



**ASIA PACIFIC
INTERNET
DEVELOPMENT
TRUST**

APIDT BUDGET 2025

MAY 2025

Table of Contents

APIDT Budget 2025	2
Funding Activities	2
APIDT Infrastructure	2
APNIC Foundation	3
Income	4
Expenses.....	5
Funding Expenses.....	5
Operating Expenses	5
Appendices	7
Table 1. Funding Activities 2025	7
Table 2. Budget Income Statement 2025.....	8

NOTE: All dollar values in this report are denoted in USD

APIDT Budget 2025

The APIDT budget consolidates the financial plans for APIDTT PTY LTD ATF for Asia Pacific Internet Development Trust, APIDT Infrastructure PTY LTD and ARENA-PAC Research entity incorporated in Japan. The key components of the budget include funding activities, expenses, and income projections for the year 2025. The budget outlines the strategic investments and financial allocations necessary to achieve APIDT's goals and objectives for the upcoming year.

Funding Activities:

- Investment in infrastructure to support ARENA-PAC projects in the region.
- Funding for grant projects to be implemented by the APNIC Foundation.

Expenses:

- All budgeted expenses related to the operations of APIDT.

Income:

- Generated from investment distributions, interest income, dividends, and increases in the market value of the funds invested.

In early 2022, APIDT entered into an agreement to purchase a commercial property. A project was initiated to design a commercial office building for the site, meeting the needs of APIDT, APNIC, and the APNIC Foundation as tenants. A costing review before the tender process revealed significant cost increases, and changes in the short-to-medium term requirements for the anchor tenants led the APIDT board to reconsider the project. As a result, the building project has been deferred indefinitely, and contracts with consultants were terminated in 2024.

Funding Activities

APIDT Infrastructure

The APIDT Budget 2025 includes several key funding activities aimed at enhancing internet development infrastructure and supporting various projects in the Asia-Pacific region:

ARENA-PAC Tokyo – Guam

A 15-year IRU agreement was signed in January 2021 to provide connectivity between Tokyo and Guam. The outlay for this link included ongoing OA&M charges over 15 years, and Colocation licensed space charges. The circuit has been active since April 2022. The IRU upfront investments in IRU agreements are amortised over the life span of the IRU agreement.

ARENA-PAC Guam – Singapore

As part of a consortium, a 15-year IRU agreement was signed to provide connectivity between Guam and Singapore. The outlay for this link included an IRU Fee (one-time) with ongoing OA&M charges over 15 years. APIDT contributes 25% towards the cost of this service, which went live in January 2022.

ARENA-PAC Guam – Indonesia

As part of a consortium, a 15-year IRU agreement was signed to provide connectivity between Guam and Malang in Indonesia. Connectivity from Malang to Hera Campus UNTL 20G was finalized in February 2023. The outlay for this link included an IRU Fee (one-time) with ongoing OA&M charges over 15 years.

ARENA-PAC Guam – Philippines

A 15-year IRU agreement was signed in January 2023 to provide connectivity between Guam and Quezon City in the Philippines. The outlay for this link included an IRU Fee (one-time) with ongoing OA&M charges over 15 years.

ARENA-PAC Singapore – Malaysia

Connectivity between Singapore and Malaysia includes an IRU Fee (one-time) with ongoing annual Operation & Maintenance charges over 15 years.

ARENA-PAC Tokyo – Singapore

Connectivity between Tokyo and Singapore includes an IRU Fee (one-time). This investment allows APIDT to market and swap the excess capacity outside of the ARENA-PAC requirements.

Negotiations continue in relation to this project and the budget includes a significant drawdown from the investment portfolio during 2025, with an expectation of future income commencing when the service is available with expected Ready for Service (RFS) date being prior to 2030.

ARENA-PAC New Site Provision

Provision for new sites to enhance ARENA-PAC Connectivity.

ARENA-PAC Research Japan Office

The budget covers operating and equipment expenses for the local service company in Japan to support APIDT Infrastructure and ARENA-PAC activities.

ARENA-PAC Equipment

Purchase of equipment to support connectivity between Singapore and Malaysia, and installation of Brisbane PoP equipment to expand ARENA-PAC connectivity.

The budget details for ARENA-PAC funding activities are outlined in Table 1 below.

APNIC Foundation

APIDT has allocated a budget of \$10M for projects that will be executed by the APNIC Foundation in 2025. Interim progress report for each project is scheduled for mid-2025, with the final reports expected by February 2026. The grants request for 2025 encompasses the following ongoing projects:

Project	Budget 2025 USD
APNIC Academy Platform and Curriculum Development	842,226
Training Delivery & Community Trainers	1,188,842
Cybersecurity: Honeynet and threat sharing	51,590
M-Root Deployment	412,138
Research and Internet Measurement	113,900
ISIF Asia	2,009,721
Foundation Community Assistance	310,132
SWITCH!	993,634
Digital Leap South Asia	269,232
Trust Discretionary Fund	243,368
AI3 & SOI Asia	2,260,870
Overhead	1,304,347
Total	\$10,000,000

Income

The income for APIDT in 2025 is generated mainly from investment portfolio, including investment distributions, interest income, dividends, and increases in the market value of the funds invested. Here are the key components:

Investment Income

The 2025 Budget assumes an annual return of 5% (after Investment Management Fees) from the APIDT Investment portfolio as outlined in the spending policy within the Investment Policy Statement (IPS). This is based on the recommendation of the Investment Advisory Committee, and the IPS was approved by the APIDT Board in 2023. The allocation of funds to the new Strategic Asset Allocations as set out in the policy were transitioned from the initial “yield” portfolio the following portfolios:

- Liquidity Fund (Yield sustainability mandate) - to meet shorter-term funding requirements.
- Endowment Fund (Balanced sustainability mandate) - for a longer-term investment horizon

At the beginning of January 2025, the Investment Fund was valued at \$369,998,172.

Investment Management Fees

Commencing at the end of April 2021, APIDT engaged the services of investment managers to manage its investment portfolio. For the 2025 budget planning, it is presumed that the existing management arrangements for the funds will continue as they are.

Expenses

The APIDT Budget 2025 outlines all budgeted expenses related to the operations of APIDT. Below are the key expense categories:

Funding Expenses

Grants - APNIC Foundation

Funding for ongoing projects executed by APNIC Foundation during 2025.

APIDT Infrastructure

IRU Operating & Management Fees

Fees incurred for the ongoing operations and management pursuant to the long term IRU agreements.

IRU Amortisation of Investments

Upfront investments relating to IRU agreements are treated as investments in APIDT Infrastructure and are amortised over the life of each agreement, generally 15 years.

ARENA-PAC Research Japan Operating Expenses

APIDT continues to fund the service company in Tokyo to undertake ARENA-PAC Research activities during 2025 on a cost recovery basis. Funds are provided up front based on an approved budget, to be reconciled at the end of the calendar year.

ARENA-PAC Equipment Depreciation

The equipment purchased by APIDT Infrastructure in 2022, along with proposed equipment purchases for a new IRU between Singapore and Malaysia and the Brisbane PoP have a depreciation life of 5 years.

Operating Expenses

This includes expenses:

Accounting Fees

APIDT has engaged Ernst & Young Australia to provide a full range of accounting and payroll services. KPMG have been appointed as APIDT auditors.

Insurance Expenses

APIDT undertakes insurances including Management Liability, Public Liability, and Travel Insurances for all entities, i.e. APIDTT, APIDT Infrastructure and ARENA-PAC Research. Equipment insurance is in place to cover the assets installed to support the ARENA-PAC network.

Legal Fees

APIDT engages expert legal advisors as required to support its operations and initiatives. The provision includes an allowance for the engagement of specialist legal advisors as required.

Staffing & Professional Fees

The 2025 budget for staffing includes 0.8 FTE allocation for the CFO role, 0.6 FTE for the Financial Controller role and 1 FTE for the role of Internet Development Project Lead. The increase in staffing resources reflects the ongoing increase in APIDT's activities and the need for redundancy for key operational activities.

A provision has been made for professional fees in 2025, this is expected to be used to support professional advice to support the ARENA-PAC initiatives, APIDT Operations and the management of the APIDT property.

Travel Expenses

The budget for 2025 includes a provision for travel expenses during 2025, this includes travel for APIDT Directors, Staff, Consultants, and Investment Advisory Committee Members.

Other Operating Expenses

This budget includes a provision for other minor expenses.

Building Operating Expenses

This budget includes costs related to the property maintenance at 56 Breakfast Creek Road, and includes building land tax, council rates, utilities, and other maintenance expenses.

Table 2 below outlines the details of income and expenses.

Appendices

Table 1. Funding Activities 2025

Funding Activities		Budget 2025 USD
APIDT Infrastructure		
ARENA-PAC IRU Agreements	Upfront	63,400,000
	Ongoing	651,133
Total		64,051,133
ARENA-PAC Research Japan Operations and Equipment	Upfront	983,384
	ARENA-PAC Research Japan Operating Expenses	389,867
Total		1,373,251
Total ARENA-PAC Funding	One-Time charges	64,383,384
	Ongoing fees	1,040,999
Total		65,424,384
<i>* Upfront costs of IRU to be amortised over the life of the agreement</i>		-
APNIC FOUNDATION GRANTS		
	APNIC Academy Platform and Curriculum Development	842,226
	Training Delivery & Community Trainers	1,188,842
	Cybersecurity: Honeynet and threat sharing	51,590
	M-Root Deployment	412,138
	Research and Internet Measurement	113,900
	ISIF Asia	2,009,721
	Foundation Community Assistance	310,132
	SWITCH!	993,634
	Digital Leap South Asia	269,232
	Trust Discretionary Fund	243,368
	AI3 & SOI Asia	2,260,870
	Overhead	1,304,347
Total Foundation Grants		10,000,000
Total Funding Activities		75,424,384

Table 2. Budget Income Statement 2025

Income		Budget 2025 USD
Investment Income	Interest Income	3,829,282
	Investment Dividend Income	1,474,921
	Gain/ (Loss) from Market Value Adjustments	12,288,171
	Less: Investment Management Fees	(889,972)
Total Income		16,702,402

Expenses		Budget 2025 USD
Funding Expenses	Grants - APNIC Foundation	10,000,000
	APIDT Infrastructure - IRU Operating & Management Fees	651,133
	APIDT Infrastructure - IRU Amortisation of Investments	516,765
	ARENA-PAC Research Japan Operating Expenses	389,867
	Depreciation Expenses - ARENA-PAC Equipment	408,933
Total Funding Expenses		11,966,697
Operating Expenses	Accounting Fees	134,323
	Building Operating Expenses	213,204
	Insurance Expenses	49,322
	Legal Fees	225,000
	Staffing & Professional Fees	627,296
	Travel Expenses	235,000
	Other Operating Expenses	42,000
Total Operating Expenses		1,526,145
Total Funding and Operating Expenses		13,492,842

Surplus/(Deficit)	3,209,560
-------------------	-----------