

Iron Ore (Channar Joint Venture) (Hamersley Range) Agreements Amendment Bill 2017

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Western Australia

LEGISLATIVE ASSEMBLY

**Iron Ore (Channar Joint Venture) (Hamersley
Range) Agreements Amendment Bill 2017**

A Bill for

***An Act to amend the Iron Ore (Channar Joint Venture) Agreement
Act 1987 and the Iron Ore (Hamersley Range) Agreement Act 1963.***

The Parliament of Western Australia enacts as follows:

1

Part 1 — Preliminary

2

1. Short title

3

This is the *Iron Ore (Channar Joint Venture) (Hamersley
Range) Agreements Amendment Act 2017*.

4

5

2. Commencement

6

This Act comes into operation as follows —

7

(a) Part 1 — on the day on which this Act receives the
Royal Assent;

8

9

(b) the rest of the Act — on the day after that day.

1 **Part 2 — Iron Ore (Channar Joint Venture) Agreement**
2 **Act 1987 amended**

3 **3. Act amended**

4 This Part amends the *Iron Ore (Channar Joint Venture)*
5 *Agreement Act 1987*.

6 **4. Section 3 amended**

7 (1) In section 3 before the 1st alphabetical definition insert in
8 numerical order:

9 **2017 variation agreement** means the agreement a copy
10 of which is set out in Schedule 2;

11 (2) In section 3 in the definition of *the Agreement*:

12 (a) delete “the Schedule and” and insert:

13 Schedule 1 and, except in section 4(1),

14 (b) delete “provisions;” and insert:

15 provisions and by the 2017 variation agreement;

16 **5. Section 4 amended**

17 After section 4(1) insert:

18 (1A) The 2017 variation agreement is ratified.

19 Note: The heading to amended section 4 is to read:

20 **Ratification and authorisation**

s. 6

1 **6. Schedule heading replaced**

2 Delete the heading to the Schedule and insert:

3

4 **Schedule 1 — Iron Ore (Channar Joint**
5 **Venture) Agreement**

6

7 **7. Schedule 2 inserted**

8 After the Schedule insert:

9

10 **Schedule 2 — 2017 variation agreement**

11

[s. 3]

12

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14

15

THE HONOURABLE MARK McGOWAN

16

THE STATE OF WESTERN AUSTRALIA

17

and

18

CHANNAR MINING PTY. LIMITED

19

ACN 009 127 039

20

SINOSTEEL CHANNAR PTY LTD

21

ACN 009 277 249

22

and

23

HAMERSLEY IRON PTY. LIMITED

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ACN 004 558 276

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**IRON ORE (CHANNAR JOINT VENTURE)
AGREEMENT 1987**

RATIFIED VARIATION AGREEMENT

[Solicitor's details]

THIS AGREEMENT is made this 29th day of September 2017

BETWEEN

THE HONOURABLE MARK McGOWAN, BA LLB MLA,
Premier of the State of Western Australia, acting for and on behalf of
the said State and its instrumentalities from time to time (hereinafter
called the "**State**") of the first part,

AND

CHANNAR MINING PTY. LIMITED ACN 009 127 039 of
Level 22, Central Park, 152-158 St Georges Terrace, Perth,
Western Australia and **SINOSTEEL CHANNAR PTY LTD**
ACN 009 277 249 of Level 41, 108 St Georges Terrace, Perth,
Western Australia (hereinafter called the "**Joint Venturers**" in which
term shall be included their successors and permitted assigns) of the
second part,

AND

HAMERSLEY IRON PTY. LIMITED ACN 004 558 276 of
Level 22, Central Park, 152-158 St Georges Terrace, Perth,
Western Australia (hereinafter called "**Hamersley**") of the third part.

**Iron Ore (Channar Joint Venture) (Hamersley Range) Agreements
Amendment Bill 2017**

Part 2 Iron Ore (Channar Joint Venture) Agreement Act 1987
amended

s. 7

1 **RECITALS:**

2 **A.** The State, the Joint Venturers and Hamersley are parties to the
3 agreement dated 27 October 1987, which is referred to in this
4 Agreement as the "**Principal Agreement**".

5 **B.** The parties wish to vary the provisions of the Principal
6 Agreement on the terms and conditions set out in this
7 Agreement.

8 **THE PARTIES AGREE AS FOLLOWS:**

9 **1. Ratification and operation**

10 (1) This Agreement, other than this clause, does not come into
11 operation except in accordance with subclause (2).

12 (2) This Agreement, other than this clause, comes into operation
13 on the day on which it is ratified by an Act of the Parliament
14 of Western Australia ("**Operative Date**") unless, before that
15 day, it terminates under subclauses (4) or (5).

16 (3) The State must introduce in the Parliament of Western
17 Australia before 31 October 2017 or a later date agreed by the
18 parties to this Agreement a Bill to ratify this Agreement and
19 must endeavour to secure its passage as an Act.

20 (4) If by 31 December 2017 this Agreement has not been ratified
21 by an Act of the Parliament of Western Australia then, unless
22 the parties to this Agreement otherwise agree, this Agreement
23 terminates on that day and no party hereto will have any claim
24 against any other party hereto with respect to any matter or
25 thing arising out of, done, performed, or omitted to be done or
26 performed under this Agreement.

27 (5) The parties agree that if the Principal Agreement is otherwise
28 determined in accordance with its provisions on a day prior to
29 the Operative Date, then this Agreement shall also terminate
30 on and from that day and no party hereto will have any claim
31 against any other party hereto with respect to any matter or
32 thing arising out of, done, performed, or omitted to be done or
33 performed under this Agreement.

1 **2. Variations of the Principal Agreement**

2 The Principal Agreement is hereby varied as follows:

3 (1) in clause 1 by:

4 (a) deleting the definitions of "direct shipping
5 ore", "fine ore", "fines" and "f.o.b. revenue";
6 and

7 (b) inserting in the appropriate alphabetical
8 positions the following new definitions:

9 "Hamersley Range 1963 Agreement" means
10 the agreement approved by and scheduled to
11 the *Iron Ore (Hamersley Range) Agreement*
12 *Act 1963*, as from time to time added to,
13 varied or amended;

14 "Variation Agreement" means the variation
15 agreement made on or about 3 October 2017
16 between the Honourable Mark McGowan,
17 Premier of the State of Western Australia
18 acting for and on behalf of the said State and
19 its instrumentalities from time to time, the
20 Joint Venturers and Hamersley;

21 "Variation Date" means the date on which
22 clause 2 of the Variation Agreement comes
23 into operation;

24 (2) in clause 15 by:

25 (a) in subclause (5) inserting after the words
26 "consent of" the following:

27 "the Minister for Minerals and Energy, acting
28 with the concurrence of the Minister, and";
29 and

30 (b) in paragraph (a) of subclause (7) deleting the
31 words "agreement (as amended from time to
32 time) ratified by the Iron Ore (Hamersley

**Iron Ore (Channar Joint Venture) (Hamersley Range) Agreements
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Part 2 Iron Ore (Channar Joint Venture) Agreement Act 1987
amended

s. 7

- 1 Range) Agreement Act 1963" and
2 substituting:
3 "Hamersley Range 1963 Agreement";
4 (3) in clause 22 by:
5 (a) inserting after the words "Clause 23" the
6 following:
7 "or pursuant to the proviso to paragraph (a) of
8 subclause (7) of Clause 15"; and
9 (b) inserting after the last sentence of Clause 22
10 the following additional sentence:
11 "The parties acknowledge that rental paid by
12 the Joint Venturers pursuant to this Clause in
13 respect of any period or part thereof prior to
14 the Variation Date in relation to iron ore upon
15 which royalty was payable pursuant to the
16 proviso to paragraph (a) of subclause (7) of
17 Clause 15 shall be treated for all purposes as
18 rental paid in respect of iron ore upon which
19 royalty was payable pursuant to Clause 23.";
20 (4) in clause 23 by:
21 (a) deleting subclause (1) and substituting the
22 following:
23 "The Joint Venturers shall during the
24 continuance of this Agreement pay to the
25 State royalty in accordance with the
26 Hamersley Range 1963 Agreement on all iron
27 ore from the mining lease (other than iron ore
28 shipped solely for testing purposes and iron
29 ore on which royalty is paid by Hamersley
30 pursuant to the proviso to paragraph (a)
31 of subclause (7) of Clause 15) as if such iron ore
32 were produced under a mineral lease granted
33 pursuant to the abovementioned agreement.";
34 and
35 (b) deleting subclauses (2), (3) and (4);

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(5) by inserting after clause 23 a new Clause as follows:

"Blending

23A. The Joint Venturers may blend iron ore mined from the mining lease with iron ore mined pursuant to the Hamersley Range 1963 Agreement."

(6) in clause 31 by:

(a) deleting "(except as to any part upon which a permanent residence shall be erected or which is occupied in connection with that residence and except as to any part upon which there stands any improvements that are used in connection with a commercial undertaking not directly related to the mining of iron ore)" and substituting:

"(except as to any part of land upon which is situated a specified improvement as referred to below)"; and

(b) inserting after the last sentence of clause 31 the following additional sentence:

"For the purpose of this Clause the following improvements are specified improvements:

- (a) accommodation, recreation or administration facilities and associated buildings; or
- (b) maintenance workshops existing within 100 metres of facilities of the type listed in paragraph (a) above.";

(7) in clause 41 by inserting after the words "pursuant to any Act" the following:

"(including under the *Environmental Protection Act 1986*)";

s. 7

1 (8) by deleting clause 50 and substituting the following
2 new clause:

3 **"Term of Agreement and completion of**
4 **productive mining**

5 50. (1) Subject to the provisions of Clause 39,
6 this Agreement shall expire on
7 22 February 2028.

8 (2) The Joint Venturers may, provided they
9 are not in default of their obligations
10 under this Agreement, give notice to the
11 Minister not later than 22 February 2027
12 of their desire to have the provisions of
13 this Agreement extended for such period
14 not exceeding 5 years as may be
15 nominated in such notice.

16 (3) The Minister may, if satisfied that the
17 Joint Venturers require the Agreement to
18 be extended for the additional period
19 nominated in a notice given under
20 subclause (2) to:

21 (a) complete any productive mining
22 activities then the subject of
23 approved proposals; or

24 (b) decommission a mine or mines
25 (including ceasing production and
26 removing infrastructure, plant,
27 equipment and services comprising
28 and associated with the mine or
29 mines) and rehabilitate the minesite
30 or minesites,

31 extend the term of this Agreement for
32 such additional period.

33 (4) For the purposes of this clause
34 "productive mining activities" means

- 1 activities for the mining and recovery of
2 iron ore.";
- 3 (9) by inserting after clause 50 the following new clause:
- 4 **"50A. Mining lease and lease I163654 are deemed**
5 **amended upon endorsement in registers**
- 6 (1) The respective terms of the mining lease
7 and lease I163654 (originally special
8 lease 3116/11553) shall be deemed to be
9 extended upon and from the respective
10 date of endorsement referred to in
11 subclause (2) so as to in each case expire
12 on 22 February 2028 or such later date
13 agreed by the Minister pursuant to
14 Clause 50(3) as being the date of expiry
15 of this Agreement, subject to the sooner
16 determination of their respective terms in
17 accordance with their provisions or upon
18 the cessation or determination of the
19 Agreement.
- 20 (2) As soon as practicable after the Variation
21 Date the State shall cause a notation or
22 other endorsement to be made in the
23 register maintained under:
- 24 (a) section 103F of the Mining Act that
25 the mining lease is extended from
26 the date of such endorsement and by
27 such endorsement pursuant to this
28 Clause and as contemplated by this
29 Clause; and
- 30 (b) section 48 of the *Transfer of Land*
31 *Act 1893* that lease I163654 is
32 extended from the date of such
33 endorsement and by such
34 endorsement pursuant to this Clause
35 and as contemplated by this Clause.

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amended

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1 For the avoidance of doubt, the Director
2 General of Mines and the Registrar of
3 Titles are authorised to make the
4 abovementioned endorsements in the
5 respective registers that they administer
6 without any further formalities, approvals
7 or other preconditions."; and

8 (10) in clause 51 by adding the following after "State of
9 Western Australia":

10 "and the parties to this Agreement submit to the
11 jurisdiction of the courts of Western Australia in
12 relation to any action or proceeding to settle any dispute
13 or question arising out of or in connection with this
14 Agreement".
15
16

17 **EXECUTED AS A DEED.**

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19

SIGNED by **THE HONOURABLE**)
MARK McGOWAN, in the)
presence of:)

[Signature]
.....
Signature of witness

TRENA McDONALD
.....
Name of witness (block letters)

[Signature]
.....
Signature of **THE
HONOURABLE MARK
McGOWAN**

**Iron Ore (Channar Joint Venture) (Hamersley Range) Agreements
Amendment Bill 2017**

Iron Ore (Channar Joint Venture) Agreement Act 1987
amended

Part 2

s. 7

EXECUTED by **CHANNAR**)
MINING PTY. LIMITED)
ACN 009 127 039 in accordance)
with section 127(1) of the)
Corporations Act 2001 (Cth) by)
authority of its directors:)

[Signature]
.....
Signature of director

PAUL SHANNON
.....
Name of director (block letters)

[Signature]
.....
Signature of director/~~company~~
~~secretary~~*
*delete whichever is not applicable

MICHAEL GOLLSCHEWSKI
.....
Name of director/~~company~~
~~secretary~~* (block letters)
*delete whichever is not applicable

EXECUTED by **SINOSTEEL**)
CHANNAR PTY LTD)
ACN 009 277 249 in accordance)
with section 127(1) of the)
Corporations Act 2001 (Cth) by)
authority of its directors:)

[Signature]
.....
Signature of director

SUN XIAOXUAN
.....
Name of director (block letters)

[Signature]
.....
Signature of ~~director~~/company
secretary*
*delete whichever is not applicable

IAN HOLDING
.....
Name of ~~director~~/company
secretary* (block letters)
*delete whichever is not applicable

**Iron Ore (Channar Joint Venture) (Hamersley Range) Agreements
Amendment Bill 2017**

Part 2 Iron Ore (Channar Joint Venture) Agreement Act 1987
amended

s. 7

EXECUTED by **HAMERSLEY**)
IRON PTY. LIMITED)
ACN 004 558 276 in accordance)
with section 127(1) of the)
Corporations Act 2001 (Cth) by)
authority of its directors:)

[Signature]
.....
Signature of director

PAUL SHANNON
.....
Name of director (block letters)

[Signature]
.....
Signature of director/~~company~~
~~secretary~~*
*delete whichever is not applicable

MICHAEL GOLLSCHESKI
.....
Name of director/~~company~~
~~secretary~~* (block letters)
*delete whichever is not applicable

1 **Part 3 — *Iron Ore (Hamersley Range) Agreement***
2 ***Act 1963* amended**

3 **8. Act amended**

4 This Part amends the *Iron Ore (Hamersley Range) Agreement*
5 *Act 1963*.

6 **9. Section 2 amended**

7 In section 2 insert in alphabetical order:

8
9 ***Fifteenth Supplementary Agreement*** means the
10 agreement a copy of which is set out in the Sixteenth
11 Schedule;
12

13 **10. Section 4H inserted**

14 After section 4G insert:

15
16 **4H. Fifteenth Supplementary Agreement**

- 17 (1) The Fifteenth Supplementary Agreement is ratified and
18 its implementation is authorised.
- 19 (2) Without limiting or otherwise affecting the application
20 of the *Government Agreements Act 1979*, the Fifteenth
21 Supplementary Agreement is to operate and take effect
22 despite any other Act or law.
23

s. 11

1 **11. Sixteenth Schedule inserted**

2 After the Fifteenth Schedule insert:

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4 **Sixteenth Schedule — Fifteenth Supplementary**
5 **Agreement**

6

[s. 2]

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THE HONOURABLE MARK McGOWAN

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THE STATE OF WESTERN AUSTRALIA

12

and

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HAMERSLEY IRON PTY. LIMITED

14

ACN 004 558 276

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IRON ORE (HAMERSLEY RANGE) AGREEMENT 1963

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RATIFIED VARIATION AGREEMENT

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[Solicitor's details]

1 **THIS AGREEMENT** is made this 29th day of September 2017

2

3 **BETWEEN**

4

5 **THE HONOURABLE MARK McGOWAN**, BA LLB MLA,
6 Premier of the State of Western Australia, acting for and on behalf of
7 the said State and its instrumentalities from time to time (hereinafter
8 called the "**State**") of the first part,

9 **AND**

10 **HAMERSLEY IRON PTY. LIMITED** ACN 004 558 276 of
11 Level 22, Central Park, 152-158 St Georges Terrace, Perth, Western
12 Australia, (hereinafter called the "**Company**" in which term shall be
13 included its successors and permitted assigns) of the second part.

14 **RECITALS:**

15 **A.** The State and the Company are the parties to the agreement
16 dated 30 July 1963, approved by and scheduled to the *Iron*
17 *Ore (Hamersley Range) Agreement Act 1963* and which as
18 subsequently added to, varied or amended is referred to in this
19 Agreement as the "**Principal Agreement**".

20 **B.** The State and the Company wish to vary the provisions of the
21 Principal Agreement on the terms and conditions set out in
22 this Agreement.

23 **THE PARTIES AGREE AS FOLLOWS:**

24 **1. Ratification and operation**

25 (1) This Agreement, other than this clause, does not come into
26 operation except in accordance with subclause (2).

27 (2) This Agreement, other than this clause, comes into operation
28 on the day on which it is ratified by an Act of the Parliament
29 of Western Australia ("**Operative Date**") unless, before that
30 day, it terminates under subclauses (4) or (5).

s. 11

- 1 (3) The State must introduce in the Parliament of Western
2 Australia before 31 October 2017 or a later date agreed by the
3 parties to this Agreement a Bill to ratify this Agreement and
4 must endeavour to secure its passage as an Act.
- 5 (4) If by 31 December 2017 this Agreement has not been ratified
6 by an Act of the Parliament of Western Australia then, unless
7 the parties to this Agreement otherwise agree, this Agreement
8 terminates on that day and no party hereto will have any claim
9 against any other party hereto with respect to any matter or
10 thing arising out of, done, performed, or omitted to be done or
11 performed under this Agreement.
- 12 (5) The parties agree that if the Principal Agreement is otherwise
13 determined in accordance with its provisions on a day prior to
14 the Operative Date, then this Agreement shall also terminate
15 on and from that day and no party hereto will have any claim
16 against any other party hereto with respect to any matter or
17 thing arising out of, done, performed, or omitted to be done or
18 performed under this Agreement.

19 **2. Variations of the Principal Agreement**

20 The Principal Agreement is hereby varied as follows:

- 21 (1) in clause 1 by inserting after the definition of "Channar
22 Agreement" the following new definition:
- 23 **"Channar Joint Venture Completion Date"** means
24 the date (if it should occur prior to the cessation or
25 determination of the Channar Agreement) upon which
26 an associated company becomes, in accordance with
27 clause 35 of the Channar Agreement, the sole entity
28 comprising the 'Joint Venturers' for the purposes of that
29 agreement;"
- 30 (2) in clause 8E by inserting after subclause (7) the
31 following new subclause:
- 32 "(8) The Company acknowledges that its obligations
33 under this clause apply to its activities in
34 connection with agreements contemplated by
35 clause 15(7) of the Channar Agreement.";

- 1 (3) in clause 10 by inserting:
- 2 (a) after the word "practicable" in paragraph (i) of
3 subclause (2) of clause 10 the following:
- 4 "(including in its activities in connection with
5 agreements contemplated by clause 15(7) of the
6 Channar Agreement)"; and
- 7 (b) after subparagraph (i) of paragraph (a) of
8 subclause (4) the following new subparagraph:
- 9 "(ia) iron ore mined from the mining lease
10 granted under the Channar Agreement; or"
- 11 (4) in clause 10H:
- 12 (a) in paragraph (b) of subclause (1) by replacing the
13 second reference to "clause" with "subclause";
14 and
- 15 (b) inserting after subclause (1) the following new
16 subclauses:
- 17 "(1A) On and from the Channar Joint Venture
18 Completion Date and prior to the
19 cessation or determination of the
20 Channar Agreement the Company may
21 from time to time:
- 22 (a) with the written consent of the
23 Joint Venturers under the Channar
24 Agreement and provided it is at
25 that date the holder of Mineral
26 Lease 4SA apply to the Minister
27 for Mines for inclusion in Mineral
28 Lease 4SA of so much of the land
29 within the mining lease granted
30 under the Channar Agreement as
31 the Company then desires and the
32 Minister for Mines shall upon the
33 surrender of the land applied for
34 include that land in Mineral
35 Lease 4SA on terms and in the

**Iron Ore (Channar Joint Venture) (Hamersley Range) Agreements
Amendment Bill 2017**

Part 3 Iron Ore (Hamersley Range) Agreement Act 1963 amended

s. 11

- 1 manner contemplated by
2 subclause (1)(a) above; and
- 3 (b) with the written consent of the
4 Joint Venturers under the Channar
5 Agreement and provided that they
6 are at that date the holder of any
7 lease licence easement grant or
8 other title made under the Channar
9 Agreement, apply for a similar
10 right or rights for the purpose of
11 facilitating mining from areas
12 included or to be included in
13 Mineral Lease 4SA pursuant to
14 paragraph (a) of this subclause and
15 the State shall, consequent upon
16 the registration of the relevant
17 surrender or surrenders, grant or
18 arrange to have the appropriate
19 authority or other interested
20 instrumentality of the State grant
21 such right or rights on terms and in
22 the manner contemplated by
23 subclause (1)(b) above.
- 24 (1B) Except as otherwise agreed by the
25 Minister, the Company shall undertake
26 and complete any outstanding
27 decommissioning, remediation,
28 rehabilitation and other closure
29 activities and works relating to land
30 included in Mineral Lease 4SA or the
31 subject of a right granted pursuant to
32 this Clause in accordance with all laws
33 and requirements applicable to that land
34 immediately prior to the inclusion or
35 grant including requirements under the
36 Channar Agreement, the EP Act, the
37 Mining Act 1978, the LAA and the
38 terms and conditions of the former
39 title."; and

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(5) in clause 28 by adding the following after "State":

"and the parties to this Agreement submit to the jurisdiction of the courts of Western Australia in relation to any action or proceeding to settle any dispute or question arising out of or in connection with this Agreement".

EXECUTED AS A DEED.

SIGNED by **THE HONOURABLE**)
MARK McGOWAN, in the)
presence of:)

[Signature]
.....
Signature of witness

TRENA McDONALD
.....
Name of witness (block letters)

[Signature]
.....
Signature of **THE
HONOURABLE MARK
McGOWAN**

**Iron Ore (Channar Joint Venture) (Hamersley Range) Agreements
Amendment Bill 2017**

Part 3 Iron Ore (Hamersley Range) Agreement Act 1963 amended

s. 11

EXECUTED by **HAMERSLEY**)
IRON PTY. LIMITED)
ACN 004 558 276 in accordance)
with section 127(1) of the)
Corporations Act 2001 (Cth) by)
authority of its directors:)

[Signature]

.....
Signature of director

PAUL SHANNON
.....

Name of director (block letters)

[Signature]

.....
Signature of director/~~company~~
~~secretary~~*
*delete whichever is not applicable

MICHAEL GOLLSCHEWSKI
.....

Name of director/~~company~~
~~secretary~~* (block letters)
*delete whichever is not applicable

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