

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

*Held remotely, 21-23 January 2021 (scheduling to be confirmed)*

FAC 8 – Doc 06 rev1

Draft Budget for Financial Year 2021-22 and 2022-23

*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”.

### 2. Draft Annual Budget

In accordance with Article 15.4, the information contained in this document includes the:

- Adopted budget for Financial Year 2020-2021 and Forecasted budget for Financial Year 2021-2022 as agreed during COMM8 ([COMM8-Report ANNEX 6d](#)).
- Anticipated and received voluntary contributions that directly affect the Member contributions<sup>1</sup> are considered as a whole of Budget Category to better reflect the real costs of running the organisation. The Secretariat standing paper on income will detail all voluntary contributions and is due on the 26<sup>th</sup> of December 2020.
- Budget proposal for Financial Year 2021-2022. Proposed budget items which are noticeably different from last year’s Forecasted budget figures are explained in Section 3 below.
- Forecast budget for Financial Year 2022-2023. This forecasted budget assumes that the Budget for Financial Year 2021-2022 is fully adopted and that there will be an identified host for the 2023 (COMM11) Annual Commission meeting.

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<sup>1</sup> There are two such contributions that fall into this category - 1<sup>st</sup> is the EU contribution to establish the SPRFMO Observer programme and the 2<sup>nd</sup> is the Memorandum of Understanding between USA NOAA and the Secretariat for the implementation of MCS measures.



## DRAFT ANNUAL BUDGET

South Pacific Regional Fisheries Management Organisation					
Proposed Budget for Financial Year 2021-22 and Forecast Budget for Financial Year 2022-23					
(New Zealand Dollars)					
Main Budget Categories	Budget Items	FY 2020-2021		FY 2021-2022	FY 2022-2023
		Adopted Budget 2020-2021	Forecasted 2021-2022	Budget Proposal 2021-2022 Financial Regulation 2.1	Forecast Budget 2022-2023 Financial Regulation 2.1
<b>1. Personnel Cost</b>					
	1.1 Salaries				
	Professional Category (PC)				
	Executive Secretary (P5)	236 000	247 000	231 000	240 000
	Data Manager (P3)	159 000	167 000	175 000	179 000
	Compliance Manager (P3)	144 000	152 000	168 000	174 000
	Communication and Co-ordination Officer (P1)	98 000	103 000	125 000	127 000
	General Services Category (GSC)				
	Finance and Office Manager	78 000	82 000	82 000	88 000
	IT Manager	39 000	41 000	41 000	44 000
	Programme coordinator (temporary)	0	0 000	38 000	38 000
	<b>Total Staff Salary Cost</b>	<b>754 000</b>	<b>792 000</b>	<b>860 000</b>	<b>890 000</b>
	1.2 Insurance				
	Health Insurance (3 PC)	30 000	30 000	30 000	36 000
	Life Insurance	6 000	6 000	6 000	6 000
	ACC (1 PC and 2 GSC)	1 000	1 000	1 000	1 000
	<b>Total Insurance Cost</b>	<b>37 000</b>	<b>37 000</b>	<b>37 000</b>	<b>43 000</b>
	1.3 Home Leave	8 000	18 000	10 000	20 000
	1.4 Staff Training & Other Professional Development	15 000	15 000	20 000	20 000
	1.5 Cost Associated with Staff Conflict Resolution	5 000	5 000	5 000	0
	<b>Subtotal Personnel Cost</b>	<b>819 000</b>	<b>867 000</b>	<b>932 000</b>	<b>973 000</b>
<b>2. Premises and Equipment</b>					
	2.1 Premises				
	Office Rent (includes common area charges)	57 000	60 000	60 000	62 000
	Property Insurance	2 000	2 000	2 000	3 000
	Power	4 000	4 000	4 000	5 000
	Cleaning	3 000	3 000	3 000	4 000
	<b>Total Premises Cost</b>	<b>66 000</b>	<b>69 000</b>	<b>69 000</b>	<b>74 000</b>
	2.2 IT/Computer Hardware	23 000	15 000	15 000	15 000
	2.3 Office Equipment and Supplies	8 000	8 000	8 000	8 000
	<b>Subtotal Premises and Equipment</b>	<b>97 000</b>	<b>92 000</b>	<b>92 000</b>	<b>97 000</b>
<b>3. Meetings and Travel</b>					
	3.1 CTC and Annual Commission Meeting	75 000	55 000	75 000	80 000
	3.2 Scientific Committee Meeting	5 000	25 000	25 000	30 000
	3.3 Other Meetings and Travel	44 000	28 000	20 000	24 000
	3.4 Cost Associated with Hosting a Meeting	6 000	6 000	6 000	7 000
	<b>Subtotal Meetings and Travel</b>	<b>130 000</b>	<b>114 000</b>	<b>126 000</b>	<b>141 000</b>
<b>4. Information and Communication</b>					
	4.1 Telephone and Internet	9 000	9 000	9 000	10 000
	4.2 Computer Expenses and IT Support	5 000	6 000	10 000	11 000
	4.3 Website Expenses	5 000	5 000	5 000	6 000
	4.4 Database Regular Costs	25 000	25 000	25 000	26 000
	4.5 Database Development	52 000	30 000	30 000	35 000
	<b>Subtotal Information and Communication</b>	<b>96 000</b>	<b>75 000</b>	<b>79 000</b>	<b>88 000</b>
<b>5. Operational Expenses</b>					
	5.1 Auditors	8 000	8 000	8 000	9 000
	5.2 Stationeries, Printing and Publications	5 000	5 000	5 000	6 000
	5.3 Bank and Post Services	4 000	4 000	4 000	5 000
	5.4 Hospitality	3 000	3 000	3 000	3 000
	5.5 Other General Expenses	10 000	10 000	10 000	10 000
	<b>Subtotal Operational Expenses</b>	<b>30 000</b>	<b>30 000</b>	<b>30 000</b>	<b>33 000</b>
<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	100 000
	<b>Subtotal VMS</b>	<b>108 000</b>	<b>108 000</b>	<b>108 000</b>	<b>110 000</b>
<b>7. Non - Routine Expenses</b>					
	7.1 SPRFMO Observer Programme Accreditation Provider	40 000	60 000	80 000	80 000
	7.2 Rebuilding the Contingency Fund	20 000	20 000	20 000	30 000
	7.3 SPRFMO 10 year anniversary campaign	0	0	0	20 000
	7.4 Recruitment and installation of Compliance Manager	65 000	0 000	0	0
	7.5 Recruitment and installation of Exec sec	0 000	0 000	85 000	0
	<b>Subtotal Non - Routine Expenses</b>	<b>125 000</b>	<b>80 000</b>	<b>185 000</b>	<b>130 000</b>
<b>Subtotal</b>		<b>1 405 000</b>	<b>1 366 000</b>	<b>1 552 000</b>	<b>1 572 000</b>
<b>8. Scientific Support</b>	(see FR2 Para 4)	<b>80 000</b>	<b>44 000</b>	<b>44 000</b>	<b>50 000</b>
<b>9. Developing States</b>	(see FR2 Para 4)	<b>55 965</b>	<b>35 000</b>	<b>30 000</b>	<b>30 000</b>
<b>Grand Total</b>		<b>1 540 965</b>	<b>1 445 000</b>	<b>1 626 000</b>	<b>1 652 000</b>
<b>Voluntary Contributions affecting the budget</b>		<b>175 890</b>	<b>0</b>	<b>230 000</b>	<b>190 000</b>
<b>Net Total</b>		<b>1 365 075</b>	<b>1 445 000</b>	<b>1 396 000</b>	<b>1 462 000</b>



### 3. Forecasted Budget vs Proposed Budget for Financial Year 2021-2022

Category	Forecasted	Proposed	Difference	Explanation
1. Personnel Cost	867 000	932 000	+ 65 000	<ul style="list-style-type: none"> <li>The employment agreement for the newly appointed Compliance Manager <a href="#">used a higher</a> starting salary within the P3 UN Salary scale <a href="#">that was anticipated in last year's</a> Forecast budget (<a href="#">Vacancy Description</a>).</li> <li>As enabled under <a href="#">Staff Regulation 8.1</a>, 2 internationally recruited employees have increased their social security contributions up to (or near) the maximum percentage applied by the United Nations.</li> <li>The Secretariat was reduced in size by 1.5 FTE from June until November 2020 and is now effectively 0.5 FTE down compared with this time last year. Since then, the Secretariat has struggled with effective management for the various projects for which the Secretariat has administrative responsibility. Attempts were made to bridge this gap with New Zealand (refer letter R09-2020), but we were unable to identify a suitable/interested person based upon the expected work plan. Provision has therefore been made to temporarily cover this gap with a programme coordinator for 2 years. Note this is not intended to prejudice the forthcoming staffing strategy intended to outline the future staffing needs of the Organisation discussed during FAC7.</li> </ul>
3. Meetings and Travel	114 000	126 000	+ 12 000	<ul style="list-style-type: none"> <li>Budget category for Meetings and travel anticipates 5 staff travelling to Peru for the COMM10 (2022) annual meeting as currently scheduled. It also assumes that the Scheduled Panama SC meeting will be able to be held in-person.</li> <li>The subcategory for Other meetings and travel has been slightly reduced due to cancellation of 2021 meetings.</li> <li>Note - due to Covid19 there are almost no expenses against this category in FY 2020-21 as both the 2020 SC and 2021 annual meetings were/will be virtual. Refer to the forthcoming Secretariat travel plan for additional details.</li> </ul>
7. Non-Routine Expenses	80 000	185 000	+ 105 000	<ul style="list-style-type: none"> <li>Since last year and using Member's implementation reports, there is an increase in the number of Members expected to pursue Observer accreditation during 2021. Note this cost is intended to be covered by voluntary contributions (<a href="#">refer footnotes 10 and 11 in FAC8-Doc05</a>).</li> <li>Provision has been made for installation of a new internationally recruited Executive Secretary.</li> </ul>

### 4. Member Contributions for Financial Year 2021-2022

Category	Adopted (2020-21)	Proposed (2021-22)	Difference	Explanation
Grand Total	1 540 965	1 626 000	+ 85 035	<ul style="list-style-type: none"> <li>The expected true cost of running the organisation <a href="#">for 2021-22 is forecast to</a> increase by 5.5%, and this is almost entirely due to unanticipated costs associated with changing the Executive Secretary.</li> </ul>
Net Total	1 365 075	1 396 000	+ 30 925	<ul style="list-style-type: none"> <li>The proposed amount the Members are being asked to contribute has increased by 2% and this represents a 3.5% reduction below (\$49 000) what was initially forecast last year.</li> </ul>