

10TH MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE (FAC)

Manta, Ecuador, 9, 10 & 14 February 2023

FAC 10 – Doc 07 rev1

(rev1 – 26 Jan 2023)

Calculation of Contributions for Financial Year 2023-24 and Estimate of Contributions for Financial Year 2024-25

Secretariat

1. Overview

Contributions		Comments (Option 1)
Members (2022-23)	1 291 743	The proposed Net Total for the Financial Year 2023-24 is 11.7% higher than the previous adopted budget (NZ\$ 1,659,934 vs NZ\$1,485,637). This is primarily due to increased SC activities (supported by voluntary contributions), increases in staff associated costs, and the need to provide for continuing database services.
Proposed (2023-24)	1 659 934	
Difference %	+ <u>368 191</u> <u>28.5%</u>	Last year the Schedule of Member Contributions included NZ\$ 193,894 of funding from <i>Other Sources</i> , meaning that individual Member contributions for that year totalled NZ\$ 1,291,743. Under Option 1, the 2023-24 Budget (Net Total) is proposed to be solely funded by Member contributions. This results in an average increase in individual Member contributions of 28.5% (with the highest increase being more than 40%).

Contributions		Comments (Option 2)
Members (2022-23)	1 291 743	Recognising that such a steep increase will not be possible for many Members the FAC Chairperson(s) and the Executive Secretary have developed an Option 2. Option 2 shows the effect of including an <i>Other Sources</i> amount of NZ\$ 186,000. This figure is comprised of the estimated CNCP Voluntary Contributions (NZ\$ 60,000) and an accumulated surplus amount of NZ\$ 126,000 (i.e., the same amount as used last year).
Option 2 (2023-24)	1 473 934	
Difference %	+ 182 191 14.1%	It is recognised that last year one of the critical deciding factors was the likelihood of the 2021-22 travel funds remaining unused (and this is not the case this year). Nevertheless, Option 2 is being presented with the hope that it will facilitate Member agreement on the Schedule of Member Contributions for 2023-24.

2. Calculation of contributions

This year, in response to requests for additional detail concerning the calculations, the excel workbook used to calculate Member contributions (as per the formula specified in the Financial Regulations) for Financial Year 2023-24 and 2024-25 has been provided to the HoDs of Members and CNCPs.

The workbook includes details of individual wealth estimates from the World Bank, the historic quota and catch records and the record of fishing activity in the SPRFMO Area.

The formula generally results in very stable contributions, however this year there are 3 Members whose contributions are predicted to increase at a higher rate than others. They include China (due to increasing squid catches) and the European Union and the Russian Federation (both due to a significant increase in the pelagic catch category other species).



Financial Year 2023-24:

Option 1: Total Member contributions (as per the proposed budget in FAC10-Doc06) assumed to be NZ\$1,659,934:

PROPOSED SCHEDULE OF CONTRIBUTIONS FOR FINANCIAL YEAR 2023-24 - Option 1:

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

Draft Contributions (NZ\$)

1 659 934

Members	Basic fee		Wealth component		catches		Contribution (NZ\$)
	i	ii	GNI	GNI per capita	Pelagic	Demersal	
Australia	12 392	18 043	5 856	32 383	0	27 140	95 814
Chile	7 781	10 826	1 144	8 558	93 580	1 337	123 225
China	12 392	18 043	67 349	6 784	332 521	0	437 087
Cook Islands	7 781	10 826	1	12 326	0	18 564	49 497
Cuba	7 781	0	378	4 924	2 179	0	15 261
Ecuador	7 781	0	370	3 383	1 241	0	12 775
European Union	12 392	14 434	65 632	21 415	63 848	1 485	179 206
Faroe Islands	12 392	0	13	33 857	10 825	0	57 087
Korea	7 781	14 434	6 976	19 957	15 164	0	64 312
New Zealand	12 392	18 043	938	25 868	0	158 966	216 207
Panama	12 392	18 043	230	7 993	0	0	38 658
Peru	7 781	7 217	794	3 720	20 643	0	40 155
Russian Federation	12 392	18 043	6 639	6 618	34 334	0	78 025
Chinese Taipei	12 392	18 043	3 032	19 231	2 506	0	55 204
United States of America	12 392	0	89 636	40 182	0	0	142 210
Vanuatu	7 781	0	4	1 791	45 635	0	55 212
Total	165 993	165 993	248 990	248 990	622 475	207 492	1 659 934



Option 2: Total Member contributions as per the proposed budget in FAC10-Doc06 but with *Other Sources* funding of NZ\$186,000.

PROPOSED SCHEDULE OF CONTRIBUTIONS FOR FINANCIAL YEAR 2023-24 – Option 2:

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

Draft Contributions (NZ\$) **1 473 934**

Members	Basic fee		Wealth component		catches		Contribution (NZ\$)
	i	ii	GNI	GNI per capita	Pelagic	Demersal	
Australia	11 003	16 021	5 200	28 755	0	24 099	85 077
Chile	6 909	9 613	1 016	7 599	83 094	1 187	109 418
China	11 003	16 021	59 802	6 023	295 261	0	388 111
Cook Islands	6 909	9 613	1	10 945	0	16 484	43 951
Cuba	6 909	0	335	4 372	1 934	0	13 551
Ecuador	6 909	0	328	3 004	1 102	0	11 344
European Union	11 003	12 817	58 278	19 015	56 693	1 319	159 125
Faroe Islands	11 003	0	11	30 063	9 612	0	50 690
Korea	6 909	12 817	6 194	17 721	13 465	0	57 106
New Zealand	11 003	16 021	833	22 969	0	141 154	191 980
Panama	11 003	16 021	204	7 097	0	0	34 326
Peru	6 909	6 408	705	3 303	18 330	0	35 656
Russian Federation	11 003	16 021	5 895	5 877	30 487	0	69 282
Chinese Taipei	11 003	16 021	2 692	17 076	2 225	0	49 018
United States of America	11 003	0	79 592	35 680	0	0	126 275
Vanuatu	6 909	0	3	1 591	40 522	0	49 025
Total	147 393	147 393	221 090	221 090	552 725	184 242	1 473 934



FORECAST SCHEDULE OF CONTRIBUTIONS FOR FINANCIAL YEAR 2024-25

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 = 2018 to 2022

							Forecast Contributions (NZ\$)	1 712 140
Members	Basic fee		Wealth component		Catches		Contribution (NZ\$)	
	i	ii	GNI	GNI per capita	Pelagic	Demersal		
Australia	12 306	19 456	6 040	33 402	0	27 296	98 499	
Chile	8 026	7 782	1 180	8 827	70 992	1 990	98 798	
China	12 306	19 456	69 467	6 997	351 298	0	459 524	
Cook Islands	12 306	15 565	1	12 713	0	22 112	62 698	
Cuba	8 026	0	390	5 079	2 467	0	15 960	
Ecuador	8 026	0	381	3 490	874	0	12 771	
European Union	12 306	15 565	67 696	22 088	72 823	2 395	192 874	
Faroe Islands	12 306	0	13	34 922	12 257	0	59 498	
Korea	8 026	11 674	7 195	20 585	16 271	0	63 750	
New Zealand	12 306	19 456	967	26 681	0	160 224	219 635	
Panama	12 306	19 456	237	8 244	0	0	40 244	
Peru	8 026	3 891	819	3 837	22 470	0	39 043	
Russian Federation	12 306	19 456	6 847	6 826	39 318	0	84 753	
Chinese Taipei	12 306	19 456	3 127	19 836	1 613	0	56 339	
United States of America	12 306	0	92 455	41 446	0	0	146 207	
Vanuatu	8 026	0	4	1 848	51 670	0	61 548	
Total	171 214	171 214	256 821	256 821	642 052	214 017	1 712 140	