



THE NEW ZEALAND GAZETTE EXTRAORDINARY

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THE Third Session of the 40th 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 fourth time the prerogative of Her Majesty The Queen in opening this Third Session of the 40th Parliament.

Being in this place today brings to mind my distinguished predecessor in office who first listened to the Speech from the Throne delivered by Lord Bledisloe in 1933. New Zealanders will remember with gratitude and affection the life and work of the late Right Honourable Sir Keith Holyoake, Knight of the Garter, who died on the 8th of December last.

Lady Beattie and I are grateful for the opportunities that Vice-Regal office provides to meet people in all walks of life. The many activities of our community—be they voluntary, official, or professional—never fail to remind us that New Zealand's richest resource is human beings.

A highlight for me last summer was a visit to Antarctica to see for myself our research programme in that great continent. We can be proud of the unique contribution New Zealanders are making there. The special value of that contribution is out of all proportion to our size as a nation.

HONOURABLE MEMBERS, since early last year growth in the New Zealand economy has accelerated as the major industrial countries of the world have moved out of recession, and Government policies have resulted in higher domestic productivity.

Exports of manufactured goods and retail and wholesale turnover have strengthened markedly, while output and employment have grown strongly in most sectors of the economy. Growth in the volume of production could reach about 4 percent in the 1983-84 and 1984-85 financial years.

Growth in output, and the impact of Government policies and improved productivity in holding down labour costs has stimulated employment, the level of which has been increasing since the middle of 1983. This has been accompanied in recent months by reductions in the numbers of unemployed.

These developments are welcome.

Nevertheless, the Government's commitment to the highest possible level of employment must be matched by a similar commitment by employers and unions. It must also be recognised that achievement of this overriding goal may involve reconsideration of existing practices and arrangements in the labour market and changes to some of them.

The talks on long-term wage reform have resulted in agreement being reached on a number of the principles on which a reshaped wage-fixing system should be based. The Government will be introducing measures this year so that wage bargaining under the new regime can be conducted from 1985 onwards.

The incomes and prices freeze and associated economic conditions have achieved a dramatic reduction in the inflation rate.

The annual rate of increase in the consumers price index has declined from 17 percent in the year ended June 1982 to 3.5 percent in the year ended March 1984. This is the lowest annual rate recorded since 1968.

Although a small increase in the rate of inflation must be expected during the next year, competitive market pressures and the remaining controls will help ensure that only limited price rises occur. The Government will be monitoring the situation very closely.

The growth in the fiscal deficit to the current level reflects measures adopted in support of the wage freeze as well as the desire of the Government to mitigate the worst effects of the international recession while diversifying the productive base of the economy.

The Government is aware of the dangers of continuing high fiscal deficits and is committed to their reduction in the medium term. The deficit for the year ended March 1984 was considerably less than budgeted and a further reduction will be experienced in the year to March 1985.

Large fiscal deficits place an added burden on monetary policy. The Government will continue to finance a substantial portion of the internal deficit by borrowing on the domestic market in order to control the growth of money supply.

Absolute reliance on market financing of the internal deficit, however, could create pressures incompatible with the Government's desire to establish a structure of interest rates appropriate to the lower inflation rate that now prevails. Because of the need to balance public debt policy with interest rate objectives, the Government will continue to intervene directly as necessary in financial markets.

Measures implemented by the Government in recent years to enhance the economy's ability to respond to changing conditions are now showing results. An agreement, between the Government and representatives of the manufacturing sector, is near finality on a programme for gradually moving away from import licensing to tariff-based protection.

Progress has also been made in the deregulation of some of the service sectors of the economy:

- further licences have been granted to a number of financial institutions to deal in foreign exchange;
- the deregulation of the land and air transport systems has been introduced; and
- barriers have been removed to entry into the meat processing industry.

All these moves increase efficiency and reduce the costs borne by other sectors in the economy.

The economy as a whole will benefit from these wider measures.

The Government is pledged to encourage smaller businesses to improve their efficiency and thus to enhance their contribution to national growth. It will promote greater awareness of the range of financial and advisory services available—from both Government and private sector—which can help smaller businesses.

The strength of the international economic recovery, while pleasing, does not give any grounds for complacency. Because of the protectionism of our trading partners in a number of important pastoral product markets, this recovery is expected to provide only limited stimulus to the domestic economy. There can be no relaxation in the programme of adjustment if a return to sustained economic growth is to be achieved.

HONOURABLE MEMBERS, the Government continues to accord the highest priority to increased exports. This is the surest path to improved living standards and employment levels. It is essential that our exporters remain competitive and receive all possible encouragement. The Government will continue to support a professional approach to market development, to the diversification of products, and to further processing within New Zealand—which will add value to our exports.

The Treaty embodying Closer Economic Relations with Australia offers enormous opportunities. The Government will continue to work closely with the private sector to assist exporters to take advantage of these opportunities.

International obligations have dictated a major review of export assistance. This has been a complex task involving fundamental economic issues and detailed consultation with export interests.

The Government will announce shortly new measures to stimulate a high rate of export growth.

Tourism is an integral part of the Government's national development policy. The industry is enjoying record growth. Further growth will result from fostering greater co-operation between the Government and the industry based on the recommendations of the recently announced Tourism Report.

The last year has seen the commissioning of both methanol and ammonia urea plants which are expected to generate annually \$110 million in export earnings. Total savings in exchange resulting from natural gas, its products and condensate are expected to rise to \$1,000 million annually after the commissioning of the synthetic gasoline plant.

Agricultural products remain our major export earners. The Government will therefore seek every opportunity to retain access for our sheepmeat and dairy products to Europe, the continued sale of which is vital for the whole economy. No effort will be spared to improve—through active trade diplomacy—the conditions of international agricultural trade which is endangered by structural surplus production in many countries that can well afford to reduce such protectionism.

The Government will ensure that the Rural Bank is adequately funded to fulfil its role in providing finance to the rural sector, particularly for the development of the initial settlement of young farmers. In addition the Bank will continue to issue stock for public subscription to enable the financing of projects which it is unable to assist under traditional lending policies. The process of separating the Bank from the Housing Corporation is proceeding.

HONOURABLE MEMBERS, the provision of accommodation for families in greatest need will continue to be the focus of Government assistance through the provision of rental housing or home purchase schemes.

Turning to the Government's concern for the individual, in recent times the emphasis in New Zealand on child welfare has stemmed from a need to detect or prevent cases of abuse of children. Legislation will be placed before you aimed at strengthening the provisions for the care and protection of children and young persons who suffer neglect or ill-treatment.

The Government proposes to introduce an Education Amendment Bill including a measure arising from the recently completed review of the core curriculum. This will require all primary and secondary schools to devote a prescribed number of hours to basic subjects.

The special needs of the Maori people particularly in cultural matters, housing, and their economic development, will continue to be met—with emphasis on Te Kohanga Reo and Maatua Whangai programmes under the overall policy of Tu Tangata. Last year a Maori Affairs Bill was introduced based on the New Zealand Maori Council's Kaupapa. It is to be enacted this year.

An Immigration Bill was introduced last year after an examination of the framework necessary to implement immigration policies. In this you will be asked to consider an amendment enabling immigration policy to be administered fairly and without discrimination. A correct balance will be struck between effective legal and administrative machinery in Government and the protection of individual human rights and civil liberties.

Legislation will be introduced to update the law on commissions of inquiry and the extradition of alleged offenders. Bills will be presented to revise and codify the law relating to bail and to implement recommendations of the Public and Administrative Law Reform Committee on statutory powers of entry to private premises.

HONOURABLE MEMBERS, it is intended to introduce a Rating Bill to consolidate and update the present rating legislation, and in conjunction with this the Valuation of Land Act will be amended.

Among legislation the Government will promote this session will be a Bill to make better provision for the management and conservation of public archives and records and to take account of changes deriving from the Official Information Act 1982.

The Broadcasting Act 1976 will be amended to provide for the inception of third channel regional television.

This year a cultural highlight of New Zealand's activities overseas will be the Maori Art Exhibition in the United States of America.

HONOURABLE MEMBERS, arms control and disarmament are matters of great concern to all New Zealanders. The Government will work actively for progress on these issues in international forums and in bilateral contacts.

The Government will be hosting the annual Council of the ANZUS Treaty partners this year. Our relationships with Australia and the United States are of central significance to our own security and welfare.

The 1983 Defence Review confirmed the Government's commitment to maintain effective and efficient armed forces at realistic levels to meet our nation's security requirements.

Throughout the coming year the proposals outlined in the Review will be initiated. This will involve some structural change to the armed

services, the examination of capital equipment programmes, and the preparation of plans for co-ordinating national resources in the event of an emergency.

We look forward to the valuable opportunity afforded by the regular meeting of the Heads of Government of the South Pacific Forum to reaffirm our close ties with our island neighbours.

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.