

 <p>Agreement on the Conservation of Albatrosses and Petrels</p>	<p style="text-align: center;">Eighth Meeting of the Advisory Committee <i>Punta del Este, Uruguay, 15 -19 September 2014</i></p> <p style="text-align: center;">Draft Agreement Budget 2016 - 2018</p> <p style="text-align: center;">Secretariat</p>
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SUMMARY

A draft budget for the Agreement for the 2016-2018 triennium has been prepared by the Secretariat in accordance with Regulation 3.1 of the Finance Regulations. The draft budget includes a statement of the significant financial implications for the 2016 – 2018 triennium in respect of any proposed work programmes.

RECOMMENDATIONS

That the Advisory Committee:

1. Review the draft budget for the 2016 – 2018 triennium; and
2. Provide advice to MoP5 on the budget to be approved for the 2016 – 2018 triennium.

1. INTRODUCTION

The Secretariat has prepared a draft budget for the 2016 - 2018 triennium (refer Annex 1) in accordance with Regulation 3.1 of the Agreement's Financial Regulations. The draft budget comprises estimates of receipts and expenditures for the 2016 – 2018 financial years together with a statement identifying significant financial implications. This paper should be read in conjunction with AC8 Doc 08, '2014 Financial Report', AC8 Doc 17, 'Advisory Committee Work Programme 2016 - 2018' and AC8 Doc 20, 'Secretariat Work Programme 2016 - 2018.

Party representatives have previously indicated that there should be no overall budget increase, with the exception of a small amount to allow for inflation. The budget has been prepared on this basis, with an inflator of 2.5% per annum applied to both income and expenditure, except where exact cost increases are known.

2. STATEMENTS OF SIGNIFICANT FINANCIAL IMPLICATIONS

2.1. Appropriation 1 - Secretariat

2.1.1. Administrative

Item 1.2.6 – An allocation has been provided for relocation expenses associated with the recruitment of a new Executive Secretary in 2016..

Item 1.3.3 – Costs for office requisites have been reduced, in part through the lease of a photocopier which includes cartridge changes in the lease. The budget has been reduced to reflect current levels of expenditure.

Item 1.3.16 – Prior to the new MoU being negotiated with the Tasmanian Government, one parking space was paid for by the Secretariat, with the other being provided by the State Government. The ACAP Secretariat now pays for both parking spaces, with the additional cost off-set in the contribution made by the State Government under the MoU. Refer also to item 1.3.27 below.

Item 1.3.24 – Significant savings have been made in outsourced IT services as a result of new contracts being entered into for these services. The budget has been reduced to reflect current costs.

2.1.2. Recurrent

Item 1.1.1 and 1.1.4 – The salaries and associated on-costs for the Executive Secretary and the Science Officer comprise a significant component of Appropriation 1. The level of salary to be paid to the Executive Secretary for the 2016 – 2018 triennium will be determined by the Parties at MoP5. An indicative figure has been provided for budgetary purposes, based on the past salary of the Executive Secretary, with an inflator of 2.5% applied. The salary level for the Science Officer is based on the Professional Officer, Band 2 classification in the Tasmanian Public Service. Increases in the Science Officer's salary reflect step increases for increments, with an inflator of 2.5%.

Item 1.3.27 - The Secretariat has a four year lease for its office at 27 Salamanca Square, Battery Point. The lease expires on 1 March 2017. Recurrent expenditure associated with this lease will be approximately \$37,277 in 2016 and \$38,208 in 2017. These costs are off-set by the contributions made by the Government of Tasmania through the MoU, which are expected to be approximately \$22,100 in 2016 and \$22,700 in 2017.

2.1.3. Capital

No significant capital purchases are forecast in the 2016 – 2018 triennium.

2.2. Appropriation 2 - Meeting of the Parties

2.2.1. Administrative

An underlying assumption in the preparation of this budget is that only one meeting of either the Advisory Committee or the Meeting of the Parties would be held in any one year. With the adoption of a new financial year at MoP3, there are now no meetings held in Year 2 of the budget cycle, while two meetings are now scheduled in Year 3. In order that Parties' contributions do not fluctuate excessively from one year to the next, the costs associated with holding meetings has been averaged over the three years of the budget cycle.

It should also be noted that the cost of operating and supporting meetings varies significantly depending on the location of meeting. The estimates in this budget have been prepared on the basis of the historical cost of recent ACAP meetings, as the location of future meetings is not known at the time of preparing the budget.

2.2.2. Recurrent

No significant items of recurrent expenditure are forecast in the 2016 – 2018 triennium.

2.2.3. Capital

No significant capital purchases are forecast in the 2016 – 2018 triennium.

2.3. Appropriation 3 – Advisory Committee

2.3.1. Administrative

Refer to the note in 2.2.1 above re the averaging of meeting costs over the three years of the budget cycle. This situation is also relevant to meeting costs in Appropriation 3.

2.3.2. Recurrent

No significant items of recurrent expenditure are forecast in the 2016 – 2018 triennium.

2.3.3. Capital

No significant capital purchases are forecast in the 2016 – 2018 triennium.

2.4. Appropriation 4 – Advisory Committee Work Programme

2.4.1. Administrative

Funding of the Advisory Committee Work Programme is provided through the General Fund, from the ACAP budget and through the Special Fund, from voluntary contributions. A statement of significant financial implications for the AC work programme will be developed when a draft work programme for the Advisory Committee is finalised.

The 2016 allocation for secondments has been removed to offset the cost of relocation expenses associated with the recruitment of a new Executive Secretary. Funding for secondments remains however from previous years' allocations, which could potentially be used, if Parties decide to reallocate those savings to 2016.

2.4.2. Recurrent

No significant items of recurrent expenditure are forecast in the 2016 – 2018 triennium.

2.4.3. Capital

No significant capital purchases are forecast in the 2016 – 2018 triennium.

Contingency Fund 2 – New Appropriation

The Advisory Committee recommended that an allocation of \$20,000 p.a. be provided for the legal expenses of the Secretariat. As this allocation was unlikely to be required in most years, it was suggested that a separate contingency fund be established for this purpose.

ANNEX 1. DRAFT AGREEMENT BUDGET 2016-2018

Ref. No	Description	2013	2014	2014	2015	2016	2017	2018
		Budget	Budget	Actual	Budget	Budget	Budget	Budget
1. INCOME								
	Contributions from Parties	673,650	690,641	594,986	708,141			
	Interest on funds	22,660	23,340	7,020	24,040			
	Total Income	696,310	713,981	602,006	732,181			
2. EXPENDITURE								
APPROPRIATION 1 - SECRETARIAT								
Employee salaries								
1.1.1	Salaries – Permanent	143,906	148,223	148,223	152,670	156,487	160,399	164,409
1.1.2	RBF Superannuation	12,952	13,340	13,649	13,740	15,649	16,842	18,085
1.1.3	Recruitment Costs	0	0		0	0	0	0
1.1.4	Salaries-Fixed term	82,267	84,735	85,844	87,277	94,668	98,823	101,294
1.1.5	RBF Superannuation	7,033	7,244	8,002	7,461	9,467	10,376	11,142
1.1.6	Workers Compensation	1,565	1,612	3,028	1,660	3,104	3,181	3,261
	Total Salaries	247,722	255,154	258,746	262,808	279,374	289,622	298,191
Employee expenses								
1.2.1	Accommodation	8,913	9,180	7,243	9,455	9,691	9,934	10,182
1.2.2	Airfares	22,281	22,949	23,059	23,638	24,229	24,835	25,456
1.2.3	Travel Allowances	9,500	9,785	4,825	10,079	10,331	10,589	10,854
1.2.4	Travel Insurance	1,671	1,721	922	1,772	945	969	993
1.2.5	Consultants	27,851	28,687	13,975	29,547	30,286	31,043	31,819
1.2.6	Relocation expense (staff)	0	0		0	22,668	0	0
1.2.8	General insurance	1,000	1,030	1,334	1,061	1,367	1,402	1,437

Ref. No	Description	2013	2014	2014	2015	2016	2017	2018
		Budget	Budget	Actual	Budget	Budget	Budget	Budget
1.2.9	Representation expenses	2,000	2,060	2,100	2,122	2,175	2,229	2,285
1.2.10	Other travel costs - visas	1,228	1,265	530	1,303	800	820	841
	Total Employee expenses	74,443	76,677	53,988	78,977	96,492	81,820	83,866
Operational costs								
1.3.1	Office equipment /furniture	5,570	5,737	3,746	5,909	6,057	6,208	6,363
1.3.2	Office equipment maintenance	1,000	1,030	1,655	1,061	1,088	1,115	1,143
1.3.3	Office requisites - stationery	5,250	5,408	1,049	5,570	1,500	1,538	1,576
1.3.4	Publications /books	200	206	0	212	217	223	228
1.3.5	Corporate memberships	0	0	0	0	0	0	0
1.3.6	Printing and copying (PR material)	2,000	2,060	577	2,122	2,289	2,346	2,405
1.3.7	Telephones - telecommunications	5,047	5,198	4,440	5,354	5,488	5,625	5,766
1.3.8	Translations - website, correspondence	5,570	5,737	5,090	5,909	6,057	6,208	6,363
1.3.9	Postage	200	206	66	212	217	223	228
1.3.10	Freight/couriers	200	206	0	212	217	223	228
1.3.11	Light and power	2,300	2,369	2,518	2,440	2,501	2,564	2,628
1.3.12	Insurance property	1,133	1,167	1,364	1,202	1,398	1,433	1,469
1.3.14	Vehicle running costs	5,000	5,150	4,779	5,305	5,438	5,574	5,713
1.3.15	Cab charge - taxis	446	459	1106	473	485	497	509
1.3.16	Parking	2,117	2,180	8,140	2,246	6,240	6,400	6,560
1.3.18	Staff training	2,000	2,060	532	2,122	2,175	2,229	2,285
1.3.19	Staff conferences / seminars	1,114	1,148	0	1,182	1,212	1,242	1,273
1.3.20	Bank charges	250	258	193	265	272	278	285
1.3.21	Bad and doubtful debts	557	574	0	591	606	621	636
1.3.22	Software purchase	2,228	2,295	1,441	2,364	2,423	2,484	2,546
1.3.23	Server lease	2,200	2,266	565	2,334	600	615	630
1.3.24	Outsourced IT services	16,583	17,080	1,584	17,593	1,624	1,664	1,706
1.3.25	Modifications to database	9,500	9,785	1,384	10,079	10,331	10,589	10,854
1.3.26	WAN Wireless network	800	824	2009	849	1,100	1,128	1,156

Ref. No	Description	2013	2014	2014	2015	2016	2017	2018
		Budget	Budget	Actual	Budget	Budget	Budget	Budget
1.3.27	Rent - ACAP office	24,797	25,541	39,094	26,307	42,000	43,050	44,126
1.3.28	Rates and water	2,064	2,126	6,948	2,190	2,521	2,584	2,649
1.3.29	Preventative maintenance	450	464	85	477	489	501	514
1.3.30	Office cleaning	2,062	2,124	3,790	2,188	2,243	2,299	2,356
	Tas Gov't MoU - lease contrib					-22,148	-22,702	-23,269
1.3.33	Refund of GST	-15,000	-15,450	-15,450	-15,914	-16,312	-16,720	-17,138
	Total Office operational costs	85,639	88,208	76,705	90,855	68,325	70,038	71,789
	TOTAL APPROPRIATION NO. 1: SECRETARIAT	407,804	420,039	389,439	432,640	450,192	441,479	453,845
APPROPRIATION 2 - MEETINGS OF THE PARTIES								
Interpretation / Translation Costs								
2.1.1	Simultaneous interpretation	0	0		36,060			38,833
2.1.2	Hire of interpretation equipment	0	0		12,020			12,944
2.1.3	Translation of documents	0	0		40,534			43,651
	Total Interpretation/Translation	0	0		88,614			95,428
Meeting support costs								
2.2.1	Hire of venue (including catering)	0	0		13,113			14,121
2.2.2	Hire/purchase of equipment (photocopiers)	0	0		8,742			9,414
2.2.3	Support staff	0	0		18,030			19,416
2.2.4	Printing of meeting documents/report	0	0		6,010			6,472
	Total Meeting support costs	0	0		45,895			49,424
Sponsorship								
2.3.1	Sponsorship - experts ¹	0	0		20,000			21,538
	Total Sponsorship costs	0	0		20,000			21,538
	TOTAL APPROPRIATION NO. 2: MEETING OF THE PARTIES	0	0		154,509			166,389

Ref. No	Description	2013	2014	2014	2015	2016	2017	2018
		Budget	Budget	Actual	Budget	Budget	Budget	Budget
APPROPRIATION 3 - ADVISORY COMMITTEE								
Interpretation								
3.1.1	Simultaneous interpretation	44,133	45,457	3,133	46,593	47,758	48,952	
3.1.2	Hire of interpretation equipment	11,458	11,802	16,485	12,097	12,399	12,709	
3.1.3	Translation of meeting documents	40,000	41,200		42,230	43,286	44,368	
	Total Interpretation	95,591	98,459	19,618	100,920	103,443	106,030	
					-	-	-	
Venue and meeting support costs								
3.2.1	Hire of venue (including catering)	23,359	24,060	24,721	24,662	25,278	25,910	
3.2.2	Hire/purchase of meeting equipment	2,122	2,186	919	2,241	2,297	2,354	
3.2.3	Support staff	22,993	23,682		24,274	24,881	25,503	
	Total Venue and meeting support costs	48,474	49,928	25,640	51,176	52,456	53,767	
					-	-	-	
Sponsorship								
3.3.1	Sponsorship of experts ¹	16,550	17,047	1,535	17,473	17,910	18,358	
	Total sponsorship	16,550	17,047	1,535	17,473	17,910	18,358	
					-	-	-	
Support for Advisory Committee Officials								
3.4.1	Support for AC Officials	22,351	23,022	11,431	23,712	24,305	24,912	25,535
	Total support	22,351	23,022	11,431	23,712	24,305	24,912	25,535
					-	-	-	
	TOTAL APPROPRIATION NO. 3: ADVISORY COMMITTEE	182,966	188,455	58,224	193,282	198,114	203,067	25,535
APPROPRIATION 4 - AC WORK PROGRAMME								
	Support for secondments	20,392	21,004	11,600	21,633	-	19,968	35,358

Ref. No	Description	2013 Budget	2014 Budget	2014 Actual	2015 Budget	2016 Budget	2017 Budget	2018 Budget
	Advisory Committee Work Programme	85,149	84,482	136,403	99,687	102,179	104,734	107,352
	APPROP'N 4: AC WORK PROGRAMME	105,541	105,486	148,003	121,320	102,179	124,702	142,710
	TOTAL AGREEMENT BUDGET	696,310	713,981	595,666	732,181	750,485	769,248	788,479
				Increase	2.50%	750,486	769,248	788,479
Contingency Fund 2								
	Legal advice					20,000	20,000	20,000