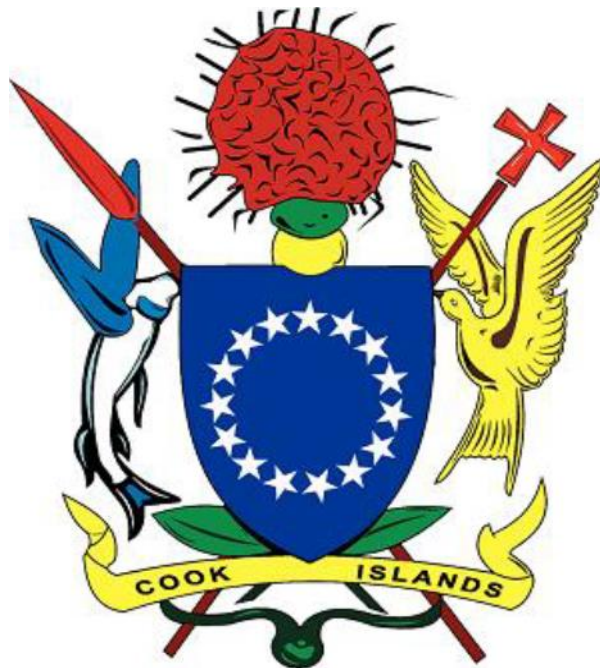

COOK ISLANDS GOVERNMENT
BUDGET ESTIMATES

2023/24

Appropriation Bill 2023



Hon. Mark Brown
Minister of Finance
May 2023



PARLIAMENT OF THE COOK ISLANDS

APPROPRIATION BILL 2023

EXPLANATORY NOTE

This note does not form part of the Bill but is intended to indicate its effect.

The Constitution of the Cook Islands provides in Article 70 (1) that "... all expenditure from the Cook Islands Government Account or from any other public fund or account, shall be in accordance with an Appropriation Act..."

Clause 1 provides that, on enactment, the Bill will be called the Appropriation Act 2023.

Clause 2 is the application provision, which specifies the financial year to which the Bill relates. In this case it is the financial year ending 30th June 2024.

Clause 3 authorises expenditure out of the Cook Islands Government Account of the amounts not exceeding those set out in the Schedules to the Bill, for the several votes specified therein.

Subsection 5 limits any expenditure which may be charged to the 2023/24 appropriation to actual expenditure incurred in the period 1 July 2023 to 30 June 2024.

Subsections 6-7 limits any expenditure which may be charged to the 2022/23 appropriation to actual expenditure incurred up to 30 June 2023.

Subsection 8 limits any expenditure which may be charged to appropriations from years prior to 2022/23 to actual expenditure incurred up to 30 June 2023.

Note: The Budget Estimates will be available with the Bill. The breakdown of items and amounts, to justify the figures in the Bill, are presented in the Estimates.

Hon. Mark Brown

Appropriation Bill 2023

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Summary

An Act to appropriate certain sums of money out of the Cook Islands Government Account to the services of the year ending on the thirtieth day of June 2024 and to appropriate the supplies granted in this period

MOST GRACIOUS SOVEREIGN: We, Your Majesty's most dutiful and loyal subjects, the Parliament of the Cook Islands, towards making good the supply which we have cheerfully granted to Your Majesty in this year, have resolved to grant Your Majesty the sum specified in this Act and humbly ask Your Majesty to assent to the sum. And the Parliament of the Cook Islands enacts as follows—

1 Title

This Act is the Appropriation Act 2023.

Appropriation Bill 2023

2 Application

This Act applies to the year ending on the thirtieth day of June 2024 (“the year”).

3 Grant and appropriation out of the Cook Islands Government Account

- (1) The Minister responsible for Finance may authorise the incurrence of expenses or expenditure and may issue and apply out of the Cook Islands Government Account, towards making good the supplies granted to His Majesty for the services of the year, any sums which in total do not exceed the sum of **\$325,610,471**.
- (2) Subject to subsection (3) the sums authorised to be supplied are appropriated for the services set out in the votes specified in the Schedules to this Act.
- (3) The votes identified in Schedule 4 to this Act as being funded through loans from financing partners or from grants by development partners are further limited to the lesser of the votes specified in those Schedules and the loan proceeds or grants received for the purpose of financing the expense or expenditure in relation to those votes.
- (4) Notwithstanding Section 37 of the Ministry of Finance and Economic Management Act 1995-96, the appropriations made under this Act will lapse on 30 June 2024.
- (5) Payments that may be charged against any appropriation made by this Act after 30 June 2024 are limited to—
 - (a) self-balancing journal entries to correct posting errors during the year ended 30 June 2024; or
 - (b) expenses incurred or payments due during the year ended 30 June 2024 for which a valid invoice was submitted before 30 June 2024, but for which a payment or payments to extinguish that liability in relation to that invoice had not been made by 30 June 2024.
- (6) The appropriations made in the Appropriation Act 2022 will lapse on 30 June 2023.
- (7) Payments that may be charged after 30 June 2023 against any appropriation that lapses under the provisions of subsection (6) are limited to—
 - (a) self-balancing journal entries to correct posting errors during the year ended 30 June 2023; or
 - (b) expenses incurred or payments due during the year ended 30 June 2023 for which a valid invoice was submitted before 30 June 2023, but for which a payment or payments to extinguish the liability in relation to that invoice had not been made by 30 June 2023.
- (8) Where in the period ended 30 June 2023, the Financial Secretary appointed under section 4 of the Ministry of Finance and Economic Management Act 1995-96 had directed that an unexpended appropriation from an Appropriation Act for a previous year be available for expenditure in the year ended 30 June 2023, those appropriations will also lapse on 30 June 2023.
- (9) Payments that may be charged after 30 June 2023 against any appropriation that lapses under the provisions of subsection (8) are limited to—
 - (a) self-balancing journal entries to correct posting errors during the year ended 30 June 2023; or
 - (b) expenses incurred or payments due during the year ended 30 June 2023 for which a valid invoice was submitted before 30 June 2023, but for which a payment or payments to extinguish the liability in relation to that invoice had not been made by 30 June 2023.

Appropriation Bill 2023

**Schedule 1
Agency Budget Appropriations**

Agency	Personnel	Operating	Administered Payments	Depreciation	Gross Current Appropriation	Trading Revenue	Net Current Appropriation
Agriculture	1,095,572	314,509	0	45,000	1,455,081	140,535	1,314,546
Audit (PERCA)	1,086,953	162,451	0	23,250	1,272,654	156,300	1,116,354
Business Trade and Investment Board	390,000	242,267	0	4,000	636,267	27,400	608,867
Cook Islands Investment Corporation	1,486,000	1,024,000	2,200,000	51,000	4,761,000	753,831	4,007,169
Corrective Services	1,545,607	229,131	0	40,999	1,815,737	100,000	1,715,737
Crown Law	1,067,500	163,501	180,000	3,000	1,414,001	0	1,414,001
Cultural Development	867,171	128,000	615,000	89,500	1,699,671	170,000	1,529,671
Education	12,423,849	2,495,820	4,956,602	615,000	20,491,271	0	20,491,271
Environment	1,081,782	351,001	1,010,000	30,000	2,472,783	35,000	2,437,783
Finance and Economic Management	6,657,507	767,420	23,470,421	924,000	31,819,348	954,341	30,865,007
Financial Services Development Authority	242,800	217,900	0	3,000	463,700	0	463,700
Foreign Affairs	2,350,031	1,019,103	165,000	45,000	3,579,134	28,000	3,551,134
Head Of State	179,590	22,299	36,000	14,000	251,889	0	251,889
Health	13,133,557	3,598,951	2,536,870	1,731,000	21,000,378	350,000	20,650,378
Infrastructure Cook Islands	2,249,871	424,129	2,505,000	345,000	5,524,000	300,000	5,224,000
Internal Affairs	1,357,376	278,000	4,222,891	12,000	5,870,267	0	5,870,267
<i>of which: Welfare Payments - Allowances</i>			<i>1,588,976</i>				
Justice	2,033,976	436,001	625,000	23,000	3,117,977	425,000	2,692,977
Marine Resources	1,705,455	380,061	150,000	160,000	2,395,516	20,000	2,375,516
Ombudsman	233,000	62,001	0	6,000	301,001	0	301,001
Parliamentary Services	624,605	80,000	120,000	72,720	897,325	0	897,325
Police	4,209,896	331,104	215,000	1,555,333	6,311,333	154,783	6,156,550
Prime Minister's Office	1,582,079	509,000	1,923,000	15,000	4,029,079	0	4,029,079
Public Service Commission	379,874	211,636	1,903,170	5,000	2,499,680	0	2,499,680
Cook Islands Seabed Minerals Authority	697,101	459,056	220,000	9,500	1,385,657	240,000	1,145,657
Tourism Corporation	2,098,774	1,541,226	5,743,000	52,000	9,435,000	20,000	9,415,000
Transport	1,023,500	205,221	0	25,609	1,254,330	41,221	1,213,109
Total Ministries, Crown & Statutory Agencies	61,803,426	15,653,788	52,796,954	5,899,911	136,154,079	3,916,411	132,237,668
Ministerial Support							
Prime Minister	406,069	121,289	0	12,642	540,000	0	540,000
Deputy Prime Minister	298,690	70,611	0	9,589	378,890	0	378,890
Ministerial Support 1	181,000	115,838	0	11,162	308,000	0	308,000
Ministerial Support 2	164,000	132,000	0	12,000	308,000	0	308,000
Ministerial Support 3	217,500	85,000	0	5,500	308,000	0	308,000
Ministerial Support 4	188,901	109,509	0	9,590	308,000	0	308,000
Leader Of Opposition	163,712	131,462	0	12,826	308,000	0	308,000
Total Ministerial Support Offices	1,619,872	765,709	0	73,309	2,458,890	0	2,458,890

Appropriation Bill 2023

Agency	Personnel	Operating	Administered Payments	Depreciation	Gross Current Appropriation	Trading Revenue	Net Current Appropriation
Outer Islands							
Aitutaki	1,255,531	417,547	0	480,000	2,153,078	67,828	2,085,250
Atiu	948,406	458,918	0	430,000	1,837,324	224,318	1,613,006
Mangaia	1,018,612	611,848	0	210,000	1,840,460	301,000	1,539,460
Manihiki	785,482	159,165	0	460,000	1,404,647	119,000	1,285,647
Mauke	845,209	237,194	0	380,000	1,462,403	113,853	1,348,550
Mitiaro	769,222	88,527	0	93,000	950,749	60,900	889,849
Palmerston	287,705	71,851	0	80,000	439,556	20,500	419,056
Penrhyn	692,969	180,836	0	180,000	1,053,805	74,000	979,805
Pukapuka-Nassau	1,042,214	155,503	0	215,000	1,412,717	73,695	1,339,022
Rakahanga	445,136	67,761	0	82,000	594,897	52,000	542,897
Total Outer Islands	8,090,486	2,449,150	0	2,610,000	13,149,636	1,107,094	12,042,542
Gross Total	71,513,784	18,868,647	52,796,954	8,583,220	151,762,605	5,023,505	146,739,100

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**Schedule 2
PAYMENTS ON BEHALF OF THE CROWN (POBOCs)**

Administering Ministry	POBOC	2022/23 Budget Estimate	2023/24 Budget Estimate
Compensation of Employees			
Finance & Economic Management	Parliamentary Superannuation	180,000	180,000
Audit	PERC Salaries and Administration Costs	57,500	57,500
Parliamentary Services	Civil List - Personnel	2,901,961	2,901,961
Parliamentary Services	House of Ariki	0	0
Cultural Development	House of Ariki (CI)	326,690	336,690
Compensation of Employees POBOCs		3,466,151	3,476,151
Use of Goods and Services			
Audit	Audit Fees	103,000	103,000
Prime Minister's Office	Local Government Election	0	0
Parliamentary Services	Civil List - Constituency Visits	170,200	170,200
Parliamentary Services	Parliamentary Sitting Expenses	200,000	200,000
Parliamentary Services	KR Travel and Allowances (local and overseas)	109,000	109,000
Parliamentary Services	MP Travel and Allowances (local and overseas)	230,000	250,000
Foreign Affairs	International Maritime Organization - Maritime Cook Islands	63,461	63,461
Transport	Maritime Radio Coverage	120,000	120,000
Use of Goods and Services POBOCs		995,661	1,015,661
Subsidies			
Cook Islands Investment Corporation	Airport Authority subsidy	2,047,997	1,500,000
Cook Islands Investment Corporation	Bank of the Cook Islands - social assistance subsidy	128,000	128,000
Cook Islands Investment Corporation	Ports Authority - subsidy	110,099	110,099
Cook Islands Investment Corporation	Te Aponga Uira - social assistance subsidy	0	0
Cook Islands Investment Corporation	Te Mana Uira o Araura - subsidy	0	0
Cook Islands Investment Corporation	To Tatou Vai (CI)	3,000,000	3,000,000
Subsidies POBOCs		5,286,096	4,738,099
Social Assistance			
Internal Affairs	Welfare Payments	21,067,190	21,562,805
Social Assistance POBOCs		21,067,190	21,562,805
Other Expense			
Finance & Economic Management	Pacific Catastrophe Risk Insurance	160,000	160,000
Finance & Economic Management	CIG Insurance	40,000	40,000
Finance & Economic Management	BEPS Subscription	45,000	45,000
Finance & Economic Management	Competition and Regulatory Authority	400,000	400,000
Foreign Affairs	International Subscriptions	890,000	890,000
Other Expenses POBOCs		1,535,000	1,535,000
Grand Total		32,350,098	32,327,716

**Schedule 3
Cook Islands Capital Spending**

	2022/23 Budget Estimate	2023/24 Budget Estimate
Cook Islands Government Capital programs	34,159,912	22,760,914
Total Capital spending	34,159,912	22,760,914

Appropriation Bill 2023

**Schedule 4
Official Development Assistance¹**

	2022/23 Budget Estimate	2023/24 Budget Estimate
Operating or recurrent expenditure	26,304,809	35,746,234
Capital Project Expenditure	65,147,594	54,002,685
Total Official Development Assistance	91,452,403	89,748,919

**Schedule 5a
Other Expenses and Financing Transactions**

Category of Expense	2022/23 Budget Estimate	2023/24 Budget Estimate
Contingency Funds - Operating	100,000	100,000
Contingency Funds - Other Expenses	0	0
Crown Infrastructure Depreciation	4,603,000	4,603,000
Provisional for Doubtful Debts	0	0
Transfer to Emergency Response Trust Fund	50,000	50,000
Advanced Subsidiaries - Avaroa Cable Ltd	0	0
Transfer to Reserve Trust Fund	0	0
Depreciation Contingency Fund	2,174,000	2,174,000
Total Other Expenses	6,927,000	6,927,000

**Schedule 5b
Loan Repayment Fund (LRF) Appropriations**

Category of Appropriation	2022/23 Budget Estimate	2023/24 Budget Estimate
Contribution to LRF - Principal	7,737,276	13,123,389
Contribution to LRF - Interest	6,780,007	8,959,928
Total Contribution to LRF	14,517,283	22,083,317

Summary

Category of Payment	2022/23 Budget Estimate	2023/24 Budget Estimate
Schedule 1 - Ministry Outputs (Gross Operating)	140,985,551	151,762,605
Schedule 2 - POBOCs	32,350,098	32,327,716
Schedule 3 - CIG Capital Expenditure	34,159,912	22,760,914
Schedule 4 - Official Development Assistance	91,452,403	89,748,919
Schedule 5a - Other Expenses and Financing Transactions	6,927,000	6,927,000
Schedule 5b - Loan Reserve Fund Appropriations	14,517,283	22,083,317
TOTAL APPROPRIATION	320,392,247	325,610,471

This Act is administered by the Ministry of Finance and Economic Management.
Printed under the authority of the Cook Islands Parliament—2023

¹ Excluding Budget Support and Core Sector Support appropriated through agencies in Schedule 1.