

## Draft RIPE NCC Budget 2012

The income presented in the budget is based on the proposed Charging Scheme 2012.

The RIPE NCC income from service fees is expected to increase as a result of the increase in members in 2011 and the expected continued increase in membership in 2012. The RIPE NCC membership has grown at a rate of about 8% over the past few years. This has been one of the key drivers in growth of expenditure as well as enhanced registration activities like the implementation of policy 2007-01, enhanced outreach and information services activities. This growth in expenditure has been covered by the income derived from the membership growth as well as the additional income from Independent Internet number resources.

It is likely, depending on allocation requests, that the RIPE NCC will deplete its free IPv4 address pool. This will have a substantial effect on the RIPE NCC budget and its cost development over the coming period. Generally speaking, the RIPE NCC budget will increase as a result of IPv4 depletion. This is a result of the increased work involved in ensuring the accuracy of registration, which includes additional audits, a thorough review of IPv4 requests and the impact of the RIPE Policy Proposal 2009-03, "Run Out Fairly".

The budgeted costs for 2012 are 9% higher than the budgeted costs for 2011. This is caused by increased outreach and training activities to support IPv6 adoption, increased costs to cater for IPv4 depletion and the enhancement of Information Services and Measurement activities.

The RIPE NCC takes a conservative approach to formulating the Draft Budget and aims at a "break-even" budget. In recent years, the RIPE NCC has remained within its cost budget, contributing to a healthy reserve level. If this reserve level becomes too high, the RIPE NCC will issue a rebate to members, as was the case in 2007.

For further details on the activities that the RIPE NCC budgets for, please see: "Draft RIPE NCC Activity Plan 2012".

### *RIPE NCC Statement of Income & Expenditure*

In kEUR <b>Income</b>	Budget		LE	Difference	
	2012	2011	2011	12/B 11	12/11
Service Fees*	18,997	17,191	17,850	1,806	1,147
End User Fees	-	232	200	(232)	(200)
RIPE Meeting	250	250	250	-	-
Other Income	70	218	250	(148)	(180)
<b>Total Income</b>	<b>19,317</b>	<b>17,891</b>	<b>18,550</b>	<b>1,426</b>	<b>767</b>

<b>Expenditure</b>					
Personnel Expenses	10,958	10,268	10,100	690	858
General Operating Expenses	5,232	4,665	4,327	567	905
RIPE Meeting	806	857	800	(51)	6
Training Courses	423	383	290	40	133
Regional Meetings	324	263	402	61	(78)
Financial Expenses	118	108	120	10	(2)
<b>Subtotal Operational Expenses</b>	<b>17,861</b>	<b>16,544</b>	<b>16,039</b>	<b>1,317</b>	<b>1,822</b>

Miscellaneous Expenses	250	250	150	-	100
Depreciation	1,836	1,481	1,728	355	108
<b>Subtotal Miscellaneous Expenses &amp; Depreciation</b>	<b>2,086</b>	<b>1,731</b>	<b>1,878</b>	<b>355</b>	<b>208</b>

<b>Total Expenses</b>	<b>19,947</b>	<b>18,275</b>	<b>17,917</b>	<b>1,672</b>	<b>2,030</b>
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Surplus / Deficit Before Interest Income	(630)	(384)	633	(246)	(1,263)
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Interest Income	550	300	365	250	185
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<b>Surplus /Deficit</b>	<b>(80)</b>	<b>(84)</b>	<b>998</b>	<b>4</b>	<b>(1,078)</b>
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Capital Expenditure	2,214	2,540	1,525	(326)	689
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Number of FTEs	129.2	130.5	127.2	(1.3)	2.0
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*Note: \*The service fee income is an estimate based on the income required to cover budgeted expenses. Upon selection of a final Charging Scheme model, this figure will be updated.*

## Development of RIPE NCC Reserves

The table below summarises the RIPE NCC's capital development. The capital consists of the RIPE NCC reserves including the surplus/deficit for the year at issue.

Year	Surplus/ Deficit	Capital at 31 December	Total Expenses Per Year	% Capital of Expenses
2005	2,684	12,670	9,420	135%
2006	2,483	15,153	9,980	152%
2007	1,070	13,764*	11,674	118%
2008	2,623	16,387	11,765**	139%
2009	821	17,409	14,683	119%
2010	714	18,123	16,561	109%
Estimated 2011	998	19,121	17,917	107%
Budget 2012	(80)	19,041	19,947	95%

*Note: \*The capital in 2007 includes the member rebate of EUR 2.5 million.*

*\*\*The total expenses 2008 include a payback from the Personnel Fund of EUR 1.5 million*

## Expenses per Activity

Overall, expense levels increase in 2012. For Membership Services, this increase is a result of the expected increase in the number of resource requests caused by RIPE Policy Proposal 2009-03, "Run Out Fairly". In addition, the RIPE NCC will further enhance its data quality and the procedures around its data quality and registration.

Coordination Activities will be enhanced to further the regional support provided by the RIPE NCC and to support IPv6 adoption. In addition, there are continuous activities surrounding the depletion of the IPv4 address pool.

In line with one of the key strategies of the RIPE NCC to further the RIPE NCC as a trusted source of data, the cost for Information Services is increased in 2012. This increase is due to enhancement of the existing measurement platform and the production of more research, data analysis and reports.

Amounts in kEUR	Budget 2012		Budget 2011		Difference	
	Amount	%	Amount	%	Amount	%
Membership Services	7,830	44%	7,347	45%	483	7%
Coordination Activities	6,667	37%	6,316	38%	351	6%
Information Services	3,364	19%	2,881	17%	483	17%
Total Operational Expenses	17,861		16,544		1,317	8%

The table below shows new or significantly developed activities for 2011. The figure presented is the direct allocated costs and does not include an overhead or management fee.

Activity in kEUR	Operational Expenses	Capital Expenses
RIPE Atlas	358	255
RIPEstat	254	6

### Income and Fees per Billing Category

#### Based on the Proposed Charging Scheme 2012 – 10 Categories

Income	No. of Local Internet Registries (LIRs)	Annual Fee in EUR	Amount in kEUR
<b>New Members</b>			
New members XXS	175	375	62
New members	300	1,625	488
<b>Existing Members</b>			
3XS	196	250	49
2XS	73	750	55
XS	1,923	1,000	1,923
S	1,386	1,400	1,940
M	1,353	2,000	2,706
L	2,014	3,000	6,042
XL	492	4,500	2,214
2XL	187	6,500	1,216
3XL	104	10,000	1,040
4XL	22	15,000	330
PI assignment charge	16,834	50	842
Miscellaneous income			90
<b>Total Service Fees</b>			18,997