



THE COOK ISLANDS CHAMBER OF COMMERCE

MAY 2021 | ISSUE 9



FROM THE CHAIR

A MESSAGE FROM FLETCHER MELVIN

Kia Orana,

It is great to see the businesses that had hibernated, now up and running again as our bubble with NZ has opened. The initial tourists coming in were treated to enthusiastic welcomes, and empty beaches, and many expressed their genuine concern for what our economy has been through, and understood their spending money here was a lifeline to many. Our congratulations and thanks go out to all of the professionals and volunteers who participated and assisted in our vaccination programme. With these second doses beginning in Rarotonga next week, I am sure this will provide another level of comfort for those who may have been a little hesitant in welcoming visitors from NZ to our shores. Although we must all be as prepared as possible as we can for any pausing of flights or other disruptions in the event of circumstances changing, we can now focus our attentions to the economic recovery. The delivery of the budget next week will likely see an emphasis on Government efficiencies and a review of the costs and blockages that inhibit efficient business-enabling progress, and we look forward to working with our Private Sector and Government to ensure we make sure our priorities are the Government's priorities in that area. For many, this will continue to be a tough year as losses accumulated and increased debt over the past 14 months consume the resumption of income, and we will all be operating in a competitive market with the reduced tourist numbers that we will see until additional borders open up.

Kia Manuia

YOUR OFFICIAL MONTHLY ROUNDUP NEWSLETTER

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**IF YOU WOULD LIKE TO SHOWCASE
YOUR BUSINESS IN OUR NEWSLETTERS,
PLEASE EMAIL YOUR INTEREST TO:
CHAMBER@COMMERCE.CO.CK**

Kia Orana Members

Another busy month, and hard to think we are already in the 6th month of the year. With the bubble open, there is a sense of both optimism in the air, but also a level of concern and how our quickly our economy can recover. With the wage subsidy due to end at the end of this month, we would ask that if there are any changes to your staffing levels required, you follow the correct processes and communicate as soon as possible the likely changes to our staff. There is certainly a balance between the quality of service for your customers, and the profitability of your business.

The Chamber has multiple programmes going on, and we need to ensure we are delivering these effectively and within the mandates of our funders. Our staff remain fully engaged across the Private Sector and genuinely understand that a successful and growing private sector is the key to a well-functioning economy. So, we will continue to collaborate with the Private Sector, with Government, and with international agencies. Collaboration is the key in a small economy like the Cook Islands.

Kia Manuia



PSTF AND BUSINESS SUPPPORT

The office was busy supporting sole trader applications ahead of the 31st of May cut off for the fourth grant. Payments from the RMD team are now being made and we acknowledge the volume of work generated by these grants and the throughput required by the team at RMD.

We ran three bookkeeping courses in May, in Tupapa, Titikaveka, and Arorangi. With over 140 attendees, and some incredibly positive feedback, we think these were a resounding success. The course involved giving each attendee a folder with a ledger book, calculator, and files and plastic sleeves to keep records in. One of the criteria from MFEM for any future Sole Trader Grants is for them to use an accounting system, or to demonstrate they are keeping financial records. Although pitched at a very basic level, this is the level that was clearly needed. Due to demand, we will be running additional courses next week after work, a youth group has approached us to run one for them, and we have good demand from Aitutaki, so we will head over there in the next few weeks to deliver the



course there. I would like to thank our team for their enthusiasm, their amazing assistance given on a one-on-one basis to the attendees, and to the International Labour Organisation (ILO) for their funding support for this work. We are speaking to a potential sponsor to see if we can run these and other similar courses on an on-going basis. This provides a great opportunity for those with no formal training to gain some skills, and those with some training and experience to get to the next level.

Our work continues to support people working in the informal sector to formalise their businesses in general, and we remain available to assist people to complete their returns and keep compliant.

COOKSAFE AND COOKSAFE+

Our team continue to work hard to ensure we maximise uptake of both CookSafe and CookSafe+. This was made much easier during the recent vaccination programme which saw TMO incorporate Tagging In is as part of their process of registering people for vaccinations at Nikao. A surge in the number of new registrations and Tag In's resulted. With our bubble opening to NZ, there is also increased awareness by the public of the importance on Tagging In and with some businesses coming out of hibernation, an increase in the number of business registrations as well. Below are out latest stats.

Information Tables					
Week of	3rd - 9th May	10th - 16th May	17th - 23rd May	24th - 30th May	To date
QR User Registration	173	254	1,467	1,493	13,355
Scanner Registration	14	17	19	17	849
Number of Tag In's	5,999	6,967	15,779	15,713	203,399
CookSafe+ Downloads	Android: 305	Android: 269	Android: 408	Android: 224	3,913
	Apple: 184	Apple: 182	Apple: 254	Apple: 240	

Business/Organisation Registration					
Week of	3rd - 9th May	10th - 16th May	17th - 23rd May	24th - 30th May	To date
Te Au O Tonga	9	8	12	9	416
Puaikura	1	2	2	2	82
Takitumu	3	7	4	3	83
Aitutaki	1	0	1	3	86
Mangaia	0	0	0	0	3
Total					653

For any queries, pop into the Chamber and the team will be happy to help – phone 20925 or email cooksafe@commerce.co.ck.

TRAINING AND DEVELOPMENT

Youth Enterprise Scheme Programme (YES)

As part of the YES programme, an event was held to allow the 4 teams to do a practice 'pitch' to a panel of judges. Each team was given feedback by the judges to enhance their ideas and outputs for the main pitch event which will be held on Thursday the 24th of June at Tereora from 5.00-7.00pm. The students' businesses included introducing the idea of social conscience into business which was a hit with the judges, a healthy food product, and a product to reduce the opportunity for crime. The primary sponsor, BCI, was there with Chamber to deliver the seed money to the groups which will assist them to develop their products and services. This amounted to \$250 per group, which is the second year the groups have not had to fundraise for these funds. The panel of judges include BCI CEO Vaine Arioka, Chamber Chair Fletcher Melvin, Amy Walton from Jeff Tikitau Real Estate, and Geoff Halston from Tumuora CrossFit Gym. The panel were very impressed with the teams and are excited to follow these young people in their journey. They were also discussions how the wider community can support this year's teams ideas, products and services.



THE JUDGES PANEL FROM LEFT VAINE ARIOKA, FLETCHER MELVIN, AMY WALTON AND GEOFF HALSTON.



CONGRATULATIONS TO ALL TEAMS WHO TOOK UP THE CHALLENGE.



BLP TRAINING AND DEVELOPMENT MANAGER, KIESHA DAIS. PHOTO CREDIT: BANK OF THE COOK ISLANDS.

Business Link Pacific (BLP)

Our Training & Development Manager Kiesha Dais has now completed all of her training to Undertake the role of in-Country Manager for the Chamber, running the BLP programmes.

These include Business Health Checks, signing up to be a Business Accredited Service Provider (BASP), or

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4 enquiring as a business to seek support and advise. Work is also continuing to progress the successful applicants through BLP's Adaptation Grant scheme, and BLP are finalizing the details of their Concessional Lending Scheme. Once we have something concrete, we will inform our membership what this scheme will look like.

Careers Expo
The Careers Expo for Years 11, 12 and 13 students is coming up on June the 17th, and is going to be held at the Domes and is an all day event. The Chamber will be having a stand and our theme this year will be supporting young people to become 'work ready'. If you have any ideas in this space or would like to help, contact Kiesha on training@commerce.co.ck, or call her on 20925.

MIGRANT WORKERS TRANSFER PROCESS

The Chamber has ensured that the National Labour Advisory Board has been appraised about the how difficult and costly the transfer of workers from one employer to another is. There has been many occasions where the employer has chosen to repatriate the worker rather than transfer them to another employer, and not unheard of that the original employer has been the subject of investigation by the Department of Labour for poor employment practices.

There is currently a proposal that has gone to cabinet to change this process specifically for employers where there is a record and evidence of unfair and indecent treatment of the worker involved. This will mean some retention of workers that have skills and are willing to stay and work in the Cook Islands.

We are hoping that we will be able to articulate exactly what the new process will be in the next week or two. There is also a new process for the employment of a migrant worker for secondary employment which will help where one employer does not have enough work for a full-time employee, they may be able to share that worker with another employer (with the employee's consent).

Essentially, we all need to ensure we are doing as much as we can to allow for agile employment as this is the way of the future.

SECONDARY TAX RATE FOR WORKERS

We have met and discussed the matter of secondary tax rates with officials from the Ministry of Economic Development and Management. Under our current PAYE structure, it is vital to keep a primary and secondary tax intact. This prevents a potentially large tax bill for the worker at the end of the year. However, we have put forward to the Ministry, that consideration be given to harmonise the tax rates between primary and secondary. This would mean the structure is still in place, but it allows for not disincentivising 2nd or 3rd employments, and again, we all need to ensure we allow for an agile working environment.

GLOBAL BREAKFAST UPDATE

A global breakfast update was held on Tuesday this week where Tourism Corporation representatives gave an update on the promotion of travel to the Cook Islands that is currently being rolled out, and an idea of their projection of visitor numbers based on known airline seat capacity. Numbers below were taken from a slide they showed at the update:

Month	Visitor Numbers	Comparable No.'s 2019	% of Variance
July	11,000	18,612	60%
August	9,000	18,464	49%
September	10,000	17,913	56%
October	10,500	16,092	65%

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5 As you can see from the numbers, there will be much capacity left over and we would expect competitive pricing to be a result. We would also like to highlight that we will be unlikely to receive any visitors from North America or Europe over our coming summer, and we would urge businesses to look carefully at cashflow when numbers will be at their peak, to ensure they are in a position to see through what will be much quieter months over the Cook Islands summer this year.

TRADE AND PACER PLUS

We have been having conversations and meetings about the potential to export pawpaw into New Zealand (initially), and have been investigating the logistics of doing so. The Ministry of Agriculture (MOA) organised a meeting from some growers and the growers are now keen on forming a co-operative. The MOA pointed out at the meeting that they were not going to get into the business of a heat treatment plant, so this would have to be done as a private venture. The Chamber agrees with this stance, that private sector is better placed to run businesses. It remains to be seen whether the growers will be able to finance a heat treatment plant, or raise finance, and who would run the operational and management side of any co-operative.

We have also been approached by a purchaser from NZ who was looking for bulk coconut oil. We put a message out on facebook and this generated many enquiries from people either currently producing or those that were interested in doing so. We have recorded all of the contents and when the purchaser comes over (indications are this will be in June), we can make the connections.

I also attended a zoom meeting which was a regional session regarding trade with Korea. Korea are importers of noni, coconut oil, pearls, tamanu oil and mango butter (to name a few). Anyone interested in these or any other products you think may be of interest to Korea, please let us know.

TRANSPORT LICENCING ACT (1967)

We have now met with the Honourable Minister and Deputy Prime Minister Mr Robert Tapaitau, the Acting Police Commissioner, the incoming Poilce Commissioner, Mr Turepu James Keenan, the Secretary of Transport Johnny Hosking, to discuss the shortfalls and outdatedness of the Transport Licencing Act (1967). We also discussed the inefficient process of motor vehicle relicensing, the scale of costs, and the gap in the process of a transfer of ownership which can enable a vehicle tobe transferred when there is debt owed against the vehicle.

WEBSITE TRANSFORMATION

Our website transformation is underway, and we are now preparing content to populate the new structure. The new website will have a separate log in for Members and from there we anticipate having a section that will contain all policy, legislation, Chamber submissions, and other relevant documents. It has often been difficult to put your ands on something, particularly historical, when Members ask. If you have any ideas about what else could be in this area, we would be pleased to hear from you.

DATES OF INTEREST JUNE

Budget Breakfast at the Islander Hotel 9th June
2nd dose of vaccine rollout 8th - 21st June
Bank of the Cook Island's 20th birthday Month of June
YES Programme 'The Pitch' 24th June
Foreign Investor returns need to be filed with BTIB 30th June

Arriving in October 2018 to a beautiful Island and a well-established business with highly experienced Staff, everything was rosy. Subtle changes have been ongoing and continue to do so, reverting to PADI as our training agency was the first task and year one was very good, reinvesting everything.

At the moment of appointing a new Instructor, COVID-19 was becoming real, rather than a localised issue in Asia and people including our new appointee left the Island for home.

We were fortunate in remaining fully operational and staffed throughout, managing to train over 80 new local divers through the last year in a sport normally perceived as exclusive and take local divers out for our usual guided diving trips. We also provide breathing air fills to the volunteer Fire Fighters and other agencies here and test their cylinders too.

We initiated a Coral restoration project within months of arrival which took time to come to fruition, searching for suitable accessible sites and having to get all the necessary approvals in place. The first frame installed last March. The project continues and four incredibly healthy transplant frames are in place drilled into the rock on the pilot project, increasing to twelve eventually.

Having a grand total of three Staff to occupy wasn't problematic initially, as everyone, myself included picks up a brush as and when necessary, we don't differentiate and we all have aligned skill sets so can interchange between teaching Courses, shop work and maintaining the place.

Specific servicing of the life support equipment we use is carried out every 50 dives, I'm fortunate enough to be factory trained for our brands, so we're a one stop shop, which also helped generate revenue and continues to do so from other divers in the Cooks.

ERP phase 1 was a godsend, as I'm sure it was to everyone. We had cut pricing in half for the local market,

affording to do so knowing wages were covered and only having to cover fuel and overhead costs, a zero-profit year but a highly developmental one. Each phase of the response has been incredible and as a very new member of the community, I'm full of gratitude for the inclusion in that response.

Personal funds have been injected to get everything in top condition for the opening date. Improvements and changes have been happening consistently for the last two and a half years. As an Engineer and Health & Safety consultant in my previous existence, as well as owning a UK dive centre, so continuous improvement is a mantra. Dive Rarotonga also achieved PADI 5* Instructor Development status last September. The award of that status was based on improvements and our performance. Continuous Improvement should be the goal of every operation.

Major scuba equipment manufacturer dealerships have enabled us to provide premium equipment into the Cook Islands. Diverarotongaonline.com will soon be operational, providing online sales within the Cook Islands and globally. We achieved SMART Initiative funding to assist with the project. Not only will it promote and supply Scuba hardware, but all diving related products and merchandise, our website is currently under construction by Raro IT Solutions, it will incorporate the ANZ secure payment gateway and mirror our main website in first page appearance. Despite funding, this is a costly project for a three-man (one man and two women more accurately) band but a good diversification route for a dive operation.

We have strong relationships with our suppliers of scuba, snorkeling and swimming gear so can sell within the Cook Islands at very competitive prices and already provide full servicing facilities for local and outer Island customers. Since the announcement of opening, bookings are returning steadily and at pre-Covid pricing.

All of us at Dive Rarotonga are incredibly grateful for the government support, which has helped in a big way to keep us fully operational and also to our local client base, who have supported us by taking Courses and guided dives with us. We re-structured last year, which should have been unnoticed and seamless and will continue to support local community projects which we have partnered over the last 18 months, rather than aim for just Tourism dollars. I personally am incredibly grateful to my Staff who turn their hands to most things here and continue to provide PADI training to highest possible standard. This period has facilitated more Staff input into operations and involvement in things they previously wouldn't have done, how we do things or why we do or don't do them, it's been a very educational time!

We shouldn't forget the input from all the agencies involved in supporting businesses, Tourism, Health and everyone else. I didn't envy anyone speaking at any of the meetings when the inevitable 'when are we opening' was asked.

A huge Meitaki Ma'ata Cook Islands.
Neil Davison

