



CCSBT-EC/2210/06

DRAFT 2023 AND INDICATIVE 2024-2025 BUDGETS

Purpose

To agree a general budget for 2023 and consider indicative budgets for 2024 to 2025.

Introduction

The Extended Scientific Committee (ESC) met from 29 August to 5 September 2022 and updated its three-year workplan for scientific meetings and projects to be funded by the Extended Commission (EC). The ESC's estimates of the resources required for this workplan are provided at **Attachment A**.

The draft budget for 2023 and indicative budgets for 2024 to 2025 are presented at **Attachments B** and **C** respectively. The budgets include the funding required for the CCSBT's usual business, including the ESC's three-year resource requirements.

Draft Budget for 2023

The draft general budget for 2023 is provided at **Attachment B**. The budget assumes that all 2023 meetings will proceed as physical meetings¹.

The budget is presented below in four sections:

1. Proposed changes in expenditure since the interim draft budget for 2023 provided in Circular #2022/042;
2. Proposed variation in expenditure between 2022 and 2023;
3. Areas of possible reduced expenditure in 2023; and
4. Proposed income for 2023.

(1) Proposed changes in expenditure since the interim draft budget for 2023 provided in Circular #2022/042

The draft budget for 2023 contains \$149,300 more expenditure than the interim draft budget for 2023 that was provided in Circular #2022/042. This increased expenditure is due to updates in the science workplan at ESC 27, including the following projects proposed for 2023 under the Scientific Research Program (SRP):

- Operating Model (OM) specification and software upgrade (\$130,000);
- CPUE index Development (\$30,000);
- Update NCNM estimates of unaccounted fishing mortality (\$20,000); and
- Second workshop on otolith-based ageing of southern bluefin tuna (\$38,000).

¹ Noting that one of the ERS technical meetings is planned as a hybrid meeting.

The total cost for these projects in 2023 is \$218,000, but \$66,400 of this expenditure had been anticipated in Circular #2022/042, so the ESC 27 workplan only adds \$151,600 to the previously anticipated science program costs for 2023.

(2) Proposed variation in expenditure between 2022 and 2023

The main variations in expenditure between the approved expenditure for 2022 and the expenditure proposed for 2023 are summarised below. Most of these variations were also described in Circular #2022/042.

- CCSBT Meetings: The total costs for meetings in 2023 is expected to be approximately \$159,000 more than budgeted for 2022. This is mainly due to:
 - A Strategy and Fisheries Management Working Group (SFMWG) meeting being held in mid-2023 in accordance with the [Terms of Reference for the 2021 Performance Review of the CCSBT](#). The SFMWG meeting is to consider the advice from all subsidiary bodies together with any direction from the Extended Commission (EC) and develop an implementation plan for the Performance Review recommendations.
 - Two small Ecologically Related Species (ERS) technical meetings being held, focusing on conducting a collaborative seabird risk assessment.
 - The Korean venues used to budget for the 2023 ESC, Compliance Committee (CC) and EC meetings are more expensive than the New Zealand venues originally booked for 2022. However, Korea has offered to fund the majority of TCWG/CC/EC venue, catering and equipment costs, which largely offsets the cost impacts of more expensive venues.
- Science Program: The overall estimated cost of the science program for 2023 is ~\$28,000 higher than approved for 2022, but there were a combination of increases and decreases for different projects. Projects with decreased costs included: Completion of the maturity study in 2022, Reduction in close-kin sequencing and aging of Indonesian otoliths due to samples not being able to be collected in 2021/22, and a reduction in the cost of the CPUE project. The main increased costs were for the Operating Model project, analysis of unaccounted mortality, and the otolith aging workshop.
- Special Projects: The proposed cost of special projects for 2023 have decreased by ~\$88,000 over that approved for 2022. The Completion of the performance review and website redevelopment in 2022 are the main source of expense reductions. It has also been assumed that the Japanese Market Analysis will be discontinued, but that the CCSBT budget will take over the CDS tag and market survey in Japan that Japan is currently funding². There are cost reductions associated with this change. The above cost reductions have been offset by inclusion of an initial allocation of \$50,000 for a Meeting Participation Fund (MPF) to support developing States participation in CCSBT meetings related to scientific work. As agreed at CCSBT 28, Indonesia has submitted a proposal for the MPF (paper CCSBT-EC/2210/17) for consideration by CCSBT 29.
- Secretariat Costs: The Secretariat's costs are forecast to decrease by ~\$120,000 in 2023 over that approved for 2022. This is primarily due to completion of the Executive Secretary recruitment/discharge and associated costs, but also a reduction in staff liability costs.

² CCSBT Circular #2022/041 advised that there was support for the \$21,000 cost of the CDS tag survey to be included in the draft budget for consideration by CCSBT 29.

- Office Management Costs: The office management costs for 2023 are expected to be similar to 2022 with just a 1% increase.

(3) Areas of possible reduced expenditure in 2023

The following table provides a list of new expenditure items for 2023 that have yet to be approved and may be potential areas of cost reductions.

| Expenditure Item | Cost (in 2023) | Comment |
|--|----------------|---|
| ERS Technical meetings | \$57,400 | Two small ERS technical meetings, focusing on conducting a collaborative seabird risk assessment. |
| SFMWG meeting | \$128,100 | This meeting is specified in the Terms of Reference for the Performance Review. Its role is to consider the advice from all subsidiary bodies together with any direction from the EC and develop an implementation plan for the Performance Review recommendations. <u>Note</u> : The draft budget does not include costs for the ESC & CC Chairs to attend. Depending on meeting location, this could cost an additional \$36,000 if wanted. |
| Technical Compliance Working Group (TCWG) meeting | \$19,200 | The Compliance Committee has yet to consider whether the TCWG should meet in 2023. |
| Operating Model (OM) specification and software upgrade | 130,000 | These projects have been proposed by the Extended Scientific Committee as part of the Scientific Research Program. They are listed in descending order of ESC priority. All these projects (except the first UAM project and the otolith workshop) will span more than one year. The cost for these projects for the period 2023 to 2025 is estimated to be \$582,000. Expenditure on these projects after 2025 is expected to be minimal. |
| Update NCNM estimates of unaccounted fishing mortality (UAM) | 20,000 | |
| CPUE index Development | 30,000 | |
| Develop methods for estimating UAM | _ ³ | |
| Second workshop on otolith-based ageing of southern bluefin tuna | \$38,000 | |
| Meeting Participation Fund | \$50,000 | Refer to paper CCSBT-EC/2210/17. |
| CDS Tag and Market Survey in Japan | \$21,000 | CCSBT Circular #2022/041 advised that there was support for the \$21,000 cost of the CDS tag survey in Japan, that Japan is currently funding, to be included in the draft budget for consideration by CCSBT 29. |

(4) Proposed income for 2023

As discussed at CCSBT 28 and stated in Circular #2022/042, current Member contribution levels are not sufficient to cover the current annual running costs of the CCSBT, and a ~3.5% per year increase in Membership contributions from 2023 to 2026⁴ together with usage of the remaining savings⁵ and the Contributions Stabilisation Fund (CSF) was considered necessary to reach a contribution level that would cover the annual running costs of the CCSBT.

Unfortunately, if the proposed new expenditure for 2023 is accepted, a 3.5% increase per year will not be sufficient to cover the CCSBT's costs even with use of the remaining savings and CSF.

³ This project is currently scheduled to commence in 2024.

⁴ With a possible smaller increase in 2027.

⁵ Large increases in the cost of the CCSBT Science Program commenced from 2016. To help prevent these costs causing increases in annual contributions above 10% of the previous year, CCSBT 22 agreed to withdraw a total of \$500,000 from the Secretariat's savings in the subsequent years. Due to voluntary financial assistance provided by some Members (AU, EU, ID, NZ, ZA), only \$122,980 of the \$500,000 has been used to date, and \$377,020 remains for subsidising contributions in future years.

It is therefore proposed that, together with the use of savings and the CSF, CCSBT Membership contributions be increased by 3.5% for 2023 and by 5.0% for each year from 2024-2028.

If the Finance and Administration Committee (FAC) is able to reduce the proposed expenditure in each year by ~\$100,000, the required increases in Membership contributions would change to approximately 3.5% for 2023 and 4.25% for each year from 2024-2028.

It should be noted that inflation increased rapidly during 2022 and that Australia's Consumer Price Index (CPI) for the 12 months to the June quarter 2022 rose to 6.1%. If CPI remains near this level, the proposed increase in contributions is unlikely to be sufficient to cover CCSBT's running costs.

The income for 2023 includes a large (\$633,322) carryover from 2022 and an estimated \$30,000 in interest. The \$129,000 received from the Staff Assessment Levy has no net impact as this is also an expense. This income, together with a 3.5% increase in contributions, will allow \$128,785 be deposited to the CSF during 2023, leaving a CSF balance of \$907,065 at the end of 2023 to use in the following years where contributions are not sufficient to meet expenses.

Indicative Budget for 2024 to 2025

An indicative budget for 2024 to 2025 is provided at **Attachment C**.

The indicative costs for 2024 and 2025 assume continuation of standard CCSBT meeting practises, planned projects and staff arrangements, as well as known changes to these arrangements. The following additional assumptions have been made for 2024 and 2025:

2024

- The ESC and CC/EC meetings will be held in Taiwan. The CCSBT will pay all usual meeting costs. Costs are based on the 2016 meetings in Taiwan with inflation added.
- Two sub-committee meetings will be held in 2024, these being a ERSWG meeting and a one-day Technical Compliance Working Group (TCWG) meeting held immediately prior to the annual Compliance Committee meeting.
- The usual science program will be conducted with the addition of OM software upgrade, CPUE series development, and development of UAM methods. Close-kin sequencing will be more expensive as more samples are being collected to make up for the 2021/22 gap in samples.
- A QAR will be conducted, but the terms of reference for the QAR has yet to be considered, so an arbitrary amount has been allocated for the cost.
- The Toyosu management tag survey will be conducted.
- Partial implementation of the eCDS will commence, requiring funding for bug fixes, enhancement and support for Members.
- Where other information is not available, costs are based on the 2023 estimates plus a 5% CPI indexation.

2025

- The ESC and CC/EC meetings will be held in Indonesia. The CCSBT will pay all usual meeting costs. Costs are based on the 2017 meetings in Indonesia with inflation added.

- Three sub-committee meetings will be held during 2025, these being an ERSWG technical meeting, an OMMP meeting, and a one-day Technical Compliance Working Group (TCWG) meeting held immediately prior to the annual Compliance Committee meeting.
- The usual science program will be conducted, with the addition of final work on the OM software upgrade, CPUE series development, and development of UAM methods. The long-term gene tagging project will increase in price with the new contract in 2025 due to increased costs such as for fuel.
- A QAR will be conducted, but the terms of reference for the QAR has yet to be considered, so an arbitrary amount has been allocated for the cost.
- The Toyosu management tag survey will be conducted.
- Full implementation of the eCDS will commence, requiring funding for maintenance of the system.
- Where other information is not available, costs are based on the 2023 estimates plus a 5% CPI indexation.

The indicative total expenditure for 2024 and 2025 is approximately \$3,755,000 and \$3,751,000 respectively, which are approximately 3% higher than the proposed expenditure for 2023.

The indicative income for 2024 and 2025 assumes a 5.0% increase in Membership contributions each year together with the following use of funds.

- In 2024, Membership contributions will be supplemented by \$377,020 from savings (exhausting the allocated savings) and \$95,368 from the CSF.
- In 2025, Membership contributions will be supplemented by \$305,518 from the CSF, leaving \$506,179 in the CSF.

ESC's three-year workplan, including resource requirements

(abbreviations: Sec=Secretariat Staff, Interp=Interpretation, Ch=Independent ESC Chair, P=Independent Advisory Panel, MPCoord=MP Coordinator, CECoord=CPUE Coordinator, C=Consultant, Cat=Catering only, FM=full meeting costs – venue & equipment hire etc., VEH=venue & equipment hire etc., FreeV=Venue & some equipment at no cost, Contracted=CCSBT contract with CSIRO, inf=informal meeting)

| | 2023 | 2024 (Indicative only) | 2025 (Indicative only) |
|--|--|--|--|
| Regular Meetings | | | |
| ESC Meeting | 6 days FM: 1Ch, 3P, 1C, 3 Interp, 3 Sec | 6 days FM: 1Ch, 3P, 1C, 3 Interp, 3 Sec | 6 days FM: 1Ch, 3P, 1C, 3 Interp, 3 Sec |
| ESC Meeting Chair's report | 1Ch, 1P days | 1Ch, 1P days | 1Ch, 1P days |
| June/July OMMP Meeting in Seattle (no Sec, no Interp) | 5 days Cat: 3P, 1C, 1Ch + 3C Prep Days | No | 5 days Cat: 3P, 1C, 1Ch + 3C Prep Days |
| Ongoing Essential SRP Projects requiring CCSBT resources | | | |
| Gene Tagging | Contracted (\$720,000) | Contracted (\$720,000) | Contracted (\$800,000) |
| Continued close-kin sample collection & Processing | Contracted (\$86,100) | Contracted (\$183,000) | Contracted (\$131,200) |
| Close-kin identification & exchange | Contracted (\$52,900) | Contracted (\$59,900) | Contracted (\$57,600) |
| Collection & aging of Indonesian otoliths | Contracted (\$26,200) | Contracted (\$62,800) | Contracted (\$61,500) |
| New SRP Projects requiring CCSBT resources (listed in descending order of priority) | | | |
| OM Specification and software upgrade (no Interp at meetings) | \$130,000 for: <ul style="list-style-type: none"> • 25C, 2MPCoord • 1 extra day at June OMMP meeting (Cat, 3P, 1C, 1Ch) • 3 day Nov. inf. OMMP (Tokyo, FreeV, 3P, 1C, 1Ch) • 2*2hr online meetings (3P,1C, 1Ch, Sec) | \$155,000 for: <ul style="list-style-type: none"> • 20C, 2MPCoord • 1 extra day at ESC OMMP meeting (VEH, Cat, 3P, 1C, 1Ch, Sec) • 5 day June inf. OMMP meeting (Seattle: FreeV, Cat, 3P, 1C, 1Ch) • 2*2hr online meetings (3P,1C, 1Ch, Sec) | \$30,000 for: <ul style="list-style-type: none"> • 20C, 2MPCoord • 2*2hr online meetings (3P,1C, 1Ch, Sec) |
| UAM - Update NCNM estimates of unaccounted (fishing) mortality (simple update of GLM analysis) | \$20,000 for: <ul style="list-style-type: none"> • 20C | - | - |

| | 2023 | 2024 (Indicative only) | 2025 (Indicative only) |
|---|---|--|--|
| CPUE index development | \$30,000 for: <ul style="list-style-type: none"> • 20C, 2CECoord • 2*2hr online meetings (3P,1C, 1Ch, Sec) | \$40,000 for: <ul style="list-style-type: none"> • 10-30C (used 30), 2CECoord • Meetings to develop 5 national operational datasets¹ • 2*2hr online meetings (3P,1C, 1Ch, Sec) | \$30,000 for: <ul style="list-style-type: none"> • 20C, 2CECoord • 2*2hr online meetings (3P,1C, 1Ch, Sec) |
| Develop methods for estimating UAM (<i>no Interp at meetings</i>) | | \$83,000 for: <ul style="list-style-type: none"> • 20C • 1*3hr online meetings (3P,1C, 1Ch, Sec) • 3 day in-person meeting (New Zealand, Cat, FreeV, 1P, 2C, 1Ch, 1 Sec) | \$26,000 for: <ul style="list-style-type: none"> • 20C • 2*3hr online meetings (3P,1C, 1Ch, Sec) |
| SBT otolith-based ageing workshop (3 days, CSIRO labs, Hobart) | \$38,000 for: <ul style="list-style-type: none"> • 2 interpreters (whispering) • CSIRO hosting costs including invited expert | - | - |

¹ These could be in-Member or on-line meetings. This has not been separately costed, but if held as online meetings, the selection of the larger number of consultancy days should hopefully cover this cost. In-Member meetings would cost considerably more.