



CCSBT-EC/2410/05

DRAFT REVISED 2024 BUDGET

Purpose

To support the Finance and Administration Committee (FAC) to adopt a revised budget for 2024.

Discussion

A draft revised budget for 2024 is provided at **Attachment A**. This latest revised budget includes updated forecast expenditure and income from those presented in the mid-year statement provided as part of Circular #2024/30.

Expenditure

The largest variations in forecasted expenditure versus those initially budgeted include the following:

Meeting Costs

- The large variations in the costs of the EC and ESC are largely offsetting and are currently forecasted at 4% over budget, however, the Secretariat expects that this is likely to be offset in part by a more favourable exchange rate than was initially budgeted.
- Spending on subsidiary bodies was significantly less than budgeted. These savings are primarily attributable to the free venue that was generously provided by Japan for ERSWG.

Science Program

- Science program expenditure is largely tracking as planned with the exception of expenses related to the gene tagging project, which incurred an additional payment in the current year based on invoicing delays. This has resulted in an underspend of \$360,000 for the 2023 financial year (as initially shown in the 2023 Financial Statements sent as part of Circular #2024/05) and a matching overspend of \$360,000 in the current financial year. The two entries are offsetting and do not impact on the overall financial position. This also impacts on forecast income from carryover.
- A similar underspend in 2023 close-kin work has also resulted in an offsetting increase in 2024 expenditure on the project. This carry-forward was first mentioned in paper CCSBT-EC/2310/06 presented at last year's EC.
- Following discussions at this year's ESC, the Secretariat has revised its planned spending and removed its previously forecasted expenses related to the otolith workshop.

Special Projects

- The FAO funded Seabird Project was underspent once more this year based on delays in delivery of planned activities.
- There is a planned underspend in the Market Survey with some of the expenses carried forward to 2025.

Secretariat Costs

- Secretariat staffing costs were higher than budgeted in spite of a new appointment¹ at the Compliance Manager role. This can be attributed almost entirely to an increase in the United Nations salary calculation for postings in Australia, which have increased significantly to offset increases in the cost of living. Australia's Consumer Price Index (to which many of the Secretariat expenses are indexed), is also higher than in previous years. Higher staffing costs were also incurred during the handover period of the compliance manager role.
- Recruitment costs were not part of the original budget for the year and therefore resulted in an unplanned expense of \$90,700.
- Expenditure on secretariat travel was significantly lower than budgeted due to the cancellation of planned trips for the Compliance Manager (due to recruitment) and external funding from the FAO being secured for some of the Executive Secretary's travel.

The total expenditure for 2024 is forecast to be approximately \$4,706,285. This is higher than the approved budget of \$4,283,400 and can be primarily attributed to the \$360,000 from gene tagging carry-forward and the unplanned costs relating to recruitment (\$90,000).

Income

As highlighted in the previous mid-year statement, the largest variation in income for 2024 can be attributed to a delayed invoice for a milestone from the gene tagging project (\$360,000). This created a carry-forward in income from the 2023 project underspend.

Another significant variation in income was due to the predicted underspend in expenditure related to the FAO Seabird Project, which means that the Secretariat no longer expects any income from the FAO in the current financial year. Members were previously advised of this potential short-term shortfall for the project via Circular (Circular #2023/008). This has led to an overall shortfall in income, which will be offset by a withdrawal from cash reserves.

This is somewhat offset by stronger than anticipated investment income, which the Secretariat anticipates will again reach \$140,000 this year and a contribution from the government of Korea towards the costs of hosting an intern (\$22,000).

The Secretariat estimates that the CCSBT will hold \$2,600,000 in net assets at the end of the year, primarily in the form of term deposits.

¹ The salaries of professional category staff members shall begin at Step 1 of the United Nations classification at which they are appointed, *CCSBT Staff Regulations*.

The CCSBT will also hold the following liabilities at year end estimated at \$764,500 in total:

- Staff Liability \$450,000;
- Project underspend carried forward to 2025;
 - Japan Market Analysis \$6,000;
 - Indonesian otolith aging \$35,000;
 - Member Participation Fund \$5,000;
- Contribution Stabilisation Fund (CSF) \$268,500

This puts the Commission at a net position of having reserves of \$1,835,500 at the end of 2024. Although the 2025 budget has not yet been approved, these reserves are unlikely to be sufficient to cover operating costs for six months (or 50% of the approved 2025 budget).

The Extended Commission is invited to consider the forecast final income and expenditure in **Attachment A** for the revised budget for 2024.

Prepared by the Secretariat

Attachment A

Income	Approved 2024 Budget	Income to date	Forecast Final Income	Forecasted Variation
Contribution from Members	\$3,117,410	\$3,117,410	\$3,117,410	0%
Japan	\$892,982	\$892,982	\$892,982	0%
Australia	\$892,982	\$892,982	\$892,982	0%
New Zealand	\$253,898	\$253,898	\$253,898	0%
Korea	\$273,078	\$273,078	\$273,078	0%
Fishing Entity of Taiwan	\$273,078	\$273,078	\$273,078	0%
Indonesia	\$243,000	\$243,000	\$243,000	0%
European Union	\$118,273	\$118,273	\$118,273	0%
South Africa	\$170,119	\$170,119	\$170,119	0%
Staff Assessment Levy	\$151,700	\$77,931	\$151,700	0%
Carryover from previous year	\$90,640	\$450,640	\$450,640	397%
Contribution Stabilisation Fund	\$638,508	\$638,508	\$638,508	0%
FAO Funded Project	\$185,142	\$0	\$0	-100%
Interest on Investment	\$100,000	\$112,859	\$155,446	55%
Withdrawal from Cash Reserves	\$0	\$0	\$192,581	0%
TOTAL GROSS INCOME	\$4,283,400	\$4,397,348	\$4,706,285	10%

Expenditure	Approved 2024 Budget	Expenditure to date	Forecast Final Expenditure	Forecasted Variation
Annual Meeting - (CC/EC/CCSBT)	\$412,000	\$87,800	\$597,200	45%
ESC/SC Meeting	\$435,000	\$132,589	\$276,700	-36%
SUB-COMMITTEE MEETINGS	\$142,100	\$99,400	\$99,400	-30%
ERSWG Meeting	\$128,600	\$95,500	\$95,500	-26%
ERS Tech Meeting	\$10,000	\$3,900	\$3,900	-61%
SFMWG Meeting	\$0	\$0	\$0	-
OMMP Technical Meeting	\$0	\$0	\$0	-
TCWG Meeting	\$3,500	\$0	\$0	-100%

Science Program	\$1,169,600	\$964,690	\$1,501,500	28%
Operating Model Software upgrade	\$155,000	\$103,290	\$154,200	-1%
Development of the CPUE series	\$40,000	\$0	\$40,000	0%
SBT otolith-based aging workshop	\$32,000	\$0	\$0	-100%
Tagging program coordination	\$1,000	\$0	\$1,000	0%
Long-Term Gene Tagging Project	\$720,000	\$720,000	\$1,080,000	50%
Close-kin sampling/DNA sequencing	\$104,600	\$93,600	\$145,900	39%
Close-kin identification & exchange	\$35,000	\$25,000	\$35,000	0%
Sampling and aging of Indonesian Otoliths	\$20,300	\$10,200	\$20,300	0%
Capacity Building for Spawning Ground	\$61,700	\$12,600	\$25,100	-59%
SPECIAL PROJECTS	\$507,185	\$166,250	\$495,735	-2%
Meeting Participation Fund	\$17,400	\$12,400	\$12,400	-29%
CDS Tag and Market Survey in JP	\$30,450	\$5,400	\$24,000	-21%
On-line data system maintenance	\$5,000	\$0	\$5,000	0%
Trial eCDS development	\$42,000	\$12,250	\$42,000	0%
FAO Funded Seabird Project	\$412,335	\$136,200	\$412,335	0%
SECRETARIAT COSTS	\$1,455,625	\$1,155,600	\$1,577,850	8%
Secretariat staff costs	\$921,713	\$727,500	\$970,000	5%
Staff assessment levy	\$151,700	\$114,000	\$151,700	0%
Employer social security	\$238,512	\$178,000	\$237,300	-1%
Insurance -worker's compensation	\$19,700	\$18,100	\$18,050	-8%
Travel/transport	\$38,000	\$25,100	\$25,100	-34%
Translation of meeting reports	\$16,000	\$0	\$16,000	0%
Training	\$2,000	\$200	\$1,000	-50%
Home leave allowance	\$7,000	\$0	\$7,000	0%
Other employment expense	\$3,000	\$2,000	\$3,000	0%
Recruitment costs	\$0	\$90,700	\$90,700	N/A
Staff liability fund (accumulating)	\$58,000	\$0	\$58,000	0%
OFFICE MANAGEMENT COSTS	\$157,390	\$124,400	\$157,900	0%
Lease & Storage	\$73,564	\$55,000	\$73,500	0%
Property Insurance	\$2,500	\$0	\$2,500	0%
Office Management	\$14,326	\$12,000	\$16,000	12%
Financial Services	\$35,000	\$33,900	\$33,900	-3%
New/replacement assets	\$7,000	\$5,000	\$7,000	0%
IT & Communications	\$25,000	\$18,500	\$25,000	0%
Total Expenditure	\$4,283,400	\$2,730,729	\$4,706,285	10%