Herald News Extra

Puna and Brown April Fools day fools

There is an old saying that economics starts with the politics, and ends with the taxes. The same is true here too, but with a twist, a clumsy silly twist.

Readers would be aware that the tax masters at MFEM had been working for quite some time on increasing VAT from 12.5% to 15% and had made many public statements that the amendment to the Value Added Tax Act would make the increase effective on the 1st of April.

Radio listeners on day one of Parliament most certainly got the impression the CIP had dished out a convincing lesson on political points scoring and strategizing to the outnumbered Democratic Party Opposition. It was if the CIP was the cat playing with the Demo mice so much so the Opposition walked out of the House licking their wounds in disgust.

You could almost hear Brown beating his chest in victory as he spoke in glowing terms about the merits of increasing the VAT unhindered before the Bill was passed. How smug The PM Puna and his sidekick Brown must of felt and so they should have, their political acumen and slight of tongue trickery had won the day for Government, well that's how it seemed to the listeners.

Day two, the first of April lifted the listeners interest to another level, it was like a game of two halves, as the Parliament broadcast unfolded the Opposition's wounds from the day before seemed totally healed. Overnight seemed to have revived them so much so listening to the live Cook Island Radio broadcast became riveting.

The Opposition began to paint a mental picture that caused listeners to wonder whether or not the 1st of April had anything to do with the evidently shambolic way in which the VAT Bill had been manipulatively passed the day before. But had it even been legitimately passed at all?

Not so claimed the Opposition, backed by Constitution law they pointed out the CIP went beyond bending the law to claim a hollow political thumping, they broke the law to get their way.

The day before on March 31, the new MP for Murienua James Beer had been sworn in and later he raised an important point, 'why is this amendment was being guillotined on such a crucial issue and that did not permit a full and thorough debate on the principles and merits of the amendment?'

Why was there a rush? The question was asked, and when it did get passed, why were well paid Ministers doing a splendid botch up job of passing this amendment after such a limited amount of time given to discussing it?

Perhaps they were nervous after a their inexcusable splutters in the previous few days over their political gymnastics on the Grey Power Back Tax and then the back flipping on import levies on imported fruit and vegetables, that their egos had taken a dent and that they were feeling that the unpredictable nature of people would make the increase back fire.

If this most early stumble at its passing is an indication of where this Amendment may end up, then it looks like it's going to be a political basket case for this CIP Government that may well have them somersaulting, ducking and diving for cover for months, their only reprieve will be their political demise at the next elections. This is one amendment that is going to have an unpredictable effect on people and an unpredictable effect on some important national issues that will become big political issues in this election year - count on it. Will it have an effect on depopulation? An increase in crime and will it agitate and create further angst among the business community, finding ways to pay for the increase but not being able to increase prices on lines that already are rounded. Will the Herald now sell for $2.04 or will it now sell for $2.50, will the cost increase be absorbed, or passed over to other commodity like advertising rates? These will be the issues that businesses will be grappling with.

The Government has had ample time to bring the Bill before Parliament and to debate the amendment. Was it because it interrupted the Prime Minister's recent golfing trip to Blenheim, NZ? Or, was it because Puna was concerned that two CIP MP's had expressed dismay at the VAT increase and had threatened to buy an airline ticket and leave the country during the sitting therefore rendering the government in a precarious position with no majority to support its Royal assent? Or was it because it was April Fool's day and that the Government were behaving as if the joke was them?

After the amendment had been passed it appeared as if the Government had done so in violation of the Law, the required full days notice to be given to Public Bills had not been fulfilled. When MP Norman George brought this matter to the attention of the House, the clumsy Minister of Finance Mark Brown in his usual dismissive manner flippantly dealt with the Standing Order 224 raised by George as an anomaly that should be dealt with by the Clerk. Brown's ignorance of Parliamentary machinery manifests a reflection of his arrogance that has embarrassingly become his snare.

As a Parliamentary novice Brown would be wise to observe that any such Bill or amendment not dealt correctly under the Law would expose future Governments to the wrath of the Judiciary and would not only be embarrassing but a very expensive exercise. Having the stigma of egg on his face will be a political legacy Brown will have to wear for a long time while his manipulating mentor Richard Neves who set him up to bulldoze the VAT amendment through walks away unscathed.

A sheepish Henry Puna mostly likely wished Parliament was not being broadcast live throughout the Nation as he licking his wounded pride acknowledged to the Speaker Rattle there had been likelihood of an embarrassing legal breach and that he agreed with Opposition Leader Rasmussen and MP Norman George the matter could not proceed until Crown Law had advised the House, a matter that could take several days.

Now it would appear that the Government is back tracking marking a horrendous week of first, flip flops, retracting and now the very serious issue of the law not being properly passed as per the standing orders of Parliament.

Without their Parliamentary brain trust Teina Bishop present, DPM Heather, Turepu and Glassie failed to fire because they are novices like Brown, out of their depth and void of strategic political substance. (And the unintelligent Heather thinks he should be the leader because he can drive a bulldozer)

If the anomaly had been picked up later in the month of April or later still, businesses would have had a legitimate right to not pay the full VAT, because the government would simply have had no authority to impose it, and to back collect, would have had to pass some retroactive legislation that would have had many businesses counting the days to boot this government out. How appropriate, April Fool's Day.

- George Pitt

Response to Minister for Telecommunications Mark Brown

Mervin Communications (MCL) Director William Framhein say's the Minister for Telecommunication Mark Brown's decision to answer only one question of nine put to him is disgraceful and irresponsible. With the announcement yesterday by Telecom New Zealand (TNZ) of the proposed $23m sale of its 60% stake in Telecom Cook Islands to Digicel it is clear those shares are available for purchase and the Cook Islands Government has first options in doing so and, if it likes on selling TCI shares to Cook Islanders.

For nine years, following the expiration of the monopoly clause in the TCI Joint Venture Agreement, TNZI has successfully blackmailed the Government not to issue a second telecoms license, thereby depriving the people of Cook Islands of the improved services and lower prices that come with competition.

We now have the opportunity for Cook Islanders to take back control of TCI, but Minister Mark Brown seems hell bent on allowing this strategic asset to pass into the hands of an operator far more ruthless and litigeous than TNZI. What is more concerning is that Mr Brown has said that he is comfortable to accept them at their word that they welcome competition, when their track record around the world says otherwise.

MCL asked the Government through the Minister of Telecommunications to reconsider its waiving its first rights of refusal and to facilitate a purchase of those shares for on selling to Cook Islanders such as MCL says Framhein. Furthermore the Minister was asked:

- what kind of comfort he and Government would be looking for from MCL to change his stance on Government waiving its first right of refusal to buy TNZ shares in TCI?
- what level of comfort would he and Government be looking for from MCL?
- what kind of details did he and Government want from MCL?
- what non-disclosure assurances could he and Government offer MCL on the highly sensitive information which would be provided to himself and Government by MCL?
- as MCL's equity investors and funding sources required MCL to perform due diligence, would the Minister and Government facilitate those rights for MCL to perform due diligence?
- would the Minister and Government negotiate with TNZ an extension of time from 30 days to 60 days of the first right of refusal clause to allow proper due diligence?, the time extension is required so that the parties can comply with the BTIB Investment Code 2003 and the Investment Act 1995/1996 as well.
- would the Minister and Government allow the parties to comply with the current BTIB process?

The Minister did not bother to answer any of these questions and I guess the Minister doesn't care said Framhein.

The other question put to the Minister was in the way of a request for Government to assign its first right of refusal over to MCL, subject to TNZ's approval. The Minister got legal advice from Crown which was "essentially the legal advice I have been given from Crown Law (which is privileged) is that neither I nor the government has any authority to assign the right of first refusal to a third party", but the Minister didn't even have the guts to write to Craig Walton Head of Telecom New Zealand and ask him if an assignment would be possible.

The Minister is so wet behind the ears says he no idea what the financial and social impact is going to be of his passive compliance with this deal.

MCL has been on the telecommunications battle field for 9 years, not against Telecom but against Governments, past and current. This is serious says Framhein.

- Mervin Communications media release 01 April 2014

Te Mato Vai media strategy flawed

It's little wonder the Te Mato Vai (TMV) project is getting so much bad press. It stems from a flaw in the media strategy adopted.

The flaw is that from the outset there appears to have been no intention to involve the media as a "stakeholder "in the project. For some unknown reason, overseas consultants and government officials do not regard the media as a stakeholder.

Even the ADB Inception report of 2008 on infrastructure, which had a chapter devoted to communication never made any reference to the media. In the report's Appendix A which lists stakeholders, the media is not mentioned. Instead it appears the ADB consultants expected communication between government and stakeholders (other parties) to be sufficient. Did it not occur to the ADB that it is the media which communicates with the public at large?

That attitude has prevailed with the TMV project. While a media consultant has been engaged, that consultant has not met with all the media. When the consultant tendered for the contract what strategy did the consultant put forward for communication with media practitioners? As Editor of the Herald, I am yet to be invited to a meeting to discuss publicity for TMV. At the outset the media consultant engaged should have met with the Herald to discuss what strategies the Herald might apply to better inform the public. Instead the media consultant prepares press releases and sends them out hoping the media will publish them. From government's position, this "shot on the dark" approach is not an appropriate strategy for such an important project.

Surely someone in Cabinet has the brains to realize that it is the media practitioners not media consultants, who convey messages to the wider public and who decide what messages to convey and that you omit the media from stakeholders meetings at your peril.

Government should have ensured that the media was brought on side from the outset. This is what government should now be demanding from the media consultant. *- Charles Pitt*

Parliamentary Democracy and administration process a shambles

It's little wonder our Parliamentarians seem lost in space when bills are being debated in the House. On the first day (31 March) when Members of Parliament arrived their mail boxes were jammed with hundreds of pages of documents. How is it possible such an amount of the materials could be read, absorbed, and then comprehended in less than an hour before convening the first day's session especially when the order of material to be debated is not set in concrete. Gazetting documents the same day as the introduction of Bills in Parliament is highly dysfunctional and a shambolic way of processing democracy. In the future, this practise can be eliminated with Gazetted documents being made public for scrutiny well before the sitting of Parliament if the Prime Minister Henry Puna could make up his mixed up mind the dates of sitting. *- George Pitt*

ENERE PRESLEY
DEBUT HIT SINGLE
DON'T BE CRUEL
COMING TO A PENSION ACCOUNT NEAR YOU.
GREY POWER
ONE VOICE.ONE CHOICE
SAY NO
PENSION BACKTAX

Political Reform . . .

It's time to fix two "Big Mistakes"

. . . from 49 years ago

Talking about Political Reform . . .

There are two "big mistakes" in the Cook Islands Constitution Act of 1965 that have never been addressed to the present day.

There are also the same two "big mistakes" made in at least one Constitutional Amendment.

In particular, I refer to the Cook Islands Constitution Amendment (No 9) Act of 1980-1981.

This was the Amendment which changed the name of "Premier" to "Prime Minister". It also changed the name of the "Cook Islands Legislative Assembly" to that of the "Cook Islands Parliament".

This same Amendment was also responsible for breaking up the three "Vaka Constituencies" on Rarotonga into then 9 single member constituencies. (The Murienua Constituency did not come into existence until 1991 I think?)

This Constitutional Amendment also broke up the "Island Constituencies" of Aitutaki, Atiu and Mangaia into single member constituencies that we have today.

The Cook Islands Electoral Act 2004 is also relevant because the same two "big mistakes" I am talking about are repeated here as well.

In each of the above pieces of Legislation, a detailed description of each constituency was either included in the relevant legislation or detailed in an attached "Schedule" to each part of this legislation.

In some cases maps were even included to show exactly where the electoral boundaries were for each constituency.

In the case of constituencies such as Pukapuka, two readings of longitude and two readings of latitude were given to indicate a square position that totally embraced Pukapuka to include everything inside its reef borders.

In this way all "occupied" and all uninhabited motu in Pukapuka were automatically included as part of that constituency along with that of Nassau.

A similar situation existed for Manihiki, Rakahanga and Penrhyn with all their various motu being included in each constituency as a result of the longitude and latitude readings given which lie just outside the edges of the various reefs of these islands.

The same thing happened to Palmerston which was then placed in the Avatiu Constituency.

With regard to Aitutaki, the situation was a little different because that island was broken up into 3 separate constituencies.

Included in the Arutanga-Reureu-Nikaupara Constituency was the motu known as Maina. This being the most south-western motu in the lagoon. Also included in this constituency was the uninhabited island of Manuae located some 60 miles away.

The Vaipae-Tautu Constituency consisted of a portion of land on the mainland and included in the Schedules were the names of 13 uninhabited motu which are scattered around the eastern fringe of the lagoon.

The Amuri-Ureia Constituency also consisted of a portion of land on the mainland as well as the most northern motu on the lagoon known as Akitua.

In this way, all portions of land or sandy outcrops within any given circulating reef, being inhabited or not, were included within the boundaries of an Electoral Constituency somewhere.

And that is what it should be.

Just because an isolated motu is uninhabited does not mean that it should be ignored and left out of the Electoral landscape.

Now . . . back to the two "big mistakes" I was talking about above that are at least 49 years old.

The first "mistake" relates to the island of Takutua.

This island, by law, is not in any Constituency of the Cook Islands. It is not mentioned in the Cook Islands Constitution Act 1965 or any of the subsequent Constitutional Amendments.

Takutea is not mentioned anywhere in the Electoral Act of 2004 and it is not mentioned in any of the various "Schedule's". And so Takutea is not included in any Electoral Constituency of the Cook Islands.

Talk about Political Reform? . . . this is one Political Reform that must be addressed and corrected after 49 years of "mistake".

Takutea belongs to the people of Atiu. So it is up to them to decide which Constituency takes in Takutea.

It is their call.

The second "big mistake" concerns Suwarrow.

This island is not included in any Electoral Constituency of the Cook Islands. This is a very big "blunder" which extends back to the Cook Islands Constitution Act 1965.

So this is a second Political Reform that must be addressed and corrected after 49 years of "mistake".

Suwarrow was named by the Russian explorer Mikhail Lazarev after his ship the "Suvorov" when he reached this island on 27 September 1814.

"Suvorov" has since been corrupted by English usage to become "Suwarrow".

The question is therefore asked as to which Constituency should Suwarrow be placed in?

There is no known "Pre-European" occupation of Suwarrow. There is no known "Pre-European" Maori name for this island. And so there is no branch of Cook Islands Maori who can claim traditional ownership of Suwarrow.

So in this regard, it is my view that Suwarrow belongs equally to all the people of the Cook Islands.

After a "British Protectorate Status" was placed over Rarotonga and its adjacent islands in 1888, Frederick Moss became the British Resident and he located his Administration Headquarters in Avarua.

During the Colonial Years from 1901 to 1965, Avarua continued to be the Colonial Headquarters for the Cook Islands Government.

From 1965 to the present day, Avarua has always had the "Seat of Government" and Avarua has always been in the Takuvaine-Tutakimoa Constituency.

That being the case, it is my considered opinion that one aspect of future Political Reform should see Suwarrow being included within these Electoral Boundaries to become known as the "Takuvaine-Tutakimoa-Suwarrow" Constituency.

It won't happen this year.

But I hope it will happen next year and so "correct" a "Big Constitutional Mistake" that has been in existence for almost 50 years.

Better late than never I suppose.

Howard Henry