

 <p>Agreement on the Conservation of Albatrosses and Petrels</p>	<p style="text-align: center;">Tenth Meeting of the Advisory Committee <i>Wellington, New Zealand, 11 – 15 September 2017</i></p> <p style="text-align: center;">Draft Agreement Budget 2019 - 2021</p> <p style="text-align: center;">Secretariat</p>
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SUMMARY

A draft budget for the Agreement for the 2019 - 2021 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 2019 – 2021 triennium in respect of any proposed work programmes.

RECOMMENDATIONS

That the Advisory Committee:

1. Review the draft budget for the 2019 – 2021 triennium; and
2. Provide advice on the budget to be approved by MoP6.

1. INTRODUCTION

The Secretariat has prepared a draft budget for the 2019 – 2021 triennium in accordance with Regulation 3.1 of the Agreement's Financial Regulations (**ANNEX 1**). The draft budget comprises estimates of receipts and expenditures for the 2019, 2020 and 2021 financial years together with a statement identifying significant financial implications. For guidance, **ANNEX 1** also contains figures for the 2016 – 2018 budget and expenditures for the 2017 financial year recently finalised. This paper should be read in conjunction with **AC10 Doc 08: 2017 Financial Report**, **AC10 Doc 17: Advisory Committee Work Programme 2019 - 2021**, and **AC10 Doc 19: Secretariat Work Programme 2019 - 2021**.

Following the approach considered by Parties for the current triennium, indicating that there should be no overall budget increase, with the exception of a small amount to allow for inflation, the budget for the 2019 - 2021 triennium has been prepared using 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 1.1.3 – An allocation has been provided in 2019 for the process of recruitment of a new Executive Secretary in 2020. The amount considered contemplates various expenses including costs of travelling and accommodation for members of the recruitment panel.

Item 1.2.6 – In relation to item 1.1.3, an allocation has been provided through the triennium for relocation expenses associated with the recruitment of the new Executive Secretary. The amount was adjusted based on the funds spent for this budget line in 2016 and distributed along the triennium to reduce the impact on any given year.

2.1.2. Recurrent

Items 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 2019 – 2021 triennium will be determined by the Parties at MoP6. An indicative figure has been provided for budgetary purposes, based on the salary of the Executive Secretary during the current triennium, 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 an inflator of 2.5%.

Item 1.3.7 – Costs for telecommunications have been reduced, in part due to a greater use of communications media which are free of (or have minimum) charges. This has significantly reduced the frequency of metered long-distance calls. The budget has been reduced to reflect current levels of expenditure.

Item 1.3.28 – The Secretariat now has a five-year lease for its office at 119 Macquarie Street, Hobart. The lease commenced on 20 February 2017. Significant savings have been made on office lease and associated office expenses (*i.e.* water and rates and office cleaning). The contract for the new office is 12% less than the previous lease, representing a saving of approximately AUD 4,800 in 2018. The lease of this office is partially off-set by the contributions made by the Government of Tasmania through the MoU (see **ANNEX 1**, Section 1, Income).

Item 1.3.29 – In relation to item 1.3.28, the new office lease amount is inclusive of rates and water. Hence this line in the budget is now null, representing the additional saving of approximately AUD 8,000.

Item 1.3.31 – Also in relation to item 1.3.28, the lease also includes a weekly office cleaning service. However, an amount in the order of half of the sum budgeted for the current triennium was included to cover carpet cleaning and other cleaning incidentals not contemplated in the office lease contract. This has represented the additional saving of approximately AUD 1,400.

2.1.3. Capital

No significant capital purchases are forecast in the 2019 – 2021 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 at MoP3 of a financial year running from July 1st to June 30th, there is one meeting held in Year 1 of the triennium, no meetings in Year 2, and two meetings scheduled in Year 3 of the budget cycle. The costs associated with holding meetings has been distributed 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 the 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 deviations from expenditures in previous years are forecast for the 2019 – 2021 triennium.

2.2.3. Capital

No significant capital purchases are forecast in the 2019 – 2021 triennium.

2.3. Appropriation 3 – Advisory Committee

2.3.1. Administrative

Refer to 2.2.1 above regarding the distribution of meeting costs over the three years of the budget cycle.

2.3.2. Recurrent

No significant deviations from expenditures in previous years are forecast for the 2019 – 2021 triennium.

2.3.3. Capital

No significant capital purchases are forecast in the 2019 – 2021 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 Advisory Committee Work Programme will be developed when a draft Work Programme for the Advisory Committee is finalised.

2.4.2. Recurrent

No significant items of recurrent expenditure are forecast in the 2019 – 2021 triennium.

2.4.3. Capital

No significant capital purchases are forecast in the 2019 – 2021 triennium.

ANNEX 1. Draft Agreement budget with estimates of receipts and expenditures for the 2019 - 2021 triennium, and figures for the 2016 - 2018 budget and expenditures for the 2017 financial year recently finalised.

Ref. No	Description	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2019 Budget	2020 Budget	2021 Budget
1. INCOME									
	Contributions from Parties	723,162	584,043	738,558	644,357	754,340	773,199	792,528	812,342
	Interest on funds	7,000	6,172	7,175	3,497	7,354	3,584	3,674	3,766
	Tax refunds	16,312	50,196	16,720	0	17,138	17,566	18,006	18,456
	MoU - Tasmanian Government	22,148	21,697	22,702	21,979	23,269	22,528	23,092	23,669
	Total Income	768,622	662,108	785,155	669,833	802,101	816,878	837,300	858,232
2. EXPENDITURE									
APPROPRIATION 1 - SECRETARIAT									
Employee salaries									
1.1.1	Salaries – Executive Secretary	144,464	163,280	141,685	142,242	144,490	148,102	151,805	155,600
1.1.2	RBF Superannuation	13,363	15,512	13,106	13,513	13,365	13,699	14,042	14,393
1.1.3	Recruitment Costs	0	0	0	0	0	9,522	4,761	0
1.1.4	Salaries - Science Officer	93,853	94,300	94,782	96,007	97,151	99,580	102,069	104,621
1.1.5	RBF Superannuation	8,681	8,959	8,767	9,121	8,986	9,211	9,441	9,677
1.1.6	Workers Compensation	3,104	2,894	3,181	2,509	3,261	3,343	3,426	3,512
	Total Salaries	263,465	284,944	261,521	263,392	267,253	283,456	285,544	287,802
Employee expenses									
1.2.1	Accommodation	9,691	7,491	9,934	8,886	10,182	10,437	10,697	10,965
1.2.2	Airfares	24,229	16,527	24,835	18,510	25,456	26,092	26,745	27,413
1.2.3	Travel Allowances	10,331	5,303	10,589	9,155	10,854	11,125	11,403	11,689

Ref. No	Description	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2019 Budget	2020 Budget	2021 Budget
1.2.4	Travel Insurance	945	887	969	945	993	1,018	1,043	1,069
1.2.5	Consultants	30,286	30,311	31,043	28,113	31,819	32,614	33,430	34,266
1.2.6	Relocation expense (staff)	22,668	34,565	0	0	0	9,067	0	18,134
1.2.8	General insurance	1,367	1,339	1,402	672	1,437	1,473	1,510	1,547
1.2.9	Representation expenses	2,175	1,161	2,229	615	2,285	2,342	2,401	2,461
1.2.10	Other travel costs - visas	800	695	820	754	841	862	884	906
	Total Employee expenses	102,492	98,280	81,821	67,650	83,867	95,031	88,113	108,450
Operational costs									
1.3.1	Office equipment /furniture	6,057	3,589	6,208	5,954	6,363	6,522	6,685	6,852
1.3.2	Office equipment maintenance	1,088	709	1,115	740	1,143	1,172	1,201	1,231
1.3.3	Office requisites - stationery	1,500	820	1,538	1,180	1,576	1,615	1,656	1,697
1.3.4	Publications /books	217	110	223	70	228	234	240	246
1.3.6	Printing and copying (PR material)	2,289	2,647	2,346	1,344	2,405	2,465	2,527	2,590
1.3.7	Telephones - telecommunications	5,488	4,748	5,625	2,306	5,766	3,459	3,545	3,634
1.3.8	Translations - correspondence	6,057	1,965	6,208	3,240	6,363	6,522	6,685	6,852
1.3.9	Postage	217	1,162	223	130	228	234	240	246
1.3.10	Freight/couriers	217	0	223	120	228	234	240	246
1.3.11	Light and power	2,501	2,369	2,564	2,298	2,628	2,694	2,761	2,830
1.3.12	Insurance property	1,398	1,339	1,433	1,351	1,469	1,506	1,543	1,582
1.3.14	Vehicle running costs	5,438	4,153	5,574	2,806	5,713	5,856	6,002	6,152
1.3.15	Cab charge - taxis	485	542	497	93	509	522	535	548
1.3.16	Parking	6,240	2,640	6,400	5,576	6,560	6,888	7,060	7,237
1.3.18	Staff training	2,175	2,025	2,229	1,507	2,285	2,342	2,401	2,461
1.3.19	Staff conferences / seminars	1,212	611	1,242	998	1,273	1,305	1,337	1,371
1.3.20	Bank charges	272	57	278	25	285	292	299	307

Ref. No	Description	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2019 Budget	2020 Budget	2021 Budget
1.3.21	Bad and doubtful debts	606	0	621	0	636	652	668	685
1.3.22	Software purchase	2,423	300	2,484	1,489	2,546	2,610	2,675	2,742
1.3.23	Server lease	600	418	615	385	630	646	662	678
1.3.24	Outsourced IT services	1,624	696	1,664	1,584	1,706	1,749	1,792	1,837
1.3.25	Modifications to database	10,331	3,453	10,589	4,463	10,854	11,125	11,403	11,689
1.3.26	WAN Wireless network	1,100	786	1,128	704	1,156	1,185	1,215	1,245
1.3.27	Rent - ACAP office	37,277	40,250	38,208	40,022	39,163	35,200	36,080	36,982
1.3.28	Rates and water	7,244	7,133	7,426	6,845	7,612	0	0	0
1.3.29	Preventative maintenance	489	490	501	205	514	527	540	554
1.3.30	Office cleaning	2,243	1,707	2,299	2,628	2,356	1,210	1,240	1,271
	Total Office operational costs	106,788	84,719	109,461	88,063	112,195	98,763	101,233	103,763
TOTAL APP'N 1 - SECRETARIAT		472,745	467,943	452,803	419,105	463,315	477,250	474,889	500,015
APPROPRIATION 2 - MEETINGS OF THE PARTIES									
Interpretation / Translation Costs									
2.1.1	Simultaneous interpretation	0	0	0	0	38,833	0	0	41,745
2.1.2	Hire of interpretation equipment	0	0	0	0	12,944	0	0	13,915
2.1.3	Translation of documents	0	5,279	0	0	32,000	0	0	34,400
	Total Interpretation/Translation	0	5,279	0	0	83,777	0	0	90,060
Meeting support costs									
2.2.1	Hire of venue (including catering)	0	0	0	0	14,121	0	0	15,180
2.2.2	Hire/purchase of equipment	0	0	0	0	9,414	0	0	10,120
2.2.3	Support staff	0	0	0	0	19,416	0	0	20,872
2.2.4	Printing of documents/report	0	0	0	0	6,472	0	0	6,957

Ref. No	Description	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2019 Budget	2020 Budget	2021 Budget
	Total Meeting support costs	0	0	0	0	49,423	0	0	53,130
	Sponsorship								
2.3.1	Sponsorship - experts	0	0	0	0	21,538	0	0	23,153
	Total Sponsorship costs	0	0	0	0	21,538	0	0	23,153
	TOTAL APPROPRIATION 2 - MoP	0	5,279	0	0	154,738	0	0	166,343
	APPROPRIATION 3 - ADVISORY COMMITTEE								
	Interpretation								
3.1.1	Simultaneous interpretation	47,758	38,377	48,952	32,663	0	51,400	52,685	0
3.1.2	Hire of interpretation equipment	12,399	10,776	12,709	13,700	0	13,344	13,678	0
3.1.3	Translation of meeting documents	37,000	19,327	37,925	37,847	0	39,821	40,817	0
	Total Interpretation	97,157	68,479	99,586	84,210	0	104,565	107,179	0
	Venue and meeting support costs								
3.2.1	Hire of venue (including catering)	25,278	27,758	25,910	20,106	0	27,206	27,886	0
3.2.2	Hire/purchase of equipment	2,297	439	2,354	2,050	0	2,472	2,533	0
3.2.3	Support staff	24,881	23,702	25,503	21,092	0	26,778	27,448	0
	Total Venue and meeting costs	52,456	51,899	53,767	43,248	0	56,455	57,867	0
	Sponsorship								
3.3.1	Sponsorship of experts	17,910	17,961	18,358	15,141	0	19,276	19,758	0
	Spons. non-Party Range States	0	0	0	0	0	0	0	0
	Total sponsorship	17,910	17,961	18,358	15,141	0	19,276	19,758	0

Ref. No	Description	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Support for Advisory Committee Officials									
3.4.1	Support for AC Officials	24,305	17,024	24,912	24,100	25,535	26,158	26,812	0
	Total support	24,305	17,024	24,912	24,100	25,535	26,158	26,812	0
TOTAL APPROPRIATION 3 - AC		191,828	155,363	196,623	166,699	25,535	206,454	211,616	0
APPROPRIATION 4 - AC WORK PROGRAMME									
	Support for secondments	0	0	19,968	0	35,358	0	20,966	36,242
	Advisory Committee Work Programme	104,049	61,945	115,761	52,363	123,154	126,233	129,389	132,623
TOTAL APPROPRIATION 4 - AC WP		104,049	61,945	135,729	52,363	158,512	126,233	150,355	168,865
TOTAL AGREEMENT BUDGET		768,622	690,530	785,155	638,167	802,100	809,937	836,860	835,224