

2016 Budget Submission

EC Retreat, Guam

December 2015

APNIC

Issue Date: December 2015

Revision: 01



Budget 2016 Summary

- The proposed budget includes:
 - operational **expenditure of AUD \$18,091,244** and,
 - projected **revenue of AUD \$19,491,288** providing,
 - an operating **surplus of AUD \$1,400,044** for 2016.
 - Capital Expenditure requirements for 2016 is **AUD \$1,850,649.**

Revenue and Expenses 2016

	FY 2015 Forecast	2016 Budget	2016 v. 2015 Forecast Var.
Revenue			
Sign-up Fee	\$437,000	\$438,000	0.2%
IP Resource Application Fee	(\$18,375)		(100.0%)
Interest & Investment Income	\$804,801	\$832,500	3.4%
Membership Fees Income	\$16,891,283	\$17,736,118	5.0%
Non-Member Fees Income	\$243,254	\$246,170	1.2%
Reactivation Fees	\$40,100	\$46,000	14.7%
Transfer Fees	\$66,422	\$75,000	12.9%
Sundry Income	\$215,511	\$117,500	(45.5%)
Total - Revenue	\$18,679,996	\$19,491,288	4.3%
Change %	0.3%	4.3%	
Expenses			
Bank Service Fees	\$157,549	\$170,000	7.9%
Communication Expenses	\$574,956	\$556,186	(3.3%)
Computer Expenses	\$526,738	\$624,521	18.6%
Depreciation Expenses	\$762,464	\$812,365	6.5%
Doubtful Debt Expenses	(\$50,000)	\$25,000	(150.0%)
ICANN Contract Fees	\$284,161	\$262,000	(7.8%)
Insurance Expenses	\$130,534	\$136,800	4.8%
Meeting and Training Expenses	\$383,874	\$447,900	16.7%
Membership Fees	\$52,598	\$72,168	37.2%
Office Operating Expenses	\$309,041	\$325,676	5.4%
Postage & Delivery	\$54,701	\$48,700	(11.0%)
Printing & Photocopy	\$32,482	\$37,940	16.8%
Professional Fees	\$1,258,921	\$1,473,120	17.0%
Recruitment Expense	\$102,577	\$95,000	(7.4%)
Salaries and Personnel Expenses	\$9,460,248	\$10,231,618	8.2%
Sponsorship and Publicity Expense	\$605,917	\$639,750	5.6%
Staff Training Expense	\$150,395	\$162,500	8.0%
Translation Expense	\$3,000	\$10,000	233.3%
Travel Expenses	\$1,896,730	\$1,960,000	3.3%
Total - Expenses	\$16,696,886	\$18,091,244	8.4%
Change %	7.5%	8.4%	
Net Surplus/(Deficit)	\$1,983,110	\$1,400,044	

Provisions and Allowances 2016

APNIC Foundation.

- APNIC will underwrite an amount up to \$50k AUD to fund the establishment of the APNIC foundation in 2016.

APNIC's Taxation Status

- These accounts have been prepared on the basis that there is no change to the treatment of revenue from members for taxation purposes.

APNIC Survey

- In 2016 APNIC will engage consultants to undertake stakeholder consultations across the region and engage an organisation to undertake the survey and report the results back to the membership. The total costs for this activity including all travel will be \$115k in 2016.

KPMG Advisory

- KPMG were commissioned by the APNIC EC to undertake a review of the current NIR model and to identify and evaluate different options for a future NIR model, the majority of this work will be completed by then end of 2015, with a provision of \$50k for the finalisation of this work included in the budget for 2016.

Revenue

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Forecast	2016 Budget	2016 v. 2015 Forecast Var.
Revenue							
Sign-up Fee					\$437,000	\$438,000	0.2%
IP Resource Application Fee	\$1,530,500	\$2,232,250	\$1,420,625	\$1,323,250	(\$18,375)		(100.0%)
Interest & Investment Income	\$395,591	\$595,635	\$585,522	\$754,563	\$804,801	\$832,500	3.4%
Membership Fees Income	\$12,968,291	\$14,361,213	\$15,074,781	\$15,903,111	\$16,891,283	\$17,736,118	5.0%
Non-Member Fees Income	\$198,425	\$227,966	\$240,225	\$254,706	\$243,254	\$246,170	1.2%
Reactivation Fees	\$25,200	\$43,200	\$37,050	\$67,800	\$40,100	\$46,000	14.7%
Transfer Fees		\$11,616	\$61,339	\$81,304	\$66,422	\$75,000	12.9%
Sundry Income	\$298,657	\$186,481	\$115,132	\$211,569	\$215,511	\$117,500	(45.5%)
Total - Revenue	\$15,416,721	\$17,654,431	\$17,568,641	\$18,622,931	\$18,679,996	\$19,491,288	4.3%
Change %	15.7%	14.5%	-0.5%	6.0%	0.3%	4.3%	

New Fee schedule from January 2015

- Remove IP resource application fee(\$1,750)
- Introduce new Sign-up Fee(\$500)
- No longer join as associate if requesting resources

Membership Trend

Membership Projection Membership Tier	2009	2010	2011	2012	2013	2014	2015 Forecast	2016 Budget
Extra Large	13	16	21	20	20	21	22	22
Very Large	31	33	41	45	44	40	41	41
Large	106	141	145	144	146	142	138	138
Medium	276	324	378	402	391	402	425	426
Small	823	867	970	1,114	1,194	1,388	2,122	2,442
Very Small	472	637	817	1,021	1,291	1,701	2,361	2,659
Associate	449	503	575	788	965	924	110	101
TOTAL	2,170	2,521	2,947	3,534	4,051	4,618	5,219	5,829
Growth #	315	351	426	587	517	567	601	610
Growth %	17.0%	16.2%	16.9%	19.9%	14.6%	14.0%	13.0%	11.7%

- Net member growth in 2016 is estimated at 610, comprising new members of 924, with 314 accounts expected to close in 2016, the revenue impact of variations from this estimate are set out below for both membership fees and Sign-up fees:

Sensitivity of membership growth on Membership Fees:

Fees from New Member	#	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	FYR 2016
< 20%	739	(\$9,162)	(\$11,249)	(\$13,337)	(\$15,424)	(\$17,511)	(\$19,598)	(\$21,686)	(\$23,773)	(\$25,860)	(\$27,947)	(\$30,035)	(\$32,122)	(\$247,705)
< 10%	832	(\$4,581)	(\$5,625)	(\$6,668)	(\$7,712)	(\$8,756)	(\$9,799)	(\$10,843)	(\$11,886)	(\$12,930)	(\$13,974)	(\$15,017)	(\$16,061)	(\$123,852)
Budget Estimate	924	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
> 10%	1016	\$4,581	\$5,625	\$6,668	\$7,712	\$8,756	\$9,799	\$10,843	\$11,886	\$12,930	\$13,974	\$15,017	\$16,061	\$123,852
> 20%	1109	\$9,162	\$11,249	\$13,337	\$15,424	\$17,511	\$19,598	\$21,686	\$23,773	\$25,860	\$27,947	\$30,035	\$32,122	\$247,705

Sensitivity of membership growth on Sign-Up Fees:

New Members 2016	#	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	FYR 2016
< 20%	739	(\$5,840)	(\$5,840)	(\$5,840)	(\$5,840)	(\$5,840)	(\$5,840)	(\$5,840)	(\$5,840)	(\$5,840)	(\$5,840)	(\$5,840)	(\$5,840)	(\$70,080)
< 10%	832	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)	(\$2,920)	(\$35,040)
Budget Estimate	924	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
> 10%	1016	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$35,040
> 20%	1109	\$5,840	\$5,840	\$5,840	\$5,840	\$5,840	\$5,840	\$5,840	\$5,840	\$5,840	\$5,840	\$5,840	\$5,840	\$70,080

Revenue – Membership Fees

Membership Fees

Membership Fees 2016	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	FYR 2016
Existing Members in ARMS	\$ 1,432,710	\$ 1,434,806	\$ 1,437,144	\$ 1,439,635	\$ 1,441,241	\$ 1,442,747	\$ 1,443,952	\$ 1,444,721	\$ 1,444,346	\$ 1,444,346	\$ 1,444,346	\$ 1,444,346	\$ 17,294,340
New Members in 2015	\$ 45,811	\$ 56,247	\$ 66,683	\$ 77,120	\$ 87,556	\$ 97,992	\$ 108,428	\$ 118,865	\$ 129,301	\$ 139,737	\$ 150,173	\$ 160,610	\$ 1,238,523
Closures/Mergers etc.	(\$24,369)	(\$30,190)	(\$36,012)	(\$41,833)	(\$47,654)	(\$70,635)	(\$76,456)	(\$82,277)	(\$88,098)	(\$93,919)	(\$99,741)	(\$105,562)	(\$796,745)
Estimated membership Fees	\$ 1,454,151	\$ 1,460,863	\$ 1,467,816	\$ 1,474,922	\$ 1,481,143	\$ 1,470,105	\$ 1,475,925	\$ 1,481,308	\$ 1,485,549	\$ 1,490,164	\$ 1,494,779	\$ 1,499,394	\$ 17,736,118

- Budget based on detailed analysis of current Membership database and predictions for 2016
- Growth in membership (annual) fee revenue continues to be limited to small increments resulting from “final /8” allocations (to new and existing members), and unpredictable increments resulting from transfers received.
- The introduction of the revised Fee Schedule in January 2015 sees new members joining at the tier based on the size of their initial allocation
- Average fee for new member is \$1,626 plus Sign-Up Fee \$481
- Average annual Fees for closed accounts in 2015 was \$2,186

Revenue - Investment & Interest Income

Credit Suisse Investment fund

- cash reserves invested as set out in the approved Investment Policy.
- at the end of October 2015, \$18.790M invested, income reported at \$634k, Capital Growth of \$194k
- 2016 estimated income of \$730k
- a detailed forecast for income over the next 12 months provided by Credit Suisse
- likely to transfer excess funds of \$1m to the fund during 2016

Interest Income

- retain \$4.1M in short-term deposits and at-call deposit accounts
- transition to the new banking provider in December/January 2015.
- Interest received to end of Oct 2015 was \$126k
- 2016 estimated at \$103k, new deposits at lower rates.

Revenue - Sundry Income

Includes income from sponsorship for APNIC conferences and registration fees received for other events and training activities, in 2016 the budget comprises:

- | | |
|---|-------|
| • APNIC 42 Sponsorship (international and local sponsors) | 40k |
| • APNIC 42 Workshop and conference Registration Income | 35k |
| • APNIC 41 Sponsorship | 20k |
| • Training Events | \$23k |

Significant reduction from 2015, with sponsorship of \$150k achieved.

- Jakarta > \$120k, Fukuoka 28k in 2015

Expenses

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Forecast	2016 Budget	2016 v. 2015 Forecast Var.
Expenses							
Bank Service Fees	\$102,974	\$132,080	\$138,337	\$145,823	\$157,549	\$170,000	7.90%
Communication Expenses	\$385,819	\$440,762	\$490,600	\$483,803	\$574,956	\$556,186	-3.26%
Computer Expenses	\$397,535	\$551,362	\$548,748	\$572,528	\$526,738	\$624,521	18.56%
Depreciation Expenses	\$875,273	\$816,998	\$753,032	\$765,548	\$762,464	\$812,365	6.5%
Doubtful Debt Expenses	\$12,808	\$27,099	\$30,990	\$34,259	(\$50,000)	\$25,000	-150.00%
ICANN Contract Fees	\$284,889	\$321,655	\$136,732	\$260,333	\$284,161	\$262,000	-7.80%
Insurance Expenses	\$120,236	\$126,673	\$126,751	\$129,971	\$130,534	\$136,800	4.8%
Meeting and Training Expenses	\$398,014	\$191,561	\$332,819	\$374,850	\$383,874	\$447,900	16.68%
Membership Fees	\$54,261	\$68,392	\$48,294	\$55,611	\$52,598	\$72,168	37.21%
Miscellaneous Expense	\$1,221	\$3					
Office Operating Expenses	\$275,653	\$249,930	\$300,757	\$312,744	\$309,041	\$325,676	5.4%
Postage & Delivery	\$32,842	\$28,493	\$45,269	\$22,071	\$54,701	\$48,700	-10.97%
Printing & Photocopy	\$37,515	\$38,115	\$36,586	\$48,508	\$32,482	\$37,940	16.80%
Professional Fees	\$605,124	\$939,882	\$1,246,373	\$1,052,757	\$1,258,921	\$1,473,120	17.01%
Recruitment Expense	\$123,485	\$99,574	\$89,472	\$144,423	\$102,577	\$95,000	-7.39%
Salaries and Personnel Expenses	\$7,203,720	\$8,145,433	\$8,298,111	\$8,731,164	\$9,460,248	\$10,231,618	8.15%
Sponsorship and Publicity Expense	\$293,035	\$270,696	\$319,623	\$340,946	\$605,917	\$639,750	5.6%
Staff Training Expense	\$107,752	\$151,386	\$163,053	\$135,996	\$150,395	\$162,500	8.05%
Translation Expense	\$10,297	\$11,928	\$15,255	\$1,623	\$3,000	\$10,000	233.33%
Travel Expenses	\$1,576,246	\$1,822,239	\$1,937,230	\$1,955,471	\$1,896,730	\$1,960,000	3.34%
Total - Expenses	\$12,927,306	\$14,421,699	\$15,058,033	\$15,568,431	\$16,696,886	\$18,091,244	8.35%
Change %	-1.61%	11.56%	4.41%	3.39%	7.49%	8.35%	

CPI to 12 months to September 2015 – 2.5%

Expenses Ranked

	2015 Budget	FY 2015 Forecast	2016 Budget	2016 v. 2015 Forecast Var.	2016 v. 2015 Budget Var.
Expenses					
Salaries and Personnel Expenses	\$9,460,248	\$9,460,248	\$10,231,618	8.2%	8.2%
Travel Expenses	\$1,900,000	\$1,896,730	\$1,960,000	3.3%	3.2%
Professional Fees	\$1,267,300	\$1,258,921	\$1,473,120	17.0%	16.2%
Depreciation Expenses	\$762,266	\$762,464	\$812,365	6.5%	6.6%
Sponsorship and Publicity Expense	\$649,900	\$605,917	\$639,750	5.6%	(1.6%)
Computer Expenses	\$642,172	\$526,738	\$624,521	18.6%	(2.7%)
Communication Expenses	\$537,940	\$574,956	\$556,186	(3.3%)	3.4%
Meeting and Training Expenses	\$519,400	\$383,874	\$447,900	16.7%	(13.8%)
Office Operating Expenses	\$305,107	\$309,041	\$325,676	5.4%	6.7%
ICANN Contract Fees	\$282,835	\$284,161	\$262,000	(7.8%)	(7.4%)
Bank Service Fees	\$151,950	\$157,549	\$170,000	7.9%	11.9%
Staff Training Expense	\$155,000	\$150,395	\$162,500	8.0%	4.8%
Insurance Expenses	\$136,900	\$130,534	\$136,800	4.8%	(0.1%)
Recruitment Expense	\$90,000	\$102,577	\$95,000	(7.4%)	5.6%
Membership Fees	\$64,435	\$52,598	\$72,168	37.2%	12.0%
Postage & Delivery	\$50,000	\$54,701	\$48,700	(11.0%)	(2.6%)
Printing & Photocopy	\$44,840	\$32,482	\$37,940	16.8%	(15.4%)
Doubtful Debt Expenses	\$20,000	(\$50,000)	\$25,000	(150.0%)	25.0%
Translation Expense	\$25,000	\$3,000	\$10,000	233.3%	(60.0%)
Total Expenses	\$17,065,293	\$16,696,886	\$18,091,244	8.4%	6.0%

CPI to 12 months to September 2015 – 2.5%

Expenses – Salary & Wages

Increase of 8.2% compared to 2015

Salary And Wages is calculated based on the following assumptions:

- Employer superannuation contributions 9.5%
- On average staff will utilize 3.5 weeks annual leave
- Overall increase to account for role changes, performance and cost of living is 3.50%
- Some new positions from 2015 do not include full 12 months cost
 - External Relations Program Manager
 - Training and Development Officer
 - Member Communications Specialist
- Proposed headcount for 2016 is 76, and includes 2 new roles:
 - Communications – Junior Web Developer
 - Resource Services – Internet resource analyst
- Budget includes an allowance for vacancies during 2016

CPI to 12 months to September 2015 – 2.5%

Expenses – Travel

The budget submission includes an increase of 3.3% in travel expenses in 2016 when compared to the forecast for 2015.

Allocations have been made for travel by EC and ASO/NC members to RIR, ICANN, IGF and other meetings in 2016. NRO will now only support travel for ASO/NC Chair.

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

Travel budget for EC members is \$217k or \$31k per EC member.

CPI to 12 months to September 2015 – 2.5%

Expenses – 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 2016 include:

• I-Root & F-Root Maintenance	\$145k
• HR related consultancy	\$150k
• Legal Advice & Expenses	\$135k
• Technical Assistance Services	\$120k
• Investment Consultant Service	\$113k
• Non-staff trainers	\$112k
• Design Consultancy	\$112k
• Financial and Tax advice - KPMG	\$80k
• APNIC Survey 2016 - Focus Groups and Interviews	\$65k*
• On-line curriculum development	\$50k
• APNIC Foundation activities	\$50k*
• Survey Analysis and Report	\$50k*
• Analysis of NIR Framework	\$50k*
• Audit Fees	\$36k

*Incremental for 2016 are costs related to the 2016 Survey and finalisation of the KPMG NIR work, and the contribution to the foundation.

Expenses – Depreciation

Depreciation expenses are budgeted based on existing depreciation schedules, capital allowances and planned expenditure in 2016:

Equipment Depreciation	\$635k
Capital Work Accounts Allowance	\$42k
Capital Work Allowance	\$135k

Expenses – Sponsorship & Publicity

This expense will increase against forecast by 5.6% in 2016, but will be below the 2015 budget.

Major budgeted items for Sponsorship and Publicity include:

- NRO Expenses APNIC Contribution \$135k
- APNIC contribution to ISIF grants pool \$100
- Google PPC Advertising - Mem Dev \$60k
- NOG sponsorships \$60k
- Research grants on technical issues \$60k
- APNIC conference fellowships \$50k
- Non-NOG conferences and events. \$40k
- Regional/National IGFs sponsorship \$30k
- Other global events sponsorships \$15k
- General promotional items \$13k
- Government Events \$10k

Expenses – Computer Expenses

Computer expenses were low in 2015, a result of funding from ICANN and Comcast which was used to offset research and development activities. Overall increase of 18.6% in 2016

Major contributors to this cost in 2016 are:

- ERP Licenses users and modules \$95k
- Vmware licenses \$59k
- Vulnerability testing, BYOD license \$27k
- F5 maintenance \$25k
- UPS, AC, Dell switch maintenance \$24k
- Offsite Backup \$22k
- Safenet Authentication \$20k
- Expense Reporting \$20k
- CMS Basic SLA 24x7 support \$20k

Expenses – Communication Expenses

2016 will reduce by 3.3% compared 2015, after accounting for a new dark fibre contract and changes to the HKIX pricing which adversely affected 2015.

The major costs included in the 2016 budget include the following:

- NEXTDC: IX Peering \$119k
- INTERACTIVE: Uplink \$112k
- VoIP: Service & Maintenance \$60k
- WHOIS & RDAP \$59k
- DARK FIBRE & Uplink \$56k
- DNS ANYCAST: Autonomica: Netnod \$35k
- VoIP: Cisco Smartnet \$25k
- HK: HKIX 100MBps + Rack Space \$24k
- US: NTT 100Mbps Up-Link, Smartnet \$15k

Expenses – Meeting & Training Expenses

These costs will increase by close to nearly 17.0% in 2016. The major contributors to this expense is the APNIC Staff Conference planned for 2016, and the APNIC conferences in 2016 in New Zealand and Bangladesh. A portion of these costs is offset by sponsorship and Registration/workshop income.

• APNIC Staff Conference	\$50k
• APNIC 42 Conference AV rental	\$25k
• APNIC 42 Conference week - catering	\$24k
• Secretariat Events	\$22k
• APNIC 41 (APRICOT Closing Reception)	\$21k
• Training support (venue and catering costs)	\$20k
• APNIC 41 Registration fee for Guests	\$20k
• APNIC 42 Conference week - venue hire	\$20k
• APNIC 42 Opening reception	\$18k
• APNIC 41 Conference Room Rental	\$17k
• Services outreach booth/venue	\$15k

Expenses – Office Operating Expenses

Overall costs are expected to increase by 5.4% compared to 2015 allowing for CPI increases and overall staffing increases.

Major planned expenditure for 2016 includes:

Expenses – Bank Fees

By the end of 2015, all transactional banking moved from NAB to Westpac.

- Based on transactions in 2015 should reduce fees by \$18k
- Expecting big improvements in customer service

2016 see fees rise by nearly 8%

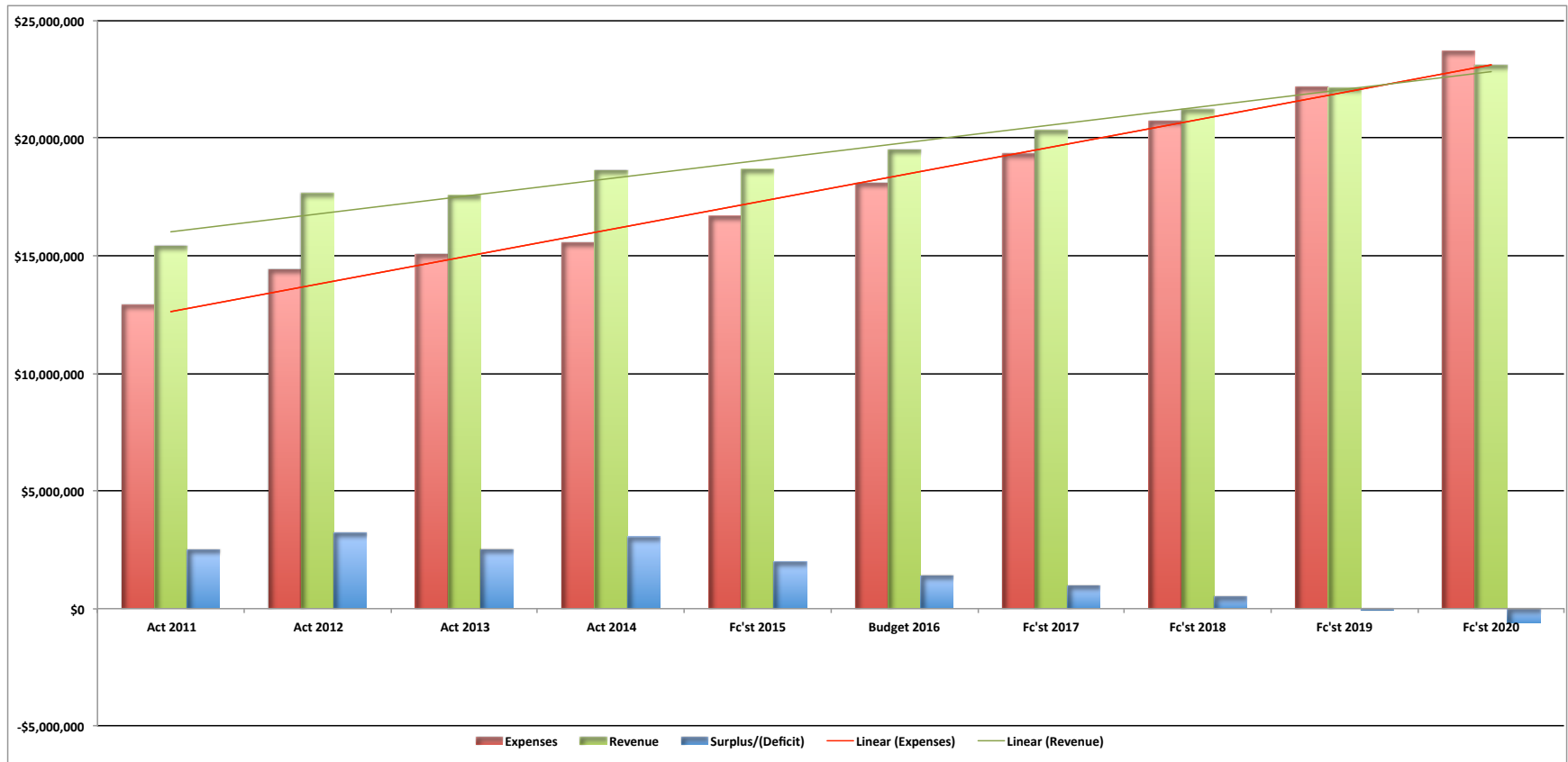
- Increased volume of transactions
- Increase in credit card as payment method
- PayPal available in December
- Flexible billing options being piloted
 - Recurring Billing(Credit Card)
 - Monthly billing for larger members

CPI to 12 months to September 2015 – 2.5%

Surplus/(Deficit)

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Forecast	2016 Budget	2016 v. 2015 Forecast Var.
Total - Revenue	\$15,416,721	\$17,654,431	\$17,568,641	\$18,622,931	\$18,679,996	\$19,491,288	4.34%
Total - Expenses	\$12,853,232	\$14,404,193	\$14,585,138	\$15,533,822	\$16,696,886	\$18,091,244	8.35%
Net Surplus/(Deficit)	\$2,563,490	\$3,250,239	\$2,983,503	\$3,089,109	\$1,983,110	\$1,400,044	

Surplus/(Deficit) Outlook



High level assumptions assuming 7.0% expense growth and 4.3% revenue growth

Capital Expenditure

Capital expenditure comprises equipment & software and office equipment.

For the 2016 budget submission capital expenditure is planned at \$1,850,649. Actual capital expenditure for 2015 will be around \$400,000 below the 2015 budget of \$1,244,383 which has resulted in some of the upgrades and projects being moved into the 2016 budget.

CAPEX – Equipment & Software

Expenditure on equipment and software is budgeted at \$1,783,884 for 2016. This includes capitalised expenditure on technical infrastructure, software, and implementation costs including consulting fees.

Major contributors in 2016 to this budget are:

CAPEX – Office Furniture & Fixtures

Office equipment major expenditures are budgeted at \$66,765 in 2016.

The major expenses are:

- Office Improvements - Including Media Lab \$20k
- 8 new desks at an estimated \$2000 each \$18k
- Misc. Furniture & equipment \$10k
- Meeting room equipment upgrades \$6k
- Electrical wiring of new work spaces \$5k
- Kitchen Fridge \$4k
- Dishwasher replacements \$2k

2016 Activity Plan

EC Retreat, Guam

December 2015

APNIC

Issue Date: December 2015

Revision: 01



Activity Plan 2016

Underneath each activity in the 2016 plan, a small table summarises the resources (both financial and human) 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 for the activity

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

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

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

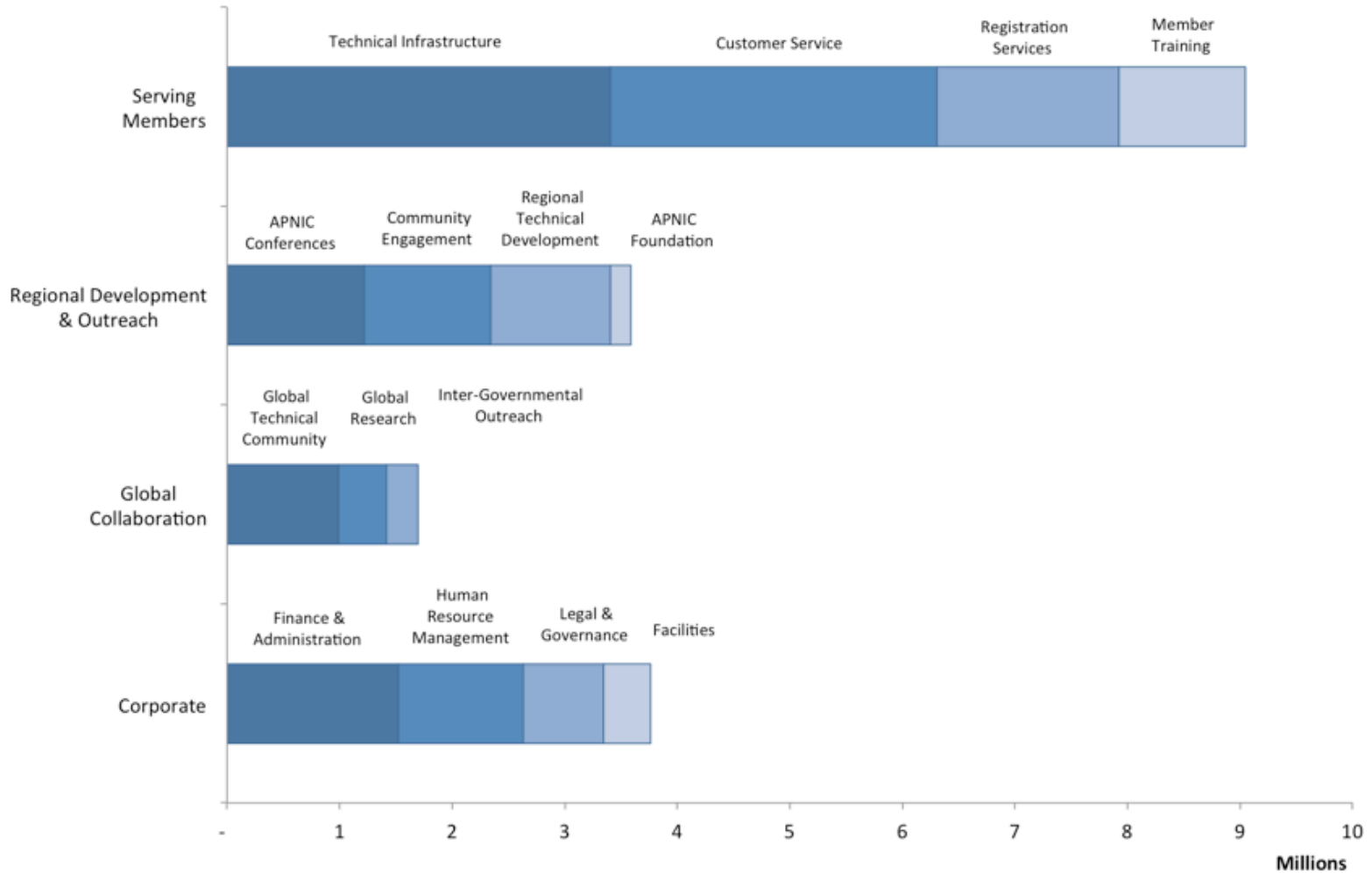
Activity Plan 2016

The majority of APNIC's resources and expenditure in the 2016 plan are allocated to Serving Members – accounting for 57% of APNIC's full time equivalent employees, 50% of operating expenses and 80% of capital expenditure.

The following table and chart provide a breakdown of APNIC's 2016 budget.

Activity	FTE		Expenses		CAPEX	
Serving Members	43.4	57%	\$9,049,183	50%	\$1,486,884	80%
Regional Development & Outreach	13.7	18%	\$3,586,863	20%	\$203,000	11%
Global Collaboration	4.9	6%	\$1,695,342	9%	\$77,500	4%
Corporate	14.0	18%	\$3,759,856	21%	\$83,265	4%
Grand Total	76.0	100%	\$18,091,244	100%	\$1,850,649	100%

Activity Plan 2016



Activity Plan 2016

Activity	FTE	%	Expenses (AU\$)	%	CAPEX (AU\$)	%
Serving Members	43.4	57%	9,049,183	50%	1,486,884	80%
Customer Service	13.8		2,904,402		247,800	
Member Training	6.0		1,127,182		74,000	
Registration Services	9.3		1,611,264		6,000	
Technical Infrastructure	14.3		3,406,335		1,159,084	
Regional Development & Outreach	13.7	18%	3,586,863	20%	203,000	11%
APNIC Conferences	4.6		1,219,043		23,000	
APNIC Foundation	1.0		181,627		-	
Community Engagement	4.9		1,121,126		-	
Regional Technical Development	3.2		1,065,067		180,000	
Global Collaboration	4.9	6%	1,695,342	9%	77,500	4%
Global Research	1.5		425,316		70,000	
Global Technical Community	2.3		988,666		4,000	
Inter-governmental Outreach	1.1		281,360		3,500	
Corporate	14.0	18%	3,759,856	21%	83,265	4%
Facilities	0.2		413,182		66,765	
Finance & Administration	7.9		1,522,847		9,500	
Human Resource Management	4.5		1,105,362		3,500	
Legal & Governance	1.4		718,465		3,500	
Total	76.0	100%	18,091,244	100%	1,850,649	100%

Serving Members

2016-2019 Goals				
<p>Deliver an advanced number registry and member information services</p>	<p>Strengthen Core Technical Focus (such as IPv6, RPKI, DNSSEC etc.) and engage community to advance adoption and deployment</p>	<p>Sustainably support AP Internet infrastructure and human capacity development</p>	<p>Engage our community to strengthen open, multi-stakeholder, bottom-up and transparent policy development processes and Internet governance model</p>	<p>Maintain a strong organization to carry out APNIC's mission</p>
Strategies				
<ul style="list-style-type: none"> • Develop services in response to Member needs • Develop and maintain service delivery systems that are easy to use and use the latest technologies 	<ul style="list-style-type: none"> • Ensure Members are aware of the need, and able to deploy IPv6, RPKI, DNSSEC etc. 	<ul style="list-style-type: none"> • Understand Members' skill development needs and respond with appropriate training service • Encourage interconnection among Members to strengthen Internet infrastructure 	<ul style="list-style-type: none"> • Encourage Members to actively participate at APNIC policy development process • Encourage Members to engage in relevant Internet Governance discussions 	<ul style="list-style-type: none"> • Responsive adjustments of APNIC fees, balancing sustainability and affordability • Prioritise budget allocations to registry and Member service activities

Serving Members - Registration Services

Activities:

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

Projects:

- Registry System development
- Adding historical information to Whois service
- Whois data quality improvement

FTE	Expenses	CAPEX
9.3	\$1,611,264	\$6,000

Serving Members – Customer Service

Activities:

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

Projects:

- MyAPNIC Improvements
- Website improvements
- Implement a new Customer Relationship Management (CRM) system
- Resource Management Process Improvement
- APNIC Survey 2016
- ISO9001 Audit 2016

FTE	Expenses	CAPEX
13.8	\$2,904,402	\$247,800

Serving Members – Technical infrastructure services

Activities:

- Operation and maintenance of networks, systems and applications infrastructure to support APNIC services

Projects:

- Whois version update
- RPKI version update
- Adoption of ISO 27001:2013 Information Security Standard
- Remote infrastructure maintenance and improvement
- Data Backup and Retention Management

FTE	Expenses	CAPEX
14.3	\$3,406,335	\$1,159,084

Serving Members – Member training

Activities:

- Training services
- Technical assistance

Projects:

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

FTE	Expenses	CAPEX
6.0	\$1,127,182	\$74,000

Regional Development and Outreach

2016-2019 Goals				
<p>Deliver an advanced number registry and member information services</p>	<p>Strengthen Core Technical Focus (such as IPv6, RPKI, DNSSEC etc.) and engage community to advance adoption and deployment</p>	<p>Sustainably support AP Internet infrastructure and human capacity development</p>	<p>Engage our community to strengthen open, multi-stakeholder, bottom-up and transparent policy development processes and Internet governance model</p>	<p>Maintain a strong organization to carry out APNIC's mission</p>
Strategies				
<ul style="list-style-type: none"> ▪ Gather and disseminate information relevant to APNIC's role and activities 	<ul style="list-style-type: none"> ▪ Support existing and new NOGs as a channel for network information and knowledge exchange ▪ Support specific national/regional IPv6, RPKI, DNSSEC etc. adoption and deployment as appropriate 	<ul style="list-style-type: none"> ▪ Implement cost effective mechanisms to support development activities ▪ Engage the donor community in building a robust technical infrastructure in the region 	<ul style="list-style-type: none"> ▪ Facilitate development and implementation of Internet number and related policies in the region ▪ Encourage wide, multi-stakeholder participation at APNIC events ▪ Develop community leaders 	<ul style="list-style-type: none"> ▪ Attract other sources of development funds and resources ▪ Establish the APNIC Foundation to provide structural separation, sustainability and scalability of development activities

Regional Development and Outreach – APNIC conferences

Activities:

- APNIC Conferences
- APNIC Regional Meeting Program

FTE	Expenses	CAPEX
4.6	\$1,219,043	\$23,000

Regional Development and Outreach – Regional technical development

Activities:

- Policy development
- Root server deployment

Projects:

- RIPE Atlas deployments

FTE	Expenses	CAPEX
3.2	\$1,065,067	\$180,000

Regional Development and Outreach – Community engagement

Activities:

- Collaboration with other AP Internet organizations
- NOG Support
- Fellowship Program
- ISIF Asia grants program
- Regional IGF
Government and sub-regional liaison

Projects:

- Fellowship Alumni Program
- Internet Operations Research Grants

FTE	Expenses	CAPEX
4.9	\$1,121,126	-

Regional Development and Outreach – APNIC Foundation

Activities:

- Development partnerships

Projects

- Establish the APNIC Foundation to support APNIC’s development program

FTE	Expenses	CAPEX
1.0	\$181,627	-

Global Cooperation

2016-2019 Goals				
Deliver an advanced number registry and member information services	Strengthen Core Technical Focus (such as IPv6, RPKI, DNSSEC etc.) and engage community to advance adoption and deployment	Sustainably support AP Internet infrastructure and human capacity development	Engage our community to strengthen open, multi-stakeholder, bottom-up and transparent policy development processes and Internet governance model	Maintain a strong organization to carry out APNIC's mission
Strategies				
<ul style="list-style-type: none"> Service and information exchange coordination with other RIRs and global Internet organisations 	<ul style="list-style-type: none"> Take leadership role as appropriate at global IPv6, RPKI, DNSSEC etc. coordination efforts Monitor global IPv6, RPKI, DNSSEC etc. deployment and share its success stories in AP region 	<ul style="list-style-type: none"> Engage with ISOC, ICANN and other global agencies supporting regional Internet development 	<ul style="list-style-type: none"> Facilitate a policy environment which maximises the accessibility and effectiveness of the Internet to the AP region 	<ul style="list-style-type: none"> Collaborate with other RIRs on business continuity, infrastructure sharing, and staff development

Global Cooperation – Global technical community cooperation

Activities:

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

Projects:

- IANA Stewardship Transition plan

FTE	Expenses	CAPEX
2.3	\$988,666	\$4,000

Global Cooperation – Inter-governmental outreach

Activities:

- Inter-governmental liaison

FTE	Expenses	CAPEX
1.1	\$281,360	\$3,500

Global Cooperation – Global Research

Activities:

- Global research and measurements
- Technical advocacy at global forums

FTE	Expenses	CAPEX
1.5	\$425,316	\$70,000

Corporate

2016-2019 Goals				
<p>Deliver an advanced number registry and member information services</p>	<p>Strengthen Core Technical Focus (such as IPv6, RPKI, DNSSEC etc.) and engage community to advance adoption and deployment</p>	<p>Sustainably support AP Internet infrastructure and human capacity development</p>	<p>Engage our community to strengthen open, multi-stakeholder, bottom-up and transparent policy development processes and Internet governance model</p>	<p>Maintain a strong organization to carry out APNIC's mission</p>
Strategies				
<ul style="list-style-type: none"> ▪ Develop clear organisational priorities for APNIC's core activities as a registry and network information centre 	<ul style="list-style-type: none"> ▪ Improve IPv6, RPKI, DNSSEC etc. skills and usage in APNIC's own network, and share the knowledge widely 	<ul style="list-style-type: none"> ▪ Establish the APNIC Foundation to provide structural separation, sustainability and scalability of development activities 	<ul style="list-style-type: none"> ▪ Develop staff skills and knowledge to engage effectively with different stakeholders 	<ul style="list-style-type: none"> ▪ Maintain a sustainable business model for now and the future ▪ Maintain an optimal organisational structure and culture to deliver tangible outcomes

Corporate – Human Resource Management

Activities:

- Staff recruitment
- Staff training and development

Key projects:

- Recruitment
- Staff Exchange
- Staff Conference

FTE	Expenses	CAPEX
4.5	\$1,105,362	\$3,500

Corporate – Finance & Administration

Activities:

- Financial management
- Office management
- Travel management

FTE	Expenses	CAPEX
7.9	\$1,522,847	\$9,500

Corporate – Legal & governance

Activities:

- Legal counsel
- Workplace health and safety compliance

FTE	Expenses	CAPEX
1.4	\$718,465	\$3,500

Corporate – Facilities

Activities:

- Building and office facilities

FTE	Expenses	CAPEX
0.2	\$413,182	\$66,765