
11TH MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE (FAC)

Manta, Ecuador, 25, 26, 27 & 30 January 2024

FAC 11 – Doc 07 Draft Budget for Financial Year 2024-25 and 2025-26 *Secretariat*

1. Background

Article 15.4 of the Convention provides that *“the Executive Secretary shall submit a draft of the annual budget for the two succeeding financial years to each member of the Commission together with a schedule of contributions not less than 60 days before the meeting of the Finance and Administration Committee where the Committee will adopt its recommendations to the Commission”*.

2. Draft Annual Budget

This draft annual budget is prepared in accordance with Article 15 paragraph 4 of the Convention. The information contained in this document includes the:

- Adopted budget for Financial Year (FY) 2023-24 and the Forecasted budget for FY 2024-25 as agreed/presented during COMM11 (COMM11-Report Annex 5a).
- Proposed budget for FY 2024-25. The Net Total for FY 2024-25 (at NZ\$ 1,915,600) is significantly greater than the forecasted budget – this is primarily due to a recommendation from the Scientific Committee for the Commission to consider funding connectivity research in jack mackerel (refer SC11-report, paras 99 – 102). There are also minor increases in staff associated costs and an increase in the number of observer programmes that are expected to seek accreditation in 2024.
- Forecast budget for FY 2025-26. This forecasted budget reflects the current consumer price index inflation rate in New Zealand (of 5.6%) and assumes that the Budget for FY 2024-25 is fully adopted and that there will be an identified host for the 2025 Annual SPRFMO Meeting (COMM13).
- Proposed budget items which are noticeably different from last year’s forecasted budget figures are explained in Section 3 below.



DRAFT ANNUAL BUDGET

South Pacific Regional Fisheries Management Organisation					
Proposed Budget for Financial Year 2024-25 and Forecast Budget for Financial Year 2025-26					
(New Zealand Dollars)					
Main Budget Categories	Budget Items	COMM11		COMM12	
		Adopted Budget 2023-2024	Forecasted 2024-2025	Budget Proposal 2024-25	Forecast Budget 2025-26
1. Personnel Cost					
	1.1 Salaries				
	Professional Category (PC)				
	Executive Secretary (P5)	264 518	271 126	272 000	285 000
	Data Manager (P3)	208 502	214 407	220 000	230 000
	Compliance Manager (P3)	221 488	228 825	232 000	240 000
	Communication and Co-ordination Officer (P1)	161 997	162 864	167 000	175 000
	General Services Category (GSC)				
	Finance and Office Manager	92 450	98 800	101 000	106 000
	Total Staff Salary Cost	948 955	976 022	992 000	1 036 000
	1.2 Insurance				
	Health Insurance (3 PC)	30 000	31 500	47 500	50 000
	Life Insurance	6 000	6 500	6 500	6 500
	ACC (1 PC and 1 GSC)	1 000	1 000	1 000	1 000
	Total Insurance Cost	37 000	39 000	55 000	57 500
	1.3 Home Leave	10 000	22 000	22 000	25 000
	1.4 Staff Training & Other Professional Development	20 000	20 000	20 000	20 000
	Subtotal Personnel Cost	1 015 955	1 057 022	1 089 000	1 138 500
2. Premises and Equipment					
	2.1 Premises				
	Office Rent (includes common area charges)	64 000	66 000	66 000	69 000
	Insurances	3 300	3 500	3 500	3 700
	Power	5 400	5 600	5 400	5 400
	Cleaning	3 500	3 500	3 500	3 500
	Total Premises Cost	76 200	78 600	78 400	81 600
	2.2 IT/Computer Hardware/Equipment	15 000	18 000	9 000	12 000
	2.3 Office Equipment and Supplies	3 000	3 000	3 500	4 000
	Subtotal Premises and Equipment	94 200	99 600	90 900	97 600
3. Meetings and Travel					
	3.1 CTC and Annual Commission Meeting	60 000	85 000	85 000	85 000
	3.2 Scientific Committee Meeting	30 000	32 000	30 000	32 000
	3.3 Other Meetings and Travel	35 000	39 000	41 000	41 000
	3.4 Cost Associated with Hosting a Meeting	6 000	7 000	7 000	7 000
	Subtotal Meetings and Travel	131 000	163 000	163 000	165 000
4. Information and Communication					
	4.1 Telephone and Internet	3 000	3 500	3 000	3 500
	4.2 Computer Expenses and IT Support	35 000	40 000	35 000	37 000
	4.3 Website Expenses	10 000	12 000	10 000	12 000
	4.4 Database Regular Costs	35 000	35 000	35 000	37 000
	4.5 Database Development	130 000	35 000	42 000	50 000
	Subtotal Information and Communication	213 000	125 500	125 000	139 500
5. Operational Expenses					
	5.1 Auditors	10 000	12 000	10 000	12 000
	5.2 Stationeries, Printing and Publications	4 000	4 000	3 000	3 200
	5.3 Bank and Post Services	5 000	5 000	3 500	3 700
	5.4 Hospitality	3 000	3 000	1 500	1 600
	5.5 Legal advice			12 000	12 500
	5.5 Other General Expenses	10 000	10 000	5 000	5 000
	Subtotal Operational Expenses	32 000	34 000	35 000	38 000
6. SPRFMO VMS					
	6.1 Contingency for unanticipated service charges	8 000	10 700	10 700	11 000
	6.2 Annual Fee for VMS contracted services	104 000	107 000	107 000	110 000
	Subtotal VMS	112 000	117 700	117 700	121 000
7. Non - Routine Expenses					
	7.1 SPRFMO Observer Programme Accreditation Provider	52 000	52 000	63 000	45 000
	7.2 Rebuilding the Contingency Fund				
	7.3 Performance Review	0	30 000	30 000	0
	7.4 Hosting the 2024 Annual meeting	161 816	0	0	0
	Subtotal Non - Routine Expenses	213 816	82 000	93 000	45 000
Subtotal		1 811 971	1 678 822	1 713 600	1 744 600
8. Contingency fund	(FR 4.6)	30 000	30 000	30 000	30 000
9. Scientific Support fund	(FR 2.4)	10 000	20 000	186 000	176 000
10. Developing States fund	(FR 5)	35 000	35 000	35 000	35 000
Grand Total		1 886 971	1 763 822	1 964 600	1 955 600
Voluntary Contributions affecting the budget		52 000	39 000	49 000	0
Net Total		1 834 971	1 724 822	1 915 600	1 955 600



3. Forecasted Budget vs Proposed Budget

Category	Comparison		Explanation
1. Personnel Cost	Forecast Proposed Difference %	1 057 022 1 089 000 31 978 3%	Anticipated personnel costs for staff have increased mostly due to the trend in the USD-NZ\$ exchange rate (the exchange rate has steadily tracked upwards from 1.573 (January 2023) to 1.703 (November 2023). The increase in insurance cover reflects the increased number of staff dependants because of recent recruitment. To note, the September 2023 Consumer Price Index in New Zealand was 5.6%
2. Premises and Equipment	Forecast Proposed Difference %	99 600 90 900 (8,700) -8.7%	Decrease in budgeted costs due to reduction in anticipated IT hardware requirements.
3. Meetings and Travel	Forecast Proposed Difference %	163 000 163 000 0 0%	No change from forecast
4. Information and Communication	Forecast Proposed Difference %	125 500 125 000 (500) -0.4%	No significant change from forecast. Some funds have been reallocated to support SPRFMO Database development to enable enhanced functionality and increased efficiencies.
5. Operational Expenses	Forecast Proposed Difference %	34 000 35 000 1 000 2.9%	No significant change from forecast. Some funds have been reallocated to allow for a new sub item "legal advice" to support the provision of independent legal advice on an ad-hoc basis.
6. SPRFMO VMS	Forecast Proposed Difference %	117 700 117 700 0 0.0%	No change from forecast The contingency amount recommended by the VMS WG for unanticipated service charges remains unused.
7. Non-Routine Expenses	Forecast Proposed Difference %	82 000 93 000 11 000 13.4%	The new figure reflects the latest indication of how many Observer programmes intend to seek accreditation during 2024.
8. Contingency Fund	Forecast Proposed Difference %	30 000 30 000 0 0.0%	No change from forecast. The location of the contingency fund has been moved out of non-routine expenses and made a separate category. This change means the fund will get more visibility and will simplify financial reporting (noting that for accounting purposes the contingency fund is a movement of equity and not an expense).
9. Scientific Support	Forecast Proposed Difference %	20 000 186 000 166 000 >100%	This figure has been sourced from the SC multiannual workplan (SC11-Report Annex 5). As per FAC10, this figure now only includes activities that the Commission is being asked to fund. This includes support for the JM assessment, ongoing Connectivity research and a 2024 squid workshop. The status of the Scientific Support fund is reported in a standalone FAC paper.
10. Developing States	Forecast Proposed Difference %	35 000 35 000 0 0.0%	No change from forecast. The Status of the Developing States Fund is reported in a standalone FAC paper.
Voluntary Contributions affecting the budget	Forecast Proposed Difference %	39 000 49 000 10 000 25.6%	The only voluntary contributions which affect the budget items are those provided by the EU to support the observer programme accreditation. To note that this year the EU fund will not fully cover the expected observer programme expenses as one of the expected applicants is ineligible for such support. All voluntary contributions are reported in the SPRFMO Report of Income.



Category	Comparison		Explanation
Net Total	Forecast	1 915 600	Considering all the differences above, the Net Total in the budget proposed for Financial Year 2024-25 is up approximately 11% from the forecasted budget presented last year.
	Proposed	1 724 822	
	Difference	190 778	
	%	11.1%	