

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

## BROKEN HILL PROPRIETARY COMPANY'S INTEGRATED STEEL WORKS AGREEMENT.

9° Elizabeth II., No. LXVII.

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No. 67 of 1960.

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AN ACT to approve and ratify an Agreement made between the State of Western Australia of the one part and The Broken Hill Proprietary Company Limited of the other part relating to the Establishment of an Integrated Iron and Steel Works in Western Australia and to provide for carrying the provisions of the Agreement into effect; and for other purposes.

[Assented to 2nd December, 1960.]

**B**E it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the *Broken Hill Proprietary Company's Integrated Steel Works Agreement Act, 1960* - 13 Short title.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

Commence-  
ment.

2. The Act shall come into operation on a date to be fixed by proclamation.

Inter-  
pretation.

3. In this Act unless the context otherwise requires—

“the Agreement” means the agreement a copy of which is set forth in The Schedule to this Act;

“the State” and the “leased areas” have the same meanings as those expressions respectively have in the Agreement.

Validation  
of Agree-  
ment.

4. (1) The Agreement is by this Act ratified and approved.

(2) Notwithstanding any other Act or law, the Agreement shall be carried out and take effect as though its provisions had been expressly enacted in this Act.

(3) Notwithstanding any other Act or law and without in any way limiting the generality of the effect of subsections (1) and (2) of this section—

- (a) the Minister for Works,
- (b) the Fremantle Harbour Trust Commissioners,
- (c) The State Housing Commission,
- (d) The Western Australian Government Railways Commission,
- (e) the State Electricity Commission of Western Australia,
- (f) the Commissioner of Main Roads, and
- (g) the Road Board of the District constituted under the Road Districts Act, 1919, within which the leased areas are situate—

are each hereby empowered and required to perform the functions and carry out the obligations which are under this Act or the Agreement respectively to be performed or carried out by that body.

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

5. Reserve 12562 (water) comprising 50 acres or thereabouts and situate partly within the boundaries of the leased areas is hereby cancelled.

Cancellation  
of reserve  
12562.

6. Without prejudice to the operation of section four of this Act or of the other provisions of the Agreement, nothing done by any person whether by or under any Act or otherwise shall, subject to the Agreement, operate so as to prevent the State from fulfilling any of its obligations under clauses twenty-two, twenty-seven, twenty-nine and thirty-four of the Agreement.

State's  
obligations  
not to be  
prejudiced.

7. The Broken Hill Proprietary Steel Industry Agreement Act, 1952 (Act No. 46 of 1952) is amended by repealing sections three and four thereof and the Agreement ratified by that Act is amended or affected as set out in clauses twenty-five and twenty-six of the Agreement.

Act No. 46  
of 1952  
amended.

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### THE SCHEDULE

S. 3.

AN AGREEMENT under seal made the eighteenth day of November 1960 BETWEEN THE HONOURABLE DAVID BRAND, M.L.A., PREMIER AND TREASURER of the State of Western Australia acting for and on behalf of the said State and its instrumentalities (hereinafter referred to as "the State") of the one part and THE BROKEN HILL PROPRIETARY COMPANY LIMITED a company duly incorporated under the Companies Statutes of the State of Victoria and having its registered office in the State of Western Australia at Steamship Building St. Georges Terrace Perth (hereinafter referred to as "the Company" which term shall include its successors and permitted assigns) of the other part.

WHEREAS the State is desirous that a blast furnace or blast furnaces and steel making plant and new rolling mill facilities shall be established and operated within the said State and has requested the Company whose principal business is that of Iron and Steel Masters in the Commonwealth of Australia to assist in that objective AND WHEREAS the Company is willing to do so upon satisfactory arrangements for that purpose being made AND WHEREAS for the proper conduct of its operations it is necessary that the Company should be assured of supplies of raw materials and security of tenure of certain mineral and other leases and be granted certain powers and rights

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

NOW THIS AGREEMENT WITNESSETH that the parties hereto covenant and agree with each other as follows:—

Ratification  
and  
operation.

1. (1) The Clauses of this Agreement other than this Clause shall not come into operation unless the Parliament of the said State passes a Bill to ratify this Agreement and unless the Act resulting from the passage of such a Bill comes into operation before the 31st day of December, 1960.

(2) If such a Bill is so passed this Agreement shall upon the day when the Bill becomes operative as an Act come into operation and be binding on the parties hereto. If such a Bill is not so passed this Agreement shall not operate and neither of the parties hereto shall have any claim against the other of them with respect to any matter or thing arising out of this Agreement.

(3) Notwithstanding anything contained in sub-clauses (1) and (2) hereof unless the State shall have entered into an agreement with the Commonwealth of Australia providing for the financing construction and completion before the 31st day of December 1968 of a standard gauge railway line from the terminus of the Commonwealth standard gauge railway line at Kalgoorlie in the said State to the works site at Kwinana via Cannington in the said State and unless approval and ratification of such agreement by the Parliament of the said State and by the Parliament of the Commonwealth of Australia is expressed in Acts to be passed by such Parliaments respectively before the 31st day of December 1961 this Agreement shall not operate and neither of the parties hereto shall have any claim against the other of them with respect to any matter or thing arising out of this Agreement.

(4) Without in any way derogating from the right or remedy of the Company in respect of a breach of this Agreement if the Parliament of the said State should at any time enact legislation which modifies the rights or increases the obligations of the Company under the Act ratifying this Agreement or under this Agreement the Company shall have the right to terminate this Agreement by notice in writing to the State: Provided that where the modification or increase is capable of remedy within the next succeeding period of twelve (12) months the notice shall not take effect until the State has been given the opportunity to remedy the modification or increase within that period and has failed to do so.

Interpre-  
tation.

2. In this Agreement unless the context shall otherwise require the following terms shall have the following meanings:—

“adjacent” means near to so as to not involve the crossing of more than one public road and one public railway;

1960.]

*Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

“associated company” means any company incorporated within the Commonwealth of Australia the United Kingdom or the United States of America which establishes manufacturing operations on or adjacent to the works site as defined in Clause 5 (b) of the Agreement ratified by the 1952 Act and whose business or operations are substantially dependent on the products or services of the Company and in which the Company holds directly or indirectly not less than twenty per centum (20%) of the issued capital;

“basic pig iron” means the product of a blast furnace suitable for processing into steel;

“blast furnace” means a furnace for iron smelting and shall include other equipment for the reduction or processing of iron ore;

“bulk cargo” means any quantity of the usual bulk materials used in an iron and steel industry (but does not include pig iron or steel billets) and consigned for use by the Company or by any subsidiary company or by any associated company in connection with its operations in that industry;

“capacity” when used in this Agreement with reference to a blast furnace installation means the annual equivalent of the best four (4) consecutive weeks’ production from that furnace in any financial year. When so established the capacity of a blast furnace installation shall be effective for the whole of the financial year in which such capacity is established and shall continue thereafter until a new capacity is determined provided however that if during any financial year material changes are made in the equipment of a blast furnace then in that year any increased tonnage resulting shall only be used for the purpose of establishing capacity for that part of the year subsequent to the date such material changes are completed and notified. Any diminution of the production of a blast furnace unless the same shall be occasioned by a substantial modification of design of such furnace shall not necessitate a revision of its capacity for the purposes of this Agreement.

In this definition “production” means production of basic pig iron and where a blast furnace produces foundry grades of pig iron the appropriate factor as advised by the

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

Company shall be applied to convert the tonnages to equivalent basic pig iron. Should the Company at any time install an additional blast furnace or furnaces the Company shall not in respect thereof be called upon to prove the initial capacity thereof until such time as such furnace or furnaces are in continuous production and until so proved a certificate by the Company as to capacity shall be accepted for the purposes of this Agreement.

"date of commencement" means the latest date on which the last of the Acts referred to in Clause 1 of this Agreement shall come into operation;

"financial year" means a continuous period of twelve (12) calendar months expiring on the 30th day of June;

"finished product" means production from the rolling mills in a form and of a quality ready for marketing;

"Harbour Trust Commissioners" means the body corporate established under the name of the Fremantle Harbour Trust Commissioners pursuant to the Fremantle Harbour Trust Act 1902;

"Housing Commission" means the Commission established under the name of The State Housing Commission pursuant to the State Housing Act 1946;

"leased areas" means the areas at Koolyanobbing and Bungalbin in the said State delineated and shown on the plan attached hereto as Appendix "A";

"Mining Act 1904" means that Act and the amendments thereto and the regulations made thereunder as in force at the date of execution of this Agreement;

"Minister" means the Minister for Industrial Development in the Government of the said State his successors in office or other the Minister for the time being responsible under whatsoever title for the administration of industrial development in the said State;

"month" means calendar month;

"ore wagons" means wagons for the carriage of ore of a design and capacity approved by the Company and the Railways Commission;

"person or persons" includes bodies corporate;

1960.]                    *Broken Hill Proprietary*                    [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

- "production date" means the 31st day of December 1968 or the date when the standard gauge line from the leased areas to the works site is ready for operation whichever is the later date;
- "Railways Commission" means the Commission established under the name of the Western Australian Government Railways Commission pursuant to the Government Railways Act 1904;
- "rolling mill" means a rolling mill or other plant and equipment to convert steel into marketable steel products;
- "standard gauge line" means a railway track the distance between the inner faces of the heads of the rails whereof equals four feet eight and one-half inches (4' 8½");
- "subsidiary company" means any company incorporated within the Commonwealth of Australia the United Kingdom or the United States of America in which the Company either directly or indirectly holds not less than fifty per centum (50%) of the issued shares for the time being and of which the Company gives notice in writing to the State;
- "the 1952 Act" means the Broken Hill Proprietary Steel Industry Agreement Act 1952 (Act No. 46 of 1952);
- "the said State" means the State of Western Australia;
- "townsite" means any town site which may be constituted and defined under Section 10 of the Land Act 1933 primarily for the purposes of a town for employees of the Company employed within the leased areas;
- "wharf" includes any jetty structure;
- "works site" means the Company's land at Kwinana as defined in Clause 5 (b) of the Agreement ratified by the 1952 Act and includes any land adjacent thereto acquired in fee simple by the Company or any subsidiary company.

If the Agreement between the Commonwealth and the State referred to in Clause 1 hereof shall not have been ratified prior to the 31st day of October 1961 any reference in this Agreement to the year 1968 shall be read and construed as a reference to the year 1969 and any reference to the year 1978 shall be read and construed as a reference to the year 1979 but subject in each case to the provisions of this Agreement relating to delays.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

Any reference to an Act other than the Mining Act 1904 means that Act as amended from time to time and includes any Act passed in substitution for that Act and any Regulations made under any such Act.

Construction of works by the Company.

3. The Company hereby covenants and agrees with the State that—

- (a) the Company will within the time hereinafter limited construct and install on the works site a blast furnace of modern design and construction having a production capacity of not less than 450,000 tons per annum of basic pig iron or equivalent foundry iron together with all necessary ancillary buildings works plant and equipment and all other works associated therewith or ancillary or incidental thereto;
- (b) the Company shall complete the said construction and installation of such blast furnace and ancillary equipment to the stage of readiness for production before the production date;
- (c) the Company shall take all necessary steps to ensure that it shall complete to the stage of readiness for production before the expiration of 10 years after the production date the construction and installation on the works site of steel making facilities and a new rolling mill in a new or extended building or buildings and all necessary ancillary works and equipment of modern design and construction capable of producing in conjunction with the blast furnace and steel making facilities (on a working basis normally applicable to rolling mills in Australia) together with the production from the rolling mill already in operation on the works site not less than 330,000 tons of finished products per annum;
- (d) in the equipping and operating of the works to be carried out by the Company pursuant to this Clause the Company shall comply with accepted modern practice in relation to blast furnace rolling mill and steel making facilities.

Wharf facilities.

4. The Company shall ensure that by the production date there shall be available sufficient wharf and/or jetty facilities to handle materials in connection with the operations on the works site and where the consent of the Harbour Trust Commissioners is necessary to permit the erection of new facilities or modification of existing facilities such consent shall not be arbitrarily or unreasonably withheld.

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

5. (1) The berths and swinging basin approximately shown on the drawing marked "B" and initialled by or on behalf of the parties hereto for the purposes of identification and the channel referred to in sub-clause (2) of this Clause shall be dredged as in this Clause provided. Dredging.

(2) Within the period of twelve (12) months next following the date of commencement the Company will actively consult with the State with a view to mutually determining the location of a channel in Cockburn Sound leading to the said swinging basin the seaward end of which channel shall be approximately between the points A and B shown on the said drawing marked "B" and in such consultation the parties shall have due regard to the cost of the dredging involved as well as to navigational aspects. If by the expiration of fifteen (15) months after the date of commencement the parties hereto shall not have agreed upon the location of the channel such location shall be approximately as approved by the Parliament of the said State in the 1952 Act being the location indicated on Public Works Department Plan Number 33486 referred to in Clause 1 of the agreement ratified by that Act and also on the plan marked "C" initialled by or on behalf of the parties hereto for the purposes of identification.

(3) After the expiration of the period last referred to in sub-clause (2) of this Clause or after the earlier determination of the location of the channel as in that sub-clause referred to either party hereto may at any time and from time to time subject to giving to the other party not less than twelve (12) months' prior notice in writing of its intentions so to do dredge or cause to be dredged the berths swinging basin and channel referred to in the preceding sub-clauses of this Clause to a depth stated in such notice not exceeding forty (40) feet below low water mark provided that unless otherwise mutually agreed neither party shall require dredging to a depth greater than the depth then available in the Parmelia and Success Bank channels, and further provided that the initial dredging shall be to a depth of not less than thirty four (34) feet below low water mark.

(4) All dredging of the channel under this Clause shall be carried out to a bottom width of four hundred (400) feet or of such greater width as the parties hereto may mutually agree and the party giving the notice of intention to dredge under this Clause will proceed with all due diligence to carry out and complete the dredging referred to in the notice.

(5) Except where the parties hereto otherwise in writing mutually agree all dredging under this Clause shall be carried out by contract following the calling of tenders. Neither party shall invite or call for tenders for dredging without prior consultation with the other party as to the

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

conditions of tender and after the date for the closing of tenders no tender shall be accepted without the approval of the State in respect of dredging to thirty (30) feet and the approval of both parties in respect of dredging to greater depth. Provided that in the event of either the State or the Company refusing its approval to a tender which the other party considers should be accepted, new tenders will be called without undue delay. If after the date for the closing of such further tenders the parties fail to agree or approval of either the State or the Company as may be necessary is not given, the lowest tender shall be accepted.

(6) The depositing of material dredged under this Clause shall be carried out in such manner and places as the Harbour Trust Commissioners may from time to time direct or approve. Where the dredged material is of such a nature as to be capable of being excavated and pumped by the dredge used through a pipe line to a point or points on the works site selected by the Company the dredged materials shall be deposited accordingly and the cost of such depositing shall be included in the cost of the dredging.

(7) The State will bear and pay the cost of all dredging under this Clause to a depth of thirty (30) feet below low water level. The cost of all dredging below R.L. minus thirty (30) feet pursuant to this Clause shall be borne and paid equally between the parties hereto and the party paying more than its share of the cost may on demand recover from the other party the amount due to it provided however that the Company shall not be required by the State to pay before the production date for any dredging carried out deeper than thirty five (35) feet below low water mark under this Clause pursuant to notice from the State. The cost of all dredging under this Clause shall be apportioned between the two parties hereto in proportion to the cost of removal as agreed between the parties of the relative quantities of rock and sand dredging respectively for which the parties are severally responsible under this Clause. The party seeking reimbursement from the other party of expenditure under this Clause shall if so required by the other party verify the expenditure by auditor's certificate.

(8) The State throughout the currency of this Agreement will maintain all dredging carried out pursuant to this Clause to the depth and width so carried out but the Company will pay to the State the cost of removal of solid obstructions to dredging which may have fallen into any berth.

6. (1) The Company shall after the date of commencement and before the end of ten (10) years after the production date spend on the works mentioned in Clauses 3, 4 and 5 hereof not less than forty million pounds (£M40)

Company to  
spend not  
less than  
forty million  
pounds.

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

but such sum shall not include any expenditure incurred by the Company on or in connection with the leased areas nor shall it include any expenditure incurred by the Company in relation to the operation or maintenance of any of the installations or works on the works site. The Company will on request as early as practicable after the end of each financial year from the date of commencement until the said sum of forty million pounds (£M40) has been expended by the Company on the works aforesaid supply to the Under Treasurer of the said State a summary audited by the Company's auditors of its expenditure on such works during such financial year.

(2) If at any time during the construction and installation of the blast furnace and steel making and new rolling mill facilities the Company shall suffer delay from any cause mentioned in Clause 37 hereof the dates aforesaid for completion of the said blast furnace and of the said steel making and new rolling mill facilities and for the expending of forty million pounds (£M40) shall respectively be postponed by a period equal to the period of the delay and any further delay necessarily consequent thereon and due thereto such period to be calculated from the date upon which written notice of delay or consequential delay shall have been given by the Company to the State after the commencement of the delay. Any delay or consequential delay of which no such notice has been given shall not be treated as delay for the purpose of this Clause.

7. (1) Within three (3) months after the date of commencement the State shall cause to be granted to the Company a mineral lease of the leased areas in the form contained in Appendix "B" hereto for a period mentioned in sub-clause (2) of this Clause granting to the Company—

Lease of reserved areas.

- (a) a sole and exclusive right to prospect for and obtain iron ore, pyrites and other iron bearing substances; and
- (b) a sole and exclusive right to prospect for all other metals minerals and natural substances.

(2) The term of the mineral lease shall subject to the provisions of the Mining Act 1904 and to the payment of rent and royalty as hereinafter mentioned and to the performance by the Company of its obligations in relation to the lease and otherwise during the currency of this Agreement be for a period of fifty (50) years from the date of commencement.

(3) Subject to the performance by the Company of its obligations under this Agreement the Company's rights under this Clause will continue for successive periods of twenty-one (21) years beyond the period referred to in sub-clause

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

(2) of this Clause upon the like terms and conditions as those contained in this Clause unless they cease as provided by sub-clause (5) of this Clause.

(4) The Company may without payment to the State enter and occupy the leased areas and may thereon and therein erect buildings and structures drill and dig holes and carry out such other work as the Company may deem necessary for the purposes of its operations.

(5) If the Company ceases to require all or any of the rights conferred upon it by sub-clause (1) of this Clause the Company shall notify the State of that fact and thereupon the Company's rights under the said sub-clause shall cease to the extent indicated in the notice but not further or otherwise.

(6) During the period of fifty (50) years referred to in sub-clause (2) and during any extension referred to in sub-clause (3) of this Clause the State will not register any claim or grant any lease or other mining tenement under the Mining Act 1904 or otherwise by which any persons other than the Company will obtain under the laws relating to mining or otherwise any rights to mine or take natural substances within the leased areas unless the Company's rights under this Clause in relation to the area concerned have ceased as provided by sub-clause (5) of this Clause or unless the Company reports to the State that the area concerned does not contain iron ore, pyrites or iron bearing substances required by the Company.

(7) Nothing in this Agreement shall limit any rights of the Company under the mining laws of the said State and upon application by the Company for leases or other rights in respect of metals minerals and other natural substances (other than iron ore, pyrites and iron bearing substances) within the leased areas the State will grant to the Company or will procure the grant to the Company of such leases or rights on terms no less favourable than those provided for by the mining laws of the said State.

(8) The State on application by the Company shall during any period provided for under sub-clauses (2) or (3) of this Clause grant to the Company such machinery tailings or other leases or tenements under the Mining Act 1904 or otherwise as the Company shall reasonably require and request for the purpose of carrying on its operations on the leased areas.

(9) The Company shall within one (1) month after the grant to it of the lease referred to in sub-clause (1) of this Clause pay to the State the actual cost of survey of the leased areas.

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

(10) By way of rent for the lease mentioned in sub-clause (1) of this Clause the Company shall pay to the State during the Company's tenure of the said lease the annual sum of Two thousand five hundred pounds (£2,500) commencing on and accruing from the production date.

(11) The Company will at all times during the currency of the said lease carry out its operations on the leased areas in a workmanlike manner will maintain its mines in good order repair and condition but without the consent of the State will not use or permit the use of the leased areas or any part thereof for any purpose not contemplated by this Agreement.

8. (1) Subject to sub-clause (2) of this Clause the Company shall (and it shall be a condition of the grant and subsequent holding of the mineral lease referred to in Clause 4 (1) hereof) pay to the State by way of royalty— Royalties.

(a) One shilling and six pence (1/6d.) per dry weight ton of—

(i) high grade iron ore extracted by the Company and transported from the leased areas (other than so much as shall be supplied to the Wundowie Board pursuant to Clause 12 hereof);

(ii) beneficiated iron bearing substances or iron concentrates transported from the leased areas;

(b) Six pence (6d.) per dry weight ton of all jaspilite and/or haematite quartzite, pyrites and all other iron bearing substances of similar grade which without beneficiation (all of which ores and substances are hereinafter referred to as "low grade iron ore") are transported from the leased areas.

(2) The royalties payable under this clause are to be related to the Company's basis selling price for foundry pig iron at Adelaide in the State of South Australia prevailing at the production date. If such basis selling price on the 30th day of June in any subsequent year exceeds or is less than the said prevailing basis price the royalties payable under this Clause shall be increased or decreased as the case may be by one penny (1d.) per ton on high grade iron ore and concentrates and by one third of one penny ( $\frac{1}{3}$ d.) per ton on low grade iron ore for each complete £1 by which the then basis selling price of foundry pig iron at Adelaide is higher or lower than the said price at the production date. Any such variations shall apply from 1st July following and shall continue subject to review as provided at each 30th day of June thereafter. If subsequently to the production date



1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

or otherwise treat such pyrites then it shall when in its opinion it is practicable to do so release from the leased areas sufficient areas to enable the State or such other person as the State may designate to mine and beneficiate or otherwise treat such pyrites.

9. Subject to the Company's complying with its obligations under Clauses 3, 4, 5 and 6 of this Agreement the Company in its operations on the leased areas shall not be required to comply with the labour covenants or conditions in regard thereto imposed by or under the provisions of the Mining Act 1904 or any amendment thereof.

Labour conditions.

10. Except where otherwise mutually agreed between the parties hereto the terms covenants conditions and provisos (including those in Clauses 4, 5 and 9 of this Agreement) of all leases granted to the Company pursuant to the provisions of this Agreement shall during the currency thereof respectively (including any renewal or renewals thereof) remain as at the date of such grant or renewal.

No alteration of terms of leases.

11. (1) The State will if so requested by the Company co-operate with the Company in locating suitable deposits of limestone magnesite dolomite fireclay and silica rock and other materials required by the Company for its operations.

Other minerals for the steel industry.

(2) Subject to the Mining Act 1904 and its amendments for the time being in force and the regulations made thereunder on the application and at the cost of the Company the State will grant or cause to be granted to the Company mineral or other leases or rights under the mining laws of the said State to enable the Company to mine for and obtain any metals and minerals (other than iron ore, pyrites and iron bearing substances) required by the Company for its iron and steel making operations and the State will not as a condition of the grant or tenure of such mineral leases impose on the Company royalties at a discriminatory rate or beyond what is mutually agreed as a reasonable figure.

(3) The Company shall be entitled to the renewal from time to time of any mineral lease for metals and minerals (other than iron ore pyrites and iron bearing substances) acquired pursuant to this Agreement and each renewal shall be for a term of twenty-one (21) years or any shorter term applied for by the Company.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

Wundowie.

12. (1) Throughout the currency of this Agreement and notwithstanding any lease or right granted to the Company by or under this Agreement the Charcoal Iron and Steel Industry Board of Management constituted under the Wood Distillation and Charcoal Iron and Steel Industry Act 1943 (in this clause referred to as "the Board" and elsewhere in this Agreement as "the Wundowie Board" each of which expressions shall include the Board's successors and permitted assigns) may by its agents servants and workmen enter upon the leased areas from time to time and for the purposes of the business of the Board at Wundowie in the said State but not for any other purpose may without any payment or other compensation to the Company continue to quarry and to take from the Board's existing quarry on the leased areas a total of four million tons of ore mined at a rate sufficient to provide not more than one hundred and seventy-five thousand tons of screened ore per annum calculated over any continuous period of three financial years. The Board's rights under this Clause shall cease and determine after the Board has given to the Company the twelve (12) months' notice referred to in sub-clause (3) of this Clause and on the commencement by the Company to supply the Board with ore under that sub-clause.

(2) If after the Company commences quarrying operations on the leased areas the Board desires to obtain part only of its requirements of iron ore for the purposes aforesaid from the Company's normal quarrying operations on the leased areas the Company subject to its receiving notice from time to time by way of orders from the Board will to the best of its ability supply the Board with crushed iron ore from the Company's bins up to a quantity which with the quantity taken by the Board under the last preceding sub-clause will yield a quantity of screened ore not exceeding in any financial year the maximum annual quantity therein mentioned and the Company shall deliver the crushed ore into rail wagons or motor trucks to be provided by the Board at the site for the time being of the Company's bins but the Board will be responsible for any necessary screening of such ore and be entitled to the fines arising therefrom.

(3) If after the Company commences quarrying operations on the leased areas the Board desires to obtain the whole of its requirements of iron ore for the purposes aforesaid from the Company's normal quarrying operations on the leased areas and gives to the Company not less than twelve (12) months' notice in writing of such desire the Company will to the best of its ability thereafter supply the Board in accordance with orders from time to time with crushed and if requested screened iron ore from the Company's bins on the leased areas up to the maximum annual quantity referred to in sub-clause (1) of this Clause. The company shall deliver the screened ore into rail wagons

1960.]

*Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

to be provided by the Board at the site for the time being of the Company's bins. The Company will install such screening plant and will carry out such screening of the crushed ore as will meet the Board's reasonable requirements.

(4) Within the limits of the characteristics of the iron ore being quarried by the Company from time to time the Company in its supply of crushed or screened ore under this Clause will use all reasonable endeavours to supply the chemical grade of ore required by the Board but shall not be required to supply otherwise than from the Company's normal quarrying operations for the time being on the leased areas.

(5) Any notice or order given by the Board to the Company for the supply of ore under this Clause will be for such minimum tonnage as agreed and with respect to screened ore to be supplied under sub-clause (3) of this Clause the notice or order shall indicate the maximum and minimum sizes of ore required by the Board.

(6) The price to be paid by the Board for iron ore delivered to it under this Clause shall be determined by the Company from time to time and shall be calculated by adding to the Company's actual cost of production which cost shall include a reasonable sum for overheads and depreciation as determined by the Company the further sum of ten per centum thereof. Where the Company supplies the Board with screened ore under sub-clause (3) of this Clause and for that purpose provides and installs a screening plant at its own expense the State undertakes that the Company will be recouped by the Board the capital expenditure incurred in such provision and installation either by way of depreciation or in the event of the screened ore being no longer required by the Board from the Company the balance of the unrecouped capital expenditure will be paid to the Company by the Board.

In calculating the price to be charged to the Board for screened ore supplied under sub-clause (3) of this Clause the Company will take into account a fair value for such fines as may be retained by the Company after screening but the parties hereto acknowledge that such fines will have a lesser value than the quarried ore.

(7) The Board in exercising its rights under this Clause shall comply with any reasonable directions of the Company to prevent interference with the Company's operations on the leased areas.

(8) The Board's rights under this Clause may not be assigned without the consent in writing of the Company which consent shall not be arbitrarily or unreasonably withheld.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

(9) Whilst the Company at all times will to the best of its ability meet the requirements of the Board pursuant to this Clause nevertheless in the event of the Company's operations on the leased areas being suspended for any reason the Company shall be relieved during the period of suspension from meeting the said requirements.

**Railways.**

13. (1) Before the end of the year 1968 the State shall construct and thereafter so long as the Company uses the line as contemplated by this Agreement the State shall operate and maintain a standard gauge line from a point or points reasonably practicable and mutually agreed upon at or near and servicing the Company's storage bins established on the leased areas to the works site via Southern Cross and Cannington in the said State. The State will if requested by the Company construct and maintain at the cost of the Company on the leased areas such loops spurs and sidings as may be mutually agreed in order to assist in the efficient loading and transport of the ore.

(2) Subject to the giving by the Company to the State of reasonable notice from time to time the State shall also provide and maintain efficient locomotives and ore wagons in sufficient numbers for the purposes of this Agreement and the crews to operate them and will also transport by rail during the continuance of this Agreement all the ore mined from the leased areas and required by the Company to be transported to the works site provided that the loading and unloading of ore wagons shall be the responsibility of the Company.

(3) Subject to three (3) years' notice in writing being given by the Company to the State the State will within that period at its expense extend its standard gauge line to a point or points reasonably practicable and mutually agreed upon at or near the Company's storage bins at another point or points on the leased areas. If requested by the Company the State will construct and maintain at the cost of the Company on the extended line such further loops spurs and sidings as may be mutually agreed in order to assist in the efficient loading and transport of the ore.

(4) For a period of not less than thirty (30) years from the production date or unless and until the parties hereto shall otherwise in writing mutually agree the Company shall use only the rail facilities contemplated by this Clause for the transport of iron ore from the leased areas to the works site and in respect of such transport the Company shall pay to the State in respect of each financial year freight charges based upon the total tonnage of iron ore transported as aforesaid in that year as set out in the first column of the Schedule to this Clause and the rates per ton mile set out in the second column of such Schedule.

1960.]                    *Broken Hill Proprietary*                    [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

(5) The rates set out in the Schedule to this Clause are based on full loading of the ore wagons and on a full complement of ore wagons per train load as mutually agreed between the parties.

(6) In relation to all rail haulage by the State under this Clause the following provisions shall apply—

- (a) The Company shall each month give to the State not less than one (1) month's prior notice in writing of the Company's anticipated daily requirements in rolling stock for the purposes of this Agreement and the State shall use reasonable endeavours to meet those requirements.
- (b) All loading of ore wagons at the leased areas shall be the responsibility of the Company and the Company will as far as practicable load the wagons to a capacity agreed upon between the Company and the Railways Commission.

(7) In addition to the rail freight payable by the Company to the State under this Clause the Company shall pay to the State a penalty or surcharge on the iron ore transported from the leased areas to the works site calculated as follows:—

- (a) Where the total ore tonnage transported in any financial year is less than two million tons a penalty of ten shillings (10s.) per ton on the tonnage (including concentrates) transported in that year in excess of two and one half times the tonnage of ore (including concentrates) consumed in the Company's blast furnace on the works site.
- (b) Where the total ore transported in any financial year exceeds two million tons a penalty rate of ten shillings (10/-) per ton on the tonnage (including concentrates) transported in that year in excess of two million tons subject to a reduction of two shillings (2/-) per ton for each 90,000 tons per annum of installed blast furnace capacity in excess of 450,000 tons per annum capacity and *pro rata*.
- (c) If for reasons beyond the Company's control (which reasons shall include reline of blast furnaces and other major repairs to equipment) or for any cause set out in Clause 37 hereof particulars of which the Company shall notify to the State as soon as possible after occurrence, and subject to such notice being given the tonnage of iron ore consumed in any month is appreciably reduced then for the purpose of calculating the tonnage of ore to which the

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

penalty rate of ten shillings (10/-) per ton is applied pursuant to paragraph (a) of sub-clause (7) hereof, the tonnage of ore actually consumed in the financial year in which the reduction occurs shall be increased on a pro rata basis to the tonnage which would have been consumed had the reduction not occurred.

For the purposes only of this sub-clause the tonnage of ore transported shall be deemed to be reduced by a tonnage equal to twice the tonnage of concentrates transported and be further reduced by one half of the tonnage of low grade ore transported.

(8) (a) For the purposes of this Clause the State to every reasonable extent will at all times provide transport by the most efficient and economical means and will incorporate from time to time the benefits of technological improvements.

(b) Within twelve (12) months after the date of commencement the State shall set out a description of the plant and equipment on which the estimated cost of transport was based. Where owing to technological changes in methods of transport the State thereafter finds that its costs in relation to the transport of iron ore under this Agreement are materially reduced the State shall from time to time in writing so inform the Company and the freight rates referred to in this Clause shall be reduced by an amount equal to fifty per centum (50%) of the amount of the cost reduction due solely to the technological changes and there shall be taken into account the unrecouped value in the books of the Railways Commission of any equipment rendered surplus to their requirements by such changes. The State will at the request of the Company procure the certificate of the Auditor General of the said State as to the correctness of the said cost reduction.

THE SCHEDULE HEREINBEFORE IN THIS CLAUSE  
 REFERRED TO.

Column 1.	Column 2.
In tons per financial year.	Rates per ton mile
Up to but not exceeding:—	expressed in pence.
1,000,000	1.43
1,500,000	1.28
2,000,000	1.23
2,500,000	1.19
3,000,000	1.15

The rate to apply to the aggregate tonnage actually transported shall be the rate appearing in Column 2 opposite the tonnage in Column 1 which is nearest above the actual tons transported.

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

The over-all rate to be reduced by .04d. per ton mile for each increase of 500,000 tons per financial year over 3,000,000 tons per financial year and this shall apply to the total tonnage.

14. The State will backload from the works site to the leased areas on the standard gauge line ore trains goods and products of the Company up to a maximum quantity of 5,000 tons in any one financial year at the freight rates set out in the Schedule to the last preceding Clause and applying to the ore transported in that financial year. With respect to any such backloading the Company will be responsible for the loading at the works site and the discharge at the leased areas of the goods and products transported and so as to avoid to every reasonable extent undue delay to the ore trains. Backloading.

15. (1) The amounts due by the Company to the State under Clause 13 of this Agreement in respect of freight charges for the transport of iron ore from the leased areas to the works site and backloading during any financial year shall be payable by monthly payments on the basis of anticipated or provisional tonnage subject to annual adjustment after the expiration of that year. Freight charges.

(2) In respect of the financial year in which the transport of iron ore from the leased areas to the works site is commenced the Company on such commencement will give to the State notice in writing of the per annum tonnage of iron ore which the Company anticipates will be appropriate to the remaining portion of that year and that tonnage shall be taken for determining the provisional rate per ton mile in respect of rail freights for such transport in that year. The first of such monthly payments shall be made prior to the end of the month next following the month in which the transport is commenced. Within one (1) month after the expiration of that financial year the Company for the purposes of adjustment in rail freights payable shall supply to the State correct figures adjusted for dry weight for iron ore so transported as aforesaid in that year and such tonnages shall for the purpose of determining the appropriate freight rate be increased to the annual equivalent *pro rata* of the tonnage actually transported. Prior to the end of the month next following the furnishing of such information the State if and to the extent that it has been overpaid for such freight charges and the Company if and to the extent that it has underpaid those charges shall pay to the other the difference between the correct amount due and the total amount actually paid in respect of those charges.



1960.]

*Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

quantities of electric power beyond a demand of 10,000 kilowatts as may be reasonably required by the Company for further development of operations on the works site or of adjacent subsidiary or associated companies.

The cost of electric power supplied by the State to the Company for the purposes of such operations shall be in accordance with the Industrial Schedule rates of the State Electricity Commission of Western Australia from time to time prevailing in the Metropolitan Area of the said State as for the time being defined by the said Commission.

If at any time the said Schedule rates are increased and the whole or any part of such increase is due to reasons other than increases in the cost of generation and distribution of electricity then the State shall so inform the Company and any increase due to such reasons shall not be charged to the Company for a period of two (2) years during which period should it so desire the Company would be enabled to install its own generating equipment.

The State will from time to time review the possibility of amending such Schedule of rates to provide for lower rates for consumers of very large amounts of power. It is recognised by the State that for quantities substantially in excess of those provided for in the present Schedule of rates for industrial consumers the Company is entitled to expect a reduction in the rate commensurate with the reduced cost of generating and distributing such large quantities of power.

(2) The Company will from time to time during the currency of this Agreement give reasonable notice in writing to the said Commission of the maximum demand of electric power measured on a half hour basis which the Company will require at any one time. Subject thereto and to the provisions of sub-clause (1) of this Clause relating to maximum demand the said Commission shall supply the maximum demand of electric power required by the Company and the Company shall not exceed such maximum without reasonable prior notice in writing to the Commission.

(3) Subject to the giving to the State of two (2) years' notice of its intention so to do and of the capacities to be installed the Company may install its own electricity generating plant and subject to the following conditions may operate the same in parallel with the Commission's generating system:—

- (a) Electric power supplied to the Company from the Commission's system shall be charged to the Company in accordance with the provisions of sub-clause (1) of this Clause.

- (b) Electric power supplied by the Company into the Commission's system shall be charged to the Commission at the cost per unit at the bus bars of the Commission's most economical power station. This cost shall be the average cost including capital charges normally applicable to generating costs calculated for the Commission's last preceding financial year and shall be notified to the Company in writing at the beginning of each financial year.
- (c) The power fed under this Clause into the Commission's system shall be measured at a point on the boundary of the Works site to be mutually agreed upon and shall be in accordance with the schedule agreed upon from time to time between the Company and the Commission but unless otherwise mutually agreed shall not exceed 7,500 kilowatts. Within such maximum the Commission will use all reasonable endeavours to accept such quantities as the Company is prepared to supply. During the period in which the Company supplies power to the Commission the Company shall provide two separate generating units each of not less than 7,500 kilowatt capacity. There shall be not less than two boilers if the generating units are activated by steam turbines and in any case each generating unit shall be capable of operating independently.
- (d) If boilers are provided these shall during the period of supply to the Commission be equipped with oil firing equipment or with other alternate means of firing to be used in an emergency or in the case of cessation of supply of blast furnace gases and all measures shall be taken to ensure as far as reasonably possible the continuity of supply to the Commission's mains.
- (e) The carrying capacity and rupturing capacity and protection of the electrical plant shall be and be installed and maintained by the Company to the reasonable requirements of the Commission during the period or periods of power supply to the Commission. The synchronising of the Company's plant and the operation of its electrical plant including balance between phases power factor voltage and frequency shall be to the reasonable requirements of the Commission. If at any time through instability of the Company's plant or for any other reason in the opinion of the

Commission interconnection with the Company's plant may seriously interfere with or endanger the supply to the Commission's other consumers the Commission may disconnect the Company's plant from the Commission's system for such period or periods as the Commission considers expedient after reasonable notice has been given to the Company.

(4) The Company may supply electric power to subsidiary and associated companies established on or adjacent to the works site and notwithstanding the provisions of the Electricity Act 1945 or any other Act the Company may charge for such power at such rates as it determines. Any such supply to associated companies shall not exceed the quantity of power generated by the Company from fuel available from its operations.

(5) In relation to power supply to and within the leased areas and the townsite or townsites—

(a) If after the date of commencement the Company shall by not less than twenty-four (24) months' notice in writing so request the State will erect and install high tension mains for carrying electric current from the said Commission's nearest point of high tension supply to the leased areas and to the townsite or townsites at or near those areas. Such erection and installation shall be carried out along such route and in accordance with such specifications and conditions as the said Commission shall determine but including a guarantee for a period of not less than twenty (20) years by the Company of the minimum number of units of electricity to be consumed per annum. These units shall be charged to the Company at the Commission's standard industrial rate for the area and in addition to the charge for electricity the Company shall pay to the Commission an annual charge of twelve per centum (12%) of the net capital cost of the mains after this net capital cost has been reduced by five (5) times the cost of the units consumed or of the guaranteed units at the standard rates whichever is the larger. The net capital cost of the line referred to in this paragraph means the cost that would normally have been incurred in installing a line to meet the needs of the Company at the leased areas and of the townsite. If the Commission for reasons of its own installs a heavier line for portion of the distance no part of the additional expenditure thereby incurred shall be taken into account in calculating any charges payable by the Company.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

If consumers other than the Company and the townsite are supplied with power from the said line and such supply has not involved additional capital costs in the installation of the said line the units so consumed shall be taken into account as if consumed by the Company for purposes of establishing the amount of the annual charge above referred to.

- (b) If the Company shall so desire and shall give written notice to the Commission accordingly it may erect and install and if so shall thereafter maintain its own high tension mains from the nearest point approved by the Commission on the latter's existing high tension main to the leased areas and townsite or townsites but along such route and in accordance with such specifications and conditions as the Commission may reasonably require.
- (c) In the event of the Company deciding to erect or have erected at its cost the high tension mains pursuant to paragraph (b) of this sub-clause the State will at the request and cost of the Company ensure that adequate easements or such other rights as may be necessary will be furnished the Company to enable the erection of such transmission lines.
- (d) If the Company shall at its own cost erect and install such mains the prices to be paid by the Company to the Commission shall be in accordance with the Industrial Schedule Rates aforesaid from time to time prevailing at the said point of supply.
- (e) The Commission shall supply through mains erected by the Company or by the Commission under this sub-clause such electric current in such quantities and under such conditions as shall from time to time be mutually agreed between the parties hereto up to a maximum of 2,500 kilowatts subject however to the provisions of sub-clause (2) of this Clause.
- (f) The Company shall have the right at the leased areas to establish and maintain and to operate during the currency of this Agreement generation distribution and transmission works or any of them not only for the purposes of the Company's operations hereunder at the leased areas but also to supply and sell electricity to consumers within any townsite constituted for the purposes aforesaid and the Company on

1960.]

*Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

exercising such right shall be deemed to be a supply authority under and for all the purposes of the Electricity Act 1945.

- (g) Notwithstanding anything contained in the Electricity Act 1945 whether electricity is supplied to the Company by the Commission or is generated by the Company the Company shall distribute electricity to consumers within the townsite at reasonable prices and under reasonable terms and conditions determined by the Company.

(6) If at any time it is necessary for the Commission to reduce loading on an urgent basis the Company may be requested to and shall reduce its plant loading but the Commission will within the limits of power available at all such times maintain sufficient supply to meet the Company's minimum plant loading necessary to ensure the safety of its plant.

17. Subject to the progressive performance by the Company of its obligations under this Agreement:— Roads.

- (a) As soon as practicable after the Company so in writing requests the State will at its own cost commence and thereafter diligently proceed with and complete the construction of a trafficable road from Southern Cross to a point to be mutually agreed on the leased areas and to the townsite to be established pursuant to Clause 21 hereof when that townsite is constituted. Such road shall be sited along such reasonably direct route and be constructed in accordance with such specifications as shall be decided by the Commissioner of Main Roads of the said State and thereafter the State will ensure that reasonable funds are made available for the purpose of maintaining such road in a trafficable condition. The State will before the 31st day of December 1968 cause such road to be sealed with a bituminous or other suitable surface adequate in the opinion of the said Commissioner to carry the anticipated traffic.
- (b) The State if requested by the Company will at its own cost construct necessary roads within the said townsite and shall thereafter during the term of this Agreement ensure that reasonable funds are made available for the purpose of maintenance of such roads in a trafficable condition. Such roads shall be of such construction as in the opinion of the said Commissioner shall be reasonably suitable for the anticipated traffic and sealed as aforesaid.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

- (c) The State will at its own cost and after receipt from the Company of not less than eighteen (18) months' notice in writing of the Company's request therefor commence and diligently proceed with the extension from the said point to be mutually agreed to Bungalbin of the road referred to in paragraph (a) of this Clause and if and when in the opinion of the said Commissioner the traffic warrants will cause the same to be sealed as aforesaid. While the extended road is necessary for the purposes of this Agreement the State will ensure that reasonable funds are made available for the purpose of maintaining such extension in a trafficable condition.
- (d) Notwithstanding the provisions of Clause 4(d) (ii) of the Agreement ratified by the 1952 Act the State will within twelve (12) months after receipt of the Company's written request therefor cause to be closed that portion of the existing Fremantle-Rockingham road referred to in the said Clause 4(d)(ii) and further will at its own cost forthwith commence and thereafter diligently proceed with and complete the construction of the bitumen surfaced diversion roads coloured brown on the plan marked "E" and initialled by or on behalf of the parties hereto for the purposes of identification and to such specifications as shall be approved by the said Commissioner in order to give access both north and south of the works site as defined in the Agreement ratified by the 1952 Act to the existing road system.

Water at the  
works site.

18. (1) The State will upon six (6) months' prior notice in writing in that behalf given to it by the Company make available at such point on the boundary of the works site as may be mutually agreed upon by the parties hereto such quantities of potable water as will meet the requirements of the Company on the works site during the construction period.

(2) The State will upon twelve (12) months' prior notice in writing in that behalf given to it by the Company make available at such point on the boundary of the works site as may be mutually agreed upon by the parties hereto such quantities of potable water as may be required by the Company or any subsidiary or associated company at any time up to a maximum total quantity of 10,000,000 gallons per week inclusive of the quantities of water referred to in Clause 4(b) of the Agreement ratified by the 1952 Act.

(3) Upon the Company giving to the State at least twelve (12) months' notice in writing in that behalf the State will supply such further quantities of potable water

as may be reasonably required by the Company or by any subsidiary company or by any associated company for further development of their operations on or adjacent to the works site and as the State considers may be made available for the purpose.

(4) The State agrees that the Company may sink on the works site such wells and bores into the subsoil as the Company thinks fit (but subject as hereafter mentioned) to a depth not exceeding Reduced Level Low Water Mark Fremantle of minus five hundred (500) feet for the purpose of supplying for use by the Company or any subsidiary or associated company water for the purposes of their operations as contemplated by this Agreement and the water so obtained and used will not be the subject of a charge by the State; Provided always that no such well or bore shall be sunk within two (2) chains of a boundary of the works site other than the ocean boundary and that no bore shall in any event be sunk to a depth which will cause the artesian basin to be tapped unless the State shall previously have given its written consent thereto. The Company will on request by the State from time to time give to the State particulars of the number depth and kind of wells and bores sunk by it and the precise situation of each respectively and the quantities and quality of water obtained therefrom respectively.

(5) The price to be paid to the State by the Company and by any subsidiary or associated company for potable water supplied by the State as aforesaid shall be at the rate ruling from time to time for excess water supplied for industrial purposes by the Metropolitan Water Supply Sewerage and Drainage Department pursuant to the provisions of the Metropolitan Water Supply Sewerage and Drainage Act 1909. The actual quantity of such water from time to time taken by the Company or by any subsidiary or associated company shall be ascertained by methods to be agreed and acceptable to the parties hereto and by approved equipment to be installed and maintained by the State at the point or points of supply and accounts may be rendered to the Company monthly. On request by either of the parties hereto to the other of them a check shall be taken of the said meter readings in such manner as shall be mutually agreed and in the event of a discrepancy in excess of five per centum (5%) being found in such readings the readings shall be adjusted to correct the discrepancy.

(6) The Company shall so far as is reasonably practicable recirculate on the works site the potable water used for cooling purposes thereon.

(7) The State shall not be liable for any loss or damage to the Company or to any subsidiary or associated company on or adjacent to the works site caused by any failure to supply water under this Clause for a continuous period not exceeding twelve (12) hours.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

Water at  
leased areas  
and  
townsite

19. (1) The Company at any time by notice in writing to the State may at the option of the Company require the State either—

- (a) to construct a six inch (6") pipeline or other size pipeline as may be mutually agreed from the State's water main at or near Southern Cross both to the leased areas and to the townsite or townsites and the Company will pay to the State for water supplied through such pipeline at a rate per thousand gallons based on the price for the time being charged by the Minister for Works for water supplied in bulk at Southern Cross together with capital charges applicable to the supply to the Company including interest depreciation on the cost of the pipeline and the operation expenses including maintenance and overhead; or
- (b) to supply water at a price per thousand gallons for the time being charged by the Minister for Works for water supplied in bulk at Southern Cross from the State's main at or near Southern Cross into water tanks supplied by the Company and mounted on railway wagons supplied by the Company in which case the State will without charge haul the filled tank wagons from Southern Cross to the townsite and also to such other point or points on the railway from Southern Cross to the leased areas as the Company may in writing from time to time require and the State will transport the empty tank wagons back to Southern Cross free of cost to the Company.

(2) Notwithstanding anything contained in sub-clause (1) of this Clause the Company may at its own cost construct and after construction shall maintain a pipeline of such size as the Company shall determine from the State's water main at or near Southern Cross along a route to be mutually agreed between the parties hereto both to the leased areas and to the townsite or townsites and the State will use all reasonable endeavours to supply into such pipeline from the said water main at or near Southern Cross such water as the Company shall require and at a price per thousand gallons for the time being charged by the Minister for Works for water supplied in bulk at Southern Cross. The Company notwithstanding anything contained in or under any Act may distribute water from such water main at reasonable prices and under reasonable terms and conditions determined by the Company to consumers wishing to draw water from the same. The State will at the request and cost of the Company ensure that adequate

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

easements or such other rights as may be necessary will be furnished the Company to enable the construction and maintenance of such water main.

(3) The Company shall have the right to bore and search for water and to store water anywhere within an area of twenty (20) miles from the boundary of the leased areas and within such area or areas the Company may lay pipelines for the purpose of the supply of water to the leased areas and to the townsite or townsites and also to erect and operate pumping plant and equipment but the Company shall not bore for or store water in any position which in the opinion of the State may injuriously affect an existing water supply of the lessee or occupier of any land.

(4) The State and the local authority of the Road Board District concerned may in relation to the supply of water to and within the townsite or townsites by contract from time to time with the Company delegate to the Company upon terms and conditions agreed between the State the Company and the local authority any of the rights powers authorities and obligations of the State the Minister for Works or the local authority with respect to the supply of water including the rights powers authorities and obligations of a water board for the time being constituted under the Water Boards Act 1904.

20. (1) It is the intention of the State to build or otherwise provide houses to meet the reasonable requirements of industry in and to attract population to the Kwinana area and the State having regard to its administrative and other commitments will if so required by the Company use all reasonable endeavours to ensure that sufficient housing shall become available to meet the Company's requirements for married employees in the Kwinana area. Housing

(2) The Company may after the townsite or townsites have been constituted pursuant to Clause 21 hereof and thereafter annually until the year 1969 give to the State not less than twelve (12) months' notice in writing of its requirements for the ensuing financial year of houses for occupation by the Company's married employees at the townsite and the State will at or before the expiration of such notice commence and diligently proceed with the erection and completion within the townsite at such place or places as the Housing Commission may decide after consultation with the Company and of such design and materials suitable to the locality as the Housing Commission shall after consultation with the Company determine of such number of houses up to a maximum number of thirty (30) in any one period of twelve (12) months as the Company shall have in writing requested. It is the intention of the State where reasonably practicable to install septic tanks to service houses within the townsite.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

(3) In relation to such houses at the townsite the following provisions shall apply:—

- (i) As soon as each such house shall have been completed the Housing Commission shall let the same to the Company which shall take the same at a reasonable rental calculated to recoup to the Housing Commission its capital outlay over a period of thirty (30) years and upon terms that the Company shall be responsible at its own cost for the payment of all rates assessed in respect thereof and for the maintenance and repair thereof from the commencement of the tenancy and for insurance thereof against usual risks and otherwise upon such terms and conditions as may be agreed between the parties hereto. The period of letting of each such house shall be not less than thirty (30) years with provision for renewals for periods of not less than five (5) years and subject to adjustment of rentals as may be mutually agreed.
- (ii) The Company shall be responsible to the Housing Commission for the management and control of such houses and for the subletting of the same only to employees of the Company (except with the permission of the Housing Commission).
- (iii) It shall be an express provision of such letting that at the expiration or sooner determination of the tenancy of any house the Company shall as soon as possible place the same and the yards fencing and outbuildings (if any) in proper order and condition in accordance with the provisions of the relative tenancy agreement.
- (iv) In relation to each such house the Company shall have the right to include as a condition of its sub-letting thereof that the Company may take proceedings for eviction of the occupant if the latter shall fail to abide by and observe the terms and conditions under which such occupant shall sublet the same from the Company or if the occupant shall cease to be employed by the Company.

Leased  
areas  
townsite.

21. (1) As soon as reasonably practicable after request by the Company the State shall commence and thereafter diligently proceed with and complete the surveying and laying out of one or more townsites at such site or sites as the parties hereto shall mutually agree and in conformity with such plans as the State after consultation with the Company shall determine. The plans for such townsite shall include provision for a sports ground or grounds and

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

other places of relaxation and amusement a shopping centre or shopping centres a school and such other amenities and matters as are reasonable having regard to the locality.

(2) The State will cause the townsite aforesaid to be constituted and defined as a town within the Yilgarn Road District or such other Road District as may be constituted for the purpose.

(3) At the written request by the Company the State shall grant to the Company for not exceeding fifty (50) years with right or option to renew for successive periods of twenty-one (21) years a lease of one or two areas not exceeding a total of six hundred (600) acres for residential or other purposes at sites and subject to such terms and conditions as the parties hereto shall agree.

22. (1) The State shall ensure if necessary by legislation that the works site is zoned or otherwise protected during the currency of this Agreement so that the initial and projected operations of the Company or any subsidiary or associated company may be undertaken and carried on upon the works site without interference by public authorities or private persons on the ground of operations contrary to zoning. Zoning of works site.

(2) The Company shall at all times carry on its operations on the works site in accordance with accepted standards pertaining to blast furnace rolling mill and steel making operations and in so doing will endeavour to avoid as far as is reasonable and practicable the creation of any nuisance. So long as the Company or any subsidiary or associated company carries out its operations as aforesaid it shall not be liable for discharging from the works site effluent into the sea or smoke dust or gas into the atmosphere or for creating noise smoke dust or gas on the works site if such discharge or creation is necessary for the efficient operations of the Company or of any subsidiary or associated company and is not due to negligence on the part of the Company or any subsidiary or associated company as the case may be.

23. The Company and any subsidiary company and any associated company may without charge draw sea water from Cockburn Sound for their or any of their operations on the works site and for this purpose may construct such works and use such portion of the sea bed as may be mutually agreed by the parties hereto. Use of sea water.

24. The Company will ensure that during the currency of this Agreement the orders from the State and from persons in the State for finished products of the rolling mill for use in the said State will be fulfilled within a reasonable time. Steel.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

Harbour  
charges.

25. (1) As from the commencement date Clause 3 (f) of the Agreement ratified by the 1952 Act is amended by deleting therefrom the passage "and such sum being an amount less than one shilling and four pence per ton in respect of all inward cargoes discharged upon or over the Company's wharves where such tonnage exceeds 100,000 tons in any year" in lines 7 to 11.

(2) As from the production date—

(i) Clause 3 (f) of the Agreement ratified by the 1952 Act is deleted and the following paragraph shall have effect in relation to inward cargoes both under the 1952 Agreement and under this Agreement:

"That the Company will pay to the Commissioners in respect of inward cargoes discharged upon or over the Company's wharves, being goods and products of the Company or any subsidiary company or being raw materials and semi finished products for processing within the said State of any associated company—

(a) a sum equal to two shillings (2/-) per ton by weight or measurement in respect of all such inward cargoes (other than bulk cargoes); and

(b) a sum equal to four pence (4d.) per ton by weight or measurement in respect of all inward bulk cargoes.

No other charges or dues (except tonnage rates as referred to in Clause 4 (s) (i) of the Agreement ratified by the 1952 Act, light dues and charges for services actually rendered at the request of the Company or any subsidiary or associated company) shall be levied by the Commissioners or any other State authority upon inward cargo discharged over the Company's wharves being goods or products of the Company or any subsidiary company or being raw materials or semi finished products for processing within the said State of any associated company. In this paragraph the word "year" means the period from the 1st day of January to the 31st day of December next following. The parties hereto agree that after the said production date the

rates mentioned in this paragraph shall be increased or decreased as the case may be by the same percentage as the general rate for wharfage on inward goods for which other specific rates are not provided at the Port of Fremantle (which rate as at the date of this Agreement is thirteen shillings and six pence (13/6d.) per ton) is increased or decreased after the production date."

- (ii) Clause 4 (r) of the Agreement ratified by the 1952 Act is amended first by substituting for the passage "the products of the Company or of any subsidiary company" the passage "the goods or products of the Company or of any subsidiary or associated company" and secondly by substituting for the passage "any subsidiary company" where secondly occurring the passage "any subsidiary or associated company".

26. (1) The 1952 Act and the Agreement ratified by that Act are respectively amended or affected as in this Clause provided and the Act ratifying this Agreement shall enact accordingly.

Amend-  
ments to  
1952 Act.

(2) As from the commencement date—

- (a) Sections 3 and 4 of the 1952 Act are repealed;
- (b) The definition of "Bulk cargo" in Clause 1 of the said Agreement is deemed amended to accord with the definition of "bulk cargo" in Clause 2 of this Agreement;
- (c) With respect to Clause 3 (c) of the Agreement ratified by the 1952 Act the State acknowledges that in view of the construction of the existing jetty from works site the Company has no further obligations under the said Clause 3 (c);
- (d) The provisions of Clause 4 (a), 4 (b) and 4 (d) of the Agreement ratified by the 1952 Act are to be read and construed subject to the provisions of this Agreement;
- (e) Clause 4 (e) of the said Agreement is deleted;
- (f) Clause 4 (f) (i) of the said Agreement is deleted;
- (g) Clause 4 (f) (ii) of the Agreement ratified by the 1952 Act is deleted and the following provision shall have effect:—

"The State hereby grants to the Company an exclusive license during the currency of this Agreement to use occupy

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

and maintain any wharf or jetty constructed pursuant to this Agreement or the Agreement ratified by the 1952 Act as shall not be included in any Certificate of Title to the works site. Such license shall be subject to the performance by the Company of its obligations under this Agreement.”;

- (h) Clause 4 (g) of the Agreement ratified by the 1952 Act is amended first by inserting after the words “works site” in line 3 the words “in places and” and secondly by deleting from lines 8 and 9 thereof the words “on the wharf line referred to in the Public Works Department plan”;
- (i) Clause 4 (k) (a) of the Agreement ratified by the 1952 Act is amended to substitute “one shilling and six pence” for the words “six pence” in line 4;
- (j) Clause 4 (k) (b) of the said Agreement is amended by inserting after the word “total” in line 2 the words “dry weight”;
- (k) Clause 4 (m) of the Agreement ratified by the 1952 Act is deleted and the following substituted:—

“Subject to the performance by the Company of its obligations under this Agreement the leases licenses and rights granted under this Agreement to the Company or Australian Iron & Steel Proprietary Limited as the case may be shall continue for successive periods of twenty-one (21) years unless and until they are respectively surrendered by the Company concerned upon the like terms and conditions as those contained in this Clause.”;

- (l) Clause 5 (a) of the Agreement ratified by the 1952 Act is deleted;
- (m) Clause 5 (c) of the said Agreement is amended by adding thereto the passage “and that any structures conveying drainage or effluent into the sea shall be designed so as to avoid as far as possible permanent changes to the foreshore and so as not to constitute a hazard to navigation”;
- (n) Clause 5 (f) of the said Agreement is deleted;

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

- (o) Clause 5 (i) of the said Agreement is amended by deleting paragraphs (i) and (ii) thereof and by deleting from lines 1 and 2 of paragraph (iii) the passage "That subject to the provisions of paragraphs (i) and (ii) of this subclause and";
- (p) Clause 5 (p) and Clause 5 (q) of the said Agreement are deleted.

27. (1) The State hereby covenants and agrees with the Company that subject to the due performance by the Company of its obligations under this Agreement and the Agreement ratified by the 1952 Act (whether in relation to its operations at the works site or in relation to its tenure of the leased areas or of other mining rights to be granted under this or the said Agreement) the State shall ensure that during the currency of this Agreement the rights of the Company under this and the said Agreement shall not in any way through any act of the State, be impaired, disturbed or prejudicially affected. Preservation of rights.

(2) No person other than the Company or a subsidiary or associated company shall acquire any right under the Mining laws of the said State in or over the works site or any part thereof save with the consent of the Company.

(3) Any reference in Clause 4 (q) of the Agreement ratified by the 1952 Act to the "works site" shall be read and construed as a reference to the works site as defined in Clause 2 of this Agreement.

28. The Company shall have the right to assign to Australian Iron & Steel Proprietary Limited and with the consent in writing of the State to otherwise assign or dispose of its rights and obligations under this Agreement or under the Agreement ratified by the 1952 Act or any interest in either Agreement or to assign the mineral lease of the leased areas and such consent where necessary shall not be arbitrarily or unreasonably withheld and any subsidiary company shall have a right to assign in like manner any right or obligation it may have under this Agreement subject to the assignee executing in favour of the State a Deed of Covenant to comply with and observe the assigned obligations. Assignment.

29. (1) The Company shall accept responsibility for the disposal of all slag or refuse from its works or operations on the works site but at the request of the Company from time to time the State will assist the Company in the acquisition by the Company and at the cost of the Company of suitable land for such disposal. Slag and refuse dumping.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

(2) The State will permit the Company to dump slag and refuse normal to a steel works along the eastern foreshore of Cockburn Sound at least from the south-western corner of the works site northerly for a distance of approximately 7,500 yards to the shore end of an unfinished groyne into the Sound as indicated on Plan F.H.T.C.M. 6/6 dated 1st November 1960 marked "D" and initialled by or on behalf of the parties hereto for the purpose of identification.

(3) The dumping shall be carried out progressively in strips parallel to the foreshore and shall follow the coast line and contours in such a fashion that solid projections into the ocean are not formed.

(4) The said permission shall continue until such time as in the opinion of the State the continuance of dumping would seriously prejudice development on or along the foreshore or interfere with actual or intended structures or workings. In such event the Company to the extent that such continued dumping would prejudice such development structures or workings or depth of water by interfering with the sea bed by causing silt or scour will cease such dumping in the places and to the extent necessary to prevent further prejudice or interference. The State recognises the importance of the Company having adequate areas for dumping and the intent of this sub-clause shall be assistance by the State to the Company and avoidance by the State as far as reasonably practicable of limitations to the permission above referred to.

(5) The dumping and all work in connection therewith shall be carried out subject to the approval of the said Commissioners.

(6) From time to time without payment of any price but upon and subject to application by and at the expense of the Company supported by survey and approved plans the Registrar of Titles shall amend the Certificate or Certificates of Title to the works site by including therein for all purposes all land reclaimed pursuant to this Clause which is within the prolongation of the northern and southern boundaries of the works site.

(7) Nothing in this Clause shall give to the Company any easement in or over or any right of access through any property owned or occupied by any person or on which the State or any State instrumentality is constructing or has constructed any wharf storages or harbour facilities without the consent of such owner occupier State or State instrumentality which consent so far as the State or State instrumentality is concerned shall not be unreasonably withheld.

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

(8) Notwithstanding anything contained in the preceding sub-clauses of this Clause or the provisions of the Agreement ratified by the 1952 Act but subject to this sub-clause the Company shall be permitted to extend its dumping so as to fill the reclamation area defined on P.W.D. Plan 33486 referred to in Clause 5 hereof. Subject to approval of the adjoining land owner the State will permit the Company to further extend its dumping so as to preserve the line of reclamation to James or Case Point. All dumping under this sub-clause shall be subject to the approval of and to conditions imposed by the said Commissioners, the intent being however that such approval shall not be withheld unless the dumping causes or appears likely to cause serious erosion or interference with harbour development and that no conditions will be imposed for any purpose other than the prevention of such erosion or interference.

(9) The Company shall be under no liability of any kind whatsoever to any person and no person shall be entitled to bring or maintain any action suit claim or demand against the Company in respect of any erosion or other change in the present or future shore line of Cockburn Sound caused or alleged to have been caused by the reclamation carried out under and subject to this Clause.

30. (1) Subject to Clause 37 of this Agreement if at any time during the continuance of this Agreement

Termination  
of agree-  
ment.

(a) the Company fails to comply with or carry out the obligations on its part contained in this Agreement or abandons or repudiates this Agreement then the State may by notice in writing to the Company specifying the failure terminate this Agreement;

(b) without in any way derogating from the provisions of Clause 1 of this Agreement if the State fails to comply with or carry out the obligations on its part contained the Company may by notice in writing specifying the failure terminate this Agreement.

(2) Notice of termination shall be given in writing by the State under the hand of the Minister or by the Company under its Common Seal.

(3) Notice of termination shall be deemed to have been received on the day following its postage and shall take effect twelve (12) months after that date unless the State or the Company as the case may be shall in the meantime have remedied the failure or shown to the satisfaction of the other party earnest intent to do so.

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

(4) Subject to the compliance by the Company with its obligations under Clauses 3 and 6 hereof any termination of this Agreement by the Company pursuant to Clause 1 of this Agreement or to paragraph (b) of sub-clause (1) of this Clause shall in no way affect the rights of the Company in and over the mineral lease of the leased areas granted to the Company pursuant to Clause 4 (1) of this Agreement or the renewals of such lease provided for by Clause 4 (2) of this Agreement.

(5) Notwithstanding anything hereinbefore provided if the Company is at any time prevented by or under legislation of the Commonwealth of Australia from taking up or holding the lease of the leased areas or using on the works site iron ore therefrom or otherwise from carrying into effect the provisions and intent of this Agreement the Company shall have the right during the period of such prevention to suspend its rights and obligations under this Agreement and if such prevention continues for more than twelve (12) months then the Company may terminate this Agreement whereupon all the outstanding rights and obligations of the Company under this Agreement and under any lease licence or right granted hereunder shall unless the parties hereto otherwise mutually agree cease and determine.

**Delegation  
to third  
parties.**

31. Without affecting the liability of the parties under the provisions of this Agreement either party shall have the right from time to time to entrust to third parties the carrying out of any portion of the operations which it is authorised or obliged to carry out under this Agreement.

**Variation  
clause.**

32. Any obligation or right under the provisions of or any plan referred to in this Agreement may from time to time be cancelled added to varied or substituted by agreement in writing between the parties so long as such cancellation addition variation or substitution shall not constitute a material or substantial alteration of the obligations or rights of either party under this Agreement.

**Labour.**

33. The State will if so requested by the Company and so far as its powers and administrative arrangements permit use reasonable endeavours to assist the Company to obtain adequate and suitable labour as required for the construction and operation of the Company's works referred to in this Agreement including assistance towards obtaining suitable immigrants.

**Rating.**

34. Notwithstanding the provisions of any Act or anything done or purported to be done under any Act (including the 1952 Act) the valuation of the works site or any portions of the land within the leased areas shall for rating purposes be or be deemed to be on the unimproved value and shall

1960.] *Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

not in any way be subject to any discriminatory rate: Provided however that nothing in this Clause shall apply to any portion of such site or areas which shall be occupied as a permanent residence or upon which a permanent residence shall be erected.

35. The State will not at any time by legislation regulation order or administrative action under any legislation of the said State as to prices prevent products produced by the Company or by any subsidiary company from being sold at prices which will allow the Company or subsidiary company to provide for such reasonable depreciation reserves and return on the capital employed in the production of those products as are determined by such Company. **Prices.**

36. The Company will not during the currency of this Agreement export from Australia any iron ore won from the leased areas without the consent of the State. **No export of iron ore.**

37. This Agreement shall be deemed to be made subject to any delays in the performance of obligations under this Agreement which may be occasioned by or arise from circumstances beyond the power and control of the party responsible for the performance of such obligations including delays caused by or arising from act of God act of war force majeure act of public enemies floods and washaways strikes lockouts stoppages restraint of labour or other similar acts (whether partial or general) shortages of labour or essential materials reasonable failure to secure contractors delays of contractors riots and civil commotion and delays due to overall Australian economic conditions or factors which could not reasonably have been foreseen. **Delays.**

38. Nothing in this Agreement shall in any way prevent or limit the Company at its sole discretion from adopting for the discharge of its obligations under this Agreement new processes or equipment incorporating the latest technological developments from time to time available whether or not used by the Company elsewhere in its operations. **New processes.**

39. This Agreement shall be interpreted according to the laws for the time being in force in the said State. **State law to apply.**

40. Any dispute or difference between the parties arising out of or in connection with this Agreement or any agreed variation thereof or as to the construction of this Agreement or any such variation or as to the rights duties or liabilities of either party thereunder or as to any matter to be agreed upon between the parties in terms of this Agreement shall in default of agreement between the parties and in the absence of any provision in this agreement to the contrary be referred to and settled by arbitration under the provisions of the Arbitration Act 1895. **Arbitration.**

No. 67.] *Broken Hill Proprietary* [1960.  
*Company's Integrated Steel Works*  
*Agreement.*

Notices.

41. Any notice consent or other writing authorised or required by this Agreement or the Agreement ratified by the 1952 Act to be given or sent shall be deemed to have been duly given or sent by the State if signed by the Minister of the Crown for the time being charged with the administration of the Act ratifying this Agreement or by any senior officer of the Civil Service of the said State acting by direction of the Minister and forwarded by prepaid post to the Company at its registered office in the said State or at the works site and by the Company if signed on behalf of the Company by the managing director a general manager secretary or attorney of the Company and forwarded by prepaid post to the said Minister and any such notice consent or writing shall be deemed to have been duly given or sent on the day on which it would be delivered in the ordinary course of post.

IN WITNESS whereof THE HONOURABLE DAVID BRAND, M.L.A. has hereunto set his hand and seal and the COMMON SEAL of the Company has hereunto been affixed the day and year first hereinbefore mentioned.

SIGNED SEALED AND DELIVERED by  
the said THE HONOURABLE DAVID  
BRAND, M.L.A., in the presence DAVID BRAND.  
of:— [L.S.]

C. W. Court,  
Minister for Industrial  
Development, Perth, West-  
ern Australia.

THE COMMON SEAL of THE BROKEN  
HILL PROPRIETARY COMPANY  
LIMITED was hereunto affixed in  
the presence of:—

C. Y. SYME }  
E. LEWIS } Directors.  
J. L. JENKINS, Secretary

1960.]

*Broken Hill Proprietary  
Company's Integrated Steel Works  
Agreement.*

[No. 67.]

APPENDIX "A" TO THE AGREEMENT



YILGARN LOC 1425

Area: — 6141 ac<sup>s</sup> includes part of A12523

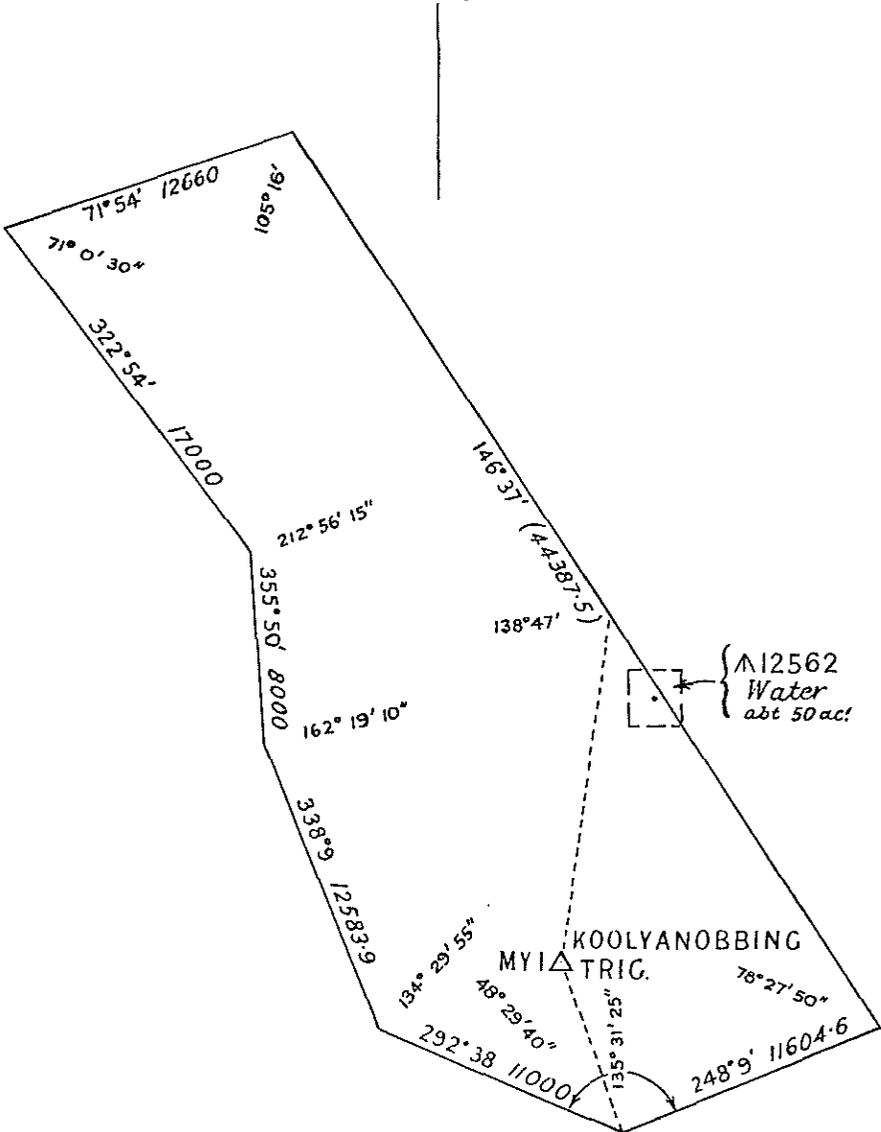
SCALE: 1 MILE TO AN INCH

Surveyors

P. Van Noort Field Book 61

M. McMullen Field Book 42

Date of Marking '29 Oct.'60



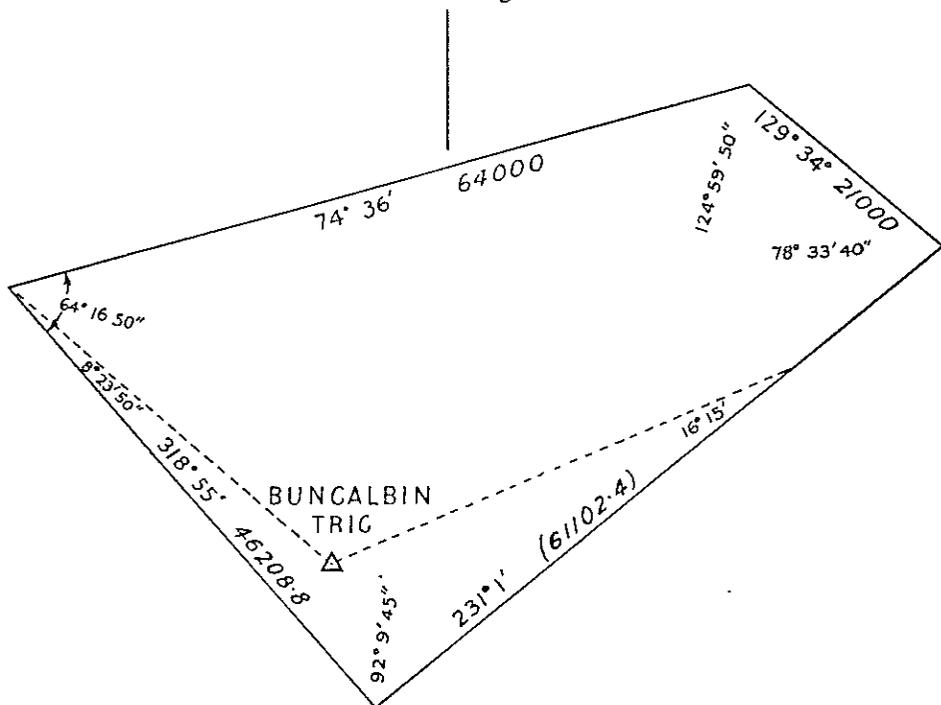
No. 67.] *Broken Hill Proprietary Company's Integrated Steel Works Agreement.* [1960.]

APPENDIX "A" TO THE AGREEMENT—continued

↑  
YILGARN LOC 1426

Area. — 19610 acs  
SCALE : 2 MILES TO AN INCH

Surveyors  
P. Van Noort Field Book 62  
M. M'ullen Field Book 43  
Date of Marking 9 Nov '60



APPENDIX "B" TO THE AGREEMENT

Western Australia

THE BROKEN HILL PROPRIETARY COMPANY'S  
INTEGRATED STEEL WORKS AGREEMENT  
ACT 1960

MINERAL LEASE

Lease No..... Mineral Field.

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Australia and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

1960.]

*Broken Hill Proprietary* [No. 67.  
*Company's Integrated Steel Works*  
*Agreement.*

TO ALL TO WHOM these presents shall come GREETING: KNOW YE that WHEREAS by the Broken Hill Proprietary Company's Integrated Steel Works Agreement Act 1960 and the Agreement ratified thereby the Government of the said State agreed to grant to The Broken Hill Proprietary Company Limited (hereinafter with its successors and permitted assigns referred to as "the Company") of Melbourne in the State of Victoria a mineral lease of the lands referred to in that Agreement as the "leased areas": NOW WE in consideration of the rents and royalties reserved by and of the provisions of the said Agreement DO BY THESE PRESENTS GRANT AND DEMISE UNTO the Company subject to the said provisions all those pieces and parcels of land comprised in the leased areas for the period and for the purposes mentioned in the said Agreement TO HOLD THE LEASED AREAS UNTO the Company for the period and purposes and upon and subject to the terms covenants and conditions set out in the said Act and Agreement and in accordance with the provisions of the Mining Act 1904 and the amendments thereto and the regulations made thereunder as in force at the date of the said Agreement: YIELDING and paying therefor the rent and royalties as set out in the said Agreement.

IN WITNESS whereof we have caused our Minister for Mines to affix his seal and set his hand hereto at Perth in our said State this                      day of                      19                      and the Company has executed this lease.

SIGNED SEALED AND DELIVERED }  
by }  
Minister for Mines in the }  
presence of:— }  
}

THE COMMON SEAL OF THE }  
BROKEN HILL PROPRIETARY }  
COMPANY LIMITED was here- }  
unto affixed on the }  
day of                      , 19                      in the }  
presence of:— }  
}

..... }  
..... }  
Directors

..... }  
Secretary