



Thank you, Mr Facilitator.

Australia joins with other delegations in thanking Professor Roth for his excellent, informative and very clear presentation this morning.

Noting that nothing is agreed until everything is agreed and that all options remain on the table, in the interests of progressing discussion and noting our comments yesterday,

- we reiterate that we prefer an ad valorem model for calculating royalties, and
- that we prefer options that will be simple to administer and so, on this basis, Australia does not support option 3 due to its complexity.

We remain flexible as to the other options.

We also thank the South African delegation, speaking on behalf of the African Group, in reminding us of the agreed principles for establishing the rules, regulations and procedures for financial terms of contracts listed in Section 8 of the Annex to the 1994 Implementing Agreement.

We support the call by a number of delegations for further study and consideration of other issues that could, or should, be factored into the financial terms of contracts, such as environmental externalities. Any such study should take the principles in Section 8 into consideration.