



**The Government of the Cook Islands**

**Quarterly Financial Results**

**30 September 2021**

Prepared by the Ministry of Finance and Economic Management

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### **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 2021/22 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 2021/22 Appropriation Bill was passed in June 2021.

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.

**Schedule 1: Net Operating and Fiscal Balances September 2021**

	Table	Budget Estimates Full Year 2021/22	Carry Forwards from 2020/21	Additional Funding Approval 2021/22	Total Budget & Approval	Budget Estimates YTD Sept 2021	Actual YTD Sept 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2021/22
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Operating Revenue</b>	<i>1</i>								
Taxation Revenue		107,278	0	0	107,278	25,549	29,082	-3,533	27%
Other Crown Revenue		42,255	0	0	42,255	31,879	34,718	-2,839	82%
Trading Revenue		4,444	0	0	4,444	899	931	-32	21%
Dividends		136	0	0	136	0	40	-40	29%
Interest on Balances		391	0	0	391	98	26	72	7%
Core Sector Support		7,825	0	0	7,825	0	0	0	0%
<b>Total Operating Revenue</b>		<b>162,329</b>	<b>0</b>	<b>0</b>	<b>162,329</b>	<b>58,424</b>	<b>64,797</b>	<b>-6,373</b>	<b>40%</b>
<b>Operating Expenditure</b>									
Ministry Outputs		165,710	1,001	0	166,711	42,884	32,359	10,525	19%
Personnel		67,589	0	0	67,589	17,179	15,464	1,714	23%
Operating		18,222	130	0	18,352	5,406	3,959	1,447	22%
Administered Payments	<i>3</i>	72,746	871	0	73,617	18,518	11,527	6,991	16%
Depreciation		7,154	0	0	7,154	1,781	1,408	373	20%
POBOC	<i>2</i>	28,685	29	0	28,714	7,907	7,621	286	27%
Debt Interest Contribution to LRF		4,051	0	0	4,051	1,013	364	649	9%
Crown Infrastructure & Contingency Depreciation		4,603	0	0	4,603	1,151	318	833	7%
Transfer to Emergency Response Trust Fund		50	0	0	50	0	0	0	0%
Depreciation Contingency Fund		2,174	0	0	2,174	544	0	544	0%
Contingency Funds - Operating		100	0	0	100	25	0	25	0%
Loss on Foreign Exchange		0	0	0	0	0	334	-334	0%
Bank Fees		0	0	0	0	0	29	-29	0%
<b>Total Operating Expenses</b>		<b>205,373</b>	<b>1,030</b>	<b>0</b>	<b>206,403</b>	<b>53,523</b>	<b>41,025</b>	<b>12,499</b>	<b>20%</b>
<b>Net Operating Surplus/(Shortfall) Balance</b>		<b>-43,045</b>	<b>-1,030</b>	<b>0</b>	<b>-44,075</b>	<b>4,901</b>	<b>23,772</b>	<b>-18,871</b>	<b>54%</b>
<i>Add</i> Depreciation		13,931	0	0	13,931	3,475	1,726	1,749	12%
<i>Less</i> Capital Expenditure	<i>4</i>	32,001	5,829	0	37,830	10,110	4,657	5,453	12%
<b>Net Fiscal Surplus/(Shortfall) Balance</b>		<b>-61,115</b>	<b>-6,859</b>	<b>0</b>	<b>-67,975</b>	<b>-1,734</b>	<b>20,841</b>	<b>-22,575</b>	<b>31%</b>

#### At a Glance: Fiscal Position

\* General Government's net fiscal balance for the quarter ended 30 September 2021 improved by \$22.6 million compared to the budget estimate of \$1.7 million shortfall. Higher revenue collections predominantly in Other Crown Revenue of \$34.7 million, followed by Taxation Revenue of \$29.1 million, contributed to the significant improvement in Government's net fiscal balance in addition to savings in Operating Expenses (of \$12.5 million) and Capital Expenditure (of \$5.5 million).

\* Government's Net Operating Position: The net operating balance for the quarter ended 30 September 2021 was a surplus of \$23.8 million. This was a positive variance as the net operating balance improved by \$18.9 million compared to the budget estimate of \$4.9 million. The improvement in the net operating balance was primarily due to unanticipated revenue received, higher taxation revenue collected and effective monitoring of budget expenditure.

\* Operating Revenue: Total operating revenue collected was \$6.4 million higher than anticipated for the quarter ended 30 September 2021. This was primarily due to Vested Asset funds received from the Financial Supervisory Commission (FSC) of \$3.8 million, which was not included in the original revenue forecasts for the financial year as well as, taxation revenue collections of \$3.5 million. An increase in VAT revenue was the main contributor to the increase in VAT importation of goods and services, as well as robust contributions from non-tourism based industries (retailer and wholesalers), followed by domestic air travel. Furthermore, an increase in compliance activities (taxpayers entering into payment arrangement to pay off existing debt) also contributed to higher collections in tax revenue of other tax types, such as individual income tax and company tax reported for the quarter. Taxation estimates for 2021/22 for direct taxes (income tax, company tax, withholding tax) have been revised downwards, due to the ongoing impacts of COVID-19 and tax measures implemented through the Economic Response Plan (ERP). Indirect taxes (VAT, departure tax, import levies), were expected to provide a steady increase in revenue collection due to tourism volumes and overall imports. However with the extended border closures and the delayed restart of tourism, this may be longer than expected. Refer to Table 1 - Revenue on Behalf of Crown (ROBOC) for more information.

\* Operating Expenditure: General Government operating expenditure for the quarter ended 30 September 2021 was lower than estimated by \$12.5 million. This was mainly due to underspends in Government Agencies and Island Governments operating budgets by \$3.6 million; as a result of unfilled vacancies, effective cost management practices, and savings from depreciation due to majority of assets in larger Ministries such as Culture and Health being fully depreciated. Furthermore, expenditure through the Administered Payments was \$7.0 million lower than estimated, primarily attributed to the zero expenditure under the airline underwrite (of \$2.2 million), underspend in the Marketing Resources – Tourism Growth Strategy (of \$1 million), COVID-19 Economic Recovery Roadmap (of \$0.8 million) and the Economic Response Plan (of \$0.4 million), followed by various underspends of about \$0.2 million and below in all other Administered Payments. POBOC expenditure was also underspent by \$0.3 million for the quarter, followed by various savings in other operating expense items (totalling \$2.1 million) from Debt Interest Contribution to the Loan Repayment Funds (LRF), Crown Infrastructure Contingency Depreciation, Depreciation Contingency funds, and Operating Contingency funds for the quarter. Savings in operating were offset against loss on foreign exchange and bank fees, both unbudgeted for. Refer to Table 2 - Payment on Behalf of Crown (POBOC) and Table 3 - Administered Payment for more information.

\* Capital Expenditure: Capital expenditure was lower than budgeted by \$5.5 million for the quarter ended 30 September 2021. In terms of the annual budget of \$37.8 million, this was a low utilisation (of 12 per cent) due to Government's capacity to implement projects in a timely manner, coupled with the ongoing pandemic of COVID-19, this has impacted on travel restrictions, sourcing of resources, and logistical constraints. These factors have hindered our ability to implement scheduled projects planned on both Rarotonga and the Pa Enua. Significant underspends for the quarter were mostly attributed to Infrastructure Cook Islands (ICI) capital projects such as Road Asset Management (of \$1.6 million) and Bridges and Structures Asset Management and Improvement (of \$0.6 million), and MFEM's COVID-19 Response Fund Capital Needs (of \$0.6 million), followed by various underspends of about \$0.5 million and below in other capital projects. Refer to Table 4 - Capital Expenditure for more information.

## Schedule 2: Cash Reserves General Government September 2021

	30 Sept \$'000
Crown	91,781
Agencies	11,102
<b>Term Deposits and Trust Accounts</b>	<b>102,883</b>
Crown	24,737
Agencies	8,506
<b>Operational Bank Accounts</b>	<b>33,243</b>
<b>Total Cash Reserves</b>	<b>136,126</b>
<b>Committed:</b>	
General Reserve Trust Fund	3,544
Disaster Response Fund <sup>1</sup>	1,979
Loan Repayment Fund <sup>2</sup>	22,414
Trust Account Deposits <sup>3</sup>	3,560
Aid Trust Fund <sup>4</sup>	29,486
Land/Law Trust/Other Agency Trust Fund <sup>5</sup>	11,102
Infrastructure Trust Fund (ITF) <sup>6</sup>	7,965
Vat/Tax Imprest and Customs Bonds Account <sup>7</sup>	1,608
Outer Islands Reserves <sup>8</sup>	2,586
<b>Total Commitment for this year</b>	<b>84,244</b>
<b>Estimated General Cash Reserve</b>	<b>51,882</b>

<sup>1</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>2</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>3</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>4</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>5</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>6</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. \$5.5 million of ITF has been proposed to be funded in the 2021/2022 financial year and reported in Schedule 6 Capital Budget of the CIG Budget Estimates Book 1.

<sup>7</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.

<sup>8</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.

**Schedule 3: Loan Repayment Fund Statement**

	<b>30 Sept</b>
	<b>\$'000</b>
<b>Opening LRF Balance</b>	11,654
Contribution to LRF Principal	8,860
Contribution to LRF Interest	4,051
<b>Total Transfer into LRF by General Government</b>	<b>24,565</b>
Realised Gain/(Loss) on Foreign Exchange	76
Interest earned by LRF	39
<b>Total Inflows</b>	<b>115</b>
Principal paid out of LRF	1,902
Interest paid out of LRF	364
<b>Total Outflows</b>	<b>2,266</b>
<b>Closing LRF Balance</b>	<b>22,414</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 2021/22	300,050
Excess (1.5%) of Total Appropriation	4,501
less: Approved expenditure as at September 2021 Quarter	-
<b>Total Balance</b>	<b>4,501</b>

<b>Executive Council Orders Authority</b>	<b>\$'000</b>
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*No executive order funding requests were approved for the quarter ended 30 September 2021*

<b>Total Executive Council Orders Authority as at 30 September 2021.</b>	<b>-</b>
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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 2021/22	Additional Funding Approval 2021/22	Total Budget & Approval	Budget Estimates YTD Sept 2021	Actual YTD Sept 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Taxation Revenue</b>							
Value Added Tax	17,036	-	17,036	15,163	16,106	-943	95%
Individual Income Tax	1,202	-	1,202	3,593	5,970	-2,377	497%
Company Income Tax	14,277	-	14,277	1,432	1,906	-474	13%
Customs Tax	54,602	-	54,602	3,089	3,668	-579	7%
Withholding Tax	7,288	-	7,288	239	277	-38	4%
Departure Tax	12,873	-	12,873	2,033	1,155	878	9%
	<b>107,278</b>	<b>-</b>	<b>107,278</b>	<b>25,549</b>	<b>29,082</b>	<b>-3,533</b>	<b>27%</b>
<b>Other Revenue</b>							
FSC - Vested Assets	0	-	0	0	3,808	-3,808	0%
FSC - Return of Excess	159	-	159	40	0	40	0%
Immigration Fees	480	-	480	174	157	17	33%
IMO Subscription - Maritime Cook Islands	66	-	66	17	0	17	0%
Court Services	30	-	30	6	40	-34	133%
Instant Fines	40	-	40	10	13	-3	33%
Fisheries US Treaties (purse seine)	3,243	-	3,243	1,081	0	1,081	0%
EU Agreement	400	-	400	0	0	0	0%
Purse seine fishery	2,260	-	2,260	0	0	0	0%
Longline Licenses and QMS	3,000	-	3,000	0	0	0	0%
Other fisheries and auxiliary vessel licensing	160	-	160	0	0	0	0%
Research Fees	2	-	2	0	0	0	16%
Permits	10	-	10	3	4	-2	40%
Bank of the Cook Islands Dividends	136	-	136	0	0	0	0%
Numismatic	450	-	450	113	40	73	9%
Circulating Currency- Coins	5	-	5	1	236	-235	4726%
Drivers License Fees	100	-	100	25	45	-20	45%



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

	Budget Estimates Full Year 2021/22	Additional Funding Approval 2021/22	Total Budget & Approval	Budget Estimates YTD Sept 2021	Actual YTD Sept 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2021/22	%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Motor Vehicle Registrations	875	-	875	219	136	83	16%	
Interest on Balances (Crown)	391	-	391	98	26	72	7%	
Interest on Balance - LRF	191	-	191	48	0	48	0%	
Foreign Investment Fees	32	-	32	6	7	-1	21%	
Upper Air Management Agreement	170	-	170	43	4	39	2%	
Shipping Registration	92	-	92	23	23	0	25%	
International Shipping Licence	15	-	15	4	0	4	0%	
Liquor Licencing	30	-	30	8	2	6	6%	
Tattslotto Grants	120	-	120	30	52	-22	43%	
Censorship Fees	1	-	1	0	0	0	14%	
Land Court Fees	125	-	125	30	0	30	0%	
Motor Vehicle Dealers	3	-	3	1	0	1	0%	
Regional Fisheries Management - SIOFA & SPFMO	196	-	196	0	184	-184	94%	
Gain on Foreign Exchange	0	-	0	0	7	-7	0%	
General Budget Support	30,000	-	30,000	30,000	30,000	0	100%	
Core Sector Support	7,825	-	7,825	0	0	0	0%	
Other Revenue on Behalf of Crown	-	-	0	0	0	0	0%	
	50,607	0	50,607	31,976	34,783	-2,807	69%	
<b>Total ROBOC</b>	<b>157,884</b>	<b>0</b>	<b>157,884</b>	<b>57,525</b>	<b>63,866</b>	<b>-6,340</b>	<b>40%</b>	
Government Agencies & Island Governments Trading Revenue	4,444	0	4,444	899	931	-32	21%	
<b>Total Operating Revenue</b>	<b>162,329</b>	<b>0</b>	<b>162,329</b>	<b>58,424</b>	<b>64,797</b>	<b>-6,373</b>	<b>40%</b>	

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

	Comparative Actual Sept 2020 Quarter	Actual YTD Sept 2021	Variance of Actual YTD	Commentary
	\$'000	\$'000	\$'000	
<b>Taxation Revenue items</b>				<i>Note: Comments are provided on all Taxation revenue items.</i>
Value Added Tax	11,192	16,106	4,914	\$16.1 million collected, pertains to imports being stronger than expected as well as robust contributions from non-tourism based industries. The main contributors are retail and wholesale industry, then followed by domestic air travel. Other VAT revenue collected above \$100K relates to fuel, construction, insurance, imported services, telecommunications, large accommodation providers and the motor vehicle dealership. More VAT revenue was collected in this quarter in comparison to prior quarter of the same period.
Individual Income Tax	5,127	5,970	843	\$5.9 million collected was more than expected for the quarter. This was due to strong compliance activities (taxpayers entering into payment arrangement to pay off existing debt) and steady PAYE contributions from larger employers. More individual income tax revenue was collected in this quarter in comparison to prior quarter of the same period.
Company Income Tax	2,746	1,906	-839	\$1.9 million collected was more than expected for the quarter. This was due largely to strong compliance activities and contributions from non-tourism based activities. These company income tax revenue collected relate to older periods. However, fewer company income tax revenue was collected in this quarter in comparison to prior quarter of the same period.

Table 1: Revenue on Behalf of Crown (ROBOC) Commentary Cont'd

	Comparative Actual Sept 2020 Quarter \$'000	Actual YTD Sept 2021 \$'000	Variance of Actual YTD \$'000	Commentary
<b>Taxation Revenue items</b>				<i>Note: Comments are provided on all Taxation revenue items.</i>
Customs Tax	3,073	3,668	595	The level of imports for the quarter end was higher than expected. Importation of fuel, cigarettes and alcohol are the main contributors. More customs tax revenue was collected in this quarter in comparison to prior quarter of the same period.
Withholding Tax	206	277	71	Withholding tax revenue collected was more than expected. In comparison to prior quarter of the same period, there was a slight favourable increase.
Departure Tax	34	1,155	1,122	Departure tax revenue collected was less than expected, due to unplanned border closure and the resulting drop in outbound passengers. However, there was a significant amount of departure tax revenue collected in this quarter in comparison to prior quarter of the same period.
<b>Other Revenue items</b>				<i>Note: Comments are provided on Other Revenue items that have generated significant revenue compared to the budget estimate.</i>
FSC - Vested Assets	-	3,808	3,808	FSC transferred another \$3.81 million during the period for vested assets under their trust. Vested assets was not budgeted for in both 2021 and 2022 financial year.
Circulating Currency- Coins	-	236	236	The \$0.24 million collected during the period compared to zero in September 2020 quarter, was due to the rise in sale of the new \$3 note that was launched in August 2021.
Regional Fisheries Management - SIOFA & SPFMO	-	184	184	The \$0.18 million received in this quarter was from both SIOFA and SPFMO. The two companies paid 50% each (\$91,761 @2) and this is the total expected to be received for the whole year. Total annual budget is \$0.19 million.
General Budget Support	-	30,000	30,000	The Government received \$30 million during the period from the New Zealand Government as General Budget Support. This amount was budgeted for and was received in full in the month of August 2021. The funding is allocated as financial support towards general operations of the Government.

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

	Budget Estimates Full Year 2021/22	Carry Forwards from 2020/21	Additional Funding Approval 2021/22	Total Budget & Approval	Budget Estimates YTD Sept 2021	Actual YTD Sept 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Airport Authority Subsidy	2,048	-	-	2,048	512	512	0	25%
Audit Fees	96	-	-	96	96	0	96	0%
Bank of the Cook Islands - social assistance	128	-	-	128	0	0	0	0%
BEPS Subscription	35	-	-	35	15	0	15	0%
Carer Order Payment	10	-	-	10	10	0	10	0%
Child Benefit	5,566	-	-	5,566	1,586	1,586	0	28%
CIG Insurance	40	-	-	40	40	25	15	62%
Civil List - Constituency Visits	170	-	-	170	63	36	27	21%
Civil List - Personnel	2,902	-	-	2,902	663	759	-96	26%
Competition and Regulatory Authority	621	-	-	621	113	113	0	18%
Government Paid Maternity Leave	150	-	-	150	17	17	0	12%
House of Ariki	348	29	-	378	126	136	-10	36%
Infirm/Destitute Benefit	1,232	-	-	1,232	352	352	0	29%
International Subscriptions	890	-	-	890	310	199	111	22%
International Maritime Organisation - Maritime Cook	63	-	-	63	0	0	0	0%
Maritime Radio Coverage	120	-	-	120	120	79	41	66%
MP Travel and Allowances (local and overseas)	180	-	-	180	53	21	32	12%
New Born Allowance	243	-	-	243	49	49	0	20%
Old Age Benefit	13,026	-	-	13,026	3,678	3,678	0	28%
Pacific Catastrophe Risk Insurance	160	-	-	160	0	0	0	0%
Parliamentary Sitting Expenses	200	-	-	200	48	20	29	10%
Parliamentary Superannuation	180	-	-	180	40	24	16	14%
PERC Salaries and Administration Costs	58	-	-	58	14	14	1	24%
Ports Authority - Subsidy	110	-	-	110	0	0	0	0%
QR Travel and Allowances (local and overseas)	109	-	-	109	0	0	0	0%
	<b>28,685</b>	<b>29</b>	<b>-</b>	<b>28,714</b>	<b>7,907</b>	<b>7,621</b>	<b>286</b>	<b>27%</b>

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

	Full Year Budget	Actual YTD Sept 2021	Actual Vs Full Year Budget	Commentary
	\$'000	\$'000	%	
				<i>Note: Commentary are based on expenditure item(s) that report an annual budget of over \$1 million.</i>
Airport Authority Subsidy	2,048	512	25%	Total bulk funded of 25% of total budget for the quarter. This funding is to support the day to day operations of the Airport Authority in Rarotonga.
Child Benefit	5,566	1,586	28%	Total spent of 28% of total budget for the quarter. The budget will continue to be monitored for the remainder of the financial year.
Civil List - Personnel	2,902	759	26%	Total spent of 26% of total budget for the quarter. The budget will continue to be monitored for the remainder of the financial year.
Infirm/Destitute Benefit	1,232	352	29%	Total spent of 29% of total budget for the quarter. The effects of the COVID-19 pandemic continue to affect people's livelihoods and so there has been an increase in the number of applicants that receive these beneficiary payments based on current trends.
Old Age Benefit	13,026	3,678	28%	Total spent of 28% of total budget for the quarter, similar to Child Benefits spending to date. The budget will continue to be monitored for the remainder of the financial year.

**Table 3: Administrative Payments**

	Budget Estimates Full Year 2021/22	Carry Forwards from 2020/21	Additional Funding Approval 2021/22	Total Budget & Approval	Budget Estimates YTD Sept 2021	Actual YTD Sept 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Audit of Crown Accounts	30	-	-	30	0	0	0	0%
Asian Infrastructure Investment Bank (AIIB) Membership	31	-	-	31	0	0	0	0%
Airline Underwrite	6,500	-	-	6,500	2,167	0	2,167	0%
Border Management System Maintenance	155	155	-	311	0	0	0	0%
Bridges and Drainage Maintenance	740	-	-	740	185	31	154	4%
Bus Service	26	-	-	26	5	5	0	19%
Caregivers Allowance	465	-	-	465	137	137	0	29%
Christmas Bonus	346	-	-	346	0	0	0	0%
CISNOC Grant	370	-	-	370	370	370	0	100%
Community Support Fund	100	-	-	100	45	22	23	22%
Cook Islands Cultural Fund	150	-	-60	90	60	13	47	14%
Cook Islands Student Association Support	10	10	-	20	10	10	0	50%
COVID-19 Economic Response Plan - MFM	0	369	-	369	369	0	369	0%
COVID-19 Medical Response Fund	3,000	-	-	3,000	675	584	90	19%
Debt Advisory Services	60	-	-	60	15	0	15	0%
Domestic Hosting Entertainment	15	-	-	15	6	3	3	18%
Economic Recovery Roadmap	33,500	-	-	33,500	5,882	5,059	824	15%
EIA Process	150	-	-	150	38	11	27	7%
Emergency Work	200	-	-	200	67	28	39	14%
Fisheries Development Facility	200	-	-	200	80	0	80	0%
FMIS Maintenance	80	-	-	80	0	0	0	0%
Funeral Assistance Allowance	170	-	-	170	27	27	0	16%
Government Broadband Utilities	30	-	-	30	5	2	3	8%
Government Facilities Development Division	420	-	-	420	81	81	0	19%
Government Funded Scholarships	780	-	-	780	267	246	21	32%
Head of State Rent	13	-	-	13	7	7	0	50%
HOM's Salaries	1,940	-	-	1,940	485	461	24	24%
ICT Support Team	183	-	-	183	62	47	15	26%
Infrastructure Committee	100	-	-	100	38	21	17	21%
Internal Affairs Youth Program	45	-	-	45	7	7	0	16%
Joint Venture with Seabed Minerals Authority	50	-	-	50	3	3	0	5%
Judge's Allowances	400	-	-	400	35	35	0	9%
Land Records Update Project	120	-	-	120	14	14	0	11%

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

	Budget Estimates Full Year 2021/22	Carry Forwards from 2020/21	Additional Funding Approval 2021/22	Total Budget & Approval	Budget Estimates YTD Sept 2021	Actual YTD Sept 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Lease Extension	72	-	-	72	9	9	0	13%
Legal Aid	40	-	-	40	4	4	0	10%
Legal Provisions	251	-	-	251	251	19	232	8%
Management of Suwarrow Park	100	-	-	100	30	26	4	26%
Marae Moana Ambassador	60	-	-	60	15	15	0	25%
Marketing Resources - Tourism Growth Strategy	4,500	-	-	4,500	1,227	189	1,039	4%
National Events	500	100	60	660	538	448	91	68%
National Census	300	-	-	300	0	0	0	0%
National Heritage Trust	122	-	-	122	31	23	8	19%
NCD Fund	195	-	-	195	150	19	131	10%
Pa Enea Machinery Maintenance Fund	100	-	-	100	25	5	20	5%
Pa Enea Mechanical Overseer	100	-	-	100	27	15	11	15%
Patient Referrals	850	-	-	850	450	261	189	31%
Pharmaceuticals	1,168	-	-	1,168	505	375	130	32%
PM Social Responsibility Fund	363	-	-	363	183	183	0	50%
Police Youth Program	45	-	-	45	11	0	11	1%
Post Tax Amnesty Work	0	167	-	167	0	0	0	0%
Power Subsidy	85	-	-	85	5	5	0	6%
Price Tribunal Committee	60	-	-	60	15	2	13	4%
Private School Funding - Aitutaki SDA	223	-	-	223	56	56	0	25%
Private School Funding - Blackrock	90	-	-	90	22	22	0	25%
Private School Funding - Creative Centre	143	-	-	143	36	36	0	25%
Private School Funding - Immanuela Akatemia	232	-	-	232	65	65	0	28%
Private School Funding - Nukutere	658	-	-	658	165	158	7	24%
Private School Funding - Papaaroa	282	-	-	282	71	62	9	22%
Private School Funding - St. Josephs	477	-	-	477	119	119	0	25%
Private School Funding - Te Uki Ou	557	-	-	557	139	139	0	25%
Production of new currency, transportation and sale of old coins	15	-	-	15	7	0	7	1%
Provision for Inter-Island Shipping	500	-	-	500	108	60	48	12%
Provision for Land Rentals	500	-	-	500	150	135	15	27%
Public Sector Strengthening - Process & Systems	150	-	-	150	26	1	24	1%
QR Social Responsibility Fund	8	-	-	8	8	4	4	53%

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

	Budget Estimates Full Year 2021/22	Carry Forwards from 2020/21	Additional Funding Approval 2021/22	Total Budget & Approval	Budget Estimates YTD Sept 2021	Actual YTD Sept 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Red Cross	50	-	-	50	50	0	50	0%
Religious Advisory Council	10	-	-	10	10	0	10	0%
Remuneration Tribunal Committee	20	-	-	20	0	0	0	0%
Returned Services Association	5	-	-	5	0	0	0	0%
Road and Civil Maintenance	850	-	-	850	240	115	125	14%
School Security	180	-	-	180	52	52	0	29%
Seabed Minerals Compliance Development	45	-	-	45	20	0	20	0%
Seabed Minerals Sector Development	100	70	-	170	40	5	35	3%
Search and Rescue	20	-	-	20	5	0	5	2%
Serious Crime Investigations	100	-	-	100	25	12	13	12%
SIF - CIG Contribution	1,000	-	-	1,000	501	501	0	50%
Special Assistance Projects	250	-	-	250	38	38	0	15%
Special Investigative & Prosecution Services	30	-	-	30	15	9	6	29%
Special Select Committee	150	-	-	150	43	3	40	2%
State Events	20	-	-	20	13	10	3	51%
Standard and Poors Subscription	70	-	-	70	0	0	0	0%
Subsidy of audio/visual broadcasting in Pa Enea	45	-	-	45	0	0	0	0%
Tarai Vaka Fund	20	-	-	20	10	0	10	0%
Tax Law Review	80	-	-	80	80	0	80	0%
Te Kopapa Reo Maori Board	15	-	-	15	7	2	4	16%
Te Kukupa - Fuel Contribution	250	-	-	250	62	-69	132	-28%
Tertiary Training Institutions	1,160	-	-	1,160	303	246	57	21%
The Centre of Excellence in Information Technology (CEIT)	100	-	-	100	24	18	7	18%
The Centre of Research and Policy Studies	80	-	-	80	13	0	13	0%
To Tatou Vai - Administered Payment	3,000	-	-	3,000	900	731	169	24%
Universal Access Fund	400	-	-	400	75	0	75	0%
University of the South Pacific Contribution	205	-	-	205	3	0	2	0%
Vaka Maintenance	400	-	-	400	98	98	0	25%
Waste Management	730	-	-	730	182	0	182	0%
Workforce Development	234	-	-	234	120	78	42	33%
	<b>72,746</b>	<b>871</b>	<b>0</b>	<b>73,617</b>	<b>18,518</b>	<b>11,527</b>	<b>6,991</b>	<b>16%</b>

**Table 3: Administrative Payments Commentary**

	Full Year Budget	Actual YTD Sept 2021	Actual Vs Full Year Budget	Commentary
	\$'000	\$'000	%	<i>Note: Commentary are based on expenditure item(s) that report an annual budget of over \$1 million.</i>
Airline Underwrite	6,500	0	0%	No expenditure to date due to the ongoing community transmission of COVID-19 in New Zealand, and the resulting extended border closure.
COVID-19 Medical Response Fund	3,000	584	19%	Total spent of 19% of total budget for the quarter. Spending to date includes vaccination rollout-related and managed isolation quarantine (MIQ) expenses.
Economic Recovery Roadmap	33,500	5,059	15%	Total spent of 15% of total budget for the quarter. Spending to date includes the continuing ERP measures of the wage subsidy, sole trader/business cash grants. With the ongoing community transmission of COVID-19 in New Zealand, and the resulting extended border closure, the Government is extending the Wage Subsidy and Sole Trader cash grants for the month of November 2021 until further notice.
HOM's Salaries	1,940	461	24%	Total spent of 24% of total budget for the quarter. This budget has received a one-off increase to fund the pay out of accrued annual leave owing to HOMs coming off contracts within this financial year, and also to support increases in remuneration rates and allowances.
Marketing Resources - Tourism Growth Strategy	4,500	189	4%	Total spent of 4% of total budget for the quarter. The Tourism Corporation still continuing with their Marketing strategy in anticipation of the opening of the New Zealand border.
SIF - CIG Contribution	1,000	501	50%	Total spent of 50%, almost half the annual budget, despite being the first quarter. This funding consists of support for the delivery of quality services by non-government organisations and community groups to meet the needs of the most vulnerable such as children and youth.
Tertiary Training Institutions	1,160	246	21%	Total expenditure of 21% of total budget for the quarter. This funding consists of operating expenses for the Cook Islands Tertiary Training Institute (CITTI) to deliver training courses on Rarotonga and also the Pa Enea.
To Tatou Vai - Administered Payment	3,000	731	24%	Total spent of 24% of total budget for the quarter. This funding is to aid the establishment of To Tatou Vai Ltd as a commercially viable state-owned enterprise.

**Table 4: Capital Expenditures**

	Budget Estimates Full Year 2021/22	Carry Forwards from 2020/21	Additional Funding Approval 2021/22	Total Budget & Approval	Budget Estimates YTD Sept 2021	Actual YTD Sept 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Apii Nikao School Sound Proofing	147	-	-	147	0	0	0	0%
Aitutaki Capital Funding	16	-	-	16	4	0	4	0%
Aitutaki Harbour Dredging	1,000	-	-	1,000	105	114	-9	11%
Arorangi Prison Remedial Work	150	-	-	150	0	0	0	0%
Atiu Capital Funding	12	-	-	12	4	0	4	0%
Bridges and Structures Asset Management and Improvement	3,250	1,676	-	4,926	2,148	1,550	597	31%
Capital Distribution Fund	230	-	-	230	115	105	10	46%
COVID-19 Response Fund - Capital Needs	1,400	-	-	1,400	600	0	600	0%
CT Scanner	0	519	-	519	519	519	0	100%
Drainage Asset Management and Improvement Programme	1,950	-	-	1,950	1,485	1,062	423	54%
Emergency Management and Support Infrastructure	0	1,301	-	1,301	505	442	63	34%
FMIS Purchase and Implementation	300	-	-	300	75	42	33	14%
Fund to be Prioritised by Education	300	-	-	300	6	2	4	1%
Fund to be Prioritised by Health for Technical Equipment	300	-	-	300	200	7	193	2%
Government Building Projects - ICI	1,000	761	-	1,761	60	0	60	0%
Government Building Projects - CIIC	2,200	-	-	2,200	57	55	2	2%
Government IT Network	1,600	161	-	1,761	596	126	470	7%
Health ICT Upgrade	0	35	-	35	35	-1	36	-2%
Land Acquisition	700	-	-	700	0	0	0	0%
Local Data Server	50	-	-	50	25	0	25	0%
Mangaia Capital Funding	12	-	-	12	2	2	0	15%
Manihiki Capital Funding	10	-	-	10	2	0	2	0%
Mauke Capital Funding	10	-	-	10	2	0	2	0%
Mitiaro Capital Funding	8	-	-	8	2	0	2	0%



**Table 4: Capital Expenditures Cont'd**

	Budget Estimates Full Year 2021/22	Carry Forwards from 2020/21	Additional Funding Approval 2021/22	Total Budget & Approval	Budget Estimates YTD Sept 2021	Actual YTD Sept 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Pa Enea Government Building Projects - Northern Group	550	-	-	550	0	0	0	0%
Pa Enea Government Building Projects - Southern Group	400	-	-	400	0	0	0	0%
Pa Enea Air Infrastructure Improvement Programme (CIG)	128	1,135	-	1,264	128	19	110	1%
Pa Enea Marine Infrastructure Improvement Programme	1,700	-	-	1,700	0	0	0	0%
Pa Enea Capital Distribution Fund	300	-	-	300	100	0	100	0%
Palmerston Capital Funding	10	-	-	10	2	0	2	0%
PCR Laboratory	0	127	-	127	127	40	87	31%
Penrhyn Capital Funding	12	-	-	12	3	0	3	0%
Prison Development Programme	50	-	-	50	25	0	25	0%
Pukapuka Capital Funding	12	-	-	12	3	0	3	0%
Rakahanga Capital Funding	8	-	-	8	6	4	2	52%
Rarotonga Cyclone Shelters - Remediation	100	-	-	100	0	0	0	0%
Renewable Energy Project Management and Support	321	-	-	321	157	14	143	4%
Revenue Management System Upgrade (RMS10) - Capital	1,830	-	-	1,830	458	0	458	0%
Road Asset Management	7,000	-	-	7,000	1,950	314	1,636	4%
Team Mate Software Upgrade	35	-	-	35	0	0	0	0%
Te Mato Vai - Rarotonga Water Upgrade	1,000	-	-	1,000	250	94	156	9%
To Tatou Vai - Capital	3,000	-	-	3,000	50	50	0	2%
Vaka Maintenance Capital Projects	50	-	-	50	0	0	0	0%
Waste Management Infrastructure Improvement Programme	200	-	-	200	100	0	100	0%
Water and Sanitation Infrastructure Improvement Programme	650	114	-	764	205	98	107	13%
	<b>32,001</b>	<b>5,829</b>	<b>0</b>	<b>37,830</b>	<b>10,110</b>	<b>4,657</b>	<b>5,453</b>	<b>12%</b>

**Table 4: Capital Expenditure Commentary**

	Full Year Budget \$'000	Actual YTD Sept 2021 \$'000	Actual Vs Full Year Budget 2021/22 %	Commentary
Aitutaki Harbour Dredging	1,000	114	11%	Formerly known as Aitutaki Island Plan and Orongo Development Project, total spent of 11% to total budget for the quarter. The dredging project is a key component to encourage tourism growth by upgrading key public infrastructure facilities and natural attractions on Aitutaki. The project is expected to take approximately 9 months which will continually be monitored.
Bridges and Structures Asset Management and Improvement	4,926	1,550	31%	Total spent of 31% of total budget for the quarter. Majority of the spending to date relates to scheduled work on the Empire Bridge Replacement Project.
COVID-19 Response Fund - Capital Needs	1,400	0	0%	No expenditure to date despite an allocated budget estimate of \$600K for the quarter. This budget will continue to be monitored throughout the financial year.
Drainage Asset Management and Improvement Programme	1,950	1,062	54%	Total spent of 54% of total budget for the quarter. This budget's purpose is to improve drainage standards and upgrade drainage network to service the needs of the community, business and public sector in the long term. Spending to date relates to scheduled work on the Muri Outlet Shop main road box culvert works as well as other scheduled works in the near future.
Government Building Projects - ICI	1,761	0	0%	No expenditure to date despite an allocated budget estimate of \$60K for the quarter. This budget will continue to be monitored throughout the financial year.

Government Building Projects - CIIC	2,200	55	2%	Spending to date is within the budget estimate for the quarter. Scheduled projects are expected to commence in the remaining quarters of the financial year.
Government IT Network	1,761	126	7%	Spending to date is below more than half the budget estimate for the quarter. This budget will continue to be monitored throughout the financial year.
Pa Enea Marine Infrastructure Improvement Programme	1,700	0	0%	No expenditure reported for the quarter. This budget will continue to be monitored throughout the financial year.
Revenue Management System Upgrade (RMS10) - Capital	1,830	0	0%	No expenditure to date despite an allocated budget estimate of \$458K for the quarter. This budget will continue to be monitored throughout the financial year.
Road Asset Management	7,000	314	4%	Spending to date is below more than half the budget estimate for the quarter. Scheduled works such as the Nikao back road and footpath project and road projects in the outer islands have already commenced, and will continue to be monitored throughout the financial year.
Te Mato Vai - Rarotonga Water Upgrade	1,000	94	9%	Total spent is below more than half the budget estimate of the quarter. The remainder of the budget is expected to be utilized throughout the financial year.
To Tatou Vai - Capital	3,000	50	2%	Total spent is below more than half the budget estimate of the quarter. The remainder of the budget will be monitored throughout the financial year.

**Table 5: Statement of Borrowings**

	Loan start date	Loan End date	Loan Currency	Original Loan Amount	Interest Rate	June 2021 Balance	Principal Payments	FOREX Adjustment	Revaluation/Draw Down Adjustments	Sept 2021 Balance	Change Jun Qtr
						('000)	('000)	('000)	('000)	('000)	('000)
<b>Asian Development Bank</b>											
1. First multi project loan - 461	Nov-80	Aug-20	USD	1,000	1.00%	-	-	-	-	-	-
2. First Cook Islands Development Bank project loan - 567	Jul-82	Apr-22	USD	1,500	1.00%	78	-	1	-	79	1
3. Second multi project loan - 849	Dec-87	Aug-27	SDR	2,150	1.00%	1,061	(85)	12	-	988	(73)
4. Outer Islands telecommunications project loan - 1031	Oct-90	Aug-30	SDR	2,578	1.00%	2,963	(162)	30	-	2,831	(132)
5. Second Cook Islands Development Bank loan - 1155	Mar-92	Dec-31	SDR	1,085	1.00%	775	-	7	-	782	7
6. TCI Emergency Loan- 1171	Aug-92	Jun-32	SDR	349	1.00%	270	-	2	-	272	2
7. Pearl Loan (1994) - 1309	Dec-94	Aug-34	SDR	272	1.00%	325	(13)	3	-	316	(9)
8. Education development- 1317	Feb-95	Aug-34	SDR	1,852	1.00%	1,983	(76)	19	-	1,926	(57)
9. Third Cook Islands Development Bank loan- 1380	Jan-96	Sep-35	SDR	1,977	1.00%	1,720	(61)	16	-	1,675	(45)
10. Economic restructuring loan - 1466	Sep-96	Sep-36	SDR	3,430	1.00%	3,966	(129)	35	-	3,871	(95)
11. Cyclone Rehabilitation Project loan - 1588	Jan-97	Jan-38	SDR	583	1.00%	703	(22)	7	-	688	(15)
12. Waste Management loan - 1832	Dec-01	Jun-33	SDR	1,695	1.50%	1,614	-	14	-	1,627	14
13. Cyclone Emergency Assistance loan- 2174	Jun-05	Jan-45	SDR	1,895	1.00%	3,184	-	27	-	3,211	27
14. (SF) Avatiu Ports Development Loan - 2473	Sep-09	Nov-40	SDR	4,524	1.50%	5,019	-	43	-	5,062	43
15. (OCF) Avatiu Ports Development Project Loan - 2472	Sep-09	Nov-33	NZD	8,697	5.77%	8,262	-	-	-	8,262	-
16. (SF) Economic Recovery Support Program Loan - 2565	Jan-10	Oct-24	NZD	11,053	2.52%	3,517	-	-	-	3,517	-
17. (OCF) Avatiu Ports Development Project Loan- 2739	Dec-11	Nov-35	NZD	5,290	2.64%	4,696	-	-	-	4,696	-
18. (OCR) Economic Recovery Support Program 2 Loan - 2946	Dec-12	Oct-27	NZD	11,053	2.75%	3,927	-	-	-	3,927	-
19. (OCF) Renewable Energy Sector- 3193	Jan-15	Jun-36	NZD	12,980	1.15%	9,752	-	-	41	9,793	41
20. (OCR) Undersea Broadband Cable Loan- 3632	Jul-19	Jun-39	USD	15,000	2.65%	17,656	-	318	-	17,975	318
21. Disaster Resilience Program (Phase 2) - 3933	Dec-19	Jun-35	NZD	15,676	1.13%	15,676	-	-	-	15,676	-
22. COVID 19 Active Response - 4010	Jan-21	Jan-30	NZD	30,409	1.13%	30,409	-	-	-	30,409	-
						<b>117,557</b>	<b>(548)</b>	<b>535</b>	<b>41</b>	<b>117,583</b>	<b>27</b>
<b>Asian Infrastructure Investment Bank (AIIB)</b>											
23 COVID-19 Active Response & Economic Support - 0461A	Jan-21	Jun-30	USD	19,950	0.25%	28,380	-	512	-	28,892	512
						<b>28,380</b>	<b>-</b>	<b>512</b>	<b>-</b>	<b>28,892</b>	<b>512</b>
<b>Export -Import Bank of China</b>											
24. Indoor Sports Stadium & Upgrade of Existing Sports Facilities	Aug-08	Aug-28	RMB	74,100	1.80%	7,202	(492)	(365)	-	6,344	(858)
25. Rarotonga Water Ring Main Upgrade Loan	Dec-12	Dec-32	RMB	118,000	2.00%	21,006	(862)	(501)	-	19,643	(1,363)
						<b>28,209</b>	<b>(1,354)</b>	<b>(867)</b>	<b>-</b>	<b>25,988</b>	<b>- 2,221</b>
<b>Total Gross Borrowings</b>						<b>174,145</b>	<b>(1,903)</b>	<b>180</b>	<b>41</b>	<b>172,463</b>	<b>(1,682)</b>
Less Loan Repayment Fund						11,654	(2,266)	115	12,911	22,414	10,760
<b>Net Borrowing by the Crown</b>						<b>162,491</b>	<b>363</b>	<b>65</b>	<b>(12,870)</b>	<b>150,049</b>	<b>(12,442)</b>
Less Avatiu Port Development & Avaroa Cable Ltd						35,634	-	362	-	35,995	362
<b>Net Borrowing by the General Government</b>						<b>126,858</b>	<b>363</b>	<b>(297)</b>	<b>(12,870)</b>	<b>114,054</b>	<b>(12,804)</b>

#### Crown Gross Debt

The total gross debt by the Crown for September 2021 period was \$172.46 million, a slight decrease of \$1.68 million from the June 2021 quarter. The decrease in debt level was mainly due to the Loan Repayments during the quarter.

#### Crown Net Debt

The general government's 'Net Debt' is equivalent to total gross debt, net of the Loan Repayment Funds (LRF) and SOE debts. General Government Net Debt for the Quarter ending 30 September 2021 was \$114.05 million, a decrease of \$12.8 million from the June 2021 quarter. The favourable movement was due to funds transferred into the LRF account of \$12.91 million for repayment purposes, net off with unfavourable USD and SDR Exchange rates movements.

Source: NZ Reserve Bank Website for USD and RMB

	Jun-21	Sep-21	Movements from Jun 21
<b>Table 5.1 Average Foreign Currencies against New Zealand Dollars</b>			
<b>Foreign Currencies</b>			
United States Dollars (USD)	0.6998	0.6874	-0.01240
Chinese Yuan (RMB)	4.5188	4.4458	-0.07300
Special Drawing Rights (SDR)	0.4905	0.4879	-0.00256

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 30 September 2021.

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

New Zealand (NZD)	44%
Chinese Yuan (RMB)	15%
US Dollars (USD)	27%
Special Drawing Rights (SDR)	14%

**Table 6: Official Development Assistance**

<b>Development Partner</b>	<b>Donor</b>	<b>Budget Estimates Full Year 2021/22</b>	<b>Actual YTD Sept 2021</b>
Asian Development Bank		3,578,788	0
China		91,584	0
European Union		2,362,883	0
Forum Fisheries Agency		236,742	0
Global Environment Facility		1,201,515	0
Green Climate Fund		17,031,735	142,518
ILO		47,176	0
India		680,000	0
Japan		4,352,204	1,232,096
Korea		303,030	0
New Zealand		53,416,778	31,581,926
Other		5,100,000	156,791
SPC		886,825	150,455
Private Donor		140,000	140,301
UN Adaptation Fund		1,105,864	527,773
UNDP		312,570	183,354
UNESCO		396,000	0
UNICEF		335,350	0
WHO		152,000	0
<b>Total Official Development Assistance</b>		<b>91,731,044</b>	<b>34,115,214</b>
			<b>37%</b>

**Cook Islands Core Sector Support (CSS) - Budget Support**  
 The New Zealand CSS Programme includes direct budget support to Ministry of Education, Cook Islands Tourism and the Ministry of Health. New Zealand Ministry of Foreign Affairs and Trade (MFAT) together with the Ministry of Finance and Economic Management of the Cook Islands have now signed the new Core Sector Support Grant Funding Agreement for 2019/20 – 2022/23 which will provide \$36.4 million over four years.

**Cook Islands Core Sector Support - Output 4 Technical Assistance (TA)**  
 Output 4 Technical Assistance Support is managed by the Development Coordination Division (DCD) of MFEM. All funds received during the FY 2020/21 and FY 2021/22 are fully committed. DCD has assisted with enabling approved TA projects to progress through the Core Sector Support processing procedure. The current status of the TA projects is as follows: 1 project completed, 10 projects are in implementation, 3 projects are undergoing procurement and 6 have been removed - this is due to funds being obtained from other sources, support provided internally by the Agency and/or no terms of reference being provided within three months of the projects being approved. Funds budgeted to the removed projects have been reassigned to various projects that are being implemented and/or undergoing procurement.

**1 project completed:**

1. Improving Audit Performance.

Sustainability from the TA support, now moves across to the respective Agencies to manage internally as per Business As Usual;

**10 projects are being implemented:**

1. Financial Management and Information System (FMIS)
2. Work Place Health and Safety and Workers Compensation (Phase 2)
3. Prison and Probation Governance Review (Phase 2)
4. Asset Management (Phase 2)
5. Major Projects and Procurement Services (Phase 2)
6. Policy and Strategic Planning
7. Family Well-being Country Plan
8. Energy Sector Stocktake and Review
9. Fisheries Capacity Building
10. Strengthen the Capability and Capacity of the Cook Islands Police Service

**3 projects are undergoing procurement:**

1. Consolidation of Laws (Phase 2)
2. Seabed Minerals Authority licensing exploration
3. Policy and Legislation

6 projects removed:

1. Waste management
2. Economic Development Strategy
3. COVID-19 Economic Response Plans
4. Immigration system
5. Financial Resilience for Disaster Framework
6. Public Sector Functional Review

Japan Economic and Social Development Programme 2018

Year to date spend is \$434,713.00

Using the Japan International Cooperation Systems (JICS) procurement process, all seven items have completed the procurement process, with the contracts awarded and signed.

Five of the six items have officially been handed over to the recipient entities. Entities have been informed to add their respective items to their asset registers.

Of the last two items (i. additional ambulances and ii. Road Sweeper), due to the impact of COVID-19 on shipping, this has delayed the arrival of the ambulance - expected time of arrival to Rarotonga is in October 2021. The Road Sweeper is still schedule to arrive November 22 2021.

Following procurement of the above agreed items, any remaining funds from the programme has been approved for the procurement of an additional item from the original list. Therefore an additional excavator for the Ministry of Agriculture was added to the procurement list. This item has completed the procurement process and the contract was awarded and signed on 28 September 2021. Estimated arrival to Rarotonga is in July 2022.

With the inclusion of the additional excavator the procurement item count has increased to eight.

Japan Economic and Social Development Programme 2020

Year to date spend is \$797,383.00

Five items (i. defibrillators, ii. Ultrasonic cleaner, iii. ICU beds, iv. X-ray panels and aprons, v. a generator) have been approved for procurement. The procurement process for four of the items has been completed and the contracts awarded and signed. The fifth item is undergoing preparation for procurement.

Four of the five items have been received and officially handed over to the intended recipient.

Manatua Cable

Year to date spend is \$2,400.00

Following the request for tender (RFT) process for the Compound Project Ref CK202112 concluding, Avaroa Cable Ltd (ACL) has contracted with Landholdings Ltd to carry out The Compound Project. This build is scoped to further enhance the Cable Landing Station sites on both Rarotonga and Aitutaki. The Procurement process was governed by the Cook Islands Government Purchase and Sale of Goods and Services Policy (Procurement Policy) 2016.

A year on from contracting, Vodafone Cook Islands have increased their capacity on the Manatua Cable for both Rarotonga and Aitutaki, supporting the ongoing utilisation and uptake of internet following the launch of the Manatua Cable.

ACL was also shortlisted for its fourth Global Telecommunications Industry Awards, namely, the World Communications Awards 2021

Green Climate Fund Readiness

Year to date spend is \$142,518.00

Green Climate Fund (GCF) Readiness is predominantly based on concept note development and capacity building within OPM, MFEM, BCI and the Private Sector.

As of September 2021, 3 Readiness Support proposals were submitted to GCF with 2 proposals approved. The 2 approved proposals will:

1. Focus on increasing the inclusion of green, resilient strategies as part of the economic recovery from COVID-19. The proposed activities will strengthen the planning for both adaptation and mitigation activities.
2. Address climate change related knowledge gaps in the Cook Islands adaptation approach, and to strengthen our adaptation planning and legal frameworks to support the implementation of the Country Programme.

In addition one Project Proposal Concept Notes that was submitted to Green Climate Fund, for "Building Resilient and Healthy Cook Islands Communities" was endorsed by the GCF Climate Investment Committee to move to the Project Proposal Development stage. A Project Preparation Facility (PPF) application was approved by GCF to support the development of the full proposal over the next 13 months.

A second proposal on "Direct financing for communities and businesses to respond to climate change in the Cook Islands" is undergoing review to be submitted under the Enhancing Direct Access funding modality.



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

	YTD Budget Estimates \$'000	Actual YTD Sept 2021 \$'000	Variance to YTD Budget \$'000
<b>SOEs Consolidate Group</b>			
Trading Revenue	11,731	11,551	(181)
Personnel Expense	(3,947)	(3,391)	555
Operating Expense	(8,682)	(8,413)	269
Depreciation Expense	(2,471)	(2,285)	187
<b>Net Activity Surplus / (Deficit)</b>	<b>(3,369)</b>	<b>(2,539)</b>	<b>830</b>

The table above consolidates the September 2021 performances of Cook Islands Investment Corporation (CIIC), Airport Authority, Bank of the Cook Islands (BCI), Ports Authority, Te Aponga Uira (TAU), To Tatou Vai Ltd (TTV), Te Mana Uira O Araura (TMU) and Avaroa Cable Ltd (ACL). The consolidated group returned a net operating deficit of \$2.5 million, which is \$0.8 million lower than the estimated budget quarter ended 30 September 2021.

Trading revenues collections were lower than budgeted at a Group level, as a result of the ongoing impact of the COVID-19 pandemic affecting operations.

This was offset by savings in Personnel, Operating and Depreciation expenditure due to vacant positions yet to be filled, effective cost management practices, and phasing of the depreciation budget across the Group's assets.