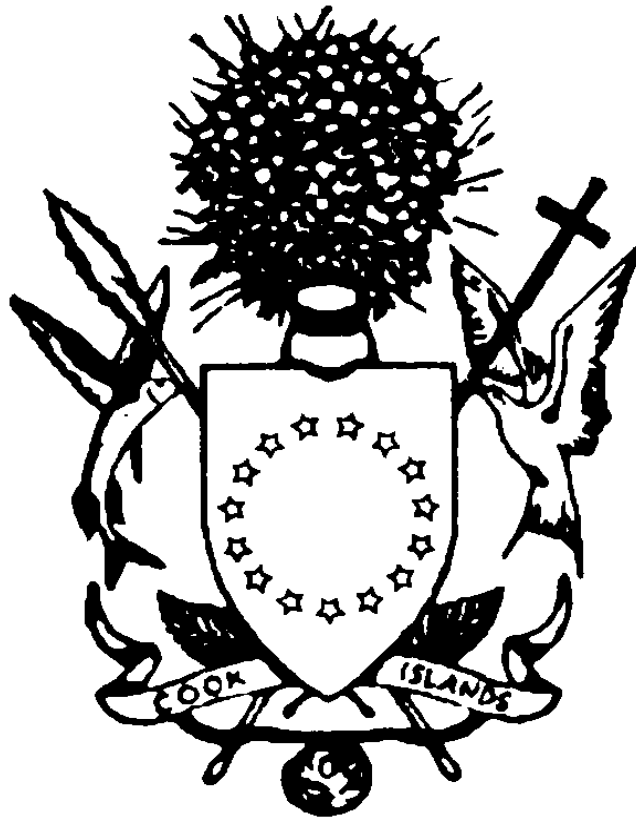

**COOK ISLANDS GOVERNMENT
BUDGET ESTIMATES
2012/2013**

**Book 3
Capital Plan**



**Hon. Mark Brown
Minister of Finance
June 2012**

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1. Introduction

This national capital investment program outlines the 2011/12 anticipated expenditure and three year capital budget for the Ministries and State Owned Enterprises. These activities are financed through a mix of resources from international development partners, lenders, the Cook Islands Government and it's State Owned Enterprises (SOE) revenue and capital sources. This budget should be read in conjunction with the information from the Official Development Assistance (ODA) and the national debt contained in Budget Book No. 1.

An annual appropriation for capital initiatives replaces the capital funds used in previous budgets. Capital initiatives are delegated to specific organisations and budget projections extended to the 2014/15 financial year.

Greater transparency about the allocation of capital investment to key sectors in the National Sustainable Development Plan is anticipated from this whole of government approach. In addition, the approach encourages greater cooperative action across sectors by sharing information and making forward development plans public. This is expected to facilitate improved monitoring of progress and outcomes by the public, government, public officials and intended beneficiaries. A greater sense of ownership and accountability, contributes to greater development impact and more partnerships across organisations.

A medium term outlook is expected to improve the ability of planners working in key sectors (e.g. water and sanitation, renewable energy) to develop and implement multi-year programs and provides a framework for development partners to support national sector and theme based programs. This is anticipated to improve information on capital investment by sector, island and year and assist in predicting funding needs more accurately.

This is a transition year as the first medium term capital initiatives budget. The capital projects have been collated from various government policy sources such as the Budget Policy statement 2012-15, cabinet submissions, business plans from Ministries, outer island administrations and state owned enterprises. Projects with contractual obligations approved under previous outer island and MOIP capital funds have also been programmed.

Where inconsistencies exist between text and the summary lists, the summary lists take precedence.

Note that "Total cost" column in the total cost of the program or project is not necessarily a summation of the years listed. Spending may have occurred in past (prior to 2011/12) or is projected to continue on beyond 2014/15 depending on the maturity of the project. This amount provides readers with information about the scale of the full cost of an initiative.

Please Note:

- **Total cost** is the estimated full cost of a capital initiative (project or program) taking into account all expenses to complete the capital initiative, this may be more or less than the total of budgets listed depending on timing differences.
- **4 year cost** is the estimated and projected costs of the four years (2011-2015) of this capital initiative plan (project or program). It can be different from 'Total cost'.

2. Capital Initiatives Summary

Total spending on capital and development from all sources in 2011/12 is estimated to reach \$58.6 million, spending over the years 2012/13 to 2014/15 is estimated to be \$162.3 million.

Table 2.1 Capital Expenditure by Type 2011/12 to 2014/15 (\$)

	2011/12	2012/13	2013/14	2014/15	Total Cost
Capital works	50,649,701	38,106,450	55,795,887	35,025,800	227,110,137
Grant	1,741,000	6,145,000	2,700,000	4,500,000	27,186,000
Plant and Equipment	2,816,454	9,055,895	2,177,137	1,085,163	15,819,051
Recurrent expenses on new capital initiatives	1,488,000	1,647,834	1,347,834	1,572,832	5,119,200
ICT	1,927,200	2,530,000	372,141	255,000	5,310,344
Grand Total	58,622,355	57,485,179	62,392,999	42,438,795	280,544,732

Table 2.2 Funding Source 2011/12 to 2014/15 (\$)

	2011/12	2012/13	2013/14	2014/15	4 year total
CAPEX	2,378,454	4,281,829	2,663,721	2,084,232	12,068,235
Recurrent expenses	1,645,000	1,465,000	1,465,000	1,690,000	6,085,000
New income		-200,000	-500,000	-500,000	-1,200,000
CIG from ADB	26,040,000				26,040,000
CIG from ADB ERSP	5,100,000	12,100,000	1,000,000	1,000,000	18,500,000
CIG from Export Import Bank of The Peoples' Republic of China	1,200,000		9,500,000	20,000,000	30,700,000
CIG from European Investment Bank				12,000,000	12,000,000
Airport Authority	6,200,000	2,213,250	1,621,000	1,772,000	11,806,250
TAU		5,700,000	7,300,000		13,000,000
SOE own resources	490,000	862,700	49,278	97,563	1,499,541
ODA	15,568,901	31,062,400	39,294,000	4,295,000	90,526,301
Grand Total	58,622,355	57,485,179	62,392,999	42,438,795	221,025,327

Table 2.3 Cook Islands Government 2011/12 to 2014/15 (\$)

	2011/12	2012/13	2013/14	2014/15	4 year total
CIG contribution	4,023,454	5,546,829	3,628,721	3,274,232	16,953,235
CAPEX balance carried forward and cancelled 2012 (made up below)		3,125,000			3,125,000
CAPEX project Pa Enea		2,325,000			
CAPEX projects MOIP		800,000			
Net CIG contribution from own sources	4,023,454	2,421,829	3,628,721	3,274,232	13,348,236

Note: The Government contribution in 2012/13 includes funds re-appropriated from previous years.

Chart 2.1 Funding sources four year capital initiatives plan 2011-2015

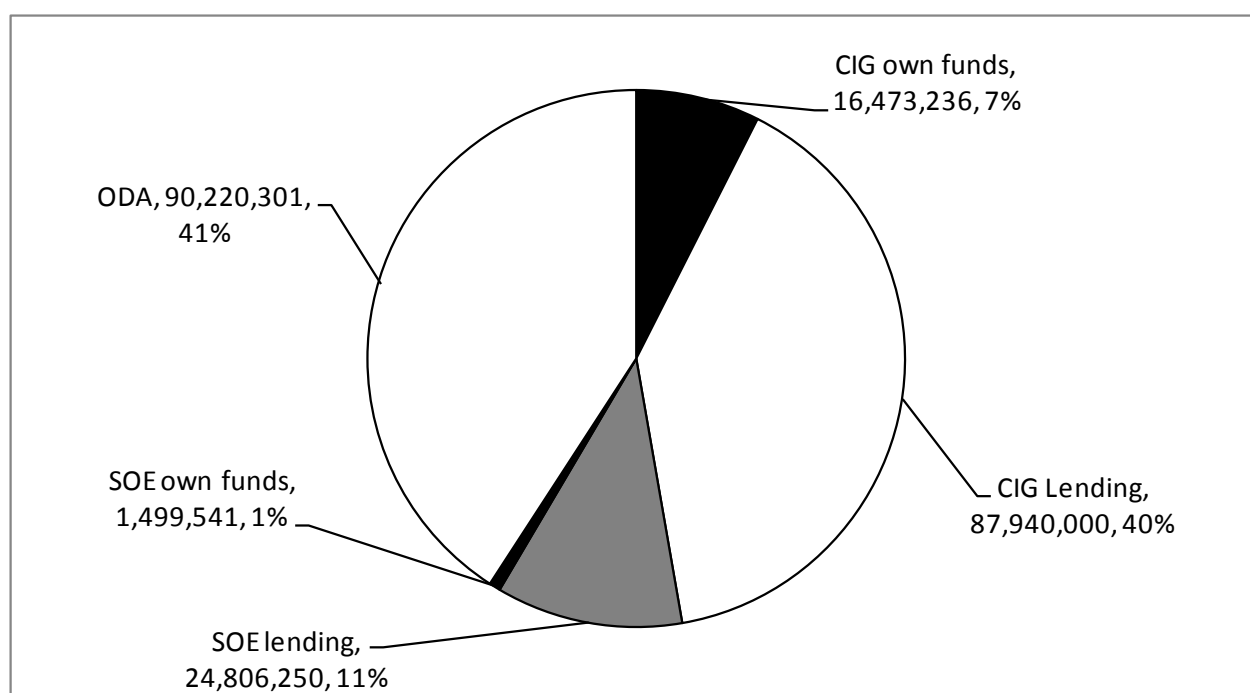


Table 2.4 Capital Initiatives by Sector

Sector	2011/2012	2012/13	2013/14	2014/15	Total Cost
Water & Sanitation (WatSan)	8,841,000	17,589,000	31,507,000	34,000,000	125,537,000
Transport	37,485,450	9,446,550	8,370,278	3,199,563	74,983,246
Renewable Energy	999,500	12,099,000	17,597,000	2,230,000	34,347,000
Infrastructure	749,201	6,828,000	440,000	260,000	14,370,000
Energy	1,252,004	1,688,996	1,970,000	870,000	6,071,000
Community Buildings	3,200,000	36,800			4,436,800
Education	1,490,000	843,000	780,887	811,400	4,145,287
Tourism	1,000,000	1,820,000	540,000	310,000	3,920,000
Health	1,002,000	1,159,300	865,000	580,000	3,606,300
Security	1,216,000	982,000	145,000	145,000	2,518,000
Public administration	723,200	1,107,834	132,834	32,832	2,016,400
Markets	200,000	1,600,000			1,800,000
Marine Resources		1,056,000			1,056,000
Solid Waste	189,000	531,499			720,499
Urban Planning		504,000			504,000
Public buildings		184,000	45,000		229,000
Food Production	200,000				200,000
Culture	75,000				75,000
Agriculture		9,199			9,199
Grand Total	58,622,355	57,485,178	62,392,999	42,438,795	280,544,732

3. Capital Works

Capital upgrades represent more than 50 per cent of capital works. This demonstrates a focused effort to upgrade a range of existing infrastructure assets near or at the end of their useful life. Key sectors of water, sanitation, transport and energy are being upgraded to meet higher public service quality standards and growing demand, particularly in Rarotonga. This is in addition to key initiatives such as the transformation of the electricity sector in line with the 2020, 100 per cent renewable electricity policy.

Table 3.1 Capital works 2011/12 to 2014/15 (\$)

	2011/12	2012/13	2013/14	2014/15	Total cost
Upgrade	35,991,000	21,156,700	43,960,887	31,364,400	160,022,987
Construction	13,819,201	13,747,000	11,268,000	3,611,400	62,086,400
Feasibility	545,000	731,250	200,000		1,766,250
Design/Build		1,095,000	50,000	50,000	1,245,000
Design	188,500	628,500	240,000		1,058,500
Feasibility/Design	106,000	748,000	77,000		931,000
Grand Total	50,649,701	38,106,450	55,795,887	35,025,800	227,110,137

Highlights

The main capital works in the plan include:

- Upgrades to Rarotonga water systems to provide potable water to households by 2015.
- Improving waste management and sanitation systems on Rarotonga, Aitutaki, and the Pa Enua.
- Transformation of Cook Islands electricity systems to renewable sources, starting from the Northern group and working towards Rarotonga.
- Upgrades to school and hospital buildings and equipment.
- Adaptation efforts to upgrade water systems in Aitutaki, Atiu, Mitiaro, Mangaia and renovation of community water tanks of the Northern group.
- Provision of standardised heavy machinery for Pa Enua for shared community services including harbours, airports, agriculture and emergency management.
- Upgrades to marine and air transport infrastructure.

Main Partners

The capital and development program involves a number of partnerships let by the Cook Islands Government, these include:

- The Rarotonga Water partnership with New Zealand and lending and technical assistance from the peoples' republic of The Peoples' Republic of China.
- Sanitation improvement program funded by development partners including grants from the European Union, New Zealand, Australia and lending from the European Investment Bank.
- UN Adaptation Program \$1.5 million allocation to the water sector in the Southern Group and Australian adaptation funding for Northern group community water tanks and Mangaia water.
- Avarua road and water improvements including start to Rarotonga household water tank program funded with lending from the Asian Development Bank. (Economic Recovery Support Program).
- People's Republic of The Peoples' Republic of China grants for equipment, machinery and airport development.
- Pacific Adaptation to Climate Change (PACC) assistance to complete Mangaia harbour.

Table 3.2 Detailed Capital works by Agency and Location 2011/12 to 2014/15 (\$)

Responsible Agency	Location	Project	Program	2011/12	2012/13	2013/14	2014/15	Total cost
MOIP	Aitutaki	Aitutaki sanitation installations - new cyclone houses	Waste and Sanitation improvement programme	380,000				380,000
		Refurbishment of Vaimaru water galleries	Climate Adaptation		194,000			194,000
		Aitutaki Recovery Plan	Aitutaki Cyclone Recovery Program	412,201				6,000,000
	Atiu	Atiu Emergency Water Storage	Climate Adaptation		100,000			100,000
Mangaia	Mangaia	Complete climate adaptation of the Mangaia harbour	Climate Adaptation	50,000	835,600			885,600
		Mangaia Harbour completion	Cyclone recovery	47,000	212,000			259,000
		Tamarua water pipe upgrade	Climate Adaptation		90,000			90,000
		Mangaia water upgrade	Climate Adaptation		650,000			650,000
Manihiki	Manihiki	Tukao and Tauhunu Harbour Upgrade	Cyclone recovery		2,800,000		2,800,000	
Mauke	Mauke	Harbour Development	Cyclone recovery	2,000,000			3,300,000	
Mitiaro	Mitiaro	Harbour Development	Cyclone recovery	1,380,000				2,500,000
		Mitiaro water tanks	Climate Adaptation		460,000			460,000
Nassau	Nassau	Communities and Domestic Tanks rehabilitation		251,000				251,000
National	National	Feasibility sanitation options	Waste and Sanitation improvement programme			40,000		40,000
Northern Group	Northern Group	Community water Tanks rehabilitation	Northern Water improvement		650,000			650,000
Pukapuka	Pukapuka	Water Gallery Improvement	Climate Adaptation			292,000		292,000
Rakahanga	Rakahanga	Harbour Improvement	Cyclone recovery			120,000		120,000
Rarotonga	Rarotonga	IWRM Demonstration project	Integrated Water Management	100,000	200,000	200,000		500,000
		Development of Punanga Nui Coastal Area	Avatiu port development	200,000	1,600,000			1,800,000
		Long term sanitation options	Waste and Sanitation improvement programme	50,000				50,000
		Peer review, Planning Design and Land Acquisition	Rarotonga water upgrade	100,000	100,000			200,000
		Phase 1 Construction of Rarotonga solid waste resource recovery centre	Waste and Sanitation improvement programme	189,000				189,000
		Phase 2 Construction of Rarotonga solid waste resource recovery centre	Waste and Sanitation improvement programme		360,000			360,000
		Project City (Water, sanitation and roads Panama to Tupapa)	Rarotonga water upgrade	1,100,000	8,000,000			9,100,000

Responsible Agency	Location	Project	Program	2011/12	2012/13	2013/14	2014/15	Total cost
		Rarotonga Water System Upgrade - Master Planning	Rarotonga water upgrade	50,000				50,000
		Rehabilitate existing water storage capacity	Rarotonga water upgrade		1,000,000	1,000,000	1,000,000	3,500,000
		Rehabilitation of Intakes (including detailed design)	Rarotonga water upgrade			13,000,000	13,000,000	26,000,000
		Repairs of Tepuka Environflow	Waste and Sanitation improvement programme	100,000				100,000
		Water works upgrades	Rarotonga water upgrade	114,000				114,000
		Long term sanitation upgrades Rarotonga	Waste and Sanitation improvement programme			6,000,000	9,000,000	37,000,000
		Rua'ao/ Akaoa Water Upgrade	Rarotonga water upgrade		425,000			425,000
		Rarotonga water and road network POQuarius (2.7km)	Rarotonga water upgrade	3,800,000				3,800,000
		Replacement of water mains and roads (less 10M est. for POQUARIUS and Project City)	Rarotonga water upgrade			8,000,000	6,000,000	14,000,000
		Mangaia Roads				180,000		180,000
		Palmerston Health Clinic		122,000				122,000
Airport Authority	Aitutaki	Second aircraft pad	Aitutaki Airport Master plan				57,400	57,400
		Master plan Aitutaki air transport	Aitutaki Airport Master plan		103,500			103,500
		Passenger Terminal improvements	Aitutaki Airport Master plan					1,190,000
		Runway rejuvenation	Aitutaki Airport Master plan		525,000			525,000
	Atiu	Upgrade to Civil Aviation Authority Part 139 Regional Turbo Prop runway	National air transport			2,700,000		3,500,000
	Manihiki	Upgrade to Civil Aviation Authority Part 139 Regional Turbo Prop runway	National air transport			3,000,000		3,500,000
	National	Pa Enea Airport upgrades feasibility	National air transport		206,000			206,000
	Rarotonga	Incinerator upgrade	Rarotonga airport master plan		484,000			484,000
		Boeing 787 ground power upgrade	Rarotonga airport master plan			214,000		214,000
		HBS Baggage conveyor system	Rarotonga airport master plan			257,000		257,000
		Instrument landing upgrade	Rarotonga airport master plan		207,000	214,000	222,000	643,000
		Rarotonga Airport Master plan development	Rarotonga airport master plan		155,250			155,250
		Rarotonga Airport Terminal Improvement (phase 1)	Rarotonga airport master plan	6,000,000				16,800,000
		Renewable Energy installation	Rarotonga airport master plan			536,000	554,000	1,663,000
		Runway edge lights, ground water, indicator system, apron	Rarotonga airport master plan				996,000	996,000

Responsible Agency	Location	Project	Program	2011/12	2012/13	2013/14	2014/15	Total cost
		Runway Repairs (joints)	Rarotonga airport master plan	200,000	400,000	400,000		1,000,000
		Terminal and Navigation system upgrade	Rarotonga airport master plan		967,000			967,000
		Upgrade the government VIP lounge	Rarotonga airport master plan		330,000			330,000
Ports Authority	Aitutaki	Orongo Concept design - Town plan/survey	Urban Planning	70,000				70,000
		Orongo Development Master Plan	Urban Planning		200,000	200,000		400,000
	Rarotonga	Arurangi Jetty	Cruise ship improvement	1,000,000	800,000			1,800,000
		Avatiu Harbour Development	Avatiu port development	26,040,000				27,000,000
		Avatiu Harbour Development grant component	Climate Adaptation	960,000				
		Avatiu Port Island Shipping Services terminal building and ancillary services	Avatiu port development		1,000,000			1,000,000
OPM	Atiu	Atiu Solar PV Mini-Grid System	RE Chart			2,000,000	1,040,000	3,040,000
	Manihiki	Manihiki Solar PV Mini-Grid System (cost updated by RED)	RE Chart		2,200,000			2,200,000
	Mauke	Mauke Solar PV Mini-Grid System	RE Chart			2,400,000	790,000	3,190,000
	Mitiaro	Mitiaro Solar PV Mini-Grid System	RE Chart		1,670,000			1,670,000
		Mitiaro power house relocation and grid upgrade	RE Chart		280,000			280,000
	Nassau	Nassau Solar PV Project	RE Chart			860,000		860,000
	National	Project Management - Verification and Terminal report service contracts	RE Chart			300,000	400,000	2,000,000
		RED office support. Common design principles, design and supervise services, other projects.	RE Chart	18,500	225,000			245,000
	Palmerston	Palmerston Solar PV Mini-Grid System	RE Chart			640,000		640,000
	Penrhyn	Penrhyn Solar PV Mini-Grid System	RE Chart			1,690,000		1,690,000
	Pukapuka	Pukapuka Solar PV Mini-Grid System (includes upgrade of generators and grid - revised by RED)	RE Chart		500,000	2,330,000		2,830,000
	Rakahanga	Rakahanga Solar PV Mini-Grid System	RE Chart		960,000			960,000
		Rakahanga generator control panels and powerhouse	RE Chart		95,000			95,000
	Rarotonga	Coastal adaptation needs analysis Avarua	Climate Adaptation		504,000			504,000
		Survey, common design principles, standard mini grid design, design and supervision services.	RE Chart	106,000	244,000	77,000		427,000
TAU	Rarotonga	Demonstration PV car park TAU admin	RE Chart	160,000				160,000
		Network Stage 1 (RE)	RE Chart		2,700,000	7,300,000		10,000,000

Responsible Agency	Location	Project	Program	2011/12	2012/13	2013/14	2014/15	Total cost
		TAU research and studies (storage, waste to energy, economic)	RE Chart	210,000				210,000
		Upgrade existing grid and equipment	RE Chart		3,000,000			3,000,000
		PV installations - public buildings (TAU, MoE, OPM, MFEM)	RE Chart	505,000	225,000			850,000
		Technical Assistance and studies	RE Chart	85,000	150,000			525,000
CIIC	National	National Education Renewal Programme	Education Master Plan		373,000	670,887	701,400	1,745,287
		National Health Renewal Program	Health service upgrade		540,300	590,000	305,000	1,435,300
	Rarotonga	Court House Renewal	Public building upgrades			45,000		45,000
		Internal Affairs relocation	Public building upgrades		40,000			40,000
		Ministry of Education Building New	Education Master Plan	1,200,000				1,200,000
		National Auditorium Renewal	Public building upgrades		70,000			70,000
		Rehabilitation of Tereora/Tepuka neighbourhood sewerage system	Waste and Sanitation improvement programme	200,000				200,000
		Parliament Building	Public building upgrades		20,000			20,000
MFEM	Pukapuka	Cyclone Centre	Cyclone recovery	3,200,000				4,400,000
Tourism Corporation	National	Event infrastructure	Destination Development Strategy		120,000	20,000	20,000	180,000
	Rarotonga	Cruising facilities	Destination Development Strategy			40,000	40,000	100,000
		Public Amenities Services	Destination Development Strategy		50,000	250,000	120,000	540,000
	Southern Group	Cycle ways	Destination Development Strategy		670,000	50,000	50,000	820,000
		Tracks, Trails Historical Sites	Destination Development Strategy		60,000	160,000	60,000	300,000
Police	Penrhyn	Penrhyn TeTautua and Omoka Upgrade (Port Facilities/Fuel Depots)	Climate Adaptation				650,000	650,000
MMR	Rarotonga/Aitutaki	Aquaponics pilot in Rarotonga and Aitutaki.	Regional Aquaponics pilot	200,000				200,000
Island Council	Aitutaki	Fuel Storage Facility	RE Chart		90,000			90,000
		Orongo Port, Marina and Town Centre Development	Urban Planning	50,000				50,000
	Manihiki	Boat upgrade project (Aluminium repairs)			55,000			55,000
BTIB	Rarotonga	Punanga Nui Market upgrade	Destination Development Strategy		120,000	20,000	20,000	180,000
Justice	Rarotonga	Prison Education and Rehabilitation Centre	Public building upgrades		54,000			54,000

Responsible Agency	Location	Project	Program	2011/12	2012/13	2013/14	2014/15	Total cost
		New						
Tapere	Rarotonga	Avatiu Community Hall and Clinic	Public building upgrades		36,800			36,800
Grand Total				50,649,701	38,106,450	55,795,887	35,025,800	227,110,137

4. Detail of Capital Works Initiatives

The following information is provided to set capital works initiatives within the framework of larger national programs and plans. Some national programs, like climate change adaptation and the renewable energy implementation plan, involve a series of significant projects managed by different implementing agencies.

4.1 Ministry of Infrastructure and Planning

Aitutaki Cyclone Recovery

	Total cost	2011/12	2012/13	2013/14	2014/15
Carried forward					
Capital grants	6,000,000	412,201			
Recurrent expenses					
Total	6,000,000	412,201			

Coordinated by the Island Council of Aitutaki and the Aitutaki Recovery Committee, a reconstruction plan aimed to make the Aitutaki community more resilient to extreme weather events. This was a major achievement delivered through a cross government team with the Ministry of Infrastructure and Planning playing a leading and significant role. The focus areas were: housing and infrastructure, social services, local economic recovery, and disaster risk reduction.

New Zealand funded (\$6 million) a clerk of works, building materials and labour for homes, repairs to Aitutaki's schools, and hospital as well as rehabilitating sanitation infrastructure. Clean-up services to reduce risks from roofing iron and other hazardous debris were provided by Recycle Cook Islands.

The plan also improved evacuation shelters, early warning systems, emergency communications equipment and community preparedness. The majority of activities have been completed and were delivered by a broad partnership including the Cook Islands Meteorological Services, Cook Islands Red Cross, United Nations agencies, community groups and the local private sector.

Development of Punanga Nui Coastal Area (ADB loan)

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	1,800,000	50,000	1,750,000		

The reclamation of land to the sea side of Punanga Nui Market will by use dredged material from the Avatiu Harbour. Preparation of the life commenced in early April 2012 following approval of the Environmental Impact Assessment and Environmental Management Plan. Dredging of Avatiu Port is commenced in May 2012. The project has two stages which are outlined below.

First Stage:	Second Stage:
Filling north and east of the market with the dredged material, thus creating a new extension to the market at a similar level to the existing market and main road.	Architectural and open space design.
Construction of revetment rock (breakwater) to the outer edge of the reclamation to protect the reclaimed area from wave and sea surge.	Paving and landscaping.
Sourcing of armour rocks for the outer wall possibly combined with the existing rock armour being recovered and reused wherever possible.	Services (electricity, water, telephone, sewage). Lighting etc.

National adaptation to climate change program

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	2,671,600	247,000	2,132,600	292,000	
Grants	645,000		645,000		
ICT	237,000		237,000		
Total	3,553,600	247,000	3,014,600	292,000	

Funded by several sources targeting climate adaptation (UNFCCC, PACC, CIG, AusAID see ODA chapter) these works focus on strengthening the resilience of pa enua communities to climate change. The national adaptation to climate change program is overseen by the Director of Climate Change who is based in the Prime Minister's office.

These infrastructure projects include water works either to upgrade public delivery systems or grants to increase household rain water collection (tanks, roofs) and harbor upgrades. The Mangaia harbor was rebuilt after cyclone damage over the 2008-2011 period funded by CI Government (\$1.83 million). More recently the Pacific Adaptation to Climate Change Project have agreed to contribute additional resources 0.835 million to increase resilience of the new asset to the expected impacts of climate change. Total Mangaia harbour upgrade cost is estimated at \$2.7 million.

This program is expected to expand in 2014/15 year as plans are developed for this new program to take advantage of resources available through global Climate Change funds established by the United Nations. Note that Energy efficiency improvements (e.g. generators, etc) have been associated with the new solar mini-grid systems (climate change mitigation) overseen by the office of the Prime Minister, renewable energy division. (See plant and equipment).

Table 4.1.1 Capital Works 2011/12 to 2014/15

	2011/12	2012/13	2013/14	2014/15
Atiu Emergency Water Storage		100,000		100,000
Complete climate adaptation of the Mangaia harbour	50,000	835,600		885,600
Pukapuka Water Gallery Improvement			292,000	292,000
Refurbishment of Vaimaru water galleries	194,000			194,000
Tamarua water pipe upgrade		90,000		90,000
Mangaia water upgrade	3,000	647,000		650,000
Mitiaro water tanks		460,000		460,000
Capital works Total	247,000	2,132,600	292,000	2,671,600
Grant				
Aitutaki Water Tanks		360,000		360,000
Atiu Water Tanks		250,000		250,000
Palmerston Water Tanks upgrade		35,000		35,000
Grant Total	247,000	2,777,600	292,000	3,316,600
ICT				
Weather Observing Network – Met Office		237,000		237,000

Northern Water Improvement program

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	901,000	251,000	650,000		
Grants	1,541,000	1,541,000			
Total	2,442,000	1,792,000	650,000		

Recent assessments (Falkland 2006-9, Manu 2010) have identified rain water collection and domestic and community water tanks on the northern group islands as a critical resource for security and reliability of water supply. In 2011 works funded by the New Zealand and Australian harmonised programme and managed by Romani Design increased water storage at household level by over one million litres across Rakahanga, Penrhyn Nassau and Pukapuka.

Community resilience to climate change has been increased by introducing first flush systems and strengthening roofs for water collection. In 2012/13 community water tanks on all five Northern group islands will be renovated and water safety plans developed with assistance from the Ministries of Health and Internal Affairs, Cook Islands Red Cross and Island Councils.

Cyclone recovery – Harbours

	Total cost	2011/12	2012/13	2013/14	2014/15
Carried forward					
Capital	\$8,979,000	3,380,000	3,012,000	120,000	
Recurrent expenses					
Total	\$8,979,000	3,380,000	3,012,000	120,000	

Mauke and Mitiaro (\$5.8 million) harbour renovations are part of the 2005 Cyclone Recovery and Reconstruction Plan funded through the New Zealand and Australian harmonised programme and are expected to be completed by August 2012. Mangaia harbour is also in the final stages (\$256,000). Renovations to Manihiki (2.8 million) and completion to Rakahanga (\$120,000) harbours has been planned for the 2012-2014 period.

Rarotonga Water Upgrade

	Total Program Cost	2011/12	2012/13	2013/14	2014/15
Capital works	57,189,000	5,164,000	9,525,000	22,000,000	20,000,000
Grants	3,000,000		1,000,000	1,000,000	1,000,000
Total	60,189,000	5,164,000	10,525,000	23,000,000	21,000,000

External finance for Rarotonga Water

NZ/A grants	10,000,000		8,000,000	2,000,000	
UNFCCC grant	425,000		425,000		
Export Import Bank Of The Peoples' Republic of China loan	29,500,000			9,500,000	20,000,000
ADB ERSP loan (water)	15,900,000	4,900,000	9,000,000	1,000,000	1,000,000

The Rarotonga water upgrade is already underway funded through the Cook Islands budget (loans from the Asian Development Bank). This includes replacing water mains and roads in Rarotonga's down town area.

This upgrade follows extensive assessment (2010-2012) and peer review by technical representatives of the Cook Islands Government and various Development Partners (EU/EIB, Peoples' Republic of The Peoples' Republic of China, NZ, ADB). This has resulted in an agreed concept for water collection, treatment and supply which will achieve the policy standard of 'potable water, delivered to all homes connected to the existing water supply network, by 2015'.

A substantial program of work is planned for 2012 and 2015, involving enhancement of collection and storage capacity, rehabilitation and upgrade of existing intakes, design and construction of new treatment facilities and replacement of distribution mains and roads.

The full upgrade costs will be met by through blended finance (loans and grants) arrangement provided by New Zealand and The Peoples' Republic of China forming a "Water Partnership" with the Cook Islands. The increased operational costs associated with the supply of improved water quality are planned to be sustained by introducing user pays charges once water quality reaches "potable" (drinking water) standard. This income is estimated at \$1.5 million per year from 2015/16.

Integrated Water Resource Management

	Total cost	2011/12	2012/13	2013/14	2014/15
Carried forward					
Capital	500,000	100,000	200,000	200,000	
Recurrent expenses					

The United Nations – Global Environment Facility (UN-GEF) funded Integrated Water Resources Management (IWRM) Project, overseen regionally by Secretariat of the South Pacific Community (SOPAC) has the aim of improving governance and management of water resources in the Pacific Islands. On Rarotonga the project is focused on gathering information on available groundwater resources and on the effectiveness of various onsite wastewater treatment and disposal systems.

Waste and Sanitation improvement

Program	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	38,319,000	919,000	360,000	6,040,000	9,000,000
Plant and Equipment	251,499	80,000	171,499		
Grants	21,000,000	200,000	3,500,000	1,700,000	3,500,000
Income	(2,200,000)	0	(200,000)	(500,000)	(500,000)
Total	57,370,499	1,199,000	3,831,499	7,240,000	12,000,000

This substantial program of work is essential to achieving long-term protection of public health, the environment and the economy of the Cook Islands, by ensuring that all wastewater is treated to the highest appropriate standards and disposed of in ways that reduce to a minimum, any potential residual effects.

Preliminary studies in 2008 (SOPAC), 2009 (ADB and EU) have been followed up with the Muri pilot (2010, \$3 million over three years) to upgrade all domestic onsite wastewater treatment systems in Muri-Avana (NZ and Australia). Outcomes are improved lagoon water quality in Rarotonga and Aitutaki, then on all of the Cook Islands. The Programme is establishing the capability of the WatSan (Water and Sanitation) unit of MOIP to lead national water and sanitation sector initiatives, improved: policy; regulation and enforcement; infrastructure; knowledge of technology; and, public awareness.

WatSan has contracted BECA to determine the best practicable option for long term sanitation solutions for Rarotonga and Aitutaki using a comprehensive 'multi criteria analysis' approach. (Report due May 2012). Agreed long-term options for sanitation will inform detailed design and construction of the long-term sanitation options, commencing in Aitutaki and Rarotonga in 2012/13 and extending to all Southern and Northern group islands from 2014/15 to 2018. At the time of writing and solely for the purpose of estimating costs and funding requirements, it has been assumed that the preferred option will involve upgraded onsite treatment and disposal systems (grants to owners) across Rarotonga and Aitutaki with – in Rarotonga – reticulated system(s) and centralised treatment and disposal serving higher density population areas (capital works). However this may change once the options assessment and approval process is completed in June 2012. Based on this assumption the project (Avarua) city upgrade budget has increased (\$2 million) to allow for the laying of a sanitation sewer.

The national sanitation improvement program will be funded by a blend of grant and loan finances which are under negotiation with partners European Union, European Investment Bank, New Zealand and Australia who will coordinate contributions in a sanitation sector partnership.

A loan from the European Investment Bank (with associated grant) is expected to smooth timing differences from grants flows over the 7 year construction period. Additional operations and maintenance costs incurred for reticulated sanitation infrastructure will be funded by user-pays sanitation services, likely to be combined with water. Costs for on-site systems are the responsibility of the property owner (homes and commercial). Correct policy will require home owners to pay for pump out of sludge and annual maintenance on advanced on-site systems. Property owner contributions of \$1,000 per upgraded household (pilot zone policy) have been projected across the program life, and these funds will be used for program costs.

Other initiatives in the Program include rehabilitation of the Tepuka/Tereora neighbourhood sewerage scheme (completed during 2011/12 - funded by The Peoples' Republic of China) and repairs to the Tepuka 'Enviroflow' wastewater treatment plant, to be completed during 2012/13. Improvements of waste management facilities during 2011/12 involved the purchase of a septic

sludge tanker for Aitutaki and a waste sorting table and baler for the Rarotonga solid waste recovery centre.

Table 4.1.2 Program Budgets 2011/12 to 2014/15

Agency	Category	Project	2011/12	2012/13	2013/14	2014/15	Total Cost
CIIC	Capital works	Rehabilitation of Tereora/Tepuka neighbourhood sewerage system	200,000				200,000
Island Council	Plant and Equipment	Rakahanga Waste Disposal and Recycling equipment		10,000			10,000
MOIP	Capital works	Aitutaki sanitation installations - new cyclone houses	380,000				380,000
		Feasibility sanitation options			40,000		40,000
		Long term sanitation options	50,000				50,000
		Phase 1 Construction of Rarotonga solid waste resource recovery centre	189,000				189,000
		Phase 2 Construction of Rarotonga solid waste resource recovery centre		360,000			360,000
		Repairs of Tepuka Environflow	100,000				100,000
		Long term sanitation upgrades Rarotonga			6,000,000	9,000,000	37,000,000
	Plant and Equipment	Aitutaki Tip Truck		161,499			161,499
		De sludge Tailor	80,000				80,000
	Grant	Installation phase – up scaling sanitation except Raro/Aitutaki				1,000,000	9,600,000
		Installation phase – up scaling sanitation to Nth group				1,000,000	4,000,000
		Sanitation pilot zone Installation - Muri	200,000	2,000,000	200,000		2,400,000
		Sanitation upgrades - up scaling all Aitutaki		1,500,000	1,500,000	1,500,000	5,000,000
MOIP Total			1,199,000	4,031,499	7,740,000	12,500,000	59,570,499

Table 4.1.3 Sanitation Sector Funding Plan – External Sources 2011/12 to 2014/15

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total Estimate
Contributions from property owners		200,000	500,000	500,000	500,000	500,000		2,200,000
NZ/A grants	1,840,000	3,000,000	3,000,000	5,000,000	5,000,000	5,000,000	4,000,000	26,840,000
EU grants		4,080,000	8,000,000	4,080,000				16,160,000
EIB loan				12,000,000				12,000,000
ADB ERSP loan (town sewer)		2,000,000						2,000,000

4.2 Airport Authority

Air Transport Development

	2011/12	2012/13	2013/14	2014/15	Total program
Feasibility		361,250			361,250
Design		103,500			103,500
Construction	6,000,000	967,000	536,000	611,400	19,487,400
Upgrade	200,000	1,946,000	6,785,000	1,218,000	11,996,000
Total	6,200,000	3,377,750	7,321,000	1,829,400	31,948,150

The Airport Authority's legislative function is to establish, improve, maintain, operate and manage airports, services and facilities on Rarotonga and Aitutaki in connection with the operation of any airport or with the operation of aircraft engaged in civil aviation. To ensure compliance with Authority Act 1985 and CAA (Civil Aviation Authority) Rules, and continuous certification the following developments are in progress/proposed.

- Continue to implement Rarotonga airport master plan.
- Review and upgrade of the Pa Enua air transport systems and develop master plan.
- A recent analysis of the Pa Enua airports confirms the need to upgrade these airports and a feasibility study will identify the priority of upgrade work required, environmental and economic impacts.
- Improve runway surfaces to reduce risk of damage to aircraft from loose corals and uneven surfaces, mitigate risks of accidents and present opportunities for airlines to fly larger aircraft at lower costs to Atiu (3rd tourist destination) and Manihiki (Northern group hub). Upgrades are tentatively programmed for 2013/14 with grant funding from the Peoples' Republic of China.
- Feasibility study to identify the impacts along with associated costs of upgrade of Aitutaki airport to international (recommended by the Economic Task Force). Direct flights from New Zealand and other destinations would create jobs, business and much needed growth to the economy of Aitutaki.

Unprogrammed initiatives that are expected to be in a longer term plan and/or where funding sources remain to be confirmed, include:

Rarotonga Airport Cyclone Protection works, \$1,000,000 (2013/14)	Rarotonga Airport Terminal Improvements phase 2 (loan), \$9,340,000 (2015-17)
Rarotonga Airport control tower relocation, \$3,000,000 (2016/17)	Rarotonga Airport Automated carpark system, \$172,000 (2015/16)
Aitutaki Airport Passenger Terminal improvements, \$1,190,000 (2016/17)	Rarotonga Airport power centre relocation, \$2,544,000 (2017/18)
Mangaia Airport runway relocation feasibility study, \$200,000, Mangaia Airport relocation and upgrade, \$6,000,000	Aitutaki Airport upgrade to international standards, \$12,000,000
Mitiaro, Penrhyn, Pukapuka and Mauke Airport runway upgrade, \$960,000	

4.3 Ports Authority

Avatiu Port Redevelopment (ADB) Loans 2739/2472/2473 and Grant 249

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	28,000,000	27,000,000	1,000,000		

Avatiu Port is the principal international port for the Cook Islands, and handles about 90 per cent of the food and materials imports and 100 per cent of fuel. The Cook Islands is heavily reliant on international imports by sea to support its tourism industry – as well as for general imports and exports.

The Avatiu Port Redevelopment is jointly funded by the ADB and the Cook Islands Government to provide secure and efficient port infrastructure and to remove and reduce safety risks. Project construction work commenced mid-2011 and is expected to be completed in August 2012. The scope of works consists of:

- Harbour entrance widening by 10m and basin dredging to -8 meters below sea level;
- extension and deepening of vessel turning circle (to 150 meter diameter and -8 meters);
- demolition of old slipway, patrol boat berth and buildings; and
- relocation of cargo sheds and construction of a new Island shipping services terminal building (\$1 million).

In addition, funding from the ADB managed Climate Change adaptation (USD 0.8 million) fund provided for the improvements to facilities by:

- ensuring storm-surge entering the harbour will easily return back to the ocean without major obstruction;
- the port is strengthened to withstand increased wave energy and storm-surge, and
- the wharf height can be raised in the future to adapt to possible sea-level rises.

Arorangi Jetty

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	1,800,000	1,000,000	800,000		
Recurrent expenses					
Total	1,800,000				

The Arorangi Jetty is part of a strategy to develop Rarotonga as a viable reliable destination for the cruise ship market. A review of cruise ship activities on Rarotonga (Kahanui Ventures, 2010) found that by developing Arorangi jetty and facilities at Avana (estimated at 660,000), the Cook Islands could legitimately claim to offer secure landing conditions about 90 per cent of the time. Currently, major cruise ship operators do not schedule the Cook Islands because of the perceived risk of not being able to safely transfers passengers to land. The trend over the last decade has seen ship visits falling from around 40 per year to 12. In an effort to return to previous levels of visitation to Rarotonga by cruise ships, the New Zealand and Australian Harmonised programme will fund the first stage (Arorangi Jetty). After an extensive period scoping, design, peer review and EIA process, construction works are scheduled to begin and work completed in early 2013.

Orongo Port, Marina and Town Centre Development

	Total cost	2011/12	2012/13	2013/14	2014/15
Feasibility	120,000	120,000			
Design	400,000		200,000	200,000	
Total	520,000	120,000	200,000	200,000	

The current Aitutaki channel used to access the port was originally created by a fresh water stream and modified by the US military during the Second World War. It is too narrow and has insufficient depth to act as a viable port for international yachts and international cargo vessels. Despite the iconic status of the island, passenger cruise ships are reluctant to visit Aitutaki because the channel is considered too tight for some tenders to safely and comfortably transport passengers between the ship and the port. The development outcomes are an increase in larger international yachts and passenger cruise ships, contributing to improved economic activity and wellbeing on Aitutaki.

In 2011/12, the Aitutaki Island Council and the Ports Authority developed a feasibility study and preliminary concept designs. The feasibility report recommended works to deepen and widen the harbour, to purchase a second barge, develop the marina area, and upgrade the town centre at an estimated cost of \$15.4 million. This construction amount has not been programmed as the initiative remains unfunded at the time of drafting this budget. Proposed works involve;

- dredging works to allow yachts, cruise ship tenders and small ships into the harbour;
- renewal of the wharf infrastructure where condition is poor, including infilling a silted-up part of the basin to create more cargo handling space;
- structural works at the port to improve resistance against the effects of sea level rise caused by climate change; and
- tourism-and business focused development of the port and marina.

The Ports Authority propose to continue to Stage two and develop more detailed design specifications, cost estimates and complete Environmental Impact Assessment. These will be used to inform Cabinet and Development Partners of the full costs, risks and potential funding partners.

There are four stages envisaged and they are:

Stage 1: Funding approval in principle

- Specific inclusion in CI Government plans, as required
- Formal signoff from Island Council and Aronga Mana
- Submission to and negotiations with donors
- Milestone: funding approved

Stage 2: Detailed approval

- Negotiate completion of modelling work with SOPAC and access to core input data
- Open tender investigation, design, engineering supervision and EIA report preparation, with SOPAC as proposed subcontractor for modelling work
- Complete design and EIA preparation
- Submit EIA for approval with CI Government agency
- Finalise tender documents for construction (see below)
- Provide assistance to local contractors to get organised, prepare rates for likely work and think about equipment
- Milestone: EIA approval and tender documents ready

Stage 3: Tender construction based on:

- Project management
- Fixed mobilisation / demobilisation
- Measure and value for dredging works
- Fixed price for landside works
- Fixed and variable site overheads

Stage 4: Implementation**4.4 Office of the Prime Minister****Climate adaptation program (capital initiatives)**

	Total Cost	2011/12	2012/13	2013/14	2014/15
Capital	3,947,600	1,132,000	2,833,600	292,000	650,000
ICT	237,000		237,000		
Plant and Equipment	312,000	300,000	12,000		
Grant	645,000		645,000		
Total	5,141,600	1,432,000	3,727,600	292,000	650,000

Establishment of Climate Change office in the Prime Minister's Office will continue to lead the development and oversee results from the national climate change program (climate adaptation and mitigation). The national climate adaptation program is made up of ongoing climate adaptation projects funded by a range of Cook Islands international development partners. Local partners include the Island Councils, Ministry of Infrastructure and Planning (WatSan), National Environment Service, Meteorological Service and Cook Islands Red Cross. The National mitigation program is led by the Renewable Energy Development Division.

International adaptation program partners include the United Nations Adaptation Fund (SRIC see ODA chapter and MOIP capital section) and Pacific Adaptation Strategic Assistance Program (PASAP). AusAID Climate Change Adaptation funds PASAP to complete the Avarua Foreshore Extreme Weather Event Vulnerability Assessment and Pa Enua Vulnerability Assessments for disaster risk reduction in 2012.

The results and recommendations from these projects are expected to inform the future development of a coordinated and expanded national adaptation programme which will bring partners together around a prioritised national plan programmed through the national budget process. Moving to a program approach is intended to increase impact (e.g. improved water systems, food security, energy efficiency, community income) and reduce administrative and duplication costs caused by project level approaches (e.g. assessment, planning, project management, reporting).

Table 4.4.1 National Adaptation Programme 2011/12 to 2014/15

	2011/12	2012/13	2013/14	2014/15	Total Cost
Atiu Emergency Water Storage		100,000			100,000
Complete climate adaptation of the Mangaia harbour	50,000	835,600			885,600
Pukapuka Water Gallery Improvement			292,000		292,000
Aitutaki Refurbishment of Vaimaru water galleries		194,000			194,000
Mangaia, Tamarua water pipe upgrade		90,000			90,000
Mangaia water upgrade	3,000	647,000			650,000
Mitiaro water tanks		460,000			460,000
Coastal adaptation needs analysis Avarua, Rarotonga		504,000			504,000
Penrhyn TeTautua and Omoka Upgrade (Port Facilities/Fuel Depots)				650,000	650,000
Avatiu, Rarotonga Harbour Development grant component	960,000				
Rarotonga Weather observing network and management system		237,000			237,000
Rarotonga Air conditioning upgrade public sector	300,000				300,000
Rarotonga Climate Change office set up		12,000			12,000
Aitutaki Water Tanks		360,000			360,000
Atiu Water Tanks		250,000			250,000
Palmerston Water Tanks upgrade		35,000			35,000

National Renewable Energy Programme

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital works	33,250,500	1,084,500	12,339,000	17,597,000	2,230,000
Plant and Equipment	2,073,000	324,004	648,996	1,100,000	
Recurrent expenses	1,073,000	23,000	350,000	350,000	350,000
Total	36,396,500	1,431,504	13,337,996	19,047,000	2,580,000

Energy needs throughout the Cook Islands have been met by long-established distribution systems supplied by diesel-generated electricity on Rarotonga and the Pa Enua. The introduction of alternative energy sources such as the utilisation of solar and wind-powered systems have been minimal and isolated, over past years. Domestic users at community level have not had the benefit of large scale investment funds to explore and establish renewable energy systems for self-sufficiency or integration with the established distribution network. The business community has also reflected similar constraints, despite considerable economic growth within the private sector since the late 1990s.

As a result of the dependence on imported fossil fuels, the country as a whole has struggled with a range of constraints, including the impacts of global trends and crises influencing the supply and price of fuel; the debilitating logistical demands and costs associated with shipping and transportation to the Pa Enua of bulk fuel; and the limited scope in the relevant policy and regulatory framework for improving national energy security.

The growth of the Cook Islands economy has been and continues to be largely dependent upon fossil fuels as its energy source. This leaves it exposed to the environment, social and economic effects.

The shift in Government policy towards renewable energy not only re-confirms energy as a fundamental prerequisite to sustainable development but also: strengthens Government’s commitment to meeting it’s climate change obligations; preserving the country’s pristine environment and fragile ecosystems, enabling private sector job creation, and strengthening energy security.

The increased use of renewable energy in the Cook Islands will reduce the precarious reliance on importing diesel for electricity generation.

The Cook Islands Renewable Energy Chart (CIREC) espouses the goal, objectives, principles and pillars of this policy shift and was approved in 2012 along with an implementation plan. The implementation plan indicates the means and methods towards achieving the goal established by the Government. It will serve as the guiding document from which the transformation of the country to renewable energy will be implemented.

Periodically, the plan will be updated to reflect current movements/progress and changes. Together with this capital initiatives budget, they provide a framework for sector support to a national renewable energy program.

Investment plans currently focus on designing and installing mini-grid solar electric systems in the pa enua, starting from the North and moving South. Works will be coordinated with previous renewable energy implementation plans which propose and address energy efficiency by upgrading back-up generators to low consumption machines. Development partners include Japan (\$4.5 million), New Zealand and Australia (\$11.5 million), UNDP, SPREP, SIDS-DOCK. In addition, a significant SOE investment program (\$13 million plus approved projects below) is envisaged to transform Te Aponga Uira into a new distribution and power system manager. Private investment, particularly on Rarotonga and Aitutaki is anticipated to be a major lever contributing to the medium term goal of 100 per cent renewable energy by 2020.

Projects from the renewable energy implementation plan which remain to be programmed include:

Table 4.4.1 Projects from Renewable Energy Implementation Plan

Aitutaki Solar PV Mini-Grid System	16.89 million
TAU Energy production/distribution (to be determined)	34.7 million
Mangaia Solar PV Mini-Grid System	3.43 million
TAU Network stage 2	10 million
Rarotonga Private sector generation investment	83 million
RE Project Management Rarotonga	23.7 million
TAU control and Generation	45.2 million

Table 4.4.2 Renewable Energy program 2011/12 to 2014/15

			Location	2011/12	2012/13	2013/14	2014/15	Total cost
Aitutaki								
Power Supply Island Council	Plant and Equipment	Mini Transformer	Aitutaki		48,000	-		48,000
	Capital works	Fuel Storage Facility	Aitutaki		90,000			90,000
	Plant and Equipment	Energy upgrade (generators, powerhouse, distribution)	Mauke			800,000		800,000
Island Council Total					138,000	800,000		938,000
MOIP	Plant and Equipment	Power Generators	Atiu	180,000	480,000			660,000
		Generators	Manihiki	96,511	78,489			175,000
		Replace generators	Penrhyn			300,000		300,000
		Power Generators (Lister March 2012)	Nassau	47,493	42,507			90,000
MOIP Total				324,004	600,996	300,000		1,225,000
OPM	Capital works	Solar PV Mini-Grid System	Atiu			2,000,000	1,040,000	3,040,000
		Solar PV Mini-Grid System (cost updated by RED)	Manihiki		2,200,000			2,200,000
		Solar PV Mini-Grid System	Mauke			2,400,000	790,000	3,190,000
		Solar PV Mini-Grid System	Mitiaro		1,670,000			1,670,000
		Solar PV Project	Nassau			860,000		860,000
		Solar PV Mini-Grid System	Palmerston			640,000		640,000
		Solar PV Mini-Grid System	Penrhyn			1,690,000		1,690,000
		Solar PV Mini-Grid System (includes upgrade of generators and grid - revised by RED)	Pukapuka		500,000	2,330,000		2,830,000
		Solar PV Mini-Grid System	Rakahanga		960,000			960,000
		Project Management - Verification and Terminal report service contracts	National			300,000	400,000	2,000,000
		Generator control panels and powerhouse	Rakahanga		95,000			95,000
		Mitiaro power house relocation and grid upgrade	Mitiaro		280,000			280,000
		RED office support. Common design principles, design and supervise services, other projects.	National	18,500	225,000			245,000

			Location	2011/12	2012/13	2013/14	2014/15	Total cost
		Survey, common design principles, standard mini grid design, design and supervision services.	Rarotonga	106,000	244,000	77,000		427,000
	Recurrent expenses on new capital initiatives	RE Master Planning, policy, strategy and energy commissioner.	National	23,000	350,000	350,000	350,000	1,073,000
OPM Total				147,500	6,524,000	10,647,000	2,580,000	21,200,000
TAU	Capital works	Demonstration PV car park TAU admin	Rarotonga	160,000				160,000
		Network Stage 1 (RE)	Rarotonga		2,700,000	7,300,000		10,000,000
		TAU research and studies (storage, waste to energy, economic)	Rarotonga	210,000				210,000
		Upgrade existing grid and equipment	Rarotonga		3,000,000			3,000,000
		PV installations - public buildings (TAU, MoE, OPM, MFEM)	Rarotonga	505,000	225,000			850,000
		Technical Assistance and studies	Rarotonga	85,000	150,000			525,000
TAU Total				960,000	6,075,000	7,300,000		14,745,000
RE Program Total				1,431,504	13,337,996	19,047,000	2,580,000	38,108,000

4.5 Te Aponga Uira o Tumutevarovaro (TAU)

Renewable Energy Programme (Rarotonga)

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	14,745,000	960,000	6,075,000	7,300,000	
Plant and Equipment	2,100,000	520,000	540,000	520,000	520,000
Total	16,845,000	1,480,000	6,615,000	7,820,000	520,000

In November 2009, TAU introduced an incentive-based net-metering arrangement to encourage renewable energy generation within its customers here. The benefit of accumulating energy credits by feeding excess energy back into the distribution network was primarily aimed at domestic and small business consumers. The net-metering policy allowed the public to install generation capacity to contribute up to 10kW to the grid – a level considered high by international standards.

The private sector demonstrated significant interest by investing in renewable energy, and in less than two years, it became apparent that larger commercial entities were motivated to install renewable energy systems in order to lessen the costs of doing business, which raised two issues.

Firstly, a more even distribution of embedded systems alleviates technical concerns associated with concentrating installations in the main business district. Secondly, there is a social dimension to encouraging greater equity of benefits for those who may be dependent on acquiring favourable financing arrangements to secure renewable energy capability.

The subsequent growth in embedded solar systems impacted upon the stability of the grid to the extent that limitations are now in place to provide greater security over the integrity of the distribution network. The limitations are: a reduced ceiling of the loading on the grid, which is based on a percentage (20 per cent) of the lowest peak in demand; and a revised net-metering arrangement for energy credits of up to 2kW for grid-tied connections. In 2011/12 TAU has undertaken studies (waste to energy, economic, storage) to inform efforts to align with the renewable energy implementation plan and engagement with private sector partners in Renewable Energy. TAU borrowing to finance plans over 2012-2015 are currently being negotiated.

TAU will also support the Renewable Energy Chart by assisting with the installation of solar photovoltaic panels at Te Aponga Uira, the new Ministry of Education building and Office of the Prime Minister and other government buildings (NZ/A) and leading the national energy efficiency plan (ADB).

Table 4.5.1 Capital works and Plant & Equipment for TAU 2011/12 to 2014/15

Type	Project	2011/12	2012/13	2013/14	2014/15	Total Cost
Capital works	Demonstration PV car park TAU admin	160,000				160,000
	Network Stage 1 (RE)		2,700,000	7,300,000		10,000,000
	TAU research and studies (storage, waste to energy, economic)	210,000				210,000
	Upgrade existing grid and equipment		3,000,000			3,000,000
	PV installations - public buildings (TAU, MoE, OPM, MFEM)	505,000	225,000			850,000
	Technical Assistance and studies Pacific Energy Efficiency Plan -	85,000	150,000			525,000
Plant and Equipment	install low use streetlights, bulbs, air conditioners (PEEP2).	520,000	540,000	520,000	520,000	2,100,000
Grand Total		1,480,000	6,615,000	7,820,000	520,000	16,845,000

4.6 Cook Islands Investment Corporation

Courthouse Renewal

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	45,000			45,000	

The interior of the Courthouse will be rejuvenated. This project will allow for repainting all interior walls and ceilings. Work scheduled for implementation in 2013/14.

Internal Affairs

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	40,000		40,000		

The Ministry of Internal Affairs will relocate to the current CISNOC premises in January 2012. The project will prepare the premises by repainting, internal modifications and bathroom upgrades.

National Auditorium Upgrade

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	70,000		70,000		

Repainting the interior of the auditorium (interior ceiling, beams, walls) and exterior (beams, railing and walls), completion of the loading bay walls, replacement of the orau roof and auditorium entrance doors, and exterior beautification. Work will be carried out in July 2012, prior to the 2012 Pacific Islands Leaders Forum.

Parliament Building

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	20,000		20,000		

The Cook Islands Parliamentary Services is located on the northern foreshore and is vulnerable to cyclonic events. The main building was built over 40 years ago for accommodating the Rarotonga International airport construction workers. The building was later modified for Parliament Services, and has since undergone several upgrades to prolong its useful life. A construction of a new parliament feasibility study will be undertaken for the proposed relocation.

National Education Renewal Programme

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	2,945,287	1,200,000	373,000	670,887	701,400

In 2011 a new Ministry building was constructed. Going forward this programme focuses on existing school building components, upgrades to meet regulatory standards, and minor extensions to improve education service delivery and incorporate energy efficiency and climate adaptation measures. Work proposed for the next three years being as follows:

Education Renewal details

	2012/13	2013/14	2014/15
Araura College and Primary repainting and water tanks refurbishment		55,500	
Araura College and Primary classroom tiling			60,400
Arorangi School repainting and roof replacement (administration)		65,000	
Arorangi School classroom tiling			45,000
Avarua School ECE building foundation work	28,000		
Avarua School repainting and wastewater treatment upgrade		53,000	
Avatea School bathroom and storm water	20,000		
Avatea School repainting and wastewater treatment upgrade		53,000	
Avatea School classroom tiling			65,000
Hospitality Training Centre roof replacement	50,000		
Hospitality Training Centre repainting and wastewater treatment upgrade		40,000	
Ivirua School asbestos removal and buildings refurbishment		152,387	
Mangaia School repainting	40,000		
Mangaia School classrooms tiling		45,000	
Nassau School repainting		30,000	
Niua School repainting		40,000	
Rutaki School resource storage facilities	15,000		
Rutaki School electrical distribution upgrade and ceilings installation		27,000	
Rutaki School repainting, louver replacements and classroom tiling			75,000
Takitumu School louvre replacements		10,000	
Takitumu School repainting and classroom tiling			65,000
Tauhunu School ceilings installation	35,000		
Tereora College repainting and electrical upgrades	90,000		
Tereora College stormwater drain improvements		9,000	
Tereora College classroom tiling			201,000
Titikaveka College Home Economics upgrade	30,000		
Titikaveka College electrical distribution and wastewater treatment upgrade		55,000	
Titikaveka College classroom tiling			60,000
Tumanava (Nikao School) additional classroom	30,000		
Vaitau School classroom tiling	35,000		
Total	373,000	634,887	571,400

National Health Renewal Programme

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	1,435,300		540,300	590,000	305,000

The program provides for the enhancement of hospital and health care facilities in Rarotonga and the Pa Enua to support the health system. The National Health Renewal programme focuses on upgrades to the Rarotonga Hospital Outpatients and Emergency building. This renovation will improve patient flow and hygiene standards and is based on recommendations (Dr. Forke, 2011) from a review of accident and emergency services. Future initiatives will incorporate energy efficiency and climate adaptation measures. Work proposed for the next three years are as follows:

Health Renewal details

	2012/13	2013/14	2014/15
Mangaia Hospital and Health Residence upgrade (stage 2)	60,300		
Mauke Hospital repainting		15,000	
Mauke Health Residence and Water Catchment			135,000
Mitiaro Hospital repainting	10,000		
Penrhyn Hospital repainting and new disability access ramp		20,000	
Pukapuka Hospital and Health Residence renovations	50,000		
Pukapuka Health Residence and Water Catchments			170,000
Rarotonga Dental/Outpatients asbestos removal		60,000	
Rarotonga Public Health/Administration water and sanitation upgrades	70,000		
Rarotonga Public Health/Administration roof repairs		15,000	
Rarotonga Hospital Administration building waterproofing and structural refurbishment	50,000	80,000	
Rarotonga Hospital Outpatients building upgrade	250,000	400,000	
Rarotonga Hospital Pharmacy relocation (from Tupapa)	50,000		
Total	540,300	590,000	305,000

CIIC will review the following initiatives to identify priorities for programming in future budget cycles.

Potential Upgrades

Mauke Central Gov Building refurbishment	55,000
Mauke Energy roof replacement	35,000
Mauke Infrastructure repainting and roof replacement	45,000
Mauke cargo shed repainting and roof replacement	45,000
Mangaia Central Gov Building repainting	15,000
Atiu Police roof replacement and repainting	15,000
CISNOC offices and Olympic house feasibility	20,000

Notes:

Prison Education and Rehabilitation Centre. This project supports the Prison Services Inmates Rehabilitation program administered by Punanga Tauturu and the Men Against Violence group. It is proposed that a former Prison Officers accommodation be renovated and converted into a training centre. A funding proposal was submitted to UNESCO, the outcome of which will be confirmed in July 2012.

CISNOC House: This feasibility study is proposed to consider the options for government's assistance for the proposed CISNOC offices and Olympic House.

4.7 Ministry of Finance and Economic Management

Mitiaro Water upgrade - Millennium Development Goal Water Initiative

	Total cost	2011/12	2012/13	2013/14	2014/15
Cancelled		460,000			

This proposal was submitted to the European Union and appropriated in 2011. The project was not approved by the EU due to the limited funds and other applicants being considered a higher priority. MFEM withdraw this appropriation and Mitiaro has been reprogrammed in 2012/13, funded by the UN climate adaptation project (SCRIC).

Pukapuka Cyclone Centre

	Total cost	2011/12	2012/13	2013/14	2014/15
Carried forward					
Capital	4,400,000	3,200,000			
Recurrent expenses					
Total	4,400,000	3,200,000			

The Cyclone centre was opened on 10 April 2012 and jointly funded the European Union (\$3.9 million) and the CIG with CIG (\$0.5 million). Costs are expected to be within the revised budget subject to final payments to contractor Landholdings. Note the 2011/12 appropriation reported under EDF 10 of \$1,001,220 was attributed to the Pukapuka Cyclone Centre.

4.8 Cook Islands Police Service

Penrhyn Omoka Upgrade Port Facilities including Fuel Depots

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	650,000				650,000

This project will restore the port facilities that have deteriorated over the years, and allow for the replacement/overhaul of fuel depots used by Te Kukupa in Penrhyn.

Te Kukupa Vessel

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	340,000				

The patrol boat is scheduled to undergo bi-annual maintenance to maintain its seaworthiness. Australian Defence Forces contributes AUD100,000 to this project based on the number of sea days advised by CIBB Tekukupa. The local cost component is \$270,000. The next revision is yet to be programmed.

4.9 Ministry of Marine Resources

Aquaponics Pilot

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	200,000	200,000			

This is part of a regional initiative to trial a sustainable food production system that combines a traditional aquaculture (raising aquatic animals such as snails, fish, crayfish or prawns in tanks) with hydroponics (cultivating plants in water) in a symbiotic environment. Trial projects are planned for Aitutaki and Rarotonga and will be in partnership with regional partners, Pacific Islands Trade and Invest and the New Zealand Ministry of Foreign Affairs and Trade.

4.10 Tourism Corporation

Tourism Sector Support (New Zealand and Australian Harmonised Programme)

	Total Cost	2011/12	2012/13	2013/14	2014/15
Capital	5,500,000	1,000,000	1,500,000	1,500,000	1,500,000
Recurrent expenses (See ODA chapter)	6,500,000	2,000,000	1,500,000	1,500,000	1,500,000
Total	12,000,000	3,000,000	3,000,000	3,000,000	3,000,000

The Tourism Corporation is in the process of developing a Cook Islands Tourism Master Plan that will evaluate range of infrastructure initiatives over the 2012-15 period. This explains why the full funding expected by the New Zealand and Australian Harmonised Programme from infrastructure (listed above) has not yet been fully allocated (capital works lists below). Investments will support the existing destination development strategy with a focus on:

- new events and niche market development;
- the development of Aitutaki as a viable second destination;
- Atiu's viability as a third tourist destination, and enhancement of Mangaia, Mitiaro, and Mauke as destinations; and
- future tourism development for the Northern Group Islands.

Infrastructure works which are programmed include the following:

Projects	2012/13	2013/14	2014/15	2015/16
Cycle Ways – all islands	670,000	50,000	50,000	50,000
Event Infrastructure	120,000	20,000	20,000	20,000
Trails, Tracks and Historical Sites	60,000	160,000	60,000	20,000
Public Amenities	50,000	250,000	120,000	120,000
Cruising (Sailing Yachts) Facilities		40,000	40,000	20,000
Total Tourism Corporation	900,000	520,000	290,000	230,000
BTIB Punanga Nui	120,000	20,000	20,000	20,000

4.11 Business Trade Investment Board

Punanga Nui Market Upgrades

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	180,000		120,000	20,000	20,000

The upgrade of the Punanga Nui Market forms part of the New Zealand and Australian Harmonised programme funded Cook Islands Tourism Destination Development Strategy and BTIB business development initiatives. The project includes the construction of a larger cultural performance stage, upgrades to the Information Centre, and property improvements.

4.12 Manihiki Island Council

Boat upgrade project - Aluminium repairs (INDIA fund)

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	55,000		55,000		

The project is a partnership with local boat owners for repairs/upgrades to privately owned aluminium boats.

4.13 Tapere

Avatiu Community Hall and Clinic (INDIA fund)

	Total cost	2011/12	2012/13	2013/14	2014/15
Design	36,800		36,800		

This project provides support for the completion of renovations to the Avatiu Community Hall and Clinic.

5. Plant and Equipment

Agency	Project	Location	2011/12	2012/13	2013/14	2014/15	Total cost
MOIP	Aitutaki Tip Truck	Aitutaki	-	161,499			161,499
	Atiu Power Generators	Atiu	180,000	480,574			660,000
	Aitutaki De sludge Trailer	Aitutaki	80,000				80,000
	Atiu Excavator	Atiu	62,000				62,000
	Mangaia Quarry Machine upgrade	Mangaia	-	18,000			18,000
	Manihiki Generators	Manihiki	96,511	78,489			175,000
	Mitiaro Barge	Mitiaro	8,450				8,450
	Mitiaro Tractor and Back Blade Tractor	Mitiaro		9,199			9,199
	Nassau Outboard Motor Procurement	Nassau		24,000			24,000
	Penrhyn Barge	Penrhyn		48,000			48,000
	Replace Penrhyn generators	Penrhyn			300,000		300,000
	Excavator (14T and 20T), Excavator (20T), Roller (10T) , grader (12T), Loader	Aitutaki		819,000			819,000
	Excavator (14T), Excavator (20T), Roller (10T) , grader (12T), Loader	Manihiki		713,000			713,000
		Mitiaro		547,000			547,000
		Pukapuka-Nassau		547,000			547,000
	Excavator (14T and 3.5T), Excavator (20T), Roller (10T) , grader (12T), Loader	Atiu		609,000			609,000
		Mangaia		560,000			560,000
		Mauke		609,000			609,000
	Nassau Power Generators (Lister March 2012)	Nassau	47,493	42,507			90,000
		Nassau		100,000			100,000
Backhoe loader	Palmerston		100,000			100,000	
Excavator (14T), Excavator (20T), Roller (10T) , grader (12T), Loader (2)	Penrhyn		648,000			648,000	
	Rakahanga		648,000			648,000	
Pacific Energy Efficiency Plan - install low use streetlights, bulbs, air conditioners (PEEP2).	Rarotonga	520,000	540,000	520,000	520,000	2,100,000	
TAU							
Health	Biochemistry Analyser	Rarotonga		130,000			130,000
	Medical Equipment	National		124,000			124,000
	Community Health services						
	Technical equipment fund	Rarotonga	275,000	275,000	275,000	275,000	1,100,000
	Telephone machine	Rarotonga	55,000				55,000
	Xray machine	Rarotonga	550,000				550,000
Xray unit	Rarotonga		90,000			90,000	
MFEM	General Capital Fund	National	275,000	220,000	250,000	250,000	1,500,000
Island Council	Crimping Machine, 2-Tyre Changer	Pukapuka-Nassau		15,000			15,000
	Outboard Motors (3)	Pukapuka-Nassau		56,000			56,000
	Waste Disposal and Recycling equipment	Rakahanga		10,000			10,000
	Energy upgrade (generators, powerhouse, distribution)	Mauke			800,000		800,000
	Crusher/quarry Plant upgrade	Aitutaki		500,000			500,000
MFAI	Equipment for Forum Leaders	Rarotonga		150,000			150,000
	Min Education Furniture	Rarotonga	180,000				180,000
	Diplomatic cars	Rarotonga	112,000				112,000

Agency	Project	Location	2011/12	2012/13	2013/14	2014/15	Total cost
Airport Authority	Administration - Vehicle	Rarotonga		31,050			66,681
	Air Traffic Services - Vehicle	Rarotonga		31,050			66,681
	Aitutaki - Vehicle	Aitutaki				40,163	40,163
	Aviation Security - Vehicle	Rarotonga			32,137		69,015
	Management - Vehicle	Rarotonga		31,050			66,681
	Technical Services - Vehicle	Rarotonga		31,050			66,681
OPM	Air-conditioning upgrade public sector	Rarotonga	300,000				300,000
	Climate Change office set up	Rarotonga		12,000			12,000
Culture	Auditorium Tech equipment	Rarotonga	75,000				75,000
Aitutaki Power Supply	Mini Transformer	Aitutaki		48,000	-		48,000
Grand Total			2,816,454	9,055,895	2,177,137	1,085,163	15,819,051

Note: Costs of Outer Island heavy equipment is funded by grants in kind from the People's Republic of The Peoples' Republic of China and are estimated costs including freight and spares. Negotiations are currently underway to finalise procurement process, transport logistics and final consultations with island administrations to ensure priority equipment needs are being met. Note this may mean that equipment will be substituted within the value indicated above.

6. Information Communication Technology

Responsible Agency	Project	Location	2011/12	2012/13	2013/14	2014/15	Total project cost
MFEM	Accounting software for aid management	Rarotonga	30,000				30,000
	Automated Border Management	Rarotonga	1,026,000	735,000	135,000	135,000	2,031,000
	Web tax lodgement System Revenue Management system enhancements	Rarotonga		205,000			205,000
	Procurement systems review	Rarotonga	30,000				0
	Phone and Internet system	Rarotonga	35,000				35,000
Education	Computer equipment	National		360,000			360,000
	Teachers and Tereora college Education Computer upgrades	Rarotonga	110,000	110,000	110,000	110,000	660,000
FSC	On line Registry	Rarotonga	385,000	165,000			550,000
Culture	Digitisation of the Audio Visual collection of the Archives	National	25,000	300,000	100,000		442,000
Met Services	Weather observing network and management system	Rarotonga		237,000			237,000
Police	Automated weather station - airport	Rarotonga	180,000				180,000
PSC	Human Resources Information management systems	Rarotonga		180,000			180,000
CIIC	Asset management: Electronic database development	Rarotonga		135,000			135,000
Justice	Computers and IT Equipment	Rarotonga		43,000			43,000
	Scanner	Rarotonga	87,000				87,000
MOIP	ICT upgrades	Rarotonga		40,000	10,000	10,000	60,000
Airport Authority	Administration - Computers	Rarotonga			7,499		15,813
	Air Traffic Services - PC Computers	Rarotonga			3,214		6,777
	Rescue Fire Service - PC Computers	Rarotonga			3,214		6,777
	Technical Services - PC Computers	Rarotonga			3,214		6,777
OPM	Computer equipment	Rarotonga		20,000			20,000
MFAI	Computer upgrade	Rarotonga	19,200				19,200
Grand Total			1,927,200	2,530,000	372,141	255,000	5,310,344

6.1 Ministry of Finance and Economic Management

Automated Border Management System

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital					
ICT	2,031,000	1,026,000	735,000	135,000	135,000

The modernisation of the Customs and Immigration border management system provides new hardware and operating systems for the front line of border security as well as streamlining the lodgement of customs documentation, the automation of collation of statistical data currently entered manually. Amending the 1913 Customs act to accommodate the changes, training and communication.

Public Financial Management (PFM) roadmap

	Total cost	2011/12	2012/13	2013/14	2014/15
ICT	265,000	60,000	205,000		
Recurrent expenses					

The PFM roadmap was established after the Public Expenditure and Financial Accountability review undertaken in 2011 to assess relevant Cook Islands Government systems. These actions are associated with the recommendations of this review and include accounting software for aid management, a web tax lodgement system to improve revenue collection and management, revenue management system enhancements and a procurement systems review in May 2012. Government procurement is a key function earmarked for improvement and it is anticipated that new initiatives will emerge from the review to improve the efficiency of systems used to purchase goods and services from the private sector.

6.2 Financial Supervisory Commission

Online Companies Registry

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital	550,000	385,000	165,000		
Recurrent expenses					
Total	550,000	385,000	165,000		

The Cook Islands Financial Supervisory Commission (FSC) maintains the official registers for all International Trusts, International Companies and Limited Liability Companies registered in the Cook Islands. The Cook Islands Ministry of Justice is responsible for maintaining the official register for all domestic and overseas companies qualified to do business within the country. This project has established an on line electronic registry system and secure data base and appropriate changes to legislation and regulations.

6.3 Ministry of Culture

Digitization of the Audio/Visual Collection of the National Archives

	Total cost	2011/12	2012/13	2013/14	2014/15
Capital				\$300,000	\$100,000
Recurrent expenses			\$25,000*		
Total	\$442,000				

The National audio/visual collection housed in the National Archives has historical footage and recordings of Cook Islands dating back to 1960. Currently archived material is stored on the original media format, such as film, vinyl records, cassettes and spool. These formats are no longer used and produced and the technology to utilise them are obsolete. These materials are no longer accessible for viewing, listening and learning. \$25,000 is pledged with further funding under negotiation from the UN Education, Science, and Culture Organisation (UNESCO). Materials will be made accessible to the general public, to researchers, and for learning. Partners include Ministry of Education, New Zealand Film Association.

7. Recurrent expenses – New Capital Initiatives

Includes operations and maintenance costs for new capital initiatives and income (noted in brackets) from grant recipients and new public services such as “potable water” fees for Rarotonga which are not programmed to start until 2015/16.

Agency	Project	Location	2011/12	2012/13	2013/14	2014/15	Total cost
MOIP	Contributions from home owners to sanitation upgrades (Rarotonga)	Rarotonga		(200,000)	(500,000)	(500,000)	(2,200,000)
	Road Network maintenance and rehabilitation	Rarotonga	680,000	680,000	680,000	680,000	2,720,000
	Water Network maintenance	Rarotonga	775,000	775,000	775,000	1,000,000	3,325,000
	Fee income from public watsan services	Rarotonga					
OPM	RE Master Planning, policy, strategy and energy commissioner.	National	23,000	350,000	350,000	350,000	1,073,000
MFAI	OandM, Depreciation on Korean gifted cars and computers	Rarotonga		32,834	32,834	32,832	131,200
Police	Te Kukupa life raft servicing (SOLAS)	Rarotonga	10,000	10,000	10,000	10,000	70,000
Grand Total			1,488,000	1,647,834	1,347,834	1,572,832	5,119,200

8. Grants – Capital Initiatives

These are capital initiatives that are funded by providing grants to third parties such as households to increase rain water collection (e.g. water tanks, roof repairs), septic system upgrades and equipment for pearl farmers. These assets do not belong to the state and operations and maintenance costs are the responsibility of the owner.

Agency	Project	Location	2011/12	2012/13	2013/14	2014/15	Total cost	
MOIP	Aitutaki Water Tanks	Aitutaki		360,000			360,000	
	Atiu Water Tanks	Atiu		250,000			250,000	
	Domestic Tanks rehabilitation	Penrhyn		221,000				221,000
		Pukapuka		960,000				960,000
		Rakahanga		360,000				360,000
	Installation phase – up scaling sanitation except Raro/Ait	Southern Group				1,000,000	9,600,000	
	Installation phase – up scaling sanitation to Nth group	Northern Group				1,000,000	4,000,000	
	Palmerston Water Tanks upgrade	Palmerston			35,000		35,000	
	Sanitation pilot zone Installation - Muri	Rarotonga	200,000	2,000,000	200,000		2,400,000	
	Sanitation upgrades - up scaling all Aitutaki	Aitutaki		1,500,000	1,500,000	1,500,000	5,000,000	
Rarotonga water tanks	Rarotonga		1,000,000	1,000,000	1,000,000	3,000,000		
MMR	Pearl Equipment	Manihiki		1,000,000			1,000,000	
Grand Total			1,741,000	6,145,000	2,700,000	4,500,000	27,186,000	

Glossary

- **Estimated spend** is the actual spend predicted based on spending to date and contracts in place.
- **Total cost** is the estimated full cost of a capital initiative (project or program) taking into account all expenses to complete the capital initiative, this may be more or less than the total of budgets listed depending on timing differences.
- **4 year cost** is the estimated and projected costs of the four years (2011-2015) of this capital initiative plan (project or program). It can be different from 'Total cost'.
- **Capital initiatives** refers to the total of capital works, plant and equipment, recurrent expenses from capital initiatives and information and communications technology investments funded by the Cook Islands government.
- **Capital works** are building and engineering (including fixtures and facilities) works that create or extend the life of an asset. Categories include feasibility, design, upgrades and constructions.
- **Feasibility** means the technical, economic, environmental and social analysis of a proposed capital initiative with the view to assessing the value of its contribution to achieving national sustainable development.
- **Design** means the detailed costing, engineering, designs and procurement planning (e.g. tender documentation) needed to prepare a capital project for the construction phase.
- **Upgrade** can be major renovations and improvements to an existing piece of infrastructure which are over and above the normal repairs and maintenance which should be budgeted in operating costs.
- **Construction** is the building of a new piece of infrastructure and includes project management costs such as supervision and reporting.
- **Plant and equipment** (PandE) is motor vehicles, furniture, office equipment, fixtures and fittings, and plant and machinery.
- **ICT** Information and communication technology refers to unified communications and the integration of telecommunications (telephone lines and wireless signals), computers, middleware as well as necessary software, storage- and audio-visual systems, which enable users to create, access, store, transmit, and manipulate information.
- **Recurrent expenses** from new capital initiatives are expenses related to operating and maintenance (OandM) including depreciation which are over and above an existing OandM appropriation. This increases funds available to the agency to enable the proper care of state assets after project completion.
- **Grants** are capital initiatives that are funded by providing grants to third parties. These assets do not belong to the state and operations and maintenance costs are the responsibility of the owner.