

ATOMIC ENERGY AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill contains miscellaneous amendments to the Atomic Energy Act 1945 and inserts several new provisions designed to encourage the search for and production of uranium or other substances which may be used for the production of atomic energy.

Clause 2 substitutes new definitions of the terms "atomic energy" and "uranium". The new definitions are in accordance with those now accepted by scientists. The clause also adds a definition of the term "prescribed substance". The new definition will include all substances which may be used in the production of atomic energy. Generally the term "prescribed substance" will be used in the principal Act in substitution for the term "uranium".

Clause 3 provides for the making of grants in respect of the discovery of prescribed substances. At present a provision in the principal Act permits the Minister to make a grant to the person who first discovers uranium. It is proposed to repeal this provision. The new provisions provide for the making of grants for the purpose of rewarding any person discovering any prescribed substance. The provisions also set out in detail the circumstances in which a grant in respect of the discovery of any prescribed substance may be payable and the amount of any such grant, which will vary in accordance with the importance of the discovery. The provisions are similar to those existing in Australia. Any grant will be exempt from income tax and the social security charge.

Clause 4 provides for the making of grants for the purpose of assisting persons engaged in prospecting for or producing prescribed substances.

Clause 5 substitutes a new subsection one of section five of the principal Act. The only alteration effected is that the present provision authorising the Minister to prohibit totally the treating or concentrating of uranium being mined has been omitted.

Clause 6 inserts a new section which sets out the provisions of the Mining Act 1926 which will be applicable in respect of minerals containing prescribed substances. Some of those provisions are modified in the clause.

It is proposed, in respect of minerals containing prescribed substances—

- (a) That prospecting will take place only pursuant to a miner's right or a mineral prospecting warrant;
- (b) That the holder of a mineral prospecting warrant will not have a right to a mineral lease;
- (c) That the holder of a mineral prospecting warrant will have a right, in priority to other persons, to a mineral licence in respect of each one thousand acres, or part thereof, of the land in the warrant;

- (d) That no person shall mine for any minerals containing any prescribed substance except pursuant to a mineral licence;
- (e) That a mineral licence may be granted in respect of any land, but that it may not be granted in respect of land other than Crown land without the consent of the owner and lessee;
- (f) That certain provisions of the Mining Act 1926 relating to machinery will not apply in respect of minerals containing prescribed substances;
- (g) That otherwise the provisions of the Mining Act 1926 shall apply.

Clause 7 replaces the existing provisions relating to the disposition of uranium.

At present uranium which has been produced in accordance with the direction of the Minister becomes the property of the Crown subject to the payment of compensation in respect of the costs of production and such other matters as the Minister considers relevant. It is proposed that mined prescribed substances shall only be disposed of with the prior consent of the Minister but that if the Crown proposes to acquire prescribed substances it shall pay current market rates to the producer.

The rights of the Crown to uranium existing in its natural condition are not affected by the Bill.

Clause 8 permits the importation of samples, not exceeding five pounds in weight, of minerals containing prescribed substances without the consent of the Minister. At present there is an absolute prohibition on the importation of uranium without the consent of the Minister.

Clause 9 permits the Minister to mine for and process minerals containing prescribed substances. The provisions of the law relating to licences will apply to the Minister in the same way as they apply to other persons.

Clause 10 amends section fifteen of the principal Act. The effect of the amendment is that officers of the Department of Scientific and Industrial Research will no longer have the right of entry to premises for the purpose of ascertaining if there is uranium on the premises.

Clause 11 repeals a provision of the principal Act authorising any consent given by the Minister under that Act to be revoked and any condition imposed by the Minister under the principal Act to be varied.

Clause 12 reduces the penalties for offences against the principal Act. At present the general penalty for breach is a fine of one thousand pounds or imprisonment for a term of five years.

Clause 13 prescribes that the provisions of the proposed Act will apply to existing mineral prospecting warrants granted in respect of prescribed substances.

Hon. Mr McAlpine

ATOMIC ENERGY AMENDMENT

ANALYSIS

Title	
1. Short Title	7. Disposition of prescribed substances
2. Definition of terms	8. As to importation of prescribed substances
3. Grants of rewards in respect of the discovery of prescribed substances	9. Minister may mine for prescribed substances
4. Grants to assist persons prospecting for or producing prescribed substances	10. Amending provisions as to entry and inspection
5. Amending provisions as to mining for prescribed substances	11. Amending provisions as to consents
6. Application of Mining Act 1926 with respect to prescribed substances	12. Penalties for offences
	13. Act to apply to existing mineral prospecting warrants granted in respect of prescribed substances

A BILL INTITULED

An Act to amend the Atomic Energy Act 1945

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. **Short Title**—This Act may be cited as the Atomic Energy Amendment Act 1957, and shall be read together with and deemed part of the Atomic Energy Act 1945 (hereinafter referred to as the principal Act).

10 2. **Definition of terms**—(1) Section two of the principal Act is hereby amended by repealing the definition of the term “atomic energy”, and substituting the following definition:

15 “‘Atomic energy’ means the energy released from atomic nuclei as a result of any process, including the fission process; but does not include energy released in any process of natural transmutation or radioactive decay which is not accelerated or influenced by external means.”

(2) Section two of the principal Act is hereby further amended by repealing the definition of the term "uranium", and substituting the following definition:

"'Uranium' includes thorium and all natural substances, chemical compounds, and physical combinations of uranium or thorium:" 5

(3) Section two of the principal Act is hereby further amended by adding, after the definition of the term "uranium", the following definition:

"'Prescribed substance' means uranium, thorium, plutonium, neptunium, or any of their respective compounds, or any such other substance as the Minister may prescribe by notice in the *Gazette*, being a substance which in his opinion is or may be used for the production of atomic energy or research into matters connected therewith." 10 15

(4) The principal Act is hereby amended as follows:

- (a) By omitting from subsection one of section four the word "uranium", and substituting the words "any prescribed substance": 20
- (b) By omitting from subsection one of section four the words "the ore, the place of its occurrence", and substituting the words "the place where the discovery took place":
- (c) By omitting from subsection two of section five the word "uranium", and substituting the words "prescribed substance": 25
- (d) By omitting from subsection one of section fifteen the words "contain uranium", and substituting the words "contain any prescribed substance", and by omitting from the said subsection one the words "any uranium", and substituting the words "any prescribed substance". 30

3. Grants of rewards in respect of the discovery of prescribed substances—(1) The principal Act is hereby amended 35 by inserting, after section four, the following section:

"4A. (1) The Minister may, out of money appropriated by Parliament for the purpose, make such grants as he thinks fit for the purpose of rewarding any person discovering any prescribed substance. 40

"(2) Any application for a grant under this section shall be made in writing to the Under-Secretary of the Mines Department.

“(3) Where, in the opinion of the Minister, any deposit containing any prescribed substance has no immediate commercial value but, because of geological interest, is sufficient to justify further prospecting, he may make a grant under
5 this section, not exceeding two hundred pounds, to the person discovering the deposit.

“(4) Where, in the opinion of the Minister, any deposit containing any prescribed substance is sufficient to have a potential value, he may make a grant under this section, not
10 exceeding one thousand pounds, to the person discovering the deposit.

“(5) Where, in the opinion of the Minister, any deposit containing any prescribed substance will produce twenty-five tons or more of uranium oxide, he may make a grant under
15 this section of one thousand pounds, increased at the rate of four hundred pounds for each five tons in excess of twenty-five tons of uranium oxide which it is estimated that the deposit will produce, to the person discovering the deposit:

Provided that the total of any grant under this subsection
20 in respect of any one discovery shall not exceed twenty-five thousand pounds.

“(6) Payment of any grant under this section may be made in one amount or by instalments payable at such times as the Minister determines.

“(7) Where two or more persons, either jointly or severally,
25 make application under this section for a grant in respect of the same discovery of a deposit containing any prescribed substance, the Minister may, in his discretion, direct that the grant, if payable under this section, shall be paid to one
30 applicant only or that it shall be apportioned between such of the applicants and in such proportions as the Minister thinks fit.

“(8) Any application for a grant under this section may be granted or refused in the absolute discretion of the Minister
35 and, subject to the provisions of this section, the amount of any such grant shall be in the absolute discretion of the Minister.

“(9) Any grant made under this section shall be exempt from income tax and from the social security charge.”

(2) Subsection two of section four of the principal Act is
40 hereby repealed.

4. Grants to assist persons prospecting for or producing prescribed substances—The principal Act is hereby amended by inserting, after section four A as inserted by section three of this Act, the following section:

“4B. (1) The Minister may, out of money appropriated by Parliament for the purpose, make such grants as he thinks fit for the purpose of assisting any person prospecting for or producing any prescribed substance.

“(2) Any grant under this section may be by way of cash payment, loan, subsidy, or otherwise and may be made either unconditionally or subject to such conditions as the Minister thinks fit. 5

“(3) Any application for a grant under this section shall be made in writing to the Under-Secretary of the Mines Department. 10

“(4) Payment of any grant under this section may be made in one amount or by instalments payable at such times as the Minister determines.

“(5) The Minister may for the purposes of this section, in the name and on behalf of Her Majesty, make and enforce such agreements, and execute such instruments, as he thinks fit. 15

“(6) The provisions of section forty-seven of the Statutes Amendment Act 1939 shall apply to any agreement made under subsection five of this section and registered under the Mining Act 1926.” 20

5. Amending provisions as to mining for prescribed substances—Section five of the principal Act is hereby amended by repealing subsection one, and substituting the following subsection: 25

“(1) If the Minister is satisfied that any person is mining or is about to mine any prescribed substance or is engaged or about to engage in carrying out any physical, chemical, or metallurgical process as a result of which, in the opinion of the Minister, any prescribed substance may reasonably be expected to be isolated or extracted, the Minister may, by notice in writing given to that person, require him in conducting the mining operations or in carrying out any process as aforesaid to comply with and observe such terms and conditions as the Minister may in the notice think fit to impose.” 30 35

6. Application of Mining Act 1926 with respect to prescribed substances—The principal Act is hereby amended by inserting, after section five, the following section:

“5A. (1) Notwithstanding the provisions of the Mining Act 1926, no person shall prospect for any mineral likely to contain any prescribed substance except pursuant to a miner’s right issued under section sixty-four of that Act or to a mineral
5 prospecting warrant granted under section seventy-seven of that Act.

“(2) The provisions of section eighty-one of the Mining Act 1926 shall not apply to the holder of a mineral prospecting
10 warrant granted in respect of any mineral likely to contain any prescribed substance.

“(3) The holder of a mineral prospecting warrant granted in respect of any mineral likely to contain any prescribed
15 substance shall, in such manner and subject to such conditions as may be prescribed by regulations under this Act, have the right in priority to any other person of obtaining mineral licences under section one hundred and six of the Mining Act 1926 (not exceeding an area of three hundred and twenty
20 acres for each such licence) for each one thousand acres or part thereof comprised in the prospecting warrant.

“(4) The holder of a miner’s right may apply for a mineral
25 licence in respect of any mineral containing any prescribed substance under section one hundred and six of the Mining Act 1926 whether or not he is the holder of a mineral prospecting warrant in respect of the land to which the application relates.

“(5) Notwithstanding the provisions of the Mining Act 1926, no person shall mine for any mineral containing any prescribed substance except pursuant to a mineral licence granted under section one hundred and six of that Act.

30 “(6) A mineral licence granted in respect of any mineral containing any prescribed substance may authorise the licensee to occupy any land to which the licence relates whether or not it is Crown land and whether or not it is situated in a mining district:

35 Provided that no such licence shall be granted with respect to any land other than Crown land unless the consent of the owner and lessee (if any) of the land has been obtained and is deposited with the Warden.

40 “(7) The provisions of section two hundred and forty-four and Part VI of the Mining Act 1926 shall not apply with respect to any prescribed substance.

“(8) Except as otherwise provided by this Act, the provisions of the Mining Act 1926 shall apply with respect to any prescribed substance to the same extent as they apply with respect to minerals and in all respects as if all prescribed substances were minerals within the meaning of that Act, and all the provisions of that Act, as far as they are applicable, and with the necessary modifications, shall apply accordingly. 5

“(9) This section shall have no application in the Cook Islands or in Western Samoa.”

7. Disposition of prescribed substances—(1) The principal Act is hereby amended by repealing section six, and substituting the following section: 10

“6. (1) All minerals, concentrates, or other materials containing any prescribed substance which are extracted, isolated, or concentrated by any person shall only be disposed of with the prior written consent of the Minister and subject to such conditions as he shall impose. 15

“(2) The Minister may serve notice on any person who has produced any mineral, concentrate, or other material containing any prescribed substance that he proposes to acquire, on behalf of Her Majesty, the mineral, concentrate, or other material, and upon the service of the notice and the payment of purchase price in accordance with this section, the mineral, concentrate, or material shall become the property of the Crown and shall be delivered to the Minister or as he shall direct. 20 25

“(3) There shall be payable out of money appropriated by Parliament for the purpose in respect of the acquisition of any substance under this section a sum equal to the price which the owner thereof might reasonably have been expected to obtain upon a sale thereof effected by him immediately before the date of the service of the notice referred to in subsection two of this section.” 30

(2) Section eight of the principal Act is hereby amended by adding to subsection one the following proviso: 35

“Provided that nothing in this subsection or in section nine of this Act shall be deemed to affect the right of any person to receive payment in respect of any mineral, concentrate, or other material containing any prescribed substance mined or produced by that person in accordance with the provisions of this Act.” 40

8. As to importation of prescribed substances—The principal Act is hereby amended by repealing section seven, and substituting the following section:

5 “7. No person shall, without the prior written consent of the Minister, import any prescribed substance:

Provided that samples of any minerals containing any prescribed substance may be imported without the consent of the Minister if the weight of those samples does not exceed five pounds.”

10 **9. Minister may mine for prescribed substances**—The principal Act is hereby amended by repealing section ten, and substituting the following section:

15 “10. (1) The Minister, on behalf of Her Majesty, may mine for any mineral containing any prescribed substance and carry on such processes or operations as he thinks fit for the concentration, isolation, extraction, and chemical purification of any prescribed substance.

20 “(2) For the purposes of this section the provisions of any enactment relating to the application for, holding, purchase, or other acquisition of any licence authorising the prospecting for or mining of any prescribed substance shall apply to the Minister in all respects as they apply to any other person.”

10. Amending provisions as to entry and inspection—Section fifteen of the principal Act is hereby amended by
25 omitting from subsection one the words “and any officer of the Department of Scientific and Industrial Research specially authorised in that behalf by the Permanent Secretary of that Department”.

30 **11. Amending provisions as to consents**—Subsection two of section sixteen of the principal Act is hereby repealed.

12. Penalties for offences—(1) Section eighteen of the principal Act is hereby amended by omitting the words “shall be liable on indictment to a fine not exceeding one thousand pounds, or to imprisonment for a term not exceeding five
35 years”, and substituting the words “shall be liable on summary conviction to a fine not exceeding five hundred pounds, or to imprisonment for a term not exceeding six months”.

(2) The Summary Jurisdiction Act 1952 is hereby amended by repealing so much of the First Schedule as relates to the
40 Atomic Energy Act 1945.

13. Act to apply to existing mineral prospecting warrants granted in respect of prescribed substances—Notwithstanding the provisions of the Mining Act 1926 or any other enactment, any mineral prospecting warrant under section seventy-seven of the Mining Act 1926 granted before the commencement of this Act in respect of any mineral containing any prescribed substance shall have effect as if this Act had been in force when the warrant was granted, and any such warrant shall be deemed to be amended accordingly.

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