



CCSBT-EC/2510/07

Consideration of New Member Joining Fee

Overview

In recognition of the financial pressures faced by the Commission for the Conservation of Southern Bluefin Tuna (CCSBT), the Secretariat has sought to explore alternative sources of income other than those provided through the contributions made by Members. These efforts have already resulted in changes to the management of cash reserves to maximise returns on investment and the securing of funding from FAO programmes.

However, opportunities for external funding are quite limited and unlikely to provide the immediate financial benefits required to put the CCSBT in a strong financial position for the future. The Secretariat also recognises the financial pressures faced by current CCSBT Members and the need to limit contribution increases.

One of the options that is under consideration is the introduction of a one-time joining fee for future Members of the Commission. If applied, and if there are new Members, such a fee would not only provide immediate relief to some of the financial pressures of the Commission but would also ensure that the past investments and sacrifices of current Members are recognised by new entrants.

This paper explores the rationale, benefits, and potential constraints of such a fee, which is currently without precedent amongst other tuna RFMOs. To develop this paper, informal guidance was sought from external experts however the final advice remains the sole responsibility of the Executive Secretary.

Background

At CCSBT 31, the Secretariat introduced the concept of a one-time joining fee for new Members (CCSBT-EC/2410/06) and sought support in-principle to further explore this concept and that (depending on the outcomes of the secretariat's review) a proposal be put forward for consideration at CCSBT 32. The recommendation that the Secretariat further explore the potential for a new Member joining fee was adopted.

Rationale

The Convention for the Conservation of Southern Bluefin Tuna came into force in 1994 and from its inception has relied on investments from its Members to support the work of the Commission.

In particular, Members have contributed extensively to the scientific process that supports the ongoing management of this fishery (including the development of a management

procedure). In fact, the majority of scientific work was fully funded by individual Members until 2013 when the CCSBT began to shift towards a more centralised funding model that shares the costs across the Membership. This historical commitment represents a multi-million dollar investment from Members towards southern bluefin tuna science and fisheries science more broadly. A report commissioned by CSIRO has previously estimated the economic benefit from research investments at \$300-400 million globally for the period from 2011-18 alone.¹

In traditional economics, the SBT fishery would be considered as largely non-excludable² and therefore susceptible to free-rider problems where those outside of the CCSBT benefit from its management efforts without contributing towards the costs of those efforts. For example, current Members have had to sacrifice economic returns (in the form of lower catch limits) in order to ensure a successful rebuild of the stock. The improved stock level now provides enhanced economic opportunities for new entrants and existing participants alike, however, the former has not had to experience the same sacrifices.

In addition to the foregone revenues from fishing, Member administrations have contributed significant resources to ensuring that they meet the CCSBT's various obligations. Each year, Member administrations dedicate personnel to the management of the catch documentation scheme, the provision of scientific data, and attendance at various CCSBT meetings.

Membership of CCSBT is open to any State, whose vessels engage in fishing for SBT, or any other coastal State through whose exclusive economic or fishery zone SBT migrates. The ability to legally access the southern bluefin tuna fishery and its most valuable markets presents a significant potential windfall for future participants. The Secretariat suggests that the imposition of an entry fee for this access is justifiable in light of the contributions made to date by existing Members.

Impact on Collaboration with non-Members

In considering the introduction of a new Member fee, Members should also consider the potential creation of a disincentive to cooperation. Non-Members may be hesitant to engage in a forum that invokes a new Member fee and may question the benefits of cooperation.

This should also be considered within the context of the Resolution on the Allocation of the Global Total Allowable Catch, which limits a new Members allocation to a maximum of 0.355% for the first three fishing seasons (unless the Extended Commission decides otherwise). This initial constraint on allocation will also factor into the decision-making calculations of new Member applicants who will need to consider the longer horizon before seeing a return on their initial investment.

This environment may come to form a barrier to entry into the Commission and increase the potential for SBT fishing to occur outside of CCSBT's management.

¹ *Orange Roughy and Southern Bluefin Tuna – Case Study*, Acil Allen Consulting, https://www.csiro.au/-/media/About/Files/Impact-case-studies/Full-Reports/ACIL-Allen_OR-and-SBT_2018.pdf

² The requirements linked to the Catch Documentation Scheme offer a level of excludability but do not entirely prevent non-Members from engaging and benefiting from the SBT fishery.

In addition to membership, CCSBT provides for cooperating non-Member (CNM)³ status which entitles the CNM to participate in meeting of CCSBT and provides for them to abide by CCSBT conservation and management measures and national allocations.

In order to retain an alternative means of cooperation free of joining fees, this proposal does not extend to those seeking CNM status. This option will remain available as an alternative to those who may find it difficult to justify the costs associated with full Membership or seek a lower level of engagement.

International law considerations

UNCLOS and the Fish Stocks Agreement

Article 117 of the United Nations Convention on the Law of the Sea (UNCLOS) introduces the duty for all States to cooperate with other States in the conservation of living resources on the high seas. In addition, Article 118 specifies that States shall, as appropriate, cooperate to establish subregional or regional fisheries organisations to this end. These duties are further elaborated in the United Nations Fish Stocks Agreement (UNFSA). In particular, Article 8(3) states that States shall give effect to their duty to cooperate by becoming members of the competent RFMO or by agreeing to apply the conservation and management measures established by such organisations.

Article 8(3) further provides that States having a real interest in the fisheries concerned may become members of the organisations. The terms of participation in such organisations shall not preclude States from membership or participation; nor shall they be applied in a manner which discriminates against any State or group of States having a real interest in the fishery concerned. The UNFSA agreement does not define what constitutes a “real interest”.

The Secretariat considers that this proposal for a new Member joining fee does not, in itself, constitute a barrier for any State to fulfil its duty to cooperate. As previously mentioned, a State wishing to avoid the joining fee could simply choose to seek Cooperating Non-Member status and achieve its cooperation in that manner.

The argument as to whether the joining fee can be considered as a discriminatory application of the terms of participation at CCSBT is somewhat less clear. On the one hand, it creates a distinction between the treatment of existing Members, who were not required to pay a joining fee, and new Members. New Members may view the measure as punitive and imposed on them to disincentivise their participation in the SBT fishery, notwithstanding their real interest.

Furthermore, a new Member joining fee proposal would serve to recognise the financial contributions of existing Members towards the conservation and management of SBT and should therefore not be seen as a punitive measure applied to new Members. Rather than discriminate against new Members, this measure aims to ensure that those new Members enter the CCSBT on a more equal footing to existing Members having also demonstrated their commitment through this initial financial contribution.

³ [Resolution to Establish the Status of Cooperating Non-Member of the Extended Commission and the Extended Scientific Committee](#)

For these reasons, the Secretariat considers that the fee would not constitute discrimination in the application of the terms of participation. The joining fee represents a clear pathway to Membership that would be applied in a transparent manner. A joining fee would not prevent cooperation nor the ability of States to fulfill their duty of cooperation under UNCLOS and UNFSA.

Another element to consider with respect to the UNFSA is the requirement to give full recognition to the special requirements of developing States as set out in Article 24. Article 24 would tend to support the consideration of a reduced joining fee (or some alternative source of support) in circumstances where the imposition of the full fee would place a disproportionate burden of conservation on a new Member which is a developing State.

Risk of legal challenge

The Secretariat has considered the risk of legal challenge in two circumstances: first a new Member has joined CCSBT but disputes the joining fee, and second a prospective new Member disputes paying the fee as contrary to recognition of its real interest in the SBT fishery. In the first situation, the dispute would arise under the CCSBT Convention. In the second, it would arise under the UNFSA.

There is a potential risk, albeit small, that a new Member may dispute the joining fee on the grounds that it is not consistent with the CCSBT Convention. This would follow the existing process outlined under Article 16 of the Convention which applies to situations where a dispute arises between two or more parties. Under this article, disputing Members are encouraged to resolve the dispute through “negotiation, inquiry, mediation, conciliation, arbitration, judicial settlement or other peaceful means of their own choice”.

Should these efforts fail to bring about a resolution, paragraph 2 of Article 16 allows for a further escalation by referring the matter to the International Court of Justice or to arbitration. However, such referral requires the consent of all the parties to the dispute.

With respect to the second situation, UNFSA provides for dispute settlement concerning the interpretation or application of UNFSA or of an agreement relating to high migratory fish stocks. Depending on the procedures which the parties have accepted, a dispute may be referred to the International Tribunal for the Law of the Sea or to arbitration. However, in a situation where a prospective new Member has the option of CNM status, the risk of challenge is likely to be small.

Other considerations

Size of contribution

The question of what constitutes an appropriate initial joining fee is highly subjective and has no precedent in the context of RFMOs. Members may wish to consider setting a fixed amount or alternatively a percentage of the most recent annual budget. In order to provide some context surrounding recent financial contributions of Members, the table below includes a summary of the most recent and the total Member contribution fees paid over the last ten years.

Table 1: Member Contributions for previous 10 years

	Latest Contribution (2025)	Total Contributions from 2016 to 2025
Japan	\$937,631	\$7,917,116
Australia	\$937,631	\$7,917,116
New Zealand	\$266,593	\$2,255,340
Korea	\$286,732	\$2,425,267
Fishing Entity of Taiwan	\$286,732	\$2,425,267
Indonesia	\$255,150	\$2,125,170
European Union	\$124,186	\$1,059,849
South Africa	\$178,624	\$1,454,895
Total	\$327,3278	\$27,580,020

The smallest contribution over this period was slightly in excess of a million dollars and this can be used as a starting point since it would be difficult to justify charging a new Member a greater amount than what has been paid by an existing Member. There is a further argument for consideration of a smaller amount still since (in principle) the new Member has not received any benefits from the fishery to date unlike existing Members. In addition, the financial contributions of existing Members have been spread over ten years, whereas a new Member would need to amortise their fee over the expected lifespan of their membership. This could in fact create incentives for new Members to retain their membership to justify the upfront investment.

The Secretariat considers that based on the investments made by existing Members to date and the ongoing value of access to the SBT fishery, a one-time joining fee of \$500,000 AUD for new Members would be an appropriate starting point for discussion by Members.

Alternatively, Members may wish to adopt an approach that is based on an agreed percentage of the most recent year's annual expenditure. This would ensure that the joining fee maintains the same relative level and is not diluted over time by inflationary pressures. Based on the initial figure provided in the previous paragraph and the total expenditure for the 2025 budget, the current percentage would be roughly 12.5% of annual expenditure.

Scaling of Fee to Reflect Development Status.

Members may wish to consider scaling the fee to reflect a State's development status. Although there is no precedent amongst tuna RFMOs for a joining fee, there are examples of adjustments being made to the contribution levels based on a Member's ability to pay.

The Secretariat does not recommend the development of a specific formula based on the new Member's GDP (or some other economic indicator). A simpler approach would be to apply a set discount rate (e.g. 50% rebate) based on a particular qualifier (e.g. recognition of small island developing state (SIDS) status under the United Nations⁴, UN's List of Least Developed Countries (LCDs)⁵, or other agreed criteria).

⁴ <https://www.un.org/ohrlls/content/list-sids>

⁵ <https://www.un.org/ohrlls/content/list-ldecs>

Enabling Instrument

Text of the Convention for the Conservation of Southern Bluefin Tuna

The Secretariat analysis concludes that there are no provisions found within the Text of the Convention for the Conservation of Southern Bluefin Tuna (the Convention) which would clearly prevent the changes proposed in this paper. The Member formula for contributions to the annual budget is set out in Article 11(2) of the Convention, with 30% divided among all Members, and 70% divided according to catch. A joining fee is not the same as annual contributions to the budget.

The Secretariat, therefore, does not consider that amendments to the Convention are required in order to introduce a new Member joining fee. The Convention (Article 11(4)) currently enables the Commission to amend financial regulations, which the Secretariat considers to be a more appropriate instrument for the potential changes proposed within this paper.

Article 11(3) of the Convention does have an existing provision that suspends the right of Members from taking part in the decision-making process should they fail to pay their annual contributions for two consecutive years. This provision is mirrored in Regulation 5.3 of the Financial Regulations. The Secretariat has proposed expanding the application of Regulation 5.3 to include the new Member joining fee but does not consider that a similar change to Article 11(3) is required.

The Secretariat also notes that Article 13 of the Convention does state that “Parties shall cooperate with each other to encourage accession by any State to this Convention where the Commission considers this to be desirable” and a joining fee may be seen as a detriment to this objective.

Financial Regulations

The Secretariat believes that a one-time new Member joining fee could be introduced with the following amendments to the Financial Regulations. The section below provides a brief explanation behind the changes proposed in **Attachment A**.

Regulation 5 – Provision of Funds

Although this section of the Financial Regulations defines the rules surrounding the calculation of the initial Member contribution for a new Member it is not the most appropriate place to introduce an initial joining fee. The addition would not align with the Member contribution formula found at Article 11(2) of the Convention and could be seen as being in conflict with the Convention. To avoid this potential conflict, the Secretariat recommends detailing the joining fee under Regulation 7 – Other Income.

However, Regulation 5.3 stipulates the consequences of failing to meet financial obligations to the Commission and the Secretariat has recommended that this provision be extended to also include a failure to pay the initial joining fee.

Regulation 5.5 also currently includes text that relates to the initial financial year when the Commission first came into force. The Secretariat considers that this text is no longer relevant and has recommended that it be removed to avoid confusion.

Regulation 6 – Funds

Regulation 6.1 details the process to adjust Member contributions based on additional unforeseen income from a new Member contribution. The Secretariat is suggesting that the new Member joining fee not be subject to this clause given that one of the underlying objectives of the fee is to support the long-term financial viability of the Commission.

Regulation 7 – Other Income

The Secretariat suggests that the new Member fee is best suited to the category of Other Income and should be accommodated through the addition of a new paragraph detailing the applicability and timing of the payment.

Recommendation

Although the introduction of a new Member joining fee cannot be seen as a singular means of ensuring long-term financial viability for this Commission, it does provide an opportunity for occasional one-off payments that will provide short-term relief and serve to recognise the commitments and sacrifices made by Members to date.

Members are encouraged to discuss the merits of introducing a joining fee, including any of the potential effects that such a fee may have on Members' efforts to encourage greater participation by non-Members.

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Prepared by the Secretariat

Financial Regulations

REGULATION 1

APPLICABILITY

1.1 These Regulations shall govern the financial administration of the Commission for the Conservation of Southern Bluefin Tuna (hereinafter referred to as "the Commission"), the Scientific Committee for the Conservation of Southern Bluefin Tuna (hereinafter referred to as the "Scientific Committee") and any subsidiary bodies respectively established under Articles 6.1, 9.1 and 8.10 of the Convention for the Conservation of Southern Bluefin Tuna (hereinafter referred to as "the Convention").

REGULATION 2

FINANCIAL YEAR

2.1 The financial year shall be for 12 months commencing 1 January and ending 31 December, both dates inclusive.

REGULATION 3

THE BUDGET

3.1 A draft budget comprising estimates of receipts by the Commission and of expenditures by the Commission, the Scientific Committee and any subsidiary bodies established pursuant to Article 8.10 of the Convention shall be prepared by the Executive Secretary for the ensuing financial year.

3.2 The draft budget shall include a statement of the significant financial implications for subsequent financial years in respect of any proposed work programs presented in terms of administrative, recurrent and capital expenditure.

3.3 The draft budget shall be divided by functions into items and, where necessary or appropriate, into sub-items.

3.4 The draft budget shall be accompanied by details both of the appropriations made for the previous year and estimated expenditure against those appropriations, together with such information annexures as may be required by Members of the Commission or deemed necessary or desirable by the Executive Secretary. The precise form in which the draft budget is to be presented shall be prescribed by the Commission.

3.5 The Executive Secretary shall submit the draft budget to all Members of the Commission at least 60 days prior to the annual meeting of the Commission. At the same

time, and in the same form as the draft budget, the Executive Secretary shall prepare and submit to all Members of the Commission a forecast budget for the subsequent financial year.

3.6 The draft budget and the forecast budget shall be presented in Australian dollars.

3.7 At each annual meeting, the Commission shall decide upon its annual budget and the budget of the Scientific Committee and any subsidiary bodies.

REGULATION 4

APPROPRIATIONS

4.1 The appropriations adopted by the Commission shall constitute an authorisation for the Executive Secretary to incur obligations and make payments for the purposes for which the appropriations were adopted.

4.2 Unless the Commission decides otherwise, the Executive Secretary may also incur obligations against future years before appropriations are adopted when such obligations are necessary for the continued effective functioning of the Commission, provided such obligations are restricted to administrative requirements of a continuing nature not exceeding the scale of such requirements as authorised in the budget of the current financial year. In other circumstances the Executive Secretary may incur obligations against future years only as authorised by the Commission.

4.3 Appropriations shall be available for the financial year to which they relate. At the end of the financial year all appropriations shall lapse. Commitments remaining undischarged against previous appropriations at the end of a financial year shall be carried over and be included in the budget for the next financial year, unless the Commission otherwise decides.

4.4 The Executive Secretary is authorised to make transfers of up to 10 per cent of appropriations between items and sub-items. All such transfers must be reported by the Executive Secretary to the next annual meeting of the Commission in the revised budget submitted to the Commission each year. Transfers in excess of 10 per cent will require the authorisation of the Chair.

4.5 The Commission shall prescribe the conditions under which unforeseen and extraordinary expenses may be incurred.

REGULATION 5

PROVISION OF FUNDS

5.1 Each Member of the Commission shall contribute to the budget in accordance with Article 11.2 of the Convention.

5.2 Staff Assessment Levy paid by an employee of the Commission shall be regarded by the Commission as payment towards the annual budget contribution for the year following payment of levy.

5.3 On approval of the budget for a financial year, the Executive Secretary shall send a copy thereof to all Members of the Commission notifying them of their contributions and requesting them to remit their contributions due. A Member of the Commission that fails to pay ~~its the initial joining fee defined under paragraph 7.2 or fails to pay its~~ contributions for two consecutive years shall not, until it has fulfilled its payment obligations, enjoy the right to participate in the decision-making process in the Commission, unless the Commission decides otherwise.

5.4 All contributions shall be made in Australian dollars.

5.5 (a) ~~Except in the first financial year, a~~ new Member of the Commission whose membership becomes effective during the first six months of the financial year shall be liable to pay the full amount of the annual contribution which would have been payable had it been a Member of the Commission when assessments were made under Article 11.2 of the Convention. A new Member whose membership becomes effective during the last six months of the financial year, shall be liable to pay half of the amount of the annual contribution referred to above. ~~In the first financial year all Members whose membership becomes effective during the first nine months of the year shall be liable to pay the full amount of the annual contributions. A Member whose membership becomes effective during the last three months of the first financial year shall be liable to pay half the amount of the first annual contribution;~~

(b) Where contributions are received from new Members the contributions of existing Members shall be adjusted in accordance with Regulation 6.1 (d).

5.6 Contributions shall be due for payment on the first day of the financial year (ie. the due date) and shall be paid in full not later than 150 days after that date. Notwithstanding the foregoing, a Member may elect to pay its contribution in 4 equal quarterly instalments, in which case each such instalment payment shall be made no later than the last day of each quarter of the financial year. However, in the case referred to in Regulation 5.5(a), contributions by a new Member shall be paid in full within 90 days following the date on which its membership becomes effective.

5.7 The Executive Secretary shall report to each meeting of the Commission on the receipt of the contributions and the position of arrears.

REGULATION 6

FUNDS

6.1 (a) There shall be established a General Fund for the purpose of accounting for the income and expenditure of the Commission, the Scientific Committee and any subsidiary bodies established pursuant to the Convention;

(b) Contributions paid by Members under Regulation 5.1 and miscellaneous income to finance general expenditure shall be credited to the General Fund;

- (c) Any cash surplus in the General Fund at the close of a financial year that is not required to meet undischarged commitments in terms of Regulation 4.3 shall be divided in proportion to the contributions made by existing Members under Regulation 5.1 in the current financial year and used to offset such Members' contributions for the ensuing financial year; ~~This provision shall not apply at the end of the first financial year when surplus funds other than those resulting from contributions by new Members may be carried over into the following financial year;~~
- (d) Where contributions are received from new Members after the commencement of the financial year and such funds have not been taken into account in formulating the budget, appropriate adjustment shall be made to the level of the assessed contributions of existing Members and such adjustments recorded as advances made by such Members. This clause does not apply to income received as part of the joining fee defined under regulation 7.2;
- (e) Advances made by Members shall be carried to the credit of the Members which have made such advances.

6.2 Trust and Special funds may be established by the Commission for the purpose of receiving funds and making payments for purposes not covered by the regular budget of the Commission.

REGULATION 7

OTHER INCOME

7.1 All income other than contributions to the budget under Regulation 5 and that referred to in Regulation 7.3 below, shall be classified as Miscellaneous Income and credited to the General Fund. The use of Miscellaneous Income shall be subject to the same financial controls as activities financed from regular budget appropriations.

7.2 Any State that accedes to the Convention shall be liable for an initial joining fee of [XXXX,XXX Australian dollars]. The joining fee for the State shall be paid in full no later than 90 days following the date of deposit of that State's instrument of accession.

7.32 Voluntary contributions above and beyond Members' budget contributions may be accepted by the Executive Secretary provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Commission. Voluntary contributions offered by non-Members may be accepted, subject to agreement by the Commission that the purposes of the contribution are consistent with the policies, aims and activities of the Commission.

7.43 Voluntary contributions shall be treated as Trust or Special Funds under Regulation 6.2.

REGULATION 8

CUSTODY OF FUNDS

8.1 The Executive Secretary shall designate a bank or banks in Australia in which the funds of the Commission shall be kept and shall report the identity of the bank or banks so designated to the Commission.

- 8.2 (a) The Executive Secretary may make short-term investments of moneys not needed for the immediate requirements of the Commission. Such investments shall be restricted to securities and other investments issued by Australian institutions or Government bodies with current ratings, provided by a rating body approved by the Commission's auditor, indicating a strong capacity to pay. The details of investment transactions and income derived shall be reported in the documents supporting the budget;
- (b) With regard to moneys held in Trust or Special Funds for which use is not required for at least 12 months, longer-term investments may be authorised by the Commission provided such action is consistent with the terms under which the moneys were lodged with the Commission. Such investments shall be restricted to securities and other investments issued by Australian institutions or Government bodies with current ratings, provided by a rating body approved by the Commission's auditor, indicating a strong capacity to pay.

8.3 Income derived from investments shall be credited to the Fund from which the investment was made.

REGULATION 9

INTERNAL CONTROL

9.1 The Executive Secretary shall:

- (a) establish detailed operational financial rules and procedures to ensure effective financial administration and the exercise of economy in the use of funds – the rules and procedures to be notified to the Commission at each annual meeting;
- (b) cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the goods or services have been received and that payment has not previously been made;
- (c) designate officers who may receive moneys, incur obligations and make payments on behalf of the Commission; and
- (d) maintain and be responsible for internal financial control to ensure:
 - (i) the regularity of the receipt, custody and disposal of all funds and other financial resources of the Commission;

- (ii) the conformity of obligations and expenditures with the appropriations adopted by the annual meeting; and
- (iii) the economic use of the resources of the Commission.

9.2 No obligations shall be incurred until allotments or other appropriate authorisations have been made in writing under the authority of the Executive Secretary.

9.3 The Executive Secretary may propose to the Commission, after full investigation by him, the writing off of losses of assets, provided that the external auditor so recommends. Such losses shall be included in the annual accounts.

9.4 Tenders in writing for equipment, supplies and other requirements shall be invited by advertisement, or by direct requests for quotation from at least three persons or firms able to supply the equipment, supplies, or other requirements, if such exist, in connection with all purchases or contracts, the amounts of which exceed A\$80,000 (Australian dollars). This rule, shall, however, not apply in the following cases:

- (a) where it has been ascertained that only a single supplier exists and that fact is so certified by the Executive Secretary;
- (b) in case of emergency, or where, for any other reason, these rules would not be in the best financial interests of the Commission, and that fact is so certified by the Executive Secretary.

9.5 For expenditure items less than \$80,000 it is generally expected that the Executive Secretary will follow the principle of best value for money unless specifically directed by the Commission.

REGULATION 10

THE ACCOUNTS

10.1 The Executive Secretary shall ensure that appropriate records and accounts are kept of the transactions and affairs of the Commission and shall do all things necessary to ensure that all payments out of the Commission's moneys are correctly made and properly authorised and that adequate control is maintained over the assets of, or in the custody of, the Commission and over the incoming of liabilities by the Commission.

10.2 The Executive Secretary shall submit to the Members of the Commission, not later than 1 March immediately following the end of the financial year, annual financial statements showing, for the financial year to which they relate:

- (a) the income and expenditure relating to all funds and accounts;
- (b) the situation with regard to budget provisions, including:
 - (i) the original budget provisions;

- (ii) the approved expenditure in excess of the original budget provisions;
- (iii) any other income;
- (iv) the amounts charged against these provisions and other income;
- (c) the financial assets and liabilities of the Commission;
- (d) details of investments;
- (e) losses of assets proposed in accordance with Regulation 9.3.

The Executive Secretary shall also give such other information as may be appropriate to indicate the financial position of the Commission. These financial statements shall be prepared in a form approved by the Commission after consultation with the external auditor.

10.3 The accounting transactions of the Commission shall be recorded in the currency in which they took place but the annual financial statements shall record all transactions in Australian dollars.

10.4 Appropriate separate accounts shall be kept for all Special and Trust Funds.

10.5 The annual financial statements shall be submitted by the Executive Secretary to the external auditor at the same time as they are submitted to Members of the Commission under paragraph 2 of this Regulation.

REGULATION 11

EXTERNAL AUDIT

11.1 The Commission shall appoint an external auditor who shall be the Auditor-General or equivalent statutory authority from a Member of the Commission and shall serve for a term of two years with the possibility of re-appointment. The Commission will ensure respect for the external auditor's independence of the Commission, the Scientific Committee, any subsidiary bodies established pursuant to the Convention and the Commission's staff, fix the terms of office, appropriate funds to the external auditor and may consult him or her on the introduction or amendment of any financial regulations or detailed accounting methods as well as on all matters affecting auditing procedures and methodology.

11.2 The external auditor or a person or persons authorised by him or her shall be entitled at all reasonable times to full and free access to all accounts and records of the Commission relating directly or indirectly to the receipt or payment of moneys by the Commission or to the acquisition, receipt, custody or disposal of assets by the Commission. The external auditor or a person or persons authorised by him or her may make copies of or take extracts from any such accounts or records.

11.3 If required by the Commission to perform a full audit, the external auditor shall conduct his or her examination of the statements in conformity with generally accepted auditing standards and shall report to the Commission on all relevant matters, including:

- (a) whether, in his or her opinion, the statements are based on proper accounts and records;
- (b) whether the statements are in agreement with the accounts and records;
- (c) whether, in his or her opinion, the income, expenditure and investment of moneys and the acquisition and disposal of assets by the Commission during the year have been in accordance with these Regulations; and
- (d) observations with respect to the efficiency and economy of the financial procedures and the conduct of business, the accounting system, internal financial controls and the administration and management of the Commission.

11.4 If required by the Commission to perform a review audit, the external auditor shall review the statements and accounting controls in operation. He or she shall report to the Commission whether anything has come to his or her attention which would cause him or her to doubt whether:

- (a) the statements are based on proper accounts and records;
- (b) the statements are in agreement with the accounts and records; or
- (c) the income, expenditure and investment of moneys and the acquisition and disposal of assets by the Commission during the year have been in accordance with these Regulations.

11.5 The Executive Secretary shall provide the external auditor with the facilities he or she may require in the performance of the audit.

11.6 The Executive Secretary shall provide to the Members of the Commission a copy of the audit report and the audited financial statements within 30 days of their receipt.

11.7 The Commission shall, if necessary, invite the external auditor to attend discussions on any item under scrutiny and consider recommendations arising out of his or her findings.

REGULATION 12

ACCEPTANCE OF ANNUAL FINANCIAL STATEMENTS

12.1 At each annual meeting the Commission shall, following consideration of the audited annual financial statements and audit report submitted to its Members under Regulation 11.6 of these Regulations, signify its acceptance of the audited annual financial statements of the previous financial year or take such other action as it may consider appropriate.

REGULATION 13

INSURANCE

13.1 The Commission may take out suitable insurances with a reputable financial institution against normal risks to its assets.

REGULATION 14

GENERAL PROVISION

14.1 Subject to the provisions of the Convention, these Regulations may be amended by the Commission in accordance with its Rules of Procedure.

14.2 Where the Commission, the Scientific Committee or any subsidiary body is considering matters which may lead to a decision which has financial or administrative implications, it shall have before it an evaluation of those implications from the Executive Secretary.