



The Government of the Cook Islands

Quarterly Financial Results

31 March 2023

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 2022/23 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 2022/23 Appropriation Bill was passed in May 2022.

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 as at

31 March 2023

	Table	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD 31 Mar 23 \$'000	Actual YTD 31 Mar 23 \$'000	Variance to YTD Budget Estimates \$'000	Actual Vs Full Year Budget 2022/23 %
Operating Revenue	1								
Taxation Revenue		139,310	0	0	139,310	101,571	93,816	-7,755	67%
Other Crown Revenue		14,568	0	0	14,568	9,900	18,723	8,823	129%
Trading Revenue		1,851	0	3,103	4,954	3,290	3,719	428	75%
Dividends		600	0	0	600	300	0	-300	0%
Interest on Balances		395	0	0	395	390	563	173	143%
Core Sector Support		7,825	0	0	7,825	7,825	7,825	0	100%
Total Operating Revenue		164,549	0	3,103	167,652	123,277	124,646	1,369	74%
Operating Expenditure									
Ministry Outputs									
Personnel		68,023	45	35	68,103	52,111	46,003	6,108	68%
Operating		17,131	52	44	17,227	13,466	13,894	-428	81%
Administered Payments	3	46,876	1,513	3,647	52,036	31,541	19,170	12,371	37%
Depreciation		6,945	0	0	6,945	5,242	5,242	0	75%
POBOC	2	32,350	40	305	32,695	27,293	25,785	1,508	79%
Debt Interest Contribution to LRF		6,780	0	0	6,780	5,085	4,838	247	71%
Crown Infrastructure & Contingency Depreciation		4,603	0	0	4,603	3,452	3,452	0	75%
Transfer to Emergency Response Trust Fund		50	0	0	50	38	0	38	0%
Depreciation Contingency Fund		2,174	0	0	2,174	1,631	1,631	0	75%
Contingency Funds - Operating		100	0	0	100	75	-2	77	-2%
Loss on Foreign Exchange		0	0	0	0	0	543	-543	100%
Total Operating Expenses (including YTD Depreciation)		185,032	1,651	4,031	190,714	139,934	120,557	19,377	68%
Net Operating Surplus/(Shortfall) Balance		-20,482	-1,651	-929	-23,062	-16,657	4,089	20,746	-18%
Add Depreciation		13,722	0	0	13,722	10,325	10,325	0	75%
Less Capital Expenditure	4	34,160	1,480	0	35,639	29,556	14,287	15,269	40%
Net Fiscal Surplus/(Shortfall) Balance		-40,921	-3,130	-929	-44,980	-35,888	127	36,015	0%

At a Glance: Fiscal Position

* Government's Net Fiscal balance for the quarter ended 31 March 2023 was \$0.12 million surplus. This was an improvement by \$36.0 million compared to the budget estimate of \$35.8 million deficit. Higher revenue collections of \$1.36 million contributed to the improvement in Government's net fiscal balance, in addition to cost savings in Personnel (of \$6.1 million) and Capital Expenditure (of \$15.26 million).

* The total Operating Revenue collected was \$1.36 million higher than anticipated for the quarter ended 31 March 2023. Although taxation revenue collection was significantly lower than estimated, this was offset by increases in Other Revenue of \$8.82 million (from FSC Vested Assets of \$2.3 million, General Budget Support of \$4.16 million and EU Agreement of \$1.42 million), followed by Trading Revenue of \$0.42 million.

*The total Operating Expenses are 68% below budget at \$19.3 million. There was a slight overspend of \$0.42 million in Operating due to an increase in day-to-day operational expenditure across the whole of Government ie. utilities, fuel and oil, freight etc. However, this was counteracted by major underspends in Personnel caused by vacant positions within Government as well as savings in Administered Payments equal to \$12.3 million, mainly contributed by YTD underspends in Airline Underwrite (of \$2.76 million) and COVID-19 Medical Response Funds (of \$3.27 million). Refer to Table 3 - Administered Payments for details

* Capital Expenditure: Capital expenditure was lower than budgeted by \$15.2 million for the quarter ended 31 March 2023. Significant underspends in Pa Enea Marine Infrastructure, Bridges, Structures and Road Asset Management 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

31 March 2023

		31 March YTD \$'000	31 Dec 2022 YTD \$'000	Variance \$'000
<i>Cash At Bank</i>				
Term Deposits and Trust Accounts		121,452	126,233	(4,781)
Operational Bank Accounts		22,915	26,164	(3,249)
Foreign Exchange Reserves		21,147	18,087	3,060
Total Cash Reserves		165,514	170,484	(4,970)
<i>Committed:</i>				
Loan Repayment Fund ¹	LRF Act 2014	10,514	17,813	(7,299)
Outer Islands Reserves ²	IG Act 2012	2,301	2,283	18
Disaster Response Fund ³	Trust Fund	2,123	2,023	100
Infrastructure Trust Fund ⁴	Trust Fund	45,285	45,086	199
Aid Trust Fund ⁵	Trust Fund	15,578	15,746	(168)
Land/Law Trust/Other Agency Trust Funds	Trust Fund	14,179	13,780	399
Trust Account Deposits ⁷	Trust Fund	3,657	3,657	0
Total Committed Funds		93,637	100,388	(6,751)
<i>Other General Funds:</i>				
Government Department/Agencies Bank Accounts	General Fund	2,476	1,795	681
Vat/Tax Imprest and Customs Bonds Account ⁸	General Fund	3,666	3,748	(82)
General Reserves - Legacy	General Fund	3,565	3,565	0
Total Other General Funds		9,707	9,108	599
Estimated General Cash Reserve		62,170	60,988	1,182

¹ 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.

² 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.

³ 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.

⁴ 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 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.

⁶ 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.

⁷ 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.

⁸ 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

	31 March YTD
	\$'000
Opening LRF Balance	17,813
Contribution to LRF Principal	(2,739)
Contribution to LRF Interest	0
Total Transfer into LRF by General Government	15,074
Realised Gain/(Loss) on Foreign Exchange	0
Transfer out of LRF	0
Interest earned by LRF	37
Total Inflows/(Outflows)	37
Principal paid out of LRF	3,552
Interest paid out of LRF	1,046
Total Outflows	4,598
Closing LRF Balance	10,513

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

Section 70(3) (b) (i): Calculation	\$'000
Total Government Appropriation 2022/23	320,392
Excess (1.5%) of Total Appropriation	4,806
less: Approved expenditure as at Quarter-End	4,031
Total Balance	774

Executive Council Orders Authority	Budget	Agency	\$'000
Personnel Top-up		Personnel OPM	145
Legal cost requirements		Administered - legal prov Crown Law	2,007
CISNOC Administered Fund Top-up		Administered-CISNOC INTAFF	100
Provision for Shipping Subsidy Top-up		Administered -Inter-Island Shij MFEM-MPPS	570
State Events Top-up		Administered-State Events OPM	40
Patient Referral -Top-up		Administered -Patient Referra Health	650
Personnel Top-up		Personnel BTIB	10
MP Travel Allowance Top-up		POBOC CPS	207
Legal Provisions Top-up		Admin Pymt CLO	150
KR Travel Allowance Top-up		POBOC HOS	23
Operating Top-up		Operating CPS	44
Cyclone Judy Contribution		Admin Pymt	10
Welfare Payments Top Up		POBOC MOI	75
Total Executive Council Orders Authority as at			4,031

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 2022/23	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Taxation Revenue							
Value Added Tax	63,534	-	63,534	47,989	46,118	-1,871	73%
Individual Income Tax	27,822	-	27,822	19,402	22,000	2,598	79%
Company Income Tax	17,121	-	17,121	11,423	7,083	-4,339	41%
Import Duties	13,806	-	13,806	10,543	10,958	415	79%
Withholding Tax	1,730	-	1,730	1,222	1,136	-87	66%
Departure Tax	15,297	-	15,297	10,992	6,522	-4,471	43%
	139,310	-	139,310	101,571	93,816	-7,755	67%
Other Revenue							
FSC - Vested Assets	0	-	0	0	2,310	2,310	0%
Financial Supervisory Commission - Return of Excess	125	-	125	94	150	56	120%
Immigration Fees	1,000	-	1,000	750	1,094	344	109%
IMO Subscription - Maritime Cook Islands	66	-	66	50	0	-50	0%
Court Services	27	-	27	19	13	-6	46%
Instant Fines	0	-	0	30	45	15	0%
US Fisheries Treaty (upfront days)	3,243	-	3,243	2,162	1,592	-570	49%
EU Agreement	400	-	400	0	1,423	1,423	356%
Purse seine fishery	2,260	-	2,260	1,695	1,436	-259	64%
Longline Licenses and QMS	3,000	-	3,000	2,350	2,617	267	87%
Other fisheries and auxiliary vessel licensing	160	-	160	120	87	-33	55%
Research Fees	2	-	2	1	1	0	71%
Permits	10	-	10	8	15	8	148%
Telecom Cook Islands Dividend	600	-	600	300	0	-300	0%
Numismatics	450	-	450	338	1,164	827	259%
Circulating Currency - Coins	200	-	200	150	22	-128	11%
Drivers License Fees	100	-	100	75	252	177	252%
Motor Vehicle Registration	875	-	875	656	224	-432	26%
Interest on Balances (Crown)	395	-	395	296	1,092	796	277%
Interest on Balances - Loan Reserve Fund	125	-	125	94	0	-94	0%
Interest on Balances - SOE Advances	1,317	-	1,317	659	335	-324	25%
Foreign Investment Fees	34	-	34	26	21	-5	61%
Upper Air Management Agreement	510	-	510	416	290	-126	57%
Shipping Registration	92	-	92	65	236	171	256%
International Shipping Licence	15	-	15	15	-24	-39	-158%
Liquor Licencing	30	-	30	21	33	12	109%
Tattslotto Grants	120	-	120	90	169	79	141%
Censorship Fees	1	-	1	1	1	0	61%
Land Court Fees	147	-	147	110	47	-63	32%
Motor Vehicle Dealers	3	-	3	2	5	3	156%
SIOFA - Regional Fisheries Management Organisations	255	-	255	0	135	135	53%
Gain on Foreign Exchange	0	-	0	0	292	292	0%
General Budget Support	0	-	0	0	4,165	4,165	0%
Core Sector Support	7,825	-	7,825	7,825	7,825	0	100%
Other Revenue on Behalf of Crown	0	-	0	0	46	46	-18134%
	23,388	-	23,388	18,416	27,111	8,695	116%
Total ROBOC	162,698	-	162,698	119,987	120,927	940	74%
Government Agencies & Island Governments Trading Revenue	1,851	3,103	4,954	3,290	3,719	428	75%
Total Operating Revenue	164,549	3,102.75	167,652	123,277	124,646	1,369	74%

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

	Comparative Actual Mar 22	Actual YTD	Year on Year	Year on Year	Commentary
Taxation Revenue items	\$'000	\$'000	\$'000	%	<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	40,692	46,118	5,426	13%	VAT collection has increased compared to previous year due to an increase in visitors during this quarter, resulting in increased spending.
Individual Income Tax	15,861	22,000	6,139	39%	This increase is the result of compliance activities and steady PAYE contributions from larger employers
Company Income Tax	6,374	7,083	709	11%	Company Income Tax was up by 11 per cent from a year ago and up by 59 per cent against the annual budget. This is due to a steady increase in tourism-based activities.
Import Duties	9,487	10,958	1,471	16%	Customs Tax was up by 16 per cent from a year ago and up by 24 per cent against the annual budget. The opening of the NZ borders has had an impact on the volume of goods imported.
Withholding Tax	1,044	1,136	92	9%	Withholding Tax was up by 9 per cent from a year ago and up by 7 per cent against the annual budget. This relates to tax on interest, dividends and royalties
Departure Tax	2,379	6,522	4,143	174%	This significant improvement is due to increased visitor numbers throughout the year.
		93,816			

	Comparative Actual Mar 22	Actual YTD	Year on Year	Year on Year	
Other Revenue items	\$'000	\$'000	\$'000	%	<i>Note: Comments are provided on Other Revenue items that have generated significant revenue compared to the budget estimate.</i>
US Fisheries Treaty (upfront days)	1,763	1,592	-171	-10%	Fisheries US Treaties Revenue was down 10 per cent from a year ago and up 26 per cent against annual budget estimate.
EU Agreement	1,539	1,423	-116	-8%	ROBOC collected from the EU Agreement was down 8 per cent from a year ago. This relates to fisheries revenue obtained via purse seine agreements with the EU.
Purse Seine Fishery	0	1,436	1,436	0%	Collection of Purse Seine Fisheries revenue is up by \$1.43 mill compared to a year ago.
Longline Licenses and QMS	885	2,617	1,732	196%	Longline licenses and QMS Revenue was up by 196 per cent from a year ago and down 11 per cent against the annual budget estimate. There was a steady collection of revenue for Qtr 3.
General Budget Support	30,000	4,165	-25,835	-86%	This Core Sector Funding was provided by NZ and was spread over 3 years the last year being 2022/23
		11,233			

CIG Tax Revenue Year over Year (YoY) Mar 2023 Report

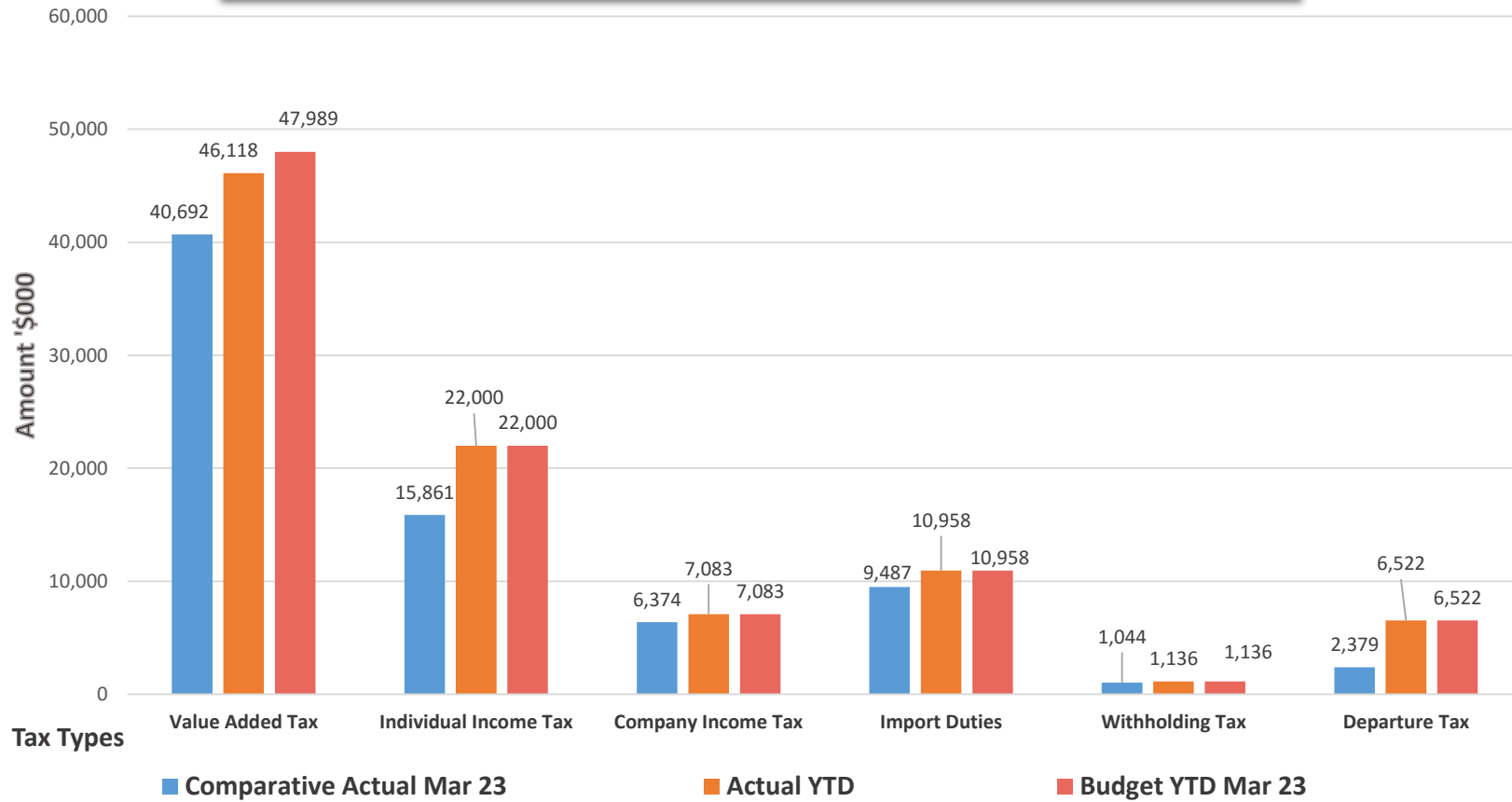


Table 2: Payments on Behalf of Crown (POBOC)

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Airport Authority Subsidy	2,048	-	-	2,048	1,536	1,536	0	75%
Audit Fees	103	-	-	103	103	12	91	12%
Bank of the Cook Islands - Social Assistance Subsidy	128	-	-	128	128	0	128	0%
BEPS Subscription	45	-	-	45	45	0	45	0%
Caregivers Allowance	0	-	-	0	386	381	4	0%
Carer Order Payment	10	-	-	10	10	0	10	0%
Child Benefit	5,414	-	-	5,414	4,286	4,086	200	75%
CIG Insurance	40	-	-	40	40	27	13	68%
Civil List - Constituency Visits	170	-	-	170	148	60	89	35%
Civil List - Personnel	2,902	-	-	2,902	2,326	2,458	-132	85%
Competition and Regulatory Authority	400	-	-	400	300	300	0	75%
Government Paid Maternity Leave	150	-	-	150	126	90	36	60%
House of Ariki Operating	327	-	-	327	247	177	70	54%
Infirm/Destitute Benefit	1,280	-	-	1,280	1,014	958	56	75%
International Subscriptions	890	-	-	890	890	860	30	97%
IMO - Maritime Organisation	63	-	-	63	63	46	17	73%
Maritime Radio Coverage	120	-	-	120	120	105	15	88%
MP Travel and Allowances (local and overseas)	230	-	207	437	215	197	18	45%
New Born Allowance	229	-	-	229	191	147	44	64%
Old Age Benefit	13,984	-	75	14,059	11,451	11,097	354	79%
Pacific Catastrophe Risk Insurance	160	-	-	160	160	183	-23	114%
Parliamentary Sitting Expenses	200	-	-	200	191	120	71	60%
Parliamentary Superannuation	180	-	-	180	135	44	91	24%
PERC Salaries and Administration Costs	58	-	-	58	43	39	5	67%
Ports Authority Subsidy	110	-	-	110	73	73	0	67%
Production of new currency, transportation and sale of old coins	0	-	-	0	262	17	246	0%
QR Travel and Allowances (local and overseas)	109	40	23	172	166	135	31	79%
To Tatou Vai - POBOC	3,000	-	-	3,000	2,637	2,637	0	88%
	32,350	40	305	32,695	27,293	25,785	1,508	79%

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

	Full Year Budget	Actual YTD	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	2,048	1,536	75%	This funding is to support the day to day operations of the Airport Authority in Rarotonga.
Child Benefit	5,414	4,086	75%	YTD is tracking well against budget, it will need to be monitored in case of an over-spend.
Civil List - Personnel	2,902	2,458	85%	This is to fund the salaries and allowances of the King's Representative and Members of Parliament.
Infirm/Destitute Benefit	1,280	958	75%	This is performing well within budget estimates and will be closely monitored to ensure sufficient budget is available.
Old Age Benefit	14,059	11,097	79%	The budget will be monitored for the remainder of the financial year.
To Tatou Vai - POBOC	3,000	2,637	88%	This funding is to assist To Tatou Vai in its management and operations to supply and maintain Rarotonga's water network and infrastructure. The budget will need to be monitored for the remainder of the Financial Year

Table 3: Administrative Payments

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'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	3	-3	9%
Airline Underwrite	10,000	-	-	10,000	3,100	331	2,769	3%
Border Management System Maintenance	155	-	-	155	155	0	155	0%
Bridges and Drainage Maintenance	700	-	-	700	700	4	696	1%
Bus Service	26	-	-	26	27	18	9	68%
Caregivers Allowance	463	-	-	463	386		386	0%
Christmas Bonus	340	-	-	340	341	341	0	100%
CISNOC Grant	370	-	100	470	370	370	0	79%
CISNOC Grant Top Up EO 1.5%	0	-	-	0	100	100	0	0%
Community Support Fund	100	-	-	100	100	43	57	43%
Cook Islands Cultural Fund	100	-	-	100	100	67	33	67%
Cook Islands Red Cross [MFM]	50	-	-	50	50	50	0	100%
Cook Islands Student Association Support	10	-	-	10	10	3	8	25%
Compliance Development	40	-	-	40	30	6	24	14%
COVID-19 Economic Response Plan - MFM	0	-	-	0	0	0	0	0%
COVID-19 Medical Response Fund	5,000	-	-	5,000	3,750	473	3,277	9%
Debt Advisory Services	60	-	-	60	20	0	20	0%
Domestic Hosting Entertainment	15	-	-	15	15	14	1	93%
Economic Recovery Roadmap	5,200	-	-	5,200	2,400	1,008	1,392	19%
EIA Process	150	-	-	150	113	76	37	51%
Emergency Work	200	-	-	200	159	66	93	33%
Fisheries Development Facility	150	-	-	150	150	147	3	98%
FMIS Maintenance	80	-	-	80	55	79	-24	99%
Funeral Assistance Allowance	170	-	-	170	142	140	1	83%
Government Broadband Utilities	30	-	-	30	30	30	0	100%
Government Facilities Development Division	420	-	-	420	384	380	4	90%
Government Funded Scholarships	780	-	-	780	623	513	110	66%
Head of State Rent	13	-	-	13	13	7	6	50%
HOM's Salaries	1,903	-	120	2,023	1,535	1,491	44	74%
House of Ariki Operating	0	-	-	0	0	0	0	0%
House of Ariki - Personnel	0	-	-	0	0	31	0	0%
ICT Support Team	250	-	-	250	187	153	34	61%
Infrastructure Committee	100	-	-	100	82	80	1	80%
Internal Affairs Youth Program	45	-	-	45	37	19	18	41%
International Exchange of Information System Upgrade (IGOR)	89	-	-	89	81	0	81	0%
International Subscriptions	0	-	-	0	0	37	-37	0%
Joint Venture with Seabed Minerals Authority	50	-	-	50	40	23	18	45%
Judge's Allowances	300	145	-	445	274	191	83	43%
Land Records Update Project	120	-	-	120	89	76	12	63%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Law and Order Clinical Psychologist	90	-	-	90	72	0	72	0%
Lease Extension	72	-	-	72	54	27	27	38%
Legal Aid	40	-	-	40	40	4	36	9%
Legal Provisions	50	-	2,157	2,207	50	16	34	1%
Management of Suwarrow Park	100	-	-	100	70	39	31	39%
Marae Moana Ambassador	60	-	-	60	45	45	0	75%
Marketing Resources - Tourism Growth Strategy	4,500	1,309	-	5,809	3,273	2,455	818	42%
National Events	500	-	-	500	500	498	2	100%
National Census	0	43	-	43	43	42	0	100%
National Heritage Trust	122	-	-	122	92	72	19	59%
NCD Fund	195	-	-	195	195	195	0	100%
NES-Corporate Services BAU	0	-	-	0	0	0	0	0%
Pa Enua Connectivity	200	-	-	200	170	3	167	1%
Pa Enua Machinery Maintenance Fund	100	-	-	100	85	70	15	70%
Pa Enua Mechanical Overseer	100	-	-	100	83	69	15	69%
Patient Referrals	850	-	650	1,500	1,350	1,283	67	86%
Patient Referrals Top Up EO 1.5%	0	-	-	0	0	0	0	0%
Pharmaceuticals	1,168	-	-	1,168	1,168	930	238	80%
PM Social Responsibility Fund	363	-	-	363	363	343	20	94%
Police Youth Program	45	-	-	45	45	24	21	53%
Post Tax Amnesty Work	0	-	-	0	25	22	3	0%
Power Subsidy	84	-	-	84	62	49	13	58%
Price Tribunal Committee	60	-	-	60	46	30	16	50%
Private School Funding - Aitutaki SDA	224	-	-	224	172	172	0	77%
Private School Funding - Blackrock	94	-	-	94	72	72	0	77%
Private School Funding - Creative Centre	147	-	-	147	110	110	0	75%
Private School Funding - Immanuel Akatemia	265	-	-	265	207	207	0	78%
Private School Funding - Nukutere	739	-	-	739	561	561	0	76%
Private School Funding - Papaaroa	310	-	-	310	0	239	-239	77%
Private School Funding - St. Josephs	508	-	-	508	391	391	0	77%
Private School Funding - Te Uki Ou	692	-	-	692	0	533	-533	77%
Production of new currency, transportation and sale of old coins	350	-	-	350	262		262	0%
Provision for Inter-Island Shipping	500	-	570	1,070	750	607	143	57%
Provision for Land Rentals	400	-	-	400	378	360	18	90%
Public Sector Strengthening - Process & Systems	125	-	-	125	113	35	78	28%
Public Sector Strengthening - Renovation Support	0	-	-	0	0	-6	6	0%
QR Social Responsibility Fund	8	-	10	18	8	4	5	19%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Religious Advisory Council	10	-	-	10	10	0	10	0%
Remuneration Tribunal Committee	0	18	-	18	0	0	0	0%
Returned Services Association	5	-	-	5	5	0	5	0%
Road and Civil Maintenance	850	-	-	850	529	115	414	14%
School Security	230	-	-	230	169	164	5	71%
Seabed Minerals Compliance Development	0	-	-	0	0	0	0	0%
Seabed Minerals Sector Development	100	-	-	100	100	53	47	53%
Search and Rescue	20	-	-	20	15	1	14	4%
Serious Crime Investigations	100	-	-	100	81	35	46	35%
SIF - CIG Contribution	1,000	-	-	1,000	1,000	786	214	79%
Special Assistance Projects	250	-	-	250	250	160	90	64%
Special Investigative & Prosecution Services	50	-	-	50	50	30	20	59%
Special Select Committee	120	-	-	120	80	11	69	9%
State Events	20	-	40	60	35	25	10	41%
Standard and Poors Subscription	70	-	-	70	70	37	33	52%
Subsidy of audio/visual broadcasting in Pa Enea	45	-	-	45	45	0	45	0%
Tarai Vaka Fund	20	-	-	20	18	3	14	17%
Tax Law Review	30	-	-	30	30	0	30	0%
Te Kopapa Reo Maori Board	15	-	-	15	12	12	0	80%
Te Kukupu - Fuel Contribution	50	-	-	50	50	-52	102	-104%
Tertiary Training Institutions	1,160	-	-	1,160	828	773	55	67%
The Centre of Excellence in Information Technology (CEIT)	80	-	-	80	80	52	28	65%
The Centre of Research and Policy Studies	80	-	-	80	80	65	15	81%
To Tatou Vai - Administered Payment	0	-	-	0	0	-11	11	0%
Universal Access Fund	400	-	-	400	300	0	300	0%
University of the South Pacific Contribution	205	-	-	205	187	114	73	56%
Vaka Maintenance	400	-	-	400	300	298	2	75%
Waste Management	730	-	-	730	483	398	85	54%
Workforce Development	234	-	-	234	234	234	0	100%
							0	
							0	
	46,876	1,513	3,647	52,036	31,541	19,171	12,370	37%

Table 3: Administrative Payments Commentary

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget 2022/23	Commentary
	\$'000	\$'000	%	<i>Note: Commentary provided on Administered Payments appropriated at an annual budget of over \$1 million.</i>
Airline Underwrite	10,000	331	3%	This budget is to subsidise the cost of direct flights from non-NZ markets to Rarotonga. For the Qtrs 1-3 only one route met the criteria which is the Rarotonga to Tahiti flights and a subsidy has been paid. Tourism has been allocated a budget of \$345k for the year to promote and market the Cook Islands in the Northern Hemisphere. .
COVID-19 Medical Response Fund	5,000	473	9%	This budget is to support the health response to limit or mitigate the spread of COVID 19. YTD expenditure includes Pa Enua Northern Vaccination roll outs, Managed Isolation Facilities, Medical Evacuation Flight and Diagnostic Equipment .
Economic Recovery Roadmap	5,200	1,008	19%	This budget is to support economic stimulus measures for a sustainable economic recovery from the impacts of COVID-19. YTD expenditure relates to the marketing plan for the Cook Islands Financial Services Development Authority (FSDA), BCI Loan Administration Fee, Labour Force Card Printing and FMIS roll-out. The underspend is due to consultations which have not commenced.
HOM's Salaries	2,023	1,491	74%	The YTD expenditure is on-track for the period
Marketing Resources - Tourism Growth Strategy	5,809	2,455	42%	This budget is for Cook Islands Tourism to promote the Cook Islands as an ideal travel destination. This is Bulk Funded to the Agency. YTD expenditure \$1.8 mil relates to International Representation, Stakeholder Management, Sales and Marketing, Public Relations , E Commerce and Destination Development.
Pharmaceuticals	1,168	930	80%	The YTD expenditure is on track for the period. 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.
SIF - CIG Contribution	1,000	786	79%	This Budget is to support 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. The YTD is slightly over for the period and it will be monitored to ensure it does not go over budget.
Tertiary Training Institutions	1,160	773	67%	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

Table 4: Capital Expenditures

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Apii Nikao School Sound Proofing	0	33	-	33	33	33	0	100%
Aitutaki Capital Funding	16	-	-	16	16	0	16	0%
Aitutaki Harbour Dredging	0	422	-	422	422	364	58	86%
Arorangi Prison Remedial Works	0	30	-	30	30	6	23	21%
Atiu Capital Funding	12	-	-	12	12	0	12	0%
Auditorium Equipment Replacement Programme	100	-	-	100	100	64	36	64%
Bridges and Structures Asset Management and Improvement Programme	6,050	-	-	6,050	2,265	243	2,022	4%
Capital Distribution Fund	300	-	-	300	300	0	300	0%
COVID-19 Response Fund - Capital Needs	1,000	-	-	1,000	1,000	604	396	60%
Drainage Asset Management and Improvement Programme	500	-	-	500	172	2	170	0%
Emergency Management and Support Infrastructure	0	-	-	0	0	0	0	0%
FMIS Purchase and Implementation	11	-	-	11	11	4	7	34%
Fund to be Prioritised by Education	300	-	-	300	198	154	44	51%
Fund to be Prioritised by Health for Technical Equipment	300	-	-	300	300	44	256	15%
Government Building Projects - ICI	1,361	-	-	1,361	934	585	349	43%
Government Building Projects - CIIC	1,079	643	-	1,722	1,722	747	975	43%
Government IT Network	551	-	-	551	470	437	33	79%
Land Acquisition	700	-	-	700	700	0	700	0%
Mangaia Capital Funding	12	-	-	12	12	5	7	41%
Manihiki Capital Funding	10	-	-	10	8	0	8	0%
Mauke Capital Funding	10	-	-	10	8	2	6	19%
Mitiaro Capital Funding	8	-	-	8	6	0	6	0%
Orongo Development Master Plan and Centre reconstruction - Ports Authority	500	-	-	500	500	500	0	100%

Table 4: Capital Expenditures Cont'd

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Pa Enea Government Building Projects - Northern Group	500	77	-	577	577	369	209	64%
Pa Enea Government Building Projects - Southern Group	500	-	-	500	450	310	140	62%
Pa Enea Marine Infrastructure Improvement Programme	2,660	-	-	2,660	2,324	94	2,230	4%
Pa Enea Air Infrastructure Improvement Programme - CIG	892	-	-	892	847	65	781	7%
PA Enea Capital Distribution Fund	300	-	-	300	300	49	251	16%
Palmerston Capital Funding	10	-	-	10	8	3	5	28%
Penrhyn Capital Funding	12	-	-	12	9	3	6	23%
Prison Development Programme - Strategic Plan	0	50	-	50	50	40	10	80%
Pukapuka Capital Funding	12	-	-	12	9	0	9	0%
Rakahanga Capital Funding	8	-	-	8	8	4	4	48%
Rarotonga Airport Slab Replacement	850	-	-	850	850	0	850	0%
Rarotonga Cyclone Shelters - Remediation	400	-	-	400	250	56	194	14%
Renewable Energy Project Management and Support	0	175	-	175	174	140	35	80%
Revenue Management System Upgrade (RMS10)	2,851	-	-	2,851	2,138	1,136	1,003	40%
Road Asset Management	8,731	-	-	8,731	9,624	7,769	1,854	89%
Telecommunication Universal Access	200	-	-	200	180	173	7	86%
To Tatou Vai - Capital	3,000	-	-	3,000	2,178	62	2,116	2%
Vaka Maintenance Capital Projects	50	50	-	100	100	62	38	62%
Waste Management Infrastructure Improvement Programme	100	-	-	100	100	48	52	48%
Water and Sanitation Infrastructure Improvement Programme	264	-	-	264	161	113	48	43%
	34,160	1,480	0	35,639	29,556	14,287	15,269	40%

Table 4: Capital Expenditure Commentary

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget 2022/23	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>
Bridges and Structures Asset Management and Improvement Programme	6,050	243	4%	The YTD expenditure relates to the Empire Bridge and includes consultancy/design fees. Work was prioritised for the Queens Rep and Sheraton Bridges. \$3.6 million will be transferred to the Road Asset Management Budget for the Rarotonga Road Renewal for Qtrs 3&4
Pa Enuā Marine Infrastructure Improvement Programme	2,660	94	4%	The focus of this years expenditure is the Nassau Harbour. YTD expenditure is Claim 2 for the design phase of the project. \$2.3 mil was budgeted to be spent in March 2023, this did not occur.
Pa Enuā Air Infrastructure Improvement Programme - CIG	892	65	7%	The YTD expenditure relates to The Manihiki Airport Upgrade, the project is still in the design and planning stage with land matters to be resolved. \$847k was budgeted to be spent in March 2023, this did not occur
COVID-19 Response Fund - Capital Needs	1,000	604	60%	The COVID-19 Response Fund- Capital Needs capital funding line was provided to help facilitate capital purchases and projects required for the health sector to respond to COVID-19. The focus of this expenditure in 2022/23 was toward the purchase of the TMO Pharmacy Extension and IT Storage Facility . Funding has also been put towards COVID responses expenditures for COVIDS Airport Health Readiness.
Government Building Projects - ICI	1,361	585	43%	This expenditure is for the Te Tautua Hospital in Penrhyn it was a joint project with CIIC. The Practical Completion Certificate was undertaken in Sept 2022. \$426k is budgeted to be spent in Qtr 4
Government Building Projects - CIIC	1,722	747	43%	This project involves the development and improvement of Govt buildings and facilities on Rarotonga. YTD Expenditure consists of building of Punanganui Market Toilets, ICI Toilet Block, Sports Arena Roof, Apii Rutaki Electrical Upgrade, MOJ Lift and Mental Health Facility. It is expected that all of this funding will be used by the end of the year

Water and Sanitation Infrastructure Improvement Programme	264	113	43%	This project is for the Pa Enea and this years budget has prioritised Penrhyn Water Storage, Atui Water Gallery, Mangaia Ivirua water distribution and Tepuka Sanitation Improvement. YTD Expenditure is Aitutaki Vaimaru Well, Atiu Water Supply and supply of water tanks to Penrhyn. A YTD budget \$161k was allocated for Qtr 3.
Revenue Management System Upgrade (RMS10)	2,851	1,136	40%	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 is for Phase 0 Business Process and Design has commenced.
Road Asset Management	8,731	7,769	89%	\$3.6 million is to be transferred from the Bridges and Structures budget for Qtrs 3 & 4 for the main road in Tupapa. Expenditure to date relates to Mauke Road Project and roads on Rarotonga, including Avatui Valley Road, Matavera to Turangi Road and the Takitumu School Fence.
To Tatou Vai - Capital	3,000	62	2%	YTD expenditure has been used for Water Network upgrades on Rarotonga and Office Furniture. It is anticipated that approx \$600k will be spent in the quarter to March 2023 this includes \$414k on the Water Network and \$200k on Enterprise Software. For the quarter to June 2023 \$664K will be spent on Network upgrades and \$1.2 mil on the metering project subject to review.

	Loan start date	Loan end date	Loan currency	Original loan amount	Interest rate	Dec 2022 Balance ('000)	Principal Payments ('000)	FOREX Adjustment ('000)	Revaluation/ Draw Down Adjustments	Mar 2023 Balance ('000)	Change Mar Qtr ('000)
Asian Development Bank											
1. First multi project loan - 461	Nov-80	Aug-20	USD	1,000	1.00%	0	0	0	0	0	0
2. First Cook Islands Development Bank project loan - 567	Jul-82	Apr-22	USD	1,500	1.00%	0	0	0	0	0	0
3. Second multi project loan - 849	Dec-87	Aug-27	SDR	2,150	1.00%	841	(86)	17	0	773	(68)
4. Outer Islands telecommunications project loan - 1031	Oct-90	Aug-30	SDR	2,578	1.00%	2,570	(164)	53	0	2,460	(111)
5. Second Cook Islands Development Bank loan - 1155	Mar-92	Dec-31	SDR	1,085	1.00%	685	0	14	0	699	14
6. TCI Emergency Loan- 1171	Aug-92	Jun-32	SDR	349	1.00%	240	0	5	0	245	5
7. Pearl Loan (1994) - 1309	Dec-94	Aug-34	SDR	272	1.00%	298	(13)	6	0	291	(6)
8. Education development- 1317	Feb-95	Aug-34	SDR	1,852	1.00%	1,816	(77)	38	0	1,777	(39)
9. Third Cook Islands Development Bank loan- 1380	Jan-96	Sep-35	SDR	1,977	1.00%	1,589	(65)	36	0	1,560	(29)
10. Economic restructuring loan - 1466	Sep-96	Sep-36	SDR	3,430	1.00%	3,691	(142)	85	0	3,634	(58)
11. Cyclone Rehabilitation Project loan - 1588	Jan-97	Jan-38	SDR	583	1.00%	660	(22)	14	0	652	(8)
12. Waste Management loan - 1832	Dec-01	Jun-33	SDR	1,695	1.50%	1,455	0	30	0	1,485	30
13. Cyclone Emergency Assistance loan- 2174	Jun-05	Jan-45	SDR	1,895	1.00%	3,168	0	66	0	3,234	66
14. (SF) Avatiu Ports Development Loan - 2473	Sep-09	Nov-40	SDR	4,524	1.50%	4,578	0	95	0	4,674	95
15. (OCF) Avatiu Ports Development Project Loan - 2472	Sep-09	Nov-33	NZD	8,697	5.77%	7,907	0	0	0	7,907	0
16. (SF) Economic Recovery Support Program Loan - 2565	Jan-10	Oct-24	NZD	11,053	2.52%	2,010	(502)	0	0	1,507	(502)
17. (OCF) Avatiu Ports Development Project Loan- 2739	Dec-11	Nov-35	NZD	5,290	2.64%	4,542	0	0	0	4,542	0
18. (OCR) Economic Recovery Support Program 2 Loan - 2946	Dec-12	Oct-27	NZD	11,053	2.75%	3,021	(302)	0	0	2,719	(302)
19. (OCF) Renewable Energy Sector- 3193	Jan-15	Jun-36	NZD	12,980	1.15%	9,550	0	0	0	9,550	0
20. (OCR) Undersea Broadband Cable Loan- 3632	Jul-19	Jun-39	USD	15,000	2.65%	23,450	(618)	250	0	23,083	(368)
21. Disaster Resilience Program (Phase 2) - 3933	Dec-19	Jun-35	NZD	15,676	1.13%	15,676	0	0	0	15,676	0
22. COVID 19 Active Response - 4010	Jan-21	Jan-30	NZD	30,409	1.13%	30,409	0	0	0	30,409	0
23. Supporting Sustainable ERP - 4161	Dec-21	Dec-33	NZD	55,540	2.19%	55,540	0	0	0	55,540	0
						173,697	(1,990)	709	0	172,417	(1,281)
Asian Infrastructure Investment Bank (AIIB)											
23 COVID-19 Active Response & Economic Support - 0461A	Jan-21	Jun-30	USD	19,950	0.25%	31,382	0	300	0	31,682	300
						31,382	0	300	0	31,682	300
Export -Import Bank of China											
24. Indoor Sports Stadium & Upgrade of Existing Sports Facilities	Aug-08	Aug-28	RMB	74,100	1.80%	5,897	(521)	154	0	5,530	(367)
25. Rarotonga Water Ring Main Upgrade Loan	Dec-12	Dec-32	RMB	118,000	2.00%	18,985	(912)	469	0	18,543	(442)
						24,882	(1,433)	623	0	24,072	(809)
Total Gross Borrowings						229,961	(3,423)	1,633	0	228,171	(1,790)
Less Loan Repayment Fund						17,813	(4,598)	37	(2,739)	10,513	(7,300)
Net Borrowing by the Crown						212,149	1,175	1,596	2,739	217,659	5,510
Less Avatiu Port Development & Avaroa Cable Ltd						40,477	(618)	346	0	40,205	(272)
Net Borrowing by the General Government						171,671	1,794	1,250	2,739	177,453	5,782

Crown Gross Debt

The total gross debt by the Crown for March 2023 period was \$228.17 million, a decrease of \$1.79 million from the December 2022 quarter. The decrease in debt level was mainly due to loan repayments and increase in exchange rates for USD and RMB currencies.

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 3rd Quarter ending 31 March 2023 was \$217.65 million, an increase of \$5.51 million from the December 2022 quarter mainly due to drawdown of \$2.73 million from the LRF account, Loan repayment of \$4.59 million and an unfavourable NZD to USD exchange rate.

Source: NZ Reserve Bank Website for USD and RMB

Table 5.1 Average Foreign Currencies against New Zealand Dollars	Movements		
	Dec-22	Mar-23	from Dec 22
Foreign Currencies			
United States Dollars (USD)	0.6335	0.6275	-0.00600
Chinese Yuan (RMB)	4.4154	4.3160	-0.09940
Special Drawing Rights (SDR)	0.4760	0.4663	-0.00972

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 31 March 2023.

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

New Zealand (NZD)	56%
Chinese Yuan (RMB)	11%
US Dollars (USD)	24%
Special Drawing Rights (SDR)	9%

Table 6: Official Development Assistance

Development Partner	Donor	Budget Estimates Full Year 2022/23	Actual YTD
Asian Development Bank		3,700,000	1,009,091
China		78,215	28,215
European Union		2,822,579	1,685,791
Forum Fisheries Agency		236,742	0
Global Environment Facility		1,709,874	179,124
Green Climate Fund		12,893,296	3,658,723
ILO		35,143	0
India		680,000	78,406
Japan		5,425,020	633,668
Korea		303,030	0
New Zealand		68,108,518	11,170,746
Other		5,180,000	1,808,497
SPC		2,479,567	498,136
UN Adaptation Fund		100,000	82,847
UNDP		164,924	74,919
UNESCO		348,600	28,922
UNICEF		335,350	120,000
WHO		152,000	70,000
UNEP		120,145	31,445
SPREP		380,000	43,900
Australia - SPC		467,501	0
Total Official Development Assistance		105,720,504	21,202,430

20%

Cook Islands Core Sector Support (CSS) - Budget Support

Total actual spend to date for this output (Budget Support) is \$7,825,000

A new Core Sector Support (CSS) Grant Funding Arrangement (GFA) with New Zealand which is valued at NZD\$31.3 million and allocated over 2019/20 to 2022/23, was signed in 2019. The goal of the support is to enhance the Cook Islands self-sufficiency through the first four years of Graduation to High Income Status by enabling predictable, efficient and effective delivery of priority development objectives coupled with practical policy reform. The Budget Support modality focuses on supporting measures to strengthen the tourism sector, health sector and the education system.

Under the same Core Sector Support Arrangement, New Zealand will provide NZD\$5.1 million in funding over the same period to support public sector strengthening through the provision of specialist technical assistance. Technical assistance proposals must demonstrate relevance to the Cook Islands' Public Sector Strategy, broader Public Sector reform/strengthening and the Cook Islands Economic Development Strategy. Total actual spend to date is \$683,809. Earlier discussions for a new iteration of CSS commenced during the Development Sector Committee (DSC) Meeting held in November 2022. NZ High Commission participants responded positively, however, a decision is yet to be determined.

Rarotonga Airport Upgrade Designs

Total actual spend to date is NZD \$405,154

The fundng will be used to review the airport development plan in light of the impact of COVID-19 on anticipated airport activity and to fund consulting services to prepare design and tender documentation for the revised airport terminal requirements and required strengthening of the airport apron and storm water drainage system. By having the design work and construction documentation prepared it will enable Airport Authority Cook Islands to access contraction financing from the private sector, commercial sources or other development partners.

European Development Fund - Budget Support to the Sanitation Sector

Total actual spend to date is NZD \$520,710

The focus of the incentivised budget support under the EU's 11th cycle of funding will continue with the Cook Islands priority of improving the Sanitation Sector. The Cook Islands submission under the 11th funding cycle approved by the EU focuses on upgrading commercial facility sewage systems on Aitutaki and Rarotonga to meet the Public Health (Sewage and Wastewater Treatment and Disposal) Regulations standards. There is a balance of \$1.06 million remaining for this program, which is appropriate to support project implementation from 1st July 2022, moving forward until all funds have been utilised. The implementing agency for this program is the Ministry of Finance and Economic Management through its Major Projects and Procurement Support division.

Sustainable Fisheries Partnership Agreement - Multiyear (Fisheries) Policy Support

Total actual spend to date is NZD \$572,925

The Sustainable Fisheries Partnership Agreement (SFPA) includes an annual fisheries sector contribution of EUR 350,000 by the European Commission under the three year protocol. The sectoral support component of the SFPA is utilised to supplement the Ministry of Marine Resources Budget Appropriations and Business Plan through the implementation of the Multiannual Sectoral Programme.

Global Climate Change Alliance PLUS Scaling Up Pacific Adaption (GCCA+SUPA) Project

Total actual spend to date is NZD \$80,345

This EU funded project focuses on Enhancing a Climate Resilient Marine Sector in the Cook Islands. Implemented by the Pacific Community, the project aims to strengthening adaptive management of marine systems through strengthened, climate-focussed monitoring, education and awareness. Working closely with MMR and CCCI, the project will focus primarily on improving the marine research centre in Aitutaki. Supplementary funding of EU\$160,000 was recently approved for the Cook Islands to further support and assist the improvement of the Aitutaki Marine Research Centre. Cabinet approved the signing of the Grant Funding Agreement with The Pacific Community (SPC) in December 2021. The Landholdings Ltd as the successful contractor has begun construction work which commenced in February 2023 and is expected to be completed by June 2023.

Output 2 being implemented by Climate Change Cook Islands which involves the integration of climate resilience and traditional knowledge for the marine sector into environment education programmes on the islands of Mauke, Atiu, Mitiaro, Aitutaki and Mangaia in the southern group. Korero O Te Orau as primarily consultant is currently conducting the outreach programme with four islands completed to date. The island of Mangaia has been completed in December 2022. In extension to the scope of work, Korero O Te Orau has provided training and support to school teachers in the delivery of an extra-curricular training programme on climate resilience and traditional knowledge in Aitutaki and two islands from the Southern Group which was completed in March 2023.

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

Total actual spend to date is \$185,169

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 Cook Islands component recently recruited a National Programme Implementation Manager and a Finance Officer. The focus of the programme at the initial staged is on planning and coordinating with stakeholders (nationally and regionally) activities to be implemented.

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

Manatua Submarine Cable (ICT cable) - New Zealand Grant

Total actual spend to date is \$515,955

Avaroa Cable Ltd is the crown corporate entity that manages the Cook Islands involvement in the Manatua Cable project and its commercialisation as an international and domestic wholesale operator. ACL constructed the Cook Islands two cable landing stations and oversaw the cable procurement, construction, and deployment. The Manatua Cable has been live since July 2020 and is now carrying contracted revenue generating customer traffic, achieving 100% availability to date.

Key milestones achieved are as follows:

- Following extensive work, ACL has been able to secure connectivity through the 'Western route' via Samoa and Hawaiki and is now able to offer this additional capacity to wholesale customers. This improves resilience and delivers more connectivity for the Cook Islands.
- The Manatua Consortium met multiple times over the quarter. ACL participated in the virtual meeting held in July 2022 and the face-to-face meetings of the Management Committee and Operations & Maintenance Sub-Committee in September 2022. The consortium is progressing a number of long-term outstanding items which is positive.
- New entrant to the telecommunications market ManaNet have installed their servers and switchers in the co-location facility at the Aroa CLS, pending the installation of their network equipment.
- The official opening of the Aitutaki cable landing station facilities was held in July 2022. This was attended by project donors, community leaders and representatives of the Aitutaki Island Council and landowners.
- Two of ACL's Engineering team travelled to Samoa in August 2022 and attended 'Type C' equipment and fibre splicing training with SubCom. This has improved the ability of local staff to attend to cable cuts which could occur along on the land route.

Project Preparation Facility - Building Resilient and Healthy Cook Islands Communities

Total actual spend to date is \$517,729

A Project Preparation Facility (PPF) application for US\$568,000 was approved by the Green Climate Fund to undertake technical assessments to support the development of a full proposal titled "Building resilient and Healthy Cook Island Communities". The project is currently in implementation with key personnel recruited. The consultancy team consists of a Team Leader, International Technical Advisor, Economic Analyst, Climate Change Health Specialist, Gender Specialist and a social project studies Consultant. Te Marae Ora and Cook Islands Investment Corporation are key agencies to execute the project proposal. The full proposal and its accompanying annexes are 90% complete and will be ready to submit to the GCF Secretariat by June 2023. The full project proposal is entitled: Akamatutu'anga to tatou Ora'anga Meitaki (ATOM): Building a healthy and resilient Cook Islands community - one block at a time in the Cook Islands.

Table 7: State Owned Enterprises (SOEs)

	YTD Budget Estimates	Actual YTD	Variance to YTD Budget Estimates
	\$'000	\$'000	\$'000
SOEs Consolidate Group			
Trading Revenue	48,630	49,648	-1,018
<i>Less: Expenditure</i>			
Personnel Expense	12,900	12,129	771
Operating Expense	31,944	31,370	574
Depreciation Expense	8,599	7,359	1,240
	53,443	50,858	2,585
Net Surplus / (Deficit)	-4,813	-1,210	-3,603

The table above consolidates the March 2023 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 \$1.2m, which is \$3.6m favourable to a budget deficit of \$4.8m:

- Trading revenues slightly favourable to budget due to timing around capital project revenues.
- 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 spends.
- Operating costs were favourable to budget in total with the following key exceptions: Ports Authority operating costs are over budget due to higher fuel, electricity and freight costs. TTV operating costs are generally over budget as actual running costs have been higher than anticipated in budget.