

**KING ISLAND SCHEELITE AGREEMENT  
(No. 2).**

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**No. 68 of 1963.**

AN ACT to approve certain agreements entered into between the Treasurer and King Island Scheelite (1947) Limited providing for the payment of a subsidy to assist that company to continue to carry on its mining operations on King Island, and to make provision for matters incidental thereto. [3 December 1963.]

WHEREAS King Island Scheelite (1947) Limited, a com-<sup>Preamble.</sup>pany incorporated in the State of Victoria and having its registered office situated at Number 100 Collins Street in the city of Melbourne, is carrying on mining operations at Grassy, King Island, for the purpose of obtaining scheelite for the production of tungstic oxide:

And whereas, those operations having become uneconomic, the company proposed to close its mine and discontinue those operations but agreed to continue those operations until the thirty-first day of August 1963 in return for the payment to the company of a subsidy pursuant to the terms of an agreement between the State and the company (being the agreement set forth in the schedule to the *King Island Scheelite Agreement Act 1963*):

And whereas the subsidy period under that agreement has expired and because the operations of the company at Grassy constitute an important element in the economic conditions of King Island and the closure of the mine would have a serious effect on employment on King Island and an adverse effect on the Island's economy it is desirable to ensure their continuance and, for that purpose, to pay a subsidy to the company for a further period:

And whereas the company has agreed to continue in production for a further period on the payment to the company of a subsidy in accordance with the terms of further agreements entered into between the Treasurer, on behalf of the State, and the company:

And whereas the Treasurer has entered into agreements with the company relating to the payment of such a subsidy and it is expedient that those agreements should be approved:

And whereas moneys belonging to the State and representing lottery tax payable in respect of tickets sold in the Dominion of New Zealand in lotteries conducted under the laws of the State have for several years been held in that Dominion by reason of the operation of the exchange control laws of that Dominion and have not been available for normal Government purposes:

And whereas at the request of the Government of the State the Government of the Commonwealth has made representations to the Government of that Dominion for the release of those moneys to the Government of the State:

And whereas, as the result of those representations, the Government of that Dominion has agreed to release to the Government of the State during the month of April 1964 the sum of £100,000 (in New Zealand currency):

And whereas it is desirable that the State should pay to the company out of that sum a subsidy to enable the company to continue to carry on its operations at Grassy:

And whereas, because of the circumstances in which that sum became available to the State, it is desirable that the moneys released by the Government of New Zealand be paid to the credit of a special account to be applied for the purpose of paying the proposed subsidy:

Be it therefore enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:—

Short title.

**1** This Act may be cited as the *King Island Scheelite Agreement Act (No. 2)* 1963.

Interpretation.

**2** In this Act, unless the contrary intention appears—

“account” means the account opened pursuant to subsection (1) of section four;

“agreement” means the agreement entered into between the Treasurer and the company a copy of which is set forth in the first schedule;

“company” means King Island Scheelite (1947) Limited, a company incorporated in the State of Victoria and having its registered office situated at Number 100 Collins Street in the city of Melbourne in that State;

“New Zealand funds” means the sum of money that the Government of the Dominion of New Zealand has agreed to release to the Government of this State as mentioned in the preamble to this Act;

“supplemental agreement” means the agreement entered into between the Treasurer and the company a copy of which is set forth in the second schedule.

**3**—(1) The agreement and the supplemental agreement <sup>Approval of agreement.</sup> are approved.

(2) Subject to this Act, the Treasurer may do all such acts, matters, and things as may be necessary or expedient for the carrying out or giving effect to the agreement, as varied by the supplemental agreement, on the part of the State.

**4**—(1) There shall be opened in the Trust Fund a special <sup>Financial provisions.</sup> account to be called the King Island Scheelite (1947) Limited Production Subsidy Account No. 2.

(2) Upon the receipt by the Treasurer of the equivalent sum in Australian currency of the amount of the New Zealand funds that sum shall be paid to the credit of the account.

(3) Pending the receipt of the New Zealand funds the Treasurer may, subject to this section, make payments, not exceeding in the aggregate the sum of £100,000 in Australian currency, to the company pursuant to and for the purposes of the agreement, as varied by the supplemental agreement, out of the moneys for the time being standing to the credit of the Trust Fund (which, to the necessary extent, is appropriated accordingly).

(4) There shall be credited to the account in each financial year all sums of money received by the Treasurer from the company during that financial year by way of repayment of subsidy pursuant to the agreement, as varied by the supplemental agreement.

(5) There shall be debited to the account all sums of money paid to the company by way of subsidy pursuant to the agreement, as varied by the supplemental agreement.

(6) At the end of each financial year, all sums of money paid to the credit of the account pursuant to subsection (4) of this section shall be transferred to and paid to the credit of the Consolidated Revenue, and the account, by virtue of the operation of this subsection, is, to the necessary extent, appropriated accordingly.

(7) The sums of money to be paid by the Treasurer to the company by way of subsidy pursuant to the agreement, as varied by the supplemental agreement, (whether out of the account or out of the Trust Fund) shall not, in the aggregate, exceed such sum (in Australian currency) as is equivalent to £100,000 in New Zealand currency.

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## THE FIRST SCHEDULE.

(Section 2.)

THIS AGREEMENT is made the 29th day of August One thousand Nine hundred and Sixty three BETWEEN THE HONOURABLE ERIC ELLIOTT REECE being and as the Treasurer for the time being for the State of Tasmania (hereinafter called "the Treasurer" which expression shall include his successors in office) of the one part and KING ISLAND SCHEELITE (1947) LIMITED a company incorporated

in the State of Victoria and having its registered office at 100 Collins Street Melbourne in that State and carrying on business at Grassy, King Island in the State of Tasmania (hereinafter called "the Company") of the other part WHEREAS the Treasurer has agreed with the Company that in consideration of the Company continuing its normal operations at its mine at Grassy aforesaid and undertaking not to close down the said mine, to pay to the Company a subsidy in accordance with the terms of this agreement, which subsidy the Company agrees to repay as hereinafter provided AND WHEREAS the said agreement is subject to the passing of the appropriate enabling legislation by the Parliament of Tasmania which the Treasurer has agreed to introduce NOW IT IS HEREBY AGREED AS FOLLOWS:

1. In this agreement:

"Long ton" means a ton weight of 2240 pounds avoirdupois.

"unit" when used in relation to tungstic oxide means one ton of one percent of material produced by the Company obtained by multiplying the tonnage of concentrate produced by the Company by the average grade as percentage tungstic oxide.

"L.M.B.P." means the average of the lower limits of the range of price throughout each calendar month for "Tungsten Ore: Wolfram cif Europe Standard Quality (specified composition)" per unit of tungstic oxide expressed in shillings sterling per unit as quoted in the London Metal Bulletin published by the Metal Information Bureau Ltd., Birkett House, 27 Albemarle Street, London W.1.

2. (a) The Company agrees that it will continue normal operations at its mine at Grassy aforesaid until 31 May 1964 on the basis of a five day working week and will produce tungstic oxide during the period from 1 September 1963 to 31 May 1964 (hereinafter called "the subsidy period") at a monthly output of not less than 5,400 long ton units per month or such lesser monthly output as the Treasurer at the request of the Company in his absolute discretion may agree to accept in lieu thereof in any one or more months during the subsidy period provided that before the Company shall be entitled to make such request such lesser monthly output shall have been caused by factors beyond the control of the Company which factors without prejudice to the generality of the term may include mechanical breakdown of equipment, unavailability of labour or the intervention of authorized holidays and provided further that if the Treasurer so accepts some lesser monthly output the monthly output for the month to which such acceptance relates for the purpose of calculating the subsidy to be paid pursuant to this agreement for that month shall be deemed to be 5,400 long ton units or such lesser amount being not less than the amount actually produced as the Treasurer determines and the Company further agrees that during the subsidy period it will not close down the said mine and will use its best endeavours to continue normal operations of its said mine at Grassy aforesaid after 31 May 1964 and if it can reasonably expect to continue operations without incurring loss it will so continue its operations.
2. (b) The Treasurer will pay in Australian currency monthly to the Company one month in arrear by way of subsidy during the subsidy period a sum to be calculated at a unit rate (herein called "the subsidy rate") of  $.93 \times (124.3 \text{ minus L.M.B.P.})$  shillings Australian on the quantity of tungstic oxide measured in long ton units produced by the Company during the subsidy period PROVIDED THAT the subsidy shall be £13,775. per month whenever L.M.B.P. is 72.7 shillings per unit or less calculated as herein provided and the monthly output is or pursuant to paragraph (a) hereof is deemed to be 5,400 long ton units for that month PROVIDED FURTHER that if such monthly output is either more or less than 5,400 long ton units the subsidy for that month shall be proportionately adjusted AND PROVIDED that whenever the L.M.B.P. is 72.7 shillings per unit or less calculated as herein provided and the monthly output exceeds 6,200 long ton units no subsidy shall be payable in respect of any output in excess of 6,200 long ton units.

3. The maximum sum the Treasurer shall be liable to pay by way of subsidy under this Agreement during the subsidy period is £124,000.
4. A certificate of the quantity of tungstic oxide produced in any month during the subsidy period by the Company signed by the Mill Superintendent and counter-signed by the General Manager of the Company shall be sufficient evidence to support a claim by the Company for the payment of subsidy by the Treasurer in accordance with this agreement. The Company if called upon by the Treasurer for the purpose of verifying production will make available to the Treasurer the production records of the Company for any month during the subsidy period or whilst any money remains owing to the Treasurer under this Agreement.
5. Before any payment of subsidy is made by the Treasurer to the Company the amount thereof will be certified to the Treasurer by the Director of Mines who will satisfy himself that the amount claimed by the Company is properly payable and no payment shall be payable to the Company until the Director of Mines has certified that it is a proper payment in accordance with this Agreement.
6. If the Company fails to continue or ceases normal operations at its mine at Grassy aforesaid during the subsidy period the Company will repay to the Treasurer forthwith all monies paid to it by the Treasurer as subsidy pursuant to this Agreement and not then repaid to the Treasurer.
7. Subject to Clause 6 hereof the Company will repay to the Treasurer all monies paid by the Treasurer to the Company as subsidy pursuant to this agreement in the following events and in the following manner:

If in any month after 31 May 1964 L.M.B.P. should exceed one hundred and thirty shillings and sixpence sterling the Company will repay in Australian currency a sum to be calculated at a unit rate (herein called "the repayment rate") of .47 x (L.M.B.P. minus 130.5) shillings Australian on the quantity of tungstic oxide measured in long ton units produced by the Company during that month. Each repayment shall be made within one month of the end of the month upon production in which the repayment is calculated.

8. The Treasurer shall be under no obligation to make any payments of subsidy to the Company after 31 May 1964 and the Company shall cease to be liable to make any repayments to the Treasurer on and after 30 June 1972.
9. Any dispute or difference arising out of this Agreement shall be referred to Arbitration pursuant to the provisions of the Arbitration Act 1892 of Tasmania or any Statutory modification or re-enactment thereof for the time being in force.
10. This agreement shall be construed and take effect as an Agreement made in Tasmania and in accordance with the laws of that State and the Company hereby submits to the jurisdiction of the Courts of Tasmania and hereby appoints IAN DOUGLAS CAMERON to be the agent in Tasmania of the Company for the purpose of accepting service on behalf of the Company of any Writ, Notice, Order, Judgment or other legal process or document in respect of any matter arising out of this Agreement and such appointment shall not be revocable and service of any such documents on such appointee shall be deemed to be good service on the Company for all purposes.
11. This Agreement is expressly made subject to the appropriation by the Parliament of Tasmania of the necessary moneys to enable the Treasurer to perform his part of this Agreement which appropriation shall be of the essence of this Agreement and a condition precedent to the liability of the Minister to pay moneys which would otherwise be payable under this Agreement and if such monies are not appropriated by Parliament within six months of the date hereof this Agreement shall be of no effect and the parties shall be released therefrom.

12. The Company will not be liable to make any repayment under Clause 7 of this Agreement until it has completely ceased to be liable to repay to the Treasurer any moneys advanced by the Treasurer to the Company pursuant to the Agreement dated 14 March 1963 and made between the Treasurer and the Company which agreement is set forth in the Schedule to the King Island Scheelite Agreement Act 1963.

IN WITNESS whereof the parties hereto have hereunto set their hands and seals the day and year first above written.

SIGNED SEALED and DELIVERED by the HONOURABLE ERIC ELLIOTT REECE in the presence of:

K. J. BINNS.

ERIC REECE (L.S.)

THE COMMON SEAL of KING ISLAND SCHEELITE (1947) LIMITED was hereunto affixed in the presence of:

(L.S.)

C. WALLACE SMITH, Director.  
IAN D. CAMERON, Director.  
H. C. BOYD, Secretary.

## THE SECOND SCHEDULE.

(Section 2.)

THIS AGREEMENT is made the 24th day of October One thousand Nine hundred and Sixty three BETWEEN THE HONOURABLE ERIC ELLIOTT REECE being and as the Treasurer for the time being for the State of Tasmania (hereinafter called "the Treasurer" which expression shall include his successors in office) of the one part and KING ISLAND SCHEELITE (1947) LIMITED a company incorporated in the State of Victoria and having its registered office at 100 Collins Street Melbourne in that State and carrying on business at Grassy, King Island in the State of Tasmania (hereinafter called "the Company") of the other part is SUPPLEMENTAL to the Agreement (hereinafter called "the Principal Agreement") made between the Treasurer and the Company on the Twenty ninth day of August One thousand Nine hundred and Sixty three WHEREAS the Company has since the date of the Principal Agreement agreed with the Treasurer that if the Company fails to continue or ceases normal operations at its mine at Grassy aforesaid during the period First day of October One thousand Nine hundred and Sixty four to the Thirty first day of March One thousand Nine hundred and Sixty seven the Company will repay to the Treasurer a percentage of the subsidy paid by the Treasurer to the Company under the Principal Agreement and then remaining unrepaid which percentage shall vary as herein provided AND WHEREAS the parties hereto desire to express the consequent variations of the Principal Agreement in this Supplemental Agreement

NOW IT IS HEREBY AGREED AS FOLLOWS:—

1. Notwithstanding the provisions of the Principal Agreement and particularly Clauses 7 and 12 thereof, if the Company fails to continue or ceases normal operations at its mine at Grassy aforesaid during any four consecutive months during the period First day of October One thousand Nine hundred and Sixty four to the Thirty first day of March One thousand Nine hundred and Sixty seven inclusive the Company shall repay forthwith to the Treasurer the percentage of the amount of the subsidy paid by the Treasurer to the Company and then unrepaid by the Company to the Treasurer under the Principal Agreement in accordance with the following table:—

<i>If obligation to repay arises during the period commencing</i>	<i>and ending</i>	<i>Percentage of subsidy remaining unpaid and to be repaid.</i>
October 1st. 1964.	March 31st. 1965.	50.
April 1st. 1965.	Sept. 30th. 1965.	40.
October 1st. 1965.	March 31st. 1966.	30.
April 1st. 1966.	Sept. 30th. 1966.	20.
October 1st. 1966.	March 31st. 1967.	10.
Thereafter.	—	Nil.

PROVIDED THAT in determining the aforesaid percentage the obligation of the Company to repay shall be deemed to have arisen on the first day of the first month of the four consecutive months in which the Company fails to continue or ceases normal operations as aforesaid.

- The Company shall be deemed to have failed to continue or to have ceased normal operations for the purpose of this Agreement if for any four consecutive months during the said period First day of October One thousand Nine hundred and Sixty four to the Thirty first day of March One thousand Nine hundred and Sixty seven inclusive the output from its mine at Grassy aforesaid is less than 5,400 long ton units but if such failure or cessation is caused by force majeure in any one or more months such month or months shall be regarded for the purpose of constituting a breach of this Agreement as if it or they had not been PROVIDED that the Treasurer at the request of the Company in his absolute discretion may agree to accept in lieu of the said quantity of 5,400 long ton units in any one or more months during the said period a lesser monthly output and if the Treasurer does so accept any such lesser monthly output for any such month then the Company shall be deemed not to have failed to continue and not to have ceased normal operations in that particular month.
- Subject only to the variations herein contained and such other alterations (if any) as may be necessary to make the Principal Agreement consistent with this Agreement the Principal Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the terms of this Agreement were inserted therein by way of addition or substitution as the case may be.
- The Company shall monthly from the First day of June One thousand Nine hundred and Sixty four until the Thirty first day of March One thousand Nine hundred and Sixty seven forward to the Director of Mines a certificate of the quantity of tungstic oxide produced in each such month by the Company and such certificate shall be signed by the Mill Superintendent and countersigned by the General Manager of the Company. The Company if called upon by the Treasurer for the purpose of verifying production will make available to the Treasurer the production records of the Company for any month during the said period or whilst any money remains owing to the Treasurer under this Agreement.

IN WITNESS whereof the Parties hereto have hereunto set their hands and seals the day and year first above written.

SIGNED SEALED and DELIVERED }  
 by the HONOURABLE }  
 ERIC ELLIOTT REECE in the }  
 presence of: }  
 L. BELLIS }

ERIC REECE (L.S.)

THE COMMON SEAL of KING }  
 ISLAND SCHEELITE (1947) }  
 LIMITED was hereunto affixed in }  
 the presence of: }

(L.S.)

W. C. GREAVES Director.  
 N. E. NILSEN Director.  
 H. C. BOYD Secretary.