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TUESDAY 4 JUNE 2019

MR DEPUTY SPEAKER took the Chair at 1.00 p.m.

OPENING PRAYER

MR DEPUTY SPEAKER (T. TURA): Please be seated Honourable Members. I call the House to Order.

We now move to the reading of the Message to Parliament.

Message No.3.

The Queen's Representative in pursuance of Article 3 of the Constitution on behalf of Her Majesty and in pursuance of Article 43 of the Constitution, recommends Parliament to proceed upon the Bill, the Short Title whereof is the Appropriation Act 2019.

Dated at Rarotonga this 2nd day of June 2019.

And I lay this on the Table.

MR DEPUTY SPEAKER'S ANNOUNCEMENTS

Honourable Members, before I make my other announcements, I wish to remind Members of the absence of Madam Speaker who has been granted indefinite Leave of Absence by this House at the last Sitting. In this regard, I, as Deputy Speaker, will be presiding over this Sitting until Madam Speaker returns.

A special Kia Orana to the Head of State, His Excellency Sir Tom Marsters, Lady Marsters and family. The Prime Minister, Deputy Prime Minister, Cabinet Ministers, Associate Ministers and Members of Government. Leader of the Opposition, Deputy Leader of the Opposition, Opposition Members of Parliament.

The Clerk of Parliament and your staff.

Special greetings to a good friend of our Parliament, the retired Clerk of the Legislative Assembly of Western Australia, Mr Peter McHugh and your good wife, Penny. Thank you so much Mr McHugh for availing yourself to assist and guide us in the proceedings of this 4th Meeting of Parliament. Special thanks also to UNDP

Pacific office for this sponsorship of your services to us. You may also know that Peter has been here for so many times and can we give applause for Peter.

(Applause)

Last but not least, our extra special greetings and encouragement to Madam Speaker, Honourable Niki Rattle and Papa Colin in New Zealand. May our good Lord take care of you and give you strength as you reside in New Zealand until the time that we meet again.

Acknowledgment of our elected leaders in the Executive Government branch, the Judiciary, our traditional leaders and those leading the religious sector of our society.

Acknowledgment also to those on Rarotonga, the Pa Enua and overseas listening in to the Parliament Sitting by radio and watching our livestreaming.

Acknowledgment to those in the Public Gallery including the media representatives. Good luck to everyone. Best wishes.

Honourable Members, may I, on your behalf, express our deepest condolences to all those families with beloved ones who have passed away recently here on Rarotonga, the Pa Enua and overseas. May our good Lord keep you in good faith, take care of you and help you in this time of bereavement. Best wishes.

Now we have come to Question Time, and that is for 30 minutes.

The Floor is now open for Questions.

QUESTION TIME

I recognise the Honourable Member for Teimurimotia. You have the Floor.

MRS S. NAPA: Firstly, I would like to greet you Deputy Speaker as well as all the Honourable Members in this House. My question is to either the Minister of ICI or the Minister of Finance.

We see there have been a number of consultations going around Rarotonga in terms of water disinfection and my question is, if the majority of the people are saying no to chlorine, will Government still go ahead and chlorinate our water?

MR DEPUTY SPEAKER: Thank you Honourable Member.

I see the Honourable Deputy Prime Minister. You have the Floor.

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

As we are aware, the Government has been undertaking a series of consultations throughout our communities and our villages and the purpose is to explain to our people the Government's goal of delivering clean drinkable water once the Te Mato Vai project is finished.

The most important aspect of this consultation, Mr Deputy Speaker, is to ensure that there is no misinformation and that people do not use misinformation for purely political reasons. We will determine, Mr Deputy Speaker, out of the options that are available to us, what is the best way to disinfect our water. Let us be clear Mr Deputy Speaker, the priority of this Government is to ensure the safety of our people when they drink water from the taps.

Therefore, if it is determined Mr Deputy Speaker that chlorination is the safest and best way to ensure our water is clean for our people to drink, and if the information is based on sound scientific facts and not social media speculation, then we will make that decision Mr Deputy Speaker because this is a Government that is not afraid of making hard decisions. This is a Government that makes decisions based on the long-term interests of our country and our people and not the short-term fear of political ramifications.

Thank you Mr Deputy Speaker.

MR DEPUTY SPEAKER: Thank you Honourable Deputy Prime Minister.

I see the Honourable Member for Titikaveka.

MRS S. NAPA: I have a Supplementary question to the question.

If he is saying that if people are misinformed out there, my question is, like you said, are they going to look at other options and are they going to be inviting other options to their table to look at other options? Because I've been to a number of consultations and the people have asked to look at other options, if they are going to look at other options?

MR DEPUTY SPEAKER: Thank you Honourable Member I see the Deputy Prime Minister you have the Floor.

HON. M. BROWN: I repeat again, Mr Deputy Speaker, the Government is making sure that we have all the information available for itself and for the public to ensure that there is no misinformation. There certainly are a number of options of disinfecting the water for the public household and all of them have been taken into consideration and will be investigated further because there are pros and cons with each approach. We will make sure that we endeavour to choose the best option for our country and for our people to ensure their safety when they drink the water out of our taps.

MR DEPUTY SPEAKER: Thank you, Deputy Prime Minister. I now recognise the Member of Parliament from Tamarua, you have the Floor.

MRS T. MATAPO: Thank you Deputy Speaker. Greetings to all of us in this Honourable House this afternoon. Firstly, thank you to the Minister of Finance for your explanation.

My question is to the Minister of ICI and that is regarding the Tamarua water gallery. My question to the Minister is to please report on the progress of the water gallery for

Tamarua because I believe it is not finished, whether funds have been exhausted and please explain in this House what is the situation with the water gallery for Tamarua.

MR DEPUTY SPEAKER: I now see the Minister for ICI, you have the Floor.

HON. R. TAPAITAU: Kia Orana to all Honourable Members.

Firstly, I give thanks to the Almighty for bringing us in this House for discussions. Greetings to you Mr Deputy Speaker, Prime Minister, Deputy Prime Minister, the Government side, Opposition side, your Leader, Deputy Leader, to all Members of Parliament greetings to you all.

This is a good question and this is the answer. If only you were in Tamarua, Mangaia at the time of the consultation meeting maybe you will understand but anyway I will explain matters to you.

You are asking what is happening to the water in Tamarua. You are the Member of Parliament for Tamarua and you should be trying to encourage that side of things. But anyway at the meeting in Tamarua I told the people of Tamarua that when Parliament is finished I will come and finish that project in Tamarua. The employees of ICI are preparing things and when I arrive the work will commence straight away. I want the people to know that we should not be blamed that we are not doing any work.

The Mangaia Island Government and the Members of Parliament do not talk to each other. We from ICI, you the Member of Parliament for Tamarua and the Island Government for Mangaia should be sitting down and talking because you people do not talk to each other. But anyway I said I will finish your water gallery. God Bless.

MR DEPUTY SPEAKER: Thank you Honourable Minister, I see the Honourable Member for Ngatangia, you have the Floor.

MR T. TUAVERA: Mr Deputy Speaker, firstly Kia Orana to the members of the Sea Eagles who are listening in to our Parliament debate today. The Member for Tupapa is saying ask your question. I am proud standing here Deputy Speaker because we have created history in the Cook Islands by winning all our games and right up to the championship.

I have a question and this is either to the Minister of Finance or Minister of Welfare. I understand from age seventy and over they have a different rate of pension from the people from sixty to seventy years. To me all the old people are the same but their pension rates are different because I believe the sixty to seventy years have been discriminated against.

My question to you is will this be corrected in this budget of the people that you are talking about now.

MR DEPUTY SPEAKER: Thank you, Honourable Member I now recognise the Deputy Prime Minister and Minister of Finance.

HON. M BROWN: Thank you very much Member for Ngatangiia and congratulations to the Sea Eagles, in fact we were so happy with the Sea Eagles win we declared Monday a public holiday for your win.

Eight years ago, Mr Deputy Speaker, the Government declared that it would put more money into the pensions particularly for those over seventy years by increasing their allowance because it was this age group, Mr Deputy Speaker that really needed the support of the pension funds because many of them were no longer working as opposed to those who were sixty and over where a large percentage of sixty year olds were still working and earning income.

So the increase from what used to be \$400 a month to from 1 July will be \$700 a month for these over seventies is in line with our goal to hit 800 dollars a month for those in the over seventy bracket and our over sixty pension payment Mr Deputy Speaker I would have to say is in terms of the region, we are one of the most generous at starting our pension at sixty whereas a lot of other countries, particularly developed countries have their pension age up around sixty five before they collect the pension.

But the question is a good one from the Honourable Member and certainly worth considering that possibly we should look at making a distinction for those who are sixty five years old and having a separate additional allocation once you hit sixty five and then as you hit seventy it goes up even more.

But let us not forget ladies and gentlemen, Mr Deputy Speaker the Government pension is not the only support for retired people. Our current Cook Islands National Superannuation Fund which we should all be contributors of, is also another payment to help those in their retirement years and the difference between these two payments, Mr Deputy Speaker is that the Government pension is paid out of the annual tax revenues of this year whereas the superannuation is paid out of contributions that you have made into your own Superannuation Fund along with your employer over an extended period of time.

So as our population ages Mr Deputy Speaker, and as the Superannuation Fund matures, we will start to see our retired people collecting two incomes in their retirement, both their Superannuation and their Government pension. This is the beauty of looking at things from a long term perspective and putting it into action early because it will take a while before you will reap those rewards in later years.

Thank you Mr Deputy Speaker.

MR DEPUTY SPEAKER: Thank you Honourable Deputy Prime Minister. I now see the Honourable Tina Browne, Leader of the Opposition and you have the Floor.

HON. T. PUPUKE BROWNE: Kia Orana, Mr Deputy Speaker and to all of us Honourable Members of Parliament. Those on the Government side and those on our side of the Opposition, greetings to all of us in the Name of our Lord.

Kia Orana to all of our people listening to our broadcast this afternoon. Before I ask my question I would like to extend my appreciation to the Minister of Culture for the

support he extended to our National Netball Organisation for their awards presentation last Saturday night.

Not only did he make the dome available for the presentation of our National Netball Organisation but he also had his staff prepare the tables and got it ready for the netball event. Thank you very much to the Minister of Culture and not every Minister is very helpful when it comes to this kind of events. I want to thank you Honourable Minister for your great support to the programme of our netball organisation.

In regards, to my question I am not sure whether it should be directed to the Minister of Finance or to the Minister of Corrective Services. About three weeks ago there was an article in the newspaper about proceedings against Government for compensation.

The claim resulted from an escapee who then caused fatality. There are two parts to my question. Firstly, has provision been made for the claim and secondly, have checks and policies been put in place to prevent any of that from happening in the future.

I am not talking about the actual claim itself, I am talking about whether there has been any policies put in place to prevent that sort of event happening in the future which has caused children to be without a mother.

MR DEPUTY SPEAKER: Thank you Honourable Leader of the Opposition and now I see the Deputy Prime Minister. You have the Floor.

HON. M. BROWN: In terms of the first part of the question regarding compensation. Certainly the Government will make provisions in the appropriation for a number of compensation claims and one of them being for this particular event.

In terms of what can we do to prevent this sort of action not to happen again; it is a very difficult one because we can put in place all the systems and protections that we want but it is very hard to stop an individual from carrying out a crime.

Just reading in the newspaper today, a shooting in Darwin, somebody who was upset and he took a gun and killed four people. And there is another shooting in America and again an upset employee who shot eight people.

One thing that I do know that we have done to take measures to prevent these from occurring is to clamp down on ownership of guns and the importations of weapons. And there is a freeze on any weapons being imported into the country. And boarder services have recently stepped up their surveillance and their inspections of cargoes to prevent guns coming into the country.

And in the last few months it was reported to me that our customs were able to seize a couple of fire arms that were attempted to be smuggled in, in containers.

I think these are steps in the right directions that we have to undertake. The Robinson report as a result of the shooting made a lot of recommendations which the

Government has been endeavouring to ensure that we implement as many of those recommendations as possible.

One of the things that Government has done in terms of our cohort in the prisons is to establish the new Ministry of Corrective Services. If it is funded this new Government entity is looking at up grading the training and the capability of our prison wardens. The Minister of Corrective Services himself being very active in this area and I know that the Head of Ministry himself will be undertaking a visit to the New Zealand Corrective Services as part of this closer engagement with our New Zealand counterpart to see what we can do to ensure that we have the best possible Corrective Services.

Thank you Mr Deputy Speaker.

MR DEPUTY SPEAKER: Thank you Honourable Deputy Prime Minister. Now we have come to the end of Question Time.

PRESENTATION OF BILLS

I call on the Leader of the House.

MR T. ELIKANA: Mr Deputy Speaker, I rise to move:

That Standing Orders 224 and 226 be suspended to allow the Bill on notice to be presented to this Honourable House

MR DEPUTY SPEAKER: I call for a Seconder.

Seconded by the Honourable Deputy Prime Minister, Mark Brown

HON. T. PUPUKE BROWNE: Deputy Speaker, I ask whether we would be given an opportunity to speak to that Motion.

MR DEPUTY SPEAKER: You may do so Honourable Member.

HON. T. PUPUKE BROWNE: Deputy Speaker, the problem that we have, and I will rise later and say it. The Appropriation Bill was delivered to us on Sunday night. It was only the Bill and it did not have the Budget Books with it, so that we can then ascertain or make sense out of the Appropriation Bill.

It would be very difficult for us in the Opposition to have an intelligent debate with our colleagues in Government with regard to the matters contained in the Appropriation Bill. I have a proposal to the Deputy Speaker and to my colleagues in Government.

I am not too sure whether this is the right time to put it forward but I will put it forward. I was going to ask whether the House could adjourn for 15 minutes, so that we can have a discussion with the colleagues in Government as to the way forward with regard to the Appropriation Bill.

I believe our role as Opposition is to debate the Appropriation Bill in the most educated and intelligent manner. It is very difficult to do that unless we have the information and sufficient time to be able to do that.

MR DEPUTY SPEAKER: Thank you Honourable Member and I see the Honourable Deputy Prime Minister, Minister of Finance.

HON. M. BROWN: Thank you Mr Deputy Speaker, this request from the Leader of the Opposition is highly dreadful.

The Appropriation Bill is part of Government business. It is an important Bill in the calendar of the Parliamentary year and the tabling of the Budget is the appropriate time when the Budget is revealed, not just to Members of this House but to the public also. The House is given ten Sitting days basically to go through the Bill, the appropriations and query and ask questions and debate on the principles and merits of this particular Bill. So I am very reluctant to change what has been established as Parliamentary protocol and Parliamentary procedure in terms of tabling the Government Appropriation.

The good news, however, to the Members of the Opposition is that this particular Appropriation is very simple to understand, and if Members had taken up the invitation to attend the Budget Breakfast this morning it would have been laid out to them over a nice breakfast of bacon and eggs within an hour the full outline highlights of this particular Budget.

The reason why I said this is a very simple Budget to understand is that for the first time since I've been delivering these Government Budgets, when we reach the end of the presentation and ask for questions, nobody had any questions.

I was very happy that at least one Member of the Opposition, the Member from Matavera was there to observe and also the Member from Ivirua as well was there to observe. So my recommendation Mr Deputy Speaker is that we follow due process that this House has been following for many years and not deviate from that.

Thank you.

MR DEPUTY SPEAKER: Thank you Honourable Deputy Prime Minister.

Honourable Members, we have a Motion on the Floor.

I will call for a Secunder.

Seconded by the Honourable Mark Brown, Deputy Prime Minister

I will now put the Question. The Question is:

**That Standing Orders 224 and 226 be suspended to allow the Bill
on Notice to be presented?**

Motion agreed to

We will now proceed to the presentation of the Appropriation Bill 2019.

I now call on the Deputy Prime Minister and Minister of Finance Mark Brown to table the Bill for its First reading.

DEPUTY CLERK AT THE TABLE (H. MAUNGA): Short Title reads: Appropriation Act 2019.

BILL READ A FIRST TIME

MR DEPUTY SPEAKER: Can the Minister please name the date and time for the Second reading of the Bill?

HON. M. BROWN: Forthwith Mr Deputy Speaker.

MR DEPUTY SPEAKER: Thank you Deputy Prime Minister. The Appropriation Bill 2019 is ordered for the Second reading forthwith.

ORDERS OF THE DAY

We now have come to the Orders of the Day. I call on the Leader of the House.

MR T. ELIKANA: Thank you Deputy Speaker. Mr Deputy Speaker, I rise to move:

That so much of the Standing Orders be suspended as is necessary to allow the Appropriation Bill 2019 to be read a Second time, forthwith

MR DEPUTY SPEAKER: Thank you Leader of the House.

Is there a Seconder?

Seconded by the Honourable Minister, Vaine Mokoroa

I recognise the Honourable Tina Browne, you have the Floor.

HON. T. PUPUKE BROWNE: Deputy Speaker, I just wanted to ask for a clarification as to the necessity of this particular Motion, particularly in view of Standing Order 305. It is my view it is not necessary but I seek clarification from yourself.

And while I'm on my feet, I make reference to Section 13 of the Ministry of Finance and Economic Management Act. I have not seen a statement of the Estimates which is mandatory under this Section 13. Are we going to get that?

MR DEPUTY SPEAKER: Thank you Leader of the Opposition. I recognise the Leader of the House on the Floor.

MR T. ELIKANA: I am responding to the second part of the question in terms of Section 13 of the Ministry of Finance and Economic Act. I didn't have time to have a

look at that. I think the best place to answer that is with the Minister for Finance and he will respond to that.

But in terms of the issue raised in relation to the Motion put before this House, that Motion Mr Deputy Speaker is necessary in regards to the Standing Orders because of the number of Standing Orders that affects the passage of any Appropriation Bill that comes before this House. Rather than identifying each single Standing Order, the Motion is worded in such a way so it captures all the Standing Orders that may have an impact on the passage of the Appropriation Bill.

MR DEPUTY SPEAKER: Thank you Leader of the House. I see the Minister of Finance.

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

In reference to the query raised by the Leader of the Opposition regarding Estimates, these are the figures that are contained in the Budget Mr Deputy Speaker. We can set the actual figures for expenditure and hold those to what we will expend during the year. However, the revenue figures are something that we can only estimate which is why they are called Estimates.

Thank you Mr Deputy Speaker.

MR DEPUTY SPEAKER: Thank you Minister of Finance. Honourable Members, we have a Motion on the Floor and it has been seconded by the Honourable Minister, Vaine Mokoroa.

I will now put the Question. The Question is:

That so much of the Standing Orders be suspended as is necessary to allow the Appropriation Bill 2019 to be read a Second time forthwith?

Motion agreed to

We will now take the Second reading of the Bill.

I now call upon the Minister in Charge of the Bill to move the Motion for the Second reading of the Bill.

Honourable Minister, Mark Brown.

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

I now move:

That the Appropriation Bill 2019 be read a Second time

As the Minister responsible for this Bill, I wish to take the opportunity to speak.

MR DEPUTY SPEAKER: You may proceed Honourable Minister.

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

I believe the verse for our daily bread is appropriate for today, which is found in Galatians 3:15. It illustrates the promise of God and the laws created by man. The Appropriation today is an illustration of the promise of Government and the Appropriation Act that will be enacted after the Appropriation Bill is an illustration of the promise that we have made to our people.

Mr Deputy Speaker, eight years ago this Government sowed the seeds to make our country stronger, more self-sufficient and able to lift the levels of prosperity of all of our people and today we are harvesting the benefits of those wise decisions made during that time.

Today, all of our outer islands are transformed to fully renewable energy. We will complete the largest waterworks investment in our history ensuring clean, drinkable water for Rarotonga.

A new fibre optic cable will link us to the rest of the world. We have put more money into the pockets of our people. We have provided income opportunities for our people. We have increased our support in the area of welfare to lift pensions, child benefit and other welfare payments and we have been able to do this, Mr Deputy Speaker because of the excellent policy decisions of the Government and we have managed our economy in a fiscally responsible manner.

As I said earlier, we have made tough decisions for the long term interest of our people and our country rather than looking for short term popularity to gain political favour.

Therefore, Mr Deputy Speaker I am pleased to be here today to talk about this year's budget, the financing mechanism that will guide the development of our nation for the next four years and let me firstly extend also my greetings to all of our people on Rarotonga and also in the Pa Enua who are listening in to this Parliament and of course those of our people who are listening in through the internet in New Zealand, Australia and other countries around the world.

As the Minister of Finance I am delighted to fulfil my duty to present a budget that is dedicated to delivering more public services, infrastructure, resilience and income for our people to get ahead and provide for their families.

The 2019 Budget, Mr Deputy Speaker is about delivering for Cook Islanders because it is our Cook Islands people Mr Deputy Speaker who have worked very hard over the last decade who have made sacrifices and who have turned this country around and I am very proud to say, Mr Deputy Speaker that today we are strengthening our people to deliver more so we are able to continue on this path to prosperity.

This is a Government that has always done things differently and today we can expect our budget to look a little different as well. The Government's focus as expressed in our Government Fiscal Strategy is on improving the country's productive capacity and we will do this by investing in infrastructure that will ensure the sustainability of economic growth and the resilience of the economy to climate change.

We will also be looking to increase revenue without increasing the tax burden on society through economic growth and by ensuring that tax initiatives are applied in an equitable manner and further we will do this by investing in the capabilities of our Government agencies to ensure they operate effectively and efficiently in delivering services to our people.

This budget is an investment in the future of the Cook Islands by ensuring essential services and infrastructure is available to support economic stability.

Key budget measures to meet our focus areas are increased funding for law and order to ensure effective institutions as they provide the protection for more investment to make a strong economy.

We are looking at increased funding for health to ensure that Cook Islanders have access to a strong health care system and are able to meet their productive potential which is currently being challenged by NCDs.

We will invest in roads and drainage to build resilience on our roads and to invest in a quality of road that our people expect and we will increase funding for Government salaries to keep pace with the increased cost of labour in the private sector and the need to retain our highly skilled Cook Islanders.

As I foreshadowed in the House in April this year, in line with the Government's Medium Term Fiscal Strategy this budget presents a strategic four year expenditure estimate outlook and while the key focus of Parliament will be on this 2019 estimates the forward estimates from 2020 and 2021 provide more certainty for Government agencies and businesses to ensure effective long term planning.

Mr Deputy Speaker, as I explained at the Budget breakfast this morning, like previous years the Cook Islands economy continues to perform well. This is the first priority in any budget to ensure the right steps are taken to keep the economy growing.

There was nine percent real growth in 2017 with about six percent growth expected for 2018 and this strong run of growth has two key foundations. The first and most obvious is tourism. The year to March 2019 saw arrivals grow by four percent from 161,000 to 168,000.

Our latest survey estimate suggests that on average each visitor spends about \$2,600 in the Cook Islands. This is not only good news for hotels, resorts and holiday homes but also benefits those Cook Islands businesses that directly service the tourist market.

These tourism dollars also flow to other sectors including construction, agriculture, markets, crafts and local retail.

The second economic driver is Government expenditure on infrastructure projects. Large projects such as Te Mato Vai are not only boosting the construction sector but by employing well paid and highly skilled Cook Islanders are also having positive downstream impacts on the local economy.

The many smaller Government infrastructure projects such as roads maintenance, contacted out to local Cook Islands companies equally contribute.

Mr Deputy Speaker, this solid economic performance would not be possible without the excellent fiscal management that the nation has come to expect from this very good Government.

As I stated in the last Parliamentary Sitting, I will happily report back on the results of the IMF's recent assessment of our economy. Mr Deputy Speaker, the IMF welcomes the prudent fiscal management that this Government has pursued in recent years and the development of a comprehensive medium term fiscal framework with the aim of ensuring fiscal and debt sustainability. And although the IMF recognises similar challenges faced by the Cook Islands to many small Island States at the same time they recognise this economy has important assets, including having a stable Government in place and having high capacity in public administration.

Mr Deputy Speaker, I would like to take this opportunity to thank the International Monetary Fund, of which we are not a member, for taking the time to travel from Washington to give us a financial health check.

Mr Deputy Speaker, turning from the past to the future. Growth is expected to remain robust in the coming years, although at lower levels than in the past recent years. This is expected to continue but with steady growth in tourism and investment both public and private. We are forecasting 4 percent growth over the next four years.

As our growth remain steady in the forward years, it is timely that for the same reason we have established the Medium term Fiscal Strategy to guide responsible fiscal decisions. That over the next six months we will be developing an Economic Development Strategy with our communities and key stakeholders.

A strong and successful economy is essential for the continued improvement to public services, social welfare and to investment in infrastructure. A strong economy can never be taken for granted. It must be nurtured and worked on, or it will quickly go backwards.

It is clear that our communities want to engage with Government on our economic priorities so we can have a common understanding on where we should be directing our national resources, how we work with our development partners to enjoy the highest quality of life.

A key component will be exploring better ways to share the benefits of a growing economy across the Cook Islands. Regular shipping and airline services to the Pa Enua are a constraint on growth to prosperity. We are working together with the Government of Japan to improve shipping services and preparatory work is commencing on upgrades to airports and harbours.

Another long-term economic focus will be on improving productivity – especially in the telecommunications sector. Access to efficient, affordable and quality telecommunications services underpins all sectors of the economy and society.

The Government has already embarked on this journey with the recent launch of its draft Telecommunications Market Competition Policy, which will open up the sector to competitive forces for the first time. We will also be setting up an independent regulator to ensure that the benefits from competition flow through to all end users – including those in the Pa Enua.

The Manatua Cable, which is well underway and some of you may have seen the survey ship off Rutaki recently carrying out the detailed marine survey for the cable route – is expected to be completed and in service from about May 2020. Together with the new competitive regulatory arrangements, our country can look forward to faster and more affordable internet services.

Before I move onto other matters Mr Deputy Speaker, I cannot fail to mention the prospects for seabed minerals harvesting. This exciting new industry, although in its early development stages, has the potential to be a game-changer that will secure the economic future of this and future generations of Cook Islanders.

Let me turn to our, fiscal forecasts – Mr Deputy Speaker. In this Budget we can describe this as a mildly expansionary budget that balances the need for improvements in core Government operations and the state of some of the nation's key infrastructure with the economic context, and subsequent capacity constraints resulting from our run of strong growth.

Of particular note Deputy Speaker, is that the new fiscal rules we have set in Medium-term Fiscal Strategy published on the MFEM website which include – net debt to GDP, the fiscal balance, minimum cash reserves and growth in Government expenditure – all of which have been met in this Budget.

Deputy Speaker, if I could draw your attention to the net debt to GDP rule, which has a soft ceiling of 30 per cent of GDP. In 2019/20 we estimate this ratio at 18.6 per cent, and then project the ratio to fall to 11.9 per cent by the year 2022/23. This low level of debt would be the envy of many Finance Ministers around the world.

This is not to suggest that we are complacent, Mr Deputy Speaker. Far from it. We are expecting economic growth to moderate over the forward estimates, as it must eventually, and we must also prepare for a more sudden rainy day in the form of a natural disaster or economic downturn.

MR DEPUTY SPEAKER: Honourable Minister I would like to interrupt you. Our meeting is suspended until 3.00 p.m.

Sitting suspended at 2.30 p.m.

Sitting resumed at 3.00 p.m.

MR DEPUTY SPEAKER: You may be seated.

Parliament is now resumed. You may continue Minister of Finance.

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

Just before we suspended for lunch, I was talking about the potential to look after ourselves in the event of a sudden rainy day in the form of a natural disaster or an economic downturn and if I can draw your attention Mr Deputy Speaker to the new Stabilisation Account that this Government has proudly introduced in this Budget as part of its Fiscal Strategy. And into this Stabilisation Account we have placed \$56.7 million, only to be used under very specific circumstances. Again this is something new and innovative that this Government has undertaken and it is our protection against future disaster. So all in all Mr Deputy Speaker, this Government confidently meets all its economic and fiscal necessities and still manages to set aside funds for a rainy day.

If we look at the Government's first commitment mentioned in the Fiscal Strategy, Investments into Infrastructure.

This Budget continues this Government's ambitious capital plan by providing a Cook Islands Government-funded Capital Budget of \$40 million for 2019-2020 and this investment is aimed squarely at safeguarding the sustainability of economic growth and the resilience of the economy to climate change.

Our ambitious capital plan would fall short without the generous support of our key ODA partners. The New Zealand Government deserves special mention as our major contributor along with China, Japan and various United Nations organisations. When we include ODA support, as we must Mr Deputy Speaker to give the true picture to our people, the overall Capital Budget more than doubles to \$86 million for 2019. Let us not forget that nearly half of this is our own people's money.

The priority investment areas reflected in the Budget remain largely unchanged since the previous Budget with a focus on: climate change resilience by building cyclone centres in the Pa Enua; improving the roads in Rarotonga and also the Pa Enua; strengthening the bridges and improving drainage around Rarotonga; improving our water system by completing Te Mato Vai; commencing the sanitation project Mei Te Vai Ki Te Vai; and completing the construction of the Manatua Submarine Cable Project.

Mr Deputy Speaker, let me single out two capital initiatives for special mention.

The first initiative I would like to single out is the \$8 million that this Government has allocated towards maintaining and upgrading Rarotonga's aging road network. This funding, which represents a four-fold increase on the annual amount from last year's Budget will address structural road pavement problems, roadside drainage, resurfacing, road widening and improvements to pedestrian facilities as well as safety improvements.

The second initiative Mr Deputy Speaker is the \$4.2 million that the Government has appropriated to continue the Pa Enua Cyclone Centres construction program. As we know, most northern islands communities of the Cook Islands are situated on low-lying atolls and this exposes them to the risks of sea level rise and inundation as well as the impact of cyclones and currently these communities utilise schools and community buildings as shelters. But many of these buildings are not built to withstand the higher category storms. The construction of the Palmerston Cyclone

Centre is now complete and with the remaining centres for Penrhyn, Rakahanga and Nassau to be completed in this Budget and the next Budget.

Mr Deputy Speaker, if I can turn your attention to this Government's second policy commitment which is revenue. I announce no further changes to the Government's revenue policy in this Budget.

Revenue has increased significantly since 2012-13 and is expected to continue to grow over the forward estimates, albeit at a slightly lower rate. A significant proportion of tax revenues are derived from tourists during their time in the Cook Islands in the form of VAT. Therefore Mr Deputy Speaker from time to time, even when revenues are strong, it is prudent for a Government to review its system of taxes and other revenue collection instruments and the purpose of such a review is to ensure that the revenue framework is efficient, effective and equitable.

To this end, this Government intends to review all sources of revenue, both tax and non-tax, in this 2019 year and while this is being undertaken we will work to lessen the burden process for taxpayers and provide a more efficient process to our people and increase the tax outreach program that we have in place. The focus will remain to ensure that the Cook Islands have an efficient and fair revenue system.

Now Mr Deputy Speaker, let us move to the third most important focus which is to invest in the capabilities of our Government Agencies. This Government's biggest single fiscal priority over the medium term is to invest in the public services necessary for a growing economy. We are therefore allocating funding to each Government Agency necessitated by the shifting setting of our economy to face challenges of the future, lifting productivity, making a just transition to a more sustainable low carbon economy and adapting to a rapidly changing world of work. These are big funding increases, which reflect the needs of a growing country. However, it is my expectation that we will also achieve greater returns for each additional dollar invested in our Public Service and this Government is determined to ride the leading edge of these waves of change and if we are to stay ahead we are committed to fund the required tools for all Government Agencies so we can work together as a country to achieve this.

Mr Deputy Speaker, I will now highlight a few of these tools that form the key Government Appropriations for 2019/2020. The law and order sector of Government is a priority in this Budget. The sector comprises of the Cook Islands Police, the Ministry of Justice, the Ministry of Corrective Services and Crown Law. Together these agencies and institutions have the mandate and responsibility for administering justice and maintaining law and order in the Cook Islands.

So we are committed to making our communities safer by resourcing these agencies to help reduce crime and slow growth in the prison population. This will include strengthening this sector by investing in such areas as increasing pay for existing staff, providing extra funds to fill critical positions to increase the capacity and the effectiveness of these agencies. We will provide necessary vehicles and other capital items such as communication systems and cross agency information systems to enable more efficient and effective sharing of critical information between agencies.

As I mentioned earlier Mr Deputy Speaker, Health is another key focus in this Budget. A strong health care system is vital to ensuring that Cook Islanders are able to meet their productive potential and positively contribute to their community. This is increasingly important as we face the difficult challenge of combating and preventing non communicable disease such as diabetes which are on the rise in our country.

In this budget the Government is committing an additional \$1.8 million rising to \$4.1 million per year in each of the forward estimate years to the Ministry of Health. This will assist with recruiting key medical and specialised positions to improve medical services across the Cook Islands.

In addition to these sectors, Mr Deputy Speaker this Government is also committed to helping our most vulnerable people to lead more successful lives. This Government takes its responsibilities seriously towards those in our community who selflessly and tirelessly care for family member who may have a severe disability, a serious medical condition or who may be frail and elderly.

The Government is increasing the caregivers allowance which provides income support for these unsung heroes of our community from the current \$165 a month to \$200 a month as of the 1st July and combined with the pension payment to many of the elderly people who are being cared this way, this will help households to the tune of \$700 to \$900 a month in caring for their elderly.

This Government is also increasing by \$100,000 the special assistance fund managed by the Ministry of Internal Affairs and used to improve the home living situations of our frail and disabled community members.

The Government continues to value our elderly people by fulfilling its commitment to increase the pension for those 70 years old and over to \$700 a month from 1st July. The pension increase together with superannuation funds should help alleviate the financial burden to meet the daily needs of our elderly and retired people.

Social investment is about tackling our most challenging social issues and the combination of these new initiatives and the Government's decisions about family income will allow us to make serious head way with some of the longer term challenges faced by our most vulnerable people.

Mr Deputy Speaker, our minimum wage is an important Government commitment to the social welfare of Cook Island workers at the lowest end of the wage scale which includes many Government employees especially in the Pa Enua.

In April of this year this Government agreed to raise the minimum wage from the current \$7.25 an hour to \$7.60 an hour as of 1 July and then to \$8 an hour from 1 July 2020.

In order to attract and retain the skilled staff necessary to improve the efficiency and effectiveness of service delivery by Government agencies to our people, this Government is putting in place its second Government wide salary adjustment. The first Mr Deputy Speaker was applied in 2017/18 and took all staff one step up from

their respective pay bands. The second adjustment will be undertaken incrementally across the public sector over the forward Budget estimates period starting in 2019 with the law and order sector which is the Ministry of Justice, Corrections and Police Service in line with the Budget focus of this sector. This second adjustment will make our public sector salaries more competitive with the private sector and it will also have the added benefit of increasing family's abilities to meet the costs of living in the Cook Islands.

Mr Deputy Speaker, this Government recognises the need to increase maintenance on all major assets of the Cook Islands. The road and bridges maintenance budget managed by Infrastructure Cook Islands has been increased to enable them to contract for service and focus on eliminating maintenance issues.

In addition to this, a new funding has been provided to assist our people and homes if an emergency issue arise through the year. This emergency fund can help Infrastructure Cook Islands deliver and undertake this work when required.

As we shift to increasing maintenance for public assets we also recognise the need to increase the maintenance budget for Government assets managed by Cook Islands Investment Corporation. This Government has made incremental increases from 2020/21 onwards to provide a wide coverage of maintenance work whilst replacing and reconstructing Government assets. A long range maintenance plan will be developed once our asset management system is fully implemented.

Deputy Speaker, I would like to emphasise the support this Government has put in place to maintain the Social Impact Fund for the Cook Islands Civil Society Sector who delivers service to meet the need of those most vulnerable.

These Civil Society focus on key priority areas of Government which include: Gender, Children and Youth, Disabilities, Mental Health, Domestic Violence and the Elderly. It is only right that we not only strengthen our Government agencies, but also embrace and support the excellent work delivered by our Civil Society Sector for our Cook Island people.

Moving on Mr Deputy Speaker, the Government has worked closely with our traditional leaders through the House of Ariki to deliver on our National Goals. To reflect the increasing value of the role played by this important institution, we are increasing the House of Ariki Budget to continue the support and effective work being delivered.

Mr Deputy Speaker, as you know first-hand the increased number of Bills being updated due to the transformation of our country. As Government agency roles expand, evolve and grow, we must ensure that the legal and policy environment allow us to achieve this.

Funding for the special select committee has been increased to allow this committee to consult here on Rarotonga and in the Pa Enua on any bill tabled in parliament. This provides our people the opportunity to understand the changes being proposed and how this proposed changes will have benefit to them as an individual and to our country.

Mr Deputy Speaker, like other Budgets we continue to include our support for the people in the Pa Enua. Apart from the funding provided to meet minimum wage changes, additional funding has been provided to the Island Administrations to increase the efficiency and effectiveness of each Island to encourage growth and progress with the developments on each island.

To achieve Government's focus on improving the land use and management of our domestic environment, funding has been provided to enable the National Environment Services to have the presence on all the Pa Enua working in collaboration with each island.

If I turn again to ODA (Official Development Assistance), Mr Deputy Speaker. The upcoming financial year appropriated up to \$65 million in ODA. The majority of the ODA will fund the Core Sector Support, and capital investments. We are also pleased to continue supporting the grassroots community through small grants from India, Japan, New Zealand, Australia, and Korea.

Access to Climate Change financing mechanisms such as the Green Climate Fund (GCF) and Adaptation Fund is a significant achievement for our Government. The recent accreditation of MFEM by the GCF means that MFEM can obtain direct access and we are optimistic about submitting our very first project under the Simplified Approval Process.

This project is focused on the Health Sector and will be submitted to the GCF board in October 2019. Our ability to access climate financing has been a long and challenging road but I am encouraged that all this hard work will earn its reward in the near future.

Mr Deputy Speaker, I would like to declare that this Budget represent the shared desire of this Government and all our public servants to improve the lives of our people. This budget has been prepared with one thing in mind and that is to care for our people because we love our people and we love our country. We have a clear plan. We know what needs to be done and we are getting on with doing it.

Today, just as in recent budgets, this Government announces strong economic growth, strong revenues and proactive spending for our people. We are living well within our means, with this Government delivering positive operating balances and expenditure initiatives for every member of our society year after year.

This Government has managed again, as it always has in previous year, to provide the House with:

- prudent and decreasing levels of Crown debt;
- well-maintained Crown net worth; and
- responsible management of fiscal risks against the Crown.

Before I finish, Mr Deputy Speaker, let me commend the work that have been done by my budget team in preparing this year's budget. And this has been done by a team of young exceptionally qualified Cook Islanders represented here by our budget manager, Angelia Williams and also the Financial Secretary, Garth Henderson.

And what we have, Mr Deputy Speaker is a budget that will, care for all Cook Islanders, and is dedicated to the continued prosperity of all our people.

That is right – this Budget is a budget of Love, the love for our people.

Therefore Mr Deputy Speaker, I commend this Bill to this House and I look forward to the Seconder of the Motion and to the deliberations on the principles and merits of the House now that the Budget Books are now being distributed to all Members of the House.

Thank you Mr Deputy Speaker. Kia Orana and Kia Manuia.

MR DEPUTY SPEAKER: Thank you Honourable Minister.

(Applause)

I now seek a Seconder. Do we have a Seconder?

Seconded by the Honourable Minister, Vaine Mokoroa

I will now put the Question.

The Question is:

That the Bill be now read a Second time?

I now call on the Seconder of the Motion, the Honourable Vaine Mokoroa, to speak on the principles and merits of the Bill. Honourable Minister, you have the Floor for twenty minutes.

HON. V. MOKOROA: Thank you Honourable Deputy Speaker. Kia Orana to you and to all your Parliament Staff.

The Prime Minister, Deputy Prime Minister, fellow Ministers and Members of Parliament – Kia Orana. Kia Orana to our fellow colleagues in the Opposition.

Mr Deputy Speaker, can I please take some time to extend my greetings to the capital of Rarotonga, the Nikao constituency.

To all four villages of Nikao, from Atupa to Pokoinu, all Village Leaders, Traditional Leaders and our Golden Oldies and as well as our newly born living in Nikao – Kia Orana.

To Papa Orametua who opened our session this afternoon, and all denominations in Nikao – Kia Orana.

A special Kia Orana to all of our other constituencies here in Rarotonga and to all our Outer Islands listening in to this Parliamentary Session.

Thank you to the Deputy Prime Minister for a clean, not chlorinated, comprehensive and detailed Budget that has been tabled in this Honourable House and at this morning's breakfast session.

Thank you also to the Financial Secretary, Garth and all your good staff who have worked right throughout the past couple of weeks to deliver on time a Budget. This Budget has been remodelled, restructured to provide a Budget for the people. The Budget is titled "The Budget of love."

Thank you for those that came this morning to see a brief outline of this Budget at the Islander. I would like to thank those from both the private and public sector who came in to listen to the presentation by the Deputy Prime Minister.

I would like to thank my brother in the Opposition, the Honourable Member of Parliament Vaitoti Tupa and sister Agnes for representing the Opposition at this presentation this morning. This shows a true commitment by our colleagues on the Opposition rather than those that absented themselves.

Mr Deputy Speaker, I stand to share some of the serious commitment and undertaking that this good Government will deliver in the service sector as highlighted by the Deputy Prime Minister. Although we have gone on air and in the paper to highlight these increments, I would like to go into more details in this House on those increments.

The Deputy Prime Minister talked about the increment of Child Benefit from age 14 to 16. It is a follow-up of our commitment from the last financial year increasing the age from 12 to 14. Of this increase from 14 to 16 years, there will be about 716 children to be added on the Child Benefit Payment. Money-wise this is \$1,070,250 added to the Budget and the total Child Benefit Budget will increase from \$4 million to \$5.7 million. This increase as we have heard the Deputy Prime Minister mention is simply to improve the likelihood of our children, our mothers and fathers who are caring for their child or children. One of the policies that must go with this benefit is that those children collecting this benefit must remain in school if they are to collect and if they have reached the age of 16. We are also mindful that many of our children having reached the age of 15 or 16 will opt to seek full-time employment and in those particular cases they are not entitled to this benefit.

Mr Deputy Speaker, the Deputy Prime Minister further went to talk about the increment for our old age pensioners 70 years and over. This will be an increase from \$660 to \$700 a month. The total number of people that will be collecting this benefit will be around 731 and that Budget increment comes to around \$360,000. The total pension of aged 70 years plus comes to about \$6.2 million. Mr Deputy Speaker, there is 1,381 total number of people 60 years and over collecting our pension and this brings our total pension budget to \$12.9 million.

Mr Deputy Speaker, I have in front of me a detailed and constructive proposal from our good colleague and MP for Matavera, Vaitoti Tupa. His proposal is somehow aligned to Honourable MP Tama Tuavera's during Question Time earlier on in the session. Like Honourable Member, Tama Tuavera, MP Toti has also made the

proposal that there should be a review and an incremental rise for those collecting from the age of 60 to 65, 66 to 70 and so on.

Honourable Member Toti has recommended that all those between the ages of 91 to 100 should be collecting \$1,200 a month.

Mr Deputy Speaker, if we are to compare our pension with New Zealand, pensioners in New Zealand are collecting \$1,400 a month. I am happy to announce in this House that we will take this proposal on hand and we will decide at a later stage whether we should seriously consider it or not.

I am also encouraged to announce Mr Deputy Speaker that effective as of this January 2019, those of our good people who have lived in New Zealand for over 20 years are entitled to collect their New Zealand Super here. So if you are collecting your New Zealand Super you cannot collect your Cook Islands. In any case, I encourage our people who are collecting New Zealand pension to go on a New Zealand pension. Why? Because they are collecting around, like I said before, \$1,400 a month.

Mr Deputy Speaker, our recent discussions with the Joint Ministerial Forum, especially with the New Zealand Minister of Foreign Affairs, the Honourable Minister Winston Peters, he was acknowledged for making this portable pension between our Government and the New Zealand Government possible.

Mr Deputy Speaker, our encouragement to all our people collecting these benefits here in Rarotonga and in the Outer Islands to visit and meet your welfare staff in the Outer Islands should you have any issues or complaints.

The Deputy Prime Minister also highlighted the increment for our caregivers and the increases from \$165 to \$200 per month. One of the challenges that our old people are facing today is the lack of caregivers. With the breakdown of our family structure nowadays there's now a trend towards relying more on caregivers. Under the current scheme we have 156 paid caregivers and the budget allocated for our caregivers in this financial year is \$385,000.

Coming back to other progress within our nation, I am encouraged and thankful for the support of the many Government Ministries and staff towards the delivery of many capital projects that are currently being completed not only in Rarotonga but as well as in the Outer Islands.

I'd like to special mention of the progress of the road development in Muri. I think another reason for their win is because all players, coaches, managers and Member of Parliament have a smooth trip to their training field. It is also good to note that these road improvements started from Matavera and if you go to Titikaveka the rock wall at the Sheraton Hotel is completed and commissioned.

For us in Nikao I am encouraged and thankful to the Prime Minister, Deputy Prime Minister, Ministers and Heads of Ministries for their support in doing up our road work, drainage work and I am also thankful to our development partners such as New Zealand and Japanese Governments for the establishment and relocation of Te Vaerua who are currently housed in Pokoinu.

In concluding Honourable Deputy Speaker, may I say that let us put our heads together, let us work together to deliver the many deliverables that we have discussed in this House and accomplish as much as possible we can in this short period.

Let God be our guide and with Him on our right hand we will never be shaken. Kia Orana all.

MR DEPUTY SPEAKER: Thank you Honourable Minister. I can see the Honourable Tina Browne, Leader of the Opposition you have the Floor.

HON. T. PUPUKE BROWNE: Deputy Speaker, the Minister Mark Brown in response to my statement earlier this afternoon regarding the late notice of the Bill to the Opposition suggested that he did not want to change what has been the practice over the years. The cavalier way this Government approaches its responsibilities when it comes to authorising the expenditure of the public revenues would be unacceptable in my view, anywhere else in the democratic world where representative and responsible Government is practiced.

I had suggested this morning that time should perhaps be given so that there would be a discussion among Members to allow the Opposition time to acquaint themselves with the Bill. That was because this morning Government announced its intention to take the First and the Second reading of the Appropriation Bill with the Minister of Finance reading his Budget for 2019. There's nothing wrong with that in the broader sense except in practice to get there we are taking advantage of our process.

The relevant provision in the Ministry of Finance and Economic Management Act is Section 33 and that section reads "timing of first Appropriation Bill for any financial year except as otherwise provided by a resolution of Parliament, the first Appropriation Bill relating to a financial year shall be introduced, I emphasized introduced into Parliament before the end of the first month after the commencement of the financial year". That is where Government duplicity ends.

HON. M. BROWN: Point of Order.

MR DEPUTY SPEAKER: We have a Point of Order. What is your Point of Order, Minister?

HON. M. BROWN: The accuracy of the statements made by the Honourable Leader of the Opposition is not right. Firstly, the notice of the presentation of the Bill was not late in being delivered to the Members of the Opposition. The rules require that we must give twenty-four hours notice before an Appropriation Bill is tabled before the House.

MR DEPUTY SPEAKER: Can we.....

HON. T. PUPUKE BROWNE: ...that it was late, I referred to the Minister's response to my request.

MR DEPUTY SPEAKER: Thank you Leader of the Opposition. Deputy Prime Minister.

HON. M. BROWN: Thank you, if I may continue, Mr Deputy Speaker. In reference to the tabling of the Budget Bill before the House, I am not sure which country the Honourable Member is referring to, but this is the practice in the Governments of Australia, New Zealand in that their Bills are tabled to the Members of Parliament when the Budget Speech is then delivered by the Minister of Finance unless they have been leaked previously.

Therefore the time for the Opposition, Mr Speaker in what the Leader of the Opposition was asking for time to go through the Budget is now, once they have received the budget they are more than welcome to sit back as a team and go through the budget.

In no other country have I seen a situation where that doesn't occur in other Parliaments and the suggestion that Government is being duplicitous in tabling our Parliament now instead of as you referred to, before the end of the first month of the financial year, we are doing exactly that, Mr Deputy Speaker because the Act doesn't tell us what day to table it on, it just has to be tabled before the last day of the first month of the financial year.

Well today is definitely before the last day of the first month of the financial year. It is a practice that we have adopted in the last eight years since I have been a Minister of Finance to ensure the budget is passed before the commencement of the financial year on the first of July.

Previous budget before my time, Mr Deputy Speaker were passed after the start of the financial year. This has led to Ministries being unsure of their expenditure levels and delaying the proper planning and expenditures of Government until parliament has passed the Appropriation Bill.

I am quite happy if the Leader of the Opposition would like us to adjourn 45 minutes early. So, that they can have time this evening to go through the Bill and for us to resume tomorrow and listen to the wonderful merits and principles that they will be putting forward on the Bill.

MR DEPUTY SPEAKER: Thank you Honourable Minister of Finance. I now call upon the Leader of the Opposition, the Honourable Tina Browne, may continue.

HON. T. PUPUKE BROWNE: Mr Deputy Speaker, if the Minister Mark Brown had allowed me to continue, I would have been able to answer some of his questions as to the other jurisdictions that I will be referring to.

I say, it is one thing to introduce the Bill before the end of the financial year. It is quite another to pass it before the estimates which includes the actuals for the preceding year and unauthorised expenditure are available to accompany the Appropriation Bill.

And here I am talking about sections 13, 25, 26, and 27 of the MFEM Act. In addition and before the end of the third month of the New Year, the financial secretary should also have sent to the Audit Office, financial statements of transactions affecting the Public Accounts with an audit report thereon forwarded to parliament. And the authority for that is section 26 of the MFEM Act and article 71 (2) of the Constitution.

The huge continuing disconnect I say between the procedure adopted for the passage of the Appropriation Bill, an Audits' responsibilities to parliament and its performance and the non-availability to parliament of all appropriate material provided by section 13 of the MFEM Act is a terrible indictment upon all those concerned.

Now, in April I had made a statement about the outstanding Audit report and the Minister of Finance did correct me and said it was not eight years outstanding, it was only four. I checked with Parliament yesterday, it is still outstanding and it has not been tabled in Parliament.

MR DEPUTY SPEAKER: Honourable Leader of the Opposition, I have to interrupt you. Are you going to spend all your time relating to the Act rather than debating on the Bill?

HON. T. PUPUKE BROWNE: This is all about the Bill, with respect Mr Deputy Speaker. It is all about the Appropriation Bill according to the Act must come with other materials that is my point.

MR DEPUTY SPEAKER: Alright, you may continue.

HON. T. PUPUKE BROWNE: Thank you, now apart from some minor departures in language in New Zealand and their Finance Act is 1989. Their section 12 and our section 33 is similar and their Bill is usually introduced in May. And there is no similarity from that point on with us.

For example, in New Zealand, although the budget is read before the end of the financial year, the main Appropriation Bill is not passed until well into the new financial year. And New Zealand does not have a provision like our article 73 (a), which authorises 3 months spending after the close of the financial year.

My point here is, there is no need here to be rushing, as three months should be adequate time to get the actuals. The other matter together which would permit parliament to engage a proper responsible exercise of examining the budget.

I understand it use to be 5 months and then in 1997 it was reduced to 3 months. My understanding is that New Zealand gets over this by their impress supply and which achieves the same thing. So, I am at a lost when it is suggested that this is the system everywhere else because my reading of the New Zealand, that is not correct.

Now, the way I am seeing us doing things is that Parliament is being forced to pass Appropriations for an ensuing year without any idea how those given the management

of its funds performed against an approved for the year just passed. We see today that despite opposition from this side of the House.

Government is continuing this process to suggest that we get delivered these books shortly after their conclusion of the Budget Speech and that we should have enough time when Government have had weeks. I do not see the fairness in that and I do not see how it is the Opposition, like I said can make intelligent comments. I would hate to think that the reason why my colleagues in Government are resisting giving the Opposition time to look at the Budget is because you do not want us to understand what is in the budget and suggesting that we could do that in 45 minutes. I do not think I could do that either so we must have very clever Members on the Government side or maybe dumb ones on the Opposition side.

The fact that has been done in the pass is no excuse and if indeed Government wants a responsible and intelligent response from Opposition then that time should be given to allow the Opposition time to look at what you had weeks to look at.

You can then notice that I have not been talking about the merits of the Bill and you would have worked out that it is because I have not had time to look at the budget. And you would be entitled to think that if I cannot do that, then most of us in the Opposition will not be able to do that either. I am sure that my friends on the Opposition side will correct me if I am wrong.

I heard the Minister Mokoroa say, let us work together. So, let us work together on this and make it all happen. Thank you, Mr Deputy Speaker.

MR DEPUTY SPEAKER: Thank you Honourable Leader of the Opposition. I recognise the Honourable Member for Matavera, Vaitoti Tupa and you have the Floor.

MR V. TUPA: Thank you very much Mr Deputy Speaker for the opportunity to speak on the principles and merits of the Appropriation Bill tabled by the Minister of Finance.

I would now like us to understand in this Honourable House, how the Appropriation Bill is prepared to help us Members of Parliament to prepare for it.

In the past, the Appropriation Bill is prepared and ready for Parliament two months in advance. Nowadays, the preparation of Budget is given back to each Government Department to prepare. For example, from October 2018, you prepare your Budget up to March 2019. When April comes under this system, this is the time when the final budget is presented to Cabinet. This is when discussions between Cabinet and the Government agency takes place as to why there was an increase or deficit in the budget.

I believe the change came about in the year 2017 to last year. This was brought about by MFEM. During that time they had a Budget Committee. They made the decision on what Budget is presented to Cabinet. Today with the explanation coming from the Minister of Finance, this responsibility has been given individually to each Department. In my time working in the Government we have been arguing for the

opportunity to appropriate our own budget before being presented to MFEM and onto Cabinet.

I thought I would like to raise this now so each and every one of us especially those who haven't worked in a Government department to understand how this works in the hope you will understand how the Appropriation Bill is prepared.

I would now like to talk about some merits and principles of the Appropriation Bill.

I would like to make mention that I like how the Appropriation Bill is presented. If we look at what the Deputy Prime Minister has explained to us on the Budget for this year to next year under Budget Focus. I would like to make mention of the key Budget points and the first one I would like to point out is the law and order, secondly Health, thirdly for our roads and drainage and lastly appropriation to pay our Government workers. I believe this is what he is wanting us to understand and I do believe this is what we were talking about last year.

I would like to make mention of the increase and the appropriation for the Ministry of Health. Even though we were only given the opportunity to look at it now, I would like to make mention of the referral of our people to New Zealand. I would like to make mention that there is an increase of this service. I would like to comment on this during the time when the Minister presents the Budget for the Health.

I would also like to speak about the appropriation for the roads and drainage work. If we look at the previous appropriation, there was \$2 million allocated. Today's allocation as I have looked through our Budget is up to \$8 million. There is an increase of \$6 million to improve our roads and our drainage work. So therefore this is what I would like to talk about when we talk about the ICI appropriation.

The fourth point I would like to talk about is the payment of our Government workers. If we look at our previous year's Budget 2018-2019, the appropriation in the budget was low as there was no appropriation to increase payments. When we look at our current Budget 2019/2020 there is a big increase.

MR DEPUTY SPEAKER: I would like to interrupt you Honourable Member. We are going to adjourn.

I call upon the Leader of the House.

MR T. ELIKANA: Thank you Mr Deputy Speaker.

Mr Deputy Speaker, I rise to move a Motion:

To suspend as much of Standing Order 54 paragraphs 2 and 3 which relate to Sitting hours of Parliament to allow Parliament to sit at altered hours from Wednesday, 5 June (which is tomorrow) until the Appropriation Bill 2019 is adopted or passed according to the following schedule:

With the exception of Wednesday, 5 June and Thursday, 6 June (which I will come to later on) in regards to every other day which Parliament is convened, that Parliament sits commencing at 9.00 a.m. in the morning and sits until 10.30 a.m. Then it will take a break from 10.30 a.m. to 11.00 a.m. Then it will sit again from 11.00 a.m. to 12.30 p.m. Then take a break from 12.30 p.m. to 1.30 p.m. It is a one hour break to enable Members to attend to other urgent matters. Then Parliament will commence from 1.30 p.m. until 3.00 p.m. and then will take a break from 3.00 p.m. to 3.30 p.m. Then Parliament, the final session for the days would be from 3.30 p.m. to 6.00 p.m.

With regard to Wednesday, 5 June (which is tomorrow) Parliament will sit as set up previously as a normal day commencing at 9.00 a.m. until 6.00 p.m. as I have set out earlier. However, Parliament will reconvene at 7.00 p.m. until 8.30 p.m. Then it will take a break from 8.30 p.m. to 9 p.m. Then it will sit again from 9.00 p.m. to 10.30 p.m.

With regards to Thursday, 6 June, I think all of us are well aware this is a very important day both culturally and for financial issues as well because I think we are welcoming Marumaru Atua back to our islands. So on that 6 June, Parliament will commence sitting at 1.00 p.m. until 3.00 p.m. Then it will take a break from 3.00 p.m. to 3.30 p.m. Then commence again from 3.30 p.m. to 6.00 p.m. Again it will sit at 7.00 pm to 8.30 p.m. Then it will take a break from 8.30 p.m. to 9.00 p.m. and then it will sit again from 9.00 p.m. until 10.30 p.m.

That's the Motion I would like to put before this Honourable House.

MR DEPUTY SPEAKER: Thank you Leader of the House. Is there a Seconder?

Seconded by the Honourable Prime Minister, Henry Puna

HON. H. PUNA: Deputy Speaker, can I please speak to the Motion through my seconding the Motion?

MR DEPUTY SPEAKER: Yes, you may continue.

HON. H. PUNA: Thank you.

Greetings to us all in this Honourable House today and greetings to our people listening in today.

I stand to support this Motion because we have a lot of work that we Members of Parliament need to do. There are also jobs that the Government have in the middle of this month that cannot be put aside but we wanted us to have sufficient time to discuss this Appropriation Bill. There are also Bills that require the urgent attention of this House.

Maybe this is the appropriate time for me to inform this House that the Government wants everything to be dealt with by the 14th of this month because there are lots of meetings happening overseas and we want a representative to attend these meetings.

I am happy that I have had discussions with the Leader of the Opposition and I am happy that she supports that a lot of work should be completed in the two weeks that we will be meeting. It cannot be helped but it is written in the Standing Orders and we are trying to ensure that the work we do is governed by the Standing Orders but there are ways we can help each other by discussing some of the things we can do to help each other achieve what we plan to do.

So therefore Deputy Speaker, I'd like to stand and support the Motion and to request Honourable Members of this House to please bear with us so that we can complete these important activities in the days to come.

I'd also like to support the Motion for the change for our sitting time on Thursday because our people have asked for our support to welcome our Vaka Marumaru Atua and I support this request and we want to be there to support them. I would like for all of us to be at the wharf to welcome our Vaka therefore for us to be able to achieve our responsibilities in this House, we need to work the extra hours in the evening. Thank you for supporting this Motion.

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

**That Standing Order 54 (2) (3) be suspended as necessary to allow
Parliament to sit at altered hours from Wednesday, 5 June as
outlined by the Leader of the House?**

Motion agreed to

Honourable Members, I would like to make an announcement in preparation for debate on the various vote items in the Committee of Supply. I, pursuant to Standing Order 307 (2) hereby advise that the following time limits will be applied to the debates on Agency Budgets as follows:

1. Any Vote Item with \$5 million or higher will be allocated two hours debate time.
2. Any Vote Item above one million dollars and less than \$5 million and all the Outer Islands will be allocated 1.5 hours debate time.
3. Any Vote Item below \$1 million will be allocated one hour debate time.

Honourable Members, we have come to the end of this Parliament Sitting and I will call upon the Honourable Member for Nikaupara to say our closing prayer and also for one minute silence to be observed after that for the late father of the Member for Mitiaro, Tuakeu Tangatapoto who passed away last week.

All stand please.

CLOSING PRAYER

MR DEPUTY SPEAKER: Can we all remain for one minute silence please.

(One minute silence observed)

SHORT PRAYER

Parliament is adjourned until Wednesday, 5 June 2019 at 9.00 a.m.

Sitting adjourned at 4.59 p.m.