

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

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

The Commission had deferred Item 3 (Finance and Administration) of its Agenda (CCAMLR-XXIV/1, Appendix A) to SCAF. The Committee's Agenda was adopted (Appendix I).

2. The Committee appointed Ms T. Akkers (South Africa) as Vice-Chair for this meeting, replacing the late Mr C. Badenhorst.

EXAMINATION OF AUDITED FINANCIAL STATEMENTS FOR 2004

3. The Committee noted that a full audit had been carried out on the 2004 Financial Statements. The report had identified no incidents of non-compliance with Financial Regulations or International Accounting Standards. The Committee **recommended that the Commission accept the financial statements as presented in CCAMLR-XXIV/3.**

AUDIT REQUIREMENT FOR 2005 FINANCIAL STATEMENTS

4. 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 a full audit was carried out in 2003 and 2004, the Committee **recommended that the Commission require a review audit only to be performed on the 2005 Financial Statements.**

SECRETARIAT STRATEGIC PLAN

5. The Executive Secretary presented his report (summarised in CCAMLR-XXIV/7). The Committee noted that this report forms a key element in annually assessing the Executive Secretary's performance. The report made particular reference to the implementation of the Strategic Plan and staff issues. The Executive Secretary advised that the Secretariat's Strategic Plan is now fully implemented and referred the Committee to the summary details of specific tasks and outcomes for 2004/05, included as Appendix I of his report, which showed the tasks as diverse, complex and extensive.

6. The Committee recognised the need for limited in-house legal knowledge and supported ongoing seminar-based training for appropriate staff.

7. The Committee also recognised the significant contribution the Secretariat had provided in E-CDS training for Mauritius.

8. The Committee recognised the likely retirement of the Science/Compliance Officer in the next two years and the consequential loss of corporate memory which currently rests with the incumbent. The Committee **recommended a review of the role of the Science/Compliance Officer to be presented at next year's meeting by the Secretariat.**

REPORTS OF MEMBERS' ACTIVITIES

9. The Committee noted that the Scientific Committee had not yet responded to the Commission's request to formulate a proposal to address the contents of the Members' Activities Reports and the requirements as to which aspects of the reports would be made publicly available. The Committee asked that the Scientific Committee respond to this request intersessionally. However, it is anticipated that the Scientific Committee may forward advice directly to the Commission at its current meeting.

EDUCATION PACKAGE

10. The Committee took note of progress achieved in establishing an education package. The Committee endorsed a proposal from New Zealand that the formal launch of the Education Package should coincide with CCAMLR's 25th anniversary celebrations.

SUPPORT FOR PARTICIPATION AT MEETINGS

11. The Committee accepted CCAMLR-XXIV/BG/11, noting that the Secretariat has been liaising with FAO on the question of accessibility to special funds within the UN system to support participation of non-Contracting Developing States at CCAMLR meetings.

12. The Committee **recommended that, when the Commission identifies non-Contracting States to be invited as observers, the letter of invitation should specify that CCAMLR does not fund participation and should refer the invited party to the funding body.** The Secretariat would assist the invited State in preparing a funding application through the design of an appropriate pro forma.

REVIEW OF 2005 BUDGET

13. The Committee noted the expected outcome of the 2005 budget as presented in CCAMLR-XXIV/4 and received the advice of the Secretariat that additional costs (A\$40 000) were anticipated for the longer than expected report of WG-FSA together with new reports of the Subgroup on Acoustic Survey and Analysis Methods (SG-ASAM) and the Workshop on Marine Protected Areas (MPAs). The Committee expressed its concern at the continued growth of such reports with the additional concern of unanticipated expenditure, arising from the need to translate and publish very long reports, continuing to compromise the Commission's objective of zero real growth in its budget (CCAMLR-XXII, paragraph 3.33).

14. The Committee noted that the increased costs in relation to the longer than anticipated report of WG-FSA would be met from the surplus brought forward.

15. The Committee also noted additional interest income (A\$7 000) transferred from the Contingency Fund, arising from a decision to cap the Contingency Fund at the previously agreed balance of A\$110 000. With these changes, the Committee **recommended that the revised budget for 2005 as presented in Appendix II, including a projected surplus of A\$24 400, be adopted by the Commission.**

COST RECOVERY

16. In accepting the Secretariat paper CCAMLR-XXIV/6, the Committee noted that income from the non-refundable portion of the exploratory fishery fees received in respect of new and exploratory fisheries, covers the costs incurred in processing such notifications.

17. The Committee also considered the procedures attached to the scheme for recovery of costs associated with the administration of new and exploratory fisheries. It approved a proposal from New Zealand to add an additional paragraph (v), below, to the procedures adopted at CCAMLR-XXIII (paragraph 3.12 and Annex 4, paragraph 14), namely:

- (i) a notification is required for each new and exploratory fishery, i.e. a single submission by an individual Member in respect of a single year, a single species group and one subarea/division;
- (ii) each notification should identify the companies and vessels intending to pursue the fishery;
- (iii) each notification should be accompanied, or followed within one month, by a payment of A\$8 000 in respect of each vessel intending to pursue the fishery, consisting of:
 - (a) a fee of A\$3 000, representing the recovery of administrative costs;
 - (b) a sum of A\$5 000, to be refunded when the vessel had commenced fishing in the fishery for the season in accordance with conservation measures determined by the Commission. In the event of the Commission deciding that a notified fishery should not proceed in a particular year, this sum shall be refunded.
- (iv) where payment is made by a fishing company rather than a Member, the Member should identify in the notification:
 - (a) the company making the payment
 - (b) the vessels in respect of which the payment is made.
- (v) **Where a notification is not accompanied by the payment in paragraph (iii), the notification shall proceed no further and as a consequence, notice of receipt by the Secretariat will not be circulated, nor will it be forwarded to**

the Scientific Committee or its working groups for consideration. Except that, where more than one vessel is included in the notification, the notification may proceed for consideration by the Scientific Committee or its working groups in respect of those vessels for which the requirements of paragraph (iii) have been met. Where the requirements of paragraph (iii) have not been met in respect of a particular vessel or vessels, the part of the notification dealing with that vessel or vessels shall not advance for consideration by the Scientific Committee or its working groups.

In discussing this text the Committee noted that, as a consequence of the introduction at CCAMLR-XXIII of a one-month period for payments outlined in paragraph (iii), exploratory fisheries notifications do not become available to Members until two months before the CCAMLR meeting, as opposed to three months which was, to the understanding of the Committee, the original intent of the Commission. The Committee **recommended that the Commission consider this issue.**

CONTINGENCY FUND

18. The Committee noted that, following the transfer of forfeited funds in respect of new and exploratory fisheries notifications, the balance of the Contingency Fund will exceed the A\$110 000 balance determined at CCAMLR-XXII. The Committee **recommended that any funds in excess of A\$110 000 should be transferred to the General Fund from 2006.**

PROFESSIONAL STAFF SALARIES

19. The Committee did not identify any specific alternative salary structures for Professional Staff at the present time. The Committee deferred further consideration of this matter to its next meeting.

BUDGET FOR 2006

CCAMLR Headquarters

20. The Committee received advice from the Secretariat that the Commission Headquarters has the potential to generate income from outside organisations leasing the facilities. The Committee **recommended the creation of an Asset Replacement Fund into which income generated from leasing the meeting facilities can be paid, and from which future maintenance and asset replacement costs are to be met to the extent available from the Fund.**

Operation of the C-VMS

21. The Committee noted the advice from the Secretariat that the funding of the C-VMS can continue to be met from savings achieved in the General Fund as a result of cost substitution of expenditure relating to new and exploratory fisheries applications for 2006. It also agreed that the matter should be further reviewed thereafter.

Advice from other committees

22. The Chair of SCIC advised that SCIC had requested funding for a Joint Assessment Group (JAG) meeting for 2006 in conjunction with the WG-EMM meeting, the continuing subscription to the Lloyd's Vessel Database and participation at the Western and Central Pacific Fisheries Commission (WCPFC) meeting in Micronesia in December 2005 and the VMS meeting in Hong Kong in 2006. The Committee noted the advice from the Secretariat that those recommendations from SCIC with budgetary implications had already been included in the draft budget presented in CCAMLR-XXIV/4.

23. The Committee received the advice of the Chair of the Scientific Committee on the Committee's budget for 2006 and on items in the Commission budget of relevance to the Scientific Committee.

24. The Committee noted the importance of WG-FSA's work but expressed serious concern about the increasing size of the WG-FSA report and the consequential considerable cost implications for the Commission's budget. It urged the Scientific Committee to explore ways to move towards a more condensed form of report with less cost implications. It noted the request from the Chair of the Scientific Committee that the Commission advise the Scientific Committee on what parts of the report could be excluded in order to reduce the cost of the report.

25. It was noted that overall, the funding requested by the Scientific Committee was covered by provisions made in the draft budget presented in CCAMLR-XXIV/4, and SCAF **recommended that the Commission approve the Scientific Committee budget of A\$258 000 for inclusion in the Commission's budget for 2006.**

26. The Committee noted that, as a result of its deliberations, it was able to present a budget for 2006 which provides zero real growth in Members' contributions. The Committee **recommended that the Commission adopt the budget for 2006 as presented in Appendix II to this report.**

MULTI-YEAR FUNDING OF SCIENTIFIC COMMITTEE TASKS

27. In presenting its budget for 2006, the Scientific Committee requested that an amount of A\$8 500, budgeted for expenditure on preparatory work to rewrite the *Scientific Observers Manual* in 2005, be carried forward in the Special Science Fund. The Committee **recommended that the Commission permit this expenditure to be carried forward in accordance with the procedure approved in 2004 (CCAMLR-XXIII, paragraph 3.22 and Annex 4, paragraph 26).**

MEMBERS' CONTRIBUTIONS

Timing of Members' contributions

28. The Committee noted and expressed concern over late contribution payments. It encouraged Members who do not pay on time to pay by the due date and requested the Secretariat to report back to the Committee's next meeting on practices followed by other, similar, international organisations with a view to providing information on the possibility of imposing a penalty for late contributions in the future.

29. The USA proposed that Members who did not pay on time be listed in the report of the Commission.

30. The Committee **recommended that, in accordance with Financial Regulation 5.6, the Commission grant to Argentina, Brazil, Spain and Uruguay an extension to the deadline for payment of 2006 contributions.**

Implementation of the contribution formula

31. The Committee noted that there had been no requests from any Member to amend the contribution formula for 2006.

FORECAST BUDGET FOR 2007

32. The Committee presented a forecast budget for 2007 to the Commission, noting that no real growth was anticipated in Members' contributions. However, SCAF recalled its advice of previous years that the figures are indicative only and care should be taken when they are used as a basis for financial budgeting by individual Members.

CDS FUND

33. The Committee received advice from the Secretariat that no expenditure was incurred from this fund in 2005.

ANY OTHER BUSINESS

Antarctic Treaty Secretariat funds

34. The Committee noted that the Secretariat had closed the account held on behalf of the Antarctic Treaty Secretariat and the balance of the funds had been transferred.

35. The Committee expressed its gratitude to the Secretariat for the work undertaken in this matter.

Installation of a wireless network at the CCAMLR Headquarters

36. The Committee noted advice from the Secretariat on installing a wireless computer connection (CCAMLR-XXIV/BG/37) to enable electronic access to meeting papers and the Internet during meeting times. This would involve a set-up cost of A\$20 000 plus A\$5 000 in annual running costs. The Committee noted the potential of a wireless network in a broader context and directed the Secretariat to explore possible options for potential future savings in paper costs and volume as part of a general strategy to reduce the quantity of hardcopy documents.

Commission meeting venue and Secretariat office accommodation

37. The Committee requested the Commission to convey a formal note of appreciation, signed by the Commission Chair on its behalf, to the Australian Commonwealth Government (via the Minister for Foreign Affairs), the Tasmanian State Government and the property owner (Mr R. Rockefeller) for their assistance in providing the new CCAMLR Headquarters building.

ELECTION OF CHAIR AND VICE-CHAIR OF SCAF FOR 2006 AND 2007

38. The Committee re-appointed Germany as Chair of SCAF and appointed New Zealand as Vice-Chair, from the end of the 2005 meeting until the end of the 2007 meeting.

ADOPTION OF THE REPORT

39. The report of the meeting was adopted.

CLOSE OF MEETING

40. The Chair, Dr H. Pott (Germany), closed the meeting.

AGENDA

Standing Committee on Administration and Finance (SCAF)
(Hobart, Australia, 24 to 28 October 2005)

1. Organisation of the meeting
2. Examination of audited Financial Statements for 2004
3. Audit requirement for the 2005 Financial Statements
4. Secretariat Strategic Plan
5. Reports of Members' Activities
6. Education package
7. Support for participation at meetings
8. Review of 2005 budget
9. Cost recovery
10. Contingency Fund
11. Professional Staff salaries
12. Budget for 2006
 - (i) Relocation of CCAMLR Headquarters
 - (ii) Operation of the C-VMS
 - (iii) Scientific Committee budget
 - (iv) Advice from SCIC
13. Multi-year funding of Scientific Committee tasks
14. Members' contributions
 - (i) Timing of Members' contributions
 - (ii) Implementation of the contribution formula
15. Forecast budget for 2007
16. CDS Fund
17. Any other business
 - (i) Antarctic Treaty Secretariat funds

18. Election of Chair and Vice-Chair of SCAF for 2006 and 2007
19. Adoption of the report
20. Close of the meeting.

REVIEW OF 2005 BUDGET, BUDGET FOR 2006 AND FORECAST FOR 2007
(all amounts in Australian dollars)

Budget for 2005				2006	2007
Adopted in 2004	Revised	Variance		Budget	Forecast
INCOME					
2 580 000	2 580 000	0	Members' Annual Contributions	2 657 400	2 737 100
0	0	0	New Members' Contributions	0	0
0	0	0	From (to) Special Funds	50 000	0
46 200	58 000	11 800	Interest	66 000	93 500
433 900	450 000	16 100	Staff Assessment Levy	506 400	548 000
20 200	102 300	82 100	Surplus from Prior Year	24 400	0
<u>3 080 300</u>	<u>3 190 300</u>	<u>110 000</u>		<u>3 304 200</u>	<u>3 378 600</u>
EXPENDITURE					
512 700	520 227	7 527	Data Management	548 400	560 100
613 800	618 151	4 351	Compliance	651 900	665 800
680 700	716 758	36 058	Communications	741 700	732 000
283 500	280 787	(2 713)	Information Services	286 600	293 700
258 100	295 169	37 069	Information Technology	306 000	312 700
731 500	734 808	3 308	Administration	769 600	814 300
<u>3 080 300</u>	<u>3 165 900</u>	<u>85 600</u>		<u>3 304 200</u>	<u>3 378 600</u>
Expenditure allocated by sub-item					
2 162 300	2 230 100	67 800	Salaries and Allowances	2 384 000	2 428 300
161 400	161 400	0	Equipment	160 000	163 000
64 200	64 200	0	Insurance and Maintenance	95 000	67 000
38 500	38 500	0	Training	39 000	40 000
216 000	222 000	6 000	Meeting Facilities	233 000	266 000
188 200	160 000	(28 200)	Travel	150 000	190 000
54 100	59 100	5 000	Printing and Copying	54 700	56 300
89 200	124 200	35 000	Communication	117 000	94 000
106 400	106 400	0	Sundry	71 500	74 000
<u>3 080 300</u>	<u>3 165 900</u>	<u>85 600</u>		<u>3 304 200</u>	<u>3 378 600</u>
Surplus for the year		24 400			

MEMBERS' CONTRIBUTIONS 2006
 General Fund Contributions – Payable by 1 March 2006
 (all amounts in Australian dollars)

Member	Basic	Fishing	Total
Argentina*	106 625	1 000	107 625
Australia	106 625	10 725	117 350
Belgium	106 625		106 625
Brazil*	106 625		106 625
Chile	106 625	7 289	113 914
European Community	106 625		106 625
France	106 625	17 820	124 445
Germany	106 625		106 625
India	106 625		106 625
Italy	106 625		106 625
Japan	106 625	16 944	123 569
Korea, Republic of	106 625	8 605	115 230
Namibia	106 625		106 625
New Zealand	106 625	4 725	111 350
Norway	106 625	1 000	107 625
Poland	106 625	4 025	110 650
Russia	106 625	2 579	109 204
South Africa	106 625	2 135	108 760
Spain*	106 625	2 866	109 491
Sweden	106 625		106 625
Ukraine	106 625	7 328	113 953
UK	106 625	5 747	112 372
USA	106 625	3 789	110 414
Uruguay*	106 625	1 823	108 448
	2 559 000	98 400	2 657 400

* Extension of deadline approved by Commission