

GOLD MINING ENCOURAGEMENT.

No. 38 of 1940.

An Act to provide for Financial Assistance to the States for the Development of the Gold Mining Industry and to make Provision for and in relation to Refunds of Gold Tax.

[Assented to 4th June, 1940.]

- Preamble.** **B**E it enacted by the King'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 *Gold Mining Encouragement Act* 1940.
- Commencement.** 2. This Act shall come into operation on the day on which it receives the Royal Assent.
- Extension to Territories.** 3. This Act shall extend to the Territories of the Commonwealth.

4. In this Act, unless the contrary intention appears—

Definitions.

“ *bona fide* prospector ” means a person (other than a company) who satisfies a prescribed authority that—

- (a) he has personally performed the whole or the major part of the field work of prospecting for and obtaining the gold upon which he has paid gold tax ; or
- (b) he is one of two or more persons who together have personally performed the whole or the major part of that work ;

“ gold tax ” means tax imposed by the *Gold Tax Act 1939* ;

“ producer ” means a person who obtains gold by mining or other like means ;

“ quarter ” means any period of three months commencing on the first day of July, the first day of October, the first day of January, or the first day of April ;

“ the Bank ” means the Commonwealth Bank of Australia ;

“ the basic amount ”, in relation to any gold, means the amount paid by the Bank for that gold, less the sum of—

- (a) the amount of gold tax paid upon that gold ; and
- (b) One pound ten shillings for each ounce of fine gold contained in that gold ;

“ the Commissioner of Taxation ” means the person for the time being holding office as Commissioner of Taxation under the *Estate Duty Assessment Act 1914–1940*, and includes any person for the time being holding office as Second Commissioner of Taxation under that Act ;

“ year ” means the year commencing on the fifteenth day of December, One thousand nine hundred and thirty-nine or any year commencing on any anniversary of that date.

5.—(1.) There shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, the sum of One hundred and fifty thousand pounds for the purpose of financial assistance to the States.

Grants to States.

(2.) The amount payable under this section to each State shall be the amount shown in the following table opposite to the name of that State—

	£
New South Wales	8,000
Victoria	14,000
Queensland	14,000
South Australia	1,000
Western Australia	111,000
Tasmania	2,000
	150,000

(3.) Any amount payable to a State under this section shall be paid to that State at such times, and in such manner, as the Treasurer determines.

Conditions of
grant.

6. Any money paid to a State under the last preceding section shall be paid upon the following conditions :—

- (a) The money shall be used by the State for the making of advances to persons engaged in the production of gold ;
- (b) If any of the moneys so advanced are repaid wholly or in part to the State, the moneys so repaid shall be applied by the State in the same manner, and upon the same conditions, as money paid to the State under the last preceding section, and, for the purposes of this section, shall be deemed to be moneys paid to the State under that section ;
- (c) The Treasurer of the State shall keep, in the books of the Treasury of the State, a separate account to which there shall be credited the moneys paid to the State under the last preceding section, and advances repaid to the State, and any interest thereon, and to which there shall be debited all moneys advanced by the State under this section ; and
- (d) Forthwith after the close of each financial year (commencing with the financial year ending on the thirtieth day of June, One thousand nine hundred and forty-one) the Government of the State shall furnish to the Treasurer a statement certified by the Auditor-General for the State, setting out, in respect of that financial year, such matters in relation to the account referred to in the last preceding paragraph as are prescribed.

Refunds of gold
tax to *bona
fide* prospectors.

7.—(1.) The Commonwealth shall, subject to the regulations, refund to a person who is a *bona fide* prospector the amount of tax upon the first twenty-five ounces of gold upon which he directly or indirectly pays tax in any year.

(2.) Notwithstanding anything contained in this section, a person who has received a refund under section eight of the *Gold Tax Collection Act 1939* of gold tax paid upon any gold shall not be entitled to a refund under this section of the gold tax paid upon that gold.

Refunds of gold
tax to producers
other than *bona
fide* prospectors.

8.—(1.) Subject to the regulations, the Commonwealth shall refund to any producer (not being a *bona fide* prospector) in respect of whom a certificate under the next succeeding sub-section is furnished to the Commissioner of Taxation by a prescribed authority, such amount of the gold tax directly or indirectly paid by that producer, on or after the first day of July, One thousand nine hundred and forty, in respect of the gold produced by him in any quarter (not being a quarter which commenced before that date), as is determined in accordance with the provisions of this Act.

(2.) Where any producer satisfies a prescribed authority—

- (a) that the gold upon which he has directly or indirectly paid gold tax was produced by him in any such quarter at a cost exceeding the basic amount ; and

- (b) that the value of the output of gold produced from the mining property from which that gold was produced is not less than forty per centum of the value of the total output of the property in any such quarter during which that gold was produced,

the prescribed authority shall furnish to the Commissioner of Taxation a certificate accordingly.

9. The amount of any refund to be made to any person in pursuance of the last preceding section shall be the amount by which the cost of the production of the gold, as certified by the prescribed authority, exceeds the basic amount, but shall not in any case exceed the amount of gold tax paid on that gold.

Amount of refund.

10.—(1.) For the purpose of determining the cost of production of any gold upon which gold tax has been paid, there shall be taken into account—

Cost of production.

- (a) the average cost, per ounce of fine gold, in the quarter during which the gold was produced, of—
- (i) mining or obtaining the ore or other material actually treated for the purpose of producing the gold ; and
 - (ii) the treatment of that ore or other material ;
- (b) the cost of the realization of the gold ;
- (c) the average cost, per ounce of fine gold, of development in the quarter during which the gold was produced :

Provided that, where that average cost exceeds the average cost, per ounce of fine gold, of development in the two years immediately preceding that quarter, the amount to be taken into account shall be the last-mentioned average cost or the amount of Two pounds, whichever is the less ;

- (d) to such extent as is prescribed—
- (i) depreciation on plant and machinery ; and
 - (ii) the expense of administration ; and
- (e) such other matters as are prescribed,

and no other costs, charges, expenses or matters whatsoever shall be taken into account.

(2.) For the purposes of this section the term “development”, in relation to any gold, means the development, in such respects as are prescribed, of the mining property from which the gold was produced.

11. A person shall not—

- (a) obtain any refund of tax which is not payable ;
- (b) obtain any refund of tax by means of any false or misleading statement ; or

Offences in relation to refunds.

- (c) present to any officer or other person doing duty in relation to this Act or the regulations, or make to any such officer or person, any statement which is false in any particular.

Penalty : If the offence is prosecuted summarily, One hundred pounds or imprisonment for six months ; if the offence is prosecuted upon indictment, One thousand pounds or imprisonment for two years.

Arrangements
with State
Governments as
to payments of
refunds.

12. The Governor-General may enter into an arrangement with the Governor of any State providing for any matter necessary or convenient for the purpose of carrying out or giving effect to this Act in relation to the payment of refunds of gold tax.

Regulations.

13. 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 matters providing for or in relation to—

- (a) applications for, and the making of, refunds of gold tax ; and
(b) penalties not exceeding a fine of One hundred pounds or imprisonment for a period of six months, for offences against the regulations.