



THE NEW ZEALAND GAZETTE EXTRAORDINARY

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THE Fourth Session of the Thirty-eighth Parliament of New Zealand was this day opened by The Governor-General, when His Excellency was pleased to make the following statement of the causes of the calling of this session of Parliament together.

HONOURABLE MEMBERS OF THE HOUSE OF REPRESENTATIVES

It is a great privilege for me to exercise for the first time the prerogative of Her Majesty The Queen in opening this Fourth Session of the Thirty-eighth Parliament. My wife and I are deeply conscious of the obligations of Vice-Regal office and share with all Members that high privilege of serving our people to whom we both have a responsibility.

Today we are reminded sadly of the absence from this place of the Honourable Sir Roy Jack who died on 24 December 1977. He faithfully served Parliament for 23 years as a member, as a minister and twice as Speaker of the House. We shall miss his humanity, culture, and wit.

Honourable Members, earlier this year the New Zealand Planning Council published *Planning Perspectives 1978-1983*. This document, which I would remind you is addressed to all New Zealanders, reiterates some basic truths which often tend to be ignored—they are:

- that old attitudes must be changed if we are to achieve the social and economic goals which we deem important
- that we must re-examine carefully the inefficient and wasteful use of limited resources.

As a nation we have to live within our income over the longer run—the remedies are in our own hands.

The New Zealand economy continues to face difficulties. These result from the slowness of the world's recovery from depression since 1975 and from continuing international inflation which, together, have caused a major deterioration in our terms of trade. As a consequence we have suffered a large drop in national income, which is now having an effect on the domestic economy.

The Government has acted to solve the country's economic problems. The high balance of payments deficit has been reduced and the growth of expenditure on imports has been retarded considerably. With the balance of payments on current account still in deficit the Government will be obliged to continue to control tightly the total quantum of imports.

Imported inflation and domestic wage and price increases have developed a strong momentum. The Government has therefore applied a wide range of policies to cope with the problem including price regulation and fiscal and monetary restraint. It is now clear that these policies are succeeding. While still high, the rate of inflation is falling and further improvement is expected. The Government regards a higher rate of productivity as an important means of reducing inflation and will continue to encourage efforts in this direction.

The Government is firmly committed to a policy of controlling inflation and reducing the balance of payments deficit. These are the priorities. Without them a permanent strengthening of the economy cannot be achieved.

Over recent months a major difficulty has been the drop in domestic activity and increased unemployment. The Government has moved promptly to minimise the effects of this cyclical downturn. Policies are now in train which have increased the money supply and have boosted direct Government spending in the weaker sectors of the economy. The business community can now look forward to improved demand and can take confidence from the Government's preparedness to sustain activity.

While unemployment has become a growing problem the policies of economic stimulation pursued by the Government have been instrumental in controlling its growth. In addition the Government has made special work available and assisted local authorities and private employers to take on additional workers. The emphasis is on retraining to diversify and improve the skills of the labour force. This is a necessary part of the economic restructuring.

The Government has successfully introduced a system of free wage bargaining, and the round of wage negotiations through the summer was the first for several years. Difficulties which might have occurred were largely avoided and in general reasonable settlements were reached.

The integrated system of wage settlement tribunals which was enacted at the last Session is now in place. While the main emphasis in wage determination will remain on conciliation, the Government trusts that the new Arbitration Court and its associated tribunals will quickly gain the respect of all parties in cases where it becomes

necessary to resort to arbitration. It is essential that restraint should continue in wage negotiations. New Zealand cannot afford excessive wage rises or industrial stoppages.

Farming continues to be the main source of our overseas income. Despite the deteriorating net incomes for farmers shown in the Agriculture Review Committee's report, the Government is committed to ensuring the continued viability and productivity of farming enterprises.

The Rural Banking and Finance Corporation will continue to give a high priority to finance for development and it will maintain its functions of granting loans for the settlement of young farmers, for the purchase of stock, and for the restructuring of essential debt. Policies which encourage the development of remaining areas of unproductive and under-utilised land capable of contributing to export earnings, and the establishment of holdings suitable for intensive horticultural production will be maintained.

Among the Bills affecting the agricultural sector, which will be submitted for your consideration, will be a Pesticides Bill to revise the Agricultural Chemicals Act 1959, and an amendment to the Meat Act to allow for more effective appeal rights against decisions of the Meat Industry Authority. The Noxious Plants Bill and the Milk Amendment Bill which are at present before a select committee will be further considered.

The Government's main activities in the international field will be designed to strengthen the economy at home. It will place special emphasis on moves to improve access to traditional markets and to open new export opportunities. It will engage in bilateral discussions on access and will also play an active part in the current multilateral negotiations under the General Agreement on Tariffs and Trade. Relations with the European Economic Community will be of continuing importance, particularly for the dairy industry and for our lamb export trade, which is faced with the prospect of a Community sheepmeats regime. The Government will spare no effort to protect New Zealand's vital interests.

1978 has been designated Export Year. Steps are being taken to help with the establishment of markets overseas for our manufactured exports. The strengthening of the trade commissioner service will be of material assistance.

Special efforts are being directed towards developing markets in North America and South-east Asia. However, this market diversification is not proceeding at the expense of strengthening our trading links with our more traditional partners. The consolidation of our NAFTA relationship with Australia will continue to receive high priority.

In fostering new projects which make the maximum use of our limited resources in economic and social terms, the emphasis will continue to be on the establishment of export-oriented industries which are soundly based on natural resources and can use the skills of New Zealanders.

Consideration of a draft Treaty on the Law of the Sea will be resumed this year. The Government attaches the greatest importance to achieving international agreement on this matter which would not only protect New Zealand's rights in the Exclusive Economic Zone but also represent a major step towards world order. In granting approval for foreign fishing vessels to fish in New Zealand's 200-mile economic zone, care will be taken to ensure that our own fishing industry is given every opportunity to expand and to realise its growing export potential.

The Fisheries Act 1908 will be amended to provide for joint fishing ventures within the 200-mile economic zone. To give a practical effect to the growing international concern over the depletion of marine mammals the Government will introduce a Marine Mammals Bill to protect these animals found in New Zealand waters.

Special encouragement will be given through regional development measures, which have been extended recently to provide incentives to the primary and tourism sectors, as well as to manufacturing. Participation by local communities in the planning of their region's future will be encouraged through the resources survey work being undertaken by regional development councils in the eleven priority regions.

Major steps in rationalising energy planning, development and utilisation were taken recently with the establishment of the Ministry of Energy and the creation of a separate group of petroleum exploration and production companies. The programmes of exploration for petroleum, coal and geothermal resources will continue to be accelerated and the campaign to encourage energy conservation intensified.

The Government is determined to improve the co-ordination and full utilisation of all transport services and equipment. A number of Bills will be introduced for your consideration. They will provide for the amalgamation of the National Airways Corporation and Air New Zealand, measures relating to the maritime field, the reorganisation and financing of urban transport and a number of measures to improve safety on the roads.

The Government, in furtherance of its general policy that legislation should reflect the needs of the community, will promote a number of measures covering a wide spectrum of the law. Major Bills in commercial law will deal with credit contracts and contractual remedies. In the criminal justice system a new sentence—a sentence of community service—is proposed and the Police Offences Act will be reviewed.

There will also be reforms in the administration of deceased estates, evidence and property law including amendments to the Unit Titles Act.

Reforms in family law will include the revision of the law on divorce, separation, maintenance, and paternity. The problem of the trans-Tasman abduction of children will also receive attention.

The importance of the family unit continues to be recognised by the Government, and an expansion of existing policies in this area will be announced in the near future.

The Government will continue to give full attention to meeting the special needs of the Maori people. Maori housing, land development, and trade training schemes for young people will continue to receive special consideration. The active involvement of Maori owners in the control and management of their land will be further encouraged by the continuing transfer of Maori reserved lands to the control of incorporations or trustees.

Pacific Island peoples living in New Zealand will receive further assistance in housing and social welfare fields. A new emphasis in community and youth development are activities that will also be supported.

The Government is continuing its efforts to improve the quality of housing and housing finance in New Zealand. As a result of its policies accommodation is now much more readily available in all parts of the country. Increased attention in this coming year will continue to be given to the housing of the elderly and the rehabilitation and renewal of obsolescent housing.

The Government intends to introduce a Toxic Substances Bill which will strengthen the law relating to the production, importation and distribution of toxic substances. It is also intended to introduce a Bill which will provide for the organisation of post-graduate medical education.

The Government will continue to implement its stated policy of developing a comprehensive health service, with emphasis on community based health measures and preventive services. These innovations are being introduced after consultation with local and professional interests and voluntary organisations.

The Accident Compensation Commission is presently in the course of reviewing and reappraising accident compensation legislation. Anomalies have become apparent in the scheme and it is proposed to introduce legislation in this Session to deal with some of these.

Several amendments are proposed to the Education Act 1964. The principal amendment will seek enabling powers for local controlling authorities who agree to a reorganised form of district administration of education. A major consolidation of the Act is in the course of preparation and it is hoped to be able to introduce this measure for recess study.

The Government intends to introduce at this Session the final Bill to complete the lengthy and complex task of revising and consolidating the Municipal Corporations Act and the Counties Act into a single major piece of local government legislation.

A thorough revision and consolidation of the Public Works Act 1928 has been undertaken by a review committee whose report has recently been published. The comments of interested parties will be carefully studied before the Bill is drafted. It will be introduced late in the coming Session for reference to a select committee and recess study.

A Bill establishing a film commission will be introduced to promote the making of New Zealand films. This will represent an important step in developing an industry which last year clearly demonstrated its capacity to provide good entertainment for both local and overseas audiences.

In furtherance of the Government's policy, provisions now before the House to set up a council for traditional Maori and Polynesian arts will be resubmitted for your consideration.

Progress towards improving and rationalising immigration procedures and legislation will continue in 1978. The Immigration Amendment Bill currently before a select committee will be resubmitted for your consideration.

Relations with New Zealand's traditional friends in Europe, North America, Australia, and the Pacific will continue to be given the highest priority. The Government will play an active part in the economic development of New Zealand's close friends and neighbours, particularly through its programme of assistance to the smaller Pacific states, including the Solomon Islands and Tuvalu which will shortly become independent.

The Government will continue to lend its strong support for the United Nations. It will oppose racial discrimination in all its forms wherever it occurs. It will work to achieve greater universal respect for human rights. The necessary steps will be taken to ratify this year the International Covenants on Human Rights. At the forthcoming Special Session of the United Nations it will press for substantive disarmament and arms control measures.

Honourable Members, I commend all these matters to your careful consideration and I pray that divine guidance will attend your deliberations.

