

INDUSTRIAL RESEARCH AND DEVELOPMENT GRANTS BILL

EXPLANATORY NOTE

THIS Bill is for the purpose of giving statutory effect to the scheme established in 1969 for the encouragement of increased industrial research and development by New Zealand industry for the benefit of New Zealand. It empowers the Minister of Industries and Commerce to authorise the payment of grants to corporations that have undertaken such research and development, formally establishes the Industrial Research and Development Grants Advisory Committee, and sets out the functions of the Committee.

Clause 1 relates to the Short Title.

Clause 2 is the interpretation clause. In particular, it defines the term "industrial research and development". The effect of the definition of "corporation" is that the new Act will apply not only to companies or other bodies corporate formed in New Zealand but also to overseas bodies corporate.

Clause 3 provides that it is a function of the Minister to do such things as appear to him to be necessary to encourage increased industrial research and development in New Zealand for the benefit of New Zealand. In particular, he may authorise the payment of grants, out of money appropriated by Parliament for the purpose, to corporations that have undertaken, in New Zealand, industrial research and development that in his opinion is likely to benefit New Zealand. In the exercise of these functions the Minister is to have regard to the purposes of the development and use of New Zealand's resources, the expansion of exports, savings in imports, the improvement of productivity and reduction of costs in New Zealand industry, and the development of technology in New Zealand. In determining the eligibility of corporations for grants, and the amounts of such grants, the Minister is to have regard to the advice and recommendations of the Committee established under *clause 4*.

Clause 4 formally establishes the Industrial Research and Development Grants Advisory Committee, which is declared to be the same committee as the existing one.

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Clause 5 provides that the Committee is to consist of 3 members, being an independent Chairman, the Secretary of Industries and Commerce, and the Secretary to the Treasury. (The membership of the existing committee is the same.)

Clause 6: The Chairman's term of office is to be 3 years, but he may be reappointed from time to time. The Chairman of the existing Committee is to continue in office for 3 years from the passing of the new Act.

Clause 7 makes the usual provisions governing the meetings and procedure of the Committee. The two departmental heads who are members may be represented by authorised officers of their Departments.

Clause 8 provides for remuneration and travelling expenses to be paid to the Chairman under the Fees and Travelling Allowances Act 1951.

Clause 9 provides that the Department of Industries and Commerce is to provide necessary staff and administrative services and keep records of the Committee's proceedings.

Clause 10: The functions of the Committee are to receive and investigate applications, to make recommendations as to the making of grants and their amounts, and to advise on other matters relating to the purposes of the new Act.

Clause 11 requires the Committee to make to the Minister an annual report of its operations. The report is to be laid before Parliament.

Clause 12: The Committee members are not to be personally liable for things done by the Committee in good faith in the course of its operations.

Clause 13: All information obtained as to any invention, product, process, technique, practice, plan, specification, prototype, or design, relating to or used in or connected with industrial research or development carried out by any corporation, is to be treated as confidential except for purposes connected with the administration of the new Act.

Clause 14 validates all things done before the passing of the new Act by or on behalf of the Minister or the existing Committee, including the authorisation and payment of grants, so far as they would have been lawful if the Act had then been in force.

Hon. Mr Shelton

INDUSTRIAL RESEARCH AND DEVELOPMENT GRANTS

ANALYSIS

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A BILL INTITULED

An Act to promote increased industrial research and development by New Zealand industry for the benefit of New Zealand

5 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 Industrial Research and Development Grants Act 1970.

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

“Committee” means the New Zealand Industrial Research and Development Grants Advisory Committee established under this Act: 5

“Corporation” means any body corporate; and includes a body corporate incorporated outside New Zealand:

“Industrial research and development” means systematic experimentation or analysis, in the fields of science, engineering, and technology, carried out with the object of acquiring knowledge that may be used for the purpose of devising or developing new or improved industrial products or processes or with the object of applying knowledge for that purpose: 10

“Minister” means the Minister of Industries and Commerce. 15

3. Encouragement of industrial research and development—

(1) It shall be a function of the Minister to do all such things as may appear to him to be necessary to encourage increased industrial research and development in New Zealand for the benefit of New Zealand. 20

(2) Without limiting the generality of subsection (1) of this section, the Minister may from time to time, in such cases and on and subject to such terms and conditions as he thinks fit, authorise the payment of money by way of grants, out of money appropriated by Parliament for the purpose, to corporations that have undertaken, in New Zealand, industrial research and development that in his opinion is likely to benefit New Zealand. 25

(3) Without limiting the generality of subsection (1) of this section, in the exercise of his functions under this section the Minister shall have regard to the following purposes: 30

(a) The development and use of New Zealand's resources:

(b) The expansion of exports:

(c) Savings in imports: 35

(d) The improvement of productivity, and the reduction of costs, in New Zealand industry:

(e) The development of technology in New Zealand.

(4) In determining the eligibility of corporations for grants under this section, and the amounts of such grants, the Minister shall have regard to the advice and recommendations of the Committee.

5 **4. Industrial Research and Development Grants Advisory Committee**—(1) There is hereby established a committee to be known as the Industrial Research and Development Grants Advisory Committee.

(2) The Committee is hereby declared to be the same 10 committee as that heretofore appointed, and existing under the same name at the passing of this Act.

5. Membership of the Committee—(1) The Committee shall consist of 3 members, being—

(a) A Chairman, to be appointed by the Governor- 15 General on the recommendation of the Minister:

(b) The Secretary of Industries and Commerce:

(c) The Secretary to the Treasury.

(2) The Chairman of the Committee shall not be deemed 20 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 Committee.

(3) The performance of the Committee's functions shall not be affected by any vacancy in its membership.

6. Term of office of Chairman—(1) The Chairman of the 25 Committee shall be appointed for a term of 3 years, but shall be eligible for reappointment from time to time.

(2) The person who on the date of the passing of this Act holds office as the Chairman of the existing Industrial 30 Research and Development Grants Advisory Committee shall be deemed to have been appointed under this Act to be the Chairman of the Committee for a term of 3 years commencing on that date.

(3) The Chairman may at any time be removed from office 35 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.

(4) Notwithstanding anything in subsection (1) or sub- 40 section (2) of this section, the Chairman, unless he sooner vacates his office under subsection (3) of this section, shall continue in office until his successor is appointed.

7. Meetings and procedure of the Committee—(1) Meetings of the Committee shall be held at such times and places as the Committee or the Chairman from time to time appoints.

(2) At all meetings of the Committee not less than 2 members shall form a quorum. 5

(3) The Chairman shall preside at all meetings of the Committee at which he is present. If he is absent from any meeting, the members present shall appoint one of their number to be the Chairman at that meeting.

(4) At any meeting of the Committee the Chairman shall 10 have a deliberative vote and, in the case of an equality of votes, a casting vote.

(5) Every question arising at any meeting of the Committee shall be decided by a majority of the valid votes recorded thereon. 15

(6) In the absence from any meeting of the Committee of any member (other than the Chairman), any officer of his Department authorised in that behalf may attend the meeting in his stead, and during intervals between meetings may do any act that the member may do. While so attending or 20 acting the officer shall be deemed to be a member.

(7) Subject to the provisions of this Act, the Committee 25 may regulate its procedure in such manner as it thinks fit.

8. Fees and travelling allowances—(1) The Committee is hereby declared to be a statutory Board within the meaning 25 of the Fees and Travelling Allowances Act 1951.

(2) There may be paid to the Chairman of the Committee, 30 out of money appropriated by Parliament for the purpose, 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. 35

9. Administrative services—(1) The Department of Industries and Commerce shall provide such staff and administrative services as may be necessary to enable the 35 Committee to exercise its functions.

(2) The Department shall keep records of the proceedings of the Committee and of applications made to and information supplied to the Committee for the purposes of this Act.

10. Functions of the Committee—(1) The functions of the Committee shall be—

- (a) To receive and investigate applications for grants under this Act;
 - 5 (b) To make recommendations to the Minister as to the making of such grants and as to the amounts thereof;
 - (c) To advise the Minister on any other matters relating to the purposes of this Act.
- (2) In the exercise of its functions the Committee shall, subject to any general or special directions given by the Minister, have regard to—
- 10 (a) The desirability of encouraging increased industrial research and development in New Zealand for the benefit of New Zealand; and
 - 15 (b) The purposes set out in subsection (3) of section 3 of this Act.

11. Annual report—(1) Not later than the 30th day of June in each year, the Committee shall send to the Minister a report of its operations and proceedings for the preceding financial year.

(2) A copy of the report shall be laid before Parliament within 28 days after its receipt by the Minister if Parliament is then sitting, and, if not, within 28 days after the commencement of the next ensuing session.

25 **12. Members of the Committee not personally liable—**No member of the Committee shall be personally liable for any act, default, or decision done or made by the Committee in good faith in the course of the operations of the Committee.

30 **13. Secrecy of information obtained—**All information obtained by any person in the course of the administration of this Act as to any invention, product, process, technique, practice, plan, specification, prototype, or design, relating to or used in or connected with industrial research or development carried out or proposed to be carried out by any corporation, shall be treated as confidential except for
35 purposes connected with the administration of this Act.

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14. Validation of acts done before passing of Act—All acts and things done, before the passing of this Act, by or on behalf of the Minister or the existing Industrial Research and Development Grants Advisory Committee, including the authorisation and payment of grants, that would have been lawfully done if this Act had then been in force, are hereby validated and declared to have been lawfully done. 5