



ANALYSIS

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1966, No. 43

An Act to promote the development and exploitation of inventions and for that purpose to provide for the establishment of an Inventions Development Authority
[14 October 1966]

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 and commencement—(1) This Act may be cited as the Inventions Development Act 1966.

(2) This Act shall come into force on the first day of January, nineteen hundred and sixty-seven.

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

“Authority” means the New Zealand Inventions Development Authority established under this Act:

“Invention” includes any new or improved process or new or improved technique (including a process or technique relating to the breeding or discovery of a new variety of any plant), whether or not a patent has been or could be granted under the law of New Zealand or the law of any other country in respect of the process or technique:

“Minister” means the Minister of Industries and Commerce:

“Public research” means research carried out by a Government Department or public body or any other research in respect of which financial assistance is provided out of public funds.

The New Zealand Inventions Development Authority

3. Establishment of Authority—(1) There is hereby established an Authority to be called the New Zealand Inventions Development Authority.

(2) The Authority shall be a body corporate, with perpetual succession and a common seal, and shall be capable of holding real and personal property, of suing and being sued, and of doing and suffering all such other acts and things as bodies corporate may lawfully do and suffer.

4. Membership of Authority—(1) The Authority shall consist of—

(a) Not less than five nor more than ten members (hereinafter referred to as appointed members) to be appointed by the Governor-General on the recommendation of the Minister:

(b) The Secretary of Industries and Commerce:

(c) The Director-General of Agriculture:

(d) The Secretary for Justice:

(e) The Director-General of the Department of Scientific and Industrial Research.

(2) No appointed member shall be deemed to be employed in the service of Her Majesty for the purposes of the State Services Act 1962 or the Superannuation Act 1956 by reason of his being a member of the Authority.

5. Term of office of members—(1) The appointed members of the Authority shall be appointed for a term not exceeding three years but may from time to time be reappointed for a term not exceeding three years.

(2) Notwithstanding anything to the contrary in this Act, every appointed member, unless he sooner vacates his office under section 6 of this Act, may, with the approval of the Minister, continue in office until his successor comes into office.

6. Extraordinary vacancies—(1) Any appointed member may at any time be removed from office by the Governor-General for disability, bankruptcy, neglect of duty, or misconduct, proved to the satisfaction of the Governor-General, or may at any time resign his office by writing addressed to the Minister.

(2) If any appointed member dies, or resigns, or is removed from office, his office shall become vacant and the vacancy shall be deemed an extraordinary vacancy.

(3) An extraordinary vacancy shall be filled in the manner in which the appointment to the vacant office was made.

(4) Every person appointed to fill an extraordinary vacancy shall be appointed for the residue of the term for which the vacating member was appointed.

(5) The powers of the Authority shall not be affected by any vacancy in the membership thereof.

7. Deputies of appointed members—(1) If any appointed member is incapacitated by illness, absence, or other sufficient cause from performing the duties of his office, that member may appoint a deputy, approved by the Minister in that behalf, to act for him during his incapacity.

(2) Any deputy appointed under this section shall, while he acts as such, be deemed to be a member of the Authority.

(3) No appointment of a deputy and no act done by him as such, and no act done by the Authority while any deputy is acting as such, shall in any proceedings be questioned on the ground that the occasion for his appointment had not arisen or had ceased.

8. Chairman of Authority—(1) The Authority shall, at its first meeting after the commencement of this Act and from time to time thereafter, appoint one of its appointed members to be the Chairman of the Authority.

(2) The person so appointed shall hold that office for a period of three years unless he sooner vacates his office as a member of the Authority, in which case he shall also vacate the office of Chairman.

(3) Notwithstanding the provisions of subsection (2) of this section, the Chairman shall, unless he dies or resigns that office or vacates his office as a member of the Authority, continue to hold office as Chairman until his successor is appointed, and shall be eligible for reappointment.

(4) When the office of Chairman becomes vacant, that vacancy shall be filled within two months after its occurrence.

9. Deputy Chairman of Authority—(1) The Authority shall, at its first meeting after the commencement of this Act and from time to time thereafter, appoint one of its appointed members to be the Deputy Chairman.

(2) The person so appointed shall hold that office for a period of three years unless he sooner vacates his office as a member of the Authority, in which case he shall also vacate the office of Deputy Chairman.

(3) Notwithstanding the provisions of subsection (2) of this section, the Deputy Chairman shall, unless he dies or resigns that office or vacates his office as a member of the Authority, continue to hold the office of Deputy Chairman until his successor is appointed, and shall be eligible for reappointment.

(4) When the office of Deputy Chairman becomes vacant, that vacancy shall be filled within two months after its occurrence.

(5) During any vacancy in the office of Chairman, or in the absence of the Chairman from any meeting of the Authority, or in the event of the Chairman being incapacitated by illness or other cause from performing the duties of his office, the Deputy Chairman shall have and may exercise all the powers of the Chairman.

10. Meetings of Authority—(1) The first meeting of the Authority shall be held on a day to be appointed in that behalf by the Minister.

(2) Subsequent meetings of the Authority shall be held at such times and places as the Authority or the Chairman from time to time appoints.

(3) The Chairman may at any time call a special meeting of the Authority and the Chairman shall call a special meeting whenever required to do so in writing by any three members.

(4) At all meetings of the Authority not less than half of the members shall form a quorum.

(5) The Chairman shall preside at all meetings of the Authority at which he is present. In the absence from any meeting of the Chairman and the Deputy Chairman, the members present shall appoint one of their number to be chairman at that meeting.

(6) In the absence from any meeting of the Authority of any member (other than an appointed member), any officer of his Department authorised in that behalf may attend the meeting in his stead, or during intervals between meetings do any act which the member may do, and while so attending or acting shall be deemed to be a member.

(7) At any meeting of the Authority the Chairman shall have a deliberative vote, and, in the case of an equality of votes, shall also have a casting vote.

(8) All questions arising at any meeting of the Authority shall be decided by a majority of the valid votes recorded thereon.

(9) A resolution in writing signed by all the members of the Authority for the time being present in New Zealand and not incapacitated by disability from attending a meeting shall be as valid and effectual as if it had been passed at a duly constituted meeting of the Authority:

Provided that the Chairman shall report to the Authority every resolution so signed since the previous meeting of the Authority, and lay before the Authority a copy of every such resolution.

(10) Subject to the provisions of this Act, the Authority may regulate its procedure in such manner as it thinks fit.

11. Committees—(1) The Authority may from time to time, by resolution, appoint, discharge, alter, continue, or reconstitute—

(a) An executive committee of not less than four members:

(b) Special committees for particular purposes.

(2) Every member of the executive committee shall be a member of the Authority, but any person may be appointed to a special committee notwithstanding that he is not a member of the Authority.

(3) The functions of special committees shall be to advise the Authority on such matters as are referred to them by the Authority.

(4) The Authority may delegate to the executive committee such of its powers and functions as it thinks fit.

(5) Subject to any general or special directions given or conditions attached by the Authority, any powers or functions so delegated may be performed and exercised by the executive committee with the same effect as if those powers or functions had been directly conferred by this Act and not by delegation.

(6) Every executive committee purporting to act under any delegation under this section shall be presumed to be acting in accordance with the terms of the delegation, in the absence of proof to the contrary.

(7) Every such delegation shall be revocable at will, and no such delegation shall prevent the performance or exercise of any power or function by the Authority.

(8) Until any such delegation is revoked, it shall continue in force according to its tenor, notwithstanding any change in the membership of the Authority or of the committee.

(9) Subject to the rules of the Authority, each committee appointed under this section may regulate its own proceedings in such manner as it thinks fit.

12. Officers and employees of Authority—(1) The Authority may from time to time appoint a Managing Director and such other officers and employees, including acting or temporary or casual officers and employees, as it thinks necessary for the efficient exercise of its powers and functions under this Act, and may, subject to any contract of service, at any time remove any officer or employee from his office or employment.

(2) Officers and employees of the Authority shall be paid such salaries and allowances (within scales fixed by the Authority in agreement with the State Services Commission) as the Authority from time to time determines.

(3) Before any officer entrusted by the Authority with the custody or control of money by virtue of his office enters on the duties of his office, the Authority shall take sufficient security for the faithful execution of his office.

(4) Any person in the service of the Crown may be appointed to be an officer or employee of the Authority, but no such person shall be entitled to hold office concurrently as an officer or employee of the Authority and as a servant of the Crown except—

(a) In the case of a person subject to the State Services Act 1962, with the consent of the State Services Commission; and

(b) In any other case, with the consent of the Minister of the Crown to whose control he is subject.

(5) The Authority shall out of its funds subsidise or contribute to the National Provident Fund or any other fund or scheme established with the approval of the Minister of Finance for the purpose of providing superannuation or retiring allowances for its officers and employees.

(6) Notwithstanding the provisions of any enactment or rule of law, no member of the Authority shall be deemed an officer or employee of the Authority.

13. Fees and travelling allowances—(1) The Authority is hereby declared to be a statutory Board within the meaning of the Fees and Travelling Allowances Act 1951.

(2) There may be paid to members of the Authority and of any committee appointed by the Authority out of the funds of the Authority remuneration by way of fees, salary, or allowances and travelling allowances and expenses in accordance with the Fees and Travelling Allowances Act 1951, and the provisions of that Act shall apply accordingly.

14. Functions of Authority—(1) The general functions of the Authority shall be to promote the development, manufacture, or exploitation of inventions with the object of improving the quality, efficiency, or range of goods or services which are or may be available for use in New Zealand or for export.

(2) Without limiting the generality of the provisions of subsection (1) of this section, the Authority shall have the following particular functions:

- (a) To supplement and encourage the activities of existing organisations and bodies in respect of the development or exploitation of inventions:
- (b) To secure, in the public interest, the development or exploitation of inventions resulting from public research, and of any other invention which, in the view of the Authority, is not being developed or exploited or sufficiently developed or exploited:
- (c) To acquire, hold, dispose of, or grant rights (whether gratuitously or for consideration and whether in New Zealand or elsewhere) in connection with inventions resulting from public research and, where, in the opinion of the Authority, the public interest so requires, in connection with inventions resulting from other sources in New Zealand or elsewhere:
- (d) To exercise such other functions as may be conferred on it by this Act or otherwise.

15. Powers of Authority—(1) The Authority shall have all such powers as may be reasonably necessary or expedient to enable it to carry out its functions.

(2) Without limiting the generality of the provisions of subsection (1) of this section, the Authority may from time to time, subject to such terms and conditions as it thinks fit,—

- (a) Carry on, or assist or facilitate the carrying on by other persons of, any business connected with the promotion or exploitation of any invention:
- (b) Take such steps as may be necessary to become the assignee of inventors of inventions resulting from public research and make applications for patents in respect of any such inventions:
- (c) Encourage or assist persons engaged in any industry to use or exploit inventions beneficial to the industry:
- (d) Collect and disseminate information relating to inventions, including the preparation and publication of reports, pamphlets, journals, and other publications:
- (e) Exercise such powers and perform such duties as are conferred on it by this Act or otherwise.

(3) In the exercise of its powers the Authority shall ordinarily provide assistance only when it is satisfied that any such assistance is not otherwise reasonably available.

Financial Provisions

16. Inventions Development Account—(1) For the purposes of this Act there shall be established at a bank approved in that behalf by the Minister of Finance an account to be known as the Inventions Development Account.

(2) There may be opened by the Authority at the bank approved under subsection (1) of this section such subsidiary accounts as the Authority may from time to time deem necessary or desirable for the purposes of this Act.

(3) There shall, without further appropriation than this section, be paid from the Consolidated Revenue Account to the Inventions Development Account the sum of twenty-five thousand pounds.

(4) There shall in each year be paid out of money appropriated by Parliament for the purpose to the Inventions Development Account such sum as the Minister approves for the purposes of meeting administration and other expenses of the Authority and of meeting any loss occasioned in respect of any project undertaken by or under the direction of the Authority in the public interest.

(5) In the exercise of its functions and powers the Authority shall endeavour, so far as is consistent with the fulfilment of its functions, to secure revenue sufficient to meet the expenditure of the Authority.

17. Contributions to Authority—Any local authority within the meaning of the Local Authorities Loans Act 1956, or other public body, any body corporate, any unincorporated body of persons, or any other person may, unless expressly prohibited by any Act or instrument of trust affecting the donor, make to the Authority donations or gifts and the Authority may accept any such donations or gifts.

18. Funds of Authority—The funds of the Authority shall consist of—

- (a) Any money paid to the Authority under section 16 of this Act or appropriated by Parliament under that section:
- (b) All money paid to the Authority by way of grants, subsidies, donations, gifts, fees, subscriptions, rent, interest, and royalties:
- (c) All money derived from the sale of any property:
- (d) All other money and property lawfully received by the Authority for its purposes:
- (e) All accumulations of income derived from any such property or money.

19. Investment of funds—Subject to the terms of any trust or endowment, any money belonging to the Authority and available for investment may be invested in accordance with the provisions of the Trustee Act 1956 as to the investment of trust funds.

20. Unauthorised expenditure—The Authority may, in any financial year, expend out of its funds for purposes not authorised by this or any other Act any sum or sums not amounting in the whole to more than two hundred pounds.

21. Borrowing powers—With the prior consent in writing of the Minister of Finance, the Authority may borrow money from the Crown or from any corporation or person; and, for the purpose of securing the repayment of any money so borrowed, may mortgage, charge, or pledge any right, title, estate, or interest in any of its property.

22. Money to be banked—(1) All money received by the Authority or by an officer or employee of the Authority, amounting to ten pounds or upwards, shall as soon as practicable after it has come into the hands of any of them or any officer or employee acting on behalf of the Authority be paid into the Inventions Development Account.

(2) No money shall be withdrawn from the Inventions Development Account except by cheque signed by an officer of the Authority authorised by the Authority in that behalf and countersigned by another such officer or member of the Authority so authorised:

Provided that it shall be lawful, with the prior consent in writing of the Audit Office and subject to such conditions as the Audit Office prescribes, for any money to be paid by the Authority by cheque bearing facsimiles of the signatures of the persons so authorised to sign cheques, and every cheque bearing those facsimiles shall be deemed to have been duly signed in accordance with the provisions of this subsection.

(3) Every payment of money by the Authority shall be authorised by a prior resolution of the Authority or shall be submitted to the Authority for authorisation at its next ordinary meeting.

(4) The Authority may from time to time authorise the opening of an imprest account which may be held jointly in the names of and be operated on by two officers of the Authority, approved in that behalf by the Authority, or may, with the express approval in writing of the Audit Office, but not otherwise, be in the sole name of and operated on by one such officer approved as aforesaid.

(5) The Authority shall from time to time by resolution fix the maximum amount that may be held at any time in the imprest account, not exceeding one hundred pounds in any case where the account may be operated on by one person acting alone, and not exceeding such amount as the Audit Office may approve in any other case.

(6) Money in the imprest account shall be available only for the payment of salaries and wages and of emergency expenditure. A statement of all payments made from the imprest account shall be submitted to the Authority for its approval at its first ordinary meeting thereafter.

23. Accounts—(1) The Authority shall keep full and correct accounts of all money received and expended by it, and the accounts shall be audited by the Audit Office, which

for that purpose shall have and may exercise all such powers as it has under the Public Revenues Act 1953 in respect of public money.

(2) The Authority shall, as soon as practicable after the end of every financial year ending with the thirty-first day of March, cause to be prepared full and true statements and accounts of all its income and expenditure in that year and of its assets and liabilities at the end of that year.

24. Annual report—(1) The Authority shall, not later than the thirtieth day of June in each year, furnish to the Minister a report of its proceedings and operations for its preceding financial year, together with a copy of its accounts for that year certified by the Audit Office.

(2) A copy of the report of the accounts so certified shall be laid before Parliament if then sitting, and, if not, within twenty-eight days after the commencement of the next ensuing session.

25. Exemption from taxes—(1) All land owned or held in trust for the Authority shall be exempt from land tax.

(2) The income of the Authority shall be exempt from income tax.

Miscellaneous Provisions

26. Members not personally liable—(1) No member of the Authority or of any committee appointed by the Authority shall be personally liable for any act done or default made by the Authority or the committee in good faith in the course of operations of the Authority or the committee.

(2) Notwithstanding the provisions of subsection (1) of this section, in any proceedings against any such member in respect of any such act or default alleged to be not in good faith as aforesaid, the member shall not be personally liable if he shows—

(a) Where the act or default was pursuant to a resolution passed at a meeting of the Authority or committee of which he is a member, that he was not present when the resolution was passed, or that he voted against the resolution; or

(b) Where the act or default was not pursuant to such a resolution, that it occurred without his knowledge, or, if with his knowledge, then against his protest made at or before the time when it occurred.

(3) For the purposes of this section, any such member may at any meeting demand a poll on any proposal before the meeting and require that his vote be recorded thereon, and the person presiding at the meeting shall record the vote accordingly.

27. Insurance of members—The Authority may from time to time enter into contracts of insurance insuring members of the Authority or of any committee appointed by the Authority against loss from personal accident arising out of and in the course of the exercise of their powers and duties as members, and pay the premiums payable in respect of any such contracts.

28. Secrecy of information obtained—All information obtained by any person in the course of the administration of this Act as to any invention, process, technique, practice, plan, specification, prototype, or design shall be treated as confidential except for purposes connected with the administration of this Act.

29. Legal protection—Where the Authority in the exercise of its functions is requested to provide any assistance in respect of the development or exploitation of any invention, it shall not be liable to any action for damages by reason of its making an adverse decision or of its failure to make a decision.

30. Contracts of Authority and members—(1) Part II of the First Schedule to the Public Bodies Contracts Act 1959 is hereby amended by inserting in its appropriate alphabetical order the following item:

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| “The New Zealand Inventions Development Authority | 1966 No. 43—The Inven- tions Development Act 1966.” |
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(2) Part II of the First Schedule to the Local Authorities (Members' Contracts) Act 1954 is hereby amended by inserting in its appropriate alphabetical order the following item:

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| “The New Zealand Inventions Development Authority | 1966 No. 43—The Inven- tions Development Act 1966.” |
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31. Powers of Authority with respect to property—(1) With the approval of the Minister, the Authority may, out of its funds, purchase, take on lease, hire, or otherwise acquire such land, or buildings, or parts of buildings, as in the opinion of the Authority are necessary for the performance of its powers or functions.

(2) The Authority may, out of its funds, purchase, take on lease, hire, or otherwise acquire such plant, machinery, or equipment as in its opinion are necessary for the performance of its powers or functions and may dispose of any such property when no longer required.

(3) With the approval of the Minister, the Authority may sell or exchange any land vested in the Authority, and may pay or receive any money by way of equality of exchange.

(4) Nothing in subsection (3) of this section shall authorise the sale or exchange of any land granted by the Crown or by any Act as an endowment to the Authority.

(5) Any land held by the Authority in trust for a special purpose may, with the consent of the Minister, be sold or exchanged under this section notwithstanding the terms of the trust; but the proceeds of any such sale, and the land or money obtained by any such exchange, shall be subject to the same or similar trusts, so far as may be, as the land so disposed of.

(6) The Authority may grant leases of any land vested in it for such period and generally upon such terms and conditions as the Authority considers necessary or expedient:

Provided that no lease shall be granted for a term exceeding ten years without the consent in writing of the Minister.

32. Government Departments may provide services—The Crown, acting through any Government Department, may from time to time, at the request of the Authority, enter into contracts or arrangements for the execution or provision by the Department for the Authority of any work or service, or for the supply to the Authority of any goods, stores, or equipment, on and subject to such terms and conditions as may be agreed upon.

33. Rules of Authority—(1) The Authority may, by resolution, make rules not inconsistent with this Act for all or any of the following purposes, namely:

- (a) Regulating the proceedings of the Authority and of any committee appointed by the Authority and the conduct of meetings of the Authority or any such committee:

- (b) Providing for the custody of the property of the Authority and the custody and use of the common seal of the Authority:
 - (c) Prescribing the circumstances in which fees shall be payable to the Authority in respect of services provided by the Authority:
 - (d) Prescribing the amount of fees payable to the Authority in respect of services provided by the Authority or otherwise howsoever:
 - (e) Providing for such matters as may be deemed necessary or expedient for duly carrying out the work of the Authority.
- (2) Notice of every resolution to be submitted to any meeting for the making, amendment, or revocation of any such rules as aforesaid shall be given to every member of the Authority for the time being in New Zealand not less than fourteen clear days before the date fixed for the meeting.

This Act is administered in the Department of Industries and Commerce.
