



Office of the Deputy Prime Minister

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Since the passing of the Supplementary Budget last week, the Ministry of Finance and Economic Management (MFEM) has released factsheets with further information outlining the eligibility and application process for the Government's COVID-19 Economic Response Plan, which is now available online.

This is the Government's first stage of the economic response to COVID-19, but have no doubt that another stage of the Economic Response Plan will need to be implemented in the coming months.

The government's approach to this crisis is one of stimulus, we are putting money into the economy to keep it running during this downturn. As we don't know how long this will last, Government will continue to assess its approach and develop solutions. But we must remember that this crisis may last for a period of 6 months or longer and that Government needs to have the ability to keep providing support over that period.

The significant measures that the Government has already released are focused on cushioning the blow for workers and businesses as we respond to this unprecedented global crisis. Our priority is ensuring that individuals and businesses in the Cook Islands receive support during this period. The first response measures include:

- School closure support payment of \$100 for each child for each fortnight that school holidays are intended
- One-off welfare payment of \$400 to old age pensioners, care givers and the infirm and destitute registered with INTAFF
- One month of benefits at the minimum wage to be provided to all individuals who have become unemployed due to the impact of COVID-19
- A wage subsidy at the minimum wage to all employers who are affected by COVID-19
- A further training subsidy at minimum wage to support recognized training initiatives for a period of up to 3 months
- Self-isolation support at the minimum wage for two weeks to assist eligible employees required to self-isolate by Ministry of health
- Cash grants of up to \$15,000 to assist eligible businesses

MFEM is working with key stakeholders in expediting urgent work to ensure that payments can be made in as short a time frame as possible, without undermining the operational processes required to ensure that taxpayer's money is being spent appropriately

It is expected that the payments will be made as follows:

- Wage Subsidy payments will begin from the week of the 6th April 2020
- Cash Grants will be paid out at the same time as the wage subsidy if your business meets the eligibility criteria; and
- Welfare payments will be paid out on the 16th April 2020.

A payment system of this magnitude is unprecedented in the Cook Islands, however we ask that people have patience and show a little kindness to staff who are working as quickly as they possibly can to process these payments.

If you are still unsure about where you should go for more information regarding any of the measures;

- If you are an employee, are now unemployed, are looking for work, or you want to enquire about receiving a welfare payment– contact INTAFF ph 0800 2937 or visit them at Sinai Hall
- If you have general questions about the application process for business grants, wage subsidies or self-isolation support, the Private Sector Task Force have set up a help desk at the Chamber of Commerce, please phone them on 20925 or visit the office. If you do not have online capabilities the team can also help you apply for payments online.
- If you have tax related enquiries, or specific questions regarding your business application you can contact the Revenue Management Division of the Ministry of Finance and Economic Management by phone 29365

For businesses to be able to apply for the grants and the wage subsidy you will need to be registered with RMD and with the Cook Islands National Super Fund.

If you are a sole-trader, or are self-employed and have not engaged with the tax system previously, that is ok, please still go and register with RMD before 30 April 2020 – you will be able to receive the business grant if you can show that you were operating before 1 March 2020 – for example a receipt that shows that you rent a space at the market would suffice. Even though you do not have any employees, please also make sure that you register with CINSF, that way you will be able to apply for the grants. The Private Sector Taskforce can help you make your application for the payment once you are registered. For the success of these measure we are counting on your utmost honesty and integrity.

To the banks...

All three banks have implemented a repayment deferral to those who choose to opt in. The Financial Supervisory Commission will be based at the Sinai Hall, if you are unhappy with the way your bank has responded to your current banking needs, go and see them.

We encourage people to talk to your Banks, talk to RMD, talk to INTAFF, talk to the Private Sector Task Force if you have any uncertainties about any of the measures.

Future Financing Options

Discussions have already commenced with the ADB regarding the provision of financing support. We are conscious of the fact that the road to recovery will take longer than 3 months and we are working to ensure that these financing options are available to us when needed.

Domestic Shipping

A subsidized voyage to Penrhyn departed on Monday 30th March 2020 at 4pm on the Grinna to transport cargo valued at \$150K to the people in Penrhyn as there were many cargo left at harbour from previous subsidy. To ensure ease in process, a shipping coordinator was appointed 20th March 2020 to manage all subsidized voyages.

As we go through these times of uncertainty, we must ensure that our people in the Pa Enua also receive a regular supply of goods. A shipping schedule will be put in place for the next 3 months and advertised to guarantee voyages with the people up north so they are able to plan their orders.

At this point in time, No passengers can travel from the Pa Enua and to the Pa Enua until approval is provided by MOH.