

APNIC EC Meeting Minutes

Teleconference

Thursday, 18th February 2010

Meeting Start: 11:20 am (UTC +1000)

Present

Akinori Maemura (Chair)
Che-Hoo Cheng
Kuo-Wei Wu
Jian Zhang
James Spenceley
Paul Wilson

Geoff Huston (minutes)
Richard Brown
Irene Chan
Connie Chan

Apologies

Ma Yan
Hyun-Joon Kwon

Agenda

1. Agenda Bashing
2. Review of Minutes and Action List Review
3. Financial Report
4. Director-General's Report
5. Non-Member Fee Proposal
6. Transfer Fee Proposal
7. AOB

Minutes

1. Agenda Bashing

No further items were added to the agenda.

2. Minutes of Last Meeting and Matters Arising

The minutes from the meeting of 21 January 2009, were approved.

Action ec-10-001: Secretariat to publish minutes of the January 21 meeting

3. Financial Report

Irene Chan reported to the EC on the financial report for January 2010 (attached).

Total current assets are reported to be \$AUD 10.6M, total assets \$AUD 15M. Total current liabilities are \$AUD 5.6M and total equity is \$AUD 9.3M.

Income for the month is reported to be \$AUD 1.1M, and expenses are reported to be \$AUD 0.5M. The new membership fee was introduced on 1 January 2010. No adjustment has been made to the projected income and expenses associated with the purchase of office accommodation for APNIC. The issue of the taxation status for APNIC is awaiting further advice from the Australian Taxation Office.

It was reported that APNIC had 2,199 members at the end of January 2010

The January 2010 Financial Statement was accepted by the EC.

4. Director-General's Report

The D-G reported on the activities associated with the APNIC 29 meeting, noting the scheduling of a community consultation session scheduled as a preparatory meeting for an ITU meeting in March on the topic of IPv6. Preparatory meetings are being scheduled in advance of a planned Asia Pacific regional IGF meeting later in 2010. The D-G also reported that John Earls will be undertaking consultation with APNIC stakeholders in the area of operations and planning in advance of the Executive Council's membership survey later in 2010.

The annual financial audit has been completed, and the Auditor's Report will be circulated to EC members.

An offer has been made on a property in Brisbane for accommodation for the APNIC Secretariat. The offer is subject to environmental rectification of the building and site, and cleanup. Settlement on the property is anticipated to be in mid-April. APNIC has managed to save a further AUD \$0.5M on the purchase cost, plus a saving of \$AUD 30K in stamp duty in the course of negotiation on his property.

The D-G reported that the NRO EC held a retreat at the start of February, and the retreat included meetings of the NRO Communications Coordination Group and the NRO Public Affairs Coordination Group.

The D-G noted a query directed to the Secretariat by a member concerning the APNIC Budget. Consideration was given to the appropriate form of response given the accountabilities of the EC to the membership of APNIC.

5. Non-Member Fee Proposal

The EC considered a revised proposal for a revision to the non-member fee schedule (attached). It was noted that this fee would apply to those entities that had executed a service agreement with APNIC, and would not apply to those entities who are listed in the historical records that are held by APNIC, but who did not maintain any form of an active relationship with APNIC.

This item will be reconsidered at the next EC meeting.

6. Transfer Fee Proposal

As part of the implementation of policy proposition-50, IPv4 Address Transfers, the EC considered a revised proposal for fees associated with processing transfers (attached). The EC decided, subject to ratification by all EC members electronically, to adopt an interim arrangement where no fees would be charged for processing address transfers. This interim arrangement will be reviewed by the EC in 12 months time, in February 2011.

File Note: Subsequently to the meeting, the EC unanimously ratified this decision electronically.

7. AOB

There were no items of AOB

Next Scheduled Meeting

1 March 2010 (APNIC 29)

Meeting closed: 12:40 pm (UTC+1000)

Summary of Action Items

Action ec-09-031: EC to consider post-IPv4 depletion scenarios at its next face-to-face meeting.

Action ec-10-001: Secretariat to publish minutes of the January 21 meeting



APNIC

Monthly financial report (in AUD)

For the month ending January 2010

Asia Pacific Network Information Centre

1. Balance Sheet

Statement of Financial Position (AU\$)					
		% of Total	% change		
	31/01/2010	Asset or Liab+Equity	31/12/2009	Year-End 2009	Year-End 2008
CURRENT ASSETS					
Cash	6,325,953	42%	-5.4%	6,686,084	6,844,414
Term deposit investment	2,300,000	15%	0.0%	2,300,000	2,300,000
Receivables	750,014	5%	51.0%	496,734	1,518,540
Others	1,242,706	8%	14.9%	1,081,905	540,688
TOTAL CURRENT ASSETS	10,618,673	71%	0.5%	10,564,723	11,203,642
NON-CURRENT ASSETS					
Other financial assets	1,127,796	8%	0.0%	1,127,796	883,201
Property, plant and equipment	1,572,041	10%	-2.2%	1,607,819	1,708,216
Long term deposit investment	1,700,000	11%	0.0%	1,700,000	1,700,000
TOTAL NON-CURRENT ASSETS	4,399,837	29%	-0.8%	4,435,615	4,291,417
TOTAL ASSETS	15,018,510	100%	0.1%	15,000,337	15,495,060
CURRENT LIABILITIES					
Payables	584,026	4%	-42.2%	1,010,114	629,650
Provisions	986,775	7%	-6.5%	1,055,625	989,847
Unearned revenue	4,102,141	27%	-0.7%	4,130,987	5,383,679
TOTAL LIABILITIES	5,672,943	38%	-8.5%	6,196,726	7,003,177
EQUITY					
Share capital	1.00	0%	0.0%	1.00	1.00
Reserves other financial assets investment	166,675	1%	0.0%	166,675	0
Retained earnings	9,178,892	61%	6.3%	8,636,936	8,491,882
TOTAL EQUITY	9,345,567	62%	6.2%	8,803,612	8,491,883
TOTAL LIABILITIES & EQUITY	15,018,510	100%	0.1%	15,000,337	15,495,060

Note:

* The value in "Reserves on other financial assets investment" was due to the revaluation of our investment in unit trusts and was based on the market valuation as at the end of December 2009. Financial assets investment value is being revalued quarterly.

2. Income Statement

2.1 Expenses

This report incorporates the approved 2010 budget. YTD January values are compared to figures for the same period last year, and to the budget which is based on a linear pro rata calculation (Budget/12).

EXPENSES (AUD)	YTD Jan-10	YTD Jan-09	Variance %	Budget 2010	YTD (**) Budget	YTD Budget Variation %
Bank charges	3,782	5,983	-36.8%	79,202	6,600	-42.7%
Communication expenses	12,223	13,398	-8.8%	327,376	27,281	-55.2%
Computer expenses	30,776	58,107	-47.0%	511,120	42,593	-27.7%
Depreciation expense	61,771	57,803	6.9%	783,975	65,331	-5.4%
Sponsorship and Publicity expenses	5,623	0	0.0%	183,787	15,316	-63.3%
Doubtful debt expenses	1,376	837	64.4%	4,791	399	244.6%
ICANN contract fee	25,500	27,433	-7.0%	306,000	25,500	0.0%
Insurance expense	10,230	11,193	-8.6%	135,900	11,325	-9.7%
Meeting and training expense	17	1,697	-99.0%	287,400	23,950	-99.9%
Membership fees	3,461	5,372	-35.6%	55,660	4,638	-25.4%
Miscellaneous expenses	142	250	-43.3%	6,850	571	-75.2%
Office operating expenses	9,676	4,372	121.3%	140,160	11,680	-17.2%
Postage & delivery	771	408	89.1%	34,550	2,879	-73.2%
Printing & photocopy	1,038	740	40.2%	26,260	2,188	-52.6%
Professional fees	6,801	53,003	-87.2%	933,300	77,775	-91.3%
Recruitment expense	1,382	3,153	-56.2%	80,000	6,667	-79.3%
Rent and outgoings	48,960	48,496	1.0%	608,753	50,729	-3.5%
Salaries and personnel expenses	331,989	330,200	0.5%	6,725,352	560,446	-40.8%
Staff training/conference expenses	0	5,170	-100.0%	150,155	12,513	-100.0%
Tax expense	0	0	0.0%	103,464	8,622	-100.0%
Translation expenses	0	0	0.0%	25,000	2,083	-100.0%
Travel expenses	20,778	30,439	-31.7%	1,518,750	126,563	-83.6%
TOTAL EXPENSES	576,296	658,055	-12.4%	13,027,805	1,085,650	-46.9%

2.2 Revenue

Revenue (AUD)	YTD Jan-10	YTD Jan-09	Variance %	Budget 2010	YTD (**) Budget	YTD Budget Variation %
Interest income	36,598	59,413	-38.4%	460,555	38,380	-4.6%
IP Resource application fees	131,912	104,577	26.1%	1,442,149	120,179	9.8%
Membership fees *	693,080	623,499	11.2%	9,944,932	828,744	-16.4%
Non-members fees	10,665	10,555	1.0%	137,357	11,446	-6.8%
Per Allocation fees *	231,676	70,094	230.5%	688,926	57,411	303.5%
Reactivation fees	0	2,536	-100.0%	13,101	1,092	-100.0%
Sundry income	8,346	14,657	-43.1%	191,320	15,943	-47.7%
Foreign exchange gain/(loss)	5,975	20,598	-71.0%	0	0	0.0%
TOTAL REVENUE	1,118,252	905,929	23.4%	12,878,340	1,073,195	4.2%

2.3 Operating Profit/ Loss

REVENUE and EXPENSES (AUD)	YTD Jan-10	YTD Jan-09	Variance %	Budget 2010	YTD (**) Budget	YTD Budget Variation %
Total Revenue	1,118,252	905,929	23.4%	12,878,340	1,073,195	4.2%
Total Expenses	576,296	658,055	-12.4%	13,027,805	1,085,650	-46.9%
OPERATING PROFIT/(LOSS)	541,956	247,875	118.6%	(149,465)	(12,455)	

Notes:

The major factors causing the variance between the year to date budgeted and actual operating position were:

1. Revenue

- Membership Fees - The new membership fee schedule was implemented from Jan 1, 2010, as each member reaches their new anniversary date they will be invoiced under the new fee schedule.
- Per allocation fees charged for allocations to the NIR's were significantly higher than expected due to large requests during January

2. Expenses

- The significant favourable variances for expenses are caused by timing differences between the budget allocation and the actual incurring of expenses.

3. Other Important Considerations

- No adjustments have been made to the approved 2010 budget to account for costs associated with the purchase and refurbishment of APNIC's premises.
- No adjustment is included in these accounts in respect of APNIC's current dealings with the Australian Taxation office.

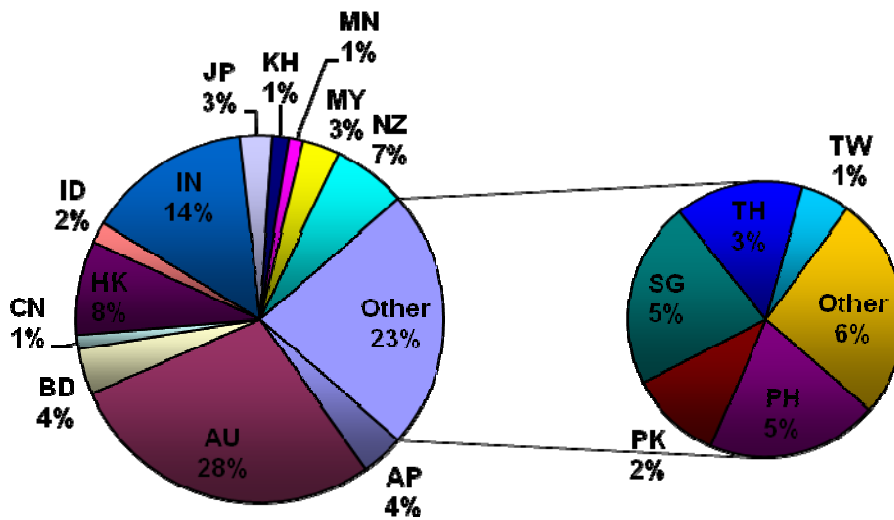
3. Membership

3.1 Membership Statistics

At the end of January 2010, APNIC had a total of 2,199 members serving 52 economies. There was net growth of 29 members, with 44 new members, and 15 member accounts were closed during January.

3.1.1 Membership by Economy

The following chart illustrates the APNIC membership distribution by economy.



3.1.2 Membership by Category

The following table shows the monthly changes in membership and provides an analysis of APNIC's membership tiers. The majority of APNIC members remain in the Small membership tier.

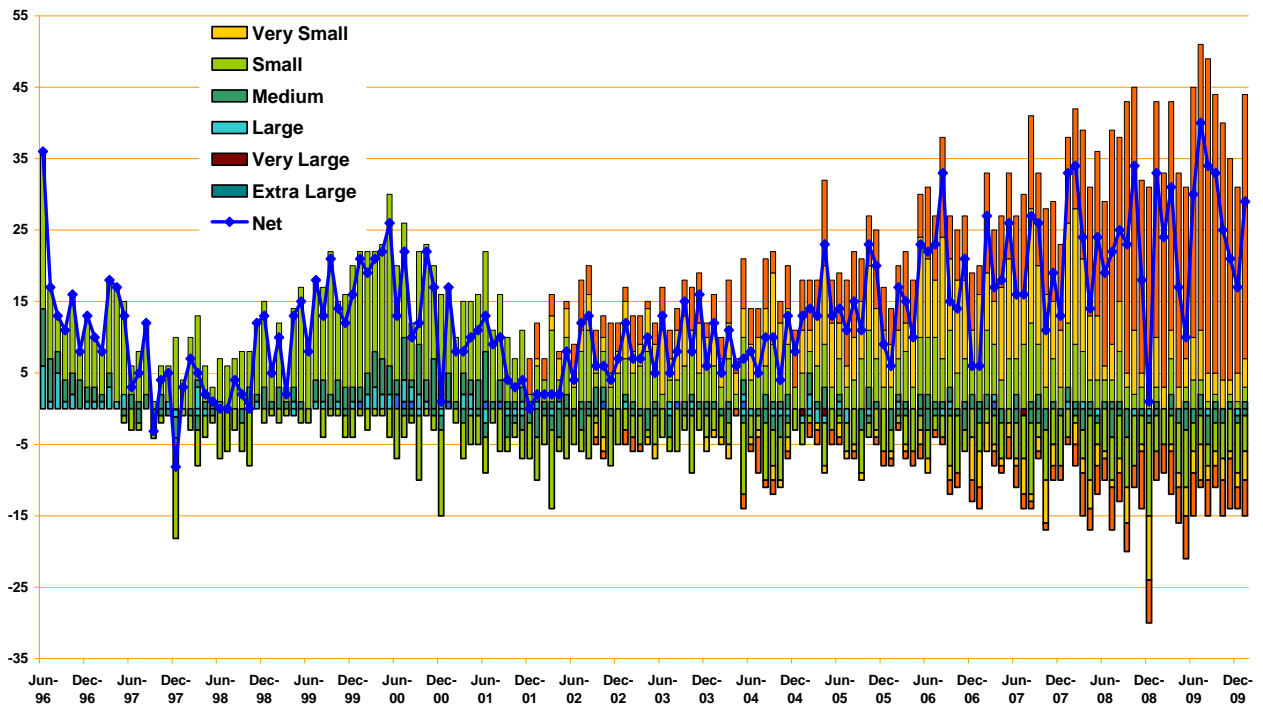
Membership	Total Dec-09	New Jan-10	(Closed) Jan-10	Size Change Jan-10	Total YTD Jan-10	Total YTD (%) Jan-10
Extra Large	13	0	0	0	13	1%
Very Large	31	0	0	0	31	1%
Large	106	0	0	4	110	5%
Medium	276	1	(1)	7	283	13%
Small	823	2	(5)	2	822	37%
Very Small	472	4	(4)	11	483	22%
Associate	449	37	(5)	(24)	457	21%
TOTAL	2170	44	(15)	0	2199	100%

The table below compares the actual growth in each tier of membership at the end of January 2010 to the budgeted annual growth on a monthly pro-rata basis. Overall growth at the end of January is above budget, with the Associate and Small membership tiers growing at a slower rate than anticipated, other membership tiers are growing at a higher rate than anticipated for the first month of 2010.

Membership	Actual Total EOY 2009	Budgeted Total EOY 2010	Budgeted Growth EOY 2010	Actual Total YTD Jan-10	Actual Growth YTD 2010	Budgeted Growth YTD (*)	Variation Actual vs Budget (*)
Extra Large	13	14	1	13	0	0	0
Very Large	31	31	0	31	0	0	0
Large	106	121	15	110	4	1	3
Medium	276	276	0	283	7	0	7
Small	823	842	19	822	-1	2	(3)
Very Small	472	468	-4	483	11	0	11
Associate	449	667	218	457	8	18	(10)
TOTAL	2170	2419	249	2199	29	21	8

3.1.3 Membership Movement

The following graph illustrates monthly movements of APNIC membership.



3.2 Non-Member Account Statistics

At the end of January 2010, APNIC had a total of 750 non-member account holders serving 18 economies. Services requests by non-member account holders are summarised in the following table and the chart below illustrates the APNIC non-member account distribution by economy.

Non-Member Account Type	Total	%
AS	142	19%
AS and IP Address	19	3%
AS and Historical Maintenance	84	11%
IP Address	4	1%
AS, IP Address and Historical Maintenance	2	0%
Historical Maintenance	499	67%
TOTAL	750	100%

