



NEW ZEALAND
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21 December 2015

Members of the Working Group on Staff Regulations
C/- Dr Johanne Fischer
Executive Secretary
SPRFMO Secretariat
PO Box 3797
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NEW ZEALAND

Dear colleagues

I am pleased to inform you that we have now received the report from management consultants Ernst and Young (EY) that I alluded to in my letter of 27 November. Please find a copy attached to this message. EY's report consists of a review of the SPRFMO draft staff regulations (found in paper FAC-02-05) against a comparator group of similar organisations as well as New Zealand employment norms. EY have made a number of suggestions, both proposed drafting improvements and substantive changes. These are set out in tracked changes in the document "SPRFMO – Draft Regulations Mark Up".

You will recall that EY were instructed to base their review on a number of underlying principles, including that the staff regulations are:

- Fit for purpose;
- Fair to all employees; and
- Financially sustainable for Member States into the future.

It should be noted that the report and the drafting proposals do not provide answers to all the questions that the working group, and subsequently the Finance & Administration Committee (FAC) and the Commission, will need to tackle. In particular, the proposed amendments to the draft staff regulations are not accompanied by an estimate of the cost of the changes to the Commission. As a next step, I intend to commission some limited modelling of the costs of specific provisions, identified by EY as the ones with the greatest likelihood of significant costs to the Commission: specifically, the provisions on superannuation and insurance. We are working to have this advice on hand before the Commission meeting in January, to assist the FAC in its deliberations.

I would also note that there may be a need for some further factual adjustments to the report, based on initial feedback from the Secretariat. Our aim is to have any amendments made and available to you as soon as possible in the New Year.

POLI-55-1177

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I would be grateful if you could provide your feedback on the the proposed amendments to the draft staff regulations by **15 January 2016**. These will be consolidated and circulated ahead of the FAC meeting to assist in a speedy resolution of any remaining issues.

I look forward to being in touch with you again in January and seeing you all in Valdivia. In the meantime I would like to wish you a safe and happy Christmas.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Dolphin', with a flourish at the end.

David Dolphin
Chair of the SPRFMO Finance and Administration Committee