



The Government of the Cook Islands

Quarterly Financial Results

31 December 2022

Prepared by the Ministry of Finance and Economic Management

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Basis of Preparation

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

References to 2022/23 Additional Funding Approval used in this report relates to either an approved carry forward from previous financial year(s) or funding approved through an Executive Council order. The 2022/23 Appropriation Bill was passed in May 2022.

The financial statements have been consolidated to General Government level including Cook Islands Investment Corporation parent administrative operations only. State Owned Enterprises (SOE's) group consolidation are reported separately in later sections of this report.

Schedule 1: Net Operating and Fiscal Balances as at 31 December 2022

	Table	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD 31 Dec 22 \$'000	Actual YTD 31 Dec 22 \$'000	Variance to YTD Budget Estimates \$'000	Actual Vs Full Year Budget 2022/23 %
Operating Revenue	1								
Taxation Revenue		139,310	0	0	139,310	68,634	67,416	-1,218	48%
Other Crown Revenue		14,568	0	0	14,568	6,380	14,696	8,315	101%
Trading Revenue		1,851	0	3,103	4,954	1,851	1,763	-89	36%
Dividends		600	0	0	600	600	0	-600	0%
Interest on Balances		395	0	0	395	260	295	35	75%
Core Sector Support		7,825	0	0	7,825	7,825	7,825	0	100%
Total Operating Revenue		164,550	0	3,103	167,652	85,551	91,995	6,444	55%
Operating Expenditure									
Ministry Outputs									
Personnel		68,023	45	0	68,068	34,741	31,335	3,405	46%
Operating		17,131	52	0	17,183	8,977	8,913	65	52%
Administered Payments	3	46,876	1,513	0	48,389	20,686	13,714	6,973	28%
Depreciation		6,945	0	0	6,945	3,495	3,495	0	50%
POBOC	2	32,350	40	0	32,390	18,141	16,963	1,177	52%
Debt Interest Contribution to LRF		6,780	0	0	6,780	3,390	3,399	-8	50%
Crown Infrastructure & Contingency Depreciation		4,603	0	0	4,603	2,302	2,302	1	50%
Transfer to Emergency Response Trust Fund		50	0	0	50	25	0	25	0%
Depreciation Contingency Fund		2,174	0	0	2,174	1,087	1,087	0	50%
Contingency Funds - Operating		100	0	3,512	3,612	1,806	0	1,806	0%
Loss on Foreign Exchange		0	0	0	0	0	521	-521	100%
Total Operating Expenses (including YTD Depreciation)		185,032	1,651	3,512	190,194	94,650	81,728	12,922	46%
Net Operating Surplus/(Shortfall) Balance		-20,482	-1,651	-409	-22,542	-9,099	10,267	19,367	-46%
Add Depreciation		13,722	0	0	13,722	6,884	6,883	1	50%
Less Capital Expenditure	4	34,160	1,480	0	35,639	21,245	9,566	11,679	27%
Net Fiscal Surplus/(Shortfall) Balance		-40,920	-3,130	-409	-44,460	-23,460	7,584	31,045	-17%

At a Glance: Fiscal Position

* Government's Net Fiscal balance for the quarter ended 31 December 2022 was \$7.5 million surplus. This is significantly better than the budgeted deficit of \$23.4 million including Capital Expenditure. The can be attributed to the Operating Revenue being 7.5% above budget and the Operating Expenses being 13% below budget

* The Operating Revenue is 7.5% above Budget at \$6.4 million this can largely be attributed to the ERR Covid 19 Payment of \$4.1 million and \$2.3 million FSC Vested Assets.

*Net Operating Expenses are 13% below budget at \$12.9 million. This is mainly due to underspends in Personnel \$3.4 million, the result of vacancies and Administered Payments \$6.9 million due to COVID related underspends refer to Table 3 - Administered Payments for details

* Capital Expenditure: Capital expenditure was lower than budgeted by \$11.6 million for the quarter ended 31 December 2022. Agencies are encouraged to appropriately plan and manage their Capital Budgets to ensure budgets are spent in the allotted periods, however given the unpredictable nature of the operating environment, delays have occurred. Refer to Table 4 - Capital Expenditure for more information.

Schedule 2: Cash Reserves General Government

31 December 2022

		31 December YTD	30 Sep 2022 YTD	Variance
		\$'000	\$'000	\$'000
Cash At Bank				
Term Deposits and Trust Accounts		126,233	136,665	(10,432)
Operational Bank Accounts		26,164	22,975	3,189
Foreign Exchange Reserves		18,087	0	18,087
Total Cash Reserves		170,484	159,640	10,844
Committed:				
Loan Repayment Fund ¹	LRF Act 2014	17,813	19,009	(1,196)
Outer Islands Reserves ²	IG Act 2012	2,283	2,522	(239)
Disaster Response Fund ³	Trust Fund	2,023	1,987	36
Infrastructure Trust Fund ⁴	Trust Fund	45,086	44,807	279
Aid Trust Fund ⁵	Trust Fund	15,746	14,229	1,517
Land/Law Trust/Other Agency Trust Funds	Trust Fund	13,780	14,002	(222)
Trust Account Deposits ⁷	Trust Fund	3,657	3,636	21
Total Committed Funds		100,388	100,121	196
Other General Funds:				
Government Department/Agencies Bank Accounts	General Fund	1,795	3,071	(1,276)
Vat/Tax Imprest and Customs Bonds Account ⁸	General Fund	3,748	2,647	1,101
General Reserves - Legacy	General Fund	3,565	3,565	0
Total Other General Funds		9,108	9,354	(175)
Estimated General Cash Reserve		60,988	50,165	10,823

¹ Loan Repayment Fund – This fund was legislated under the Cook Islands Loan Repayment Fund Act 2014; established for the purpose of repaying Government debts. Funds in this Account must not be withdrawn for any other purpose other than repayment of such debt.

² Outer Islands Reserves - Consists of funds held with each Outer Islands Administration. The Island Government Act 2012-13, section 55 states that the Island Governments are entitled to retain control over any revenues collected by them.

³ Disaster Response Trust – The establishment of this fund was detailed in the Cook Islands Disaster Emergency Trust Fund Policy which was approved by Cabinet in May 2011 (CM (11) 0157). The purpose is to enable a swift and coordinated response by the Disaster Response Executive once a State of Emergency or Disaster is activated.

⁴ Infrastructure Trust Fund (ITF) - Funds provided by the New Zealand Government for Infrastructure; establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Fund Accounts.

⁵ Aid Trust Fund – Funds tagged for aid funded projects and programmes. The establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Funds Accounts.

⁶ Land Trust/Law Trust and Other Agency Trust Funds - Funds held in trust on behalf of land and law related deposits at the Ministry of Justice and small trust account held at the Agencies eg. Hararanga Trust held at Penrhyn Island Administration. The establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Fund Accounts.

⁷ Trust Account Deposit – Funds held by Crown for Law Trust, Workers Compensation Trust, Immigration bonds held, International unclaimed monies and Insurance Trust. The establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the Cook Islands Government Financial Procedures and Policy Manual (CIGFPPM): Trust Funds Accounts.

⁸ VAT/Tax Imprest Accounts - Held by Revenue Management Department (RMD) as clearing account for Tax Refunds and Custom Bonds and Tax Revenues payable to Crown account; establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Fund Accounts.

Schedule 3: Loan Repayment Fund Statement

	31 December YTD
	\$'000
Opening LRF Balance	19,009
Contribution to LRF Principal	4,546
Contribution to LRF Interest	0
Total Transfer into LRF by General Government	23,555
Realised Gain/(Loss) on Foreign Exchange	(5)
Transfer out of LRF	0
Interest earned by LRF	103
Total Inflows/(Outflows)	98
Principal paid out of LRF	2,401
Interest paid out of LRF	3,439
Total Outflows	5,840
Closing LRF Balance	17,813

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	3,512
Total Balance	1,294
Executive Council Orders Authority	\$'000
Personnel Top-up	145
Legal cost requirements	2,007
CISNOC Administered Fund Top-up	100
Provision for Shipping Subsidy Top-up	570
State Events	40
Patient Referral -Top-up	650
Total Executive Council Orders Authority as at	3,512

Section 70(3)(b) of the Cook Islands Constitution allows for expenditure to exceed the appropriation provided that the total amount of all sums issued and paid shall not exceed one and a half percent (1 ½ per cent) of the total amount of all sums appropriated by the Appropriation Act or Acts for that year.

Table 1: Revenue on Behalf of Crown (ROBOC)

	Budget Estimates Full Year 2022/23	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Taxation Revenue						
Value Added Tax	63,534	-	63,534	32,443	31,905	50%
Individual Income Tax	27,822	-	27,822	12,676	20,571	74%
Company Income Tax	17,121	-	17,121	7,986	1,427	8%
Import Duties	13,806	-	13,806	7,436	7,987	58%
Withholding Tax	1,730	-	1,730	775	628	36%
Departure Tax	15,297	-	15,297	7,317	4,898	32%
	139,310	-	139,310	68,634	67,416	48%
Other Revenue						
FSC - Vested Assets	0	-	0	0	2,310	0%
Financial Supervisory Commission - Return of Excess	125	-	125	63	70	56%
Immigration Fees	1,000	-	1,000	500	745	74%
IMO Subscription - Maritime Cook Islands	66	-	66	33	0	0%
Court Services	27	-	27	-67	8	31%
Instant Fines	0	-	0	20	26	0%
US Fisheries Treaty (upfront days)	3,243	-	3,243	1,081	82	3%
EU Agreement	400	-	400	0	2,923	731%
Purse seine fishery	2,260	-	2,260	1,130	0	0%
Longline Licenses and QMS	3,000	-	3,000	1,550	1,786	60%
Other fisheries and auxiliary vessel licensing	160	-	160	80	15	9%
Research Fees	2	-	2	1	1	59%
Permits	10	-	10	5	3	25%
Telecom Cook Islands Dividend	600	-	600	0	0	0%
Numismatics	450	-	450	225	259	58%
Circulating Currency - Coins	200	-	200	100	347	173%
Drivers License Fees	100	-	100	50	167	167%
Motor Vehicle Registration	875	-	875	437	176	20%
Interest on Balances (Crown)	395	-	395	533	631	160%
Interest on Balances - Loan Reserve Fund	125	-	125	63	0	0%
Interest on Balances - SOE Advances	1,317	-	1,317	659	330	25%
Foreign Investment Fees	34	-	34	17	10	30%
Upper Air Management Agreement	510	-	510	321	290	57%
Shipping Registration	92	-	92	37	221	240%
International Shipping Licence	15	-	15	0	0	0%
Liquor Licencing	30	-	30	5	3	11%
Tattslotto Grants	120	-	120	60	118	98%
Censorship Fees	1	-	1	0	0	38%
Land Court Fees	147	-	147	74	32	22%
Motor Vehicle Dealers	3	-	3	0	4	147%
SIOFA - Regional Fisheries Management Organisations	255	-	255	0	135	53%
Gain on Foreign Exchange	0	-	0	0	124	0%
General Budget Support	0	-	0	0	4,165	0%
Core Sector Support	7,825	-	7,825	7,825	7,825	100%
Other Revenue on Behalf of Crown	0	-	0	265	13	0%
	23,388	-	23,388	15,066	22,816	98%
Total ROBOC	162,698	-	162,698	83,700	90,233	55%
Government Agencies & Island Governments Trading Revenue	1,851	3,103	4,954	1,851	1,763	36%
Total Operating Revenue	164,550	3,102.75	167,652	85,551	91,995	55%

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

	Comparative Actual Dec 2021	Actual YTD	Year on Year	Year on Year	Commentary
Taxation Revenue items	\$'000	\$'000	\$'000		<i>Note: Comments are provided on all Taxation % revenue items. Refer to page 12 for a visual presentation of Tax Revenue items Year over</i>
Value Added Tax	35,584	31,905	-3,679	-10%	Vat Collection is down over the previous year, however it is close to the amount budgeted YTD.
Individual Income Tax	9,430	20,571	11,141	118%	This increase is the result of compliance activities and steady PAYE contributions from larger employers
Company Income Tax	3,057	1,427	-1,630	-53%	
Import Duties	5,969	7,987	2,018	34%	The opening of the NZ borders has had an impact on the volume of goods imported.
Withholding Tax	430	628	198	46%	
Departure Tax	1,182	4,898	3,716	314%	This significant improvement is due to the increase in the departure tax COVID-19 levy. However it has not reached the anticipated budget increase
		67,416			

	Comparative Actual Dec 2021	Actual YTD	Year on Year	Year on Year	Note: Comments are provided on Other Revenue items that have generated significant % revenue compared to the budget estimate.
Other Revenue items	\$'000	\$'000	\$'000		
Fines Fees Penalties and Licenses		1,688			
Investment Income		966			
Other Revenue items		3,086			
US Fisheries Treaty (upfront days)	1,694	82	82	5%	
EU Agreement	1,539	2,923	2,923	190%	
Purse Seine Fishery	0	0	0	0%	
Longline Licenses and QMS	5	1,786	1,786	35711%	
General Budget Support	30,000	4,165	4,165	14%	This Core Sector Funding was provided by NZ and was spread over 3 years the last year being 2022/23
		14,696			

CIG Tax Revenue Year over Year (YoY) Dec 2022 Report

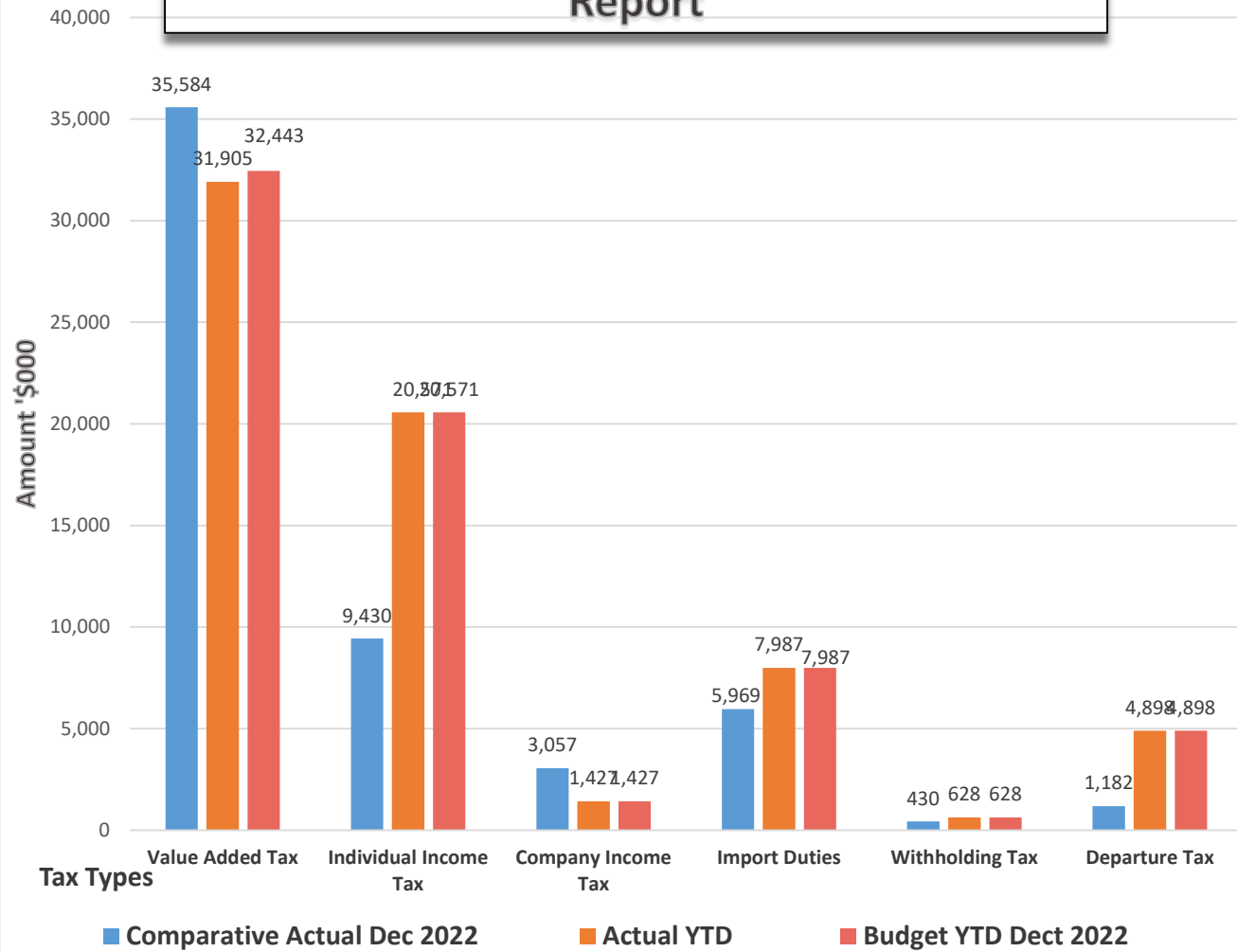


Table 2: Payments on Behalf of Crown (POBOC)

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Airport Authority Subsidy	2,048	-	-	2,048	1,024	1,024	0	50%
Audit Fees	103	-	-	103	103	12	91	12%
Bank of the Cook Islands - Social Assistance Subsidy	128	-	-	128	0	0	0	0%
BEPS Subscription	45	-	-	45	45	0	45	0%
Caregivers Allowance	0	-	-	0	0	0	0	0%
Carer Order Payment	10	-	-	10	10	0	10	0%
Child Benefit	5,414	-	-	5,414	2,932	2,766	167	51%
CIG Insurance	40	-	-	40	40	27	13	68%
Civil List - Constituency Visits	170	-	-	170	133	25	108	15%
Civil List - Personnel	2,902	-	-	2,902	1,654	1,593	61	55%
Competition and Regulatory Authority	400	-	-	400	200	133	67	33%
Government Paid Maternity Leave	150	-	-	150	78	63	15	42%
House of Ariki Operating	327	-	-	327	177	62	114	19%
Infirm/Destitute Benefit	1,280	-	-	1,280	694	655	39	51%
International Subscriptions	890	-	-	890	451	371	80	42%
IMO - Maritime Organisation	63	-	-	63	63	105	-42	166%
Maritime Radio Coverage	120	-	-	120	120		120	0%
MP Travel and Allowances (local and overseas)	230	-	-	230	205	175	30	76%
New Born Allowance	229	-	-	229	115	93	22	41%
Old Age Benefit	13,984	-	-	13,984	7,556	7,543	13	54%
Pacific Catastrophe Risk Insurance	160	-	-	160	160	183	-23	114%
Parliamentary Sitting Expenses	200	-	-	200	186	34	152	17%
Parliamentary Superannuation	180	-	-	180	90	21	69	12%
PERC Salaries and Administration Costs	58	-	-	58	29	26	3	45%
Ports Authority Subsidy	110	-	-	110	73	73	0	67%
Production of new currency, transportation and sale of old coins	0	-	-	0	0	7	-7	0%
QR Travel and Allowances (local and overseas)	109	40	-	149	116	84	32	56%
To Tatou Vai - POBOC	3,000	-	-	3,000	1,887	1,887	0	63%
	32,350	40	0	32,390	18,141	16,963	1,177	52%

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

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget	Commentary
	\$'000	\$'000	%	
				<i>Note: Commentary provided on POBOCs appropriated at an annual budget of over \$1 million.</i>
Airport Authority Subsidy	2,048	1,024	50%	This funding is to support the day to day operations of the Airport Authority in Rarotonga.
Child Benefit	5,414	2,766	51%	YTD is tracking well against budget, it will need to be monitored in case of an over-spend
Civil List - Personnel	2,902	1,593	55%	The budget will be monitored for the remainder of the financial year.
Infirm/Destitute Benefit	1,280	655	51%	The budget will be monitored for the remainder of the financial year.
Old Age Benefit	13,984	7,543	54%	The budget will be monitored for the remainder of the financial year.
To Tatou Vai - POBOC	3,000	1,887	63%	This funding is to assist To Tatou Vai in its management and operations to supply and maintain Rarotonga's water network and infrastructure. The budget will need to be monitored for the remainder of the Financial Year

Table 3: Administrative Payments

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Audit of Crown Accounts	30	-	-	30	0	0	0	0%
Asian Infrastructure Investment Bank (AIIB) Membership	31	-	-	31	0	3	-3	9%
Airline Underwrite	10,000	-	-	10,000	600	315	285	3%
Border Management System Maintenance	155	-	-	155	155	0	155	0%
Bridges and Drainage Maintenance	700	-	-	700	311	3	309	0%
Bus Service	26	-	-	26	18	12	6	46%
Caregivers Allowance	463	-	-	463	251	243	8	52%
Christmas Bonus	340	-	-	340	340	340	0	100%
CISNOC Grant	370	-	-	370	370	370	0	100%
CISNOC Grant Top Up EO 1.5%	0	-	-	0	100	100	0	0%
Community Support Fund	100	-	-	100	95	24	71	24%
Cook Islands Cultural Fund	100	-	-	100	57	52	5	52%
Cook Islands Red Cross [MFM]	50	-	-	50	50	32	18	65%
Cook Islands Student Association Support	10	-	-	10	10	3	8	25%
Compliance Development	40	-	-	40	20	0	20	0%
COVID-19 Economic Response Plan - MFM	0	-	-	0	0	0	0	0%
COVID-19 Medical Response Fund	5,000	-	-	5,000	2,500	406	2,094	8%
Debt Advisory Services	60	-	-	60	20	0	20	0%
Domestic Hosting Entertainment	15	-	-	15	14	11	3	73%
Economic Recovery Roadmap	5,200	-	-	5,200	1,100	618	482	12%
EIA Process	150	-	-	150	75	12	63	8%
Emergency Work	200	-	-	200	119	62	57	31%
Fisheries Development Facility	150	-	-	150	150	119	31	80%
FMIS Maintenance	80	-	-	80	30	22	8	28%
Funeral Assistance Allowance	170	-	-	170	92	64	28	38%
Government Broadband Utilities	30	-	-	30	21	21	0	70%
Government Facilities Development Division	420	-	-	420	253	218	35	52%
Government Funded Scholarships	780	-	-	780	416	277	139	36%
Head of State Rent	13	-	-	13	13	7	6	50%
HOM's Salaries	1,903	-	-	1,903	1,001	979	22	51%
House of Ariki Operating	0	-	-	0	0	49	0	0%
House of Ariki - Personnel	0	-	-	0	0	34	0	0%
ICT Support Team	250	-	-	250	125	108	17	43%
Infrastructure Committee	100	-	-	100	47	19	27	19%
Internal Affairs Youth Program	45	-	-	45	21	4	17	8%
International Exchange of Information System Upgrade (IGOR)	89	-	-	89	51	0	51	0%
International Subscriptions	0	-	-	0	0	-20	20	0%
Joint Venture with Seabed Minerals Authority	50	-	-	50	38	23	15	45%
Judge's Allowances	300	145	-	445	143	111	32	25%
Land Records Update Project	120	-	-	120	57	57	-1	48%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Law and Order Clinical Psychologist	90	-	-	90	45	0	45	0%
Lease Extension	72	-	-	72	36	18	18	25%
Legal Aid	40	-	-	40	25	0	25	0%
Legal Provisions	50	-	-	50	50	12	38	25%
Management of Suwarrow Park	100	-	-	100	56	26	30	26%
Marae Moana Ambassador	60	-	-	60	30	30	0	50%
Marketing Resources - Tourism Growth Strategy	4,500	1,309	-	5,809	2,455	2,045	409	35%
National Events	500	-	-	500	500	492	8	98%
National Census	0	43	-	43	43	21	22	49%
National Heritage Trust	122	-	-	122	61	42	19	34%
NCD Fund	195	-	-	195	195	195	0	100%
NES-Corporate Services BAU	0	-	-	0	0	0	0	0%
Pa Enea Connectivity	200	-	-	200	140	0	140	0%
Pa Enea Machinery Maintenance Fund	100	-	-	100	70	65	5	65%
Pa Enea Mechanical Overseer	100	-	-	100	52	37	15	37%
Patient Referrals	850	-	-	850	850	783	67	92%
Patient Referrals Top Up EO 1.5%	0	-	-	0	0	0	0	0%
Pharmaceuticals	1,168	-	-	1,168	1,168	591	577	51%
PM Social Responsibility Fund	363	-	-	363	343	243	100	67%
Police Youth Program	45	-	-	45	45	24	21	52%
Post Tax Amnesty Work	0	-	-	0	0	0	0	0%
Power Subsidy	84	-	-	84	42	33	9	39%
Price Tribunal Committee	60	-	-	60	31	6	25	11%
Private School Funding - Aitutaki SDA	224	-	-	224	112	112	0	50%
Private School Funding - Blackrock	94	-	-	94	47	47	0	50%
Private School Funding - Creative Centre	147	-	-	147	72	72	0	49%
Private School Funding - Immanuela Akatemia	265	-	-	265	134	134	0	50%
Private School Funding - Nukutere	739	-	-	739	365	365	0	49%
Private School Funding - Papaaroa	310	-	-	310	154	154	0	50%
Private School Funding - St. Josephs	508	-	-	508	254	254	0	50%
Private School Funding - Te Uki Ou	692	-	-	692	356	356	0	51%
Production of new currency, transportation and sale of old coins	350	-	-	350	175	-7	182	-2%
Provision for Inter-Island Shipping	500	-	-	500	235	334	-99	67%
Provision for Land Rentals	400	-	-	400	283	259	24	65%
Public Sector Strengthening - Process & Systems	125	-	-	125	81	35	46	28%
Public Sector Strengthening - Renovation Support	0	-	-	0	0	-7	7	0%
QR Social Responsibility Fund	8	-	-	8	8	4	5	44%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Religious Advisory Council	10	-	-	10	10	0	10	0%
Remuneration Tribunal Committee	0	18	-	18	18	0	18	0%
Returned Services Association	5	-	-	5	0	0	0	0%
Road and Civil Maintenance	850	-	-	850	317	16	301	2%
School Security	230	-	-	230	103	97	5	42%
Seabed Minerals Compliance Development	0	-	-	0	0	0	0	0%
Seabed Minerals Sector Development	100	-	-	100	100	37	63	37%
Search and Rescue	20	-	-	20	10	1	9	4%
Serious Crime Investigations	100	-	-	100	63	24	39	24%
SIF - CIG Contribution	1,000	-	-	1,000	600	544	56	54%
Special Assistance Projects	250	-	-	250	191	136	55	54%
Special Investigative & Prosecution Services	50	-	-	50	33	18	14	37%
Special Select Committee	120	-	-	120	40	8	32	7%
State Events	20	-	-	20	20	13	7	67%
Standard and Poors Subscription	70	-	-	70	70	0	70	0%
Subsidy of audio/visual broadcasting in Pa Enea	45	-	-	45	45	0	45	0%
Tarai Vaka Fund	20	-	-	20	15	3	12	17%
Tax Law Review	30	-	-	30	30	0	30	0%
Te Kopapa Reo Maori Board	15	-	-	15	10	9	1	60%
Te Kukupa - Fuel Contribution	50	-	-	50	50	14	36	29%
Tertiary Training Institutions	1,160	-	-	1,160	553	560	-7	48%
The Centre of Excellence in Information Technology (CEIT)	80	-	-	80	58	32	26	40%
The Centre of Research and Policy Studies	80	-	-	80	73	65	8	81%
To Tatou Vai - Administered Payment	0	-	-	0	0	-11	11	0%
Universal Access Fund	400	-	-	400	200	0	200	0%
University of the South Pacific Contribution	205	-	-	205	172	13	159	6%
Vaka Maintenance	400	-	-	400	200	199	1	50%
Waste Management	730	-	-	730	300	230	70	32%
Workforce Development	234	-	-	234	234	234	0	100%
							0	
							0	
							0	
	46,876	1,513	0	48,389	20,687	13,714	6,973	28%

Table 3: Administrative Payments Commentary

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget 2022/23	Commentary
	\$'000	\$'000	%	
				<i>Note: Commentary provided on Administered Payments appropriated at an annual budget of over \$1 million.</i>
Airline Underwrite	10,000	315	3%	This budget is to subsidise the cost of direct flights from non-NZ markets to Rarotonga. For the Qtrs 1&2 only one route met the criteria which is the Rarotonga to Tahiti flights and a subsidy has been paid. Tourism has been allocated a budget of \$345k for the year to promote and market the Cook Islands in the Northern Hemisphere. .
COVID-19 Medical Response Fund	5,000	406	8%	This budget is to support the health response to limit or mitigate the spread of COVID 19. YTD expenditure includes Pa Enua Northern Vaccination roll outs, Managed Isolation Facilities, Medical Evacuation Flight and Diagnostic Equipment .
Economic Recovery Roadmap	5,200	618	12%	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	1,903	979	51%	The YTD expenditure is on-track for the period
Marketing Resources - Tourism Growth Strategy	5,809	2,045	35%	This budget is for Cook Islands Tourism to promote the Cook Islands as an ideal travel destination. This is Bulk Funded to the Agency. YTD expenditure \$1.8 mil relates to International Representation, Stakeholder Management, Sales and Marketing, Public Relations , E Commerce and Destination Development.
Pharmaceuticals	1,168	591	51%	The YTD expenditure is on track for the period. This Funding is to cover the procurement of essential medical consumables and supplies as per EML, to ensure delivery of health services and treatment to both Rarotonga and Pa Enua.

SIF - CIG Contribution

1,000

544

54%

This Budget is to support the delivery of quality services by non-government organisations and community groups to meet the needs of the most vulnerable such as children and youth. The YTD is slightly over for the period and it will be monitored to ensure it does not go over budget.

Tertiary Training Institutions

1,160

560

48%

This Budget is to support the operating expenses for the Cook Islands Tertiary Training Institute to deliver courses in the Rarotonga and the Pa Enua. YTD Expenditure includes Tutors, Professional Services & communication expenses

Table 4: Capital Expenditures

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Apii Nikao School Sound Proofing	0	33	-	33	33	29	5	85%
Aitutaki Capital Funding	16	-	-	16	14	0	14	0%
Aitutaki Harbour Dredging	0	422	-	422	422	328	94	78%
Arorangi Prison Remedial Works	0	30	-	30	30	6	23	21%
Atiu Capital Funding	12	-	-	12	8	0	8	0%
Auditorium Equipment Replacement Programme	100	-	-	100	100	62	38	62%
Bridges and Structures Asset Management and Improvement Programme	6,050	-	-	6,050	732	110	622	2%
Capital Distribution Fund	300	-	-	300	220	0	220	0%
COVID-19 Response Fund - Capital Needs	1,000	-	-	1,000	833	596	238	60%
Drainage Asset Management and Improvement Programme	500	-	-	500	126	1	126	0%
Emergency Management and Support Infrastructure	0	-	-	0	0	0	0	0%
FMIS Purchase and Implementation	11	-	-	11	11	9	1	87%
Fund to be Prioritised by Education	300	-	-	300	69	37	32	12%
Fund to be Prioritised by Health for Technical Equipment	300	-	-	300	300	0	300	0%
Government Building Projects - ICI	1,361	-	-	1,361	934	585	349	43%
Government Building Projects - CIIC	1,079	643	-	1,722	1,722	486	1,236	28%
Government IT Network	551	-	-	551	310	228	82	41%
Land Acquisition	700	-	-	700	700	0	700	0%
Mangaia Capital Funding	12	-	-	12	8	2	6	13%
Manihiki Capital Funding	10	-	-	10	5	0	5	0%
Mauke Capital Funding	10	-	-	10	5	0	5	0%
Mitiaro Capital Funding	8	-	-	8	4	0	4	0%
Orongo Development Master Plan and Centre reconstruction - Ports Authority	500	-	-	500	500	382	118	76%

Table 4: Capital Expenditures Cont'd

	Budget Estimates Full Year 2022/23	Carry Forwards from 2021/22	Additional Funding Approval 2022/23	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Pa Enea Government Building Projects - Northern Group	500	77	-	577	327	143	184	25%
Pa Enea Government Building Projects - Southern Group	500	-	-	500	250	229	21	46%
Pa Enea Marine Infrastructure Improvement Programme	2,660	-	-	2,660	2,324	94	2,230	4%
Pa Enea Air Infrastructure Improvement Programme - CIG	892	-	-	892	801	18	783	2%
PA Enea Capital Distribution Fund	300	-	-	300	0	0	0	0%
Palmerston Capital Funding	10	-	-	10	5	0	5	0%
Penrhyn Capital Funding	12	-	-	12	6	2	4	15%
Prison Development Programme - Strategic Plan	0	50	-	50	50	34	16	67%
Pukapuka Capital Funding	12	-	-	12	6	0	6	0%
Rakahanga Capital Funding	8	-	-	8	6	0	6	0%
Rarotonga Airport Slab Replacement	850	-	-	850	510	0	510	0%
Rarotonga Cyclone Shelters - Remediation	400	-	-	400	200	53	147	13%
Renewable Energy Project Management and Support	0	175	-	175	174	128	47	73%
Revenue Management System Upgrade (RMS10)	2,851	-	-	2,851	1,426	553	872	19%
Road Asset Management	8,731	-	-	8,731	6,946	5,257	1,689	60%
Telecommunication Universal Access	200	-	-	200	104	0	104	0%
To Tatou Vai - Capital	3,000	-	-	3,000	716	62	654	2%
Vaka Maintenance Capital Projects	50	50	-	100	100	62	38	62%
Waste Management Infrastructure Improvement Programme	100	-	-	100	100	46	54	46%
Water and Sanitation Infrastructure Improvement Programme	264	-	-	264	107	25	82	9%
	34,160	1,480	0	35,639	21,245	9,566	11,679	27%

Table 4: Capital Expenditure Commentary

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget 2022/23	Commentary
	\$'000	\$'000	%	<i>Note: Commentary provided on Capital Expenditure appropriated at an annual budget of over \$1 million and less than 10% budget utilisation YTD</i>
Bridges and Structures Asset Management and Improvement Programme	6,050	110	2%	The YTD expenditure relates to the Empire Bridge. Work was prioritised for the Queens Rep and Sheraton Bridges. \$3.6 million will be transferred to the Road Asset Management Budget for the Rarotonga Road Renewal for Qtrs 3&4
Pa Enea Marine Infrastructure Improvement Programme	2,660	94	4%	The focus of this years expenditure is the Nasau Harbour. YTD expenditure is Claim 2 for the design phase of the project. \$2.2 mil was budgeted to be spent in Nov 2022, this did not occur.
Pa Enea Air Infrastructure Improvement Programme - CIG	892	18	2%	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. \$700k was budgeted to be spent in Nov 2022, this did not occur
COVID-19 Response Fund - Capital Needs	1,000	596	60%	The COVID-19 Response Fund- Capital Needs capital funding line was provided to help facilitate capital purchases and projects required for the health sector to respond to COVID-19. The focus of this expenditure in 2022/23 was toward the purchase of the TMO Pharmacy Extension and IT Storage Facility . Funding has also been put towards COVID responses expenditures for COVIDS Airport Health Readiness.
Government Building Projects - ICI	1,361	585	43%	This expenditure is for the Te Tautua Hospital in Penrhyn it was a joint project with CIIC. The Practical Completion Certificate was undertaken in Sept 2022. \$426k is budgeted to be spent in Qtr 4
Government Building Projects - CIIC	1,722	486	28%	This project involves the development and improvement of Govt buildings and facilities on Rarotonga. YTD Expenditure consists of building of Pununganui Market Toilets, ICI Toilet Block, Sports Arena Roof and Apii Rutaki Electrical Upgrade. It is expected that all of this funding will be used by the end of the year

Pa Enea Marine Infrastructure Improvement Programme	2,660	94	4%	This project is for the design of the Nassau Harbour. It is currently in the design and planning stages. An Independent Engineering Consultancy has been engaged. \$2.2 mil was budgeted to be spent in Qtr 2 this did not occur
Water and Sanitation Infrastructure Improvement Programme	264	25	9%	This project is for the Pa Enea and this years budget has prioritised Penrhyn Water Storage, Atui Water Gallery, Mangaia Ivirua water distribution and Tepuka Sanitation Improvement. YTD Expenditure is Aitutaki Vaimaru Well and Atui Water Supply. \$106k was budgeted to be spent by the end of Qtr 2 this did not occur. \$45k had been budgeted for Qtr 3 and \$112K for Qtr 4
Revenue Management System Upgrade (RMS10)	2,851	553	19%	This project is for the upgrade of MFEM's Revenue Management Division (RMD) tax management software platform from Revenue Management System (RMS) version 7 to version 10. This project is to be implemented in 5 phases. YTD expenditure is for Phase 0 Business Process and Design has commenced.
Road Asset Management	8,731	5,257	60%	\$3.6 million is to be transferred from the Bridges and Structures budget for Qtrs 3 & 4 for the main road in Tupapa. Expenditure to date relates to Mauke Road Project and roads on Rarotonga, including Avatui Valley Road, Matavera to Turangi Road and the Takitumu School Fence.
To Tatou Vai - Capital	3,000	62	2%	YTD expenditure has been used for Water Network upgrades on Rarotonga and Office Furniture. It is anticipated that approx \$600k will be spent in the quarter to March 2023 this includes \$414k on the Water Network and \$200k on Enterprise Software. For the quarter to June 2023 \$664K will be spent on Network upgrades and \$1.2 mil on the metering project subject to review.

	Loan start date	Loan end date	Loan currency	Original loan amount	Interest rate	Sept 2022 Balance ('000)	Principal Payments ('000)	FOREX Adjustment ('000)	Revaluation/ Draw Down Adjustments	Dec 2022 Balance ('000)	Change Jun Qtr ('000)
Asian Development Bank											
1. First multi project loan - 461	Nov-80	Aug-20	USD	1,000	1.00%	0	0	0	0	0	0
2. First Cook Islands Development Bank project loan - 567	Jul-82	Apr-22	USD	1,500	1.00%	0	0	0	0	0	0
3. Second multi project loan - 849	Dec-87	Aug-27	SDR	2,150	1.00%	891	0	(50)	0	841	(50)
4. Outer Islands telecommunications project loan - 1031	Oct-90	Aug-30	SDR	2,578	1.00%	2,723	0	(153)	0	2,570	(153)
5. Second Cook Islands Development Bank loan - 1155	Mar-92	Dec-31	SDR	1,085	1.00%	766	(37)	(44)	0	685	(81)
6. TCI Emergency Loan- 1171	Aug-92	Jun-32	SDR	349	1.00%	268	(13)	(15)	0	240	(28)
7. Pearl Loan (1994) - 1309	Dec-94	Aug-34	SDR	272	1.00%	315	0	(18)	0	298	(18)
8. Education development- 1317	Feb-95	Aug-34	SDR	1,852	1.00%	1,924	0	(108)	0	1,816	(108)
9. Third Cook Islands Development Bank loan- 1380	Jan-96	Sep-35	SDR	1,977	1.00%	1,683	(71)	(23)	0	1,589	(94)
10. Economic restructuring loan - 1466	Sep-96	Sep-36	SDR	3,430	1.00%	3,910	0	(219)	0	3,691	(219)
11. Cyclone Rehabilitation Project loan - 1588	Jan-97	Jan-38	SDR	583	1.00%	700	0	(39)	0	660	(39)
12. Waste Management loan - 1832	Dec-01	Jun-33	SDR	1,695	1.50%	1,615	(70)	(90)	0	1,455	(160)
13. Cyclone Emergency Assistance loan- 2174	Jun-05	Jan-45	SDR	1,895	1.00%	3,396	(37)	(191)	0	3,168	(228)
14. (SF) Avatiu Ports Development Loan - 2473	Sep-09	Nov-40	SDR	4,524	1.50%	5,060	(208)	(273)	0	4,578	(481)
15. (OCF) Avatiu Ports Development Project Loan - 2472	Sep-09	Nov-33	NZD	8,697	5.77%	7,907	(191)	0	0	7,907	0
16. (SF) Economic Recovery Support Program Loan - 2565	Jan-10	Oct-24	NZD	11,053	2.52%	2,010	0	0	0	2,010	0
17. (OCF) Avatiu Ports Development Project Loan- 2739	Dec-11	Nov-35	NZD	5,290	2.64%	4,542	(83)	0	0	4,542	0
18. (OCR) Economic Recovery Support Program 2 Loan - 2946	Dec-12	Oct-27	NZD	11,053	2.75%	3,021	0	0	0	3,021	0
19. (OCF) Renewable Energy Sector- 3193	Jan-15	Jun-36	NZD	12,980	1.15%	9,550	(210)	0	210	9,550	0
20. (OCR) Undersea Broadband Cable Loan- 3632	Jul-19	Jun-39	USD	15,000	2.65%	21,552	0	1,898	0	23,450	1,898
21. Disaster Resilience Program (Phase 2) - 3933	Dec-19	Jun-35	NZD	15,676	1.13%	15,676	0	0	0	15,676	0
22. COVID 19 Active Response - 4010	Jan-21	Jan-30	NZD	30,409	1.13%	30,409	0	0	0	30,409	0
23. Supporting Sustainable ERP - 4161	Dec-21	Dec-33	NZD	55,540	2.19%	55,540	0	0	0	55,540	0
						173,458	(919)	675	210	173,697	240
Asian Infrastructure Investment Bank (AIIB)											
23 COVID-19 Active Response & Economic Support - 0461A	Jan-21	Jun-30	USD	19,950	0.25%	34,677	0	(3,295)	0	31,382	(3,295)
						34,677	0	(3,295)	0	31,382	(3,295)
Export -Import Bank of China											
24. Indoor Sports Stadium & Upgrade of Existing Sports Facilities	Aug-08	Aug-28	RMB	74,100	1.80%	6,308	(539)	127	0	5,897	(411)
25. Rarotonga Water Ring Main Upgrade Loan	Dec-12	Dec-32	RMB	118,000	2.00%	20,310	(943)	(382)	0	18,985	(1,325)
						26,618	(1,482)	(255)	0	24,882	(1,736)
Total Gross Borrowings						234,753	(2,401)	(2,875)	210	229,961	(4,792)
Less Loan Repayment Fund						19,009	(5,840)	98	4,546	17,813	(1,196)
Net Borrowing by the Crown						215,744	3,439	(2,973)	(4,336)	212,149	(3,596)
Less Avatiu Port Development & Avaroa Cable Ltd						39,061	(482)	1,625	0	40,477	1,417
Net Borrowing by the General Government						176,684	3,922	(4,598)	(4,336)	171,671	(5,013)

Crown Gross Debt

The total gross debt by the Crown for December 2022 period was \$229.96 million, a decrease of \$4.79 million from the September 2022 quarter. The decrease in debt level was mainly due to loan repayments and increase in exchange rates for USD and RMB currencies.

Crown Net Debt

The general government's 'Net Debt' is equivalent to total gross debt, net of the Loan Repayment Funds (LRF) and SOE debts. General Government Net Debt for the 2nd Quarter ending 31 December 2022 was \$171.67 million, a decrease of \$5.01 million from the September 2022 quarter mainly due to transfer of \$4.54 million into the LRF account and Loan repayment of \$2.40 million.

Source: NZ Reserve Bank Website for USD and RMB

Table 5.1 Average Foreign Currencies against New Zealand Dollars	Sep-22	Dec-22	Movements
			from Sep 22
Foreign Currencies			
United States Dollars (USD)	0.5733	0.6335	0.06020
Chinese Yuan (RMB)	4.1274	4.4154	0.28800
Special Drawing Rights (SDR)	0.4493	0.4760	0.02672

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 31 December 2022.

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

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

Table 6: Official Development Assistance

		Budget Estimates Full Year 2022/23	Actual YTD	
Development Partner	Donor			
	Technical Assistance Support	Asian Development Bank	500,000	250,000
	JFPR - Supporting Safe Recovery of Travel and Tourism in Cook Islands	Asian Development Bank	2,900,000	659,091
	Strengthening of the CI Public Sector Support TA	Asian Development Bank	300,000	100,000
	JFPR - Supporting Safe Recovery of Travel and Tourism		0	0
Asian Development Bank			3,700,000	1,009,091
	COVID-19 Co-operation Cash Grant to support recovery	China	75,758	0
	COVID-19 Co-operation Cash Grant for Administration	China	50,000	0
China			125,758	0
	Budget Support to the Sanitation Sector (1)	European Union	154,524	7,263
	Sustainable Fisheries Partnership Agreement - Sectoral Support 2016 - 2021	European Union	612,594	572,925
	Sustainable Fisheries Partnership Agreement - Sectoral Support 2022 - 2024	European Union	581,395	0
	Budget Support to the Sanitation Sector Capital (2)	European Union	1,474,066	411,526
European Union			2,822,579	991,714
	Project Development Fund - US Fisheries Treaty 1	Forum Fisheries Agency	206,439	0
	Project Development Fund - US Fisheries Treaty 2	Forum Fisheries Agency	30,303	0
Forum Fisheries Agency			236,742	0
	Fourth National Communications - UNFCCC	Global Environment Facility	495,454	0
	GEF Small Grants Programme	Global Environment Facility	378,788	168,000
	Renewable Energy Grant (Southern Group) GEF	Global Environment Facility	681,818	0
	Nagoya Protocol on access to genetic resources	Global Environment Facility	100,000	2,360
	Minamata Convention on Mercury	Global Environment Facility	53,814	3,745
Global Environment Facility			1,709,874	174,105
	Green Climate Fund Readiness	Green Climate Fund	450,000	124,174
	Building Resilient and Healthy Cook Islands Communities - Project	Green Climate Fund	775,544	211,587
	Enhancing Climate Information and Knowledge Services for Resilient Communities	Green Climate Fund	1,647,335	123,247
	Enhancing Climate Information and Knowledge Services for Resilient Communities	Green Climate Fund	2,431,758	500,000
	Enhancing National Adaptation Programmes	Green Climate Fund	1,899,061	1,496,819
	Green Resilient Recovery	Green Climate Fund	453,235	70,330
	Enhanced Direct Access - Project Preparation Facility	Green Climate Fund	136,364	0
	Renewable Energy Grant (Southern Group)	Green Climate Fund	5,000,000	596,424
	DAE Direct Support Readiness	Green Climate Fund	100,000	0
Green Climate Fund			12,893,296	3,122,581
	OSH Awareness Campaign Programme	ILO	35,143	0
ILO			35,143	0
	India Grant Fund	India	680,000	59,575
India			680,000	59,575
	Grant Assistance for Grassroots Projects	Japan	600,000	0
	JICA Training and Development	Japan	125,000	0
	Economic Social Development Programme 2018	Japan	4,051	4,051
	Economic Social Development Programme 2020-1 COVID-19 Response Assistance	Japan	701,474	0
	Economic Social Development Programme 2020-2	Japan	994,495	42,707
	Inter-island freight and passenger ship	Japan	3,000,000	0
Japan			5,425,020	46,758
	Korea Grant Aid		303,030	0
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	50,000
	COVID-19 Socio Economic Rapid Assessment Survey	New Zealand	35,000	35,340
	Cook Islands Core Sector Support - TA Component	New Zealand	1,275,000	433,840
	NZ Volunteer Services Aboard	New Zealand	500,000	250,000
	Cook Islands Infrastructure Trust Fund	New Zealand	44,419,984	40,946
	CI Pacific Maritime Safety Programme	New Zealand	285,000	39,361
	Rarotonga Airport Upgrade Designs	New Zealand	1,264,638	391,066
	Manatua Polynesian Cable Project	New Zealand	727,262	455,962
	Assets Management	New Zealand	100,000	0
	Mei Te Vai Ki Te Vai (MTVKTV)	New Zealand	585,990	0
	LiDAR	New Zealand	1,500,000	1,176,789
New Zealand			61,617,874	10,698,304
	Aid Effectiveness	Other	100,000	23,254
	Small Projects Grant funding	Other	5,000,000	1,544,020
	National Archive Digitization	Private Donor	80,000	0

Other			5,180,000	1,567,274
	GCCA + SUPA - Enhancing a Climate Resilient Marine Sector	SPC	146,469	65,274
	Managing Water Scarcity through Strengthened Water Resource:	SPC	1,720,000	190,399
	GCCA + SUPA - Enhancing a Climate Resilient Marine Sector (2)	SPC	375,348	0
	Technical/In-kind support	SPC	163,934	0
	Strengthening water security of vulnerable island states	SPC	73,816	0
SPC			2,479,567	255,673
	Pa Enea Action for Resilient Livelihoods (PEARL)	UN Adaptation Fund	100,000	82,847
UN Adaptation Fund			100,000	82,847
	SDG Financing Joint Programme - DFA	UNDP	51,135	6,431
	UNPRPD CI Joint Programme	UNDP	23,789	9,995
	Western Pacific Multi-country Integrated HIV/TB programme - L	UNDP	90,000	36,317
UNDP			164,924	52,743
	Social Protection for persons with disability		300,000	2,648
	Intangible Cultural Heritage		48,600	3,051
UNESCO			348,600	5,699
	UNICEF Health and Nutrition Programme		335,350	120,000
UNICEF			335,350	120,000
	WHO Biennium Budget Support		152,000	70,000
WHO			152,000	70,000
	HCFC Phase-Out Management Plan for PIC Stage 1 & 2		90,145	4,439
	Institutional Strengthening Project		30,000	17,521
UNEP			120,145	21,960
	Pac Waste Plus		380,000	10,500
SPREP			380,000	10,500
	CI Coastal Fisheries and Aquaculture TA		371,032	0
	Otolish Lab		96,469	0
Australia - SPC			467,501	0
Total Official Development Assistance			99,277,403	18,288,824
				18%

Cook Islands Core Sector Support (CSS) - Budget Support

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

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

Under the same Core Sector Support Arrangement, New Zealand will provide NZD\$5.1 million in funding over the same period to support public sector strengthening through the provision of specialist technical assistance. Technical assistance proposals must demonstrate relevance to the Cook Islands' Public Sector Strategy, broader Public Sector reform/strengthening and the Cook Islands Economic Development Strategy.

Rarotonga Airport Upgrade Designs

Total actual spend to date is NZD \$391,066

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

European Development Fund - Budget Support to the Sanitation Sector

Total actual spend to date is NZD \$411,526

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

Sustainable Fisheries Partnership Agreement - Multiyear (Fisheries) Policy Support

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

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

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

Total actual spend to date is NZD \$65,274

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.

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

Total actual spend to date is \$10,500

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 \$455,962

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

Key milestones achieved are as follows:

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

Project Preparation Facility - Building Resilient and Healthy Cook Islands Communities

Total actual spend to date is \$211,587

A Project Preparation Facility (PPF) application for US\$568,000 was approved by the Green Climate Fund to undertake technical assessments to support the development of a full proposal titled "Building resilient and Healthy Cook Island Communities". The planned full project proposal aims to develop, promote and implement increased resilience of the Cook Islands population to the health impacts of climate change. The project will facilitate transformational change within the Cook Islands Health sector by building the technical and institutional capacity to monitor, model and address health related climate change impacts. The project will also strengthen awareness of the health concerns exacerbated by climate change at household and community levels in the outer islands, including undertaking Island Health Assessments that highlight the solutions-based approach to adaptive measures.

The Project Preparation Facility Grant Agreement is now effective with implementation underway to develop the full project proposal.

Table 7: State Owned Enterprises (SOEs)

	YTD Budget Estimates	Actual YTD	Variance to YTD Budget Estimates
	\$'000	\$'000	\$'000
SOEs Consolidate Group			
Trading Revenue	32,024	32,315	-291
<i>Less: Expenditure</i>			
Personnel Expense	8,857	8,123	734
Operating Expense	20,093	19,907	186
Depreciation Expense	5,551	4,940	611
	34,501	32,970	1,531
Net Surplus / (Deficit)	-2,477	-655	-1,822

The table below consolidates the December 2022 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 \$0.6m, which is \$1.8m favourable to a budget deficit of \$2.4m:

- Trading revenues slightly favourable to budget. .
- 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 across the group with the exception of the following, Airports Authority due to more fuel usage than anticipated and high International Terminal costs. Ports Authority due to exchange conversion rates, freight costs and timing of term insurance.