 - 1.4.2. How much overlap is there amongst the communities of the RIRs?
2. Questions about the accountability in the RIRs
 - 2.1. Structure
 - 2.1.1. What is each RIR's corporate and management structure?
 - 2.1.2. Within each RIR, what are the requirements to become a member?
 - 2.2. Distribution and registration of Internet number resources
 - 2.2.1. Who defines the way in which RIRs distribute Internet number resources?
 - 2.2.2. What are the contractual requirements for the distribution and the registration of Internet number resources by RIRs?
 - 2.2.3. How do RIRs ensure that their registry is accurate, correct and up-to-date?
 - 2.2.4. Under what conditions can RIR deregister Internet number resources?
 - 2.2.5. Under what conditions do RIRs provide access to their "whois" Databases? How do RIRs handle abuse and privacy concerns with regards to their "whois" Database?
 - 2.3. Transparency
 - 2.3.1. How do RIRs ensure their activities are transparent? How do RIRs demonstrate that their activities are supported by the community or their members?
 - 2.4. Jurisdiction, dispute mechanism
 - 2.4.1. Under what jurisdictions do RIRs operate? How does an RIR's jurisdiction affect its operations? What is the role of legislation and court's ruling of the other countries?
 - 2.4.2. If an RIR violates its own policies and procedures or fails to fulfill its mission, what options does an aggrieved party have available for relief?
 - 2.5. Sharing of information with third parties
 - 2.5.1. What type of information do RIRs share with Law Enforcement Authorities and under what conditions?
 - 2.6. Third party reviews, audits
 - 2.6.1. How do RIRs manage security issues? What outside, third party review or auditing, if any, is performed on an RIR's activities and processes?

Learning from ICANN ATRT recommendations

ICANN's commitment to the US Government: Accountability and Transparency Review Team (ATRT)

Under ICANN's Affirmation of Commitments (AoC) to the US Department of Commerce, ICANN committed to:

- making decisions in the public interest that are accountable and transparent
- **undergoing regular reviews (every three years) performed by the community**



AoC dated 30 September 2009

Learning from ICANN reviews: Accountability and Transparency Review Team (ATRT)

- **ATRT 1 Final Recommendations:** (31 December 2010)
 - Board governance, performance and composition
 - Role and effectiveness of GAC and its interaction with Board
 - Public input processes and policy development process
 - Review mechanism for Board decisions
- **ATRT 2 Final Recommendations:** (31 December 2013)
 - Board performance and work practices
 - Policy / Implementation / Executive function distinction
 - Decision making transparency and appeals processes
 - GAC operations and interactions
 - Multilingualism
 - Cross-community deliberations
 - Financial accountability and transparency

Learning from ICANN reviews: Accountability and Transparency Review Team (ATRT)

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ATRT recommendations on: Board governance, performance and composition

Board should establish mechanisms to identify collective skill-set required by ICANN board, for example:

- public policy
- finance
- strategic planning
- corporate governance
- negotiations
- dispute resolution

and integrate these recommendations into the Nominating Committee process.

ATRT recommendations on: Board governance, performance and composition

- Ensuring that Board has skills and experience to effectively provide oversight of ICANN operations consistent with global public interest and deliver best practice in corporate governance.
- Benchmarking Board skill-sets against similar corporate and other governance structures.
- Reviewing these requirements annually.
- Publishing these outcomes as part of Nominating Committee's call-for-nominations.

Applying ATRT recommendations' principles to enhance accountability and transparency at APNIC

- EC governance, performance and composition
- Review mechanism for EC decisions (appeals processes)
- EC performance and work practices
- Decision making transparency
- Financial accountability and transparency