



CCSBT-EC/1110/06

DRAFT 2012 BUDGET

Purpose

To agree a general budget for 2012.

Discussion

The draft general budget for 2012 is at Attachment A. The expenditure estimated for 2012 is \$2,116,400, which is a 19% increase over the approved expenditure for 2011. This is the first increase in CCSBT expenditure since 2009¹. The increase results in an increase in Member contributions of 20% despite a surplus of \$243,438 from 2011 being carried over to 2012.

Options for reducing the budget are provided in the last section of this paper. In addition, the Extended Commission could choose to offset Member contributions by using some of its cash reserves to help spread the increase in costs over a longer period. For example, using \$100,000 of the cash reserves for 2012 would reduce the increase in contributions for 2012 from 20% down to 13%.

General comments

In preparing the draft budget, the Secretariat has:

- Planned for the following meetings:
 - A four day meeting of the Ecologically Related Species Working Group (ERSWG) to be held back to back with a four day meeting of the Strategy and Fisheries Management Working Group (SFMWG) at a free venue in Tokyo. In presenting the costs of these meetings, all travel and setup costs have been assigned to the ERSWG meeting as this currently seems to be the more likely meeting to proceed.
 - The Extended Scientific Committee (ESC) and Scientific Committee meetings to be held at a free venue in Tokyo with a reduced duration (to 6 days) and a reduction of 2 people from the independent panel/MP consultant; and
 - The Compliance Committee, Extended Commission and Commission meetings to be held in Tokyo and for the same durations as in 2011.
- Allowed for intersessional “clean-up” work on the management procedure code, further interpretation of the CPUE series, and continued tag recovery as recommended in paragraph 149 of the 2011 ESC report.
- Planned for participation of the ERSWG Chair in intersessional discussions of the joint tRFMO technical bycatch working group.
- Incorporated costs for printing revised ERS pamphlets.
- Allowed for appointment of an additional staff member within the Secretariat to manage the Secretariat’s Compliance functions (see CCSBT-EC/1110/04 – Report from the Secretariat).
- Applied a 2.5% increase to estimated salaries and allowances.

¹ The approved (and revised) expenditure reduced from 2009 to 2010 and further reduced from 2010 to 2011.

Calculation of contribution from Members

The calculation of Member contributions for 2012 is based on the nominal catch for 2010 and 2011 that were agreed by the Extended Commission (EC) at CCSBT 16 (paragraph 49 of the EC's report). This is the same basis as which Member contributions for 2010 and 2011 were calculated and is in accordance with the decision on proportioning the budget specified at paragraph 52 of the CCSBT 16 EC report.

Main Variations in Expenditure since 2011

The main variations in expenditure for 2012 from that approved for 2011 are described below.

- (1) Annual (Extended Commission & CC) and Extended Scientific Committee meetings
 - The costs for 2012 are based on holding the meetings in Tokyo, which is a more expensive location than Bali. This is the main reason for the 59% cost increase for these meetings². However, it should be noted that the costs are approximate because formal quotes have not been obtained since the location and dates for these meetings are still uncertain.
 - Other cost increases are due to inclusion of the ERSWG Chair at the meeting, one additional Secretariat staff Member attending this meeting³, and increased travel costs for Tokyo when compared with Bali.
 - Interpretation costs have not increased because one of the interpreters is based in the Tokyo area.
- (2) Scientific and Extended Scientific Committee meetings
 - The costs of these meetings have reduced by 19% compared with Bali. This is due to a combination of factors including: a shorter meeting, fewer independent panel members, a free venue, a reduced allowance for external translation of meeting documents and reduced interpretation costs due to one of the interpreters being based in the Tokyo area.
 - Areas of increased costs are mainly due to increased travel costs for Tokyo when compared with Bali.
- (3) Sub-Committee Meetings
 - The cost for sub-committee meetings in 2012 is 31% higher than those originally planned for 2011. This is due to the difference in nature of the planned meetings. However, it is not yet known if an SFMWG meeting will be required in 2012. If not, the costs for 2012 will be a 21% reduction from those approved for 2011.
- (4) Special Projects
 - An 11% reduction in the costs for special projects is currently estimated. This is due mainly to a reduction in the activities associated with management procedure development, tag recovery (see paper CCSBT-ESC/1107/05), development of the compliance plan and policies. These savings are offset to a large extent by the costs involved in printing revised ERS education pamphlets.
- (5) Secretariat Costs
 - The Secretariat costs are estimated to increase by 25% over the approved budget for 2011. Most of the increase is due to an allowance in the budget for the appointment of a Compliance Manager as discussed at CCSBT 17.
 - There is also an increase in Secretariat staff costs⁴ due to a provision for a 2.5% CPI increase

² Holding the meeting elsewhere in Japan could reduce the costs by up to AU\$100,000 (an increase from Bali by only 17%). However, this is dependent on availability of a suitable venue and cannot be guaranteed.

³ Assuming a Compliance Manager (CM) is appointed, this will be the CM's first CCSBT meeting, so it is anticipated that both the Data Manager and the CM would attend. For future CC/CCSBT meetings, it is likely that only the CM would attend. Similarly, the Data Manager would attend science meetings and not the CM.

⁴ And to a lesser extent, the staff assessment levy and employer social security.

(6) Office Management Costs

- There has only been a 3% increase in office management costs.

Options for reducing the budget

The following budget items have been identified by the Secretariat as possible areas for cost savings:

- The draft budget currently assumes that CCSBT 19 will be held in Tokyo. However, it is possible that CCSBT 19 could be held in a city other than Tokyo. Holding CCSBT 19 at a local city could save up to \$100,000, but this is dependent on availability of the meeting venue on the dates of the meeting and cannot be guaranteed. Because of the uncertainty, any recommendation to change the venue from Tokyo to another city should not be considered as a saving for the 2012 approved budget, but instead, should be considered as a possible saving during 2012 that if realised, would be carried forward to 2013.
- The Extended Commission has yet to decide if an SFMWG meeting is required in 2012. If an SFMWG meeting is not required, this would save \$77,400.
- The Chair of the ERSWG usually presents the report of the ERSWG to the Extended Commission. However, the ERSWG Chair's participation must now be funded by the CCSBT, so it might be worth considering having the Executive Secretary or a Member scientist present the report. This would achieve a reduction of \$19,300.
- A number of possible cost reductions can be made in relation to the 2012 Extended Scientific Committee (ESC) meeting, including:
 1. The ESC recommended that if the Management Procedure was adopted, its 2012 meeting could be reduced to between 5 and 6 days. The 2012 budget assumes 6 days. If the meeting was reduced to 5 days, it would save \$28,800. It should also be noted that the venue for the ESC is not available over weekends and that a 6 day meeting would therefore require a two day break during the meeting. Consequently a 5 day meeting would be more convenient for many participants as one less meeting day would reduce the total duration by three days.
 2. The ESC also advised that the size of the independent panel could be reduced to between 2 and 3 people for the 2012 meeting if the MP was adopted. The 2012 budget assumes participation by 3 panel Members (Dr Parma, Dr Ianelli and Professor Pope). A further reduction of \$21,300 could be achieved if only 2 panel members (Dr Parma and Dr Ianelli) participated.
- The budget for 2012 includes \$60,100 for printing of ERS pamphlets. This amount could be excluded from the budget if the Extended Commission decided to produce electronic pamphlets only and left it for Members to organise any printed copies of the electronic pamphlets that they required. It may also be prudent to delay printing of the seabird and shark identification guides because the Joint RFMO Bycatch Technical Working Group is planning on developing harmonised guides.
- A reduction of \$221,700 could be achieved in 2012 if a Compliance Manager was not appointed. However, this reduction is not recommended as it would result in further deterioration in the performance of the Secretariat's data, database and IT functions and less than optimal performance in its compliance functions.

Prepared by the Secretariat

DRAFT GENERAL BUDGET - 2012

INCOME	APPROVED 2011 BUDGET	DRAFT 2012 BUDGET	VARIATION (Draft 2012 from Approved 2011)
Contributions from members	\$1,457,894	\$1,750,262	\$292,368
Japan	\$449,280	\$539,379	\$90,099
Australia	\$449,280	\$539,379	\$90,099
New Zealand	\$139,335	\$167,278	\$27,943
Korea	\$148,637	\$178,445	\$29,808
Fishing Entity of Taiwan	\$148,637	\$178,445	\$29,808
Indonesia	\$122,725	\$147,337	\$24,612
Staff Assessment Levy	\$74,400	\$79,700	\$5,300
Carryover from previous year	\$201,018	\$243,438	\$42,420
Interest on investments	\$42,000	\$43,000	\$1,000
TOTAL GROSS INCOME	\$1,775,312	\$2,116,400	\$341,088

EXPENDITURE	APPROVED 2011 BUDGET	DRAFT 2012 BUDGET	VARIATION (Draft 2012 from Approved 2011)
ANNUAL MEETING - (CC/EC/CCSBT)	\$247,100	\$393,200	59%
Independent chairs	\$44,600	\$60,900	37%
Interpretation costs	\$60,100	\$61,200	2%
Hire of venue and catering	\$51,400	\$138,500	169%
Hire of equipment	\$59,300	\$75,800	28%
Translation of meeting documents	\$10,000	\$10,000	0%
Secretariat expenses	\$21,700	\$46,800	116%
SC/ESC Meeting	\$294,700	\$239,800	-19%
Interpretation costs	\$54,100	\$52,100	-4%
Hire of venue and catering	\$32,800	\$9,000	-73%
Hire of equipment	\$45,800	\$45,400	-1%
Hire of consultants - Chairs and Advisory Panel	\$131,700	\$94,200	-28%
Translation of meeting documents	\$10,000	\$1,000	-90%
Secretariat expenses	\$20,300	\$38,100	88%
SUB-COMMITTEE MEETINGS	\$148,212	\$194,000	31%
Ecologically Relates Species WG Meeting	\$0	\$116,600	-
Strategy & Fisheries Management WG Meeting	\$84,612	\$77,400	-9%
Special Meeting	\$0	\$0	-
Operating Model/Management Procedure Technical Meeting	\$63,600	\$0	-100%
SPECIAL PROJECTS	\$94,500	\$83,800	-11%
Operating Model/Management Strategy Development	\$20,000	\$5,400	-73%
Development of the CPUE series	\$1,000	\$2,900	190%
Tagging program coordination	\$27,500	\$10,600	-61%
Participation of ERSWG Chair in joint tRFMO ByCatch WG	\$0	\$4,800	-
Intersessional Compliance Work	\$30,000	\$0	-
Assistance to Indonesia	\$6,000	\$0	-
Development of ERS education pamphlets	\$10,000	\$60,100	-
SECRETARIAT COSTS	\$860,100	\$1,071,300	25%
Secretariat staff costs	\$557,700	\$686,700	23%
Staff assessment levy	\$74,400	\$79,700	7%
Employer social security	\$98,000	\$116,700	19%
Insurance -worker's compensation/ travel/contents	\$16,300	\$16,300	0%
Travel/transport	\$27,500	\$23,000	-16%
Translation of meeting reports	\$25,000	\$25,000	0%
Training	\$2,000	\$2,000	0%
Home leave allowance	\$5,000	\$8,000	60%
Other employment expense	\$2,200	\$2,200	0%
Recruitment expenses	\$0	\$63,500	-
Staff liability fund (accumulating)	\$52,000	\$48,200	-7%
OFFICE MANAGEMENT COSTS	\$130,700	\$134,300	3%
Office lease	\$51,400	\$53,900	5%
Office costs	\$52,000	\$53,600	3%
Provision for new/replacement assets	\$14,900	\$14,600	-2%
Telephone/communications	\$12,400	\$12,200	-2%
TOTAL GROSS EXPENDITURE	\$1,775,312	\$2,116,400	19%