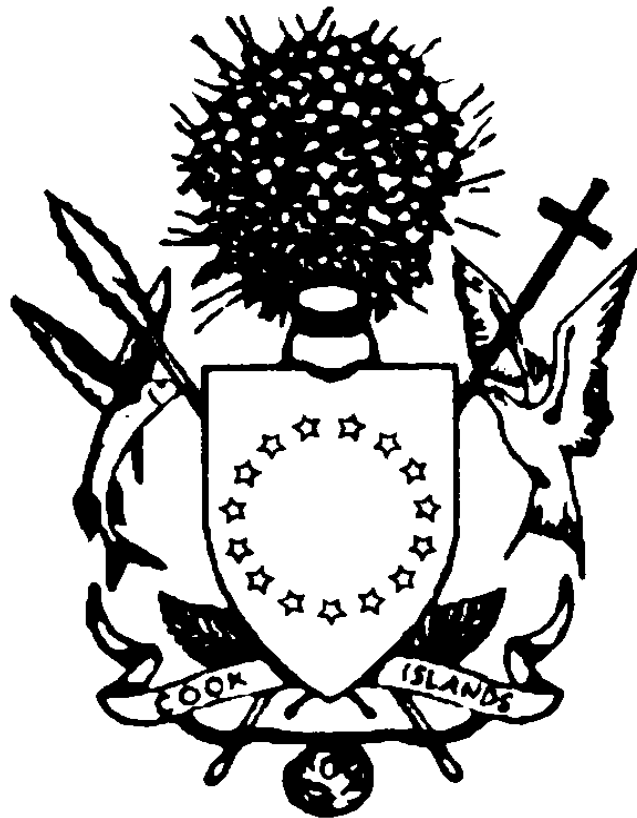

**COOK ISLANDS GOVERNMENT
BUDGET ESTIMATES
2013/2014**

**Book 3
Capital Plan**



**Hon. Mark Brown
Minister of Finance
June 2013**

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1. Introduction

This capital plan aims to provide greater transparency over the allocation of capital investment to priority sectors identified in the National Sustainable Development Plan. Providing this information publically is expected to encourage a greater cooperative effort across organisations and sectors. This information is intended to improve the capacity of the public, Government, public officials and intended beneficiaries to monitor progress.

The three year medium term outlook is also anticipated to improve the Cook Island governments' ability to influence development partners to provide support to national sector and theme based activities. A small change to presentation is the inclusion of the actual funding source to the detailed schedules to complete information. Additionally, further information on variance and progress on last year's capital plan is provided.

This forward capital investment programme outlines the 2012/13 anticipated expenditure and three year capital budget for all Cook Islands Ministries, local governments and State Owned Enterprises. These activities are financed through a mix of resources from international development partners, lenders, the Cook Islands Government and its State Owned Enterprises (SOE) revenue and capital sources.

This book should be read in conjunction with the information from chapter 14, Official Development Assistance (ODA) and the national debt contained in Budget Book No. 1.

Total spending on capital and development from all sources in 2012/13 is estimated to be \$22.8 million by year end. Spending will be lower than budget by \$18M due to:

- Capital works (-\$7.3M) including Climate adaptation fund \$1.5M and the RE programme which have been planned for delivery over next three years.
- Grants (-\$3M) Pearl equipment \$1M, Sanitation upgrades 0.5M, Adaptation fund outer island water tanks 0.5M, 0.7M Rarotonga water tanks. These projects have all been reprogrammed over the 2013 to 2016 period.
- Plant and equipment (-\$6.3M) including \$6M of PRC funded equipment expected to be delivered in December 2013, Atiu power grid upgrade which is under review.
- ICT (-\$0.7M). Met office weather observing management system (0.23M) delayed to 13/14, online companies registry not approved by the donor, CIIC asset management database delayed to 2013/14.
- Recurrent expenses (\$0.3M) lower than anticipated due to lower spending by MOIP on Rarotonga water network maintenance.

Estimated spending over the four years 2012/13 to 2015/16 is \$165 million for a total capital plan cost of \$194M. Total programmed cost has reduced by \$86M from the \$280M reported in the previous capital plan due to the removal of the reticulation phase of the sanitation improvement plan (\$40M) pending policy decisions, Avatiu harbour no longer included as it was completed in FY 2011/12 (\$27M), reduction of the programmed airport authority plan from \$32 to \$7.5M (-\$22M) pending the completion of airport master plans.

The Cook Islands government funded Budget 2013/14 is proposed at \$9.3M and is higher than last years' plan estimate of \$3.6M. Capital initiatives funded by the Cook Islands Government (including SOEs) lending and reserves in 2013/14 is 27 million or 45% of the plan.

Please Note:

- Total cost is the estimated full cost of a capital initiative (project or programme) taking into account feasibility, design, project management and construction costs to complete the capital initiative. This may be more than the total of budgets listed depending on activity timing.
- 4 year cost is the estimated and projected costs of the four years (2012-2016) of this capital initiative plan (project or programme). This figure may differ from 'Total cost'.

Key:

ADB	Asian Development Bank
ADB ERSP	Asian Development Bank Economic Recovery Support Program
ADB PEEP	Asian Development Bank Pacific Energy Efficiency Project
ANZ	Australia New Zealand Banking Corporation
APS	Aitutaki Power Supply
AusAID	Australia Agency for International Development
CAPEX	Capital Expenditure funded by Cook Islands Government
CIG	Cook Islands Government
CIIC	Cook Islands Investment Corporation
EIB	European Investment Bank
EU	European Union
EU GCCA	European Union Global Climate Change Alliance
EXIM	Export Import Bank of China
HTTC	Hospitality and Tourism Training Centre
IWRM	Integrated Water Resource Management
MFEM	Ministry of Finance and Economic Management
MMR	Ministry of Marine Resources
MOIP	Ministry of Infrastructure and Planning
NSPD	National Sustainability Development Plan
NZ/A	New Zealand/Australia
ODA	Official Development Assistance
OPM	Office of the Prime Minister
PACC/SPREP	Pacific Adaptation to Climate Change, South Pacific Regional Environment Programme
PEC	Pacific Environment Community, Japan
PIGGAREP	Pacific Islands Greenhouse Gas Abatement through Renewable Energy Project
PRC	Peoples Republic of China
RE	Renewable Energy
RED	Renewable Energy Division, Office of the Prime Minister
SIDS-DOCK	Small Island Developing States - 'Docking Station'
SOE	State Owned Enterprises
SOPAC	Secretariat of the South Pacific Community
SRIC	Strengthening the Resilience of our Islands and our Communities to Climate Change Cook Islands
TA	Technical Assistance
TAU	Te Aponga Uira o Tumutevarovaro
TMV	Te Mato Vai – Rarotonga Water Partnership
UN	United Nations
UN-FCCC	United Nations Framework Convention on Climate Change
UN-GEF	United Nations-Global Environment Facility
WATSAN	Water and Sanitation Unit, Cook Islands Government

2. Capital Initiatives Summary

Total spending on capital and development from all sources in 2012/13 is estimated to reach \$22.8 million; spending over the three years 2013/14 to 2015/16 is estimated to approach \$142.6 million.

Table 2.1 Capital Expenditure by Type 2012/13 to 2015/16 (\$M)

Capital Initiatives Type	2012/13 Budget	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
Capital works	21.655	14.349	36.156	34.202	24.130	121.762
Grant	6.237	2.954	10.599	7.190	7.050	38.062
Plant & Equipment	9.221	2.971	11.100	5.830	0.525	22.077
Recurrent expenses on new capital initiatives	1.815	1.092	1.290	1.290	1.690	7.188
ICT	1.802	1.508	0.897	0.570	0.110	5.063
Grand Total	40.730	22.873	60.041	49.081	33.505	194.152

Table 2.2 Funding Source 2012/13 to 2015/16 (\$M)

Funding Type	2012/13 Budget	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
ODA	26.223	8.836	32.333	29.255	23.684	114.578
ADB	0	0	0.295	0.295	0	0.590
AusAID	0.504	0.497	0	0	0	0.504
EU	0	0	0.017	0	0	0.017
India	0.158	0.340	0.040	0	0	0.389
NZ/A	11.955	6.588	5.312	14.775	17.384	53.066
PEC	1.460	0.026	4.650	0	0	4.650
SIDS-DOCK	0	0	0	0.640	0	0.640
SOPAC	0.200	0.030	0.200	0	0	0.500
UNESCO	0	0	0.030	0	0	0.025
Japan	0.124	0.155	0	0	0	0.124
PIGGAREP	0.244	0.200	0.127	0	0	0.427
Korea	0	0	0.121	0	0	0.121
PRC	6.900	0.270	12.311	6.389	0	18.970
EIB	0.259	0.104	0.661	0	0	0.864
NZ/A/EU	1.500	0	4.600	5.800	6.300	27.200
UN adaptation fund	1.544	0.012	2.235	0.580	0	2.587
ADB PEEP	0.540	0.366	0.590	0.776	0	2.100
UNDP	0.836	0.247	0.325	0	0	0.985
AusAID PAC/SPREP	0	0	0.610	0	0	0.610
EU GCCA	0	0	0.209	0	0	0.209
Loan	3.867	6.641	12.961	12.532	4.501	40.905
ADB ERSP	2.500	5.640	6.320	1.150	0.750	17.564
EXIM	0	0	5.791	11.382	3.751	20.924
ANZ Bank	1.367	1.001	0.850	0	0	2.417
Cook Islands Government	6.855	4.799	9.371	7.237	5.063	29.980
CAPEX	5.390	3.875	8.431	6.297	3.373	23.865
Recurrent expenses	1.465	0.924	0.940	0.940	1.690	6.115

Funding Type	2012/13 Budget	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
SOE	3.784	2.517	5.376	0.057	0.257	8.609
Airport Authority	0.525	0.482	1.746	0.057	0.257	2.622
CIIC	0.259	0.124	0.345	0	0	0.469
TAU	3.000	1.911	3.285	0	0	5.517
Donation	0	0.080	0	0	0	0.080
Huanan Charitable Trust	0	0.050	0	0	0	0.050
Yuh Yow	0	0.030	0	0	0	0.030
Grand Total	40.730	22.873	60.041	49.081	33.505	194.152

Note: The Government contribution in 2013/14 includes funds re-appropriated from previous years under-spending.

Table 2.3 Capital Initiatives by Sector (\$M)

Sector	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
Agriculture	0.105	1.625	0.090	0	1.820
Community Buildings	0.067	0	0	0	0.067
Disaster risk reduction	0	0.067	0	0	0.067
Education	1.191	0.801	0.831	2.438	5.484
Energy	2.981	12.882	4.446	5.610	31.974
Food security	0	0.040	0	0	0.040
Health	1.192	1.265	0.660	0.275	3.361
Infrastructure	0.933	8.416	4.149	0.510	15.097
Marine Resources	0	1.409	0	0	1.409
Marine Transport	2.711	3.075	0.950	0	9.072
Markets	1.413	0.170	0	0	1.783
Public administration	0.544	0.526	0.325	0	1.390
Public buildings	0.070	1.048	0	0	1.118
Sanitation	2.400	4.640	5.800	6.300	29.640
Security	0.735	0.382	0.145	0.010	3.073
Solid Waste	0.571	0	0	0	0.531
Sports	0.115	0.350	0	0	0.465
Tourism	1.280	0.740	0.860	0	3.476
Transport	2.937	5.092	4.687	0.937	14.924
Urban Planning	0.497	0	0	0	0.504
Water	3.130	17.513	26.138	17.425	68.857
Grand Total	22.873	60.041	49.081	33.505	194.152

3. Capital Works

Capital upgrades are expected to continue to represent the majority of capital investment as the Government addresses a range of existing infrastructure assets near or at the end of their useful life. Progress has been made towards upgrading individual sanitation systems in the Muri pilot zone and preparing major works in key sectors of water, sanitation (Rarotonga and Aitutaki), transport and energy being upgraded to meet higher service quality standards and growing demand, particularly on Rarotonga.

Table 3.1 Capital works 2012/13 to 2015/16 (\$M)

	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total Cost
Feasibility	0.249	1.156	0.295	0	2.791
Feasibility/Design	0.697	0.127	0	0	0.931
Design	0.289	0.828	0.450	0	1.912
Design/Build	0.027	0.150	0.670	0	0.820
Construction	6.791	12.769	4.179	7.049	35.886
Procurement	0	0.928	0.855	0.110	1.893
Upgrade	6.297	20.198	27.752	16.971	77.529
Grand Total	14.349	36.156	34.202	24.130	121.762

Capital works upgrades, construction and studies completed or well underway in 2012/13 is expected to exceed \$14M. This includes work initiated in previous years and completed in or continuing through 2012/13.

Table 3.2 Capital Works 2012/13 (\$M)

	Status	2012/13
Feasibility		
IWRM Demonstration project	Work in progress	0.030
Outer Islands Airport upgrades feasibility	Complete	0.190
TAU research and studies (storage, waste to energy, economic)	Complete	0.029
Feasibility/Design		
Coastal adaptation needs analysis Avarua	Complete	0.497
Survey, common design principles, standard mini grid design, design & supervision services.	Work in progress	0.200
Design		
Master plan Aitutaki air transport	Work in progress	0.104
Orongo Development Master Plan (Ports Authority)	Work in progress	0.125
TMV Master plan, studies and project management	Ongoing	0.060
Design/Build		0.027
Cycle ways	Work in progress	0.027
Construction		
Arorangi Jetty	Complete	0.941
Avatiu Port Island Shipping Services terminal building and ancillary services incl bridge crossing to market	Complete	0.936
Development of Punanga Nui Coastal Area	Work in progress	1.413
Event infrastructure	Complete	0.075
Phase 2 Construction of Rarotonga solid waste resource recovery centre	Work in progress	0.401
PV installations - public buildings (TAU, MoE, OPM)	Complete	0.225

	Status	2012/13
Rakahanga Solar PV Mini-Grid System	Work in progress	0.026
Terminal & Navigation system upgrade	Complete	1.001
Tracks, Trails Historical Sites	Work in progress	0.060
Upgrade existing grid and equipment	Ongoing	1.712
Upgrade		
Aitutaki Runway rejuvenation	Work in progress	0.482
Complete climate adaptation of the Mangaia harbour	Complete	0.247
Education Renewal Programme	Work in progress	0.373
Mangaia Harbour completion	Work in progress	0.117
Manihiki Tukao & Tauhunu Harbour Upgrade	Designs underway	0.500
Mitiaro Harbour Development	Complete	0.829
National Auditorium Renewal	Complete	0.070
National Health Renewal Program	Complete	0.540
Prison Education and Rehabilitation Centre	Complete	0.054
Project city Stage 1 POQuarius (Water mains & roads Panama to Aquarius 2.7km)	Complete	0.085
Project city Stage 2 Project City (Installation water network Aquarius to Tupapa)	Work in progress	2.456
Punanga Nui Market upgrade	Work in progress	0.177
Rarotonga Bowling Club	Complete	0.100
Upgrade the government VIP lounge	Complete	0.266
Grand Total		14.349

Highlights

The main capital works in the 2013/14 capital plan include:

- revised scoping and mobilisation of Master planners and a dedicated project management unit for Te Mato Vai potable water upgrade for Rarotonga;
- revised sanitation programme for Rarotonga, Aitutaki and the Pa Enea with a particular focus on upgrading on-site treatment and disposal upgrades;
- progress scoping and planning investments needed to transition Cook Islands electricity systems to renewable sources;
- upgrades to school and hospital buildings and equipment;
- revised delivery dates for standardised heavy machinery for Pa Enea; and
- progress planning and tendering upgrades to marine and air transport infrastructure.

Main Partners

The 2013/14 capital involves a number of partnerships let by the Cook Islands Government. These include:

- Te Mato Vai partnership with New Zealand the Peoples' Republic of China;
- sanitation improvement programme funded by New Zealand, Australia and the European Union;
- water improvements and small grants for the Pa Enea funded by the UN Adaptation Programme;
- Asian Development Bank lending funding Project City (Avarua road and water improvements), and water tanks for Rarotonga;
- Peoples' Republic of China grants for equipment, machinery and airport development; and
- Pacific Adaptation to Climate Change (PACC) assistance to complete Mangaia harbour.

Table 3.3 Detailed Capital works by Agency and Location 2013/14 to 2015/16 (\$M)

Responsible Agency	Island	Project	Funding source	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
Airport Authority	Aitutaki	2nd aircraft pad	Airport Authority	0	0	0.057	0	0.057
		Master plan Aitutaki air transport	EIB	0.104	0	0	0	0.104
		Aitutaki Runway rejuvenation	Airport Authority	0.482	0	0	0	0.525
	Atiu	Upgrade to Civil Aviation Authority Part 139 Regional Turbo Prop runway	PRC	0	0	2.700	0	2.700
	National	Outer Islands Airport upgrades feasibility	CAPEX	0.190	0	0	0	0.206
	Rarotonga	Boeing 787 ground power upgrade	Airport Authority	0	0.214	0	0	0.214
		HBS Baggage conveyor system	Airport Authority	0	0	0	0.257	0.257
		Terminal & Navigation system upgrade	ANZ Bank	1.001	0	0	0	0.967
		Upgrade the government VIP lounge	CAPEX	0.266	0	0	0	0.266
		Covered drop off and pick up zone	ANZ Bank	0	0.450	0	0	0.450
		Rarotonga Airport Master plan development (business plan and strategy)	EIB	0	0.661	0	0	0.760
		Rarotonga Runway Repairs (joints)	ANZ Bank	0	0.400	0	0	1.000
	CIIC	Mangaia	Mangaia Island Council/Courthouse/BCI	CIIC	0	0.045	0	0
Mauke		Mauke Cargo Shed improvements	CAPEX	0	0.050	0	0	0.050
		Mauke new Agriculture & Infrastructure machinery and equipment shelter and workshop	CIIC	0	0.070	0	0	0.070
Mitiaro		Mitiaro Cargo Shed improvements	CAPEX	0	0.050	0	0	0.050
Nassau		Nassau new infrastructure machinery shelter	CAPEX	0	0.080	0	0	0.080
National		Education Renewal Programme	CAPEX	0.373	0.671	0.721	2.328	4.093
		National Health Renewal Program	CAPEX	0.540	0.840	0.385	0	1.765
Northern	Pa Enua Renewable Energy projects – Land	CAPEX	0	0.500	0.745	0	1.245	

Responsible Agency	Island	Project	Funding source	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
	group	Acquisition						
	Pukapuka	Pukapuka Cyclone Management Centre - Veranda, Laundry and Medical Centre	CAPEX	0	0.060	0	0	0.060
	Rarotonga	Tereora College & Avatea School replacement buildings feasibility, scope designs and implementation plans	CIIC	0	0.020	0	0	0.020
		National Auditorium Renewal	CIIC	0.070		0	0	0.070
		Review fire safety precautions, install new or upgrade existing systems in gov-buildings.	CIIC	0	0.100	0	0	0.100
		Review current access to public buildings, improve accessibility and disability facilities where necessary	CIIC	0	0.050	0	0	0.050
		Chinese Public Building upgrades (TSA, Police, Court House)	PRC	0	0.800	0	0	0.800
Island Council	Aitutaki	4 Water pumps for gallery at Vaipeka, Tautu, Vaipae	CAPEX	0	0.026	0.026	0	0.052
		Fuel Storage Facility	CAPEX	0	0.090		0	0.090
MFEM	Pa enua	Outer Islands Small Capital Fund	CAPEX	0	0.110	0.110	0.110	0.330
	Rarotonga	TMV Contract administration and project management unit	NZ/A	0	0.354	1.302	0.771	2.427
		TMV CIGov PM of CCECC (Local administration fee)	EXIM	0	0.200	0.200	0.177	0.577
		TMV Master plan, studies and project management	NZ/A	0.060	0.533	0.450	0	1.143
		TMV Remaining Tupapa to Aquarius water mains and roads (PRC) including design and project management	EXIM	0	5.591	11.182	3.574	20.347
		TMV Intakes (Reservoirs and slow sand filtration)	NZ/A	0	0	6.399	6.398	12.797

Responsible Agency	Island	Project	Funding source	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
		TMV Treatment	NZ/A	0	0	0.500	0.499	0.999
		TMV Storage, Rehabilitate existing/new water storage capacity	NZ/A	0	0	0.784	0.783	1.567
		TMV Trunks (link treatment to distribution)	NZ/A	0	0	3.305	3.304	6.609
		TMV Meters	NZ/A	0	0	0	0.169	0.169
Agriculture	Manihiki	Hydroponic system Tukao	UN adaptation fund		0.040	0	0	0.040
Justice	Rarotonga	Prison Education and Rehabilitation Centre	CIIC	0.054		0	0	0.054
MMR	Rarotonga	National Laboratory Upgrade	EU GCCA	0	0.079	0	0	0.079
MOIP	Aitutaki	Refurbishment of Vaimaru water galleries	CAPEX	0	0.200	0	0	0.200
	Mangaia	Complete climate adaptation of the Mangaia harbour	AusAID PAC/SPREP	0	0.610	0	0	0.610
			UNDP	0.247	0.325	0	0	0.985
		Mangaia Harbour completion	CAPEX	0.117		0	0	0.259
		Mangaia water and roads	CAPEX		0.180	0	0	0.180
	Manihiki	Manihiki Tukao & Tauhunu Harbour Upgrade	CAPEX	0.500	2.000	0.300	0	2.800
	Mitiaro	Mitiaro Water pumps (Vaiuti Gallery)	CAPEX		0.026	0	0	0.026
		Mitiaro Harbour Development	NZ/A	0.829		0	0	2.500
	Northern group	Community water Tanks rehabilitation	NZ/A	0	0.650	0	0	0.650
	Penrhyn	Feasibility Coastal protection Penrhyn - TeTautua & Omoka Port Facilities and Fuel Depot.	CAPEX	0	0.020	0	0	0.020
		Coastal protection Penrhyn - TeTautua & Omoka Port Facilities and Fuel Depot relocation.	CAPEX	0	0	0.650	0	0.650
	Rakahanga	Rakahanga Harbour Improvement	CAPEX	0	0.120	0	0	0.120
	Rarotonga	Development of Punanga Nui Coastal Area	ADB ERSP	1.413	0.170	0	0	1.783

Responsible Agency	Island	Project	Funding source	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
		IWRM Demonstration project	SOPAC	0.030	0.200	0	0	0.500
		Bridges upgrade	CAPEX		1.000	1.500	0	2.500
		Phase 2 Construction of Rarotonga solid waste resource recovery centre	NZ/A	0.401	0	0	0	0.360
		Project city Stage 1 POQuarius (Water mains & roads Panama to Aquarius 2.7km)	ADB ERSP	0.085	0	0	0	3.526
		Project city Stage 2 Project City (Installation water network Aquarius to Tupapa)	ADB ERSP	2.456	0	0	0	2.455
		Project city Stage 3 Project City (Roads Aquarius to Tupapa)	ADB ERSP	0	5.000	0	0	5.000
OPM	Aitutaki	Aitutaki Community Water Tanks	UN adaptation fund	0	0.060	0	0	0.060
	Atiu	Atiu Community Water Storage	UN adaptation fund	0	0.100	0	0	0.100
		Atiu Solar PV Mini-Grid System	NZ/A	0		0	2.000	3.040
	Mangaia	Mangaia water pipe upgrade (Tamarua)	UN adaptation fund	0	0.092	0	0	0.092
	Manihiki	Manihiki Solar PV Mini-Grid System (cost updated by RED)	NZ/A	0	2.200	0	0	2.200
	Mauke	Mauke Solar PV Mini-Grid System	NZ/A	0	0	0	0.790	3.190
	Mitiaro	Mitiaro water tanks (community - new and repairs)	UN adaptation fund	0	0.165	0.100	0	0.265
		Mitiaro Solar PV Mini-Grid System	NZ/A	0		0	1.670	1.670
		Mitiaro generator, power house relocation and grid upgrade	CAPEX	0	0.280	0	0	0.280
	Nassau	Nassau Solar PV Project	PEC	0	0.860	0	0	0.860
	National	Community Capital Development Fund	CAPEX		0.150	0.150	0.150	0.450
		RED office support. Common design principles design & supervise services, other projects.	NZ/A	0	0	0	0	0.245
		RE Project management and support	CAPEX	0	0.150	0.150	0.150	0.750
		Feasibility PV project preparation	ADB	0	0.295	0.295	0	0.590

Responsible Agency	Island	Project	Funding source	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
	Palmerston	Palmerston Solar PV Mini-Grid System	SIDS-DOCK	0	0	0.640	0	0.640
	Penrhyn	Penrhyn Solar PV Mini-Grid System	NZ/A	0	0	0.690	1.000	1.690
	Pukapuka	Pukapuka Water Gallery Improvement	UN adaptation fund	0	0.292	0	0	0.292
		Pukapuka Solar PV Mini-Grid System (includes upgrade of generators and grid - revised by RED)	PEC	0	2.830	0	0	2.830
	Rakahanga	Rakahanga household and community water tank repairs	UN adaptation fund	0	0.265	0	0	0.265
		Rakahanga Solar PV Mini-Grid System	PEC	0.026	0.960	0	0	0.960
		Rakahanga generator control panels and powerhouse	CAPEX	0	0.095	0	0	0.095
	Rarotonga	Coastal adaptation needs analysis Avarua	AusAID	0.497	0	0	0	0.504
		Survey, common design principles, standard mini grid design, design & supervision services.	PIGGAREP	0.200	0.127	0	0	0.427
Ports Authority	Rarotonga	Avatiu Port Island Shipping Services terminal building and ancillary services incl. bridge crossing to market	ADB ERSP	0.936	0	0	0	1.000
		Arurangi Jetty	NZ/A	0.941	0	0	0	1.941
Ports Authority (CIIC)	Aitutaki	Orongo Development Master Plan (Ports Authority)	CAPEX	0.125	0.275	0	0	0.400
TAU	Rarotonga	TAU research and studies (storage, waste to energy, economic)	TAU	0.029	0	0	0	0.210
		Upgrade existing grid and equipment	TAU	1.712	3.285	0	0	5.067
		Technical Assistance and studies	NZ/A		0	0	0	0.525
		PV installations - public buildings (TAU, MOE, OPM)	NZ/A	0.225	0	0	0	0.730

Responsible Agency	Island	Project	Funding source	2012/13 Estimate Spent	2013/14	2014/15	2015/16	Total cost
Tourism Corp	Aitutaki	Aitutaki Game Fishing Club	NZ/A	0	0.350	0	0	0.350
	National	Event infrastructure	NZ/A	0.075	0.400	0	0	0.095
	Rarotonga	Punanga Nui Market upgrade	NZ/A	0.177	0	0	0	0.180
		Rarotonga Bowling Club	NZ/A	0.100	0	0	0	0.100
	Southern Group	Cycle ways	NZ/A	0.027	0.150	0.670	0	0.820
		Tracks, Trails Historical Sites	NZ/A	0.060	0.190	0.190	0	0.440
Grand Total				14.349	36.156	34.202	24.130	121.762

4. Detail of Capital Works Initiatives

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

4.1 Ministry of Infrastructure and Planning

Status	Responsible Agency	2012/13	2013/14	2014/15	2015/16	Total cost.
Construction	MOIP	1.814	0.190	0.650		2.813
Feasibility	MOIP	0.030	0.200			0.500
Operations & Maintenance	MOIP	0.924	0.930	0.930	1.680	6.045
Procurement	MOIP	0.308	8.904	3.689		13.069
Upgrade	MOIP	6.686	14.725	7.600	6.300	52.085
Grand Total		9.762	24.950	12.869	7.980	74.512

Development of Punanga Nui Coastal Area (ADB loan)

The land reclamation and breakwater components of the Punanga Nui development project are complete. Remaining is the paving, landscaping and providing services (e.g. electricity, water, etc). Funds have been budgeted to complete these works in 2013/14.

Stage 1:	Stage 2:
Filling north and east of the market with the dredged material, thus creating a new extension to the market at a similar level to the existing market and main road. Construction of revetment rock (breakwater) to the outer edge of the reclamation to protect the reclaimed area from wave and sea surge. Sourcing of armour rocks for the outer wall possibly combined with the existing rock armour being recovered and reused wherever possible.	Architectural and open space design. Paving and landscaping. Services (electricity, water, telephone, sewage). Lighting etc.

Mitiaro Water Pumps Vaiuti Gallery, \$0.026M

Replacement water pumps will be purchased for the Mitiaro water gallery (Vaiuti).

Climate Adaptation

- **Northern Water Improvement programme, \$0.650M + \$1.5M.**

In 2012/13 the work on community water tanks upgrades had to be delayed. Currently, MOIP and MFEM are working together to produce the Completion Report for 2011/12 stage which increased household water storage by 1.6 million litres over four Northern group islands (\$1.541 million) aiming to achieve compliance with a minimum water service standard of 6000 litres water storage per household.

In 2013/14, the Cook Islands plans to combine \$0.65 million from New Zealand and Australia with \$1.5 million in grants from the People's Republic of China to attain compliance with the minimum

water service standards. Community water tanks on Manihiki, Rakahanga, Penrhyn and Pukapuka will be renovated in 2013/14 and water safety plans reviewed. Partners include Ministries of Health and Internal Affairs, Cook Islands Red Cross and Island Council. This will contribute to further improving resilience by improved water service standards across the Northern Group.

- **Complete Adaptation of Mangaia Harbour, \$2.455M**

The final inspection of Mangaia harbour will be undertaken in May 2013. The report will detail outstanding issues which are understood to be slipway location, improvements to the quay, and procurement of an air track and drill rig to facilitate final works.

- **Mauke and Mitiaro harbour upgrades, \$2.455M**

Contractors have completed both Mauke and Mitiaro (total cost \$5.3 million) harbour upgrades. With the assistance of project supervisors (BECA), MOIP is developing the completion reports and will be finalising negotiations and retention payments with contractors.

- **Coastal Protection Penrhyn Harbour, \$0.670M**

A feasibility and design study for coastal protection work to port facilities in Tetautua and Omoka, Penrhyn, and will be carried out in June/July 2013. Project budget and work will be determined by this study, for implementation in 2014/15.

- **Vaimaru Water Gallery, \$0.200M**

This project will be funded by Cook Islands Government. Tender documents for the new pumps and pump house have been prepared with work expected to be completed by December 2013.

- **Rakahanga Harbour Improvements, \$0.120M**

Rakahanga Harbour improvements are scheduled for 2013/14. Specific requirements will be finalised in the first quarter of 2013/14 with planned to be completed in coordination with the Manihiki harbour upgrades.

Integrated Water Resource Management (IWRM) Demonstration Project, \$0.200M

IWRM has installed ten different sanitation systems in Muri over the 2011 to 2013 period for a total cost of about 130,000. WATSAN is monitoring these systems to determine the most efficient in terms of wastewater treatment and cost.

Road & Water Infrastructure

- **Bridges Upgrade, \$2.500M**

MOIP has identified several bridges requiring structural refurbishment or reconstruction. Assessments and designs for priority works are underway for bridges and stream stabilisation. Work will be coordinated with Te Mato Vai program. Currently identified priorities include the bridges at Empire Theatre and Avatiu Valley (access to the Power House).

- **Mangaia Tamarua Pipeline Water and Roads, \$0.180M**

The Mangaia Roads and Water project includes upgrades to water reticulation and road sealing in villages. This project will be managed in coordination with the Tamarua Water pipeline upgrade funded by the UN Adaptation-SRIC programme overseen by the Office of the Prime Minister (\$0.092M 2013/14). The estimated cost of completing all Mangaia Roads and Water was estimated at \$0.992M and additional requirements will be scoped in the second quarter of 2013/14.

Te Mato Vai Water Partnership: Project City Completion (Roads: Aquarius to Tupapa), \$5.000M

In 2013-14 the sealing of roads from Aquarius to Tupapa will be completed. The road standard in town is expected to be specified as hot-mix on the main road and chip seal on back roads. This is the 3rd and final stage of Avarua water pipeline upgrades which is estimated at a total cost of \$11M.

4.2 Airport Authority

Program	Status	2013/14	2014/15	2015/16	Total cost
Aitutaki Airport Master Plan	Construction	0	0.057	0	0.057
National Air transport	Upgrade	0	2.700	0	2.700
Rarotonga Airport Master Plan	Feasibility	0.661	0	0	0.760
	Construction	0.450	0	0	0.450
	Upgrade	0.414	0	0.257	1.471
Total		1.555	2.757	0.257	5.438

Aitutaki Airport Master Plan

Aitutaki Airport currently operates up to 5 flights a day from Rarotonga. Its current pavement classification for the chip-sealed runway, constructed in 2004, restricts landing to aircrafts similar to or lighter than a Boeing 737-300. The runway surface was rejuvenated last year to prolong its life and use.

A feasibility study is will be completed in June 2013, and will determine the options, impacts and costs of upgrading Aitutaki Airport to international standards and to allow for landing by heavier aircrafts such as the A320 and B737-800 as operated by Air New Zealand and Virgin Australia into Rarotonga.

The cost of construction has not been programmed as the initiative remains unfunded at the time of drafting this budget. Aitutaki Airport Passenger Terminal improvements are estimated to cost within the vicinity of \$1,190,000 and is tentatively scheduled for 2016/17.

A second aircraft pad is programmed to be constructed in 2014/15.

Rarotonga Airport Master Plan

The NSPD 2011-2015 highlights the importance of achieving tourism destination excellence, improving transport infrastructure and ensuring energy security through renewable energy. In response, the Airport Authority has developed short to medium term strategies, which include upgrading the airports in some of the outer islands, exploring the opportunity for using renewable energy and improving the Rarotonga Airport infrastructure.

In 2011/12 the airport underwent terminal and navigation system upgrades. Further projects are envisaged for the Rarotonga Airport including departure and domestic terminal and control tower improvements.

The European Investment Bank (TA2012053) is providing technical assistance to the Airport Authority to ensure Government has sufficient information on the feasibility of strategies and projects to make fully informed decisions, while ensuring the relevant international safety and security standards and regulations are being met, and further upgrades are financially and economically sustainable. EIB TA is scheduled to commence in September 2013.

Programmed infrastructure improvements to be undertaken in 2013/14 include Boeing 787 ground power upgrade, Runway joint repairs, and the construction of a covered drop-off and pick-up zone immediately outside the terminals. Depending on the availability of the EIB study report, plans are in place to start investing in renewable energy on the airport in 2014. The installation of a baggage conveyor system for the baggage x-ray screening system at the check-in/departure terminal is planned for 2015/16 as part of the 2nd stage upgrade

National Air Transport

The feasibility study for the Pa Enea airports of Atiu, Manihiki and Mangaia will be completed in June 2013, and will confirm the needs and estimated cost of upgrading the airports on these islands. It is envisaged that upgrading the airports will enable bigger aircraft to service these islands which should transpire into lower air transport costs, growth and improved economics and tourism.

Upgrades, commencing with Atiu Airport, have been tentatively reprogrammed for 2014/15 (previously 13/14) funded by a grant under negotiation from the Peoples' Republic of China.

Unprogrammed initiatives being considered for longer term plan and/or where funding sources remain to be confirmed, include:

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

4.3 Ports Authority

Program	Status	2013/14	2014/15	2015/16	Total cost
Urban Planning (Orongo)	Design	0.275	0	0	0.400

Orongo Port, Marina and Town Centre Development

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

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

- dredging works to allow yachts, cruise ship tenders and small ships into the harbour;

- renewal of the wharf infrastructure where condition is poor, including infilling a silted-up part of the basin to create more cargo handling space;
- structural works at the port to improve resistance against the effects of sea level rise caused by climate change; and
- Tourism and business focused development of the port and marina.

Following this preliminary work, the CIG has funded detailed design specifications, cost estimates and Environmental Impact Assessments which will continue in 2013/14. These will inform Local government, Cabinet and Development Partners of the full costs, risks and potential partners.

Unprogrammed initiatives that are being considered for longer term plan and/or where funding sources remain to be confirmed, include:

Aitutaki Port 2 nd Barge, \$400,000	Avana Marina Feasibility and Design, \$50,000
Aitutaki Port Crane for dredging \$1,000,000	Avana upgrades, \$660,000
Orongo Marina and Town Centre Development \$13,000,000	Avatiu: Complete Remaining Marina Breakwater Section \$770,000
Avatiu: Construction of additional boat berths on the reef side of the Western marina \$525,000	Tuituikai Moana Marina \$35M

4.4 Office of the Prime Minister

Program	Status	2013/14	2014/15	2015/16	Total cost
Climate Adaptation	Construction	0.365	0	0	0.365
	Feasibility/Design	0	0	0	0.504
	Procurement	0.292	0	0	0.292
	Upgrade	0.317	0.100	0	0.417
RE Chart	Construction	7.095	1.480	5.610	17.925
	Feasibility/Design	0.127	0	0	0.427
	Upgrade	0.280	0	0	0.280
Business Plan	Upgrade	0.150	0.150	0.150	0.450
Total		8.921	2.025	5.760	21.250

Climate adaptation programme, \$1,074M (2013-2015)

Climate change programmes will continue to be managed and coordinated by the Climate Change Cook Islands Division of the Office of the Prime Minister in collaboration with key stakeholders in the Cook Islands including government agencies such as National Environment Services, Ministry of Infrastructure and Planning, and Cook Islands Meteorological Service, Ministry of Agriculture, Ministry of Health, Ministry of Marine Resources, Ministry of Finance and Economic Management, Cook Islands Tourism and the Ministry of Internal Affairs.

“Strengthening the Resilience of our Islands and our Communities to Climate Change (SRIC)” is funded by the Adaptation Fund and the 3rd National Communication Report is funded by the Global Environment Facility. Commenced in 2012 water infrastructure in the Pa Enea forms a large part of the allocated infrastructure budget (\$1.6 million over the life of the project). Additionally there is \$45,000 allocated to each Pa Enea in Small Grants which can be accessed via SRIC focal points on each island. This fund can be accessed for one or more projects prioritization in relation to building resilience to climate change and disaster risk reduction is completed through the Island Councils.

In addition European Union is funding the (GCCA) project to strengthen environmental monitoring and its relevance to the communities of low-lying atolls of the Cook Islands over 2 years. Capital items planned include a monitoring Buoy for Manihiki (\$130,000) and upgrade of the National laboratory (\$79,000).

In May 2013 the University of NSW Water Research Laboratory (WRL) presented findings for the AusAID funded project “Adaptation to Extreme Events and Climate Change, Avarua”. This project is a part of the Pacific Adaptation Strategy Assistance Program (PASAP). The results of the vulnerability assessment provide a clear understanding of the risk posed by wave impacts and storm surge during cyclone events, and how this risk is likely to change into the future. The results are intended to be used in the development of future infrastructure, land use, and emergency management plans by CIG, as well as for Environmental Impact Assessments and development approvals.

Table 4.4.1 National Adaptation Programme 2012/13 to 2014/15 (\$M)

Agency	Project	2012/13	2013/14	2014/15	Total
Island Council	Islands Office Setup	0	0.050	0	0.050
Met Services	Weather observing network & management system	0	0.237	0	0.237
Agriculture	Hydroponic system Tukao	0	0.040	0	0.040
	Coconut processing plants	0	0.045	0.090	0.135
MMR	Monitoring Buoy	0	0.130	0	0.130
	National Laboratory Upgrade	0	0.079	0	0.079
MOIP	Community water Tanks rehabilitation	0	0.650	0	0.650
	Complete climate adaptation of the Mangaia harbour	0.247	0.935	0	1.595
	Refurbishment of Vaimaru water galleries	0	0.200	0	0.200
	Pukapuka Cyclone centre generator	0	0.017	0	0.017
	Feasibility Coastal protection Penrhyn - TeTautua & Omoka Port Facilities and Fuel Depot.	0	0.020	0	0.020
	Coastal protection Penrhyn - TeTautua & Omoka Port Facilities and Fuel Depot relocation.	0	0	0.650	0.650
	Aluminium roofing/building material – Northern Group water phase 2	0	1.500	0	1.500
OPM	Coastal adaptation needs analysis Avarua	0.497	0	0	0.504
	Palmerston Water Tanks upgrade	0	0.065	0	0.065
	Pukapuka Water Gallery Improvement	0	0.292	0	0.292
	Climate Change office set up	0.012	0	0	0.012
	Aitutaki Domestic Water Tanks	0	0.394	0.200	0.594
	Atiu Household Water Tanks	0	0.300	0.190	0.250
	Atiu Community Water Storage	0	0.100		0.100
	Mitiaro water tanks (community - new and repairs)	0	0.165	0.100	0.265
	Rakahanga household and community water tank repairs	0	0.265	0	0.265
	Aitutaki Community Water Tanks	0	0.060	0	0.060
	Mauke Airport Walk-in Chiller	0	0.040	0	0.040
	Atiu Blast Freezer Unit	0	0.040	0	0.040
	Materials and Equipment for Pa Enea Emergency Centres	0	0.050	0	0.050
	Mangaia water pipe upgrade (Tamarua)	0	0.092	0	0.092
Grand Total		0.756	5.766	1.230	7.932

National Renewable Energy Programme

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

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

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

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

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

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

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

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

Table 4.4.2 Renewable Energy programme 2012/13 to 2015/16 (\$M)

Agency	Project	2012/13	2013/14	2014/15	2015/16	Total
CIIC	Pa Enea Renewable Energy projects – Land Acquisition	0	0.500	0.745	0	1.245
Island Council	Fuel Storage Facility	0	0.090	0	0	0.090
	Mini Transformers (2) SDA & Vaipeka	0	0.096	0	0	0.048
MOIP	Manihiki Generators	0.055	0	0	0	0.175
OPM	Atiu Solar PV Mini-Grid System	0	0	0	2.000	3.040
	Manihiki Solar PV Mini-Grid System (cost updated by RED)	0	2.200	0	0	2.200
	Mauke Solar PV Mini-Grid System	0	0	0	0.790	3.190
	Mitiaro Solar PV Mini-Grid System	0	0	0	1.670	1.670
	Nassau Solar PV Project	0	0.860	0	0	0.860
	Palmerston Solar PV Mini-Grid System	0	0	0.640	0	0.640
	Penrhyn Solar PV Mini-Grid System	0	0	0.690	1.000	1.690
	Pukapuka Solar PV Mini-Grid System (includes upgrade of generators and grid - revised by RED)	0	2.830	0	0	2.830
	Rakahanga Solar PV Mini-Grid System	0.026	0.960	0	0	0.960
	Rakahanga generator control panels and powerhouse	0	0.095	0	0	0.095
	RED office support. Common design principles, design & supervise servcies, other projects.	0	0	0	0	0.245
	Survey, common design principles, standard mini grid design, design & supervision servcies.	0.200	0.127	0	0	0.427
	RE Master Planning, policy, strategy and energy commissioner.	0.168	0.350	0.350	0	1.073
	Feasability PV project preparation	0	0.295	0.295	0	0.590
	Mitiaro generator, power house relocation and grid upgrade	0	0.280	0	0	0.280
	RE Project managment and support	0	0.150	0.150	0.150	0.750
	Energy conservation and effeciency - residential lighting	0.030	0	0	0	0.030
	Energy upgrade (Energy efficient generators, powerhouse, distribution)	0	0	0.800	0	0.800
	Atiu Power Distribution	0	0.264	0	0	0.264
TAU	TAU research and studies (storage, waste to energy, economic)	0.029	0	0	0	0.210
	Upgrade existing grid and equipment	1.712	3.285	0	0	5.067
	Technical Assistance and studies	0	0	0	0	0.525
	Energy conservation and effeciency - lighting	0.040	0	0	0	0.040
	Energy conservation and effeciency - street lighting	0.130	0	0	0	0.200
	PV installations - public buildings (TAU, MoE, OPM)	0.225	0	0	0	0.730
Grand Total		2.615	12.382	3.670	5.610	29.964

4.5 Te Aponga Uira o Tumutevarovaro (TAU)

Program	Status	2013/14	2014/15	2015/16	Total cost
Upgrade existing grid	Construction	3.285	0	0	5.067

Renewable Energy Programme (Rarotonga)

TAU has undertaken numerous studies since 2011/12 to assist with its transformation to renewable energy to meet the Cook Islands Renewable Energy Chart target of 50% RE by 2015 and 100% RE by 2020. Research and pilot projects for solar and other renewable sources (i.e. waste and wind) will continue until a reliable and sustainable business model can be achieved.

Designs are currently underway for RE storage facilities and for the installation of PV systems on public buildings. The shift from diesel to RE generation, storage and distribution will be implemented in stages over the next 7 years.

Public Buildings under consideration for PV installation include the:

- National Auditorium
- Telecom Sports Arena
- Rarotonga airport
- Telecom Aroa, Arorangi

At the time of drafting this budget TAU estimated \$12M of capital upgrades over the financial years 2012 to 2015. The full amount has not been programmed as the initiative requires an additional funding source(s) which has not been identified. Negotiations are underway for an ADB loan for the years 2014-2017 to assist with TAU's transformation process.

Upgrade Existing Grid and Equipment (Rarotonga)

Improvements to the power system network and equipment were undertaken in 2011/12 and 2012/13. TAU will continue to maintain its diesel generation grid and equipment to ensure that there is a reliable power supply while transitioning to renewable energy.

4.6 Cook Islands Investment Corporation

Program	Status	2012/13	2013/14	2014/15	2015/16	Total cost
Education Renewal Programme	Design	0	0.020	0	0	0.020
	Upgrade	0.373	0.671	0.721	2.328	4.093
Health Renewal Programme	Upgrade	0.540	0.840	0.385	0	1.765
Public Building Upgrades	Construction	0	0.310	0	0	0.310
	Upgrade	0	0.995	0	0	0.995
Pa Enua Land Acquisition	Procurement	0	0.500	0.745	0	1.245
Total		0.913	3.336	1.851	2.328	8.428

Medium to long term Asset Management Plans will be developed for each island over the next two years. Additional renewal and improvement work identified during this process, specifically for the Pa Enua, will be scheduled on a priority basis. Details of activities currently planned follows:

Education Master Plan – Education Renewal Programme

The Education Renewal Programme provides ongoing support to the national education system for infrastructure renewal and improvements. The programme commenced in 2012/13 and will continue over the next 3 years. Work is prioritised to address health and safety concerns including major refurbishment and replacement work, overdue renewal work, and facility upgrades.

Renewal and improvement work completed in 2012/13 include:

- Avarua School ECE classroom foundation work, \$28,000
- Avatea School stormwater and bathroom improvements, \$20,000
- HTTC roof renewal and painting, \$50,000
- Mangaia School repainting and repairs, \$40,000
- Rutaki School storage facilities, \$15,000
- Tauhunu School ceilings, \$35,000
- Tereora College repainting and electrical upgrades (phase 1), \$90,000
- Titikaveka College tiling completion, \$30,000
- Vaitau School classroom tiling and storage facilities, \$35,000 (in progress).

The programme details below listed for 2013/14 is confirmed for implementation. Work for remaining years are subject to change pending priorities, cost confirmation and funding availability.

Table 4.6.1 Education Master Plan – Education Renewal Programme

Property/details	2013/14	2014/15	2015/16
Araura College and Primary: Repainting and Watertanks refurb.	0.55	0	0
Araura College and Primary: floor tiling	0	0.060	0
Araura College and Primary: Improve bathrooms	0	0	0.030
Vaitau School: Repainting and Improve bathrooms	0	0	0.025
Enuamanu School: Repainting and Improve bathrooms	0	0	0.040
Ivirua School: Building renovations	0.152	0	0
Mangaia School: Tile floors throughout all classrooms	0.045	0	0
Mangaia School: Improve hygiene standards of bathrooms	0	0	0.020
Mauke School: Complete tiling of classrooms	0.010	0	0
Mauke School: Repaint buildings	0	0	0.030
Mauke School: Upgrade louvre window frames to Altair	0	0.040	0
Nassau School: Repaint buildings	0.030	0	0
Niua School: Repaint buildings and refurb structure pilers	0.040	0	0
Arorangi School: Repaint buildings and roof replacement	0.065	0	0
Arorangi School: Tile floors throughout all classrooms	0	0.045	0
Arorangi School: Improve hygiene standards of bathrooms	0	0	0.015
Avarua School: Repaint buildings and wastewater upgrade	0.053	0	0
Avarua School: Complete tiling of floors in all classrooms	0	0	0.015
Avatea School: Improve bathrooms, repainting and wastewater system	0.053	0.015	0
Avatea School: Complete tiling of floors	0	0.065	0
Avatea School: Replace old classroom building - pending feasibility study/designs/costs	0.050	0.200	0
HTTC: upgrade wastewater treatment system and repainting	0.040	0	0
Nikao School: upgrade wastewater, repainting and floor tiling	0	0	0.088
Rutaki School: Repaint, floor tiling and water storage/catchment	0.020	0.050	0
Takitumu School: Repaint buildings and floor tiling	0.020	0.045	0
Tereora Coll: Improve stormwater drainage, electrical phase 2	0.057	0	0
Tereora Coll: Tile floors throughout all classrooms	0	0.201	0
Tereora Coll: Replace old classroom buildings - pending feasibility/designs	0.015	0	2.000
Titikaveka Coll: upgrade wastewater system	0.030	0	0
Titikaveka Coll: Repainting and Improve bathrooms	0	0	0.065
Total	0.691	0.721	2.328

Health Service Upgrades - National Health Renewal Programme

The National Health Renewal Programme provides for renewal and improvement work to hospitals and health care facilities on Rarotonga and the Pa Enua, to support the national health system. In

2012/13 the programme focused on upgrades to the Rarotonga Hospital Outpatients and Emergency building. Future initiatives will incorporate energy efficiency and climate adaptation measures. Work proposed for the next three years are as follows:

Renewal and improvement work completed in 2012/13 include:

- Mangaia Hospital upgrade (stage 2), \$60,300
- Rarotonga Public Health/Health Admin water and sanitation upgrades, \$70,000
- Mitiaro Hospital Painting, \$10,000

The following projects commenced in 2012/13 and will continue into 2013/14:

- Rarotonga Hospital Outpatients Department upgrade, \$350,000 (12/13) and \$300,000 (13/14)
- Rarotonga Hospital Administration Building waterproofing, \$50,000 (12/13) and \$80,000 (13/14)

The programme details below listed for 2013/14 is confirmed for implementation. Work for the remaining years are subject to change pending priorities, cost confirmation and funding availability and 2015/16 has not yet been scoped.

Table 4.6.2 Health Service Upgrades - National Health Renewal Programme

Property/details	2013/14	2014/15	2015/16
Mauke Hospital accessibility improvements	0.015	0	0
New Mauke Health Residence	0	0.135	0
Penrhyn Hospital repainting and new disability access ramp	0.020	0	0
New Pukapuka Hospital and Doctors Residence	0.250	0.250	0
Rarotonga Dental/Outpatients asbestos removal	0.060	0	0
Rarotonga Public Health/Administration roof repairs	0.015	0	0
Rarotonga Hospital Administration building waterproofing completion	0.080	0	0
New Rarotonga Pharmacy warehouse	0.100	0	0
Rarotonga Hospital Outpatients building upgrade completion	0.300	0	0
Total	0.840	0.385	0

Public Building Upgrades

This section outlines CIICs Improvements programme to provide new, replace old or upgrade existing buildings in compliance with new policy in Rarotonga and the Pa Enuā.

- **Public Buildings: Fire Safety Precautions, \$0.100M**

Fire safety in public buildings is a concern for agencies and members of the public. CIIC will review existing warning systems and exit routes in public buildings and progressively address the needs on a priority basis. At the same time CIIC will put in place mechanisms to ensure fire risks are detectable and managed appropriately. This work will be funded by CIIC and commence in 2013/14.

- **Public Buildings: Accessibility improvements, \$0.050M/annum**

CIIC is currently reviewing accessibility conditions to public buildings. CIIC will develop a medium term plan to improve access and facilities for persons with disabilities and the elderly for implementation over the next 3 years commencing 2013/14.

- **TSA, Police, Court House, \$0.800M**

Constructed by the People's Republic of China. these buildings include the Ministry of Justice (2004), Cook Islands Police (2006) and Telecom Sports Arena (2008/9). Building improvement work is scoped for the three buildings funded by grant funds from PRC.

- **Pukapuka Cyclone Centre – Veranda, Laundry and Medical Centre, \$0.060M**

The new Cyclone Centre, a co-funded project by European Union (\$3.9m) and CI (\$0.5m) was opened in April 2012. The Centre is managed by CIIC through its newly established Centre Management Committee. The property requires additional facilities funded the Cook Islands to make it fit for its intended purpose, including laundry and medical facilities.

- **Nassau new infrastructure machinery shelter, \$0.080M**

A new infrastructure machinery shelter funded the Cook Islands for Nassau Nassau does not have existing facilities to store its machinery and equipment. As a consequence machinery and equipment remain in the open and subject to corrosion from saltwater sprays.

- **Mangaia Island infrastructure building renovations, \$0.045M**

This project will allow for the commencement of renewal work required on Mangaia in 2013/14 and will be funded by CIIC.

- **Mauke cargo shed improvements, \$0.050M**

The existing cargo shed shows signs of structural deformity and the building requires immediate attention to avoid complete replacement. This work will be funded by CIG and carried out in 13/14.

- **Mauke new Agriculture and Infrastructure machinery shelter and workshop, \$0.070M**

A new Agriculture and infrastructure machinery shelter and workshop will be funded by CIIC and carried out in 13/14 to help protect machinery and equipment from the elements and corrosion.

- **Mitiaro cargo shed improvements, \$0.050M**

Providing adequate cargo storage facilities at the Mitiaro Harbour This work will be funded by CIG and carried out in 13/14.

4.7 Ministry of Finance and Economic Management

Program	Status	2013/14	2014/15	2015/16	Total cost
Te Mato Vai	Construction	0.354	1.802	1.439	3.595
	Design	0.533	0.450	0	1.143
	Upgrade	5.791	21.870	14.236	41.897
Small capital Items	Procurement	0.110	0.110	0.110	0.330
Total		6.788	24.232	15.785	46.965

Te Mato Vai - the Cook Islands Water Partnership

Te Mato Vai seeks to achieve the policy standard of ‘potable water, delivered to all homes connected to the existing water supply network, by 2015’. A substantial programme of work is planned for 2013 to 2016, involving enhancement of collection and storage capacity, rehabilitation and upgrade of existing intakes, design and construction of new treatment facilities and replacement of distribution mains and reconstructing damaged roads.

The revised cost estimate presented above for Te Mato Vai is the result of assessments and peer reviews undertaken in 2012. These studies indicate that the total cost has now risen to 62 million from last year’s reported 57 million. Additional funding of \$5M will be required should this be confirmed during the master plan phase. The full upgrade costs will be met through loans and grants provided by the Cook Islands, New Zealand and The Peoples’ Republic of China forming a “Water Partnership” with the Cook Islands.

The upgrades underway are funded by the Cook Islands (9.1m¹ loan from the Asian Development Bank). This includes replacing water mains and roads in Rarotonga’s down town area and will be completed with road sealing in 2013 however work on bridges is likely to cause some delays in limited zones.

A scoping study (AECOM, February 2013) assisted the Cook Islands procure services for the development of a Master Plan and the provision of a Project Management Unit (PMU). A critical part of the master planners work will be to confirm system design specifications and costs to facilitate the start of work on the remaining water main replacements which has been contracted to the China Civil Engineering Construction Corporation (CCECC) by the People’s Republic of China. CCECC intend to mobilise in June/July 2013. The PMU is expected to be operational in July/August 2013, and the Master Plan complete by December 2013.

Cabinet has approved the creation of a State Owned Entity to run the water supply on completion of the project. The preliminary cost of establishing this will be funded by ADB grant for technical assistance. The current water operational costs (MOIP Water Division/WATSAN staff and Rarotonga water maintenance budget) are expected to be transferred to the SOE. Budgets will need to be increased to fund the cost of an improved water quality system. The will be sustained by introducing user pays charges once water quality reaches ‘potable’ water standard. This is expected to create quality public service jobs for the foreseeable future.



TE MATO VAI

*The Cook Islands Water Partnership with the
People's Republic of China and New Zealand*

¹ <http://www.mfem.gov.ck/docs/Treasury/Tender/Detailed%20Capital%20Works.pdf>, Table 3.2 Detailed Capital works by Agency and Location 2011/12 to 2014/15 (\$)

The project structure involves a Governance Group, Steering Group and Stakeholders Group supported by MFEM and MOIP.

On World Water day, the Government also announced the Rarotonga water tanks project, valued at approximately \$3 million over three years (2013-2015). This subsidy scheme provides grants to homeowners for water tank installations in priority zones of Rarotonga.

Table 4.7.1 - Te Mato Vai - the Cook Islands Water Partnership

Agency	Project	2012/13	2013/14	2014/15	2015/16	Total
MFEM	TMV Contract administration and project management unit	0	0.354	1.302	0.771	2.427
	TMV CIGov PM of CCECC (Local administration fee)	0	0.200	0.200	0.177	0.577
	TMV Master plan, studies and project oversight	0.060	0.533	0.450	0	1.143
	TMV Remaining Tupapa to Aquarius water mains and roads (PRC) including design and project management	0	5.591	11.182	3.574	20.347
	TMV Intakes (Reservoirs and slow sand filtration)	0	0	6.399	6.398	12.797
	TMV Treatment	0	0	0.500	0.499	0.999
	TMV Rarotonga water tanks	0.250	1.000	1.000	0.750	3.000
	TMV Storage, Rehabilitate existing/new water storage capacity	0	0	0.784	0.783	1.567
	TMV Trunck (link treatment to distribution)	0	0	3.305	3.304	6.609
	TMV Meters	0	0	0	0.169	0.169
MOIP	POQuarius (Water mains & roads Panama to Aquarius 2.7km)	0.085	0	0	0	3.526
	Project city Stage 1 (materials procurement) – done 2011	0	0	0	0	1.200
	Project city Stage 2 Project City (Installation water network Aquarius to Tupapa)	2.456	0	0	0	2.455
	Project city Stage 3 Project City (Roads Aquarius to Tupapa)	0	5.000	0	0	5.000
Total		2.851	12.678	25.122	16.425	61.816

4.8 Aitutaki Island Council/Administration

Program	Status	2013/14	2014/15	2015/16	Total cost
Aitutaki Water Galleries	Upgrade	0.026	0.026	0	0.052
RE Chart: Fuel Storage	Construction	0.090	0	0	0.090
Total		0.116	0.026	0	0.142

Business Plan - Aitutaki Water Galleries – Pumps, \$0.052M

This Capital Expenditure initiative will acquire four (4) new water pumps for the Aitutaki galleries in Vaipeka, Tautu and Vaipae over the next 2 years.

RE Chart - Aitutaki Fuel Storage Facility, \$0.090M

The existing fuel storage tanks have been in service for the last 40 years. The tanks are leaking despite attempts to repair. This capital investment in 2013/14 will allow for the construction of a bunding until and purchase on two (2) new tanks. Aitutaki Power Supply intends to purchase up to five (5) new tanks over the next 3-4 years.

4.9 Tourism Corporation

Program	Status	2013/14	2014/15	Total cost
Destination Development Strategy	Construction	0.590	0.190	0.535
	Design/Build	0.150	0.670	0.820
	Upgrade	0.350	0	0.350
Total		1.090	0.860	1.705

Tourism Sector Support (New Zealand and Australian Harmonised Programme)

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

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

Infrastructure works which are programmed/underway include the following:

Island	Project	2012/13	2013/14	2014/15	Total cost
Southern Group	Cycle ways	0.027	0.150	0.670	0.820
	Tracks, Trails Historical Sites	0.060	0.190	0.190	0.440
Rarotonga	Punanga Nui Market stage	0.177	0	0	0.180
	Rarotonga Bowling Club	0.100	0	0	0.100
National	Event infrastructure	0.075	0.400	0	0.095
Aitutaki	Aitutaki Game Fishing Club	0	0.350	0	0.350
Total		0.439	1.090	0.860	1.985

5. Grants – Capital Initiatives

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

The main contributors to grants in 2012/13 are New Zealand and Australia for the Waste and Sanitation Improvement programme implemented by the Water and Sanitation Unit (WATSAN) of the Ministry of Infrastructure and Planning, and India for small grant funds through Ministry of Finance and Economic Management. Both programs will continue into 2013/14.

Table 5.1 Grants 2012/13 (\$M)

Recipient	Island	Project	Funding source	2012/13
Avatiu Tapere	Rarotonga	Avatiu Community Hall & Clinic	India	0.037
CI Library and museum Society	Rarotonga	Library and museum Society refurbishment	India	0.030
CICWA	Rarotonga	Vaimanaga Clinic renovations	India	0.001
CocoX Youth Club	Rarotonga	Club site and track development	India	0.015
Mauke Boar Breeders	Mauke	Land management and fencing stage 2	India	0.040
Mauke Women Taro growers	Mauke	Mauke Women Taro growers fencing	India	0.055
MOIP	Rarotonga	Sanitation upgrades onsite - pilot zone Installation - Muri phase 1	NZ/A	2.400
OPM	Rarotonga	Energy conservation and efficiency - residential lighting	NZ/A	0.030
Takuvaine Tutakimoa Sports club	Rarotonga	Takuvaine Tutakimoa Sports club Water project	India	0.005
Te Kainga O Pa Taunga	Rarotonga	Disabilities Transport Vehicle	India	0.050
Grand Total				2.664

Table 5.2 Grants by Agency and Location 2013/14 to 2015/16 (\$M)

Responsible Agency	Island	Program	Project	Funding source	2012/13	2013/14	2014/15	2015/16	Total cost
Avatiu Tapere	Rarotonga	Public building upgrades	Avatiu Community Hall & Clinic	India	0.037	0	0	0	0.037
CI Library and museum Society	Rarotonga	Public building upgrades	Library and museum Society refurbishment	India	0.030	0	0	0	0.030
CICWA	Rarotonga	Public building upgrades	Vaimanaga Clinic renovations	India	0.001	0	0	0	0.001
CocoX Youth Club	Rarotonga	Youth	Club site and track development	India	0.015	0	0	0	0.015
Island Council	Manihiki/Rakahanga	Business Plan	Boat upgrade project (Aluminium repairs)	India	0.040	0.040	0	0	0.089
Mauke Boar Breeders	Mauke	Livelihoods	Land management and fencing stage 2	India	0.040	0	0	0	0.040
Mauke Women Taro growers	Mauke	Livelihoods	Mauke Women Taro growers fencing	India	0.055	0	0	0	0.055
MFEM	Rarotonga	Te Mato Vai	TMV Rarotonga water tanks	ADB ERSP	0.250	1.000	1.000	0.750	3.000
Agriculture	Pa enua	Pa enua Agriculture	Agriculture equipment	PRC	0	1.500	0	0	1.500
MMR	Manihiki	Pearl Revitalisation	Pearl Farming Equipment	PRC	0	1.200	0	0	1.200
MOIP	Aitutaki	Waste & Sanitation improvement prog.	Sanitation upgrades - onsite Aitutaki	NZ/A/EU	0	0.800	0.800	0.800	2.400
	Northern group	Climate Adaptation	Aluminium roofing/building material	PRC	0	1.500	0	0	1.500
		Waste & Sanitation improvement prog.	Sanitation upgrades - onsite Northern group	NZ/A/EU	0	0.150	0.750	1.000	4.000
	Rarotonga	Waste & Sanitation improvement prog.	Sanitation upgrades onsite - pilot zone Installation - Muri phase 1	NZ/A	2.400	0	0	0	2.400
			Sanitation upgrades onsite - scale up pilot to Rarotonga, Phase 2	NZ/A/EU	0	3.500	3.500	3.500	11.200
	Southern	Waste & Sanitation	Sanitation upgrades - onsite	NZ/A/EU	0	0.150	0.750	1.000	9.600

Responsible Agency	Island	Program	Project	Funding source	2012/13	2013/14	2014/15	2015/16	Total cost
	Group	improvement prog.	Southern group except AIT/RAR						
OPM	Aitutaki	Climate Adaptation	Aitutaki Domestic Water Tanks	UN adaptation fund	0	0.394	0.200	0	0.594
	Atiu	Climate Adaptation	Atiu Household Water Tanks	UN adaptation fund	0	0.300	0.190	0	0.250
	Palmerston	Climate Adaptation	Palmerston Water Tanks upgrade	UN adaptation fund	0	0.065	0	0	0.065
	Rarotonga	RE Chart	Energy conservation and efficiency - residential lighting	NZ/A	0.030	0	0	0	0.030
Takuvaine Tutakimoa Sports club	Rarotonga	Sports	Takuvaine Tutakimoa Sports club Water project	India	0.005	0	0	0	0.005
Te Kainga O Pa Taunga	Rarotonga	Health service upgrade	Disabilities Transport Vehicle	India	0.050	0	0	0	0.050
Grand Total					2.954	10.599	7.190	7.050	38.062

5.1 Waste and Sanitation Improvement Programme

Location	Project	Funding source	Est. Spend 2012/13	Budget 2012/13	2013/14	2014/15	2015/16	Total cost
Aitutaki	Sanitation upgrades - onsite Aitutaki	CI/NZ/A/ EU	0	1,500,000	800,000	800,000	800,000	2,400,000
Northern Group	Sanitation upgrades - onsite Northern group	CI/NZ/A/ EU	0	0	150,000	750,000	1,000,000	4,000,000
Rarotonga	Sanitation upgrades onsite - pilot zone Installation - Muri phase 1	NZ/A	2,400,000	2,000,000	0	0	0	2,400,000
	Tereora/Tepuka Enviroflow plant - stage 2 upgrade to tertiary treatment	CAPEX	0	0	40,000	0	0	40,000
	Sanitation upgrades onsite - scale up pilot to Rarotonga, Phase 2	CI/NZ/A/ EU	0	0	3,500,000	3,500,000	3,500,000	11,200,000
Southern Group	Sanitation upgrades - onsite Southern group except AIT/RAR	CI/NZ/A/ EU	0	0	150,000	750,000	1,000,000	9,600,000
Total			2,400,000	3,500,000	4,640,000	5,800,000	6,300,000	29,640,000

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

The high level sanitation options report (BECA, 2012) recommended reticulation in **certain zones** on Aitutaki and Rarotonga. At this stage, the Waste and Sanitation Improvement Programme, assumes that the decision to reticulate will be made in the next financial year. Therefore, the costs (\$40 million) including lending proposed in last year's budget have been removed pending this decision.

The plan above relates to on-site zones and the total cost of these **on-site** upgrades across Rarotonga (\$13million) and Aitutaki (2.4million) will require 3-4 years to implement. The annual budget estimate for Rarotonga is \$3.5million based on 800 homes at a rate of 250 homes per year at an average cost of \$14,000 per home. Project management costs are included in this budget estimate.

Upgrades of systems of other Southern Group and the Northern Group islands are planned to start in 2014-15 with \$300,000 allocated in 2013/14 to scope and prepare for that programme. A critical resource limitation to resolve is increasing the number of drain layers registered with the Cook Islands Sewage and Sanitation Board (Chaired by the Ministry of Health).

The national waste and sanitation improvement programme is funded by a blend of finances under negotiation with partners European Union, European Investment Bank, New Zealand and Australia. The Cook Islands' contribution includes in kind funding for WATSAN staff and MOIP office support, budget support allocated to the sector and contributions from home owners.

Funding source	Est. Spend 2012/2013	2012/13	2013/14	2014/15	2015/16
CI Government funding					
EDF 11 (2014-2020) CIG	0	0	1,600,000	2,400,000	1,600,000
CIG from beneficiaries	50,000	200,000	150,000	150,000	150,000
Additional ODA					
NZ/A	0	0	2,955,000	4,000,000	4,000,000
Total secured	0	0	4,705,000	6,550,000	5,750,000
Estimated cost			4,490,000	5,650,000	6,150,000

The national sanitation policy has been compiled by WATSAN after consultation with key stakeholders and will be presented by MOIP to Cabinet in June. Cabinet approval of the national policy on sanitation² is a trigger for release of the first tranche of European Union funding.

New Zealand's interest in the sanitation sector also includes ongoing work in the area of solid waste management. This could include providing support for implementation of three key recommendations of the National Solid Waste Strategy: a national waste audit; a legislative review and an economic analysis.

² Cook Islands Sanitation Policy, Draft Version 0.6, December 2011

6. Plant and Equipment

Governments' spend in Plant and Equipment in 2012/13 is expected to reach \$2.971M. Purchases and upgrades in 2012/13 are listed in Table 6.1 and forward plans for the period 2013/14 to 2015/16 in Table 6.2.

From 2013 CIIC will be developing asset management plans for all islands which should inform future plant and equipment needs. In addition, the Cook Islands government developed a strategy to frame the management of grant funds pledged by the People's Republic of China. This outlines a coordinated procedure for approving activities, monitoring and delivering impact from this resource which is expected to streamline delivery of heavy machinery (current est. \$7.3M) and a second order of plant and equipment (\$3.4M) being procured using these funds.

Table 6.1 Plant and Equipment 2012/13 (\$M)

Island	Project	2012/13
Aitutaki	Aitutaki Tip Truck	0.160
	Crusher/quarry Plant upgrade	0.500
Atiu	Atiu Power Generators	0.051
Mangaia	Mangaia Quarry Machine upgrade	0.018
Manihiki	Manihiki Generators	0.055
Mauke	Mauke Hoist Hiab Crane	0.190
Mitiaro	Mitiaro Tractor & Back Blade Tractor	0.009
Nassau	Nassau Outboard Motor Procurement	0.022
National	Medical Equipment Community Health services	0.155
	General Capital Fund (CFC)	0.270
Penrhyn	Penrhyn Barge	0.004
Pukapuka	Pukapuka Nassau barge project - Outboard Motors (3)	0.056
Rakahanga	Waste Disposal and Recycling equipment	0.010
Rarotonga	Biochemistry Analyser	0.130
	Min Education Furniture	0.270
	Xray unit	0.090
	Climate Change office set up	0.012
	Equipment for Forum Leaders. Police trucks (3) and motor cycles (3)	0.150
	Immigration furniture	0.007
	Energy conservation and efficiency - lighting	0.040
	Energy conservation and efficiency - street lighting	0.130
	Pacific Energy Efficiency Plan - balance.	0.366
	Health Technical equipment fund	0.275
Grand Total		2.971

Table 6.2 Detailed Plant and Equipment by Agency and Location 2013/14 to 2015/16 (\$M)

Responsible Agency	Island	Project	Funding source	2012/13	2013/14	2014/15	2015/16	Total cost
Airport Authority	Rarotonga	Aviation Security - Vehicle	Airport Authority	0	0.032	0	0	0.069
		Rescue Fire Service - Acquisition of a new 9000 litre international fire appliance.	Airport Authority	0	1.500	0	0	1.500
CIIC	Wellington	Renovation CI High Commission NZ: carpeting, heat pumps and furniture	CAPEX	0	0.053	0	0	0.053
Health	National	Medical Equipment Community Health services	Japan	0.155	0	0	0	0.124
	Rarotonga	Biochemistry Analyser	CAPEX	0.130	0	0	0	0.130
		Xray unit	CAPEX	0.090	0	0	0	0.090
		Ambulance	CAPEX		0.150			0.150
		Health Technical equipment fund	CAPEX	0.275	0.275	0.275	0.275	1.100
Island Council	Aitutaki	Crusher/quarry Plant upgrade	ADB ERSP	0.500	0	0	0	0.500
		Mini Transformers (2) SDA & Vaiepeka	CAPEX		0.096	0	0	0.048
	Mauke	Mauke Hoist Hiab Crane	CAPEX	0.190	0	0	0	0.190
	National	Islands Office Setup	UN adaptation fund	0	0.050	0	0	0.050
	Pukapuka-Nassau	Pukapuka Nassau barge project - Outboard Motors (3)	India	0.056	0	0	0	0.056
	Rakahanga	Waste Disposal and Recycling equipment	India	0.010	0	0	0	0.010
	MFAI	Auckland	Auckland Consulate Office Fitout	CAPEX	0	0.045	0	0
Rarotonga		Diplomatic cars	Korea	0	0.121	0	0	0.121
		Min Education Furniture	PRC	0.270	0	0	0	0.270
		Immigration furniture	CAPEX	0.007	0	0	0	0.007
		Equipment for Forum Leaders.	CAPEX	0.150	0	0	0	0.150

Responsible Agency	Island	Project	Funding source	2012/13	2013/14	2014/15	2015/16	Total cost
		Police trucks (3) and motor cycles (3)						
MFEM	National	General Capital Fund (CFC)	CAPEX	0.270	0.200	0.200	0.250	1.400
Agriculture	Mauke/Atiu/Manihiki	Coconut processing plants	UN adaptation fund	0	0.045	0.090	0	0.135
MMR	Manihiki	Monitoring Buoy	EU GCCA	0	0.130	0	0	0.130
MOIP	Aitutaki	Excavator (14T, 20T & 3.5T), Roller (10T) , grader (12T), Loader	PRC	0	0.881	0	0	0.881
		Aitutaki Tip Truck	CAPEX	0.160	0	0	0	0.161
	Atiu	Excavator (14T, 20T & 3.5T), Roller (10T) , grader (12T), Loader	PRC	0	0.881	0	0	0.881
		Atiu Power Generators	CAPEX	0.051	0	0	0	0.660
	Mangaia	Excavator (14T & 3.5T), Roller (10T) , grader (12T), Loader	PRC	0	0.609	0	0	0.609
		Mangaia Quarry Machine upgrade	CAPEX	0.018	0	0	0	0.018
	Manihiki	Excavator (14T & 3.5T), Roller (10T) , grader (12T), Loader	PRC	0	0.609	0	0	0.609
		Manihiki Generators	CAPEX	0.055	0	0	0	0.175
	Mauke	Excavator (14T, 20T & 3.5T), Roller (10T) , grader (12T), Loader	PRC	0	0.881	0	0	0.881
	Mitiaro	Excavator (14T & 3.5T), Roller (10T) , grader (12T), Loader	PRC	0	0.609	0	0	0.609
		Mitiaro Tractor & Back Blade Tractor	CAPEX	0.009	0	0	0	0.009
	Nassau	Excavator (14T), Backhoe loader	PRC	0	0.433	0	0	0.433
		Nassau Outboard Motor Procurement	CAPEX	0.022	0	0	0	0.024
	Pa enua	Outer Islands Plant and	PRC	0	0	3.689	0	3.689

Responsible Agency	Island	Project	Funding source	2012/13	2013/14	2014/15	2015/16	Total cost
		equipment - stage 2						
	Palmerston	Excavator (14T), Backhoe loader	PRC	0	0.433	0	0	0.433
	Penrhyn	Excavator (14T), Roller (10T) , grader (12T), Loader, Backhoe Loader	PRC	0	0.814	0	0	0.814
		Penrhyn Barge	CAPEX	0.004	0	0	0	0.048
	Pukapuka	Bobcat	CAPEX	0	0.050	0	0	0.050
		Excavator (14T), Roller (10T) , grader (12T), Loader	PRC	0	0.547	0	0	0.547
		Pukapuka Cyclone centre generator	EU	0	0.017	0	0	0.017
	Rakahanga	Excavator (14T), Roller (10T) , grader (12T)	PRC	0	0.612	0	0	0.612
	Rarotonga	Tereora/Tepuka Enviroflow plant - stage 2 upgrade to tertiary treatment	CAPEX	0	0.040	0	0	0.040
OPM	Aitutaki	Street lights	ADB PEEP	0	0	0.118	0	0.118
	Atiu	Atiu Blast Freezer Unit	UN adaptation fund	0	0.040	0	0	0.040
		Atiu Power Distribution	CAPEX	0	0.264	0	0	0.264
	Mauke	Mauke Airport Walk-in Chiller	UN adaptation fund	0	0.040	0	0	0.040
		Energy upgrade (Energy efficient generators, powerhouse, distribution)	CAPEX	0	0	0.800	0	0.800
	National	Materials and Equipment for Pa Eua Emergency Centres	UN adaptation fund	0	0.050	0	0	0.050
		Energy conservation and efficiency - public lighting	ADB PEEP	0	0.118	0	0	0.118
	Rarotonga	Climate Change office set up	UN adaptation fund	0.012	0	0	0	0.012
		Night market Public lighting	ADB PEEP	0	0.118	0	0	0.118
		Airport carpark lighting	ADB PEEP	0	0.118	0	0	0.118
		Ports Public Lighting	ADB PEEP	0	0.118	0	0	0.118

Responsible Agency	Island	Project	Funding source	2012/13	2013/14	2014/15	2015/16	Total cost
		Fridge Freezer replacement	ADB PEEP	0	0.118	0	0	0.118
		Hotel energy efficiency program	ADB PEEP	0	0	0.118	0	0.118
		Pacific Energy Efficiency Plan - balance.	ADB PEEP	0.366	0	0.540	0	1.274
TAU	Rarotonga	Energy conservation and efficiency - lighting	TAU	0.040	0	0	0	0.040
		Energy conservation and efficiency - street lighting	TAU	0.130	0	0	0	0.200
Grand Total				2.971	11.100	5.830	0.525	22.077

Note: Outer Island heavy equipment 2013/14 and plant and equipment 2014/15 are funded by grants in kind from the People's Republic of China (PRC) and are estimated costs including freight and spares. Negotiations are currently underway to finalise procurement process, transport logistics and final consultations with island administrations to ensure priority equipment needs are being met. Note this may mean that equipment will be substituted and the value adjusted accordingly with changes remaining within amounts approved by the 2013 strategy.

7. Information Communication Technology (ICT)

The Cook Islands government efforts to be more productive in business processes and delivery of services necessitate the government to continue employing, upgrading and enhancing computing technology and communications. The technology aimed to be employed will not only improve processes and services but provide feasible solutions in the long term.

Infrastructure is a key component of ICT development to enable sharing and streamlining of processes and services across Government as well as to facilitate effective and efficient communication. In addition, hardware and appropriate off-the-shelf or customized software will need to be installed. Each Government Ministry, with advice from the ICT Division, can identify the necessary or required equipment and application to support and significantly improve business processes.

Essentially, each Ministry know where priority areas are where ICT is concerned, some of which can be identified as priority for Government:

- Preservation of historic records stored on paper, vinyl records, slides or negatives, tapes, reels, etc is a priority that needs to be addressed immediately with digitization;
- Access to quality and accurate public information such as the land records held by the Ministry of Justice must be resourced immediately to avoid Court proceedings sighting inaccurate information. Convergence of geographic information systems (GIS) into related land records that will provide multiple layers of information from one stop;
- Promoting technology as a tool for learning is a worldwide trend which the Ministry of Education appreciates and endeavours to pursue;
- Making information available and accessible anytime and from anywhere through websites is a practice that has already been employed and therefore must be continued to fast track processes and make information accessible to the public;
- Security is mandatory in every ICT setup or environment meaning appropriate resources must be considered to guarantee protection of systems.

Similar to buildings and vehicles, equipment and systems have a lifetime. Upgrading and/or replacing are essential to ensure business continuity.

The ICT Division within the Office of the Prime Minister will lead the planned ICT shared services with support from the Ministry of Finance and Economic Management and the central agencies. It will continue to provide a supportive and advisory role to all Government Ministries on ICT developments.

Activities completed in 2012/13

Education computer upgrades

This is a continuing program that provides schools access to modern IT systems across the Cook Islands education system.

Automated Border Management System

The modernisation of the Customs and Immigration border management system provided new hardware and operating systems for the front line of border security in 2012/13 as well as streamlining the lodgment of customs documentation, the automation of collation of statistical data. Support continues over the next two years to

Human Resources Information Management system

This system is currently being implemented by PSC and MFEM to enable effective and efficient management of human resource information, improving payroll processing and reporting. This project has been funded by the Cook Islands Government with the assistance of NZ and Australia and the payroll component is planned to go live by October 2013.

New activities from 2013/14

Procurement website

This work follows the establishment by MFEM in 2012/13 of procurement.gov.ck which acts as a one stop shop for information about government procurement activity. This web site is expected to develop to include information such as templates, capital plan and all Cook Islands Government tenders and requests for quotes. It is expected that the system improvements will include the name of successful bidder, completion reports and other relevant documents. In addition, a series of actions is planned to improve the capacity to develop quality tender documents including training for public agencies and private contractors, review of rules and procedures and increased outsourcing of larger scale priority procurement management to the private sector.

Whole of government IT network

The ICT division of the OPM is developing a one network system 'cookislands.gov.ck' that connect Rarotonga government agencies together with high performance IT systems, automatic back up and disaster risk management capability. The results are expected to include greater efficiency in inter-government co-ordination and collaboration, stable and reliable server systems, efficient access to information and sharing and also lower maintenance costs.

Table 7.1 ICT by Agency and Location 2012/13 to 2015/16 (\$M)

Agency	Island	Project	Funding source	2012/13	2013/14	2014/15	2015/16	Total
CIIC	Rarotonga	Asset management: Electronic database development	CIIC	0	0.060	0	0	0.060
Culture	National	Digitisation of the Audio Visual collection of the Archives	UNESCO	0	0.03	0	0	0.025
Education	National Pa enua	Computer equipment Teachers & Tereora college Computers for schools Pa Enuā	NZ/A	0.360	0	0	0	0.360
			Huanan Charitable Trust Yuh Yow	0.050	0	0	0	0.050
Met Services	Rarotonga	Education Computer upgrades	CAPEX	0.108	0.110	0.110	0.110	0.660
	Rarotonga	Weather observing network & management system	UN adaptation fund	0	0.237	0	0	0.237
MFEM	National	Cook Islands gov procurement website	ADB ERSP	0	0.150	0.150	0	0.300
	Rarotonga	Automated Border Management Cabinet server	NZ/A CAPEX	0.735 0	0.135 0	0.135 0	0 0	2.766 0.005
MOIP	Rarotonga	Whole of Government IT Network ICT upgrades	CAPEX	0	0.175	0.175	0	0.350
			CAPEX	0.040	0	0	0	0.040
PSC	Rarotonga	Human Resources Information management systems	CAPEX	0.180	0	0	0	0.180
Grand Total				1.508	0.897	0.570	0.110	5.063

8. Recurrent expenses – New Capital Initiatives

Includes operations and maintenance costs for new capital initiatives and income (noted in brackets) from grant recipients sanitation progress 1,000 per households and new public services such as “potable water” fees for Rarotonga which are not programmed to start until 2015/16.

Table 8.1 Recurrent Expenses by Agency and Location 2012/13 to 2015/16 (\$M)

Agency	Island	Project	Funding Source	2012/13	2013/14	2014/15	2015/16	Total cost
MOIP	Rarotonga	Water Network maintenance	CIG	0.244	0.500	0.500	1.000	3.325
		Road, drainage maintenance and rehabilitation	CIG	0.680	0.430	0.430	0.680	2.720
OPM	National	RE Master Planning, policy, strategy and energy commissioner.	NZ/A	0.168	0.350	0.350	0	1.073
Police	Rarotonga	Te Kukupa life raft servicing (SOLAS)	CIG	0	0.010	0.010	0.010	0.070
Grand Total				1.092	1.290	1.290	1.690	7.188

Road and Water Network Maintenance

The road and water maintenance budget planned for next financial year has been reduced to fund 2013/14 Rarotonga bridge renovations in coordination with Te Mato Vai. This has been possible due to major upgrades of Rarotonga’s water and road systems which are funded from another budget line. The ongoing water maintenance budget will be reassessed during the process to establish a new water operator over the years 2014 to 2015 and this budget transferred to the new organisation.

Glossary

- **Estimated spend** is the actual spend predicted based on spending to date and contracts in place.
- **Total cost** is the estimated full cost of a capital initiative (project or programme) taking into account all expenses to complete the capital initiative, this may be more or less than the total of budgets listed depending on timing differences.
- **4 year cost** is the estimated and projected costs of the four years (2012-2016) of this capital initiative plan (project or programme). It can be different from 'Total cost'.
- **Capital initiatives** refers to the total of capital works, plant and equipment, recurrent expenses from capital initiatives and information and communications technology investments funded by the Cook Islands government.
- **Capital works** are building and engineering (including fixtures and facilities) works that create or extend the life of an asset. Categories include feasibility, design, upgrades and constructions.
- **Feasibility** means the technical, economic, environmental and social analysis of a proposed capital initiative with the view to assessing the value of its contribution to achieving national sustainable development.
- **Design** means the detailed costing, engineering, designs and procurement planning (e.g. tender documentation) needed to prepare a capital project for the construction phase.
- **Upgrade** can be major renovations and improvements to an existing piece of infrastructure which are over and above the normal repairs and maintenance which should be budgeted in operating costs.
- **Construction** is the building of a new piece of infrastructure and includes project management costs such as supervision and reporting.
- **Plant and equipment** is motor vehicles, furniture, office equipment, fixtures and fittings, and plant and machinery.
- **ICT** Information and communication technology refers to unified communications and the integration of telecommunications (telephone lines and wireless signals), computers, middleware as well as necessary software, storage- and audio-visual systems, which enable users to create, access, store, transmit, and manipulate information.
- **Recurrent expenses** from new capital initiatives are expenses related to operating and maintenance including depreciation which are over and above an existing appropriation. This increases funds available to the agency to enable the proper care of state assets after project completion.
- **Grants** are capital initiatives that are funded by providing grants to third parties. These assets do not belong to the state and operations and maintenance costs are the responsibility of the owner.