

 <p>Agreement on the Conservation of Albatrosses and Petrels</p>	<p style="text-align: center;"><b>Seventh Meeting of the Parties</b> <i>Virtual meeting, 9 - 13 May 2022 (UTC+10)</i></p> <p style="text-align: center;"><b>Draft Agreement Budget 2023 - 2025</b></p> <p style="text-align: center;"><b>Secretariat</b></p>
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### SUMMARY

A draft budget for the Agreement for 2023 - 2025 has been prepared by the Secretariat in accordance with Regulation 3 of the Financial Regulations. The draft budget includes a statement of the significant financial implications for the 2023 – 2025 triennium in respect of any proposed work programmes.

The draft budget includes a proposed allocation from the General Fund of unspent funds from previous years in Appropriations 1, 2 and 3, to a total of \$340,000.

### RECOMMENDATIONS

That the Meeting of the Parties:

1. Review the draft budget for the 2023 - 2025 triennium; and
2. Adopt a budget for the Agreement for the 2023 - 2025 triennium.

## 1. INTRODUCTION

The draft ACAP budget is prepared in accordance with the ACAP Principles agreed at MoP3, which include the following: 'The overall budget and Parties' contributions should as a minimum achieve 0% real growth but preferably better whilst avoiding excessive fluctuations for individual Parties' (MoP3 Report, 7.9.2).

The Secretariat has prepared a draft budget for 2023 - 2025 applying an annual inflator of 4.5%, in accordance with the Hobart Consumer Price Index (CPI) increase for 2021 ([www.abs.gov.au](http://www.abs.gov.au)), except where exact cost variations were known (**ANNEX 1**). As the Meeting of the Parties intersessional decision-making process in May 2021 failed to adopt a one-year budget for 2021 - 2022, the 2022 figures are simply a rollover of the 2021 budget. Given that the 2022 carryover budget did not take account of inflation, 2023 costs are generally estimated using an increase of 2.1% + 4.5%, except where exact costs are known or can be estimated based on actual expenditure in the 2021 and 2022 financial years. 2.1% was the

annual increase agreed by Parties at MoP6 for the 2019 - 2021 triennium. 2024 and 2025 costs are generally estimated using a 4.5% per year increase over the 2023 costs.

The draft budget comprises estimates of income and expenditure for 2023 - 2025 together with a statement identifying significant financial implications. For guidance, the budget also contains figures for the 2018 - 2019, 2019 - 2020, 2020 - 2021 and 2021 - 2022 financial years.

This paper should be read in conjunction with **MoP7 Doc 14** 'Scale of Contributions', **MoP7 Doc 08** 'Interim 2022 Financial report', **MoP7 Doc 09** 'Draft Advisory Committee Work Programme 2023 - 2025', and **MoP7 Doc 12** 'Draft Secretariat Work Programme 2023 - 2025'.

## 2. STATEMENT OF SIGNIFICANT FINANCIAL IMPLICATIONS

### 2.1. INCOME

Contributions from Parties for 2023 - 2025 are estimated applying an inflator of 4.5% following the Hobart CPI increase in 2021 ([www.abs.gov.au](http://www.abs.gov.au)), but do not include an increase including a combination of 2.1% and 4.5% for 2023 (notwithstanding the description, above, of the general use of this practice for estimating expenditure in 2023). The increase in contributions for 2023 is estimated as the 2022 amount plus 4.5%, taking no account of inflation between 2021 and 2022. This has therefore reduced estimated income to below zero real growth for the 2023 financial year, and will require the use of savings in the General Fund from previous years for some routine expenditure (in addition to new activities), as explained in the relevant sections below.

### 2.2. EXPENDITURE

#### 2.2.1. Appropriation 1 - Secretariat

Under-expenditure of Appropriation 1 in the 2019, 2020 and 2021 financial years amounted to approximately \$255,000. This budget proposes a carryover of part of these funds to items where a 4.5 % increase in the allocation will not be sufficient to enable the activities proposed. Details of the proposed one-off allocations from savings are provided under Items 1.2.5 and 1.2.6 below. The sums allocated from savings in the General Fund are not delineated in the Income and Expenditure projections, but will be mentioned as a footnote to the Budget.

A similar approach is proposed for some items in Appropriations 2 and 3, as explained in the relevant sections.

Item 1.1.1 – The Secretariat salaries proposed are taken from the salaries adopted by the Tasmanian State Service – see **MoP7 Doc 15**, or equivalent level positions for 2023, with estimated increases for the following years. The level of salary to be paid to the Executive Secretary for the 2023 – 2025 triennium will be determined by the Parties at MoP7. According to the ACAP Staff Regulations (5.1), the Executive Secretary's salary should 'approximate SES 2 classification of the Tasmanian Public Service'. The figure used in this budget for the salary of the Executive Secretary in 2023 (\$176,479) is equivalent to step 4 of SES Level 2 in the Tasmanian State Service, for an official in their fourth year at SES Level 2. The salary for the Science Officer is based on the Professional Officer, Band 2 classification in the Tasmanian State Service (see Staff Regulations, 5.2).

Items 1.1.2 and 1.1.5 – In accordance with a graduated increase in superannuation payments decided by the Australian federal government, Superannuation is estimated at 10.5% of salary in 2023, 11% in 2024 and 11.5% in 2025.

Item 1.1.3 – An allocation of \$5,990 has been provided in 2025 for a potential recruitment process for a new Executive Secretary. This is an increase by applying annual inflation to the earlier (2019) estimate, but it does not address the suggestion by the recruitment panel that a higher amount would be desirable. With ACAP’s staff regulations now amended (see [Record of Decisions](#) from the May 2021 Intersessional decision-making process) to allow for interviews by videoconference as required, a higher amount should not be necessary.

Items 1.2.1, 1.2.2 and 1.2.3 – Accommodation, airfares and travel allowances were estimated by applying an inflator of 4.5% per annum (and 2.1% for 2022), although there may be an increase in these costs in the aftermath of the coronavirus pandemic, which would imply a reduction in the amount of travel possible.

Items 1.2.4 and 1.2.8 – Travel and general insurance were estimated with the annual inflator as above.

Item 1.2.5 – It is proposed that a one-off allocation of \$200,000 from savings in the General Fund be assigned to Item 1.2.5 to cover the costs of contracting a temporary (for three years) part-time Communications Adviser to work two to three days per week to carry out tasks previously undertaken voluntarily by the Honorary Information Officer, plus new tasks that might be decided as part of a Communications Strategy. The estimates in **ANNEX 1** do not mention that amount and propose an increase for inflation only in the allocation for consultants. The additional \$200,000 from savings is included as a footnote to the Budget. Parties should bear in mind that if they wish to establish the Communications Adviser as a permanent ACAP staff position in future triennia then an increase in contributions (beyond inflation) would be needed. The availability of a considerable amount of savings is peculiar to current circumstances (as a result of the COVID-19 pandemic) and cannot be relied upon as a long-term solution for addressing increased costs beyond inflation.

Item 1.2.6 – No funds are allocated during the triennium to cover relocation expenses. Given budgetary constraints it is proposed that (following the precedent of the Sixth Meeting of the Parties) Parties agree to assign \$50,000 from savings in the General Fund to meet the relocation costs of the Executive Secretary. This too will be included as a footnote to the Budget.

Item 1.3.1 - We foresee the need to replace several items of office equipment.

Item 1.3.3 - “Office stationery” embraces office supplies in general. Our overall needs have increased in the COVID-19 era, as we need to purchase hand sanitiser, additional soap and paper towels, wipes, and other products.

Item 1.3.4 - This covers promotional material for World Albatross Day and other communications activities.

Item 1.3.6 - This includes costs related to printing, such as purchase of printer consumables. It also includes printing of materials such as posters and fact sheets.

Item 1.3.8 – Translation costs were estimated by applying the annual inflator plus an additional \$3,000 because of an increased translation workload in recent years.

Item 1.3.11 and 1.3.12 - Light & power and “insurance property” have been adjusted following actual expenditure in 2021.

Items 1.3.18 and 1.3.19 – Training and conference attendance for staff were adjusted by applying an annual inflator.

### **2.2.2. Appropriation 2 - Meeting of the Parties**

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 (FY) running from 1 July to 30 June, there is no longer one meeting per financial year. In the upcoming triennium, there is one meeting held in FY1 (2023), no meetings in FY2 (2024), and two meetings scheduled in FY3 (2025) of the budget cycle. However, the costs associated with holding meetings have been distributed over the three years of the budget cycle, assuming that significant parts of the meeting expenses will be distributed by the Secretariat accordingly.

The cost of operating and supporting meetings varies significantly depending on the location of the meeting, including hire of venue, catering and rent of AV/ interpretation equipment. The estimates in this budget have been prepared based on the costs of recent ACAP meetings, as the location of future meetings is not known at the time of preparing the budget. When meetings are to be held in high-cost regions, Parties should consider the provision of voluntary contributions to allow the adequate attendance of delegates.

Items 2.1.1 and 2.1.3 – Interpretation and translation costs were estimated by adding the annual inflator.

Items 2.1.2, 2.2.1, 2.2.2 and 2.2.4. – Meeting costs were adjusted by adding the annual inflator.

Items 2.2.3 and 2.3.1. – The expert sponsorship allocation was adjusted by adding an annual inflator to the figure for 2021. The allocation for support staff (item 2.2.3) has been set as 0. Instead, it is proposed that \$40,000 in savings from Appropriation 2 in 2021 be assigned to Appropriation 2 in 2025 to cover these costs. This will be noted in a footnote to the Budget.

### **2.2.3. Appropriation 3 – Advisory Committee**

Items 3.1.1, 3.1.2 and 3.1.3 – Interpretation and translation costs were estimated by adding 2.1% per year to the costs budgeted for 2021 and 2022, and 4.5% for 2023 and 2024. In order to balance expenditure along the triennium, part of the costs for translation of meeting documents in 2024 has been transferred to 2025.

Items 3.2.1 – this was estimated using an inflator of 2.1% for 2021 and 2022 and 4.5% for 2023 and 2024.

Items 3.2.3 and 3.3.1– The estimates for 3.2.3 and 3.3.1 were adjusted by adding the annual inflator to the 2020 figure but do not take account of other likely increases in travel-related costs in the aftermath of the coronavirus pandemic.

Item 3.4.1 - To cover the costs of 3.4.1 (support for Advisory Committee officials) for AC13 (2023) and AC14 (2024), it is proposed that \$60,000 be assigned to this Appropriation from savings in Appropriation 3 in 2020, 2021 and 2022. The \$60,000 in savings result from AC12

being held as a virtual meeting. This allocation of funds from savings will be noted in a footnote to the Budget.

#### **2.2.4. Appropriation 4 – Advisory Committee Work Programme**

The amount allocated to Secondments and the Advisory Committee Work Programme was estimated by applying an annual inflator. Although a call for secondments generally takes place twice within each three year period, funds allocated to this budget line were spread over three years to balance expenditure.

## ANNEX 1. DRAFT AGREEMENT BUDGET 2023 – 2025

4.5% INCREASE SCENARIO FOR 2023 - 2025											
Ref. No	Description	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<b>1. INCOME</b>											
	Contributions from Parties	767,628	573,079	781,195	783,704	795,048	762,903	795,047	830,824	868,211	907,281
	Interest on funds	3,567	6,960	3,642	538	3,718	0	3,718	3,885	4,060	4,243
	Tax refunds	17,498	11,013	17,865	10,763	18,241	11,020	18,241	26,000	11,890	12,425
	MoU - Tasmanian Government	22,821	23,113	23,209	23,737	23,604	23,927	23,604	26,129	27,305	28,534
	<b>Total Income</b>	<b>811,514</b>	<b>614,165</b>	<b>825,911</b>	<b>818,742</b>	<b>840,611</b>	<b>797,850</b>	<b>840,611</b>	<b>886,839</b>	<b>911,466</b>	<b>952,482</b>
<b>2. EXPENDITURE</b>											
<b>APPROPRIATION 1 - SECRETARIAT</b>											
Employee salaries											
1.1.1	Salaries – Executive Secretary	148,869	157,379	151,995	147,741	155,187	148,290	155,187	176,479	180,009	183,609
1.1.2	RBF Superannuation	14,143	14,951	14,440	14,035	14,743	14,088	14,743	18,530	19,801	21,115
1.1.3	Recruitment Costs	5,000	4,355	0	0	0	0	0	0	0	5,990
1.1.4	Salaries - Science Officer	100,800	101,591	102,917	105,583	105,078	107,274	105,078	113,957	116,236	118,561
1.1.5	RBF Superannuation	9,576	9,651	9,777	10,030	9,982	10,191	9,982	11,965	12,277	12,596
1.1.6	Workers Compensation	3,329	3,448	3,399	3,417	3,471	3,780	3,471	3,627	3,790	3,961
	<b>Total Salaries</b>	<b>281,717</b>	<b>291,375</b>	<b>282,528</b>	<b>280,806</b>	<b>288,461</b>	<b>283,623</b>	<b>288,461</b>	<b>324,559</b>	<b>332,113</b>	<b>345,831</b>
Employee expenses											
1.2.1	Accommodation	10,396	5,044	10,614	4,389	10,837	0	10,837	11,325	11,834	12,367
1.2.2	Airfares	25,991	13,753	26,536	8,037	27,094	0	27,094	28,313	29,587	30,919
1.2.3	Travel Allowances	11,082	2,299	11,315	1,901	11,552	0	11,552	12,072	12,615	13,183
1.2.4	Travel Insurance	1,014	312	1,035	0	1,057	0	1,057	1,105	1,154	1,206
1.2.5	Consultants	32,546	21,409	52,928	5,112	57,093	4,267	57,093	59,662	62,347	65,153
1.2.6	Relocation expense (staff)	30,000	46,563	0	0	0	0	0	0	0	0
1.2.8	General insurance	1,467	1,000	1,498	1,401	1,529	847	1,529	1,598	1,670	1,745

Ref. No	Description	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2023 Budget	2024 Budget	2025 Budget
1.2.9	Representation expenses	1,600	1,081	1,634	464	1,668	654	1,668	1,743	1,821	1,903
1.2.10	Other travel costs - visas	859	64	877	780	895	0	895	935	977	1,021
	<b>Total Employee expenses</b>	<b>114,955</b>	<b>91,525</b>	<b>106,437</b>	<b>22,084</b>	<b>111,725</b>	<b>5,768</b>	<b>111,725</b>	<b>116,753</b>	<b>122,006</b>	<b>127,497</b>
Operational costs											
1.3.1	Office equipment /furniture	6,497	4,194	6,633	5,166	6,772	0	6,772	7,077	7,395	7,728
1.3.2	Office equipment maintenance	800	359	817	143	834	0	834	872	911	952
1.3.3	Office requisites - stationery	1,609	1,692	1,643	1,588	1,677	645	1,677	1,752	1,831	1,914
1.3.4	Publications /books	148	0	238	0	243	272	243	254	265	277
1.3.6	Printing and copying (PR material)	1,964	780	2,006	870	2,048	1,994	2,048	2,140	2,236	2,337
1.3.7	Telephones - telecommunications	2,500	2,934	2,553	2,574	2,606	3,405	2,606	2,723	2,846	2,974
1.3.8	Translations - correspondence	6,497	0	6,633	2,090	6,772	12,551	6,772	10,077	10,530	11,004
1.3.9	Postage	233	112	238	96	243	246	243	254	265	277
1.3.10	Freight/couriers	233	0	238	160	243	0	243	254	265	277
1.3.11	Light and power	2,683	<b>2,645</b>	2,740	<b>3,117</b>	2,797	2,850	2,797	2,923	3,054	3,192
1.3.12	Insurance property	1,500	1,023	1,531	849	1,564	1,274	1,564	1,634	1,708	1,785
1.3.14	Vehicle running costs	3,500	2,485	3,574	1,153	3,649	-2,904	3,649	3,813	3,985	4,164
1.3.15	Cab charge - taxis	520	273	531	68	542	72	542	566	592	619
1.3.16	Parking	6,861	6,373	7,005	7,104	7,152	6,512	7,152	7,474	7,810	8,162
1.3.18	Staff training	2,333	2,115	2,382	2,496	2,432	920	2,432	2,541	2,656	2,775
1.3.19	Staff conferences / seminars	1,300	0	1,327	0	1,355	0	1,355	1,416	1,480	1,546
1.3.20	Bank charges	291	371	297	0	303	0	303	317	331	346
1.3.21	Bad and doubtful debts	318	0	325	0	331	0	331	346	361	378
1.3.22	Software purchase	2,599	1,317	2,654	323	2,710	1,462	2,710	2,832	2,959	3,093
1.3.23	Server lease	643	<b>385</b>	657	<b>385</b>	671	420	671	701	733	766
1.3.24	Outsourced IT services	2,018	1,675	2,061	1,584	2,104	2,000	2,104	2,199	2,298	2,401
1.3.25	Modifications to database	7,757	6,016	11,418	3,865	11,658	3,110	11,658	12,183	12,731	13,304
1.3.26	WAN Wireless network	1,180	360	1,205	720	1,230	1,465	1,230	1,285	1,343	1,404
1.3.27	Rent - ACAP office	32,800	33,091	33,489	34,041	34,192	31,783	34,192	35,731	37,339	39,019
1.3.28	Rates and water	0	0	0	0	0	0	0	0	0	0
1.3.29	Preventative maintenance	0	0	0	0	0	0	0	0	0	0

Ref. No	Description	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2023 Budget	2024 Budget	2025 Budget
1.3.30	Office cleaning	500	0	511	0	521	177	521	0	568	593
	<b>Total Office operational costs</b>	<b>87,284</b>	68,200	<b>92,706</b>	68,392	<b>94,649</b>	<b>68,254</b>	<b>94,649</b>	<b>101,364</b>	<b>106,493</b>	<b>111,285</b>
	Internal transfer						8,788				
<b>TOTAL APPROPRIATION 1 - SECRETARIAT</b>		<b>483,956</b>	<b>467,943</b>	<b>481,671</b>	<b>371,283</b>	<b>494,835</b>	<b>357,645</b>	<b>494,835</b>	<b>542,675</b>	<b>560,612</b>	<b>584,613</b>
<b>APPROPRIATION 2 - MEETINGS OF THE PARTIES</b>											
Interpretation / Translation Costs											
2.1.1	Simultaneous interpretation	0	3,960	0	0	41,279	0	41,279	0	0	47,719
2.1.2	Hire of interpretation equipment	0	544	0	0	16,370	0	16,370	0	0	18,924
2.1.3	Translation of documents	0	0	0	0	34,016	5,098	34,016	0	0	39,322
	<b>Total Interpretation/ Translation</b>	<b>0</b>	<b>4,504</b>	<b>0</b>	<b>0</b>	<b>91,665</b>	<b>5,098</b>	<b>91,665</b>	<b>0</b>	<b>0</b>	<b>105,965</b>
Meeting support costs											
2.2.1	Hire of venue (including catering)	0	0	0	0	15,011	500	15,011	0	0	17,353
2.2.2	Hire/purchase of equipment	0	0	0	0	10,007	0	10,007	0	0	11,568
2.2.3	Support staff	0	0	0	0	20,639	0	20,639	0	0	0
2.2.4	Printing of documents/ report	0	0	0	0	6,880	0	6,880	0	0	7,953
	<b>Total Meeting support costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,537</b>	<b>500</b>	<b>52,537</b>	<b>0</b>	<b>0</b>	<b>36,874</b>
Sponsorship											
2.3.1	Sponsorship - experts	0	-859	0	0	22,895	0	22,895	0	0	26,467
	<b>Total Sponsorship costs</b>	<b>0</b>	<b>-859</b>	<b>0</b>	<b>0</b>	<b>22,895</b>	<b>0</b>	<b>22,895</b>	<b>0</b>	<b>0</b>	<b>26,467</b>
<b>TOTAL APPROPRIATION 2 - MoP</b>		<b>0</b>	<b>3,645</b>	<b>0</b>	<b>0</b>	<b>167,097</b>	<b>5,598</b>	<b>167,097</b>	<b>0</b>	<b>0</b>	<b>169,305</b>
<b>APPROPRIATION 3 - ADVISORY COMMITTEE</b>											
Interpretation											
3.1.1	Simultaneous interpretation	49,980	33,496	51,030	14,408	0	6,036	0	55,470	57,966	0
3.1.2	Hire of interpretation equipment	14,043	16,231	14,337	0	0	0	0	15,584	16,286	0



Ref. No	Description	2019 Budget	2019 Actual	2020 Budget	2020 Actual	2021 Budget	2021 Actual	2022 Budget	2023 Budget	2024 Budget	2025 Budget
3.1.3	Translation of meeting documents	38,721	0	28,535	20,670	11,000	0	11,000	31,018	32,413	0
	<b>Total Interpretation</b>	<b>102,744</b>	<b>49,727</b>	<b>93,902</b>	<b>35,078</b>	<b>11,000</b>	<b>6,036</b>	<b>11,000</b>	<b>102,071</b>	<b>106,665</b>	<b>0</b>
Venue and meeting support costs											
3.2.1	Hire of venue (including catering)	26,454	29,143	27,010	8,319	0	10,380	0	29,360	30,681	0
3.2.2	Hire/purchase of equipment	2,403	0	2,454	0	0	0	0	2,667	2,788	0
3.2.3	Support staff	26,039	28,653	26,585	0	0	0	0	28,898	30,198	0
	<b>Total Venue and meeting costs</b>	<b>54,896</b>	<b>57,796</b>	<b>56,049</b>	<b>8,319</b>	<b>0</b>	<b>10,380</b>	<b>0</b>	<b>60,925</b>	<b>63,667</b>	<b>0</b>
Sponsorship											
3.3.1	Sponsorship of experts	18,744	19,000	19,137	0	0	0	0	20,802	21,738	0
	Sponsorship non-Party Range States	0	0	0	0	0	0	0	0	0	0
	<b>Total sponsorship</b>	<b>18,744</b>	<b>19,000</b>	<b>19,137</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,802</b>	<b>21,738</b>	<b>0</b>
Support for Advisory Committee Officials											
3.4.1	Support for AC Officials	25,435	26,800	25,969	16,801	0	0	0	0	0	0
	<b>Total support</b>	<b>25,435</b>	<b>26,800</b>	<b>25,969</b>	<b>16,801</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL APPROPRIATION 3 - AC</b>		<b>201,819</b>	<b>153,323</b>	<b>195,057</b>	<b>60,198</b>	<b>11,000</b>	<b>16,416</b>	<b>11,000</b>	<b>183,799</b>	<b>192,070</b>	<b>0</b>
<b>APPROPRIATION 4 - AC WORK PROGRAMME</b>											
	Support for secondments	0	0	20,807	4,621	36,101	0	36,101	22,867	15,099	48,412
	Advisory Committee Work Programme	125,740	141,038	128,381	170,057	131,577	78,520	131,577	137,498	143,685	150,151
<b>TOTAL APPROPRIATION 4 - AC WP</b>		<b>125,740</b>	<b>141,038</b>	<b>149,188</b>	<b>174,678</b>	<b>167,678</b>	<b>78,520</b>	<b>167,678</b>	<b>160,365</b>	<b>158,784</b>	<b>198,563</b>
<b>TOTAL AGREEMENT BUDGET</b>		<b>811,515</b>	<b>765,949</b>	<b>825,916</b>	<b>606,159</b>	<b>840,610</b>	<b>458,179</b>	<b>840,610</b>	<b>886,839</b>	<b>911,466</b>	<b>952,482</b>

<b>One-off allocations from savings in General Fund</b>		<b>2023 Budget</b>	<b>2024 Budget</b>	<b>2025 Budget</b>
1.2.5	Contracting a temporary part-time Communications Adviser (2023-2025)		200,000	
1.2.6	Relocation expenses (staff) (2023-2025)		50,000	
2.2.3	Allocated to Appropriation 2 for MoP8	0	0	40,000
3.4.1	Support for AC officials AC13 and AC14	30,000	30,000	0