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THE Second Session of the Forthieth 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 privilege for me to exercise for the third time the prerogative of Her Majesty The Queen in opening this Second Session of the 40th Parliament.

My wife and I enjoy serving New Zealand in our Vice-Regal capacity and appreciate how this can bring people together. We are humbled by the trust reposed in us. We are grateful too for the many opportunities to discover those aspects of community endeavour which unify us as a nation.

Once again we are looking forward with keen anticipation to a royal visit. Their Royal Highnesses The Prince and Princess of Wales and His Royal Highness Prince William arrive in a few days' time. We rejoice in the happy family life they symbolise. Their visit will cement further the bond with our beloved Queen. It will be a family gathering in other ways, because at Wanganui they will be meeting His Royal Highness The Prince Edward who has in an unobtrusive way been living and working among us for many months.

HONOURABLE MEMBERS, the major objective of the Government's economic policy over the last year has been to lower the rate of

inflation. Earlier last year, the Government conducted negotiations with trade unions and employers on a wage/tax trade-off which could have resulted in a much lower rate of wage increase, while maintaining living standards. The unions finally rejected the Government's offer. In order to lower inflation the Government was obliged, on 22 June 1982, to introduce a twelve month freeze on prices and wages, along with controls on a wide range of other incomes in the economy.

It will be the principal aim of economic policy over the next twelve months to ensure that the gains made during the freeze are not lost. If it is to be successful in the longer term, the freeze must break inflationary expectations, and change the behaviour of those who determine prices and wages. Regrettably last month's devaluation of the New Zealand dollar, a step taken reluctantly by the Government, will make that problem more difficult to solve.

The Government is engaged in a series of talks with employers and unions on the best methods of dismantling the current restrictions and on possible revision of the wage fixing system. All parties must understand that the Government will take whatever action is needed to hold the gains that have been made.

The income tax changes of last October were in part designed to assist the maintenance of living standards during the freeze. They were also the most important reform that has been made to the tax system for many years.

The new scales ensured that the majority of taxpayers faced the same marginal tax rate. The difference in tax paid by families with the same total income but earned by either one or both of the partners was substantially reduced, and the incentive for greater effort was increased through the effective lowering of taxes on extra earnings.

HONOURABLE MEMBERS, the Government has adopted several measures to make New Zealand more internationally competitive. The signing last month of the Australia New Zealand Closer Economic Relations Trade Agreement has created the prospect of much freer trade across the Tasman and a better use of resources.

The industry study programme is gradually changing the form of protection from quantitative controls to tariffs and reducing both the level of protection and the wide disparities that exist between different industries.

The regulation of the transport system is being progressively relaxed. To this end you will be asked to give further consideration to two Bills which propose major changes to land and air transport. The Government has also initiated discussions aimed at formulating a New Zealand Shipping Policy.

HONOURABLE MEMBERS, there were some disappointing trends last year. Unemployment continued to grow, while the balance of payments deficit reflected the prolonged international recession. However, the structural changes that have been occurring will place New Zealand in a better position to take advantage of the international recovery when that occurs.

The Government's policies are, in the meantime, boosting the number of jobs available for a work force which is steadily increasing. Initial subsidies are provided for additional jobs created in the private sector for unemployed persons registered with the Department of Labour while a range of measures supports the creation of short-term work and training opportunities in the public and voluntary sectors. In the training field the Apprenticeship Bill which is to be considered further this session will create additional opportunities to equip young New Zealanders with key skills.

A critical factor governing access to employment, especially for the young, is the level of remuneration payable. This is a matter which the Government has under close attention. Tripartite committees have been established to recommend short and longer-term wage setting arrangements.

The Government will introduce a Bill to amend the State Services Conditions of Employment Act 1977, which is the legislation governing the fixing of State employees' pay. These amendments will enhance the Government's ability to measure and to maintain 'fair relativity' between State and private sector rates of remuneration.

HONOURABLE MEMBERS, there are growing signs of a new mood of realism in the economy: workers are becoming more concerned with jobs than with unsustainable wage increases; other sectors are co-operating with the Government's anti-inflation policy by compliance with the price freeze. If this mood can be maintained, the Government is confident that New Zealand will be able to achieve its medium term goals of moving towards full employment and resuming sustainable growth.

Ministers have been studying various aspects of the economy with a view to promoting the best conditions for longer term development and economic growth. Existing development policies will be melded into a strategy which the Government intends to publish later this year.

Encouragement of growth in the regions is, and will continue to be, an integral part of national development. The Regional Development Councils have been working successfully with the Government. The assistance programme is being reviewed to determine better ways of providing finance, whether the scope of the programme should be extended, and which regions are most in need of assistance.

The recent instability of international oil prices is unlikely to continue in the longer term. Accordingly, fuel changes to CNG, LPG, natural gas or coal will continue to be encouraged. The Government is committed to the timely completion of the synthetic gasoline plant and the refinery expansion. This year will also mark the commencement of a new offshore drilling programme.

HONOURABLE MEMBERS, the international recession has strengthened protectionist pressures in many of our markets. The Government will counter these pressures and, by representation and negotiation, secure and maintain vital markets and the best possible trading conditions for our exporters.

The Government will maintain the production base of our traditional pastoral industries, recognising that support is still essential to take the agricultural sector through its present market difficulties. Support mechanisms such as supplementary minimum prices are, however, being reviewed in the context of support being received by other sectors.

International markets for our traditional dairy and meat exports are limited and are under constant threat. The Government will maintain its efforts to ensure that access for our butter to the European Community is continued beyond 1983 and that Europe remains an assured and remunerative market for our lamb.

In pursuit of greater market diversification you will be asked this year to consider a Horticulture Export Authority Bill, which will provide for the establishment of an authority to co-ordinate and promote the export of horticultural products. The export drive will also be assisted by a revision of the Plant Varieties Act 1973, which will give more protection to the rights of breeders of new horticultural varieties.

While New Zealand's present timber exports are continuing to play a significant part in the nation's economy, the Government is concerned about the depressed world market. Accordingly, new outlets will be sought for the large quantities of timber which will become available in the 1990s.

There is, nevertheless, a feeling of optimism in this sector. A Forestry Licence Registration Bill will be introduced to facilitate investment in joint venture forestry agreements in order to encourage the private grower.

The Fisheries Bill, now being considered by a select committee, consolidates and revises the Fisheries Act 1908. It affects all aspects of New Zealand's inshore fishery. Among its key measures is provision for the development of fisheries management plans, involving the Government, fishermen and other interested parties.

HONOURABLE MEMBERS, the Housing Corporation will continue to direct the bulk of its finance to first home seekers and into the provision of rental housing generally. In support of the current industrial restructuring process, housing assistance will be provided to unemployed existing home owners of modest income moving to other localities to take up new employment.

Late last year the Government published a discussion document on the reorganisation of our Health Services. On the basis of the response the Government will decide whether to introduce legislation enabling the formation of area health boards.

The continuing burden imposed on the health and social services by the high road toll must be viewed with deep concern. You will be asked to consider a comprehensive package of measures which are designed to make our roads safer for all users.

In response to growing public concern at the offence of rape and the plight of victims, a major study has been completed and reforms will follow. Work will continue on developing penal policy with a view to introducing a Criminal Justice Bill this year.

Of recent times much attention has focussed on the care of children and the Government will introduce legislation to amend the Children and Young Persons Act which will be designed to protect further the interests of children and enhance the quality of their care.

You will be asked to consider legislation that will update the law on commissions of inquiry, licensing trusts and extradition. Decisions in the Courts have demonstrated the need for immigration legislation which is relevant to our changing society and which can be enforced. A review of the legislation has accordingly commenced and a Bill will be introduced this session.

The Government has completed its review of competition policy, and amending legislation will be introduced early in this session. The principal changes will be to the law relating to mergers, takeovers and monopolies, and restrictive trade practices. A Bill to continue the process of amending the Companies Act will also be introduced.

HONOURABLE MEMBERS, the Government will continue to meet the special needs of the Maori people in housing, land ownership and land use. Legislation will be introduced this session to incorporate many of the recommendations of the New Zealand Maori Council, which has undertaken a comprehensive review of the law particularly on rural issues concerning Maori people.

The Land Act 1948 has been reviewed during the past two years. It is probable that the review will be completed this year thus enabling a Bill to be introduced towards the end of the session. Recommendations relating to leases of Crown pastoral land, arising

from the report of the 1982 Committee of Inquiry, are presently being considered and those to be adopted by the Government will be incorporated in the Bill.

Legislation to implement certain of the recommendations made by the Commission of Inquiry into the Abbotsford Landslip Disaster will be promoted.

The Government intends to introduce a Town and Country Planning Amendment Bill. This will make some changes to planning procedures and will alter the constitution of the Planning Tribunal.

An amendment to the Water and Soil Conservation Act 1967 will be promoted to bring certain procedures under this Act more into line with accepted planning procedures.

A Public Archives and Records Bill will be introduced. This will replace the Archives Act 1957 and take account of changes stemming from the Official Information Act 1982.

A Bill will be introduced to consolidate and improve procedures relating to the censorship of films.

The Government will continue to improve the efficiency of departmental administration through better management structures. The corporation structure has proved suitable for public trading activities. Accordingly, legislation will be introduced to convert the Government Life Insurance Office to a corporation within the Public Service. This will have the advantages of a commercial structure while retaining continuity in staffing.

It is proposed to promote a Foreign Affairs Bill which will revise and replace the Foreign Affairs Act 1943 and update the operation of the overseas service.

HONOURABLE MEMBERS, the international situation has continued to be uncertain. In the Middle East, Afghanistan, Africa and Central America, existing tensions remain unresolved. The conflict over the Falkland Islands illustrated vividly that isolation does not necessarily assure security. Against this background and for a number of other reasons, the Government has taken steps to reassess New Zealand's defence needs.

Ministers also recognise that national security questions involve more than military preparedness. Wider issues must be considered, and with this in mind the Government has appointed a Parliamentary Select Committee to study disarmament and arms control matters and the implications for New Zealand. This Committee intends to report to Parliament during the forthcoming session.

The Government will strive to maintain peace and stability, especially in the South Pacific and the Antarctic, and to advance the prospect offered by the Law of the Sea Convention for the orderly, peaceful use of the world's oceans. Priority in the allocation of development assistance funds will continue to be given to the South Pacific, an area to which New Zealand has a special commitment.

HONOURABLE MEMBERS OF THE HOUSE OF REPRESENTATIVES, I commend all these matters to your careful consideration and I pray that divine guidance will attend your deliberations.