

FINANCE AND ADMINISTRATION

3.1 The Chairman of the Standing Committee on Administration and Finance (SCAF), Mr I. Ybáñez Rubio (Spain), presented the report of the Committee (Annex 4), outlined the results of its discussions and noted the recommendations for decision by the Commission.

Examination of Audited Financial Statements for 1998 and 1999

3.2 Noting that the audit performed on the 1998 statements had been a review only, the Commission accepted the audited Financial Statements for 1998.

3.3 The Commission decided that as a review audit had been performed on the 1997 and 1998 Financial Statements, a full audit will be required for the 1999 Financial Statements.

Members' Contributions

3.4 The Commission agreed that the contribution amounts advised to Members at the end of the annual meeting would be final, and would be advised in such a form as to enable Members to process the demand for payment.

3.5 The Commission noted with concern the financial difficulties which arose in 1999 due to the timing of payment of Members' contributions. To prevent the situation from happening again, the Commission adopted the following revised Financial Regulation 5.6:

'5.6 Except in the first financial year when contributions shall be paid within 90 days of the end of the first Commission meeting, contributions shall be due for payment on the first day of the financial year (i.e. the due date) and shall be paid not later than 60 days after that date. The Commission has the authority to permit extensions to the due date of up to 90 days for individual Members who are unable to comply with this regulation due to the timing of the financial years of their governments. However, in the case referred to in Regulation 5.5(a), contributions by a new Member shall be made within 90 days following the date on which its membership becomes effective. If payment is made after the due date in United States dollars, the net payment received by the Commission shall be equivalent to the amount of Australian dollars payable on the due date.'

3.6 In accordance with the revised Financial Regulation 5.6, the Commission extended the due date in 2000 to 1 April for the following Members:

Argentina;
France;
Italy;
Japan;
Republic of Korea;
Russia;
South Africa; and
United Kingdom.

3.7 The Commission noted that the revised text of Financial Regulation 5.6, as included in paragraph 3.5 above, was the result of a compromise to resolve the problem in the short term. It agreed that it would review Financial Regulation 5.6 as a matter of urgency at its next meeting, on the understanding that it shall continue to authorise a small number of extensions until consensus can be reached. It was anticipated that the number of Members requiring such extensions to the due date would reduce significantly next year.

3.8 The Commission noted that Members had agreed to consult with their Finance Ministries before the next meeting in order to explore all opportunities for moving to the new payment

schedule. To assist Members to expedite such transition, the Chairman was directed to write to the competent financial authorities in each Member State advising of the changed requirements and the necessity for them to be complied with as early as possible.

3.9 Sweden noted that the amended financial rule, although intended to solve the cash-flow problem of the Secretariat, as a matter of fact would not be able to do so, if not all Members made an effort to comply with the shorter time limit for contributions of Member States. It was therefore the understanding that the possibility for the Commission to grant extensions of the due date of up to 90 days was only to be used as a temporary measure in order to give Members time to adapt to the new rules.

3.10 Japan reminded Members that the financial regulation in its previous form did not preclude the possibility of Members paying at an earlier date if they wished to do so.

3.11 Argentina noted that, notwithstanding the fact that it had a 31 December financial year end, it had asked to be included as an exemption under the financial regulation in order to obtain the flexibility needed for time to change to the new payment timing requirements.

3.12 In considering Article XIX.6 of the Convention, the Commission interpreted the extent of default as being the period commencing when a contribution is payable, if the whole or part of the previous contribution is outstanding, and ending when both those contributions are paid in full.

Contribution Formula for 2000

3.13 The Commission noted that SCAF had not had sufficient time to fully consider options for a contribution formula to be used for the forthcoming years and agreed to establish an intersessional correspondence group, to be coordinated by Belgium and supported by the Secretariat, to develop a proposal or series of proposals for discussion at next year's meeting. The Commission agreed to use for 2000 the contribution formula used in 1999.

Management Review of the Secretariat

3.14 The Chairman of SCAF advised the Commission that the Committee had noted that the majority of recommendations arising from the management review had been substantially or fully implemented.

3.15 New Zealand noted that a number of key recommendations of the management review had not yet been completed, including strategic planning and the introduction of performance assessments for all staff members. The Commission agreed that the Executive Secretary should provide a written report for next year to enable the Commission to focus its future discussions.

3.16 New Zealand also noted that the Committee had not yet addressed the issue of the performance criteria of the Executive Secretary and invited Members to consider the matter intersessionally. Spain recalled the opposition already expressed in SCAF by some parties on this matter and reaffirmed its continued opposition.

3.17 In accordance with the advice of SCAF, based on a review performed by the United Nations (UN), the Commission agreed to revise the level of its post of Administration Finance Officer to P3 on the UN pay scale with effect from the next anniversary of the incumbent's contract.

Review of Budget for 1999

3.18 The Commission noted the advice of SCAF that while the overall budget adopted in 1998 was not expected to be exceeded, it had been found necessary to make reallocations

between budget items and subitems. As a result of this, the Commission adopted a revised budget for 1999 as presented in the 'expected outcome' column of Appendix 2 of Annex 4.

Budget for 2000

3.19 The Commission noted the advice of SCAF on the Scientific Committee budget for 2000 and agreed to approve the inclusion of this at A\$150 200 in the Commission's budget.

3.20 Australia addressed the issue of the Australian Goods and Services Tax, as raised by SCAF, and advised that the policy was still being developed for all international organisations within Australia. Australia supported the suggestion that a letter be sent by the Chairman of the Commission to the Australian Government but could not anticipate a positive decision on the matter. The Commission asked the Chairman to write to the Australian Government in the way suggested by SCAF.

Overall Budget

3.21 The Commission noted that the 2000 budget presented by SCAF represented a real increase. In referring to the reservation expressed in SCAF (Annex 4, paragraph 32) Germany stated:

'In all international organisations, the Government of Germany pursues the objective of a nominal zero growth of the budget. This also applies to CCAMLR. However, in light of the importance of the Catch Documentation Scheme and our commitment that we share with all delegations here to see it implemented as quickly and efficiently as possible and to provide the scheme with the necessary means, we are prepared to deviate exceptionally from our normal position. We are prepared to support this year's budget on the understanding that the Catch Documentation Scheme will be adopted by the Commission this year. This notwithstanding, Germany urges the Executive Secretary to provide a draft budget for 2001 that is based on a nominal zero growth.'

3.22 The Commission agreed with this condition for 2001, which had also been proposed by SCAF, and, noting that the increase was required to enable the Commission to address effectively the issues that it currently faces, accepted the budget for 2000 as presented in Appendix 2.

3.23 Some Members expressed their continuing concern with the fact that more work was being requested of the Secretariat by the Commission and the Scientific Committee year after year, and that it was unreasonable to continue to request a zero growth in the budget under these circumstances.

Forecast Budget for 2001

3.24 In considering the forecast budget for 2001, as presented by SCAF, the Commission noted the extent of assumptions that have had to be made in many expenditure items.

3.25 To assist in achieving zero growth in the budget when it is agreed at the next meeting, the Commission considered the possible savings that could be generated if the WG-EMM meeting in 2001 was to be held in the Secretariat offices in Hobart. The Commission noted the advice of the Scientific Committee on this issue and asked it to provide the Commission next year with detailed comments on such a possibility. The Commission will then be in a position to make a decision on the possibility of holding meetings of WG-EMM in Hobart in alternate years. It asked the Scientific Committee to not finalise arrangements for its 2001 meeting before the next Commission meeting so that any decision of the Commission on this matter could be implemented.

Investment Policy

3.26 The Commission noted that the existing investment policy of the Commission was no longer appropriate for the conditions currently prevailing in Australia and adopted the revised Financial Regulation 8.2 as set out in paragraph 38 of the SCAF report (Annex 4).

Chairman and Vice-Chairman

3.27 The Commission noted the advice of SCAF that the Chairman (Spain) and Vice-Chairman (Germany) had been reappointed for a second two-year term.