

ICDPPC Strategic Direction Working Group

Elements of a workable plan to fund the Secretariat and associated core Conference expenses

[Note: This paper was used for discussions amongst the Strategic Direction Working Group and the Executive Committee. The paper was tabled at the July 2015 Executive Committee meeting but discussion deferred until the September meeting. A simpler proposal was developed in a paper prepared for presentation to the September meeting of the Executive Committee that assumed a secretariat of 0.5 FTE staffing.]

Task 3(b) of the action plan of the Strategic Direction Working Group is to 'develop a workable plan to fund the Secretariat'.

This paper contains proposals that could be formulated into a workable plan in relation to:

1. Funds:
 - a. Quantum.
 - b. Sources.
2. Practicalities:
 - a. Collection methods.
 - b. Corporate entity that could receive and disburse funds.

1. Funds

Without its own funding stream the Conference is essentially reliant upon the willingness of individual member authorities to resource the Secretariat, Executive Committee and any Conference initiatives not directly funded through attendance fees (e.g. working groups, international observers, workshops, and website). This is a model that works well with small networks where every participant takes a turn at carrying the load but is ill suited to a large forum of 100+ members.

The existing model means that the load falls disproportionately on a minority of members and there is much less resource available than if the costs were able to be spread more evenly. It also means that the Conference can become beholden to the priorities of members promoting projects rather than setting its own priorities. Overall, a lack of resources means that the Conference is constrained from reaching its goals. Viable and sustainable funding of the Secretariat is the first key step towards achieving that potential.

a. Quantum

Further work would need to be undertaken to offer a precise figure. As a working estimate, it is suggested that the annual cost of providing the Secretariat could be taken as between €60,000 – €100,000.

The lower end of the range focuses principally on staff costs while higher figure is more realistic if one adds in the Chair's time and the travel expenses of the Chair and Secretariat to service Conference needs.

Amongst Secretariat costs would be staff costs (by far the largest portion of any estimate) which might be taken as being approximately 1 full time equivalent employee. This includes professional time in servicing the Committee and Conference and administrative time in maintaining contact lists etc. Non-staff expenses would relate to such matters as telecommunications and maintaining the website.

These estimates do not allow for any expansion of capacity associated with more ambitious plans that might flow from the Conference adopting a more strategic and active stance. There would also be expenses in setting up and maintaining a corporate entity to receive and disburse funds (the Supporters Association proposal mentioned below).

In terms of quantum, it may be that the aim in the short term should simply be a **modest plan** to subsidise the expenses of the Secretariat rather than to attempt to meet the entire costs. If the Chair's DPA at the moment is spending, say, €70,000 of its own money providing the Secretariat, a subsidy of half that amount may help reduce albeit not eliminate the disproportionate burden carried.

However, a **more ambitious plan** might aim to offer a substantial and realistic subsidy to meet most of the Secretariat's staff costs and all of the Secretariat's external expenses (e.g. website hosting). Some contribution to the Secretariat's travel expenses would not seem unreasonable. A more ambitious plan might also look beyond the Secretariat to consider the contribution and expenses of others. Recognition of the time of the Chair must spend on Conference business might seem appropriate as would a contribution to the costs of DPAs who represent the Conference as an observer in meetings of international organisations. For simplicity of administration some of these contributions could be by way of standardised annual honoraria e.g. €5000 for the Chair and €1000 each for Conference delegates to the meetings of international organisations. A more ambitious plan might also seek to have funds available for other desirable conference expenses (e.g. as seed money for special conference projects such as a specialised workshop series between annual meetings).



b. Sources

The principal source of funds will be member authorities themselves.

In looking at member authorities as sources of funds, it may be helpful to reflect on the diversity of character of members:

- **Size:** Conference member authorities range from small authorities having a part-time Commissioner through to very large authorities with over 100 staff. *(Issue: contribution should vary by size)*
- **Form:** Authorities also come in a variety of forms. Some, for example, include data protection within a range of regulatory responsibilities. *(Issue: How to calculate size when DPA is part of a larger body)*
- **Wealth:** Membership now includes authorities from developing or emerging economies as well as the world's wealthy countries. *(Issue: ability to pay should be factored into contribution)*
- **Multiple authorities within countries:** Although the Conference began as a forum for national authorities, membership now includes a large proportion of sub-national authorities. Some federal countries might have, for example, more than 12 member authorities. *(Issue: should contributions be by authority or by country)*

To add to the complexities, there is a variation in the level of engagement with the Conference. Most authorities routinely attend every Conference, often with several delegates, while others infrequently attend.

Taken together, these variations between authorities mean that if a substantial quantum of funds is to be raised from member authorities, a 'one size fits all' approach is unlikely to readily find favour. It should be possible to devise a formula for fair contributions that would raise the sum estimated to be needed. This might include, for example, reference to:

- The size of the authority – noting the complexities that arise with organisations authorities having non-privacy responsibilities.
- The wealth of the home economy – particular regard should be paid to the burden on authorities from the least developed countries.

Another issue is whether contributions from authorities would be mandatory or voluntary.

If contributions, or levies, are mandatory this would fit well with a model of everyone fairly contributing to the costs of an effective international forum to achieve common data protection objectives. Accordingly, it is well justified in principle. However, from a practical perspective there may be barriers to getting authorities to pay levies. Non-payment could be met with escalating sanctions e.g. revoking the right to host the Conference, a surcharge on registration fees to attend an event, the ultimate sanction being a revocation of accreditation.

An alternative would be to assess a requested voluntary contribution and recognise that not everyone will indeed pay. To raise the desired funds there might be a need to set overall requested contributions slightly higher to compensate. Possibly publishing payments on the Conference website would reduce the problem of 'free loaders'.

A variant on this approach would be to seek contributions not from all member authorities but only from authorities participating in a particular year's conference. If only small sums of money are desired to be collected, this method could work OK. However, collecting contributions larger than, say, a standard €75 levy on conference registration fees could be problematic. In particular, it may deter people from attending. It might also be difficult for the host to administer a complex system that recognised the varying capacities of different sized authorities, etc.

A variant might be to introduce a separate additional fee to attend the closed session. The same, or a lesser, fee could be levied upon observers of the closed session if desired.

A hybrid approach would be to combine voluntary assessed contributions through a system administered by the Secretariat together with a small levy on conference registrations administered by the host.

Other sources of funds in the longer term might include:

- Sponsorship.
- Sale of good or services.

Sponsorship would not be an appropriate source of funding for the Secretariat. However, it could be useful if the Conference wished, say, to fund a special project like a prize, publication or a seminar.

Sale of goods and services is unlikely to be a meaningful source of funds in the short-term. However, a Supporters Association could develop items for sale (e.g. souvenirs).

2. Practicalities

This paper seeks discusses a selection of practical matters in a fairly high level manner. Depending upon which direction is favoured, further exploration of the details will be needed.

a. Collection methods

In terms of collection of funds, there would seem to be two obvious options:

- Collection by the Secretariat – probably by way of an annual request.
- Collection by the host – as part of the registration process for the annual meeting.

Collection by the Secretariat is certainly feasible but would be associated with an administrative overhead. This method might involve the Secretariat assessing amounts due (according to a formula) or, if payment is voluntary, requiring self-assessment, and despatching assessment notices or requests with payment being made through the Supporters Association.

Collection in association with the Conference registration process is probably the simplest and cheapest to administer view but is not unproblematic. The option transfers a burden to the host for what is really a Secretariat function. It also means that funds would be solicited only from authorities planning to attend Conference, a subset of the Conference membership. Finally, soliciting funds in this way might act as a disincentive to attend a particular conference.

b. Corporate entity that could receive and disburse funds

On the current model, the Conference Secretariat is simply the Committee Chairs' own Authority. Thus the Secretariat role moves around the world as different chairs are elected. The workable funding plan must be able to accommodate the current rotating Secretariat model.

It is possible to have the DPA that performs the role of a secretariat to receive funds into its own account and pay them out on Conference business. This is, for example, the model followed by the Australian DPA in performing the role of the APPA Secretariat (and the FTC in relation to the GPEN Alerts system). However, the APPA model is designed to be simple to operate and it is questionable whether it could be scaled to more complex funding arrangements. Furthermore, the law applicable to some DPAs would not permit this method of handling funds for a third party. A workable plan must be able to work regardless of the law applicable to a particular DPA that performs the secretariat function for the time being.

The proposal therefore is to establish a company (or some other corporate entity such as an incorporated society) which would remain stable over the medium term to receive and release funds regardless of which DPA for the time being is providing the Secretariat.

This suggestion is to establish a corporate entity that stands separate from both the Conference and Secretariat and whose objects are simply to receive funds and pay them out for established Conference purposes, with the first call on funds being the Secretariat expenses. This appears to be the simplest and most viable model for easily creating a corporate body in the short term to fulfil these purposes.

In the longer term, there might be a case to establish the Conference itself as a corporate entity. However, as this raises many complex issues going well beyond the simple need for a corporate vehicle to receive and dispense funds and so is not further explored in this paper.

For the purposes of this note, the entity will be referred to as the 'Conference Supporters Association' or simply the Supporters Association.

In general terms, the features of the Supporters Association would likely be:

- Establishment under the law of one jurisdiction. It would remain based there even as the Secretariat moves from DPA to DPA.
- Its constitution would principally be focused upon being a vehicle to receive funds which would be paid out to the Conference Secretariat for nominated purposes. The primary purpose would be to fund the Secretariat. Presumably there would be other supporting functions such as applying available funds to particular conference projects beyond the Secretariat expenses (e.g. seed money to support the holding of a specialised workshop between Conferences).
- The governance arrangements would be appropriately tailored to reflect the relationship with a conference. The exact details are not gone into in this note but it might include, for example, a board comprised of Commissioners from different countries.

Recommendation

That the SDWG and Executive Committee firm up on preferred directions and options with respect to:

- Desired quantum of funds and scale of plans (part subsidy/realistic cost/ambitious).
- Preferred sources of funds.
- Promising collection methods.
- Corporate entity for receiving funds.

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28 May 2015 (updated 23 June 2015)