

IRON AND STEEL INDUSTRY BILL

EXPLANATORY NOTE

THE Bill makes provision for matters necessary to enable the Government to take preliminary steps in connection with the establishment of an iron and steel industry.

Clause 3 vests the right to prospect or mine for ironsands in any ironsands area in the Crown and prohibits any person, other than the Minister of Mines, from prospecting or mining for ironsands (which term includes iron-ore) in those areas. The prohibition is subject to exceptions contained in the Bill and will remain in force for eight years. Power is given to remove the prohibition in respect of any land, before the expiration of the eight year period, by notice in the *Gazette*. Ironsands areas will be strips of land, 3 miles wide, extending along certain parts of the western coastline of New Zealand and the Waitapu Survey District in the Nelson Land District.

Clause 4 excludes the provisions of the Mining Act 1926 in respect of ironsands in an ironsands area.

Clause 5 permits the continuance of existing rights so long as those rights do not relate to the use of ironsands for the manufacture of iron or steel, or the recovery of titanium or vanadium. These latter rights are suspended during the time when the Act applies.

Clause 6 provides for the entry on land of persons engaged in preliminary investigations in connection with the search for ironsands.

Clause 7 authorises the taking of land for the purpose of mining ironsands and the establishment of an iron and steel industry and prescribes how land shall be taken under the proposed Act.

Clause 8 provides for compensation to be payable to persons whose lands are taken. Compensation will be fixed in the same manner as if the land were taken for a public work.

Clause 9 provides for the payment of royalties in addition to compensation. The rate of royalty will not exceed ninepence a ton on all ironsands mined in the area taken and will be fixed by agreement or, failing agreement, by arbitration. If fixed by arbitration, the rate will be reviewed every seven years.

Clause 10 authorises the Minister to grant rights in respect of land taken for the purpose of mining for ironsands or establishing an iron and steel industry.

Clause 11 provides that prospecting or mining of ironsands in tidal lands in an ironsands area will be subject to the consent of the Minister of Marine.

Clause 12 authorises the Minister of Industries and Commerce to subscribe for shares in any company formed for the purpose of making investigations and taking other preliminary steps in connection with the prospecting for or testing ironsands and the establishment of an iron and steel industry in New Zealand.

Hon. Mr Hackett

IRON AND STEEL INDUSTRY

ANALYSIS

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A BILL INTITULED

An Act to vest in the Crown the right to prospect for and mine ironsands in certain areas, to enable the Minister to grant certain powers, and to make provisions in respect
5 **of an iron and steel industry in New Zealand**

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 Iron and Steel
10 Industry Act 1959.

2. **Interpretation**—In this Act, unless the context otherwise requires,—

“Harbour works” has the same meaning as in the Harbours Act 1950:

“Ironsands” means sands containing iron-bearing minerals; and includes materials in solid formation containing iron-bearing minerals:

“Ironsands area” means any area described in the Schedule to this Act for the time being subject to the provisions of this Act: 5

“Minister” means the Minister of Mines:

“Tidal lands” has the same meaning as in the Harbours Act 1950.

3. Right to prospect or mine for ironsands in ironsands area vested in Crown—(1) Except as otherwise provided by this Act and notwithstanding the provisions of any Act or of any Crown grant, certificate of title, lease, or other instrument of title, the right to prospect and mine for ironsands in any ironsands area is hereby vested in Her Majesty, subject to the provisions of this Act, and no person, other than the Minister, or a person authorised under this Act by the Minister, shall, after the commencement of this Act, prospect or mine for ironsands in any ironsands area. 10 15

(2) The Minister, without further authority than this Act, may carry on prospecting or mining operations in respect of ironsands in any ironsands area. 20

(3) The Minister may by writing under his hand authorise any person to exercise any of the rights or powers conferred on him by subsection two of this section subject to such terms and conditions as he thinks fit and for that purpose the Minister may from time to time, on behalf of Her Majesty, enter into agreements with any person in order to give full effect to the provisions of this subsection. 25

(4) On the first day of January, nineteen hundred and sixty-eight, any land which has not been taken under this Act or purchased or otherwise acquired by the Minister for the purposes of this Act shall cease to be subject to the provisions of this Act and the rights of any person existing at the commencement of this Act and affected by this Act in respect of any land ceasing to be subject to this Act as aforesaid shall be deemed to be revested in that person in all respects as if this Act had not been passed. 30 35

(5) The provisions of subsection four of this section shall apply in respect of any land which the Minister, by notice in the *Gazette* published at any time before the first day of January, nineteen hundred and sixty-eight, declares to be no longer subject to the provisions of this Act. 40

(6) Except as otherwise provided by this Act no compensation shall be payable to any person in respect of any rights conferred on the Minister or any other person by this Act or in respect of the suspension, taking, or postponement of
5 any rights by this Act.

(7) Where prospecting or mining for ironsands in an iron-
sands area is likely to interfere with any public work or
harbour works, the Minister of Works, in the case of a public
work, and the Harbour Board having control of the harbour
10 works, in the case of harbour works, may impose such terms
and conditions with respect to the prospecting or mining as
may be considered necessary in order to protect the public
work or the harbour works, and all persons concerned shall
be bound by any such terms and conditions.

15 **4. Mining Act 1926 not to apply to ironsands area**—Nothing
in the Mining Act 1926 shall apply to ironsands in any iron-
sands area or to the prospecting or mining for ironsands in
any ironsands area, whether or not the land has been taken
or acquired under or for the purposes of this Act.

20 **5. Certain existing rights to continue**—Notwithstanding
the provisions of section three of this Act, any valid rights in
existence on the first day of September, nineteen hundred and
fifty-nine, in respect of prospecting or mining for ironsands
in any ironsands area may continue to be exercised by the
25 holder of those rights in all respects as if the said section
three had not been passed:

Provided that any such rights in existence as aforesaid
authorising any person to prospect or mine for or otherwise
deal with ironsands contained in or taken from any ironsands
30 area for the purpose of being used for the manufacture of
iron or steel or for the recovery of titanium or vanadium shall
be deemed to be suspended until the land to which they
relate ceases to be subject to the provisions of this Act in
accordance with section three of this Act:

35 Provided also that where any such rights in existence
as aforesaid are likely to interfere with the exercise of the
powers of the Minister under this Act to prospect or mine for
ironsands, the Governor-General may, by Order in Council,
suspend those rights until the land to which they relate ceases
40 to be subject to the provisions of this Act as aforesaid.

6. Entry on land for purposes of Act—(1) Any person authorised either specially or generally by the Minister in that behalf may from time to time during the daytime enter upon any land in an ironsands area, with such assistance and such equipment and materials as he thinks fit, for the purpose of prospecting for ironsands or of making such investigations as he thinks necessary in relation thereto. 5

(2) Any person authorised as aforesaid may do all things which he considers necessary for the purpose of prospecting or investigation including the drilling or digging of holes, the taking and removal of samples of such nature and size as he thinks fit, and the affixing and setting up of such pegs, marks, or poles as may be required: 10

Provided that any damage to the land caused by any such person in the exercise of his powers under this section shall be repaired as soon as practicable and the land restored as far as possible to its former condition. 15

(3) Before entry on any land for the purposes of this section the person authorised as aforesaid shall, if practicable, give reasonable notice to the owner or occupier of the land of his intention to enter thereon, and shall, if required by the owner or occupier produce the authority under which he claims to enter or has entered on the land. 20

(4) The owner or occupier shall be entitled to compensation for any damage done in exercising any power under this section. In default of agreement the amount of compensation shall be fixed by the Warden in the case of land situated in a mining district, and in every other case by a Magistrate. 25

(5) Every person commits an offence and shall be liable on summary conviction to a fine not exceeding fifty pounds who— 30

- (a) Without lawful authority removes, destroys, or alters any peg, mark, pole, or other thing used for the purpose of any survey or investigation made or in the course of being made under this section; or 35
- (b) Wilfully damages or destroys or otherwise interferes with any peg, mark, pole, or other thing as aforesaid; or
- (c) Wilfully obstructs or interferes with any person lawfully engaged in connection with any survey or investigation being made under this section. 40

7. Taking of land—(1) Where the Minister is of the opinion that any land in an ironsands area is required for the mining of ironsands or that any land in any part of New Zealand is required for the establishment or operation of an iron and steel industry, the land may be taken under this Act. 45

(2) The power conferred by this section to take land shall be deemed to include a power to take any estate or interest in land or any right, easement, or *profit á prendre* in respect of any land, and any reference in this Act to the taking of land
5 shall be deemed to include a reference to the taking of any such estate, interest, right, easement, or *profit á prendre* as aforesaid.

(3) Subject to the provisions of this Act, where any land is to be taken under this Act it shall be taken in accordance
10 with the provisions of the Public Works Act 1928 in all respects as if the land were required for a public work under that Act and as if this Act were a special Act within the meaning of section eighteen of the Public Works Act 1928.

(4) Nothing in this section shall be deemed to affect the
15 power of the Crown to acquire, for the purposes of this Act, land or any interest in land by way of purchase or by way of gift or otherwise under the Land Act 1948 or any other Act.

8. Compensation—(1) Every person having any estate or interest in any land taken under this Act shall be entitled to
20 compensation therefor.

(2) Compensation under this section shall be ascertained and paid in all respects as if the land had been taken for a public work under the Public Works Act 1928:

Provided that in assessing compensation under this section,
25 the value of any ironsands which are or may be on or in the land taken shall be excluded.

9. Royalties—(1) Where any land in an ironsands area taken under this Act contains ironsands, there shall be payable in respect of any ironsands mined from the land by any person
30 mining the ironsands a royalty of such amount, not exceeding ninepence for every ton of ironsands mined from the land, as may be agreed upon by the parties, or in default of agreement, as may be fixed by arbitration in accordance with the provisions of the Arbitration Act 1908.

(2) This section, for the purposes of any such arbitration, shall be deemed to be a submission within the meaning of the Arbitration Act 1908, and the reference shall be deemed to be to two arbitrators, one to be appointed by the person or persons to whom the royalty is payable and the other by the
40 person by whom the royalty is payable.

(3) It shall be a term of every award made pursuant to any such arbitration that the rate of royalty fixed by the award shall be reviewed every seven years and the rate of royalty (which shall not exceed the maximum rate specified in subsection one of this section) in respect of each such seven years shall be fixed either by agreement or by arbitration as aforesaid. 5

(4) Notwithstanding the provisions of subsection one or subsection three of this section, the parties may agree, either before or after the claim is submitted to arbitration, that full settlement of any claim for royalties under this section may be effected by payment of an agreed sum or by payment of royalty at an agreed rate (not exceeding the maximum rate specified in subsection one of this section) and, if the agreement is made after the date of any award of arbitration under this section relating to the claim, the award shall be deemed to be cancelled. 10 15

10. Disposition of rights in respect of land taken—

(1) Where any land is taken under this Act, the Minister may, on such terms and conditions as he thinks fit,— 20

(a) Grant a lease, sublease, or tenancy of the land or any part thereof:

(b) Sell or otherwise dispose of the land or any part thereof to any person who intends to use the land in connection with an iron and steel industry: 25

(c) Grant, with respect to land in an ironsands area, such rights, leases, subleases, licences, or easements with respect to the prospecting for or the mining or extraction of ironsands from the land or any part thereof as he thinks fit: 30

(d) Grant such rights, leases, subleases, licences, or easements with respect to the manufacture of iron or steel, the recovery of titanium or vanadium, or the establishment and operation of an iron and steel industry, as he thinks fit. 35

(2) Where any land taken under this Act is no longer required for any purposes relating to an iron and steel industry, the Minister may, by notice in the *Gazette*, declare the land to be Crown land and thereupon the land shall be Crown land subject to the Land Act 1948. 40

(3) The Minister, on behalf of Her Majesty, may from time to time enter into agreements with any person for the purpose of giving full effect to this section.

11. **Provision in respect of tidal lands**—No prospecting or mining in any tidal lands in an ironsands area shall take place without the consent of the Minister of Marine who, in granting his consent, may impose such terms and conditions
5 as he thinks necessary in order to protect any land in the area or adjacent thereto from erosion or other damage.

12. **Shares in investigating company**—(1) The Minister of Industries and Commerce may from time to time, on behalf of Her Majesty the Queen, subscribe for or otherwise acquire
10 shares in any company incorporated under the Companies Act 1955 and formed for the purpose of making investigations and taking such other preliminary steps as may be necessary for the purpose of prospecting for or testing ironsands or establishing an iron and steel industry in New Zealand.

15 (2) The Minister of Finance may from time to time, on behalf of Her Majesty,—

(a) Advance money to any company in which shares have been acquired under subsection one of this section; and

20 (b) Give in respect of any advances made to the company by any other person any guarantee, indemnity, or security,—

upon or subject to such terms and conditions as the Minister of Finance thinks fit.

25 (3) All money required to be paid under this section shall, without further appropriation than this section, be paid out of the Consolidated Fund or the National Development Loans Account.

30 (4) The Minister of Industries and Commerce may from time to time, on behalf of Her Majesty, enter into agreements with any person or with any company in which he has acquired shares under this section for the purpose of giving full effect to this section.

35 (5) Where any money is required to be paid under this section and the money is paid out of the National Development Loans Account, the authority of the Minister of Finance to borrow money under section eleven of the New Zealand Loans Act 1953 shall be deemed to be extended as if the money so paid had been duly transferred from the National
40 Development Loans Account to another fund or account as mentioned in that section.

Section 2

SCHEDULE**IRONSANDS AREA**

(a) All that area in the North Island contained in a strip of land three miles wide measured inland from mean high-water mark and extending along the coastline of the sea and of its bays, inlets, and creeks from the South Head of the Kaipara Harbour to the northern bank of the Wangaehu River, together with all tidal lands contiguous to that land.

(b) All that area in the South Island contained in a strip of land three miles wide measured inland from mean high-water mark and extending along the coastline of the sea and of its bays, inlets, and creeks from the southern bank of the Karamea River to the northern bank of the Haast River, together with all tidal lands contiguous to that land.

(c) All that area in the Nelson Land District contained in the Survey District of Waitapu.