



Agenda Item 6(ii): Financial Update

Purpose

The purpose of this paper is to update the Board on the current Finances for the PIDC Secretariat for the current financial year. The current report summarises the finances for the Secretariat from quarter one to quarter four, which is till 30th May. It provides an overview of the Secretariat's finances for the current financial year.

Background

2. The financial update is provided at Board Meetings as a standing agenda item to inform the Board of the current state of PIDC finances. The current finance report provides an update covering the period from July 1, 2024, to May 30, 2025. At the last Board Meeting, the Secretariat tabled the report for quarter three, which primarily covers the period from January to February 2025.

Overall Performance

3. From the 1st of July 2024 to the 30th of May 2025, the Secretariat received a total revenue of WST\$2,537,985 for the current financial year. The income was mainly from our two major donors, the Australian Department of Home Affairs and Trade, the New Zealand Ministry of Foreign Affairs and Trade, the New Zealand Ministry of Business, Innovation, and Employment, the Host Country of Samoa, the Papua New Guinea Immigration and Citizenship Authority (PNGICA) and from Member Countries. For the first time, PNGICA has stepped in and assisted the Secretariat in signing a four-year agreement to support the capacity-building programme for Members, providing NZD 100,000 per year for the next four years.

A. REVENUE

TABLE 1 – REVENUE

REVENUE	BUDGET	ACTUAL	% OF BUDGET	Q1 -Q3 JULY- MARCH	Q4 APRIL- JUNE	TOTAL	VARIANCE
AUSTRALIA	950,000	895,907	36%	895,907		895,907	\$54,093
NZ MFAT	670,000	622,760	26%	622,760		-	\$47,240
NZ MBIE	330,000	333,459	13%	333,459		333,459	(-3,459)
HOST COUNTRY	90,800	90,800	3%	68,100	22,700	90,800	---
PNG ICA	160,000	163,220	6%	163,220		163,220	(\$3220)-
MEMBER	110,000	131,839	4%	78,353	53,486	131,839	(\$21,839)

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DEFERRED INCOME	300,000	\$300,000	12%		-	300,000	--
TOTALS	2,610,800	2,537,985	100%	2,461,709	76,186	2,537,895	72,815

4. The Secretariat has received 97% of the overall income budgeted for the current financial year, with the Members' contribution received being \$21,839 more than the budgeted amount. This is due to Members' continuous support in ensuring that they pay their contributions on time.

TABLE 2: EXPENDITURE

2025/2024 EXPENDITURE	% of budget	BUDGET	Q1- Q3	Q4	Total	Variance	% Utilised
Operation costs	8%	200,000	155,822	37,974	193,796	6,204	97%
Programme Activities	52%	1,357,985	831,381	217,228	1,048,609	309,376	77%
Salaries & Recruitment Costs	40%	980,000	658,542	247,668	906,210	73,790	92%
Subtotals	100%	2,537,985	1,645,745	502,870	2,148,615	389,370	84%
Totals	100%	2,537,985	1,645,745	502,870	2,148,615	389,370	84%

TABLE 3: Strategic Focus Area

2025/2024 EXPENDITURE	% BUDGET	BUDGET	ACTUAL	Variance	% Utilised
SFA1- PIDC Advocacy/Research Activity	1%	30,200	38,500	(8,300)	126%
SFA2 Legislation, Training curriculum, SOP, Strategic Planning, USP & Capacity Building	19%	615,600	601,096	14,504	97%
SFA 3- BMS, Website Support, PIDC Visibility work, Members Intelligence	9%	214,000	184,000	30,000	86%
SFA 4 Annual Board Meeting, Regular Annual Meeting, Salaries & Operation costs	71%	1,678,185	1,333,319	343,866	79%
Subtotals	100%	2,537,985	2,148,615	389,370	85%
Totals	100%	2,537,985	2,148,615	389,370	85%

5. As of May 30th, expenses for the current fiscal year came to a total of \$2,148,328, excluding June's costs, which will be compiled once the financial year ends on the 30th of June. The expenditure breakdown is in Table 2, which is shown above. The expenditures shown were mainly for the programme activities planned in the budget, including visibility work for the Secretariat, the social media page, the USP Master's Programme, the USP Postgraduate Diploma Programme, website support, and strategic Planning support to the Solomon Islands.

CASHFLOW FORECAST

6. The Closing cash balance as of the 30th of May 2025 is WST\$ 300,000, with only one month left for the end of the financial year. The Secretariat has implemented 85% of the planned Programme activities for the current financial year.

Proposed Recommendations

The Board is invited to:

- (i) **note** the financial update and performance of the Secretariat for the current financial year 01 July 2024 – 30 May 2025 for the current financial year.
- (ii) **thank** and **acknowledge** the continued financial support provided by the Principal Donors Australia, New Zealand MBIE and Samoa as the Host Country, PNGICA, Members for their continued financial support to the Secretariat; and
- (iii) **note** the expenditure breakdown provided as of 30th May 2025

Proposed recommendations:

- a) **note** the successful completion of the External Audit for the financial year ended 30th June 2024 under the leadership and guidance of the Chair and the Board
- b) **note** the Unqualified opinion expressed by the External Auditor

Purpose

The purpose of this paper is to brief Members on the successful completion of the audit and present the audited Financial Statements for the financial year ended 30 June 2024

Background

2. As required under Financial Regulation 12, an annual audit is required to be undertaken by a reputable External Auditor every year with the Board's approval. Currently, BDO is the External Auditor for PIDC, whose contracts ended on 30 June 2024
3. PIDC achieved another milestone with the External Auditor, resulting in an unqualified opinion with no issues or errors to report, which will be brought to the Members' attention.

External Audit Outcomes

4. The external audit for the financial year ended 30 June 2024 successfully concluded on 30th November 2024 with the signed Audited Financial Statement (**Attachment one**), and the Report to Management (**Attachment two**) received from Auditors.
5. The 2024 Audit Report to Management provided a summary of the key findings from the External Auditor, BDO, for the year ended June 30, 2024. Members should note that the External Auditors did not report on any key issues or deficiencies; the report has been prepared by International Financial Reporting Standards.

Agenda item 6 (iv): Membership Contribution Fund Update

Purpose

This paper aims to update the Board regarding the Members' contribution fund for the current 2024/2025 Financial Year as required under Financial Regulation.

Background

2. A standard agenda item in every Board Meeting is the update on the Membership Contribution Fund. The following summarises the contribution fund for the current 2024/2025 Financial Year as required under the PIDC Financial Regulation. The table below shows the outstanding contributions for Members' contributions as of 28 February 2025.
3. Members continue to contact the Secretariat to follow up on their Membership contribution. The Secretariat continues to thank Members for their timely payment of contributions.

Table 5: Outstanding Member Contributions as of 30th May 2025

Membership Contribution	
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Current Year	\$13,982
Prior Year Contributions	-
Totals	\$13,982
Members' Outstanding Membership Fees	
French Polynesia	\$8,752
Palau	\$5,230
Totals	\$13,982

4. The Total Outstanding for Members' Contributions is WST13,982 for the current financial year.

Proposed Recommendations

The Board is invited to:

- a) **note** Member's contribution fund update
- b) **note** the outstanding contribution for Members as of 30th May 2025

New Membership Subscription rate

Purpose

This paper aims to update members regarding the new contribution fee that will take effect in the 2025/2026 financial year, as agreed upon by members at the last Regular Annual Meeting in the Solomon Islands.

Background

2. Members will recall that at the last Regular Annual Meeting in Honiara, Members endorsed the new Membership fee subscription of 8%, which will be paid by members and take effect in July this year, marking the start of the latest financial year, 2025/2026. The following table shows the new Membership fee subscription for Members that will roll out in the new financial year.

Table 1: New Membership subscription for Members effective 01 July 2025/2026 Financial year.

	TIERS	Existing Contribution		New Contribution	
		NZD	WST	NZD	WST
	8% of the budget \$196,070				
	TIER 1	40%			
1	PAPUA NEW GUINEA	5250	8,901	15,418	26,142
2	FRENCH POLYNESIA	5250	8,901	15,418	26,142
3	NEW CALEDONIA	5250	8,901	15,418	26,142
	TOTAL			\$46,254	\$78,426
	TIER 2	30%			
1	FIJI	4,200	7,121	11,564	19,607
2	AMERICAN SAMOA	4,200	7,121	11,564	19,607
3	COOK ISLANDS	4,200	7,121	11,564	19,607
	TOTALS			\$34,692	\$58,821
	TIER 3	20%			
1	SOLOMON ISLANDS	4,200	7,121	4,520	7,843
2	SAMOA	5,250	8,901	4520	7,843
3	VANUATU	4,200	7,121	4,520	7,843
4	PALAU	3,150	5,341	4520	7,843
5	TONGA	3,150	5,341	4520	7,843
	TIER 4	10%		\$22,600	\$39,215
1	FSM	2,100	3,561	1,413	2,451
2	RMI	3,150	5,341	1,413	2,451
3	NAURU	2,100	4,561	1,413	2,451
4	KIRIBATI	3,150	5,341	1,413	2,451
5	TUVALU	2,100	3,561	1,413	2,451
6	NIUE	2,100	3,561	1,413	2,451
7	TOKELAU	2,100	3,561	1,413	2,351
8	WALLIS & FUTUNA	2,100	3,561	1,413	2,451
	Totals			\$11,304	19,608
				\$114,850	196,070

Proposed Recommendations

Members is invited to:

- (a) **endorse the Member's** new subscription fee for the new financial year 2025/2026
- (b) **note** the new tier for each Members in the new membership subscription.