



## FORTY-NINTH SESSION

### Hansard Report

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**MADAM SPEAKER took the Chair at 1.00 p.m.**

#### **OPENING PRAYER**

**MADAM SPEAKER (N. RATTLE):** Honourable Members, please be seated.

We would like to thank our Church Minister for his spiritual message this morning, God Bless us all.

Kia Orana to you Members of Parliament who have entered into the Honourable House of Parliament today. I am proud and pleased to welcome you all along with the Clerk of Parliament and our new Deputy Clerk. We welcome you all into Parliament this morning.

This morning, our first business is the swearing in of our new Member of Parliament. It is therefore with very great pleasure that I invite the Member, Te-Hani Brown, from Tengtangi/Ngatiarua and Areora to the front to pledge her Oath of Allegiance.

*(Ms Te-Hani Rose Brown sworn)*

**MADAM SPEAKER:** It is indeed a pleasure to welcome our new Member into the midst of all the Members in this House, and particularly, the fact that we are now getting closer to the goal of UN for 30 percent of women in this House of Parliament.

*(Applause)*

As well as that, I believe she is one of the youngest Members of Parliament globally. I want to say that in taking your Oath of Allegiance, you now deserve to sit in your seat as a Member of Parliament in this House and to also vote.

What we will do today is, Te-Hani's family and friends will be joining us for lunch rather than suspending Parliament for now and coming back. We have had this discussions and they have agreed with that.

#### **MADAM SPEAKER'S ANNOUNCEMENTS**

Honourable Members, I have a few announcements to make before we continue with the business of the House.

First, I would like to thank the Prime Minister and the Queen's Representative for facilitating us for our venue to be changed here to the Crown Beach today. This is a decision made so we are able to come and conduct our meeting as we are used to do.

The second announcement I would like to make is that, you have all heard that we are going through the consolidation of the Act of the Cook Islands. So, I would like to say that in partnership with the Crown Law Office, the Parliamentary Services and MFEM have a group of experts arriving in January to start the consolidation on the 26<sup>th</sup> of January.

I would also like to share with you that we had the expertise of Mr Charles Chavelle from the UN Office in Bangkok, who was able to come and present the Parliamentary Handbook on LGBT during our workshop last week. We also had the pleasure of having Latanya Gwilliams who is a staff of the Fiji UNDP Office who came to provide administrative support.

Now, it is with great pleasure that I want to introduce the new staff to Parliament since you were last in Parliament.

First, we have Jeannine Daniel who is our Deputy Clerk, and then there is Janette Browne who is the Speaker's Executive Assistant. I have to say I really appreciate that. Since 2012, I have been a one-man band so to have somebody is a real pleasure. Then we have Margret Numanga who is the Committee Secretary. We have Kimiora Vogel who is now our Sub-Editor since Isaac resigned. We are also very pleased that Unuia decided to come back from New Zealand to live here and now providing the usual services he did before with our recording. So with that, I think our *vaka* should be going ahead quite well in the future.

Honourable Members, I would now like to give the time to the Prime Minister as he has two Ministerial Statements.

### MINISTERIAL STATEMENTS

**HON. H. PUNA:** Thank you Madam Speaker. Kia Orana to all Honourable Members. A special Kia Orana to our newest MP, Te-Hani Brown and thank you to all the Parliamentary staff that have rested or retired and congratulations and welcome to the new ones that have joined us.

Kia Orana also to the many members of the public in the Gallery. I hope you will be patient enough to wait until lunchtime when we can celebrate the swearing in of the newest MP as well as get together.

Madam Speaker, thank you for this opportunity to make two Ministerial Statements. Unfortunately, these are not pleasant statements. In fact, when we look at the last couple of weeks, strange things has happened and for many of us, we are still struggling to come to terms with why these things have happened.

The first Statement Madam Speaker and Honourable Members is to do with an issue that is very close to home. It is with great sadness that we have learnt of the passing of Her Excellency, Tessa Temata, New Zealand High Commissioner to the Cook Islands

yesterday morning. Tessa Temata officially began her role as New Zealand's High Commissioner to the Cook Islands just in March of this year making history as the first of Cook Islands descent to serve as High Commissioner in the Cook Islands and also the first female New Zealand High Commissioner of Pacific ancestry to be posted to the Pacific. Hailing from the island of Mauke, her heritage combined with more than twenty years work in the Pacific region made her uniquely equipped for the role of High Commissioner to the Cook Islands.

While her tenure was unfortunately short lived, it was apparent to all she engaged with that she had a genuine desire to advance not just the interest of New Zealand, but a passion for the interest of the Cook Islands and the advancement of our people.

We can truly say that Tessa Temata had an appreciation of our Pacific values including the importance of family, community, humility and inter-generational sacrifice.

The role of High Commissioner is one, which serves to foster the relationship between two countries, and under Tessa Temata's tenure, our relationship with New Zealand has thrived.

Prior to becoming High Commissioner, Tessa Temata was the lead negotiator for New Zealand in Paser-plus and was instrumental in ensuring it was a package, which would serve the development interest of Pacific countries including the Cook Islands.

Since taking up the High Commissioner role, Tessa Temata has worked tirelessly to ensure that the Cook Islands wouldn't be disadvantaged under Paser-plus and in our relationship with New Zealand due to our imminent graduation to developed country status on the 1<sup>st</sup> January next year.

Tessa Temata therefore joined us here in Rarotonga at a defining time in our development journey. One, we are due to ODA graduation, we have had by necessity to re-evaluate how we do things.

Tessa Temata has been a pro-active contributor to our discussions with development partners. Her Pacific experience coming to the fore in exploring innovative approaches to sustainable development. In her short time with us, we have been blessed to have experience the scope and depth of Tessa Temata's capabilities in trade, development and legal matters.

Beyond what she brought to the role in her professional capacity, Tessa also became an integral part of the Cook Islands community during her short time here. She made genuine enduring friendships and strengthened her connection to her Mauke family and I know that she will be greatly missed by so many.

On behalf of the Government and people of the Cook Islands, I wish to sincerely acknowledge Tessa Temata's service in New Zealand, here in the Cook Islands and in the wider Pacific. Our thoughts and prayers are with her family, with the staff of the New Zealand Ministry of Foreign Affairs and Trade and her staff and colleagues at the New Zealand High Commission here in Rarotonga. At this time of sorrow and heartache, may you all find comfort in knowing that she is in a better place and at peace and be proud of all that Tessa Temata has achieved.

I want to close with a Scripture from 2 Timothy 4:7, it says “I have fought the good fight, I have finished the race, and I have kept the faith”. Yes, we can all say that Tessa Temata has fought the good fight, she has finished her race and she has kept the faith.

May the Lord give comfort to families and friends. Go thou faithful servant, enjoy in the gladness of your King. Amen.

**MADAM SPEAKER:** Thank you, Prime Minister.

**HON. H. PUNA:** Madam Speaker, the second statement relates to the unfortunate epidemic in Samoa. For some weeks now, we have been following with heartbreak with extreme sadness and an overwhelming sense of helplessness the news as they unfold of the measles epidemic in Samoa. Each day the number of those infected and the death toll rises. As of now more than four thousand people have been confirmed infected and seventy dead. Yes, of those dead, sadly the majority are children.

As parents, we can only imagine the heartache, the deep sorrow that families who have lost their young loved ones to this disease must be going through, and the overwhelming despair at this state of affairs for the nation of Samoa.

This tragedy is something we will never have anticipated could happen in this modern day and age and in our Polynesia and pacific region. To lose so many people and especially children is a tragedy which beggars belief and we join with Samoa and the global community to grieve and to share their pain as we all know – sharing is caring and we do care.

Madam Speaker and Honourable Members, as we reflect on our interwoven genealogies, cultural ties, friendship and shared values with our Samoa family, may I on our collective behalf extend to the Prime Minister, the Honourable Tuilaepa Aiono Sailele Malielegaoi, the Government and the people of Samoa our very deepest sympathies and solidarity through this most difficult of times. Let us all keep them in our thoughts and prayers in the days ahead.

It is obvious our Interpreter has not been to Samoa. May I pay tribute to the Government of Samoa, your leaders and officials and all those who are working tirelessly on the ground to bring this measles outbreak under control. To the many from our international community, who have been engaged with Samoa since the first day the state of emergency was declared some weeks back. The Partner Governments, Civil Society Organisations, Red Cross, Medical professionals, United Nations agencies and so many others. Thank you for your efforts on our collective behalf.

As tragic as this measles epidemic has been it has brought to the fore our humanity and our spirit of unity and I am reminded of the Samoan proverb, *Ole foga vaa e tasi* – we are one family. It is as one family, our Polynesian Pacific Family that our Government pledges on behalf of the Government and the people of the Cook Islands, NZ\$50,000 towards an appeal for Solidarity with Samoa for its efforts to address this immediate crisis as well as the medium to longer efforts that would be necessary to protect Samoan lives into the future.

Madam Speaker and Honourable Members, in addition, I am calling on our national spirit of giving and our willingness to help and sharing times of adversity to support a national appeal through a radiothon to be held this coming Friday 13<sup>th</sup> December to allow you our people the opportunity to show your spirit of, sharing and caring by contributing to this initial financial community by your Government.

In addition, on the morning of Friday the 13<sup>th</sup> December and subject to the approval of all Honourable Members and your good-self Madam Speaker, we will have a combine national prayer service at 10.00 a.m at the National Auditorium to seek Gods mercy, healing and comfort for the people of Samoa.

Madam Speaker, may I also take this moment to acknowledge the good work of our Cook Islands Health Officials over so many years in working diligently and proactively to ensure more than 95 percent herd immunity amongst our population. It is this high level of herd immunity that has kept our own people in the Cook Islands safe from this epidemic that is currently ravaging Samoa and has also affected New Zealand, Fiji and elsewhere in the world. From our Ministry of Health statistics in the 6 months to 11 months age group, we have 100 percent vaccination and in the 12 months to 5 years age group, we have 98 percent vaccination.

Honourable Members, one of the lessons that we must all learn from Samoa's measles epidemic is that the years of data and scientific study have confirmed that vaccines are overwhelmingly safe. We must therefore be vigilant and counter decisively the fear mongering and misinformation perpetrated by anti-vaccines. The truth is as Members of this Honourable House, we have a collective responsibility to ensure that our public health laws protect in a full and comprehensive manner the health of all Cook Islanders.

Madam Speaker, the thoughts of the Government and the people of the Cook Islands are with the Government and the people of Samoa at this very difficult time. Let us remember and uphold before the Throne of Mercy those who have lost loved ones. Let us be grateful for the lives that have been saved and let us turn our hearts and minds now to how we can help.

*O le fongava'a e tasi*, we are one family. May God richly bless us and help our people and the people of Samoa. God Bless us all.

*(Applause)*

**MADAM SPEAKER:** I see the Honourable Member, Tina Pupuke Browne. You have the Floor.

**HON. T. PUPUKE BROWNE:** Madam Speaker, if I may on behalf of the Opposition convey our support to the comforting words of our Prime Minister and the Government for the passing away of Tessa Temata.

**MADAM SPEAKER:** If that is alright with the Prime Minister. I will open the Floor to the Honourable Member Tina Browne.

**HON. T. PUPUKE BROWNE:** Greetings to all of us this early afternoon. To you Your Excellency, the Queen's Representative if you are listening to the radio and your

good wife, greetings. To you the Prime Minister, Deputy Prime Minister, all the Cabinet Ministers and all the Members on your side, greetings. To all of us on this side, greetings.

To all the new staff members of Parliament, it is nice to see you people. We hope to continue a good working relationship with you all.

To our people listening in on radio, even though maybe in some areas the radio is not reaching you, but for the most part, greetings to all of you this afternoon. To the three main pillars of our society, Government, the traditional leaders and our religious sector, greetings to you all.

I am pleased that the Prime Minister's first message was in respect of our High Commissioner. We share the great sadness expressed by the Prime Minister and Government of the passing of our warrior lady, Tessa Temata, New Zealand High Commissioner to the Cook Islands. Although she was only sworn in early this year, I got to know her both in terms of her Office and also personally. Tessa Temata was a woman of integrity, courage and compassion. Tessa Temata was an inspiration to us all. She was testament that with commitment and drive anything is achievable and she proved that by becoming the first person of Cook Islands descent to be appointed the New Zealand High Commissioner to our country.

It is with great sadness that Tessa Temata's time as High Commissioner was so short and we did not get to fully enjoy and benefit from her diplomatic and leadership skills. It is without any doubt that Tessa will be missed terribly and our hearts go out to her loved ones, her family, all the many people she worked with in New Zealand and those that she knew both at work and at home in Aotearoa and in the Cook Islands communities.

On behalf of the Democratic Party, the Caucus Members, our Executive and myself and my family, I would like to extend our heartfelt condolences to Tessa Temata's family, friends and work colleagues. She was taken from us far too soon. She will be greatly missed and long remembered for her contribution to New Zealand and to the Cook Islands. Greetings and God bless us all.

**MADAM SPEAKER:** Thank you very much. I got quite tearful listening to all that.

Thank you very much Prime Minister for your very touching, very comforting heartfelt tribute in both situations and equally so supported by the Leader of the Opposition.

I must tell you that when the late Tessa Temata was the High Commissioner, she really wanted to do a lot for the Members of Parliament. I had several lunches with her and in fact the Members who went to the last meeting in Wellington, Tessa was very involved in the preparations of that, in making sure that enough Members of Parliament from the Cook Islands were able to go to that meeting. One of the saddest things about the loss of this great lady is she was building a home and looking forward to have a home here in Titikaveka to live with her family. I am sure the staff at the New Zealand High Commission right now will be feeling very sad and so it would be really nice if any of us can give them a ring sometimes and just give them some moral support.

In addition and in support of the tributes to Tessa Temata, the staff from the New Zealand High Commission and the Foreign Affairs will be here at 3.30 p.m this afternoon with a Condolences Book. If any of the Members would like to sign it, they will be in the Government break-out room and if you would like to go and sign that during our Sitting, just go over and sign it and come back. Thank you.

We will now go to Question Time and our Question Time is for half an hour. As I have said before, ask your question, if you need to explain, then you can so the Floor is open for Question Time.

### QUESTION TIME

I see the Honourable Terepai Maoate. You have the Floor.

**MR T. MAOATE:** Thank you Madam Speaker. Greetings to everyone here this afternoon. To you, the Prime Minister and all the Ministers and Government Members, Kia Orana.

To the leader of the Opposition, greetings to us all in the Name of our Lord.

My question is concerning the rumours regarding our Mato Vai project and the amount of money spent on it. The question is to seek explanation from the Minister of Finance. Can the Minister please confirm how much money will be spent to complete this project as we have agreed to spend \$30 million to complete it? The rumour now is that the amount we have appropriated is now in excess. Can you please confirm how much money has been spent or if this amount is enough or is there a need for this amount to be increased.

**MADAM SPEAKER:** Thank you. I see the Honourable Minister, Mark Brown.

**HON. M. BROWN:** Thank you Madam Speaker.

It is always good to stand up and clarify these rumours that the Opposition makes up because that is all they are good at – making things up.

To date Madam Speaker, the budget for Te Mato Vai, the upgrading of all of our ten intakes plus the replacement of our ring main, the largest infrastructure project that this country has entered into since the construction of our international airport, amounts to close to \$90 million. Out of this Madam Speaker, and I want to make this point very clear to all of our people and to the Members in the House, the amount of borrowing required for this project only amounts to \$23 million and this was a loan taken out by the Government with the XM Bank of China a number of years ago and this went towards the completion of Stage 1 of Te Mato Vai project.

I might add Madam Speaker, that in the process of determining the loan that we required, we assessed loan applications also from the Asian Development Bank and the European Investment Bank but it was the XM Bank that provided terms that we felt at the time, Madam Speaker, were the most beneficial for the people of the Cook Islands. The balance of the cost Madam Speaker has been met by the Government of New Zealand and their contribution through the Tripartite Agreement of \$25 million and by

us Madam Speaker, the people of the Cook Islands. We have paid up for the cost of this project to improve the water system that our island on Rarotonga has been crying out for, for more than 30 years.

The remedial work that is being carried out now Madam Speaker on Stage 1, the fixing up of Stage 1, this amounts to I believe close to \$13 million and not \$30 million as alluded to by the Opposition. This Madam Speaker is being funded through an arrangement with the New Zealand Government as part of our work on upgrading the water system for Rarotonga. That work is being conducted right now with the successful contractor. Again, I am very happy that it is gone to a local company with Land Holdings now carrying out the work commencing right now through the backroad of Avatiu to Nikao.

Thank you, Madam Speaker.

**MADAM SPEAKER:** Thank you, I see the Honourable Terepai Maoate.

**MR T. MAOATE:** I did not say that we have gone over the budget of \$30 million dollars but my question has not been answered. My question is, would this project exceed the full budget of \$90 million?

**MADAM SPEAKER:** Thank you, I see the Honourable Mark Brown.

**HON. M. BROWN:** Thank you Madam Speaker. As far as I am aware, the project is in the vicinity of \$90 million. The remedial work is additional work that is been undertaken on this project, separate from Te Mato Vai original project. Thank you.

**MADAM SPEAKER:** Thank you, I see the Honourable Tamaiva Tuavera you have the Floor.

**MR T. TUAVERA:** Thank you, Madam Speaker. This question is to the Minister of Finance regarding Te Mato Vai. Can you please explain what remedial is and what is the current budget? Is that going to get added up with the current budget or remedial is remedial, can you explain that please, because to me that puts it over \$90 million.

**MADAM SPEAKER:** Thank you, I see the Honourable Minister Mark Brown.

**HON. M. BROWN:** Thank you, Madam Speaker. I think the Opposition needs some remedial classes. Remedial means to remedy, so this work is a remedy of stage 1 and as we are well aware, those pipes need to be replaced to ensure their integrity once the water works commission the entire water network for Rarotonga.

As part of our quality control Madam Speaker, we did do test the work that is been undertaken on these pipes and it was found that some of the joints were of a lesser quality than we contracted out for. Therefore, that needs to be remedied and that is why we are doing remedial work.

Under the terms of the contract, the Contractor must pay for those remedial works and at the moment the Government is in discussions, in arbitration with the Contractor to ensure that we recover the cost of these remedial works.



However, at this stage, we cannot wait for this arbitration process and we must carry out the remedial work because we have a time line to ensure that our water works is commissioned by the beginning of next year. So the cost of remedy that we are pursuing right now, Madam Speaker is being met through our arrangements with the New Zealand Government at no additional cost to the people of this country. That, Madam Speaker is how we have protected the interest of our people through good, strong contractual arrangements and good strong financial management. Thank you, Madam Speaker.

**MADAM SPEAKER:** Thank you, I see the Honourable Tamaiva Tuavera.

**MR T. TUAVERA:** Thank you, Madam Speaker. Before I ask my next question, I would like the people and this House to understand that we had the Select Committee talking about Te Mato Vai that we are talking about now or asking questions about because we were assured by these people that was running Te Mato Vai at the time there was nothing wrong with the pipes going into the ground.

**MADAM SPEAKER:** Do you have a supplementary question?

**MR T. TUAVERA:** I just want to explain that this Honourable House was told by people that was working for Te Mato Vai that there was nothing wrong with the pipes going into the ground.

**MR A. NICHOLAS:** Point of Order, Madam Speaker.

**MADAM SPEAKER:** What is your Point of Order, Honourable Member?

**MR A. NICHOLAS:** My Point of Order, Madam Speaker, hearsay and not asking the question during question time.

**MADAM SPEAKER:** Honourable Member, I will give you the Floor to ask your supplementary questions please.

**MR T. TUAVERA:** Yes, Madam Speaker my question to the Minister is, were we lied to or told something else, when as a matter of fact the pipes that went into the ground was second grade or the welding was second grade to what we wanted.

**MADAM SPEAKER:** Thank you, I see the Honourable Minister Mark Brown.

**HON. M. BROWN:** Thank you, Madam Speaker. I recall that Select Committee that was held as I was Chairing that particular Select Committee at the time, and we sought assurances and we were provided assurances and we are still assured that the pipes that went into the ground were of the quality and the grade that were stipulated in the contract. There is nothing wrong with the pipes, they were what we paid for, what we found however, was the defect in the workmanship of the joining of those pipes.

This is the issue that we have in dispute with the Contractor, Madam Speaker was the level of workmanship by the Contractor and also their sub-contractor involved in that work. So I can say unequivocally, Madam Speaker that the Members of the Opposition

were not lied to. If there are any experts and lies, Madam Speaker they sit opposite me. Thank you, Madam Speaker.

*(Interjection)*

**MADAM SPEAKER:** Yes, be careful what you say to each other. I see the Honourable Selina Napa, you have the Floor.

**MRS S. NAPA:** Madam Speaker, my question is to the Minister of Finance on Te Mato Vai also. It is in regard to the seventeen kilometres of leakage pipes around our road around Rarotonga. My question to the Minister is to advice where the leakages are around the island.

**MADAM SPEAKER:** Thank you and see the Honourable Mark Brown.

**HON. M. BROWN:** Madam Speaker, I am not aware of any seventeen kilometres of leaks that are occurring in our country. Maybe the Honourable Member is confusing the remedial work that is being carried out with some talk of leaking pipes. But if she would like to know where the pipes are leaking, I can direct her to To Tatou Vai the company responsible for our water intakes. I suppose someone will be able to take her around to where these pipes are leaking and she can jump off.

**MADAM SPEAKER:** Do you have a supplementary question? I beg your pardon I did not hear you.

**HON. M. BROWN:** The Member claims that there are leaking pipes and that is why the remedial work is being carried out, that is totally incorrect.

**MADAM SPEAKER:** Do you have a supplementary question Honourable Member?

**MRS S. NAPA:** Madam Speaker, my question will still be based on the leakages around the island and I want the Minister to explain where these leakages are.

**MADAM SPEAKER:** Thank you, I see the Honourable Mark Brown.

**HON. M. BROWN:** As I alluded to, Madam Speaker this is a nonsensical question because the remedial work being carried out right now has nothing to do with leaking pipes. It is to do with the quality of the workmanship of the pipes that were laid. Our quality control, Madam Speaker where we tested certain pipes and certain joints showed that there was an inferior level of quality in the welding that took place which meant that we could not guarantee our pipeline for a hundred years as was contracted.

That is why we are undertaking the remedial work, Madam Speaker because of that quality assurance. I am not aware of any pipes that are leaking at this stage, Madam Speaker and if that was the case then that is a question really you would ask the operator not to a Member of Parliament or to the Minister to go and look where these leaking pipes are. There are people that we pay in these departments to do this sort of work.

**MADAM SPEAKER:** Thank you and I see the Honourable Albert Nicholas.

**MR A. NICHOLAS:** Madam Speaker, your wonderful staff, Honourable Members of this House, good afternoon.

My question is to the Honourable Minister Mark Brown.

Minister, could you highlight to this House and to our wonderful people listening to our broadcast, that this project, Te Mato Vai, which the previous Government under the Democratic Party has shelved for many years for fear of the magnitude of the project.

How important is this project to our people and the ever increasing tourist numbers that visit our country annually?

**MADAM SPEAKER:** Thank you and I see the Honourable Minister Mark Brown.

**HON. M. BROWN:** What an excellent question, Madam Speaker. Let me say, Madam Speaker when we first started this project, it had already been initiated by the previous Democratic Party Government, but with a loan of \$63 million to cover this cost. We rejected that proposal Madam Speaker and we looked at financing options which reduced the debt burden on the people of this country.

We were able Madam Speaker, to produce a project proposal for a world class water network that suits the need of our people and our industry particularly the tourism industry for this time but also looking forward to the next one hundred years, Madam Speaker.

This is a major project and we do not do projects to last a hundred years overnight. This is why it has taken close to 8 years to get to this stage now, where this water network will be commissioned to move forward next year. The bulk of this project Madam Speaker is paid by us, by our country, we paid for it. There is some borrowing as I mentioned earlier of \$23 million and there are also contributions by our partner New Zealand to help complete this project.

This is a fundamental right Madam Speaker of everybody, every person in this country to have clean consistent water. I am glad that this Government has been able to push this very important project through to its near completion, Madam Speaker despite the obstacles and the opposition that has come from Opposition Members current and previous. But no great endeavours Madam Speaker are achieved without great resolve and the Government has every step of the way made sure that we have gotten what we asked for.

When our country's quality control showed that there were deficiencies in the contractor delivering we took them to task. When landowners demanded that we consult with them, we stopped all the work and took over one year to consult individually with all the landowners at the intakes. We sort and obtained their consent to do the works in the water intakes. Now Madam Speaker, we are one step away from the completion of this major project and we are still having people putting in obstacles to stopping Cook Islanders from having clean, drinkable, consistent drinking water.

We have seen during this period of heavy rain, Madam Speaker the muddy water that flows out the streams into our ocean. That muddy water is what the objectors want the

people of this country to drink. But we will not listen to them, we will listen to the people of the Cook Islands.

**MRS S. NAPA:** Point of Order! Madam Speaker.

**MADAM SPEAKER:** What is your Point of Order Honourable Member?

**MRS S. NAPA:** My Point of Order is, the Opposition is not objecting to Te Mato Vai Project. They are asking Government questions to make sure that checks and balances are in place and followed properly.

**MADAM SPEAKER:** Thank you, and Honourable Minister you only have a couple of minutes left.

**HON. M. BROWN:** Thank you Madam Speaker. I am happy to hear that the Honourable Member of Teimurimotia has changed her mind and is supporting this great project.

Thank you Madam Speaker and my time is running out and I will take my seat.

**MADAM SPEAKER:** I will give the Floor.

**MR A. NICHOLAS:** Supplementary question.

**MADAM SPEAKER:** Supplementary question? You actually only got a little bit of time. Can we take the Supplementary question very quickly?

**MR A. NICHOLAS:** Yes. Rome was not built in a day Minister. Does this Government intend to see the fulfilment of this wonderful project?

**MR T. TUAVERA:** Irrelevant. We are not here to glorify, what they have done. We are here to tell them what went wrong with the job.

**MR A. NICHOLAS:** Madam Speaker, I have posed a relevant question to the Minister.

**MADAM SPEAKER:** You have asked your question and you have asked your Supplementary question.

**MR A. NICHOLAS:** Yes.

**MADAM SPEAKER:** Anybody in the House can ask a question at any time during the Question Time but Minister you need to answer that question.

**HON. M. BROWN:** Yes, I think so Madam Speaker.

**MADAM SPEAKER:** Yes, so answer quickly.

**HON. M. BROWN:** Thank you, Madam Speaker. Rome was not built in a day and I totally agree.

**MR T. TUAVERA:** Point of Order, Madam Speaker. The Minister is making a statement and he is not answering the question.

**MADAM SPEAKER:** Do you have an answer for him? Quickly then.

**HON. M. BROWN:** Thank you, Madam Speaker. As I said, Rome was not built in a day and great endeavours takes hard times and great results. So, we will complete this project. Thank you, Madam Speaker.

**MADAM SPEAKER:** You make ask your question, Honourable Tina Browne.

**HON. T. PUPUKE BROWNE:** I thought I might ask the question because I think the Government will need time to answer. I heard the Minister say that we have consulted with the landowners and the whole project is moving ahead with support.

At the moment, the remedial work that is being conducted is being conducted along my stretch of road in Nikao. Who did you consult to lay the pipes on leasehold interest that do not belong to Government?

**MADAM SPEAKER:** Thank you and I will not allow the time for answering and that will be our first question on the Floor tomorrow at Question Time.

It is now 2.30 p.m and Parliament will suspend and return at 3.00 p.m.

**Sitting suspended at 2.30 p.m.**

**Sitting resumed at 3.00 p.m.**

**MADAM SPEAKER:** Honourable Members, please be seated.

Parliament is resumed.

Well I hope everybody is well sustained with yummy lunch and ready to start again. But before we begin, at 3.30 p.m., if the Prime Minister and the Deputy Prime Minister can please begin to lead everybody so when you come back, we will just go right around the room until everybody is done please because they will be there at 3.30 p.m. in the Government's break-out room to sign the condolences book. Thank you.

Honourable Members, we will now go to Presentation of Bills.

### **PRESENTATION OF BILLS**

I note that Minister Brown has 1, 2, 3, 4, 5, 7 and No.8 are all your Bills. So we will begin with Bill No.1 – the Telecommunications Bill.

**CLERK AT THE TABLE:** Short Title reads: Telecommunications Act 2019.

### **BILL READ A FIRST TIME**

**MADAM SPEAKER:** Can the Minister please name a date and a time for the Second Reading of the Bill?

**HON. M. BROWN:** Forthwith Madam Speaker.

**MADAM SPEAKER:** Thank you. The Bill is ordered for the Second Reading forthwith.

The second Bill is the Competition and Regulatory Authority Bill.

**CLERK AT THE TABLE:** Short Title reads: Competition and Regulatory Authority Act 2019.

### **BILL READ A FIRST TIME**

**MADAM SPEAKER:** Can the Minister please name the date and time for the Second Reading of the Bill?

**HON. M. BROWN:** Thank you Madam Speaker.

This Bill works very closely with the Telecommunications Bill so I would expect the Second Reading of the Bill after the Telecommunications Bill.

**MADAM SPEAKER:** The Second Reading is called after the Telecommunications Bill.

The third Bill is Income Tax Amendment Bill.

**CLERK AT THE TABLE:** Short Title reads: Income Tax Amendment Act 2019.

### **BILL READ A FIRST TIME**

**MADAM SPEAKER:** The Income Tax Amendment Bill is called for Second Reading after the Competition and Regulatory Authority Bill.

**HON. M. BROWN:** Yes, Madam Speaker. That is one of a raft of six Amendment Bills that will be before the House and it be in the House's interest that they can be debated concurrently.

**MADAM SPEAKER:** Next is the Banking Amendment Bill.

**CLERK AT THE TABLE:** Short Title reads: Banking Amendment Act 2019.

### **BILL READ A FIRST TIME**

**MADAM SPEAKER:** May I ask the Minister the date and time for the Second Reading of the Bill?

**HON. M. BROWN:** After the Income Tax Amendment Bill Madam Speaker.

**MADAM SPEAKER:** The Banking Amendment Bill is called for Second Reading after the Income Tax Amendment Bill.

Next is the Insurance Amendment Bill.

**CLERK AT THE TABLE:** Short Title reads: Insurance Amendment Act 2019.

**BILL READ A FIRST TIME**

**MADAM SPEAKER:** May I ask the Minister when the Second Reading for that will be?

**HON. M. BROWN:** That will be after the Banking Amendment Bill Madam Speaker.

**MADAM SPEAKER:** The Insurance Amendment Bill is called for Second Reading after the Banking Amendment Bill.

Would you like to carry on to your third Bill?

**HON. M. BROWN:** Yes. The International Companies.

**MADAM SPEAKER:** The next one will be the Captive Insurance Amendment Bill.

I beg your pardon. The next one will be the International Companies (Removal of Tax Exemption) Amendment Bill.

**CLERK AT THE TABLE:** Short Title reads: The International Companies (Removal of Tax Exemption) Amendment Act 2019.

**BILL READ A FIRST TIME**

**MADAM SPEAKER:** Thank you. Can the Minister name the date and time for the Second Reading of the Bill please?

**HON. M. BROWN:** After the Insurance Amendment Bill Madam Speaker.

**MADAM SPEAKER:** The International Companies (Removal of Tax Exemption) Amendment Bill is called for Second Reading after the Insurance Amendment Bill.

We will now go to the Development Investment Amendment Bill and I call the Minister, George Angene.

**CLERK AT THE TABLE:** Short Title reads: Development Investment Amendment Act 2019.

**BILL READ A FIRST TIME**

**MADAM SPEAKER:** Can the Minister please name the date and time for the Second Reading of the Bill?

**HON. G. ANGENE:** After the Captive Insurance Amendment Bill.

**MADAM SPEAKER:** Thank you. The Development Investment Amendment Bill is called for a Second Reading after the Captive Insurance Amendment Bill.

The next Bill is the Captive Insurance Amendment Bill.

**CLERK AT THE TABLE:** Short Title reads: Captive Insurance Amendment Act 2019.

#### **BILL READ A FIRST TIME**

**MADAM SPEAKER:** Can the Minister please name the date and time for the Second Reading of the Bill?

**HON. M. BROWN:** That will be after the International Companies (Removal of Tax Exemption) Amendment Bill Madam Speaker.

**MADAM SPEAKER:** The Captive Insurance Amendment Bill is called for a Second Reading after the International Companies (Removal of Tax Exemption) Amendment Bill.

Thank you. The next Bill is the Ministry of Corrective Services Bill and I call the Minister, George Angene.

**CLERK AT THE TABLE:** Short Title reads: Ministry of Corrective Services Act 2019.

#### **BILL READ A FIRST TIME**

**MADAM SPEAKER:** Can the Minister please name the time of the Second Reading of the Bill?

**HON. G. ANGENE:** Immediately after the Development Investment Amendment Bill.

**MADAM SPEAKER:** The Ministry of Corrective Services Bill is called for a Second Reading after the Development Investment Amendment Bill.

Thank you. The next Bill is Ministry of Marine Resources Legislation Bill and I call the Minister responsible, the Prime Minister.

**CLERK AT THE TABLE:** Short Title reads: Ministry of Marine Resources Legislation Act 2019.

#### **BILL READ A FIRST TIME**

**MADAM SPEAKER:** Can the Prime Minister please name the date and time for the Second Reading of the Bill?



**HON. H. PUNA:** With pleasure Madam Speaker, following the Ministry of Corrective Services Bill. Thank you.

**MADAM SPEAKER:** The Ministry of Marine Resources Legislation Bill is named to follow the Second Reading of the Ministry of Corrective Services Bill.

Our final Bill is the Control of Prices Amendment Bill and I call the Minister Mark Brown.

**CLERK AT THE TABLE:** Short Title reads: Control of Prices Amendment Act 2019.

**MADAM SPEAKER:** Thank you. I beg your pardon. Would the Minister please name the date and time for the Second Reading of the Control of Prices Amendment Bill.

**HON. M. BROWN:** After the Ministry of Marine Resources Legislation Bill, Madam Speaker.

**MADAM SPEAKER:** Thank you. The Control of Prices Amendment Bill is called for Second Reading after the Ministry of Marine Resources Legislation Bill. Thank you. That completes the Bills for presentation. We will now go to Papers for Presentation.

### **PAPERS FOR PRESENTATION**

The first Paper for presentation is the Remuneration Tribunal Queen's Representative and Members of Parliament Salaries and Allowances Order 2019. I call the Minister Responsible.

**HON. R. TOKI-BROWN:** Madam Speaker, I table Remuneration Tribunal Queen's Representative and Members of Parliament Salaries and Allowances Order 2019 Serial Number 2019/01.

I now lay it on the Table.

**MADAM SPEAKER:** Thank you. We will go to the Infrastructure Regulations 2019 and I call the Minister Responsible.

**HON. R. TAPAITAU:** Infrastructure Regulations 2019 Serial Number 2019/02. I lay this on the Table.

**MADAM SPEAKER:** Thank you and Remuneration Tribunal Queen's Representative and Members of Parliament Salaries and Allowances Amendment Order 2019. I call the Minister Responsible.

**HON. R. TOKI-BROWN:** Madam Speaker, pursuant to Sections 4,8 & 9 of the Civil List Act 2005 and Section 15 of the Remuneration Tribunal Act 2005, the Regulations Act 1971-72 and Legislative Service Act 1968-69, I have the honour to submit:

**The Remuneration Tribunal Queen's Representative and Members  
of Parliament Salaries and Allowances Amendment Order 2019**  
**Serial Number 2019/03**

I lay this on the Table.

**MADAM SPEAKER:** Next is the Welfare Benefits and Pension Rates Amendment Order 2019, I call the Minister Responsible.

**HON. V. MOKOROA:** Madam Speaker, pursuant to Section 41 and 54 of the Welfare Act 1989, the Regulations Act 1971-72 and the Legislative Service 1966-69 I have the honour to submit:

**The Welfare Benefits and Pension Rates Amendment Order 2019**  
**Serial number 2019/04**

I lay this on the Table.

**MADAM SPEAKER:** Thank you and next is the Employment Relations. This is Minimum Rate of Pay Regulations 2019. I see the Minister Responsible.

**HON. V. MOKOROA:** Madam Speaker, pursuant to Sections 33 and 88 of the Employment Relations Act 2012, the Regulations Act 1971-72 and the Legislative Service Act 1968-69, I have the honour to submit:

**The Employment Relations Minimum Rate of Pay Regulations 2019**  
**Serial Number 2019/05**

I lay this on the Table.

**MADAM SPEAKER:** Thank you. The next Paper is the Seabed Minerals Act Commencement Order 2019 and I see the Minister Responsible.

**HON. M. BROWN:** I have the honour Madam Speaker to present:

**Paper 23 the Seabed Minerals Act Commencement Order for 2019 Serial  
Number 2019/06 and also Paper No. 24 the Seabed Minerals Transitional  
Provisions Regulations 2019 Serial Number 2019/07**

I lay these on the Table.

**MADAM SPEAKER:** Thank you. We have the Diplomatic Privilege and Immunities Asian Development Bank Order 2019 and I see the Minister Responsible.

**HON. M. BROWN:** Thank you, Madam Speaker. Paper No.25 the Diplomatic Privileges and Immunities accorded to the Asian Development Bank Order No.2019 Serial Number 2019/08.

I lay this on the Table.

**MADAM SPEAKER:** Thank you and we have Paper 26 the Annual Report of the Financial Supervisory Commission of the Cook Islands 2018/19. I see the Minister Responsible.

**HON. M. BROWN:** Thank you, Madam Speaker. I table the Annual Report of the Financial Supervisory Commission on the Cook Islands for 2018/2019.

I lay this on the Table.

**MADAM SPEAKER:** Thank you very much and Paper 27 the Annual Report of the Ombudsman Te Mato Akamoeau for period 2018-2019. I see the Minister Responsible.

**HON. V. MOKOROA:** Madam Speaker, I have the honour to present:

**The Annual Report for the Office of the Ombudsman Te Mato Akamoeau  
for the period 2018-2019**

I now lay this on the Table.

**MADAM SPEAKER:** Thank you very much, that completes all the Papers for Presentation and we congratulate the Ombudsman's Office actually because it has been a long time since a Report has been presented from the Ombudsman's Office.

We will now go to Orders of the day.

### **ORDERS OF THE DAY**

Orders of the Day is the Address in Reply.

Honourable Members, if you remember, we received an Address from the Head of State the QR when we opened our Parliament last year and it is a precedent that we complete this little job and that is what I would like to put on the Table now as to where we go from here.

At the last Sitting, a Motion was put to the House to put this aside until the Appropriation Bill was over. So I leave the Floor open, if there is anybody who wants to make further contribution to their Address Reply or I call the Prime Minister.

If there is no debate on this matter on the Floor, I will ask the Minister Responsible which is the Prime Minister.

**HON. H. PUNA:** Thank you Madam Speaker, Kia Orana again to all of us, Honourable Members and our people listening in to Parliament.

Madam Speaker, I believe it is only appropriate at this time that we send another words of condolences for what is happening in New Zealand. Currently, our people at Foreign Affairs are in communications with their counterparts in New Zealand regarding the incident on White Island in Gisborne.

We all know that White Island is an active volcano and I guess because of that peoples' curiosity has been aroused and they want to go and see it, and visit it. Although there have been warnings recently that there were increased activities in the volcano, people still went to visit and site seeing.

So, just the other day, in fact I think it was just yesterday, a party of 50 tourists went to White Island to see for themselves what was happening over there. Unfortunately, without any warning, the volcano erupted and cut off all communication. The latest report is that eight of those people have been killed while the rest have been successfully evacuated back to the main land of New Zealand.

However, about thirty odd of them have suffered severe burns and are currently in hospitals throughout New Zealand receiving appropriate treatment for their injuries. That is why before my statement earlier this afternoon, I made the comment that somehow things have been very unusual in the last couple of weeks. It is almost as if the bad times coming all together at once.

Let us remember those families who have lost loved ones in this incident in New Zealand. I am told that Prime Minister Ardern is very emerged in this issue right now and our hearts go out to them, to the Government and people of New Zealand but especially to the families affected by this tragedy.

Coming back to the issue now before the House. I have to admit to some surprise when the Speaker mentioned to me by letter that there was this outstanding issue on our agenda that we needed to deal with it today. But it is something that we need to deal with and so Madam Speaker, thank you for bringing it to our attention so that we can have it completed and dealt with.

So, in accordance with Standing Orders and with procedure I move:

**That the Speaker, accompanied by the Proposer, the Seconder, the Clerk and the Clerk Assistant to present the following address to His Excellency the Queens Representative at such place as His Excellency may appoint**

The Address reads as follows:

*May it please your Excellency, we Her Majesty's dutiful and loyal subjects, the Parliament of the Cook Islands beg leave to offer thanks to your Excellency for the speech which your Excellency has addressed to the Parliament in assuring your Excellency that the matters referred to in your Excellency's speech will receive our careful consideration.*

Please take note of this final prayer in our address. We join your Excellency in praying that Divine guidance will attend our deliberations. Thank you.

**MADAM SPEAKER:** Thank you, Prime Minister. I call for a Seconder, please.

**Seconded by the Honourable Minister, Mark Brown**

I put the Question. The Question is:

**That the Motion just read out by the Prime Minister be agreed to?**

**Motion agreed to**

We will go back to Orders of the Day.

**ORDERS OF THE DAY**

The Crimes Bill Committee and I see the Chairman of the Crimes Bill Committee. You have the Floor.

**MR T. ELIKANA:** Thank you Madam Speaker. Honourable Members of this Honourable House and to those listening in, Kia Orana.

Madam Speaker, as you are well aware regarding the work that the Crimes Bill Select Committee has undertaken up to last week that is in providing everyone in our communities and seeking international assistance to assist the Committee in its deliberation.

Last week in the mornings of Monday and Tuesday, we had the privilege to hear presentations from Mr Charles Chauvell from the UNDP and also from the Crown Law Office regarding some of the provisions of the Bill before this Select Committee.

As you are also well aware and so does all the Honourable Members, that this Committee is a carryover from the first one that was formed when the Bill was first introduced in this Honourable House. As a result, some of the current Members are new Members on the Committee, and that's including myself as Chair of that Committee.

To be fair to everyone on the Crimes Bill Committee, they did not have the opportunity to actually hear the submissions made particularly on those on Rarotonga and also our Southern Group islands. Therefore, as to rely on the Hansard record of those proceedings.

In regards to the Northern Group, some of us were very fortunate to have heard the submissions made by our people in the Northern Group. So, those who were unfortunate as to rely on the records as recorded in Hansard. As you are well aware, there is a lot of interest in this Bill and it is only proper that the Committee take time to go through this Bill and work through it before making recommendations to Parliament.

I know in the last Motion put before the House, the final report is to be presented to Parliament at this Sitting. I think as you are most probably aware and everybody in this House is well aware that is probably a little bit ambitious and a little bit wishful. But the Members on the Committee Madam Speaker want to see an end to this Bill and some of them have asked to give them more time to consult with some members of the public and probably with their constituencies as well.

This is necessary, especially in terms of the submissions and the assistance of our advisors particularly the UNDP advisor and also from Crown Law and other members of the public who took time to make further submissions to the Committee.

So as a result of that Madam Speaker, I am seeking leave of this Honourable House for an extension for the time for the Committee to look through the Bill and consider it properly and report back to Parliament when it is ready.

Thank you Madam Speaker.

**MADAM SPEAKER:** I see the Honourable Tina Pupuke Browne.

**HON. T. PUPUKE BROWNE:** I stand not to object to the Motion by the Member. I just want to request an explanation. There are two reasons why.

Firstly, I am one of the Committee Members for the Standing Order Select Committee.

Secondly, I am looking at all the Clauses for the Select Committee, as stated in the Standing Order 315 to 358.

It is hard for me to see and to recognise that there is a Standing Order within these clauses which covers the request. When I look at the Motion that was moved on the 10<sup>th</sup> April 2019, it says, *“To complete public consultations on the Crimes Bill and report all progress and findings to Parliament by December 2019.”*

I want to commend the Crimes Bill Select Committee because the topic that they are consulting on is not an easy one to be discussed. I do not have any problem for this to be extended but I would like to question that if there is reserve power, then maybe if the Chairman can help in this regard then my thoughts will flow.

**MADAM SPEAKER:** Honourable Member, perhaps I could help.

You are right. According to the last Motion that was made, they were to report today and so there was a consideration to suspend some Standing Orders but the idea was to seek approval, to seek leave from the House and then followed up by Standing Order 261. If you look at Standing Order 261, they can follow up with that in extending time.

The idea of seeking leave was so we did not have to suspend our own Standing Orders because as you are saying, we were not able to provide the order that was made by the Motion of the last meeting. However, the Committee can certainly use 261 to be able to change or to extend your time. In fact, 261(3) would probably be what you would like to do.

**MR T. ELIKANA:** Yes Madam Speaker. I have consulted with the Clerk on this. The notion of 261 is because there are timelines. That is why I was concerned with that. That is why my preference was to seek leave of the House if the House will agree for an extension of time because as the Leader of the Opposition has correctly highlighted, this is a very serious matter that needs proper consideration.

But, when I read 261, while it is good to extend the time, there is a time limit on it as well which I have concerns with the previous Motion that was before the House.

**MADAM SPEAKER:** What we can do, you see, the House can give leave for us to be able to move on from where we were. If no one objects, we can move on. But if one person objects then we can't.

**HON. T. PUPUKE BROWNE:** Madam Speaker, I am able to say on behalf of the Opposition that we have no opposition to your extension.

**MADAM SPEAKER:** Thank you very much. Thank you for that. In that way the Committee can get on with their work and come back then at maybe the next Sitting or whenever to report back because it is the intention to get that Bill ready to come to Parliament. So leave is granted. Thank you.

We will go back to Orders of the Day.

### **ORDERS OF THE DAY**

The Orders of the Day is on our first Bill that was ordered for forthwith and that is on the Second Reading of the Telecommunications Bill 2019. I call on the Minister responsible to move for the Second Reading of the Bill.

I see the Honourable Minister Mark Brown.

**HON. M. BROWN:** Thank you Madam Speaker.

I move:

#### **That the Telecommunications Bill be read a Second time**

If I may speak to the Bill Madam Speaker.

Madam Speaker, today as Deputy Prime Minister and Minister of Finance, I am pleased to table two Bills, the Telecommunications Bill 2019 and also the Competition and Regulatory Authority Bill 2019.

Together Madam Speaker, these Bills herald a new era for the Cook Islands telecommunications industry moving from the current monopoly model with limited regulation to a competitive market supervised by an independent regulator. The journey to get to this point Madam Speaker has been long and complex, over 20 years of various Governments, various drafts of the Bill but finally we are here and despite the long journey, it has been ultimately rewarding. The feedback we received from our extensive consultations with business, industry and community stakeholders both here and in the Pa Enua, supports the Government's view that the time is right to open the industry to competition but under the watchful eye of an independent regulator.

It is competitive forces Madam Speaker that will drive benefits for consumers through access to new services and lower service prices and for business through new investment opportunities.

Madam Speaker, access to efficient, affordable and quality telecommunications services underpins all sectors of our economy and society today. Cook Islanders at work and at home rely daily on a wide range of telecommunication services to conduct business, connect with friends and family across the globe and for entertainment.

The Cook Islands has been serviced by a single telecommunications operator partly owned by the Government under a legislative monopoly since 1989 with limited independent oversight and while this approach has served us well to date, the telecommunications landscape here and abroad has changed dramatically since the Telecommunications Act of 1989 came into force.

Innovation and development in the telecommunications industry in the form of new services, such as the use of the App economy, are posing new challenges and opportunities for established regulation.

The local infrastructure landscape is also changing. The Manatua Cable on track to start service in May 2020 will provide fast, reliable and affordable internet services and business as usual regulation will constrain our ability to maximise the consumer benefits. Benefits from our substantial investment in this ground-breaking telecommunications infrastructure project, a shining example of Polynesian collaboration for the benefit of all of our respective peoples.

In addition, experience elsewhere in the Pacific and further afield has demonstrated the benefits of competition in the telecommunications industry. Benefits for consumers through access to new services and lower service prices and for business through new investment opportunities.

The Government started its comprehensive public consultation with the launch of a draft Telecommunications Market Competition Policy in May this year. This policy which set out the Government's draft reform proposals opening the industry to competitive forces for the first time through a new Telecommunications Bill, and establishing an independent regulator to ensure that the benefits from competition flow through to all end users, including those in our Pa Enua.

The primary objective of the policy is to enable the emergence and development of competition among suppliers of telecommunication services for the long-term benefit of end users by promoting consumer welfare, creating opportunities for investments and ensuring high quality sustainable reliable telecommunications infrastructure.

A team led by the Financial Secretary travelled to the Pa Enua in September and October to hear first-hand from our Pa Enua communities about the telecommunication services on their islands and their hopes for the future. This was followed by further consultation on the draft Bills including a series of public forums in Rarotonga and a substantial number of one on one meetings with individual business, industry and other stakeholders.

Moreover, in the interest of informing debate on the Bills in this House, the FinSec Team also participated in the Parliamentary Workshop held last week and the team made a presentation on the Bills and responded to questions from Members of the House.



The purpose of the Telecommunications Bill, Madam Speaker, is to provide for the regulation of competitive markets for telecommunications services in the Cook Islands, the licensing of telecommunications and radio communications operators and/or related purposes. So this Bill, Madam Speaker, will repeal the Telecommunications Act of 1989.

Section 7 of the Bill, Madam Speaker, requires the authority in exercising its powers or carrying out its functions under this Bill, to have regard to the long-term benefit of end users.

The Bill, Madam Speaker, contains an integrated and well thought out suite of authority powers and licence obligations that together will ensure an efficient, effective and competitive market in the long-term benefit, again of the end user.

Madam Speaker, I will now touch briefly on just a few of the key elements of this Bill starting with licensing. The Bill sets up a new best practice licensing regime. The Authority will be responsible for issuing network and service provider telecommunications licenses as well as radio apparatus and spectrum licences. It will also be responsible for enforcing compliance with licence conditions.

In terms of competition safeguards and consumer protection, preventing anti-competitive conduct by companies with market power is fundamental to the effective operation of a competitive market. The Bill provides a range of safeguards against anti-competitive conduct including a reserve power to determine prices if there is no effective competition. The power to specify rules of competitive conduct and apply to the Court for penalties for breaches and a prohibition on licensee engaging in anti-competitive conduct such as conduct that substantially lessens competition.

Protecting the rights of retail customers is equally critical given the asymmetric power relationship between service providers and an individual customer. The Bill requires licensees to establish complaints handling procedures, ensure customer privacy protection and prohibits misleading or deceptive conduct.

The Authority also has the power to make a binding consumer code. In terms of interconnection the effective competition requires both the physical interconnection of different telecommunications networks and access by one network operator to infrastructure owned by another – mobile phone towers for example.

The Bill provides the necessary authority, powers and licensee obligations to ensure that interconnection is not a barrier to competition.

In terms of universal access Madam Speaker, the Government considers that all Cook Islanders should have access to affordable and quality telecommunications service regardless of where they live. Our recent consultation across the Pa Enua highlighted the current service quality gap between Rarotonga and Aitutaki and the rest of the Pa Enua. We also acknowledge that the arrival of the cable on the two main islands has the potential to widen the service gap.

The Government's response is two-fold. First, the Bill empowers the Authority to make a universal access plan and establish a fund to support universal access. The plan will

mandate the provision of an affordable and quality service to help fund it via levies and other contributions should a subsidy be required. Second, recognising that a Pa Enea infrastructure upgrade is overdue, the Government is exploring funding mechanisms to fast-track the necessary investment in telecommunications equipment that will be required in all of our Outer Islands.

In terms of transitional arrangements Madam Speaker, moving from an established legislative framework to a new regulatory environment, especially one that opens a monopoly to market competition, requires certain arrangements be put in place to ensure an orderly and fair transition from one to the other.

To this end, Madam Speaker, the Bill provides transitional arrangements, the key elements of which are firstly, a four year transition period during which there is a limit of one additional mobile licence. Secondly, the continuation of current radio communication licences and thirdly, Telecom Cook Islands Ltd continuing to provide current Pa Enea telecommunications, broadcasting support, marine radio and postal services.

In conclusion, Madam Speaker, I commend both these Bills, the Telecommunications Bill before us and also the Competition and Regulatory Authority Bill. Together, these Bills form a comprehensive well thought out and fit for purpose legislative framework that will ensure the Government's telecommunications policy objectives are achieved. Together, these two Bills, along with the Manatua Cable will drive competition in the telecommunications industry for the benefit of all the people of the Cook Islands wherever they live in our country.

Therefore, Madam Speaker, I commend this Bill before the House.

**MADAM SPEAKER:** Thank you Honourable Minister. I call for a Seconder for the Motion please.

**Seconded by the Honourable Member, Tingika Elikana**

You have the chance to speak but you may reserve it for another time.

**MR T. ELIKANA:** I will reserve it for another time.

**MADAM SPEAKER:** Right. I see the Honourable Selina Napa. You have the Floor.

**MRS S. NAPA:** Madam Speaker, I would like to speak to the Bill at a later date but if you could refer to Standing Order 101 (i), I would like to put a Motion on the Table.

**MADAM SPEAKER:** Just a minute. It is most unusual. 107 (5).

**MRS S. NAPA:** 101 (i).

**MADAM SPEAKER:** I beg your pardon. You are referring to 101 (i).

Honourable Member, the Bill can only be referred to a Committee after the Second Reading when you have gone through the principles and the merits of the Bill. Then

you go through the Second Reading and then you can move your Motion to refer the Bill to a Committee.

**MRS S. NAPA:** Thank you Madam Speaker for the clarification and I would like to comment later.

**MADAM SPEAKER:** All right. The Floor is open for a debate on the Telecommunications Bill 2019.

I see the Honourable Tina Browne. You have the Floor.

**HON. T. PUPUKE BROWNE:** Madam Speaker. First, I just want to thank our new Member sworn in this morning and the *ei* that you distributed to us to celebrate with you for your swearing in today. Thank you very much.

I want to make some comments on the Bill, the Telecommunications Bill and the Competition and Regulatory Authority Bill but I understand that we are only talking about the first Bill which is the Telecommunications Bill at this stage.

First, I just want to say that the doing away with the monopoly and entering the competitive market is long long overdue and I support the competition that is part of the Telecommunications Bill.

I also support the idea of appointing a Regulator. I did have some issues as to the person that should be appointed as Regulator but when I look at the criteria that is proposed or contained in the Bill, it would be very difficult for that position to be filled by anyone on the island. In a way it is sad because we are obviously not going to be employing someone with the calibre of the person that we are looking at under the section of the Bill. It is unlikely, in my opinion anyway, that that position will be filled by a local.

I am not talking from a point of view of someone who has not experienced this type of situation. We know from experience that when the Financial Supervisory Commission was established, the provisions in there required the appointment of a Regulator. Well in fact, sorry, of an independent, the equivalent of a CEO. Something Commissioner I think at the time. It worked well even though the appointment was made by a Board which was appointed by the politicians, by the Minister responsible. Despite all the political aspects of that, I think it turned out okay. So if we have a truly independent Regulator I think this will work.

Now I have, however, some reservations with regard to the Bill. Now, firstly, we have heard the Minister talk about the consultation in the Pa Enea in September and October.

First, I just want to go back to the workshop that the Parliamentarians had last week and the Parliamentarians sat the whole morning. For those of you that were present will know that we sat all morning and there were some very productive discussions with Parliamentarians seeking help from the promoters of the Bill who were officials from the Ministry of Finance.

**MADAM SPEAKER:** Honourable Member, I am going to interrupt you because our broadcasting has broken down which means that we will suspend until it is fixed.

**HON T. PUPUKE BROWNE:** It must be my voice.

**MADAM SPEAKER:** You may now go and sign the book if you wish to but the bell will go as soon as the radio is fixed and then we will come back.

**Sitting suspended at 4.31 p.m.**

**Sitting resumed at 4.40 p.m.**

**MADAM SPEAKER:** Honourable Members, please be seated.

Parliament is resumed.

When we suspended we had the Honourable Tina Browne on the Floor and you may take the Floor again.

**HON. T. PUPUKE BROWNE:** I was talking about the workshop that was held last week on the Bills that had been tabled today. I mentioned that we spent a whole morning just on the Telecommunications Bill. I cannot speak for the others but for me personally it was not an easy Bill to understand. Firstly, it is quite a lengthy Bill. Secondly, there are some technical aspects in it and thirdly, we are moving away from what used to be the monopoly into a competitive arena.

Many questions were asked of Mr Ian Hayes but there were some important aspects of his answers that I wanted to draw on. I think the important issue of this was to improve the communications especially on Rarotonga and Aitutaki because those are the two islands where our tourism is concentrated. And why should we worry about the tourists because, as I understand it, the statistics that were given to us is about 80 percent of the users are tourism or more – 80 percent plus.

I am not opposed to improving our telecommunications in Rarotonga and Aitutaki but it became very clear that we did not have an answer for the Pa Enua. We do not have any ways to equalise the quality and standard of the services in relation to Rarotonga and Aitutaki. That particular question was asked of Mr Hayes and as we all know if you do not have an answer you tend to dribble on it. I think it is and I hope I am not misreporting his answer but his answer was that yes, Rarotonga and Aitutaki will be improved. Outer Islands, Pa Enua we do not know we have to think about it when the time comes.

Those were not the words he used, those are my words but when he was asked as to give a time line on when the Pa Enua is going to catch up, he was not able to give a time, whether it is five years, ten years, twenty years or fifty years. That should be a concern for us the Members of Parliament of the Outer Islands.

The Minister in his introduction of the Bill talked about consultation in the Pa Enua. We were in Mangaia over the weekend and I can say that the Minister expressed it well, the consultation was asking the Mangaiaans or the Outer Island, the Pa Enua to tell them what are the problems they are encountering with communication and of course

naturally they told the team how terrible the service was and I think that was a consistent phrase right throughout the Pa Enua including the Northern Group.

The meeting that we held and it was an open meeting, it was not a Demo meeting, and it was an open meeting they were under the belief that if this Telecommunication Bill was passed they will have immediate improvement of their communication in the Outer Islands.

I want to mention also that after our workshop last Thursday, in our hunger to be educated about this Bill we also met with officials from the Bluesky and they too confirmed that whilst we are going to be improving communication in Rarotonga and Aitutaki, which I think is a good thing that is not the case in the Pa Enua. And so the meeting on Friday was to say they were surprised, they were shocked that they were not going to get a better service in the outer islands. Certainly not immediately, maybe at some future, as Mr Hayes says maybe later on when there is some planning, we just do not know when. And for the benefit of my learned friend across from me, that is not an Opposition gossip, it is come out of Bluesky and from My Hayes.

So at the moment there is a huge gap and we agree, we all agree we have all been in the Outer Islands, we all know that in particular islands you might get a text from here, not there not in particular spots. There is such a huge gap between Rarotonga, Aitutaki and the Pa Enua.

We also know and we were told by the presenters of the Bill, not by the presenters by Bluesky that it is a cost to them to run the Pa Enua services. And if I work it out in my mind at the time they were the monopoly they would have been offsetting or their profits from Rarotonga and Aitutaki would have assisted with the payment of the costs in the Pa Enua. My concern is that if we are going to open up one side of the providers of the service, we do not want to make the position for the Outer Islands any worse than it already is because as I understand it Bluesky made up of shareholders who are Cook Islanders and they will be required or they may be as I understand it they will continue providing the service to the Pa Enua.

Now if they are losing, if you are a business person and if they are losing money and they are not making as much money as they used to be when they were doing monopoly they may disconnect their services to the Pa Enua. I want us to be assured that that is not going to happen and that the Pa Enua will not suffer as a result of this Bill.

**MADAM SPEAKER:** I see your time has expired and I see the Honourable Terepai Maoate.

**MR T. MAOATE:** Madam Speaker, seeing this is a big Bill and the next one after this, I would like to make a request for all Members including the Leader and all Members to have an extension of time.

**MADAM SPEAKER:** Would you like to put a Motion?

**MR T. MAOATE:** I would like to put a Motion.

**MADAM SPEAKER:** There is a Motion to extend the speaking time of the Members. I need a Secunder.

**Seconded by the Honourable Tamaiva Tuavera**

The Question is:

**That the Motion be agreed?**

**Motion agreed to**

You may continue for five minutes.

**HON. T. PUPUKE BROWNE:** And so for us Members of Parliament from the Pa Enua we need to be comfortable that this Bill is going to benefit the Pa Enua. Because when we think about it at the moment we do not receive equal treatment and we probably know why or we can understand why but I do not think that we should encourage our position to either stay the same or get worse. That is my concern with the Bill or my main concern with the Bill.

When we were in discussions with Bluesky last Thursday, I got to learn about the people that we are dealing with, one of their shareholders are Cook Islanders and two they employ about a hundred and twelve employees and if you do the maths if things get worse in the Pa Enua and Bluesky pulls out they employ two persons on each outer island. So ladies and gentlemen I am asking that we proceed with great caution. It is great to put through a legislation which the intention is good but I think we should take some time to think about the things or the impact that comes out of it.

**MADAM SPEAKER:** Honourable Member may I please interrupt your debate. We have now come to the end of the day. Thank you very much everybody, you have worked so hard you have forgotten to look at the clock and it is time to go home. May I ask somebody to say our Prayer and we will adjourn till tomorrow?

**CLOSING PRAYER**

**MADAM SPEAKER:** Parliament is adjourned till Tuesday, 10 December at 1.00 p.m.

**Sitting adjourned at 5.00 p.m.**