



Ministry of Finance  
& Economic Management  
Government of the Cook Islands

# Economic Development Conference

*Working together to build  
quality growth.*

15 November 2019

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# Executive summary

The Cook Islands Ministry of Finance and Economic Management held an *Economic Development Conference 2019: Working together to build quality growth* on 15th November 2019 with the aim of gathering community, government and business input to inform the formation of the Economic Development Strategy 2030.

The interactive conference included two panel sessions and three breakout discussions. These were run using facilitation techniques to lead a structured conversation about delegates' vision for the future of the Cook Islands economy, the key economic development constraints, and opportunities to be pursued.

This report provides a high-level overview of the outcomes of these sessions and all outputs collected from delegates.

Throughout the conference a number of cross-cutting themes were identified:

- The economy is not just about Gross Domestic Product, it's about allocation and management of our scarce resources – people, land and environment.
- Maintaining the Cook Islands' culture and values is critical to the future of the nation and its people.
- Education should be the basis of any economic growth.
- The health of our people should be the number one priority.
- The environment is our comparative advantage, and we need to maintain it to be able to build our economy.
- The economic strategy for the Cook Islands needs to be inclusive of all of our islands.
- Our people are our greatest asset; we need to focus on providing opportunities for our people to want to remain here.
- We need to capitalise on technology which means skills and training not just implementation.
- There is a need to review our taxation policy and wage parity.
- Collaboration between public and private sectors is critical for achieving sustainable development.

Participants demonstrated a high level of engagement throughout the conference and there was robust discussion about the opportunities for the Cook Islands in the next decade. The ideas generated during the conference have been captured in full as part of this report to ensure all perspectives were heard and able to be used as part of the development of the economic strategy.

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## The conference

The Cook Islands Ministry of Finance and Economic Management held an *Economic Development Conference 2019: Working together to build quality growth* (the conference) on 15th November 2019 at the National Auditorium. The conference aimed to gather community input to inform the development of the Economic Development Strategy 2030 (the strategy).

Over 160 people attended the event, representing a cross-section of leading Cook Islands business, community and government members.

Two panel sessions and three facilitated breakout discussions were run to discuss ideas about the future of the Cook Islands economy, the key economic development constraints, and opportunities to be pursued. The topics of these sessions were:

- Equity and access
- Efficiency, productivity and transformation
- Investing in quality growth.

A team from Government moderated the panel sessions and facilitated the breakout discussions. They were supported by a team from Australia who was engaged in the design of the conference program, facilitation training and reporting on the outcomes of the conference.



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# Panel discussions

There were two panel discussions during the conference to help set the context of discussions for participants. Conference participants were invited to ask panel members questions.

The first panel was about equity and access; and efficiency, productivity and transformation. Panel members were:

- Rebeka Buchanan – Centre Coordinator/Manager Punanga Tauturu Inc
- Petero Okotai – Chief Executive Officer, Cook Islands Investment Corporation
- Teina Rongo – Te Korero o te Orau
- Phillip Henderson – Chief Executive Officer, Bluesky Cook Islands

The second panel was regarding investing in quality growth. Panel members were:

- Ewan Smith – General Manager, Air Rarotonga
- Ana-File Heather – Owner, Fave Designs
- Dr Stefano Moncada – Board Member of the Islands and Small States Institute, University of Malta
- Jamie Short, Infrastructure Cook Islands

# Economic vision

Delegates at the conference were invited to write down their economic vision for the Cook Islands for the next ten years. As anticipated, responses varied based on delegates' individual values, and a range of responses were collected.

Vision statements fell under a series of key themes:

- Education
- Health
- Environment
- Traditional culture and equality
- Public and private interaction
- Sustainable growth

# Conference topic 1: Equity and access

The first breakout session of the conference was around equity and access. Quality economic growth requires equitable distribution of economic gains, benefits from the natural environment and access to opportunity. This topic focused on three key aspects - economic equality, sharing the benefits of growth and equal access to basic necessities.

Participants identified the following areas of focus for the economic development strategy:

- We need to ensure we incorporate all our islands into the Economic Development Strategy.
- We need to provide proactive information and services such as education and health to all our citizens.
- Land access remains a key issue when we discuss economic development.
- We need to increase our financial literacy, including teaching it in schools and ensuring all our public servants understand our financial position so they can make smart choices in how to spend our money.

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- We need to focus on our youth, increasing and retaining skills and providing opportunities.
  - We need to better utilise and embrace technology.
  - Preservation of our culture and a sense of community are key aspirations regardless of how we develop, or how our economy grows.

## Conference topic 2: Efficiency, productivity and transformation

The second breakout session for participants was a discussion around efficiency, productivity and transformation. Sustained long-term growth requires improvements in productivity – producing more output for the same amount, or fewer, inputs; an efficient and effective government sector, and a more complex, diversified economy.

Participants identified the following key areas of focus in this topic:

- Our government needs to create partnerships using opportunities already available to us. We need to upskill our staff and learn from the private sector.
- We need to promote our culture and heritage as key selling points in tourism.
- We need to investigate appropriate levels of taxation (for business, tourism services and the Pa Enua) that encourages economic growth while ensuring we have enough funding to provide basic services.
- Access to the internet and new technologies will encourage new and returning businesses, leading to economic expansion.
- The government needs to be more transparent and open – we need to increase our communications with the community.
- We need to analyse our existing data sets and use this valuable information to improve our services.

## Conference topic 3: Investing in quality growth

The final breakout session of the day was a discussion about investing in quality growth. While pursuing growth is a key driver of economic planning, the local context needs to be considered to ensure that growth remains sustainable. Growth that outstrips sustainability is likely to result in negative economic, social or environmental outcomes. To ensure sustainability, investment - both public and private - is required. Investment both stimulates demand for goods and services and builds the future capacity of local businesses. To ensure quality economic growth, we must ensure that social and environmental factors are adequately considered and that the natural limitations to growth are factored in when developing economic plans.

When discussing investing in quality growth, participants identified several themes:

- Our culture, traditions and language are our comparative advantage, and we need to preserve them and value our indigenous knowledge as we grow our economy.
- Our environment is pristine and should be protected.
- Tourism is the foundation of our economy. We should continue to invest in this industry by extending it to more islands, targeting desired tourists, creating investor guidelines and pursuing new opportunities e.g. low season events. We should also invest in hospitality services.

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- We need to consider what is a sustainable amount of tourism and whether we need to cap tourist numbers.
  - Our economy should be diversified beyond tourism, and we should be encouraging small business innovation and investment in the knowledge economy.
  - Labour shortages, foreign workers and migrant skills screening need to be addressed. We need a national population policy.
  - Education is critical for securing our future. We need to invest in more in-country study opportunities and scholarships, focusing on upskilling people, especially women.
  - Many of our educated people leave the Islands, so we need incentives for them to return and stay.
  - As social issues (e.g. domestic violence, mental and physical health, safe pets) arise, we need to address them. The health of Cook Islanders should be a focus. We need Non-Communicable Diseases (NCD) to be eradicated, better understanding of how to improve health, improved family planning, and access to clean water.
  - Our government's budget process needs to change. The tax system should be modernised, ensure adequate consultation on decisions and consider tax-free zones in the Pa Enuā.