AGREEMENT

in relation to the provision
of financial assistance

to

THE NORTHERN TERRITORY OF
AUSTRALIA

in respect of the rehabilitation
of Rum Jungle

B.J. O'Donovan,
Crown Solicitor for the
Commonwealth,
CANBERRA, A.C.T. 2600

Report No: 54183D
AN AGREEMENT made the day of 1983 between -

THE COMMONWEALTH OF AUSTRALIA (in this agreement called "the Commonwealth") of the one part; and

THE NORTHERN TERRITORY OF AUSTRALIA (in this agreement called "the Territory") of the other part.

WHEREAS:

(A) Mining for uranium and other minerals was carried out at Rum Jungle in the Northern Territory on behalf of the Commonwealth pursuant to an authority given under the Atomic Energy (Control of Materials) Act 1946-1952 which authority was continued in force by the Atomic Energy Act 1953;

(B) the Commonwealth and the Northern Territory wish to rehabilitate certain areas of Rum Jungle affected by that mining;

(C) in recognition of the MEMORANDUM OF UNDERSTANDING IN RESPECT OF FINANCIAL ARRANGEMENTS BETWEEN THE COMMONWEALTH AND A SELF-GOVERNING NORTHERN TERRITORY the Commonwealth and the Territory wish to conclude an agreement for the provision of financial assistance to the Territory for the purpose of carrying out that rehabilitation;

NOW IT IS HEREBY AGREED as follows:

PART I - INTERPRETATION

1. In this agreement, unless the contrary intention appears -
"financial year" means a period of twelve months ending on the thirtieth day of June and where the context permits includes the period from the date of this agreement to 30 June 1983;

"monitoring and maintenance" means that part of the rehabilitation program that calls for investigatory work to be carried out to determine the effect of the rehabilitation work on the site and the river and includes work that may be necessary to be carried out from time to time to preserve the effectiveness of the rehabilitation work that has been completed;

"the agreement" and "this agreement" includes the Schedules to this agreement and, if the agreement is at any time amended pursuant to clause 5, includes the agreement as, for the time being, so amended;

"the Engineering Report" means the document dated August 1982 titled "Rum Jungle Rehabilitation Report, Final Engineering Report" submitted to the Commonwealth by the Territory;

"the Minister" means the Commonwealth Minister for National Development and Energy or such other Minister of the Commonwealth having for the time being the administration for the Commonwealth of the matters to which this agreement relates;

"the appropriate Territory Minister" means the Minister of the Territory having for the time being the administration for the Territory of the matters to which this agreement relates and, if those matters are at any time administered by more than
one Minister, means the Minister or each of the Ministers having for the time being the administration for the Territory of the matters to which the relevant provision of this agreement applies, or to which this agreement applies, according to the requirements of the context;

"the rehabilitation program" means the program consisting of the Measures to be adopted outlined in Schedule A and set out in the Executive Summary of the Engineering Report and the Ancillary Measures outlined in Schedule A, and includes that program as developed, amended or varied from time to time pursuant to clause 9;

"the rehabilitation work" means the work necessary to be carried out at the site from time to time to implement the rehabilitation program and includes such work that has been carried out or is being carried out and any part or combination of that work according to the requirements of the context;

"the site" means those parts of Rum Jungle referred to in Schedule A;

"the river" means the East Branch of the Finniss River.

2. (1) In this agreement-

(a) a reference to a Minister includes such other Minister of the Commonwealth or of the Territory, as the case may be, who is for the time being acting for or on behalf of the Minister referred to;
(b) a reference to a Schedule refers to the relevant Schedule of this agreement;

(c) a reference to a category or an item of the rehabilitation work is a reference to a category or item set out in Schedule B; and

(d) a reference to the limit of the Commonwealth's obligations to fund expenditure under a category of the rehabilitation work is a reference to the estimate of cost set out in Schedule B against that category, as varied from time to time pursuant to this agreement.

(2) In this agreement, except where the context otherwise requires -

(a) a reference to a clause refers to the relevant clause of this agreement and a reference to a sub-clause refers to the relevant sub-clause of the clause in which the reference appears; and

(b) words in the singular include the plural and words in the plural include the singular.

(3) The Schedules to this agreement shall be deemed to be integral parts of this agreement.

PART II - OPERATION OF AGREEMENT

3. This agreement shall be deemed to have commenced operation on the 1st day of July 1982 and acts or things consistent with its provisions that have been done by or on behalf of a party on and from that day in anticipation of it so coming into force shall be regarded as having been done under and in accordance with its provisions.
4. Subject to, and in accordance with, the provisions of this agreement:

(a) and subject to review by the Commonwealth in the annual budgetary context, the Measures To Be Adopted specified in Schedule A shall be carried out in the four year period which commenced on 1 July 1982;

(b) the Minister and the appropriate Territory Minister shall agree on a date as the date on which the carrying out of those Measures To Be Adopted have been completed; and

(c) monitoring and maintenance shall be carried out in the four-year period which commenced on 1 July 1982 and for a further period until the date of termination of this agreement in accordance with clause 6.

5. The provisions of this agreement and the Schedules may be amended from time to time by agreement between the Minister and the appropriate Territory Minister.

6. This agreement shall terminate two years from the date referred to in sub-clause 4(b) or on such other date as, in the opinion of the Minister and the appropriate Territory Minister, the objectives set out in sub-clause 7(2) have been met to a satisfactory degree, whichever occurs sooner, but the agreement shall continue to apply in respect of the rehabilitation work carried out under this agreement before that date.
PART III - REHABILITATION

7. (1) The Territory will, by using the financial assistance provided by the Commonwealth in accordance with this agreement and its own resources as provided for in sub-clause 17(2), implement the rehabilitation program and carry out the rehabilitation work.

(2) The rehabilitation program shall be developed and the rehabilitation work carried out in order to achieve:

(a) major reduction in pollution in water courses feeding the river and in particular the reduction of the average annual releases of copper, zinc and manganese into the river by 70%, 70% and 56% respectively, as measured at the junction of the river with the Finniss River;

(b) reduction in public health hazards and in particular reduction of radiation levels at the site at least to the standards set out in the Code of Practice on Radiation Protection in the Mining and Milling of Radioactive Ores published by the Australian Government Publishing Service in 1980;

(c) reduction of pollution in the water contained in the open pits known as Whites and Intermediate; and

(d) aesthetic improvements including revegetation.

(3) The rehabilitation work shall be carried out in accordance with the programs referred to in clause 23.

8. (1) The effectiveness of the rehabilitation work in achieving the objectives set out in sub-clause 7(2) shall be assessed against the conditions existing prior to the
commencement of the rehabilitation work and in particular by taking into account the relationship between the pollution load in the river and annual river flow established by baseline studies carried out by the Commonwealth in the period 1969-1974, and by monitoring carried out as part of the rehabilitation program.

(2) If, on the termination of this Agreement, the objectives set out in sub-clause 7(2) have not been achieved, it is acknowledged that the Commonwealth and not the Territory should be responsible for rehabilitation until those objectives have been met.

(3) Nothing in sub-clause (2) shall be taken as an intention or commitment by the Commonwealth to meet the objectives set out in sub-clause 7(2) nor shall sub-clause (2) be construed as imposing a duty or obligation on the Commonwealth to meet those objectives or carry out rehabilitation at Rum Jungle.

9. (1) The rehabilitation program shall, in order to achieve the objectives set out in sub-clause 7(2), be developed from time to time by the Territory, for the purpose of preparing and submitting the draft programs of the rehabilitation work referred to in sub-clause 20(1), after taking into consideration the design criteria and measures contained in the Engineering Report.

(2) The rehabilitation program, the design targets set out in the Engineering Report and the scope and nature of the rehabilitation work may be amended or varied, from time to time, by agreement between the Minister and the appropriate Territory Minister.
10. The Territory may perform the rehabilitation work on its own behalf or by arranging for the work or part of the work to be carried out on its behalf and in this respect the Territory may engage consultants and contractors.

PART V - LIAISON

11. (1) The Commonwealth and the Territory shall establish, by administrative action, a Liaison Committee comprising 2 representatives of the Commonwealth and 2 representatives of the Territory.

(2) Such persons as either the Commonwealth or the Territory decide may attend meetings of the Liaison Committee as advisors to the Committee.

12. The functions of the Liaison Committee shall be:

(a) to review the progress of the rehabilitation work at no more than twelve monthly intervals;

(b) to review, every six months, the implementation of the programs referred to in clause 23;

(c) to consider any proposed development of, or amendment or variation to, the rehabilitation program;

(d) to assess the effectiveness of the rehabilitation work in achieving the objectives referred to in sub-clause 7(2); and

(e) to advise the appropriate Commonwealth and Territory Ministers accordingly.
13. The appropriate Territory Minister shall, from time to time, at the request of the Minister furnish such information relating to the rehabilitation program and the rehabilitation work as is reasonably required by the Minister.

14. The Commonwealth will as soon as practicable make available at no cost to the Territory copies of all existing technical and other information relevant to the rehabilitation of the site which is in the possession of the Commonwealth.

PART V - FINANCIAL PROVISIONS

15. Subject to the extent that moneys are from time to time appropriated by the Commonwealth Parliament for the purpose and to the performance by the Territory of the provisions of this agreement, the Commonwealth will, in accordance with this agreement, make financial assistance available to the Territory for the purpose of it carrying out the rehabilitation work.

16. The financial assistance to be provided to the Territory shall be by way of non-repayable, non-interest bearing grants.

17.(1) Subject to clause 18, the limit of the Commonwealth's obligations to the Territory to fund expenditure under the various categories of the rehabilitation work, including contingencies, shall not exceed in the aggregate Sixteen million, two hundred thousand dollars ($16,200,000).

(2) The cost of minor services in the nature of normal day to day administrative and functional activity of the Territory Departments shall be met by the Territory.
(3) Costs incurred by the Commonwealth in the administration of this agreement shall be met by the Commonwealth.

18. The limit of the Commonwealth's obligations referred to in sub-clause 17(1) shall be varied to reflect:

(a) the agreed result of applying at the times and in the manner set out in Part B of Schedule C the cost variation formula set out in that Part to the estimated cost of each of the categories of the rehabilitation work as set out in Schedule B;

(b) any variation to or amendment of the rehabilitation program made pursuant to clause 9;

(c) any adjustment in the estimated cost, as set out in Schedule B, of the rehabilitation work agreed to by the Minister and the appropriate Territory Minister to represent the direct result of compliance by the Territory with any Commonwealth decision, arising from the Commonwealth's review of the rehabilitation program in the annual budgetary context, which prolongs the four-year period specified in sub-clause 4(a).

19. (1) Prior to the commencement of each financial year, but not later than 15 December in the preceding financial year, the Territory shall submit to the Minister a preliminary estimate of the cost of the rehabilitation work for the forthcoming financial year and two succeeding financial years.

(2) The estimate submitted to the Minister pursuant to sub-clause (1) is to be used by the Commonwealth for forward planning purposes only and will not constitute a request for approval of expenditure.
20. (1) Prior to the commencement of each financial year, but not later than 1 March in the preceding financial year, the Territory shall submit to the Minister a draft program setting out in detail the rehabilitation work proposed by the Territory to be carried out in the forthcoming financial year along with estimates of expenditure in the format shown at Schedule D for consideration by the Minister.

(2) The draft program submitted in accordance with sub-clause (1) shall include details of the financial obligations which the Territory proposes to incur during the forthcoming financial year, the amount of any contractual obligation which would remain undischarged at the end of that financial year and the expected timing of discharge of any such undischarged obligations.

(3) As soon as possible after the commencement of this agreement, the appropriate Territory Minister shall submit to the Commonwealth a draft program of the rehabilitation work proposed by the Territory to be carried out in the period up to 30 June 1983. Such program shall propose expenditure of no more that eight hundred thousand dollars ($800 000) and shall contain the information referred to in sub-clause (2).

(4) Prior to the commencement of each financial year, but not later than 31 May, the Minister and the appropriate Territory Minister shall approve in principle a program of rehabilitation work for the forthcoming financial year including approval in principle of rehabilitation work to be commenced in, but to extend beyond, that financial year.

21. (1) The financial assistance to be provided by the Commonwealth under this agreement shall not exceed, in respect of any financial year, the amount specified in a notice given, pursuant to this sub-clause, by the Minister in respect of the financial year specified in the notice.
(2) A notice given by the Minister under sub-clause (1) may include financial assistance to meet any commitment outstanding from the previous financial year and any commitment that is expected to remain outstanding at the end of the financial year specified in the notice.

22. A notice given by the Minister under sub-clause 21(1) may be varied at any time in respect of an amount specified in the notice by a further notice by the Minister provided that an amount that has been specified in a notice given under sub-clause 21(1) shall not be capable of being reduced without the consent of the appropriate Territory Minister.

23. The Minister and the appropriate Territory Minister shall approve a program of rehabilitation work for each financial year that is consistent with the amounts specified by the Minister in the notice referred to in sub-clause 21(1).

24. If, during the course of a financial year, the Territory wishes to vary expenditure on a program approved pursuant to clause 23 as between various items of the rehabilitation work within specific categories of that work as set out in Schedule B, it may, within the total financial assistance to be provided in that year, proceed to implement the proposed variation and inform the Liaison Committee of its actions.

25. Where, by reason of unforeseen circumstances, the assessed cost at the time of executing particular works and services within a category of the rehabilitation work is likely to be of such amount as will place in jeopardy the execution of that category of work within the limit of the Commonwealth's obligations to fund expenditure under that
category, the appropriate Territory Minister shall inform the Minister of the circumstances and of the alternative courses of action which might be adopted in order to contain the costs of that category of work within that limit.

(2) Insofar as alternative courses of action cannot in a case to which sub-clause (1) refers be agreed in order to contain costs of a category of the rehabilitation work within the limit of the Commonwealth's obligations to fund expenditure under that category, the Minister and the appropriate Territory Minister may:

(a) agree that savings achieved in actual expenditure on any one category of the rehabilitation work, relative to the limit of the Commonwealth's obligations to fund expenditure under that category, may be applied so as to increase that limit under another category;

(b) agree that an allocation from the contingency fund identified in Schedule B may be made to increase the limit of the Commonwealth's obligations to fund expenditure under that category.

(3) Where an agreement referred to in sub-clause (2) cannot be reached, the Commonwealth's obligation to provide financial assistance in respect of the category of the rehabilitation work concerned shall be as determined by the application of clauses 17 and 18.

26. The procedure for making claims for and payments of financial assistance for the purposes of this agreement, including advances in respect of that assistance, shall be made in accordance with the provisions of Part A of Schedule C.
PART VI - GENERAL

27. (1) Details of all property, other than property of a consumable nature, acquired by the Territory in relation to the rehabilitation work, involving the expenditure of one thousand dollars ($1,000) or more, shall be entered by the Territory in a property register kept by the Territory.

(2) Where any property referred to in sub-clause (1) has not become a fixture for the purposes of implementing the rehabilitation program and is, in the opinion of the Minister, no longer required for the rehabilitation work, it shall be disposed of by the Territory and the proceeds of disposal shall, in accordance with a notice given by the Minister, be either credited against expenditure on the rehabilitation work or paid to the Commonwealth forthwith.

(3) In the event any property referred to in sub-clause (1) cannot be disposed of pursuant to sub-clause (2) that property shall be dealt with in a manner to be agreed by the Minister and the appropriate Territory Minister.

28. (1) The accounts, books, vouchers, documents and other records relating to the carrying out of the rehabilitation work shall be subject to annual audit by the Auditor-General of the Territory.

(2) A report by the Auditor-General on the audit and on the financial statements in respect of the rehabilitation work shall be furnished by the Territory to the Minister as soon as practicable after the end of each financial year to which this agreement relates.

(3) The report referred to in sub-clause (2) shall indicate, to the extent practicable, inter alia, whether in the opinion of the Auditor-General the financial statements
are based on proper accounts and records and are in agreement with those accounts and records and shall include reference to such other matters as the Auditor-General considers should be reported to the Minister.

29. The Territory shall ensure that the financial assistance paid or advanced to the Territory under this agreement is not used or applied except for the purpose of meeting or reimbursing to the Territory expenditure on the rehabilitation work or for short-term investment pending the meeting of that expenditure.

30. (1) Notices, requests or communications by the Commonwealth or the Minister under or in relation to this agreement may be signed by or on behalf of the Minister.

(2) Notices, requests or communications by the Territory or the appropriate Territory Minister under or in relation to this agreement may be signed by or on behalf of the appropriate Territory Minister.

(3) The address of the Commonwealth and the Minister for the purposes of this agreement shall, unless otherwise notified by the Minister to the appropriate Territory Minister, be:

The Secretary,
Department of National Development and Energy,
G.P.O. Box 858,
CANBERRA, A.C.T. 2601
(4) The address of the Territory and the appropriate Territory Minister for the purposes of this agreement shall, unless otherwise notified by the appropriate Territory Minister to the Minister, be -

The Secretary,
Department of Works and Transport,
P.O. Box 2520,
DARWIN. N.T. 5794
SCHEDULE A

OUTLINE OF REHABILITATION PROGRAM

A. MEASURES TO BE ADOPTED

COPPER HEAP LEACH PILE

- Remove copper heap leach pile to Dysons Open Cut and blend with tailings during back filling of the pit
- Remove affected soil from below the heap leach pile and dump into Dysons Open Cut
- Treat remaining area, reshape and revegetate surrounds

TAILINGS DAM

- Remove tailings to Dysons Open Cut
- Remove affected subsoil under the tailings and dump into Whites Open Cut
- Reshape tailings area to form water courses
- Place rock and other protection berms in the tailings area to control scouring and erosion
- Spread topsoil after some lime treatment of acidic areas
- Revegetate tailings area
Remove tailings from tailings creek

Clean up surrounds and repair erosion damage to old treatment plant area.

DYSONS OPEN CUT

Drain Dysons of water and release to local rivers

Construct haul roads around lower perimeter of Dysons and out to the tailings area

Fill Dysons with tailings intermixed with copper heap leach pile, once above the water table

Fill Dysons with affected soils taken from below copper heap leach pile

Shape the top of transported materials to suit surrounding contours

Construct compacted impervious clay covers over transported tailings and copper heap leach piles including scour resistant structures and drainage channels

Place soil/anti-scour cover over impervious covers

Revegetate Dysons reshaped fill

Remove haul roads and revegetate temporary construction access roads.
WHITES OPEN CUT

- Connect Whites to Intermediate Open Cut
- Dump affected sub soil taken from the tailings dam area, once all tailings have been removed to Dysons Open Cut
- Treat Whites water by the addition of lime, introduced into a hydroxide precipitation treatment plant, constructed adjacent to Intermediate Open Cut
- Dump crushed limestone into the pit to assist with long term water quality stability
- Reshape and vegetate open cut surrounds

On completion of water treatment of both White and Intermediate, divert the East Finniss River into Whites Open Cut leaving the connection channel between Whites and Intermediate Open Cuts as a permanent feature.

INTERMEDIATE OPEN CUT

- Treat pit water by the same method as for Whites pit
- Reshape and vegetate surrounds

DYSONS OVERBURDEN HEAP

- Reshape heap to establish designed slopes and erosion protection structures
- Place impervious compacted clay covers over the reshaped heap
Construct erosion protection drains to control rainfall runoff from the reshaped heap

place soil/anti-scour cover over impervious covers

Vegetate heap, remove acidic soils from surrounding area, treat and revegetate where necessary.

WHITES OVERBURDEN HEAP

Reshape heap to establish design slopes and erosion protection structures

Place impervious compacted clay covers over the reshaped heap

Construct erosion protection drains to control rainfall runoff from the reshaped heap

Place soil/anti-scour cover over impervious covers

Vegetate heap, remove acidic soils from surrounding area, treat and revegetate where necessary.

WHITES NORTH OVERBURDEN HEAP

Remove overburden heap to Whites Overburden Heap before it is reshaped

Shape surrounds to remove water collection ponds and to allow redirection of the East Finnis River once water treatment has been completed

Treat soils and revegetate surround where necessary
INTERMEDIATE OVERBURDEN HEAP

- Reshape heap to establish design slopes and erosion protection structures
- Place impervious compacted clay covers over the reshaped heap. Construct erosion protection drains to control rainfall runoff from the reshaped heap
- Place soil/anti-scour cover over impervious covers
- Vegetate heap, remove acidic soils from surrounding area, treat and revegetate where necessary
- Reshape diversion channel adjacent to Whites and Intermediate Overburden Heaps so a natural water course is formed to allow passage of any excess water in high rainfall periods. Some of Intermediate Overburden Heap will be used as fill where necessary.

ACID/SWEETWATER DAMS

- Remove Dam Walls and clean out river beds
- Rip all affected river banks, treat with lime and allow natural revegetation
- Construct flood and erosion protection structures along the streams to control water flow during the wet season

OTHER AREAS

- Remove copper launders and evaporation ponds
Reshape old Copper Creek

Remove small ore stockpiles from around the mine site

Clean up local creek beds, contaminated ponds, old roads and improve general surrounds

Revegetate general areas as necessary

Construct erosion protection structures in the borrow pits

Spread topsoil stockpiled from stripped borrow pits - allow natural revegetation

Remove temporary facilities such as camps, haul roads and treatment plant structures

Revegetate old treatment plant area.

**PROTECTIVE FENCE**

Construct a stock proof fence around the perimeter of the site before commencing revegetation

The fence should remain as a permanent feature to keep stock off the revegetated heaps.

**WATER TREATMENT PLANT**

Construct a suitable hydroxide precipitation water treatment plant to remove heavy metals from the open cut water and raise the pH to an acceptable level
The plant shall be designed to complete all treatment within the approved four year program.

Transport sludge to a suitable containment area.

B. ANCILLARY MEASURES

MONITORING AND MAINTENANCE

Undertake investigatory work to determine the effects of the rehabilitation work on the site and the river and maintenance measures as necessary to preserve the integrity of the rehabilitation work.

SUPPORT ARRANGEMENTS

Site establishment, site services and the development of a construction camp.
### SCHEDULE B

**CATEGORIES OF THE REHABILITATION WORK**

**ESTIMATED COSTS JUNE 1982**

<table>
<thead>
<tr>
<th>CATEGORY A. EARTHWORKS, ETC</th>
<th>ESTIMATED COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 1. Copper Heap Leach Pile</td>
<td>578 000</td>
</tr>
<tr>
<td>Item 2. Tailings Dams</td>
<td>1,497 000</td>
</tr>
<tr>
<td>Item 3. Dysons Open Cut</td>
<td>310 000</td>
</tr>
<tr>
<td>Item 4. Whites Open Cut</td>
<td>77 000</td>
</tr>
<tr>
<td>Item 5. Intermediate Open Cut</td>
<td>-</td>
</tr>
<tr>
<td>Item 6. Dysons Overburden Heap</td>
<td>300 000</td>
</tr>
<tr>
<td>Item 7. Whites Overburden Heap</td>
<td>696 000</td>
</tr>
<tr>
<td>Item 8. Whites North Overburden Heap</td>
<td>328 000</td>
</tr>
<tr>
<td>Item 9. Intermediate Overburden Heap</td>
<td>217 000</td>
</tr>
<tr>
<td>Item 10. Acid/Sweetwater Dams</td>
<td>191 000</td>
</tr>
<tr>
<td>Item 11. Other Areas</td>
<td>333 000</td>
</tr>
<tr>
<td>Item 12. Site Establishment Including Protective Fence</td>
<td>731 000</td>
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</tbody>
</table>

**Total** 5,258,000
## CATEGORY B. CONSTRUCTION WORKS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Water Treatment Plant</td>
<td>2 020 000</td>
</tr>
<tr>
<td>2</td>
<td>Discharge pipeline to Whites Open Cut</td>
<td>80 000</td>
</tr>
<tr>
<td>3</td>
<td>Construction Camp</td>
<td>280 000</td>
</tr>
</tbody>
</table>

**Total:** $2 380 000

## CATEGORY C. PROJECT MANAGEMENT, SITE SERVICING, MONITORING

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Camp services - power, water Sewerage</td>
<td>140 000</td>
</tr>
<tr>
<td>2</td>
<td>Camp Generator, Fuel and Maintenance</td>
<td>222 000</td>
</tr>
<tr>
<td>3</td>
<td>Camp Accommodation</td>
<td>560 000</td>
</tr>
<tr>
<td>4</td>
<td>Monitoring</td>
<td>171 000</td>
</tr>
<tr>
<td>5</td>
<td>Engineering and Management</td>
<td>3 416 000</td>
</tr>
<tr>
<td>6</td>
<td>Site Services</td>
<td>415 000</td>
</tr>
</tbody>
</table>

**Total:** $4 922 000
CATEGORY D. SUPPLY OF CHEMICALS FOR WATER TREATMENT 2 300 000

CATEGORY E. OPERATION OF WATER TREATMENT PLANT 740 000

CONTINGENCY 600 000

GRANT TOTAL $16 200 000
SCHEDULE C

PRINCIPLES AND PROCEDURES FOR PAYMENT OF FINANCIAL ASSISTANCE AND FOR APPLICATION OF COST ESCALATION PROVISIONS

Part A - PAYMENT OF FINANCIAL ASSISTANCE

1. (1) Subject to the provisions of this agreement and in particular sub-clauses (2) and (3), payments of financial assistance for the purposes of this agreement will be made by the Commonwealth to the Territory quarterly at the request of the Territory.

(2) The Territory shall, at the end of each quarter of a financial year, provide the Minister with details of the expenditure, by the Territory, of the rehabilitation work for that quarter.

(3) A payment of financial assistance shall be made in the amount necessary to reimburse the Territory for actual expenditure by it on categories of the rehabilitation work in the previous quarter but so that the total of payments made in respect of each such category do not exceed the limit of the Commonwealth's obligations to fund expenditure under that category.

The Territory shall not be entitled to a payment of financial assistance in respect of any expenditure by it unless the Territory has furnished to the Minister:
3. (1) The Minister may, at such times and in such amounts as he thinks fit, make advances on account of financial assistance that may become payable to the Territory in accordance with this agreement.

(2) An amount, or part of an amount, of an advance may be deducted from a payment of financial assistance that subsequently becomes payable.

(3) If the total amount of the payments and advances made to the Territory exceeds the total amount of financial assistance payable in accordance with this agreement, then the amount of the excess shall be repaid to the Commonwealth at the request of the Minister.

(4) The Territory shall ensure that an advance is not used or applied except for the purpose of meeting or reimbursing, as the case may be, the expenditure to which the advance relates.
(5) Requests for advances shall be made by the appropriate Territory Minister on a quarterly basis and be supported by details of the total amount expended during the previous quarter on each item of the rehabilitation work.
PART B

ESCALATION FORMULA

1. The escalation formula and the indices involved in it may be reviewed and Ministers may agree to amend the formula and or the indices in the light of such review.

The formula for escalation of the limit of the Commonwealth's obligation to fund expenditure on outstanding or uncompleted work for each category of work, to be applied at the end of each quarter, is -

\[ P_n = (P_{n-1} - E_n) \cdot M_n \]

where -

- subscript \( n \) refers to successive quarters or 3 month periods ending 30 September, 31 December, 31 March, 30 June during the period of operation of this Agreement.

- subscript \( n-1 \) refers to the quarter immediately preceding quarter \( n \).

\( P_n \) = the limit of the Commonwealth's obligation to fund outstanding work under a category of work at the end of quarter \( n \), valued at costs operating at the end of quarter \( n \).
Pn-l = the limit of the Commonwealth's obligation to fund outstanding work under a category of work at the end of quarter n-l, valued at costs operating at the end of quarter n-l

En = actual certified expenditure on an item or category of work during quarter n

Mn = an adjustment factor measuring the change in costs for a category of work between the end of quarter n and the end of quarter n-l. Mn is a weighted average of changes in cost-indices or actual costs, spelt out below, and includes the number 1. Thus if the weighted average cost of a category of work rose by 5 per cent during the quarter, Mn would be equal to 1.05; if prices fell by 4 per cent during the quarter Mn would be equal to .96.

Mn will be calculated by applying the relevant formula set out below for each category of work contained in Schedule B.

2. FORMULA FOR Mn FOR EACH CATEGORY OF WORK

(1) Formula A

Formula A will be applied to Category A work which covers items essentially concerned with earth-moving. These items are as follows:-
Item of Work                      Est Cost at June 82 Prices

<table>
<thead>
<tr>
<th>Item</th>
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<tbody>
<tr>
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</tr>
<tr>
<td>Dyson's Open Cut</td>
<td>$310,000</td>
</tr>
<tr>
<td>Whites Open Cut</td>
<td>$77,000</td>
</tr>
<tr>
<td>Dyson's Overburden Heap</td>
<td>$300,000</td>
</tr>
<tr>
<td>Whites Overburden Heap</td>
<td>$696,000</td>
</tr>
<tr>
<td>Whites North Overburden Heap</td>
<td>$328,000</td>
</tr>
<tr>
<td>Intermediate Overburden Heap</td>
<td>$217,000</td>
</tr>
<tr>
<td>Acid/Sweetwater Dam</td>
<td>$191,000</td>
</tr>
<tr>
<td>Other Areas</td>
<td>$333,000</td>
</tr>
<tr>
<td>Site Establishment including</td>
<td></td>
</tr>
<tr>
<td>Protective Fence</td>
<td>$731,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,258,000</strong></td>
</tr>
</tbody>
</table>

(1) Formula A is as follows:

\[
M_n(A) = \left[ 0.38 \frac{Ln}{L(n-1)} + 0.17 \frac{Fn}{F(n-1)} + 0.08 \frac{Tn}{T(n-1)} \right] \\
\quad + 0.15 \frac{Sn}{S(n-1)} + 0.22 \frac{In}{I(n-1)}
\]

where

- Subscripts \( n \) and \( n-1 \) refer to quarterly time periods defined above
- \( M_n \) is as defined previously
(A) is a label to identify the Mn applying to Category A work

the decimal fractions are weights applied to the components of Mn

the letters L, F, T, S and I refer to cost indices or actual costs as set out below:

\[
\begin{align*}
L &= \text{Labour based upon the relevant Transport Worker's (NT) Award for a Truck Driver - semi-articulated 35-36 tonnes - 40 hours per week.} \\
F &= \text{Australian Bureau of Statistics Catalogue No. 6401.0 Consumer Price Index, Table 7; Transportation; Automotive Fuel - weighted average of eight cities.} \\
T &= \text{Wholesale price of tyres based upon 11.00 x 22.5 Michelin XYZ Tubeless tyres.} \\
I &= \text{Australian Bureau of Statistics Catalogue No. 6407.0, Table 2 Industrial Machinery and Equipment - weighted average of six capital cities.}
\end{align*}
\]
(2) Formula B

Formula B will be applied to Category B work which covers items essentially concerned with building and construction. These items are as follows:

<table>
<thead>
<tr>
<th>Item of Work</th>
<th>Est Cost at June 82 Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treatment Plant</td>
<td>$2,020,000</td>
</tr>
<tr>
<td>Discharge Pipeline to Whites</td>
<td>$80,000</td>
</tr>
<tr>
<td>Open Cut</td>
<td>$280,000</td>
</tr>
<tr>
<td>Construction Camp</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,380,000</strong></td>
</tr>
</tbody>
</table>

Formula B is as follows:

\[
M_n(B) = \left[ \frac{.45 \ L_n}{L(n-1)} + \frac{.55 \ R_n}{R(n-1)} \right]
\]

where -

- subscripts \( n \) and \( n-1 \), \( M_n \), \( B \), and the decimal fractions are as defined previously.
- the letters \( L \) and \( R \) refer to cost indices or actual costs as set out below:
L = Labour based upon the relevant Metal Industry (NT) Award for Fitters.

R = Materials based upon Australian Bureau of Statistics. Material Price Index for Darwin for Other Than House Building, Catalogue No. 6407.0.

(3) Formula C is as follows:-

Formula C will be applied to Category C work which covers items essentially concerned with engineering and management or with activities for which costs would vary in accordance with the Consumer Price Index. These items are as follows:-

<table>
<thead>
<tr>
<th>Item of Work</th>
<th>Est Cost at June 82 Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camp services - power, water</td>
<td>$140 000</td>
</tr>
<tr>
<td>and sewerage</td>
<td></td>
</tr>
<tr>
<td>Camp generator, fuel and maintenance costs</td>
<td>$220 000</td>
</tr>
<tr>
<td>Monitoring and Maintenance</td>
<td>$171 000</td>
</tr>
<tr>
<td>Camp Accommodation</td>
<td>$560 000</td>
</tr>
<tr>
<td>Engineering and Management costs</td>
<td>$3 416 000</td>
</tr>
<tr>
<td>Site services</td>
<td>$415 000</td>
</tr>
<tr>
<td>Total</td>
<td>$4 922 000</td>
</tr>
</tbody>
</table>
Formula C is as follows:

\[
M_n(C) = \left[ \begin{array}{c}
0.80 \frac{L_n}{L(n-l)} + 0.20 \frac{C_n}{C(n-l)} \\
\end{array} \right]
\]

where -

- subscripts \( n \) and \( n-1 \), \( M_n \), \( (C) \), and the decimal fractions are as defined previously.
- the letters \( L \) and \( C \) refer to cost indices or actual costs as set out below:

\( L = \) Labour based upon Engineer Class 2 salary scale in the Northern Territory Public Service.

\( C = \) Consumer Price Index for the Darwin area - Australian Bureau of Statistics.

(4) Formula D

Formula D will be applied to Category D work which covers the supply and deliver to site of lime used in the treatment plant. The Engineering Report indicates 12,000 tonnes of lime will be required and the estimated cost of 12,000 tonnes of lime is $2,300,000 at June 1982 prices.

Formula D is as follows:

\[
M_n(D) = \frac{R_n}{R(n-1)}
\]
where -

- subscripts \( n \) and \( n-1 \), \( M_n, (D) \), are as defined previously.

- the letter \( R \) refers to the cost index set out below:

\[
R = \text{Materials based upon Australian Bureau of Statistics. Price Index of Materials Used in Building Other Than House Building, Catalogue No. 6407.0; Table 3 - Cement.}
\]

(5) Formula E

Formula E will be applied to Category E work which covers the operation of the Water Treatment Plant. The estimated cost of operating the Treatment Plant is $740,000 at June 1982 prices.

Formula E is as follows:

\[
M_n (E) = \frac{L_n}{L(n-1)}
\]

where -

- subscripts \( n \) and \( n-1 \), \( M_n, (E) \), are as defined previously.
the letter L refers to a cost index set out below:

\[
L = \text{Labour based upon the relevant Uranium and Metalliferous Mining (NT) Award - Treatment Plant Operation Fitter.}
\]

(6) **CONTINGENCY**

No allowance will be made for escalation of the contingency.

**Summary of Expenditure Categories**

The following is the summarization of estimates at June 1982 prices for the various categories of work:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula A</td>
<td>$5,258,000</td>
</tr>
<tr>
<td>&quot; B</td>
<td>$2,380,000</td>
</tr>
<tr>
<td>&quot; C</td>
<td>$4,922,000</td>
</tr>
<tr>
<td>&quot; D</td>
<td>$2,300,000</td>
</tr>
<tr>
<td>&quot; E</td>
<td>$740,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$600,000</td>
</tr>
</tbody>
</table>

**Total** = $16,200,000
SCHEDULE D - PROGRAM OF WORKS AND EXPENDITURE FOR YEAR N
(TO BE SUBMITTED TO THE COMMONWEALTH BY 1 MARCH IN YEAR N-1)

<table>
<thead>
<tr>
<th>Item as per Schedule B</th>
<th>Estimated Expenditure In Year N-1 (Total)</th>
<th>For discharge in -</th>
<th>Total For discharge in -</th>
<th>Appropriation In Year N = (3) + (8)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Year</td>
<td>Year</td>
<td>Year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>N+1</td>
<td>N+2</td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3)</td>
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<td>(4)</td>
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<td>(5)</td>
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<td>(6)</td>
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<td>(8)</td>
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<td>(9)</td>
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<td>(10)</td>
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<td>(11)</td>
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<tr>
<td>(12)</td>
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<td></td>
</tr>
</tbody>
</table>
**Schedule F: Quarterly Return Including Actual Expenditure Cost Escalation and Cost of Outstanding Work at Prices of Latest Quarter**

<table>
<thead>
<tr>
<th>CATEGORY ITEM</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>TOTAL CONTINGENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>P0 (4000*4)</td>
<td></td>
<td></td>
<td></td>
<td>578</td>
<td>1497</td>
<td>310</td>
</tr>
<tr>
<td>E1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>E2</td>
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</tr>
<tr>
<td>M2</td>
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<tr>
<td>P2</td>
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<tr>
<td>E16</td>
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<tr>
<td>M16</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>P16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SCHEDULE F : CERTIFICATION OF EXPENDITURE

I certify that the total expenditure of $ in the quarter 198, recorded in the attached quarterly return, was expended in accordance with the agreement.

I certify that during the quarter 198 advances of $ were received from the Commonwealth, and that expenditure from these advances during that quarter was directed to the agreed program in accordance with the agreement.

(Signature)

(Designation)

(Date)
IN WITNESS WHEREOF this agreement has been respectively signed for and on behalf of the parties as at the day and year first above written.

SIGNED on behalf of THE COMMONWEALTH OF AUSTRALIA by
SENATOR THE HONOURABLE SIR JOHN CARRICK, KCMG, Minister for National Development and Energy in the presence of -

SIGNED on behalf of THE NORTHERN TERRITORY OF AUSTRALIA by THE HONOURABLE ROGER MICHAEL STEELE, Minister for Transport and Works in the presence of -