

SERVICES EXPORT DEVELOPMENT GRANTS AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill gives effect, in part, to the Budget announcement regarding changes to export incentives by amending the services export development grants scheme.

Clause 1 relates to the Short Title and commencement. The Bill is deemed to have come into force on 30 July 1976, the day after the budget announcement.

Clause 2: Subclause (1) effects a change in the services export development grants scheme by substituting a new section 3 (2) of the principal Act. The subsection empowers the Minister of Overseas Trade to make grants not exceeding 40 percent of the eligible expenses (as defined by reference to the Land and Income Tax Act 1954) incurred in seeking prospects for the supply of professional and technical services for overseas projects.

The former scheme empowered the Minister to make loans to eligible exporters of services of up to 50 percent of eligible expenses and not to require repayment where the exporter did not succeed in obtaining the contract for the overseas project.

Subclause (2) effects minor amendments to the principal Act consequential upon the changes made by *subclause (1)*.

Clause 3: Subclause (1) is a transitional provision which provides that applications for grants made before 30 July 1976 may be disposed of under the former scheme.

Subclause (2) validates acts or things done under the new scheme in relation to applications made on or after 30 July 1976.

Subclause (3) expressly saves the continuing validity of and rights and obligations created under contracts, agreements, or deeds entered into under the former scheme.

Hon. Mr Talboys

**SERVICES EXPORT DEVELOPMENT GRANTS
AMENDMENT**

ANALYSIS

Title	2. Encouragement of exports of professional and technical services
1. Short Title and commencement	3. Consequential savings

A BILL INTITULED

An Act to amend the Services Export Development Grants Act 1973

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

10 **1. Short Title and commencement**—(1) This Act may be cited as the Services Export Development Grants Amendment Act 1976, and shall be read together with and deemed part of the Services Export Development Grants Act 1973* (hereinafter referred to as the principal Act).

(2) This Act shall be deemed to have come into force on the 30th day of July 1976.

15 **2. Encouragement of exports of professional and technical services**—(1) Section 3 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsection:

*1973, No. 108

No. 73—1

2 *Services Export Development Grants Amendment*

“(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 persons or corporations established and operating in New Zealand that are seeking prospects for the supply of professional and technical services for overseas projects, being grants not exceeding 40 percent of the eligible expenses in relation to those projects. 5 10

(2) The principal Act is hereby consequentially amended:

(a) By omitting from section 2 (2) the word “advance”, and substituting the word “grant”;

(b) By omitting from paragraphs (a) and (b) of section 10 (1) the word “advances”, and substituting in each case the word “grants”. 15

3. Consequential savings—(1) Where before the 30th day of July 1976 any application was made for an advance under the principal Act but the application or any recommendation thereon by the Committee to the Minister had not been disposed of before that date, the application or recommendation may be disposed of and the Minister may exercise any of his powers under section 3 of the principal Act, as if this Act had not been passed. 20 25

(2) All acts or things done on and after the 30th day of July 1976 and before the passing of this Act with respect to any application made on or after the 30th day of July 1976, by or on behalf of the Minister or the Committee, including the authorisation and payment of grants, that could have been lawfully done if this Act had then been in force, are hereby validated and declared to have been lawfully done. 30

(3) Without limiting the Acts Interpretation Act 1924 it is hereby expressly declared that every power and act which may be necessary to complete, carry out, or compel the performance of any contract, agreement, or deed, lawfully made, entered into, or commenced under section 3 of the principal Act (as in force before the date of the commencement of this Act) may be exercised and performed in all respects as if this Act had not been passed. 35 40