

REPUBLIC OF SOUTH AFRICA

**NATIONAL ADVISORY COUNCIL
ON INNOVATION BILL**

(As introduced)

(MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY)

[B 29—97]

REPUBLIEK VAN SUID-AFRIKA

**WETSONTWERP OP DIE
NASIONALE ADVIESRAAD VIR
INNOVERING**

(Soos ingedien)

(MINISTER VAN KUNS, KULTUUR, WETenskap EN TEGNOLOGIE)

[W 29—97]

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BILL

To establish a national advisory council on innovation; to determine its composition and objects and functions; to regulate financial and staff matters; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa as follows:—

Definitions

1. (1) In this Act, unless the context indicates otherwise—
 - (i) “business sector” means all persons who and institutions which conduct business for gain; (xiii) 5
 - (ii) “chief executive officer” means the Director-General of the Department; (iv)
 - (iii) “Department” means the Department of Arts, Culture, Science and Technology; (i)
 - (iv) “government sector” means all organs of state as defined in section 239 of the Constitution, excluding any institution within the higher education sector; (xii) 10
 - (v) “higher education sector” means universities, technikons, colleges of education and other institutions which provide tertiary education, whatever their source of finance or legal status; (iii) 15
 - (vi) “innovation” means the process of transforming an idea, generally generated through research and development, into a new or improved product, process or approach, which relates to the real needs of society and which involves scientific, technological, organisational or commercial activities; (v)
 - (vii) “Minister” means the Minister of Arts, Culture, Science and Technology; (vi) 20
 - (viii) “Ministers’ Committee” means the Ministers’ Committee on Science and Technology established by a decision of the Cabinet and responsible for advice and decision-taking on science and technology matters; (vii)
 - (ix) “NACI” means the National Advisory Council on Innovation, established by section 2; (viii) 25
 - (x) “national facilities” means—
 - (a) the National Accelerator Centre;
 - (b) the South African Astronomical Observatory;
 - (c) the Hartebeesthoek Radio Astronomy Observatory; (ix)
 - (xi) “national system of innovation” means all sectors, and institutions within those sectors, which pursue common social and economic goals through innovation; (x) 30
 - (xii) “non-profit sector” means all private persons who and institutions which act without gain; (xi)
 - (xiii) “science and technology institution” means any institution established by an Act of Parliament with the practising of science and technology as a substantial part of its activities; (xv) 35
 - (xiv) “science and technology system” means all persons who and institutions which are involved in the process of making scientific knowledge available, or which are involved in the process of converting and using scientific 40

knowledge, in order to devise or implement new applications, and which operate within the national system of innovation; (xvi)

- (xv) “science councils” means the—
- (a) Human Sciences Research Council established by section 2 of the Human Sciences Research Act, 1968 (Act No. 23 of 1968); 5
 - (b) CSIR referred to in section 2 of the Scientific Research Council Act, 1988 (Act No. 46 of 1988);
 - (c) Council for Mineral Technology referred to in section 2 of the Mineral Technology Act, 1989 (Act No. 30 of 1989);
 - (d) Foundation for Research Development established by section 2 of the Research Development Act, 1990 (Act No. 75 of 1990); 10
 - (e) Agricultural Research Council established by section 2 of the Agricultural Research Act, 1990 (Act No. 86 of 1990);
 - (f) South African Medical Research Council referred to in section 2 of the South African Medical Research Council Act, 1991 (Act No. 58 of 1991); 15
 - (g) South African Bureau of Standards referred to in section 2 of the Standards Act, 1993 (Act No. 29 of 1993);
 - (h) Council for Geoscience established by section 2 of the Geoscience Act, 1993 (Act No. 100 of 1993); (xvii) 20
- (xvi) “sectors” means the government sector, higher education sector, business sector and non-profit sector; (xiv)
- (xvii) “this Act” includes any regulation made under section 13. (ii)

(2) The Minister may by notice in the *Gazette* amend the definitions of “national facilities” and “science councils” in order to delete or substitute any institution mentioned therein or to add any institution which practises research in the fields of science and technology as a substantial part of its activities. 25

Establishment of National Advisory Council on Innovation

2. A council which shall be called the National Advisory Council on Innovation is hereby established. 30

Objects of NACI

3. NACI shall advise the Minister, and through the Minister, the Ministers’ Committee and the Cabinet, on the role and contribution of science, technology and innovation in promoting and achieving national objectives, namely to improve and sustain the quality of life of all South Africans, develop human resources for science and technology, build the economy, and strengthen international competitiveness. 35

Functions of NACI

4. (1) In order to achieve the objects referred to in section 3, NACI may, or shall on request of the Minister, advise on—

- (a) the co-ordination and stimulation of the national system of innovation; 40
- (b) the promotion of co-operation within the national system of innovation;
- (c) the development and maintenance of human resources for innovation through selective support for education, training and research and development in the higher education sector and at science councils and science and technology institutions; 45
- (d) strategies for the promotion of technology innovation, development, transfer and implementation in all sectors;
- (e) international liaison and co-operation in the fields of science, technology and innovation;
- (f) the co-ordination of science and technology policy and strategies with policies and strategies in other environments; 50
- (g) the structuring, governance and co-ordination of the science and technology system;
- (h) the identification of research and development priorities in consultation with provincial departments and interested parties, and their incorporation in the process of government funding of research and development; 55
- (i) the funding of the science and technology system in respect of its contribution to innovation, including—

- (i) a framework for national and government expenditure on research and development;
 - (ii) the building and maintenance of science and technology capacity by way of the selective funding of training and research and development;
 - (iii) the distribution of funds allocated to science councils; 5
 - (iv) the funding of research and development in all sectors;
 - (v) the funding of national facilities utilised for research;
 - (j) the establishment, phasing out, rationalisation, and management of—
 - (i) science councils;
 - (ii) national facilities utilised for research; 10
 - (iii) national research and development programmes conducted by science councils;
 - (iv) science and technology institutions within the national system of innovation;
 - (k) the promotion of mathematics, the natural sciences and technology in the education sector in consultation with the Minister of Education and the Minister of Labour; 15
 - (l) strategies for—
 - (i) the promotion of the dissemination and accessibility of scientific knowledge and technology; and 20
 - (ii) the promotion of the public understanding of science and technology and their supportive role in innovation for development and progress;
 - (m) the establishment and maintenance of information systems to support—
 - (i) the monitoring and evaluation of the overall management and functioning of the science and technology system and the national system of innovation; and 25
 - (ii) the continuous revision of science and technology policy to address changing and new circumstances;
 - (n) any other matter relating to science, technology and innovation which the Minister may refer to NACI, or in respect of which NACI may deem it necessary to advise the Minister. 30
- (2) The chairperson of NACI shall have direct access to the Minister and members of the Ministers' Committee to submit and discuss any report of NACI, any minutes of a meeting of NACI or any other matter relating to the functioning of NACI.

Composition of NACI 35

5. (1) NACI shall consist of—
- (a) a chairperson appointed by the Minister;
 - (b) 16 to 20 members appointed by the Minister after consultation with the Ministers' Committee, and after submission to the Cabinet for notification;
 - (c) the chief executive officer of NACI; 40
 - (d) an officer of the Department of Trade and Industry appointed by the Minister with the concurrence of the Minister of Trade and Industry.
- (2) The members of NACI referred to in—
- (a) subsection (1)(a) and (b) shall be appointed in their personal capacity and serve on a part-time basis; 45
 - (b) subsection (1)(c) and (d) shall serve or be appointed, as the case may be, in their official capacity.

Criteria for membership of NACI

6. (1) The members of NACI, other than the chief executive officer and the officer of the Department of Trade and Industry, shall all be persons who have— 50
- (a) achieved distinction in any field of science and technology in their own right or in the context of innovation;
 - (b) special knowledge or experience in relation to the management of science and technology, or innovation;
 - (c) special insight into the role and contribution of innovation in promoting and achieving national and provincial objectives; or 55

- (d) special knowledge and experience of the functioning of the national system of innovation within which the science and technology system operates, the science and technology system, or any other aspect of NACI's domain of responsibility.
- (2) NACI shall be broadly representative of all sectors and be constituted in a manner that will ensure a spread of expertise and experience regarding— 5
- (a) national and provincial interests;
- (b) scientific and technological disciplines;
- (c) innovation;
- (d) the needs and opportunities in different socio-economic fields; and 10
- (e) research and development in all sectors.

Tenure of office of members of NACI

7. (1) A member of NACI, other than the chief executive officer and the officer of the Department of Trade and Industry, shall hold office for such period, not exceeding four years, as the Minister may determine at the time of his or her appointment. 15
- (2) If for any reason the office of such member becomes vacant the Minister may, subject to section 6, appoint any person as a member of NACI for the unexpired portion of that period of office.
- (3) A member whose period of office has expired may be reappointed.
- (4) Any member of NACI shall vacate his or her office if— 20
- (a) the member resigns; or
- (b) the Minister terminates the membership of the member on grounds of misconduct, incapacity or incompetence.

Executive committee and other committees of NACI

8. (1) Subject to subsection (2), NACI may establish an executive committee to 25 dispose of matters determined by NACI.
- (2) NACI shall determine the terms of reference and decision-making power of the executive committee for each matter referred to the executive committee for disposal.
- (3) The executive committee shall consist of—
- (a) the chairperson of NACI; 30
- (b) the chief executive officer of NACI;
- (c) two members designated by NACI; and
- (d) the officer appointed by the Minister under section 5(1)(d) .
- (4) (a) NACI may establish committees to assist it in the performance of its functions, and may designate as members of such committees persons who are not members of 35 NACI.
- (b) The chairperson of a committee established under paragraph (a) shall be designated by NACI from among the members of NACI.

Meetings of NACI

9. (1) The first meeting of NACI shall be held at a time and place determined by the chairperson, and thereupon NACI shall meet at such times and places as may be determined by itself. 40
- (2) The chairperson may at any time convene a special meeting of NACI, which shall be held at the time and place determined by the chairperson.
- (3) Whenever the chairperson is absent from any meeting of NACI, the members 45 present shall elect a person from amongst themselves to preside at that meeting.
- (4) The proceedings of NACI shall not be invalid by reason only of the fact that any vacancy exists on NACI.
- (5) NACI may, with the approval of the Minister, make rules relating to the procedure and quorum at its meetings and those of its committees. 50

Expenditure of NACI and remuneration of members

10. (1) Expenditure incidental to the performance of the functions of NACI shall be

defrayed from money voted by Parliament as part of the appropriation of the Department.

(2) Any member of NACI, and any person designated in terms of section 8(4)(a) as a member of a committee, who is not in the full-time employment of the State, shall, in respect of services rendered by him or her in connection with the functions of NACI, be paid such remuneration, including reimbursement for travelling, subsistence and other expenses, as the Minister may determine with the concurrence of the Minister of Finance.

Chief executive officer and staff of NACI

11. (1) Work incidental to the performance of NACI's functions shall be performed by the chief executive officer of NACI and officers appointed in terms of the Public Service Act, 1994 (Proclamation No. 103 of 1994).

(2) The Minister may—

- (a) at the request of NACI, for a temporary period or for a particular matter which is being investigated by NACI, appoint any person with special knowledge of any matter relating to the functions of NACI, or obtain the services of any body, to advise or to assist NACI in the performance of its functions; and
- (b) on recommendation of NACI and with the approval of the Minister of Finance, determine the remuneration, including reimbursement of travelling, subsistence and other expenses, of such person or body.

Annual report

12. NACI shall annually submit a report on its activities to the Minister, and the Minister shall cause the report to be tabled in Parliament as soon as possible.

Regulations

13. The Minister may, after consultation with NACI, make regulations with regard to any matter which is necessary or expedient to prescribe in order to achieve the objects of this Act.

Short title and commencement

14. This Act shall be called the National Advisory Council on Innovation Act, 1997, and shall come into operation on a date fixed by the President by proclamation in the *Gazette*.

**MEMORANDUM ON THE OBJECTS OF THE NATIONAL
ADVISORY COUNCIL ON INNOVATION BILL, 1997**

The vision for South African science and technology is one in which South Africa uses science and technology on the one hand to become economically competitive on a global scale, and on the other hand to promote a better quality of life for all South Africans. This is best done by incorporating our science and technology strategies in a larger drive towards a supportive national system of innovation. In such a system all relevant institutions co-operate optimally to solve real problems, whether these occur in industry, agriculture, defence or any other area of the national economy.

Most countries have independent and expert advisory structures at their disposal to advise the government in this connection. The Scientific Advisory Council that previously fulfilled this role was dissolved on 30 June 1994. Some of the advisory functions of that Council were then performed by advisory groups at the invitation of the Minister. However, the vacuum created by the absence of an independent advisory structure of experts in the fields of science, technology and innovation hampered the development and implementation of policy to support the realisation of national objectives in this regard.

The White Paper on Science and Technology as approved by the Cabinet underlines the vital importance of a National Advisory Council on Innovation (NACI) for informed advice to the Government on the development and implementation of science and technology policy and the stimulation of innovation. NACI will be responsible for advising the Minister of Arts, Culture, Science and Technology, and through the Minister, the Ministers' Committee on Science and Technology and the Cabinet on all relevant matters pertaining to these fields. It will also advise on the functioning of the national system of innovation, and on the science and technology system as the basis of the national system of innovation. It is the task of the Ministers' Committee to ensure the involvement of all the relevant Ministers in the advisory functions of NACI and the necessary co-ordination between ministerial portfolios in regard to science and technology policy as such, as well as co-ordination between science and technology policy and other national policies of the Government.

NACI is to consist of a chairperson and 16 to 20 members appointed by the Minister. These members should be persons who have achieved distinction in a field of science and technology or have special insight, knowledge or experience regarding the management of innovation or its contribution in promoting and achieving national and provincial objectives. In addition, the Director-General of Arts, Culture, Science and Technology (as chief executive officer) and an officer of the Department of Trade and Industry will serve on NACI.

In the opinion of the Department and the State Law Advisers this Bill must be dealt with in terms of section 75 of the Constitution.

Bodies or institutions consulted

- Ministers' Committee on Science and Technology
- All State Departments
- Committee of University Principals
- Committee of Technikon Principals
- Committee of Heads of Science Councils
- Universities and Technikons
- National Science and Technology Forum with 103 member institutions