

Consistent medium-term policies have been introduced to increase the efficiency and flexibility of the economy. The Government has set in place a firm monetary policy. Significant progress has been made towards comprehensive tax reform, reform of the financial sector, the phasing out of import licensing, and a lower tariff regime. All these will help to create a more outward-looking, competitive and resilient economy. The aim is to achieve better use of labour, land and capital.

There is still much to do.

Recent developments in the farming sector have highlighted the kind of production and marketing changes needed if that industry is to be viable, without relying unduly on taxpayer support. The Government's response has been to facilitate the adjustment, not to slow it down. Other sectors, too, will need to change, and again the Government's task is that of a facilitator.

This more competitive approach underlines Government policies in the energy field, where competition between State-owned and private energy suppliers will be encouraged.

With trade strategies the Government's efforts will be directed towards maintaining and developing satisfactory access for New Zealand products in traditional as well as in new markets, and to combat unfair trading practices, especially where the export subsidies of other countries provide unfair advantages. The Government will continue its programme to improve New Zealand's opportunities to trade with the European Community.

HONOURABLE MEMBERS, this consistent, firm economic purpose is the key to achievements in the area of social policy. The Government is committed to the highest possible level of employment. The emphasis in labour market assistance policies is being shifted from a passive reliance on temporary work, to active training and development of skills so that people can adapt to rapid changes in industrial technology. The Government will shortly be publishing a Green Paper on vocational training and institutional arrangements which will enable the employment and education community to play a greater role in labour market policy and programmes.

HONOURABLE MEMBERS, the restructuring of the economy, and the promotion of full employment will be complemented by a wide-ranging review of social policies.

This review will be undertaken by a Royal Commission on Social Policy. This will examine principles and philosophy over the broad range of social policy so that values and objectives can be clarified and policies designed so as to reflect them. Future policies should then be consistent, coherent and capable of having their effects tested against defined objectives. In particular all citizens, regardless of gender or ethnic background, must be able to develop their full potential. The Government is conducting several reviews in the fields of health and social welfare which will address readily identifiable problems and contribute to the process of sifting problems and ideas in preparation for the Royal Commission.