



CCSBT-EC/1010/06

DRAFT 2011 BUDGET

Purpose

To agree a general budget for 2011.

Discussion

The draft general budget for 2011 is at Attachment A. The expenditure estimated for 2011 is \$1,631,100, which is a \$54,375 (3%) increase over the revised expenditure for 2010. However, the total estimated contribution from Members for 2011 is lower than in 2010 by \$121,146 (8%). This is because:

- the estimated expenditure for 2011 is 7% lower than the approved expenditure for 2010; and
- a surplus of \$201,018 from 2010 has been carried over to 2011.

General Comment

In preparing the draft budget, the Secretariat has:

- Adopted exchange rates of AU\$1.00=US\$0.85, 7720 ID Rupiah, 73.0 Yen and 0.55 Pounds¹.
- Planned for the Extended Scientific Committee (ESC), Scientific Committee, Compliance Committee, Extended Commission and Commission meetings to be held in Bali and for the same durations as in 2010.
- Applied a 2.5% increase to estimated salaries and allowances.
- Planned for a Management Procedure Technical meeting to be held in Seattle, intersessional development of the Management Procedure, further interpretation of the CPUE series, and continued tag recovery as recommended in paragraph 129 of the 2010 ESC report².
- Allowed for participation of the ESC Chair at Kobe 3.
- Incorporated minor costs for development of ERS pamphlets as proposed by ERSWG 8. The costs do not include printing, which is proposed to be delayed till after ERSWG 9.
- Budgeted for improvements in Security at the Secretariat's office in order to comply with the Data Confidentiality Security Policy in the Draft Rules and Procedures for the Protection, Access to and Dissemination of Data Compiled by the CCSBT.
- Continued the arrangement for accruing staff liabilities.

¹ These rates are 8% lower than the rates prevailing when preparing the budget. This is to allow for fluctuations in exchange rates and for the fact that the exchange rates realised in actual transactions will be lower than the prevailing internet rates at the time.

² However, two additional days for MP development work by the MP coordinator have been included in the budget as a contingency.

Calculation of contribution from Members

The calculation of Member contributions for 2011 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 were calculated and is in accordance with the decision on proportioning the budget specified at paragraph 52 of the EC's report.

Main Variations in Expenditure since 2010

For four of the six cost centres in the budget, the proposed expenses for 2011 are less than in the approved budget for 2010. Only the "Secretariat Costs" and "Office Management Costs" have increased expenses (of 3% and 13% respectively) from the approved 2010 budget. Overall, the proposed expenses for 2011 are 7% less than in the approved budget for 2010.

Unless otherwise stated, the remaining discussion compares the proposed expenditure for 2011 with the revised (as opposed to approved) budget for 2010. Due to savings in the revised budget, this makes most of the 2011 costs more expensive than if compared with the approved budget.

- (1) Annual (Extended Commission & CC) and Extended Scientific Committee meetings
 - The costs for these three meetings are based on holding the meetings in Bali, Indonesia for 4, 2 and 7 days respectively (i.e. the same as in 2009 and 2010). The venue costs are based on the quote from the cheaper of the two shortlisted venues³.
 - In previous budgets, the cost for the venue hire has been separated from the cost of catering. These two items have been combined in the present budget because the venue hire is included in the catering⁴ package on a per person basis. This has the effect of making meetings with fewer participants cheaper than meetings with larger numbers of participants, which is why the venue/catering for the ESC shows a greater percentage reduction from 2010 than does the venue/catering for the CC/EC meetings,.
 - The increase in costs for equipment hire is largely due to the cost of the interpretation sound system, which is very expensive.
 - The savings in "Translation of meeting documents" is not a true saving as these funds are being transferred into the "Translation of meeting reports" item of the "Secretariat Costs" and are to be used for translation of final reports.
 - The savings for Secretariat expenses is due to cheaper travel arrangements for the Bali meetings than the Taipei meetings. The Secretariat savings for the ESC meeting is not as high as for the annual meeting due to an anomaly in 2010 (which will not occur in 2011) where the Database Manager was not able to attend the ESC meeting in 2010.
- (2) Sub-Committee Meetings
 - The budget assumes that a Strategy and Fisheries Management Working Group meeting will not be held in 2011, so this is a major saving.

³ The Secretariat has determined that when all factors are considered, this is the most venue suitable venue for the meetings.

⁴ Morning and afternoon tea.

- The September 2010 meeting of the ESC recommended that another Operating Model/Management Procedure (OMMP) technical meeting be held in Seattle during 2011. The budgeted costs for the 2011 meeting are lower than the approved budget for this meeting in 2010, but higher than the revised costs of the 2010 meeting due to cheap airfares obtained by advisory panel Members in 2010 and favourable exchange rates.

(3) Special Projects

- A 37% reduction in the costs for special projects is currently estimated. This is due to both a reduction in the estimated costs for tag recovery (see paper CCSBT-ESC/1009/05) and a reduction in the intersessional time specified by the ESC for OM and MP development.
- Costs have been included for the ESC Chair to attend the Kobe 3 meeting in La Jolla.
- Costs for development of ERS Pamphlets as proposed by ERSWG 8 have been included in the 2011 budget. These costs include development of some images for the pamphlets and translation of the pamphlets to Indonesian. The costs do not include printing, which is proposed to be delayed till after ERSWG 9.

(4) Secretariat Costs

- The Secretariat costs are estimated to increase by 3% over the approved budget for 2010 and by 9% when compared with the interim revised budget for 2010⁵.
- The main areas of increase cost include:
 - Increase Secretariat staff costs⁶ due mainly to a provision for a 2.5% CPI increase, annual salary increments for staff, and two staff becoming eligible for new allowances⁷.
 - Increased accumulating staff liabilities for 2011⁸.
 - A 10% increase in travel costs over the interim revised budget. However, rather than an increase in cost, this is more a reflection of the savings in 2010⁹ because the proposed 2011 costs represent a reduction of 19% from the approved amount for 2010.
 - A 30% increase in translation costs. However, as mentioned above in relation to meeting costs, this is a shift of the funding of some translation costs from the Meeting areas of the budget to the Secretariat area.

⁵ The interim revised budget was less than approved due to savings in Secretariat staff costs in 2010 including: (1) The budgeted 2.5% CPI increase to salaries did not occur; (2) There was less than expected overtime for administrative staff; and (3) Less than expected casual data entry was required.

⁶ And to a lesser extent, the staff assessment levy and employer social security.

⁷ This comprises a child allowance for the Database Manager and a child education allowance for the Deputy Executive Secretary.

⁸ This increase is mainly due to liabilities for the Deputy Executive Secretary (DES). Accumulating liabilities for the DES's separation payment commenced in mid 2010 (i.e. after 1 year of employment), so only 6 months of liabilities were accumulated in 2010. For 2011, a full 12 months of separation payment and relocation allowance liability needs to be accumulated.

⁹ The Secretariat did not use the contingency travel funds that were allocated for 2010.

(4) Office Management Costs

- Office management costs are estimated to increase by 16% when compared to the revised budget for 2010. The majority (10%) of this increase is due to a likely increase in office rental costs when the lease for the Secretariat's office is renegotiated in late 2010¹⁰. Most of the remainder of the increase is due to plans to increase office security to meet the requirements of the Data Confidentiality Security Policy in the Draft Rules and Procedures for the Protection, Access to, and Dissemination of Data Compiled by the CCSBT.

Impact of including the Scientific Aerial Survey in the budget for 2011

In a letter dated 23 August 2010 (and provided at Attachment B), Australia requested that the Secretariat include an estimate of the cost of the Scientific Aerial Survey in the proposed 2011 budget. This cost has not been included in the budget for 2011 at Attachment A because Members did not provide responses on this matter. However, an estimate of the impact of including the aerial survey on Members contributions for 2011 is provided below.

Australia provided an estimated cost for the Scientific Aerial Survey of \$640,000 to \$680,000. The Secretariat has used the midpoint of these figures (\$660,000) in its estimate.

Including the cost of the Scientific Aerial Survey in the 2011 budget would increase the proposed expenses for 2011 to \$2,291,100. This would increase Member contributions by 50% above that shown in Attachment A. The resultant Member contributions would be as follows:

	Estimated Member contributions for 2011	
	Without Aerial Survey	With Aerial Survey
Japan	404,838	608,231
Australia	404,838	608,231
New Zealand	125,552	188,631
Korea	133,934	201,223
Fishing Entity of Taiwan	133,934	201,223
Indonesia	110,585	166,144

Prepared by the Secretariat

¹⁰ The Secretariat's office lease expires at the end of 2010 and from an examination of the costs of nearby office facilities; the Secretariat considers that it's currently paying under market rates for its present lease. This means there is a likelihood of increasing rates.

DRAFT GENERAL BUDGET - 2011

INCOME	2010 REVISED BUDGET	DRAFT 2011 BUDGET	% Variation
Contributions from members	\$1,434,828	\$1,313,682	-\$121,146
Japan	\$442,172	\$404,838	-\$37,334
Australia	\$442,172	\$404,838	-\$37,334
New Zealand	\$137,131	\$125,552	-\$11,579
Korea	\$146,285	\$133,934	-\$12,351
Fishing Entity of Taiwan	\$146,285	\$133,934	-\$12,351
Indonesia	\$120,783	\$110,585	-\$10,198
Staff Assessment Levy	\$69,205	\$74,400	\$5,195
Carryover from previous year	\$216,468	\$201,018	-\$15,450
Interest on investments	\$57,242	\$42,000	-\$15,242
TOTAL GROSS INCOME	\$1,777,743	\$1,631,100	-\$146,643

EXPENDITURE	2010 REVISED BUDGET	DRAFT 2011 BUDGET	Variation	% Variation
ANNUAL MEETING - (CC/EC/CCSBT)	\$195,432	\$223,500	\$28,068	14%
Independent chairs	\$39,621	\$45,400	\$5,779	15%
Interpretation costs	\$45,589	\$51,800	\$6,211	14%
Hire of venue and catering	\$53,280	\$44,000	-\$9,280	-17%
Hire of equipment	\$19,816	\$52,700	\$32,884	166%
Translation of meeting documents	\$7,755	\$10,000	\$2,245	29%
Secretariat expenses	\$29,372	\$19,600	-\$9,772	-33%
SC/ESC Meeting	\$263,817	\$294,700	\$30,883	12%
Interpretation costs	\$50,971	\$54,100	\$3,129	6%
Hire of venue and catering	\$51,626	\$32,800	-\$18,826	-36%
Hire of equipment	\$21,091	\$45,800	\$24,709	117%
Hire of consultants - Chairs and Advisory Panel	\$114,822	\$131,700	\$16,878	15%
Translation of meeting documents	\$4,182	\$10,000	\$5,818	139%
Secretariat expenses	\$21,125	\$20,300	-\$825	-4%
SUB-COMMITTEE MEETINGS	\$125,034	\$63,600	-\$61,434	-49%
Strategy & Fisheries Management WG Meeting	\$75,848	\$0	-\$75,848	-100%
Operating Model/Management Procedure Technical Meeting	\$49,186	\$63,600	\$14,414	29%
SPECIAL PROJECTS	\$93,368	\$58,500	-\$34,868	-37%
Operating Model/Management Strategy Development	\$23,815	\$5,900	-\$17,915	-75%
Development of the CPUE series	\$1,300	\$1,000	-\$300	-23%
Tagging program coordination	\$53,911	\$27,500	-\$26,411	-49%
ESC Chair participation at Kobe2 Science Workshop / Kobe3	\$14,343	\$14,100	-\$243	-2%
Development of ERS education pamphlets	\$0	\$10,000	\$10,000	-
SECRETARIAT COSTS	\$786,684	\$860,100	\$73,416	9%
Secretariat staff costs	\$516,547	\$557,700	\$41,153	8%
Staff assessment levy	\$69,205	\$74,400	\$5,195	8%
Employer social security	\$89,568	\$98,000	\$8,432	9%
Insurance -worker's compensation/ travel/contents	\$14,987	\$16,300	\$1,313	9%
Travel/transport	\$25,072	\$27,500	\$2,428	10%
Translation of meeting reports	\$19,235	\$25,000	\$5,765	30%
Training	\$2,000	\$2,000	\$0	0%
Home leave allowance	\$7,991	\$5,000	-\$2,991	-37%
Other employment expense	\$1,480	\$2,200	\$720	49%
Staff liability fund (accumulating)	\$40,600	\$52,000	\$11,400	28%
OFFICE MANAGEMENT COSTS	\$112,389	\$130,700	\$18,311	16%
Office lease	\$40,095	\$51,400	\$11,305	28%
Office costs	\$49,256	\$52,000	\$2,744	6%
Provision for new/replacement assets	\$9,100	\$14,900	\$5,800	64%
Telephone/communications	\$13,937	\$12,400	-\$1,537	-11%
TOTAL GROSS EXPENDITURE	\$1,576,725	\$1,631,100	\$54,375	3%



Australian Government

Department of Agriculture, Fisheries and Forestry

Mr Robert Kennedy
Executive Secretary
Commission for the Conservation of Southern Bluefin Tuna
PO Box 37
DEAKIN WEST ACT 2600

Dear Mr Kennedy

I am writing to you to request that the Secretariat include an estimate of expenditure for the scientific aerial survey of juvenile Southern Bluefin Tuna (SBT) in the proposed 2011 budget, for funding by all Members of the Commission for the Conservation of Southern Bluefin Tuna (CCSBT).

The scientific aerial survey in the Great Australian Bight provides one of the few fishery-independent indices available for monitoring and assessment of the SBT stock. The scientific aerial survey has been consistently identified by the Extended Scientific Committee (ESC) as a high priority project, and in 2008 the ESC agreed to incorporate the aerial survey index into the base case of the operating model for assessment of the SBT stock. Further, the scientific aerial survey is a core component of the candidate management procedures selected for further testing in the lead up to the Commission meeting in October 2010.

The scientific aerial survey has been solely funded by Australia since 2004. As the survey is now integral to the stock assessment and likely to be used in the setting of future catch limits through the management procedure, its continuation has an obvious shared benefit for all Members.

Australia requests that when preparing the proposed 2011 budget the Secretariat include an estimate of AUD \$640 000 to \$680 000 for expenditure for the scientific aerial survey. This request follows previous requests by Australia to have the aerial survey included in the budget of the Extended Commission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rhonda Dickson'.

Dr Rhondda Dickson
Australian Commissioner to CCSBT
23 August 2010