

## 6<sup>TH</sup> MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE (FAC)

*The Hague, The Netherlands, 23 to 27 January 2019*

### FAC 6 – Doc 08

### Draft Budget for Financial Year 2019-20 and 2020-21

*Secretariat*

#### 1. Background

Article 15.4 of the Convention provides that the Executive Secretary shall submit a draft of the annual budget for the two succeeding financial years to each member of the Commission together with a schedule of contributions not less than 60 days before the meeting of the Finance and Administration Committee. Furthermore, the Financial Regulation 2.4 requires that the draft budget be accompanied by details of the appropriations and expenditures for the previous year.

#### 2. Draft Annual Budget

In accordance with Article 15.4, the information contained in this document sets out the adopted budget for Financial Year 2018-2019, proposed budget for Financial Year 2019-2020, together with forecast budget for Financial Year 2020-2021:



DRAFT ANNUAL BUDGET

South Pacific Regional Fisheries Management Organisation Proposed Budget for Financial Year 2019-20 and Forecast Budget for Financial Year 2020-21 (New Zealand Dollars)						
Main Budget Categories	Budget Items	2018-2019		2019-2020		2020-2021
		Adopted Budget 2018-2019 <small>COMM6-Report ANNEX 4a</small>	Forecasted 2019-2020	A Budget Proposal 2019-2020 <small>Financial Regulation</small>	B Budget Proposal 2019-2020 <small>Performance Review</small>	C Forecast Budget 2020-2021 <small>Financial Regulation</small>
<b>1. Personnel Cost</b>						
1.1 Salaries						
	Professional Category (PC)					
	Executive Secretary (P5)			206 000	206 000	210 000
	Data Manager (P3)			154 000	154 000	158 000
	Communication and Co-ordination Officer (P1)			96 000	96 000	98 000
	Compliance Manager (P3)			0	154 000	158 000
	General Services Category (GSC)					
	Finance and Office Manager			72 000	72 000	78 000
	IT and VMS Manager			72 000	36 000	36 000
	Data Analyst			36 000	0	0
	<b>Total Staff Salary Cost</b>	595 000		636 000	718 000	738 000
1.2 Insurance						
	Health Insurance (2 PC)			20 000	30 000	30 000
	Life Insurance (2 PC)			4 000	6 000	6 000
	ACC (1 PC and 2 GSC)			1 000	1 000	1 000
	<b>Total Insurance Cost</b>	25 000		25 000	25 000	25 000
1.3 Home Leave				7 000	7 000	18 000
1.4 Temporary Personnel Under Contract (Data Analyst)		30 000		0	0	0
1.5 Staff Training & Other Professional Development		10 000		15 000	15 000	15 000
1.6 Cost Associated with Staff Conflict Resolution				5 000	5 000	5 000
	<b>Subtotal Personnel Cost</b>	660 000	700 000	688 000	770 000	801 000
<b>2. Premises and Equipment</b>						
2.1 Premises						
	Office Moving Cost			0	0	0
	Office Renting			57 000	57 000	60 000
	Property Insurance			2 000	2 000	2 000
	Power			4 000	4 000	4 000
	Cleaning			2 000	2 000	2 000
	<b>Total Premises Cost</b>	64 500		65 000	65 000	68 000
2.2 IT/Computer Hardware		10 000		10 000	12 000	21 000
2.3 Office Equipment and Supplies		7 500		8 000	8 000	8 000
	<b>Subtotal Premises and Equipment</b>	82 000	83 000	83 000	85 000	97 000
<b>3. Meetings and Travel</b>						
3.1 Annual Commission Meeting		50 000		25 000	25 000	57 000
3.2 Scientific Committee Meeting		25 000		25 000	25 000	26 000
3.3 Other Meetings and Travel		15 000		25 000	25 000	26 000
3.4 Cost Associated with Hosting a Meeting		10 000		5 000	5 000	6 000
	<b>Subtotal Meetings and Travel</b>	100 000	132 000	80 000	80 000	115 000
<b>4. Information and Communication</b>						
4.1 Telephone and Internet		7 000		8 000	8 000	8 000
4.2 Computer Expenses and IT Support		3 000		4 000	4 000	5 000
4.3 Website Expenses		3 000		4 000	4 000	5 000
4.4 Database Regular Costs		25 000		25 000	25 000	25 000
4.5 Database Development		30 000		30 000	30 000	30 000
	<b>Subtotal Information and Communication</b>	68 000	60 000	71 000	71 000	73 000
<b>5. Operational Expenses</b>						
5.1 Auditors		8 000		8 000	8 000	8 000
5.2 Translation				24 000	24 000	12 000
5.3 Stationeries, Printing and Publications		5 000		5 000	5 000	5 000
5.4 Bank and Post Services		4 000		4 000	4 000	4 000
5.5 Hospitality		3 000		3 000	3 000	3 000
5.6 Other General Expenses		10 000		10 000	10 000	10 000
	<b>Subtotal Operational Expenses</b>	30 000	31 000	54 000	54 000	42 000
<b>6. SPRFMO VMS</b>						
6.1 Contingency (10% of annual fee)		10 000		10 000	10 000	10 000
6.2 Annual Fee		98 000		98 000	98 000	98 000
	<b>Subtotal VMS</b>	108 000	108 000	108 000	108 000	108 000
<b>7. Non - Routine Expenses</b>						
7.1 Performance Review		15 000	0	0	0	0
7.2 SPRFMO Observer Programme Accreditation Provider				185 000	185 000	0
7.3 2020 Annual Commission Meeting (Secretariat in NZ)				400 000	400 000	0
7.4 Rebuilding the Contingency Fund				0	50 000	50 000
7.5 Recruitment Compliance Manager (P3)				0	85 000	0
7.6 Translation CMMs				0	54 000	0
	<b>Subtotal Non - Routine Expenses</b>	15 000	0	585 000	774 000	50 000
<b>Subtotal</b>		1 063 000	1 114 000	1 669 000	1 942 000	1 286 000
<b>8. Scientific Support</b>	(see FR2 Para 4)	20 000	20 000	20 000	20 000	22 000
<b>9. Developing States</b>	(see FR2 Para 4)	20 000	20 000	30 000	30 000	35 000
<b>Grand Total</b>		1 103 000	1 154 000	1 719 000	1 992 000	1 343 000
<small>Observer Programme Accreditation</small> <small>2020 Annual meeting organise by the Secretariat</small> <small>Performance Review Recommendations</small>						



### 3. Explanatory Note on Potential Budget Scenarios

3.1 FY 2018-2019: Where information on the adopted budget for the current Financial Year (FY) 2018-2019 and the forecasted budget for the FY 2019-2020 are shown based on COMM6 discussions.

3.2 FY 2019-2020: Where two scenarios are presented:

- A. Budget considering business as usual.
- B. Budget considering the recommendations of the Performance Review Panel.

**3.2.1 Both scenarios (A and B) are budgeted considering that:**

- There is no host Member for the 2020 Annual Commission meeting:  
According to FAC5-Report, “no Members offer hosting the 2020 Annual meeting of the Commission”. In the absent of a host, the meeting will need to be hosted by the Secretariat, the costs for which will be met through the Commission’s budget. The estimated cost for the Secretariat to host this Meeting in New Zealand is NZ\$ 400,000<sup>1</sup>.
- The Observer programme (if adopted) will have financial implications:  
According to COMM6-Report, “The European Union generously offered to contribute EUR 100,000<sup>2</sup> to a SPRFMO observer accreditation process and the Commission gratefully accepted this generous offer”. However, this amount is not sufficient and therefore the Commission will have to top-up with an extra of NZ\$ 185,000<sup>3</sup>.

**3.2.2 Only scenario B is budgeted considering some of the (priority) recommendations of the Performance Review Panel<sup>4</sup>:**

- The Recruitment of a Compliance Manager. Please bear also in mind that regardless of the recommendations of the Performance Review Panel, the Secretariat will not be able to manage the workload associated to the implementation of the Observer Programme (if adopted) with the current staff setting.
- The rebuilding of the Contingency Fund, which currently is well below the level equivalent to three months of the approved budget (according to Financial Regulation, Annex2, para 5).
- Translation cost of the CMMs.

3.3 FY2020-2021: This forecasted budget assumes that Scenario B was fully adopted and that there will be a host for the 2021 Annual Commission meeting.

---

<sup>1</sup> Based on the cost estimation for the 7<sup>th</sup> Commission Meeting hosted by the EU in The Hague, The Netherlands

<sup>2</sup> EUR 100 000 = NZD 167 000

<sup>3</sup> Observer Programme cost based on Secretariat estimates

<sup>4</sup> <https://www.sprfmo.int/assets/Basic-Documents/Convention-and-Final-Act/2018-SPRFMO-Performance-Review/2018-12-01-REPORT-SPRFMO-PERFORMANCE-REVIEW-FINAL.pdf>