



The Government of the Cook Islands

Quarterly Financial Results for the year ended

30 June 2021

Prepared by the Ministry of Finance and Economic Management

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Basis of Preparation

The statements contained in this report have been prepared on an accruals basis as far as practical and outline income and expenses incurred which may not have been necessarily received or paid . All figures are rounded to the nearest thousand.

References to 2020/21 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 2020/21 Appropriation Bill was passed in June 2020.

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 June 2021

	Table	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Actual YTD June 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Operating Revenue	1							
Taxation Revenue		93,814	0	0	93,814	86,520	7,295	92%
Other Crown Revenue		17,614	0	0	17,614	59,620	-42,006	338%
Trading Revenue		3,703	0	0	3,703	3,337	366	90%
Dividends		1,500	0	0	1,500	0	1,500	0%
Interest on Balances		800	0	0	800	926	-126	116%
Core Sector Support		7,925	0	0	7,925	7,825	100	99%
Gain/(Loss) on Foreign Exchange		0	0	0	0	2,527	-2,527	0%
Total Operating Revenue		125,357	0	0	125,357	160,755	-35,398	128%
Operating Expenditure								
Ministry Outputs		195,504	10,715	497	206,717	199,310	7,406	96%
Personnel		64,356	0	0	64,356	61,425	2,931	95%
Operating		19,573	133	550	20,257	19,944	313	98%
Administered Payments	3	105,215	10,582	-54	115,744	112,086	3,658	97%
Depreciation		6,360	0	0	6,360	5,855	505	92%
POBOC	2	29,569	0	151	29,720	28,445	1,274	96%
Debt Interest Contribution to LRF		0	0	0	0	0	0	0%
Crown Infrastructure & Contingency Depreciation		4,603	0	0	4,603	1,272	3,331	28%
Transfer to Emergency Response Trust Fund		50	0	0	50	0	50	0%
Depreciation Contingency Fund		2,174	0	0	2,174	0	2,174	0%
Contingency Funds - Operating		100	0	0	100	38	62	38%
Interest Expense		0	0	0	0	2,166	-2,166	0%
Bank Fees		0	0	0	0	85	-85	0%
Total Operating Expenses		232,000	10,715	648	243,363	231,317	12,047	95%
Net Operating Surplus/(Shortfall) Balance		-106,643	-10,715	-648	-118,006	-70,562	-47,445	-60%
Add Depreciation		13,137	0	0	13,137	7,127	6,010	54%
Less Capital Expenditure	4	42,419	514	0	42,932	30,036	12,896	70%
Net Fiscal Surplus/(Shortfall) Balance		-135,925	-11,229	-648	-147,802	-93,471	-54,330	-63%

At a Glance: Fiscal Position

* General Government's net fiscal balance for the year ended 30 June 2021 improved by \$54.3 million compared to the budget estimate of \$147.8 million shortfall. Higher revenue collections predominantly in Other Crown Revenue of \$42.0 million contributed to the significant improvement in the Government's net fiscal balance in addition to savings in Operating Expenses (of \$12 million) and Capital Expenditure (of \$12.9 million).

* Government's Net Operating Position: The net operating balance for the year ended 30 June 2021 was a shortfall of \$70.6 million. This is a positive variance as the net operating balance improved by \$47.4 million compared to the budget estimate of \$118.0 million shortfall. The improvement in the net operating balance was primarily due to the grants received and effective monitoring of budget expenditure.

* Operating Revenue: Total operating revenue for the year ended 30 June 2021 increased by \$35.4 million compared to the budget estimates. This was primarily due to the grants received from the NZ Government totalling \$35.0 million for the COVID-19 Economic Response Plan (ERP); of which \$15.0 million was received in the second quarter and \$20.0 million in the last quarter. In addition to this, a total of \$8.3 million was received through Vested Assets funds from the Financial Supervisory Commission. The increase in Other Crown Revenue partially offset the reduction in taxation revenue collected; an unfavourable variance in comparison to the budget estimate by \$7.3 million despite stringent audits and collection activities during the period.

* Operating Expenditure: General Government actual operating expenditure was lower than the budget estimate by \$12 million for year ended 30 June 2021. The savings in operating expenditure were due to the underspends in the Ministry/Pa Enua operating expenditure (of \$3.7 million) from unfilled vacancies, and Agencies taking advantage of COVID-19 electricity discounts issued by Te Aponga Uira (TAU); Cook Islands energy service provider, to support Government's Economic Response Plan since March 2020 and cost-sharing between different funded programmes; followed by an underspend of \$3.7 million in Administered payments, primarily attributable to the COVID-19 ERP expenditure. POBOC expenditure was also underspent by \$1.3 million as at 30 June 2021.

* Capital Expenditure: Actual spending on Capital expenditure for the year ended 30 June 2021 was 70 per cent of the budget estimate of \$42.9 million. This was just below three quarters of the size of the annual budget and our capacity to implement projects before the end of the financial year. The low utilisation is due to the impact of COVID-19 on travel restrictions, sourcing of resources, and logistical constraints, which has interrupted schedule projects planned on both Rarotonga and the Pa Enua. Savings reported in ongoing projects have been approved for carry forward to the next financial year 2021/2022, in order to complete outstanding works required on both Rarotonga and the Pa Enua, refer to Table 4: Capital Expenditure Commentary.

Schedule 2: Cash Reserves General Government June 2021

	30 Jun 2021
	\$'000
Crown	87,987
Agencies	12,818
Term Deposits and Trust Accounts	100,806
Crown	15,511
Agencies	2,489
Operational Bank Accounts	18,000
Total Cash Reserves	118,805
Committed:	
General Reserve Trust Fund	3,544
Disaster Response Fund ¹	1,979
Loan Repayment Fund ²	11,654
Trust Account Deposits ³	3,560
Aid Trust Fund ⁴	20,830
Stabilisation Account ⁵	-
Land/Law Trust/Other Agency Trust Fund ⁶	12,818
Infrastructure Trust Fund ⁷	7,959
Vat/Tax Imprest and Customs Bonds Account ⁸	1,146
Total Commitment for this year	63,490
Estimated General Cash Reserve	55,315

¹ 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.

² 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.

³ 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.

⁴ 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.

⁵ Stabilisation Account - The Stabilisation Fund has been mobilized in the 2020/21 financial year to support Government's Economic Response Plan (ERP) cashflow. This account was created in the 2019/20 Budget using \$56.7 million of unencumbered cash as at 1 July 2019, for the purpose of holding excess cash to make additional debt repayments in periods of strong economic growth or to cover operational and capital expenditure during periods of economic contraction.

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 Infrastructure Trust Fund - 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.

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 Jun 2021
	\$'000
Opening LRF Balance	13,945
Contribution to LRF Principal	-
Contribution to LRF Interest	-
Total Transfer into LRF by General Government	-
Realised Gain/(Loss) on Foreign Exchange	310
Transfer out of LRF	-
Interest earned by LRF	8
Total Inflows	318
Principal paid out of LRF	1,782
Interest paid out of LRF	827
Total Outflows	2,609
Closing LRF Balance	11,654

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 2020/21	344,023
Excess (1.5%) of Total Appropriation	5,160
less: Approved expenditure as at June 2021 Quarter	648
Total Balance	4,512

Executive Council Orders Authority	\$'000
Top up to Special Select Committee Admin. Fund	69
Funding a Ministerial Support Office for Hon. Patrick Arioka	240
Top up to the Prime Minister's Support Office appropriation	110
Funding to cover costs for the passing of former PMs Dr. Joe Williams and Hon. Jim Marurai	25
Top up to Special Select Committee Admin. Fund	52
Top Up in Civil List - Personnel	93
Top Up in Parliamentary Sitting Expenses	59
Total Executive Council Orders Authority as at 30 June 2021.	648

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.

\$0.65 million out of the \$5.16 million allocation was utilised as at 30 June 2021.

Table 1: Revenue on Behalf of Crown (ROBOC)

	Budget Estimates Full Year 2020/21	Additional Funding Approval 2020/21	Total Budget & Approval	Actual YTD June 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Taxation Revenue						
Individual Income Tax	20,708	0	20,708	17,842	2,866	86%
Withholding Tax	1,321	0	1,321	1,554	-232	118%
Company Income Tax	14,938	0	14,938	16,712	-1,774	112%
Value Added Tax	39,902	0	39,902	36,574	3,328	92%
Departure Tax	4,729	0	4,729	431	4,299	9%
Customs Tax	12,216	0	12,216	13,408	-1,192	110%
	93,814	0	93,814	86,520	7,295	92%
Other Revenue						
Drivers License Fees	260	0	260	119	141	46%
Instant fines	40	0	40	87	-47	218%
Immigration Fees	560	0	560	856	-296	153%
International Shipping Licence	17	0	17	0	17	0%
Motor Vehicle Dealers	3	0	3	3	0	86%
Shipping Registry Licenses	90	0	90	74	16	82%
Upper Air Space Fees	0	0	0	186	-186	0%
Court Services	11	0	11	31	-20	278%
Foreign Investment Fees	27	0	27	24	3	87%
IMO Subscription - Maritime Cook Islands	66	0	66	69	-3	105%
Censorship Fees	1	0	1	1	0	98%
Employer Liabilities	75	0	75	0	75	0%
Liquor Licencing	70	0	70	63	7	90%
Motor Vehicle Registrations	875	0	875	924	-49	106%
Research Fees	2	0	2	1	1	37%
Permits	24	0	24	5	19	20%
Vodafone Dividend	1,500	0	1,500	0	1,500	0%
Bank of the Cook Islands Dividends	0	0	0	0	0	0%
Te Aponga Uira Dividends	0	0	0	0	0	0%
Extraordinary SOE Dividends	0	0	0	0	0	0%
Interest on Balances (Crown)	800	0	800	926	-126	116%

Table 1: Revenue on Behalf of Crown (ROBOC) Cont'd

	Budget Estimates Full Year 2020/21 \$'000	Additional Funding Approval 2020/21 \$'000	Total Budget & Approval \$'000	Actual YTD June 2021 \$'000	Variance to YTD Budget Estimates \$'000	Actual Vs Full Year Budget 2020/21 %
Numismatic	450	0	450	662	-212	147%
Circulating Currency- Coins	350	0	350	13	337	4%
Fisheries US Treaties (purse seine)	5,000	0	5,000	5,888	-888	118%
Fishing Fines	190	0	190	836	-646	440%
Fishing Licences	9,000	0	9,000	3,842	5,158	43%
Tatts/lotto Grants	120	0	120	214	-94	178%
FSC - Vested Assets	0	0	0	8,264	-8,264	100%
FSC - Return of Excess	198	0	198	400	-202	3%
South Indian Ocean Fisheries Agreement (SIOFA)	179	0	179	174	5	3%
South Pacific Fisheries Management Organisation (SPRFMO)	7	0	7	0	7	100%
Seabed Exploration Licenses	0	0	0	200	-200	100%
Gain on Foreign Exchange	0	0	0	2,527		
Other Revenue on Behalf of Crown	0	0	0	36,686	-36,686	0%
	19,914	0	19,914	63,073	-43,159	-217%
Core Sector Support	7,925	0	7,925	7,825	100	1%
Total Other ROBOC	27,839	0	27,839	70,898	-40,532	-146%
Total ROBOC	121,653	0	121,653	157,418	-35,764	129%

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

	Comparative Actual June 2020 Quarter \$'000	Actual YTD June 2021 \$'000	Variance of Actual YTD \$'000	Commentary
Taxation Revenue items				<i>Note: Comments are provided on all Taxation revenue items.</i>
Individual Income Tax	27,967	17,842	-10,125	A significant decrease in income tax due to COVID-19 when compared to the prior year of the same quarter. Only 86% of the 2020/21 budget estimate was collected as at 30 June 2021.
Withholding Tax	1,268	1,554	285	A slight increase in withholding tax for 2020/21 compared to both, the comparative year and budget estimate. This is due to compliance activities initiated (audit, collections, education etc.).
Company Income Tax	17,470	16,712	-758	A slight decrease in company tax for 2020/21 compared to the comparative year. However, in contrast to the 2020/21 budget estimate, an excess of 12% on top of this budget estimate was earned due to compliance activities initiated (audit, collections, education etc.).

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

	Comparative Actual June 2020 Quarter \$'000	Actual YTD June 2021 \$'000	Variance of Actual YTD \$'000	Commentary
Taxation Revenue items				<i>Note: Comments are provided on all Taxation revenue items.</i>
Value Added Tax	77,766	36,574	-41,192	Actual Value Added Tax collected decreased by more than half compared to prior year. 92% of this budget estimate was collected despite the extended COVID-19 border restrictions.
Departure Tax	9,109	431	-8,679	Decreased significantly compared to the prior year. Only 9% of this budget estimate was collected due to extended COVID-19 border restrictions.
Customs Tax	14,701	13,408	-1,294	Custom tax collected in 2020/21 is less than the comparative year but more than the budget estimate by 10%, due to the increased number of imports than expected.
Other Revenue items				<i>Note: Comments are provided on Other Revenue items that have generated significant revenue compared to the budget estimate.</i>
Interest on Balances (Crown)	2,968	926	-2,042	A significant decrease in interest revenue compared to the prior year due to the reduction in Term Deposits held. A few term deposits have been utilised for COVID-19 Economic Recovery Plan (ERP).
Fisheries US Treaties (purse seine)	8,043	5,888	-2,155	Despite the excess of 18% on top of this budget estimate earned, actual revenue is significantly lower compared to the previous year. This is mainly due to the downsizing of the US fleet, and weather issues (La Nina) which impact on the purchase of bi-
Fishing Licences	5,219	3,842	-1,377	A decrease in both, the comparative year and budget estimate, due to a decline in purse seine interest and in longline quota purchase brought about by the La Nina weather patterns, which has affected demand and sale of fishing days. Only 43% of this budget estimate was collected.
FSC - Vested Assets	-	8,264	8,264	FSC transferred to Crown \$8.26 million vested assets that was under their Trust. This fund was utilised for the Covid-19 Economic Recovery Plan. Vested Assets was not budgeted for.
Other Revenue on Behalf of Crown	7,382	36,686	29,304	Consists of a \$35.0 million grant received from the New Zealand Government (\$15 million grant received within the second quarter of 2020/21, and \$20 million grant within the final quarter) and a \$1.5 million grant from the ADB, both for the ERP. These funds were not budgeted for.
Upper Air Space Fees	922	186	-736	Actual 2020/21 revenue received for the upper air space fees is due to a timing issue of receiving the unanticipated revenue, which pertains to June 2020. No budget was allocated for this financial year due to the impact of COVID-19 on travel restrictions.
Seabed Exploration Licenses	-	200	200	Unanticipated revenue received from exploration licences applications received within the financial year by the Seabed Minerals Authority. Going forward, this revenue is reported within the Authority's appropriation for 2021/22 financial year.

Table 2: Payments on Behalf of Crown (POBOC)

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Actual YTD June 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Old Age Benefit	12,914	-	-62	12,852	12,809	43	100%
Child Benefit	5,413	-	195	5,608	5,466	142	97%
Infirm/Destitute Benefit	1,104	-	2	1,106	971	135	88%
Government Paid Maternity Leave	150	-	5	155	134	21	87%
Carer Order Payment	10	-	-10	1	0	0	44%
BCI Transaction Fees	176	-	-156	20	20	0	100%
New Born Allowance	240	-	26	266	228	38	86%
Audit Fee	96	-	-	96	85	11	88%
PERC Salaries and Administration Costs	58	-	-	58	53	5	91%
Bank of the Cook Islands Subsidy	128	-	-	128	30	98	23%
Airport Authority Subsidy	3,048	-	-	3,048	3,048	0	100%
Ports Authority Subsidy	110	-	-	110	110	0	100%
Te Mana Uira O Araura - Subsidy	500	-	-	500	500	0	100%
Civil List - Constituency Visits	170	-	-	170	155	16	91%
Civil List - Personnel	2,902	-	93	2,995	3,037	-43	101%
House of Ariki	338	-	-	338	332	7	98%
Parliamentary Sitting Expenses	150	-	59	209	188	21	90%
QR Travel and Allowances (local and overseas)	109	-	-	109	19	90	18%
MP Travel and Allowances (local and overseas)	341	-	-	341	154	187	45%
International Subscriptions	890	-	-	890	566	324	64%
IMO - Maritime Organisation	63	-	-	63	68	-4	107%
Maritime Radio Coverage	79	-	-	79	0	79	0%
Pacific Catastrophe Risk Insurance	160	-	-	160	144	16	90%
Crown Insurance	180	-	-	180	180	0	100%
Parliamentary Superannuation	180	-	-	180	101	79	56%
BEPS Subscription	35	-	-	35	35	0	100%
Local Government Election	24	-	-	24	14	10	57%
	29,569	0	151	29,720	28,445	1,274	96%

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

	Full Year Budget	Actual YTD June 2021	Actual Vs Full Year Budget	Commentary
	\$'000	\$'000	%	
Carer Order Payment	1	0	44%	<i>Note: Comments are provided on expenditure items that (1) report expenditure of less than 75% to Full Year Budget and (2) report an overspend.</i> Of the \$10.4K funds allocated for Carer Order Payment in the initial budget estimate, \$9.65K was transferred to increase Child Benefits budget.
Bank of the Cook Islands Subsidy	128	30	23%	The purpose of this budget is to subsidise the provision of banking services in the Pa Enua. Reported spending is less than half the annual budget.
Civil List - Personnel	2,995	3,037	101%	Overrun as a result of meeting the obligations of salaries, allowances and other entitlements under the Remuneration Tribunal Order 2019 which fall under the Civil List Personnel Vote Item.
QR Travel and Allowances (local and overseas)	109	19	18%	Less than half the annual budget has been used. The underspent is due to Covid-19 restrictions on travel and allowances. This was expected.
MP Travel and Allowances (local and overseas)	341	154	45%	Just under half the annual budget has been used. The underspent is due to Covid-19 restrictions on travel and allowances. This was expected.
International Subscriptions	890	566	64%	Only 64% of this budget was utilized, due to timing of receiving supplier invoices before the end of the 2021 financial year.
IMO - Maritime Organisation	63	68	107%	Reimbursement has been received from International Maritime Organization for the payment of subscriptions for the year. This is reflected in the corresponding revenue line that is reported in Table 1: Revenue of the ROBOCs schedule in the quarterly.
Maritime Radio Coverage	79	0	0%	No funding has been utilised within this budget for the financial year. Budget has been appropriated in the next financial year 2021/22 for the provision of this service.
Parliamentary Superannuation	180	101	56%	The funding is to cover the superannuation of all members of Parliament. The funding has used only 56% of the annual budget.
Local Government Election	24	14	57%	The reported spend at the end of the year was just over half the annual budget of 57%. This was due to the operational process to support the elections being affected by the impact of COVID-19.

Table 3: Administrative Payments

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Actual YTD June 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Internal Affairs Youth Program	45	0	0	45	41	4	92%
CISNOC Grant	370	0	0	370	370	0	100%
Lease Extension	72	0	-36	36	36	0	100%
SIF - CIG Contribution	1,000	0	0	1,000	993	7	99%
Vaka Maintenance	400	0	0	400	400	0	100%
Special Assistance Projects	250	0	-5	245	245	0	100%
Power Subsidy	84	0	-25	59	58	1	99%
Funeral Assistance Allowance	170	0	38	208	203	5	97%
Caregivers Allowance	420	0	26	446	445	1	100%
Christmas Bonus	338	0	2	340	340	0	100%
Infrastructure Committee	130	0	0	130	130	0	100%
Joint Venture with Seabed Minerals Authority	130	0	0	130	84	46	64%
Provision for Land Rentals	500	0	-128	372	371	1	100%
School Security	230	0	0	230	230	0	100%
Government Facilities Development Division	420	0	128	548	545	3	100%
Avaroa Cable	150	0	0	150	150	0	100%
To Tatou Vai	3,330	0	0	3,330	2,708	622	81%
Renewable Energy Maintenance	100	0	0	100	100	0	100%
Legal Provisions	155	0	0	155	5	150	3%
Marketing Resources - Tourism Growth Strategy	4,500	0	0	4,500	4,500	0	100%
Domestic Hosting Entertainment	15	0	0	15	15	0	98%
QR Social Responsibility Fund	8	0	0	8	8	0	100%
Head of State Rent	13	0	0	13	13	0	100%
Bridges and Drainage Maintenance	970	0	0	970	827	143	85%
OI Equipment Repairs of Unanticipated Breakdowns	200	0	0	200	188	12	94%
Road and Civil Maintenance	1,100	0	0	1,100	1,096	4	100%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Actual YTD June 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Waste Management	730	0	0	730	671	59	92%
Emergency Work	200	0	0	200	198	2	99%
Te Maeva Nui Celebrations	503	0	0	503	413	90	82%
Te Kopapa Reo Maori Board	15	0	0	15	14	1	96%
Cook Islands Cultural Fund	200	0	0	200	198	2	99%
Returned Services Association	5	0	0	5	5	0	93%
Cook Islands Student Association Support	10	0	0	10	0	10	0%
Fisheries Development Facility	250	0	0	250	246	4	98%
Government Funded Scholarships	780	0	0	780	878	-98	113%
Private School Funding - Nukutere	628	0	0	628	628	0	100%
Tertiary Training Institutions	1,160	0	0	1,160	1,159	1	100%
University of the South Pacific Contribution	205	0	0	205	108	97	53%
Bus Service	26	0	0	26	26	0	100%
Private School Funding - St. Josephs	441	0	0	441	441	0	100%
Private School Funding - Creative Centre	143	0	0	143	143	0	100%
Private School Funding - Te Uki Ou	519	0	0	519	519	0	100%
Private School Funding - Papaaroa	275	0	0	275	275	0	100%
Private School Funding - Aitutaki SDA	193	0	0	193	193	0	100%
Private School Funding - Immanuel Akatemia	226	0	0	226	226	0	100%
Private School Funding - Blackrock	86	0	0	86	86	0	100%
NCD Fund	195	0	0	195	195	0	100%
Patient Referrals	850	0	127	977	850	127	87%
Pharmaceuticals	868	0	0	868	868	0	100%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2020/21 \$'000	Carry Forwards from 2019/20 \$'000	Additional Funding Approval \$'000	Total Budget & Approval \$'000	Actual YTD June 2021 \$'000	Variance to YTD Budget Estimates \$'000	Actual Vs Full Year Budget 2020/21 %
Judge's Allowances	300	0	0	300	201	99	67%
Land Records Update Project	120	0	0	120	110	10	92%
Legal Aid	40	0	0	40	2	39	4%
National Heritage Trust	122	0	0	122	156	-34	128%
Management of Suwarrow Park	150	31	0	181	141	40	78%
EIA Process	150	0	0	150	140	10	94%
Search and Rescue	20	0	0	20	0	20	0%
Serious Crime Investigations	100	0	0	100	75	25	75%
Te Kukupa - Biannual Slipping	150	0	-150	0	0	0	0%
Te Kukupa - Fuel Contribution	140	0	0	140	121	19	87%
Police Youth Program	45	0	0	45	39	6	87%
HOM's Salaries	1,742	0	0	1,742	1,977	-235	113%
Community Support Fund	100	0	0	100	102	-2	102%
ICT Support Team	250	184	0	434	230	205	53%
Red Cross	50	0	0	50	50	0	100%
Pa Enea Mechanical Overseer	100	0	0	100	87	13	87%
Energy Commissioner	50	0	-25	25	0	25	0%
Marae Moana Ambassador	60	0	0	60	60	0	100%
PM Social Responsibility Fund	363	0	0	363	363	0	100%
Provision for Inter-Island Shipping	800	0	0	800	607	193	76%
Air New Zealand Underwrite	7,000	0	-7,000	0	0	0	0%
Public Sector Strengthening - Process & Systems	150	0	0	150	38	112	26%
Price Tribunal Committee	45	0	0	45	24	21	53%
Competition and Regulatory Authority	480	0	0	480	480	0	100%
Production of new currency, transportation and sale of old coins	380	0	0	380	335	45	88%
Subsidy of audio/visual broadcasting in Pa Enea	45	0	0	45	38	7	85%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2020/21 \$'000	Carry Forwards from 2019/20 \$'000	Additional Funding Approval \$'000	Total Budget & Approval \$'000	Actual YTD June 2021 \$'000	Variance to YTD Budget Estimates \$'000	Actual Vs Full Year Budget 2020/21 %
Debt Advisory Services	60	0	0	60	31	29	52%
Special Investigative & Prosecution Services	50	0	0	50	43	7	86%
The Centre of Research and Policy Studies	80	0	0	80	15	65	18%
The Centre of Excellence in Information Technology (CEIT)	60	41	0	101	50	51	49%
Border Management System Maintenance	155	0	0	155	0	155	0%
Post Tax Amnesty Work	321	0	0	321	18	304	6%
COVID-19 Medical Response Fund	3,000	0	0	3,000	2,510	490	84%
COVID-19 Economic Response Plan - MFM	64,000	10,258	7,000	81,258	80,800	458	99%
Asian Infrastructure Investment Bank (AIIB) Membership	31	0	0	31	0	31	0%
Government Broadband Utilities	30	0	0	30	27	3	91%
Workforce Development	234	0	-127	107	107	0	100%
Universal Access Fund	220	0	0	220	220	0	100%
Standard and Poors Subscription	70	0	0	70	64	6	92%
Pacific Financial Regional Technical Assistance (PFTAC) Contribution	15	0	0	15	13	2	90%
FMIS Maintenance	80	0	0	80	79	1	99%
Audit of Crown Accounts	30	0	0	30	0	30	0%
Seabed Minerals Sector Development	130	68	0	198	117	81	59%
Special Select Committee	90	0	121	211	175	36	83%
	105,215	10,582	-54	115,744	112,086	3,658	97%

Table 3: Administrative Payments Commentary

	Full Year Budget	Actual YTD June 2021	Actual Vs Full Year Budget	Commentary
	\$'000	\$'000	%	<i>Note: Comments are provided on expenditure items that (1) report expenditure of less than 75% to Full Year Budget and (2) report an overspend.</i>
Joint Venture with Seabed Minerals Authority	130	84	64%	Reported spend was only 64% of annual budget. The funding relates to advancing the interests of the Cook Islands seabed minerals in the exclusive economic zone and the clarion-clipperton zone.
Legal Provisions	155	5	3%	Reported spend was only 3% of annual budget. Savings are due to Covid-19 restricting case proceedings.
Government Funded Scholarships	780	878	113%	Reported overspend was an excess of 13% over the annual budget. Funds were transferred from MOE operational budget to make up for the shortfall in Government Scholarship Administered Payment Funding.
University of the South Pacific Contribution	205	108	53%	Reported spend was only 53% of the annual budget due to the impact of COVID-19 on travel restrictions.
Judge's Allowances	300	201	67%	Reported spend was 67% of annual budget. Savings are due to the impact of COVID-19 on travel restrictions, which reduced in country travel costs for the Judges.
Legal Aid	40	2	4%	Legislated by the Legal Aid Act 2004, reported spend was only 4% of annual budget as the Legal Aid Committee has only approved a few claims as at 30 June 2021.
National Heritage Trust	122	156	128%	Reported overrun was an excess of 22% over the annual budget due to employee entitlement accruals.
Serious Crime Investigations	100	75	75%	The purpose of this budget is to cover costs associated with the investigation of serious crime. Reported spend was 75% of annual budget.
HOM's Salaries	1,742	1,977	113%	A reported overrun of 13% over the annual budget. This was due to change in Head of Agencies that occurred throughout the financial year and employee entitlement payouts for leaving Heads of Agencies.
Community Support Fund	100	102	102%	A slight overspend, 2% over the annual budget to support the community (e.g. NGOs, disadvantage groups, community based income generating projects).

ICT Support Team	434	230	53%	The reported spend was above half of the annual budget of 53%. The purpose for this budget is to establish a stable and resilient ICT infrastructure, improve Public Sector-wide performance through ease of use, and enable the efficient and effective delivery of services to Cook Islanders.
Energy Commissioner	25	0	0%	No spending reported against the budget by the end of the financial year. Of the annual budget of \$50,000, \$25,000 was transferred to OPM operational budget to ensure normal operations were not affected. This is due to obligations to commit and settle unforeseen expenditure.
Price Tribunal Committee	45	24	53%	The purpose of this budget is to cover costs associated with the operational day-to-day activities of the Price Tribunal Committee.
Debt Advisory Services	60	31	52%	Reported spend was only 52% of the annual budget. The funding relates to provision of financial advice and guidance to help Treasury in managing financial risks of Cook Islands Government, and effective management of the Cook Islands Loan Repayment Funds.
The Centre of Research and Policy Studies	80	15	18%	The purpose of this fund is to support the establishment and operations of a Research and Policy Studies Centre at USP. Reported spending was only 18% of annual budget.
The Centre of Excellence in Information Technology (CEIT)	101	50	49%	The purpose of this fund is to support the establishment and operations of the Centre of Excellence in Information Technology at USP. Reported spending was almost half the annual budget.
Border Management System Maintenance	155	0	0%	Annual payment of maintenance and system support for the Cook Islands Border Management system did not occur within this financial year. Carry forward of this annual budget was approved for the next financial year 2021/22, to pay for the outstanding system maintenance.
Post Tax Amnesty Work	321	18	6%	Due to COVID-19, only 6% of this funding was used to cover operational costs required to assist businesses and individuals to clear a backlog of outstanding obligations. \$170,000 has been approved to carry forward to the next financial year 2021/22 to complete outstanding work.
Workforce Development	107	107	100%	This payment was bulk funded to Health. Of the amount bulk funded \$234,000, only \$107,000 was expended. The remaining balance was transferred to the Patient Referrals administered payment line.
Audit of Crown Accounts	30	0	0%	Annual budget not utilized within the financial year.
Seabed Minerals Sector Development	198	117	59%	Reported spending was just over half the annual budget. \$130,000 has been approved for carry forward to the next financial year 2021/22, to complete outstanding works.

Table 4: Capital Expenditures

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Actual YTD June 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Bridges and Structures Asset Management and Improvement Programme	2,810	0	0	2,810	1,134	1,676	40%
Government IT Network	300	21	0	321	116	205	36%
Atiu Road Improvement	0	0	0	0	134	-134	0%
FMIS Purchase and Implementation	65	0	44	109	76	33	70%
Health Project	100	0	115	215	215	0	100%
Orongo Development Master Plan and Centre reconstruction - Ports Authority	500	0	380	880	880	0	100%
To Tatou Vai	3,225	0	-1,160	2,065	461	1,604	22%
Land Acquisition	700	0	-700	0		0	0%
Drainage Asset Management and Improvement Programme	950	0	100	1,050	980	70	93%
Road Asset Management	8,080	0	-100	7,980	7,969	11	100%
Mei Te Vai ki Te Vai	2,000	0	-2,000	0		0	0%
Te Mato Vai - Rarotonga Water Upgrade	9,000	0	1,956	10,956	6,822	4,134	62%
Fund to be Prioritised by Education	360	0	0	360	333	27	93%
CT Scanner	1,300	0	110	1,410	891	519	63%
Aitutaki Capital Funding	16	0	10	26	23	3	90%
Atiu Capital Funding	12	0	0	12	0	12	0%
Mitiaro Capital Funding	8	0	0	8	7	1	88%
Mauke Capital Funding	10	0	0	10	0	10	0%
Mangaia Capital Funding	12	0	0	12	10	2	80%
Manihiki Capital Funding	10	0	0	10	7	3	69%
Penrhyn Capital Funding	12	0	0	12	10	2	86%
Palmerston Capital Funding	10	0	30	40	29	11	71%
Pukapuka Capital Funding	12	0	0	12	4	8	33%
Rakahanga Capital Funding	8	0	0	8	7	1	85%

Table 4: Capital Expenditures Cont'd

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Actual YTD June 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Funds to be Prioritised by Health for Technical Equipment	300	0	-129	171	125	46	73%
Capital Distribution Fund	490	0	-40	450	383	67	85%
Atiu Power Upgrade	0	0	66	66	66	0	100%
Renewable Energy Project Management and Support	0	128	-66	62	61	1	98%
FM and TV Telecommunications for the Pa Enea	0	200	-50	150	139	11	92%
Relocation of Oral Health Services	70	0	0	70	69	1	98%
Prison Development Programme	132	0	0	132	130	2	99%
Upgrade of Nursery Facilities	49	0	0	49	49	0	100%
The Centre of Excellence in Information Technology (CEIT)	0	65	0	65	57	8	87%
Emergency Management and Support Infrastructure	3,718	0	0	3,718	2,418	1,301	65%
Inland and Coastal Waters Asset Management and Improvement Programme	530	0	0	530	533	-3	101%
Pa Enea Air Infrastructure Improvement Programme	1,680	0	0	1,680	539	1,141	32%
Waste Management Infrastructure Improvement Programme - Capital	250	0	0	250	8	242	3%
Pa Enea Government Building Projects - Southern Group	750	0	305	1,055	1,053	2	100%
Rarotonga Airport Refurbishment - Capital	400	0	0	400	119	281	30%
CIIC Government Building Project - Capital	1,500	0	825	2,325	2,324	1	100%
Health ICT Upgrade	650	0	0	650	615	35	95%
PCR Laboratory - Capital	900	0	19	919	292	627	32%
Water and Sanitation Infrastructure and Improvement Programme	400	0	0	400	286	114	71%
Pa Enea Government Building Projects - Northern Group	200	0	285	485	427	58	88%
ICI Government Building Project - Capital	850	0	0	850	89	761	10%
Vaka Maintenance - Capital Projects	50	0	0	50	50	0	100%
COVID-19 Medical Response Fund - Capital Needs	0	99	0	99	99	0	100%
	42,419	514	0	42,932	30,036	12,896	70%

Table 4: Capital Expenditure Commentary

	Full Year Budget	Actual YTD June 2021	Actual Vs Full Year Budget 2020/21	Commentary
	\$'000	\$'000	%	<i>Note: Comments are provided on expenditure items that (1) report expenditure of less than 75% to Full Year Budget and (2) report an overspend.</i>
Bridges and Structures Asset Management and Improvement	2,810	1,134	40%	The reported spend was 40% to annual budget, due to scheduling delays in projects such as the Empire Bridge contract and timing of tender review. \$1.67 million has been approved to be carry forward to the next financial year 2021/22 to continue outstanding works.
Government IT Network	321	116	36%	A total of \$160,766 has been approved to be carry forward to the next financial year 2021/22 to continue outstanding works.
Atiu Road Improvement	0	134	0%	Genuine overrun due to timing of processing expenditure, and contractual obligations to commit and settle the expenditure of outstanding works that needed to be completed.
FMIS Purchase and Implementation	109	76	70%	The reported spend was 70% to annual budget. This is due to timing of services being delivered and charged for standard expenses.
To Tatou Vai	2,065	461	22%	The reported spend was 22% to annual budget. This is due to the timing of processing of expenditure and logistical constraints.
Land Acquisition	0	0	0%	The initial budget of \$0.7 million was transferred to other competing capital priority areas in 2020/21. As a result, this balance is reinstated for 2021/22 financial year.
Road Asset Management	7,980	7,969	100%	Capital road works supposed to be undertaken before end of the financial year, however due to delays in mobilisation of resources, contract variations under review, and tendering process, the remaining works are expected to be carried out and expended, from the 2021/22 budget within the month of August.
Mei Te Vai ki Te Vai	0	0	0%	Annual capital budget of \$2.0 million was transferred to Te Mato Vai - Rarotonga Water Upgrade Project to cover funding shortfalls due to CIG reprioritising priorities because of COVID-19. MTVKTV Project will continue with funding received through Aid funding (EU Budget Support).
Te Mato Vai - Rarotonga Water Upgrade	10,956	6,822	62%	Reported spend was 62% of annual budget. This is due to delays in shipping of resources and materials for the Project, which has pushed out the milestones for this Project. It is expected that remaining works on the Project will be carried over to the next financial year 2021/22.
CT Scanner	1,410	891	63%	Reported spend was 63% to annual budget. This is due to scheduling delays affecting the remaining work to be undertaken.

Funds to be Prioritised by Health for Technical Equipment	171	125	73%	\$129,210 was transferred from the initial budget estimate of \$300,000 due to competing priorities that required urgent attention. This is an ongoing programme and so funds have been appropriated in the 2021/22 financial year for various technical medical instruments and equipment necessary to assist medical professionals with health check-ups.
Emergency Management and Support Infrastructure	3,718	2,418	65%	Underspend was due to scheduling delays and logistical constraints in upcoming works to be done in the Pa Enua such as the Penrhyn Cyclone Centre. The residual balance of \$1.3 million has been approved for carry forward to the next financial year 2021/22 to continue outstanding works.
Pa Enua Air Infrastructure Improvement Programme	1,680	539	32%	The reported spend was less than half the annual budget, due to scheduling delays and logistical constraints in upcoming works relating to the airports located in Manihiki and Penrhyn. \$1.1 million has been approved for carry forward to the next financial year 2021/22 to continue outstanding works.
Waste Management Infrastructure Improvement Programme - Capital	250	8	3%	The underspend was due to delays in scheduled work and logistical constraints and timing of processing tender request awaiting final outcome.
Rarotonga Airport Refurbishment - Capital	400	119	30%	The purpose of the project entails supporting the Airport Authority with a series of smaller works on the Rarotonga airport site including storm-water management and various runway lighting electrical upgrade works. Due to scheduling delays in the project, this has reported a spending of 30% to annual budget.
PCR Laboratory - Capital	919	292	32%	The purpose of the funding is to enhance the ability and capability to test infectious diseases, including COVID-19 in Rarotonga, reducing reliance on New Zealand laboratories, along with the delays in diagnosis due to the transportation of tests. Due to scheduling delays in the project, this has reported a spending of 32% to annual budget.
Water and Sanitation Infrastructure and Improvement Programme	400	286	71%	Due to scheduling delays in projects reported under this capital budget, this has reported a spending of 71% to annual budget. Among these delayed projects, scheduled work is underway for the water improvement project in Mangaia Oneroa, which is in the process of mobilizing resources, expected to be completed in August 2021.
ICI Government Building Project - Capital	850	89	10%	Due to delays in scheduled work; tendering process, legal process of land utilizing for Government, no work shall commence until requirements are fulfilled. The impact of the delay in scheduled works, resulted in an approved carry forward of \$760,781 to the next financial year 2021/22 to continue outstanding works.

Table 5: Statement of Borrowings

	Loan start date	Loan End date	Loan Currency	Original Loan Amount	Interest Rate	March 2021 Balance	Principal Payments	FOREX Adjustment	Revaluation/Draw Down Adjustments	June 2021 Balance	Change Mar Qtr
						('000)	('000)	('000)	('000)	('000)	('000)
Asian Development Bank											
1. First multi project loan - 461	Nov-80	Aug-20	USD	1,000	1.00%	-	-	-	-	-	-
2. First Cook Islands Development Bank project loan - 567	Jul-82	Apr-22	USD	1,500	1.00%	117	(40)	1	-	78	(39)
3. Second multi project loan - 849	Dec-87	Aug-27	SDR	2,150	1.00%	1,055	-	6	-	1,061	6
4. Outer Islands telecommunications project loan - 1031	Oct-90	Aug-30	SDR	2,578	1.00%	2,946	-	17	-	2,963	17
5. Second Cook Islands Development Bank loan - 1155	Mar-92	Dec-31	SDR	1,085	1.00%	808	(38)	6	-	775	(32)
6. TCI Emergency Loan- 1171	Aug-92	Jun-32	SDR	349	1.00%	281	(13)	2	-	270	(11)
7. Pearl Loan (1994) - 1309	Dec-94	Aug-34	SDR	272	1.00%	323	-	2	-	325	2
8. Education development- 1317	Feb-95	Aug-34	SDR	1,852	1.00%	1,971	-	11	-	1,983	11
9. Third Cook Islands Development Bank loan- 1380	Jan-96	Sep-35	SDR	1,977	1.00%	1,710	-	10	-	1,720	10
10. Economic restructuring loan - 1466	Sep-96	Sep-36	SDR	3,430	1.00%	3,944	-	22	-	3,966	22
11. Cyclone Rehabilitation Project loan - 1588	Jan-97	Jan-38	SDR	583	1.00%	699	-	4	-	703	4
12. Waste Management loan - 1832	Dec-01	Jun-33	SDR	1,695	1.50%	1,671	(66)	9	-	1,614	(58)
13. Cyclone Emergency Assistance loan- 2174	Jun-05	Jan-45	SDR	1,895	1.00%	3,202	(37)	19	-	3,184	(18)
14. (SF) Avatiu Ports Development Loan - 2473	Sep-09	Nov-40	SDR	4,524	1.50%	5,182	(191)	28	-	5,019	(162)
15. (OCF) Avatiu Ports Development Project Loan - 2472	Sep-09	Nov-33	NZD	8,697	5.77%	8,426	(165)	-	-	8,262	(165)
16. (SF) Economic Recovery Support Program Loan - 2565	Jan-10	Oct-24	NZD	11,053	2.52%	4,019	(502)	-	-	3,517	(502)
17. (OCF) Avatiu Ports Development Project Loan- 2739	Dec-11	Nov-35	NZD	5,290	2.64%	4,768	(72)	-	-	4,696	(72)
18. (OCR) Economic Recovery Support Program 2 Loan - 2946	Dec-12	Oct-27	NZD	11,053	2.75%	4,229	(302)	-	-	3,927	(302)
19. (OCF) Renewable Energy Sector- 3193	Jan-15	Jun-36	NZD	12,980	1.15%	9,966	(325)	-	111	9,752	(214)
20. (OCR) Undersea Broadband Cable Loan- 3632	Jul-19	Jun-39	USD	15,000	2.65%	17,631	(30)	55	-	17,656	25
21. Disaster Resilience Program (Phase 2) - 3933	Dec-19	Jun-35	NZD	15,676	1.13%	15,676	-	-	-	15,676	-
22. COVID 19 Active Response - 4010	Jan-21	Jan-30	NZD	30,409	1.13%	30,409	-	-	-	30,409	-
						119,034	(1,782)	193	111	117,557	(1,478)
Asian Infrastructure Investment Bank (AIIB)											
23 COVID-19 Active Response & Economic Support - 0461A	Jan-21	Jun-30	USD	19,950	0.25%	28,545	-	(165)	-	28,380	(165)
						28,545	-	(165)	-	28,380	(165)
Export -Import Bank of China											
24. Indoor Sports Stadium & Upgrade of Existing Sports Facilities	Aug-08	Aug-28	RMB	74,100	1.80%	7,342	-	(140)	-	7,202	(140)
25. Rarotonga Water Ring Main Upgrade Loan	Dec-12	Dec-32	RMB	118,000	2.00%	20,894	-	113	-	21,006	113
						28,236	-	(28)	-	28,209	(28)
Total Gross Borrowings						175,816	(1,782)	(0)	111	174,145	(1,671)
Less Loan Repayment Fund						13,945	(2,609)	318	-	11,654	(2,291)
Net Borrowing by the Crown						161,871	827	(318)	111	162,491	620
Less Avatiu Port Development & Avaroa Cable Ltd						36,007	(457)	84	-	35,634	(374)
Net Borrowing by the General Government						125,863	1,285	(402)	111	126,858	994

Crown Gross Debt

The total gross debt by the Crown for June 2021 period was \$174.14 million, a slight decrease of \$1.67 million from the March 2021 quarter. The decrease in debt level was mainly due to the Loan Repayments during the quarter.

Crown Net Debt

The general government's 'Net Debt' is equivalent to total gross debt, net of the Loan Repayment Funds (LRF) and SOE debts. General Government Net Debt for the final quarter ending 30 June 2021 was \$126.86 million, a slight increase of \$0.99 million from the March 2021 quarter mainly due to unfavourable RMB and SDR exchange rates.

Source: NZ Reserve Bank Website for USD and RMB

	Mar-21	Jun-21	Movements from Mar 21
Table 5.1 Average Foreign Currencies against New Zealand Dollars			
Foreign Currencies			
United States Dollars (USD)	0.6989	0.6998	0.00090
Chinese Yuan (RMB)	4.5898	4.5188	-0.07100
Special Drawing Rights (SDR)	0.4932	0.4905	-0.00273

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 30 June 2021.

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

New Zealand (NZD)	44%
Chinese Yuan (RMB)	16%
US Dollars (USD)	26%
Special Drawing Rights (SDR)	14%

Table 6: Official Development Assistance

Development Partner	Donor	Budget Estimates Full Year 2020/21	Actual YTD June 2021
Asian Development Bank		2,239,394	2,095,571
China		82,658	0
European Union		2,593,220	1,005,531
Forum Fisheries Agency		236,742	0
Global Environment Facility		3,114,088	1,024,355
Green Climate Fund		3,958,661	766,119
India		680,000	5,466
Japan		3,175,327	1,238,414
New Zealand		54,108,266	53,603,858
Other		100,000	56,143
SPC		1,072,458	208,381
UN Adaptation Fund		1,702,526	1,894,897
UNDP		200,000	169,036
ILO		82,394	35,168
Various		11,214,997	1,058,712
Total Official Development Assistance		84,560,731	63,161,651
			75%

Cook Islands Core Sector Support (CSS) - Budget Support

The New Zealand CSS Programme includes direct budget support to Ministry of Education, Cook Islands Tourism and the Ministry of Health. New Zealand Ministry of Foreign Affairs and Trade (MFAT) together with the Ministry of Finance and Economic Management of the Cook Islands. Funds of \$7,825,000 have been budgeted for 2020/21 Fiscal Year of which Treasury manage disbursement of the funds to the relevant

Cook Islands Core Sector Support (CSS) - Technical Assistance

Actual year to date spend is \$536,456.

At the preparation of this report, 9 projects are in implementation; 4 projects are tracking towards implementation, 2 projects have been deferred until 2021/ 22 due to COVID-19 impacting the ability to deliver this work and a project has been removed from receiving support from CSS as funds have been secured from a different funding source. The project was removed at the request of the Ministry.

COVID-19 Economic and Medical Response

To date a \$15 million grant received from the New Zealand Government to go towards the Economic Response Plan (ERP), and spending to date in the International Labour Organization (ILO) budget in collaboration with Ministry of Internal Affairs to aid national development is \$35,218. Support towards the Cook Islands economic and medical response to COVID-19 were received from various development partners, including New Zealand, Australia, People's Republic of China, Japan and a number of United Nation agencies.

Financial assistance through the general budget support have been instrumental in supporting the Cook Islands ERP and further support preventative measures by the Ministry of Health to delay COVID-19 arrival to the Cook Islands. These included respiratory medical equipment and portable X-Rays donated by WHO, GeneXpert Test kits sponsored by UNDP, PPE gear donated by United Arab Emirates, WHO, UNICEF, MFAT and other development partners.

Japan Economic and Social Development Programme 2018

Actual Year to date spend is \$793,033.

Using Japan International Cooperation Systems (JICS) procurement processes, all six items have completed the procurement process and the contracts are awarded and signed. Four of the six items have been officially handed over to recipient entities.

The last remaining contract was signed in January 2021 with the manufacturing process underway. Details of equipment and signage for the equipment are currently being finalized. Delivery for the rest of the items under this programme is expected around September to October 2021.

Asset Management

Actual Year to date spend is \$1,292,772

The Cook Islands received a \$13 million grant from NZ in December 2018 towards supporting Asset Management. This will contribute towards the maintenance and repair of Te Mato Vai (TMV). The TMV Remediation project commenced in February 2019 and is in the final stages of the project construction phase prior to handover to To Tatou Vai Ltd.

Mei Te Vai Ki Te Vai (MTVKTV)

Actual Year to date spend is \$293,438.

The purpose of the Mei Te Vai Ki Te Vai Project is to improve the water quality of the lagoons in Rarotonga and Aitutaki for the benefit of our health, environment and economy. The impact on consultation and design activities have been reassessed in light of the impact of COVID. For detailed information of the Project, please visit:

<https://www.totatouvai.co/mei-te-vai-ki-te-vai>

Green Climate Fund Readiness

Actual Year to date spend is \$410,965.

Readiness 3 is predominantly based on concept note development and capacity building within OPM, MFEM, BCI and the Private Sector. Of the 23 activities programmed under Readiness 3, three activities (13%) have been completed to date. 10 activities (43%) are currently being implemented. The programme is on track to achieve the 50% implementation target set for June 2021.

As of December 2020, two project proposal concept notes have been submitted to Green Climate Fund. The concept note for "Building Resilient and Healthy Cook Islands Communities" was endorsed by the GCF Climate Investment Committee to move to the Project Proposal development stage. A second proposal on "Direct financing for communities and businesses to respond to climate change in the Cook Islands" have been submitted to GCF and is currently undergoing review.

Table 7: State Owned Enterprises (SOEs)

	Budget Estimates Full \$'000	Actual YTD June 2021 \$'000	Variance to YTD Budget \$'000
<u>SOEs Consolidate Group</u>			
Trading Revenue	53,338	54,182	845
Personnel Expense	(15,130)	(13,798)	1,332
Operating Expense	(36,191)	(37,479)	(1,289)
Depreciation Expense	(7,887)	(8,342)	(454)
Net Activity Surplus / (Deficit)	(5,871)	(5,437)	434

The table above consolidates the June 2021 performances of Cook Islands Investment Corporation (CIIC), Airport Authority, Bank of the Cook Islands (BCI), Ports Authority, Te Aponga Uira (TAU), To Tatou Vai Ltd (TTV), Te Mana Uira O Araura (TMU) and Avaroa Cable Ltd (ACL). The consolidated group returned a net operating deficit of \$5.44 million, which is \$0.43 million lower than budget estimates for the final quarter.

Trading revenues were slightly higher than budget at a Group level by \$0.85 million , despite the ongoing impact of the COVID-19 pandemic.

At a Group level, personnel costs were \$1.33 million lower than budget as effective cost management practices are employed by entities and delays in filling vacant positions continue. Depreciation expense reported a \$0.45 million unfavourable variance compared to budget, due to the underbudgeting of asset cost base's at the beginning of the reporting period. Operating costs reported a \$1.29 million unfavourable variance compared to budget, due to strategic investments implemented through repairs and maintenance and ensuring a level of economic stability was created through job security/retention initiatives.