

MEDICAL RESEARCH COUNCIL BILL

EXPLANATORY NOTE

1. The general purpose of this Bill is to provide for the incorporation of the Medical Research Council and to define its powers and functions.

2. A Medical Research Council has been in existence as an unincorporated body since 1937, and has set up and controlled several Research Committees on problems of importance to New Zealand. Matters on which research has been carried out include goitre, tuberculosis, cancer, hydatid disease, sciatica, and nutrition problems. Funds for medical research have been appropriated from time to time by Parliament.

3. Among the effects of the incorporation of the Council will be—

- (a) The assurance of the continuity of medical research;
- (b) The possibility of attracting funds for medical research from private donations, bequests, &c.;
- (c) The assurance of permanency of employment to suitable research workers, and the provision of superannuation for them.

These objects are difficult to achieve while the Council is an unincorporated body.

4. *Clause 3* of the Bill provides for the incorporation of the Council, and *clause 4* provides for its membership.

5. The functions of the Council are defined in *clause 9* as the fostering of medical research, the preparation and publishing of reports thereon, and the furnishing of information, advice, and assistance to persons and organizations engaged in medical research. In the exercise of its functions the Council has the powers specified in *clause 10*.

6. *Clause 12* makes provision for the establishment of the Medical Research Endowment Fund. *Clause 14* authorizes payment to the Council of moneys appropriated by Parliament for medical research.

7. Authority is given by *clause 19* to local authorities, trustee savings banks, &c., to make donations to the Council for the purposes of medical research.

8. Under *clause 20* the Council is exempt from land tax, income tax, social security charge, and stamp duty. *Subclause (3)* exempts from gift duty and death duties gifts made to the Council for the purposes of medical research.

9. Discoveries by officers of the Council or by research workers in receipt of grants from the Council are to remain the property of the Council (*clause 21*), and can be made available on payment of such royalties as the Council determines. This provision is similar to that contained in section 10 of the Scientific and Industrial Research Act, 1926, in relation to discoveries by officers of the Department of Scientific and Industrial Research. The Council has power under *clause 10 (d)* to make grants to officers and research workers who make valuable discoveries while carrying out research work under the auspices of the Council.

Hon. Mr. Watts

MEDICAL RESEARCH COUNCIL

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A BILL INTITULED

AN ACT to Provide for the Incorporation of the Medical Research Council, and to Define its Powers and Functions.

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

Short Title
and
commencement.

1. This Act may be cited as the Medical Research Council Act, 1950, and shall come into force on the first day of April, nineteen hundred and fifty-one.

Interpretation.

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

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“ Council ” means the Medical Research Council constituted under this Act:

“ Financial year ” means a year ending on the thirty-first day of March:

“ Fund ” means the Medical Research Endowment Fund established under this Act: 10

“ Medical research ” means research into the problems of medicine and the allied sciences:

“ Minister ” means the Minister of Health.

Medical Research Council

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Incorporation
of Council.

3. (1) There is hereby constituted for the purposes of this Act a body corporate under the name of the Medical Research Council, having perpetual succession and a common seal, and being capable of holding real and personal property and of doing and suffering all such other acts and things as bodies corporate may lawfully do and suffer. 20

1934, No. 17
See Reprint
of Statutes,
Vol. VI, p. 32

(2) The Council is hereby declared to be a local authority for the purposes of the Local Authorities (Members' Contracts) Act, 1934, and for the purposes of the National Provident Fund Act, 1926. 25

Membership
of Council.

4. (1) The Council shall consist of—

Ibid., p. 1061

(a) The Director-General of Health under the Health Act, 1920:

(b) The Permanent Secretary of the Department of Scientific and Industrial Research under the Scientific and Industrial Research Act, 1926: 30

(c) The person holding office for the time being as the Dean of the Faculty of Medicine of the University of Otago: 35

(d) One member to be nominated by the New Zealand Branch of the British Medical Association, and to be appointed on the recommendation of the Minister: 40

Ibid., Vol. VIII,
p. 174

(e) One member to be nominated by the Board of Health under the Health Act, 1920, and to be appointed on the recommendation of the Minister:

- (f) One member to be nominated by the New Zealand Committee of the Royal Australasian College of Physicians, and to be appointed on the recommendation of the Minister:
- 5 (g) One member to be nominated by the New Zealand Committee of the Royal Australasian College of Surgeons, and to be appointed on the recommendation of the Minister:
- 10 (h) One member to be nominated by the Royal Society of New Zealand as being a person distinguished in scientific research, and to be appointed on the recommendation of the Minister:
- 15 (i) Two members to be nominated by the Senate of the University of New Zealand on the recommendation of the Academic Board of that University as being persons distinguished in medical research, and to be appointed on the recommendation of the Minister.
- 20 (2) The first appointed members of the Council may be appointed at any time after the passing of this Act, and shall come into office on the date of their appointment or on the first day of April, nineteen hundred and fifty-one, whichever is the later.
- 25 (3) Subject to the *next two succeeding* subsections, the members of the Council, other than those who are members by virtue of their office, shall be appointed by the Governor-General for a period of four years, save that any such member may from time to time
- 30 be reappointed, or may be at any time removed from office by the Governor-General for disability, insolvency, neglect of duty, or misconduct, or may at any time resign his office by writing addressed to the Minister.
- (4) With respect to the first appointed members of
- 35 the Council, the following provisions shall apply:—
- (a) One of those members shall retire on the thirty-first day of March, nineteen hundred and fifty-two:
- 40 (b) Two of those members shall retire on the thirty-first day of March in each of the years nineteen hundred and fifty-three, and nineteen hundred and fifty-four:

(c) The member or members so to retire in any year shall (unless they otherwise agree among themselves) be determined by lot.

(5) No appointed member of the Council shall hold office for more than two successive terms at any one time; but any member who retires after holding office for two successive terms shall be eligible for reappointment after he has ceased to hold office for not less than four years. No period of office which has terminated under paragraph (a) or paragraph (b) of the *last preceding* subsection shall be deemed to be a term of office for the purposes of this subsection. 5 10

(6) If any appointed member of the Council dies, resigns, or is removed from office, the vacancy so created shall be filled in the manner in which the appointment to the vacant office was originally made. Every person so appointed shall, subject to the provisions of subsection *three* of this section, hold office for a period of four years. 15

(7) Unless he sooner vacates his office otherwise than by effluxion of time, every appointed member of the Council shall continue in office until his successor comes into office, notwithstanding that the term for which he was appointed may have expired. 20

(8) The powers of the Council shall not be affected by any vacancy in the membership thereof. 25

Chairman
of Council.

5. (1) The Director-General of Health shall be the Chairman of the Council.

(2) The Chairman shall preside at all meetings of the Council at which he is present. If at any meeting of the Council the Director-General of Health is not present, the officer of the Department of Health authorized to attend the meeting in his stead pursuant to the *next succeeding* section shall act as the Chairman in respect of that meeting, and shall have and may exercise all the powers and functions of the Chairman for the purposes of that meeting. 30 35

(3) If at any meeting of the Council the Director-General of Health is not present, and no officer of the Department of Health attends the meeting in his stead, the members present shall appoint one of their number to be the Chairman of that meeting. 40

6. (1) The first meeting of the Council shall be held in the month of May, nineteen hundred and fifty-one.

5 (2) Subject to the provisions of the *last preceding* subsection and of the *next succeeding* subsection, meetings of the Council shall be held at such times and places as the Chairman of the Council may from time to time appoint, but the Council shall meet at least once in each financial year.

10 (3) Any three members of the Council may at any time by notice in writing request the Director-General of Health to call a special meeting of the Council, and thereupon the Director-General shall call a special meeting to be held not later than one month after he
15 received the notice.

(4) At any meeting of the Council five members shall form a quorum.

(5) Every question before the Council shall be determined by a majority of the votes of the members
20 present and voting at the meeting of the Council.

(6) The Chairman shall have a deliberative vote, and, in the case of an equality of votes, shall also have a casting vote.

(7) In the absence from any meeting of the Council
25 of the Director-General of Health, he may appoint a registered medical practitioner, being an officer of the Department of Health, to attend the meeting in his stead. In the absence from any meeting of the Council of the Permanent Secretary of the Department of
30 Scientific and Industrial Research, he may appoint any other officer of that Department to attend the meeting in his stead. In the absence from any meeting of the Council of the Dean of the Faculty of Medicine of the University of Otago, he may appoint a member of the
35 teaching staff of that Faculty to attend the meeting in his stead. While any person is attending any meeting of the Council pursuant to this subsection he shall be deemed for all purposes to be a member of the Council. The fact that any person so attends shall be
40 sufficient evidence of his authority so to do.

(8) Save as expressly provided in this Act, or in any regulations thereunder, the Council may regulate its procedure in such manner as it thinks fit.

Travelling expenses of members of Council and committees.

7. There shall be paid out of the Medical Research Endowment Fund to the members of the Council or of any committee of the Council who are not persons employed in the service of the Crown such travelling expenses and allowances as may from time to time be prescribed by regulations under this Act, or as may be approved by the Minister of Finance if there are no such regulations or in cases where the regulations do not apply. 5

Appointment of Secretary.

8. Until a Secretary of the Council who is not an officer of the Public Service is appointed by the Council under paragraph (e) of section *ten* of this Act, there may from time to time be appointed as an officer of the Public Service a Secretary of the Council. The office of Secretary of the Council may be held either separately or in conjunction with any other office in the Public Service. 10 15

Functions and Powers of Council

Functions of Council.

9. The functions of the Council shall be—
 (a) To foster medical research and to prepare and publish such reports on these matters as may in its opinion be necessary or of value to teachers or other persons: 20
 (b) To furnish information, advice, and assistance to persons and organizations concerned with medical research. 25

Powers of Council.

10. The Council shall have the following powers:—
 (a) To expend moneys for any of the purposes specified in section *nine* hereof in such manner as, subject to the terms of any trust or endowment, the Council thinks fit: 30
 (b) To make grants to any approved person or persons to assist him or them to make studies or investigations approved by the Council:
 (c) To make grants to any constituent college of the University of New Zealand or to any institution or body of persons (whether incorporated or not) for the purposes of medical research: 35
 (d) With the approval of the Minister, to make grants to officers of the Council and other persons who have made valuable discoveries while carrying out research work under the auspices of the Council: 40

- (e) To appoint officers and other servants and to pay them such remuneration as may be appropriate:
- 5 (f) To appoint committees of persons, whether members of the Council or not, and to delegate to them such functions as it may determine:
- (g) To contribute to the National Provident Fund under the National Provident Fund Act, 1926, for the purpose of providing superannuation and allowances for its officers, servants, and research workers: See Reprint of Statutes, Vol. VI, p. 32
- 10 (h) To expend moneys in payment of the administration expenses of the Council:
- (i) To expend any moneys and generally take any action for any purpose that in its opinion is ancillary to the principal functions of the Council as defined in section *nine* hereof.
- 15 **11.** The Council may, in any financial year, expend out of the Fund for purposes not authorized by this or any other Act any sum or sums not amounting in the aggregate to more than fifty pounds. Unauthorized expenditure.
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The Medical Research Endowment Fund

- 12.** (1) There is hereby established a fund to be known as the Medical Research Endowment Fund which shall be vested in the Council and which shall consist of— Medical Research Endowment Fund.
- 25 (a) All moneys that may from time to time be paid into the Fund out of moneys appropriated by Parliament for the purpose:
- 30 (b) All moneys that may be contributed to the Fund or that may otherwise be lawfully payable into the Fund:
- (c) All moneys received by the Council from the sale or other disposal of property of the Council: 35
- (d) All accumulations of moneys belonging to the Fund.
- (2) All moneys belonging to the Fund shall be paid into such bank within the meaning of the Banking Act, 1908, as the Council may determine to the credit of an account to be called the Medical Research Endowment Fund Account. Ibid., Vol. I, p. 447
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(3) No moneys shall be paid out of the said account except by authority of the Council. All cheques on the said account shall be signed by the Treasurer or other officer of the Council appointed for the purpose, and countersigned either by a member of the Council authorized by the Council from time to time to countersign cheques or by another officer of the Council so authorized. 5

Vesting of moneys and other property in the Council.

13. (1) All moneys which have before the commencement of this Act been appropriated by Parliament for the purposes of medical research and which at the commencement of this Act are held for that purpose by the Registrar of the University of Otago are hereby vested in the Council, and shall be deemed as from the commencement of this Act to form part of the Fund and shall be administered accordingly. 10 15

(2) All equipment, medical stores, and medical supplies which have before the commencement of this Act been purchased out of moneys appropriated by Parliament for the purposes of medical research, and which at the commencement of this Act are held for that purpose by the Department of Health or by the Registrar of the University of Otago, are hereby vested in the Council and shall be administered and dealt with by the Council for the purposes of medical research. 20 25

Annual grant to the Council.

14. For the purposes of providing funds for the exercise of the functions of the Council, the Minister of Finance may in the financial year ending on the thirty-first day of March, nineteen hundred and fifty-two, and in every financial year thereafter, pay to the Council, out of moneys appropriated by Parliament for the purpose, such sum or sums as the Minister of Finance may from time to time approve. 30 35

Administration expenses.

15. The reasonable administrative expenses of the Council shall be paid out of moneys appropriated by Parliament for the purpose. If any question arises as to the reasonableness of any administrative expenses, that question shall be decided by the Minister of Finance, whose decision shall be final. 35 40

Investment of moneys.

16. Subject to the terms of any trust or endowment, any moneys forming part of the Fund which are not immediately required for expenditure by the Council 40

may, with the consent of the Minister of Finance, be invested in any manner in which trustees are for the time being authorized to invest trust funds.

Miscellaneous

5 **17.** (1) Any contract which if made between private persons must be by deed shall, when made by the Council, be in writing under the common seal of the Council.

Contracts of Council.

10 (2) Any contract which if made between private persons must be in writing signed by the parties to be charged therewith may, when made by the Council, be in writing signed by any person acting on behalf of and under the express or implied authority of the Council.

15 (3) Any contract which if made between private persons may be made orally may, when made by the Council, be made orally by any person acting on behalf of and under the express or implied authority of the Council, but no oral contract shall be made for any
20 sum exceeding twenty pounds.

(4) The common seal of the Council shall not be affixed to any document except pursuant to a resolution of the Council, and the execution of any document so sealed shall be attested by two members of the Council.

25 **18.** (1) The Council may from time to time, by resolution, make rules not inconsistent with this Act or with any regulations made thereunder for all or any of the following purposes, namely:—

Rules.

30 (a) Regulating its proceedings and the conduct of its meetings:

(b) Providing for the custody of its property and the use of its common seal:

(c) Prescribing the duties of its officers and other servants:

35 (d) Such other purposes as may be deemed necessary or expedient for duly carrying out the work of the Council or of any committee thereof.

40 (2) Notice of every resolution proposed to be submitted to any meeting of the Council for the making, amendment, or revocation of any such rules as afore-said shall be given to every member of the Council for the time being in New Zealand not less than fourteen

clear days before the day fixed for the meeting, by sending the same to him by post addressed to him at his last known place of abode or business in New Zealand, and shall be deemed to have been received when it would in the ordinary course of post be delivered. 5

Authority to make contributions for purposes of medical research.

19. (1) Any local authority or other public body, any corporation sole, any company or other incorporated body, any unincorporated body of persons, any trustee or trustees (including any statutory trustee or trustees or board of trustees), or any other person may, unless expressly prohibited by any Act, or by any instrument of trust, make to the Council, and the Council may accept, donations or gifts of real or personal property for the purposes of medical research. 10 15

1948, No. 62

(2) The Fund shall be deemed to be a charitable trust for the purposes of section twenty-five of the Trustee Savings Banks Act, 1948.

See Reprint of Statutes, Vol. V, p. 415

(3) For the purposes of this section the term "local authority" means a local authority within the meaning of the Local Government Loans Board Act, 1926, whether by virtue of section two of that Act or of any Order in Council thereunder, or by virtue of any other Act; and includes such other public bodies as are from time to time declared by the Governor-General in Council to be local authorities for the purposes of this section. 20 25

Exemption from taxes and duties.

20. (1) The Council is hereby declared to be exempt from the payment of land tax, income tax, and social security charge. 30

(2) No stamp duty shall be payable on any agreement to which the Council is a party, or on any receipt given by the Council, or on any transfer, assignment, or other assurance to the Council of any property for the purposes of medical research. 35

(3) No gift duty shall be payable on a gift made to the Council for the purposes of medical research, and no such gift shall be included in the dutiable estate of the donor, notwithstanding that he may die within three years after having made the gift. 40

21. All discoveries, inventions, and improvements in processes, apparatus, and machines made by officers of the Council, or by persons in receipt of any grant made by the Council for the purposes of medical research and arising out of that research, shall be deemed to be vested in the Council as its sole property, and shall be made available for use on such conditions, including the payment of fees, royalties, and other moneys, as the Council from time to time determines.

Discoveries by officers or research workers.

22. (1) The Council shall keep full and correct accounts of all moneys received and expended by it, and the accounts shall be audited by the Audit Office, which for that purpose shall have all powers that it has under the Public Revenues Act, 1926, in respect of public moneys and the audit of local authorities' accounts.

Accounts.

See Reprint of Statutes, Vol. VII, p. 10

(2) The Council shall, as soon as possible after the end of any financial year, cause its accounts for that year to be balanced, and full and true statements and accounts of all the moneys received and expended by it in that year and of its assets and liabilities at the end of that year to be prepared and submitted to the Audit Office.

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

Annual report to Minister.

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

24. The Governor-General may from time to time, by Order in Council, make regulations making provision for any matters deemed necessary for the due administration of, and for giving full effect to, the provisions of this Act.

Regulations.