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Interim APNIC fee structure adjustments

based on

www.apnic.net/meetings/24/fees/member-2007-001.txt

Introduction

- Sep. 2005 – 20th APNIC OPM meeting (Hanoi)
- Feb. 2006 – 21st APNIC OPM meeting (Perth)
- Sep. 2006 – 22nd APNIC OPM meeting (Kaoshiung)
  - Fees Working Group
- Feb. 2007 – 23rd APNIC OPM meeting (Bali)
- May 2007 –
  - APNIC ECs commissioned a study by KPMG into the revision of APNIC's fee structure.
  - KPMG will report at this meeting by Randy Bush.

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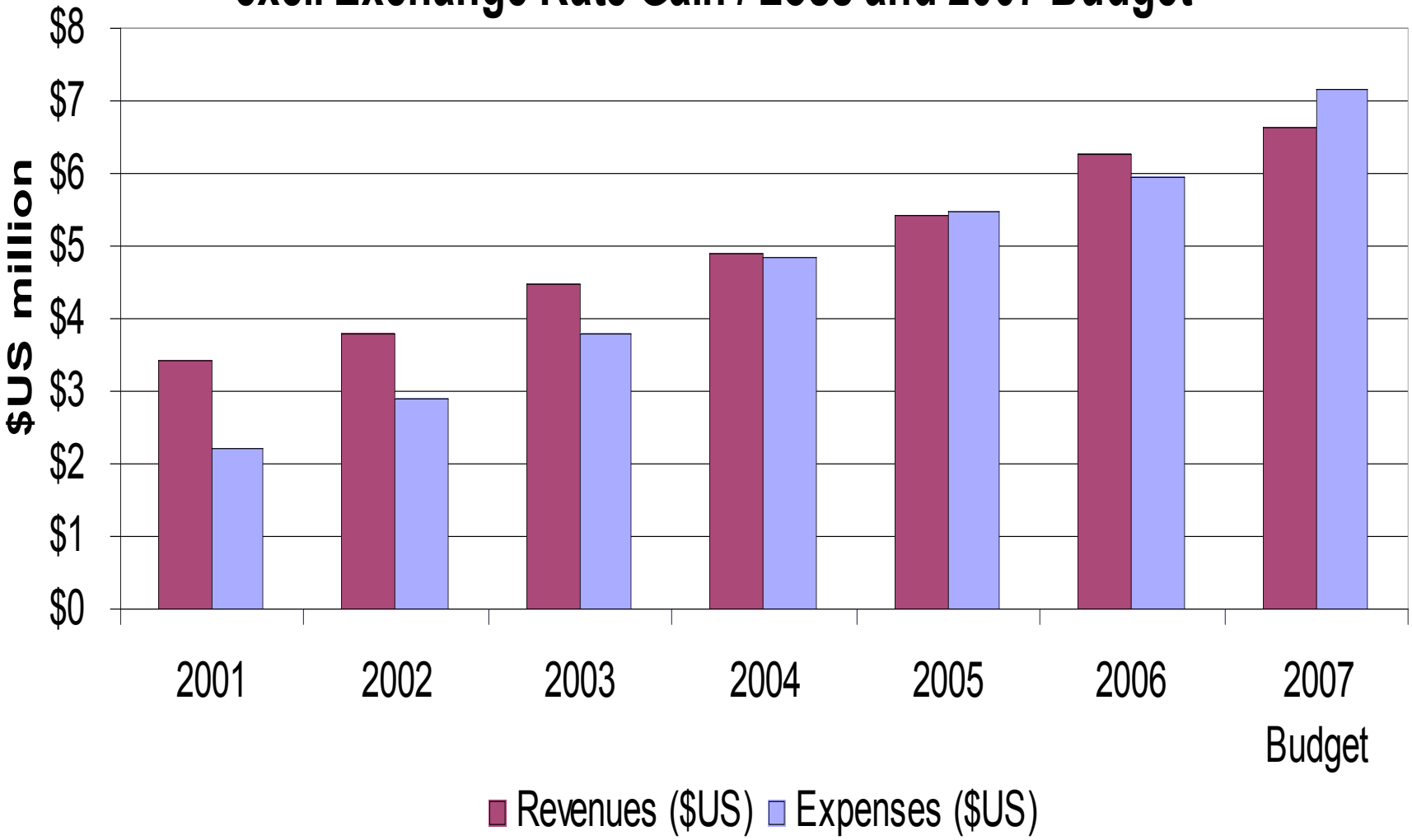
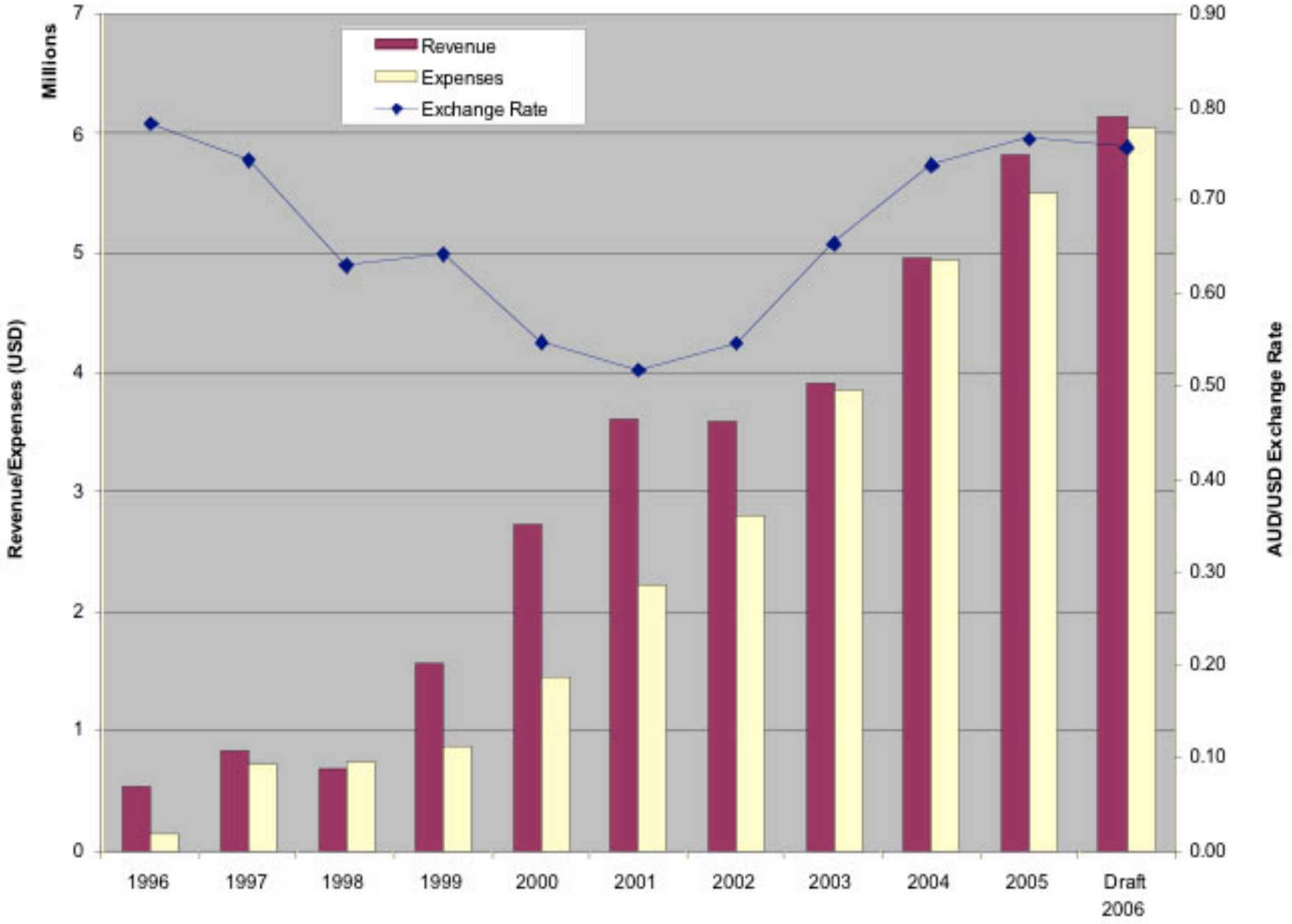
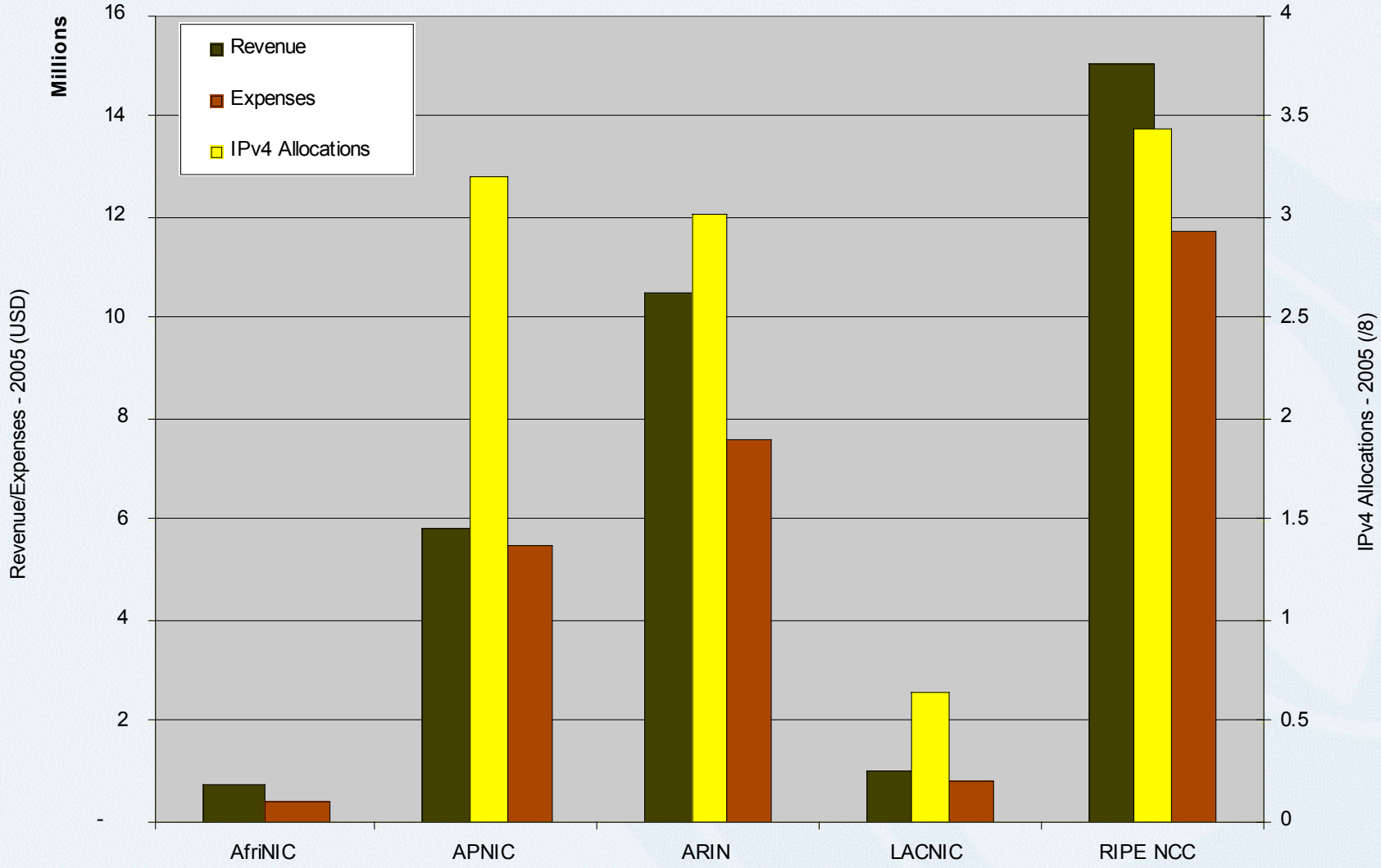
APNIC Actual Revenues and Expenses 2001-2006 ($US)
excl. Exchange Rate Gain / Loss and 2007 Budget




Revenue
Expenses
Exchange Rate
Millions
Revenue/Expenses (USD)
AUD/USD Exchange Rate
0
1
2
3
4
5
6
7
0.00
0.10
0.20
0.30
0.40
0.50
0.60
0.70
0.80
0.90
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
Draft 2006

Cost of Work Product - 2005



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Issues

- Exchange rate variations
  - Expenses in AUD, but Revenue in USD
  - .5 on 2001, .8 on 2005 and **0.824677 on 9/4**
- No increase in fees since 1996
- Member expectations keep growing

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Proposal

- Firstly, It is proposed to levy all APNIC fees in Australian Dollars. The proposed conversion rate from US Dollars to Australian Dollars is 0.7889, which is the same exchange rate that was used to prepare the 2007 APNIC annual budget.

- Secondly, it is proposed that fees be adjusted to a level which would produce a balanced budget in 2007. This involves an overall increase of around 7% in total in fees derived from APNIC members and non-member customers.

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Analysis

- *Advantages:*
  - *The proposed changes are necessary to ensure sustainable operations for APNIC in future. Without such changes, APNIC would need to reduce service levels, or continues to incur losses in future.*
- *Disadvantages:*
  - *The adjustment in currency will have administrative impacts on APNIC members and customers, who may need to make new foreign currency arrangements in some cases. In order to facilitate payment, APNIC will continue to accept payments in USD, based on the exchange rate applicable at the time of invoicing.*

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Future Goals

- *Stabilize APNIC financial position*
- *Work on the long-term solution*
- *ECs will listen to members' decision for this proposal, and continue the work with APNIC office based on members' opinions*

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Questions?