

9TH MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE (FAC)

Held remotely, 18, 21 and 22 January 2022 (NZDT)

FAC 9 – Doc 07

Calculation of Contributions for Financial Year 2022-23 and Estimate of Contributions for Financial Year 2023-24

Secretariat

1. An Overview

Category	Adopted (2021-22)	Proposed (2022-23)	Difference	Explanation
Grand Total	1 577 349	1 593 637	+ 16 288	<ul style="list-style-type: none"> The proposed budget for the Financial Year 2022-23 is at a very similar level to what was forecast budget in the 2021 Annual Meeting (total expenditure has increased 1%).
Net Total	1 297 349	1 513 637	+ 216 288	<ul style="list-style-type: none"> However, the proposed amount that will be required from contributions or other sources has increased by 16.7%. This is due to a significant reduction in voluntary contributions affecting the budget with one such contribution expected in Financial Year 2022-23.

2. Calculation of contributions for FY2022-23 and estimate of contributions for FY2023-24

Member contributions are a primary source of income of the Organisation and each Member of the Commission shall contribute to the annual budget. Annual contributions are assessed in New Zealand dollars, and SPRFMO financial year starts on the 1st of July and ends on the 30th of June of the following year.

In accordance with the formula determined in Financial Regulation 4.7, the proposed Members contributions for Financial Year 2022-23 and forecasted contributions for Financial Year 2023-24 are calculated as:



- a) a base fee of 20%
- i. 10% of which is divided in equal shares between all Members of the Commission except that Chile, Cuba, Ecuador, Peru, and Vanuatu for both Financial Year 2022-23 and forecast Financial Year 2023-24; Their notional shares reduced by 25% with the consequent shortfall apportioned equally among the other Members of the Commission; and
 - ii. 10% of which is calculated by summing the total number of years in which Members of the Commission engaged in fishing over a five-year period (reference years 2016-2020 are used for Financial Year 2022-23; reference years 2017-2021 are used for Financial Year 2023-24), and then assigning the 10% fee proportionally amongst the active Members, based upon the number of years each Member has engaged in fishing (as defined in Article 1(g)) in this period;
- b) a national wealth component of 30%, 15% of which has been divided among the Members of the Commission according to their respective Gross National Income (as defined by the World Bank, or equivalent institution available), and 15% divided among Members according to their Gross National Income per capita (as defined by the World Bank, or equivalent institution available); and
- c) a catch component of 50%, 37.5% of which has been divided among the Members of the Commission fishing for pelagic fishery resources and 12.5% divided among Members fishing for demersal fishery resources. The catch component is calculated on the basis of a five-year average¹ of each Member's respective catch limits and quota allocations prescribed under SPRFMO CMMs, where available, or otherwise a five-year average² of its total reported annual catch of the relevant fishery resources, subject to:
- i. a factor of 0.5 being applied to the five-year average for catches of *Dosidicus gigas*.
 - ii. where a catch limit or quota applies to a fishery resource that straddles the Convention Area and an area under a Member's National Jurisdiction, then each of those Members'³ relevant catch contributions for the purposes of calculating the five-year average referred to above has been derived using the proportion of their total catch taken from the Convention Area over the preceding ten-year period⁴.

¹ Reference years 2016-2020 for Financial Year 2022-23; reference years 2017-2021 for Financial Year 2023-24

² Ibid

³ Chile, Ecuador

⁴ For Chile's and Ecuador's *Trachurus murphyi* catch, reference years 2010-2020 for Financial Year 2022-23; reference years 2011-2021 for Financial Year 2023-24



SCHEDULE OF CONTRIBUTIONS FOR FINANCIAL YEAR 2022-2023

Base fee	20%	National Wealth	30%	Catches	50%
i	ii	GNI	GNI per capita	Pelagic	37.5%
10%	10%	15%	15%	Demersal	12.5%

Reference years = 2016 to 2020

Draft budget (NZ\$)

\$1 513 637

Members	Basic fee		Wealth component		Catches		Contribution (NZ\$)
	i	ii	GNI	GNI per capita	Pelagic	Demersal	
Australia	11 352	17 200	5 441	31 096	0	25 258	90 349
Chile	7 568	13 760	1 015	7 796	107 508	630	138 278
China	11 352	17 200	58 666	6 141	288 838	0	382 197
Cook Islands	11 352	10 320	1	11 983	0	14 007	47 664
Cuba	7 568	0	334	4 329	1 596	0	13 827
Ecuador	7 568	0	385	3 200	1 549	0	12 703
European Union	11 352	13 760	60 166	19 724	53 005	525	158 534
Faroe Islands	11 352	0	12	34 345	9 488	0	55 197
Korea	11 352	17 200	6 707	19 018	14 260	0	68 538
New Zealand	11 352	17 200	828	23 920	0	148 784	202 085
Peru	7 568	10 320	781	3 478	18 083	0	40 231
Russian Federation	11 352	13 760	6 173	6 187	28 289	0	65 761
Chinese Taipei	11 352	17 200	2 710	16 872	4 651	0	52 786
United States of America	11 352	0	83 822	37 347	0	0	132 521
Vanuatu	7 568	3 440	3	1 609	40 347	0	52 968
Total	151 364	151 364	227 046	227 046	567 614	189 205	1 513 637



SCHEDULE OF CONTRIBUTIONS FOR FINANCIAL YEAR 2023-2024

Base fee	20%	National Wealth	30%	Catches	50%
i	ii	GNI	GNI per capita	Pelagic	37.5%
10%	10%	15%	15%	Demersal	12.5%

Reference years = 2017 to 2021

Forecast budget (NZ\$)

1 628 562

Members	Basic fee		Wealth component		Catches		Contribution (NZ\$)
	i	ii	GNI	GNI per capita	Pelagic	Demersal	
Australia	12 214	19 388	5 854	33 457	0	26 627	97 541
Chile	8 143	11 633	1 092	8 388	94 511	1 311	125 078
China	12 214	19 388	63 120	6 607	322 288	0	423 617
Cook Islands	12 214	11 633	2	12 893	0	18 213	54 954
Cuba	8 143	0	360	4 658	2 200	0	15 360
Ecuador	8 143	0	414	3 443	1 253	0	13 254
European Union	12 214	15 510	64 734	21 222	60 792	1 457	175 930
Faroe Islands	12 214	0	13	36 953	10 929	0	60 109
Korea	12 214	19 388	7 216	20 462	15 894	0	75 174
New Zealand	12 214	19 388	891	25 736	0	155 962	214 191
Peru	8 143	7 755	841	3 742	20 856	0	41 338
Russian Federation	12 214	19 388	6 642	6 657	32 627	0	77 527
Chinese Taipei	12 214	19 388	2 916	18 153	3 286	0	55 957
United States of America	12 214	0	90 186	40 182	0	0	142 582
Vanuatu	8 143	0	4	1 731	46 074	0	55 951
Total	162 856	162 856	244 284	244 284	610 711	203 570	1 628 562