

**REPORT OF THE STANDING COMMITTEE
ON ADMINISTRATION AND FINANCE (SCAF)**

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The Agenda as included as Appendix A to the Commission's Provisional Agenda (CCAMLR-XV/1) was tabled. When this was adopted by the Committee (Appendix I to this report), the Chairman noted that in adopting its own agenda, the Commission had referred a new matter 'Proposed Management Audit of the CCAMLR Secretariat' to SCAF for consideration. It was agreed by the Committee that this matter would be discussed under Agenda Item 7 'Any Other Business Referred by the Commission'.

ADMINISTRATIVE MATTERS

2. The Committee noted that it had considered the issue of the CCAMLR flag at its previous meeting and was able to **recommend that the Commission adopt the flag, as presented, as its official flag.**
3. The Executive Secretary reported that the amount of disruption which could be expected had occurred with the removal of the Secretariat to its new premises, and that this is now substantially complete. Australia has refurbished the new offices at its own cost. It has also provided funds towards the removal costs. Although the Secretariat has not yet had a full year in its new premises, it is still expected that the budgeted costs of occupation will not be exceeded. The Committee expressed its appreciation to the Government of Australia for the provision, free-of-charge, of such an excellent location.
4. The Executive Secretary advised the Committee that there had been 60 applicants for the vacant post of Data Manager and that he and a panel from the Scientific Committee would be interviewing the best candidates in November with a view to making a final decision at that time. The Committee **recommended that the Commission authorise the Executive Secretary to make the appointment at a position level that was appropriate**, and noted that this was likely to be at an initial level of P4.

EXAMINATION OF AUDITED FINANCIAL STATEMENTS

5. The Committee **recommended that the Commission signify its acceptance of the financial statements as presented in CCAMLR-XV/3.** The Committee noted that

the audit report of the 1995 Financial Statements indicated no instance of non-compliance with Financial Regulations or International Accounting Standards. It also noted that the audit report had been provided on the basis of a review audit only and noted it did not provide the same degree of assurance as would a full audit.

APPOINTMENT OF AUDITOR

6. **The Committee recommended that the Commission appoint the Australian National Audit Office as auditor in respect of the 1996 and 1997 financial years.** The Committee considered it appropriate that the Australian National Audit Office, whose term of appointment had ended, should be reappointed auditor of the Commission for the next two years.

7. The Committee noted that the Commission had decided in 1994 that a full audit should be performed on average once every two years, and in 1995 that this would be required at least once every three years. As review audits have been performed for the past two years, the Committee **recommended that the Commission require a full audit to be performed on the 1996 financial statements.**

REVIEW OF 1996 BUDGET

8. The Committee noted that despite the significant financial restrictions imposed by the 1996 budget, it was anticipated that no expenditure item budgets would be exceeded. It recalled that, as foreseen by the Committee in 1995, this was only possible at the expense of additional budget requirements for 1997.

BUDGET FOR 1997

9. Before considering detailed budget proposals, the Committee considered the appropriateness of the concept of 'zero real growth budget' as this term had been used by the Committee and Commission in 1995. It was decided that although zero growth in the budget after adjusting for inflation was a reasonable target in normal circumstances, special account should be taken in cases where there were, at an accelerating rate, increasing amounts of work needing to be done, especially in the case of a significant increase of scientific data which have

to be managed. Therefore, it was noted that a certain degree of flexibility for budget increase should be allowed in a disciplined manner including the consideration of all possibilities of cost savings.

10. Some Members also suggested that in some circumstances, zero real growth in individual Members' contributions may be more appropriate than zero real growth in budgeted expenditure. This would, for example, take account of the effect of new Members joining the Commission, allowing the total budget to increase accordingly.

Publications

11. The Committee **recommended that the Secretariat be directed to proceed with the establishment of a World Wide Web site to the extent that this can be achieved without incurring additional costs to the Commission and that the Secretariat be directed to gauge Members' interests in receiving publications through electronic media in the future.** The Committee recognised that provision of publications using electronic media would become increasingly appropriate, but expected that production in hard-copy form for most publications would also be necessary and that such hard copies should remain available for the time being. In this connection, the Committee **recommended that the Secretariat be directed to study the cost implication associated with publication through electronic media.**

12. The Committee **recommended that the publication of CCAMLR Science originally adopted for a three-year trial period should be continued in 1997 and subsequent years.**

13. The Committee **recommended that the Commission should, for 1997, continue the policy for the distribution of publications as used in 1996.**

14. The Committee noted that Members' Activities Reports are treated very much like meeting documents. Consequently, in proposing the 1997 budget for adoption by the Commission, it has transferred the budgeted amount in respect of this from the Publications item to the Meetings item.

15. Following a suggestion by the Scientific Committee, SCAF added into the budget for 1997 an amount of A\$3 500 to allow for the publication of revised Observers Logbooks in 1997. These are to be included in the loose-leaf *Scientific Observers Manual* which is scheduled for publication in 1997.

16. The Committee received a submission from New Zealand that the Commission should provide A\$23 800 towards the publication in English of a Southern Ocean bird identification manual. Nevertheless, unless the Committee is directed by the Commission otherwise, it was unable to recommend the inclusion of such expenditure in the 1997 budget due to the late arrival of the proposal and the lack of available funds. The Committee recognised the appropriateness and advantages of publishing the manual in the official languages of CCAMLR and the Secretariat was directed to investigate what costs would be incurred to achieve this and report to the Commission for its further consideration for future action.

Scientific Committee Budget

17. The Scientific Committee Chairman presented the Scientific Committee's proposed budget for 1997, noting that, as required, this covered only the Scientific Committee's requirements in respect of its working group meetings and its representation at other meetings. Other cost areas in which the Scientific Committee had interest, particularly Data Management, were the responsibility of the Commission and, therefore, should be taken care of in separate budget items.

18. The Committee congratulated the Scientific Committee on its successful attempts at containing its budget costs and **recommended that the Commission approve the Scientific Committee proposed budget for inclusion in the Commission's budget.**

Proposed Budget Overall

19. After making the amendments in respect of the matters noted in the above paragraphs, the Committee presented for approval by the Commission, the budget for 1997 as presented in Appendix II to this report.

20. The Committee **recommended that the Commission authorise the Secretariat to use up to A\$68 500 from the Special Fund, established with the 1995 Ukrainian contribution, to solve the contingent needs of Data Management that would arise from the possible development of new fisheries.** The funds would be used for labour (A\$42 500) and equipment (A\$26 000).

21. The Committee considers that it would be useful to examine the need and utility of building up further special funds in future years, with specific reference to the application of New Members' contributions in the light of the future financial situations.

22. The Committee noted that should Uruguay pay its New Member's contribution before the end of 1996, then this will be applied to reduce accordingly Members' contributions as presented in Appendix II.

FORECAST BUDGET FOR 1998

23. The Committee noted the forecast expenditure budget for 1998 of A\$1 968 600.

CONTRIBUTION FORMULA

24. The Committee **recommended that the following be adopted as a basis for calculating Members' Contributions to the annual budget of the Commission for the next three financial years 1997, 1998 and 1999.**

I(i) Those countries engaged in harvesting in the Convention Area will, in respect of the amount harvested, contribute at the rate of 6% of total Members' contributions per 100 000 contribution units, a unit being defined as:

- 1 tonne of *Dissostichus eleginoides*;
- 10 tonnes of krill and/or myctophids; or
- 5 tonnes of any other harvested resource.

(ii) The amount of all marine living resources harvested are included in the calculation, including catches in new fisheries and exploratory fisheries, but excluding:

- catches which, in accordance with conservation measures in force, are under Exploratory Harvesting Regimes; and
- any catches which the Commission may, from time to time, require to be exempted.

- (iii) Catches by Members under research provisions of the conservation measures in force will not be taken into account for the purpose of calculating their contributions to the budget.
 - (iv) The amount harvested shall be calculated as the average catch over a three-year reporting period, ending at least 12 months prior to the Commission meeting at which the budget in question is approved.
 - (v) The maximum percentage of total contributions to be paid in respect of the amount harvested shall be fixed at 50%.
- II The balance of total contributions will be equally shared amongst all Members of the Commission.
- III The maximum percentage of total contributions to be met by any individual harvesting country is fixed at 25%.

25. In agreeing to this text, many Members signified that use of this revised basis for allocating shares of the annual budget will still not result in achieving the level of fishing contributions which they would prefer; the level would now be around 1 to 2%, whereas they would have preferred 3 to 5%. Some Members noted that this new formula will result in a significant increase, in percentage terms, in the size of the contribution associated with harvesting activities.

26. The Committee, however, agreed that the adoption of this basis for contribution allocation was an important first step in attaining a more equitable sharing of the financial burdens of the Commission. In adopting this for a three-year period, the Commission would have the opportunity to gauge its effect on individual Members' contributions and would have time to consider what modifications might be required to ensure the suitability of any basis for subsequent years.

27. In reaching agreement on the basis, many members of the Committee stressed the need for a number of factors in relation to the weighting of relative shares of the various harvested resources to be taken into account by the Commission in its future deliberations on the subject. They are, among others:

- cost to the Commission of managing the resource;
- conservation status; and
- market values.

28. The Committee identified the removal of the 9 000 tonne all-species exemption as a major improvement in the proposed basis. This has been replaced by specific exemptions which are determined as a result of individual decisions by the Commission.

MANAGEMENT REVIEW OF THE SECRETARIAT

29. The Committee **recommended that the Commission approve the commissioning of a management review of the Secretariat.** The review would be carried out by a group of experts from interested Member countries. The cost of each expert would be borne by the Member who provided him/her. The meeting of experts would take place in Hobart around April 1997 (specific date to be advised by the Executive Secretary) and would last for five days. While requiring the cooperation of the staff, the review would be conducted so as to cause the minimum disruption to the Secretariat's work. The proposed terms of reference of the Experts Group to perform the review are presented in Appendix III of this report.

30. Members proposing to supply experts for this purpose are urged to advise the Executive Secretary by the end of January 1997. It was agreed by the Committee that New Zealand should coordinate the planning of the review meeting.

31. The Committee expressed its appreciation to the SCAF Chairman for his skillful management and guidance of the meeting.

**AGENDA FOR THE 1996 MEETING OF THE
STANDING COMMITTEE ON ADMINISTRATION AND FINANCE**

1. Administration
 - (i) New Location of the Secretariat
 - (ii) CCAMLR Flag
2. Examination of Audited Financial Statements for 1995
3. Appointment of Auditor for 1996 and 1997
4. Review of Budget for 1996
5. Budget for 1997 and Forecast Budget for 1998
 - (i) Publications Distribution Policy
 - (ii) *CCAMLR Science*
 - (iii) Scientific Committee Budget
6. Review of Formula for Calculating Members' Contributions
7. Any Other Business Referred by the Commission
 - (i) Proposed Management Audit of the CCAMLR Secretariat
8. Adoption of the Report.

**PROJECTED INCOME AND EXPENDITURE FOR 1996
BUDGET FOR 1997 AND FORECAST FOR 1998**

APPENDIX II

(Australian Dollars)

					1998	
					1997	Forecast
					Budget	Budget
(1) Budget adopted in 1995	(2) Estimates projected to 31/12/96	(3) Variance from Budget	Item	Subitem	(4)	(5)
Budget for 1996						
1 481 300	1480 691	-609	Members' Contributions		1 593 200	1 695 900
0	0	0	Items from previous year		0	0
44 000	41 983	-2 017	- Arrears of Contributions		41 000	41 000
0	0	0	- Interest		0	0
0	0	0	- Members' Contributions		0	0
194 500	214 865	20 365	- New Members' Contributions		0	0
32 100	14 361	-17 739	- Staff Assessment Levy		232 500	231 700
			- Surplus			0
1 751 900	1 751 900	0	Total Income		1 866 700	1 968 600
EXPENDITURE						
DATA MANAGEMENT						
39 200	39 200	0	Capital Equipment		10 400	10 700
3 800	3 800	0	Consumables		3 900	4 000
119 500	119 500	0	Contract Labour		123 100	170 700
12 000	12 000	0	Maintenance		12 400	12 800
174 500	174 500	0	Total Data Management		149 800	198 200
MEETINGS						
408 100	408 100	0	Total Meetings		433 200	446 500
PUBLICATIONS						
95 600	95 600	0	Total Publications		120 800	112 400
SCIENTIFIC COMMITTEE						
123 400	123 400	0	Total Scientific Committee		131 400	147 500
SECRETARIAT COSTS						
16 900	16 900	0	Administration		21 100	18 000
230 100	230 100	0	Allowances		237 000	259 300
4 600	4 600	0	Automobile		4 700	4 800
35 100	35 100	0	Communication		41 500	42 800
3 900	3 900	0	Incidentals		4 000	4 100
3 900	3 900	0	Library		4 000	4 100
33 600	33 600	0	Office Requisites		50 200	41 200
20 300	20 300	0	Premises		20 900	21 500
576 700	576 700	0	Salaries		618 100	637 300
25 200	25 200	0	Travel		30 000	30 900
950 300	950 300	0	Total Secretariat Costs		1 031 500	1 064 000
A\$1 751 900	A\$1 751 900	A\$0	Total Expenditure		A\$1 866 700	A\$1 968 600

**DRAFT TERMS OF REFERENCE FOR A MANAGEMENT
REVIEW OF CCAMLR'S SECRETARIAT**

1. To review and assess the Secretariat's existing management systems and processes to determine how they might be improved to meet the needs of the Commission more effectively.
2. To this end, the Experts Group will consider, in particular, the Secretariat's:
 - (i) means by which it determines what resources are necessary to meet the operational requirements of the Commission and advise the Commission of the personnel, funding, etc. required to meet those needs;
 - (ii) communications with Commission Members and others;
 - (iii) information and publication management systems;
 - (iv) financial management systems;
 - (v) administrative procedures; and
 - (vi) human resource management systems including its current recruitment practices, staff review processes, salary levels, training needs, etc.;
3. To report to the Commission on its findings and its advice.