



The Government of the Cook Islands

Quarterly Financial Results

30 June 2023

Prepared by the Ministry of Finance and Economic Management

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Table of Contents

| | Page(s) |
|---|---------|
| Basis of Preparation | 3 |
| Schedule 1: Net Operating and Fiscal Balances | 4-5 |
| Schedule 2: Cash Reserves | 6 |
| Schedule 3: Loan Repayment Fund | 7 |
| Schedule 4 : Executive Council Orders | 7 |
| Table 1 : Revenue | 8-11 |
| Table 2 : Payments on behalf of Crown Expenditure | 12 |
| Table 3 : Administrated Payments Expenditure | 13-17 |
| Table 4 : Capital Expenditure | 18-21 |
| Table 5 : Borrowings | 22-23 |
| Table 6 : Official Development Assistance | 24-28 |
| Table 7 : State Owned Enterprises (SOE's) | 29 |

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 30 June 2023

| | Table | Budget Estimates Full Year 2022/23 | Carry Forwards from 2021/22 | Additional Funding Approval & Transfers | Re-Appropriated Amount 2022/23 | Total Budget & Approval | Budget YTD 30 Jun 23 \$'000 | Actual YTD 30 Jun 23 \$'000 | Variance to YTD Budget Estimates \$'000 | Actual Vs Full Year Budget 2022/23 % |
|--|----------|--|--------------------------------|---|-----------------------------------|----------------------------|-----------------------------------|-----------------------------------|---|--|
| Operating Revenue | <i>1</i> | 167,652 | 0 | 0 | 0 | 167,652 | 167,652 | 166,481 | -1,171 | 99% |
| Taxation Revenue | | 139,310 | 0 | 0 | 0 | 139,310 | 139,310 | 111,159 | -28,152 | 80% |
| Other Crown Revenue | | 13,251 | 0 | 0 | 0 | 13,251 | 13,251 | 22,225 | 8,974 | 168% |
| Trading Revenue | | 4,954 | 0 | 0 | 0 | 4,954 | 4,954 | 5,551 | 597 | 112% |
| Dividends | | 600 | 0 | 0 | 0 | 600 | 600 | 0 | -600 | 0% |
| Interest on Balances | | 1,712 | 0 | 0 | 0 | 1,712 | 1,712 | 555 | -1,157 | 32% |
| Core Sector Support | | 7,825 | 0 | 0 | 0 | 7,825 | 7,825 | 26,990 | 19,165 | 345% |
| Operating Expenditure (Exc's CIIC) | | | | | | | | | | |
| Ministry Outputs | | | | | | | | | | |
| Personnel | | 68,023 | 45 | 35 | -90 | 68,013 | 68,013 | 62,847 | 5,166 | 92% |
| Operating Administered Payments | <i>3</i> | 17,131 | 52 | 44 | 0 | 17,227 | 17,227 | 19,319 | -2,092 | 112% |
| Depreciation | | 46,560 | 1,554 | 1,911 | -10,487 | 39,538 | 39,538 | 28,186 | 11,352 | 71% |
| POBOC | <i>2</i> | 6,945 | 0 | 0 | 0 | 6,945 | 6,945 | 6,945 | 0 | 100% |
| Debt Interest Contribution to LRF | | 32,350 | 40 | 230 | 0 | 32,620 | 32,620 | 32,455 | 165 | 99% |
| Crown Infrastructure & Contingency Depreciation | | 6,780 | 0 | 0 | 0 | 6,780 | 6,780 | 9,489 | -2,709 | 140% |
| Transfer to Emergency Response Trust Fund | | 4,603 | 0 | 0 | 0 | 4,603 | 4,603 | 4,603 | 0 | 100% |
| Depreciation Contingency Fund | | 50 | 0 | 0 | 0 | 50 | 50 | 0 | 50 | 0% |
| Contingency Funds - Operating | | 2,174 | 0 | 0 | 0 | 2,174 | 2,174 | 2,174 | 0 | 100% |
| Loss on Foreign Exchange | | 100 | 0 | 0 | 0 | 100 | 100 | -2 | 102 | -2% |
| Other Operating Crown Expenditure | | 0 | 0 | 0 | 0 | 0 | 0 | 675 | -675 | 100% |
| Total Operating Expenses (including YTD Depreciation) | | 184,716 | 1,691 | 4,538 | -10,577 | 180,368 | 180,368 | 169,044 | 11,324 | 101% |
| Net Operating Surplus/(Shortfall) Balance | | -17,064 | -1,691 | -4,538 | 10,577 | -12,715 | -12,716 | -2,563 | 10,152 | 20% |
| <i>Add</i> Depreciation | | 13,722 | 0 | 0 | 0 | 13,722 | 13,722 | 13,722 | 0 | 100% |
| <i>Less</i> Capital Expenditure | <i>4</i> | 34,160 | 1,480 | -320 | -5,418 | 29,901 | 29,901 | 22,537 | 7,364 | 75% |
| Net Fiscal Surplus/(Shortfall) Balance | | -37,502 | -3,171 | -4,218 | 15,995 | -28,895 | -28,895 | -11,378 | 17,516 | 39% |

At a Glance: Fiscal Position

* Government's Net Fiscal balance for the quarter ended 30 June 2023 was \$11.3 deficit. This was an improvement by \$17.4 million compared to the budget estimate of \$28.8 million deficit. Overall revenue collection was slightly lower than anticipated by \$1.21 million, however, cost savings in Personnel (of \$5.1 million) and Administered Payments (of \$11.3 million) have contributed to the improvement in Government's net fiscal balance.

* The total Operating Revenue collected was \$1.21 million lower than anticipated for the quarter ended 30 June 2023. Although taxation revenue collection was significantly lower than estimated, this was offset by increases in Other Revenue of \$7.61 million (inclusive of FSC Vested Assets of \$2.3 million, General Budget Support of \$4.16 million, Core Sector Support of \$22.8 million and EU Agreement of \$1.42 million), followed by Trading Revenue of \$0.59 million.

*The total Operating Expenses for General Government adjusted for depreciation for the year ended 30 June 2023 was lower by \$11.32 million. There was an overspend of \$2.09 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 \$11.3 million, mainly contributed by YTD underspends in Airline Underwrite (of \$2.19 million) and COVID-19 Medical Response Funds (of \$4.50 million) and re-appropriations. Refer to Table 3 - Administered Payments for details

* Capital Expenditure: Capital expenditure was lower than budgeted by \$7.36 million for the quarter ended 30 June 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
30 June 2023

| | | 30 June YTD | 31 Mar 2023 YTD | Variance |
|--|--------------|----------------|-----------------|----------------|
| | | \$'000 | \$'000 | \$'000 |
| <i>Cash At Bank</i> | | | | |
| Term Deposits and Trust Accounts | | 125,726 | 121,452 | 4,274 |
| Operational Bank Accounts | | 25,153 | 22,915 | 2,238 |
| Foreign Exchange Reserves | | 22,848 | 21,147 | 1,701 |
| Total Cash Reserves | | 173,727 | 165,514 | 8,213 |
| <i>Committed:</i> | | | | |
| Loan Repayment Fund ¹ | LRF Act 2014 | 5,047 | 10,514 | (5,467) |
| Outer Islands Reserves ² | IG Act 2012 | 2,030 | 2,301 | (271) |
| Disaster Response Fund ³ | Trust Fund | 2,168 | 2,123 | 45 |
| Infrastructure Trust Fund ⁴ | Trust Fund | 45,586 | 45,285 | 301 |
| Aid Trust Fund ⁵ | Trust Fund | 24,044 | 15,578 | 8,466 |
| Land/Law Trust/Other Agency Trust Funds | Trust Fund | 14,323 | 14,179 | 144 |
| Trust Account Deposits ⁷ | Trust Fund | 3,708 | 3,657 | 51 |
| Total Committed Funds | | 96,906 | 93,637 | 3,269 |
| <i>Other General Funds:</i> | | | | |
| Government Department/Agencies Bank Accounts | General Fund | 320 | 2,476 | (2,156) |
| Vat/Tax Imprest and Customs Bonds Account ⁸ | General Fund | 2,226 | 3,666 | (1,440) |
| General Reserves - Legacy | General Fund | 3,606 | 3,565 | 41 |
| Total Other General Funds | | 6,152 | 9,707 | (3,555) |
| Estimated General Cash Reserve | | 70,669 | 62,170 | 8,499 |

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

| | 30 June YTD \$'000 |
|--|-----------------------|
| Opening LRF Balance | 10,513 |
| Contribution to LRF Principal | 0 |
| Contribution to LRF Interest | 0 |
| Total Transfer into LRF by General Government | 10,513 |
| Realised Gain/(Loss) on Foreign Exchange | (586) |
| Transfer out of LRF | 0 |
| Interest earned by LRF | 37 |
| Total Inflows/(Outflows) | (549) |
| Principal paid out of LRF | 978 |
| Interest paid out of LRF | 3,939 |
| Total Outflows | 4,917 |
| Closing LRF Balance | 5,047 |

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 | 4,537 |
| Total Balance | 269 |

| Executive Council Orders Authority | Budget | Agency | \$'000 |
|---|---------------|---|---------------|
| Personnel Top-up | | Personnel OPM | 25 |
| Hom's Salaries Top-Up | | Admin Pymt PSC | 120 |
| Legal cost requirements | | EO 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 Referral Health | 850 |
| 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 | | EO CIG | 10 |
| Welfare Payments Top Up | | Admin Pymt MOI | 75 |
| Domestic Hosting Top Up | | Admin Pymt HOS | 6 |
| Cook Islands Parliamentary Election | | EO CPS | 300 |
| Total Executive Council Orders Authority as at | | | 4,537 |

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 & Transfers | Budget YTD | Actual YTD | Variance to YTD Budget Estimates | Actual Vs Full Year Budget 2022/23 |
|--|---------------------------------------|---|----------------|----------------|-------------------------------------|---------------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % |
| Taxation Revenue | | | | | | |
| Value Added Tax | 63,534 | - | 63,534 | 59,072 | -4,462 | 93% |
| Individual Income Tax | 27,822 | - | 27,822 | 22,074 | -5,748 | 79% |
| Company Income Tax | 17,121 | - | 17,121 | 4,794 | -12,327 | 28% |
| Import Duties | 13,806 | - | 13,806 | 15,229 | 1,423 | 110% |
| Withholding Tax | 1,730 | - | 1,730 | 833 | -897 | 48% |
| Departure Tax | 15,297 | - | 15,297 | 9,156 | -6,140 | 60% |
| | 139,310 | - | 139,310 | 111,159 | -28,152 | 80% |
| Other Revenue | | | | | | |
| FSC - Vested Assets | 0 | - | 0 | 2,310 | 2,310 | 0% |
| Financial Supervisory Commission - Return of Excess | 125 | - | 125 | 240 | 115 | 192% |
| Immigration Fees | 1,000 | - | 1,000 | 1,422 | 422 | 142% |
| IMO Subscriptions MCI | 66 | - | 66 | 0 | -66 | 0% |
| Court Services | 27 | - | 27 | 37 | 10 | 138% |
| Police Fines | 0 | - | 0 | 56 | 56 | 0% |
| US Fisheries Treaty (upfront days) | 3,243 | - | 3,243 | 3,012 | -231 | 93% |
| EU Agreement | 400 | - | 400 | 1,695 | 1,295 | 424% |
| Purse seine fishery | 2,260 | - | 2,260 | 1,526 | -734 | 68% |
| Longline Licenses and QMS | 3,000 | - | 3,000 | 3,753 | 753 | 125% |
| Other Fisheries and Auxiliary Vessel Licensing | 160 | - | 160 | 113 | -47 | 71% |
| Research Fees | 2 | - | 2 | 2 | 0 | 103% |
| Permits | 10 | - | 10 | 20 | 10 | 195% |
| Vodafone Dividend | 600 | - | 600 | 0 | -600 | 0% |
| Numismatics | 450 | - | 450 | 1,188 | 738 | 264% |
| Sale of Circulating Currency | 200 | - | 200 | 148 | -52 | 74% |
| Drivers License Fees | 100 | - | 100 | 330 | 230 | 330% |
| Motor Vehicle Registration | 875 | - | 875 | 811 | -64 | 93% |
| Interest on Balances (Crown) | 395 | - | 395 | 1,456 | 1,061 | 369% |
| Interest on Balances - Loan Reserve Fund | 125 | - | 125 | 0 | -125 | 0% |
| Interest on Balances - SOE Advances | 1,317 | - | 1,317 | 1,719 | 402 | 130% |
| Foreign Investment Fees | 34 | - | 34 | 27 | -7 | 80% |
| Upper Air Management Agreement | 510 | - | 510 | 455 | -55 | 89% |
| Shipping Registration | 92 | - | 92 | 221 | 129 | 240% |
| International Shipping Licence | 15 | - | 15 | -8 | -23 | -52% |
| Liquor Licencing | 30 | - | 30 | 63 | 33 | 208% |
| Tattslotto Grants | 120 | - | 120 | 215 | 95 | 179% |
| Censorship Fees | 1 | - | 1 | 1 | 0 | 61% |
| Land Court Fees | 147 | - | 147 | 192 | 45 | 131% |
| Motor Vehicle Dealers | 3 | - | 3 | 5 | 2 | 156% |
| SIOFA - Regional Fisheries Management Organisations | 255 | - | 255 | 135 | -120 | 53% |
| Gain on Foreign Exchange | 0 | - | 0 | 1,318 | 1,318 | 0% |
| General Budget Support | 0 | - | 0 | 4,165 | 4,165 | 0% |
| Core Sector Support | 7,825 | - | 7,825 | 22,825 | 15,000 | 292% |
| Other Revenue on Behalf of Crown | 0 | - | 0 | 321 | 321 | -126189% |
| | 23,388 | - | 23,388 | 49,771 | 26,383 | 213% |
| Total ROBOC | 162,698 | - | 162,698 | 160,929 | -1,769 | 99% |
| Government Agencies & Island Governments Trading Revenue | 4,954 | - | 4,954 | 5,551 | 597 | 112% |
| Total Operating Revenue | 167,652 | - | 167,652 | 166,481 | -1,171 | 99% |

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

| | Comparative Actual Jun 22 | Actual YTD | Year on Year | Commentary |
|-------------------------------|------------------------------|------------|--------------|---|
| | \$'000 | \$'000 | | |
| Taxation Revenue items | | | | |
| | | | | <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 | 57,105 | 59,072 | 3% | VAT collection has increased compared to previous year due to an increase in visitors during this quarter, resulting in increased spending. |
| Individual Income Tax | 24,759 | 22,074 | -11% | Individual Income Tax was down by 11 per cent from a year ago. This decrease is the result of a significant decrease in the estimated collectible tax owed (accrued) to the govt combined with increased tax refund payouts for the financial year. |
| Company Income Tax | 6,654 | 4,794 | -28% | Company Income Tax was down by 28 per cent from a year ago. This is mainly due to a significant decrease in the estimated collectible tax (accrued) owed to the govt |
| Import Duties | 11,967 | 15,229 | 27% | Customs Tax was up by 27 per cent from a year ago and up by 110 per cent against the annual budget. There has been an increase in the volume of imported goods. |
| Withholding Tax | 1,469 | 833 | -43% | Withholding Tax was down by 43 per cent from a year ago due to a significant decrease in the estimated collectible tax (accrued) owed to the govt. |
| Departure Tax | 4,420 | 9,156 | 107% | This significant improvement is due to increased visitor numbers throughout the year, which coincides with increased incoming flights from New Zealand, Australia, Tahiti and Hawaii. |
| | | 111,159 | | |

| Other Revenue items | Comparative Actual Jun 22 \$'000 | Actual YTD \$'000 | Year on Year % | <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) | 3,429 | 3,012 | -12% | Fisheries US Treaties Revenue was down 71 per cent from a year ago and up 96 per cent against annual budget estimate. |
| EU Agreement | 2,132 | 1,695 | -20% | ROBOC collected from the EU Agreement was down 20 per cent from a year ago. This relates to fisheries revenue obtained via purse seine agreements with the EU. |
| Purse Seine Fishery | 250 | 1,526 | 510% | Collection of Purse Seine Fisheries revenue is up by \$1.27 mill compared to a year ago. |
| Longline Licenses and QMS | 2,520 | 3,753 | 49% | Longline licenses and QMS Revenue was up by 49 per cent from a year ago. There was a steady collection of revenue for the last quarter. |
| General Budget Support | 40 | 4,165 | 10313% | This Core Sector Funding was provided by NZ and was spread over 3 years the last year being 2022/23 |
| | | 14,151 | | |

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

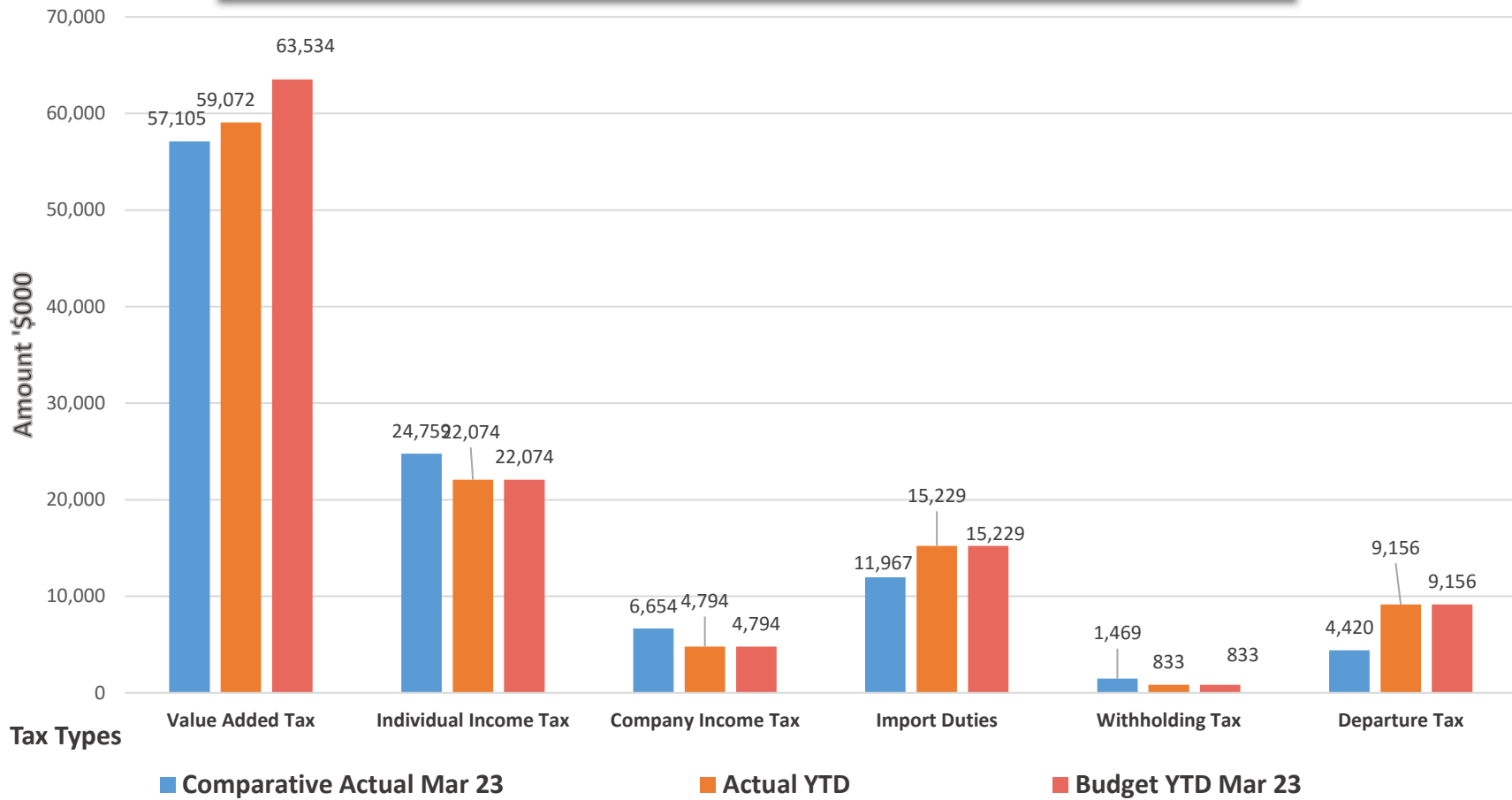


Table 2: Payments on Behalf of Crown (POBOC)

| | Budget Estimates Full Year 2022/23 | Carry Forwards from 2021/22 | Additional Funding Approval & Transfers ----- | Budget YTD | Actual YTD | Variance to YTD Budget Estimates | Actual Vs Full Year Budget 2022/23 |
|---|---------------------------------------|--------------------------------|---|---------------|---------------|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % |
| Airport Authority Subsidy | 2,048 | - | - | 2,048 | 2,048 | 0 | 100% |
| Audit Fees | 103 | - | - | 103 | 81 | 22 | 78% |
| Bank of the Cook Islands - Social Assistance Subsidy | 128 | - | - | 128 | 128 | 0 | 100% |
| BEPS Subscription | 45 | - | - | 45 | 38 | 7 | 85% |
| Caregivers Allowance | 0 | - | - | 0 | 0 | 0 | 0% |
| Carer Order Payment | 10 | - | - | 10 | 0 | 10 | 0% |
| Child Benefit | 5,414 | - | - | 5,270 | 5,175 | 95 | 96% |
| CIG Insurance | 40 | - | - | 40 | 40 | 0 | 100% |
| Civil List - Constituency Visits | 170 | - | - | 170 | 68 | 102 | 40% |
| Civil List - Personnel | 2,902 | - | - | 2,902 | 3,230 | -328 | 111% |
| Competition and Regulatory Authority | 400 | - | - | 400 | 396 | 4 | 99% |
| Government Paid Maternity Leave | 150 | - | - | 150 | 121 | 29 | 80% |
| House of Ariki Operating | 327 | - | - | 327 | 332 | -5 | 101% |
| Infirm/Destitute Benefit | 1,280 | - | - | 1,280 | 1,203 | 77 | 94% |
| International Subscriptions | 890 | - | - | 890 | 871 | 19 | 98% |
| IMO - Maritime Organisation | 63 | - | - | 63 | 63 | 0 | 100% |
| Maritime Radio Coverage | 120 | - | - | 120 | 120 | 0 | 100% |
| MP Travel and Allowances (local and overseas) | 230 | - | 207 | 437 | 432 | 5 | 99% |
| New Born Allowance | 229 | - | - | 229 | 195 | 34 | 85% |
| Old Age Benefit | 13,984 | - | - | 14,128 | 14,123 | 4 | 101% |
| Pacific Catastrophe Risk Insurance | 160 | - | - | 160 | 183 | -23 | 114% |
| Parliamentary Sitting Expenses | 200 | - | - | 200 | 202 | -2 | 101% |
| Parliamentary Superannuation | 180 | - | - | 180 | 75 | 105 | 42% |
| PERC Salaries and Administration Costs | 58 | - | - | 58 | 52 | 5 | 91% |
| Ports Authority Subsidy | 110 | - | - | 110 | 110 | 0 | 100% |
| Production of new currency, transportation and sale of old co | 0 | - | - | 0 | 0 | 0 | 0% |
| QR Travel and Allowances (local and overseas) | 109 | 40 | 23 | 172 | 167 | 5 | 97% |
| To Tatou Vai - POBOC | 3,000 | - | - | 3,000 | 2,999 | 1 | 100% |
| | | | | 0 | 0 | | |
| | 32,350 | 40 | 230 | 32,620 | 32,452 | 168 | 99% |

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 | 2,048 | 100% | This funding is to support the day to day operations of the Airport Authority in Rarotonga. Budget has been fully utilised for the year. |
| Child Benefit | 5,414 | 5,175 | 96% | Welfare payments relating to Child Benefits have tracked against budget expectations for the financial year. |
| Civil List - Personnel | 2,902 | 3,230 | 111% | The Civil List was over-spent because the Clothing Allowance for Members of Parliament had not been factored into the annual appropriation |
| Infirm/Destitute Benefit | 1,280 | 1,203 | 94% | This has performed well within budget estimates and has met the expected benchmark. |
| Old Age Benefit | 13,984 | 14,123 | 101% | This has performed well within budget estimates and has met the expected benchmark. |
| To Tatou Vai - POBOC | 3,000 | 2,999 | 100% | This funding is to assist To Tatou Vai in its management and operations to supply and maintain Rarotonga's water network and infrastructure. The agency submits monthly reports to keep track of expenditure. |

Table 3: Administrative Payments

| | Budget Estimates Full Year 2022/23 | Carry Forwards from 2021/22 | Additional Funding Approval & Transfers | Re-Appropriated Amount/Transfers 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 | \$'000 | % |
| Audit of Crown Accounts | 30 | - | - | - | 30 | 30 | 30 | 0 | 100% |
| Asian Infrastructure Investment Bank (AIIB) Membership | 31 | - | - | - | 31 | 31 | 37 | -6 | 120% |
| Airline Underwrite | 10,000 | - | - | -7,450 | 2,550 | 2,550 | 2,103 | 447 | 82% |
| Border Management System Maintenance | 155 | - | - | - | 155 | 155 | 0 | 155 | 0% |
| Bridges and Drainage Maintenance | 700 | - | - | - | 700 | 700 | 224 | 476 | 32% |
| Bus Service | 26 | - | - | 10 | 36 | 36 | 36 | 0 | 100% |
| Caregivers Allowance | 463 | - | 38 | - | 500 | 500 | 489 | 11 | 98% |
| Christmas Bonus | 340 | - | - | - | 340 | 340 | 341 | -1 | 100% |
| CISNOG Grant | 370 | - | - | - | 370 | 370 | 370 | 0 | 100% |
| CISNOG Grant Top Up EO 1.5% | 0 | - | 100 | - | 100 | 100 | 100 | 0 | 100% |
| Community Support Fund | 100 | - | - | - | 100 | 100 | 103 | -3 | 103% |
| Cook Islands Cultural Fund | 100 | - | - | - | 100 | 100 | 101 | -1 | 101% |
| 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 | 40 | 40 | 0 | 99% |
| COVID-19 Economic Response Plan - MFM | 0 | - | - | - | 0 | 0 | 0 | 0 | 0% |
| COVID-19 Medical Response Fund | 5,000 | - | - | - | 5,000 | 5,000 | 497 | 4,503 | 10% |
| Debt Advisory Services | 60 | - | - | - | 60 | 60 | 1 | 59 | 2% |
| Domestic Hosting Entertainment | 15 | - | 6 | - | 21 | 21 | 19 | 2 | 92% |
| Economic Recovery Roadmap | 5,200 | - | - | -2,167 | 3,033 | 3,033 | 824 | 2,209 | 27% |
| EIA Process | 150 | - | - | - | 150 | 150 | 150 | 0 | 100% |
| Emergency Work | 200 | - | - | - | 200 | 200 | 130 | 70 | 65% |
| Fisheries Development Facility | 150 | - | - | - | 150 | 150 | 149 | 1 | 100% |
| FMIS Maintenance | 80 | - | - | - | 80 | 80 | 87 | -7 | 108% |
| Funeral Assistance Allowance | 170 | - | 38 | - | 208 | 208 | 192 | 16 | 93% |
| Government Broadband Utilities | 30 | - | - | - | 30 | 30 | 30 | 0 | 100% |
| Government Facilities Development Division | 420 | - | - | -40 | 380 | 380 | 357 | 23 | 94% |
| Government Funded Scholarships | 780 | - | - | 50 | 830 | 830 | 830 | 0 | 100% |
| Head of State Rent | 13 | - | - | - | 13 | 13 | 13 | 0 | 100% |
| HOM's Salaries | 1,903 | - | 120 | - | 2,023 | 2,023 | 1,983 | 40 | 98% |
| House of Ariki Operating | 0 | - | - | - | 0 | 0 | 0 | 0 | 0% |
| House of Ariki - Personnel | 0 | - | - | - | 0 | 0 | 0 | 0 | 0% |
| ICT Support Team | 250 | - | - | - | 250 | 250 | 235 | 15 | 94% |
| Infrastructure Committee | 100 | - | - | 12 | 112 | 112 | 116 | -4 | 104% |
| Internal Affairs Youth Program | 45 | - | - | - | 45 | 45 | 44 | 1 | 98% |
| International Exchange of Information System Upgrade (IGOR) | 89 | - | - | - | 89 | 89 | 0 | 89 | 0% |
| International Subscriptions | 0 | - | - | - | 0 | 0 | 35 | -35 | 0% |
| Joint Venture with Seabed Minerals Authority | 50 | - | - | - | 50 | 50 | 48 | 2 | 96% |
| Judge's Allowances | 300 | 145 | - | - | 445 | 445 | 336 | 109 | 76% |
| Land Records Update Project | 120 | - | - | - | 120 | 120 | 86 | 34 | 72% |

Table 3: Administrative Payments Cont'd

| | Budget Estimates Full Year 2022/23 | Carry Forwards from 2021/22 | Additional Funding Approval & Transfers מקורות/תוספת | Reappropriated/Transfers 2023/24 | 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 | \$'000 | % |
| Law and Order Clinical Psychologist | 90 | - | - | - | 90 | 90 | 2 | 88 | 2% |
| Lease Extension | 72 | - | - | - | 72 | 72 | 36 | 36 | 50% |
| Legal Aid | 40 | - | - | - | 40 | 40 | 10 | 30 | 25% |
| Legal Provisions | 50 | - | 150 | - | 200 | 200 | 171 | 29 | 86% |
| Management of Suwarrow Park | 100 | - | - | - | 100 | 100 | 100 | 0 | 100% |
| Marae Moana Ambassador | 60 | - | - | - | 60 | 60 | 60 | 0 | 100% |
| Marketing Resources - Tourism Growth Strategy | 4,500 | 1,309 | - | -1,243 | 4,566 | 4,566 | 3,257 | 1,309 | 71% |
| National Events | 500 | - | - | - | 500 | 500 | 499 | 1 | 100% |
| National Census | 0 | 43 | - | - | 43 | 43 | 42 | 0 | 100% |
| National Heritage Trust | 122 | - | - | - | 122 | 122 | 122 | 0 | 100% |
| NCD Fund | 195 | - | - | - | 195 | 195 | 195 | 0 | 100% |
| NES-Corporate Services BAU | 0 | - | - | - | 0 | 0 | 0 | 0 | 0% |
| Pa Enua Connectivity | 200 | - | - | - | 200 | 200 | 200 | 0 | 100% |
| Pa Enua Machinery Maintenance Fund | 100 | - | - | - | 100 | 100 | 97 | 3 | 97% |
| Pa Enua Mechanical Overseer | 100 | - | - | - | 100 | 100 | 96 | 4 | 96% |
| Patient Referrals | 850 | - | 0 | - | 850 | 850 | 1,436 | -586 | 169% |
| Patient Referrals Top Up EO 1.5% | 0 | - | 850 | - | 850 | 850 | 200 | 650 | 24% |
| Pharmaceuticals | 1,168 | - | - | - | 1,168 | 1,168 | 1,168 | 0 | 100% |
| PM Social Responsibility Fund | 363 | - | - | - | 363 | 363 | 363 | 0 | 100% |
| Police Youth Program | 45 | - | - | - | 45 | 45 | 44 | 1 | 97% |
| Post Tax Amnesty Work | 0 | 41 | - | - | 41 | 41 | 33 | 8 | 80% |
| Power Subsidy | 84 | - | - | - | 84 | 84 | 65 | 19 | 78% |
| Price Tribunal Committee | 60 | - | - | - | 60 | 60 | 36 | 24 | 60% |
| Private School Funding - Aitutaki SDA | 185 | - | - | 47 | 231 | 231 | 230 | 1 | 99% |
| Private School Funding - Blackrock | 54 | - | - | 47 | 101 | 101 | 95 | 6 | 94% |
| Private School Funding - Creative Centre | 107 | - | - | 47 | 154 | 154 | 152 | 2 | 99% |
| Private School Funding - Immanuela Akatemia | 226 | - | - | 47 | 272 | 272 | 273 | -1 | 100% |
| Private School Funding - Nukutere | 699 | - | - | 47 | 746 | 746 | 751 | -5 | 101% |
| Private School Funding - Papaarua | 271 | - | - | 47 | 317 | 317 | 315 | 3 | 99% |
| Private School Funding - St. Josephs | 468 | - | - | 47 | 515 | 515 | 516 | -1 | 100% |
| Private School Funding - Te Uki Ou | 653 | - | - | 47 | 700 | 700 | 712 | -13 | 102% |
| Production of new currency, transportation and sale of old coins | 350 | - | - | - | 350 | 350 | 43 | 307 | 12% |
| Provision for Inter-Island Shipping | 500 | - | 570 | - | 1,070 | 1,070 | 966 | 104 | 90% |
| Provision for Land Rentals | 400 | - | - | 8 | 408 | 408 | 408 | 0 | 100% |
| Public Sector Strengthening - Process & Systems | 125 | - | - | - | 125 | 125 | 39 | 86 | 31% |
| Public Sector Strengthening - Renovation Support | 0 | - | - | - | 0 | 0 | -4 | 4 | 0% |
| QR Social Responsibility Fund | 8 | - | - | - | 8 | 8 | 8 | 0 | 100% |

Table 3: Administrative Payments Cont'd

| | Budget Estimates Full Year 2022/23 | Carry Forwards from 2021/22 | Additional Funding Approval & Transfers | Re-Appropriated Amount 2021/22 | 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 | \$'000 | % |
| Religious Advisory Council | 10 | - | - | - | 10 | 10 | 10 | 0 | 100% |
| Remuneration Tribunal Committee | 0 | 18 | - | - | 18 | 18 | 5 | 13 | 28% |
| Returned Services Association | 5 | - | - | - | 5 | 5 | 5 | 0 | 99% |
| Road and Civil Maintenance | 850 | - | - | - | 850 | 850 | 566 | 284 | 67% |
| School Security | 230 | - | - | 20 | 250 | 250 | 250 | 0 | 100% |
| Seabed Minerals Compliance Development | 0 | - | - | - | 0 | 0 | 0 | 0 | 0% |
| Seabed Minerals Sector Development | 100 | - | - | - | 100 | 100 | 73 | 27 | 73% |
| Search and Rescue | 20 | - | - | - | 20 | 20 | 1 | 19 | 4% |
| Serious Crime Investigations | 100 | - | - | - | 100 | 100 | 92 | 8 | 92% |
| SIF - CIG Contribution | 1,000 | - | - | - | 1,000 | 1,000 | 968 | 32 | 97% |
| Special Assistance Projects | 250 | - | - | - | 250 | 250 | 250 | 0 | 100% |
| Special Investigative & Prosecution Services | 50 | - | - | - | 50 | 50 | 43 | 7 | 86% |
| Special Select Committee | 120 | - | - | - | 120 | 120 | 30 | 90 | 25% |
| State Events | 20 | - | 40 | - | 60 | 60 | 56 | 4 | 94% |
| Standard and Poors Subscription | 70 | - | - | - | 70 | 70 | 76 | -6 | 108% |
| Subsidy of audio/visual broadcasting in Pa Enua | 45 | - | - | - | 45 | 45 | 33 | 12 | 72% |
| Tarai Vaka Fund | 20 | - | - | - | 20 | 20 | 12 | 8 | 61% |
| Tax Law Review | 30 | - | - | - | 30 | 30 | 30 | 0 | 100% |
| Te Kopapa Reo Maori Board | 15 | - | - | - | 15 | 15 | 15 | 0 | 100% |
| Te Kukupa - Fuel Contribution | 50 | - | - | - | 50 | 50 | 0 | 50 | 0% |
| Tertiary Training Institutions | 1,160 | - | - | -60 | 1,100 | 1,100 | 1,093 | 7 | 99% |
| The Centre of Excellence in Information Technology (CEIT) | 80 | - | - | - | 80 | 80 | 89 | -9 | 111% |
| The Centre of Research and Policy Studies | 80 | - | - | - | 80 | 80 | 66 | 14 | 83% |
| To Tatou Vai - Administered Payment | 0 | - | - | - | 0 | 0 | -11 | 11 | 0% |
| Universal Access Fund | 400 | - | - | - | 400 | 400 | 0 | 400 | 0% |
| University of the South Pacific Contribution | 205 | - | - | - | 205 | 205 | 205 | 0 | 100% |
| Vaka Maintenance | 400 | - | - | - | 400 | 400 | 400 | 0 | 100% |
| Waste Management | 730 | - | - | - | 730 | 730 | 671 | 59 | 92% |
| Workforce Development | 234 | - | - | - | 234 | 234 | 234 | 0 | 100% |
| | | | | | | | | 0 | |
| | | | | | | | | 0 | |
| | 46,560 | 1,554 | 1,911 | -10,487 | 39,538 | 39,538 | 28,187 | 11,351 | 71% |
| | | | 94.00 | | | | | | |

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 | 2,550 | 2,103 | 82% | 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. \$7.45 mill of the budget has been reappropriated to the 2024FY in anticipation of more direct routes being established, one of which is to and from Fiji. |
| COVID-19 Medical Response Fund | 5,000 | 497 | 10% | 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. The significant underspend is due to less actual expenditure than expected. |
| Economic Recovery Roadmap | 3,033 | 824 | 27% | 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 | 1,983 | 98% | The YTD expenditure has tracked well against budget estimates for the financial year. |
| Marketing Resources - Tourism Growth Strategy | 4,566 | 3,257 | 71% | This budget is for Cook Islands Tourism to promote the Cook Islands as an ideal travel destination. YTD expenditure \$1.8 mil relates to International Representation, Stakeholder Management, Sales and Marketing, Public Relations, E Commerce and Destination Development. \$1.24 mill has been reappropriated to the 2024FY. |
| Pharmaceuticals | 1,168 | 1,168 | 100% | The YTD expenditure has progressed within annual budget estimates. 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 | 968 | 97% | 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 expenditure has met budget estimates for the financial year. |
| Tertiary Training Institutions | 1,100 | 1,093 | 99% | 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 & Transfers 2022/23 | Re-Appropriated Amount 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 | \$'000 | % |
| Apii Nikao School Sound Proofing | 0 | 33 | 0 | | 33 | 33 | 33 | 0 | 100% |
| Aitutaki Capital Funding | 16 | - | 0 | | 16 | 16 | 11 | 5 | 68% |
| Aitutaki Harbour Dredging | 0 | 422 | 350 | | 772 | 772 | 772 | 0 | 100% |
| Arorangi Prison Remedial Works | 0 | 30 | 0 | | 30 | 30 | 28 | 2 | 93% |
| Atiu Capital Funding | 12 | - | 0 | | 12 | 12 | 0 | 12 | 0% |
| Auditorium Equipment Replacement Programme | 100 | - | 0 | | 100 | 100 | 99 | 1 | 99% |
| Bridges and Structures Asset Management and Improvement Programme | 6,050 | - | -5,472 | 0 | 578 | 578 | 763 | -185 | 132% |
| Capital Distribution Fund | 300 | - | 542 | | 842 | 842 | 779 | 63 | 93% |
| COVID-19 Response Fund - Capital Needs | 1,000 | - | | -290 | 710 | 709 | 619 | 89 | 87% |
| Drainage Asset Management and Improvement Programme | 500 | - | | -220 | 280 | 280 | 31 | 250 | 11% |
| Emergency Management and Support Infrastructure | 0 | - | 0 | | 0 | 0 | 89 | -89 | 0% |
| FMIS Purchase and Implementation | 11 | - | 0 | | 11 | 11 | 0 | 11 | 0% |
| Fund to be Prioritised by Education | 300 | - | 0 | | 300 | 300 | 300 | 0 | 100% |
| Fund to be Prioritised by Health for Technical Equipment | 300 | - | 0 | | 300 | 300 | 299 | 1 | 100% |
| Government Building Projects | 1,361 | - | | -497 | 864 | 864 | 585 | 279 | 68% |
| Government Building Projects - Rarotonga | 1,079 | 643 | 490 | | 2,212 | 2,212 | 1,521 | 691 | 69% |
| Government IT Network | 551 | - | 0 | | 551 | 551 | 579 | -28 | 105% |
| Land Acquisition | 700 | | | -600 | 100 | 100 | 4 | 96 | 4% |
| Mangaia Capital Funding | 12 | - | 0 | | 12 | 12 | 12 | 0 | 98% |
| Manihiki Capital Funding | 10 | - | 0 | | 10 | 10 | 0 | 10 | 0% |
| Mauke Capital Funding | 10 | - | 0 | | 10 | 10 | 10 | 0 | 95% |
| Mitiaro Capital Funding | 8 | - | 0 | | 8 | 8 | 5 | 3 | 67% |
| Orongo Development Master Plan and Centre reconstruction - Ports Authority | 500 | - | 0 | | 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 & Transfers 2022/23 | Re-Appropriated Amount 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 | \$'000 | % |
| Pa Enea Government Building Projects - Northern Group | 500 | 77 | 25 | | 602 | 602 | 511 | 91 | 85% |
| Pa Enea Government Building Projects - Southern Group | 500 | - | 125 | | 625 | 625 | 524 | 101 | 84% |
| Pa Enea Marine Infrastructure Improvement Programme | 2,660 | - | | -2,470 | 190 | 190 | 100 | 90 | 53% |
| Pa Enea Air Infrastructure Improvement Programme - CIG | 892 | - | | -649 | 243 | 243 | 178 | 65 | 73% |
| PA Enea Capital Distribution Fund | 300 | - | | -251 | 49 | 49 | 49 | 0 | 100% |
| Palmerston Capital Funding | 10 | - | 0 | | 10 | 10 | 8 | 2 | 84% |
| Penrhyn Capital Funding | 12 | - | 0 | | 12 | 12 | 12 | 0 | 97% |
| Prison Development Programme - Strategic Plan | 0 | 50 | 0 | | 50 | 50 | 41 | 9 | 83% |
| Pukapuka Capital Funding | 12 | - | 0 | | 12 | 12 | 0 | 12 | 0% |
| Rakahanga Capital Funding | 8 | - | 0 | | 8 | 8 | 7 | 1 | 87% |
| Rarotonga Airport Slab Replacement | 850 | - | 0 | | 850 | 850 | 69 | 781 | 8% |
| Rarotonga Cyclone Shelters - Remediation | 400 | - | | -200 | 200 | 200 | 180 | 20 | 90% |
| Renewable Energy Project Management and Support | 0 | 175 | 0 | | 175 | 174 | 165 | 10 | 94% |
| Revenue Management System Upgrade (RMS10) | 2,851 | - | 304 | | 3,155 | 3,155 | 1,483 | 1,672 | 47% |
| Roads Asset Management and Improvement Programme | 8,731 | - | 3,299 | | 12,030 | 12,030 | 11,267 | 763 | 94% |
| Telecommunication Universal Access | 200 | - | 0 | | 200 | 200 | 197 | 3 | 99% |
| To Tatou Vai - Capital | 3,000 | - | | -190 | 2,810 | 2,810 | 360 | 2,450 | 13% |
| Vaka Maintenance Capital Projects | 50 | 50 | 0 | | 100 | 100 | 66 | 34 | 66% |
| Waste Management Infrastructure Improvement Programme | 100 | - | | -51 | 49 | 49 | 49 | 0 | 100% |
| Water and Sanitation Infrastructure Improvement Programme | 264 | - | 17 | | 281 | 281 | 233 | 48 | 83% |
| | 34,160 | 1,480 | -320 | -5,418 | 29,901 | 29,901 | 22,538 | 7,363 | 75% |

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 | 578 | 763 | 132% | 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 was transferred to the Road Asset Management Budget for the Rarotonga Road Renewal for Qtrs 3&4 |
| Pa Eua Marine Infrastructure Improvement Programme | 190 | 100 | 53% | The focus of this years expenditure is the Nassau Harbour. YTD expenditure is Claim 2 for the design phase of the project. \$2.6 mil was budgeted to be spent in June 2023, this did not occur. |
| Pa Eua Air Infrastructure Improvement Programme - CIG | 243 | 178 | 73% | 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. \$892k was budgeted to be spent in June 2023, this did not occur |
| COVID-19 Response Fund - Capital Needs | 710 | 619 | 87% | 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 expenditure for COVID Airport Health Readiness. |
| Government Building Projects | 864 | 585 | 68% | 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. \$1.3mill was budgeted to be spent in Qtr 4, this did not occur |
| Government Building Projects - Rarotonga | 2,212 | 1,521 | 69% | 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. Majority of the funding has been utilised to achieve completion of the projects stated above. |

| | | | | |
|---|--------|--------|-----|--|
| Water and Sanitation Infrastructure Improvement Programme | 281 | 233 | 83% | This project is for the Pa Enua and this years budget has prioritised Penrhyn Water Storage, Atui Water Gallery, Mangaia Ivirua water distrubution and Tepuka Sanitation Improvement. YTD Expenditure is Aitutaki Vaimaru Well, Atiu Water Supply and supply of water tanks to Penrhyn. A YTD budget \$264k was allocated for Qtr 4. |
| Revenue Management System Upgrade (RMS10) | 3,155 | 1,483 | 47% | 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. |
| Roads Asset Management and Improvement Programme | 12,030 | 11,267 | 94% | \$3.6 million is was 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 | 2,810 | 360 | 13% | YTD expenditure has been used for Water Network upgrades on Rarotonga and Office Furniture. Less spending than anticipated for the June 2023 quarter. |

| | Loan start date | Loan end date | Loan currency | Original loan amount | Interest rate | Jun 2022 Balance ('000) | Principal Payments ('000) | Draw Downs | FOREX Adjustment ('000) | Revaluation/ Adjustments | June 2023 Balance ('000) | Change Jun YTD ('000) |
|---|-----------------|---------------|---------------|----------------------|---------------|-------------------------|---------------------------|----------------|-------------------------|--------------------------|--------------------------|-----------------------|
| Asian Development Bank | | | | | | | | | | | | |
| Concessional OCR Loans | | | | | | | | | | | | |
| Second multi project loan - 849 | Dec-87 | Aug-27 | SDR | 2,150 | 1.00% | 945 | (175) | | 21 | | 791 | (154) |
| Outer Islands telecommunications project loan - 1031 | Oct-90 | Aug-30 | SDR | 2,578 | 1.00% | 2,789 | (334) | | 64 | | 2,519 | (270) |
| Second Cook Islands Development Bank loan - 1155 | Mar-92 | Dec-31 | SDR | 1,085 | 1.00% | 738 | (79) | | 17 | | 676 | (62) |
| TCI Emergency Loan- 1171 | Aug-92 | Jun-32 | SDR | 349 | 1.00% | 258 | (27) | | 6 | | 237 | (21) |
| Pearl Loan (1994) - 1309 | Dec-94 | Aug-34 | SDR | 272 | 1.00% | 317 | (26) | | 7 | | 298 | (19) |
| Education development- 1317 | Feb-95 | Aug-34 | SDR | 1,852 | 1.00% | 1,932 | (157) | | 45 | | 1,820 | (112) |
| Third Cook Islands Development Bank loan- 1380 | Jan-96 | Sep-35 | SDR | 1,977 | 1.00% | 1,685 | (136) | | 48 | | 1,597 | (88) |
| Economic restructuring loan - 1466 | Sep-96 | Sep-36 | SDR | 3,430 | 1.00% | 3,904 | (287) | | 104 | | 3,721 | (183) |
| Cyclone Rehabilitation Project loan - 1588 | Jan-97 | Jan-38 | SDR | 583 | 1.00% | 696 | (45) | | 16 | | 667 | (29) |
| Waste Management loan - 1832 | Dec-01 | Jun-33 | SDR | 1,695 | 1.50% | 1,556 | (144) | | 37 | | 1,449 | (107) |
| Cyclone Emergency Assistance loan- 2174 | Jun-05 | Jan-45 | SDR | 1,895 | 1.00% | 3,274 | (78) | | 77 | | 3,273 | (1) |
| (SF) Avatiu Ports Development Loan - 2473 | Sep-09 | Nov-40 | SDR | 4,524 | 1.50% | 4,877 | (423) | | 124 | | 4,578 | (299) |
| Regular OC Loans | | | | | | 22,970 | (1,911) | | 566 | | 21,625 | (1,345) |
| (OCF) Avatiu Ports Development Project Loan - 2472 | Sep-09 | Nov-33 | NZD | 8,697 | 5.77% | 7,907 | (392) | | | | 7,515 | (392) |
| (SF) Economic Recovery Support Program Loan - 2565 | Jan-10 | Oct-24 | NZD | 11,053 | 2.52% | 2,512 | (1,005) | | | | 1,507 | (1,005) |
| (OCF) Avatiu Ports Development Project Loan- 2739 | Dec-11 | Nov-35 | NZD | 5,290 | 2.64% | 4,542 | (170) | | | | 4,372 | (170) |
| (OCR) Economic Recovery Support Program 2 Loan - 2946 | Dec-12 | Oct-27 | NZD | 11,053 | 2.75% | 3,323 | (604) | | | | 2,719 | (604) |
| (OCF) Renewable Energy Sector- 3193 | Jan-15 | Jun-36 | NZD | 12,980 | 1.15% | 9,550 | (690) | 160 | | | 9,020 | (530) |
| (OCR) Undersea Broadband Cable Loan- 3632 | Jul-19 | Jun-39 | USD | 15,000 | 2.65% | 19,885 | (618) | 4,456 | 88 | 32 | 23,843 | 3,958 |
| Disaster Resilience Program (Phase 2) - 3933 | Dec-19 | Jun-35 | NZD | 15,676 | 1.13% | 15,676 | | | | | 15,676 | 0 |
| COVID 19 Active Response - 4010 | Jan-21 | Jan-30 | NZD | 30,409 | 1.13% | 30,409 | | | | | 30,409 | 0 |
| Supporting Sustainable ERP - 4161 | Dec-21 | Dec-33 | NZD | 55,540 | 2.19% | 55,540 | | | | | 55,540 | 0 |
| Total ADB | | | | | | 149,345 | (3,479) | 4,616 | 88 | 32 | 150,602 | 1,257 |
| Asian Infrastructure Investment Bank (AIIB) | | | | | | 172,314 | (5,390) | 4,616 | 654 | 32 | 172,226 | (88) |
| COVID-19 Active Response & Economic Support - 0461A | Jan-21 | Jun-30 | USD | 20,000 | 0.25% | 31,996 | | | 843 | 83 | 32,922 | 926 |
| | | | | | | 31,996 | | | 843 | 83 | 32,922 | 926 |
| Export -Import Bank of China | | | | | | | | | | | | |
| Indoor Sports Stadium & Upgrade of Existing Sports Facilities | Aug-08 | Aug-28 | RMB | 74,100 | 1.80% | 6,257 | (1,060) | | (304) | 523 | 5,416 | (841) |
| Rarotonga Water Ring Main Upgrade Loan | Dec-12 | Dec-32 | RMB | 118,000 | 2.00% | 20,145 | (1,855) | | (1,042) | 848 | 18,096 | (2,049) |
| Total China Bank | | | | | | 26,402 | (2,915) | | (1,346) | 1,371 | 23,512 | (2,890) |
| Total Gross Borrowings | | | | | | 230,712 | (8,305) | 4,616 | 151 | 1,486 | 228,660 | (2,052) |
| Less Loan Repayment Fund (LRF) | | | | | | 12,935 | (15,536) | 7,250 | 119 | 279 | 5,047 | (7,888) |
| Net Borrowings by the Crown | | | | | | 217,777 | 7,231 | (2,634) | 32 | 1,207 | 223,613 | 5,836 |
| Less Avatiu Port Development & Avaroa Cable Ltd (SOE) | | | | | | 37,211 | (614) | 4,456 | 212 | 118 | 41,383 | 4,172 |
| Net Borrowing by the General Government | | | | | | 180,566 | 7,845 | (7,090) | (180) | 1,089 | 182,230 | 1,664 |

Total Gross Borrowings

The Total Gross Borrowings for Crown as at 30 June 2023 is \$228.7 million, a decrease of \$2 million for the year. During the year there were additional borrowings of \$4.6 million made up of \$4.4 million for the Avaroa Cable and \$160k for the Renewable Energy Sector. The Total Interest for the Year Ended 30 June 2023 was \$9.5 million, bringing the combined principal and interest payments to \$17.3 for the year.

Loan Repayment Fund

The Repayments \$15,536 million consists of

| | |
|-------------------|-----------------|
| Principal | 8,305 |
| Interest | 9,567 |
| Total Repayments | 17,872 |
| Less SOE Payments | 2,336 |
| | <u>\$15,536</u> |

The Draw-Down of \$7,250 million is the contribution from Crown, this is short of the 2022/23 Budget amount of hence th\$16,517 million

The Revaluation \$279K includes interest earned of \$250K

State Own Enterprises (SOE) Borrowings

The SOE Borrowings have increased by \$4.1 million this is due to the \$4.4 million disbursement for the Avaroa Cable less principal repayments for

Net Borrowing by the General Government

The General Government's 'Net Borrowing' is equivalent to Total Gross Borrowings, less the Loan Repayment Funds (LRF) and SOE Borrowings. The movement for the year is a slight increase of \$1.7 million, this is due to the decrease in Gross Borrowings being offset by the decrease in the LRF and increase in the SOE Borrowings.

Source: NZ Reserve Bank Website for USD and RMB

| Table 5.1 Average Foreign Currencies against New Zealand Dollars | Movements | | |
|--|-----------|--------|--------------|
| | Jun-22 | Jun-23 | for the Year |
| Foreign Currencies | | | |
| United States Dollars (USD) | 0.6213 | 0.6075 | -0.013800 |
| Chinese Yuan (RMB) | 4.1613 | 4.4062 | 0.244950 |
| Special Drawing Rights (SDR) | 0.4680 | 0.4600 | -0.007961 |

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 30 June 2023.

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

| | |
|------------------------------|------|
| New Zealand (NZD) | 55% |
| Chinese Yuan (RMB) | 10% |
| US Dollars (USD) | 25% |
| Special Drawing Rights (SDR) | 9% |
| | 100% |

Table 6: Official Development Assistance

| Development Partner | Donor | Budget Estimates Full Year 2022/23 | Actual YTD |
|--|--------------|---|-------------------|
| Asian Development Bank | | 3,700,000 | 1,459,091 |
| China | | 78,215 | 28,215 |
| European Union | | 2,822,579 | 1,777,556 |
| Forum Fisheries Agency | | 236,742 | 206,439 |
| Global Environment Facility | | 1,709,874 | 1,132,822 |
| Green Climate Fund | | 12,893,296 | 6,225,403 |
| ILO | | 35,143 | 0 |
| India | | 680,000 | 79,006 |
| Japan | | 5,425,020 | 2,298,546 |
| Korea | | 303,030 | 0 |
| Cook Islands Domestic ICT Connectivity Improvements | New Zealand | 3,000,000 | 0 |
| Cook Islands Core Sector Support - Budget Support | New Zealand | 7,825,000 | 7,825,000 |
| COVID-19 Vaccination Programme | New Zealand | 100,000 | 96,564 |
| COVID-19 Socio Economic Rapid Assessment Survey | New Zealand | 35,000 | 35,000 |
| Cook Islands Core Sector Support - TA Component | New Zealand | 1,275,000 | 1,341,246 |
| NZ Volunteer Services Aboard | New Zealand | 500,000 | 500,000 |
| Cook Islands Infrastructure Trust Fund | New Zealand | 44,419,984 | 264,365 |
| CI Pacific Maritime Safety Programme | New Zealand | 285,000 | 191,371 |
| Rarotonga Airport Upgrade Designs | New Zealand | 1,264,638 | 795,615 |
| Manatua Polynesian Cable Project | New Zealand | 727,262 | 515,955 |
| Assets Management | New Zealand | 100,000 | 0 |
| Mei Te Vai Ki Te Vai (MTVKTV) | New Zealand | 585,990 | 144,259 |
| LiDAR | New Zealand | 1,500,000 | 1,271,780 |
| COVID-19 Economic Recovery Support - November 2021 | New Zealand | 6,443,101 | 6,443,101 |
| Economic Recovery Support - 2023 | New Zealand | 15,000,000 | 15,000,000 |
| COVID-19 Economic Recovery Support - November 2021 (Grant) | New Zealand | 47,543 | 3,200 |
| New Zealand | | 83,108,518 | 34,427,455 |

| | | |
|--|--------------------|-------------------|
| Other | 5,180,000 | 2,430,596 |
| SPC | 2,479,567 | 2,022,625 |
| UN Adaptation Fund | 100,000 | 82,847 |
| UNDP | 164,924 | 135,808 |
| UNESCO | 348,600 | 35,629 |
| UNICEF | 335,350 | 335,350 |
| WHO | 152,000 | 152,000 |
| UNEP | 120,145 | 44,098 |
| SPREP | 380,000 | 343,900 |
| Australia - SPC | 467,501 | 0 |
| Total Official Development Assistance | 120,720,504 | 53,217,387 |
| | | 44% |

Cook Islands - New Zealand Infrastructure Trust Fund

Total actual spend to date for this output is \$264,365

The New Zealand Ministry of Foreign Affairs and Trade acting through the New Zealand High Commission in Rarotonga provided an initial contribution of \$12 million in December 2019 to establish the Cook Islands Infrastructure Trust Fund (ITF). The purposes of the ITF are:

- Investing in physical infrastructure to deliver essential services to Cook Islanders
- Facilitating implementation of the National Infrastructure Investment Plan or Medical Term Fiscal strategy
- Supporting capability development of Cook Islands' Infrastructure sector (across government and private sector)

In March 2022, the New Zealand Government made a further grant contribution of \$40 million to the ITF to help stimulate the Cook Islands' economy and strengthen its overall resilience via capital works. Officials from both governments have since confirmed priority pipeline projects for the CKI-NZ Infrastructure Trust Fund including: i) Mei Te Vai Ki Te Vai (MTVKTV); ii) Rarotonga International Airport Slab Replacement Project; iii) Manihiki Airport Improvement; iv) Northern Group Renewable Energy; v) Avarua Town Plan and Punanganui Market; and vi) Solid Waste Disposal System for Rarotonga. Total expenditure for the Avarua Town Plan project to date is \$264,364.64. The Manihiki Airport Improvement Project undergoing final preparations for implementation.

Economic Recovery Support 2023

Total actual spend to date is NZD \$15,000,000

The Ministry of Foreign Affairs and Trade, acting through the New Zealand Secretary of Foreign Affairs and Trade, provided a contribution of NZ\$15,000,000 to the Government of the Cook Islands for Emergency Budget Support 2022/23.

The contribution is made available to the Cook Islands under the New Zealand International Development Cooperation Programme to assist the Cook Islands during its economic recovery from the impacts of the COVID-19 pandemic, by providing cash reserves coverage, and assisting with the provision of essential services for Cook Islanders (such as health, education, environmental protection and social welfare), which otherwise would be unable to be funded this coming financial year.

Green Climate Fund - Renewable Energy Grant (Southern Group)

Total actual spend to date is NZD \$984,671

The Airport South BESS contract was awarded to Vector on 30 September 2018, which is to implement two units of 1.0 MW/4.0MWh (a total of 2.0MW/8.0MWh) battery energy storage system (BESS) for load shifting capability at the Rarotonga airport south. This BESS is online and maintains constant state of charge and is configured to provide network frequency and voltage support.

Operations and Maintenance (O&M) technical assistance – The O&M plan is intended to support initial O&M work, capacity building and training. The funding mechanism for the O&M plan was discussed with ADB during a review mission held in February 2022.

O&M contracts were advertised in January 2021, however no formal contracts offered or confirmed to date. TAU continues to support Pa Enea power station operations independently on each of the islands through the MOU signed between TAU and Island Councils. MFEM are currently working on O&M and governance structures in the Pa Enea with a proposed Draft Cabinet Submission to be distributed for comment. Approval processing, O & M governance structures and recruitment progress will be provided in the next quarterly report if available.

The Rarotonga BESS Power Station Lot 1 Contract award 1 x 4MW/2MWh modular/containerized grid stability BESS to be installed at Rarotonga power station has had the BESS capacity increased to 1 x 6MW/3MWh. The Contract was awarded to PowerSmart/Vector on 24 March 2020 and contract signed on 29 May 2020. Effective contract award date is 27 July 2020.

Full commissioning was carried out during the final week of June, between TAU, Vector PowerSmart (VPS) and representatives of the BESS Original Equipment Manufacturer (OEM). The commissioning was witnessed by the Project Owners Engineer (Entura). The commissioning process was successful and the BESS is in operation, noting identification of some minor defects which VPS is working to resolve.

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 \$335,360.79

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:

- ACL's CEO travelled to PNG to attend the PITA 27th AGM between the 29th May and 1st June. This was considered a valuable networking event
- Network Engineering team completed virtual Viani test equipment course May 2023.
- The newly recruited Business Operations Manager started at ACL on 4th April 2023.

Project Preparation Facility - Building Resilient and Healthy Cook Islands Communities

Total actual spend to date is \$570,114.06

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". Te Marae Ora and Cook Islands Investment Corporation are key agencies to execute the project proposal. The full proposal is now completed with the full project proposal submitted to GCF on 30 May 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. The proposal is currently undergoing review by the GCF Secretariat and will require feedback from the Cook Islands before these proceeds to the GCF Board.

Table 7: State Owned Enterprises (SOEs)

| | YTD Budget Estimates | Actual YTD | Variance to YTD Budget Estimates |
|--------------------------------|-------------------------|---------------|--|
| | \$'000 | \$'000 | \$'000 |
| SOEs Consolidate Group | | | |
| Trading Revenue | 70,114 | 71,131 | -1,017 |
| <i>Less: Expenditure</i> | | | |
| Personnel Expense | 17,147 | 16,395 | 752 |
| Operating Expense | 46,566 | 46,837 | -271 |
| Depreciation Expense | 11,633 | 9,894 | 1,739 |
| | 75,346 | 73,126 | 2,220 |
| Net Surplus / (Deficit) | -5,232 | -1,995 | -3,237 |

The table above consolidates the June 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 \$1.9m, which is \$3.2m favourable to a budget deficit of \$5.2m:

- Trading revenues slightly favourable to budget largely due to higher trading revenues across the SOE's
- 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 of spends.
- Operating costs were favourable to budget in total with the following key exception:
 - Airport Authority operating costs are over due to higher costs in professional fees and runway repairs.
 - Ports Authority operating costs are over budget due to higher insurance and electricity costs.
 - TTV operating costs are generally over budget as actual running costs have been higher than anticipated in the budget.