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MR DEPUTY SPEAKER took the Chair at 9.00 a.m.

OPENING PRAYER

MR DEPUTY SPEAKER (T.TURA): Please be seated.

Greetings to you all this morning. It is good to see you all back in the House.

We have some issues this morning with broadcasting. We will suspend our meeting until the problem is fixed.

Before we suspend, I would like to thank Papa Orometua for the beautiful message this morning. May the Holy Spirit be amongst us during our meeting until we reach the end. Thank you very much Papa Orometua.

Parliament is now suspended until further notice.

Sitting suspended at 9.03 a.m.

Sitting resumed at 11.00 a.m.

MR DEPUTY SPEAKER: Please be seated. Good morning to all of us this morning.

Parliament is now resumed.

Before we proceed I would like to make some announcements.

Honourable Members of Parliament my warmest greetings to you all this morning and also to the Clerk and staff of Parliament, Kia Orana to you all today.

To everyone listening to our Parliament on the radio and the livestreaming on Rarotonga in the Pa Enua and overseas – Kia Orana to you all.

To our Speaker Niki Rattle and Papa Colin – welcome back home. Kia Orana to you both on this beautiful morning. We look forward to having you in the Chair some time very soon.

Also Kia Orana to our friendly adviser from Western Australia, Peter McHugh. It is great to see that you are still with us. We trust you and your good wife Penny had a great weekend break even after the long periods of Sitting. We also hope you both enjoyed your ocean trip on the Marumaru Atua on Saturday afternoon and that you will treasure the experience for a long time to come.

Honourable Members, it is time for business. Let's get right into it.

Honourable Members, it is now Question Time and according to Standing Order 66(a) our Question Time today is for half an hour.

QUESTION TIME

The Floor is now open for questions.

Now I see the Honourable Selina Napa, Member of Parliament from Teimurimotia. You have the Floor.

MRS S. NAPA: First of all, greetings to all of us this morning. I believe we have all rested after the weekend and we have built up enough energy for our work this week.

Before I ask my question, I would like to just take a moment to mention what I saw yesterday when I travelled to town to buy flying fish and I saw this fishing boat just offshore.

Because of the many rumours that's twirling around regarding this fishing boat, so my question is to the Minister for Marine in asking him exactly why has this ship arrived to our shores and where is it from?

MR DEPUTY SPEAKER: Thank you Honourable Member.

I see the Honourable Prime Minister of the Cook Islands, Honourable Henry Puna. You have the Floor.

HON. H. PUNA: Greetings to you Deputy Speaker, the Clerk and your staff and all our people listening in – Kia Orana.

Thank you very much to the Honourable Member for this important question because I am aware our people are asking why this ship is here?

This is a fishing boat. It is permitted under our law to be in our ocean. It has arrived in respect of the law that polices her and her company. This is a ship from Taiwan. It has been licensed as a mother ship. We see a smaller ship behind it. Under our laws ships are not permitted to tranship or offload cargo out at sea in our waters. This is part of our security requirements.

So right now it is anchored offshore and there are two officers from the Ministry of Marine on board. So the smaller fishing boats will unload their catch on to the ship while our two officers are on board. This is one of the laws agreed to by all nations whereby no ships are allowed to offload out in the ocean. They might be tempted to

keep their true figures away from us. So I am heartened when I learned of this to give an opportunity to really bring scrutiny on to the boat.

So that is the answer Deputy Speaker and the Honourable Member for Teimurimotia, thank you for the question.

MR DEPUTY SPEAKER: Thank you Honourable Prime Minister.

MRS S. NAPA: I have a Supplementary Question.

In previous years we have seen such ships when they arrive on our shores there has been some distribution of free fish for the people. Because we can see the high cost of fish being sold in our country and this ship has been fishing in our country. So I just want to seek understanding here please whether you have considered negotiating with the Captain of this ship to provide some fish for our people or for our hospital or our elderly people?

HON. H. PUNA: Free fish?

MR DEPUTY SPEAKER: Thank you Honourable Member.

I see the Honourable Prime Minister.

HON. H. PUNA: Again it is an important question. I recall the days when our friend Teina Bishop was the Minister for Marine Resources. He was able to make arrangements with the Luen Thai Fishing Company and emphasised with them not to dispose of fish that is not tuna that has been caught on their boats. They call this bi-catch, for them to keep this and bring it to Rarotonga to sell to our people.

I am surprised we forgot that it was such a big issue here. You know our local fishermen weren't very happy and we understand their concern because fishing is their livelihood. They were very concerned because the fish were sold at a very cheap price, I think it was less than \$2 per kilo. So the Minister during that time changed the arrangement and instead of offloading the bi-catch in Rarotonga it was taken to Aitutaki, so Aitutaki benefited from that and we missed out on Rarotonga. But today, we have not made any arrangement because we are concerned for our local fishermen and also our company Ocean Fresh working hard to supplement the fish here in the Cook Islands.

I've seen some pilots from the airlines when they arrive here this is one of the first stops they make at Ocean Fresh to purchase fish to take back to New Zealand. So fish is cheap here when we compare it to outside markets. However, the comments made by the Honourable Member are right, we bought cheap fish in those days and we want to purchase that cheap fish again. If the view of this House is for us to make those arrangements again, we will consider it. But thank you for the question.

MR DEPUTY SPEAKER: Thank you Honourable Prime Minister.

I can see the Honourable Member, Leader of the Opposition, Tina Browne, you have the Floor.

HON. T. PUPUKE BROWNE: Good morning to all of us this morning. To you Deputy Speaker, the Prime Minister, Ministers and all the Members on the Government side, Kia Orana. To all of us on the Opposition side, to the staff of this House – Kia Orana and greetings to all of us.

To our people listening in on radio – greetings. Those of you viewing by livestream – greetings to you.

I stand just to remind the Prime Minister about my two questions if he has got any answers. I was happy with his explanation on the legal advice to Parliament, legal advice to Government and the issues concerning the legal advice for the Office of Opposition.

I am glad with his explanation and I agree with him in that Parliament should be neutral. Neutral in the sense that its treatment and work is exactly the same with Government as well as the Opposition side. I understand that in the past the advice to Parliament has been sought from Crown Law Office. This is also the adviser for Government. Therefore if we follow the explanation by the Prime Minister, that means going forward, there is a separate legal adviser for Government and a separate legal adviser for Parliament.

I do understand also that there will be some issues in the case that the Opposition request advice from Crown Law because Crown Law is also the main adviser to Government. But what I would like to submit to this Parliament is that, it's not about gaining advice, what I am talking about is in the event that Crown Law is requested to advice a person holding a public position, for example, the Speaker, what then is the issue with providing the same advice to the Opposition because the advice requested was asked by Parliament Services who is supposed to be neutral. So I would like to ask the Prime Minister if you could please provide an answer to that question.

The second question is on the legal fees for purse seining cases. So the question is if you could give us an estimate cost of how much of public funds was spent in defending our position for the purse seine case before the Court.

MR DEPUTY SPEAKER: Thank you Honourable Member, I see the Honourable Prime Minister.

HON. H. PUNA: Thank you Deputy Speaker and thank you Honourable Leader of the Opposition.

As I remember last week, you had two questions to me. You have covered both of them again this morning and I am ready to respond to those two questions.

The question about the legal cost for the purse seining case in Court, I do not remember you asking that last week but if you did, I might have missed it but if I can take that on notice and come back with an answer in the morning.

Honourable Member when you asked the question, I managed to get hold of the Solicitor General down to Parliament last Friday and we had a good chat about those two questions. He promised to come back to me before today or by today with his

answers. I have his answers in front of me and I would like to read his advice as conveyed to me.

Here's what he has to say – Section 10 (1) of the Crown Law Office Act 1980 states “Principal functions of the Office – The principal function of the Office of Crown Law shall be to advise the Government of the Cook Islands on legal matters that may be referred to it by the Queen's Representative, Cabinet, the Prime Minister, Minister the Ombudsman, a Head of Department or Statutory Board or Corporation. That was the quote of the legal provisions.

He goes on to say, as discussed in my opinion the Crown Law Office does not provide advice to the Leader of the Opposition and it is not our intention to do so. It is of note that in a previous legal opinion that Dr Alex Frame provided that dealt with the issue of the legal status of the Leader of the Opposition, his view is that the statutory reference to the Leader of the Opposition in the Civil List Act 2005 falls far short of conferring upon the Office either any constitutional status as an instrument or emanation of the Crown. That was his answer to the first question.

In relation to the Crown Law Office advising Parliament, this was also touched upon by Dr Frame in a recent legal advice in which he stated as follows - “It is presumed that the authority for the Crown Law Office to advise Madam Speaker although her office is not specifically designated in Section 10 of the Crown Law Office Act 1980 arises from the inclusion in that empowering section of the expression “Head of Department”. The Speaker is declared to be the Head of the Legislative Service by Section 5 of the Legislative Service Act 1968/69.

The Solicitor General goes on to say – I have noted from the legal opinions of Dr Frame that he is clearly aware that the Crown Law Office do provide legal advice to the Speaker and he has not taken issue with this. In fact he has provided advice knowing that it is for the purpose of the Crown Law Office advising the Speaker. Of course when providing legal advice to the Speaker, the Crown Law Office will need to keep in mind any issues of potential conflict and deal with these accordingly.

Honourable Leader of the Opposition, that is the advice from the Solicitor General and I believe it is very clear and to the point. Thank you very much.

MR DEPUTY SPEAKER: Thank you Prime Minister, I see the Leader of the Opposition you have the Floor.

HON. T. PUPUKE BROWNE: Thank you Prime Minister for the explanation. That does make sense.

My supplementary question however is, going forward, are we going to ensure that Parliamentary Services is truly independent of Government?

Secondly, is there going to be scope for the Opposition to be provided with a copy of an opinion that Crown Law provides to Government.

The reason I am asking is so that, it's not to be curious but it's just to avoid matters getting blown out of proportion when in fact getting the proper advice and

understanding what the problem is and how to solve it will get over a lot of the problems going forward.

MR DEPUTY SPEAKER: Thank you Honourable Leader of the Opposition. I see the Honourable Prime Minister.

HON. H. PUNA: That is a very, very important question. Let me assure the Leader of the Opposition that as a lawyer myself, I am very much aware of the principle of Separation of Powers and the need to respect that at all times. Parliament is indeed independent of Government. There are some things that we can talk about with the Speaker or the Deputy Speaker but in terms of the actual governance of Parliament that is a matter in the view of the Chair.

In terms of copying advice or opinions from Crown Law to the Opposition I think to give a blanket, yes, would be fraud with danger because no doubt there will be occasions when the advice will be of such a sensitive nature or when the Government or the Opposition maybe a log at heads over a particular issue.

So, I guess my answer to that question will be, it depends on the circumstances but it makes sense where possible to share advices as it might pre-empt a lot of undue publicity. But thank you for those questions.

MR DEPUTY SPEAKER: Thank you, Honourable Prime Minister. I see no other Member to ask questions. Then we will move on and before we do that, I would like to remind all the Honourable Members of this House as it refers to Standing Orders 159, Members must not read their speeches. And secondly, Standing Order 174, Members not to refer to any matter before the Court. Thirdly, my humble request to you all Honourable Members, if you do not have anything to say, please do not stand up.

ORDERS OF THE DAY.

Committee of Supply, Finance and Economic Management interrupted debate on the Question:

That the sum \$21,223,417 for Finance and Economic Management stands part of the Schedule?

Under Standing Orders 306 (1), I now resolve Parliament into the Committee of Supply, to continue going through the Schedules of the Bill and Clauses to stand postponed until the completion of the Schedules.

COMMITTEE OF SUPPLY – DAY 3

MR DEPUTY CHAIRMAN: Honourable Members the Floor is open. I can see the Minister of Finance, Honourable Mark Brown.

HON. M. BROWN: Thank you, Mr Deputy Chairman. As the Minister for the Ministry of Finance I thought it will be useful to highlight some of the new initiatives that are captured in this budget against the Ministry.

Firstly, in terms of its Output 1, which is the Planning Division and this includes the Budget and Economics team. As highlighted in our Budget Statement the Ministry will be undergoing an economic strategy and also there will be a review of our taxation regime and there will be the employment of additional staff especially another economist position and also a regulators role.

In terms, of Output 3 which is the Taxation, the Ministry will be looking to employ an International Auditor to assist with the EU blacklist and also with the increase compliance requirements with the international tax standards. We will also be looking to appoint a Deputy Collector to the Treasurer to assist with debt and tax collection.

Funds have been set aside for the Cook Islands to host the Oceania Customs Conference which will be held in the next financial year.

In terms of Output 4, with Statistics we are looking again to recruit a Senior Statistician to increase the quality and the publishing of our statistics.

And a new output has been developed, Output 6 which is to assist with Major Projects and Procurement. We found in recent years that more and more staff from the Ministry of Finance are being pulled away from their core responsibilities to undertake additional work on large projects that we are undertaking. So, I would expect that once the Budget is passed then into the new financial year we start to see some advertisement for qualified people to fill these roles that are being established now in the Ministry of Finance.

In addition to that, Mr Deputy Chair we have also subscribed to a number of international conventions and new memberships. And one of the new ones is our membership to the Asian Infrastructure Investment Bank. Already we are a member of the Asian Development Bank and have been since the mid-seventies. And our new membership to this new organisation it is a new bank that has been formed, it is not so much for us to be able to borrow money.

However, it does provide us with new options not just for today but for future generations. This bank may provide us with new opportunities, maybe not today but maybe in twenty years' time and by being a member today we can ensure that we are up to speed and that we are not left behind on any initiatives that are developed under this bank.

As part of our compliance to International Taxation we have also a subscription to what is called the Base Erosion Profit Sharing and these are international compliance requirements that all countries globally are now signing up to as means to ensure that there is no way to avoid tax obligations by registering in different jurisdictions. This is probably more commonly known by Members when they see or read articles regarding companies like Amazon or Google who pay very little tax because they domicile their companies in low tax jurisdictions.

So, in order to be part of the global economy and to meet the requirements of the global economy we the Cook Islands must subscribe to this debts requirements. And as part of the overall Public Service increase in salaries and wages we will see the

salary increases for the Ministry of Finance take place not this financial year but in the next financial year.

So, as you can see Mr Deputy Chair that there is a lot of new initiatives that we are signed up to and we need to boost our Ministries and employ the staff to be able to provide good quality service to the public.

And I fully support the proposed Appropriations for the Ministry of Finance, thank you Mr Chair.

MR DEPUTY CHAIRMAN: Thank you, Honourable Minister of Finance. Now, I see the Honourable Member for Matavera, Honourable Vaitoti Tupa. You have the Floor.

MR V. TUPA: Thank you, Mr Deputy Chair. Thank you for going through the procedure of our sitting this morning. I support what you told the House this morning, that if we the Members do not have anything to say not to stand up.

I stand to speak on my second ten minutes. Last Friday I stood to support the allocation of this Ministry. This morning I am focusing on the Output 6 of this Ministry. This is what the Minister responsible was explaining to us on Output 6, and he was mentioning that this is one of the new initiatives for the Ministry. He was also telling us all the required work to be done under Output 6.

Therefore Mr Deputy Speaker I rise to give my full support for Output 6 as there is a need to employ qualified professionals for these requirements to be completed.

However, I can see that our people out there are listening and the messages from the Minister of Finance and I come back to the workers of this Department. I am not going to talk about money because I know that there is a huge increase but my plea to the Minister of Finance as well as the Head of this Department because our system is we follow the Banding System. The salary banding dictates which banding you sit in. If you have good qualifications, you will sit on a high banding and if you do not have good qualifications, your banding will be lower.

I would like to ask Government to consider about the staff members who have served the Ministry of Finance for a very long time and also the Department of Statistics. There are employees in these Ministries who have served Government for a very long time. Some of them have been working for these Ministries for nearly for more than thirty six years.

Most of these employees come from the Honourable Minister of Finance's constituency. Our daughter Taggy has been working for the Department of Statistics for a very long time and it is only right that we do something about her salary. However, I believe that the Minister of Finance and the Secretary for MFEM have deliberated over this matter.

I also want to make mention of our son, Enua Pakitoa, who has been working for this Department for a very long time and I trust the Minister and the Secretary of Finance have sorted this area.

I also make mention of Mere Charlie, who comes from the village Matavera. She has also been working for the Ministry of Finance for a very long time. Another staff member that I would like to make mention also is Apii Tokari who have served this Ministry for a very long time. We all understand Members of Parliament that when we need our money, we contact these two ladies to release our cheques. I also want to mention Terry Piri who also works for Ministry of Finance. He is from the constituency of RAPPa. I have been wondering how we can look after these long serving employees to improve their living.

This is all I have to contribute to this Vote Item as the Minister has already touched on a few things that I wanted to raise. Thank you.

MR DEPUTY CHAIRMAN: Thank you Honourable Member. I see the Honourable Member for Teimurimotia.

MRS S. NAPA: Greetings to us all in the name of our Lord. Deputy Chairman, our Prime Minister, your Cabinet Ministers, the Government and to us on this side of the House, from our Leader to all the Members, Kia Orana. Greetings to you all.

Greetings to all the staff members of this House. I understand you have worked through the weekend to ensure that all the Papers are in order for our Sitting today.

Special greetings to our Madam Speaker who is with us this morning. It's very nice to see you with us this morning and you look well Madam Speaker. Maybe because of the cold weather in New Zealand. Greetings to all our people listening to our radio and also to our people watching our livestream in the Outer Islands, Kia Orana.

I would like to talk about the Vote Item for MFEM. We can see the large increase allocated for MFEM and I fully support this. However, I would like to ask some questions because I noticed when the Minister spoke earlier on, he did not touch on these points, maybe he will when he conclude his speech before passing the Vote Item for MFEM.

One area that I want to raise is that last year, the allocation for Tax Amnesty was \$500,000. This year, I can see there is another Amnesty called Post Tax Amnesty work and \$400,000 has been allocated. So does this mean this is the last of the lot for amnesty to finish the last tax owed?

One other area that I am looking at is the Special Development Assistance Funding. The figures provided that the agencies will support, is this funding also available to our people to apply to help them. We know some people have difficulties in applying for these funds because of what the criteria require. However, our people must also understand that your business must be registered under the Incorporated Society before you can tap into these funds with the Aid Management Division.

Secondly, we also know that sometimes after the funds are applied we find that the job the funding is allocated for doesn't get to the end due to some difficulties. Sometimes when the funding is allocated to a private sector and these people's intention is to help the community, if the fund is rightly used then we are sure that the job will get to the end. So Minister of Finance, we all know that the funding agencies

provides the criteria for these funding, but do we have other ways through these aid agencies to help our private sector.

I would now like to talk about Board of Management System Maintenance. \$155,000 has been allocated to this area. From this year and the four years ahead, we will be looking at ways to help our Police Force to tackle the drug issue in our country. Have we allocated enough money to help our Board of Management System Maintenance or the Airport Security to protect our country from drugs entering our country? We understand time is changing and time will show us whether Customs will be able to properly manage this.

One allocation I am looking at is the subsidiary for Air New Zealand of \$12 million. I understand this is not just for now. It has been happening in the past. So my question here is whether this allocation is enough for Air New Zealand subsidies. So I would like the Minister Responsible to explain to us which countries these subsidies are going.

MR DEPUTY CHAIRMAN: Thank you Honourable Member. I see the Leader of the Opposition.

HON. T. PUPUKE BROWNE: Greetings to us all this morning. I stand here to give my thoughts on the Appropriation Bill.

When we listen to the comments from Government, it seems to me that perhaps Government is taking all the credit for the management of the country.

Let me give another perspective to this. My view is that we are doing very well which we are, and I accept that, but I think it's also more to do with what is happening in the rest of the world. The problems that are occurring in the tourism industry in the rest of the world are resulting in us being the beneficiary of that.

I will give you two examples of this. New Zealand is over done with their tourism. Excessive numbers are impacting on their tourism figures so that prospective visitors are now looking elsewhere and outside of New Zealand. And of course, we know that our highest visitors are from New Zealand and the tourism capital of Queenstown and Milford Sound is so squeezed that the bad experience is driving people to look elsewhere.

We know how we benefitted from the coup in Fiji and tourists that were supposed to go to Fiji changed direction and came to us instead.

Now my view is that the Cook Islands is fast approaching the point where the quality of the experience here will be declining. Meantime of course Government we are reaping the boom but it will come to an end and my view is that sustainable growth is a myth and we will be kidding ourselves, not just you Government, but us too, if we continue to believe that it will.

Meantime, even with the record tax revenues we collect and the blobs of aid money we receive, we are still struggling to put in place suitable infrastructure and solve pollution problems and these two areas have been ongoing for the last few years.

It is all very well to say that we have reserves to cover us during catastrophes, but that just goes to show that there has been excess revenue over expenditure for some years and still we have projects like Te Mato Vai blowing out from \$60 million to \$90 million and no one is accountable with foreign aid coming to the party to fix up 17 kilometres of faulty pipes.

Now, we regularly hear of the buzz word “accountability”. In practice accountability is budgeting and then comparing actual cost to budget. Now I noticed in the Books for 19/20, you don’t see the actuals and budgets anymore. All we are told is that the Ministries budgets have been increased, given to certain Ministries and it’s for them to spend. And I say there you go, no accountability because we do not read the narration anywhere where there are specific plans which would be measured against something.

We all know that there are some poor administrators employed by Government and with extra millions of taxpayer source money, it will inevitably be used to pay increased salaries for no greater performance and we know this is the major driver of inflation.

Even increasing the minimum wage has never been in recognition that productivity has increased and I believe that we are ignoring this very basic principle. It’s no good comparing it with the private sector because the private sector pays on performance whereas Government doesn’t and I understand the reasons why. That may be something that we should look at in the Public Service or the Public Service Commissioner may look at. Because if we are going to recognise productivity.....

MR DEPUTY CHAIRMAN: Thank you Honourable Leader of the Opposition. I see the Honourable Member from Teimurimotia.

MRS S. NAPA: I will come back to the subject of Ministries, agencies paying for their expenses. I would say under Output 6, Procurement and Oversight, I hear the notion that there is centralisation of payments for all expenditure by Government Ministries but I cannot see where this lies in the Appropriation.

I support this wholly because we have seen in the past when Audit Reports are compiled before this House, when we review this it became apparent that their budget has been fully expended before the end of the financial year. So this notion of centralising all payments to MFEM as in past years I think the management of funds for our country will be much better.

When I look at this, I believe this new division under MFEM and correct me if I am wrong, maybe this division will also be able to review all the financial management in all the other agencies of Government. However this is my confusion that if this division is responsible to reviewing the management of other Ministries, then the question is what is the role of the Heads of Ministries?

When I look at some of the Heads of Government Ministries, their status is almost the same as the Ministers in Government in terms of travelling out of the country.

I know that this is happening because I have visited some Ministries and to meet with their Heads however many times they are on Government overseas travel and you end up meeting with the lower level officials. So, the notion made by the Minister for Finance that there will be increase the salaries and wages of official of Government I fully support this because it is apparent to me that they are the ones that are doing the hard work in these Ministries.

However, when you look at this small increments of 35 cents above the minimal wage. Why couldn't the Government consider a more appropriate minimal wage of ten dollars seeing that they have allocated \$56 million dollars in the rainy day budget? When we consider that they will be increasing it to eight dollars why can't they go all the way up to ten dollars.

Those are thought on this Appropriation, Mr Deputy Chair – thank you, very much.

MR DEPUTY CHAIRMAN: Thank you Honourable Member and I see the Leader of the Opposition, Honourable Tina Browne and you have the Floor.

HON. T. PUPUKE BROWNE: Thank you. I wanted to finish my concerns and I will also put forward some good comments and I have some questions to the Minister for some aspects of the allocation. Those are the three areas I will speaking about.

I wanted to give an example because I think giving examples is better than saying there is wasteful spending. We will recall that in 2016, the Head of Te Aponga Uira and his senior men engaged a building firm for a power house building upgrade. A Fixed Tender was not obtained in fact no tender was put out. Management of that Crown agency got away with not complying with the Government Policies and Procedures Manual. The result was an overspending by almost one million dollars even against an internal estimate of cost.

Without a contract the construction firm just kept billing and the pillaging could not be stopped. The job was not contested and it was poorly accounted for. I mention this because I see similar problems resulting from the policy of just allocating increases to the Ministries. Unless there are very specific requirements that they be approved by the Budget Committee and MFEM beforehand.

We also know that the resealing of the Punanga Nui Marked is another example where accountability and controls on those who were supposed to know better came up short. My point to Government is that let us stop the wastage and the lack of accountability.

I want now to say a few kind words. I talked about last week the meeting we had with the MFEM people. I was very impressed with those that attended the meeting. I was impressed because there was no dodging of the questions and very direct answers and truthful answers in my view. And unlike other Ministries they were not concerned that we are the Opposition and they work for Government. I also hear that the new people that are working in MFEM and I stress the new ones, they are excellent performers and I like to commend the Minister for those workers who are performing a great job. Here is an example of my relationship with them, you email them and they respond quickly. That is the new breed, you email the ones that the Minister

George Maggie calls “*ruaine*” you will be lucky if you ever get a response and if so, you will probably get a response in your follow up email.

I see the performance being very high in the Electoral Office. So, I agree with my colleague Vaitoti with people like Taggy Tangimetua, they are very good with their response to the public. So, Minister through you, please convey our encouragement to all the hard working people in Government.

Now, I believe in offering an alternative with regard to the revenue. I am wondering whether the Ministry should consider and this is all about putting more money in the pocket of the little people. I wonder if the Minister and the Ministry would consider lessening the income tax burden on our working people by increasing the tax free threshold from \$11,000 to \$15,000. This may be a reverse of increasing the minimum wage, what it does though is put more money in the pocket of our working class people.

I know that when we the Democratic Party is on that side of the fence that is certainly what we will do and that is going to be soon.

I have some questions for you, Mr Minister but before I go there. Can I just ask you to clarify this and could you go to page 67 and Book 2. And you go to the total resourcing under table 10.1. Somebody might have been using a very advance calculator because it does not add up 471,000.

My second point is that I am indeed comforted by the Output 6 you have there. It seems to me that it will go some way to resolving the concerns that I have just put before this House.

MR DEPUTY CHAIRMAN: Thank you, Honourable Member. If you do not mind Honourable Member our time for break is now.

But before we take our break, I would like to bring to our attention, Honourable Members to the back page of our Procedure Notes. Please do read that section from number 1 on the first page to number 9 at the last page. This is to help us focus on what is being computed by the staff. It exactly tells how many times left for us to debate in the Committee of Supply.

Thank you, Honourable Members. I now suspend our Parliament and we resume at 1.30 p.m.

Sitting suspended at 12.30 p.m.

Sitting resumed at 1.30 p.m.

MR DEPUTY CHAIRMAN: Please be seated. Greetings again to us all this afternoon.

Parliament is now in Session and I saw earlier the Member, Terepai Maoate.

MR T. MAOATE: Thank you Deputy Chairman. Greetings to all of us in this House and also to our people listening in.

I would like to go straight to our Appropriation Bill before us.

With regards to Customs, especially in the area of scrutinising items that are brought into our country, we read in the last couple of weeks, a write up in our local paper about some firearms that were brought into our country. We want to strengthen this area because we need to stop illegal drugs from entering our country. There are many businesses and Government agencies importing things into our country.

MR DEPUTY CHAIRMAN: I have to interrupt you Honourable Member.

Honourable Member, I would like to ask you to speak on the Vote Item for MFEM and not on drugs and firearms.

MR T. MAOATE: Mr Deputy Chairman, this issue concerns the protection of imported items to our country. The Vote Item in front of us has a responsibility in allocating the funds to Government agencies.

MR DEPUTY CHAIRMAN: You may continue Honourable Member.

MR T. MAOATE: Thank you Mr Deputy Chairman.

I was not only talking about drugs and firearms, I was also talking about other things that are imported into our country that our Government agencies responsible for the protection of our borders will have difficulties with.

The Minister of Finance previously mentioned about increasing the appropriation for this Vote Item especially to increase the payments of personnel and hiring of extra staff.

In Aitutaki, I would say we get about 300 containers a year arriving to Aitutaki. Other individual items are also included which brings the number of containers to more than 400.

Concerning Customs, when you want to clear your cargo, there's only one person working in this agency. He is not only responsible for Customs, he is also responsible for Revenue and Immigration. So we should really look at this area and consider whether this single person is able to monitor the work of Customs and at the same time responsible to over 400 containers a year. This person has been working by himself for many years and sometimes he gets help from someone here in Rarotonga.

There are private yachts entering our country and that is one of the responsibilities to ensure that the yachts are legal. Therefore, Minister of Finance and also your Secretary, please look into this because many times in the past we have said that we will assist this area in Aitutaki. We know today the economy in Aitutaki is growing and many people are returning home to build and also to start a business. This brings benefit to our country although Aitutaki gets to keep the benefit.

Therefore, it is very clear here that this one staff cannot handle the work of Customs in Aitutaki alone and if this issue is not looked at, we may find illegal items coming in these containers to Aitutaki. We should take more responsibility and help our people with issues of this nature. We all know when there is smoke, there is fire. We want to help our people so that they will not encounter problems.

I am going to talk about the youth that's starting up businesses. They are having issues with the taxes. I'm not sure what's happening with other islands but for us in Aitutaki this is an issue. I would like to request that maybe once or twice a year, for someone to come over to Aitutaki to explain these youth about the basics of tax and what they should pay to Government. A lot of our youth come here for further education and some of them start up a business. Some of them work for the Government and also private companies but they were never taught how to do tax at school. There are a lot of things that these people need to be taught. I'm not sure if this has been taught in Aitutaki but this is what I am asking, to come over to our island and teach these kids how to do these things.

As previously mentioned about BTIB and Agriculture working together, maybe MFEM should look into working together with BTIB so they can come over to Aitutaki and run a workshop. It is only right for us to teach these young people so that they are not taken by surprise one day that they owe tax. I don't see any problem because I can see a good Budget in this Vote Item which will increase certain areas in this Department.

We are all aware of the amnesty here in Rarotonga and also those in the Outer Islands, a lot haven't owned up and although we had a workshop in Aitutaki, some youth still have problems with their tax.

MR DEPUTY CHAIRMAN: Thank you Honourable Member. I can see on the Floor the Leader of the Opposition. The Floor is yours.

HON. T. PUPUKE BROWNE: I had indicated that I would have a section on questions which I would ask the Minister to perhaps clarify.

The amount on the Post Tax Amnesty works is about \$483,621. This is a substantial allocation towards an initiative that was carried out in 2018. Unfortunately, the reason for the allocation is not narrated in the Book. Perhaps the Minister can provide us with a narration for the large Budget spent for the 2019-20 Budget.

The amount allocated for the inter-island shipping subsidy is \$500,000. It is of interest that although Outer Islands' shipping has been subsidised, the barge service has not been able to carry on, is an ongoing concern. This should be a concern for us because a good portion of the \$500,000 subsidy went to the barge. I am certain that some of it also went to Taio Shipping. The loss of the barge service raises the question whether the subsidy is sufficient. A new shipping service through a Government-owned vessel also raises the question on whether the service can be sustainable without further Government cash injection in the form of subsidies. As we all know, affordable freight to the people of the Pa Enua is paramount in keeping the cost of living in the Pa Enua reasonable. Perhaps in your reply Minister you might wish to comment on that.

The Air New Zealand subsidy of \$12 million, I am aware that it gets raised every year however, it may be in the public interest to explain whether the benefits of the subsidy outweigh the cost.

On the ODA Funding there is no narration in the Book on the purpose of this funding. My question is have these funds been tagged and committed already or is there an opportunity for the community nationwide to get access to this funding. If so, how do they get access and the same goes to the India Grant Fund of \$680 thousand dollars?

I see for the first time that there is a section on Risk Analysis. I think that is a very good move forward in our Budget Books for 2019 and 2020 and onwards.

Now lastly Minister, the Table of Economic Opportunity Table 4.3 I get the feeling that Agriculture and other private sector initiatives are not considered as sectors that can grow the economy. Are we able to get a shot into the ten million to see what exactly the intention is?

Now lastly I did mention earlier that I was quite impressed with the people at MFEM. I forgot to mention one particular area that I overlooked. I had been talking with the vehicle people or the vehicle committee, I am not too sure what the Committee is called. This is about a decent vehicle for the Leader of the Opposition. I am pleased to say to the Minister that my correspondence with those in charge have been really excellent, very courteous, and very responsive.

I mentioned them in particular because I understand that they are making available a vehicle for the Leader of the Opposition today. So thank you very much. All jokes aside, I think we should pat our workers on the shoulder for doing well so that they can be encouraged to keep performing well and those of you who don't have a vehicle please don't interfere with the vehicle for the Leader of the Opposition. Thank you very much.

MR DEPUTY CHAIRMAN: Thank you Leader of the Opposition, I see the Honourable Prime Minister of the Cook Islands.

HON. H. PUNA: Greetings to you Deputy Chair and to all of us and all those listening in greetings to you all. I am not standing to answer the questions from the Leader of the Opposition to the Minister, the Minister is ready to answer her questions.

May I please be allowed to greet our nation? I bring you some good news concerning the child that was taken into custody in the United States and this child is now with two officers from Internal Affairs. We sent them over to Auckland last week and they now have this child in their care as of yesterday. The most comforting news is they are on the plane arriving very soon. So please can we excuse the Minister of Internal Affairs as he will be at the airport to greet them. That's our happy news.

Secondly, Marine Resources have told me there were questions from the public about the fishing boat that is anchored outside the reef in Avarua. Please hear us there is no cheap fish on this boat. You have the little boats that go out fishing, you need to go and see them.

As I explained earlier there is no problem with this boat but this is showing how much power we have with these boats sailing in our waters and it also shows how these people who own these vessels are showing respect for our laws. So all is good.

Mr Deputy Chairman, I rise to balance everything up. I am the Minister of Public Service and I have heard some comments made about weaknesses in our public servants. Please I ask of you that we don't speak of people that can't defend themselves in this House but I will try and defend them. It is right that there are few that needs to be spoken about but overall like everywhere else in the world there are a few that becomes bad apples.

But I am happy with what the Leader of the Opposition said about the staff of MFEM when they had their meeting. To me most of the public servants are like this. They go out of their way to please. But as experienced with our broadcast problems this morning maybe this is one area that needs to be improved. This is within my department so I accept that this needs to be improved.

I want you to know that most of the public servants they go out of their way to work beyond the call of duty. We see them working, even in this House and for me that is so typical. So please don't criticise the ones who are not performing because most of the workers are doing the best for this country. In support of that it is not just the public servants doing the work of our country. Sometimes the work is done by the private sector what happens to them who are not in the Government service, how do we judge them.

I remember the solar program by the Government especially in the Northern Group islands. This project started in 2004. I met up with all the landowners to ensure and ask for land and thereafter we will look at compensation in the Court. These landowners all agreed to this and Government did its part in setting aside money to pay them. The people have all the right to engage a lawyer to assist them in sorting out land issues. My concern is that up to today this issue have not been resolved and us the Government is being blamed for the delay. How do I deal with those that are responsible for the actual delay in sorting out this matter? I bring this example to us so that we are aware the problem is nationwide.

I ask you the question, what is the Government to do with those that are not in the Government sector? I will not mention names because they will know who they are. I stand to share this with the House and our people because we are debating on accountability and proper spending for our National Budget.

I believe our people listening in understand the depth of this thought. Thank you.

MR DEPUTY CHAIRMAN: Thank you Honourable Prime Minister. I see the Honourable Minister of Finance

HON. M. BROWN: Thank you, Mr Deputy Chair. I rise to clarify a few of the questions that was put to the House during the Committee.

Firstly, in regards to the Post Tax Amnesty Appropriation that was highlighted and this is an amount that was carried forward from this year. This amount goes towards

paying for the cost of the systems changes required in the computerised system that we use at the Ministry of Finance. As pointed out it is not a cheap exercise because what we have is a customised computerised tax system tailored to suit the Cook Islands and this is the feed that is required for some of the changes that came about from the tax amnesty.

But I have to say that the tax amnesty that we did was proved to be very successful. Most of the critiques of the tax amnesty were of the view that the Government would be foregoing tax revenue by providing this amnesty. The reality is Mr Deputy Chairman we collected more money than expected because it gave people the opportunity to take advantage of the tax amnesty and come forward and get their books in order and pay what was owing whilst they have the amnesty on the interest and charges.

In fact it was so successful that the tax department required to put more people on to be able to manage the influx of people who came in to take advantage of the tax amnesty opportunities.

The typo that was pointed out in the page 67, of Budget Book 2 is exactly that, there was a number 1 that was added into that which should not have. And the total amount should have actually read \$47,164,281million. I have been advised that our Ministry of Finance, staffed the budget team dedicating one person to go through every single one of these numbers to make sure that there are no other typos in the Books. And because they managed four different schedules that they will be going through and rebuilding all these schedules to address any sort of typo errors that may occur.

I am happy that the Opposition members all support the new output under the Ministry of Finance, Output 6 for Special Projects and Procurement Support. Because as the Leader of the Opposition correctly stated this should assist with ensuring we do not have any more situations like we did with the Te Aponga overspending on their powerhouse. Of course this overspend was the subject of a PERCA special subject and I believe the House has received that particular report.

But the lessons learnt from that particular project was to ensure that our State-Owned Enterprises do adopt the Ministry of Finance procurement and policies procedures.

In view of the Customs agencies and their work involved in Aitutaki there is certainly a review of the requirements for Aitutaki with the increase in cargo and containers coming through on the island. So, there is certainly better support and we will be looking at for assisting the single person in Aitutaki doing the Customs work. Because there is no doubt that business is growing in Aitutaki.

In addition the Revenue Management Division of the Ministry of Finance also has a new initiative for what we call tax outreach. And this is where we will have a team that will go out to the community and including the Pa Enua to explain the tax processes and explain to people how they can use this to their benefit.

So, we are looking at allocation over the medium term to help people out and in particular assist people with using the online services of the Revenue Management

Division. It will certainly make things a lot easier for people in meeting their tax obligations and understanding their tax obligations as well.

We can see the businesses on Rarotonga, where a lot of people who started small businesses now earn a significant income and buying and investing in equipment, vehicles and machines. And these small business have now grown to larger businesses where they now exceed the threshold for taxation so they need to be aware of this and need to know how they can take advantage of the benefits. And that is really what we want for our people, is to be able to grow their small businesses into productive businesses where they can make good incomes from the growth in tourism numbers that we have but also meet their obligations for both taxation and also borrowings.

Our shipping subsidy was mentioned as maybe an amount that is not quite enough. And maybe the reason for the demise of the barge operation here but these are two totally separate matters. From what I have been advised the barge owner have decided to sell his barge and take up retirement. The local partner was unable to take on the barge themselves and the Government came into the picture too late. To see if we could salvage the sale for ourselves but it had already gone ahead.

We can see the benefits of operating the barge in the Outer Islands, which is why Government have committed to put money aside in this budget for the procurement of something similar to ensure continuation of services. Certainly, we will look to continue the shipping subsidy right across the different companies that provide the service to ensure firstly the priority is a regular shipping service to the Outer Islands and in particular to the Northern Group islands.

We know the difficulties of shipping companies who cannot maintain a regular schedule because they wait until a full load of cargo before they go. It is Governments view that if we can cover the cost of the operations to the extent that they can have a regular service regardless of how much cargo they have on then we will stimulate more economic activity and make life easier for the Outer Islands.

Therefore, I look forward to the continuation of the shipping subsidy and to the improvement of the shipping subsidy to really get the desired outcomes that we want. In terms of the airline subsidy, Members will be aware that we have had a number of studies done every year to determine the efficiency of the airline subsidy that we have been having now for 8 years. And while certainly the airline subsidy demonstrates that the viability of these routes is not commercial. The economic return of those tourist who spend their money when they do hit the ground here more than compensates for the subsidy that we provide.

Again, this is a process that is analysed weekly by our team at the Tourism and also at the Ministry of Finance to ensure we can tweak marketing efforts to try and reduce the required subsidy amount for each flight that comes through to the Cook Islands every week. And of course the direct beneficiaries of these subsidised flights are those I guess the hotel operations, one that directly benefit from customers or people from these airlines staying in their hotels, resorts and holiday homes.

I know the question has been asked about whether they should be making a contribution towards this subsidy as well. No doubt we will hear more about this in further debate.

As to why the economy in the Cook Islands is doing so well, is because the rest of the world is doing well. Certainly, and that is the reason why we have been able to invest in upgrading infrastructure and why we have been able to put aside this year \$56 million into our Stabilisation Fund because we know the economy moves in cycles and as it goes up, it must inevitably come down. But one thing that the Government has done is in its policies for tourism and investment, that when the economy is doing well our policies ensure that we do as well as we can, to make sure we are doing better than well which is why we are in such a good position today and despite the writings of the Democratic Party Economic Adviser's letter to the paper today, the Government's policies and economic policies and models are very sound. I am asking the Members of the Opposition that since your budget has been increased please purchase some nice clothes for your Economic Adviser so he doesn't have to wear a T-shirt every day.

In terms of the ODA questions, yes, a lot of the ODA has already been tied or tagged on to specific projects. However, the public and the community would be well aware of some of the ODAs such as the India Grant Fund and the Japan Grant Funds which are available to community groups to apply for.

In fact, if we have a look at the ODA program this year, we received development assistance from close to 20 different countries and agencies that provide funding right across the board.

Aside from the ODA funding, Members will also be aware of the Cook Foundation which is available through Parliament for grant funding to your constituency groups. So for the China and Japan funds, those funds have been committed. The applications have already been approved and funding was released for the 2019-2020 year and I know that both the Governments of Japan and India were very pleased with how their funds were administered and implemented here in the Cook Islands and are looking to increase the Japan funds in particular to increase the amounts out to be made available to community groups.

Remaining with the funding from Japan, I spoke earlier about the allocation put forward for the barge which is an immediate requirement. However, we have had discussions with the Government of Japan to look at a custom-built inter-island vessel for the Cook Islands for domestic shipping and there is an allocation of \$250,000 for the design and scoping work that will need to be done to get the final design of the vessel.

Mr Deputy Chairman, I think that brings to the end most of the questions that were asked of me. Oh, and the question about the vehicle – yes.

It was a statement, was it?

As part of the Government's policy for the electrification of our vehicles, the first four electric vehicles for the Government have arrived and should be available to the

Cabinet Ministers this week and it is the intention that as vehicles are replaced that they will be replaced with electric vehicles and we will need to work hand in hand with the Te Aponga to look at policies to encourage the electrification of vehicles. This includes different pricing for using electricity to charge your vehicles and also looking at options for charging in public parking areas and working with our private sector vehicle importers on sound policies that will encourage people to move towards electric vehicles.

This month – July coming up – a big conference will be held for the Pacific Power Associations which the Cook Islands is hosting. I can see Te Aponga has already started to get out there and upgrade the lighting system through our villages. I have to say that the coloured lights they have had on over the weekend to welcome the Marumaru Atua looks really terrific.

Thank you Deputy Chairman.

MR DEPUTY CHAIRMAN: Thank you Honourable Minister.

Honourable Members, I now put the Question.

The Question is:

That the sum of \$21,223,417 for Finance and Economic Management stands part of the Schedule?

Motion agreed to

FINANCIAL SERVICES DEVELOPMENT AUTHORITY:

The Question is:

That the Sum of \$530,571 for Financial Services Development Authority stands part of the Schedule?

The debate for this Vote Item is limited to one hour. Do we have any energetic speakers?

I see the Honourable Member, Tina Browne.

HON. T. PUPUKE BROWNE: Greetings Deputy Chairman.

Yes, I am an energetic speaker and I would like to contribute to the debate on the allocation for FSDA.

If you would allow me, Deputy Chairman, I think in respect of this particular Ministry it is important to put us in some sort of context because at the end of my message, it is not clear to me whether or not this Ministry should remain as a marketing tool for the Cook Islands or whether it should be part of another Ministry.

Now this Authority was established in 2009 pursuant to the Financial Services Development Act of 2009. This followed a review and a recommendation made by an expert of the offshore industry, Steve Breed and we know Steve Breed is married to a Cook Islander and he used to live in the Cook Islands and in fact when he first came to the Cook Islands he worked with me. That report noted that many countries had Government-funded marketing arms for their financial service industries. The Cook Islands had none and yet in the Cook Islands we had BTIB. We had the Pearl Authority and then we had the Tourism Corporation, all marketing arms for those industries.

But Government had not established a marketing arm for our offshore financial services who at the time we thought was going to be a major revenue earner and we know that all the CEOs of FSDA have been lawyers. The first one was Jennifer Davis, the granddaughter of Sir Tom Davis and then this was followed by Tamatoa Johnassen. He's now the Secretary of Justice and now I understand we have an Acting – and the Minister can correct me if I'm wrong – an Acting CEO in Alan Taylor. There is a Board made up of the Financial Secretary, the Commissioner of FSC, a representative of the Banks and Insurance Companies and a representative of the Trustee Companies.

We also know and I am not sure whether Mr Minister has appointed a new Chairman but that Chair was Brian Mason until recently.

Many in the industry have had mixed feelings about FSDA and their role. Some companies held the view that the marketing of their companies should be left to them while others say it is important that FSDA be the marketing arm to give us a profile, to give the Cook Islands a profile internationally. And of course there's a good reason for that because the companies have a loyalty to themselves and not to our country and so it made good sense that we had FSDA being the marketing arm of Government.

Now over the years and for reasons I will go into we have seen a decline. We have seen workers or companies close down and move offshore. For example: Southpac Trust now have only three staff and Portcullis Trustnet are pretty much pulling themselves out as well. I understand that they will retain a presence but only in name and of the bank HSBC pulled out a few years ago and the rumour is that ANZ might follow suit. We know of course that Westpac pulled the plug and was substituted by BSP.

Despite the best efforts of FSDA, we see a decline in this industry. Now there are a number of reasons why. Cook Islands have never been a big player in the offshore market and simply don't have the resources that other bigger countries have. However, it has brought home or kept in the jurisdiction high paid qualified Cook Islanders and used to add a diversification to a tourist dependent economy while also being an environmentally friendly industry having no associated waste product from its activities.

However, on the other hand it has damaged us internationally. We had a bit of a blow a few years back which damaged our reputation and there has been enormous international pressure for us to fix it and we've had the eyes of the international

regulators on us for a few years and we recall that was why the Financial Supervisory Commission was established and a lot of legislation to monitor anti money laundering and proceeds of crime laws.

MR DEPUTY CHAIRMAN: Thank you Leader of the Opposition. I can see the Honourable Member for Matavera Honourable Vaitoti Tupa.

MR V. TUPA: Thank you Deputy Chairman for the opportunity. I stand here to comment on the appropriation for this Ministry. I can see there is an increase of \$100,000 and also maybe a new Director for this Office. I want to talk about the work that he does. I have a question as previously mentioned by the Leader of the Opposition as mentioned the advantages and disadvantages.

I have a question for the Minister of Finance in terms of the advantages and disadvantages, what happens if Government decides to close this down, do we have any other ways in supporting the agencies connected to this department. When we look at the type of work they do, mainly to promote and market our financial situation. This is what I want to bring up because we need to have a look at the problems we are facing as mentioned. So what we are asking here is what if this does not happen anymore how are we going to look at this to ensure that we do not repeat from what happened in the past.

I believe that this is a very important area in particular looking at the Bill and I believe the people working in this department are Cook Islanders and I believe the knowledge they are gaining from these experts from within the department is giving them knowledge about the job they are doing. These are the two major questions that I am asking what if this company finishes and what are we going to do.

There was one incident when we were blacklisted and we tried to find ways and means so that this will not happen again. I myself do not want us to get into that situation again. At that time when I was working in Government our name was not good. There was money being sent into the country and there is no tax paid. This is all that I wanted to talk about because I know there is a good side and also a bad side but to me we should find ways and means to correct the wrong side. We should follow the good side and the difficult side we want to correct that so we do not go backwards but rather go ahead with the good work that the country is doing.

Therefore Deputy Chair those are my thoughts on this Appropriation, thank you.

MR DEPUTY CHAIRMAN: Thank you Honourable Member. I see the Leader of the Opposition, the Honourable Tina Browne.

HON. T. PUPUKE BROWNE: Thank you, Deputy Chairman. I should add to the last bit of my message.

The Cook Islands is evaluated by the Asia Pacific Group, and its mutual evaluation report issued last year, resulted in the Cook Islands being rated one of the best performing jurisdictions in the world. So, in a way we got out of that first problem that we were in.

I think there were two other happenings that impacted on our performance after it was revealed that UBS actively conspired with the US citizens to avoid tax, the US passed the legislation known as FACTA that requires financial institutions around the world to disclose financial information on US citizens. That information was to be disclosed to the Inland Revenue Service in the US.

Failure to comply results in those institutions being unable to trade in the United States. So, all the banks and trustees here have signed up to that. The Minister of Finance will agree with me that both the FATF and the FACTA have come with an increase in administration costs.

Following the factor their common reporting standards – CRS, was initiated by the OECD. There are about one hundred and thirty countries signed up to this including the Cook Islands. It really is about FACTA except it's on a much higher level. What this means is that, all countries will share information about each other's clients. I understand the whole system will come on livestream and that it has required a considerable expense by MFEM to download into software. But the benefit is that, it will give MFEM information which will help it determine if people residing on our island are avoiding taxes by having funds in trust or entities overseas.

And the next thing that has impacted on the revenue earning capacity of FSDA, is the EU initiative on harmful tax havens. This is controversial as I believe the EU has been accused of hypocrisy. Anyway my understanding is that the Cook Islands has determined that up to a point it will cooperate.

Now, the next effect of the EU initiative is that MFEM will see quite a bit of additional revenue. The EU is insisting that international companies be taxed and this is likely to occur. However, it does have a downside, it may mean that people overseas move to other jurisdictions and financial services industry may decline further.

Now the FAC as I understand has largely said, in relation to FACTA, CRS and EU initiative, that it is not their business. So, if there is a suggestion that this department be moved under FAC, I think there might have to be some change of law because the role of the FAC is quite different from when it was initially established.

So, FACTA has pretty much taken the lead role in responding to the demands from international agencies, in fact I don't believe that we would have stayed off the blacklist if the FSDA have not been there.

What a lot of us do not realise in my view is that, these matters that FSDA are doing needs to be done anyway. For example, Fiji has no offshore jurisdiction and in a big battle with EU which wants Fiji to get rid of its low tax incentive for foreign investors in the first five years of investment.

Now, Fiji is not lying down and dying. Fiji also accuses the EU of hypocrisy because a similar incentive applies next door in French Polynesia. There is also the issue with the funding the marketing is flogging a dead horse. Should the offshore industry be treated like the pearl authority, i.e. the continued use of taxpayer's money, is that justified?

MR DEPUTY CHAIRMAN: Thank you, Honourable Member. Our Parliament is taking a short afternoon break.

Parliament is suspended until 3.30 p.m.

Sitting suspended at 3.00 p.m.

Sitting resumed at 3.30 p.m.

MR DEPUTY CHAIRMAN: Please be seated.

Greetings to all of us again in the name of our Lord this afternoon.

We will resume in Committee and I recognise on the Floor the Minister of Finance.

HON. M. BROWN: Thank you Mr Deputy Chair.

The Leader of the Opposition raised a valid question about whether the appropriation for this amount of money for the FSDA is valid. This was a question I asked myself last year. So in order to help make a decision on whether we will continue to fund the FSDA, the best thing to do was hold a forum of the industry members and this was held in February of this year and the question was posed to the industry members – these are the trust companies, the banks, insurance companies, anybody involved in the finance sector – should the FSDA continue to function as a marketing arm of the industry and the answer overwhelmingly was yes, it should. So the next question was what can the Government do to improve the functions of the FSDA?

So, the outcome of that particular meeting was if the industry wants the Government support for this sector, then the industry itself must step up and take much more of a lead role in terms of the marketing and promotion of our jurisdiction. What we agreed on Mr Deputy Chair was to reduce the amount of Government representation on the FSDA Board and increase the number of industry representatives on the Board.

Therefore, I will have coming before this House for an amendment to the FSDA Act, a change to the Board composition. There will be two persons appointed by the Trustee Companies Association and there will be one person appointed by the majority of licensees holding bank licenses, the Chief Executive Officer of the FSDA and one person appointed by the Minister who shall be the Chair of that Board.

As the Leader of the Opposition pointed out, this industry has been going through difficult times going back to its first inception back in the '80s and despite the Leader of the Opposition saying that we are not a big player in the financial sector, we were certainly the first jurisdiction to enact international companies legislation, legislation which was copied and enacted in various countries right around the world through the Caribbean, Asia and in the Pacific as well.

And as rightly stated, we came through the blacklisting period back in the '90s which caused us to change a whole raft of legislation to meet international compliance requirements and also establish the regulatory body which is the Financial

Supervisory Commission. As rightly pointed out, we recently undertook a mutual evaluation of our jurisdiction by the OECD's – what was the acronym again – it will come to me – APG – Asia Pacific Group and our Mutual Valuation Report released late last year stated that we were the highest amongst one other country in terms of our compliance and our legislation within our jurisdiction, higher even than New Zealand and Australia.

So, it was with some dismay when we received news of a threat to be put on the European Union blacklist. However, we have sent a message to the European Union that we will comply and they have given us a deadline of the end of this year to try and change our legislation on one aspect which is the different tax rates for domestic companies and international companies.

There are a number of countries in the Pacific that are already on the European blacklist, namely Fiji, Samoa, Marshall Islands and Fiji's blacklisting is because of its foreign investment taxation policies where they provide tax holidays to foreign investors building hotels or investing in factories in Fiji and the Fiji Government has been very vocal in the actions undertaken by the European Union saying its tantamount to interfering in the fiscal policy decisions of a sovereign country.

At the Finance Ministers' Meeting of the Pacific countries that was held in May this year, the Pacific Finance Ministers agreed to send a collective very strongly worded message to the European Union about the actions that they have taken on member countries who have been blacklisted and are threats for blacklist on those other countries if they do not comply with their demands for changing legislation. Because the Pacific country Finance Ministers feel that what the European Union is doing there's some hypocrisy involved.

While they insist on Pacific countries changing their tax incentive regimes, we have an example of French Polynesia – a French Territory, part of France – who applies what they call a de-fiscalisation policy to any investment in the tourist sector where the Federal Government from France will fund them up to 60 per cent of their investment.

We have a member country of the European Union who undertakes investment policies which are very similar to what Fiji is doing to promote foreign investment into their country, but demanding that our countries change our rules to follow suit. And the thing that the Pacific member countries are most upset about is the low level of consultation with member Governments. These are decisions undertaken by the European Commission and imposed on the relevant tax authorities in our individual countries and it is seen as nothing more than a blatant attempt to bypass the political process that we have and go straight to the authorities and threaten them with blacklisting unless they change their laws.

The last time our country was required to change its legislation, there was exhaustive consultations and there were various mechanisms used to try and prove that our jurisdictions will comply and these included our country signing tax information exchange agreements with other countries. As the Leader of the Opposition stated that with American authorities we have an obligation to report any American company or individual that registers in our financial jurisdiction here to the relevant

authorities. We also have the same agreement in place with the Australian authorities, and our suggestions and requests to the European Union that we would be quite happy to do a similar exercise and agreements with them.

We are well aware that the world now, it is very difficult to run away from your tax obligations regardless of what country you go to. As a good global citizen, the Cook Islands is willing to do its part. However, what the EU proposes will see potentially the closing down of the financial services sector in our country and even though it is a small contributor to the national GDP, it is still a valuable contributor to our gross domestic product. Diversification of the economy as pointed out by the Democratic Party Economist in today's paper is very important.

The Government is very committed to finding ways to assist our industry to look at keeping this business afloat, because as pointed out, it does provide employment for highly skilled, highly paid Cook Islanders in the finance and legal fields and certainly with the growth in financial products that we are seeing now being provided by companies, the future does look bright for this particular sector. So combined with the introduction of the Manatua Cable and high internet service and the emergence of our Seabed Minerals sector in the future years this sector in finance will become very, very important.

While we are doing our bit to restructure and redirect the FSDA with a new Board composition, we will also be advertising for a new CEO for the office but between now and December of this year the office will be very, very busy with a range of compliance and new legislation that needs to be drafted up and after discussions with other Government agencies such as the Revenue Management Department, the Financial Supervisory Commission, the Ministry of Finance and the Ministry of Foreign Affairs we have directed the FSDA to take the lead role in the development of legislation hand in hand with the other agencies that will be a critical part of this legislation.

I think if we look to the future as I said as a country that is changing and evolving we have to look at new ways of doing business and in this particular sector, I suspect that we will have to start looking at new ways of doing business in the finance sector. Thanks Mr Deputy Chairman.

MR DEPUTY CHAIRMAN: Thank you Financial Minister. I now put the question. You have the Floor.

HON. T. PUPUKE BROWNE: Thank you, I will take two minutes.

I just wanted to conclude my message on this allocation. I take on board the explanation given by the Deputy Prime Minister. My final paragraph is that having cast some options to this House, the Opposition's view for the coming financial year the FSDA should be funded for two reasons, one because it is the wish of the industry but more importantly the pending amendments to the Financial Services Legislation which have to be in place by I think the end of this year to satisfy the EU criteria.

I think all of this will probably at the end of the day will pretty much determine whether the industry will be returning an improved revenue or the whole industry is

going to gradually fade away. But of course in practical terms it's likely that both will happen. Initially the revenue might increase but by that very fact clients will start moving elsewhere.

And on that note, we support the Appropriation Bill. Before I sit down, when you mentioned the Democratic Economist, I quickly went to the Cook Islands News to see who it is. When I read his article, I think it is an excellent article, and the Prime Minister will know he is an excellent economist because they come from the same island. Thank you.

MR DEPUTY CHAIRMAN: Thank you Leader of the Opposition. Honourable Members, I now put the Question. The Question is:

That the sum of \$530,571 for Financial Services Development Authority stands part of the Schedule?

Motion agreed to

FOREIGN AFFAIRS:

The Question is:

That the sum of \$2,776,521 for Foreign Affairs stands part of the Schedule?

The debate for this Vote Item is limited to one and half hours. I can see the Honourable Member for Matavera, Honourable Vaitoti Tupa.

You have the Floor.

MR V. TUPA: Thank you Deputy Chairman for the opportunity to speak. Deputy Chairman I had some doubts on the allocation for Foreign Affairs but when I saw the staff members here I changed my mind because they are all from Matavera.

I say greetings to the staff from Foreign Affairs, the Secretary, the Head of Immigration and all staff members' greetings to you all.

Deputy Chairman, if we compare this figure to last year's figure I say thank you to the Minister of Foreign Affairs and also to the Minister of Finance for this allocation. The salary for personnel has increased to \$414,838 and the operation allocation has increased to \$260,950. This is a large increase and I do believe this is an appropriate amount to help Foreign Affairs carry out the work they need to do.

However I'd like to point out a few things this afternoon. We understand the work they do between our Government and that of New Zealand and also Australia. We understand there is still some work to do and may be the Minister of Foreign Affairs and Minister of Finance need to look into again. The difficulties that our youth and people in Australia and New Zealand are going through. The issue of deportation especially in Australia where when you get out of jail they deport you back to wherever you come from. The issue here is when they return here, what we can do, this country is too small.

This happened in the last few months in our country. We have heard of one of our sons was deported from Australia and some problems have arose here in our country. I do believe this is not just the problem with Foreign Affairs but it also includes the Cook Islands Police. I do believe there is an issue here with our relationship with the Government of New Zealand and that of Australia. I do believe that Australia is looking at whether to bring a Diplomatic Representative here into the country. I believe this is a good thing to happen. It is my belief that if an Australian Diplomatic office is established here we can work closely both with Australia and New Zealand at the same time.

That is my issue to raise with the House, our relationship between these two countries and how are we to iron out this concerns?

MR DEPUTY CHAIRMAN: Honourable Member I have to interrupt you. Can you come back to the Vote Item?

MR V. TUPA: Thank you, Mr Deputy Chair. I would like to talk about the allocation for these two Government ministries, Foreign Affairs and the Immigration. I believe the allocation for the salaries and wages of the staff in these two ministries are appropriate.

Coming back to Immigration, I believe this is one Government agency that we need to strengthen especially the foreigners coming into our country and the issuing of permits to staying here. We need to improve these areas of our Immigration policy. The allocation is sufficient and appropriate the payments of the staff in this agency.

I see that there are Bills to be made for the Immigration. These Bills should be discussed with our people so that it will reflect what the people want. The Ui Ariki also should be involved in the formation of this Immigration Bill. I would like to ask the Minister responsible for Immigration to consult the people not only on Rarotonga but also in the Outer Islands on the Bill for Immigration both in the South and North. This is very important for our people as we are now bringing a lot of foreign workers into our country.

Not for us to be concerned about foreign workers but also our people in the Cook Islands. Some of our people are bringing in foreign workers to compete with the neighbours. I know that some of people are getting caught with this foreign worker arrangements. Maybe this also concerns the BTIB as some of these foreigners have business here and I am not sure how they came about this arrangement.

These are my views on this Appropriation and I fully support the increase in the Appropriation for Foreign Affairs.

MR DEPUTY CHAIRMAN: Thank you Honourable Member. I now recognise the Honourable Prime Minister, Honourable Henry Puna.

HON. H. PUNA: Thank you Chair, Kia Orana to you and all Honourable Members and to our people listening to our broadcast.

A very special welcome to the Secretary of Foreign Affairs and her staff. Yes, they might be here to put pressure on the Member for Matavera to support the Budget as he had already done. But I am sure they are here to provide any answers to any queries that Members might have for them.

Like the Ministry of Education, the Ministry of Foreign Affairs and Immigration supports their budget but that is not all. For them the increase of over \$400,000 to their budget is a welcomed relief. But much more investment needs to be made into this Ministry if they are to discharge their responsibilities fully.

I know the important comment made earlier by the Leader of the Opposition in terms of public servants giving value for money. We all agree with that and I am pleased to say that this Ministry is a shining example of that. You see when we look at the history of our little country over the pass fifty years. We can see how in terms of our diplomatic partners and friends in the world that has grown from one to over fifty now. And yet the amazing thing is the number of personnel in the Ministry of Foreign Affairs has not grown correspondingly with those years and growth, which means that they have been working well over and above their call of duty.

It is not surprising that there recently has been a high turnover of staff, because these officials, particularly those responsible for international matters, do travel too much at the expense of their families, their partners and love ones. Ultimately, that takes a toll but for most of them their remuneration has not been reviewed upwards. So, I am really pleased that in this budget a significant step has been taken to address and redress that.

I know that for the Secretary of the Ministry, the demands on her time and energy have been overwhelming. Not just with the call of duty from domestically, but also because of the leadership qualities that this country and she in particular have shown in the time she was in charge of Foreign Affairs that she can bring to the region. I do feel sorry for her, but work must go on because life goes on. But thank you.

In terms of Immigration, we know that this is an important part of the Ministry because Immigration does not only cater for the security of our country but it also has to be involved in economic development in terms of bringing in labour that is appropriate for our needs. At least, ensuring that such people are brought into our country.

Honourable Members, there have been challenges with Immigration and if I am honest I have to say that our business community is to blame for most of the problems that is to do with immigration. In a way I appreciate why they do that because that is part of business but it does pose problems and difficulties for our Immigration service. I know that our business people are aware of the Immigration rules and processes that must be complied with but I think they know these too well because they have become very adept and very smart at circumventing them.

I just want to remind our people that while we are getting away with these in the short term we are actually creating problems for our long term but I am pleased reading through the briefing notes that Immigration review has been undergoing over the last couple of years and that they are going through the second draft of the new

legislation. We expect by the end of August, they should be in a position to finalise the draft so that I can bring the new Bill at our next sitting.

Honourable Members, we need this review to our Immigration system. We cannot be just carried away with the economic boom that we are enjoying and not bother about our borders. We need to ensure that there is proper planning and a proper balance between the security of our country not just for now but into the future and our economic wellbeing at the same time. And I look forward to your support when the Bill comes before this House.

In terms of our international personality, this small team of workers within the Ministry are punching well above their weight. We might think the Ministry of Foreign Affairs and Immigration does not have any connection with the economic wellbeing of our country. I want to tell you that they are largely responsible for the \$60million in AID that comes into this country every year because that is a function of the diplomatic relationships that we enjoy with all our diplomatic partners. So the Ministry has a very important economic function and when we look at the benefits they are bringing into the country I am sure we can all agree that they deserve an increase, in any remuneration that they receive.

I am pleased that just recently, we signed our Diplomatic Joint Communique with the UAE – United Arab Emirates. These countries include countries like Dubai, Abu Dhabi and they are very rich and we are fostering that relationship so that we can start receiving some benefits from our friends. In a month's time I will be signing our joint communique with the Government of Indonesia in Auckland. Indonesia is one of the biggest and most powerful countries in the Pacific, in our region and I know a lot of our business people who already do business with Indonesia.

So our relationship on the international front continues to grow, and thanks to the hard work of our Ministry of Foreign Affairs and Immigration.

In terms of our relationship with New Zealand and Australia, it could not be in a better place than where it is now. Our relationship with New Zealand in particular is very close and very warm and of course we all heard that Australia wants to open up a Diplomatic Office here in Rarotonga and I did not hesitate as Minister of Foreign Affairs to support that as soon as I received word from the Prime Minister of Australia.

So, in summary, the Ministry welcomes this excellent Budget. They are here to show their support and to eyeball you in case you have other thoughts. But I would appreciate our support for a hardworking Ministry who deserves all the recognition and support that they deserve.

Thank you for your support.

MR DEPUTY CHAIRMAN: Thank you Honourable Prime Minister.

I see the Honourable Member for Ngatangiia, Tamaiva Tuavera.

MR T. TUAVERA: Greetings everyone, in particular to all our staff from Foreign Affairs and Immigration – Kia Orana.

I am the same. I am in line with your thoughts Prime Minister, as well as my friend next-door to me. Because we were just talking about our relationship between New Zealand and Australia and I just want to touch on workers being brought into our country and in particular rugby players from overseas. I feel sorry about the Head of Immigration, Kairangi because she finds it difficult to look for funding to return these people back to their homelands. In this Budget, it doesn't show an area to support this.

Maybe this is a duty for the Minister of Finance and as well for the Minister of Foreign Affairs to look into this. I am pretty sure Kairangi is more than happy for the Sea Eagles because when we bring people from outside we pay for them and we pay for their return fares and that's why we are the champions. This is my concern here because I feel sorry for Immigration in this situation.

My other worry is, people being brought in and they have broken our laws and charged in Court. When they are brought in, they have to sign a contract between them and the employer. Once they signed the contract and they break the law, it is the employer that is responsible to pay for their return fare. At times, this does not happen. At times they move to another person or another employer and work for them. We have a person working for Nooroa Baker. He broke the law and was repatriated to where he came from, and a month later, he returned and worked for another employer. Nooroa Baker was worried and he went and approached the Immigration Department. I wasn't too sure whether it was a successful meeting.

I take note of Output 4. I will leave this matter to the Ministry of Immigration, but I am worried because they do not have any Maori name. We have Maori names for other Ministries but them. I am looking at the Prime Minister, if he can employ our Accountant in here to give them a Maori name.

Output 4 5.2: Returned Services Association - \$5,000 every year. Is this how much your Returned Services are worth to our country? In the year 2017 I brought in 250 personnel from the Returned Services. Of course, I did ask for money for that purpose. This was a special Anzac commemoration in our country and I can vouch that they did spend a lot of money while they were in our country. I am not too sure whether we are going to continue with it because that was quite a huge allocation of money to organise this.

This is what I want to talk about Mr Deputy Chair. I strongly support the Budget. Thank you.

MR DEPUTY CHAIRMAN: Thank you Honourable Member.

I see the Honourable Member of Parliament for Teimurimotia, Selina Napa.

MRS S. NAPA: Firstly, greetings to the Secretary of Foreign Affairs and your staff. I've been trying to think what to talk about on this Vote Item, but when I saw you all in blue, it's all Teimurimotia and you all look great in our Gallery this afternoon.

Firstly, I would like to acknowledge the Minister of Foreign Affairs and of course the Minister of Finance for this area and for the allocation for Foreign Affairs and Immigration. I haven't much to talk about but I just need to know a little bit more on some areas. I note here there is no allocation, in particular the area reviewing Permanent Resident status. This is one of the areas that has been looked at again and I am inviting the Minister for us to go through again the reviewing of the Permanent Residents. Therefore, if there is an allocation for this area I just want to ask you to look at screening in the community at large as well.

I would like also to touch on our office in Wellington and Auckland. I would like to acknowledge all those who have worked in the office in Wellington and of course all the assistance they have provided to our own people in Wellington as well as us Members when we are in Wellington. But when I look in the Book I do not see any appropriation for the Consulates but may be this is in another section of the Book and there is no clarification of the Budget allocation for the Auckland Office and Wellington Office and if the Minister of Finance is saying that we want to be transparent, I am not quite sure what is wrong with indicating the budget of these two consulates or do they fall under the Diplomatic Corp that they cannot be shown to the public and to us here in Parliament.

I have no further comments on the Budget because I fully support the Bill. I also acknowledge the hard working staff of Foreign Affairs and Immigration.

Before I sit down, I wish to mention the ten thousand dollars support for our Cook Islands Student Association Support in New Zealand, particularly in terms of our cultural activities that our children are involved in which is an area we encourage our children to take part in.

One area that I did not see that was requested at a Parliament Sitting last year, this is when the former Member of Parliament, Tehani Brown, requested for Government assistance to our Cook Islands students studying in New Zealand, and residing in unsuitable living conditions which hinders their studies. When she directed this question to the Minister of Finance, the Minister told her that the Government will look at this but I do not see that in this Book. Kia Orana.

MR DEPUTY CHAIRMAN: Thank you, Honourable Member, I see the Leader of the Opposition, Honourable Tina Browne.

HON. T. PUPUKE BROWNE: Thank you Deputy Chairman. Greetings to all of us this evening, to those of us in the Gallery, to the Secretary of Foreign Affairs and Immigration, Kia Orana. To the head of Immigration, Kia Orana and your army you brought into the House, greetings. I am proud that here we have another example of women leading a Ministry.

We had the presence of the Head of Education, the other day and that was another proud moment for us the women of this country and I am hoping that other women who are equally skilled will step up.

I rise to give a small contribution to the allocation for Foreign Affairs and Immigration. I will basically be talking about more so Immigration than Foreign Affairs because I think the areas that I am having some difficulties in is Immigration.

But before I proceed, I wanted to ask the Minister the pages on Ministry of Foreign Affairs and Immigration do not include a staffing for Immigration. Is there a reason for that? What I am looking at which is at Page 98 of Book 2 is the staffing for Foreign Affairs and the reason why I asked that is because when I look at the allocation for Immigration and that's at the top of Page 96 the amount allocated for personnel is 328,884 and the gross operating appropriation is 364 and when I work out the ratio that's about 90 percent of that budget is on personnel. And then when I look at the operating, the operating for that is 27,000 approximately. That works out to be approximately just over 2,300 a month and unless I am mistaken that pays for stationery, for power bill, for all the stuff that is necessary to run an office.

It is difficult for me to have a closer look because it doesn't show a staffing, unless I am looking in the wrong place. Maybe when the Minister in his response can perhaps take me to the right page.

Now, I also note at the bottom of Page 91 it's recorded there as a Significant Achievement and Milestone and at paragraph 2 it talks about advancement of the final drafting instructions for the new Immigration legislation.

Now I am aware that this legislation has been in the making for some months now. I am aware that huge amounts of work has been put into this legislation. In my lawyer life, we have made a contribution to the discussions on the draft legislation. If the legislation was passed during this sitting, I would call that a huge achievement and a milestone. The announcement from the Prime Minister that we are likely to see this legislation in August gives me a little comfort because this is a legislation which should in my view provide a pathway for non-Cook Islands investors. The fact that this legislation is taking a long time to come to Parliament has provided lawyers a huge challenge because the uncertainty of what the advice you are giving to our clients. So I would urge the Minister if we are looking at August then that is an excellent step towards a milestone.

Now coming back to page 96, I am not sure whether the Head of Immigration is happy with \$27,000 as operating cost that is not a huge amount by anyone's standard. I am wondering whether that maybe one of the reasons Immigration cannot photocopy passports because they have not enough stationery. My message there is, I wonder whether there is sufficient funds in the Budget allocation.

I move on to talking about contracts arising under, now it's a combination between Immigration, Internal Affairs and maybe Crown Law Office. I am referring here not to the contracts.....

(Honourable Leader of the Opposition interrupted by the Deputy Chairman as her speaking time has expired)

MR DEPUTY CHAIRMAN: Thank you, Honourable Member. I see the Honourable Member from Amuri-Ureia.

MR T. MAOATE: Thank you, Mr Deputy Chair. On the appropriation for the Ministry of Foreign Affairs and Immigration. As mentioned by the Leader of the Opposition there is a Budget here and an increment but the question remains is it enough.

I have discussed the matter of Permanent Residency with the Prime Minister and I am satisfied of what he did in Aitutaki when he accompanied the Deputy Prime Minister of New Zealand to Aitutaki. When he looked into the case of those who had problems on this issue. However I do believe there remains others out there with these problems. An old lady explained that she had this problem for over six years since she came into the Cook Islands.

These people married locals and have settled in our country. Some have been married to their local spouses for over ten years. Over the years and maybe the changes in the Immigration staff at the airports this becomes an issue and they were treated as if they have no relation or connections to our country. Some have received their Certificate of Permanent Residency. Although when you consider some of them should not receive the PR status it maybe the amount of investment they have done in this country.

I would like to make a plea to Immigration to make use of this Budget allocation to help our people in this area. The question is who we are going to support. Like the Prime Minister was saying that he will be travelling overseas this week so I ask you to chase him down to approve your Budget.

Regarding foreign workers being brought into our country. It is a common complaint by our people that we should employ our own people. We should leave the money to help our own people here and we have supported this notion for many years. Our people seems to have an attitude that when you give their hours of work they tell you exactly what the work hours you should be assigning them. The menial work like cleaning or picking the rubbish and ones that does not need a university qualification for this. When you consider the Outer Islands there are not many people on these islands most of the people have come to Rarotonga or to New Zealand and Australia.

This situation have discouraged our people from expanding their business. Time is changing things on the island of Aitutaki we are starting to bring on the island foreign workers and there are people trying to prevent this. Many are seeking employment with Government. Many private sectors are paying way above the minimum pay rate. And still our people do not want to come and work. To work the hours of 30 to 40 hours per week. I believe some wages on average are paid \$10 dollars an hour but still our people want to work for Government. I am not talking of the future but of today.

I am encouraged by the allocation for this Government agency because it will help them make it easier to our local business to bring in foreign workers. You have your allocation but please don't be like another Government agency at first they were happy but came back and complained that they did not have enough. Thank you.

MR DEPUTY CHAIRMAN: Thank you, Honourable Member and I see the Honourable Leader of the Opposition, Tina Browne.

HON. T. PUPUKE BROWNE: Thank you, Deputy Speaker. I stand to finish my message on this Allocation. I want to speak on the issue of our foreign workers. I am not talking of our contract workers here on Rarotonga but of those that are working in the Northern Group.

These contract workers were not brought into the country for working on the pearl farming in Manihiki, Rakahanga and Penrhyn. My problem is that the template for recruiting contract workers for Rarotonga was used for those going up North. And the template for recruiting contract workers for pearl farming was also used in this process.

For example, in Rarotonga the working hours are 8 to 4 but one works for pearl farming those are not the hours, it is 8 until whenever the work is finished for the day. It was difficult for the Government to consult properly these contracts. I was of the belief it is because they do not know what is involved in the work on a pearl farm. Here is my request if there are contracts to be processed by Immigration please include the type of work in the contract and the island the person is going to. In other words let us be flexible and sensible.

A recent example where common sense was applied and things went through smoothly. This is the example, this lady works on a pearl farm in Manihiki. We understand lately in Manihiki the pearl farms are not thriving and the work on the farms are reduced for many reasons. There was a need for someone to work at the local hospital as a cleaner. It was difficult for Immigration, and Health to work through this little job. I am pleased and I would like to thank Immigration that situation has been resolved and common sense have prevailed.

So, the lady can work for both. She is only a part-time worker in Government and the farm work is usually only part-time when you prepare your shells for the injections. I am asking the Immigration to look at these areas because I think a lot of common sense should be applied to many of these areas especially when it comes to areas that are not doing so well.

Lastly, when I was in Mauke, I had a good discussion with a group of ladies. They raised the question of how to go about applying for a caregiver for our elderly. There are two ladies in Mauke who are trying to get a care giver to take care of an elderly. I confirmed to them that I will be able to assist them because I have applied in the past for a care giver as well.

I was surprised when one of the Mamas said, our policies in Mauke is that, when you bring a caregiver to look after an elderly, a young care giver is not permitted. When the caregiver is given the job, she has to bring her husband along. The only concern I could see here is that the women and men worry about their partners flirting with these caregivers. I am not sure whether this policy is the practise here in Rarotonga or the people in Mauke made their own policies. Maybe the Prime Minister who is also the Minister for Foreign Affairs will explain to us where this policy came from.

On that note, subject to my comments about Immigration, I and the Members in the Opposition support this allocation.

MR DEPUTY CHAIRMAN: Thank you Leader of the Opposition. I can the Honourable Prime Minister on the Floor.

HON. H. PUNA: Thank you Deputy Chairman. I see that everybody supported the Vote Item for the Ministry of Foreign Affairs.

On behalf of Tapaeru and the team from MFAI, it is my privilege to say thank you for your support.

But let me just answer the questions that were posed by Members of Parliament during their speeches.

The comment by the Honourable Member for Titikaveka on what she called the non-transparent allocation of resources for the High Commission in Wellington as well as the Consulate Office in Auckland.

The first point I want to make is this, the Minister or Cabinet was not involved in the allocation and how the resources were to be allocated. That is a matter entirely decided by the Head of MFAI as well as the Head of Immigration I am sure but the resources for those two offices are not hidden. These are spread throughout all the Five Outputs of the Ministry because in many ways the functions of those offices, especially the High Commission in Wellington cuts across all those outputs. In fact, I am pleased to advise that just the other day I had the pleasure of signing off on the contract for our new High Commissioner in Wellington. But before I did, I asked her if she was happy with the package that she was getting as well as the support for her Office in front of her boss, the Head of MFAI, and they both smiled. So there is your affirmation. There is nothing to hide Honourable Member.

On the comments, the questions from the Honourable Member for Ngatangia, it is not Government's business to provide for the repatriation of people who come here to work or to play rugby league for the Sea Eagles. I am sure the Honourable Member knows very well that as part of the condition of entry of people like that, the employer or whoever is bringing them in must agree to repatriate the workers or the league players on the completion of their contract. That is how it is and that is how it should be. That is why there is no such provision in the Budget. However, in cases where a worker from overseas breaks our law and is subject to the legal processes of our country, then on completion of the service of, say, imprisonment it is Government's responsibility to return them home. Maybe we can resolve this by the imposition of a bond when people like that do come in so that they are accountable for their own repatriation costs when they break our laws.

But in cases where Immigration or our Government institutes legal processes against these people, then it is our responsibility to ensure that they do leave our country, and in that case Immigration has a good understanding with MFEM that we will dig in to our contingency funds to ensure their repatriation from our country.

The Leader of the Opposition was speaking about the employment contract for our pearl workers from Kiribati. I just want to advise all the Honourable Members of this House that Immigration really had nothing to do with it. It was the Pearl Farmers Federation of Manihiki together with the Labour and Consumer Affairs because it involves the provisions of our Employment Relations Act.

But you know, I was always cautious about this project right from the beginning. While I was supportive of it in principle, I was apprehensive of the fallout should this scheme not work out. I am aware of certain people in the industry who do not give the industry a good name and I am not surprised that the scheme really hasn't worked except in one or two cases. My apprehension was to do with the fact that such an arrangement really involves a Government to Government agreement and I wanted to make sure that these people were well looked after in Manihiki, especially when things go wrong as they invariably do.

The Leader of the Opposition was correct. We cannot bring a template for business or for work here in Rarotonga and say it will apply to Manihiki because pearl farming is not a flexible 8 to 5 or 8 to 4 business. It is as she said quite correctly, you work until the work is finished but sometimes there is no work. So what do you do with workers you've contracted from overseas?

So these were matters that were looked into carefully but in the end the scheme proceeded and I received the Minister from Kiribati for us to sign this Agreement between the two Governments. I guess we can all say oh well, we've tried but it hasn't worked, but some very important lessons nevertheless to be learnt.

I think there was one other question that was posed.

If everybody is happy with – PR. Oh, PR. Yes, raised by the Honourable Member for Amuri/Ureia. I touched briefly on this in my initial comments. My point is that we need to be very, very selfish about PR because it is a God given right to us as Cook Islanders and we need to be very cautious and very selfish when we are conferring the same status on others.

I agree that we have a close relationship with New Zealand and we are New Zealand citizens, and perhaps we need to treat New Zealand citizens differently and more leniently, but nevertheless there are some issues that we need to address when the Bill comes to Parliament.

Central to those issues will be our land entitlement rights because as we all know at the moment all Cook Islanders are landowners. It doesn't matter how small a fraction of your blood is Cook Islands you are still a landowner in one way or another. So if we were to bring in outsiders without due consideration for all the consequences I think we are letting ourselves in for some serious trouble.

Let me pose a simple example. If we were to confer PR on a foreigner and that foreigner is married to a Cook Islander, they have kids and then they divorce, what happens to the foreigner? The problem arises more and gets more complicated if the foreigner marry another PR so how are we going to resolve this dilemma. They are both PR and really in a way they don't have any real connection with this country. So

these are some of the issues that we really need to give some serious, serious consideration and I know that we need our traditional leaders to help us address this very, very important question.

These are the issues that our drafting officials are confronted with. Cabinet is confronted with those challenges too. We don't have all the answers, this is a community wide, a national issue that needs to be addressed by everybody.

While our Immigration Officials have consulted widely with our people I still believe that we need to consult some more and so with those word Chair, Honourable Members thank you again for your support and I hope I have left you with some very serious issues to ponder and think about and let's hope for Divine guidance to give us the right answers and the right way forward. Thank you.

MR DEPUTY CHAIRMAN: Thank you Honourable Prime Minister. Honourable Members I now put the Question. The Question is:

That the sum of \$2,776,521 for Foreign Affairs stands part of the Schedule?

Motion agreed to

HEAD OF STATE:

The Question is:

That the sum of \$250,163 for Head of State stands part of the Schedule?

The debate for this Vote Item is limited to one hour. Do we have any speakers? I can see the Honourable Tina Browne you have the Floor.

HON. T. PUPUKE BROWNE: Thank you Deputy Chairman. Before I speak to this Vote Item, I would like to give my regards to the Queen's Representative and your good wife. I believe your trip overseas to seek funding for our Palmerston House has been very successful and you have had enough time to rest since your return.

First of all, when I look at the Public Gallery, there is no representation from the Head of State Office to support this Appropriation. I suspect they do not support this Budget because it is not enough.

I just want to explain to this Honourable House that I was not advised by the QR so these are my own thoughts. When I look at the Civil List Act and the remuneration entitlements, the Queen's Representative is up there and we are all below. In our protocols in welcoming officials, the Queen's Representative is the first one that we acknowledge. The reason being we have agreed that this is the Representative of Her Majesty in the Cook Islands. But when you go to the Official Residence of the Queen's Representative we should be ashamed.

Today, this home's only purpose is to host official functions on the veranda. Nobody enters into it but I was advised that the body of the house has rotted and the roof is

leaking. So my trouble with this is why, we the Members of Parliament of this Honourable House have not approved an allocation to renovate this Official Residence.

Maybe it will be suggested because the land issue with the Ngati Karika family is not yet completed. The landowners today are the Ngati Karika family.

I understand from the appropriation the rental for that piece of land is 13 thousand dollars a year and that will equate to about \$1,100 per month. I understand in the discussions between Cook Islands Investment Corporation and the Karika family the proposed arrangement is for Government to return the Banana Court complex and the Karika family may look into granting a permanent lease on the land of the Official Residence at Titikaveka.

In my view this cannot be used as an excuse for us not to consider a proper and adequate Official Residence for the Queen's Representative. Here is an example: what if the Monarch or the next successor arrives for a visit and would like to have a cup of tea with the Queen's Representative at his Official Resident. It is only right that they cannot conduct this at the Official Resident because the facility is not suitable for this purpose.

My question to the Minister responsible did you look at the prospect of renovating this residence and how much would it cost.

I believe if there is a will with the Government this will happen. I believe this request was made not only by the current QR even the previous QR Sir Fred Goodwin when they asked for the renovation of this Government house. Because they did not approve it at that time that is no excuse for us not to approve it today.

When I look at the Operation allocation, it is \$43,603. They not only have an office, there is also a yard and the residence for the Queens Representative needs mowing and so forth. The question I am asking is, is this amount of money enough? I understand there are only two staff working in the office. Does this mean when there is an official function by the QR that the Official Secretary goes and deliver all the official invites to the guests?

My request here is, for us to consider the needs of this official Government residency and we must not only pay respect for the QR just with the lips and no action. I making this request to the Minister and I am not sure who is responsible. To have a look at this area. For this Government home to be renovated.

Another request is regarding the QR's official car. This is a 2008 model and we the little people can fit into this car without any problem.

MR DEPUTY CHAIRMAN: Thank you, Honourable Member. I see the Honourable Minister Mark Brown.

HON. M. BROWN: Thank you, Mr Deputy Chair. The Government has been trying to renovate this property for many years now. But the stumbling block as pointed out is the issue around the land. Because even though the majority of the Ngati Karika

landowners are happy to enter into a long term lease on the property. There are some that who are objecting to those particular family members entering into such lease.

And couple with that is the Karika family now have a new Chairman who is the current Ariki and we are in the process of updating the new Chairman on the arrangements the Government has with the lands under Ngati Karika including the Banana Court and also the QR's residence. As a lawyer the Leader of the Opposition will know that putting taxpayers' money into an investment on property that has not been secured is fraud with risk and cannot be done until the land matter is resolved.

In fact the Government is now looking at options and discussing with landowners to obtain the land through a Warrant. And of course any land taken under Warrant requires considerable amounts of considerations.

But a simple upgrade of the property mentioned as identified needs quite a bit of work. You are looking at about half a million dollars' worth of upgrade, and if you are looking at rebuilding the property, certainly it will cost \$2million. With the challenges during past years over competing interest for the money in the Budget, the Government has gone out of its way to increase revenues coming in to allow us to meet these challenges that we have been facing in the past. Increased revenues not just from Tourism but also from Fisheries which this year will bring in close to \$17million.

It certainly makes our job easier in making sure there is funding available for works that needs to be done. So, it is not the money that is available Mr Chairman that is required rather it is the need to secure that land so that we can rebuild that building.

So, I hope that when the Government does come with provisions or suggestions to increase revenues coming into our country whether it's through fisheries or whether it is through the emerging seabed minerals program that the Opposition will support this initiative as being in the interest of our people and our country.

But at the end of the day Mr Chairman, we are a modest people and we do not mind coming into a Parliament that was formerly a barracks for the labour team that built the airport back in the seventies because there are other things that need money as a priority. The schools that we are upgrading, the hospitals that we are upgrading, the cyclone shelters that we are building.

So, to the Opposition, please you do not have a reason to be ashamed that we would rather put our money into priority things that will help our people and I am sure that Queens Representative will acknowledge and understand that the people's interest comes ahead of our own interest. But as we address the peoples interest and invest our money into their projects the time will get closer when we will be able to put money into building a proper Parliament House and rebuilding a proper house for the Queens Representative and also building what every other country has a Prime Minister's residence.

But a good leader will always build his people's homes first and their needs first before he builds his own one. Thank you, Mr Chairman.

MR DEPUTY CHAIRMAN: Thank you, Honourable Minister and I see the Leader of the Opposition and you have the Floor.

HON. T. PUPUKE BROWNE: Before I sat down, I mentioned about the official car of the Queens Representative. I mentioned that we the small people have no problem in fitting into the car. But for the Member of Pukapuka and the Member of Vaipae, the big people, it will be difficult to fit in the car and also there is the issue of the leg room. My message is on the residence and the vehicle of the QR.

I saw the official car on ANZAC day. I have no problem with the explanation given by the Minister responsible. But I am talking about priorities and telling this Parliament that no we should be looking after our people before and ahead of us. How do we explain to our people that we give ourselves a raise and not allocate some money to rebuild the house of the Head of State?

I think my message was that there should be a will supported by Parliament, because I do not believe that the issue with the land is a problem. If I am wrong then I will apologise. The Karika family is a very accommodating family and they have a good lawyer her name is Tina Browne. So, it is all possible if we put our minds to it and we will get there. So, the support of the Opposition on this small allocation it is subject to our comment please look for some funding and I understand that we do not want to build unless there is a lease, I get that. We put the horse before the cart and we get the lease and then we build the house. Of course the funds are already there we got a contingency fund, don't we?

So if you can seriously have a good look into this again because this is quite important and the protocols that we say every day during ceremonies and the QR is on top of the Civil List and also the remuneration entitlements. And when it comes to the accommodation, it hasn't got any mention.

I hear the Deputy Prime Minister mentioning may be the Prime Minister's will be renovated but the Queen's Representative is ranked higher than the Prime Minister.

So that is all. Minister, please do consider the situation with the Queen's Representative's accommodation as well as his vehicle with better leg room.

However, when I listen to the report on our fundraising trip to New Zealand and Australia, this is not a dance team. One Penrhyn Pastor, one builder and family members from Penrhyn. Mind you, Palmerston's are Penrhyn people. What they managed to secure on their fundraising trip seems like our whole project will be fully paid off without us requiring a loan. Please beware Government because if you are going to drag on and not renovate the QR's residence maybe we will fundraise and renovate it ourselves.

Thank you very much.

MR DEPUTY CHAIRMAN: Thank you Leader of the Opposition.

I see the Honourable Minister.

HON. M. BROWN: Yes. Thank you Mr Chair.

I would just like to say that definitely there is a will on the Government side to rebuild and I think we can get far better progress dealing with the very good lawyer of the Karika family rather than with the Leader of the Opposition.

Thank you very much.

MR DEPUTY CHAIRMAN: Thank you Minister and thank you Honourable Members.

Parliament is now resumed. I can see the Leader of the House.

MR T. ELIKANA: Thank you Deputy Speaker.

Deputy Speaker, I rise to move a Motion:

**To suspend as much of Standing Order 54 (3) as necessary to allow
Parliament to convene in the evenings from Monday, 10th June
until Thursday, 13 June 2019 in accordance with the
following schedule:
Parliament sits at 7.00 p.m. to 8.30 p.m. then it takes a break
from 8.30 p.m. to 9.00 p.m. then it sits again from
9.00 p.m. to 10.30 p.m.**

That's the Motion Mr Deputy Speaker.

MR DEPUTY SPEAKER: Can I call for a Seconder?

I see the Minister, Honourable Vaine Mokoroa.

Seconded by the Honourable Minister of Internal Affairs, Vaine Mokoroa

Thank you Leader of the House.

I will put the Question. The Question is:

That the Motion be agreed to?

Motion agreed to

Parliament is suspended until 7.00 p.m. tonight.

Parliament suspended at 5.50 p.m.

Sitting resumed at 7.00 p.m.

MADAM SPEAKER: Please be seated. Parliament is resumed.

Honourable Members, I seek leave to say a few words please if I may. If there is no objection, thank you very much leave is granted.

I'd like to say thank you very much, first to you Prime Minister, your Ministers, the Leader of the House and each Member in the House tonight. I want to say thank you, very, very much for granting me the leave to be able to accompany my husband Colin to New Zealand for quite a lengthy time. Because of your enormous caring in allowing me that time, we were able to deal with a very bad situation that in the end has become very successful and positive events for us.

However, I will remind you also that according to Standing Orders, because I am back at work, absence of leave granted by the House has now expired. I also want to thank the Deputy Speaker, the Honourable Tai Tura. You have worked very long hours and I think you have done a fabulous job. We all need to thank you very much for taking the role on as efficiently as you have.

The Clerk, the Deputy Clerk and all the staff of Parliament for continuing the work of Parliament in serving the Members of Parliament and our people of the Cook Islands, thank you.

I'd like to also thank Peter McHugh, who we hunted within maybe shorter than 24 hours to be able to come and help us. An old friend in the past and the help through UNDP enable you Peter, to be here with us.

Lastly, I want to extend a very, very big thank you to the people in the community, our family and friends who have sent us supporting messages which in the end has all been wonderful. Our doctors at the Rarotonga Hospital and the Ministry of Health itself have looked after Colin and I really well in getting us to receive the treatment that we did.

Finally, thank you very much to all of you. This is something that I will always remember and be grateful for.

Honourable Members before the suspension of Parliament the Appropriation Bill was in the Committee of Supply on Schedule 1 on the Question:

That the sum of \$250,163 for the Head of State stands part of the Schedule?

As per Standing Order 306 (1), Parliament is dissolved into the Committee of Supply.

COMMITTEE OF SUPPLY – DAY 3

MADAM CHAIRMAN: There is 34 minutes remaining time on this Vote Item of the question on the Head of State stands part of the Schedule and the Floor is open. Are there no more speakers? As there are no further speakers I will put the Question and the Question is:

That the sum of \$250,163 for the Head of State stands part of the Schedule?

Motion agreed to

MINISTRY OF HEALTH:

We will now go to the Vote Item on the Ministry of Health. The Question is:

That the sum of \$17,519,546 for Health stands part of the Schedule?

I will remind you this Vote Item is for two hours but if you don't need to speak for two hours less would be most appreciated and I take the opportunity to welcome the Secretary of Health and Dr May in to the Public Chamber this evening. I see the Member Vaitoti Tupa you have the Floor.

MR V. TUPA: Thank you very much Madam Chairman for granting me this opportunity to speak. Firstly, welcome back home. Greetings to the Secretary of Health and also Dr May in the Public Gallery this evening.

Back to the allocation for Health and I would like to take this opportunity to commend the Minister for Health for this is a significant Budget allocation. When we look at personnel and when we compare the allocation this year and in the past year the appropriation has increased to \$1,449,491. This is a significant amount to assist our workers.

When we look at Administrative Payments this has also increased to the amount of around \$300,000. I believe Madam Chairman that this amount will assist with the work in Health.

As well and when you look at the projected estimates for the coming years because it seems to me that the forecast will be an increase for Health. That is why I thank the Minister of Health and the Minister of Finance.

Last year I made recommendations to improve the situation of Health and I proposed that the increase should be \$20 or maybe \$25 million dollars. I do believe this type of increase will be able to assist us with realising the proposals for doctors in the outer islands. When I look at this Appropriation it is clear that there won't be any decreases next year rather an increase over the next few years. We are discussing about doctors being placed on each island.

One proposal we considered last year was flying doctors and also we considered those working in dentistry and I do believe this took place this year in flying doctors and dentists to the outer islands. And also looking at improving the area of maybe settling doctors in the Northern islands.

I do recognise the good work taking place by the Ministry of Health in particular the introduced diseases into our country in the beginning of the year where they have been working hard to protect us from this.

An example was when the dengue outbreak started at the beginning of the year. There was a lot of consultation between Health and other Ministries as well as with the community at large. I also note the support given by other Agencies of Government as well as the community in the prevention of the spread of dengue.

One request I made in a public meeting at the Public Health office, is to look at and to take special considerations for the Outer Islands so this disease does not reach the Outer Islands. And also to commend the Members of Parliament from the Opposition that were present at this meeting. And commend the Minister George Angene and other Members from Government in supporting this initiative. As we can see this disease that will have an impact on our people and we are working together to find ways forward.

I am encouraged by the programme that was conducted through the villages on the island of Rarotonga. For us in the village of Matavera we worked closely with the Village Council of Matavera. In the eradication of the breeding sites of mosquitos in the village. That is my appreciation to all of us that worked closely with Government and the Opposition to subdue this disease.

Therefore, Madam Speaker I rise to support this Appropriation. I believe in the years ahead the Minister will consider increasing the Budget for the Ministry of Health. The most comforting thing that is being done at the moment is the improving of the health service for our people. I would like to acknowledge the Minister of Health for her vision for this Government agency especially the improvements that is currently being undertaken. Thank you also to the Secretary of Health and all the staff of the Ministry.

On the Appropriation for Health, I strongly support it. Thank you.

MADAM CHAIRMAN: Thank you, Honourable Member. I see the Honourable Member, William Heather you have the Floor.

MR W. HEATHER: Thank you very much Madam Chair. A warm welcome back home, it is good to see you back in the chair. We are happy to hear that you and your husband is back after his treatment in New Zealand.

I want to thank the Minister of Finance, the Prime Minister and the Minister in Charge for this Appropriation. I am certain that the Secretary of Health know that this is not enough but there is a large increment for this year.

I am happy to see that a CT scanner and other technical equipment's will be purchased for the Ministry of Health and this will improve the services by our doctors and nurses in our hospital. I therefore, fully support this Appropriation as I can see there is a large increase even if this is not enough for the service.

I read in the Budget Book the mention of mental health. I have previously spoken on this type of illness and this illness will happen to anybody but we want to equip ourselves with good doctors and a place to house our people who will be affected by this illness.

I want to ask the Government to build a Mental Health Centre not only for treating our people with this illness but at the same time a place for housing them. I would like our elderly or those that get this sickness to be well looked after in this facility for

mental illness. I know some will be cured and some may not but at least at this facility they can be managed.

I cannot see any allocation in the Budget Book for security officers and to me this is an important area especially when nurses and doctors are working on night shift. Anything can happen during the night and it may be dangerous especially a stranger with evil intent. I suggest for the Minister to consider the security area for our hospital especially the night time. We have seen on television the news about the bad people hurting innocent people.

I would like to speak about traditional medicine. We know that our traditional medicine does work but our children chose the imported medicine over our traditional remedy. There is a difference in the taking of these two types of medicine. The imported drug medicine is easy to take but the Maori medicine can be unpleasant and very hard to swallow. I have seen this with my own grandchildren they refuse the Maori medicine. I would like to acknowledge the good work that the Ministry of Health is doing for allowing our traditional medicine to be used together with the drugs in the hospital.

We can see the past sicknesses are coming back for example TB. We see on television that these diseases are coming back in the population of the world. In New Zealand the dengue is starting and then the tourist couple from America that pass away suddenly of an unknown illness.

Therefore, thank you very much to the Minister of Health, to the Secretary of Health and Dr May. Thank for the opportunity.

MADAM CHAIRMAN: Thank you very much. I see the Minister of Health. You have the Floor.

HON. R. TOKI-BROWN: Thank you very much Madam Chair. Greetings and welcome back into our Honourable House tonight and special greetings also to Papa Colin. We are comforted to hear the good news about Papa Colin. Welcome back.

To all Honourable Members in this House tonight, Kia Orana to you all. To the Prime Minister, Cabinet Ministers and all Honourable Members in Government, Kia Orana. To the Leader of the Opposition and Members on your side, to our Clerk and staff of Parliament, greetings to you all.

I would like to extend special greetings to the Secretary of the Ministry of Health and also to Dr May who are in the Public Gallery, thank you for being patient in waiting to listen on the Vote Item for our Ministry.

With your indulgence Madam Speaker, I would also like to convey special greetings to all the staff members of the Ministry of Health on Rarotonga and also in the Outer Islands. To all those in charge of the different sectors – the doctors, the nurses, the cleaners, the cooks, the grounds men and all the staff members of the Ministry of Health – greetings to you all. Greetings also to those of our people who are hospitalised today, and to everyone in your homes and to those listening in to our broadcast, greetings to you all.

Madam Chairman, we have before us the Budget allocated by Government for the Ministry of Health. This is a very good Budget compared to last year.

I would like to thank Government and Cabinet and all the staff members of the Ministry of Health for helping to prepare the Budget for the Ministry of Health. I also acknowledge the Minister of Finance and all the staff members of MFEM who are responsible in putting this Budget together. There were previous comments that the allocation is not sufficient but this is a very large increase in this Appropriation. Madam Chairman, nearly \$3 million has been appropriated by Government for the Ministry of Health.

As previously mentioned by the Member of Parliament for Matavera, I would like to thank you and the Honourable Member who spoke before you, for your views on this allocation. As previously mentioned by the Minister of Finance during his Budget Speech, this is one of the most important areas to be considered an increase because we need to improve the remuneration of our staff members. We will then find that \$1.5 million has been allocated to pay our staff members and to improve the services.

We know there is an increase of different kinds of diseases and that's getting worse. So we should all support that this is one of the most important areas to be improved and also to bring doctors from overseas to help our Ministry of Health. We will all agree that our people are the most important asset in our country. They must not be forgotten especially those of our people in the Outer Islands of the Southern and Northern groups. Therefore, we are trying to help improve the program for flying doctors and also our dentists to the Outer Islands.

We will now come back to the allocation for improving our hospital in Rarotonga. There are a lot of small improvements that CIIC is managing for us in Rarotonga and also for the Outer Islands. One area that needs to be done is the urgent removal of asbestos from our hospital roof in Tupapa. I would like to thank the Minister of Infrastructure and also your staff members who will carry out this job. We all know this is not very healthy for us.

We also have in front of us the allocation for referral patients. I would like to thank the Government for this increase in the appropriation. As mentioned earlier, diseases in our country are getting worse.

The number one disease in our country is NCD and diseases caused by climate change. In the last few months a meeting for the World Health Organisation held in Geneva, climate change is one of the main causes of the diseases today. I would like to say thank you very much to the Government as we care about our environment. We are all playing our part in protecting ourselves from diseases and to ensure that it does not enter our country and even if it does, we are prepared.

This is one of the main important areas that we are encouraging in this Budget for the Ministry of Health, which is for health security and border control.

I would like to give my acknowledgement to all those in the Public Health sector and also to all our people of the nation because we have worked together as a team as

mentioned earlier during the cleaning of our islands for the dengue disease that has become a problem to us. As we see there is not many people affected by the disease because we have done our part well. Thank you so much and including the Island Councils on each island and the messages that were given to them they did not refuse that. Thank so much to everyone.

I would like to touch on the issue regarding the CT scan. There is an allocation of \$100,000 to help us to prepare a good place when the time comes to purchase this machine next year. There is also another allocation for the work to be done. As previously mentioned by Members of Parliament, it has taken a while for us to receive this machine and I totally agree with your views. However, I believe this is just the right time. This will enable us to reduce the number of people referred to New Zealand for further examination. I also believe our Madam Speaker is one of those referral cases. When these patients arrive in New Zealand, they were able to diagnose the seriousness of the disease.

Therefore, I would like to thank the Secretary of the Ministry of Health for the efforts in ensuring that we receive this machine to help the work in our hospital and also to help our people.

I would now like to talk about NCD disease. The number of NCDs is still increasing. The Ministry of Education is trying its best to educate our children and our parents about NCDs by informing them not to give fizzy drinks and unhealthy food to their children to take to school. Right here in our Parliament House we have started by drinking plain water and the food that we are eating and I can see they are healthy food but some are not quite right. As leaders elected by our people we should be setting good examples for our people.

I now want to acknowledge these two youth who are working hard to help our people through sports and health and fitness. I want to mention these two young people and they are Maiti Samson and his partner Vina Toroma. Madam Chairman, I believe these are your relations and also our members from the Northern Group islands. These two are very young but they are helping our people to take part in exercises at the gym but not only that but they also teach people about nutrition to enable people to loose weight. So thank you to the both of you and all the other gyms, and the instructors. Again a big thank you from the ministry of Health and I believe that this will help to bring down the burden on the Ministry of Health.

I want to touch back onto this topic and it has been realised that it is about food again and the excessive consumption of alcohol as well as smoking. It has been found that this is an area where there is a lot of diabetes, heart disease and other illnesses like cancer. This is a very important area that we the Ministry of Health need to look at in order to prevent diseases before it starts. As I said earlier this cannot be done by the Ministry of Health but your help will be required from the parents, to the Leaders in the different organisations. We need to go hand in hand to look for solutions for the sake of our people's lives.

There are many other issues that I want to raise as well as there are quite a lot of issues that the Ministry of Health has faced this particular year. I just want to remind everyone that I have only been the Minister of Health for one year and also the

Secretary of Health but we have achieved many things in this short time. If I tell you everything tonight I will not be able to finish it. I will finish here and I will hand over to the next speaker. Thank you, Madam Chairman.

MADAM CHAIRMAN: Thank you Honourable Minister and I see the Honourable Deputy Speaker. I am so sorry you have been so deprived of your debate and I can just see you trying to get into it. You have the Floor.

MR T. TURA: Thank you Madam Chairman. Greetings to all of us this evening, Members of Parliament, the Secretary of Health and Dr May. Madam Chairman, I think at the next sitting may I put a request for a huge mirror, may be put in the front here so that we can see the people behind. Because this has happened at the time I was sitting on the Chair, a Member stood in front and another Member stood behind where I could not see that Member behind.

Secondly I'd like to convey some messages to Akatokamanava. To the people of Akatokamanava listening in and those people who are sleeping, please wake up. Greetings to everyone on the island and to the three pillars of the island, the land, the law and the Religious Council.

I rise to strongly support this Appropriation. I can see that the Budget for the Ministry of Health has increased by about three million dollars. I will leave that and I want to say thank you to the Secretary of the Ministry of Health as well as the Minister and also to Dr May. I just want to say thank you because I can see the benefits that is reaching the island of Akatokamanava.

Today we have two nurses on Akatokamanava and one of them comes to Rarotonga during some time to continue her study for a degree. I also want to thank the Ministry because they have employed two grounds men for the hospital in Akatokamanava. We have lady that has been sent to Rarotonga to train in the Public Health area. I want to say thank you again for providing that service for Mauke.

Now I want to change the journey of my Vaka. Women, I say all the fault came from Eve. It has been said "*do not eat the fruit on this tree but the women did not listen and they ate the fruit*" and what happened I want you to answer that yourselves.

What I want to talk about is caregivers. Even though it is not in here but it connects to the Ministry of Health. We have spoken about a ward that will be constructed at the hospital for the old people. So I want to support the idea that a ward be constructed for the old people who are not able to get people to look after them.

This evening the Leader of the Opposition stood up to praise the women of Mauke. I am not sure if what I heard is correct where comments were made that young woman is not allowed to go to Mauke to be a caregiver to the elderly. This is where the problem is – this is the policy of the Mauke Island Council young men and women from outside of the Cook Islands are not permitted on Mauke to be caregivers for elderly people. But anyone from within the Cook Islands are allowed to Mauke for this kind of work.

This is the issue with our women hearing the wrong story and giving the wrong message. It is possible that maybe our Executive Officer made a mistake in explaining this to the Island Council. This is a foreigner and is not proficient in the local Mauke dialect. This is the Mauke Council policy where they prefer our own Cook Islands people to take up this role. I myself would want a foreigner for this purpose however we have policy agreement on the Island.

I know who these Mauke ladies are, who talked to the Leader of the Opposition and they are not truthful to her. That is not the policy of the Mauke Island Council. This is my encouragement to the ladies please be truthful.

Madam Chair I want to speak about smoking especially on my island of Mauke. I want to announce in Parliament that most of the smokers on Mauke are the women. Maybe this may change because the Minister of Health is a woman and for her to discourage smoking and challenge them to be like their Member of Parliament who does not smoke.

Thank you very, Madam Chair.

MADAM CHAIRMAN: Thank you, Honourable Tai Tura. I see the Honourable Member from Ngatangia and my Member of Parliament, you have the Floor.

MR T. TUAVERA: It is alright Madam Chair, he also addresses me from Matavera.

Firstly, welcome back Madam Speaker and your husband. Kia Orana also to Dr Aumea, Secretary of Health and Dr May.

Madam Chair, I would like to touch upon the sickness and diseases that is happening in our country. The statistics tells me that 66 percent of our people are sick. I recall in 2017 when we travelled to New Zealand and when we got to Auckland, we were briefed by the Manukau Health Board. There was four of us Members of Parliament including Toka Hagai, Willie John, myself and Wesley Kareroa.

We were briefed because we were new Members of Parliament. In this briefing they outlined the health conditions of the island nations in the Pacific region. These islands includes Niue, Samoa, Tonga, Tokelau and the Cook Islands. This is what we were told, the Cook Islands were the first island people allowed to seek employment in New Zealand. These other islands nations were allowed to go to New Zealand at a much later date. What troubled me is when we were told by the Manukau Board that our people in New Zealand is number one in terms of statistics on diseases. I see in our Budget Book these diseases mentioned are similar to the ones that we were briefed on in New Zealand.

Diabetes, Cardiovascular and Cancer and that was in 2017 and this Budget Book mentions it today in 2019. When we arrived in Wellington and at the Beehive we were briefed by the Health Department of Wellington, the statistics are the same. I am encouraged that a CT scanner will be acquired.

However when I see that \$100,000 is appropriated for 2019/2020. And the explanation in this Budget Book in 2021 a year later \$1,300,000 will be spent to

purchase this machine. Maybe this is not a concern and I am sure that the Minister of Health is clear on their plans to move forward. I am fine on the CT scanner purchase because it will identify all our sicknesses and diseases.

Why are our people getting all these different kind of sicknesses? When we look into the Budget Books a lot of funds have now been put back into the Ministry of Health. But when we look at what we are drinking and eating today. It seems like most of the drinks that we are drinking in the shops like Keri Juice, the Woodstock a mixture of Coke and Bourbon, all pre mix drinks. All these beverages are highly sweetened beverages. I know somebody who drinks Woodstock and he is very sick but he will not give up drinking Woodstock. Whatever we do to assist him he will not listen.

This is what he tells us, it does not matter if I get sick I will be referred to New Zealand. To me prevention is the better cure.

I am encouraged by the increase in the referrals by \$300,000 and this comes to \$850,000. This is very good as it is all to do with helping our people. However for all of us in this House, the notion, Prevention is much better than cure.

When I look at the allocations for referrals. There are many of us being referred to New Zealand for treatments. I am sure it will not take long this allocation will be used up. But as long as it is helping our people I am happy with it.

When we look at the pharmaceutical medicines I see an allocation of \$867,800 and there is no new money in here. I think this is fine but I am aware of times when medicine run out in our hospital pharmacy. This is something that we live with. So, when I consider under referral and pharmaceutical I am very happy with it.

I am happy with the new incinerator that we have installed up our hospital. I believe the Ministry of Agriculture is also using this today.

I just want to touch upon our ambulance. I have already told the Minister my views on the ambulance. When I was in the army, we have a first parade and a last parade for our vehicles in the army. I have seen an ambulance without a light and another without oxygen in it. If they are able to look at the first and second option then maybe these will not happen. Thank you very much.

MADAM CHAIRMAN: Thank you Honourable Member and I see the Honourable Minister George Angene and you have the Floor.

HON. G. ANGENE: Thank you very much Madam Chair.

I did not intend to speak, but my health issue a while ago made me want to convey my thanks to the Minister of Health. However, this is not the first time this has happened to me. The last time on my trip to Korea I went through this same situation at the VIP Lounge, and I'm thankful to the Secretary of Health and Dr May who were at the airport to help me.

Greetings to our people both in the Southern and Northern Cook Islands, New Zealand and Australia listening in and watching on television. Greetings to the people of my electorate.

I was listening to the Member of Mauke speaking before. He wasn't blaming anyone, but he was just highlighting ladies like Eve. I would like to ask the Member that when we finish to go back and read the Bible and understand the real situation with Eve because God did not directly say to Eve not to eat this apple. God only spoke to Adam and the serpent went direct to Eve and said "If you eat this you will be like me." Therefore, Eve ate the apple. Thank you.

I fully support this allocation for Health. They have much to do in this Department. I believe there are four departments in this country who have strong status. Firstly, ICI looking at the lives of people on each island in times of trouble. Secondly, Health in taking care of the lives of our people. Thirdly, the Corrective Services and Probation under my portfolio because this is where much of the problems take place.

The Minister of Health and I are looking into establishing a building for our mentally ill patients. We haven't found anywhere to house them. If they are taken up to the hospital they'll end up damaging the hospital. It's better to house them in gaol where the walls are concrete. We are also looking for care givers to look after them.

During my time in custody, I used to give these people a hiding when I was in gaol. When they cried then their illness disappears. Recently I have observed the youth brought into custody where they pretend they have mental illness. They don't have any illness, it's just pretend illness. A lot of the Ministry of Health money is being wasted to care for them who pretend they have a mental illness. I am the doctor over there so I can look after them.

Those are my comments. I stand here to fully support this Budget, to support the Minister of Health, the Secretary of Health and Dr May. Thank you very much.

MADAM CHAIRMAN: Thank you Minister.

I ask the Members to take care of what you say in this House. There are people out there listening in to what you are saying especially with the *vainetini* and the mentally ill challenged patients. Please be sensitive to what you are going to say. There are people out there listening in who are quite sensitive to what you talk about.

Thank you and I see the Honourable Selina Napa.

MRS S. NAPA: Thank you Madam Speaker and welcome home to you and Papa Colin.

Firstly, I would like to greet the Secretary of Health and also to Dr May. The reason why I am giving them my welcome is because they have been helping my village with providing the Health Bus every Friday into the village. Just to let them know that the community have missed the presence of the Health Bus on Friday but we understand why and that's because of the competition provided by the schools and we understand that the bus has to be there during the sports competition for the schools.

I would like to comment on the Appropriation for Health. As mentioned by previous speakers of the increase in the Appropriation for Health to \$17 million. Like I mentioned last week in my discussion with the former Secretary of Health Elizabeth Iro. One of the discussions between the Opposition and the former Secretary of Health and her group was what the right amount of appropriation for Health is. She replied the allocation should be around \$25 million.

I would like to say thank you to the Minister of Health and the Minister of Finance for this increase in the allocation for Health up to \$17 million. Also to the services the nurses and the doctors provide up at the hospital. I would like to acknowledge them. The times I've taken my children and also my grandchildren up to the hospital for check-ups. During the time when the hospital was full you never see them tiring from the work they do.

Coming back to Output 2 Page 103 Book 2, Oral Health Services. Under the definition of Oral Health Services – preventative care in schools for children and primary care for our adults, curative surgery and restorative oral health through a dental clinic.

Under Operating Services for our dental clinic is up to the sum of \$138,000 and I know we have all used their services at the Tupapa Clinic. I know all of us in this House at some stage has been to the clinic. When I look at the equipment and appliances for dental surgery I am not sure whether funding has been allocated to upgrade these. Maybe it's allocated under fund prioritise by Health for Technical Equipment of \$300,000.

Reading on ahead with Output 2 and all the services that needs to be done...

MADAM CHAIRMAN: Honourable Member, I am going to interrupt you. We are going to go for a break now and you can take the Floor again on our return.

Parliament is suspended until 9.00 p.m.

Sitting suspended at 8.30 p.m.

Sitting resumed at 9.00 p.m.

MADAM CHAIRMAN: Please be seated, Honourable Members. Parliament is resumed. Before we suspended the Honourable Member Selina Napa had the Floor, you may take the Floor again.

MRS S. NAPA: Thank you, Madam Chairman. Just going back to where I left off, I think I was talking about the equipment inside the dental clinic being antique and gone past its user by date.

I can see under this Output this will include the renovation of dental clinics around Rarotonga and around the Cook Islands. Because there are many priority areas under Output 2. I want to know about the \$138,000 and if this amount will be sufficient to

improve all the works that is mentioned under Output 2. To me this amount of \$138,000 will be used up on the dental clinic in Titikaveka.

It is being asked where your dental clinic is? Honourable Members, we have a dental clinic and we also have a small hospital and the dental clinic in Titikaveka they look after the three schools in our village. I think equipment and services should be improved in our main dental clinic on Rarotonga.

MADAM CHAIRMAN: Thank you and I see the Leader of the Opposition you have the Floor.

HON. T. PUPUKE BROWNE: Kia Orana Madam Chairman. I join the others in welcoming you back and your good husband and I hope that in the days to come he will gradually improve.

I rise just to make a contribution to this allocation. I will not be long because Members before me have spoken on all the subject matters. I agree that health is one of the important Ministries. The Government have told us that because of its important the budget of the Ministry has been increased.

To me it is right that it should be increased but before I speak my mind I want to congratulate the Secretary of Health and I want the Member for Mauke to know that the Secretary of Health is a woman. I was a bit surprised at what he said about women earlier and without him knowing that he is talking about you Speaker. If he goes wrong again you can punish him.

As I have heard the Minister of Health explain our biggest problem which concerns obesity. We do not talk about this often because we don't want it said that we are fat but I am sure that we in this House we agree that this is the root of many of our health problems.

I cannot pin point which Vote Item needs to be increased to improve that but under Output 1 Public Health there is mention there on these problems.

I do like the idea that we in this House should lead by example. When the Minister spoke she believed that our meals are good and healthy. I think the food is good but when we serve ourselves our portions are too big. We know the biggest problem with obesity, one is the diet and two is the quantity of what we eat and three is the lack of exercise.

So, in our Parliament when we go into the dining room the diet is good. If you eat a large portion, I am talking about you. We should also look at exercising. If we want our people to lead a healthy life, then it is only right that we set a good example.

As mentioned by the Minister of Health about asbestos on the Tupapa Clinic, this has been outstanding for some time and to me, it is time for this roofing to be done away with.

I want to speak briefly about the staff wages at the hospital. I believe that these figures that have been given to me are correct. What I understand, the nurses or the

five year experienced nurses are on \$35,000 but some of the Administrators who have had very little training are on \$48,000. I want to ask the Secretary and the Minister to look whether these figures are correct, because if we continue to be like this our nurses will leave and go to Australia. In Australia they get \$65,000.

If you are listening to the radio, I believe increases should be performance based. If you are not performing then there is no reason for an increase. If you perform and I believe when we pay the performers, the others will perform so they reach the same level.

Last week, I asked about the problems with nurses. I would like to ask the Secretary of Health, going forward, to be careful how we treat our workers because, if nurses resign in big numbers, what shall we do. This is not restricted to nurses, but to our education as well, because we do not have a working force out there that we can just substitute. So, if we look into disciplining them, we should look at doing it properly. Otherwise, I support this allocation.

MADAM CHAIRMAN: Thank you very much, I see the Honourable Terepai Maoate, you have the Floor.

MR T. MAOATE: Thank you, Madam Chairman and my greetings also to you and your good husband. To all of us in this House and to those listening in, greetings to you all.

Talking about our Appropriation for Health I can see there is an increase for the Budget for Health from 2018/19. I am happy with the allocation for flying doctors and upskilling our workers but as shown in this appropriation there will not be an increase in wages or salaries until 2020/21.

There is also an allocation of \$300,000 for referral patients. I do not see a large increase in payment or wages and salaries for our workers especially for those returning who have gone overseas to seek further education. We know of doctors our very own people who have gone overseas to study and don't want to come back or they have come back and then leave again not long after they return. This includes our dentists and all the doctors that have gone to study for a long period.

We say Government has a lot of money, so we should look at appropriating funds to help our students and people returning to work here.

One area I would like to mention about in Aitutaki, is concerning our disabled and special needs people. We all know this is part of our health. We have seen the students from Nukutere College and we have asked to appropriate some funds and Government have agreed to that.

We heard the Prime Minister say there is help for Stage 2. There is a home in Aitutaki and they have started using this actual home and they have come across problems with paying for little things they need to use. We understand there is aid and funding out there but this is still not enough and there is not enough funds to pay for the people that's actually there working to help our special needs people. There is also concerns for our elderly people who don't have any family members to look after

them. I do believe the Government is helping through Internal Affairs and we can see the amount allocated for this area. We have an allocation to assist with the sickly and there is also an allocation for our people living in homes and caring for our special needs people.

The funds allocated under the Ministry of Internal Affairs, I suggest that this should be transferred under Health. Because to our understanding the people providing services within the Internal Affairs, they're not quite medically qualified for this area. Just so we can look after our people in this area as well.

Also with regard to the charges that are charged to our people the Government will be looking into this.

I can't see why this is happening within the Ministry of Health and putting all these burdens on to our people. Our people out there in the Pa Enua, they are still on this small amount of money. Also the lives of our people out there and the amount of income they are receiving and in comparison to the costs in the shops, it's gone up.

I just want to show my support but there are areas that I am not quite happy but if this is the allocation given I am giving my support. I think it is only proper before we give ourselves a Member of Parliament increase, we should look at giving assistance to the volunteers, parents, caregivers out there, as well as in Rarotonga.

MADAM CHAIRMAN: Thank you very much.

I see the Honourable Deputy Speaker. You have the Floor.

MR T. TURA: Thank you very much.

I just want to rise again to acknowledge the allocation because I did not complete my thoughts and my comments to the allocation. I am so pleased to comment on the issue of referral cases.

I want to acknowledge the Ministry of Health for this and I have noted this for my own island of Mauke and the importance of this referral. I want to share with you some issues that I saw. I bring up the issue of the policy that's not quite clear. Who should be the right person to accompany the referral or who should be paid by the Ministry of Health to travel with the referral? So therefore I am urging the Secretary of Health and the Minister as well to go up and consult with our people the right procedures of referral because there is still confusion with who should travel with the patient and I understand for us people who have reached 70 years we should be travelling as well.

The beauty about this is I have gone ahead and consulted with the young lady in charge of this area and I did ask her to give me all the procedures and the conditions of who should be travelling with the patient. So I must say thank you for the opportunity of receiving the information but I still recommend that it is only proper for people in the Ministry of Health to explain.

Secondly, Madam Chair, I wish to extend my apology to you, the women in this House, and all the women in the Cook Islands. The reason being I am not accusing you but showing my mind on the mistake that took place. I would say the mamas are their own enemy because I want us to know the truth, if I won't tell the truth that means we will go blaming the Ui Ariki of Mauke, Council of Mauke or those who wrote this policy.

The Leader of the Opposition highlighted, this is our problem, and both male and female youth are barred from going to Mauke to care for the elderly.

MADAM CHAIRMAN: Honourable Member, you have actually covered all of that. Can you just make your point please?

MR T. TURA: Yes.

MADAM CHAIRMAN: Yes. Make your point.

MR T. TURA: Okay. And the truth is no-one from outside of the Cook Islands is allowed to come to Mauke and work as caregivers other than our own Cook Islanders. Kia Orana.

MADAM CHAIRMAN: Thank you and I see the Leader of the House.

You have the Floor.

MR T. ELIKANA: Thank you very much Madam Chair. As mentioned earlier by the Members of the House, we warmly welcome you back home. I just want to say thank you for allowing me to speak.

I can see I will use up all my ten minutes because in the past, every time I speak, it never reach five minutes. We will put that aside.

I stand to give my strong support to the Vote Item for the Ministry of Health, and to thank Government for giving this allocation for the Ministry of Health. What an awesome gift to our people which shows how much we love and care for our people by appropriating this amount of money for the Ministry of Health.

I stand Madam Chairman to give some comments as the Secretary for Health is with us in the Public Gallery. I want to give her some encouragement words and to thank her for her patience and for bearing with the many comments made about the Ministry of Health. Madam Chair, my island is also facing the same difficulties as other islands without doctors. But you will never see me criticise in our local paper about the Ministry of Health or the Secretary of Health for failure to provide my island with a doctor. However, we have seen comments on Facebook criticising about the lack of doctors in the Outer Islands. I feel sorry for the Secretary of Health because of those comments and I would like to ask those of us making negative comments to visit the Secretary of Health instead.

We went to see the Secretary of Health and had discussions in her office. She explained to us why it is taking long to provide Pukapuka with a doctor. More than three doctors came to Rarotonga and one of those doctors was for the island of

Pukapuka but when they were told that the island is very far from Rarotonga and shipping or flights are not very frequent there, they decided they don't want to go to Pukapuka and wanted to return to their country. This is one reason we continue to have no doctor in Pukapuka. Having said that, the Ministry of Health is still looking at ways to provide us with a doctor.

I am happy with the recommendation made by the Secretary of Health to ask for assistance from our next door neighbour, Samoa. We will see that happen soon in the days ahead.

Therefore, Madam Chairman, I am happy that the Ministry of Health hasn't given up in ensuring that our island is provided with a doctor.

As usual, my time is up.

MADAM CHAIRMAN: Thank you very much and I see the Honourable Prime Minister.

HON. H. PUNA: Thank you Madam Chair. Welcome back to you and Papa Colin. Let us give thanks to our Father in Heaven for His healing hands on our Papa and for brining you both back home.

Madam Chair, I stand to give my strong support to the Vote Item for the Ministry of Health. I have some views about this allocation but I would like to say that whatever amount we appropriate for the Ministry of Health, it will never be enough. What is comforting is that even if we run out of funds for referral, our Government will always provide the funds to look after our people.

This is the reason I said earlier on that regardless of how much money we allocate for our referral system, it will never be enough and the reason is this.

We understand that throughout the Pacific Ocean including the Cook Islands, NCD is our biggest concern.

We heard the comments from the Leader of the Opposition and she's so right because NCD is not contagious but we look for it. You create it yourself. This is very sad. We have to take responsibility for our health, Madam Chair. That really is our basic challenge in our country. We are not taking personal responsibility for our health. I think we depend too much that when we get sick, we are either referred to Rarotonga or to New Zealand so we get lazy. There is an expectation that if I'm sick somebody will look after me. This is the cause of our problem Madam Chair and unless we deal with this, no amount of appropriation will be enough to cover our needs for health.

So we need to look at ourselves, a long hard look at ourselves and resolve individually to do something about our health and I dare say that our main challenge is controlling what goes through our mouth. That is our personal challenge but we cannot do this on our own individually. As a community we are also responsible for fostering this condition.

I remember when I was young. When we eat, we eat island food. When we eat on Sabbath, we have arrowroot, breadfruit, fish and no chops. You realise the strength in the body in those days. I would say when we go further away from Rarotonga to the Northern Group we see the change in people because they live off the sea and the land. They don't depend on food from shops and supermarkets. That is where we are going wrong as a community. We think we are progressing by shopping in the Supermarkets and consuming fast food. Convenience has become more important than eating healthy food. I wonder if we think sometimes by eating traditional food, you know, we are giving a perception that we are poor.

I am saddened because our traditions today are so different from what they were in the old days. Madam Chair, it almost seems as if we are worshipping at the altar of food today. Food has almost become the most important part of our culture. I mean I look at funerals, at family services, when the family who is suffering bereavement is expected to feed hundreds. What kind of tradition is this? When they should be left to grieve. But that's what our society has become. It has become an expectation. We are worshipping at the altar of food. When there is a feast to be provided by a village or club or organisation, oh it's so easy to get a carton of chicken and we think we have done our contribution. Or even to go to family services, we take cakes and sweets and we feel good because we made a contribution. But Madam Chair, Honourable Members, all we are doing is perpetuating this bad practice that is so bad for our health and we wonder why we are an obese nation. The answer is there staring us in the face. It's how we are behaving as a people.

So my short message tonight is let's take a good long look at ourselves. Let's review our culture as we are practising it today. Let's pick out those that are harmful for our health and resolve to carry on with those that we know is good for our health because until and unless we do that Madam Chair and Honourable Members, no amount of appropriation will ever be enough to service our health needs. But for what it's worth, I support the appropriation that is in this Budget for our health sector. I am sorry for the hard words but I think it needs to be said tonight. Thank you.

MADAM CHAIRMAN: Thank you and as there are no further speakers and our time is up anyway I will now put the Question and the Question is:

That the sum of \$17,519,546 for Health stands part of the Schedule?

Motion agreed to

INFRASTRUCTURE:

We will now go to the Infrastructure Cook Islands and the Question is:

That the sum of \$6,285,169 for Infrastructure Cook Islands stands part of the Schedule?

And as this is of great interest to the Cook Islands we have two hours allocated for this but of course if you can do it for shorter than that that would even be better. The Floor is open and I see the Honourable Vaitoti Tupa.

MR V. TUPA: Thank you very much, Madam Chair for this opportunity to speak on this allocation. As appropriate to the Maori name of Infrastructure because I can see all the work being conducted by this department since I entered Parliament.

My thanks goes out to the Minister of Finance as well as the Minister for ICI because the allocation has been increased. When we look at Personnel there is an increase of \$323,292 dollars. I consider this a significant increase for remunerating our workers. And when you look at Operations there is also an increase.

I would like to highlight the allocation for our roads here on Rarotonga. Last week I was blamed for the road works in Matavera the blame was why did I not go and fill the potholes on the road near Takitumu School. When I consider the person who laid this complaint in the newspaper I think he is blind.

I replied to his article to explain to him all the work conducted on the roads in Matavera and I told him and explained to him my role in writing proposals to the Minister concerned for all the work that needed to be done. I explained to him that I did meet with the Minister at the end of our last Parliament Sitting as well as during the Supplementary Sitting.

When I consider how the Minister operates I know he wants everything written down. I know his time in Australia he held a high post for a construction company in Australia. This is a big company in Australia. I learned this when I travelled with the Matavera delegation seeking funds to build our Sunday school. We stayed at his home in Townsville. I assure our listeners that people were ringing him on his mobile phone and he was directing them what to do. This is also what he is doing in his capacity as the Minister of Infrastructure. That is why I put my proposals on paper in black and white and submit it to him. What I am satisfied with is when I presented my papers the road works started in Matavera.

We see the main road has been chip sealed and also the roads leading to the back road these have been filled and beautified and also there are other roads that he and his CEO knows that will be required to be worked on when the Budget is passed.

That is why I would like to thank the Minister, my written proposal have been carried out. This is how he works which is why things are happening. And also the increase in allocation for this year on road upgrades and this is a significant amount of funds of \$8 million dollars for Rarotonga. When you look at the proposals for next year there is \$7 million dollars, as well as the next appropriation still at \$7 million dollars. I believe he does want to complete this work on the road here on Rarotonga. And not only that but all the connecting roads to the inland road.

My explanation to the person in the media was our arrangement was the potholes at Takitumu School will not just be filled but it will be chip sealed. Maybe the time to strengthen this maybe it will be hot mixed. This is my satisfaction at the allocation for \$8 million dollars.

As well as the allocation for bridges that is \$2 million plus dollars. There is a bridge in Matavera which I believe the Minister have had a look at it when he was still working as a private contractor. I know this is one of his priorities to construct this bridge to reach our people inland.

The reason being since Te Mato Vai improved the situation with the water in Matavera there has been a lot of pressure and this bridge travels underneath the water. Today when there is flooding in the area the people inland are unable to cross this road. That is why I would like to give my thanks for the allocation for bridges as well as drainage. I understand my time is up and tomorrow I would like to speak further on this. Thank you.

MADAM CHAIRMAN: Thank you. I see the Honourable Tamaiva Tuavera. You have the Floor.

MR T. TUAVERA: Thank you very much Madam Chair. Looking at the Budget for ICI, I am happy with it because the roads in my constituency is being upgraded. We are not to consider the roads only, and also the drainage. As we understand when there is heavy rain it floods in Ngatangia. I understand the Prime Minister understands this. There is always flooding when there is heavy rain in Muri especially.

During the heavy flooding the field in Muri was flooded and all the sand was opened up by the extreme flooding. We understand it is because the pipes of the drainage are too small. I do understand there is some allocation to improve all this in Ngatangia.

Looking at the Budget Book 1 page 124 the Minister is doing a lot of work for the whole of the Cook Islands. Rarotonga is mentioned three times in this Appropriation. The Outer Islands is also included in this Appropriation and our people in the Outer Islands, are very important part of this country.

During the time when the ICI Bill was taken to the public we travelled around the country but we didn't get to Nassau and Palmerston. Please understand I didn't just go on this parliamentary trip just for the sake of following it. I did not just go as a Select Committee Member. I also went to inspect the work carried out on these Outer Islands.

When I walked with the Minister I am a step behind because he walks quite fast. I am very proud of the work he was doing and what he has done as we travelled to the Outer Islands. I don't know if he ever sleeps. He's constantly on the bike doing an inspection. I was happy and very proud of the work he was doing when we travelled around the Northern and the Southern Group Islands.

I am happy with his allocation. I would like for the work in Rarotonga to be completed as they have been allocated \$8 million to complete the roadworks in Rarotonga and for my roads to be hot mix and not just chip sealing.

I am also happy with the work of the Select Committee for the ICI Bill. After we had our last meeting in Mangaia, the Select Committee, had a meeting and we all agreed on it and we on the Opposition side fully support this Bill. So, the Minister knows that he has the stamp of approval from the Opposition. But I just want you to slow down but don't stop. I know you will take me to Mangaia with you when we do the water work in Tamarua. I want this work in Tamarua to be completed as it has taken three years for this to be completed.

So, Minister when we go to Mangaia this is our chance to find us a piece of land.

Madam Chair, I would like to stand here and give my support for this Bill as I want the Minister to know that I have some roads that he need to work on.

MADAM CHAIRMAN: Thank you and I see the Honourable Tai Tura. You have the Floor.

MR T. TURA: Thank you Madam Chair.

I stand here to support the Vote Item for ICI. I am very happy with the work completed by the Minister. I also want to speak on one item in this Appropriation especially Output 2 – Regulatory Services. They call it inspection. There are two works in this. Firstly, Building Control. I fully support this section.

I understand the Minister has an engineering background and he will fully support this work. All the homes that are being built in Rarotonga and the Outer Islands. We should look at building under the guidance of the Building Inspectors and I ask the Minister for the youth to be sent overseas for further education.

Secondly, Electrical. We understand this is also under the ICI. I support the allocation for this. I ask the Minister to provide another Electrical Inspector to inspect all the electrical work carried out in the homes. I know the Minister understands that this is two of the important work that is carried out under ICI and this is going to be important as guidance for the electrical inspection and housing inspection. I understand they were on consultation work with the Outer Islands.

These are two very important factors they spoke about. Therefore, I support this Appropriation. I understand they have plans for the Mauke Airport and let me just say that this is one of the longest airport strips. I fully support the Minister to carry out this work in the next year.

I believe the Minister of Finance will support this. I would like to say thank you to the Minister.

These are my concerns Madam Chair. Thank you.

MADAM CHAIRMAN: Thank you Honourable Member and I see the Honourable Minister, George Angene.

HON. G. ANGENE: Greetings Madam Chair and to those listening in.

I stand to fully support this Appropriation. We have just heard the Members of Parliament for Matavera and Ngatangia, talk about their roads. They have forgotten the road starts from Tupapa.

Thank you very much Minister Robert Tapaitau. I support this as the road works starts from Tupapa.

Thank you very much Madam Chair.

MADAM CHAIRMAN: I see the Honourable Selina Napa.

MRS S. NAPA: Greetings to all of us, Honourable Members. I can see the longer and late we sit the more alive we become.

I would like to speak about Waste Management in Output 5. I have been to one of the public consultations held in Muri with Waste Management as one of the topics. We understand the waste going into Muri lagoon and this is becoming a problem for us in Titikaveka as well.

So, when the meeting was called for public consultation on Waste Management, there were two main factors presented to ask the public for their opinions. Under the Output 5 allocation, maybe this is the start of this work for public consultation. When there was work constructed for the Waste Management in Ngatangia and in Titikaveka, the work first carried out was looked at as the most appropriate way to manage waste. And now today we understand this is not one of the best plans.

So when the meeting was called for public consultation on Waste Management, there were two factors presented to ask the public for their opinions and under Output 5, the allocation under this, maybe this is the start for this Waste Management Division, being the consultation process through the vaka. When I look back at what happened during the construction of the waste catchment in Muri and Tikioki. At that time it was thought that that was the best solution to stop the waste flowing into the lagoon. However it was discovered it is not the ideal solution. It was suggested it is better to look for a waste dumping area on land or to lay pipes for waste right out across the reef to the ocean in Ngatangia.

During one of the consultations, a proposal was erect a waste management facility which will take seven hectares of land and this is the size of seven rugby fields. The opinion was that people didn't want waste to be piped out into the ocean. They wanted another way to be looked at to manage waste in Takitumu. When Dr Teina Rongo spoke about this, he spoke about managing waste and piping it out into the ocean, and researching all the other countries in the Pacific Ocean, the Cook Islands has one of the best reefs in the Pacific Ocean as we don't pipe waste out into the ocean. Even as people were told and explained by the time waste is carried out into the ocean it has been filtered before being taken out into the ocean. It will not become a problem for the marine life.

Looking through the Budget for Waste Management, there is a requirement to the ICI and the Minister to work closely with the people in the village and also the people all around the islands to ensure they choose the right way or the right project that is suitable for our land. Maybe for the solid waste to be returned back into the soil for agriculture but they are still finding ways on how to manage this. Managing waste also concerns the Ministry of Health and also our Ministry of Marine and also our National Environment Services.

I am happy with the allocation for Waste Management on our island. Maybe the Minister can explain further on this.

MADAM CHAIRMAN: Thank you very much Honourable Member. We've actually come to the end of our time.

I call on the Minister responsible for the Bill.

HON. M. BROWN: Thank you Madam Chair.

I move:

That we report the progress of the Bill back to Parliament

MADAM CHAIRMAN: I put the Question:

That the Motion be agreed to?

Motion agreed to

MADAM SPEAKER: Parliament is resumed. I call on the Minister to make his report please.

HON. M. BROWN: Madam Speaker, I am happy to report:

**That the Bill is progressing very smoothly and
without any amendments**

MADAM SPEAKER: Thank you, and I put the Question:

That the Report be adopted?

Motion agreed to

Honourable Members, we have come to the end of our Session for tonight and I will ask for somebody to close us with a prayer please.

CLOSING PRAYER.

Thank you very much.

Parliament is adjourned until Tuesday, 11 at 9.00 a.m.

Goodnight.

Parliament adjourned at 10.25 p.m.