

FINANCE AND ADMINISTRATION

3.1 The following items of the Commission's agenda were referred to the Standing Committee on Administration and Finance (SCAF) for consideration:

- (i) Examination of Audited Financial Statements for 1990;
- (ii) Review of Budget for 1991;
- (iii) Budget for 1992 and Forecast Budget for 1993;
- (iv) Payment of Members' Contributions; and
- (v) Commemoration of CCAMLR-X.

Resignation of Executive Secretary

3.2 During the course of the meeting, the Chairman advised Members that he had received formal notification from the Executive Secretary of his intended resignation after the 1992 Meeting of the Commission. The Chairman noted that although the Executive Secretary had been required to give only three months notice, he had given in excess of twelve months notice to enable the Commission to initiate the replacement procedure (CCAMLR-VI, paragraph 29) and for the relevant costs to be incorporated in the budget. This factor was taken into consideration by SCAF.

3.3 The Chairman advised the Commission that he intended to commence the process of selection as soon as practicable after this meeting. The text of the procedure to be followed, as agreed at the Sixth Meeting (CCAMLR-VI, paragraph 29), is attached at Annex 4, together with the form of the advertisement (CCAMLR-VII, Annex E, paragraph 26) to be placed by Members if they wish to advertise the post. The deadline for submission of applications would be 31 March 1992; Members would be required to notify their preferences for the applicants by 30 June and the leading five applicants would be notified by 31 July. This schedule would ensure there was sufficient time for Members to assess thoroughly the applications of the five final candidates before the 1992 Meeting of the Commission.

Report of SCAF

3.4 The Executive Secretary presented his report of the meeting of SCAF (Annex 5).

3.5 The Chairman of SCAF advised the Commission that the matters raised at the meeting of SCAF, and outlined in the Executive Secretary's report, had been extensively discussed and drew to the attention of the Commission a number of issues arising from the SCAF meeting.

Examination of the Audited Financial Statements for 1990

3.6 The Commission accepted the Financial Statements for 1990.

Review of Budget for 1991

3.7 The Commission noted the forecast results of income and expenditure for 1991. Chile and Argentina respectively apologised for the delay in payment of contributions and advised that action has been taken to ensure that payment would be made as soon as possible.

3.8 The Delegation of Australia proposed an amendment to the Financial Regulations providing for interest to be accrued on contributions received later than 150 days after the due date. This interest would be due on all late payments by Members, including supplementary contributions. Some delegations indicated they would need to seek the views of their responsible authorities regarding such an amendment to the Financial Regulations.

Draft Budget for 1992 and Forecast Budget for 1993

3.9 The Chairman of SCAF noted that the budget presented by the SCAF meeting varies from the draft budget in document CCAMLR-X/4. The sub-item 'Commemorative Sculpture' (A\$25 000) had been removed and A\$10 000 had been allocated in the budget to the sub-item 'Allowances' as a contribution towards staff termination entitlements and replacement costs, enabling the Scientific Committee to increase its budget by A\$15 700. Paragraph 26 of the SCAF report suggests that, for future budgets, the Commission may wish to provide the Scientific Committee with some guidance in terms of budgetary limitation and the priorities of work requirements.

3.10 The Commission approved the Budget for 1992 as contained in the Executive Secretary's report of the SCAF meeting (Annex 5).

3.11 The Commission noted the 1993 Forecast Budget.

Termination Entitlements and Replacement Costs

3.12 The Commission noted that it has a contractual obligation to pay the termination entitlements of Secretariat staff when they fall due. The costs of recruiting and installing replacement staff are necessarily incurred and have to be funded. The arrears of termination entitlements contractually accrued as at 31 December 1991 are estimated at A\$375 000. The current cost of on-going obligations in respect of terminations and replacements is estimated at A\$90 700 per year. As an alternative to funding these items on an *ad hoc* basis the three options identified by SCAF (Annex 5, paragraph 20) were presented to the Commission for consideration.

3.13 The Australian Delegate pointed out that the existing procedure of addressing each staff change as it arises was established at the Third Meeting. The text of the relevant paragraphs (CCAMLR-III, Annex E, paragraphs 20 and 21) is as follows:

- '20. The draft budget contained in CCAMLR-III/5 had included an allocation to cover all of the costs of the Commission associated with the termination of employment of staff. These would include termination allowance and the return of families and shipment of household effects back to the former place of residence. Termination allowance accrues each year for each staff member and the Auditor

had drawn attention to the desirability of clearly identifying this obligation of the Commission.

21. The Committee felt that it was unnecessary to include this accruing amount in the budget each year. Rather, the Executive Secretary should normally be in a position to predict if a staff member may resign in the coming year. In those cases where resignations were not foreseen the Executive Secretary should obtain the approval of the Commission by correspondence to allocate funds from the Interest, Staff Assessment Levy or New Members' Contributions.'

3.14 The Australian Delegate stated that the funding method agreed at the Third Meeting was no longer relevant, due to the changes in circumstances since that meeting. In particular, it was recognised that the Executive Secretary would not normally be aware of the staff changes for the following year at the time when the budget was approved. Also, it is no longer possible to anticipate that New Members' Contributions will be available to meet these costs each time they arise.

3.15 None of the resignations of the three members of the professional staff who have left to date had been anticipated at the time of the approval of the relevant budget. The costs for each were set against New Members' Contributions. The Commission has not been advised of any Acceding State wishing to become a Member and thereby being required to pay a New Members' Contribution.

3.16 In response to a question from the French Delegate as to whether the funding could be achieved through reductions in the 1992 Budget, a number of Members advised that the current level of work was important for the achievement of the Commission's objectives. Significant reductions to provide this funding would impede the work of the Commission.

3.17 Several Members expressed concern that they would have difficulty in paying additional contributions due to their respective national budgetary constraints.

3.18 The United Kingdom expressed its preference to meet the obligations in respect of staff changes on an *ad hoc* basis.

3.19 It was determined that an amount of approximately A\$11 400 would be required from each Member to meet the contractual obligations of the Commission with regard to the termination entitlements of the retiring Executive Secretary and replacement costs at the end of 1992. The Commission agreed that delegates should consult urgently with their respective Governments and provide an indication by 1 January 1992 of their ability or otherwise to meet this obligation; the Commission further agreed that Members unable to meet their obligation during 1992 should provide an indication of their proposed date of payment by 1 January 1992. The Commission agreed that Members should receive a written notice before the end of November 1991, in order to facilitate approaches to the Governments concerned.

3.20 The Executive Secretary was directed to include provision for funding staff termination and replacement costs in the 1993 Budget, in accordance with Option 3 in his report on the SCAF meeting (Annex 5, paragraph 20). The Commission, at its next meeting, will address the question of future funding of termination costs with a view to taking a decision on the matter.

Payment of Members' Contributions

3.21 The Commission agreed on the following interpretation of Article XIX (6): if by 1 June of any year, a Member has not paid the whole of its contributions for two consecutive years, then, until the whole of the first year's contribution has been paid, that Member will not have the right to vote upon items voted upon by the Commission or to register an objection when a consensus decision is required.

Commemoration of CCAMLR-X

3.22 It was decided, with regret, that budgetary limitations prevented the Commission from approving expenditure on a sculpture to commemorate the Tenth Anniversary of its establishment in Hobart. The Commission nevertheless, acknowledged its appreciation of the close association with the city of Hobart over the past ten years.