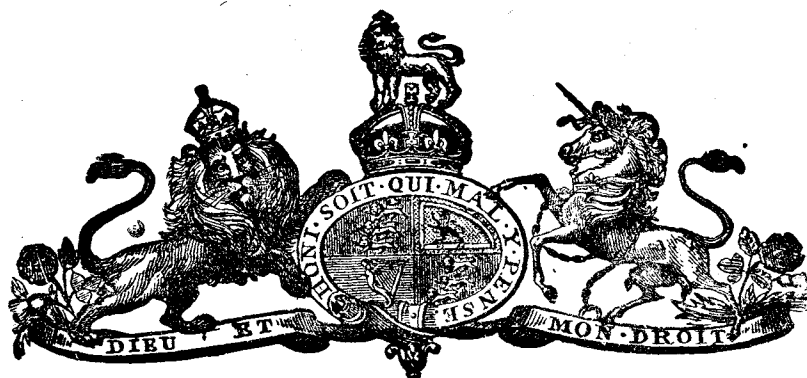


T A S M A N I A.



1921.

ANNO DUODECIMO

GEORGII V. REGIS.

No 43.

ANALYSIS.

1. Short title.
2. Interpretation.
3. Ratification of Main Agreement.
4. Indemnity to Minister in respect of advances made to the Company previously to the date of the Main Agreement.
5. Validation of capitalisation of Company's debt for electric energy supplied.
6. Minister deemed to have had necessary authority.
7. Minister may do all necessary acts to give effect to Main Agreement.
8. Minister empowered to advance further £30,000.
9. Suspense account to be opened in Treasury.
10. Regulations.

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AN ACT to validate a certain Agreement entered into by the Minister for Works on behalf of the State with the Hydro-Electric Power and Metallurgical Company Limited, and to indemnify the Minister in respect to the Payment of certain Moneys heretofore advanced to the aforesaid Company, and for other purposes. [30 January, 1922.]

A.D.  
1921.

**W**HEREAS by an Agreement, bearing date the Twenty-seventh day of August One thousand nine hundred and fifteen, and made between the Minister of the One part, and the Company of the other part, the Minister agreed to supply, and the Company agreed to take, electric energy, for the purposes, and at the price, and upon the terms and conditions therein mentioned ;

PREAMBLE.

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*Hydro-Electric Company's Loan.*

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A.D. 1921.  
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And whereas on the Twenty-sixth day of September, One thousand nine hundred and Twenty-one, the Company was indebted to His Majesty in the sum of Twelve thousand eight hundred and thirty-eight Pounds Seven Shillings for electric energy supplied by the Minister to the Company pursuant to the above recited Agreement :

And whereas previously to the said Twenty-sixth day of September, One thousand nine hundred and twenty-one, certain sums of money were advanced and lent to the Company by, or on behalf of, His Majesty for the purpose of assisting the Company to carry on its operations in connection with the manufacture of carbide at Electrona and for other purposes incidental thereto :

And whereas the Company, previously to the last-mentioned date, made certain repayments on account of such advances as aforesaid :

And whereas on the said Twenty-sixth day of September, One thousand nine hundred and twenty-one, the Company was indebted to His said Majesty in the sum of Fifty thousand eight hundred and seventy-eight Pounds Thirteen Shillings and Eleven Pence, in respect of the moneys so advanced to the Company as aforesaid, and for interest thereon up to the said date :

And whereas by the Main Agreement, bearing date the last-mentioned day, it was agreed between the Minister and the Company that the Minister would advance to the Company the further sum of Thirty thousand Pounds for the purposes and upon the terms and conditions therein set out, and that the said sums of Fifty thousand eight hundred and seventy-eight Pounds Thirteen Shillings and Eleven Pence, and Twelve thousand eight hundred and thirty-eight Pounds Seven Shillings, together with the sum of Seven thousand five hundred Pounds (portion of the said sum of Thirty thousand Pounds), making in all the sum of Seventy-one thousand two hundred and seventeen Pounds and Eleven Pence, should be deemed to have been advanced and lent by the Minister to the Company under the Main Agreement as from the date thereof :

And whereas the terms and conditions upon which the said sums of Fifty thousand eight hundred and seventy-eight Pounds Thirteen Shillings and Eleven Pence, Twelve thousand eight hundred and thirty-eight Pounds Seven Shillings, and Thirty thousand Pounds, should be repaid to the Minister were set out in the Main Agreement and the security to be given by the Company to the Minister for repayment of the said sums and interest was also set out therein, and certain covenants and agreements were thereby entered into between the parties thereto, and it was thereby agreed (*inter alia*) that the Company should enter into a new Power Agreement with the Minister in lieu of, and substitution for, the First Power Agreement :

And whereas the new Power Agreement (a copy whereof was annexed to the Main Agreement) was duly executed by the parties thereto contemporaneously with the execution of the Main Agreement :

And whereas since the date of the Main Agreement the Company has duly performed all the covenants and agreements contained therein, which on its part were to have been performed and observed, up to the time of the commencement of this Act :

*Hydro-Electric Company's Loan.*

And whereas since the date of the Main Agreement certain sums of money, in addition to the sum of Seven thousand five hundred Pounds hereinbefore mentioned, have been advanced thereunder by the Minister to the Company out of the said sum of Thirty thousand Pounds : A.D. 1921.

And whereas it is desirable to ratify and confirm the Main Agreement and to indemnify the Minister in respect of the payment of the said several sums advanced to the company previously to the date of the Main Agreement, and in respect of such portion or portions of the aforesaid sum of Thirty thousand Pounds as have been advanced by him to the Company under the provisions of the Main Agreement, and before the commencement of this Act, and also to provide for the carrying out of the Main Agreement :

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 :—

**1** This Act may be cited as "The Hydro-Electric Company's Loan Act, 1921." Short title.

**2** In this Act—

"The Company" means the Hydro-Electric Power and Metallurgical Company Limited : Interpretation.

"The Minister" means the Minister for Works for the time being of Tasmania :

"The Main Agreement" means the agreement, a copy of which (with the omission of the lists of creditors of the Company contained in the Schedules thereto) is set out in Schedule (1) to this Act :

"The First Power Agreement" means the agreement dated the Twenty-seventh day of August, One thousand nine hundred and fifteen, referred to in the preamble to this Act :

"The New Power Agreement" means the agreement, a copy of which is set out in Schedule (2) to this Act.

**3** The Main Agreement is hereby ratified, confirmed, and approved. Ratification of Main Agreement.

**4** The moneys advanced, previously to the date of the Main Agreement, by or on behalf of His Majesty to the Company as aforesaid, by way of loan for the purpose of assisting the Company to carry on its operations in connection with the manufacture of carbide, and for purposes incidental thereto, the unpaid balance of which, together with interest thereon up to the date of the Main Agreement, amounted to Fifty thousand eight hundred and seventy-eight Pounds Thirteen Shillings and Eleven Pence, shall be deemed to have been advanced and lent by the Minister to the Company under the authority of this Act and under the terms and conditions in all respects specified in the Main Agreement. Indemnity to Minister in respect of advances made to the Company previously to the date of the Main Agreement.

**5** It shall be deemed to have been lawful for the Minister on behalf of the State to have treated as an advance to the Company by way of loan, as from the date of the Main Agreement, the before-mentioned sum of Twelve thousand eight hundred and thirty-eight Pounds Seven Validation of capitalisation of Company's debt for electric energy supplied.

*Hydro-Electric Company's Loan.*

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Shillings, being the amount in which the Company was indebted to His Majesty for electric energy supplied by the Minister to the Company as aforesaid.

Minister deemed to have had necessary authority.

**6** The Minister shall be deemed and taken to have had, at the date upon which the Main Agreement was entered into, full and complete power and authority to enter into and execute the same, and at all times to have had, and to have, full and complete power and authority to carry out and enforce the provisions thereof.

Minister may do all necessary acts to give effect to Main Agreement.

**7** The Minister is hereby empowered on behalf of the State to enter into, execute, and do all acts, matters, and things, which he may from time to time deem necessary or expedient for the purpose of giving effect to the objects for the attainment of which the Main Agreement was entered into and executed by him.

Minister empowered to advance further £30,000.

**8** The Minister shall be deemed to have been empowered as from the date of the Main Agreement, and shall hereafter be empowered from time to time to advance to the Company by way of loan, and subject to the terms of the Main Agreement, such further sums of money as shall, including the aforesaid sum of Seven thousand five hundred Pounds, amount in the whole to the sum of Thirty thousand Pounds.

Suspense account to be opened in Treasury.

**9**—(1) A 'suspense account shall be opened in the books of the Treasury, to be called "The Hydro-Electric Power and Metallurgical Company Limited Suspense Account."

(2) The suspense account shall be debited with—

i. The sum of Seventy-one thousand two hundred and seventeen Pounds and Eleven Pence, being the amount deemed to have been advanced and lent as aforesaid by the Minister to the Company as from the date of the Main Agreement: and

ii. All advances made, or to be hereafter made, by the Minister to the Company, subsequently to the date and pursuant to the provisions of the Main Agreement, save and except the sum of Seven thousand five hundred Pounds, deemed to have been advanced as from the date of the Main Agreement and included in the sum of Seventy-one thousand two hundred and seventeen Pounds and Eleven Pence above mentioned.

(3) All repayments by the Company of principal in respect of such advances as aforesaid shall be credited to the suspense account.

(4) All interest paid by the Company in respect of such advances shall be paid into and form part of the Consolidated Revenue.

(5) The amount of any loss or deficiency, which may arise in respect of such advances, shall be made good and credited to the said suspense account out of moneys to be provided by Parliament for that purpose.

Regulations.

**10** The Governor may make all such regulations as he deems necessary or desirable for the effectual carrying out of the objects and intentions of this Act.

*Hydro-Electric Company's Loan.***SCHEDULES.**

A.D. 1921.

(.)

**THE MAIN AGREEMENT.**

AGREEMENT made the twenty-sixth day of September One thousand nine hundred and twenty-one between the Honourable JOHN BLYTH HAYES being and as the Minister for Works for Tasmania (hereinafter called "the Minister" which expression shall refer to the Minister for Works for Tasmania or other Minister for the time being administering the State Hydro-Electric Department) of the one part and THE HYDRO-ELECTRIC POWER AND METALLURGICAL COMPANY LIMITED (hereinafter called "the Company" which expression shall include its successors and assigns) of the other part. WHEREAS by an Agreement bearing date the twenty-seventh day of August One thousand nine hundred and fifteen and made between the parties hereto the Minister agreed to supply and the Company to take electric energy for the purposes and upon the terms and conditions therein mentioned (hereinafter called "the First Power Agreement"): AND WHEREAS the Company is indebted to Our Sovereign Lord the King (hereinafter called "His said Majesty") in the sum of Fifty thousand eight hundred and seventy-eight Pounds Thirteen Shillings and Elevenpence being the balance accrued due and unpaid by the Company to the Minister of moneys advanced and lent or deemed to be advanced and lent to the Company by the Minister pursuant to an Agreement made between the parties hereto on the sixteenth day of September One thousand nine hundred and twenty and of other moneys thereafter advanced and lent by the Minister to the Company together with interest upon such moneys at the rate of Six Pounds per centum per annum computed to the twenty-sixth day of September One thousand nine hundred and twenty-one: AND WHEREAS the Company is further indebted to His said Majesty in the sum of Twelve thousand eight hundred and thirty-eight Pounds Seven Shillings for electric energy supplied by the Minister to the Company pursuant to the First Power Agreement which said several recited sums in the whole amount to the sum of Sixty-three thousand seven hundred and seventeen Pounds and Elevenpence: AND WHEREAS the Company is indebted to the Commercial Bank of Australia Limited (hereinafter called "the Bank") in the sum of Eleven thousand five hundred and eighty-four Pounds Eighteen Shillings and Threepence: AND WHEREAS the Company is indebted to the creditors named in the Schedules (A) and (B) hereto in the sums set opposite to their respective names therein amounting in the whole to

Pounds:

AND WHEREAS the Company hath applied to the Minister to determine the hereinbefore recited Agreement bearing date the sixteenth day of September One thousand nine hundred and twenty and to enter into this Agreement in substitution for the same and to afford to the Company such further financial assistance as is hereinafter provided in that behalf which the Minister hath agreed to do in consideration that the parties hereto shall forthwith determine the First Power Agreement and that the Company shall enter into and execute a new Power Agreement with the Minister contemporaneously herewith which the Company hath agreed to do: NOW THIS AGREEMENT WITNESSETH and it is hereby covenanted and agreed between the parties hereto as follows:—

1. That the hereinbefore recited Agreement bearing date the sixteenth day of September One thousand nine hundred and twenty shall be and the same is hereby declared to be abrogated and null and void in all respects as from the date of these presents and that these presents have been entered into by the parties hereto in substitution therefor.

2. That the parties hereto shall enter into a new Power Agreement in lieu of and in substitution for the First Power Agreement and the Company as and when required so to do will duly execute the said new Power Agreement copy whereof is hereunto annexed marked "C."

3. That the Company will forthwith and to the satisfaction of the Minister enter into an Agreement with the creditors of the Company whose names and amounts of whose accounts against the Company are set out in the Schedules (A)

*Hydro-Electric Company's Loan.*

A.D. 1921.

and (B) hereto whereby such creditors will respectively agree to take no proceedings against the Company to compel payment by the Company of their respective accounts for a period of two years from the date of the lastmentioned Agreement subject to the terms thereof and to Clause 8 hereof and whereby as from the date of these presents the Company will agree to pay simple interest at the rate of Seven Pounds per centum per annum at the times and in the manner in the said clause provided upon the amounts of the indebtedness of the Company to the respective creditors mentioned in the Schedules hereto or upon so much thereof respectively as from time to time shall be due and unpaid.

4. That the Company shall reduce its indebtedness as aforesaid to the Bank by paying to the Bank all the moneys standing at credit with the Bank in the name of the receiver appointed by the Bank and all the moneys standing at credit with the Bank in the name of the Company.

5. The Company shall thereupon open and maintain at the Bank a new working account in the name of the Company and the Minister will advance and lend to the Company and make the same available in such working account in sums as and when the same shall be required a sum not exceeding in the whole Thirty thousand Pounds from which said sum the balance of the indebtedness of the Company to the Bank as aforesaid including the costs and expenses of the Bank of and incidental to the getting in and satisfaction of the said indebtedness of the Company thereto shall forthwith be paid and satisfied by direction of the Minister: Provided that the sum of Seven thousand five hundred Pounds portion of the sum paid to satisfy the balance of the Company's indebtedness to the Bank as aforesaid shall for the purposes of repayment thereof be included in the total sum mentioned in Clause 6 hereof.

6. That the said sums of Fifty thousand eight hundred and seventy-eight Pounds Thirteen Shillings and Elevenpence and Twelve thousand eight hundred and thirty-eight Pounds Seven Shillings and Seven thousand five hundred Pounds making in the whole the sum of Seventy-one thousand two hundred and seventeen Pounds and Elevenpence shall be deemed to be advanced and lent by the Minister to the Company hereunder as from the twenty-sixth day of September One thousand nine hundred and twenty-one upon the terms and conditions in all respects of these presents applicable thereto as from the date hereof and repayable with interest thereon as hereinafter provided.

7. That in the meantime and pending the execution of these presents the Minister will advance and lend to the Company the sum of Three thousand five hundred Pounds to be used and expended by the Company as may be necessary for the purpose of immediately restarting the operations and business of the Company at its works at Electrona in Tasmania such sum to be advanced and lent or deemed so to be from the said working account.

8. That all moneys now due or hereafter to become due to the Company shall be paid into the said working account and all moneys in such working account shall be appropriated and expended by the Company for the purposes in this clause hereinafter mentioned and in the following order of precedence that is to say:—

1. In payment of any wages and salaries in arrear and unpaid for work and labour done or services rendered in Tasmania for the Company in connection with the Company's works at Electrona aforesaid at the date of restarting the operations and business of the Company as aforesaid and also in paying a sum of Three hundred Pounds on account of arrears of salary of J. Ditchburn Secretary of the Company at Melbourne And also all the costs of the Company's solicitors at Hobart and Melbourne respectively of the negotiations with the Company and the Government of Tasmania and of and incidental to the preparation and completion of these presents and of the Agreement between the Company and its creditors and of the mortgages and debentures to be given by the Company to the Government of Tasmania and to the creditors of the Company respectively and the costs of Messieurs A. B. and C. Crisp Gill and Harvey solicitors for the creditors at Hobart of and incidental to the preparation of the said Agreement with the Company's creditors and all negotiations in con-

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nection therewith and the costs of and incidental to the preparation and completion (including stamp duty and fees payable thereon) of the mortgage (or mortgages) and debenture or debentures agreed to be given by the Company to the nominee of the said creditors as provided in the said Agreement with the Company's creditors. A.D. 1921

- ii. In payment of all rates and taxes in arrear at the date of these presents and thereafter all rates taxes and insurance premiums payable by the Company in Tasmania as and when the same shall fall due and demand therefor shall be made.
  - iii. In payment of as from the date of these presents all current working and management expenses of the Company in Tasmania as and when the same shall fall due and be payable.
  - iv. In payment of as and when demanded and whether demanded or not the Company's indebtedness to the State Hydro-Electric Department from time to time for electric energy supplied to the Company pursuant to the new Power Agreement as from the date of such Agreement.
  - v. In payment of interest upon the said sum of Seventy-one thousand two hundred and seventeen Pounds and Elevenpence or upon so much of such sum as shall from time to time be due and unpaid to the Minister at the rate of Seven Pounds per centum per annum such interest to commence to run as from the date of these presents and to be paid quarterly on the first days of January April July and October in every year.
  - vi. In payment of at the option of the Directors of the Company the debts of any creditors of the Company mentioned in the Schedule hereto to whom the Company is indebted in any sum not more than One hundred Pounds.
  - vii. In payment of at the option of the said Directors a sum at the rate of not exceeding One thousand Pounds per annum for the purpose of defraying the proper expenses of and incidental to the maintenance of the Company's offices in Melbourne and London.
  - viii. In payment of the indebtedness of the Company to the respective creditors mentioned in Schedule (A) hereof together with simple interest as from the date of these presents at the rate of Seven Pounds per centum per annum upon the amounts from time to time unpaid of such respective debts.
  - ix. In payment of any moneys advanced and lent or made available to the Company by the Minister under Clauses 5 and 7 of these presents (other than the Seven thousand five hundred Pounds portion thereof included in the moneys mentioned in Clause 6 hereof) together with interest at the rate of Seven Pounds per centum per annum upon the daily balance of such moneys due by the Company to the Minister and *pari passu* with the payment of such lastmentioned moneys and interest in payment of the indebtedness of the Company to the respective creditors mentioned in Schedule (B) hereof together with simple interest as from the date of these presents at the rate of Seven Pounds per centum per annum upon the amounts from time to time unpaid of such lastmentioned respective debts.
- Provided always that the payments mentioned in Subclauses viii. and ix. of this clause shall be made *pro rata* in the order named from the cash profits of the Company every succeeding half-year as from the date of these presents after the Company has made such provisions as the Board of Directors of the Company may deem reasonably necessary for the carrying on of future manufacturing operations at Electrona aforesaid.
- x. Any capital expenditure sanctioned by the Board of Directors of the Company and approved by the Minister.
9. When the payments required to be made by the Company under the sub-clauses of Clause 8 hereof have been fully made and the liabilities of the Company

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respectively specified in such subclauses have been fully satisfied the Company shall from its cash profits (if any) repay the sum of Seventy-one thousand two hundred and seventeen Pounds and Elevenpence to the Minister at the rate of Ten Pounds per centum annually on the twenty-sixth day of September in every year the first of such payments to be made not later than within twelve months from the date when the Company shall have fully complied with the obligations of Clause 8 as aforesaid and if in any year such cash profits are insufficient for the purposes of this clause the Company shall make good such deficiency in any succeeding year if sufficient cash profits are available therefor

10. That so long as any moneys advanced and lent hereunder to the Company shall be unpaid the Board of Directors of the Company inclusive of the Managing Director shall be not less than eight of whom six inclusive of the Managing Director shall be resident in Tasmania and whose appointment shall be made by the Company with the approval of the Government of the State of Tasmania (except as to one of such directors who shall be nominated directly by the said Government and who is hereinafter referred to as "the Government representative") and two directors shall be resident in the State of Victoria and shall be appointed by the Company without the approval of the said Government being required to their appointment and the Company shall in the event of any vacancy or vacancies occurring from time to time in such Board within one month from the date thereof fill up such vacancy or vacancies pursuant to this clause.

11. That the Company shall forthwith duly amend its articles of association to enable the Company to comply with and fully satisfy the requirements of the immediately preceding clause.

12. That neither James Hynds Gillies the Managing Director of the Company nor the Government representative shall be Chairman of the Board of Directors of the Company so long as any money advanced and lent hereunder shall remain unpaid to the Minister.

13. That subject to the articles of association of the Company James Hynds Gillies shall continue as Managing Director of the Company subject to the direction authority and control of the Board of Directors.

14. That the Company shall pay to the Government representative during the continuance of these presents and so long as any moneys advanced and lent hereunder shall remain unpaid a salary inclusive of directors' fees of not less than Three hundred Pounds per annum payable monthly.

15. That the Company will contemporaneously with the execution of these presents execute to the Minister a first mortgage over the whole of the real property and the fixtures thereupon of the Company in Tasmania such mortgage to be for a term of five years from the date thereof to secure the repayment to the Minister of the moneys advanced and lent or deemed to be advanced and lent as mentioned in Clause 6 hereof and moneys from time to time to be advanced and lent or made available to the Company under Clause 5 hereof with interest thereon or upon so much thereof as from time to time shall be unpaid to the Minister at the rate of Seven Pounds per centum per annum and also for the same purpose will give and execute to the Minister a mortgage debenture by way of floating charge over the assets of the Company present and future including its uncalled capital.

16. In addition to the stipulations and provisions hereinbefore contained for the repayment by the Company to the Minister of the whole of the moneys mentioned in Clause 15 hereof with interest thereon as aforesaid and without limiting the liability or obligation of the Company to comply with such stipulations and provisions it is hereby expressly agreed and declared that such moneys with interest as aforesaid or so much thereof as shall then be unpaid to the Minister shall be due and payable to the Minister and recoverable pursuant to the provisions of an indenture of mortgage and mortgage debenture of even date herewith to be executed by the Company as hereinbefore provided or in any of the events following that is to say:—

1. If the Company shall for one month fail or neglect to pay interest as herein provided upon the said sum of Seventy-one thousand two hundred and seventeen Pounds and Elevenpence.



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- II. If the Company shall for one month fail or neglect to observe and perform the covenants conditions and stipulations or any of them of these presents and on the part of the Company to be observed and performed. A.D. 1921.
- III. If the Company shall fail or neglect for one month to observe and perform the covenants conditions and stipulations or any of them of the new Power Agreement and on the part of the Company to be observed and performed.
- IV. If an order shall be made or an effective resolution passed for the winding-up of the Company.
- v. If a receiver of the Company's undertaking or any part thereof shall be appointed and such appointment shall in the opinion of the Minister be prejudicial to the security stipulated herein to be given by the Company to the Minister.
- VI. If a distress or execution be levied or enforced upon or against any of the property or chattels of the Company which shall not be satisfied within one month from the date of such levying or enforcement.

17. The Company may repay all moneys due to the Minister at any time during the currency of the said term of five years with interest upon such moneys up to the time of such payment but this clause shall not be taken to limit or affect the obligation of the Company to otherwise comply with the terms and conditions of this Agreement as herein set forth and upon such payment the Minister shall cease to exercise any powers of control of the Company's affairs hereunder.

18. All moneys from time to time payable by the Company under this Agreement and obligations on the part of the Company to perform and observe the provisions of this Agreement and any liability incurred by the Company by reason of any breach on the part of the Company of any of the provisions of this Agreement shall be deemed to be and to create a debt duty or damage to His Majesty the King and may be enforced and recovered in the mode prescribed by "The Crown Remedies Act 1891" of Tasmania or any statutory amendments thereof, or substitution for the time being in force.

19. If at any time during the continuance of this Agreement or after the determination thereof any dispute difference or question shall arise between the Minister and the Company as to the construction meaning or effect of this Agreement or anything herein contained or the rights or liabilities of the Minister or the Company under this Agreement or otherwise in relation to the premises then and in any such case such dispute difference or question shall be determined by arbitration in the manner prescribed by "The Arbitration Act 1892" or by any statutory modification or re-enactment thereof for the time being in force.

In witness whereof the Minister has hereunto set his hand and seal and the Company has caused its common seal to be hereunto affixed the day and year first hereinbefore written.

Signed sealed and delivered by the Honourable  
JOHN BLYTH HAYES in the presence of—

The common seal of THE HYDRO-ELECTRIC POWER  
AND METALLURGICAL COMPANY LIMITED was  
hereunto affixed by order of the Directors in  
the presence of—

(Seal.)

FRANCIS J. DAVIES, }  
E. TREVOR-GOULD, } Directors.

JOHN DITCHBURN, Secretary.

*Hydro-Electric Company's Loan.*

A.D. 1921.

(2)

## THE NEW POWER AGREEMENT.

AGREEMENT BETWEEN THE HONOURABLE JOHN BLYTH HAYES, MINISTER FOR WORKS, AND THE HYDRO-ELECTRIC POWER AND METALLURGICAL COMPANY LIMITED.

AGREEMENT made this twenty-sixth day of September One thousand nine hundred and twenty-one between the Honourable JOHN BLYTH HAYES Minister for Works for Tasmania (hereinafter referred to as "the Minister" which expression shall refer to the Minister for Works or other Minister administering for the time being the State Hydro-Electric Department) of the one part and THE HYDRO-ELECTRIC POWER AND METALLURGICAL COMPANY LIMITED a Company whose registered office is at 17 Queen-street Melbourne in the State of Victoria (hereinafter referred to as "the Company" which expression shall include its successors and assigns) of the other part. WHEREAS by an Agreement (hereinafter called "the said Agreement") bearing date the twenty-seventh day of August One thousand nine hundred and fifteen and made between the Minister of the one part and the Company of the other part the Minister agreed to supply and the Company to take electric energy for the purposes and upon the terms and conditions in the said Agreement mentioned: AND WHEREAS the Company has agreed with the Minister that the present registered name of the Company shall be abandoned and the Company shall be styled by a different name to be adopted and registered as the registered name of the Company as herein provided: AND WHEREAS the Company has erected at a site near to North-West Bay in Tasmania certain works and proposes to erect further works at the said site (hereinafter referred to as "Electrona"): AND WHEREAS difficulties have arisen in carrying out in full the provisions of the said Agreement in the manner therein mentioned and the parties hereto have agreed to determine the said Agreement in manner hereinafter appearing and to make and enter into this Agreement in substitution for the said Agreement: NOW THIS AGREEMENT WITNESSETH and it is hereby covenanted and agreed by and between the parties hereto as follows:—

## 1. In this Agreement—

"Department" shall mean the State Hydro-Electric Works of the State of Tasmania.

"General Manager" shall mean the Chief Engineer and General Manager for the time being of the said Department.

"Month" shall mean calendar month.

2. This Agreement as from the date thereof is made and entered into in substitution for the said Agreement of the Twenty-seventh day of August One thousand nine hundred and fifteen and the said Agreement of the Twenty-seventh day of August One thousand nine hundred and fifteen shall as and from the date hereof be determined and the same is hereby determined accordingly save and except as to all acts matters and things done or performed thereunder and in pursuance thereof by either party thereto up to the date of determination thereof as aforesaid and save and except as to liabilities accrued due and payable thereunder by the Company to the Minister up to the date of such determination and the right of the Minister to enforce and recover such payment.

3. The term of this Agreement shall be Seventeen years from the First day of January One thousand nine hundred and twenty-one (hereinafter called "the contract period") with the firm right to the Company to an extension thereof for a further period of Twenty years provided that such right shall be subject to the Company notifying the Minister in writing of its intention to exercise the said right Twelve months before the expiration of the contract period and on receipt of such notice by the Minister this Agreement and all the provisions herein contained other than this present clause for renewal shall be deemed to have been renewed for the further period of Twenty years as from the expiration of the firstmentioned contract period.

4. The Minister shall supply and the Company shall take at the secondary switchboard in the Stepdown Station the property of the Department situate

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near the Company's works at Electrona (hereinafter referred to as "the point of supply") for or in connection with the works and operations of the Company electrical energy as follows:— A.D. 1921.

- (a) For the period commencing from the date hereof and for the duration of this Agreement 3500 horsepower (hereinafter referred to as "the first block").
- (b) For the period commencing from the date of the first supply of each additional amount of power which shall be six months after receipt of notice in writing of the requirements of same from time to time by the Company and for the duration of this Agreement such other blocks of power up to a total of 1500 horsepower as shall be required from time to time by the Company (hereinafter referred to as "the second block").
- (c) For the period commencing from the date of the first supply of any portion thereof and for the duration of this Agreement up to but not exceeding 2500 horsepower (hereinafter referred to as "the third block").

Provided as follows:—

- (1) That the Company shall not except as hereinafter in Sub-clause (c)—(3) provided give notice of its requirement of the said third block or any part thereof for four years from the date hereof.
- (2) That the Company shall then give the Minister two years' notice of its requirement of the said third block.
- (3) That in the event of Parliament before the expiration of the said four years authorising the construction of a Hydro-Electric power plant in addition to that now being constructed at Waddamana which will add to the amount of electrical energy now in process of being made available at Hobart Launceston or Electrona then immediately thereon the General Manager shall notify the Company and the Company shall within six months from receipt of such notification give notice as aforesaid of its requirement of the said third block.
- (4) That if the Company shall not exercise its right to take the said third block at the time and in the manner in the last preceding sub-clause defined it shall thereafter be treated as to priority as an ordinary consumer.

5. The notices as to the requirement from time to time of power under this contract shall be given to the Minister not later than five years from the date hereof. On receipt of such notice and subject to the provisions of Clause 25 hereof the Minister shall forthwith proceed with all reasonable speed to extend and complete the Department's power plant or plants to such extent as will give and supply to the Company the said portions of the second and third blocks but it is hereby expressly agreed that any failure or delay on the part of the Minister in carrying out the terms and conditions of this Agreement so far as the same on his part are contracted to be performed shall not be considered a default on the part of the Minister in the fulfilment of his obligations hereunder or expose the Minister to the payment of damages if and in so far as such failure or delay shall arise by reason of inability which is not the fault of the Minister to obtain delivery of the plant or materials or from any unavoidable cause or by reason of any strike lock-out or combination of workmen or cessation or restriction of work by workmen of the Minister or of any other person firm or company where such inability cause strike lock-out or cessation or restriction of work has the effect of stopping restricting or delaying the supply of plant or materials to the Minister or the supply of electrical energy by the Minister to the Company under the terms hereof or otherwise impeding or delaying the Minister in the progress

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and completion of any work incidental to the subject-matter of this Agreement or from accidents or fires or from the state of the wind or the weather or from any cause whatever not within the control of the Minister or his employees.

6. The Company shall state when giving the notices mentioned in the immediately preceding clause the date on which it will be ready to receive delivery of the several portions of the second and third blocks and provided the Minister shall notify the Company that on this date he is ready to supply the said portions the Company shall pay for the said portion as from such date. The Company shall also forthwith take steps to place orders for the necessary machinery material and plant to enable it to take from the Minister the electrical energy hereby contracted to be taken and shall proceed with all reasonable despatch with the erection construction and completion of its works for the purposes aforesaid but it is hereby expressly agreed that any failure or delay on the part of the Company in carrying out the terms and conditions of this Agreement so far as the same on the Company's part are contracted to be performed shall not be considered a default on the part of the Company in the fulfilment of its obligations hereunder or expose the Company to the payment of damages if and in so far as such failure or delay shall arise by reason of inability which is not the fault of the Company to obtain delivery of plant or materials or by reason of any strike lock-out or combination of workmen or cessation or restriction of work by workmen whether the workmen of the Company or of any other person firm or company where such inability cause strike lock-out or cessation or restriction of work has the effect of stopping restricting or delaying the work or the supply of machinery plant or material to the Company or otherwise impeding or delaying the Company in the progress and completion of any work incidental to the subject-matter of this Agreement or from accidents or fires or from the state of the wind or weather or from any cause whatever not within the control of the Company or its employees.

7. The electrical energy contracted to be supplied by the Minister to the Company under this Agreement shall be used for the following purposes only:—

- (a) For the production of electrolytic zinc.
- (b) For the production of calcium carbide.
- (c) For any other electrolytic electro-chemical or electro-metallurgical industry or industries.

Provided that should the Company at any time hereafter establish any industry or industries for the production of the same product or products as are being produced by an industry already at such time existing in Tasmania for which the Minister has contracted to supply electrical energy at a price higher than the contract price hereunder notwithstanding anything herein contained the Company shall pay for the electrical energy consumed by the industry established by it at a price not lower or higher than that payable by such other consumer and provided further that the Company shall not use or allow to be used any of the electrical energy supplied under this Agreement for the domestic purposes of any of its officers workmen or servants nor for any purpose not directly connected with or required for construction and operation of its works hereinbefore in this clause defined. Provided always that the Company shall use at least the first block in the first instance for the manufacture of calcium carbide.

8. The Minister shall not at any time sell electrical energy to any company firm or person for the operation of any industry or industries producing the same product or products as that or those being produced by the Company in any industry or industries established or hereafter to be established in Tasmania by the Company using or which will use electrical energy under this Agreement at a price lower than that paid by the Company for electrical energy used in connection with such industry or industries unless he shall as from the date of the commencement of commercial operation of the said industry or industries and during the continuance of such operation reduce the price of such portion of the power contracted to be sold hereunder as is being used in such industry or industries to the same price as that at which electrical energy is being sold to the industry already existing and for which electrical energy is being sold by the Minister at less than the contract price hereunder provided that this provision shall not apply to any contracts already made by the Minister nor to the supply

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of electrical energy by the Minister to any Federal or State Government. The provisions of this clause shall apply *mutatis mutandis* to any company or companies *bonâ fide* promoted and established by the Company or contemplated in Clause 18 hereof. The price paid for the electrical energy used by such existing industries aforesaid shall mean the total return per horsepower per annum received by the Minister from such other consumer whether as a direct horsepower charge or whether included in a special percentage of profits or otherwise.

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9. The Company shall take from the Minister all the electrical energy it may require for all its purposes in Tasmania beyond the maximum of 7500 horsepower contracted to be supplied by the Minister hereunder provided that on application by the Company to the Minister for such further power from time to time the Minister notifies the Company that he is able and willing to supply such additional requirements within a reasonable time thereafter.

10. All power to be supplied under this contract shall be supplied at 6600 volts and shall be three-phase alternating current at a frequency of 50 cycles per second and shall be available continuously for twenty-four hours per day during every day of the contract period and any extension thereof.

The voltage beforementioned shall mean that voltage with a margin of 5 per centum either way.

11. The maintenance by the Department of the voltage aforesaid at approximately the agreed frequency at the point of supply shall constitute the supply of all power involved in this contract and the fulfilment of all operating obligations hereunder and when the voltage and frequency are so maintained as aforesaid the amount of power its fluctuations power factor distribution as to phases and all other electrical characteristics shall be deemed to be the sole responsibility of the Company.

12. The power contracted to be taken and/or consumed by the Company shall be checked or measured in the following manner:—

Three maximum demand indicators each suitable for indicating the average maximum amount of power consumed during each half-hour period throughout each quarter of each year of the contract period shall be installed in series at the point of supply. One shall be the property of be provided by and be maintained at the expense of the Minister. One shall be the property of be provided by and be maintained at the expense of the Company and one shall be the joint property and shall be provided and maintained at the joint expense of both the Minister and the Company. The number of horsepower shall be calculated from the mean of the readings of the three meters aforesaid. If the reading of each meter is within three per centum of the mean of the readings of the three meters each meter shall be considered correct for the purposes of the accounts. If however the reading of any meter shows a difference from the mean of the readings of the three meters of more than three per centum then the mean of the readings of the three will be taken for the time being but the accuracy coefficient of each of the meters will as soon as possible be redetermined by a test to be mutually arranged between the General Manager and the Company and each meter having a coefficient which shows an error of more than three per centum will be readjusted. The accounts in respect of the period during which the meters are found to be in error shall be corrected and adjusted in accordance with the result of the test. If at any time two meters only be in service because of the third being under test or repair the mean of the readings of the two meters will be accepted by both parties provided that such mean is within three per centum of the readings of both meters. If the mean of the readings is not within three per centum the procedure aforesaid shall be adopted with regard to the redetermination of the accuracy coefficients and the readjustment of the meters and the adjustment of the accounts will be made as aforesaid. For the purposes of the accounts the number of horsepower shall be calculated by dividing the mean of the readings arrived at as above from the readings of the maximum demand meters by 746 and the result shall be taken in conjunction with Clause 13 to ascertain the amount of payment due from the Company to the Minister.

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13. The price to be paid by the Company to the Minister for the electrical energy supplied to and taken by the Company shall be at the rate of £3 per horsepower per annum provided always that subject to Clauses 15 and 16 hereof the amount payable by the Company to the Minister as each of the said first second and third blocks respectively is made available shall not be less than—

- (1) For the first block the sum of £10,500 per annum.
- (2) For the first second and third blocks together an amount per annum to be arrived at by multiplying £3 by the number of horsepower the Minister is required to supply and the Company to take for the time being under Clause 4 hereof.

All payments shall be made quarterly in advance (subject nevertheless at the end of each quarter to any necessary adjustment in respect to future payments) on the First day of April the First day of July the First day of October and the First day of January in each year at the Office of the General Manager in Hobart.

14. In the event of the power factor of the Company's load whilst in normal operation as measured by standard instruments to be erected at the point of supply being less than ninety per centum the Company shall pay to the Minister an increased amount to be arrived at by dividing the contract amount by the power factor.

15. The General Manager shall notify the Company within a reasonable time beforehand when it is necessary as hereinafter stated to bring about a stoppage of the supply of power and also the time when he anticipates the supply will be resumed. There shall not however at any time be an arbitrary stoppage of power and any stoppage shall only take place for such time and when it is necessary for the protection of the Department's works. In the event of a total stoppage or a reduction in the supply of power the price for power to be paid by the Company under this Agreement shall in respect to any period exceeding one hour cease to be payable or be rebated as the case may be except where such stoppage or reduction is due to the negligence or default of the Company its agents workmen or servants in which case there shall be no cessation or abatement of payment.

16. Should the Company by reason of a lock-out (except a lock-out by the Company) or strike or from any other cause beyond its control be prevented from obtaining its raw materials and thus be unable fully or partly to operate its works or conduct its operations and/or manufacture goods and/or take and/or use power all duties and obligations under this Agreement except in respect of any payments then due by the Company to the Minister shall be suspended during the period or periods of such inability but during the period of such total or partial stoppage and if the Minister shall require the payment of the same the Company shall pay to the Minister as a stand-by charge in the case of a total stoppage an amount equivalent to one-half of the contract amount per horsepower per annum on the horsepower which the Minister is able to supply under the terms of this Agreement and in the case of a partial stoppage an amount equivalent to one-half of the contract amount per horsepower per annum on the difference between the horsepower actually used by the Company and the horsepower which the Minister is able to supply under the terms of this Agreement.

17. The Company shall not assign this Agreement without the consent in writing of the Minister first had and obtained but the Minister shall not arbitrarily or unreasonably withhold his consent to any assignment.

18. Without limiting the terms and conditions of Clause 17 hereof it is hereby agreed and declared that should the Company at any time decide to promote or form any company or companies for the establishment of any of the industries referred to in Clause 7 hereof it shall have the right but without relieving it of any of its obligations hereunder to transfer or sell to such company or companies *bonâ fide* promoted and established by it so much of the electrical energy purchased and obtained by it hereunder as may be required by and for

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the exclusive use of such company or companies provided that any agreement for transfer or resale to any such company or companies shall be upon the conditions:—

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- (a) That such company or companies use the electrical energy so purchased and obtained by it or them under the conditions of this contract and shall not transfer or sell the said electrical energy:
- (b) That the price of any electrical energy so transferred or sold to such company or companies shall not be directly or indirectly in excess of that at which such electrical energy is from time to time purchased or obtained by the Company hereunder:
- (c) That notwithstanding anything in this clause contained unless at the request of the Company and with the consent of the General Manager and with the approval of the Minister there shall be only one point of supply for electrical energy under this contract.

Subject to the terms and conditions contained in this clause the Company shall not transfer or sell any electrical energy so obtained by it from the Minister.

19. No primary plant (that is to say electrical apparatus machinery or appliances the faulty construction maintenance or operation of which may in the opinion of the General Manager adversely affect the operation of the Department's electrical system) shall be connected with the Department's mains until the design and construction of the same have been approved by the General Manager and the Company shall maintain the same in first-class order and use only first-class material in connection therewith and the General Manager and his duly appointed officers shall have free ingress egress and regress to and from the Company's buildings containing such primary plant and the surroundings of same at all reasonable times during the continuance of this Agreement to enable periodic inspection of the primary plant to be made by the officers of the General Manager. Nothing herein contained shall be deemed to give the General Manager the right to inspect any secret process of the Company but the Company agrees that any primary plant shall be installed in a building or buildings specially constructed for the purpose and the General Manager his officers agents and servants shall have free ingress egress and regress to and from such buildings and the surroundings of same at all reasonable times during the continuance of this Agreement to enable periodic inspection of the primary plant to be made by or on behalf of the General Manager. The General Manager shall not arbitrarily or unreasonably disapprove of the design and construction as aforesaid.

20. The Company shall be liable to pay interest on all moneys overdue to the Minister for more than one calendar month at the rate of £7 per centum per annum. If default in payment of any such overdue moneys is made for more than one calendar month the Minister may discontinue the supply of electrical energy without determining or voiding this Agreement until the overdue moneys and interest shall be paid. Provided always that if such default shall continue for a period exceeding six calendar months the Minister shall be entitled to cancel this Agreement and the remedy of the Minister in damages against the Company shall not thereby be affected.

21. The Company shall operate its plant in such a manner as not to cause dislocation of the Department's electrical system.

22. Subject to the proviso hereinafter in this clause contained the Company shall be deemed to have full knowledge of all by-laws lawfully made by the Minister under "The Complex Ores Act 1909" or any statutory amendment thereof or substitution therefor now or hereafter enacted and the Company shall be bound by the provisions of such by-laws so far as the same are not inconsistent with or in any way a limitation or variation of any of the terms and conditions of this Agreement and provided that the Minister shall on the issue from time to time of all or any such by-laws to be hereafter made forward by registered post a copy thereof to the Secretary of the Company.

23. All moneys from time to time payable by the Company under this Agreement and the obligation on the part of the Company to perform and observe the provisions of this Agreement and any liability incurred by the Company by reason of any breach on the part of the Company of any of the provisions of this Agreement shall be deemed to be and to create a debt duty or

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damage to His Majesty the King and may be enforced or recovered in the mode prescribed by "The Crown Remedies Act 1891" of Tasmania or any statutory amendments thereof or substitution therefor for the time being in force.

24. Any notice required to be given to the Company by the Minister may be given by the Minister or by the General Manager and shall be in writing and shall be served on the Company either by delivering the same to the Secretary of the Company at Melbourne or sent by registered post addressed to the Company at its registered office in Victoria and any notice required to be given to the Minister by the Company under this contract shall be in writing and may be given by the Secretary of the Company for and on behalf of the Company and shall be given to the Minister either by personally delivering the same to the General Manager at the office of the Department at Hobart or sending the same by registered post addressed to the General Manager in Hobart.

25. Notwithstanding anything hereinbefore contained before the Minister shall be required to accept the notices referred to in Clause 5 hereof as to the second or third blocks the Company shall satisfy him as to the financial ability of the Company to erect and build and pay for all the necessary works to enable the extended works of the Company to continuously consume the first second and third blocks together and to pay all moneys for the supply of electrical energy as and when such moneys become due.

26. The Company shall not later than upon the expiration of Six months from the date of the execution hereof discontinue its present registered name and shall adopt a different name to be approved by the Minister and shall duly register such name in lieu of its present registered name.

27. If at any time during the continuance of this Agreement or after the determination thereof any dispute difference or question shall arise between the Minister and the Company as to the construction meaning or effect of this Agreement or anything herein contained or the rights or liabilities of the Minister or the Company under this Agreement or otherwise in relation to the premises then and in any such case such dispute difference or question shall be determined by arbitration in the manner prescribed by "The Arbitration Act 1892" or by any statutory modification or re-enactment thereof for the time being in force.

In witness whereof the Minister has hereunto set his hand and seal and the Company has caused its common seal to be hereunto fixed the day and year first hereinbefore written.

Signed sealed and delivered by the Honourable  
JOHN BLYTH HAYES in the presence of—

J. H. BUTTERS.

J. B. HAYES (L.S.)

The common seal of THE HYDRO-ELECTRIC POWER  
AND METALLURGICAL COMPANY LIMITED was  
hereunto affixed by order of the Directors in  
the presence of—

FRANCIS J. DAVIES, }  
W. T. WALLIS, } Directors.  
JOHN DITCHBURN, Secretary.