



TE TANGO AKATEREANGA MONI O TE IPUKAREA
MINISTRY OF FINANCE & ECONOMIC MANAGEMENT
GOVERNMENT OF THE COOK ISLANDS

Budget 2024/25

Tauta'anga

The Budget of Perseverance

Overview

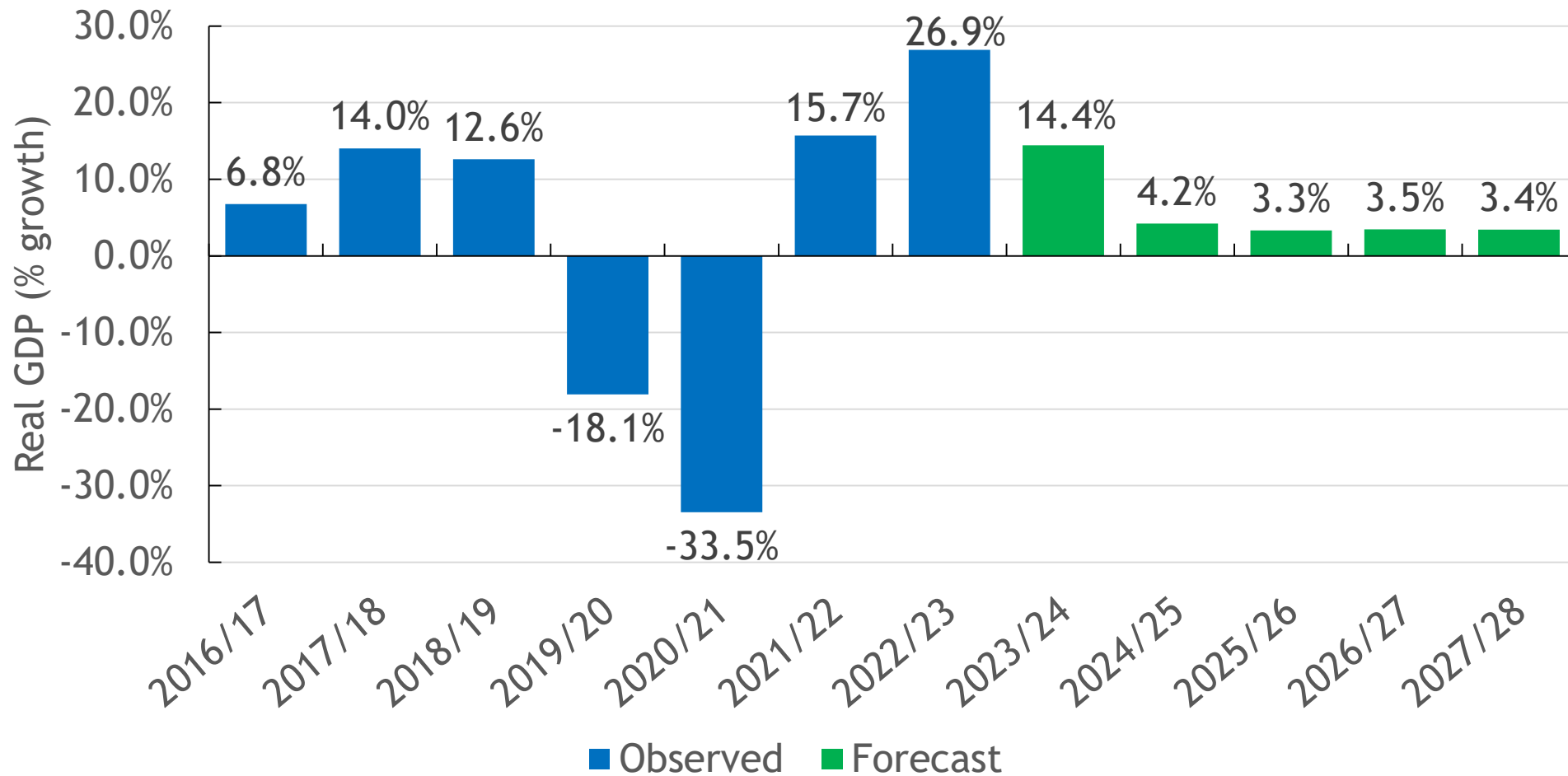
- ▶ Nominal GDP is now back to 2019 levels
 - ▶ Tourism volumes increasing - expecting 160,000 for 2023/24.
 - ▶ Investing in various sector, including education, support for the vulnerable and initiatives to strengthen the economy.
 - ▶ The rebound in our economy is a testament to our resilience and ability to persevere through the tough times.
- ▶ Fiscal situation remains tight but expected to gradually improve in the forward years.
 - ▶ Expenditure for 2024/25 is conservative, with slight increases.
 - ▶ Future years allows for more spending, but the focus now is fiscal constraint.
 - ▶ Debt servicing levels projected to increase until the end of the decade.



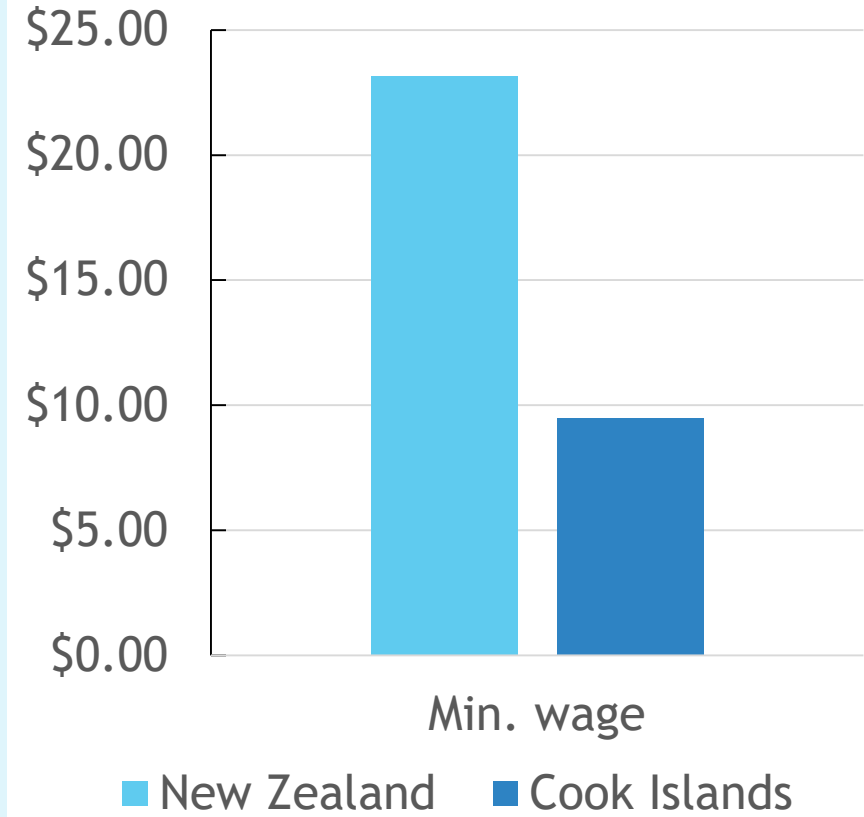
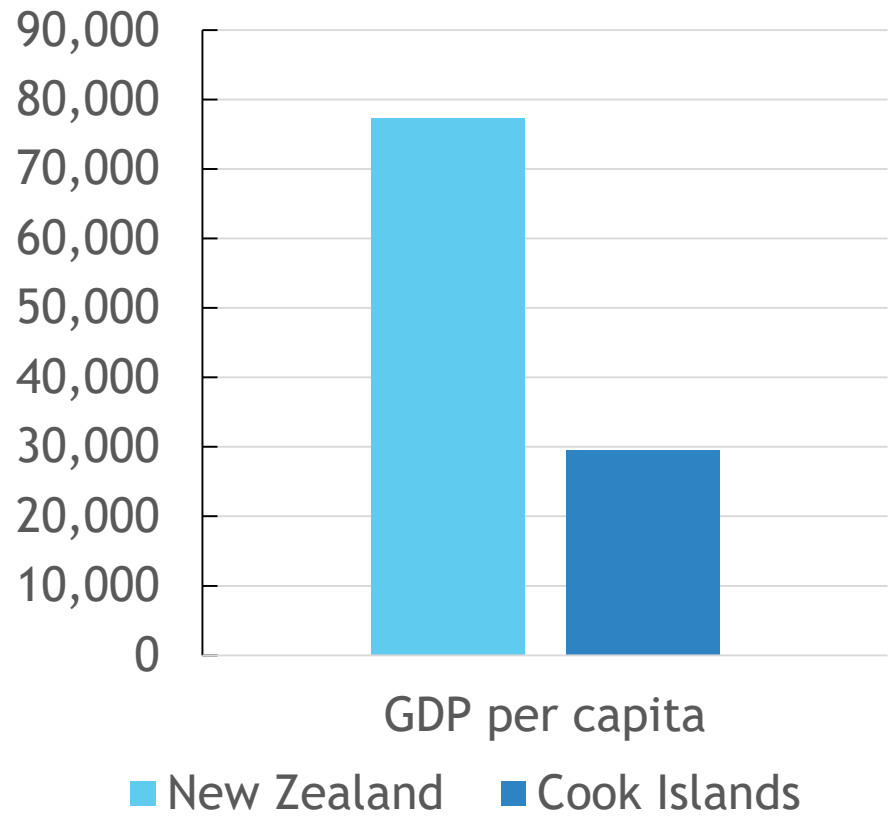
Key Financials

\$ Million	2023/24 Estimated Actual	2024/25 Budget Estimate	2025/26 Projection	2026/27 Projection	2027/28 Projection
Operating Revenue	207.8	209.1	217.8	225.6	234.3
Operating Expenditure	195.4	206.1	206.6	208.6	208.5
Operating Balance	12.4	3.1	11.2	17.0	25.8
Capital Expenditure	21.0	19.1	14.7	18.8	19.7
Depreciation	13.8	15.3	15.3	15.2	15.2
Fiscal Balance surplus/ (deficit)	5.1	(0.7)	11.8	13.3	21.3

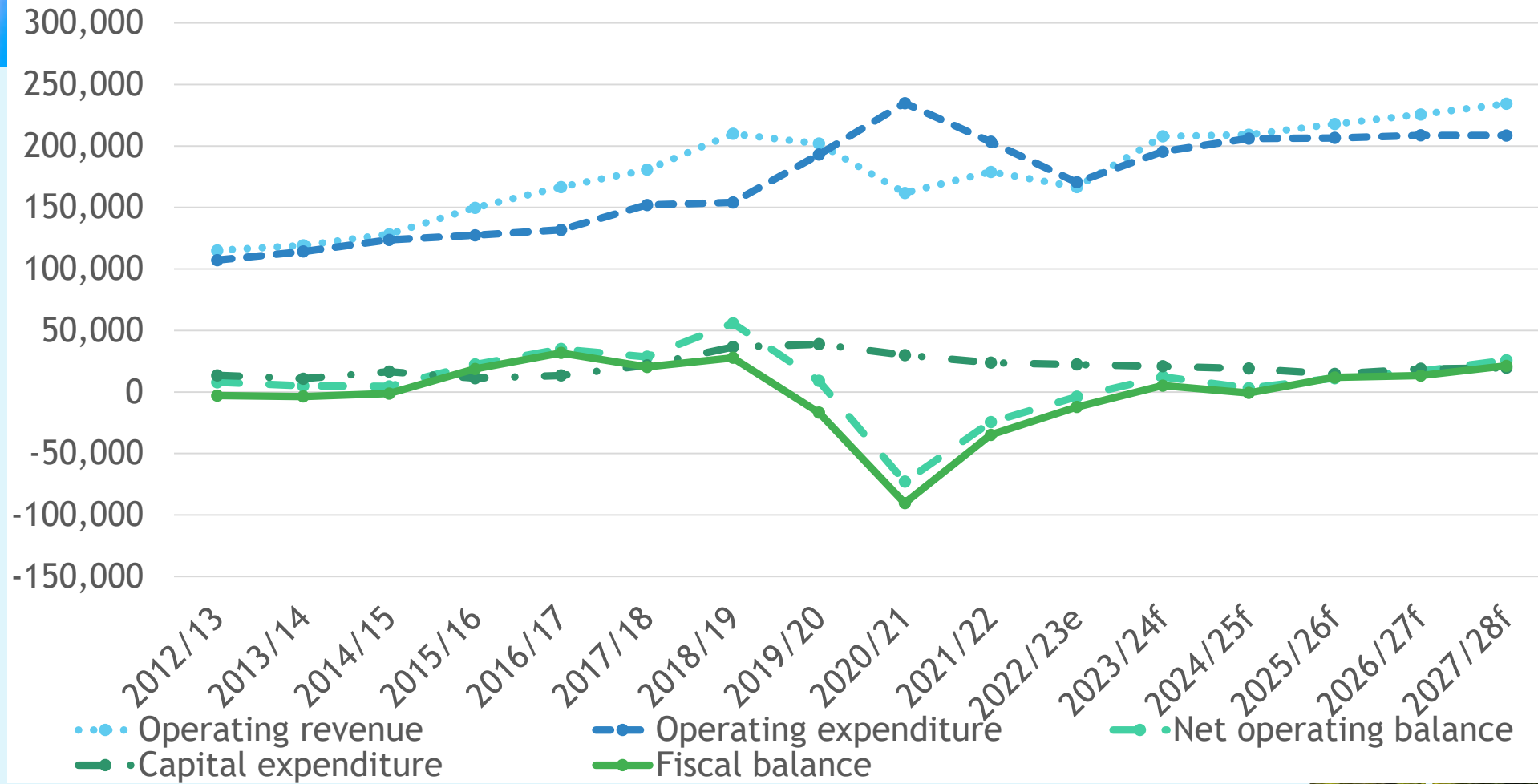
GDP Growth Outlook



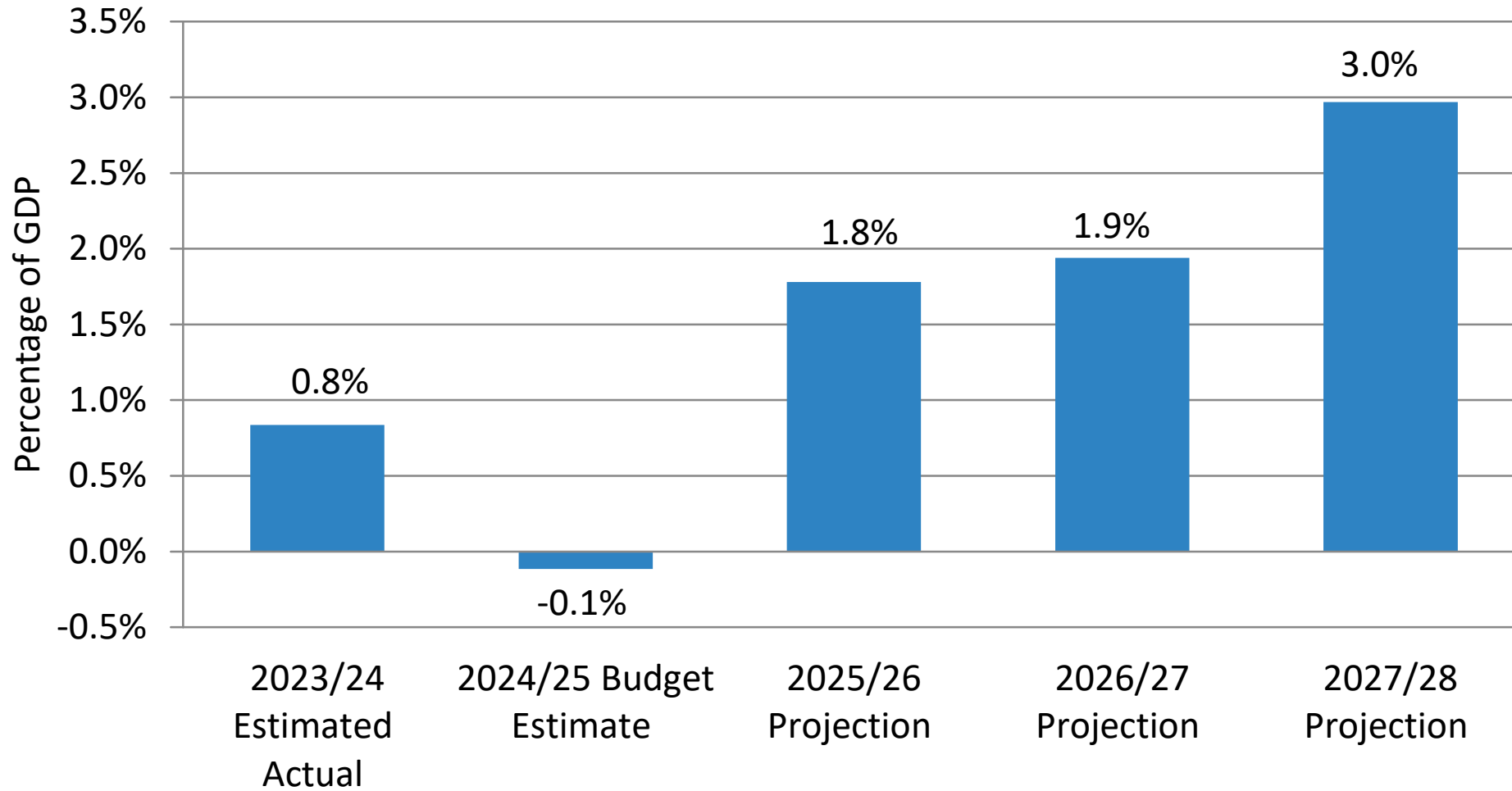
Economic comparison



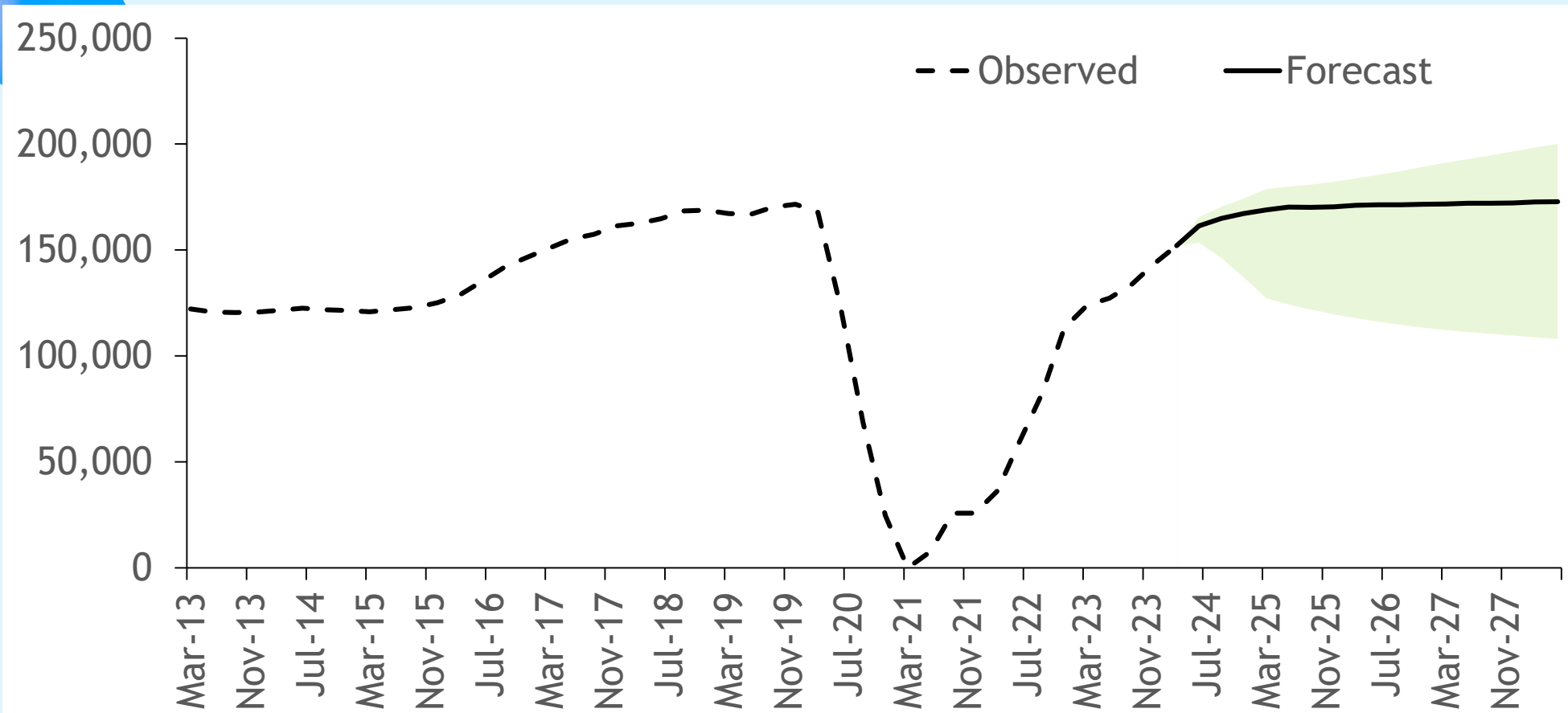
Fiscal Outlook



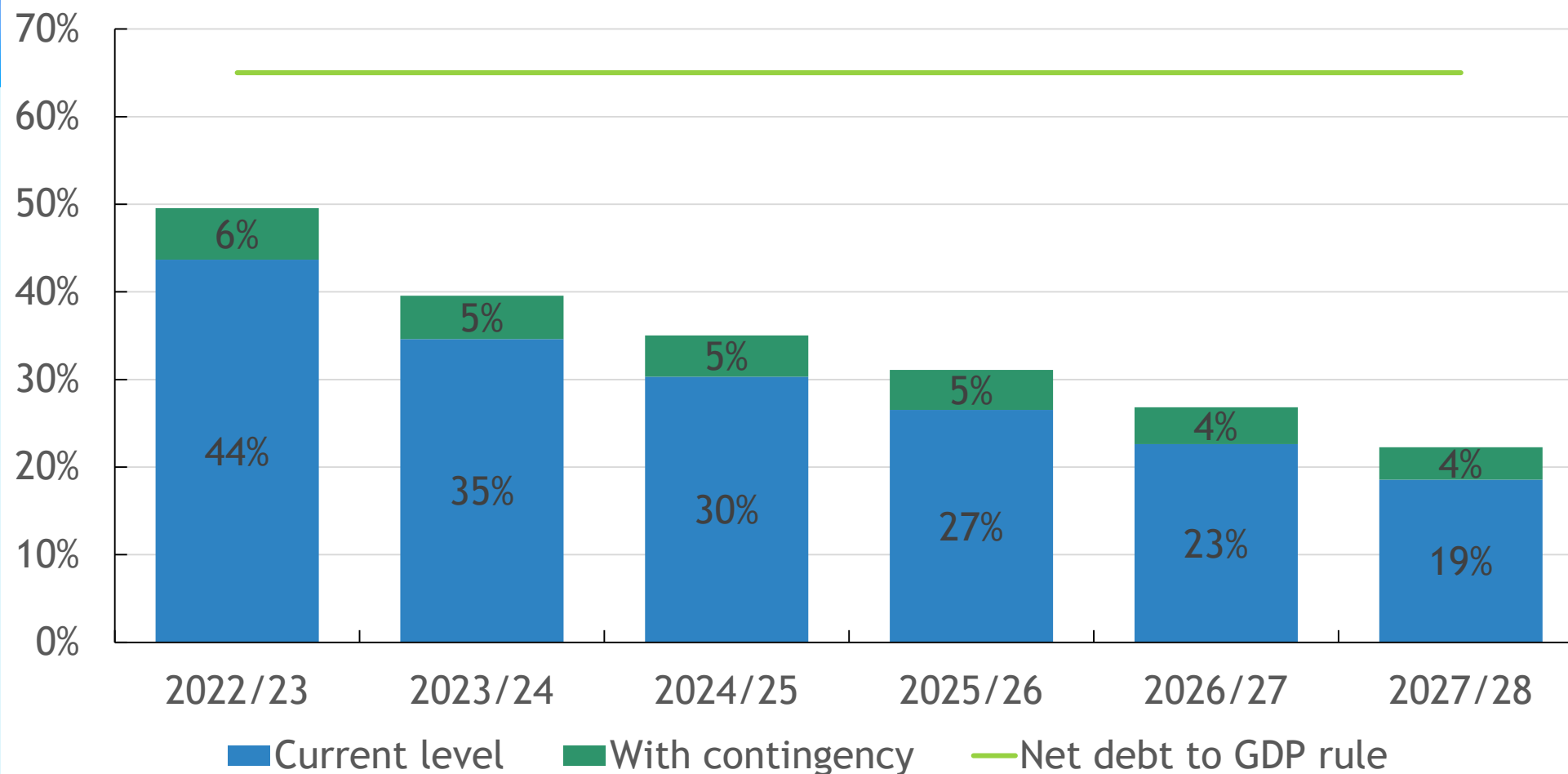
Fiscal Outlook



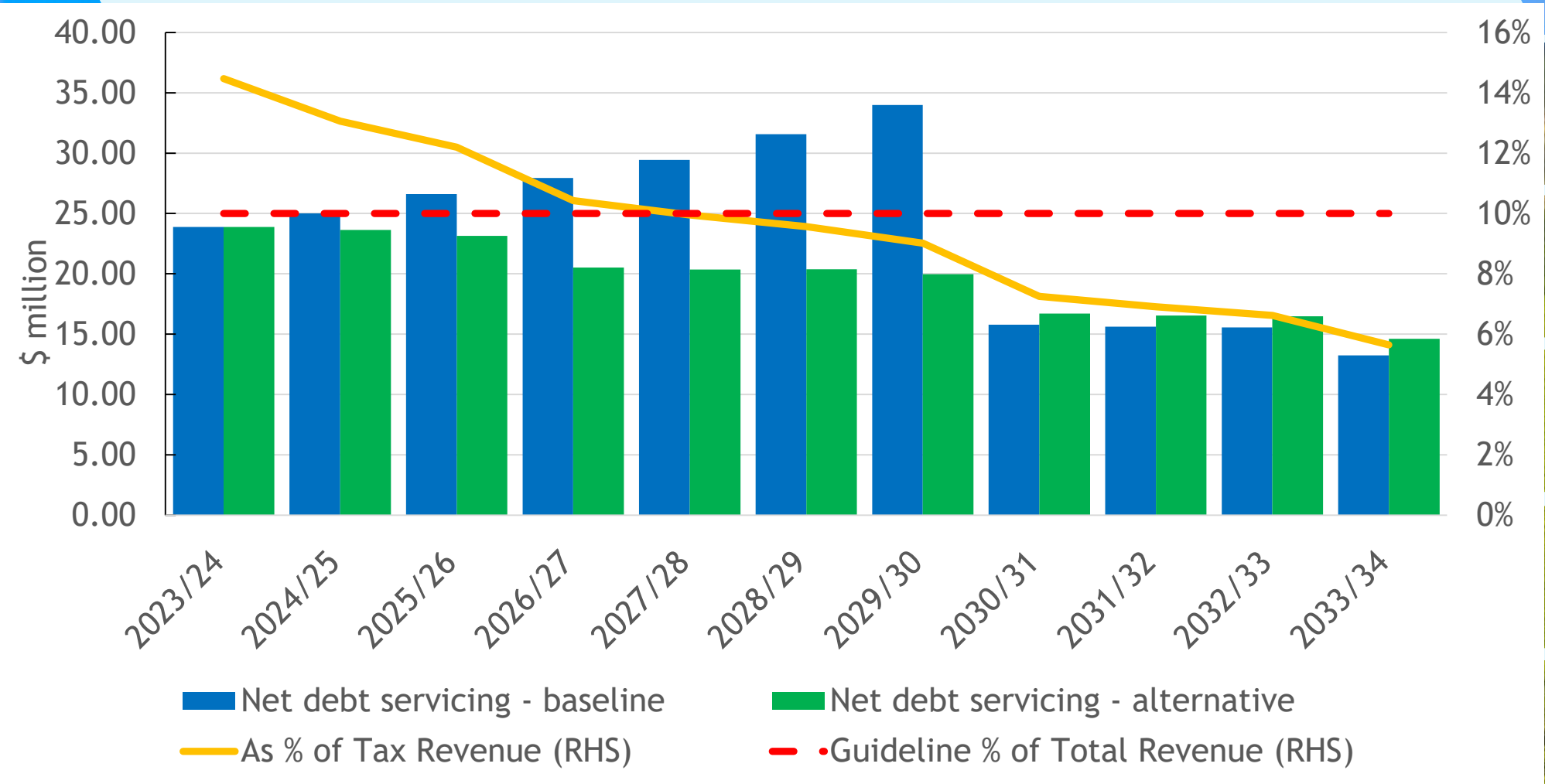
Tourism Forecasts



Government Net Debt to GDP



Government Debt Servicing



Key Initiatives

Supporting our most vulnerable:

- ▶ Caregiver's allowance to increase again by \$100 p/month from 1 July 2024 - from \$300 p/month to \$400 p/month.
- ▶ Increase in minimum wage to \$9.50 per hour from 1 July 2024.
- ▶ An extra \$1 million for Patient Referrals
- ▶ Support to NGOs to continue their important work

Key Initiatives

- ▶ Investment in our economy includes:
 - ▶ Support for marketing efforts into strategic markets
 - ▶ Destination Development work
- ▶ Support for key government services encompasses:
 - ▶ Increased teacher salaries to support the education sector
 - ▶ MFAI support for regional leadership
 - ▶ Key positions in RMD to enhance compliance



Infrastructure Investment

Key projects to deliver for our nation

- ▶ Aitutaki water project
- ▶ Roads programme
- ▶ Te Tau Papa o Avarua
- ▶ Manihiki Airport upgrades
- ▶ Northern Group battery replacement



Budget of Perseverance

- ▶ This budget reaffirms our dedication to fiscal responsibility.
- ▶ The government will continue to invest in our economy to bolster future resilience while maintaining responsible fiscal management to handle unforeseen challenges.

