

APNIC EC Meeting Minutes

Teleconference
Friday, 17 June 2011

Meeting Start: 11:00 (UTC +1000)

Present

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

Connie Chan
Irene Chan
Richard Brown

Apologies

Geoff Huston

Agenda

1. Agenda Bashing
2. Review of Minutes and Actions
3. Financial Report
4. DG Report
5. Member and Stakeholder Survey
6. Indian NIR status
7. AOB

Minutes

The Chair of the Executive Council called the meeting to order at 11:00 (UTC+10).

1. Agenda Bashing

There were no changes to the agenda.

2. Review of Minutes and Actions

The minutes of the meeting held on 6 May 2011 were approved.

Action ec-11-011: Secretariat to publish minutes of the 6 May 2011 meeting.

3. Financial Report

The Financial Reports for April and May 2011 were reviewed and discussed (attached).

There is strong membership growth in April, with the highest new member growth of 73 new members, resulting in a net growth of 55 members. At the end of May 2011, APNIC had a total of 2,730 members serving 52 economies. There is one new extra large member in May.

At the end of May, APNIC maintained \$5.8 million in cash reserves, \$1.1 million in managed fund investments and \$7.4 million was invested in the APNIC Property.

The operating position for APNIC for 2011 year to date is a surplus of \$1.03 million. The projected expenses for the remainder of the year are expected to be less than that anticipated in the original budget estimates. A more detailed analysis of the forecast year end 2011 will be undertaken as part of the mid-year review of the annual budget to be presented at the July EC meeting.

Budgets are made based on revenue projections, so the mid-year review will also look at the revenue projections for 2012 and understand the impact of Indian NIR and the trends of membership on the revenue.

The EC approved the April and May 2011 Financial Reports.

4. Director-General's report

APNIC played a strong role in the APriGF held in Singapore by helping developing the program, chairing and participating various sessions. APNIC made a financial contribution to the event by sponsoring the opening reception. APNIC's new corporate identity was also launched with a new set of logos. Positive feedback has been received.

APNIC will attend meetings with the ASO, GAC and ICANN Board during the upcoming ICANN meeting in Singapore.

APNIC will participate in the ComunicAsia in Singapore. There will be a joint booth "Meet Asia" at this event. APNIC will also participate in the ministerial meeting next week.

The D-G reported that there were NIR related enquiry from the HKIRC and Afghanistan.

The proposal to alter the format of the APNIC Member Meetings is discussed. The EC agreed on the proposed arrangements to better recognize and encourage participation by APNIC members in business that directly affects them. APNIC will seek legal advice on the new format to ensure the process is robust enough before making the changes in Busan for APNIC 32,

The mid-year review of the annual budget will be presented to the EC at the July EC meeting. The D-G noted that the projected revenue for 2011 may have been conservatively budgeted due to the uncertainty of IPv4 exhaustion and the formation of the Indian NIR.

The D-G reported on the appointment of Philip Smith as the Director of Learning and Development. A number of staff movements were also noted by the D-G.

[Wendy Zhou left the meeting]

5. Member and Stakeholder Survey

The EC approved the response to the APNIC Member and Stakeholder Survey (attached).

Action ec-11-012: Secretariat to publish EC Response to the 2011 Membership and Stakeholder Survey.

6. Indian NIR status

The D-G reported that four operational staff from NIXI will be visiting APNIC office for an on-the-job training program for a duration of three weeks, from 27 June to 15 July 2011. It is also noted that NIXI's senior management plans to visit APNIC office in mid July.

The EC noted that further discussion of the process and standard to be applied to the recognition process would be required.

7. AOB

There were no items of AOB.

Next Scheduled Meeting

Thursday, 21 July 2011

Meeting closed: 12:15 pm (UTC+1000)

Summary of Action Items

Action ec-11-005: EC to review insurance coverage and membership agreement on an annual basis

Action ec-11-006: Secretariat to provide independent advice on the current APNIC insurance Cover

Action ec-11-007: **James Spenceley and Geoff Huston to draft a member petition process**

Action ec-11-010: Secretariat to publish minutes of the 17 March 2011 meeting - **Completed**

Action ec-11-011: **Secretariat** to publish minutes of the 6 May 2011 meeting - **Completed**

Action ec-11-012: Secretariat to publish EC Response to the 2011 Membership and Stakeholder Survey - **Completed**



APNIC

Monthly financial report (in AUD)

For the month ending April 2011

Asia Pacific Network Information Centre

1. Balance Sheet

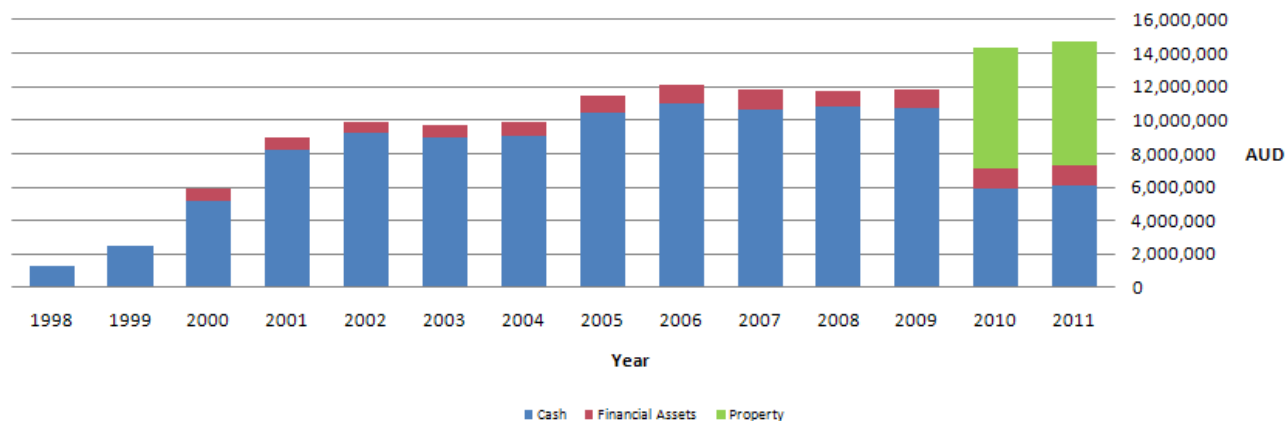
Statement of Financial Position (AU\$)					
	30/04/2011	% of Total Asset or Liab+Equity	% change 31/12/2010	Year-End 2010	Year-End 2009
CURRENT ASSETS					
Cash/ Short term deposits (less than 12 Months)	6,111,845	36%	2.7%	5,953,850	6,686,084
Term deposit investment (12 months)	0	0%	0.0%	0	2,300,000
Receivables	603,759	4%	-31.3%	878,766	496,734
Others	427,509	2%	-49.5%	847,108	869,780
TOTAL CURRENT ASSETS	7,143,113	42%	-7.0%	7,679,724	10,352,598
NON-CURRENT ASSETS					
Other financial assets	1,144,470	7%	0.6%	1,137,515	1,127,796
Property, plant and equipment	8,817,419	52%	5.1%	8,390,655	1,607,819
Long term deposit investment (more than 12 months)	0	0%	0.0%	0	1,700,000
TOTAL NON-CURRENT ASSETS	9,961,888	58%	4.6%	9,528,170	4,435,615
TOTAL ASSETS	17,105,001	100%	-0.6%	17,207,895	14,788,213
CURRENT LIABILITIES					
Payables	756,588	4%	81.8%	416,262	797,989
Provisions	1,322,669	8%	-22.3%	1,701,920	1,055,625
Unearned revenue	5,375,854	31%	-11.5%	6,074,215	4,130,987
TOTAL LIABILITIES	7,455,110	44%	-9.0%	8,192,397	5,984,601
EQUITY					
Share capital	1.00	0%	0.0%	1.00	1.00
Reserves other financial assets investment *	133,806	1%	0.0%	128,004	166,675
Retained earnings	9,516,084	56%	7.1%	8,887,492	8,636,936
TOTAL EQUITY	9,649,891	56%	7.0%	9,015,497	8,803,612
TOTAL LIABILITIES & EQUITY	17,105,001	100%	-0.6%	17,207,895	14,788,213

Note:

* Reserves on other financial assets investment – This balance is due to the revaluation of our investment in unit trusts and was based on the market valuation as at the end of March 2011. These investments are revalued on a quarterly basis.

1.1 APNIC Reserve

The APNIC Reserve is diversified between Cash Investments, Managed Funds, and Property (APNIC Office). At the end of April, APNIC maintained \$6.1 million in cash reserves, \$1.1m in managed fund investments and \$7.4M was invested in the APNIC Property. The following chart tracks the value and the allocation of these reserves over time:



2. Income Statement

2.1 Expenses

This report incorporates the approved 2011 budget. The Year To Date (YTD) April values are compared to figures for the same period last year, and to the budget which is based on a linear pro rata calculation.

EXPENSES (AUD)	YTD Apr-11	YTD Apr-10	Variance %	YTD Budget	YTD Budget Variation %	Budget 2011
Bank charges	33,288	24,746	34.5%	29,333	13.5%	88,000
Communication expenses *	148,285	73,813	100.9%	142,456	4.1%	427,368
Computer expenses	144,177	125,913	14.5%	197,805	-27.1%	593,415
Depreciation expense	270,269	242,652	11.4%	338,538	-20.2%	1,015,613
Sponsorship and Publicity expenses	48,932	50,315	-2.7%	102,167	-52.1%	306,500
Doubtful debt expenses	137	0	0.0%	1,892	-92.7%	5,677
ICANN contract fee	107,333	102,000	5.2%	107,333	0.0%	322,000
Insurance expense	41,634	41,935	-0.7%	43,567	-4.4%	130,700
Meeting and training expenses *	140,379	47,448	195.9%	127,033	10.5%	381,100
Membership fees	17,993	17,742	1.4%	22,767	-21.0%	68,300
Miscellaneous expenses	518	432	19.9%	350	48.0%	1,050
Office operating expenses *	103,999	41,323	151.7%	72,398	43.6%	217,195
Postage & delivery	16,564	11,395	45.4%	11,333	46.2%	34,000
Printing & photocopy	6,206	9,048	-31.4%	14,367	-56.8%	43,100
Professional fees *	181,849	244,986	-25.8%	295,117	-38.4%	885,350
Recruitment expense	33,345	21,000	58.8%	33,667	-1.0%	101,000
Rent and outgoings *	0	215,114	-100.0%	139,641	-100.0%	418,923
Salaries and personnel expenses *	2,349,119	1,777,098	32.2%	2,468,752	-4.8%	7,406,255
Staff training/conference expenses	34,406	57,367	-40.0%	50,576	-32.0%	151,727
Tax expense	0	0	0.0%	40,000	-100.0%	120,000
Translation expenses	0	0	0.0%	5,000	-100.0%	15,000
Travel expenses *	573,292	472,720	21.3%	500,950	14.4%	1,502,850
TOTAL EXPENSES	4,251,727	3,577,047	18.9%	4,745,041	-10.4%	14,235,123

2.2 Revenue

Revenue (AUD)	YTD Apr-11	YTD Apr-10	Variance %	YTD Budget	YTD Budget Variation %	Budget 2011
Interest income *	111,471	143,568	-22.4%	110,000	1.3%	330,000
IP Resource application fees *	544,750	430,736	26.5%	376,105	44.8%	1,128,316
Membership fees *	4,118,075	2,891,347	42.4%	4,170,407	-1.3%	12,511,220
Non-members fees	59,238	45,342	30.6%	52,835	12.1%	158,506
Per Allocation fees	0	791,629	-100.0%	0	0.0%	0
Reactivation fees	8,400	10,800	-22.2%	5,354	56.9%	16,063
Sundry income *	45,562	44,444	2.5%	98,333	-53.7%	295,000
Foreign exchange gain/(loss)	(7,178)	932	-870.4%	0	0.0%	0
TOTAL REVENUE	4,880,319	4,358,798	12.0%	4,813,035	1.4%	14,439,105

2.3 Operating Profit/ Loss

REVENUE and EXPENSES (AUD)	YTD Apr-11	YTD Apr-10	Variance %	YTD Budget	YTD Budget Variation %	Budget 2011
Total Revenue	4,880,319	4,358,798	12.0%	4,813,035	1.4%	14,439,105
Total Expenses	4,251,727	3,577,047	18.9%	4,745,041	-10.4%	14,235,123
OPERATING PROFIT/(LOSS)	628,592	781,751	-19.6%	67,994		203,982

Notes:

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

1. Revenue

- **Interest Income** – This will gradually increase during the year when the cash reserve is increased and maturing term deposits are reinvested at more favourable rates.
- **IP Resource application fees** – The number of new members that have joined and have requested resources is much higher than anticipated at this stage of the year.
- **Membership fees** - The budget for Membership Fees was based on detailed modeling of the membership and their resource holdings in 2010. The Budget includes increases in fees due to increased holdings and initial allocations when compared to the member's 2010 holdings.
- **Sundry income** – The majority of the budget is Sponsorship income from APNIC standalone meeting in Korea which will be held later this year.

2. Expenses

The majority of the variance between the Year to Date Actual and Budget is caused by timing differences. The budget is allocated evenly over the 12 months of 2011, whereas the actual expenses are reflected when expenses have been incurred or where accruals are made.

Notes for some significant variance are as followed:-

- **Communication expenses** – There are once off telecommunication set up costs for the new office network connectivity that was incurred at the beginning of the year.
- **Meeting and training expenses** – The main variance is due to the costs related to the APNIC 31 meeting in Hong Kong.
- **Office Operating Expenses** – Includes the payment for Land Tax which has not been budgeted.
- **Professional fees** – The majority of expenses budgeted for consulting projects and the contribution for ISIF have not been incurred. Management of these costs remains a priority.
- **Rent and outgoings** – The lease commitment related to the Milton office rent was fully expensed in 2010. This account will not incur expenses in 2011.
- **Salaries and personnel expenses** – The budget includes new placements that will occur during the year. There are also a number of positions that remain vacant.
- **Travel expenses** – There has been a high level of travel activity during the first four months including the APNIC meeting in Hong Kong.

3. Membership

3.1 Membership Statistics

At the end of April 2011, APNIC had a total of 2,690 members serving 52 economies. There is strong membership growth in April, with the highest new member growth yet of 73 new members, resulting in a net growth of 55 members.

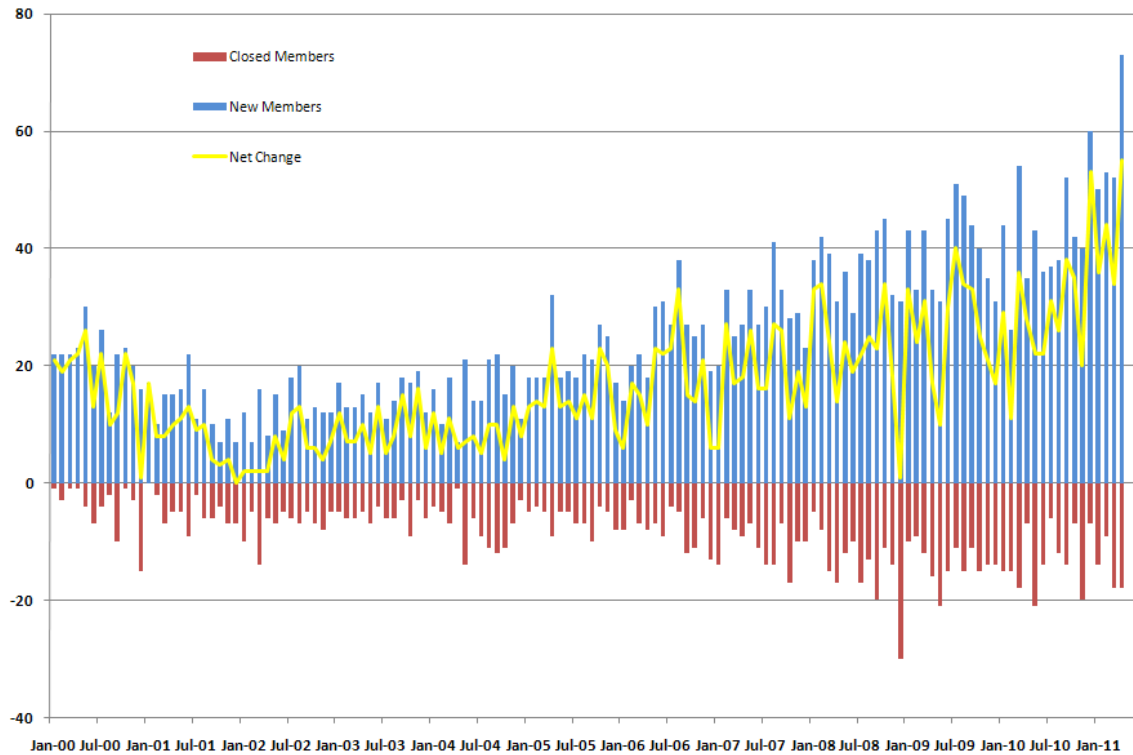
3.1.1 Membership by Category

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	New	(Closed)	Size Change	Total YTD	Total YTD (%)
	Mar-11	Apr-11	Apr-11	Apr-11	Apr-11	Apr-11
Extra Large	17	0	0	0	17	1%
Very Large	34	0	0	4	38	1%
Large	143	0	0	(4)	139	5%
Medium	337	0	(2)	5	340	13%
Small	891	6	(3)	11	905	34%
Very Small	665	9	(6)	18	686	26%
Associate	548	58	(7)	(34)	565	21%
TOTAL	2635	73	(18)	0	2690	100%

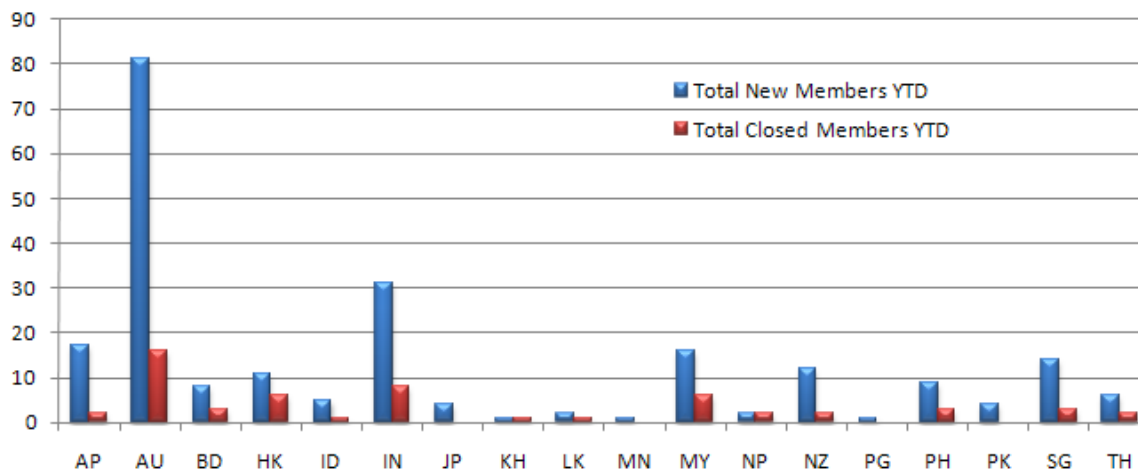
3.1.2 Membership Movement

The following graph illustrates APNIC membership monthly movements.



3.1.3 Year to Date Membership Movement by Economy

The graph below illustrates the year to date new and closed membership movement by economy. Australia has the highest number of both new and closed members, with 81 new and 16 closed members, followed by India, Malaysia and Singapore.





APNIC

Monthly financial report (in AUD)

For the month ending May 2011

Asia Pacific Network Information Centre

1. Balance Sheet

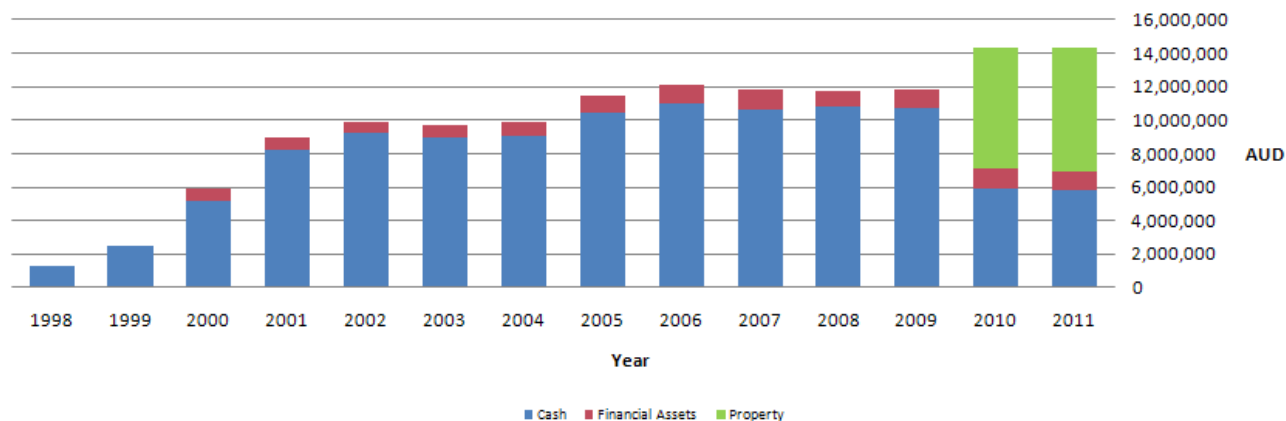
Statement of Financial Position (AU\$)					
	31/05/2011	% of Total Asset or Liab+Equity	% change 31/12/2010	Year-End 2010	Year-End 2009
CURRENT ASSETS					
Cash/ Short term deposits (less than 12 Months)	5,804,326	33%	-2.5%	5,953,850	6,686,084
Term deposit investment (12 months)	0	0%	0.0%	0	2,300,000
Receivables	1,207,197	7%	37.4%	878,766	496,734
Others	537,472	3%	-36.6%	847,108	869,780
TOTAL CURRENT ASSETS	7,548,995	43%	-1.7%	7,679,724	10,352,598
NON-CURRENT ASSETS					
Other financial assets	1,144,470	7%	0.6%	1,137,515	1,127,796
Property, plant and equipment	8,824,271	50%	5.2%	8,390,655	1,607,819
Long term deposit investment (more than 12 months)	0	0%	0.0%	0	1,700,000
TOTAL NON-CURRENT ASSETS	9,968,741	57%	4.6%	9,528,170	4,435,615
TOTAL ASSETS	17,517,736	100%	1.8%	17,207,895	14,788,213
CURRENT LIABILITIES					
Payables	370,474	2%	-11.0%	416,262	797,989
Provisions	1,338,831	8%	-21.3%	1,701,920	1,055,625
Unearned revenue	5,751,323	33%	-5.3%	6,074,215	4,130,987
TOTAL LIABILITIES	7,460,628	43%	-8.9%	8,192,397	5,984,601
EQUITY					
Share capital	1.00	0%	0.0%	1.00	1.00
Reserves other financial assets investment *	133,806	1%	0.0%	128,004	166,675
Retained earnings	9,923,302	57%	11.7%	8,887,492	8,636,936
TOTAL EQUITY	10,057,108	57%	11.6%	9,015,497	8,803,612
TOTAL LIABILITIES & EQUITY	17,517,736	100%	1.8%	17,207,895	14,788,213

Note:

* Reserves on other financial assets investment – This balance is due to the revaluation of our investment in unit trusts and was based on the market valuation as at the end of March 2011. These investments are revalued on a quarterly basis.

1.1 APNIC Reserve

The APNIC Reserve is diversified between Cash Investments, Managed Funds, and Property (APNIC Office). At the end of May, APNIC maintained \$5.8 million in cash reserves, \$1.1m in managed fund investments and \$7.4M was invested in the APNIC Property. The following chart tracks the value and the allocation of these reserves over time:



2. Income Statement

2.1 Expenses

This report incorporates the year to date, budget and projected estimates. The Year to Date (YTD) figures are compared to figures for the same period last year. The Forecast figures are based on forecast estimates of expenditure.

EXPENSES (AUD)	YTD May-11	YTD May-10	Variance %	**Forecast	Forecast Variation %	Budget 2011
Bank charges *	41,466	30,510	35.9%	99,720	13.3%	88,000
Communication expenses *	175,110	93,788	86.7%	460,779	7.8%	427,368
Computer expenses	177,274	150,180	18.0%	593,415	0.0%	593,415
Depreciation expense	346,349	299,757	15.5%	931,235	-8.3%	1,015,613
Sponsorship and Publicity expenses	86,820	51,161	69.7%	306,500	0.0%	306,500
Doubtful debt expenses *	137	0	152577.8%	21,855	285.0%	5,677
ICANN contract fee *	118,704	127,500	-6.9%	284,889	-11.5%	322,000
Insurance expense	51,056	51,070	0.0%	122,534	-6.2%	130,700
Meeting and training expenses	142,050	49,372	187.7%	381,800	0.2%	381,100
Membership fees	22,281	22,177	0.5%	68,300	0.0%	68,300
Miscellaneous expenses	564	466	21.0%	1,050	0.0%	1,050
Office operating expenses *	135,658	56,402	140.5%	286,512	31.9%	217,195
Postage & delivery	15,283	14,237	7.3%	34,000	0.0%	34,000
Printing & photocopy	8,094	10,076	-19.7%	43,100	0.0%	43,100
Professional fees *	225,728	252,779	-10.7%	843,344	-4.7%	885,350
Recruitment expense	37,770	33,461	12.9%	101,000	0.0%	101,000
Rent and outgoings *	0	267,348	-100.0%	0	-100.0%	418,923
Salaries and personnel expenses *	2,780,478	2,492,661	11.5%	7,350,000	-0.8%	7,406,255
Staff training/conference expenses	47,532	64,635	-26.5%	151,727	0.0%	151,727
Tax expense	0	0	0.0%	120,000	0.0%	120,000
Translation expenses	0	0	0.0%	15,000	0.0%	15,000
Travel expenses *	701,035	573,265	22.3%	1,682,484	12.0%	1,502,850
TOTAL EXPENSES	5,113,387	4,640,844	10.2%	13,899,244	-2.4%	14,235,123

2.2 Revenue

Revenue (AUD)	YTD May-11	YTD May-10	Variance %	**Forecast	Forecast Variation %	Budget 2011
Interest income	137,485	185,072	-25.7%	319,484	-3.2%	330,000
IP Resource application fees *	705,750	544,486	29.6%	1,363,934	20.9%	1,128,316
Membership fees *	5,179,283	3,677,143	40.9%	12,793,927	2.3%	12,511,220
Non-members fees	75,422	57,145	32.0%	188,702	19.1%	158,506
Per Allocation fees	0	890,136	-100.0%	0	0.0%	0
Reactivation fees	8,400	13,800	-39.1%	21,000	30.7%	16,063
Sundry income *	46,731	52,260	-10.6%	230,391	-21.9%	295,000
Foreign exchange gain/(loss)	(3,875)	22,551	-117.2%	(9,302)	0.0%	0
TOTAL REVENUE	6,149,197	5,442,593	13.0%	14,908,137	3.2%	14,439,105

2.3 Operating Profit/ Loss

REVENUE and EXPENSES (AUD)	YTD May-11	YTD May-10	Variance %	**Forecast	Forecast Variation %	Budget 2011
Total Revenue	6,149,197	5,442,593	13.0%	14,908,137	3.2%	14,439,105
Total Expenses	5,113,387	4,640,844	10.2%	13,899,244	-2.4%	14,235,123
OPERATING PROFIT/(LOSS)	1,035,810	801,748	29.2%	1,008,892		203,982

Notes:

2011 Forecast**

The forecast values in the Income statement are the projected estimates based on a review of actual expenditure as at the end of May and estimated future projections. A more detailed analysis of the forecast year end 2011 position will be provided as part of the half year budget review to be presented at the July Executive Council Meeting.

The major factors causing the variance between the forecast and budget were as followed:

1. Revenue

- **IP Resource application fees** – There has been significant activity in relation to the allocation of resources to new members in the first half the year, much greater than anticipated.
- **Membership fees** – Membership fees continues to increase to reflect the full integration of the 2010 fee schedule, membership growth has also been higher than anticipated in the budget development.
- **Sundry income** – The majority of the budget is income from the APNIC standalone meeting, and investment distribution income. The KISA contribution for APNIC32 of \$111k is included in the budget.

2. Expenses

Notes for some significant variance are as followed:-

- **Bank charges** – There is a general trend towards payment of APNIC fees, via credit card facilities, Merchant fee charges are much higher than anticipated.
- **Communication expenses** – There are number of one-off costs in relation to the new facilities that were underestimated in the budget. Future expenditure is much more predictable.
- **Doubtful debt expenses** – Audit advice has required a different treatment of these expenses.
- **ICANN contract fee** –APNIC's proportion of NRO expenses is lower than budgeted due to favourable exchange rates.
- **Office operating expenses** – Includes Land Tax and electricity expenses which are much higher than budgeted.
- **Professional fees** – A majority of expenses budgeted for consulting projects and the contribution for ISIF have not been incurred to date. Management of these costs remains a priority.
- **Rent and outgoings** – Lease commitment related to the Milton office rent was fully expensed in 2010, and will not incur expenses in 2011.
- **Salaries and personnel expenses** – Actual and forecast estimates are lower than budget reflecting the time taken to recruit for new roles, currently there are a number of vacant positions.
- **Travel expenses** – Travel for the first half the year is well above anticipated levels, this trend will continue into the second half of the year.

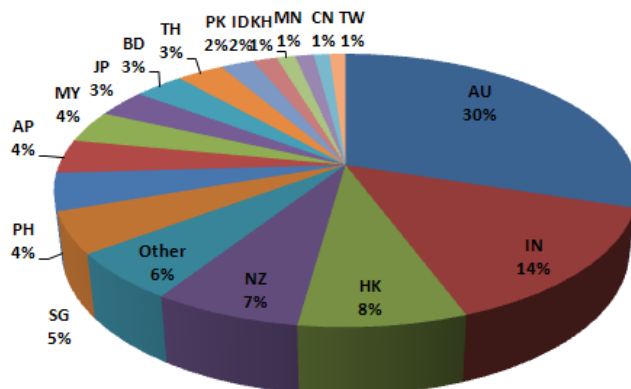
3. Membership

3.1 Membership Statistics

At the end of May 2011, APNIC had a total of 2,730 members serving 52 economies. There is one new extra large member in May.

3.1.1 Membership by Economy

The following chart illustrates the APNIC membership distribution by economy.



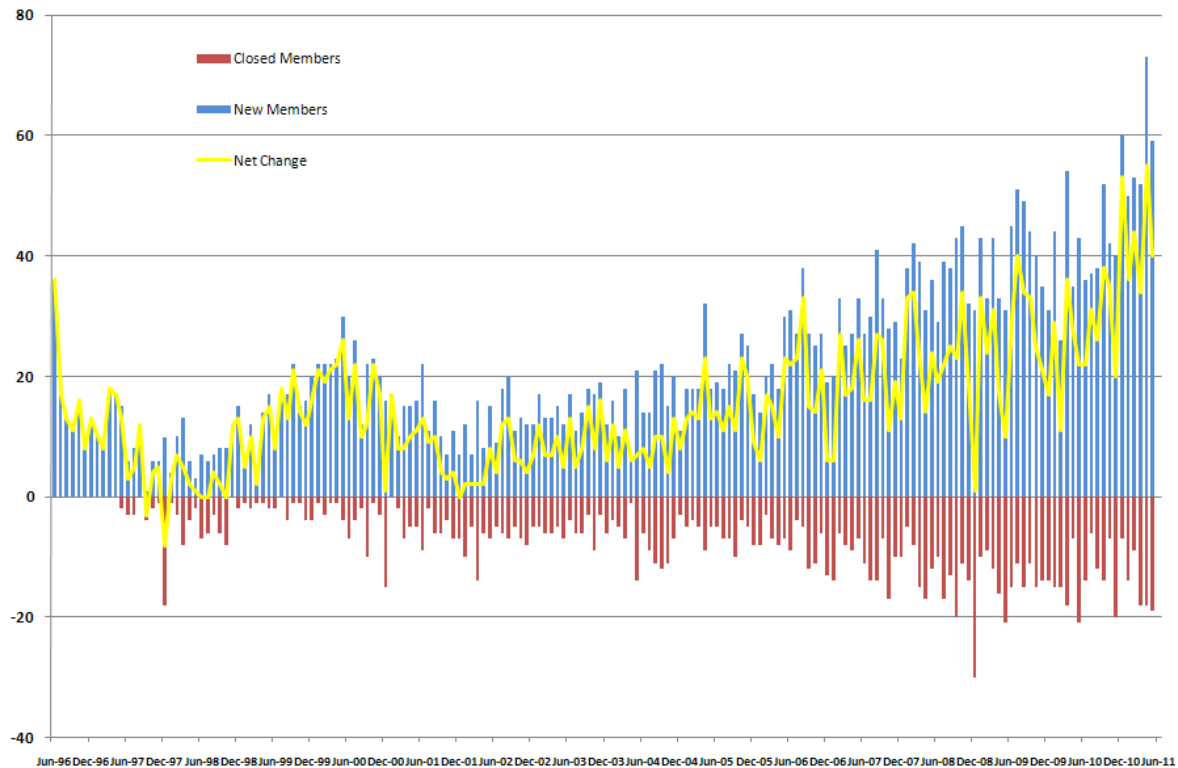
3.1.2 Membership by Category

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 Apr-11	New May-11	(Closed) May-11	Size Change May-11	Total YTD May-11	Total YTD (%) May-11
Extra Large	17	0	0	1	18	1%
Very Large	38	0	0	(1)	37	1%
Large	139	0	0	5	144	5%
Medium	340	0	(3)	4	341	12%
Small	905	6	(6)	4	909	33%
Very Small	686	4	(5)	13	698	26%
Associate	565	49	(5)	(26)	583	21%
TOTAL	2690	59	(13)	0	2730	100%

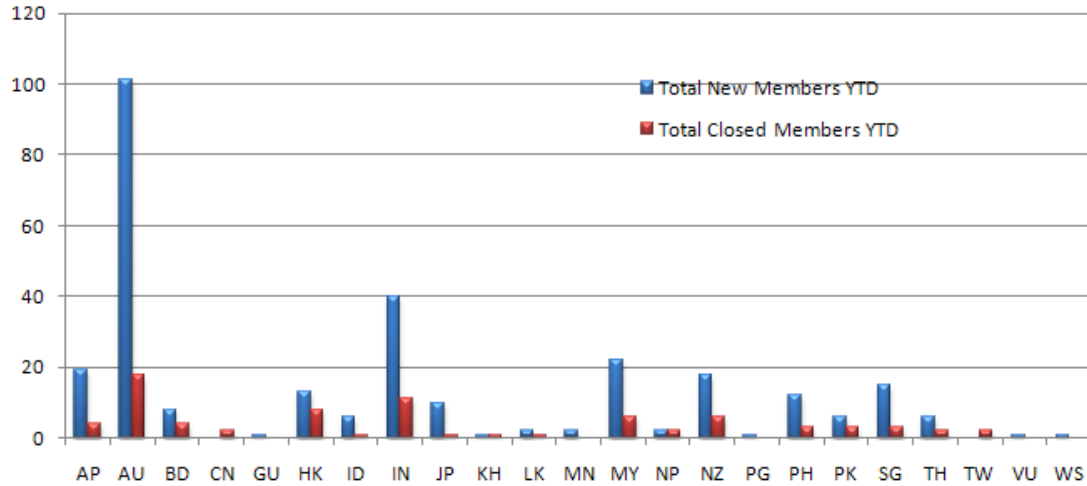
3.1.3 Membership Movement

The following graph illustrates APNIC membership monthly movements.



3.1.4 Year to Date Membership Movement by Economy

The graph below illustrates the year to date new and closed membership movement by economy. Australia has the highest number of both new and closed members, with 101 new and 18 closed members, followed by India.



2011 Member and Stakeholder Survey

Executive Council Response

Introduction

A core responsibility of the Executive Council (EC), under the APNIC Bylaws, is to ensure that APNIC's strategies meet the dynamic Internet environment. The APNIC Member and Stakeholder survey is a key tool in that process, which the EC commissions every 2 years, to help us to understand the needs of the APNIC Community, and to set strategic direction accordingly. The Survey also provides APNIC with valuable information on the performance of the APNIC Secretariat and the objectives it needs to meet over the coming period.

In February 2011, APNIC released the results of latest survey, which was conducted by Professor Ang Peng Hwa of the Singapore Internet Research Centre (SIRC).

This survey produced a wealth of input for consideration, grouped into the following areas:

- Resource Distribution and Technical Services
- Billing and Administrative Services
- Setting APNIC Priorities
- Public Services
- IPv4 Depletion and IPv6 Deployment
- Training, Education, and Certification
- Internet Governance and APNIC Representation

In this response, the APNIC EC will provide a commentary on the results of the survey, as well as a commitment to support appropriate actions by the APNIC Secretariat.

We thank all respondents to the 2011 Survey for the considerable time and consideration which was spent in responding to the Survey, and in thereby helping us to do our work for APNIC.

Survey Participation

Data gathering for the 2011 Survey was conducted between 2 and 21 November 2010. It produced 794 valid responses, which was an increase of 32% over the previous 2009 survey. Valid answers to specific questions also increased, from 30% to 60% over the previous survey. Although the general stakeholder responses increased from 37 respondents in the 2009 survey to 269 in the current survey, the Member responses decreased by 7%.

In general the EC is very pleased to see the large number of responses to the survey, particularly from non-Member stakeholders. We suggest to increase future promotion of the survey among APNIC's membership, in order to encourage an ongoing increase in participation.

Overall Assessment of Survey Results

The EC has assessed the results of the Survey and will review its current strategic plans and directions against these findings to ensure APNIC's activities will satisfy Members' needs and expectations.

The EC is pleased to see the Survey findings consistently indicate that services provided by APNIC are well received. Most respondents indicated that APNIC should focus on improving its current functions, rather than expanding its scope of service. The suggestions provided by respondents are also consistent; with calls for more training, more localized initiatives, and the need for more support on IPv6 deployment.

The EC believes that the Member's overall satisfaction of APNIC services, rising from 7.11 in 2009 to 8.09 in 2011, gives a strong indication that previous Survey feedback was used effectively towards ongoing improvements in services generally. However the EC is also interested to examine and consider in detail both the performance of APNIC, and the community's views on future priorities, and to respond accordingly.

The remainder of this survey response is organized according to the structure of the Survey itself, which consists of section A for APNIC account holders only, and section B for all APNIC stakeholders.

A. Findings from APNIC Account Holders Only

Resource Distribution and Technical Services

The EC notes that Members have increased their approval rate on some of the key metrics of APNIC services, such as *APNIC Helpdesk provides timely & appropriate responses* (7.29 in 2009 to 7.74 in 2011) and *Procedure to obtain IPv4, IPv6 and ASNs is clear & straightforward* (6.70 in 2009 to 7.44 in 2011). This again provides a positive indication on the development of APNIC services.

On the top of the wish list for the future is for *APNIC to provide 24/7 Helpdesk operation for critical services*. While the EC realises that this is not an easy undertaking, particularly considering the cost of maintaining such level of operation, the APNIC Secretariat should consider the available options for addressing this need.

Another service high on the wish list is for *APNIC to spend more effort in informing network operation community of routability issues*. This appears to confirm the importance of the Resource Quality Assurance activities that have been underway, and may indicate a need for further promotion and/or development of those services.

Billing and Administrative Services

Given the recent changes to APNIC's fee structure, the EC was interested to note any relevant feedback on the cost of APNIC membership. We note strong support for the proposition that the *APNIC fee structure is reasonable and justified* (7.76), and also that account holders are *receptive to the idea of having a regular review of the fee*, which the EC may undertake in future (7.40).

Setting APNIC Priorities

Of the three areas (Communications, Services and Technical) in which Survey respondents were asked to indicate priority activities, the Services area received the strongest message to *prioritize on supporting IPv6 deployment*. The Technical area was given two clear priorities, to consider *routing & registry security improvements* and to *do more research & development activities*. Only the Communications area did not receive such clear guidance, so the EC suggests that *equal attention should be given to Internet Governance, technical community outreach, and training content & delivery development*.

B. Findings from all APNIC Stakeholders

Public Services

The evaluations of APNIC's public services of Policy Development, Information Dissemination and Technical Services were generally good, with the majority score above 7. Technical Services received an average score of 7.63, indicating good performance and availability of APNIC's Public Whois Database and Reverse DNS services. However, the EC is asking the APNIC Secretariat to keep improving all its public services, by *taking into consideration the respondents' written comments when looking for areas to be improved.*

Those with slightly lower than 7 score are related to APNIC Meetings content and remote participation facility. The EC noted that significant investments on remote participation equipment have been made recently, and asks for continuing attention to this area, particularly in terms of promoting their use within the region.

IPv4 Depletion

With the depletion of APNIC's IPv4 address pool, IPv4 transfers have clearly become an important issue for the community. Regarding the role APNIC should play in IPv4 transfers, a role of *developing policies and guidelines facilitating IPv4 transfers* was seen as the most important (47%).

The EC notes the importance of the registry function of APNIC, and suggests ongoing *focus on ensuring that the APNIC Whois Database is kept up-to-date and is accurate*, by whatever means possible. The EC is also aware that questions of IPv4 transfer policies are not yet resolved and attention should be given to furthering community discussions on these issues.

IPv6 Deployment

In terms of IPv6 readiness, the 2011 Survey results suggest that while IPv6 deployment continues to gain momentum, there is still a minority of respondents reporting that they have a formal IPv6 plan (39%). This leaves a sizeable pool of organizations that either have no formal plan for deployment, or have not allocated resources and budget for the deployment.

This result highlights that for the time being, active promotion of IPv6 deployment is still required. The EC notes respondents' strong agreement for APNIC's role in *sharing best practice, providing training, and creating awareness*, and commits APNIC to supporting these activities actively.

Training, Education and Certification

The EC observes strong support for APNIC training activities, that Survey respondents want the APNIC to collaborate more with other organizations on training activities, and that the training curriculum should lead to a certification from APNIC. Collaboration with local organizations can bring the cost down, which has been identified as an issue, and courses can be delivered locally, which matches the respondents' preferred training location.

The EC commits to supporting ongoing APNIC training activities, particularly in Developing and Least Developed economies, and on a sustainable basis in response to demonstrated needs (and taking a collaborative approach wherever possible).

Internet Governance and APNIC Representation

While a formal role in Public Affairs is relatively new at APNIC, it has generated positive results. Members and Stakeholders indicated that while engaging governments has ensured inclusiveness in developing Internet Governance policies, APNIC could do more in terms of government engagement in the region. Respondents felt that this engagement could be focussed on sharing best practices (68%) and training government

officials on the matters concerning APNIC's core mission (55%). Overall, results show that Developing Economies would like to see more government liaison activities, and this should be taken into account in future planning.

Implementation

The findings of the APNIC Member and Stakeholder Survey play a very important role in APNIC's operational planning as well as providing the basis for budget development.

The EC is aware of the differing needs and expectations of Developed, Developing, and Least Developed economies and these were apparent in the results for Training and IPv6 deployment. The EC will continue to ensure that APNIC's activities meet the needs of all economies while maximising the effective use of Member funds.

The EC appreciates the work of the APNIC Secretariat, which has resulted in the overall increase in the key services assessment scores compared to the previous Survey. This is an important indicator that the previous Members and Stakeholder feedback have been listened to and acted upon. The EC will ensure that this Survey's findings will lead to improvement implementations in the same manner.

Once again, the EC sincerely thanks all those who participated in the Survey for their valued input, and all those who helped contribute towards its success.

Akinori MAEMURA

Chair,

APNIC Executive Council.