

APNIC EC Meeting Minutes

Teleconference
Thursday 20 March 2008

Meeting Start: 3:00 pm (UTC +1000)

Present

Akinori Maemura
Che-Hoo Cheng
Kuo-Wei Wu
Kusumba Sridhar
Ming-Cheng Liang
Mao Wei
Ma Yan
Paul Wilson

Geoff Huston
Irene Chan

Agenda

1. EC Officeholders Election
2. Roll Call and Agenda bashing
3. Minutes of Last Meeting and Matters Arising
4. Finance Report
5. Director-General's Report
6. AOB

Minutes

1. EC Officeholders Election

The Director-General chaired the meeting for the Election of Chair of the Executive Council.

There was one nomination for Chair of the EC, Akinori Maemura, and no objections. Akinori Maemura was elected as Chair of the EC unopposed.

Akinori Maemura then assumed the role of chair of the meeting

There was one nomination for Secretary of the EC, Che-Hoo Cheng, and no objections. Che-Hoo Cheng was elected as Secretary of the EC unopposed.

There was one nomination for Treasurer of the EC, Kuo-Wei Wu, and no objections. Kuo-Wei Wu was elected as Treasurer of the EC unopposed.

2. Roll Call and Agenda bashing

The EC welcomed Ma Yan to the Executive Council, following the 2008 EC Elections.

HR Report was added under AOB.

3. Minutes of Last Meeting and Matters Arising

The minutes from the meeting of 26 February 2008, as amended, were approved.

Action ec-08-012: Secretariat to publish minutes of 26 February 2008 meeting

Review of action items:

- | | |
|--------------------------|---|
| Action ec-08-003: | Secretariat to publish minutes of 21 January 2008 meeting
Completed |
| Action ec-08-004: | Secretariat to provide details of membership by economy in monthly reports.
Completed |
| Action ec-08-005: | Director-General to provide a report to the EC on profile of staff movement for 2007.
Completed |
| Action ec-08-006: | Secretariat to advise KPMG of the adoption of Phase II of the fees consultancy |
| Action ec-08-007: | EC Chair to advise APNIC Fees WG on the current status of the fees study. |
| Action ec-08-008: | DG to prepare an initial briefing note on APNIC service delivery options. |
| Action ec-08-009: | EC to evaluate CNNIC response at the April 2008 EC meeting. |
| Action ec-08-010: | Secretariat to prepare a briefing paper on the IPv6 Per-Address Fee schedule |
| Action ec-08-011: | Secretariat to obtain legal advice concerning conflict of interest for EC members |

4. Finance Report

The EC considered the February 2008 Financial Report (attached). It was noted that the ICANN payments have been made, as reflected in the Balance Sheet. It was also noted that membership growth is strong with 1,651 members from 51 economies by the end of February 2008.

The EC accepted the monthly financial report for February 2008.

5. Director-General's Report

The D-G spoke to a report on the staffing profile of APNIC (attached). The D-G indicated that future reports on staffing and HR matters would be made, as appropriate, as a verbal report to the EC.

The D-G noted that the NRO EC has communicated to the Boards of the RIRs requesting guidance on the matters of concluding a contract with ICANN, and incorporation of the NRO.

6. AOB

HR Report

The EC considered the issue of HR reporting. The D-G proposed an annual summary report on staff levels and turnover, and verbal reports that highlight any HR issues at regular EC meetings as appropriate within the formal delegation structure. EC members noted that staffing the APNIC secretariat was the delegated responsibility of the Director-General, and that it was inappropriate for any individual EC member to interview individual staff members on HR topics.

7. Next meeting

24 April 2008 (Teleconference)

Meeting closed: 4:15 pm (UTC+1000)

Summary of Action Items

- | | |
|--------------------------|---|
| Action ec-08-006: | Secretariat to advise KPMG of the adoption of Phase II of the fees consultancy |
| Action ec-08-007: | EC Chair to advise APNIC Fees WG on the current status of the fees study. |
| Action ec-08-008: | DG to prepare an initial briefing note on APNIC service delivery options. |
| Action ec-08-009: | EC to evaluate CNNIC response at the April 2008 EC meeting. |
| Action ec-08-010: | Secretariat to prepare a briefing paper on the IPv6 Per-Address Fee schedule |
| Action ec-08-011: | Secretariat to obtain legal advice concerning conflict of interest for EC members |
| Action ec-08-012: | Secretariat to publish minutes of 26 February 2008 meeting |



APNIC

Monthly financial report (in AUD)

For the month ending February 2008

Asia Pacific Network Information Centre

1. Balance Sheet

Statement of Financial Position (AUD)					
	29/02/2008	% of Total Asset or Liab+Equity	% change from 31/12/2007	Year-End 2007	Year-End 2006
CURRENT ASSETS					
Cash	6,205,465	41%	-6.4%	6,626,341	5,696,300
Term deposit investment	2,300,000	15%	0.0%	2,300,000	3,300,000
Receivables	1,704,682	11%	79.7%	948,481	1,673,458
Advance payment (Prepayment, Deposit, etc)	254,465	2%	203.8%	83,751	133,331
Others	(19,212)	0%	-161.3%	31,366	14,937
TOTAL CURRENT ASSETS	10,445,399	70%	4.6%	9,989,939	10,818,026
NON-CURRENT ASSETS					
Other financial assets	1,222,666	8%	0.0%	1,222,666	1,148,369
Property, plant and equipment	1,602,934	11%	-3.8%	1,667,091	1,494,461
Long term deposit investment	1,700,000	11%	0.0%	1,700,000	2,000,000
TOTAL NON-CURRENT ASSETS	4,525,600	30%	-1.4%	4,589,758	4,642,830
TOTAL ASSETS	14,970,999	100%	2.7%	14,579,696	15,460,856
CURRENT LIABILITIES					
Payables *	479,980	3%	-57.9%	1,139,160	1,458,382
Provisions	907,150	6%	2.1%	888,178	707,834
Unearned revenue	4,596,483	31%	20.4%	3,817,898	4,271,275
TOTAL LIABILITIES	5,983,613	40%	2.4%	5,845,236	6,437,490
EQUITY					
Share capital	1.00	0%	0.0%	1.00	1.00
Reserves	90,827	1%	0.0%	90,827	143,620
Retained earnings	8,896,558	59%	2.9%	8,643,633	8,879,745
TOTAL EQUITY	8,987,386	60%	2.9%	8,734,461	9,023,366
TOTAL LIABILITIES & EQUITY	14,970,999	100%	2.7%	14,579,696	15,460,856

Notes:

For comparison purposes the following exchange rates apply:

- (1) ATO official monthly average rate for February 2008 is 0.922
- (2) ATO official notes spot rate for 31 Dec 2007 was 0.8875 and for 31 Dec 2006 respectively 0.7938

* The significant decrease in Payables in February is primarily due to the payment for the outstanding ICANN contribution fees of \$611,569.62.

2. Profit and Loss Statement

2.1 Expenses

The approved Budget for 2008 has been incorporated into this report and compared with the actual year to date account balances at the end of February 2008.

EXPENSES (AUD)	Feb-08 Actual	YTD Actual	YTD %	Budget 2008	YTD (**) Budget 2008	YTD Budget Variation	YTD Budget Variation %
Bank charges	4,939	12,175	0.9%	83,573	13,929	(1,753)	-12.6%
Communication expenses	14,847	29,658	2.3%	231,783	38,631	(8,973)	-23.2%
Computer expenses	6,897	14,417	1.1%	162,390	27,065	(12,648)	-46.7%
Depreciation expense	51,934	103,968	8.0%	641,480	106,913	(2,946)	-2.8%
Sponsorship and Publicity expenses	315	27,087	2.1%	190,883	31,814	(4,727)	-14.9%
Doubtful debt expenses	0	57	0.0%	20,126	3,354	(3,297)	-98.3%
ICANN contract fee	0	0	0.0%	285,000	47,500	(47,500)	-100.0%
Insurance expense	12,038	21,661	1.7%	121,526	20,254	1,406	6.9%
Meeting and training expense	7,685	7,790	0.6%	183,841	30,640	(22,850)	-74.6%
Membership fees	3,938	8,919	0.7%	69,496	11,583	(2,663)	-23.0%
Miscellaneous expenses	392	693	0.1%	5,534	922	(230)	-24.9%
Office operating expenses	7,794	14,986	1.2%	88,616	14,769	216	1.5%
Postage & delivery	1,793	4,546	0.4%	36,586	6,098	(1,552)	-25.4%
Printing & photocopy	12,145	12,518	1.0%	31,526	5,254	7,264	138.2%
Professional fees	12,238	25,997	2.0%	544,172	90,695	(64,698)	-71.3%
Recruitment expense	25,950	26,032	2.0%	90,503	15,084	10,948	72.6%
Rent and outgoings	40,805	79,720	6.2%	666,245	111,041	(31,321)	-28.2%
Salaries and personnel expenses	370,040	708,906	54.9%	5,402,753	900,459	(191,553)	-21.3%
Staff Training/conference expenses	15,745	20,170	1.6%	84,305	14,051	6,119	43.5%
Tax expense	0	0	0.0%	44,928	7,488	(7,488)	-100.0%
Translation expenses	0	0	0.0%	73,871	12,312	(12,312)	-100.0%
Travel expenses	141,936	173,138	13.4%	1,439,033	239,839	(66,701)	-27.8%
TOTAL EXPENSES	731,431	1,292,437	100.0%	10,498,170	1,749,695	(457,258)	-26.1%

2.2 Revenue

REVENUE (AUD)	Feb-08 Actual	YTD Actual	YTD %	Budget 2008	YTD (**) Budget 2008	YTD Budget Variation	YTD Budget Variation %
Interest income	26,517	38,137	2.5%	721,997	120,333	(82,196)	-68.3%
IP Resource application fees	102,979	191,711	12.4%	963,960	160,660	31,051	19.3%
Membership fees	513,199	1,023,075	66.2%	6,962,908	1,160,485	(137,410)	-11.8%
Non-members fees	10,467	21,661	1.4%	198,316	33,053	(11,392)	-34.5%
Per Allocation fees	175,416	258,017	16.7%	1,912,246	318,708	(60,691)	-19.0%
Reactivation fees	1,268	1,268	0.1%	17,936	2,989	(1,721)	-57.6%
Sundry income	10,739	17,306	1.1%	214,885	35,814	(18,508)	-51.7%
Foreign Exchange gain/(loss)	(6,968)	(5,812)	-0.4%	0	0	(5,812)	0.0%
TOTAL REVENUE	833,617	1,545,362	100.0%	10,992,248	1,832,041	(286,679)	-15.6%

2.3 Operating Profit/ Loss

Revenue and Expenses (AUD)	Feb-08 Actual	YTD Actual	YTD %	Budget 2008	YTD (**) Budget 2008	YTD Budget Variation	YTD Budget Variation %
Total Revenue	833,617	1,545,362	100%	10,992,248	1,832,041	(286,679)	-15.6%
Total Expenses	731,431	1,292,437	100%	10,498,170	1,749,695	(457,258)	-26.1%
OPERATING PROFIT/ (LOSS)	102,185	252,925		494,077	82,346	170,579	10.5%

Notes:

The significant variance of (\$191,553) reported for Salaries and wages is due to the following:

- Significant amounts of annual leave taken by APNIC staff during January, all of which had been accrued and expensed in previous years
- The budget includes allowance for existing positions yet to be filled
- The annual budget includes an allowance for average annual salary movement of 5%

(**) YTD Budget and Variation values are based on a linear prorated calculation of the annual budget.

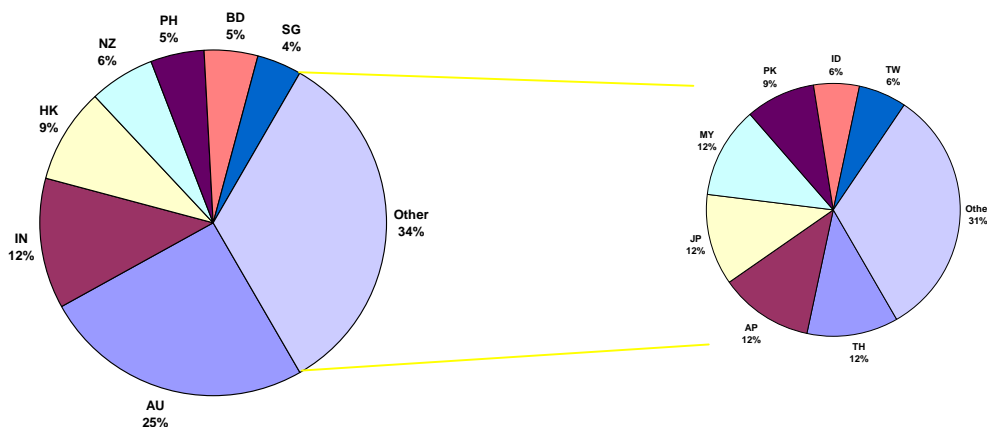
3. Membership

3.1 Membership statistics

At the end of February 2008, APNIC had a total of 1,651 members serving 51 economies. APNIC achieved strong membership growth in February with a net growth of 34 members. There were 41 new members, 8 member accounts were closed, and there was 1 membership reactivated during the month. The Economies in which APNIC has the highest number of members are Australia (441 members), India (202 members), and Hong Kong (147 members).

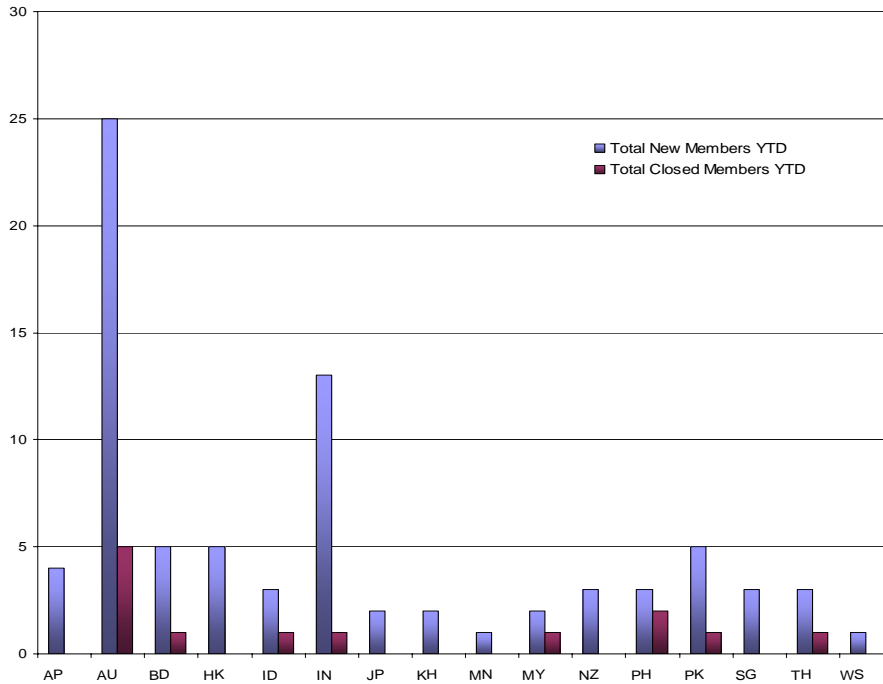
3.1.1 Membership by Economy

The following chart shows APNIC membership distribution by economy.



3.1.2 Year to date movement by Economy

The chart below illustrates by economy, the number of members that have joined or closed their membership in 2008. The highest numbers of new members are from Australia(25), followed by India(13). The majority of the closures relating to Australia are where members are either non contactable, or the business is no longer operating.



3.1.3 Membership by Category

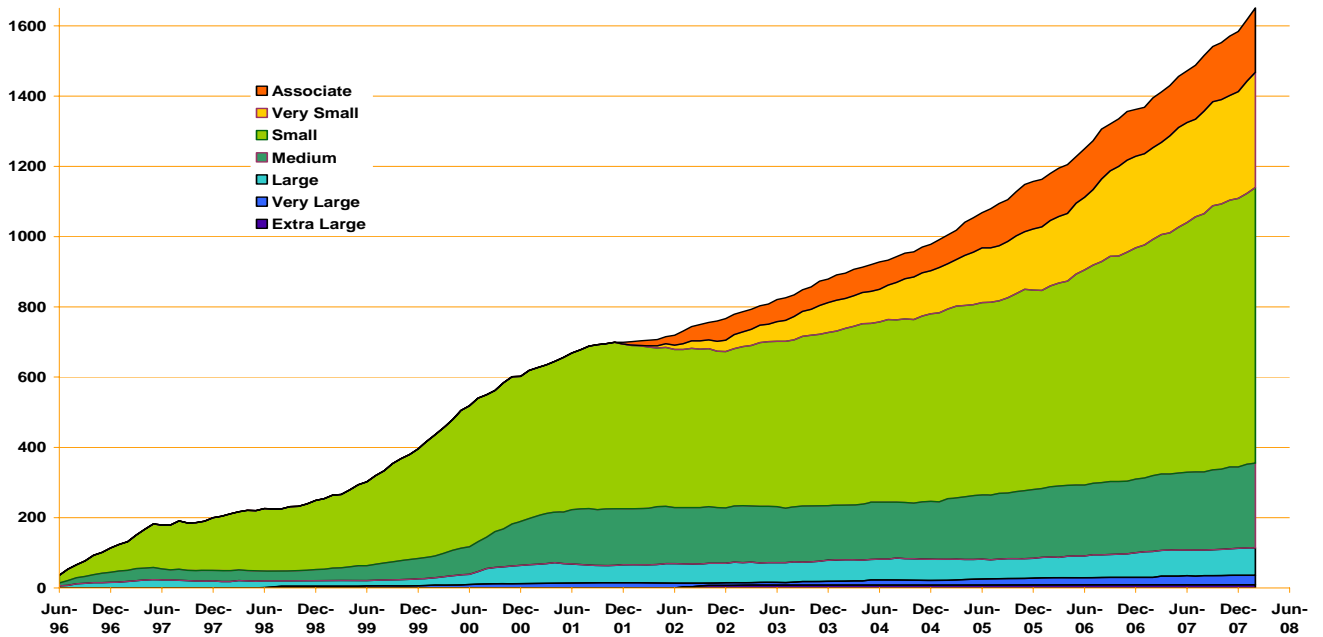
The following table shows the monthly changes in membership and provides an analysis of the membership tiers of APNIC; this table shows that 48% of APNIC members are included in the Small membership tier.

Membership	Total	New	Reactivate	(Closed)	Size	Total YTD	Total YTD (%)
	Jan-08	Feb-08	Feb-08	Feb-08	Change Feb-08	Feb-08	Feb-08
Extra Large	9	0	0	0	0	9	1%
Very Large	27	0	0	0	0	27	2%
Large Member	78	0	0	0	0	78	5%
Medium	238	1	0	(1)	3	241	15%
Small	771	7	1	(1)	7	785	48%
Very Small	319	19	0	(3)	(7)	328	20%
Associate	175	14	0	(3)	(3)	183	11%
TOTAL	1617	41	1	(8)	0	1651	100%

The table below compares the actual growth of membership at the end of February 2008 with the budgeted annual growth on a monthly pro-rata basis.

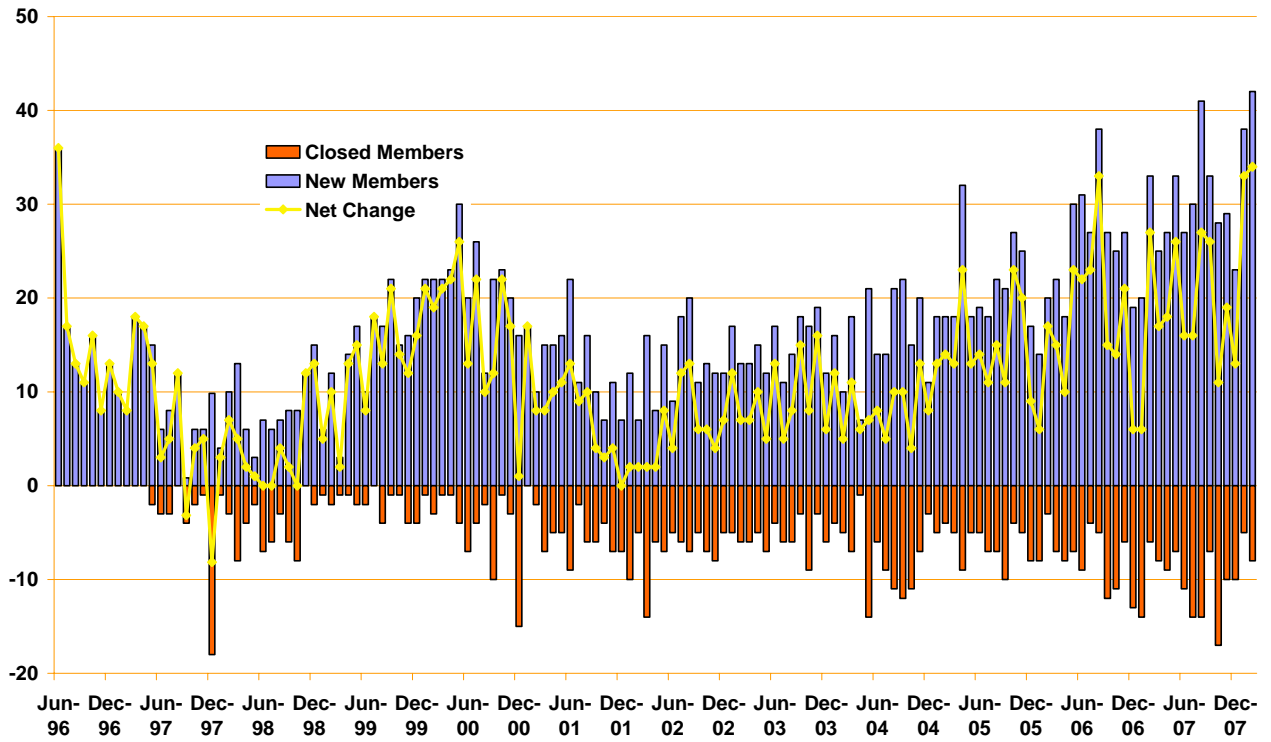
Membership	Actual Total EOY 2007	Actual Total YTD Feb-08	Actual Growth YTD 2008	Budgeted Total EOY 2008	Budgeted Growth EOY 2008	Budgeted Growth YTD (*)	Variation Actual vs. Budget (*)
Extra Large	9	9	0	9	0	0	0
Very Large	27	27	0	34	7	1	-1
Large Member	77	78	1	83	6	1	1
Medium	231	238	7	259	28	2	5
Small	765	771	6	894	129	11	-5
Very Small	304	319	15	405	101	8	7
Associate	171	175	4	219	48	4	0
TOTAL	1584	1617	33	1903	319	27	6

The graph below is based on historical figures of the total number of members since the establishment of APNIC's membership system in 1996. This graph illustrates the strong growth in APNIC membership.



3.1.4 Membership Movement

The graph below illustrates the monthly movements of APNIC membership since 1996.

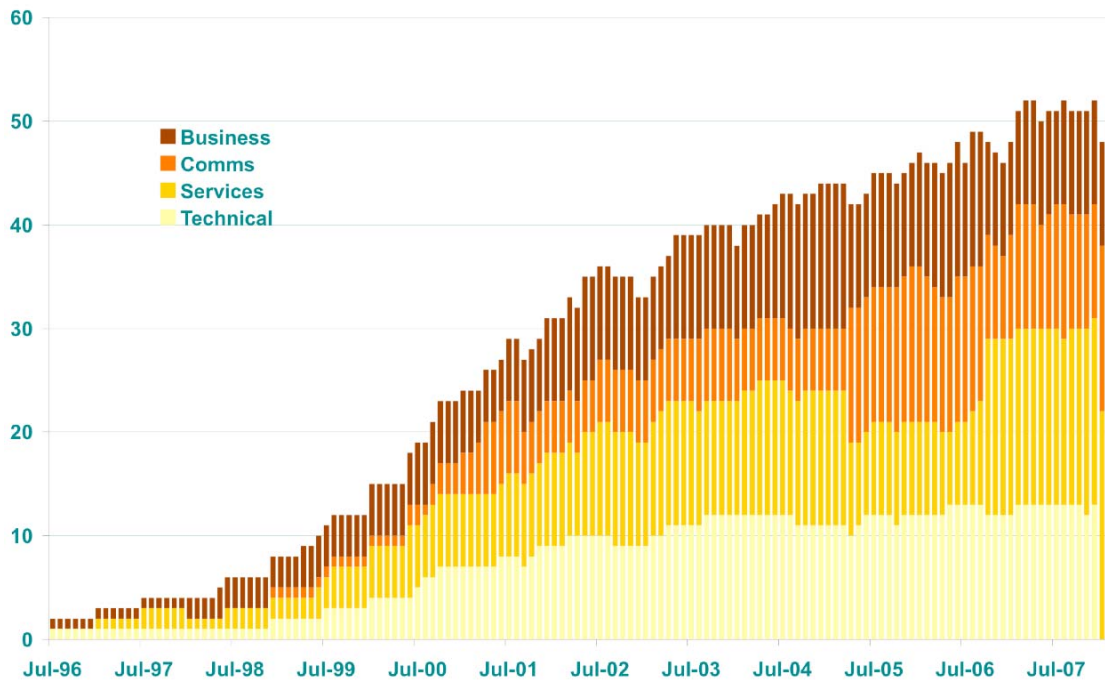


APNIC Staffing Update

Paul Wilson, March 2008

1 Current staff distribution

The following chart shows the complete history of APNIC staff growth, showing the total staff as the sum of staff in each Area.



1.1 Notes

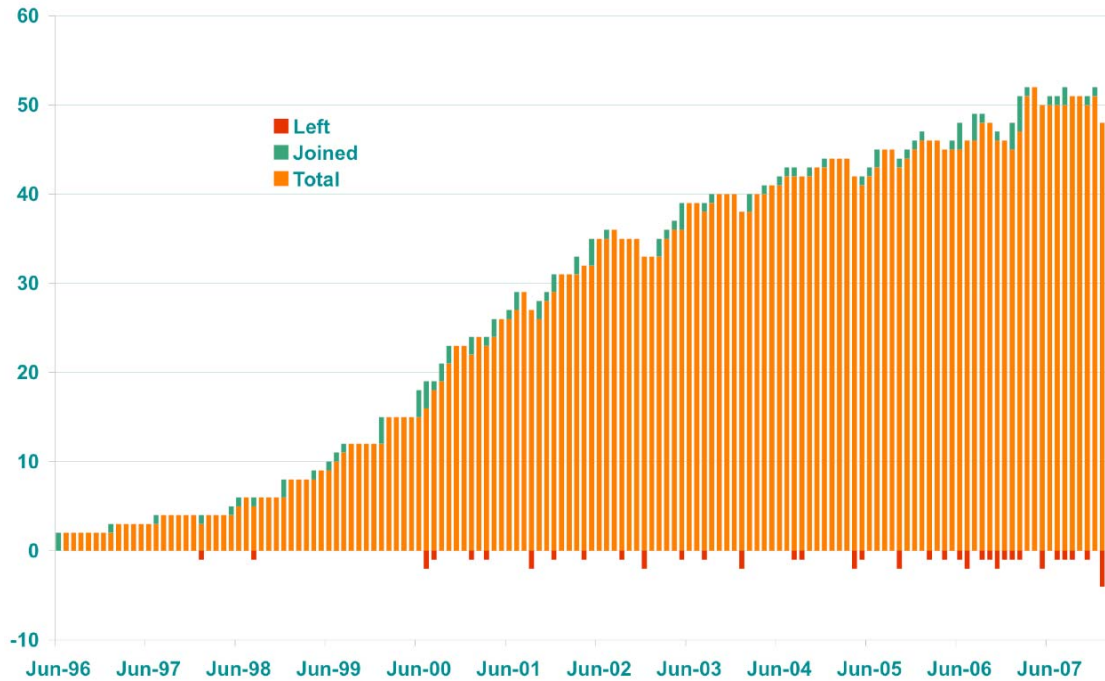
The chart confirms that there was no net staff growth during 2007.

The chart reflects changes to the APNIC structure since the beginning of 2008:

- The former Technical Area has been absorbed into the Services Area;
- The Training Unit (6 staff) was relocated from the Services Area to the Communications Area.

2 Staff Turnover

The following chart shows the history of staff joining and departing from APNIC in each month.



2.1 Notes

The chart confirms higher than usual staff turnover during the past 2 years, averaging just under 1 staff departure per month.

A total of 4 departures occurred in January 2008, while 4 new staff commenced duties.

No staff movements occurred in February 2008.