

# GOLD-MINING INDUSTRY ASSISTANCE.

**No. 79 of 1954.**

An Act to provide for Assistance to the  
Gold-Mining Industry.

[Assented to 18th November, 1954.]

**B**E it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, for the purpose of appropriating the grant originated in the House of Representatives, as follows :—

- |                           |  |
|---------------------------|--|
| Short title.              | 1. This Act may be cited as the <i>Gold-Mining Industry Assistance Act</i> 1954.   |
| Commencement.             | 2. This Act shall come into operation on the day on which it receives the Royal Assent.  |
| Extension to Territories. | 3. This Act extends to the Territory of Papua and the Territory of New Guinea as if each of those Territories were part of the Commonwealth. |
| Interpretation.           | 4.—(1.) In this Act, unless the contrary intention appears—<br>“ bullion ” means gold bullion ;  |

- “development”, in relation to a mining property, means work carried out with the object of ascertaining the existence and extent of gold in the mining property, and includes preparation of that property for the continuous production of gold-bearing minerals by diamond drilling and the provision of shafts, drives, cross cuts, rises, winzes or working faces ;
- “large producer”, in relation to a year, means a person, other than a small producer, who, by mining, has lawfully produced minerals from which has been obtained gold that has been delivered in accordance with section thirty-two of the *Banking Act* 1945-1953 in that year ;
- “mining” means the production of minerals from a mine or from alluvial or surface deposits, and includes the treatment and disposal of the minerals produced by the person who produces the minerals ;
- “ounce” means troy ounce ;
- “person” includes a partnership or syndicate ;
- “producer” means a large producer or a small producer ;
- “refined gold” means gold which has been refined and assayed by a refiner approved by the Treasurer for the purposes of this Act ;
- “small producer”, in relation to a year, means a person who, by mining, has lawfully produced minerals from which has been obtained gold that has been delivered in accordance with section thirty-two of the *Banking Act* 1945-1953 in that year, being gold not exceeding in weight, on a fine gold basis, five hundred ounces ;
- “subsidy” means subsidy under this Act, and includes a payment under section seventeen or section eighteen of this Act ;
- “year” means a year to which this Act applies by virtue of section six of this Act.

(2.) For the purposes of this Act, where a producer obtains or has obtained gold-bearing minerals by mining and another person produces or has produced bullion (either on behalf of the producer or otherwise) from those minerals, or from substances produced by the producer from those minerals, the producer shall be deemed to have produced that bullion.

(3.) Where the Treasurer, by writing under his hand, directs that this sub-section shall apply in relation to a producer, or to producers included in a class of producers, bullion which that producer, or a producer included in that class, is deemed, under the last preceding sub-section, to have produced shall be deemed to have been so produced at the time when the gold-bearing minerals from which the bullion was produced were obtained by the producer.

(4.) Where the Treasurer, by writing under his hand, directs that this sub-section shall apply in relation to a producer, or to producers included in a class of producers, bullion which that producer, or a producer included in that class, is deemed, under sub-section (2.) of this section, to have produced shall be deemed to have been so produced on the date on which the gold contained in the bullion was delivered in accordance with section thirty-two of the *Banking Act* 1945-1953.

(5.) For the purposes of this Act, gold shall be deemed to be delivered in accordance with section thirty-two of the *Banking Act* 1945-1953 on the date treated by the Commonwealth Bank of Australia as the date of the delivery of the gold for the purpose of payment of the price fixed and published by that bank under section thirty-four of the *Banking Act* 1945-1953.

(6.) Except as otherwise provided in this Act, where a large producer is or has been approved in respect of more than one mining property (whether at the same time or not), this Act applies in relation to bullion produced from minerals obtained from each mining property as if that property were the only property in respect of which the producer was approved.

Approval of  
large producers.

5.—(1.) Subsidy is not payable in respect of bullion produced in a year by a person who is a large producer in relation to that year unless the bullion was produced from minerals obtained from a mining property in respect of which the producer was approved or is deemed to have been approved under this section at the time when the bullion was produced or is deemed to have been produced.

(2.) Upon the application of a person for approval under this section, the Treasurer may, in his discretion, by writing under his hand, approve that person as a producer for the purposes of this Act in respect of a mining property specified in the instrument of approval, being a property upon which he is or was entitled under the law of a State or Territory of the Commonwealth to carry on mining for gold and which the Treasurer is satisfied may properly be regarded as a separate mining property.

(3.) The approval takes effect, or shall be deemed to have taken effect, on a date specified by the Treasurer in the instrument of approval, but, where the application for approval is made more than three months after the end of a year, the date so specified shall not be a date in that year.

Years to which  
Act applies.

6.—(1.) Subject to this section, the years to which this Act applies are the two years ending on the thirtieth day of June, One thousand nine hundred and fifty-five, and the thirtieth day of June, One thousand nine hundred and fifty-six, respectively.

(2.) Where the accounting year of a large producer ends on a date other than the thirtieth day of June, the Treasurer may, if he thinks it necessary in order to facilitate the administration of this Act

so to do, determine that the years to which this Act applies shall be, in relation to that producer, the accounting year of the producer beginning in the year One thousand nine hundred and fifty-four, and the next succeeding accounting year.

7.—(1.) Subject to this Act, subsidy is payable upon the production of bullion by a producer in a year to which this Act applies, being bullion from which refined gold is or has been obtained. Subsidy.

(2.) The subsidy is payable to the producer.

8. A person is not entitled to subsidy in respect of bullion produced in a year from minerals obtained by him from a mining property unless the Treasurer is satisfied that the value of the gold obtained or obtainable from minerals obtained by that person by mining at that mining property in that year exceeds the value of other substances obtained or obtainable from minerals so obtained. Subsidy not payable unless principal production is gold.

9.—(1.) Subsidy is not payable in respect of bullion produced in a year by a person who is a large producer in relation to that year unless the cost of production, for each ounce of fine gold contained in the refined gold produced from the bullion, exceeds Thirteen pounds ten shillings. Rate of subsidy.

(2.) Subject to this Act, the amount of subsidy payable in respect of bullion produced in a year by a person who is a large producer in relation to that year is an amount ascertained by multiplying—

(a) an amount equal to three-quarters of the excess referred to in the last preceding sub-section ; or

(b) Two pounds,

whichever is the lesser, by a number equal to the number of ounces of fine gold contained in the refined gold produced from the bullion.

(3.) Subject to this Act, the amount of subsidy payable in respect of bullion produced in a year by a person who is a small producer in relation to that year is an amount ascertained by multiplying One pound ten shillings by the number of ounces of fine gold contained in the refined gold produced from the bullion.

10.—(1.) For the purposes of the application of sub-section (1.) of the last preceding section in relation to bullion produced by a large producer, the cost of production, for each ounce of fine gold contained in the refined gold produced from the bullion, is the sum of the amounts determined by the Treasurer to be— Ascertainment of cost of production.

(a) the average cost, for each ounce of that fine gold, of mining the minerals from which the bullion was produced, and producing the bullion from those minerals ; and

(b) the average cost, for each ounce of that fine gold, of producing the refined gold from the bullion.

(2.) For the purposes of the application of paragraph (a) of the last preceding sub-section in relation to bullion produced in a year, but subject to the succeeding provisions of this section, the cost referred to in that paragraph includes an allowance for depreciation of plant and machinery and for expenses of administration, and also the cost of development of the mining property for that year.

(3.) For the purposes of this section, the cost of development of a mining property for a year (whether or not it is a year to which this Act applies) shall be deemed to be—

- (a) the cost of development of the mining property incurred in that year ; or
- (b) so much of the cost of development of the mining property incurred in or before that year as is treated in the accounts of the producer as a charge against mining operations in that year,

whichever the Treasurer considers appropriate.

(4.) Where so much of the cost of production for each ounce of fine gold for a year as ascertained under the preceding provisions of this section as represents cost of development of the mining property exceeds—

- (a) the average amount, for each ounce of fine gold contained in refined gold obtained from bullion produced by the producer from that property in the period of two years next preceding the first year to which this Act applies, of the cost of development of the mining property for those two years ; or
- (b) Three pounds ten shillings,

whichever is the lesser, that cost of production for each ounce of fine gold shall be deemed to be reduced by the amount of the excess or by such lesser amount as the Treasurer by reason of special circumstances, determines.

(5.) Where subsidy is claimed in respect of bullion produced from a mining property and that property was not worked by the producer claiming the subsidy during the whole of the year during which the bullion was produced and during the whole of the period of two years next preceding the first year to which this Act applies, the last preceding sub-section does not apply, but the Treasurer may have regard to the provisions of that sub-section in exercising his powers under sub-section (8.) of this section in relation to cost of development.

(6.) Where, in a year, a producer obtains or has obtained from a mining property minerals from which other substances of commercial value, in addition to gold, are obtainable, and the Treasurer does not make a determination under the next succeeding sub-section, the cost referred to in paragraph (a) of sub-section (1.) of this section in relation to bullion produced from that mining property in that year includes the cost incurred in that year of obtaining in that year

substances other than gold from those minerals, but shall be deemed to be reduced by the value, as determined by the Treasurer, of the substances so obtained.

(7.) Where the Treasurer considers that the application of the last preceding sub-section would not be appropriate, he may determine the portion of any costs incurred by the producer that is not attributable to the production of gold, and that portion of the costs shall not be taken into account for the purposes of this section.

(8.) For the purposes of this section, the Treasurer may disallow, or vary the amount of, an item of cost incurred or claimed to have been incurred by a producer.

(9.) Without prejudice to the generality of the last preceding sub-section, the Treasurer may, for the purposes of this section, disallow the whole or part of the costs incurred by a producer in or in respect of a period during which the operations of the producer are or were interrupted or restricted.

#### 11. Where—

- (a) bullion or refined gold has been sold, whether by the producer referred to in the next succeeding paragraph or by another person, at a price in excess of a price based on a value of Fifteen pounds twelve shillings and sixpence per ounce of fine gold ;
  - (b) a producer has received, or is entitled to receive, moneys representing the amount of the excess or a share in that amount ; and
  - (c) in the opinion of the Treasurer, the right of the producer to receive those moneys arose in relation to bullion produced by him in a year,
- the subsidy otherwise payable in respect of bullion produced by the producer in that year shall be reduced by the amount of those moneys.

Sales at prices in excess of Fifteen pounds twelve shillings and sixpence per ounce.

12.—(1.) Where the net profit derived by a large producer from the production and sale of bullion produced by him in a year, after taking into account subsidy payable in respect of that bullion, would exceed profit at the rate of ten per centum per annum on the capital used by the producer in that production and sale, the subsidy otherwise payable in respect of that bullion is reduced by the amount of the excess.

Reduction of subsidy where profits exceed ten per centum per annum.

(2.) For the purposes of the application of this section in relation to the second year to which this Act applies, where the Treasurer is satisfied that the net profit derived by the producer from the production and sale of bullion produced by him in the first year to which this Act applies (after taking subsidy into account) was less than profit at the rate of ten per centum per annum on the capital used by the producer in that production and sale or that the producer incurred

a loss from that production and sale, the Treasurer may make such allowance by reason of that fact as he, in his absolute discretion, thinks fit.

(3.) For the purposes of this section, the Treasurer may—

- (a) determine the amount of any capital or net profit required to be taken into account for those purposes ;
- (b) treat as capital and net profit of a producer the amount, as determined by him, of any capital used, and net profit derived, by another person (whether or not subsidiary to, or affiliated with, the producer) in or from the treatment or disposal of minerals or substances resulting from the mining ;
- (c) where a producer uses for manufacturing or other purposes minerals or substances produced by the mining, treat the minerals or substances so used as having been sold by the producer, at such prices as the Treasurer determines ;
- (d) where, in his opinion, two or more producers are so connected that it is reasonable so to do, determine that this section shall apply in relation to those producers as if they were the one producer, and, where the application of this section in accordance with that determination results in a reduction in the total subsidy payable to those producers, determine the proportions in which the reduction shall be made from the subsidy payable to those producers respectively ; and
- (e) make such adjustments to the net profit of a producer as he considers reasonable having regard to the provisions of sub-section (4.) of section ten and section thirteen of this Act.

(4.) In making a determination under the last preceding sub-section of an amount of net profit, the Treasurer shall not allow any tax upon income as a deduction and may disallow interest paid by the producer as a deduction.

(5.) The provisions of sub-section (6.) of section four of this Act do not affect the operation of this section.

Recovery rate  
to be  
maintained.

13.—(1.) For the purposes of this section, the recovery rate for a mining property in respect of a year is a number ascertained by dividing the number of ounces of gold, on a fine gold basis, contained in the bullion produced in that year from minerals obtained from that mining property by the number of tons of those minerals.

(2.) Where the recovery rate for a mining property in respect of a year to which this Act applies is less than nine-tenths of the recovery rate for that property in respect of the year next preceding the first year to which this Act applies, the subsidy otherwise payable in respect of bullion produced by a large producer from minerals obtained from that mining property in the first-mentioned year may, in the discretion of the Treasurer, be reduced by an amount not exceeding the additional

income (other than subsidy) that would, in the opinion of the Treasurer, have been derived by the producer if the first-mentioned recovery rate had been nine-tenths of the second-mentioned recovery rate.

(3.) This section applies whether or not the mining operations at the mining property in the year next preceding the first year to which this Act applies were carried on by the producer, but does not apply where, in that next preceding year, mining operations were not carried on by any person at the mining property.

14.—(1.) Where the Treasurer is satisfied that a producer has delayed the production, treatment or disposal of any minerals or substances for the purpose of obtaining subsidy or increasing the amount of subsidy payable to him, the Treasurer may make such adjustment in the amount of subsidy payable to that producer as he thinks proper in the circumstances.

Treasurer may  
adjust subsidy  
in certain  
circumstances.

(2.) Where, in the opinion of the Treasurer, two or more producers are so connected that it is reasonable so to do, the Treasurer may make such adjustment in the amount of any subsidy payable to one or more of those producers as he thinks proper having regard to the subsidy that would, in his opinion, have been payable if the bullion produced by those producers had been produced by one producer.

15. A large producer is not entitled to subsidy unless—

Accounts, &c.

- (a) he keeps, to the satisfaction of the Treasurer, books of account or other records containing such information relating to his mining operations and business as is necessary for the determination of claims by him for subsidy ;
- (b) he furnishes to the Treasurer such balance-sheets, profit and loss accounts, working accounts and other information relating to his mining operations and business as the Treasurer requires for the purposes of this Act ; and
- (c) the balance-sheets, accounts and other financial information so furnished are certified by that producer and his auditor to be true and correct in every particular.

16.—(1.) A person authorized by the Treasurer to act under this section may, for the purposes of this Act, at all reasonable times enter a property upon which mining operations are carried on by a person who has applied for or been granted approval, in respect of that property or any other property, under section five of this Act or who has claimed or received subsidy, or premises in which books or records of such a person are kept, and may—

Inspection of  
books, &c.

- (a) inspect the underground or surface workings on any such mining property and take stock of minerals produced from mining ; and

(b) inspect, and make copies of, or extracts from, any such books or records.

(2.) The occupier or person in charge of any property or premises referred to in the last preceding sub-section shall provide the authorized person with all reasonable facilities and assistance for the effective exercise of his powers under that sub-section.

(3.) A person shall not hinder or obstruct the exercise by an authorized person of his powers under this section.

Penalty : Fifty pounds.

Advances of  
subsidy.

17.—(1.) The Treasurer may authorize the making of an advance to a producer on account of subsidy.

(2.) If a person receives by way of advances in respect of bullion produced or to be produced in a year an amount greater than the amount of subsidy payable to him in respect of that bullion, he is liable to repay to the Commonwealth the amount of the excess, and the Commonwealth may recover that amount as a debt due to the Commonwealth by action in a court of competent jurisdiction.

Advance  
settlement of  
claims to  
subsidy.

18. The Treasurer may, at any time after the end of a year and with the consent of a producer, for the purpose of avoiding undue delay in the payment of subsidy, pay to the producer the amount which the Treasurer estimates to be the amount of subsidy that will become payable to that producer in respect of that year, and that amount shall be deemed to be paid in full discharge of the producer's rights to subsidy in respect of that year.

Offences.

19.—(1.) A person shall not—

- (a) obtain subsidy that is not payable ;
- (b) obtain payment of subsidy by means of a false or misleading statement ; or
- (c) present to an officer or other person doing duty in relation to this Act or the regulations an account, book or document, or make to such an officer or person a statement, that is false or misleading in any particular.

Penalty : Five hundred pounds or imprisonment for twelve months.

(2.) Where a person is convicted of an offence against the last preceding sub-section, the Court may, in addition to imposing a penalty under that sub-section, order the person to refund to the Commonwealth the amount of any subsidy wrongfully obtained.

Treasurer to  
consent to  
proceedings for  
offences.  
Appropriation.

20. Proceedings for an offence against this Act or the regulations shall not be instituted without the consent in writing of the Treasurer.

21. Subsidy (including advances on account of subsidy) is payable out of the Consolidated Revenue Fund, which is appropriated accordingly.

Statement for  
Parliament.

22. The Treasurer shall, in the year One thousand nine hundred and fifty-five and in each subsequent year in which subsidy is paid, cause to be tabled in each House of the Parliament a statement concerning the operation of this Act and the payment of subsidy.

**23.**—(1.) The Treasurer may, either generally or in relation to a matter or class of matters, by writing under his hand, delegate any of his powers and functions under this Act (except this power of delegation).

Delegation by  
Treasurer.

(2.) A power or function so delegated may be exercised or performed by the delegate either generally, or with respect to the matter, or to matters included in the class of matters, specified in the instrument of delegation, as the case may be.

(3.) A delegation under this section is revocable at will and does not prevent the exercise of a power or the performance of a function by the Treasurer.

**24.** The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for carrying out or giving effect to this Act, and in particular for prescribing—

Regulations

- (a) the manner in which, and the time within which, claims for subsidy shall be made; and
  - (b) penalties, not exceeding a fine of Fifty pounds, for offences against the regulations.
-