



**The Government of the Cook Islands**

**Quarterly Financial Results**

**30 June 2024**

Prepared by the Ministry of Finance and Economic Management

[www.mfem.gov.ck](http://www.mfem.gov.ck)

## Table of Contents

	Page(s)
Basis of Preparation	3
Schedule 1: Net Operating and Fiscal Balances	4-5
Schedule 2: Cash Reserves	6
Schedule 3: Loan Repayment Fund	7
Schedule 4 : Executive Council Orders	7
Table 1 : Revenue	8-11
Table 2 : Payments on behalf of Crown Expenditure	12
Table 3 : Administrated Payments Expenditure	13-17
Table 4 : Capital Expenditure	18-21
Table 5 : Borrowings	22-23
Table 6 : Official Development Assistance	24-28
Table 7 : State Owned Enterprises (SOE's)	29

### **Basis of Preparation**

The statements contained in this report have been prepared on an accruals basis as far as practical and outline income and expenses incurred which may not have been necessarily received or paid . All figures are rounded to the nearest thousand.

References to 2023/24 Additional Funding Approval used in this report relates to either an approved carry forward from previous financial year(s) or funding approved through an Executive Council order. The 2023/24 Appropriation Bill was passed in May 2023.

The financial statements have been consolidated to General Government level including Cook Islands Investment Corporation parent administrative operations only. State Owned Enterprises (SOE's) group consolidation are reported separately in later sections of this report.

The financial information and figures presented in this report have been prepared by the Treasury Division of MFEM and are intended for informational purposes only. The numbers contained in this report are unaudited and have not undergone the rigorous review and verification processes typically associated with audited financial statements.



**Schedule 1: Net Operating and Fiscal Balances as at 30 June 2024**

	Table	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 30 Jun 2024	Actual YTD 30 Jun 2024	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Operating Revenue</b>	<b>1</b>								
Taxation Revenue		162,193		5,280	167,473	167,473	167,411	-62	100%
Other Crown Revenue		19,272		398	19,670	19,670	16,652	-3,018	85%
Trading Revenue		5,024		-46	4,977	4,977	6,140	1,163	123%
Dividends		1,000			1,000	1,000	1,220	220	122%
Interest on Balances		2,508			2,508	2,508	4,511	2,003	180%
Core Sector Support		9,100			9,100	9,100	9,100	0	100%
<b>Total Operating Revenue</b>		<b>199,096</b>	<b>0</b>	<b>5,632</b>	<b>204,728</b>	<b>204,728</b>	<b>205,034</b>	<b>306</b>	<b>100%</b>
<b>Operating Expenditure</b>									
Ministry Outputs									
Personnel		71,514	329	-2,612	69,231	69,231	64,401	4,829	93%
Operating		18,869	228	3,737	22,833	22,833	21,239	1,594	93%
Administered Payments	3	52,797	1,860	3,484	58,140	58,140	46,897	11,243	81%
Depreciation		8,583			8,583	8,583	8,583	0	100%
POBOC	2	32,328		1,027	33,355	33,355	32,583	772	98%
Debt Interest Contribution to LRF		8,960			8,960	8,960	12,797	-3,837	143%
Crown Infrastructure & Contingency Depreciation		4,603			4,603	4,603	4,603	0	100%
Transfer to Emergency Response Trust Fund		50			50	50	0	50	0%
Depreciation Contingency Fund		2,174			2,174	2,174	2,174	0	100%
Contingency Funds - Operating		100		-25	75	75	0	75	0%
Loss on Foreign Exchange		0			0	0	3,561	-3,561	100%
<b>Total Operating Expenses (including YTD Depreciation)</b>		<b>199,977</b>	<b>2,416</b>	<b>5,170</b>	<b>208,005</b>	<b>208,004</b>	<b>196,839</b>	<b>11,166</b>	<b>102%</b>
<b>Net Operating Surplus/(Shortfall) Balance</b>		<b>-881</b>	<b>-2,416</b>	<b>462</b>	<b>-3,276</b>	<b>-3,277</b>	<b>8,196</b>	<b>11,472</b>	<b>-250%</b>
<b>Add</b> Depreciation		15,360			15,360	15,360	15,360	0	100%
<b>Less</b> Capital Expenditure	4	22,761	5,837	-912	27,686	27,687	17,085	10,602	62%
<b>Net Fiscal Surplus/(Shortfall) Balance</b>		<b>-8,282</b>	<b>-8,253</b>	<b>1,374</b>	<b>-15,603</b>	<b>-15,603</b>	<b>6,471</b>	<b>22,074</b>	<b>-41%</b>

At a Glance: Fiscal Position

\* Government's Net Fiscal balance for the quarter ended 30 June 2024 was a \$6.47 million surplus. This was an improvement by \$22.07 million compared to the budget estimate of \$15.60 million deficit. Overall revenue collection was slightly higher than anticipated by \$0.30 million and cost savings in Personnel (of \$4.82 million) Operating (of \$1.59 million) and Administered Payments (of \$11.24 million) have contributed to the improvement in Government's net fiscal balance.

\* The total Operating Revenue collected was \$0.30 million higher than anticipated for the quarter ended 30 June 2024. Taxation revenue collection was approximately within budget forecasts, due to increased business activity, consumer spending and collection of historical debt. However, there was a shortfall in Other Revenue collected, resulting in a \$3.01 million variance against YTD budget estimates. This variance stems from receiving \$4.27 million less than anticipated in Purse Seine Fisheries, followed by Trading Revenue of \$6.14 million. Refer to Table 1 - Revenue on Behalf of Crown for details.

\*The total Operating Expenses for General Government adjusted for depreciation for the year ended 30 June 2024 was \$196.83 million, which is \$11.16 million lower than budget estimates. This was mainly due to an overall underspend in day-to-day operational expenditure across the whole of Government ie. utilities, fuel and oil, freight etc. Government agencies are also aware of price increases and intend to take a more conservative approach regarding operation expenditure. Another contributing factor is that additional budget has been approved via Executive Order and the Supplementary Budget which was passed in February 2024, resulting in genuine underspends. Agencies have requested for a carry forward of majority of these underspends to the 2024-2025FY. There were also reappropriations of certain budget lines to the 2024-2025FY. Underspends in Personnel were caused by a combination of vacant positions within Government as well as agencies re-phasing their budgeted cash flows to meet immediate obligations. Refer to Table 3 - Administered Payments for details

\* Capital Expenditure: Capital expenditure was significantly lower than budgeted by \$10.60 million for the quarter ended 30 June 2024. Significant underspends in To Tatou Vai, Government Building Projects and other capital projects have contributed to this. Agencies are encouraged to appropriately plan and manage their Capital Budgets to ensure budgets are spent in the allotted periods, however given the unpredictable nature of the operating environment, delays have occurred. Refer to Table 4 - Capital Expenditure for more information.

**Schedule 2: Cash Reserves General Government**
**30 June 2024**

		30 Jun 2024 YTD	31 Mar 2024 YTD	Variance
		\$'000	\$'000	\$'000
<i>Cash At Bank</i>				
Term Deposits and Trust Accounts		158,428	149,236	9,192
Operational Bank Accounts		23,599	24,732	(1,133)
Foreign Exchange Reserves		11,380	17,956	(6,576)
<b>Total Cash Reserves</b>		<b>193,407</b>	<b>191,924</b>	<b>1,483</b>
<i>Committed:</i>				
Loan Repayment Fund <sup>1</sup>	LRF Act 2014	5,375	12,628	(7,253)
Outer Islands Reserves <sup>2</sup>	IG Act 2012	1,296	1,509	(213)
Disaster Response Fund <sup>3</sup>	Trust Fund	2,333	2,290	43
Infrastructure Trust Fund <sup>4</sup>	Trust Fund	47,026	46,611	415
Aid Trust Fund <sup>5</sup>	Trust Fund	46,097	37,225	8,872
Land/Law Trust/Other Agency Trust Funds	Trust Fund	16,368	15,586	782
Trust Account Deposits <sup>7</sup>	Trust Fund	2,708	2,672	36
<b>Total Committed Funds</b>		<b>121,203</b>	<b>118,521</b>	<b>2,682</b>
<i>Other General Funds:</i>				
Government Department/Agencies Bank Accounts	General Fund	266	2,278	(2,012)
Vat/Tax Imprest and Customs Bonds Account <sup>8</sup>	General Fund	3,519	2,421	1,098
General Reserves - Legacy	General Fund	3,683	3,606	77
<b>Total Other General Funds</b>		<b>7,468</b>	<b>8,305</b>	<b>(837)</b>
<b>Estimated General Cash Reserve</b>		<b>64,736</b>	<b>65,098</b>	<b>(362)</b>

<sup>1</sup> Loan Repayment Fund – This fund was legislated under the Cook Islands Loan Repayment Fund Act 2014; established for the purpose of repaying Government debts. Funds in this Account must not be withdrawn for any other purpose other than repayment of such debt.

<sup>2</sup> Outer Islands Reserves - Consists of funds held with each Outer Islands Administration. The Island Government Act 2012-13, section 55 states that the Island Governments are entitled to retain control over any revenues collected by them.

<sup>3</sup> Disaster Response Trust – The establishment of this fund was detailed in the Cook Islands Disaster Emergency Trust Fund Policy which was approved by Cabinet in May 2011 (CM (11) 0157). The purpose is to enable a swift and coordinated response by the Disaster Response Executive once a State of Emergency or Disaster is activated.

<sup>4</sup> Infrastructure Trust Fund (ITF) - Funds provided by the New Zealand Government for Infrastructure; establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Fund Accounts.

<sup>5</sup> Aid Trust Fund – Funds tagged for aid funded projects and programmes. The establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Funds Accounts.

<sup>6</sup> Land Trust/Law Trust and Other Agency Trust Funds - Funds held in trust on behalf of land and law related deposits at the Ministry of Justice and small trust account held at the Agencies eg. Hararanga Trust held at Penrhyn Island Administration. The establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Fund Accounts.

<sup>7</sup> Trust Account Deposit – Funds held by Crown for Law Trust, Workers Compensation Trust, Immigration bonds held, International unclaimed monies and Insurance Trust. The establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the Cook Islands Government Financial Procedures and Policy Manual (CIGFPPM): Trust Funds Accounts.

<sup>8</sup> VAT/Tax Imprest Accounts - Held by Revenue Management Department (RMD) as clearing account for Tax Refunds and Custom Bonds and Tax Revenues payable to Crown account; establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Fund Accounts.

**Schedule 3: Loan Repayment Fund Statement**

	30 Jun 2024 YTD
	\$'000
<b>Opening LRF Balance</b>	12,628
Contribution to LRF Principal	821
Contribution to LRF Interest	
<b>Total Transfer into LRF by General Government</b>	13,449
Realised Gain/(Loss) on Foreign Exchange	33
Transfer out of LRF	
Interest earned by LRF	120
<b>Total Inflows/(Outflows)</b>	153
Principal paid out of LRF	3,288
Interest paid out of LRF	4,939
<b>Total Outflows</b>	8,227
<b>Closing LRF Balance</b>	<b>5,375</b>

In February 2014, the Parliament of the Cook Islands passed the *Cook Islands Loan Repayment Fund Act (LRF Act) 2014*, formally creating a Loan Repayment Fund (LRF). The aim of the LRF is to quarantine funds previously accumulated for loan repayments and to prevent them from being utilized for anything outside of debt servicing requirements.

Schedule 3 outlines the movement of funds in and out of the LRF account. Funds transferred in by the Government as appropriated and payments made for debt servicing and other service fees.

**Schedule 4: Executive Council Orders**

<b>Section 70(3) (b) (i): Calculation</b>	<b>\$'000</b>
Total Government Appropriation 2023/24	342,180
Excess (1.5%) of Total Appropriation	5,133
less: Approved expenditure as at Quarter-End	3,919
<b>Total Balance</b>	<b>1,214</b>

<b>Executive Council Orders Authority</b>	<b>Budget</b>	<b>Agency</b>	<b>\$'000</b>
Top up to the National Events Fund	Admin	MOCD	500
Top up to the Maritime Radio Coverage Fund	POBOC	MOT	178
Top up to the MPs Travel and Allowances	POBOC	CPS	304
Top up to the Patient Referrals Fund	Admin	MOH	1,000
Top up to the Inter-Island Shipping Fund	Admin	MFM	1,275
Top up to the Lexis Nexis Fund	Admin	CLO	150
Top up to the National Events Fund	Admin	MOCD	205
Top up to the International Subscriptions Fund	POBOC	MFAI	251
Top up to the KR Travel & Allowances POBOC	POBOC	CPS	31
Top up to the KR Social Responsibility fund	Admin	HOS	5
Top up to Domestic Hosting Entertainment	Admin	HOS	1
Top up to National Events Administered Fund	Admin	MCD	19
<b>Total Executive Council Orders Authority as at 30 June 2024</b>			<b>3,919</b>

Section 70(3)(b) of the Cook Islands Constitution allows for expenditure to exceed the appropriation provided that the total amount of all sums issued and paid shall not exceed one and a half percent (1 ½ per cent) of the total amount of all sums appropriated by the Appropriation Act or Acts for that year.



**Table 1: Revenue on Behalf of Crown (ROBOC)**

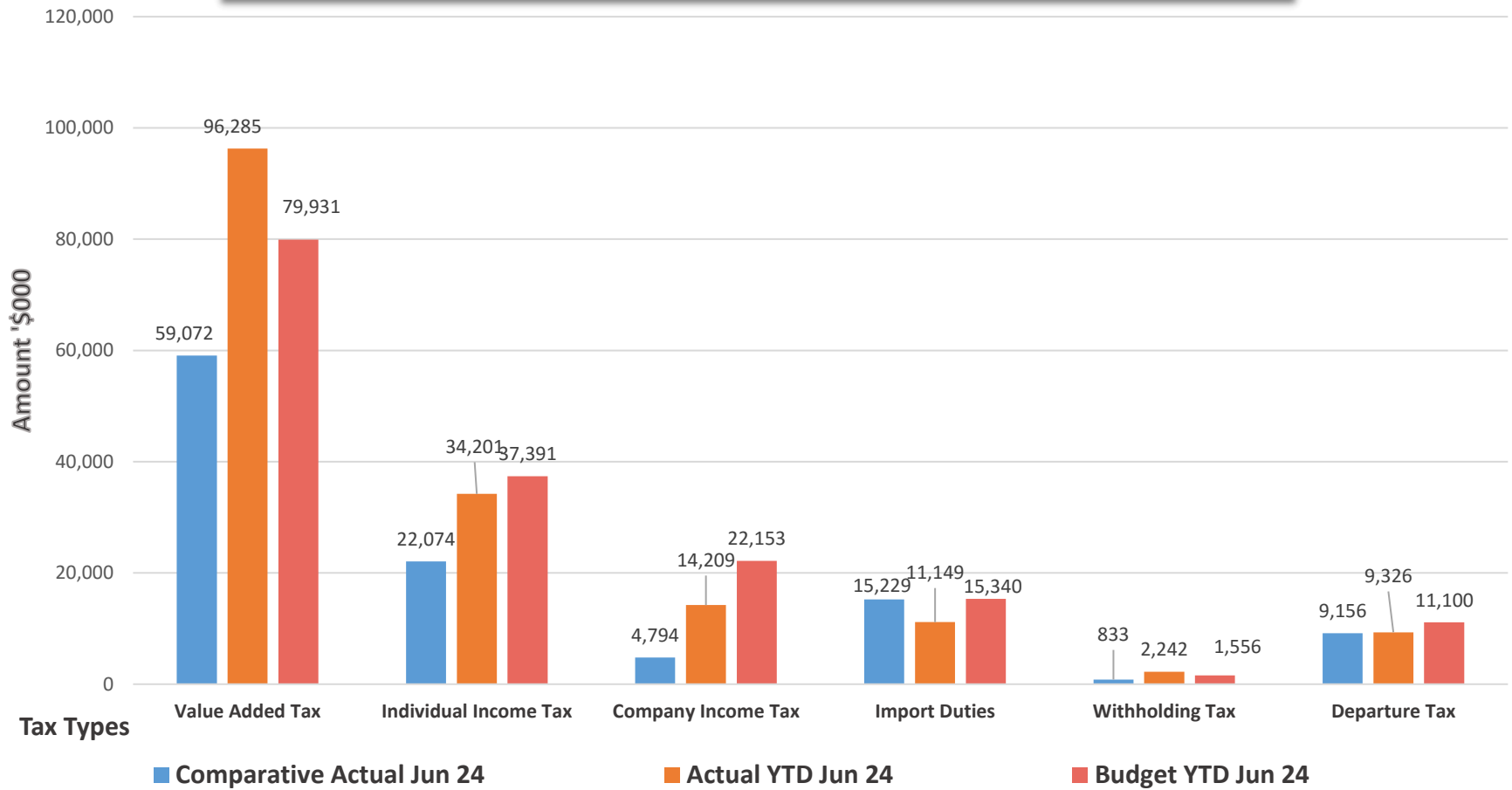
	Budget Estimates Full Year 2023/24	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 30 Jun 2024	Actual YTD 30 Jun 2024	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Taxation Revenue</b>							
Value Added Tax	78,957	974	79,931	79,931	96,285	16,353	120%
Individual Income Tax	33,730	3,662	37,391	37,391	34,201	-3,191	91%
Company Income Tax	19,366	2,787	22,153	22,153	14,209	-7,944	64%
Import Duties	15,939	-599	15,340	15,340	11,149	-4,191	73%
Withholding Tax	1,622	-66	1,556	1,556	2,242	685	144%
Departure Tax	12,578	-1,477	11,100	11,100	9,326	-1,775	84%
	<b>162,193</b>	<b>5,280</b>	<b>167,473</b>	<b>167,473</b>	<b>167,411</b>	<b>-62</b>	<b>100%</b>
<b>Other Revenue</b>							
FSC - Vested Assets	0	-	0	0	0	0	0%
Financial Supervisory Commission - Return of Excess	3	-	3	3	322	319	10733%
Immigration Fees	500	-	500	500	859	359	172%
IMO Subscriptions MCI	66	-	66	66	0	-66	0%
Court Services	27	-	27	27	31	4	113%
Instant Fines	60	-	60	60	9	-51	15%
US Fisheries Treaty (upfront days)	3,810	-	3,810	3,810	3,832	22	101%
EU Agreement	1,400	-	1,400	1,400	1,834	434	131%
Purse seine fishery	7,000	-	7,000	7,000	2,279	-4,721	33%
Longline Licenses and QMS	3,000	600	3,600	3,600	2,883	-717	80%
Other Fisheries and Auxilliary Vessel Licensing	133	-	133	133	75	-59	56%
Research Fees	2	-	2	2	1	0	88%
Permits	10	-	10	10	16	5	152%
Vodafone Dividends	1,000	-	1,000	1,000	1,220	220	122%
Numismatics	850	-	850	850	901	51	106%
Sale of Circulating Currency	204	-	204	204	427	223	210%
Drivers License Fees	260	-	260	260	374	114	144%
Motor Vehicle Registration	875	-	875	875	847	-28	97%
Interest on Balances (Crown)	907	-	907	907	2,698	1,791	298%
Interest on Balances - Loan Reserve Fund	220	-119	101	101	0	-101	0%
Interest on Balances - SOE Advances	1,601	-	1,601	1,601	1,813	212	113%
Foreign Investment Fees	34	-6	28	28	20	-8	72%
Upper Air Space Fees	338	-87	251	251	1,130	879	450%
Shipping Registry Licenses	98	-	98	98	253	155	259%
International Shipping Fee	15	-	15	15	18	3	119%
Liquor License	50	10	60	60	65	5	109%
Tattslotto Grants	120	-	120	120	235	115	196%
Censorship Fees	1	0	1	1	0	0	64%
Land Court Fees	147	-	147	147	239	92	162%
Motor Vehicle Dealers	3	0	3	3	3	-1	80%
SIOFA - Regional Fisheries Management Organisations	46	-	46	46	0	-46	0%
Gain on Foreign Exchange	0	-	0	0	0	0	0%
General Budget Support	0	-	0	0	0	0	0%
Core Sector Support	9,100	-	9,100	9,100	9,100	0	100%
Other Revenue on Behalf of Crown	0	-	0	0	0	0	187%
	<b>31,880</b>	<b>398</b>	<b>32,278</b>	<b>32,278</b>	<b>31,483</b>	<b>-795</b>	<b>98%</b>
<b>Total ROBOC</b>	<b>194,073</b>	<b>5,678</b>	<b>199,751</b>	<b>199,751</b>	<b>198,895</b>	<b>-856</b>	<b>100%</b>
Government Agencies & Island Governments Trading Revenue	5,024	-46	4,977	4,977	6,140	1,163	123%
<b>Total Operating Revenue</b>	<b>199,096</b>	<b>5,632</b>	<b>204,728</b>	<b>204,728</b>	<b>205,034</b>	<b>306</b>	<b>100%</b>

**Table 1: Revenue on Behalf of Crown (ROBOC) Commentary**

	Comparative Actual Jun 23	Actual YTD 30 Jun 2024	Year on Year	Year on Year	Commentary
	\$'000	\$'000	\$'000	%	
<b>Taxation Revenue items</b>					<i>Note: Comments are provided on all Taxation revenue items. Refer to page 12 for a visual presentation of Tax Revenue items Year over Year (YoY).</i>
Value Added Tax	59,072	96,285	37,213	63%	VAT collection has significantly increased compared to previous year by 63 percent possibly due to increased collections of historical debts over the current reporting period and the overall increase in business activity.
Individual Income Tax	22,074	34,201	12,127	55%	Individual Income Tax was up by 55 per cent from a year ago but down by 9 percent against YTD budget estimate. This is a reflection of steady PAYE contributions from larger employers.
Company Income Tax	4,794	14,209	9,415	196%	Company Income Tax was up by 196 per cent from a year ago but down by 36 percent against the YTD budget estimates. Provisional tax collected from companies are lower than anticipated for the quarter.
Import Duties	15,229	11,149	-4,080	-27%	Customs Tax was down by 27 percent from a year ago and also down by 27 percent against the YTD budget estimate. The level of import duty collected and goods imported was lower than expected.
Withholding Tax	833	2,242	1,409	169%	Withholding Tax was up by 169 percent from a year ago and up by 44 percent against the YTD budget estimate. This relates to tax on interest, dividends and royalties.
Departure Tax	9,156	9,326	170	2%	Departure Tax was up by 2 percent compared to a year ago but down by 16 percent against the YTD budget estimates as a result of delayed collections. Departure tax includes collections from additional airline routes via Hawaii, Sydney and Tahiti for the YTD June 2024 quarter.

	Comparative Actual Jun 23 \$'000	Actual YTD 30 Jun 2024 \$'000	Year on Year \$'000	Year on Year %	<i>Note: Comments are provided on Other Revenue items that have generated significant revenue compared to the budget estimate.</i>
<b>Other Revenue items</b>					
US Fisheries Treaty (upfront days)	3,012	3,832	820	27%	Fisheries US Treaties Revenue was up 27 percent from a year ago and up by 1 percent against the YTD budget estimate. The majority of this revenue has been received in the final quarter for the 2024FY.
Longline Licenses and QMS	3,753	2,883	-870	-23%	Longline licenses and QMS Revenue was down by 23 percent from a year ago and down by 20 percent against the YTD budget estimate. There was a steady collection of revenue throughout the 2024FY.

## CIG Tax Revenue Year over Year (YoY) June 2024 Report



**Table 2: Payments on Behalf of Crown (POBOC)**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 30 Jun 2024	Actual YTD 30 Jun 2024	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Airport Authority Subsidy	1,500	0	0	1,500	1,500	1,500	0	100%
Audit Fees	103	0	0	103	103	51	52	50%
Bank of the Cook Islands - Social Assistance Subsidy	128	0	0	128	128	128	0	100%
BEPS Subscription	45	0	0	45	45	41	4	90%
Caregivers Allowance	0	0	0	0	0	0	0	0%
Carer Order Payment	10	0	1	11	11	10	1	91%
Child Benefit	5,387	0	-237	5,151	5,151	5,128	22	100%
CIG Insurance	40	0	0	40	40	41	-1	103%
Civil List - Constituency Visits	170	0	0	170	170	169	1	100%
Civil List - Personnel	2,902	0	0	2,902	2,902	2,909	-8	100%
Competition and Regulatory Authority	400	0	166	566	566	400	166	71%
Government Paid Maternity Leave	150	0	-50	101	101	100	0	100%
House of Ariki Operating	337	0	0	337	337	302	34	90%
Infirm/Destitute Benefit	1,296	0	70	1,366	1,366	1,362	3	100%
International Subscriptions	890	0	251	1,141	1,141	1,120	21	98%
IMO - Maritime Organisation	63	0	0	63	63	52	11	82%
Maritime Radio Coverage	120	0	178	298	298	283	15	95%
MP Travel and Allowances (local and overseas)	250	0	467	717	717	522	195	73%
New Born Allowance	230	0	-15	215	215	200	15	93%
Old Age Benefit	14,489	0	80	14,569	14,569	14,568	1	100%
Pacific Catastrophe Risk Insurance	160	0	0	160	160	47	113	29%
Parliamentary Sitting Expenses	200	0	72	272	272	274	8	97%
Parliamentary Superannuation	180	0	0	180	180	74	106	41%
PERC Salaries and Administration Costs	58	0	0	58	58	57	0	100%
Ports Authority Subsidy	110	0	0	110	110	110	0	100%
Production of new currency, transportation and sale of old coins		0	0	0	0	0	0	0%
KR Travel and Allowances (local and overseas)	109	0	43	152	152	151	0	100%
To Tatou Vai - POBOC	3,000	0	0	3,000	3,000	2,991	9	100%
	<b>32,328</b>	<b>0</b>	<b>1,027</b>	<b>33,355</b>	<b>33,355</b>	<b>32,583</b>	<b>772</b>	<b>98%</b>

**Table 2: Payments on Behalf of Crown (POBOC) Commentary**

	Full Year Budget	Actual YTD 30 Jun 2024	Actual Vs Full Year Budget	Commentary
	\$'000	\$'000	%	
				<i>Note: Commentary provided on POBOCs appropriated at an annual budget of over \$1 million.</i>
Airport Authority Subsidy	1,500	1,500	100%	This funding is to support the day to day operations of the Airport Authority in Rarotonga. The Authority was bulk funded \$125,000 per month.
Child Benefit	5,151	5,128	100%	Welfare payments relating to Child Benefits. Budget has been fully utilised.
Civil List - Personnel	2,902	2,909	100%	Slight overspend of \$8k due to payout of HOM annual leave
Infirm/Destitute Benefit	1,366	1,362	100%	Appropriation fully utilised for the financial year. Within budget forecasts
Old Age Benefit	14,569	14,568	100%	Appropriation fully utilised for the financial year. Within budget forecasts
To Tatou Vai - POBOC	3,000	2,991	100%	This funding is to assist To Tatou Vai in its management and operations to supply and maintain Rarotonga's water network and infrastructure. The agency submits monthly reports to keep track of expenditure and is bulk funded on a monthly basis. Slight underspend of \$9k for the fiscal year.

**Table 3: Administrative Payments**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 30 Jun 2024	Actual YTD 30 Jun 2024	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Audit of Crown Accounts	30	-	-	30	30	0	30	0%
Asian Infrastructure Investment Bank (AIIB) Membership	31	-	2	32	32	32	0	99%
Airline Route Development	17,450	447	650	18,547	18,547	13,979	4,567	75%
ASYCUDA Administrative Fund	100	-	-	100	100	0	100	0%
Bridges and Drainage Maintenance	700	-	-	700	700	260	440	37%
Bus Service	26	0	10	36	36	36	0	100%
Caregivers Allowance	739	-	145	884	884	883	2	100%
Christmas Bonus	321	-	17	337	337	337	0	100%
CISNOC Grant	370	-	-	370	370	370	0	100%
CISNOC Grant Top Up EO 1.5%	0	-	-	0	0	0	0	0%
Cabinet Support Fund	270	-	-	270	270	268	2	99%
Cook Islands Cultural Fund	100	-	-	100	100	93	7	93%
Cook Islands Red Cross [MFM]	50	-	-	50	50	50	0	100%
Cook Islands Student Association Support	10	8	-	18	18	0	18	0%
Conduct a Labour Force Survey	200	-	-	200	200	21	179	11%
CIG Buildings Repairs & Maintenance	1,000	-	30	1,030	1,030	1,025	5	100%
COVID-19 Medical Response Fund	0	-	-	0	0	-7	7	0%
Debt Advisory Services	0	-	-	0	0	0	0	0%
Domestic Hosting Entertainment	15	-	1	16	16	15	0	98%
Economic Recovery Roadmap	3,517	973	-1,450	3,040	3,040	331	2,709	11%
EIA Process	150	-	-	150	150	150	0	100%
Emergency Work	200	-	-	200	200	84	116	42%
Fisheries Development Facility	150	-	-	150	150	149	1	99%
FMIS Maintenance	145	-	-7	138	138	78	60	56%
Funeral Assistance Allowance	170	-	33	203	203	197	6	97%
Feasibility Study for Coastal Protection - Rarotonga & Pa Enua	400	-	-	400	400	0	400	0%
Government Facilities Development Division	420	-	-103	317	317	313	4	99%
Government Funded Scholarships	780	0	50	830	830	729	101	88%
Government Funded Scholarships - Fees Free	50	-	-	50	50	50	0	100%
Head of State Rent	13	-	-	13	13	7	6	50%
HOM's Salaries	1,903	38	50	1,991	1,991	1,990	2	100%
House of Ariki Operating	-	-	-	0	0	0	0	0%
House of Ariki - Personnel	-	-	-	0	0	0	0	0%
ICT Support Team	-	-	-	0	0	0	0	0%
Infrastructure Committee	100	-	-	100	100	98	2	98%
Internal Affairs Youth Program	45	-	-	45	45	45	0	100%
International Exchange of Information System Upgrade (IGOR)	55	89	-	144	144	144	0	100%
International Labour Conference	0	0	80	80	80	74	0	0%
International Subscriptions	0	-	-	0	0	0	0	0%
Joint Venture with Seabed Minerals Authority	50	-	-	50	50	50	0	100%
Judge's Allowances	465	109	-	574	574	462	112	80%
Land Records Update Project	120	-	-	120	120	89	31	74%

**Table 3: Administrative Payments Cont'd**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 30 Jun 2024	Actual YTD 30 Jun 2024	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Law and Order Clinical Psychologist	90	-	-	90	90	0	90	0%
Lease Extension	72	-	-	72	72	36	36	50%
Legal Aid	40	-	-	40	40	27	13	68%
Legal Provisions	100	38	-	138	138	79	59	57%
Legacy Waste - Vehicles & Whiteware	360	-	-	360	360	360	0	100%
Lexis Nexis - Portal Maintenance	80	-	150	230	230	128	101	56%
Management of Suwarrow Park	100	-	-	100	100	100	0	100%
Marae Moana Ambassador	-	-	-	0	0	0	0	0%
Marketing Resources - Tourism Growth Strategy	5,743	-	-1,000	4,743	4,743	4,743	0	100%
National Events	500	-	725	1,225	1,225	1,180	44	96%
National Census	0	-	-	0	0	0	0	0%
National Heritage Trust	122	-	-	122	122	127	-5	104%
NCD Fund	195	-	-	195	195	195	0	100%
OPM ICT Activities - Internet Data and Fiber Connection	460	-	-20	440	440	400	40	91%
OPM ICT Activities - Licenses and Software	450	-	-	450	450	432	18	96%
Pacific Islands Forum (PIFs) meeting	150	-	-	150	150	0	150	0%
Pa Enua Connectivity	-	-	-	0	0	0	0	0%
Pa Enua Machinery Maintenance Fund	100	-	-	100	100	98	2	98%
Pa Enua Mechanical Overseer	120	-	-	120	120	116	4	96%
Patient Referrals	850	-	1,800	2,650	2,650	2,267	383	86%
Patient Referrals Top Up EO 1.5%	-	-	-	0	0	0	0	0%
Pharmaceuticals	1,168	-	280	1,448	1,448	1,445	3	100%
PM Social Responsibility Fund	483	-	-	483	483	456	27	94%
Police Youth Program	45	-	-	45	45	40	5	89%
Post Tax Amnesty Work	0	-	-	0	0	0	0	0%
Power Subsidy	109	-	-15	95	95	94	0	100%
Price Tribunal Committee	45	20	-	65	65	62	3	96%
Private School Funding - Aitutaki SDA	192	-	51	243	243	243	0	100%
Private School Funding - Blackrock	46	-	51	97	97	97	0	100%
Private School Funding - Creative Centre	108	-	51	159	159	159	0	100%
Private School Funding - Immanuel Akatemia	231	-	52	284	284	284	0	100%
Private School Funding - Nukutere	749	-	56	805	805	805	0	100%
Private School Funding - Papaaroa	272	-	51	323	323	323	0	100%
Private School Funding - St. Josephs	446	-	58	504	504	504	0	100%
Private School Funding - Te Uki Ou	691	-	70	761	761	761	0	100%
Production of new currency, transportation and sale of old coins	350	-	-	350	350	275	75	79%
Provision for Inter-Island Shipping	500	104	1,275	1,879	1,879	1,236	643	66%
Provision for Land Rentals	400	-	55	455	455	452	3	99%
Public Sector Strengthening - Process & Systems	150	35	-28	157	157	104	53	66%
Public Sector Strengthening - Renovation Support	-	-	-	0	0	0	0	0%
KR Social Responsibility Fund	8	-	5	13	13	13	0	100%





**Table 3: Administrative Payments Commentary**

	Full Year Budget	Actual YTD 30 Jun 2024	Actual Vs Full Year Budget 2023/24	Commentary
	\$'000	\$'000	%	<i>Note: Commentary provided on Administered Payments appropriated at an annual budget of over \$1 million.</i>
Airline Route Development	18,547	13,979	75%	This budget is to subsidise the cost of direct flights from non-NZ markets to Rarotonga, which is necessary to support tourism recovery. Actual YTD expenditure is less compared to YTD budget estimates due to untimely receipt of supplier invoices to be processed. YTD actual spend includes consultancy fees for aviation and quarterly contract payments to partner airlines.
Economic Recovery Roadmap	3,040	331	11%	This budget is to support economic stimulus measures for a sustainable economic recovery from the impacts of COVID-19, to subsidise the cost of fuel for airlines and to support the Fees Free programme. YTD expenditure includes loan administration fee for Business Credit Facility loans, USP Course Fees and costs related to the 58th meeting of the Commission on the Limits of the Continental Shelf (CLCC). Significantly below budget with majority of remaining underspend being re-appropriated to 2024-2025FY.
HOM's Salaries	1,991	1,990	100%	YTD actual spend relating to HOM's Salaries within annual budget estimates.
Marketing Resources - Tourism Growth Strategy	4,743	4,743	100%	This budget is for Cook Islands Tourism to promote the Cook Islands as an ideal travel destination. YTD actual expenditure \$4.74 mil relates to International Representation, Stakeholder Management, Sales and Marketing, Public Relations, E Commerce and Destination Development. \$350k has been reappropriated to the 2024-2025FY.
Pharmaceuticals	1,448	1,445	100%	This Funding is to cover the procurement of essential medical consumables and supplies as per EML, to ensure delivery of health services and treatment to both Rarotonga and Pa Enua. Spend is well within annual budget estimates
Tertiary Training Institutions	1,100	1,100	100%	This Budget is to support the operating expenses for the Cook Islands Tertiary Training Institute to deliver courses in the Rarotonga and the Pa Enua. YTD Expenditure includes Tutors, Professional Services & communication expenses. This Admin Payment is bulk funded and has been fully expended at year end.

Table 4: Capital Expenditures

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 30 Jun 2024	Actual YTD 30 Jun 2024	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Pa Enua Government Building Projects - Northern Group	0	90	-	90	90	51	39	57%
Aitutaki Capital Funding	16	-	-	16	16	12	4	77%
Arutanga Harbour Project	980	-	-490	490	490	414	76	84%
Geotech Scoping & Feasibility	100	-	-	100	100	18	82	18%
Atiu Capital Funding	12	-	-	12	12	0	12	0%
General X-Ray & Mammography Systems	200	-	-	200	200	37	163	18%
Bridges and Structures Asset Management and Improvement Programme	4,766	-	-4,037	728	728	325	404	45%
Capital Distribution Fund	300	-	-	300	300	216	84	72%
COVID-19 Response Fund - Capital Needs	0	-	-	0	0	0	0	0%
Drainage Asset Management and Improvement Programme	720	-	-	720	720	157	562	22%
Fund to be Prioritised by Education	400	-	-	400	400	400	0	100%
Fund to be Prioritised by Health for Technical Equipment	300	-	-	300	300	286	14	95%
Government Building Projects	496	-	-	496	496	59	437	12%
Government Building Projects - Rarotonga	1,301	650	585	2,536	2,536	2,009	527	79%
Government IT Network	200	-	-	200	200	196	4	98%
Land Acquisition	550	95	-500	145	145	50	95	34%
Mangaia Capital Funding	12	-	-	12	12	6	6	53%
Manihiki Capital Funding	10	-	-	10	10	8	2	76%
Mauke Capital Funding	10	-	-	10	10	7	3	69%
Mitiaro Capital Funding	8	-	-	8	8	7	1	87%
Purchase of Capital Equipment	0	-	280	280	280	226	54	81%

Table 4: Capital Expenditures Cont'd

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 30 Jun 2024	Actual YTD 30 Jun 2024	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Purchase of Protocol Vehicles for PIFs Conference	2,000		-960	1,040	1,040	1,040	0	100%
Pa Enua Government Building Projects - Southern Group	350	100	-	450	450	224	226	50%
Pa Enua Marine Infrastructure Improvement Programme	2,470	-	-	2,470	2,470	82	2,388	3%
Pa Enua Air Infrastructure Improvement Programme - CIG	649	-	-	649	649	360	289	55%
Pa Enua Capital Distribution Fund	300	-	1,180	1,480	1,480	241	1,239	16%
Palmerston Capital Funding	10	-	-	10	10	8	2	76%
Penrhyn Capital Funding	12	-	-	12	12	10	2	81%
Pukapuka Capital Funding	12	-	-	12	12	12	0	96%
Rakahanga Capital Funding	8	-	-	8	8	7	1	89%
Rarotonga Airport Slab Replacement	0	780	-	780	780	780	0	100%
Rarotonga Cyclone Shelters - Remediation	400	-	-385	15	15	14	1	91%
Revenue Management System Upgrade (RMS10)	0	1,672	-1,337	335	335	338	-2	101%
Roads Asset Management and Improvement Programme	4,960	-	4,707	9,667	9,667	7,545	2,122	78%
To Tatou Vai - Capital	1,000	2,450	-	3,450	3,450	1,746	1,704	51%
Waste Management Infrastructure Improvement Programme	51	-	-	51	51	51	0	100%
Water and Sanitation Infrastructure Improvement Programme	158	-	46	204	204	146	58	72%
	<b>22,761</b>	<b>5,837</b>	<b>-912</b>	<b>27,686</b>	<b>27,687</b>	<b>17,085</b>	<b>10,602</b>	<b>62%</b>

Table 4: Capital Expenditure Commentary

	Full Year Budget	Actual YTD 30 Jun 2024	Actual Vs Full Year Budget 2023/24	Commentary
	\$'000	\$'000	%	<i>Note: Commentary provided on Capital Expenditure appropriated at an annual budget of over \$1 million and less than 10% budget utilisation YTD</i>
Purchase of Protocol Vehicles for PIFs Conference	1,040	1,040	100%	This budget relates to the procurement of electric vehicles for the 52nd Pacific Islands Forum Leaders Meeting held in November 2023. Since the Forum, vehicles have been distributed to agencies with the remaining vehicles put up for tender.
Pa Enua Marine Infrastructure Improvement Programme	2,470	82	3%	This is to support the ongoing development of marine infrastructure for the Pa Enua, which serves as a key means of transportation of goods and passengers throughout the country. Majority of actual spend relates to salary costs. Project model likely to be "Public-works" due to affordability. A request for carry forward of underspend has been submitted for assessment.
Government Building Projects - Rarotonga	2,536	2,009	79%	This project involves the development and improvement of government buildings and facilities on Rarotonga. YTD Expenditure consists of building of Pununganui Market Toilets, ICI Toilet Block, Sports Arena Roof and Apii Rutaki Electrical Upgrade. For this quarter, payments were directed towards Tupapa Outpatient roof replacement. Currently 79% of the annual budget has been utilised. A request for carry forward of underspend has been submitted for assessment.
Revenue Management System Upgrade (RMS10)	335	338	101%	This project is for the upgrade of MFEM's Revenue Management Division (RMD) tax management software platform from Revenue Management System (RMS) version 7 to version 10. This project is to be implemented in 5 phases. YTD expenditure consists of consultancy fees and ongoing support/maintenance costs. Spending has gone towards support/maintenance and personnel for the rest of the financial year and the actual implementation of the system upgrade will occur in the next financial year. There was a slight overspend of \$3k against annual budget estimates.
Roads Asset Management and Improvement Programme	9,667	7,545	78%	This is for the continuation of road improvement projects on Rarotonga, particularly the road from Avana to Mai'i. YTD expenditure includes labour costs, professional engineering and project management services, fuel and materials. Currently 78% of the annual budget has been utilised.
To Tatou Vai - Capital	3,450	1,746	51%	This budget is related to the continual work towards the completion and replacement of asbestos cement mains and transferring water from old water connections to new ones. YTD expenditure is inclusive of purchasing materials for meters and customs clearance. A request for carry forward of underspend has been submitted for assessment.

	Loan start date	Loan end date	Loan currency	Original loan amount	Interest rate	Mar 2024	Principal	Draw Downs	FOREX	Revaluation/	Jun 2024	Change Jun Qtr ('000)
						Balance ('000)	Payments ('000)		Adjustment ('000)	Adjustments	Balance ('000)	
<b>Asian Development Bank</b>												
<b>Concessional OCR Loans</b>												
Second multi project loan - 849	Dec-87	Aug-27	SDR	2,150	1.00%	619			13		606	(13)
Outer Islands telecommunications project loan - 1031	Oct-90	Aug-49	SDR	2,578	1.00%	2,196			46		2,150	(46)
Second Cook Islands Development Bank loan - 1155	Mar-92	Dec-31	SDR	1,085	1.00%	640	40		13		587	(53)
TCI Emergency Loan- 1171	Aug-92	Jun-32	SDR	349	1.00%	225	13		5		207	(18)
Pearl Loan (1994) - 1309	Dec-94	Aug-34	SDR	272	1.00%	274			6		268	(6)
Education development- 1317	Feb-95	Aug-34	SDR	1,852	1.00%	1,671			35		1,636	(35)
Third Cook Islands Development Bank loan- 1380	Jan-96	Dec-00	SDR	1,977	1.00%	1,479			31		1,448	(31)
Economic restructuring loan - 1466	Sep-96	Sep-36	SDR	3,430	1.00%	3,467			72		3,395	(72)
Cyclone Rehabilitation Project loan - 1588	Jan-97	Jan-38	SDR	583	1.00%	627	22		13		592	(35)
Waste Management loan - 1832	Dec-01	Jun-33	SDR	1,695	1.50%	1,384	73		27		1,284	(100)
Cyclone Emergency Assistance loan- 2174	Jun-05	Jan-45	SDR	1,895	1.00%	3,253	39		67		3,147	(106)
(SF) Avatiu Ports Development Loan - 2473	Sep-09	Nov-40	SDR	4,524	1.50%	4,399	214		88		4,097	(302)
<b>Regular OC Loans</b>						<b>20,234</b>	<b>401</b>	<b>0</b>	<b>416</b>	<b>0</b>	<b>19,417</b>	<b>(817)</b>
(OCF) Avatiu Ports Development Project Loan - 2472	Sep-09	Nov-33	NZD	8,697	5.77%	7,305	221				7,084	(221)
(SF) Economic Recovery Support Program Loan - 2565	Jan-10	Oct-24	NZD	11,053	2.52%	503					503	0
(OCF) Avatiu Ports Development Project Loan- 2739	Dec-11	Nov-35	NZD	5,290	2.64%	4,280	96				4,184	(96)
(OCR) Economic Recovery Support Program 2 Loan - 2946	Dec-12	Oct-27	NZD	11,053	2.75%	2,115					2,115	0
(OCF) Renewable Energy Sector- 3193	Jan-15	Jun-36	NZD	12,980	1.15%	8,702	348				8,354	(348)
(OCR) Undersea Broadband Cable Loan- 3632	Jul-19	Jun-39	USD	15,000	2.65%	22,937			333		22,604	(333)
Disaster Resilience Program (Phase 2) - 3933	Dec-19	Jun-35	NZD	15,676	1.13%	15,676	653				15,023	(653)
COVID 19 Active Response - 4010	Jan-21	Jan-30	NZD	30,409	1.13%	29,658	863				28,795	(863)
Supporting Sustainable ERP - 4161	Dec-21	Dec-33	NZD	55,540	2.19%	55,540					55,540	0
<b>Total ADB</b>						<b>146,716</b>	<b>2,181</b>	<b>0</b>	<b>333</b>	<b>0</b>	<b>144,202</b>	<b>(2,514)</b>
<b>Asian Infrastructure Investment Bank (AIIB)</b>						<b>166,950</b>	<b>2,582</b>	<b>0</b>	<b>749</b>	<b>0</b>	<b>163,619</b>	<b>(3,331)</b>
COVID-19 Active Response & Economic Support - 0461A	Jan-21	Jun-30	USD	20,000	0.25%	32,558	950				31,608	(950)
						<b>32,558</b>	<b>950</b>		<b>0</b>		<b>31,608</b>	<b>(950)</b>
<b>Export -import Bank of China</b>											<b>0</b>	
Indoor Sports Stadium & Upgrade of Existing Sports Facilities	Aug-08	Aug-28	RMB	74,100	1.80%	4,509	90				4,419	(90)
Rarotonga Water Ring Main Upgrade Loan	Dec-12	Dec-32	RMB	118,000	2.00%	17,535			349		17,186	(349)
<b>Total China Bank</b>						<b>22,044</b>	<b>90</b>		<b>349</b>	<b>0</b>	<b>21,605</b>	<b>(439)</b>
<b>Total Gross Borrowings</b>						<b>221,552</b>	<b>3,622</b>	<b>0</b>	<b>1,098</b>	<b>0</b>	<b>216,832</b>	<b>(4,720)</b>
Less Loan Repayment Fund (LRF)						12,628	3,622	0	33	3,599	5,374	(7,254)
<b>Net Borrowings by the Crown</b>						<b>208,924</b>	<b>0</b>	<b>0</b>	<b>1,065</b>	<b>(3,599)</b>	<b>211,458</b>	<b>2,534</b>
Less Avatiu Port Development & Avaroa Cable Ltd (SOE)						38,921	531		421		37,969	(952)
<b>Net Borrowing by the General Government</b>						<b>170,003</b>	<b>(531)</b>	<b>0</b>	<b>644</b>	<b>(3,599)</b>	<b>173,489</b>	<b>3,486</b>

#### Net Borrowing by the General Government

The General Government's 'Net Borrowing' is equivalent to Total Gross Borrowings, less the Loan Repayment Funds (LRF) and SOE Borrowings. The movement for the period is an increase of \$3.48 million, this is primarily due to the unfavourable exchange rate movements.

Source: NZ Reserve Bank Website for USD and RMB

Table 5.1 Average Foreign Currencies against NZD

	Jun-24	Mar-24	Movements
Foreign Currencies			
United States Dollars (USD)	0.6079	0.5991	-0.008800
Chinese Yuan (RMB)	4.4187	4.3307	-0.088050

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 30 June 2024

Table 5.2 Composition of Crown Debt by Currencies in Percentage (%)

New Zealand (NZD)	56%
Chinese Yuan (RMB)	10%
US Dollars (USD)	25%
Special Drawing Rights (SDR)	9%
	100%

**Table 6: Official Development Assistance**

<b>Development Partner</b>	<b>Donor</b>	<b>Budget Estimates Full Year 2023/24</b>	<b>Actual YTD 30 Jun 2024</b>
Asian Development Bank		3,000,000	600,000
China		3,195,970	428,273
European Union		1,627,014	183,538
Forum Fisheries Agency		781,422	277,229
Global Environment Facility		389,888	182,225
Green Climate Fund		8,678,446	2,620,889
ILO		0	0
India		491,300	0
Japan		5,800,000	0
Korea		0	0
New Zealand		71,436,008	14,099,715
Other		5,280,000	2,606,956
SPC		671,692	428,556
UN Adaptation Fund		0	0
UNDP		204,778	331,489
UNESCO		43,260	10,497
UNICEF		285,340	153,384
WHO		0	0
UNEP		548,000	35,680
SPREP		0	0
Australia		790,928	981,712
Pacific Island Forum Secretariat		58,337	0
Saudi Arabia		506,231	0
Switzerland		65,340	0
Food and Agriculture Organisation		110,320	47,564
<b>Total Official Development Assistance</b>		<b>103,964,274</b>	<b>22,987,706</b>

**22%**

#### Cook Islands - New Zealand Infrastructure Trust Fund

Total actual spend to date for this output is NZ\$2,450,256.48

The New Zealand Ministry of Foreign Affairs and Trade acting through the New Zealand High Commission in Rarotonga provided an initial contribution of \$12 million in December 2019 to establish the Cook Islands Infrastructure Trust Fund (ITF). The purposes of the ITF are:

- Investing in physical infrastructure to deliver essential services to Cook Islanders
- Facilitating implementation of the National Infrastructure Investment Plan or Medium Term Fiscal strategy
- Supporting capability development of Cook Islands' Infrastructure sector (across government and private sector)

In March 2022, the New Zealand Government made a further grant contribution of \$40 million to the ITF to help stimulate the Cook Islands' economy and strengthen its overall resilience via capital works. Officials from both governments have since confirmed priority pipeline projects for the CKI-NZ Infrastructure Trust Fund including: i) Mei Te Vai Ki Te Vai (MTVKTV); ii) Rarotonga International Airport Slab Replacement Project; iii) Manihiki Airport Improvement; iv) Northern Group Renewable Energy; v) Avarua Town Plan and Punanganui Market; and vi) Solid Waste Disposal System for Rarotonga. Total expenditure for the Avarua Town Plan project to date is \$434,211.22. The Manihiki Airport Improvement Project has been granted access to up to NZ\$6,000,000 for the procurement of plants and equipment as part of the preparatory phase of the project. Further discussion will be held to consider the allocation of the remaining funds.

Two project proposals from the pipeline were approved in November 2022 totalling NZ\$19.9 million for; (i) Avarua Town Plan for NZ\$7,600,000 and (ii) Manihiki Airport Improvement Project for NZ\$12,387,300. The Avarua Town Plan project have commenced implementation and began utilising the funds in late March 2023. Total actual expenditure for the Avarua Town Plan project to June 2024 is NZ\$1,299,717.00.

The Manihiki Airport Improvement Project has been granted access to up to NZ\$6,000,000 for the procurement of plants and equipment as part of the preparatory phase of the project. The project procured heavy machineries in June 2024 and have spent NZ\$1,191,322.50 by the end of FY2024. Further discussion will be held to consider the allocation of the remaining funds.

In March 2024, the Pa Enua Infrastructure Assessment Concept Note was incorporated into the ITF pipeline projects, receiving an approval to access NZ\$398,880. The project commenced in April and by June 2024, the total expenditure was \$49,216,98.

#### Improving Geospatial Data - LIDAR

Total actual spend to date: NZ\$189,087.60

This project aims to address existing data gaps by collecting high-resolution topographic data and associated imagery which will support applications such as the assessment of coastal inundation and flooding hazards, environmental monitoring and management, infrastructure and development planning, policy development and implementation as well as responses to climate change impacts across the Cook Islands.

Data Capture acquisition is completed. Processing of the initial coverage maps obtained through the data capture is progressing well. To date, ICI has received coverage maps for nine islands; Rarotonga, Mangaia, Atiu, Aitutaki, Takutea, Palmerston, Mitiaro and Mauke. Preliminary Quality Assessment (Q&A) of the maps is being undertaken by a Senior CAD & GIS Environment Engineer within ICI. Submission of the remaining initial coverage maps and preliminary Q&A will be determined in the months ahead upon finalising of the tide-gauge data.

Enhancing climate information and knowledge services for resilience in 5 island countries of the Pacific Ocean

Total actual spend to date is NZ\$696,720.68

The programme will be administered and implemented by the United Nations Environmental Programme (UNEP) with the Cook Islands expected to benefit up to US\$5.3 million through direct support and up to US\$6 million through regional partners. The legal arrangements between MFEM and UNEP are now completed. Implementation commence in April 2022 pending regional arrangements with other partners.

The high vulnerability to climate change impacts and climate-related hazards arise from geography, exposure of our population and lack of resilience to shocks. The limited adaptation capacity is worsened by financial and human resource constraints and is compounded by an economic reliance on particularly climate sensitive sectors such as farming, fisheries and tourism.

The Cook Islands is highly vulnerable to climate change impacts therefore requires reliable, timely and actionable information and early warning on our local weather, climate and ocean environments as well as science-based advice on adaptation planning and early action for longer term climate change impacts.

The project aims to support beneficiaries in five countries of the Pacific Ocean through three outcomes:

1. Increase generation and use of climate information in decision making
2. Strengthened adaptive capacity and reduced exposure to climate risks and
3. Strengthened awareness of climate threats and risk reduction processes

The Cook Islands component is currently under implementation with core project oversight committees established. The PMU is now working with other countries and regional technical partners to progress Cook Islands activities.



Support to the Cook Islands PIF 2023 Chairing Responsibilities

Total actual spend to date is NZD \$241,069.85

An Agreement was finalised between the Government of the Cook Islands and the Ministry of Foreign Affairs and Trade (MFAT) for MFAT to provide support of NZ\$350,000.00 to the Cook Islands in support of its functions and duties as the incumbent Chair of the Pacific Islands Forum. The Pacific Islands Forum Leaders Meeting was hosted by the Cook Islands from 6 to 10 November 2023.

GEF 7 National Project

Total actual spend to date is NZD \$287,365.93

The project aims to reduce and mitigate negative environmental impacts of the key development sectors (agriculture, infrastructure, tourism), which are the main national drivers of biodiversity and habitat degradation, through mainstreaming integrated, sustainable management of land and coastal waters across the National Environment Service (NES), Infrastructure Cook Islands (ICI), Cook Islands Tourism Corporation (CIT), and the Ministry of Agriculture (MOA).

Building upon the achievements of the GEF-5 ridge-to-reef project, the GEF-7 project strategy also includes improving management effectiveness of target protected areas, as well as expansion of the protected area system through establishment of a 118-ha community conserved area safeguarding globally significant biodiversity within the cloud forests of Rarotonga.

Project results are expected to generate multiple environmental benefits, including 3,130 ha of priority catchments under improved management, and improved management of 1,260 ha of terrestrial protected areas and 14,453 ha of marine protected areas. An estimated 9,588 people (75% of the resident population of the country), of whom 51% are women, are expected to directly benefit as a co-benefit of the GEF investment, including local communities living within and benefiting from the ecosystem services provided by the priority catchments, people benefitting from the biodiversity resources and ecosystem services of the target protected areas, and management and staff members of NES, MOA, CIT, and ICI, as well as other stakeholders benefitting from strengthened capacities.

Through improved management in the agriculture, forestry and other land use (AFOLU) sector, 288,638 tons of carbon dioxide equivalent of greenhouse gas emissions mitigated are estimated to be achieved through increased carbon sequestration and reduced emissions.

Japan For Poverty Reductions (JFPR) - Supporting Safe Recovery of Travel and Tourism in Cook Islands – (administered by Asian Development Bank)

Total actual spend to date is \$600,000

The Supporting Safe Recovery of Travel and Tourism Project will strengthen the capacity and readiness of the Cook Islands to safely receive tourists and support the country's economic recovery from the negative impacts of the coronavirus disease (COVID-19) pandemic. The project will directly complement the Government of Cook Islands, the business community, and the general public's efforts to revive tourism and rebuild the economy. Project outputs include (i) airport readiness through improvements to the Rarotonga Airport terminal to facilitate safe COVID-19 screening and physical distancing; and (ii) health readiness through the improvement of a medium-sized health facility and the procurement and (iii) installation of a medical waste treatment system. The proposed project will be the Asian Development Bank's (ADB) first assistance to a Pacific developing member country (DMC) for safe recovery of travel and tourism through financial assistance from the Japan Fund for Poverty Reduction (JFPR). The contract signing for the upgrade to the health facility enabled implementation to commence.

Increasing the Resilience of the Cook Islands through ENAP

Total actual spend to date is \$944,514.10

The Enhancing the National Adaptation Programme (ENAP) is the Cook Islands sixth grant under Readiness Support.

The proposed activities will build knowledge and capacity to consider in detail the potential impacts of slow-onset events such as sea-level rise and ocean acidification, and the long-term adaptive response to those impacts. The proposal also includes activities to assess vulnerability of privately-owned infrastructure and climate change impacts on businesses at a sector level.

The ENAP proposal has four specific Outcomes:

- Outcome 3.2. Evidence basis produced to design adaptation solutions for maximum impact.
- Outcome 3.3. Private sector engagement in adaptation catalysed.
- Outcome 3.4. Adaptation finance increased
- Outcome 3.1: Adaptation planning governance and institutional coordination strengthened.

Cook Islands Coastal Fisheries and Aquaculture TA

Total actual spend to date is \$155,121

This project aims to build technical and policy capacity within the MMR using an in-country medium term support model, providing technical and policy advisers to support coastal fisheries management and aquaculture programmes. Focusing on advancing initiatives including community-based fisheries management, livelihoods, food security through targeted workplans, mentoring and skills transfer. Grant Agreement between SPC and MMR was signed in September 2023 with the project now implementation.

**Table 7: State Owned Enterprises (SOEs)**

	YTD Budget Estimates \$'000	Actual YTD 30 Jun 2024 \$'000	Variance to YTD Budget Estimates \$'000
<b>SOEs Consolidate Group</b>			
Trading Revenue	64,706	67,895	-3,189
<i>Less: Expenditure</i>			
Personnel Expense	18,845	17,036	1,809
Operating Expense	41,590	43,024	-1,434
Depreciation Expense	12,656	9,440	3,216
	73,091	69,500	3,591
<b>Net Surplus / (Deficit)</b>	<b>-8,385</b>	<b>-1,605</b>	<b>-6,780</b>

The table below consolidates the June performances of Cook Islands Investment Corporation (CIIC), Airport Authority, Bank of the Cook Islands, Ports Authority, Te Aponga Uira, To Tatou Vai Ltd, Te Mana Uira O Araura (new name for Aitutaki Power Supply) and Avaroa Cable Ltd.

The consolidated group YTD deficit is \$1.6m, which is \$6.7m favourable to a budget deficit of \$8.3m:

- Trading revenues favourable to budget largely due to higher trading revenues across a range of the SOE's
- Personnel costs were favourable to budget as the group continues to face on-boarding timing issues with vacant roles.
- Depreciation favourable to budget, due to timing of capital of spends and asset transfers.
- Operating costs were favourable to budget in total with the following key exception:
  - TAU and TMU with higher fuel costs.
  - TTV higher water treatment and repairs and maintenance costs
  - CIIC overhead costs funded from other sources