



COOK ISLANDS CHRISTIAN CHURCH

Executive Council

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16 Tiunu 2006

- ✓ Ki te au tavini rave angaanga katoatoa i roto i te au Ekalesia CICC i te Kuki Airani nei, Nuti Reni e Autireria
- ✓ Ki te au mema CICC katoatoa i roto i te au Ekalesia tatakitai

### KARERE NUMERO 6 MEI ROTO ATU I TE KUMITI AKAAERE

Kia orana,

Te rekareka nei au i te tuku atu i te pepa akakitekite i runga nei tei akatinamouia ki runga i te tuatua no te enua Tepuka i Nikao, Rarotonga. Akakoromaki mai, kua tataia teia ki roto i te rua o to tatou reo. Te tumuanga, ko teia tataanga kua kiritiia mai te reira no roto i tetai ripoti tei akapapaia e to tatou roia akamarama, laveta Short.

No te maata i te au taeake tei uiui mai no runga i te turanga o teia enua, i manako ia'i e kia oronga iatu teia ei kiteanga na kotou i te au angaanga e paraniia nei me kore raveia nei i teia tuatau ki runga i te enua.

Otira ua, .....

Nga Mataio  
Tekeretere Maata

## **KARERE NUMERO 6 MEI ROTO ATU I TE KUMITI AKAAERE**

*(Akapapaia e Nga Mataio, Tekeretere Maata, CICC)*

### **1. Akatomoanga**

“No lehova te enua, e tona ki katoa ra; te ao nei, e tei noo i reira (Salamo 24.1).”

Kia orana akaou e taku au taeake rave angaanga i roto i te Atu, pera kotou e te au mema i roto i te akarongo. E tau ia tatou kia akameitaki i te mana katoatoa koia tei oronga mai i teia tikaanga manea kia aravei akaou tatou na roto i teia pepa akakitekite no te 6 o te taime.

Me e au nuti ta kotou tei anoano kia tauruia ki roto i teia au tataanga ki mua, tuku mai kiaku me kore ki to tatou opati i Takamoā. Patianga akaouanga ki te katoatoa, kia akatotoa iatu teia au nuti leta ki to kotou au taeake i roto i te akarongo.

### **2. A Report on Tepuka Land**

*(extracted from a report put together by the CICC Legal Adviser, Iaveta Short)*

#### **INTRODUCTION**

Te Puka is a valuable resource of the CICC which has an obligation to utilize it wisely in order to acquire finance to fund its programs. Many projects are stalled due to lack of funds including the upgrade of the Takamoā buildings, the construction of a new administration block, funding of mainstream programs like Youth and Uniformed Organisations, Evangelism, Takamoā Theological College for the training of Pastors, overseas branches and other projects. Leasing the lands on a sound commercial basis is one way of acquiring funds for the CICC.

#### **LEGAL POSITION**

1 Te Puka which consisted of 23.67 hectares (approx 59.5 acres) was vested in the London Missionary Corporation by the Native Land Court in 1904. The court recorded that the land was **gifted to be used for the benefit of the Missionaries of the London Missionary Society (LMS)**. By virtue of the Cook Islands Christian Church Act 1968-69 the Parliament established the Cook Islands Christian Church (**CICC**) to succeed the LMS and by the same act vested all lands previously held by the London Missionary Corporation in the CICC subject to the same conditions under which the land was originally gifted. Today we can translate that to mean that so long as the land is used for the benefit of the CICC to support its church work then it is in compliance with the original purpose for which it was gifted.

2 In 1956 the LMS leased to the Crown (Government) 29.2.11 acres for a term of 60 years (due to expire in 2016 – i.e. 10 years to run) Subsequently the Crown subleased approximately 20 house site sections (**lots**) to various people and part of the land was used by the Crown for education purposes (Training College buildings, Outer Islands Hostel – now Ministry of Education) and Crown accommodation. About 20 lots remain unleased and unoccupied.

3 Again in 1969 the CICC leased a further 23 acres to the Crown for 60 years from 1969 (hence 24 years to run). The Crown established the Te Puka settlement by subdividing much of the land leased into approximately 77 lots and subleased to tenants – mainly those who had to be resettled elsewhere as their lands were appropriated by the Crown for the extension of the Airport in 1969-71. About 20 of the lots remain unleased and unoccupied.

4 In December 1999 the Crown (Cook Islands Government Property Corporation) surrendered both its 1956 lease (First Deed) and 1969 lease (Second Deed) to the CICC in consideration of the

CICC forgiving all outstanding rental payments due to the CICC. However despite the surrender the Church is still obligated to respect the subleases which has been granted to many tenants and which have 10 or 24 years to run.

5 Ten sections on this land with substantial buildings thereon have also been returned to the CICC by the Crown. The buildings are dwelling houses occupied by tenants paying low house rentals. The Committee feels that it is better that these properties be leased for 60 years and that the goodwill to include the value of the houses. Valuations by an independent professional valuer has been done for each of the houses. All the present tenants of these houses have agreed to buy the houses under a new sublease on a fair valuation.

## **LAND INSPECTION**

6 The Tepuka Lands Committee has inspected the lands and noted the following:

- That approximately 40 lots has not been leased or occupied.
- That some of the lots require new roads for access.
- Other infrastructures such as water, electricity, drainage are also needed. It is recommended that the CICC must work cooperatively with the Ministry of Works in planning and implementing the work required to provide appropriate infrastructure for Te Puka.
- The Committee has established a valuation for the rent and goodwill for each lot.
- That many of the properties at the Te Puka settlement are ill-maintained, in need of repainting and constant care. The unmaintained properties had the effect of reducing the values and the desirability of the properties in the close vicinity and could easily become a slum area. The CICC must ensure that it does not become the landlord of slums on Rarotonga. There is a need to impose quality and maintenance controls and standards in all future leases granted by the CICC and to also find ways of generating community spirit amongst the tenants in order to generate a sense of pride and community spirit. It appears that much of the cause of the problems are the absentee sublessees hence the present occupants have no desire to maintain or spend any money upgrading the properties as it did not belong to them long-term.

## **CROWN LEASES**

There are two blocks of land divided according to the two leases to the Crown – 1956 lease (Taunga o te Tini Block) and 1969 lease (Ruatoka Block). We gave it names after two famous native Cook Islands missionaries sent overseas about 150 years ago. Note that these two leases has been surrendered but there remains an obligation on the part of the CICC to existing subtenants.

### **Taunga-o-te-Tini Block**

Of this block there are 39 lots and approximately half of it are occupied. All 39 lots were recommended to be put on the market to be leased. The CICC has an obligation under the Deeds of Surrender to grant half of the lots a ten year lease but that should be overtaken by the proposal to grant new lease for every lot. Certain issues were necessary to be considered in working out a fair goodwill and annual rental.

### **Ruatoka Block**

This is the settlement behind the Nikao CICC Church. There are 77 lots on this block and approximately 22 have never been leased. The Crown subleased the remaining 55 lots and under the Deed of Surrender the CICC is obligated to grant to the Sublessees the remainder of the 24 years to run.

## VALUATION

The Tepuka Land Committee undertook general valuation of the two blocks of land for the purpose of assessing appropriate goodwill and annual rental for the new subleases. After several reviews it was decided to set the **goodwill** at about **60% of the normal goodwill which would have been charged if we were a purely business enterprise**. As a Church organization we had to bear in mind the needs of the people most of whom are from the outer islands. At the same time we must not forget that the lands were given to the Church to assist it in its work of serving God. Indeed the Church is in great need of finance for many of its projects.

Some adjustments in goodwill and annual rental were made to recognize some large differences in the size of the lots. The goodwill for those with much smaller lots shall be reduced and on the contrary those with much larger lots could be adjusted upwards.

## NEW COMPANY NEW LEASE

9.1 On the advise of the Committee and the legal adviser the Church formed a new company called the The Cook Islands Christian Church Corporation Ltd and the whole of the Te Puka land was leased to it for 60 years from 1 January 2006. The purpose of the corporation is to manage all land transactions in Te Puka. As a limited liability company it will insulate the CICC from any damage claims or problems relating to any land deal or transaction. All the shares of the company is held by the Church.

9.2 The Corporation is now in the process of granting new subleases to all those wanting new subleases. Already 16 lots have been approved and another 28 is awaiting the approval of the Executive Council. Applications close at the end of June 2006. There is already a growing waiting list for those wanting to take whatever lots are available. However the Executive Council is careful to ensure that those who have an old sublease for either 10 or 24 years be given the option whether to take on a new sublease or remain on the old term and take the risk that when their sublease expires the Corporation will indeed renew their lease. The committee has met with the people of Nikao on a few occasions to explain its plans. Many are still considering whether to accept the new sublease and pay the goodwill set for it or wait.

9.3 All the subleases will have the same terms and conditions as follows: Term – based on the Corporations head lease of 60 years from 1 January 2006:

- Goodwill and annual rental as per valuation (between \$12,000 to \$25,000)
- Rent of \$300 per annum to be reviewed every five years
- Land for dwelling house and associated building (garage, etc.)
- Power to use lease as security for loan
- Corporation to have the first right of refusal to buy the sublease in the event of sale
- Other special clauses include:
  - ✓ Obligation to keep the property in good order
  - ✓ To ensure that no pigs and other similar animals are kept on the land
  - ✓ To comply and observe all laws regulations or directions by authorized bodies or governmental authorities such as Public Health, Environment Service and Ministry of Works
  - ✓ To contribute to community efforts to beautify the Te Puka Settlement
  - ✓ Freedom to sell the sublease subject to the Church having the first right to buy back the sublease and receiving 2.5% of the sale price.

9.5 The Executive Council has adopted a selection process giving priority to those from the outer islands and living in Nikao and with limitation to one lot per person. Persons with Rarotonga connections and have lands in Rarotonga will not be eligible to a sublease. The goodwill and the annual rental are fixed and based on valuation and the only adjustments are to allow for the size of the lots. Tina Browne of Browne Gibson and Harvey has been appointed as the solicitor to handle

the subleases for the Corporation. The banks (ANZ, Westpac and BCI) have all indicated that they are willing to grant loans to prospective sublessees if required to complete the purchase of the sublease.

9.6 New lease plans would be required for each lot and Ken Tiro of Landmark is engaged to do many of the plans on an agreed fee per section. Because of the volume, both BGH and Tiro have agreed to a discounted fee per section.

9.7 All legal and survey fees shall be at the cost of the new Sub lessee. The CICC shall charge no fees for its service in arranging the lease but it will receive the goodwill and annual rental for all leases.

## **RENT REVIEWS**

Under the old leases the annual rental were supposed to be reviewed every ten or 20 years and unfortunately no review was ever carried out. As a result the church is still getting about \$14 to \$27 per year for most lots – not a very satisfactory situation for the Church. Despite this low rental many of the subleases have rents in arrears.

From January 1 2007 all rental for all subleases (both new and old) will be set at \$300 per lot and all subleases will be reviewed every five years on a set formula which is set out in the new subleases.

## **RENT COLLECTION**

12 About four years ago BGH agreed to collect the rent for the CICC on the basis that the CICC will eventually take over this task. BGH saw its role as temporary only in order to allow CICC time to organize someone to take the task over. BGH now wants to relinquish this task to CICC so we have no alternative but to organize someone to undertake this work for the CICC. Initially there will be a lot of work to do but when all the new leases are done and the rent reviews done, the workload will decrease. The Executive Council will soon be appointing someone to do this work.

## **CICC CHURCH – NIKAO COMMUNITY**

The lands given for the Nikao CICC and for the Nikao Community for sportsfield will be protected and negotiations will soon be carried out with the Government for the renewal of sublease of that part of the land used by the Ministry of Education for the Teachers Training College, Administration Office and other education purposes. A part of the land will be set aside for a cemetery for Tepuka.

## **RECOGNITION OF MAKEA FAMILY**

The Executive Council believes that there is merit in setting up a charitable trust in honour of the Makea family who gave the land to the LMS in the first place. Part of the funds from the Te Puka project could be set aside and managed by the trust for some suitable charitable purpose. Further work is needed to put this in place.

### **3. Popani**

Tena ireira e te au taeake ma te au tuaine te au mea tei anoano ta kotou kumiti akaaere kia oronga akakite atu ei kiteanga no kotou i te au akanoonooanga no runga ia Tepuka. Irinaki matou i runga i te kumiti akaaere e ka riro teia au akakitekiteanga ei pumaana ki roto i to kotou au ngakau tatakitali.

A teia nuti leta ki mua tei anoano au kia tuku atu i mua ake i te openga o Tiurai e tu mai nei, ka oki akaou te akaraanga ki tei matauia e kotou i te kite mei te au tataanga i topa. No reira ka taoki akaou au i te patianganga, me e au nuti ta kotou, e au angaanga te rave iara i roto i ta kotou au

Ekalesia tatakaitai, tuku mai i te akakiteanga kia tauru iatu ki roto i teia au tataanga ki mua ei kiteanga na te katoatoa i te au ravenga tukeke o te tupu anga o tana Evangelia tapu i te ao nei.

Ei taopenga i teia karere, teia ta Mose akakiteanga ki to Iseraela, “*I na, kua tuku au i te enua ki mua i to kotou aroaro; e aere ki rungao i taua enua ra e noo, i ta lehova i taputou atu ki to kotou ai metua ra, .....*” (Deutoronomi 1.8)

Ei konei tatou i te tuatua akakite anga i tona aroa opekore uatu rai, Amene.

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**Responsibilities for this newsletter:**

|                                          |   |                                            |
|------------------------------------------|---|--------------------------------------------|
| <i>Information for this report</i>       | - | <i>Iaveta Short, Tepuka Land Committee</i> |
| <i>Report edited for this newsletter</i> | - | <i>Iaveta Short and Nga Mataio</i>         |
| <i>Proof-reading</i>                     | - | <i>Marianna Mataio</i>                     |
| <i>Duplication for mailing/postage</i>   | - | <i>Jimmy Metuakore</i>                     |
| <i>Mailing/postage</i>                   | - | <i>Nga Mitiau-Manavaikai</i>               |
| <i>Emailing</i>                          | - | <i>Nga Mataio</i>                          |