

## ROYAL SOCIETY OF NEW ZEALAND BILL

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AS REPORTED FROM THE EDUCATION AND SCIENCE  
COMMITTEE

### COMMENTARY

#### **Recommendation**

The Education and Science Committee has considered the Royal Society of New Zealand Bill and,

- (a) Finds that the allegations in the preamble have been proved to its satisfaction; and
- (b) Recommends that it be passed with the amendments shown in the bill.

#### **Conduct of the examination**

The Royal Society of New Zealand Bill was referred to the Education and Science Committee on Wednesday, 12 March 1997. The closing date for submissions was 21 April 1997. We received and considered four submissions; from the New Zealand Association of Crown Research Institutes, the Auckland University Faculty of Science, the Foundation for Research, Science and Technology and the Royal Society of New Zealand. The submission from the Royal Society of New Zealand was heard orally. We spent one hour and 44 minutes on hearing evidence and a further three hours and 14 minutes on our consideration.

Advice was received from the Ministry of Research, Science and Technology and the Parliamentary Counsel Office.

This commentary sets out the details of our consideration of the bill and the major issues we addressed.

#### **Purpose of the bill**

The bill aims not only to continue, but also to modernise and reorganise the structure of the Royal Society of New Zealand by a private Act. The bill will repeal and replace the Royal Society of New Zealand Act 1965.

#### **Background**

The Royal Society of New Zealand has played an important role in the development of science in New Zealand since its establishment in 1851 when it

was known as the New Zealand Society. The New Zealand Society became the New Zealand Institute by virtue of the New Zealand Institute Act of 1867. The Institute became the Royal Society of New Zealand under the Royal Society of New Zealand Act 1933, later repealed and replaced by the 1965 Act of the same name.

In 1992 a review panel established by the Minister of Research, Science and Technology recommended that it was in the national interest for the society to continue as a statutory non-governmental umbrella body to be composed of individual members, the Academy of Fellows and constituent organisations. On the advice of the Clerk of the House of Representatives, the Cabinet Legislation Committee determined that the Royal Society of New Zealand Bill should proceed as a private bill. Because the main function of the bill is to promote the particular interests of a body of persons, namely the Royal Society, it has been introduced as a private bill. Responsibility for promoting the bill lies with the Royal Society.

The bill proposes to modernise the society in a number of ways. First, the role of the society will be extended beyond the traditional natural sciences. Second, the Royal Society is required to establish and administer a professional code of ethics by the society for its members. The third change is the proposed independence of the Royal Society from the State.

## **Arguments supporting the bill**

### **Statutory history**

The Royal Society maintains that the many public functions it undertakes warrant reconstitution by statute. These functions include the promotion of science and technology in the public arena and publicly recognising achievement in science and technology research. The Royal Society is made up of a diverse group of individuals and organisations who would otherwise share little common ground. Indeed, in most countries, the range of functions and the variation of scientific and associated disciplines that the Royal Society is responsible for, are embodied in several distinct public institutions. It is traditional for science bodies undertaking similar functions elsewhere in the world to be constituted either by statute or by Letters Patent. Although the Royal Society of New Zealand is a voluntary organisation, it undertakes a high level of public service.

The Ministry of Research, Science and Technology points out that the Royal Society has been a statutory body for 130 years and, therefore, has a long history of association with the State. Therefore, incorporation by statute is regarded as appropriate to maintain both the status of the Royal Society and its importance in the science sector. In addition, incorporation by statute renders the Royal Society directly subject to Parliament for its existence. This would not be the case were it to be incorporated as a trust or society under non-specific legislation. The Government seeks to maintain its current relationship with the Royal Society of New Zealand and considers the bill desirable to do this.

### **Structural changes**

The Royal Society maintains that it has long awaited the changes proposed by this bill and has already taken steps to implement some of the structural changes included in the bill. This process will be completely and properly constituted by the enactment of this bill.

The New Zealand Association of Crown Research Institutes maintains that a new Act is needed because the current Act restricts the rights of members of the Royal Society to determine their own structures and activities. Therefore, the bill should seek to repeal these restrictive provisions and define the purpose of the Royal

Society, identifying it as the historical continuation of the original body with its Royal Charter and maintaining its national and international status.

### **Is legislation necessary?**

The Standing Orders of the House of Representatives require that each private Act contain a preamble setting out the facts on which a bill is founded and the circumstances giving rise to the necessity for it. If the object of the bill could be attained otherwise than by legislation, the preamble must state why legislation is preferred. The Royal Society of New Zealand could be reconstituted as either a trust or an incorporated society under the Incorporated Societies Act 1908. Arguably, therefore, there is no need for this bill.

The Association of Crown Research Institutes supports the modernisation of the Royal Society by legislation. However, it maintains that the establishment of the Royal Society as an incorporated society or a trust, with a constitution identical to that contained in the Act, may be a simpler way to achieve structural changes.

### **The bill should proceed**

We considered carefully the main arguments advanced for and against the bill. On balance we accept the arguments for the bill to proceed.

### **The need for the bill**

We were satisfied that the bill should proceed as a private Act despite evidence that the Royal Society could be reconstituted under the Incorporated Societies Act 1908. The society's historical links with the Crown, the wide range of public functions it undertakes, and its pre-eminent position in the science community make it appropriate to continue the practice of giving it a legislative foundation.

### **Recommended amendments**

While we accept the bill should proceed, we are not satisfied that the bill as drafted will meet its purpose adequately. Therefore, we recommend amendments to the bill, which are discussed below.

### **Functions of the Royal Society**

As drafted, clause 6 of the bill states that the Royal Society "may" undertake a number of functions for the purpose of advancing and promoting science and technology in New Zealand. One of the functions permitted is the establishment and administration of a code of professional standards and ethics. This provision is inconsistent with clause 32 of the bill which states that the Royal Society "shall" establish a code of professional standards and ethics. One suggested solution to this inconsistency would be to specify that the Royal Society "must" undertake the functions outlined in clause 6 of the bill (including the establishment and administration of a code of professional standards and ethics). This would also indicate more clearly that it is a requirement of the Royal Society to undertake the functions listed in paragraphs (a) to (e). Potential problems might arise, however, if these functions became statutory obligations. For instance, on some occasions the society may not have the resources necessary to carry out all the functions listed. In addition, the function in paragraph (f), "To do all other lawful things . . .", would be very difficult to comply with in mandatory terms because of its inexact nature.

For these reasons, we recommend that clause 6 be amended so that it states, "For the purpose of advancing and promoting science and technology in New Zealand, the functions of the Society *are—*".

### **Code of professional standards and ethics**

There appears to be no need for clause 32 of the bill to require the Royal Society to establish a code of professional standards and ethics. This can be achieved without legislation through the rules of the society.

However, the Royal Society favours a mandatory requirement to establish and administer a code of professional standards and ethics. The decision to include the code as a mandatory requirement was reached after extensive consultation within the membership of the Royal Society and would be administered as part of a process of peer review. We were assured that this process will adhere to the principles of natural justice and that the rules of the society provide for conscientious objection to the code. Adherence to the code would be a condition of membership of the Royal Society. Evidence from the Royal Society was that none of its members had objected to adhering to the voluntary code currently operating in the Royal Society. Requiring the society to administer a code of professional standards and ethics would fill an existing vacuum, according to the Royal Society.

Clause 32 (1), as drafted, is inconsistent with clause 6 (d) because it requires the society to establish and administer a mandatory code of professional standards and ethics for *all* scientists and technologists, whether or not they are members of the Royal Society. The parallel provision in clause 6 (d) provides only for the Council of the Royal Society to establish and administer such a code for members of the Royal Society. It is inappropriate for the Royal Society to administer a code of professional standards and ethics that applies to non-members; that is, the general public.

We recommend, therefore, that clause 32 (1) be amended to require the Royal Society to establish and administer a code of professional standards and ethics that applies to members of the Royal Society only.

### **Protection of members, officers and employees from liability**

We believe that clause 33 (1) is inappropriate. It gives a wide-ranging protection to officers and employees of the society for all of the Royal Society's operations. This clause implies, therefore, that the Royal Society is similar to a Crown entity or other government organisation. However, the Royal Society is a private autonomous body, with voluntary membership, that promotes science and technology in New Zealand. There is no corresponding provision in the Royal Society of New Zealand Act 1965 which currently enables the Royal Society to contract with the Crown to deliver outputs and administer funds.

Under clause 33 (2), membership of the society does not of itself impose liability on members for the Royal Society's obligations. This provision is sufficient to limit the personal liability of members of the society when they are not acting in their capacity as officials or employees of the Royal Society. Indemnity for the actions of officials or employees of the Royal Society can be specified in any employment contracts the Royal Society enters into. Clause 33 (2) is also in keeping with the protection given to members of an incorporated society under the Incorporated Societies Act 1908.

The majority believed that the Royal Society is an unique body because of its historical links with the Crown, the wide range of public functions it undertakes, and its pre-eminent position in the science community. Therefore, we consider that the President and Councillors of the Royal Society should receive special protection for acts or defaults done or made in good faith, in the course of the operations of the society. We recommend, therefore, that clause 33 (1) be

amended to ensure the President and the Councillors of the Royal Society continue to receive special protection.

### **Accountability of Royal Society officers acting on behalf of ministers**

There does not appear to be any need for clause 34 (1) and (2) as they relate to purely contractual matters. Ministers are accountable to Parliament for any outputs purchased on behalf of the Crown, including those purchased from the Royal Society. These outputs are specified in the purchase agreement between the Minister and the Royal Society. The current purchase agreement also designates the Royal Society as an agent of the Crown for the delivery of outputs specified in that agreement. The Council of the Royal Society is authorised to enter into contracts with any Minister of the Crown by clause 25 (2) (d) (i) of the bill.

The Royal Society of New Zealand is, therefore, accountable for its performance under the purchase agreement because any unsatisfactory performance could result in it losing the contract to supply services to the Crown. We were also advised that ministerial accountability for outputs purchased from the Royal Society can adequately be guaranteed by the provisions in the Public Finance Act 1989.

One submission expressed concern at the lack of accountability of officers and employees of the Royal Society for bad management where they act in accordance with directions of any Minister of the Crown. These provisions appear as clause 34 (3) and (4) of the bill. One view recommends making the Royal Society subject to the same level of accountability as any other Crown entity when managing public funds. This could be implemented by including a provision in clause 34 of the bill making the Royal Society subject to Part V of the Public Finance Act 1989. Alternatively, the bill could specify accountability lines equivalent to those described in the Foundation for Research, Science and Technology Act 1990 with respect to the use of public funds.

Subclauses (3) and (4) purport to extend wide ranging protections from liability for every member, officer, or employee of the society and the society itself for any act or default done by any of these persons or the Council of the society in accordance with the direction of any Minister of the Crown. Such protections are not predicated on good faith and give the misleading impression that the Royal Society is a public interest body rather than merely a Crown contractor. Therefore, subclauses (3) and (4) are inappropriate.

We consider that clause 34 of the bill is both unnecessary and inappropriate and should, therefore, be omitted.

### **Should the Official Information Act 1982 apply to the Royal Society?**

Concern was expressed in one submission that the Royal Society is not subject to the Official Information Act 1982 when the society is acting as an agent of the Crown. There is also no right of appeal to an Ombudsman if an information request is refused. Clause 35 purports to specify the Royal Society's duty to provide information to the public on the allocation of government funds, and purchases on behalf of the Minister. However, the Minister of Research, Science and Technology is subject to the Official Information Act and would, therefore, be obliged to include a provision in the purchase agreement ensuring that the Minister will be able to respond to any information requests. Because the Official Information Act has effect in such instances, clause 35 is unnecessary and should be omitted.

Clause 35 is also undesirable because it may give the misleading impression that the Royal Society is a Crown entity or other public organisation. Where the Royal Society does have a public interest function, the subject matter of clause 35 is a matter of contract between the Crown and the Royal Society.

For these reasons, we were satisfied that clause 35 should be omitted from the bill.

**Other amendments**

We recommend amendments to clarify and simplify a number of clauses. These do not alter the meaning of any provisions. We recommend that these amendments, shown in the attached bill, be adopted.

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KEY TO SYMBOLS USED IN REPRINTED BILL  
AS REPORTED FROM A SELECT COMMITTEE

*Struck Out (Unanimous)*

Subject to this Act,

Text struck out unanimously

*New (Unanimous)*

Subject to this Act,

Text inserted unanimously

*Struck Out (Majority)*

Subject to this Act,

Text struck out by a majority

*New (Majority)*

Subject to this Act,

Text inserted by a majority

(Subject to this Act,)

Words struck out unanimously

Subject to this Act,

Words inserted unanimously

*Hon Nick Smith*

**ROYAL SOCIETY OF NEW ZEALAND**

[PRIVATE]

ANALYSIS

Title	28. Delegations to committees
Preamble	29. Vacation of office of Councillors
1. Short Title and commencement	29A. Vacation of office of President
<i>Interpretation</i>	<i>Rules of the Society</i>
2. Interpretation	30. Rules of Society
<i>The Royal Society of New Zealand</i>	31. Further provisions relating to rules
3. Constitution of Society	<i>Professional Standards and Ethics</i>
4. Honorary Patron	32. Code of professional standards and ethics
5. Object	<i>Further Provisions Relating to the Society and Council</i>
6. Functions	33. Protection of members, officers, and employees
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8. No dividend or profit to members	<i>Academy Council</i>
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9. Membership of Society	38. Membership of Academy Council
10. Fellows	39. Bylaws of Academy Council
11. Ordinary Members	<i>Miscellaneous Provisions</i>
12. Companions	40. Repeal of Royal Society of New Zealand Act 1965
13. Constituent Organisations	41. Private Act
14. Regional Constituent Organisations	<i>Transitional Provisions</i>
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SCHEDULE

Provisions Relating to Management of Society

A BILL INTITULED



**An Act—**

- (a) To continue the Royal Society of New Zealand by way of private Act; and  
 (b) To modernise and reorganise the structure of the Royal Society of New Zealand; and  
 (c) To repeal the Royal Society of New Zealand Act 1965

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**WHEREAS:**

- A. With the gracious approval of His late Majesty King George the Fifth there is a body called the Royal Society of New Zealand: 10
- B. The Royal Society of New Zealand, constituted under the Royal Society of New Zealand Act 1965, is the same body as the body of that name existing immediately before the commencement of that Act under the Royal Society of New Zealand Act 1933, which body was originally established under the name of the New Zealand Institute by the New Zealand Institute Act 1867: 15
- C. The members of the Royal Society of New Zealand desire—
- (a) That the Royal Society of New Zealand continue under the existing name of the “Royal Society of New Zealand”; and 20
- (b) That the structure of the Royal Society of New Zealand be modernised and reorganised; and
- (c) That the Royal Society of New Zealand Act 1965 be repealed: 25
- D. Legislation is necessary to repeal the Royal Society of New Zealand Act 1965 and the object of this Act cannot be efficiently or conveniently attained without legislation:

BE IT THEREFORE ENACTED by the Parliament of New Zealand as follows: 30

**1. Short Title and commencement—**(1) This Act may be cited as the Royal Society of New Zealand Act 1996.

(2) This Act comes into force on the 28th day after the date on which it receives the Royal assent. 35

*Interpretation*

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

“Academy bylaws” means the bylaws of the Academy Council made under **section 39** and for the time being in force: 40

- “Academy Council” means the Academy Council constituted under **section 37**:
- “Affiliate Organisation” means an organisation that holds affiliate status under **section 15**:
- 5 “Code of professional standards and ethics” means the code of professional standards and ethics issued under **section 32**:
- “Companion” means a Companion of the Society elected in accordance with **section 12**:
- 10 “Constituent Organisation” means an organisation that is a Constituent Organisation pursuant to a declaration made under **section 13**:
- “Council” means the Council of the Society constituted under **section 20**:
- 15 “Councillor” means a person holding office as a member of the Council in accordance with **section 20 (2) (b)**:

*Struck Out (Unanimous)*

- 20 “Electoral College” means an Electoral College established by the Council to enable the election of Councillors in accordance with **section 21**:

*New (Unanimous)*

- “Electoral College” means an Electoral College established in accordance with **section 21**:
- 25 “Fellow” means a Fellow of the Society elected in accordance with **section 10**:
- “Honorary Fellow” means a person admitted as an Honorary Fellow in accordance with **section 17**:
- 30 “Honorary Member” means a person granted honorary membership of the Society in accordance with **section 16**:
- “Member” means a Member of the Society as defined in **section 9**:
- “Ordinary Member” means a person admitted as an Ordinary Member of the Society in accordance with **section 11**:
- 35 “Regional Constituent Organisation” means an organisation that is a Regional Constituent Organisation pursuant to a declaration made under **section 14**:

“Rules” means the rules of the Society made under section 30 and for the time being in force:

“Science and technology” includes the applied, biological, earth, engineering, information, mathematical, medical, physical, social, and technological sciences: 5

“Society” means the Royal Society of New Zealand continued by section 3.

*The Royal Society of New Zealand*

**3. Constitution of Society**—(1) There continues to be a Society called the Royal Society of New Zealand. 10

(2) The Society continues to be a body corporate with perpetual succession and a common seal.

(3) The Society is declared to be the same body as the body of that name existing immediately before the commencement of this Act under the Royal Society of New Zealand Act 1965. 15

**4. Honorary Patron**—The Governor-General is, during his or her pleasure, the Honorary Patron of the Society.

Cf. 1965, No. 38, s. 4

**5. Object**—The object of the Society is the advancement and promotion of science and technology in New Zealand. 20

Cf. 1965, No. 38, s. 8

*Struck Out (Unanimous)*

**6. Functions**—For the purpose of advancing and promoting science and technology in New Zealand, the Society may—

(a) Foster in the New Zealand community a culture that supports science and technology, including (without limitation)— 25

(i) The promotion of public awareness, knowledge, and understanding of science and technology; and

(ii) The advancement of science and technology education: 30

(b) Encourage, promote, and recognise excellence in science and technology:

(c) Provide an infrastructure and other support for the professional needs and development of scientists and technologists: 35

(d) Establish and administer for members of the Society a code of professional standards and ethics in science and technology:

*Struck Out (Unanimous)*

- 5 (e) Provide considered, expert advice on important public issues to the Government and the community:  
(f) Do all other lawful things which the Council may consider conducive to the advancement and promotion of science and technology in New Zealand.

*New (Unanimous)*

- 10 **6. Functions**—For the purpose of advancing and promoting science and technology in New Zealand, the functions of the Society are—  
(a) To foster in the New Zealand community a culture that supports science and technology, including (without limitation)—  
15 (i) The promotion of public awareness, knowledge, and understanding of science and technology; and  
(ii) The advancement of science and technology education:  
(b) To encourage, promote, and recognise excellence in science and technology:  
20 (c) To provide an infrastructure and other support for the professional needs and development of scientists and technologists:  
(d) To establish and administer for members a code of professional standards and ethics in science and technology:  
25 (e) To provide expert advice on important public issues to the Government and the community:  
(f) To do all other lawful things which the Council considers conducive to the advancement and promotion of  
30 science and technology in New Zealand.

Cf. 1965, No. 38, s. 8

**7. Powers of Society**—For the purposes of pursuing its object and carrying out its functions, the Society has full rights, powers, and privileges.

35 **8. No dividend or profit to members**—(1) The income and property of the Society must be applied solely towards the object of the Society, and (except as otherwise provided in this

Act) no portion of the income and property of the Society may be paid directly or indirectly by way of dividend, bonus, or otherwise to members.

(2) This section does not prevent—

- (a) The payment of remuneration to ~~(employees or members of the Society)~~ employees of the Society or members in return for services rendered or goods supplied; or 5
- (b) The repayment of money borrowed or the payment of interest on money borrowed; or
- (c) The payment of expenses incurred in the performance of office; or 10
- (d) The grant of awards or prizes for—
  - (i) Achievement in scientific or technological research; or
  - (ii) The advancement or promotion of science and technology in New Zealand. 15

Cf. 1965, No. 38, s. 10

#### *Membership of Society*

**9. Membership of Society**—The membership of the Society consists of the following: 20

- (a) Fellows:
- (b) Ordinary Members:
- (c) Companions:
- (d) Constituent Organisations:
- (e) Regional Constituent Organisations: 25
- (f) Affiliate Organisations that are members in accordance with **section 15 (2)**:
- (g) Honorary Members:
- (h) Honorary Fellows.

Cf. 1965, No. 38, s. 5 30

**10. Fellows**—(1) The Academy Council may from time to time, in accordance with the Academy bylaws, elect as a Fellow ~~(of the Society)~~ any person who in the opinion of the Academy Council has achieved distinction in research or the advancement of science or technology. 35

(2) The number of Fellows is limited to such number as is agreed from time to time between the Academy Council and the Council.

(3) A Fellow is entitled to use, in connection with his or her name, either— 40

- (a) The letters “FRSNZ”, which stand for Fellow of the Royal Society of New Zealand; or

- (b) Such other letters or title as is agreed from time to time between the Academy Council and the Council.

Cf. 1965, No. 38, s. 6

5 **11. Ordinary Members**—(1) The Council may from time to time, in accordance with the rules, admit as an Ordinary Member (*of the Society*) any person who is able and willing to subscribe to the object of the Society.

(2) Subject to subsection (3), an Ordinary Member is entitled to use, in connection with his or her name, either—

10 (a) The letters “MRSNZ”, which stand for Member of the Royal Society of New Zealand; or

(b) Such other letters or title as is decided from time to time by the Council.

15 (3) An Ordinary Member (*of the Society*) is entitled to use the letters “MRSNZ” if—

(a) The professional qualifications and the experience of that member are recognised by the Council; and

20 (b) Where the Council requires the payment of any fee as a prerequisite to the use or continued use of those letters, the member has paid any such fee.

**12. Companions**—(1) The Council may from time to time elect, as a Companion (*of the Society*), any person who, in the opinion of the Council, has achieved a high level of eminence in the promotion or encouragement of science or technology.

25 (2) A Companion is entitled to use, in connection with his or her name, either—

(a) The letters “CRSNZ”, which stand for Companion of the Royal Society of New Zealand; or

30 (b) Such other letters or title as is decided from time to time by the Council.

**13. Constituent Organisations**—The Council may from time to time, in accordance with the rules, declare any organisation to be a Constituent Organisation if—

35 (a) That organisation declares itself to be able and willing to subscribe to the object of the Society; and

(b) The object or objects of the organisation are consistent with the object of the Society.

**14. Regional Constituent Organisations**—(1) The Council may from time to time, in accordance with the rules, declare  
40 any organisation to be a Regional Constituent Organisation if—

- (a) That organisation declares itself to be able and willing to subscribe to the object of the Society; and
- (b) That organisation agrees to represent the Society on a regional basis; and
- (c) The object or objects of that organisation are consistent with the object of the Society. 5

(2) If any committee is appointed under **section 27 (3)** and is deemed to be a Regional Constituent Organisation, that organisation must comply with the requirements of **subsection (1)**.

**15. Affiliate Organisations**—(1) The Council may from time to time, in its absolute discretion, grant the status of Affiliate Organisation to any organisation that is able and willing to subscribe to the object of the Society. 10

(2) The Council may from time to time, in its absolute discretion, admit any Affiliate Organisation as a member of the Society. 15

(3) The Council may from time to time, in its absolute discretion—

- (a) Revoke any organisation's status as an Affiliate Organisation: 20
- (b) Revoke any Affiliate Organisation's membership of the Society.

**16. Honorary Members**—(1) The Council may, from time to time, grant Honorary Membership of the (*Society*,) Society to any Ordinary Member who, in the opinion of the Council, has rendered eminent service to science or technology, or to the Society. 25

(2) Honorary Members are not required to pay any levies to the Society.

Cf. 1965, No. 38, s. 16 30

**17. Honorary Fellows**—(1) The Academy Council may, from time to time, in accordance with the Academy bylaws, admit as an Honorary Fellow (*of the Society*) any person who—

- (a) Is not normally resident in New Zealand; and
- (b) Has, in the opinion of the Academy Council, rendered eminent service to science or technology. 35

(2) A person who is admitted as an Honorary Fellow—

- (a) Is not required to pay any levies to the Society; and
- (b) Is not entitled to vote in respect of any matters before the Academy Council or the Society or to hold office in the Academy Council or the Society. 40

**18. Revocation of membership or fellowship**—(1) The Council may, at any time, in accordance with the rules, revoke a person's or an organisation's membership of the Society if—

- 5 (a) That person or organisation has not adhered to the code of professional standards and ethics; or
- (b) That person or organisation has acted in a manner that is inconsistent with the Society's object or functions as set out in **sections 5 and 6**.
- 10 (2) The Council may at any time, in accordance with the Academy bylaws and on the recommendation of the Academy Council, revoke the fellowship or honorary fellowship of a person.

**19. Register of members**—(1) The Council must maintain, at the office of the Royal Society of New Zealand, a register of the names of all members (*of the Society*) and of those members who are entitled to use, in connection with their name, the letters "MRSNZ", "CRSNZ", or "FRSNZ".

- 15 (2) The Council must from time to time cause the register to be published in such form as it thinks fit.
- 20 (3) Without limiting the generality of **subsection (2)**,—
- (a) Any register published pursuant to that subsection may be in a printed or an electronic form; and
- (b) Any information included in such a register may be abbreviated.
- 25 (4) All members are entitled, free of charge, to inspect the register during the Society's normal office hours.
- (5) The Council may charge any member who wishes to purchase a copy of the register (or any part of the register) such fee (if any) as is set by the Council in respect of the matter.

30 *Council of Society*

**20. Council of Society**—(1) There is a Council of the Society, called the Council of the Royal Society of New Zealand.

- 35 (2) The Council consists of—
- (a) The President; and
- (b) The Councillors elected or appointed or co-opted in accordance with this Act and the rules.

*Struck Out (Unanimous)*

40 **21. Elected Councillors**—(1) Each Electoral College shall be entitled to elect 1 Councillor to the Council.



*Struck Out (Unanimous)*

(2) Notwithstanding **subsection (1)** of this section, an Electoral College may elect more than 1 Councillor to the Council if the Council so determines.

(3) The Council shall conduct elections for each Electoral College and every election shall be held not less than 9 months and not more than 2 years and 3 months after the previous election. 5

(4) No person shall hold office as an elected Councillor for more than 4 consecutive years. 10

(5) The Council may alter the number, names, and composition of Electoral Colleges.

*New (Unanimous)*

**21. Electoral Colleges**—(1) The Council may from time to time establish 1 or more Electoral Colleges to enable the election of Councillors. 15

(2) The Council may alter the number, names, and composition of Electoral Colleges.

**21A. Elected Councillors**—(1) Each Electoral College is entitled to elect 1 Councillor. 20

(2) An Electoral College may elect more than 1 Councillor if the Council so determines.

(3) Every election of a Councillor or Councillors by an Electoral College must be conducted by the Council in accordance with the rules. 25

(4) Every election must be held not earlier than 9 months and not later than 2 years and 3 months after the previous election.

(5) No person may hold office as an elected Councillor for more than 4 consecutive years.

**22. Appointed Councillors**—(1) The Academy Council is entitled to appoint 3 Fellows to be Councillors (*to the Council*). 30

(2) Subject to **subsection (3)**, the Regional Constituent Organisations are, between them, entitled to appoint no fewer than 1 and no more than 2 Councillors (*to the Council*).

(3) The Council must determine how many Councillors may be appointed under **subsection (2)**. 35

(4) In determining who should be appointed under **subsection (2)**, each Regional Constituent Organisation has 1 vote and the matter is determined by a majority of votes cast by postal ballot.

5 (5) A person who holds office as an appointed Councillor holds office for such period as is specified in the rules.

**23. Co-opted Councillors**—(1) Subject to **subsection (2)**, the Council may, from time to time, co-opt up to 3 members to be Councillors to the Council.

10 (2) The Council may co-opt members under (*subsection (1) of this section*) **subsection (1)** if, in the opinion of the Council, it is necessary to do so having regard to the desirability of—

(a) Giving effect to the principles of the Treaty of Waitangi:

15 (b) Giving effect to the principle of equal opportunity for Maori, ethnic or minority groups, women, and people with disabilities:

(c) Providing representation for different geographic areas of New Zealand:

20 (d) Providing representation for different areas of science and technology not otherwise represented on the Council.

(3) A person who holds office as a co-opted Councillor holds office until the elected Councillors next vacate office following elections to the Council.

25 **24. President**—(1) As soon as practicable after each election of Councillors, the Council must choose a person to be the President of the Society.

(2) The Council must choose the President by—

(a) Electing 1 of the Councillors; or

30 (b) Appointing a suitable person (whether a member (*of the Society*) or not).

(3) No person may hold office as the President for more than 3 consecutive years.

35 **25. Powers of Council**—(1) The Council has the control and management of the Society, and of all property for the time being vested in the Society, and generally must act for and on behalf of the Society.

(2) Without limiting the generality of **subsection (1)**, the Council may,—

40 (a) Subject to the provisions of this Act and to the terms of any trust or endowment, dispose in such manner as the Council thinks fit of any grants, devises, bequests,

or any gifts of books, specimens, equipment, or real property, made to the Society:

- (b) For the purpose of providing funds to advance the object of the Society, levy members in accordance with the rules: 5
- (c) Spend any funds of the Society, not appropriated or held in trust for any special purpose, to advance the object of the Society:
- (d) In the name and on behalf of the Society,—
  - (i) Enter into contracts for the provision of services relevant to the object of the Society: 10
  - (ii) Borrow, raise, or secure the payment or repayment of money in such manner as the Council thinks fit.

Cf. 1965, No. 38, s. 14 15

**26. Council to regulate own procedure**—Subject to the rules (*of the Society*), the Council must regulate its own procedure.

**27. Council may appoint committees**—(1) The Council may from time to time appoint 1 or more committees comprising such persons as the Council thinks fit, whether or not they are members (*of the Society*). 20

(2) The Council may at any time discharge, alter, or reconstitute any committee.

(3) The Council may from time to time appoint 1 or more committees to represent the Society within a regional area and may deem any such committee to be a Regional Constituent Organisation for the purpose of appointing Councillors under **section 22** or for any other purpose under this Act relating to Regional Constituent Organisations. 25  
30

Cf. 1965, No. 38, s. 14 (6)

**28. Delegations to committees**—(1) The Council may, from time to time, refer to any committee of the Council any matter for consideration or inquiry or management or regulation. 35

(2) The Council may, from time to time, by written notice, delegate to any such committee any function, power, or duty of the Council, except this power of delegation.

(3) Any committee may exercise or perform any function, power, or duty of the Council delegated to it under this section in the same manner as if the committee were the Council. 40

(4) Every delegation under this section is revocable by the Council at will, and no such delegation prevents the exercise or performance of the function, power, or duty by the Council.

5 (5) Every committee purporting to act under any delegation under this section is, until the contrary is proved, presumed to be acting in accordance with the terms of the delegation.

*Struck Out (Unanimous)*

**29. Vacation of office**—(1) Any member of the Council may at any time resign his or her office by giving notice to that  
10 effect to the Society.

(2) A member of the Council shall be deemed to have vacated his or her office if he or she dies.

(3) Any member of the Council may be removed from office  
15 by notice given to the member by the President, on the grounds of a mental or physical condition affecting performance of duty, or for neglect of duty or misconduct, proved to the satisfaction of the Council.

(4) If a person ceases to be a member of the Council in accordance with any of **subsections (1) to (3)** of this section then,—

20 (a) Subject to any rules, the vacancy so created may be filled by appointment or election to the vacant office in the sole discretion of the Council; and

(b) The person so appointed or elected to fill the vacancy  
25 shall hold office for the residue of the term for which the person's predecessor was appointed or elected.

(5) The Council, in its sole discretion, may elect to defer electing or appointing a member to fill a vacancy if an election under **section 20** is to occur in the next 6 months.

30 (6) The powers of the Council shall not be affected by any vacancy in its membership.

*New (Unanimous)*

**29. Vacation of office of Councillors**—(1) Any Councillor may at any time resign his or her office by giving notice to that effect to the Society.

35 (2) A Councillor is to be treated as having vacated his or her office if the Councillor dies.

*New (Unanimous)*

- (3) Any Councillor may be removed from office by written notice, on the grounds of a mental or physical condition affecting the performance of duty, or for neglect of duty or misconduct, proved to the satisfaction of the Council. 5
- (4) If a person ceases to be a Councillor in accordance with any of **subsections (1) to (3)** then,—
- (a) Subject to any rules, the vacancy so created may be filled by appointment or election to the vacant office in the sole discretion of the Council; and 10
- (b) The person so appointed or elected to fill the vacancy holds office for the residue of the term for which the person's predecessor was appointed or elected.
- (5) The Council, in its sole discretion, may defer the election or appointment of a Councillor to fill a vacancy if an election of a Councillor or Councillors is to occur within 6 months after the vacancy occurs. 15
- (6) The powers of the Council are not affected by any vacancy in its membership.
- 29A. Vacation of office of President—**(1) The President may at any time resign his or her office by giving notice to that effect to the Society. 20
- (2) The President is to be treated as having vacated his or her office if the President dies.
- (3) The President may be removed from office by written notice, on the grounds of a mental or physical condition affecting the performance of duty, or for neglect of duty or misconduct, proved to the satisfaction of the Council. 25
- (4) If a person ceases to be the President in accordance with any of **subsections (1) to (3)** then,— 30
- (a) Subject to any rules, the vacancy so created must be filled by the Council in accordance with **section 24**; and
- (b) The person chosen to fill the vacancy holds office as President for the residue of the term for which the person's predecessor held office as President. 35
- (5) The powers of the Council are not affected by any vacancy in the presidency.

*Rules of the Society*

**30. Rules of Society**—(1) Subject to this Act, the Council may from time to time, by resolution passed in accordance with this section, make rules for—

- 5 (a) The regulation, management, and advantage of the Society and its property, and for furthering the object of the Society:  
(b) Governing the admission and expulsion of members of the Society:  
10 (c) Governing the procedure for the nomination, election, and appointment of Councillors:  
(d) Such other purposes as may be necessary or expedient for duly carrying out the work of the Council or of any committee of the Council.

15 (2) Any such rules may from time to time be amended or revoked by resolution passed in accordance with this section.

(3) Notice of any motion which proposes the making, amending, or revoking of any rules must be forwarded to every Councillor and the President at least 30 clear days before the  
20 meeting at which the motion is to be considered.

Cf. 1965, No. 38, s. 17 (1)–(3)

**31. Further provisions relating to rules**—(1) All members (*of the Society*) are entitled to request a copy of the rules from the Society.

25 (2) The rules of the Society must also be available for inspection by any member (*of the Society*) at the offices of the Royal Society of New Zealand during normal office hours.

Cf. 1965, No. 38, s. 17 (4)–(6)

*Professional Standards and Ethics*

30 **32. Code of professional standards and ethics**—

*Struck Out (Unanimous)*

(1) The Council shall issue a code of professional standards and ethics which relates to the work of scientists and technologists and to the scientific and technological disciplines.

*New (Unanimous)*

(1) The Council must issue for members a code of professional standards and ethics in science and technology.

(2) The Council may from time to time issue amendments to a code of professional standards and ethics issued under subsection (1). 5

(3) The Council must make the code of professional standards and ethics, and any amendments to it, publicly available.

*Further Provisions Relating to the Society and Council* 10**33. Protection of members, officers, and employees—***Struck Out (Majority)*

(1) No officer or employee of the Society shall be personally liable for any act or default done or made by the Society, or the Council, or by any officer or employee of the Society, in good faith in the course of the operations of the Society. 15

*New (Majority)*

(1) Neither the President nor the Councillors are personally liable for any act or default done or made by the Society, the Council, or any officer or employee of the Society, in good faith in the course of the operations of the Society. 20

(2) Except when otherwise expressly provided in this Act, membership of the Society does not of itself impose on the members any liability in respect of any contract, debt, or other obligation made or incurred by the Society. 25

*Struck Out (Unanimous)*

**34. Society responsibilities in relation to funds or outputs—**(1) The Society may allocate funds or purchase outputs on behalf of other parties, in accordance with the object and functions set out in section 5 and section 6 respectively of this Act, should the allocation or purchase be mutually agreed between the Society and such other party. 30

*Struck Out (Unanimous)*

(2) In the event that the Society allocates funds or purchases outputs on behalf of any Minister of the Crown, the Minister may issue directions in regard to the funds allocated or the outputs purchased on behalf of the Minister and the Society shall be obliged to act in accordance with those directions.

(3) No member, officer, or employee of the Society, shall be personally liable for any act or default done or made by the Society, or the Council, or by any member, officer, or employee of the Society if any member, officer, or employee of the Society acts in accordance with the direction of any Minister of the Crown made under **subsection (2)** of this section.

(4) The Society shall not be liable for any act or default done or made by the Society, or the Council, or by any member, officer, or employee of the Society if any member, officer, or employee of the Society acts in accordance with the direction of any Minister of the Crown made under **subsection (2)** of this section.

**35. Provision of information**—(1) Subject to **subsections (2) and (3)** of this section, when the Society allocates funds or purchases outputs on behalf of other parties or any Minister of the Crown in accordance with **section 34**, the Society may supply to any other party or to a Minister of the Crown such information as the other party or Minister of the Crown requests.

(2) Another party or Minister of the Crown on whose behalf the Society allocates funds or purchases outputs may request information to be supplied under **subsection (1)** of this section only if the supply of the information is necessary for the purposes of monitoring the Society's responsibilities in relation to funds or outputs under **section 34** of the Act.

(3) A request under **subsection (1)** of this section may be refused if the withholding of the information is necessary to protect the privacy of any person (whether or not a natural person or a deceased natural person) and good reason for withholding that information exists because—

(a) The making available of the information would disclose a trade secret or would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; and



*Struck Out (Unanimous)*

(b) The need to protect the privacy of any person is not outweighed by the need to have the information in order to effectively monitor the Society's responsibilities in relation to funds or outputs under **section 34**. 5

(4) Notwithstanding any other enactment or rule of law, the Society may direct any officer or employee of the Society to comply with a request under **subsection (1)** of this section, and the officer or employee shall comply with the request on being directed to do so. 10

(5) No member, officer, or employee of the Society who acts in accordance with a request or direction under this section is liable to any person under any other enactment or rule of law by reason of acting in accordance with that request or direction. 15

**36. Further provisions relating to Society and Council**—The provisions set out in the **Schedule** apply to the Society and the Council.

*Academy Council* 20

**37. Academy Council**—(1) There is a council of the Society called the Academy Council.

(2) The object of the Academy Council is to contribute to the achievement of the object of the Society.

(3) Without limiting the generality of **subsection (2)**, the Academy Council shall— 25

(a) Recognise and encourage excellence and outstanding achievements in science and technology; and

(b) Contribute to the intellectual leadership role of the Society. 30

(4) Subject to this Act, to the rules, and any Academy bylaws, the Academy Council may regulate its procedure in such manner as it thinks fit.

**38. Membership of Academy Council**—The Academy Council consists of those Fellows who are, for the time being, elected to the Academy Council in accordance with the Academy bylaws, or if there are no such Academy bylaws in such manner as the Council thinks fit. 35

**39. Bylaws of Academy Council**—(1) The Academy Council may from time to time, in accordance with this section, make bylaws for—

- 5 (a) The regulation, management, and advantage of the Academy Council, and for furthering the object of the Academy Council:
- (b) Governing the procedure for the nomination, election, admission, and expulsion of Fellows:
- 10 (c) Governing the procedure for the election of the Academy Council and Academy Council officers:
- (d) Such other purposes as may be necessary or expedient for duly carrying out the work of the Academy Council—

and may, from time to time, amend or revoke such bylaws.

15 (2) Without limiting the generality of **subsection (1)**, the Academy bylaws may—

- 20 (a) Impose, or provide for the imposition of, a levy on Fellows, for the purpose of providing funds to advance the objects of the Academy Council, which levy may be in addition to any levy imposed under **section 25 (2) (b)**:
- (b) Provide for the appointment of Honorary Fellows:
- 25 (c) Provide for the grant of awards, medals, and prizes to persons who, in the opinion of the Academy Council, are worthy of them by reason of any research, investigation, or other work in the area of science or technology.

*Struck Out (Unanimous)*

30 (3) No Academy bylaw made by the Academy Council shall come into force or effect until it has been approved at a postal ballot of the Fellows held in accordance with the Academy bylaws.

*New (Unanimous)*

35 (3) An Academy bylaw does not come into force until it has been approved,—  
(a) At a postal ballot of the Fellows held in accordance with the Academy bylaws; or  
(b) If there are no relevant Academy bylaws, in such manner as the Council thinks fit.

(4) An Academy bylaw is approved under subsection (3) (a) if, and only if, a majority of not less than two-thirds of the valid votes cast in the ballot favour the bylaw.

(5) **Subsections (3) and (4)** apply in relation to any amendment or revocation of any Academy bylaw. 5

(6) In the event that there is any conflict between the rules and the Academy bylaws, the rules prevail.

*Miscellaneous Provisions*

**40. Repeal of Royal Society of New Zealand Act 1965—**  
The Royal Society of New Zealand Act 1965 is repealed. 10

**41. Private Act—**This Act is a private Act.

*Transitional Provisions*

**42. Membership and staff—**(1) Every person who, immediately before the commencement of this Act, is a Fellow or an Honorary Member of the Society pursuant to the Royal Society of New Zealand Act 1965 is, on the commencement of this Act, deemed to be a Fellow or an Honorary Fellow, as the case may be, of the Society. 15

(2) Every person or organisation, other than a Fellow or Honorary Member of the Society, who, immediately before the commencement of this Act, was a member of the Society pursuant to the Royal Society of New Zealand Act 1965 is, upon payment of the appropriate levy, eligible to retain membership of the Society for 1 year after the commencement of this Act. 20 25

(3) Every person who, immediately before the commencement of this Act, was an officer or employee of the Society pursuant to the Royal Society of New Zealand Act 1965 is, on the commencement of this Act, deemed to be an officer or employee of the Society and is not entitled to any payment or other benefit for redundancy or otherwise. 30

**43. Interim Council—**(1) An Interim Council must be in office on the day this Act comes into force, whose primary responsibility is to hold elections with the object of forming a Council pursuant to **section 20**. 35

*Struck Out (Unanimous)*

5 (2) The Interim Council for the purposes of this section shall be that body which has, under delegated power from the Council of the Society, been governing the Society as the Interim Board under the Royal Society of New Zealand Act 1965.

*New (Unanimous)*

10 (2) The Interim Council for the purposes of this section is that body which, under delegated power from the Council of the Society, is governing the Society, immediately before the commencement of this Act, as the Interim Board.

15 (3) The elections (*will*) must be held by the Interim Council no later than 6 months after this Act comes into force in accordance with the relevant provisions and any interim rules that the Interim Council may make for the purpose of holding the elections.

(4) All acts of the Interim Council are as valid (*and effectual*) as if they were acts of the Council constituted under this Act.

20 (5) When the first Councillors have been elected pursuant to **section 20**, the Interim Council ceases to exist.

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## Section 36

## SCHEDULE

## PROVISIONS RELATING TO MANAGEMENT OF SOCIETY

**1. Appointment of Chief Executive Officer**—(1) The Council may from time to time appoint a Chief Executive Officer, who is responsible to the Council for the management of the Society.

(2) The Chief Executive Officer appointed under this clause is appointed on such terms and conditions as the Council agrees with the Chief Executive Officer.

**2. Appointment of other employees**—(1) The Chief Executive Officer may from time to time appoint, as employees of the Society, such persons as he or she thinks necessary for the efficient performance of the Society's functions.

(2) An employee is appointed on such terms and conditions as the Chief Executive Officer agrees with the employee.

(3) The Chief Executive Officer may at any time terminate or suspend the employment of any of the Society's employees in accordance with that employee's terms and conditions of employment.

**3. Personnel policy**—(1) The Society must be a good employer.

(2) For the purposes of this clause, a good employer is an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment, including provisions requiring—

- (a) Good and safe working conditions; and
- (b) An equal opportunities employment programme; and
- (c) The impartial selection of suitably qualified persons for appointment; and
- (d) Opportunities for the enhancement of the abilities of individual employees; and
- (e) Recognition of—
  - (i) The aims and aspirations of Maori; and
  - (ii) The employment requirements of Maori; and
  - (iii) Recognition of the aims and aspirations, and the cultural differences, of ethnic or minority groups; and
  - (iv) Recognition of the employment requirements of women; and
  - (v) Recognition of the employment requirements of persons with disabilities.

**4. Equal employment opportunities**—For the purposes of clause 3, an equal employment opportunities programme must be implemented by the Chief Executive Officer and must be aimed at the identification and elimination of all aspects of policies, procedures, and other institutional barriers that cause or perpetuate, or tend to cause or perpetuate, inequality in respect of the employment of any persons or groups of persons.

**5. Society deemed to be local authority for purposes of National Provident Fund Act 1950**—The Society is deemed to be a local authority for the purposes of the National Provident Fund Act 1950 (as continued by the National Provident Fund Restructuring Act 1990) and section 6 of the Finance Act (No. 2) 1941.

SCHEDULE—*continued*

PROVISIONS RELATING TO MANAGEMENT OF SOCIETY—*continued*

**6. Superannuation for staff**—(1) For the purpose of providing superannuation or retiring allowances for any of the employees of the Society, the Council may, out of the funds of the Society, make payments to or subsidise any superannuation scheme that is registered under the Superannuation Schemes Act 1989.

(2) Any person who, immediately before becoming an officer or employee of the Society, is a contributor to the Government Superannuation Fund under Part II or Part IIA of the Government Superannuation Fund Act 1956 is deemed to be, for the purposes of the Government Superannuation Fund Act 1956, employed in the Government service so long as that person continues to be an officer or employee of the Society; and that Act applies to that person in all respects as if that person's service as such an officer or employee were Government service.

(3) Subject to the Government Superannuation Fund Act 1956, nothing in **subclause (2)** entitles any such person to become a contributor to the Government Superannuation Fund after that person has once ceased to be a contributor.

(4) For the purposes of applying the Government Superannuation Fund Act 1956, in accordance with **subclause (2)**, to a person who is in the service of the Society as an officer or employee and is a contributor to the Government Superannuation Fund, the term "controlling authority", in relation to any such person who is in the service of the Society, means the Society.

**7. Meetings**—At any meeting of the Council, Academy Council, or any committee appointed under **section 27**, the quorum necessary for the transaction of business is,—

(a) If the relevant body has an even number of members, half the number of members; or

(b) If the relevant body has an odd number of members, a majority of the number of members,—

but in no case may the quorum be fewer than 3 members.

**8. Delegation of powers of Council**—(1) The Council may delegate to the Chief Executive Officer all powers and authorities that the Council considers necessary for that officer to manage the affairs of the Society.

(2) All such delegations must be in writing and may be made subject to such restrictions and conditions as the Council thinks fit.

(3) All such delegations must include a direction regarding the regular reporting to the Council on the use of each delegation.

(4) Every delegation under this clause is revocable in writing, and no delegation affects or prevents the exercise of any function or power by the Council.

(5) The Chief Executive Officer purporting to act under any delegation under this clause is, until the contrary is proved, presumed to be acting in accordance with the terms of the delegation.

**9. Annual report**—(1) The Council must in each year furnish to the members a report, which (*will*) must include the annual audited accounts prepared in accordance with **clause 10 (3)**, with respect to the operation of the Society and the activities in the previous year.

SCHEDULE—*continued*PROVISIONS RELATING TO MANAGEMENT OF SOCIETY—*continued*

**10. Accounts**—(1) The Council must keep full and correct accounts of all money received and expended by it, and all other financial transactions that the Society or the Council engages in.

(2) The financial year of the Society is—

(a) The period of 12 consecutive months commencing on 1 January every year; or

(b) Such other period as the Society determines in accordance with the rules.

(3) The Council must, as soon as practicable after the end of each financial year, cause 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 to be prepared.

(4) The Council must appoint an auditor in accordance with section 199 of the Companies Act 1993 to audit the accounts of the Society as soon as practicable after the end of each financial year.

**11. Exemption from taxes**—The Society is declared to be exempt from the payment of income tax.

Cf. 1965, No. 38, s. 19

**12. Investment of money**—Subject to the terms of any deed of trust or endowment, any money belonging to or vested in the Society and available for investment may be invested in any such manner as the Council may, subject to the rules, determine from time to time.

Cf. 1965, No. 38, s. 22

**13. Application of income and capital of Society**—Subject to the provisions of this Act and to the terms of any deed of trust or endowment, the income and capital of the Society must be applied in doing whatever the Council thinks expedient in order that the Society may accomplish its object.

**14. Bank accounts**—(1) The Council must open at any bank or banks such accounts as are necessary for the performance of its functions.

(2) All money received by the Society or by any member, officer, or employee of the Society for the purposes of the Society, must, as soon as practicable after it has been received, be paid into such bank accounts of the Society as the Council from time to time determines.

(3) The withdrawal or payment of money from any such accounts must be authorised in such manner as the Council thinks fit.

(4) Any bank account of the Society must be operated only by cheque or other instrument signed by a member, officer, or employee of the Society authorised by the Society to do so, and must be countersigned by another member, officer, or employee of the Society authorised to do so.

**15. Contracts**—(1) Any contract which, if made by private persons, must be by deed shall, if made by the Council, be in writing under the common seal of the Society.

(2) Any contract which, if made by private persons, must be signed by the parties to be charged with it shall, if made by the Council, be either under the common seal of the Society or signed by *(a member of the Council)* the

SCHEDULE—*continued*

PROVISIONS RELATING TO MANAGEMENT OF SOCIETY—*continued*

President or a Councillor or an officer or employee of the Society on behalf of and by authority of the Council.

(3) Any contract which, if made by private persons, may be made orally may be made in the manner specified in **subclause (1)** as in the case of a deed, or in the manner specified in **subclause (2)** as in the case of a contract required to be in writing, or may be made orally by or on behalf of the Council or by *(any member of the Council)* the President or a Councillor or an officer or employee of the Society acting by authority of the Council, but no oral contract may be made for any sum exceeding \$2,000.

(4) The Council may by writing under the common seal of the Society empower any person, either generally or in respect of any specified matters, to execute instruments on its behalf in any place in or beyond New Zealand. Any instrument executed by such an attorney on behalf of the Society binds the Society, and if executed as a deed has the same effect as if it were under the common seal of the Society.

(5) Notwithstanding anything to the contrary in **subclauses (1) to (4)**, no contract made by or on behalf of the Society is invalid by reason only that it was not made in a manner provided by those subclauses, if it was made pursuant to a resolution of the Council or to give effect to a resolution of the Council in relation to contracts generally or in relation to that particular contract.

**16. Seal**—The common seal of the Society is to be judicially noticed in all courts and for all purposes.