

2024 Budget Submission

EC Meeting 27 November 2023

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1 Executive Summary

This document contains the APNIC budget submission for the financial year from January to December 2024 as presented to the Executive Council on 27 November 2023. The budget submission includes revenue, expense, and capital expenditure projections based on the planned activities for the APNIC Secretariat for 2024.

The purpose of this budget submission is to allow the APNIC Executive Council to approve an expenditure level for 2024, in the manner as described in the APNIC By-laws:

“to establish the basis for the budget of APNIC and determine, in the light of the decisions taken by the Members on the reports referred to in by-law 5(b) above, a ceiling for the expenditure of APNIC until the next AGM after considering all relevant aspects of the work of APNIC in that period” [APNIC By-laws 30 (g)]

The proposed budget includes expenditure of AUD \$34,567,870 and projected revenue of AUD \$33,332,109 providing an operating deficit of AUD \$1,235,761 for 2024. While APNIC is forecasting an operational deficit for 2024, it is important to highlight that the 2024-27 Strategic Plan has established targets to ensure financial stability over the medium term. APNIC has established initiatives and forecasts to ensure these targets will be met. Further details on the APNIC’s long term forecast can be found in Section 8.

Also included in APNIC’s 2024 budget is \$4,267,584 of APNIC Foundation funded project expenditure. This expenditure is fully offset by an equivalent amount of APNIC Foundation funding revenue, such that APNIC is fully re-imbursed for these project costs.

APNIC’s capital expenditure requirements for 2024 are \$737,700 as outlined in Table 2.2 in Section 2 of this budget submission.

All values in this document are expressed in Australian Dollars (AUD) unless otherwise indicated.

2 Budget Summary

The 2024 budget for revenue and expenses and capital expenditure are included in the tables below:

Amount (AUD)	Budget 2023	Forecast 2023	Budget 2024	FY24 Budget vs
				FY23 Forecast
Membership fees	26,565,676	25,795,051	26,760,390	4%
Non-members fees	267,578	313,264	310,560	-1%
Reactivation fees	22,500	19,200	20,000	4%
Sign-Up fees	294,200	256,410	326,667	27%
Transfer fees	216,251	271,690	218,500	-20%
Sundry income	267,450	630,405	404,680	-36%
Foundation receipts	4,402,418	4,440,934	4,267,584	-4%
Operating Revenue	32,036,073	31,726,954	32,308,381	2%
Investment income	657,100	951,807	1,023,728	8%
TOTAL REVENUE	32,693,173	32,678,760	33,332,109	2%
Bank service fees	261,000	297,015	344,000	16%
Communication expenses	730,600	709,249	718,625	1%
Computer expenses	2,236,814	2,099,482	2,291,963	9%
Foundation funded project expenses	4,402,418	4,440,933	4,267,584	-4%
Depreciation expenses	802,789	692,555	722,414	4%
Doubtful debt expenses	20,000	20,000	20,000	-0%
ICANN contract fees	238,600	244,964	246,200	1%
Insurance expenses	238,899	242,108	268,277	11%
Meeting & training expenses	820,400	781,817	734,100	-6%
Membership fees expenses	72,000	75,609	94,302	25%
Office operating expenses	427,839	391,684	364,762	-7%
Postage & delivery expenses	71,500	48,774	71,400	46%
Printing & photocopy expenses	30,500	33,314	30,000	-10%
Professional fees	1,390,950	1,524,225	1,383,596	-9%
Recruitment expenses	182,500	121,608	165,000	36%
Salaries & personnel expenses	19,054,538	19,120,859	19,923,034	4%
Sponsorship & publicity expenses	782,380	900,092	674,970	-25%
Staff training expenses	268,839	250,707	240,644	-4%
Translation expenses	10,000	9,310	7,000	-25%
Travel expenses	1,750,000	1,785,000	2,000,000	12%
TOTAL EXPENSES	33,792,566	33,789,304	34,567,870	2%
OPERATING SURPLUS/ (DEFICIT)	(1,099,393)	(1,110,544)	(1,235,761)	11%
Revaluation of Financial Assets	0	(413,341)	0	-100%
(DEFICIT) / SURPLUS BEFORE TAX	(1,099,393)	(1,375,905)	(1,235,761)	-10%

Table 2.1 2024 Opex Budget Summary

CAPITAL (AUD)	Budget 2023	Forecast 2023	Budget 2024	FY24 Budget vs
				FY23 Forecast
Equipment & Software	470,700	402,786	717,700	78%
Office Furniture, Fittings & Building Imprc	628,700	24,876	20,000	-20%
TOTAL CAPITAL EXPENDITURE	1,099,400	427,662	737,700	72%

Table 2.2 2024 Capex Budget Summary

3 Budget Preparation Notes

The budget is developed on a zero-based methodology and involves extensive consultation across the organization. There are a range of key inputs which are included in the budget process, including but not limited to the following:

- The 2024 – 2027 Strategic Plan
- The 2024 APNIC Activity Plan
- 2024 priorities as established through the operational planning process
- The APNIC organization structure, HR cost analysis and recruitment plans
- Inflation data and key statistics provided by the Australian Bureau of Statistics
- The asset register and quantity survey reports, forming the basis of depreciation and capital allowances
- Membership projections and associated revenue forecasts derived from analysis of historical membership growth, recent trends and APNIC fee schedules
- Investment return forecasts provided by APNIC's investment advisors
- Activities funded by and undertaken on behalf of the APNIC Foundation

3.1 Projection Techniques

Projections for membership fees are calculated by analysing recent trends in membership activity. A linear projection of membership growth and account closure is used to estimate the incremental growth in revenue for membership fees in 2024.

The following drivers have impacted the membership fees budget for 2024:

- Membership net growth has continued at slower than historical trends throughout 2023. The 2023 trend will impact membership fees for at least the 2024 budget year.
- The share of APNIC membership growth from Least Developed Countries (LDC's) has decreased in 2023 but remains higher than the historical trend. As fees payable by members from LDC's are discounted by 50%, the average membership fee from new members is decreasing.
- Average fees per member has continued to decrease in 2023. Average fees per new member is consistent with the resource allocations from the last /8 and the IANA reclaimed pool. There have been no changes to fees included in the assumptions for the 2024 budget submission.

Investment income predictions are based on forecasts provided by APNIC's investment advisors across the range of investment categories set out in APNIC's Investment Policy. Interest income is based on analysis of APNIC's existing cash deposits, the contracted rates and maturity dates for fixed deposits. Estimates of interest from the current account are based on current returns.

APNIC's ERP system allows for the verification of all current approved spending commitments. This data is combined with new planned expenditure in 2024.

A headline Consumer Price Index (CPI) inflation rate of 5.4% was recorded for the 12 months ending September 2023 (2022: 7.3%). Forecast CPI for the 12 months ending December 2024 is expected to be 3.5% (2023: 4.5%). An aggregate average annual CPI inflation rate of 4% has been used throughout this submission where there is cost uncertainty for 2024. (Sources: ABS, RBA)

Wage Price Index (WPI) inflation of 4.0% has been used in this submission for salary & personnel cost growth estimates. (Sources: Korn Ferry, RBA).

3.2 APNIC's Taxation Status

APNIC's taxation status as a "Mutual Organisation" by way of a Private Ruling from the Australian Taxation Office (ATO) was re-confirmed in December 2022 for five years ending 30 June 2027.

4 Revenue

The table below tracks APNIC's revenue from 2020 through to the forecast for 2023 and the budget submission for 2024.

REVENUE (AUD)	Actual 2020	Actual 2021	Actual 2022	Forecast 2023	Budget 2024	FY24 Budget vs FY23 Forecast
Membership fees	22,766,728	24,252,513	24,717,563	25,795,051	26,760,390	3.7%
Non-members fees	260,483	257,209	259,616	313,264	310,560	-1%
Reactivation fees	18,400	22,400	18,800	19,200	20,000	4%
Sign-Up fees	347,250	302,750	258,750	256,410	326,667	27%
Transfer fees	216,016	244,156	177,643	271,690	218,500	-20%
Sundry income	314,749	22,516	372,917	630,405	404,680	-35.8%
Foundation receipts	147,110	453,956	3,702,680	4,440,934	4,267,584	-4%
Operating Revenue	24,070,736	25,555,500	29,507,969	31,726,954	32,308,381	2%
Investment income	924,590	865,457	771,547	951,807	1,023,728	8%
TOTAL REVENUE	24,995,326	26,420,957	30,279,516	32,678,760	33,332,109	2%
Change	7.4%	5.7%	14.6%	7.9%	2.0%	

Table 4.1 Revenue over time

2024 revenue budget growth % excluding impacts of receipts from APNIC Foundation is 2.9% (2023: 6.2%)

4.1 Membership Fees

4.1.1 Membership growth

The 2024 membership budget has been built using modelling techniques adopted in previous budget cycles. Projections for membership fees are calculated by analysing recent trends in membership activity. A linear projection of membership growth and account closures is used to estimate the incremental growth in revenue for membership fees in 2024. 2024 membership growth excludes the impacts of one-off impacts associated with the historical resources transition project and adjustments arising from the change in member recognition date (see further details below).

APNIC is forecast to deliver annualized net membership growth (new & re-activated members less closures) of 3.7% in 2024 vs 4.4%¹ in 2023. The decline in net membership growth is driven primarily through an increase in account closures, brought about by merger and acquisition activity.

Additional sensitivity analysis has been performed and is included in Section 4.1.2 below to illustrate the potential impacts on membership revenue if the actual growth of membership in 2024 varies from the assumptions included in the budget.

¹ Actual 2023 member growth of 7.4% has been adjusted to exclude one-off impacts of the HRM project and change in member recognition from "invoice paid" date to "invoice issuance" date. The adjusted growth % of 4.4% better reflects growth trend in a normal year of operation.

The table below shows membership growth since 2020:

Member Count	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Budget
Extra Large	26	26	27	27	27
Very Large	48	49	49	45	45
Large	143	151	158	169	176
Medium	521	548	571	594	609
Small	3,685	3,733	3,767	3,824	3,862
Very Small	3,778	4,126	4,388	4,673	4,864
Associate	140	135	308	489	610
TOTAL	8,341	8,768	9,268	9,953	10,326
New, Reactivations & Adjustments*	833	770	674	965	764
HRM	0	0	150	116	0
Closed	-268	-343	-324	-397	(391)
NET GROWTH	565	427	500	685	373
Average Monthly Gain	47	36	42	57	31
Average Monthly Gain (excluding HRM)	47	36	29	47	31

*Reactivations and adjustments include Non-Member to Member transitions and a one-off adjustment to the member recognition principle from "invoice paid" date to "invoice issuance" date. This was done to better align membership recognition with revenue recognition.

Table 4.2 Membership growth over time

LDC Membership Share

In recent years APNIC has reported an increasing share of member growth from LDC economies, however the trend has stabilized throughout 2023 year to date, with 28.9% of all new members eligible for the LDC discount, compared to the budget assumption of 37.4%. The calculation for LDC share of new members excludes the impact of the historical resources transition project and therefore reflects normal growth trends.

Fees payable by members from LDC's is discounted by 50%.

Fee Structure & fees from New Members

The budget for Member fees is established using APNIC's fee structure whereby a Member's Annual Fee is determined by the (fractional) number of bits of address space (v4 or v6) held, and is calculated as follows:

- Annual Fee = (Base Fee) x (Bit Factor)^(Address Bits)
- For APNIC Members, the Annual Fee parameters are as follows:
 - Base Fee = AUD 1,180
 - Bit Factor = 1.31

In 2023, average fees per new members is \$1,235 compared to the budget assumption of \$1,255. The decrease in fees per new member is consistent with the resource allocations from the last /8 and the IANA reclaimed pool, and for discounts applied to new Members from LDC's

4.1.2 Membership and Sign-Up fee Revenue – sensitivity analysis

The table below illustrates the potential impact on membership revenue if the actual growth of membership in 2024 varies from the assumptions included in the budget. Based on analysis of recent trends, it is forecast that 764 new Members will join APNIC in 2024 (64 per month). The average annual fee a new Member will pay is estimated at \$1,235 which accounts for allocations from the last /8 and the IANA reclaimed pool, and for discounts applied to new Members from LDC's.

New Members	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
LDC	18	18	18	18	18	18	18	18	18	18	18	18	221
Non LDC	45	45	45	45	45	45	45	45	45	45	45	45	543
Total New	64	64	64	64	64	64	64	64	64	64	64	64	764

Membership Fees from new Members	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Impact of 30% More new Members	\$ 1,966	\$ 3,932	\$ 5,898	\$ 7,865	\$ 9,831	\$ 11,797	\$ 13,763	\$ 15,729	\$ 17,695	\$ 19,661	\$ 21,628	\$ 23,594	\$ 153,359
Impact of 20% More new Members	\$ 1,311	\$ 2,622	\$ 3,932	\$ 5,243	\$ 6,554	\$ 7,865	\$ 9,175	\$ 10,486	\$ 11,797	\$ 13,108	\$ 14,418	\$ 15,729	\$ 102,240
Impact of 10% More new Members	\$ 655	\$ 1,311	\$ 1,966	\$ 2,622	\$ 3,277	\$ 3,932	\$ 4,588	\$ 5,243	\$ 5,898	\$ 6,554	\$ 7,209	\$ 7,865	\$ 51,120
Membership Fees from new Members	\$ 6,554	\$ 13,108	\$ 19,661	\$ 26,215	\$ 32,769	\$ 39,323	\$ 45,877	\$ 52,431	\$ 58,984	\$ 65,538	\$ 72,092	\$ 78,646	\$ 511,198
Impact of 10% Less new Members	\$ (655)	\$ (1,311)	\$ (1,966)	\$ (2,622)	\$ (3,277)	\$ (3,932)	\$ (4,588)	\$ (5,243)	\$ (5,898)	\$ (6,554)	\$ (7,209)	\$ (7,865)	\$ (51,120)
Impact of 20% Less new Members	\$ (1,311)	\$ (2,622)	\$ (3,932)	\$ (5,243)	\$ (6,554)	\$ (7,865)	\$ (9,175)	\$ (10,486)	\$ (11,797)	\$ (13,108)	\$ (14,418)	\$ (15,729)	\$ (102,240)
Impact of 30% Less new Members	\$ (1,966)	\$ (3,932)	\$ (5,898)	\$ (7,865)	\$ (9,831)	\$ (11,797)	\$ (13,763)	\$ (15,729)	\$ (17,695)	\$ (19,661)	\$ (21,628)	\$ (23,594)	\$ (153,359)

Sign-Up Fees from new Members	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Impact of 30% More new Members	\$ 8,167	\$ 8,167	\$ 8,167	\$ 8,167	\$ 8,167	\$ 8,167	\$ 8,167	\$ 8,167	\$ 8,167	\$ 8,167	\$ 8,167	\$ 8,167	\$ 98,000
Impact of 20% More new Members	\$ 5,444	\$ 5,444	\$ 5,444	\$ 5,444	\$ 5,444	\$ 5,444	\$ 5,444	\$ 5,444	\$ 5,444	\$ 5,444	\$ 5,444	\$ 5,444	\$ 65,333
Impact of 10% More new Members	\$ 2,722	\$ 2,722	\$ 2,722	\$ 2,722	\$ 2,722	\$ 2,722	\$ 2,722	\$ 2,722	\$ 2,722	\$ 2,722	\$ 2,722	\$ 2,722	\$ 32,667
Sign-Up Fees from new Members	\$ 27,222	\$ 27,222	\$ 27,222	\$ 27,222	\$ 27,222	\$ 27,222	\$ 27,222	\$ 27,222	\$ 27,222	\$ 27,222	\$ 27,222	\$ 27,222	\$ 326,667
Impact of 10% Less new Members	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (2,722)	\$ (32,667)
Impact of 20% Less new Members	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (5,444)	\$ (65,333)
Impact of 30% Less new Members	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (8,167)	\$ (98,000)

Total Fees from new Members	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Impact of 30% More new Members	\$ 10,133	\$ 12,099	\$ 14,065	\$ 16,031	\$ 17,997	\$ 19,964	\$ 21,930	\$ 23,896	\$ 25,862	\$ 27,828	\$ 29,794	\$ 31,760	\$ 251,359
Impact of 20% More new Members	\$ 6,755	\$ 8,066	\$ 9,377	\$ 10,688	\$ 11,998	\$ 13,309	\$ 14,620	\$ 15,931	\$ 17,241	\$ 18,552	\$ 19,863	\$ 21,174	\$ 167,573
Impact of 10% More new Members	\$ 3,378	\$ 4,033	\$ 4,688	\$ 5,344	\$ 5,999	\$ 6,655	\$ 7,310	\$ 7,965	\$ 8,621	\$ 9,276	\$ 9,931	\$ 10,587	\$ 83,786
Fees from new Members	\$ 33,776	\$ 40,330	\$ 46,884	\$ 53,438	\$ 59,991	\$ 66,545	\$ 73,099	\$ 79,653	\$ 86,207	\$ 92,760	\$ 99,314	\$ 105,868	\$ 837,865
Impact of 10% Less new Members	\$ (3,378)	\$ (4,033)	\$ (4,688)	\$ (5,344)	\$ (5,999)	\$ (6,655)	\$ (7,310)	\$ (7,965)	\$ (8,621)	\$ (9,276)	\$ (9,931)	\$ (10,587)	\$ (83,786)
Impact of 20% Less new Members	\$ (6,755)	\$ (8,066)	\$ (9,377)	\$ (10,688)	\$ (11,998)	\$ (13,309)	\$ (14,620)	\$ (15,931)	\$ (17,241)	\$ (18,552)	\$ (19,863)	\$ (21,174)	\$ (167,573)
Impact of 30% Less new Members	\$ (10,133)	\$ (12,099)	\$ (14,065)	\$ (16,031)	\$ (17,997)	\$ (19,964)	\$ (21,930)	\$ (23,896)	\$ (25,862)	\$ (27,828)	\$ (29,794)	\$ (31,760)	\$ (251,359)

Table 4.3 Sensitivity analysis – Membership growth

The average value of closed accounts is estimated at \$2,203 and on average, 33 account closures are expected each month. In 75% of cases, resources are returned to APNIC. The table below illustrates the impact on Membership revenue if the actual number of membership closures in 2024 varies from the assumptions included in the budget.

Account Closures	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Membership Accounts	-33	-33	-33	-33	-33	-33	-33	-33	-33	-33	-33	-33	-391

Reduction in Membership Fees from account closures	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Impact of 30% Less closures	\$ 1,793	\$ 3,586	\$ 5,379	\$ 7,173	\$ 8,966	\$ 10,759	\$ 12,552	\$ 14,345	\$ 16,138	\$ 17,931	\$ 19,725	\$ 21,518	\$ 139,865
Impact of 20% Less closures	\$ 1,195	\$ 2,391	\$ 3,586	\$ 4,782	\$ 5,977	\$ 7,173	\$ 8,368	\$ 9,563	\$ 10,759	\$ 11,954	\$ 13,150	\$ 14,345	\$ 93,243
Impact of 10% Less closures	\$ 598	\$ 1,195	\$ 1,793	\$ 2,391	\$ 2,989	\$ 3,586	\$ 4,184	\$ 4,782	\$ 5,379	\$ 5,977	\$ 6,575	\$ 7,173	\$ 46,622
Reduction in fees from closures	\$ (5,977)	\$ (11,954)	\$ (17,931)	\$ (23,909)	\$ (29,886)	\$ (35,863)	\$ (41,840)	\$ (47,817)	\$ (53,794)	\$ (59,771)	\$ (65,748)	\$ (71,726)	\$ (466,216)
Impact of 10% More closures	\$ (598)	\$ (1,195)	\$ (1,793)	\$ (2,391)	\$ (2,989)	\$ (3,586)	\$ (4,184)	\$ (4,782)	\$ (5,379)	\$ (5,977)	\$ (6,575)	\$ (7,173)	\$ (46,622)
Impact of 20% More closures	\$ (1,195)	\$ (2,391)	\$ (3,586)	\$ (4,782)	\$ (5,977)	\$ (7,173)	\$ (8,368)	\$ (9,563)	\$ (10,759)	\$ (11,954)	\$ (13,150)	\$ (14,345)	\$ (93,243)
Impact of 30% More closures	\$ (1,793)	\$ (3,586)	\$ (5,379)	\$ (7,173)	\$ (8,966)	\$ (10,759)	\$ (12,552)	\$ (14,345)	\$ (16,138)	\$ (17,931)	\$ (19,725)	\$ (21,518)	\$ (139,865)

Table 4.3 Sensitivity analysis – Membership closures

4.2 Other Member Revenues

4.2.1 Non-Member Fees

Fees from Non-Member account holders continue to be stable and it is anticipated that in 2023 that there will be minimal change to this revenue for this item.

4.2.2 Reactivation Fees

Reactivation Fees are charged to Members to reactivate their accounts after closure. It is difficult to predict with certainty the level of account reactivations that will occur in any one period however, reactivation fees form a very small portion of member revenues. The budget estimate for reactivation fees is in line with the 2023 forecast.

4.2.3 Sign-up Fees

Sign-Up fees are directly related to membership growth as outlined in table 4.2 above. The Sign-Up fee is \$500 and is discounted by 50% for LDC economies, currently making up 28.9% of new members. The effect of a variance to the budget assumptions for membership growth for this revenue item is outlined above in 4.1.2.

4.2.4 Transfer Fees

Transfer fees equivalent to 20% of the annual resource holding fee is charged to the source resource holder on transfer of resources. Transfer activity increased in 2023, but remains difficult to predict with certainty. The budget estimate for 2024 is based on a long term average.

4.3 Sundry Income

Sundry income includes revenue from external training, conference registrations, sponsorships, grants & third-party funding, and foreign exchange gains / losses.

APNIC has a low exposure to currency variations as all fees from members and most expenses in running APNIC's operations are paid in Australian dollars. It is not possible to forecast the total gain or loss on foreign exchange translation, therefore the budget variance has been set as zero.

The total 2024 budget provision for Sundry Income is \$404,680 (Forecast 2023: \$618,340), which is a year-on-year decrease of 34.6%.

Major budget provisions include:

Description		FY23 Forecast	FY24 Budget
External training receipts - Members/Non-Members		\$ 12,000	\$ 12,000
Conference registration receipts - Members/Non-Members		\$ 41,310	\$ 12,000
Conference sponsorship		\$ 342,415	\$ 195,000
Research grants		\$ 173,162	\$ 85,680
Third party training funding		\$ 26,042	\$ 100,000
Foreign exchange gains / losses		\$ 23,410	\$ -
TOTAL		\$ 618,340	\$ 404,680

4.4 APNIC Foundation Receipts

Foundation receipts includes all funds received from the APNIC Foundation in respect of projects to be delivered by APNIC. Foundation receipts are offset by a corresponding expenditure budget line 'Foundation funded project expenses'.

Foundation receipts and Foundation funded project expenses are reported as separate line items in APNIC's financial statements to provide transparency over the activities of APNIC that are funded by the APNIC Foundation.

The activities to be funded by the APNIC Foundation are outlined below in Section 7.

4.5 Investment Income

APNIC's investment portfolio has increased by 0.58% in 2023 due to ongoing market volatility which in turn has impacted investment returns. Investment income projections for 2024 have been based on advice from APNIC's investment advisors. Interest on cash deposits not held in the fund are forecast to achieve 5.1% in 2024, which is an increase from 3.95% included in the previous year's budget submission.

5 Expenses

The tables below set out APNIC's expenses since 2020, with more detail of the major expenses included below:

EXPENSES (AUD)	Actual 2020	Actual 2021	Forecast 2022	Forecast 2023	Budget 2024	FY24 Budget vs FY23 Forecast
Bank service fees	241,477	259,116	275,982	297,015	344,000	16%
Communication expenses	697,060	634,015	633,469	709,249	718,625	1%
Computer expenses	1,216,809	1,514,823	1,883,390	2,099,482	2,291,963	9%
Contribution to APNIC Foundation	760,890	0	0	0	0	0%
Foundation funded project expenses	0	0	3,702,680	4,440,933	4,267,584	0%
Depreciation expenses	707,658	652,408	652,215	692,555	722,414	4%
Doubtful debt expenses	-733	13,413	-23,995	20,000	20,000	-0%
ICANN contract fees	223,432	197,515	231,762	244,964	246,200	1%
Insurance expenses	229,242	224,060	255,322	242,108	268,277	11%
Meeting & training expenses	135,335	88,785	597,066	781,817	734,100	-6%
Membership fees expenses	62,381	62,720	74,398	75,609	94,302	25%
Office operating expenses	290,543	367,000	611,541	391,684	364,762	-7%
Postage & delivery expenses	26,198	11,674	36,236	48,774	71,400	46%
Printing & photocopy expenses	32,428	22,109	26,078	33,314	30,000	-10%
Professional fees	1,932,613	2,212,254	1,971,461	1,524,225	1,383,596	-9%
Recruitment expenses	165,662	297,997	445,725	121,608	165,000	36%
Salaries & personnel expenses	14,070,813	15,707,940	16,887,009	19,120,859	19,923,034	4%
Sponsorship & publicity expenses	437,724	315,397	639,979	900,092	674,970	-25%
Staff training expenses	218,474	149,705	287,933	250,707	240,644	-4%
Translation expenses	3,007	22,867	21,395	9,310	7,000	-25%
Travel expenses	331,259	65,455	1,370,504	1,785,000	2,000,000	12%
TOTAL EXPENSES	21,782,270	22,819,252	30,580,151	33,789,304	34,567,870	2%
Change	-5.2%	4.8%	34.0%	10.5%	2.3%	

2024 expense budget growth % excluding impacts of APNIC Foundation funding is 3.2% (2023: 9.2%)

Table 5.1 Expenses over time

5.1 Communication expenses

Communication expenses include data network expenses, Internet connectivity expenses, telephony and mobile phone expenses. The major contributors to costs are the ongoing cost of the network connections and the cost of rack-space in the co-locations that are critical to APNIC's network resilience.

The total 2024 budget provision for Communication expenses is \$718,625 (Forecast 2023: \$709,249), which is a year-on-year increase of 1.3%.

Major budget provisions include:

Description	FY23 Forecast	FY24 Budget
Communication Data centre rack hire & cross connects	225,017	225,180
Communication Data network/ service monitoring & alerting	43,739	67,000
Communication DNS anycast & regional whois cloud hosting	114,795	90,000
Communication Network equipment support & maintenance	120,770	130,000
Communication Transit/ Peering/ Virtual interconnections	194,416	195,310
Sundry Expenses <\$10,000	10,512	11,135
TOTAL	\$ 709,249	\$ 718,625

5.2 Computer Expenses

Computer expenses include all non-capital purchases of equipment, consumables, license and support fees for hardware and software. In many cases APNIC continues to benefit from non-profit pricing plans for the software and licensing that it uses. In 2024, APNIC will review its application architecture and approach to licensing to ensure that systems are fit for purpose and deployed efficiently throughout the organization. APNIC will continue to focus on security, resilience, and availability especially for highly critical services.

The total 2024 budget provision for Computer expenses is \$2,291,963 (Forecast 2023: \$2,099,482), which is a year-on-year increase of 9.2%. APNIC procures equipment, consumables, licenses and support fees on behalf of APNIC Foundation. These expenses are on-charged to the APNIC Foundation on a cost recovery basis. The expenses stated below are net of \$155,278 of cost recoveries from APNIC Foundation.

Major budget provisions include:

Description	FY23 Forecast	FY24 Budget
Computer Zoom video conferencing license	64,560	64,730
Computer Salesforce licence	180,518	182,000
Computer Cloudflare Licence	129,005	130,000
Computer SSO APNIC Login	66,575	66,000
Computer NetSuite license	183,104	204,000
Computer SSO LifeCycle Okta	55,960	60,000
Computer Security Compliance Tool	0	54,264
Computer Data Warehouse Licenses	163,643	164,280
Computer Neo4J license	52,006	54,460
Computer HRIS Licences	76,030	60,000
Computer Cloud infrastructure	310,167	276,000
Computer CentOS upgrade path	40,300	95,000
Computer HackerOne VRP & BBP program	83,066	94,700
Sundry Expenses <\$50,000	694,549	786,529
TOTAL	\$ 2,099,482	\$ 2,291,963

5.3 Foundation funded project expenses

Foundation funded project expenses includes all funds spent on projects delivered by APNIC on behalf of the APNIC Foundation. Foundation funded project expenses are offset by a corresponding revenue budget line 'Foundation receipts'.

Foundation receipts and Foundation funded project expenses are reported as separate line items in APNIC's financial statements to provide transparency over the activities of APNIC that are funded by the APNIC Foundation.

The activities to be funded by the APNIC Foundation are outlined below in Section 7.

5.4 Depreciation

Depreciation expenses are budgeted based on analysis of the existing depreciation and capital allowance schedules, including anticipated depreciation based on Capital Expenditure planned for 2024.

APNIC's capitalization threshold for new assets is \$1,000. The depreciation amounts budgeted for 2024 are:

- Equipment depreciation – \$645,168
- Capital works allowances - 6 Cordelia Street – \$77,246

The total 2024 budget provision for depreciation is \$722,414 (Forecast 2022: \$692,555), which is a year-on-year increase of 4.3%.

5.5 Meeting & Training Expenses

Meeting and training expenses include all costs incurred in running APNIC meetings, conferences, and training events. This expense category includes venue and equipment hire, catering and social events.

The major contributors to this expense are the APNIC conferences. For budgeting purposes, it has been assumed that APNIC57 will be hosted in Bangkok, Thailand and APNIC58 will be hosted in Wellington, New Zealand.

The total 2024 budget provision for Meeting & Training expenses is \$734,100 (Forecast 2023: \$781,817), which is a year-on-year reduction of 6.1%.

Major planned expenditure includes:

Description	FY23 Forecast	FY24 Budget
Meeting Corporate Staff events	30,003	45,000
Meeting APNIC APRICOT Closing Dinner sponsorship	30,000	32,000
Meeting APNIC Conference Closing dinner	34,427	37,000
Meeting APNIC Conference Opening reception	63,861	50,000
Meeting APNIC Conference Workshop week closing dinner	7,360	13,000
Meeting APNIC Conference AV rental	156,174	140,000
Meeting APNIC Conference signage	24,174	15,000
Meeting APNIC APRICOT APIX event	9,830	11,000
Meeting APNIC APRICOT Conference package	0	15,000
Meeting APNIC Conference week venue hire and catering	205,122	144,000
Meeting APNIC Conference Workshop week venue hire and catering	36,670	48,000
Meeting APRICOT APNIC AGM Room and catering	33,880	35,000
Meeting Services outreach exhibition	20,139	34,000
Sundry Expenses <\$10,000	130,178	115,100
TOTAL	\$ 781,817	\$ 734,100

5.6 Office Operating Expenses

Office Operating Expenses include all the costs associated with maintaining APNIC's office at 6 Cordelia St, Brisbane. The total 2024 budget provision for Office Operating Expenses is \$364,762 (Forecast 2023: \$391,684), which is a year-on-year decrease of 6.9%. The expenses stated below are net of \$85,248 of recharges to APNIC Foundation.

Major planned expenditure includes:

Description	FY23 Forecast	FY24 Budget
Office Cleaning	76,672	84,000
Office Electricity	50,026	52,000
Office BCC rates	42,500	44,000
Office Kitchen supplies and catering	56,458	60,000
Office General maintenance and repairs	57,772	50,000
Rent Canberra office	10,623	16,200
Office Land tax	52,750	55,308
Sundry Expenses <\$10,000	44,883	3,254
TOTAL	\$ 391,684	\$ 364,762

5.7 Professional fees

Professional Fees includes all contractor and consultant services and advisory. APNIC continues to use contractor arrangements for services that do not require full-time in-house resources, delivery of discreet projects and some international arrangements where employment arrangements are not practical. APNIC uses consultant services for specialist legal advice, statutory audit, tax compliance, and other professional services where APNIC does not retain in house expertise.

Revision of service needs against the 2024 Activity Plan has resulted in a decrease in professional fees. The total 2024 budget provision for professional fees is \$1,383,596 (Forecast 2023: \$1,524,225), which is a year-on-year decrease of 9.2%.

Major planned expenditure includes:

Description	FY23 Forecast	FY24 Budget
Professional Survey expenses	0	86,000
Professional iTank design consultancy	134,467	141,371
Professional Legal fees	258,014	136,925
Professional Lab research consultancy	235,269	247,100
Professional Audit fees	58,740	60,000
Professional Financial and tax advice	53,000	75,000
Professional NetSuite consultant support	30,000	60,000
Professional HR consulting	180,000	60,000
Professional 59s Tier 1 support improvement	0	96,000
Professional Online Community Platform	0	120,000
Sundry Expenses <\$50,000	574,735	301,200
TOTAL	\$ 1,524,225	\$ 1,383,596

5.8 Salaries & Personnel Expense

Salary and personnel expenses will increase by 4.2% in 2024 compared to the forecast expenditure for 2023. The assumptions included in the budget are:

- The 2023 baseline headcount adjusted for:

- Reduction of 4 FTE's through redundancies and role consolidations (2024 impact: \$585,107)
- Increase of 3.44 FTE's previously funded by APNIC Foundation now to be funded by APNIC (2024 impact: \$513,052 increase)
- Creation of an Engagement Operations Manager role (No increase to headcount. The role will be managed through a role reclassification process)
- No other planned headcount adjustments
- Employer Superannuation contributions will increase from 11% to 11.5% in July 2024
- All other established statutory payments, entitlements, allowances and bonus provisions will continue
- All permanent staff will take 3.5 weeks of annual leave
- The overall allowance for salary increases resulting from role changes and annual performance reviews will be set at 4.0%. This is based benchmarks outlined in the '*Korn Ferry Movements & Forecast Report*'

For completeness, Table 5.2 below shows the APNIC and APNIC Foundation headcounts planned for 2024 vs. the headcount forecast at 31 December 2023. Only the APNIC headcount is relevant for this budget submission.

2023 vs 2024 Headcount Reconciliation	APNIC	APNIC Staff Foundation Funded*	APNIC Foundation	Other**	TOTAL
2023 Workforce	110	19	9	3	141
Increase	4	0	0	0	4
Decrease	-4	-4	0	0	-8
2024 Workforce	110	15	9	3	137

*All APNIC resources, funded by APNIC Foundation including for delivery of non-APNIC projects

**Resources funded by APNIC on behalf of NRO and APIDT

Table 5.2 2024 Workforce

Table 5.3 below shows the reconciliation of salary and wages expenditure from 2023 forecast to 2024 budget (APNIC only).

2023 vs 2024 Salaries & Personnel expenses reconciliation	Note	Amount	% of 2023 Baseline
2023 forecast salary & personnel costs		19,120,859	
Allowance for salary and statutory Superannuation increases		\$ 812,637	4.3%
Role redundancies and reclassifications	1	-\$ 594,998	-3.1%
Roles previously funded by APNIC Foundation	2	\$ 513,052	2.7%
Ancillary costs	3	\$ 71,484	0.4%
2024 budget salary & personnel costs		19,923,034	104.2%

Note 1 - Reduction of 4 FTE's through redundancies and role consolidations

Note 2 - Increase of 3.44 FTE's previously funded by APNIC Foundation now to be funded by APNIC

Note 3 - Allowance for increases to Work Cover, Income Protection and other overheads

Table 5.3 2024 Salary & Personnel expenses

5.9 Sponsorship & Publicity Expense

Sponsorship and publicity expenses includes APNIC's contributions to the NRO and sponsorship of NOG's and other community events. In 2024, APNIC's commitment to ongoing work of the NRO includes additional investment into the delivery of the NRO strategic plan.

The total 2024 budget provision for Sponsorship & publicity expenses is \$674,970 (Forecast 2023: \$900,092), which is a year-on-year decrease of 25.0%.

Major planned expenditure includes:

Description	FY23 Forecast	FY24 Budget
Publicity General promotional item	55,602	40,000
Publicity Google PPC advertising	90,000	90,000
Publicity APNIC conference fellowships (i)	80,010	70,000
Publicity NRO expenses	442,871	265,970
Publicity Sponsorships for NOGs/Peering/Security	115,000	115,000
Publicity Community/ non-technical sponsorship	61,199	62,000
Sundry Expenses <\$10,000	55,410	32,000
TOTAL	\$ 900,092	\$ 674,970

5.10 Travel Expenses

2023 represented the first full year of travel for APNIC, following the COVID-19 pandemic. While capacity gradually returns to the market, the cost of travel remains volatile and unpredictable. APNIC are actively managing its travel expenses both through trip frequency and trip costs. The assumptions included in the budget are:

- All conference travel will be in economy class
- All regional travel will be in economy class
- All travel booking fees, International SOS and other overheads are included in the travel budget
- All APNIC EC, SIG Chair and NRO NC travels are included in the travel budget
- APNIC Foundation funded project travel is included in Foundation funded project expenses and has been excluded from the APNIC travel budget
- Professional development travel is included in APNIC's training & professional development budget and has been excluded from the APNIC travel budget
- Frequent ongoing review of planned travel will continue to ensure that all trips are justified under the APNIC Activity Plan and aligned with the budget assumptions

APNIC has set aside an initial budget provision of \$2,000,000 for travel during 2024 (Forecast 2023: \$1,785,000), which is a year-on-year increase of 12%. The budget has been allocated across business areas based on 2023 travel patterns.

5.11 Other Expenses

Other expenses included in APNIC's budget submission include bank service fees, doubtful debts, ICANN contract fees, insurance expenses, membership fees, postage & delivery, printing & photocopy, recruitment expense, staff training expense, and translation expenses.

The total 2024 budget provision for Other expenses is \$1,486,823 (Forecast 2023: \$1,343,409), which is a year-on-year increase of 10.7%.

Major planned expenditure includes:

Description	FY23 Forecast	FY24 Budget
ICANN Contribution	244,964	246,200
Insurance Combined	236,806	258,500
Bank Merchant fees	277,127	320,000
Recruitment HR fees	92,424	80,000
Training Group/ General workshops	91,426	100,000
Training Staff individual professional development	124,999	100,000
Recruitment Migration Expenses	25,183	75,000
Sundry Expenses <\$50,000	250,479	307,123
TOTAL	\$ 1,343,409	\$ 1,486,823

6 Capital Expenditure

Capital expenditure comprises of equipment & software and office furniture, fittings & building improvements. The 2024 budget submission includes capital expenditure provisions of \$737,700. Of this amount, \$717,700 relates to equipment & software and \$20,000 relates to office furniture, fittings & building improvements, as set out in the table below:

CAPITAL (AUD)	Actual 2020	Actual 2021	Actual 2022	Forecast 2023	Budget 2024	FY24 Budget vs FY23 Forecast	FY24 Budget vs FY23 Budget
Equipment & Software	502,865	540,440	741,850	402,786	717,700	78%	0%
Office Furniture & Fittings	14,408	9,244	85,973	24,876	20,000	-20%	0%
Total - Capital Expenditure	517,273	549,684	827,823	427,662	737,700	72%	0%
Change	-19.2%	6.3%	50.6%	-48.3%	72.5%		

Table 6.1 Capital Expenditure over time

The capital expenditure budget includes cyclical renewal of internal IT equipment, network equipment, servers and minor furniture and fittings. APNIC are currently undertaking investigations to assess the impact of flood damage to the carpark of 6 Cordelia St., South Brisbane (APNIC's office). Investigations have not concluded, and the scope of works and associated budget required to rectify the damage is uncertain. No capex provision has been budgeted for this work in 2024.

APNIC will update capex requirements through the mid-year reforecast process, on conclusion of its investigations.

Major provisions for capital expenditure in 2024 include:

Description	FY23 Forecast	FY24 Budget
Capital Staff Laptops	175,200	188,700
Capital Conference WIFI replacement/ Network case and AV accessories	15,154	301,000
Capital Labs servers	45,000	150,000
Sundry Capex <\$50,000	192,308	98,000
TOTAL	\$ 427,662	\$ 737,700

7 APNIC Foundation Funded Activity

APNIC Foundation funded activities are outlined below:

Amount (AUD)	Budget 2023	Forecast 2023	Budget 2024	FY24 Budget vs FY23 Forecast	FY24 Budget vs FY23 Forecast	FY24 Budget vs FY23 Budget	FY24 Budget vs FY23 Budget
APNIC Academy Platform and Curriculum Development	\$ 2,083,600	\$ 2,308,060	\$ 2,093,130	-\$ 214,930	-9%	\$ 9,530	0%
Cybersecurity: Honeynet & threat sharing	\$ 77,000	\$ 72,000	\$ 70,000	-\$ 2,000	-3%	\$ 7,000	-9%
M-Root deployment	\$ 1,051,942	\$ 592,441	\$ 752,578	\$ 160,137	27%	\$ 299,364	-28%
Training Delivery & Community Trainers	\$ 1,170,000	\$ 1,097,318	\$ 1,019,761	-\$ 77,557	-7%	\$ 150,239	-13%
Curriculum development for non-technical audiences	\$ 80,021	\$ 81,259	\$ 71,815	-\$ 9,444	-12%	\$ 8,206	-10%
Research and internet measurement	\$ 289,855	\$ 289,855	\$ 260,300	-\$ 29,555	-10%	\$ 29,555	-10%
TOTAL	\$ 4,752,418	\$ 4,440,933	\$ 4,267,584	-\$ 173,349	-4%	\$ 484,834	-10%

Table 7.1 APNIC Foundation Funded Activity

7.1 APNIC Academy Platform & Curriculum Development

The goal of the APNIC Academy Platform & Curriculum Development is to serve as an integrated and community-wide online platform for the Asia Pacific region.

This will be achieved through ongoing product management, supporting online technical assistance, self-paced training, training events and evolving, developing and modernising the platform to ensure its long-term success.

The total 2024 budget for APNIC Academy Platform & Curriculum Development is \$2,093,130 (Budget 2023: \$2,083,600), which is a year-on-year increase of 0.5%.

Outputs and indicators include:

7.2 Cybersecurity: Honeynet & threat sharing

The goal of the Honeynet & threat sharing project is to enhance cybersecurity knowledge and capability in the Asia Pacific.

This will be achieved through sensor deployments (building and deploying honeypot sensors and maintaining a scalable infrastructure of honeypot sensor networks), processing and analysis (collecting and processing data collected (including logs and malware samples), sharing and collaboration (sharing feeds and threat indicators with partners and collaborating with external partners to deploy sensors, perform analysis and remediation).

The total 2024 budget for Cybersecurity: Honeynet & threat sharing is \$70,000 (Budget 2023: \$77,000), which is a year-on-year decrease of 9.1%.

7.3 M-Root deployment

The goal of M-Root deployment is to accelerate anycast deployment of M-Root and improve DNS infrastructure in the Asia Pacific Region.

This will be achieved by streamlining M-Root deployment and operations through continuously improved processes and automation and identifying and preparing new M-Root instances across the Asia Pacific Region and beyond in partnership with the WIDE Project and JPRS, simplifying the models for anycast instances, and investigating various deployment options.

The total 2024 budget for M-Root deployment is \$752,578 (Budget 2023: \$1,051,942), which is a year-on-year decrease of 28.5%.

7.4 Training Delivery and Community Trainers

The goal of the training delivery project is to assist the Asia Pacific Internet technical community to operate and manage Internet infrastructure and services according to current industry best practice.

This will be achieved through the implementation of training events and engagement, Internet infrastructure support and technical assistance, technical/security community support, and the development of a sustainable and scalable training and internet infrastructure support.

The total 2024 budget for Training Delivery & Community Trainers is \$1,019,761 (Budget 2023: \$1,170,000), which is a year-on-year decrease of 12.8%.

7.5 Curriculum Development for Non-technical Audiences

The goal of this project is to provide engaging solutions that help non-technical audiences to develop the technical knowledge they require to engage meaningfully in the Internet Governance space. The project aligns strategically with the Foundation's main program area of "knowledge".

Key outcomes for 2024 based on the proposed activities that will be implemented include:

- Ensure continuity of service once the warranty period expires with Chaos Theory Games
- Provide ongoing user and technical support
- Facilitate the handover and control of assets, code, and app-store presence to from Chaos Theory Games to APNIC
- Build awareness of the app with the target audience to facilitate the level of engagement required to move into the Evaluation phase
- Target organisations with the aim of convincing them to use it in their programs (with the target audience).

The total 2024 budget for Curriculum Development for Non-technical Audiences is \$71,815 (Budget 2023: \$80,021), which is a year-on-year decrease of 10.3%.

7.6 Internet Research

The objective of Internet Research is to measure the properties of the network in the same manner as users see the network, by measuring the behaviour of clients of network-hosted services.

This is one of the larger measurement systems on the Internet today, if not the largest.

The data reports, updated daily, are all openly available for all. The reports offer unique insights and usable data for policy analysts, commentators, network operators, service providers, and of course users.

The total 2024 budget for Internet Research is \$260,300 (Budget 2023: \$289,855), which is a year-on-year decrease of 10.3%.

8 Long term forecast

APNIC's long term forecast, covering the life of the 2024-27 Strategic Plan is outlined below:

Revenue (AUD)	2020-23					2024-27					2020-23 & 2024-27	
	2020	2021	2022	2023	Cumulative	2024	2025	2026	2027	Cumulative	2020-23	2024-27
Membership fees	22,766,728	24,252,513	24,717,563	25,845,989	97,582,793	26,829,265	28,122,341	30,415,256	33,874,504	119,241,366	216,824,159	216,824,159
Non-Member fees	260,483	257,209	259,616	304,107	1,081,414	304,107	304,107	304,107	304,107	1,216,427	2,297,842	2,297,842
Reactivation fees	18,400	22,400	18,800	22,340	81,940	22,340	22,340	22,340	22,340	89,360	171,300	171,300
Sign-Up fees	347,250	302,750	258,750	242,540	1,151,290	242,540	242,540	242,540	242,540	970,161	2,121,452	2,121,452
Transfer fees	216,016	244,156	177,643	227,854	865,669	227,854	227,854	227,854	227,854	911,417	1,777,086	1,777,086
Sundry income	299,698	77,792	298,818	412,272	1,088,581	412,272	412,272	412,272	412,272	1,649,090	2,737,671	2,737,671
Foundation receipts	147,110	453,956	3,762,837	4,752,179	9,116,082	4,267,833	4,267,833	4,267,833	4,267,833	17,071,332	26,187,414	26,187,414
Operating Revenue	24,055,684	25,610,776	29,494,027	31,807,282	110,967,769	32,306,212	33,599,288	35,892,203	39,351,450	141,149,154	252,116,923	252,116,923
Investment income	924,590	865,457	771,547	852,611	3,414,204	852,611	852,611	852,611	852,611	3,410,442	6,824,647	6,824,647
TOTAL REVENUE	24,980,274	26,476,233	30,265,574	32,659,892	114,381,974	33,158,822	34,451,899	36,744,814	40,204,061	144,559,596	258,941,569	258,941,569
	7.61%	5.99%	14.31%	7.91%		1.53%	3.90%	6.66%	9.41%			
Expenses (AUD)	2020-23					2024-27					2020-23 & 2024-27	
	2020	2021	2022	2023	Cumulative	2024	2025	2026	2027	Cumulative	2020-23	2024-27
Computer expenses	1,216,809	1,514,823	1,883,390	2,215,362	6,830,384	2,306,901	2,402,222	2,501,481	2,604,843	9,815,446	16,645,830	16,645,830
Foundation funded project expenses	760,890	0	3,702,680	4,752,179	9,215,750	4,267,833	4,267,833	4,267,833	4,267,833	17,071,332	26,287,082	26,287,082
Professional fees	1,932,613	2,212,254	1,971,461	1,558,706	7,675,033	1,623,112	1,690,179	1,760,017	1,832,741	6,906,049	14,581,082	14,581,082
Salaries & personnel expenses	14,070,813	15,707,940	16,887,009	19,033,185	65,698,947	19,819,636	20,638,584	21,491,370	22,379,393	84,328,983	150,027,930	150,027,930
Travel expenses	331,259	65,455	1,370,504	1,805,000	3,572,218	1,879,582	1,957,247	2,038,120	2,122,335	7,997,284	11,569,502	11,569,502
Other expenses	3,469,887	3,318,780	4,765,106	5,000,976	16,554,749	5,207,616	5,422,795	5,646,865	5,880,193	22,157,470	38,712,219	38,712,219
TOTAL EXPENSES	21,782,270	22,819,252	30,580,151	34,365,408	109,547,081	35,104,681	36,378,859	37,705,687	39,087,339	148,276,565	257,823,646	257,823,646
	-5.19%	4.76%	34.01%	12.38%		2.15%	3.63%	3.65%	3.66%			
Amount (AUD)	2020-23					2024-27					2020-23 & 2024-27	
	2020	2021	2022	2023	Cumulative	2024	2025	2026	2027	Cumulative	2020-23	2024-27
Total Revenue	24,980,274	26,476,233	30,265,574	32,659,892	114,381,974	33,158,822	34,451,899	36,744,814	40,204,061	144,559,596	258,941,569	258,941,569
Total Expenses	21,782,270	22,819,252	30,580,151	34,365,408	109,547,081	35,104,681	36,378,859	37,705,687	39,087,339	148,276,565	257,823,646	257,823,646
OPERATING SURPLUS / (DEFICIT)	3,198,004	3,656,981	(314,576)	(1,705,516)	4,834,893	(1,945,858)	(1,926,960)	(960,873)	1,116,722	(3,716,969)	1,117,924	1,117,924

Table 8.1 Long term forecast

The key principles & inputs for the long term forecast are:

- Long term financial stability:
 - A cumulative surplus across 2019-23 & 2024-27 Strategic Plans and annual breakeven result by 2027 and thereafter
 - *'Effective management of resources and expenditure to achieve financial and activity goals'* (Strategic Plan, Capability)
 - Heavy lifting in 2024 & 2025 to ensure changes flow through and can withstand risks
- Revenue:
 - Membership projections, derived from analysis of historical membership growth trends
 - 2024 fees remain unchanged from 2023 - \$1,180 base fee and 1.31 bit factor
 - Investment return forecasts provided by APNIC's investment advisors
- Expenses:
 - Costs for business-as-usual activities are kept to a maximum annual increase of 4%
 - APNIC's 2024-27 Strategic Plan & 2024 Activity Plan
 - Reduction to the APNIC Foundation funding envelope in 2024.

Risks to principles:

- Ongoing higher than anticipated inflation
- Unexpected and unavoidable costs such as legal disputes and compliance matters
- Deferral in LDC graduation dates or unexpected changes to member growth trends