
9TH MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE (FAC)

Held remotely, 18, 21 and 22 January 2022 (NZDT)

FAC 9 – Doc 06

Draft Budget for Financial Year 2022-23 and 2023-24

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 where the Committee will adopt its recommendations to the Commission*”.

2. Draft Annual Budget

This draft annual budget is prepared in accordance with Article 15 paragraph 4 of the Convention. The information contained in this document includes the:

- Adopted budget for Financial Year 2021-22 and Forecasted budget for Financial Year 2022-23 as agreed during COMM9 (COMM9-REPORT ANNEX 5a).
- Additional voluntary contributions that directly affect the Member contributions¹ continue to be 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 25th of December 2021.
- Budget proposal for Financial Year 2022-23. Proposed budget items remain at a similar level for the Financial Year 2022-23 as the indicative budgets presented in the 2021 Annual Meeting. The detailed information is provided in Section 3 below.
- Forecast budget for Financial Year 2023-24. This forecasted budget assumes that the Budget for Financial Year 2022-23 is fully adopted and that there will be an identified host for the 2024 (COMM12) Annual Commission meeting.
- Furthermore, the proposed budget for Financial Year 2022-23 and forecasted budget for Financial Year 2023-24 are prepared based on that the Secretariat and the Organisation will carry on normal activities without many restrictions caused by the COVID19 Pandemic. If the COVID 19 restrictions continues, it will be likely to be an underspend for the categories associated with travel.

¹ There is one such contributions that falls into this category - the EU contribution to establish the SPRFMO Observer programme.



DRAFT ANNUAL BUDGET

South Pacific Regional Fisheries Management Organisation					
Proposed Budget for Financial Year 2022-23 and Forecast Budget for Financial Year 2023-24					
(New Zealand Dollars)					
Main Budget Categories	Budget Items	FY 2020-21		FY 2022-23	FY 2023-24
		Adopted Budget 2021-2022	Forecasted 2022-2023	Budget Proposal 2022-2023 Financial Regulation 2.1	Forecast Budget 2023-2024 Financial Regulation 2.1
1. Personnel Cost					
1.1	Salaries				
	Professional Category (PC)				
	Executive Secretary (P5)	250 916	260 373	241 150	245 067
	Data Manager (P3)	181 000	188 587	184 989	188 868
	Compliance Manager (P3)	203 352	211 555	202 764	206 584
	Communication and Co-ordination Officer (P1)	151 081	153 796	150 646	151 199
	General Services Category (GSC)				
	Finance and Office Manager	82 000	88 000	87 059	92 429
	IT Manager	41 000	44 000	43 529	46 215
	Total Staff Salary Cost	909 349	946 311	910 137	930 362
1.2	Insurance				
	Health Insurance (3 PC)	30 000	36 000	30 000	32 000
	Life Insurance	6 000	6 000	6 000	6 000
	ACC (1 PC and 2 GSC)	1 000	1 000	1 000	1 000
	Total Insurance Cost	37 000	43 000	37 000	39 000
1.3	Home Leave	10 000	20 000	10 000	20 000
1.4	Staff Training & Other Professional Development	20 000	20 000	20 000	20 000
1.5	Cost Associated with Staff Conflict Resolution	3 000	0	0	0
	Subtotal Personnel Cost	979 349	1029 311	977 137	1009 362
2. Premises and Equipment					
2.1	Premises				
	Office Rent (includes common area charges)	60 000	62 000	62 000	64 000
	Insurances	2 000	3 000	3 000	3 300
	Power	4 000	5 000	5 000	5 400
	Cleaning	3 000	3 500	3 500	3 500
	Total Premises Cost	69 000	73 500	73 500	76 200
2.2	IT/Computer Hardware/Equipment	14 000	15 000	15 000	15 000
2.3	Office Equipment and Supplies	2 000	3 000	3 000	3 000
	Subtotal Premises and Equipment	85 000	91 500	91 500	94 200
3. Meetings and Travel					
3.1	CTC and Annual Commission Meeting	75 000	80 000	78 000	80 000
3.2	Scientific Committee Meeting	25 000	30 000	22 300	30 000
3.3	Other Meetings and Travel	20 000	24 000	34 700	25 000
3.4	Cost Associated with Hosting a Meeting	6 000	7 000	6 000	6 000
	Subtotal Meetings and Travel	126 000	141 000	141 000	141 000
4. Information and Communication					
4.1	Telephone and Internet	9 000	10 000	9 000	9 000
4.2	Computer Expenses and IT Support	10 000	11 000	10 000	10 000
4.3	Website Expenses	5 000	6 000	5 000	5 000
4.4	Database Regular Costs	25 000	26 000	26 000	26 000
4.5	Database Development	0 000	35 000	0 000	35 000
	Subtotal Information and Communication	49 000	88 000	50 000	85 000
5. Operational Expenses					
5.1	Auditors	8 000	9 000	9 000	10 000
5.2	Stationeries, Printing and Publications	5 000	6 000	4 000	4 000
5.3	Bank and Post Services	4 000	5 000	5 000	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
	Subtotal Operational Expenses	30 000	33 000	31 000	32 000
6. SPRFMO VMS					
6.1	Contingency	10 000	10 000	10 000	8 000
6.2	Annual Fee	98 000	100 000	100 000	104 000
	Subtotal VMS	108 000	110 000	110 000	112 000
7. Non - Routine Expenses					
7.1	SPRFMO Observer Programme Accreditation Provider	80 000	80 000	80 000	40 000
7.2	Rebuilding the Contingency Fund	20 000	30 000	30 000	30 000
7.3	SPRFMO 10 year anniversary campaign	0	20 000	20 000	0
7.4	Recruitment and installation of Data Manager	65 000	0	0	0
7.5	Performance Review	0	0	0	30 000
	Subtotal Non - Routine Expenses	165 000	130 000	130 000	100 000
Subtotal		1 542 349	1 622 811	1 530 637	1 573 562
8. Scientific Support	(see FR2 Para 4)	57 060	50 000	28 000	20 000
9. Developing States	(see FR2 Para 4)	35 000	30 000	35 000	35 000
Grand Total		1 577 349	1 702 811	1 593 637	1 628 562
Voluntary Contributions affecting the budget		280 000	190 000	80 000	0 000
Net Total		1 297 349	1 512 811	1 513 637	1 628 562



3. Forecasted Budget vs Proposed Budget for Financial Year 2022-2023

Category	Forecasted	Proposed	Difference	Explanation
1. Personnel Cost	1 029 311	977 137	- 52 174	<ul style="list-style-type: none"> Personnel costs are estimated based on those post costs including pension, health/life insurance, home leave, as well the multiplier index and foreign exchange rates incurred year -to- date, with a small increase to factor in salary progressions; for 2022-23, the total proposed salary costs are estimated to be lower than the forecasted by NZ\$36,174, this is due to a review of the most recent and relevant multiplier and exchange rates. Health insurance and home leave have also been adjusted to reflect current and expected expenditure.
4. Information and Communication	88 000	50 000	- 38 000	<ul style="list-style-type: none"> Costs associated with internet, telephone services and website costs have been reduced by NZ\$3,000. The database development associated with uploading new data and incorporating a new module for observer trip information was done in 2021. Future database development will be necessary but given that the Organisation has only recently recruited a new Data Manager, such development has been moved to Financial Year 2023-24 to allow time for the Data Manager to assess the current state and future needs of the Organisation.
5. Operational Expenses	33 000	31 000	- 2 000	<ul style="list-style-type: none"> The printing budget has been greatly reduced in the proposed budget. As shown in the financial reports the main office printer was almost fully depreciated. Recently it began to fail and in November 2021 the Secretariat replaced it with a new printer (useful life is estimated to be around 7 years), with the purchase cost being capitalized as a fixed asset.
Voluntary Contributions affecting the budget	190 000	80 000	+ 110 000	<ul style="list-style-type: none"> Previously there were two such contributions that were included into the forecasted budget. 1st was the EU contribution to establish the SPRFMO Observer programme and the 2nd was the Memorandum of Understanding between USA NOAA and the Secretariat for the implementation of MCS measures. In the future, it is the Secretariat's intention to report on all voluntary contributions consistently and separate from the main organisational budget. However, given the multiyear nature of the EU contribution to establish the SPRFMO Observer programme, it remains in the main organisational budget to be consistent with previous years.
Net Total	1 512 811	1 513 637	+ 826	<ul style="list-style-type: none"> Considering all the differences above, the net total in the budget proposed for Financial Year 2022-23 remains almost unchanged from the forecasted budget presented last year.