



Government of the Cook Islands



Cook Islands Economic Development Strategy 2030 **Actions**

Working together to build quality growth

January 2021



Objective 1: Improving equity & access for all

Addressing the unequal distribution of access to economic opportunities & services improves equity, leading to better growth prospects & a more stable economy



Key focus areas

Improving equity across the Cook Islands through:

- improving the Government's welfare system;
- better access to land and housing; and
- minimum wage reform.

A more equitable Pa Enea through:

- reducing the cost of living;
- improving shipping and air services;
- better telecommunication, health, education and small business services.

Measuring progress

- Reduce the percentage of the population earning less than the minimum liveable income to 5 per cent by 2030.
- Reduce the national Gini coefficient to 0.3 by 2030.
- Reduce the Pa Enea Gini coefficient to the national level by 2030.
- Increase real growth in lowest 20 per cent of income earners by 2 per cent per year.
- Reduce property and personal crime rates.
- Decrease rate of premature deaths from NCDs to 10 per cent by 2030.
- Increase percentage of households owning their own home to 75 per cent by 2030.

Objective 1: Actions

No.	Action	Lead Agency	Details	Indicative timing
1.1	Improvements to welfare system	INTAFF	Implement recommendations of the review of the social welfare system to ensure we have an efficient and effective system that fully meets the needs of the most disadvantaged members of our community	2021-22
1.2	Consider incentives for long-term worker accommodation	MFEM	As part of the Revenue Strategy, assess the merits for further incentivising tourism operators to build long-term housing for their staff	2021-22
1.3	Rarotonga housing market study	CIIC/INTAFF	Housing market study to better inform possible interventions to improve access to housing in Rarotonga	2021
1.4	Land tenure review	OPM/ MFEM/MOJ	Review of the current land tenure system to ensure equitable and efficient access to land	2022
1.5	National Minimum Wage Policy	INTAFF	National Minimum Wage Policy developed to guide minimum wage setting from 1 July 2021 onwards	2021-22
1.6	Pa Enea grocery price investigation	Price Tribunal	Investigation to determine the underlying cause of high pricing and provide the evidence base for further Government intervention	2021
1.7	Shipping Roadmap	MFEM	Implement Shipping Roadmap actions to ensure the sustainable, safe, reliable and affordable provision of inter-island shipping	2023
1.8	Pa Enea Harbour upgrades	MOT	Improve access and dredging, and assess viability of installing permanent buoys to assist the safe anchoring of vessels during rough weather,	2021
1.9	Northern Group airport sealing	ICI	Tar sealing of selected Northern Group runways to permit larger aircraft operations	2021-2024
	Southern Group airport sealing	ICI	Tar sealing of selected Southern Group runways to permit larger aircraft operations	2023-2026
1.10	Pa Enea Air Discount Scheme	MFEM	Assess the viability of establishing a Pa Enea Air Discount scheme to deliver lower air fares for the residents of Cook Islands remote communities	2023
1.11	Universal Access Plan	Competition & Regulatory Authority (CRA)	Develop a Universal Access Plan in consultation with Pa Enea residents	2021

Objective 1: Actions

No.	Action	Lead Agency	Details	Indicative timing
1.12	Universal Access Fund	CRA	Establishment of a Universal Access Fund	2021
1.13	Kaveinga Ora Program	TMO	Implementation of Te Marae Ora's flying doctor and dentist program	Ongoing
1.14	Pa Enea medical staff incentive scheme	TMO/ MFEM	Assess the merits of introducing an incentives scheme to attract more doctors and dentists to live and work in the Pa Enea	2023
1.15	Pa Enea student accommodation	MOE/CIIC	Scoping and construction of dedicated student accommodation in Avarua for Pa Enea students	2022-2023
1.16	Supporting student wellbeing	MOE	Review current support services to ensure all secondary school students have access to mentorship and career guidance	2022
1.17	Review of the NIIP	CIIC/ICI/ Island Governments	Review of the NIIP, including ways to improve the efficient and effective delivery of projects to the Pa Enea	2021
1.18	Review of VAT application and communication	MFEM	The Government will review the application of VAT in the Pa Enea to ensure that it is being implemented correctly	2021
1.19	BTIB revolving loan fund expansion	BTIB	Review the effectiveness of the BTIB revolving fund loan scheme, and consider expanding it to specifically target small Pa Enea businesses	2021
1.20	Commercial support for Pa Enea businesses	BTIB	Review mechanisms, public and/or private, to connect Pa Enea businesses with commercial Rarotonga and export markets more effectively	2022
1.21	BTIB skills training in the Pa Enea	BTIB	Review of BTIB's current skills training programs to ensure they meet the marketing and commercialisation skills needs of Pa Enea businesses	2022
1.22	Tourism business support Pa Enea	CITC	Support new small-scale tourism business development	2021
1.23	Pa Enea package tour support	CITC	Support private sector package tours to Pa Enea destinations	2021
1.24	Animal welfare bill	MOA/ CISPCA/Te Are Manu	Draft and consult on new animal welfare legislation	2021



Objective 2: Transforming our economy

A more productive, complex and diverse economy is more dynamic & resilient to shocks



Key focus areas

Transforming our economy by:

- fostering innovation;
- improving competition and market efficiency;
- improving the delivery of Government services;
- fostering our creative and cultural industries;
- capitalising on new economic opportunities.

Measuring progress

- Increase real economic growth in non-tourism related industries.
- Increase proportion of international arrivals from markets other than New Zealand and Australia.
- Reduce internet data costs.
- Improve the internet penetration rate.
- Improve the mobile penetration rate.
- Improve government productivity.

Objective 2: Actions

No.	Action	Lead Agency	Details	Indicative timing
2.1	Develop and introduce new products/ services and business lines in the financial services industry	FSDA	Source new entrants / products/ services in line with demand. competitors' offerings and advancements in technologies	2022
2.2	Financial Technology Transformation Strategy	FSC	Identify areas within (or missing from) the current regulatory framework that need reform to better capture fintech developments	2022
2.3	Innovation Strategy	MFEM/ new Ministry of Innovation, Information & Communication (if established)	Develop an Innovation Strategy, focussing on capacity building, research and development partnerships and growth opportunities to meet business and industry needs	2023
2.4	Extend remit of Competition & Regulatory Authority	MFEM	Regulation policy and legislation to extend the CRA's remit to the electricity, water and sewerage utility sectors	2021
2.5	Investigate Commerce Commission-type role for CRA	MFEM	Commission expert report	2023
2.6	Review of banking sector competition	FSC	Competition review and recommendations to Government	2021
2.7	PEFA review	MFEM	Public Expenditure and Financial Accountability review by the IMF	2021
2.8	FMIS	MFEM	Continue rollout of FMIS to all Government agencies	2022
2.9	Public expenditure review	MFEM	Review the performance and expenditure of all agencies every four years	2022
2.10	Agency core functions review	OPSC	Review of core functions to improve efficiency	2022
2.11	PPP policy	MFEM/CIIC	Consult on and finalise PPP policy	2022
2.12	Vaikapuangi Redevelopment Project	CIIC	Government investment decision on the consolidated Government building project	2022

Objective 2: Actions

No.	Action	Lead Agency	Details	Indicative timing
2.13	Creative Industries Initiative	MFEM	Design and implement a new grant funding initiative to support industry development	2021
2.14	Seabed licencing and exploration	Seabed Minerals Authority	Complete exploration licensing tender process	2021
2.15	Seabed minerals financial regime	MFEM	Review of current royalty and taxation regime	2021
2.16	Ministry of Innovation, Information & Communication	OPM/ MFEM	Assess the cost, benefits and required administrative arrangements to establish the new agency	2022
2.17	TCI shareholding review	CIIC/MFEM	Conduct strategic review of Government shareholding in TCI	2021
2.18	Capitalising on ICT reforms	MFEM/OPM/Chamber of Commerce	Develop action plan to maximise benefits of the cable and market reforms	2021



Objective 3: Developing our people & culture

Human capital is a key determinant of our economic growth & living standards



Key focus areas

Developing our people and culture by:

- increasing our population;
- increasing our labour force participation rates;
- increasing our skills base;
- building on the quality of our schools;
- valuing the contribution of our culture, traditions and community values;
- ensuring a productive workforce.

Measuring progress

- Increase the Cook Islands population
- Increase the female labour force participation rate to 70 per cent by 2030.
- Meet national Year 4 & 8 English & Maori literacy rate targets
- Meet Pa Enua Year 3 & 8 numeracy rate targets.
- Meet NCEA achievement targets
- Increase the number of vocational qualifications.
- Increase the percentage of population with vocational or tertiary qualifications.
- Increase in contribution of the cultural industries to GDP.

Objective 3: Actions

No.	Action	Lead Agency	Details	Indicative timing
3.1	Labour Market Survey	MFEM	Comprehensive survey of the Cook Islands labour market to identify gaps and opportunities	2021
3.2	Population study	OPM	Study to increase the understanding of the drivers behind population movements	2022
3.3	National Population Strategy	OPM	Research and development of a national population strategy for the Cook Islands	2022
3.4	Pa Enea scholarship scheme	MFEM/MOE	Increase the size of the scholarship from \$5,000 to \$10,000 for those students who return to the Pa Enea	2022
3.5	Extend & enhance scholarship scheme	MFEM/MOE	Expand the current scholarship system, including establishing a matched repayment scheme	2023
3.6	NZ IRD student loan repayment mechanism	MFEM/MOE/OPM	Establish a payments system, to process repayments to the New Zealand Inland Revenue Department	2023
3.7	Diaspora Network	MFAI	Establish a formal diaspora network for communication, including promotion of activities, available jobs and procurement in the Cook Islands	2021
3.8	Diaspora Investment Marketing Strategy	BTIB/CITC	Develop a marketing strategy with the aim of attracting Cook Islanders abroad to invest in the Cook Islands	2022
3.9	Parental leave	INTAFF	Introduce new 6 week paid parental leave provision, assess the success of this in 2025, with a view to increasing it to 12 weeks.	2022
3.10	Childcare services regulation	INTAFF/ MOE	Introduce regulation of childcare services to those operating for children under 3	2023
3.11	Support for early childcare education	MOE/ INTAFF	Expand Government support for early childcare education to children between the ages of 0 and 3	2023
3.12	After-school care	MOE	Establish and resource after-school care options at all pre-schools and primary schools	2023

Objective 3: Actions

No.	Action	Lead Agency	Details	Indicative timing
3.13	Domestic student loans scheme	MFEM/MOE	Establish a domestic student loan scheme for studies in-country	2022
3.14	Apprenticeship Scheme	CITTI/ MOE/MFEM	Develop a pilot apprenticeship scheme in the Cook Islands	2022
3.15	Public sector lifelong learning policy	OPSC	Review and develop policy to deliver training and development opportunities for public sector employees	2022
3.16	Curriculum review	MOE	Strengthen and enhance curriculum as necessary to meet future job requirements	2023
3.17	Schools/ CITTI collaboration	MOE/CITTI	Strengthen collaboration between schools and CITTI	2023
3.18	Tertiary Strategy	MOE/CITTI/USP	Develop a strategy to ensure the tertiary education system is responsive to demands of the labour market, structured efficiently and maximises student outcomes, including a review of teacher training	2022
3.19	Cultural education support	MOE/MCD	Expand partnerships with local NGOs to work with schools to foster continuity of traditional knowledge	2023
3.20	National NCD Strategy	TMO	Revise and implement the national NCD Strategy	Ongoing
3.21	Disability access policy	INTAFF	Develop a policy and actions to improve disability access to employment opportunities	2022
3.22	Aged Care framework	INTAFF	Develop a framework, in partnership with the community, to deliver an aged-care support service	2022



Objective 4: Investing in our Islands

Investment in the Cook Islands, public & private, stimulates demand for goods & services and builds the future capacity of local businesses



Key focus areas

Promoting investment in the Cook Islands by:

- ensuring a stable macroeconomic setting;
- investing in essential infrastructure;
- maintaining an attractive business environment;
- broadening our economic base; and
- facilitating greater local content in business and industry.

Measuring progress

- 2 per cent annual real GDP growth rate on average.
- 2 per cent growth in real median income per year.
- Fiscal management in compliance with Medium-term Fiscal Strategy.
- Increase visitor numbers to pre-COVID-19 levels.
- Increase international visitor average daily expenditure.
- Reduce commercial electricity bills.
- Maintain business confidence.

Objective 4: Actions

No.	Action	Lead Agency	Details	Indicative timing
4.1	Implement Medium-term Fiscal Strategy	MFEM	Continue implementation and refinement of the strategy	Ongoing annually
4.2	Establish Sovereign Wealth Fund	MFEM	Scoping, design, consultation and legislative drafting of the Fund	2023
4.3	New financial management policies under the MFEM Act	MFEM	Develop new financial management policies to further strengthen the management of public finances	2022
4.4	Airport Masterplan capital projects	Airport Authority/ MFEM	Review and prioritise identified airport capital projects	2021 onwards
4.5	Te Mato Vai Project	MFEM	Completion of the water network upgrade and handover to To Tatou Vai	2021
4.6	Water Tariff Review	Authority	Review of water tariff structures and price levels	2022
4.7	NZ Infrastructure fund	MFEM	Implement the Fund	Ongoing
4.8	Foreign investment framework review	MFEM/BTIB	Comprehensive review of the current foreign investment framework to ensure that it is fit for purpose	2022
4.9	Revenue Strategy	MFEM	Develop and implement a new Revenue Strategy	2021
4.10	Cook Islands Business Registry	MFEM/ MOJ	Scope, develop policy and legislation and implement a new business registry	2024
4.11	Online 'One-stop Business Info Shop'	BTIB	Develop and publish guides that identify and describe requirements to comply with key business regulatory processes	2021
4.12	Business start-up support	Chamber of Commerce	Establish a mentoring and assistance mechanism for business start-ups	2021
4.13	Banking Taskforce	FSC/MFEM	Explore the future direction of the domestic banking sector, including sustainable options to reduce the cost of credit	2022
4.14	Bankruptcy laws	MFEM/ MOJ/FSC	Assess options to introduce a bankruptcy law framework	2023
4.15	Consumer protection	MFEM	Assess options to improve consumer protection for holiday prepayments	2022

Objective 4: Actions

No.	Action	Lead Agency	Details	Indicative timing
4.16	Cook Islands Tourism Business Partnership Programme	CITC	A newly restructured tourism accreditation scheme aimed at improving the quality of Cook Islands tourism products and services	2021
4.17	Review of the airline underwrite	MFEM/ CITC	Commission expert review of the net benefits of the underwrite to inform a decision on its future	2022
4.18	Commercial agricultural support	MOA	Support to local commercial agricultural suppliers to meet local tourism demand by implementing the Agriculture Sector Action Plan 2020-2025	2021 ongoing
4.19	Promotion and marketing of international financial services	FSDA	Implement 'Positioning' strategy goals to promote positive reputation through marketing initiatives	2021 and ongoing
4.20	Industry trade strategy	MFEM/ BTIB/ MOA/ Chamber of Commerce	Develop strategy to boost service and merchandise exports by local businesses	2023
4.21	Review of local content in procurement policy	MFEM	Review current arrangements and explore alternatives to boost local content	2023



Objective 5: Greening our economy

Efficient investment in our natural capital will improve economic growth and well-being using fewer resources and generating fewer emissions



Key focus areas

Greening our economy by:

- Transitioning to a low carbon economy by improving our eco-efficiency so we grow while using fewer resources and generate fewer emissions;
- preparing for climate change to mitigate the economic and social risks of a more extreme climate;
- having economic recovery plans in place to respond in the event of a natural disaster;
- improving the management of solid and liquid waste that is a direct by-product of our economic growth; and
- introducing better & more efficient ways of regulating the sustainable use of our environmental resources.

Measuring progress

- Increase the percentage of electricity generation from renewable energy to 60 per cent by 2030.
- Increase the energy use efficiency in the Cook Islands.
- Increase the recycling rate to 75 per cent by 2030.
- Increase the percentage of properties with approved sanitation systems to 85 per cent by 2030.
- Increase the area under wetlands each year.

Objective 5: Actions

No.	Action	Lead Agency	Details	Indicative timing
5.1	Energy sector review	OPM/MFEM	This will include a review of the renewable energy target to ensure that it remains an achievable, economically efficient outcome.	2022
5.2	Pa Enea renewable pricing & governance	MFEM/OPM/CIIC	New governance and pricing arrangements that will ensure the sustainable provision of affordable renewable electricity across the Pa Enea	2022
5.3	Aitutaki Stage 2	CIIC/TMU	Completion of installation of solar battery systems for stage 2 of the Aitutaki Renewable Energy project to increase renewable energy contribution on Aitutaki to approximately 50%	2024
5.4	Low carbon transport incentives	MFEM	Consider introduction of tax and licencing arrangements that support the importation and use of low carbon transport	2021
5.5	Cyclone shelter program	ICI/CIIC	Infrastructure Cook Islands will continue its cyclone shelter program to ensure that all inhabited islands have access to safe refuge	Ongoing
5.6	Pa Enea water security program	ICI	Continue water security investment to ensure that each island is better prepared to withstand future dry periods	Ongoing
5.7	Pa Enea water tank program	ICI	Consider the merits of introducing a water tank subsidy program for Pa Enea residents to improve household water security	2022
5.8	Economic Crisis Management Plan	MFEM	Develop a comprehensive Economic Crisis Management Plan	2022
5.9	MTVKTV investment decision	MFEM	Government to decide on whether to proceed to the construction phase	2021
5.10	Sanitation Masterplan	MFEM/PMU	Finalise the draft Masterplan	2021
5.11	Public sanitation	CIIC/ICI/CITC	Improve public sanitation services	2022

Objective 5: Actions

No.	Action	Lead Agency	Details	Indicative timing
5.12	Solid and Hazardous Wastes Bill	ICI	Finalise and promulgate the Bill Investigate the establishment of a local diversified recycling centre to develop products from recyclable material. Improve the rate of recycling through the investment in plant and equipment	2021 2022 2021
5.13	National Environment Policy	NES	Consult on the draft Policy and finalise	2020-2021
5.14	Wetlands survey	NES	Comprehensive survey of wetlands to better understand development impacts and to develop a more refined and measurable objective to track progress	2022
5.15	Wetlands expansion measures	NES	Explore potential for new direct measures to encourage the expansion of wetland areas	2022
5.16	Biosecurity	MOA	Maintain proactive and strategic biosecurity measures	Ongoing



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