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# THE NEW ZEALAND GAZETTE EXTRAORDINARY

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THE Third 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 over four years since I first addressed you in Parliament assembled. My term of office as the representative of The Queen in our country is now drawing to a close. From the very beginning my wife and I have been deeply sensible that the Vice-Regal Commission is the highest honour which can be granted to a citizen of New Zealand.

On our retirement we shall take with us countless happy memories amongst which will be the loyalty which New Zealanders have for their Queen and the friendly co-operation we have enjoyed with all Honourable members. These have demonstrated to us in a very personal way our great heritage where the Monarchy and the elected representatives of our people share the responsibilities of safeguarding the rights and interests of all New Zealanders.

The New Zealand economic outlook is more difficult than at any time since the Second World War. Despite encouraging signs such as the halt in the rate of increase in prices and substantial reductions in both the balance of payments and Government deficits, all three remain at levels which are unsustainable in the longer term.

The Government sees no room for complacency. Economic policy in the next few years must continue to aim at restrained internal demand, a reduced rate of inflation, and the diversion of production to exporting. In particular, there can be no return to complete freedom from income restraint in the meantime.

Nevertheless, the Government believes the private sector should be left free as far as is practicable to operate within a normal, commercial, competitive environment. Accordingly, the Government intends to introduce legislation to establish a wage fixing system incorporating both flexibility and restraint.

Short-term economic problems—while urgent and important in themselves—are symptomatic of some underlying weaknesses within the economy. Perhaps the most startling evidence of this is that in the decade ending in 1974 the rate of increase in our national income per head was less than that in every other developed country. The Government is determined not to let the need to overcome short-term difficulties overshadow the search for solutions to the more basic problems.

The permanence and extent of the problem suggests that fundamental changes will be required over the next few years in most areas of the economy. Already the Government has instituted measures such as the energy pricing policy, the promotion of industry development plans and the stimulation of export industries to encourage the efficient use of resources. But it is clear that further measures will be needed.

Ministers therefore attach special importance to the proper co-ordination of priorities in all spheres of public and private planning; they recognise that the social and regional aspects of national development require considerable attention so that planning for economic growth and stability can be undertaken on a much broader basis than in the past.

The establishment of the New Zealand Planning Council should provide a catalyst and a focus for co-operative endeavours by Government, local and regional authorities and private agencies and individuals to plan for improvements in New Zealand's economic, social, and cultural life, with due regard for the environment. The Government will give priority this session to the introduction of a Bill to define the status and functions of the Planning Council.

A further major economic measure for consideration this Session is the Public Finance Bill which will contain some important new measures designed to enhance parliamentary control over the expenditure of public money.

The severe inflation experienced over the last few years, coupled with historical cost accounting, may have distorted investment patterns and discouraged productive investment. Ministers are studying submissions made on the report of the Committee of Inquiry into Inflation Accounting.

New Zealand's future prosperity will continue to depend on the vigour of its primary industries and their ability to compete for export markets. The Government's commitment to increasing agricultural production is evident from the successful establishment of the Livestock Incentive Scheme to accelerate increase in livestock numbers. The Rural Bank will continue to be provided with adequate funds by the Government to meet the reasonable needs of the agricultural sector, particularly for farm development.

Among other measures aimed at increasing production and efficiency the Government will introduce a Noxious Plant Bill to improve noxious weeds administration, a Potato Growing Industry Bill to bring the industry under a reconstituted Potato Board, and a Wool Industry Bill to merge the Wool Board and the Wool Marketing Corporation.

While continuing to encourage the export industries based on forest resources and to maintain a substantial afforestation programme, the Government will examine the future contributions to the economy of

this sector and its likely demands on other resources. Legislation will be introduced this Session to revise the Forest and Rural Fires Act 1955 and to amend the Noxious Animals Act 1956.

There has been, in recent months, a substantial increase in the activity of foreign fishing fleets in the waters around New Zealand. In a measure of far-reaching importance the Government will propose the establishment of a 200-mile economic zone.

The proposed action does not mean that the Government has changed its aim of reaching a multilateral agreement on all aspects of the Law of the Sea in a new, widely supported Treaty. The measures to be introduced will be fully in accordance with the work done in the Law of the Sea Conference. In accordance with the decision of the South Pacific Forum the Government will consult with the other members of the Forum concerning the date on which the measure is to be implemented.

The establishment of the economic zone will provide an opportunity to increase the scale and value of our fishing industry. A review of the assistance necessary to achieve this is currently underway. You will also be asked to consider further the Fisheries Amendment Bill which is at present before a Select Committee. To check the reckless exploitation of natural resources a Bill will be introduced to protect marine mammals.

The Government's policy on overseas trade recognises the urgent need to increase the efficient production and export of a wider range and a greater value of goods especially those with a high degree of local content. Vigorous encouragement will be given to exporters both by the refinement of existing measures and the introduction of new measures.

Continued efforts will be made to improve and secure access arrangements for New Zealand's primary products into its traditional markets in Western Europe, North America, and Japan. At the same time, emphasis will be placed on the further strengthening of trade and economic relations with countries in the Middle East, Asia, South America, the Pacific and Socialist countries.

Recognising the need for speeding up economic development in the South Pacific Island nations with which New Zealand has traditionally had close ties, the Government will continue to encourage New Zealand companies to establish appropriate manufacturing ventures in these countries. Legal recognition will be given to the Pacific Forum Shipping Line, the aims of which are to co-ordinate shipping in the region.

Despite progress in correcting the balance of payments situation, restraints on imports by means of import control will need to be continued. Import policies aimed at holding employment and production at reasonable levels and promoting exports will be maintained.

The Government intends to review and update commercial legislation. As a start a Bill will be introduced to control the practice of financial advertising. In addition a uniform code is proposed dealing with the insolvency of persons or organisations of different types thereby providing the legal machinery to deal with a group financial collapse irrespective of the different legal entities involved.

The Sales Tax Bill will be introduced which will alter the existing sales tax legislation from a negative system in which all items are taxable unless specifically exempted to a system which will positively identify the liability of goods to sales tax.

The Government will give high priority to planning for adequate energy supplies to meet the reasonable needs of the community and to provide for economic development. In doing so it will consider carefully how to make the best possible use of indigenous resources. Close attention will be given to all energy conservation opportunities and to the scope for the future development of New Zealand's renewable energy resources.

The Government will continue to promote the orderly and economic development of all transport modes to obtain the best utilisation of resources for the benefit of the consumer.

In presenting legislation the Government will be guided by its strong belief that the family is the firm basis of New Zealand society.

The Government will introduce a Social Security Amendment Bill validating increases in the rates of Social Security benefits in accordance with the policy of adjusting benefits every six months.

The Children and Young Persons Act 1974 has now been in operation for about two years. In that time certain problems, mostly of a technical nature, have arisen and you will be asked to consider a Bill to clarify the intention of the Act and to make its operation more effective.

The law relating to divorce, separation, maintenance, and paternity will be revised and in line with the Government's policy, the sole ground for divorce will be the irretrievable breakdown of the marriage. The principle embodied in last year's Matrimonial Property Act, that on the dissolution of a marriage by divorce the matrimonial property belongs to both parties regardless of legal title, will be extended to the distribution of a married person's property when he or she dies.

The Government's policy of progressive law reform will be further advanced by several Bills implementing reports of the Law Reform Committees. It is also intended to review the Electoral Act 1957 and the Unit Titles Act 1972.

New Zealand has one of the lowest levels of unemployment amongst OECD countries, an achievement assisted by the extended use of Government-funded special work programmes. However employment growth is likely to remain at a low level during the remainder of this year. Despite this it is expected that the average unemployment level will be only slightly above last year's.

The special work programmes within the public sector will be continued as a major component of the Government's policy. Greater emphasis will however be given to assisting private employers to participate in similar schemes, thereby reflecting the Government's objective of redeploying resources in favour of the private sector.

The tight occupational controls which the Government implemented to reduce immigration from the abnormally high levels of 1974 and 1975 have operated successfully, and the number of immigrants has dropped to a level which is consistent with the country's ability to absorb them. Now that this level has been reached it will be possible to relax controls slightly so that as the need for skilled workers becomes apparent more immigrants can be granted entry.

The temporary entry of workers from the South Pacific has already been facilitated by the introduction of revised work permit schemes for persons from Tonga, Fiji, and Western Samoa, and the Government expects that the use of these schemes will be of considerable benefit to employers, to permit holders, and to the economies of the Island nations.

An Immigration Amendment Bill will be introduced with the object of increasing the effectiveness of immigration controls and also to provide better services to immigrants and to the general public.

You will also be asked to consider a Bill to consolidate the British Nationality and New Zealand Citizenship Act 1948 and the Aliens Act 1948. The most important change will be to give women equal status with men in the transmission of citizenship by descent to children of the first generation.

New Zealanders rightly expect a reasonable standard of accommodation and the Government will ensure to the fullest possible extent that these expectations are met. The Government accepts as socially and economically desirable the better utilisation of existing housing and will be reviewing all housing policies with this in mind. But this policy will need to maintain a viable homebuilding industry.

The Government will continue to encourage home ownership savings schemes to ensure that individuals will be able to make a worthwhile contribution towards a home of their own choice, as well as to provide a growing source of funds as an alternative to direct State intervention in the housing market.

The Government will pursue its policy of improving the health services by the extension and development of preventive and community health programmes.

Parliament will be given the opportunity of considering legislation based on the recommendations in the report of the Royal Commission of Inquiry into Contraception, Sterilisation, and Abortion.

As foreshadowed last year a committee has been set up under the Chairmanship of Sir John Marshall to study and make recommendations on the certification, registration, and discipline of teachers. The outcome of the report, which should be completed in July, is likely to be of considerable importance to the professional status of teachers and consequently will have a bearing on the welfare of the pupils in the schools.

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

You will be asked to consider a major revision of the Town and Country Planning Act 1953. The Government intends to give effect to many of the recommendations of the Review Committee which was set up in 1972 and, in particular, to strengthen regional planning and relate it more directly to the Government's economic, social and development policies.

A Local Government Amendment Bill, revising and consolidating into one enactment a substantial portion of the Municipal Corporations and Counties Acts, will be introduced. Further Bills of this nature will be submitted by the Government until the very major task involved in this revision of basic local government legislation is completed.

Her Majesty Queen Elizabeth II graciously indicated at the Second Session of this Parliament that she was pleased to associate her name with the proposed National Trust in commemoration of the Silver Jubilee. A Bill will be introduced this Session to establish the Trust.

Honourable members, the Government will pursue New Zealand's political and economic interests overseas with determination and will seek to promote greater co-operation between countries.

The Prime Minister's recent talks with leaders in Australia, Britain and Europe and his proposed visit to the United States underline the fundamental importance the Government attaches to sustaining and developing New Zealand's relationships with the Western community.

Of equal importance to New Zealand is its partnership with countries of Asia and the Pacific. The Government will work for a secure and long-term economic relationship with Japan within a framework of mutual co-operation. It will also strengthen relationships with the ASEAN countries.

The Prime Minister's attendance at the London meeting of the Commonwealth Heads of Government will enable contacts with a wide range of countries to be renewed.

The Government will give full support to the United Nations in its work of maintaining peace and security. It will work with both East and West for the conclusion of a nuclear weapon test-ban treaty. It will oppose all forms of racial discrimination and support international endeavours to secure full human rights for all people.

The Government, consistent with its adherence to a policy of collective defence, attaches high priority to the maintenance of armed forces adequate for New Zealand's foreseeable needs and capable of timely expansion should the need arise. In the light of recent changes in the global and Pacific strategic situation, and modifications in the defence policies of our major allies, the Government is undertaking a review of defence needs in the 1980s.

Honourable members, it is now my privilege to exercise, for the last time, the prerogative of Her Majesty The Queen in opening this Third Session of the thirty-eighth Parliament. In doing so I commend all these matters to your careful consideration and I pray that divine guidance will attend your decisions.