

 <p>Agreement on the Conservation of Albatrosses and Petrels</p>	<p style="text-align: center;">Fifth Meeting of the Parties <i>Santa Cruz de Tenerife, Spain, 4 - 8 May 2015</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 Meeting of the Parties:

1. Review the draft budget for the 2016 – 2018 triennium; and
2. Approve a budget for the Agreement 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 **MoP5 Doc 10**, '2015 Interim Financial Report', **MoP5 Doc 16**, 'Advisory Committee Work Programme 2016 - 2018' and **MoP5 Doc 17**, '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 1.3.25 – 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 have been amended in accordance with Tasmanian Government awards. 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 current salary of the Executive Secretary, and with the new Executive Secretary's salary commencing at the base level of the SES2 salary level. 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 1.3.28 - 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

Item 2.1.3 – The cost for translation services has been reduced due to the negotiation of a contract with a new service provider.

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

Item 3.1.3 – The cost for translation services has been reduced due to the negotiation of a contract with a new service provider..

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.

The 2016 allocation for the Advisory Committee Work Programme has been reduced in order to offset increases that would have resulted in the 2016 budget being more than 2.5% of the 2015 budget. However, savings in other allocations in the 2017 and 2018 budgets will result in the total allocation to the Advisory Committee Work Programme over the 2016 - 2018 triennium being slightly above 2.5%.

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	2013	2014	2014	2015	2015	2016	2017	2018
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget
1. INCOME										
	Contributions from Parties	673,650	673,658	690,641	711,722	708,141	597,247	716,827	732,065	747,685
	Interest on funds	22,660	12,476	23,340	6,851	24,040	11,290	7,000	7,175	7,354
	Tax refunds		22,008		15,450			16,312	16,720	17,138
	MoU - Tasmanian Government		8,266		52,577			22,148	22,702	23,269
	Total Income	696,310	716,408	713,981	786,600	732,181	608,537	762,287	778,662	795,446
2. EXPENDITURE										
APPROPRIATION 1 - SECRETARIAT										
Employee salaries										
1.1.1	Salaries – Executive Secretary (new)							54,450	141,685	144,490
	Salaries – Executive Secretary (outgoing)	226,173	226,359	232,958	234,067	239,947	203,626	90,014	0	0
1.1.2	RBF Superannuation (Executive Secretary)	19,985	21,412	20,584	21,651	21,201	19,568	13,363	13,106	13,365
1.1.3	Recruitment Costs	0	0	0	0	0	0	0	0	0
1.1.4	Salaries (Science Officer)	See 1.1.1	See 1.1.1	See 1.1.1	See 1.1.1	See 1.1.1	See 1.1.1	93,853	94,782	97,151
1.1.5	RBF Superannuation (Science Officer)	See 1.1.2	See 1.1.2	See 1.1.2	See 1.1.2	See 1.1.2	See 1.1.2	8,681	8,767	8,986
1.1.6	Workers Compensation	1,565	2,725	1,612	3,028	1,660	2,915	3,104	3,181	3,261
	Total Salaries	247,723	250,496	255,154	258,746	262,808	226,109	263,465	261,521	267,254

Ref. No	Description	2013	2013	2014	2014	2015	2015	2016	2017	2018
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget
Employee expenses										
1.2.1	Accommodation	8,913	10,463	9,180	7,243	9,455	5,347	9,691	9,934	10,182
1.2.2	Airfares	22,281	7,198	22,949	23,059	23,638	5,998	24,229	24,835	25,456
1.2.3	Travel Allowances	9,500	12,507	9,785	4,825	10,079	5,748	10,331	10,589	10,854
1.2.4	Travel Insurance	1,671	972	1,721	922	1,772	930	945	969	993
1.2.5	Consultants	27,851	10,252	28,687	13,975	29,547	22,342	30,286	31,043	31,819
1.2.6	Relocation expense (staff)	0	0	0	0	0	0	22,668	0	0
1.2.8	General insurance	1,000	1,074	1,030	1,334	1,061	1,383	1,367	1,402	1,437
1.2.9	Representation expenses	2,000	2,417	2,060	2,100	2,122	977	2,175	2,229	2,285
1.2.10	Other travel costs - visas	1,228	383	1,265	530	1,303	0	800	820	841
Total Employee expenses		74,444	45,266	76,677	53,988	78,977	42,725	102,492	81,821	83,867
Operational costs										
1.3.1	Office equipment /furniture	5,570	3,589	5,737	3,746	5,909	1,213	6,057	6,208	6,363
1.3.2	Office equipment maintenance	1,000	600	1,030	1,655	1,061	1,276	1,088	1,115	1,143
1.3.3	Office requisites - stationery	5,250	1,192	5,408	1,049	5,570	773	1,500	1,538	1,576
1.3.4	Publications /books	200	0	206	0	212	0	217	223	228
1.3.6	Printing and copying (PR material)	2,000	3,178	2,060	577	2,122	1,607	2,289	2,346	2,405
1.3.7	Telephones - telecommunications	5,047	5,298	5,198	4,440	5,354	2,582	5,488	5,625	5,766
1.3.8	Translations - correspondence	5,570	1,340	5,737	5,090	5,909	7,455	6,057	6,208	6,363
1.3.9	Postage	200	0	206	66	212	186	217	223	228
1.3.10	Freight/couriers	200	30	206	0	212	0	217	223	228
1.3.11	Light and power	2,300	2,746	2,369	2,518	2,440	1,879	2,501	2,564	2,628
1.3.12	Insurance property	1,133	1,266	1,167	1,364	1,202	1,288	1,398	1,433	1,469
1.3.14	Vehicle running costs	5,000	5,086	5,150	4,779	5,305	4,675	5,438	5,574	5,713
1.3.15	Cab charge - taxis	446	271	459	1106	473	500	485	497	509

Ref. No	Description	2013	2013	2014	2014	2015	2015	2016	2017	2018
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget
1.3.16	Parking	2,117	3,603	2,180	8,140	2,246	3,950	6,240	6,400	6,560
1.3.19	Staff training	2,000	447	2,060	532	2,122	400	2,175	2,229	2,285
1.3.20	Staff conferences / seminars	1,114	0	1,148	0	1,182	0	1,212	1,242	1,273
1.3.21	Bank charges	250	192	258	193	265	0	272	278	285
1.3.22	Bad and doubtful debts	557	0	574	0	591	0	606	621	636
1.3.23	Software purchase	2,228	116	2,295	1,441	2,364	0	2,423	2,484	2,546
1.3.24	Server lease	2,200	2,370	2,266	565	2,334	385	600	615	630
1.3.25	Outsourced IT services	16,583	11,058	17,080	1,584	17,593	4,631	1,624	1,664	1,706
1.3.26	Modifications to database	9,500	0	9,785	1,384	10,079	0	10,331	10,589	10,854
1.3.27	WAN Wireless network	800	816	824	2009	849	872	1,100	1,128	1,156
1.3.28	Rent - ACAP office	24,797	24,734	25,541	39,094	26,307	30,780	37,277	38,208	39,163
1.3.29	Rates and water	2,064	0	2,126	6,948	2,190	7,617	7,244	7,426	7,612
1.3.30	Preventative maintenance	450	69	464	85	477	409	489	501	514
1.3.31	Office cleaning	2,062	2,175	2,124	3,790	2,188	924	2,243	2,299	2,356
Total Office operational costs		100,638	70,176	103,658	92,155	106,768	73,402	106,788	109,461	112,195
TOTAL APPROPRIATION NO. 1: SECRETARIAT		422,805	365,938	435,489	404,889	448,553	342,236	472,745	452,803	463,316
APPROPRIATION 2 - MEETINGS OF THE PARTIES										
Interpretation / Translation Costs										
2.1.1	Simultaneous interpretation	0		0		36,060	0			38,833
2.1.2	Hire of interpretation equipment	0		0		12,020	3,252			12,944
2.1.3	Translation of documents	0		0		40,534	8,326			32,000
Total Interpretation/Translation		0		0		88,614	11,578			83,777

Ref. No	Description	2013	2013	2014	2014	2015	2015	2016	2017	2018
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget
Meeting support costs										
2.2.1	Hire of venue (including catering)	0		0		13,113	10,000			14,121
2.2.2	Hire/purchase of equipment	0		0		8,742	0			9,414
2.2.3	Support staff	0		0		18,030	11,719			19,416
2.2.4	Printing of documents/report	0		0		6,010	0			6,472
Total Meeting support costs		0		0		45,895	21,719			49,423
Sponsorship										
2.3.1	Sponsorship of experts	0		0		20,000	16,716			21,538
Total Sponsorship costs		0		0		20,000	16,716			21,538
TOTAL APPROPRIATION NO. 2: MoP		0		0		154,509	50,013			154,738
APPROPRIATION 3 - ADVISORY COMMITTEE										
Interpretation										
3.1.1	Simultaneous interpretation	44,133	57,797	45,457	16,485	0	9,091	47,758	48,952	
3.1.2	Hire of interpretation equipment	11,458	16,850	11,802	3133	0	3,151	12,399	12,709	
3.1.3	Translation of meeting documents	40,000	35,993	41,200	0	0	34,307	37,000	37,925	
Total Interpretation		95,591	110,640	98,459	19,618	0	46,549	97,157	99,586	
Venue and meeting support costs										
3.2.1	Hire of venue (including catering)	23,359	34,379	24,060	24,721	0	18,662	25,278	25,910	
3.2.2	Hire/purchase of equipment	2,122	1,635	2,186	919	0	793	2,297	2,354	
3.2.3	Support staff	22,993	8,754	23,682	0	0	9,929	24,881	25,503	

Ref. No	Description	2013	2013	2014	2014	2015	2015	2016	2017	2018
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Budget	Budget
	Total Venue and meeting support costs	48,474	44,768	49,928	25,640	0	29,384	52,456	53,767	
	Sponsorship									
3.3.1	Sponsorship of experts	16,550	35,942	17,047	1,903	0	16,223	17,910	18,358	
	Sponsorship non-Party Range States					0	5,220	0	0	
	Total sponsorship	16,550	35,942	17,047	1,903	0	21,443	17,910	18,358	
	Support for Advisory Committee Officials									
3.4.1	Support for AC Officials	22,351	40,161	23,022	11,431	23,712	14,951	24,305	24,912	25,535
	Total support	22,351	40,161	23,022	11,431	23,712	14,951	24,305	24,912	25,535
	TOTAL APPROPRIATION NO. 3: AC	182,966	231,511	188,456	58,592	23,712	112,326	191,828	196,623	25,535
	APPROPRIATION 4 - AC WORK PROGRAMME									
	Support for secondments	20,392	0	21,004	11,600	21,633	0	0	19,968	35,358
	Advisory Committee Work Programme	85,149	98,171	84,482	136,403	99,687	54,760	102,714	109,268	116,499
	TOTAL APPROP'N 4: AC WORK PROGRAMME	105,541	98,171	105,486	148,003	121,320	54,760	102,714	129,236	151,857
	TOTAL AGREEMENT BUDGET	711,312	695,620	729,431	611,484	748,094	559,335	767,287	778,662	795,446