

## **APNIC DG Annual report 2014 February 2015**

This report covers the performance and achievements of the APNIC Director General for the 1-year period to 31 December 2014. It addresses the Key Performance Indicators provided in Attachment 2 of the current Employment Contract.

Supporting documentation is referenced, some of which has been tabled for the coming EC meetings during APRICOT 2015.

*KPI 1: "To operate the APNIC Secretariat within the approved annual budget, while striving to improve the result wherever possible"*

According to the audited annual financial report for 2014:

	Budget AUD	Actual AUD	Variance
Revenue	18,094,206	18,622,931	3%
Expenses	16,126,400	15,533,822	-4%
Surplus	1,967,806	3,089,109	57%

These results demonstrate that in 2014 the APNIC Secretariat operated well within the budget which was approved by the APNIC EC in December 2013<sup>1</sup>. Further details will be provided to the APNIC EC in the final Financial Report for 2014<sup>2</sup>, to be presented at the coming meeting.

Due to ongoing healthy operating surpluses, the Secretariat analyzed membership fee revenues and proposed a specific fee structure reform to the EC in November 2014<sup>3</sup>. This was designed to reduce APNIC's surplus in future, while maintaining a positive financial result according to current projections.

The new fee structure was approved by the EC and all implementation (systems and communications) activities completed in December 2014, for the launch of the new structure from 1/1/2015<sup>4</sup>.

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<sup>1</sup> <http://www.apnic.net/about-APNIC/organization/structure/apnic-executive-council/ec-minutes/ec-meeting-minutes/2013/2013-12-06-ecminutes-approved.pdf>

<sup>2</sup> [https://apnic-ec.apnic.net/pub/Main/ECmeetings/Financial\\_Report\\_2014.docx](https://apnic-ec.apnic.net/pub/Main/ECmeetings/Financial_Report_2014.docx)

<sup>3</sup> [http://www.apnic.net/\\_data/assets/pdf\\_file/0011/80786/apnic-ec-minutes-20141126.pdf](http://www.apnic.net/_data/assets/pdf_file/0011/80786/apnic-ec-minutes-20141126.pdf)

<sup>4</sup> <http://blog.apnic.net/2014/12/01/apnic-to-reduce-fees-for-all-account-holders-from-2015>

KPI 2: “To develop and operate an appropriate and approved risk management strategy”



The register is reviewed periodically, and will be reviewed in detail during the coming EC meeting<sup>5</sup>.

While the Risk Register identifies major strategic risks which may require attention of the APNIC EC, the Secretariat continues to manage a wide range of operational risks, as follows:

- a) Insurance cover for property, plant and equipment, for directors and officers' liability, and for staff and directors' travels (no substantial claim during 2014).
- b) Travel risk mitigation through International SOS<sup>6</sup> (no significant incidents during 2014), and health checks for regular travellers (initiated in 2014).
- c) Workplace Health and Safety policies and procedures which now include quarterly review meetings and an annual systems audit, and a management system providing access to all relevant documentation and records (established in 2014).
- d) Annual staff survey measuring engagement and enablement, conducted independently by Hay Group, which produced a significant positive improvement in 2014 (more details below).
- e) Comprehensive HR policies including recruitment, appraisal and termination practices.
- f) Performance appraisals performed within the Halogen online system, including salary review processes and approvals, with clear workflow of review and approval for auditing and accountability purposes (reviewed and improved in 2014).
- g) Financial risk mitigation through annual audit (with new auditors appointed from 2015), financial controls (including formalized staff position of Financial Controller, established in 2014), and annual staff training in fraud and corruption.
- h) Formalised investment policy and management arrangements including regular status reports provided by Credit Suisse (as will be presented to the EC in February<sup>7</sup>).
- i) Transparency and Accountability improvements during 2014, with specific activities and improvements described under KPI6, below.

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<sup>5</sup> [https://apnic-ec.apnic.net/pub/Main/ECmeetings/Exec\\_Summary - Risk Register.docx](https://apnic-ec.apnic.net/pub/Main/ECmeetings/Exec_Summary_-_Risk_Register.docx)

<sup>6</sup> <http://www.internationalsos.com>

<sup>7</sup> [https://apnic-ec.apnic.net/pub/Main/ECmeetings/CreditSuisse InvestmentReport Dec 2014.pdf](https://apnic-ec.apnic.net/pub/Main/ECmeetings/CreditSuisse_InvestmentReport_Dec_2014.pdf)

- j) Established Business Continuity (BCP) and Disaster Recovery (DRP) Plans which are reviewed and tested on a quarterly basis. There were no incidents in 2014 which required action under these plans.

KPI 3: "To lead the Executive Team in the development of collaborative Area action plans"

With the appointment of Sanjaya as Deputy Director General during 2014, operational planning has been led very effectively by him, while I continue to provide strategic leadership, and interfacing with APNIC Executive Council on strategic matters.

The Secretariat now maintains a continuous planning process, based on a 4-year plan which is revised every 2 years. The current operational plan is discussed regularly at staff and leadership team meetings, so that all staff are continuously aware of goals and work priorities.

The Executive Team holds weekly meetings which normally concern operation/tactical matters; however one meeting per month is dedicated to strategic discussions, and there is a quarterly offsite meeting in which the ELT reviews strategic topics in more detail.

Each Area Director maintains a list of quarterly priorities which are reviewed on a weekly basis in meetings with the DDG (and DG where possible), and updated accordingly. These priorities are also promoted by directors within each area, to managers and staff.

We are currently in the middle of a 2-year planning cycle, and a strategic plan update will be presented to the EC in February<sup>8</sup>. By the end of 2015, the EC should review the current strategic plan to reestablish priorities for the next 4 years.

KPI 4: "To ensure an agreed return on funds employed within the business"

As noted, the APNIC Investment Policy is now established and invested assets managed accordingly, with regular reports and advice provided by Credit Suisse. The APNIC Treasurer is asked to approve adjustments to the investment portfolio, and regular formal reports are provided on a quarterly basis, with an annual report available for review by the EC in the coming meeting.

The following approximate calculation shows a rate of return of at least 10% on invested funds:

Start of Year 2014	13,725,401
Contributions during 2014	3,008,343

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<sup>8</sup> [https://apnic-ec.apnic.net/pub/Main/ECmeetings/APNIC\\_5-year\\_strategic\\_plan\\_2013-2017\\_\(2015\).docx](https://apnic-ec.apnic.net/pub/Main/ECmeetings/APNIC_5-year_strategic_plan_2013-2017_(2015).docx)

Total investment in 2014	16,733,744
End of Year 2014	17,924,950
Capital gain	1,191,206
Capital gain %	7.1% (over start of 2014)
Earnings	588,853
Earnings %	3.3% (over end of 2014)

KPI 5: “To ensure that APNIC has, and maintains, effective systems covering the entire business”

APNIC makes use a large number of administrative, technical, and quality-related systems, in addition to number of risk-management systems (see KPI 2, above). All are designed to ensure that we operate in a predictable, reliable and accountable manner, in line with the critical service role that we play.

APNIC continues to rely on Netsuite<sup>9</sup> for enterprise resource management (ERM) functions, and Halogen<sup>10</sup> for staff appraisal. During 2014 we introduced the Alfresco<sup>11</sup> document management system (DMS) and we are transitioning all APNIC documentation into that system.

During 2014 work was done with the Treasurer and EC to redefine APNIC’s approved set of Activity Codes for financial reporting and budgeting. These will be applied from 2015 forward for reporting to the members, and are included in Appendix 3.

The first annual audit of our ISO9001-certified Quality System was conducted successfully in May 2014.

A comprehensive rearchitecture of the core APNIC registry system has been underway during 2014, based on a “message bus” architecture. This will provide a unified transaction processing system underlying both ARMS (the internet APNIC Resource Management System) and MyAPNIC, and supporting the maintenance of reverse DNS and whois systems. The result will be greater integrity, reliability and flexibility of APNIC transaction processing.

Internally, virtualization of all APNIC internal servers was completed in 2014, supported by uniform configuration management and system monitoring.

Finally, whois services were distributed geographically for the first time in 2014, with 2 additional service sites established; providing improved redundancy and reliability to whois users.

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<sup>9</sup> <http://www.netsuite.com>

<sup>10</sup> <http://www.halogensoftware.com>

<sup>11</sup> <http://www.alfresco.com>

*KPI 6: “To maintain and enhance the perception of APNIC in the Internet environment - especially in the Asia Pacific”*

## 6.1 Communications Priorities

With the restructure of the Communications Area under Tony Smith as Communications Director, a new set of processes have been implemented for communications with members, community and media.

After discussions during the AMM in KL in March 2014, a new emphasis has been placed on APNIC’s member services and role in the technical operational community of the region, and on better representation of so-called “Internet Governance” activities. Better coverage has been given to APNIC support of NOG activities throughout the region, to the 5 “ARM” regional meetings in 2014, and conferences in Petaling Jaya and in Brisbane.

## 6.2 Online and Social Media

The APNIC Blog<sup>12</sup> was a major communications initiative launched in 2014<sup>13</sup>, as a means to improve, streamline and manage APNIC external communications. During 6 months in 2014 it carried 184 posts from 33 authors (including 12 guests), and received over 25,000 hits during the same period.

The regular Event Wrap reports are also an effort to ensure that APNIC members have a better understanding of our participation in external events of all kinds. In total, 41 Event Wraps were published on the blog in 2014.

Other APNIC Social Media usage and community engagement grew significantly in 2014:

- YouTube: 10,605 views (84% increase compared to 2013); 45,613 minutes viewed (284% increase on 2013)
- Twitter: 1,182 new followers (39% on 2013 follower growth of 848); RTs 1,192 (Only 3 in last 6 months of 2013)
- Facebook: Organic post reach 163,438 people (126% growth on 2013’s 72,450 people)
- APNIC also began making greater use of LinkedIn, Slideshare and established a presence on Chinese-language social media site, Weibo

In addition, a website revamp (including Training and Conferences websites) has been undertaken, along with implementation of “instant feedback” within MyAPNIC and selected areas of the website.

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<sup>12</sup> <http://blog.apnic.net>

<sup>13</sup> <http://blog.apnic.net/2014/08/10/welcome-to-the-blog>

### 6.3 Member Survey

The 2014 Member Survey was concluded in August and reported to the members during APNIC 39 in Brisbane<sup>14</sup>. Members rated the quality of APNIC's services at 6.15/7, the value of APNIC services and membership at 5.91/7; both of these being improvements on the previous survey.

As usual the Secretariat drafted a detailed response for approval by the APNIC EC, and published in December 2014<sup>15</sup>; but in addition a new online "Survey Tracker" for topics raised by the survey was launched late in 2014<sup>16</sup>.

### 6.4 Transparency and Accountability

After the announcement of the IANA transition and ICANN's own review of accountability, I led a number of accountability-related activities within the RIR system, including:

- Creation of the Accountability Matrix by the NRO, providing comparative information on accountability mechanisms of all RIRs<sup>17</sup>.
- The APNIC transparency page was updated to include more relevant information than ever before. The page provides the community with a view into all key APNIC organizational information from a single page<sup>18</sup>.
- Using the feedback from the Survey, a new Activity Plan and Budget was prepared, providing enhanced transparency of where APNIC allocates its financial and human resources
- A range of projects were initiated in response to feedback from the APNIC Survey, and they are now listed and progress tracked on a new page on the APNIC website: [www.apnic.net/survey-response-activity](http://www.apnic.net/survey-response-activity)
- Introduction of Event Wrap reports for all public engagements undertaken by APNIC staff

*KPI 7: "To perform successfully as a credible and authoritative spokesman for APNIC, and support the EC by providing reasonable explanations of Secretariat's business operation"*

During 2014, with the appointment of Sanjaya as Deputy DG I was able to focus more on strategic and external activities for APNIC.

In 2014, APNIC proactively generated 89 pieces of media coverage across 18 economies – including Times of India, Economic Times, AFP, Straits Times,

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<sup>14</sup> <https://conference.apnic.net/38#apnicssurveyresult>

<sup>15</sup> <http://blog.apnic.net/2014/12/04/ec-response-to-apnic-2014-survey-published>

<sup>16</sup> <https://www.apnic.net/community/participate/member-feedback/survey-response-activity>

<sup>17</sup> <https://www.nro.net/about-the-nro/rir-governance-matrix>

<sup>18</sup> <http://www.apnic.net/about-APNIC/transparency>

Bangkok Post, Manila Bulletin, Phnom Penh Post, Computerworld SG & AU. Most of this coverage resulted from interviews with media during events in Bangladesh (BDNOG), India (NASCOM), UK (ICANN) and Singapore (ICANN) with media included Reuters, AFP, Straits Times, IDG, IT News, The Economist, Wall Street Journal and The Guardian.

While I continued in my elected role as the Chair of the APriGF, I completed my service on the IGF MAG, after 3 years of service. I am satisfied to have finished this term of service at a time when “critical internet resources” (in particular, IP addresses) are now well understood within the IGF, and no longer the subject of special attention.

I was appointed to the IANA Transition Coordination Group (ICG) during 2014, as a representative of the numbers community (nominated by the NRO). I played an active role in the IANA transition process, in the development of the numbers community approach (and the CRISP team), and by formulating the initial APNIC proposal which eventually became the CRISP proposal to the ICG.

I am enrolled by the Communications team to participate regularly in APNIC Social Media communications activities, including blog posts and twitter activity as @apnicdg, also to conduct media interviews on a regular basis (and much more than in previous years).

*KPI 8: To maintain the APNIC Secretariat for the employees to work productively in a favorable environment.*

## 8.1 Staff Survey

Following the first independent staff survey, conducted independently by Hay Group in 2013, a decision was made to conduct the same survey annually to monitor changes year on year. The results of the 2014 survey showed a marked improvement on the 2013 survey and placed APNIC in the High Performing category of organisations globally. This appears to have been the result of strong efforts, particularly by the HR team, to actively increase engagement and enablement of staff.

The voluntary “One Vision” group continued to function during 2014, and was asked to respond specifically to the 2013 Survey result. It did so by examining barriers felt by staff, as reporting in the survey, and addressing any perception and practical issues. The group works under the framework of a SIG, encouraging staff participation in workplace proposals (as well as promoting an understanding of the APNIC PDP).

During 2014 the One Vision group developed the staff “credo” (or motto) and statement of values, which are included in Appendix 2.

## 8.2 Human Resources

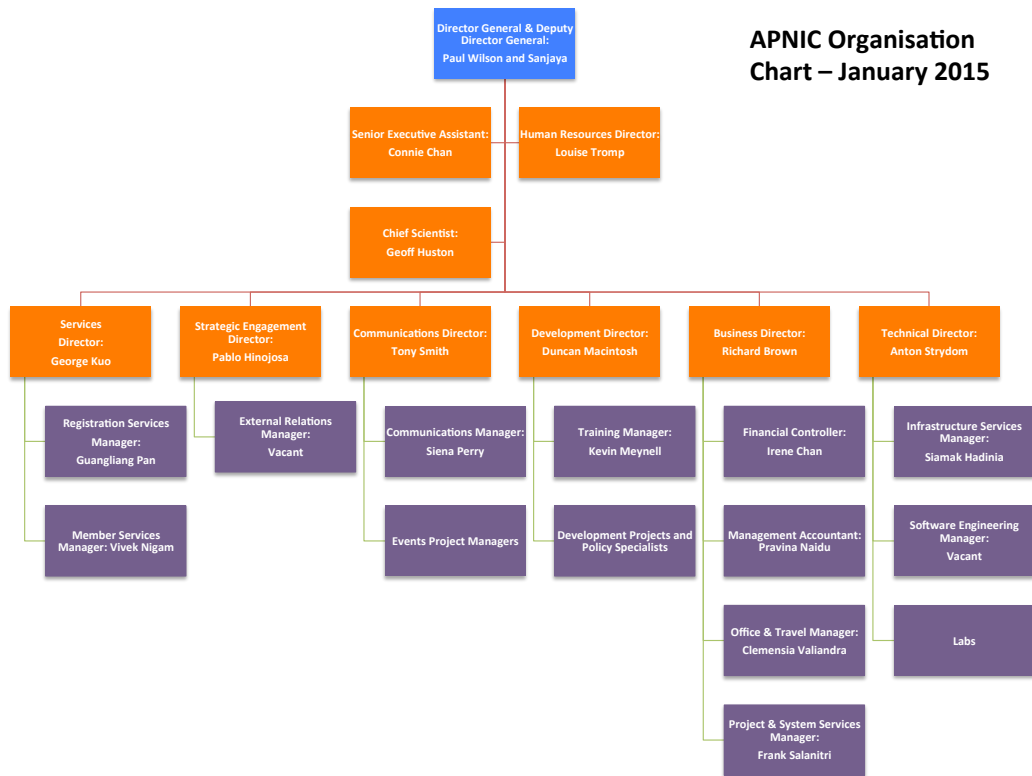
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### 8.3 Organisational Chart

The APNIC organisation chart is as follows, as of 1 January 2015:



## **Appendix 1 – DG Reports to EC Meetings**

### **Feb 2014**

[https://apnic-ec.apnic.net/pub/Main/ECmeetings/APNIC\\_DG\\_Annual\\_report\\_2013\\_-\\_Final.pdf](https://apnic-ec.apnic.net/pub/Main/ECmeetings/APNIC_DG_Annual_report_2013_-_Final.pdf)

[https://apnic-ec.apnic.net/pub/Main/ECmeetings/37AnnualReport\\_230214\\_0944am.pptx](https://apnic-ec.apnic.net/pub/Main/ECmeetings/37AnnualReport_230214_0944am.pptx)

### **May 2014**

[https://apnic-ec.apnic.net/pub/Main/ECmeetings/DG\\_Report\\_-\\_May\\_2014.docx](https://apnic-ec.apnic.net/pub/Main/ECmeetings/DG_Report_-_May_2014.docx)

[https://apnic-ec.apnic.net/pub/Main/ECmeetings/EC\\_DG\\_report\\_13\\_May\\_2014\\_final.pptx](https://apnic-ec.apnic.net/pub/Main/ECmeetings/EC_DG_report_13_May_2014_final.pptx)

### **Sep 2014**

<https://apnic-ec.apnic.net/pub/Main/ECmeetings/2014-09-14-DG-Report.pdf>

### **Nov 2014**

[https://apnic-ec.apnic.net/pub/Main/ECmeetings/DG\\_Report-Nov\\_2014.docx](https://apnic-ec.apnic.net/pub/Main/ECmeetings/DG_Report-Nov_2014.docx)

## **Appendix 2 – APNIC Staff Credo And Values**

### **APNIC CREDO**

*“TO DELIVER EXCELLENCE IN SERVICE AND VALUE TO OUR MEMBERS”*

### **APNIC VALUES**

#### **We are Passionate**

*We love what we do. We contribute with enthusiasm. We commit with energy.*

#### **We Are Professional**

*We are accountable, ethical and efficient in the use of member resources. We respect each other and work with integrity.*

#### **We are Innovative**

*We love ideas. We create. We learn.*

#### **We are Responsive**

*We listen to and act on feedback. We deliver quality services & outcomes in a timely manner. We are consistent.*

#### **We are One Team**

*We listen, encourage and share. We are in this together. Your success is our success.*