



**The Government of the Cook Islands**

**Quarterly Financial Results**

**30 September 2023**

Prepared by the Ministry of Finance and Economic Management

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## Table of Contents

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

### **Basis of Preparation**

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

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

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

**Schedule 1: Net Operating and Fiscal Balances as at 30 September 2023**

	Table	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 30 Sept 23 \$'000	Actual YTD 30 Sept 23 \$'000	Variance to YTD Budget Estimates \$'000	Actual Vs Full Year Budget 2022/23 %
<b>Operating Revenue</b>	<i>1</i>								
Taxation Revenue		162,193			162,193	40,548	43,329	2,780	27%
Other Crown Revenue		19,272			19,272	3,149	3,700	551	19%
Trading Revenue		5,024			5,024	1,743	1,568	-175	31%
Dividends		1,000			1,000	0	0	0	0%
Interest on Balances		2,508			2,508	682	721	39	29%
Core Sector Support		9,100			9,100	9,100	9,100	0	100%
<b>Total Operating Revenue</b>		<b>199,097</b>	<b>0</b>	<b>0</b>	<b>199,097</b>	<b>55,222</b>	<b>58,418</b>	<b>3,195</b>	<b>29%</b>
<b>Operating Expenditure</b>									
Ministry Outputs									
Personnel		71,514	329		71,843	18,614	15,786	2,829	22%
Operating		18,869	228		19,097	10,124	5,141	4,983	27%
Administered Payments	<i>3</i>	52,797	1,860	909	55,566	13,554	8,768	4,786	16%
Depreciation		8,583			8,583	2,146	2,146	0	25%
POBOC	<i>2</i>	32,328			32,328	10,904	9,294	1,610	29%
Debt Interest Contribution to LRF		8,960			8,960	2,240	887	1,353	10%
Crown Infrastructure & Contingency Depreciation		4,603			4,603	1,151	1,151	0	25%
Transfer to Emergency Response Trust Fund		50			50	13	0	13	0%
Depreciation Contingency Fund		2,174			2,174	544	544	0	25%
Contingency Funds - Operating		100			100	25	0	25	0%
Loss on Foreign Exchange					0	0	1	-1	100%
<b>Total Operating Expenses (including YTD Depreciation)</b>		<b>199,978</b>	<b>2,416</b>	<b>909</b>	<b>203,304</b>	<b>59,314</b>	<b>43,716</b>	<b>15,597</b>	<b>23%</b>
<b>Net Operating Surplus/(Shortfall) Balance</b>		<b>-881</b>	<b>-2,416</b>	<b>-909</b>	<b>-4,207</b>	<b>-4,091</b>	<b>14,701</b>	<b>18,793</b>	<b>-349%</b>
<i>Add</i> Depreciation		15,360			15,360	3,840	3,840	0	25%
<i>Less</i> Capital Expenditure	<i>4</i>	22,761	5,837		28,598	7,624	2,688	4,936	9%
<b>Net Fiscal Surplus/(Shortfall) Balance</b>		<b>-8,282</b>	<b>-8,253</b>	<b>-909</b>	<b>-17,445</b>	<b>-7,875</b>	<b>15,853</b>	<b>23,728</b>	<b>-91%</b>

At a Glance: Fiscal Position

\* Government's Net Fiscal balance for the quarter ended 30 September 2023 was a \$15.85 million surplus. This was an improvement by \$23.72 million compared to the budget estimate of \$7.87 million deficit. Overall revenue collection was slightly higher than anticipated by \$3.19 million and cost savings in Personnel (of \$2.82 million) Operating (of \$4.98 million) and Administered Payments (of \$4.78 million) have contributed to the improvement in Government's net fiscal balance.

\* The total Operating Revenue collected was \$3.19 million higher than anticipated for the quarter ended 30 September 2023. Taxation revenue collection was slightly higher than estimated compared to YTD budget estimates, due to increased business activity and consumer spending. There were also increases in Other Revenue of \$0.55 million (inclusive of Upper Air Space Fees of \$1.38 million, Immigration Fees of \$0.67 million and Core Sector Support of \$9.1 million), followed by Trading Revenue of \$1.56 million. Refer to Table 1 - Revenue on Behalf of Crown for details.

\*The total Operating Expenses for General Government adjusted for depreciation for the year ended 30 September 2023 was \$43.7 million, which is \$15.5 million lower than budget estimates. This was mainly due to an overall underspend in day-to-day operational expenditure across the whole of Government ie. utilities, fuel and oil, freight etc. Government agencies are also aware of price increases and intend to take a more conservative approach regarding operation expenditure. There were also underspends in Personnel caused by vacant positions within Government that are expected to be filled within the next 3-6 months as well as savings in Administered Payments equal to \$4.78 million, mainly contributed by YTD underspends in Airline Underwrite (of \$497k) and Economic Recovery Roadmap (of \$517k). Refer to Table 3 - Administered Payments for details

\* Capital Expenditure: Capital expenditure was significantly lower than budgeted by \$4.93 million for the quarter ended 30 September 2023. Significant underspends in Pa Enea Marine Infrastructure, Bridges, Structures and Road Asset Management have contributed to this. However much of the Roading Budget will be spent in Quarter 2 . Agencies are encouraged to appropriately plan and manage their Capital Budgets to ensure budgets are spent in the allotted periods, however given the unpredictable nature of the operating environment, delays have occurred. Refer to Table 4 - Capital Expenditure for more information.

**Schedule 2: Cash Reserves General Government**
**30 September 2023**

		30 Sept 2023 YTD	30 Jun 2023 YTD	Variance
		\$'000	\$'000	\$'000
<i>Cash At Bank</i>				
Term Deposits and Trust Accounts		141,544	125,726	15,818
Operational Bank Accounts		25,884	25,153	731
Foreign Exchange Reserves		16,428	22,848	(6,420)
<b>Total Cash Reserves</b>		<b>183,856</b>	<b>173,727</b>	<b>10,129</b>
<i>Committed:</i>				
Loan Repayment Fund <sup>1</sup>	LRF Act 2014	18,111	5,047	13,064
Outer Islands Reserves <sup>2</sup>	IG Act 2012	1,706	2,030	(324)
Disaster Response Fund <sup>3</sup>	Trust Fund	2,247	2,168	79
Infrastructure Trust Fund <sup>4</sup>	Trust Fund	45,964	45,586	378
Aid Trust Fund <sup>5</sup>	Trust Fund	28,871	24,044	4,827
Land/Law Trust/Other Agency Trust Funds	Trust Fund	15,360	14,323	1,037
Trust Account Deposits <sup>7</sup>	Trust Fund	2,630	3,708	(1,078)
<b>Total Committed Funds</b>		<b>114,889</b>	<b>96,906</b>	<b>17,983</b>
<i>Other General Funds:</i>				
Government Department/Agencies Bank Accounts	General Fund	2,908	320	2,588
Vat/Tax Imprest and Customs Bonds Account <sup>8</sup>	General Fund	1,757	2,226	(469)
General Reserves - Legacy	General Fund	3,606	3,606	0
<b>Total Other General Funds</b>		<b>8,271</b>	<b>6,152</b>	<b>2,119</b>
<b>Estimated General Cash Reserve</b>		<b>60,696</b>	<b>70,669</b>	<b>(9,973)</b>

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

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

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

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

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

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

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

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

**Schedule 3: Loan Repayment Fund Statement**

	30 Sept 2023 YTD
	\$'000
<b>Opening LRF Balance</b>	5,048
Contribution to LRF Principal	17,048
Contribution to LRF Interest	0
<b>Total Transfer into LRF by General Government</b>	22,096
Realised Gain/(Loss) on Foreign Exchange	(49)
Transfer out of LRF	0
Interest earned by LRF	135
<b>Total Inflows/(Outflows)</b>	86
Principal paid out of LRF	3,184
Interest paid out of LRF	887
<b>Total Outflows</b>	4,071
<b>Closing LRF Balance</b>	<b>18,111</b>

In February 2014, the Parliament of the Cook Islands passed the *Cook Islands Loan Repayment Fund Act (LRF) Act 2014*, formally creating a Loan Repayment Fund (LRF). The aim of the LRF is to quarantine funds previously accumulated for loan repayments and to prevent them from being utilized for anything outside of debt servicing requirements.

Schedule 3 outlines the movement of funds in and out of the LRF account. Funds transferred in by the Government as appropriated and payments made for debt servicing and other service fees.

**Schedule 4: Executive Council Orders**

<b>Section 70(3) (b) (i): Calculation</b>	<b>\$'000</b>
Total Government Appropriation 2023/24	325,610
Excess (1.5%) of Total Appropriation	4,884
less: Approved expenditure as at Quarter-End	678
<b>Total Balance</b>	<b>4,206</b>

<b>Executive Council Orders Authority</b>	<b>Budget</b>	<b>Agency</b>	<b>\$'000</b>
Top up to the National Events Fund	Admin	MOCD	500
Top up to the Maritime Radio Coverage Fund	POBOC	MOT	178
<b>Total Executive Council Orders Authority as at</b>			<b>678</b>

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

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

	Budget Estimates Full Year 2023/24	Additional Funding Approval/Transfer	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Taxation Revenue</b>							
Value Added Tax	78,957	-	78,957	19,739	24,586	4,847	31%
Individual Income Tax	33,730	-	33,730	8,432	10,259	1,826	30%
Company Income Tax	19,366	-	19,366	4,842	3,593	-1,249	19%
Import Duties	15,939	-	15,939	3,985	2,735	-1,250	17%
Withholding Tax	1,622	-	1,622	406	556	150	34%
Departure Tax	12,578	-	12,578	3,144	1,600	-1,544	13%
	<b>162,193</b>	-	<b>162,193</b>	<b>40,548</b>	<b>43,329</b>	<b>2,780</b>	<b>27%</b>
<b>Other Revenue</b>							
FSC - Vested Assets	0	-	0	0	0	0	0%
Financial Supervisory Commission - Return of Excess	3	-	3	1	0	-1	0%
Immigration Fees	500	-	500	125	679	554	136%
IMO Subscriptions MCI	66	-	66	17	0	-17	0%
Court Services	27	-	27	7	3	-4	11%
Police Fines	60	-	60	15	4	-11	7%
US Fisheries Treaty (upfront days)	3,810	-	3,810	0	73	73	2%
EU Agreement	1,400	-	1,400	0	0	0	0%
Purse seine fishery	7,000	-	7,000	1,750	0	-1,750	0%
Longline Licenses and QMS	3,000	-	3,000	750	469	-281	16%
Other Fisheries and Auxilliary Vessel Licensing	133	-	133	33	11	-23	8%
Research Fees	2	-	2	0	1	0	45%
Permits	10	-	10	3	5	2	48%
Vodafone Dividend	1,000	-	1,000	0	0	0	0%
Numismatics	850	-	850	212	0	-212	0%
Sale of Circulating Currency	204	-	204	50	7	-43	3%
Drivers License Fees	260	-	260	1	99	97	38%
Motor Vehicle Registration	875	-	875	0	95	95	11%
Interest on Balances (Crown)	907	-	907	227	721	494	80%
Interest on Balances - Loan Reserve Fund	220	-	220	55	0	-55	0%
Interest on Balances - SOE Advances	1,601	-	1,601	400	0	-400	0%
Foreign Investment Fees	34	-	34	8	8	-1	22%
Upper Air Space Fees	338	-	338	85	1,381	1,297	408%
Shipping Registry Licenses	98	-	98	24	253	229	259%
International Shipping Fee	15	-	15	0	2	2	12%
Liquor License	50	-	50	0	1	1	3%
Tattsлото Grants	120	-	120	30	62	32	52%
Censorship Fees	1	-	1	0	0	0	0%
Land Court Fees	147	-	147	37	8	-29	5%
Motor Vehicle Dealers	3	-	3	0	0	0	0%
SIOFA - Regional Fisheries Management Organisations	46	-	46	0	0	0	0%
SPRFMO - Regional Fisheries Management Organisations	-	-	0	0	0	0	0%
Gain on Foreign Exchange	-	-	0	0	540	540	0%
General Budget Support	-	-	0	0	0	0	0%
Core Sector Support	9,100	-	9,100	9,100	9,100	0	100%
Other Revenue on Behalf of Crown	-	-	0	0	0	0	138%
	<b>31,880</b>	-	<b>31,879</b>	<b>12,931</b>	<b>13,521</b>	<b>590</b>	<b>42%</b>
<b>Total ROBOC</b>	<b>194,073</b>	-	<b>194,072</b>	<b>53,479</b>	<b>56,849</b>	<b>3,370</b>	<b>29%</b>
Government Agencies & Island Governments Trading Revenue	5,024	-	5,024	1,743	1,568	-175	31%
<b>Total Operating Revenue</b>	<b>199,096</b>	-	<b>199,096</b>	<b>55,222</b>	<b>58,418</b>	<b>3,195</b>	<b>29%</b>

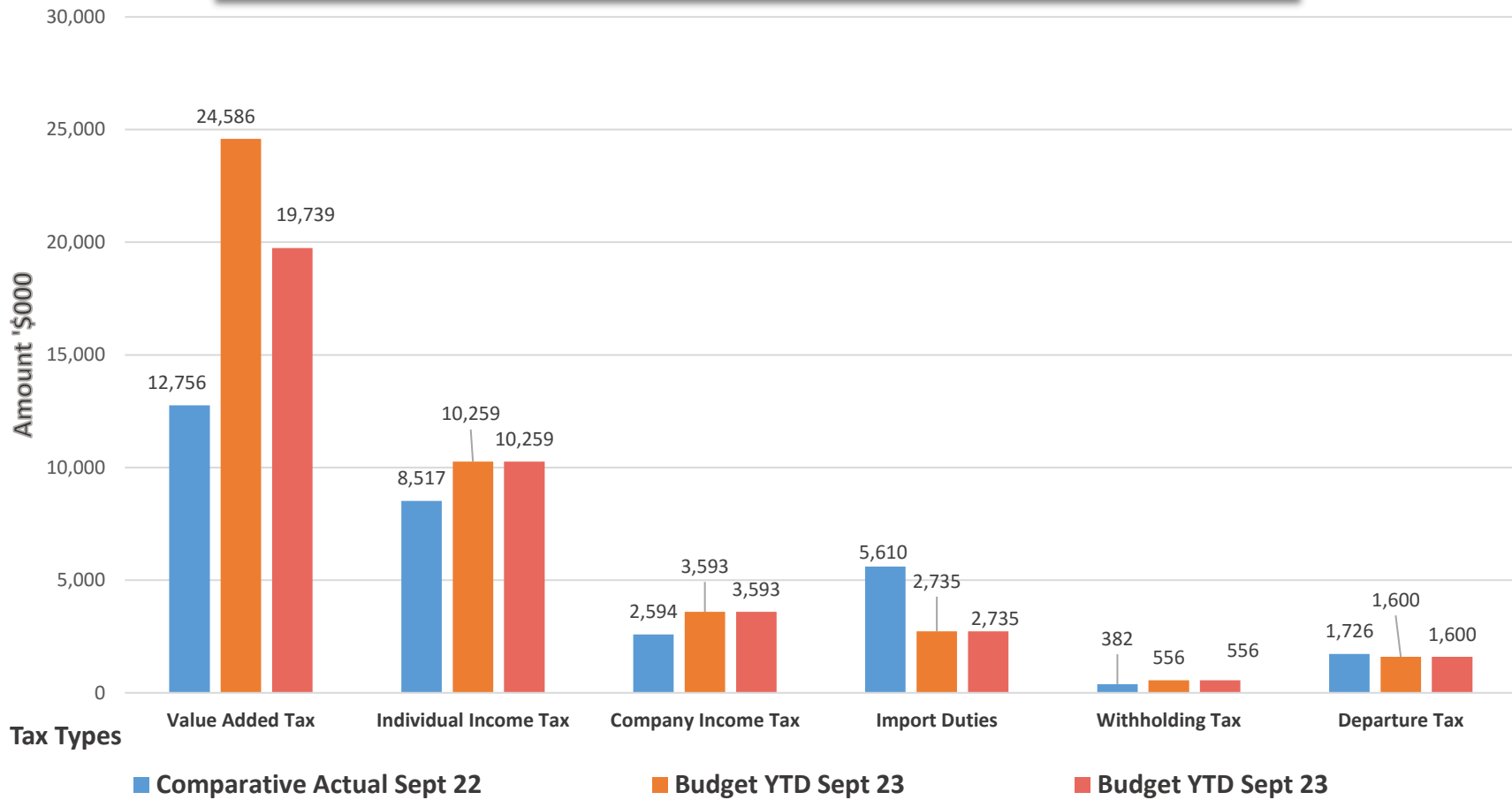


**Table 1: Revenue on Behalf of Crown (ROBOC) Commentary**

	Comparative Actual Sept 22	Actual YTD	Year on Year	Year on Year	Commentary
	\$'000	\$'000	\$'000	%	
<b>Taxation Revenue items</b>					<i>Note: Comments are provided on all Taxation revenue items. Refer to page 12 for a visual presentation of Tax Revenue items Year over Year (YoY).</i>
Value Added Tax	12,756	24,586	11,830	93%	VAT collection has significantly increased compared to previous year due to an increase in visitors during this quarter, resulting in increased spending overall within the economy.
Individual Income Tax	8,517	10,259	1,742	20%	Individual Income Tax was up by 20 per cent from a year ago and up 22 per cent against YTD budget estimate. This is due to taxpayers being compliant (entering into payment arrangements) and steady PAYE contributions from larger employers.
Company Income Tax	2,594	3,593	999	39%	Company Income Tax was up by 39 per cent from a year ago but down by 26 per cent against the YTD budget estimates. Provisional tax collected from companies are slightly less than anticipated for the quarter.
Import Duties	5,610	2,735	-2,875	-51%	Customs Tax was down by 51 per cent from a year ago and down by 31 per cent against the YTD budget estimate. Payouts of import tax levy refunds were slightly higher for the current quarter.
Withholding Tax	382	556	174	45%	Withholding Tax was up by 45 per cent from a year ago and up by 37 per cent against the YTD budget estimate. This relates to tax on interest, dividends and royalties.
Departure Tax	1,726	1,600	-126	-7%	Departure Tax was down by 7 per cent compared to a year ago and down by 49 per cent against the YTD budget estimates. This is expected to increase in the next quarter, given the two new airline routes via Hawaii and Sydney.
		43,329			

	Comparative Actual Sept 22	Actual YTD	Year on Year	Year on Year	
Other Revenue items	\$'000	\$'000	\$'000	%	<i>Note: Comments are provided on Other Revenue items that have generated significant revenue compared to the budget estimate.</i>
US Fisheries Treaty (upfront days)	82	73	-9	-11%	Fisheries US Treaties Revenue was down 11 per cent from a year ago. The majority of this revenue is expected to be received in the new quarter and has been phased in the budget accordingly.
Longline Licenses and QMS	340	469	129	38%	Longline licenses and QMS Revenue was up by 38 per cent from a year ago. There was a steady collection of revenue for the last quarter.
		542			

## CIG Tax Revenue Year over Year (YoY) Sept 2023 Report



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

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Airport Authority Subsidy	1,500	0	0	1,500	375	375	0	25%
Audit Fees	103	0	0	103	103	0	103	0%
Bank of the Cook Islands - Social Assistance Subsidy	128	0	0	128	0	0	0	0%
BEPS Subscription	45	0	0	45	0	0	0	0%
Caregivers Allowance	0	0	0	0	0	0	0	0%
Carer Order Payment	10	0	0	10	10	0	10	0%
Child Benefit	5,387	0	0	5,387	1,778	1,506	272	28%
CIG Insurance	40	0	0	40	40	41	-1	103%
Civil List - Constituency Visits	170	0	0	170	103	88	15	52%
Civil List - Personnel	2,902	0	0	2,902	776	716	60	25%
Competition and Regulatory Authority	400	0	0	400	100	67	33	17%
Government Paid Maternity Leave	150	0	0	150	42	17	25	11%
House of Ariki Operating	337	0	0	337	130	96	34	29%
Infirm/Destitute Benefit	1,296	0	0	1,296	442	389	53	30%
International Subscriptions	890	0	0	890	260	52	208	6%
IMO - Maritime Organisation	63	0	0	63	51	17	34	26%
Maritime Radio Coverage	120	0	178	298	178	178	0	60%
MP Travel and Allowances (local and overseas)	250	0	0	250	212	212	0	85%
New Born Allowance	230	0	0	230	59	53	6	23%
Old Age Benefit	14,489	0	0	14,489	4,767	4,165	601	29%
Pacific Catastrophe Risk Insurance	160	0	0	160	0	0	0	0%
Parliamentary Sitting Expenses	200	0	0	200	76	44	33	22%
Parliamentary Superannuation	180	0	0	180	40	20	21	11%
PERC Salaries and Administration Costs	58	0	0	58	14	13	2	22%
Ports Authority Subsidy	110	0	0	110	37	37	0	33%
Production of new currency, transportation and sale of old coins		0	0	0	0	0	0	0%
KR Travel and Allowances (local and overseas)	109	0	0	109	60	58	2	53%
To Tatou Vai - POBOC	3,000	0	0	3,000	1,250	1,150	100	38%
		0	0		0	0		
	<b>32,328</b>	<b>0</b>	<b>178</b>	<b>32,506</b>	<b>10,904</b>	<b>9,294</b>	<b>1,610</b>	<b>29%</b>

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

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget	Commentary
	\$'000	\$'000	%	
				<i>Note: Commentary provided on POBOCs appropriated at an annual budget of over \$1 million.</i>
Airport Authority Subsidy	1,500	375	25%	This funding is to support the day to day operations of the Airport Authority in Rarotonga. Budget will be fully utilised for the year.
Child Benefit	5,387	1,506	28%	Welfare payments relating to Child Benefits are tracking at 3% higher than expected and will be monitored closely
Civil List - Personnel	2,902	716	25%	This budget was overspent in the 2023 year due the clothing allowance, it will be monitored closely in the 2024 year.
Infirm/Destitute Benefit	1,296	389	30%	These payments are 5% over the expected budget and will need to be reviewed in Quarter 2
Old Age Benefit	14,489	4,165	29%	These payments are tracking at 4% higher then expected for the quarter and will need to be reviewed in Quarter 2
To Tatou Vai - POBOC	3,000	1,150	38%	This funding is to assist To Tatou Vai in its management and operations to supply and maintain Rarotonga's water network and infrastructure. The agency submits monthly reports to keep track of expenditure. This will need to be reviewed in Quarter 2.

**Table 3: Administrative Payments**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Audit of Crown Accounts	30	-	-	30	0	0	0	0%
Asian Infrastructure Investment Bank (AIIB) Membership	31	-	-	31	0	0	0	0%
Airline Route Development	17,450	447	-	17,897	1,276	779	497	4%
ASYCUDA Administrative Fund	100	-	-	100	0	0	0	0%
Bridges and Drainage Maintenance	700	-	-	700	179	88	91	13%
Bus Service	26	0	10	36	8	6	2	17%
Caregivers Allowance	739	-	-	739	246	230	16	31%
Christmas Bonus	321	-	-	321	0	0	0	0%
CISNOC Grant	370	-	-	370	370	370	0	100%
CISNOC Grant Top Up EO 1.5%	0	-	-	0	0	0	0	0%
Cabinet Support Fund	270	-	-	270	110	26	84	10%
Cook Islands Cultural Fund	100	-	-	100	35	21	14	21%
Cook Islands Red Cross [MFM]	50	-	-	50	25	0	25	0%
Cook Islands Student Association Support	10	8	-	18	10	0	10	0%
Conduct a Labour Force Survey	200	-	-	200	0	0	0	0%
CIG Buildings Repairs & Maintenance	1,000	-	-	1,000	510	112	398	11%
COVID-19 Medical Response Fund	-	-	-	0	0	-7	7	0%
Debt Advisory Services	-	-	-	0	0	0	0	0%
Domestic Hosting Entertainment	15	-	-	15	6	5	1	34%
Economic Recovery Roadmap	3,517	973	-	4,490	629	112	517	2%
EIA Process	150	-	-	150	38	34	3	23%
Emergency Work	200	-	-	200	36	0	36	0%
Fisheries Development Facility	150	-	-	150	100	0	100	0%
FMIS Maintenance	145	-	-	145	36	22	14	15%
Funeral Assistance Allowance	170	-	-	170	50	38	12	22%
Feasibility Study for Coastal Protection - Rarotonga & Pa Enua	400	-	-	400	100	0	100	0%
Government Facilities Development Division	420	-	-	420	120	58	62	14%
Government Funded Scholarships	780	0	50	830	210	136	74	16%
Govt Scholarships - Fees Free	50	-	-	50	0	0	0	0%
Head of State Rent	13	-	-	13	7	7	0	50%
HOM's Salaries	1,903	38	0	1,941	0	522	-522	27%
House of Ariki Operating	-	-	-	0	0	0	0	0%
House of Ariki - Personnel	-	-	-	0	0	-2	0	0%
ICT Support Team	-	-	-	0	0	0	0	0%
Infrastructure Committee	100	-	-	100	40	25	15	25%
Internal Affairs Youth Program	45	-	-	45	25	14	11	32%
International Exchange of Information System Upgrade (IGOR)	55	89	-	144	144	127	17	88%
International Subscriptions	-	-	-	0	0	0	0	0%
Joint Venture with Seabed Minerals Authority	50	-	-	50	30	0	30	0%
Judge's Allowances	465	109	-	574	127	86	42	15%
Land Records Update Project	120	-	-	120	28	15	13	13%

**Table 3: Administrative Payments Cont'd**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Law and Order Clinical Psychologist	90	-	-	90	23	0	23	0%
Lease Extension	72	-	-	72	18	9	9	13%
Legal Aid	40	-	-	40	25	0	25	0%
Legal Provisions	100	38	-	138	72	45	27	33%
Legacy Waste - Vehicles & Whiteware	360	-	-	360	90	4	86	1%
Lexis Nexis - Portal Maintenance	80	-	-	80	40	0	40	0%
Management of Suwarrow Park	100	-	-	100	14	14	0	14%
Marae Moana Ambassador	-	-	-	0	0	0	0	0%
Marketing Resources - Tourism Growth Strategy	5,743	-	-	5,743	1,629	1,629	0	28%
National Events	500	-	500	1,000	860	765	95	76%
National Census	-	-	-	0	0	0	0	0%
National Heritage Trust	122	-	-	122	31	22	9	18%
NCD Fund	195	-	-	195	150	150	0	77%
OPM ICT Activities - Internet Data and Fiber Connection	460	-	-	460	116	91	25	20%
OPM ICT Activities - Licenses and Software	450	-	-	450	160	55	105	12%
Pacific Islands Forum (PIFs) meeting	150	-	-	150	105	2	103	1%
Pa Enea Connectivity	-	-	-	0	0	0	0	0%
Pa Enea Machinery Maintenance Fund	100	-	-	100	60	40	20	40%
Pa Enea Mechanical Overseer	120	-	-	120	43	19	24	16%
Patient Referrals	850	-	0	850	450	400	50	47%
Patient Referrals Top Up EO 1.5%	-	-	-	0	0	0	0	0%
Pharmaceuticals	1,168	-	-	1,168	450	19	431	2%
PM Social Responsibility Fund	483	-	-	483	155	149	6	31%
Police Youth Program	45	-	-	45	45	12	33	27%
Post Tax Amnesty Work	-	-	-	0	0	0	0	0%
Power Subsidy	109	-	-	109	55	24	31	22%
Price Tribunal Committee	45	20	-	65	38	25	13	38%
Private School Funding - Aitutaki SDA	192	-	51	243	67	67	0	27%
Private School Funding - Blackrock	46	-	51	97	26	26	0	27%
Private School Funding - Creative Centre	108	-	51	159	43	43	0	27%
Private School Funding - Immanuel Akatemia	231	-	51	282	76	76	0	27%
Private School Funding - Nukutere	749	-	51	800	195	193	2	24%
Private School Funding - Papaaroa	272	-	51	323	86	86	0	27%
Private School Funding - St. Josephs	446	-	51	497	134	134	0	27%
Private School Funding - Te Uki Ou	691	-	51	742	199	199	0	27%
Production of new currency, transportation and sale of old coins	350	-	-	350	87	0	87	0%
Provision for Inter-Island Shipping	500	104	0	604	314	176	138	29%
Provision for Land Rentals	400	-	-	400	308	296	12	74%
Public Sector Strengthening - Process & Systems	150	35	-	185	75	54	21	29%
Public Sector Strengthening - Renovation Support	-	-	-	0	0	0	0	0%
KR Social Responsibility Fund	8	-	-	8	8	8	0	100%



**Table 3: Administrative Payments Commentary**

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget 2022/23	Commentary
	\$'000	\$'000	%	
				<i>Note: Commentary provided on Administered Payments appropriated at an annual budget of over \$1 million.</i>
Airline Route Development	17,897	779	4%	This budget is to subsidise the cost of direct flights from non-NZ markets to Rarotonga, which is necessary to support tourism recovery. Actual YTD expenditure is significantly less compared to YTD budget estimates due to supplier invoices not yet received for the quarter. YTD actual spend includes consultancy fees for aviation and quarterly contract payments to partner airlines.
Economic Recovery Roadmap	4,490	112	2%	This budget is to support economic stimulus measures for a sustainable economic recovery from the impacts of COVID-19, to subsidise the cost of fuel for airlines and to support the Fees Free programme. YTD expenditure includes loan administration fee for Business Credit Facility loans, USP Course Fees and costs related to the 58th meeting of the Commission on the Limits of the Continental Shelf (CLCC)
HOM's Salaries	1,941	522	27%	The YTD expenditure has tracked well against budget estimates for the financial year.
Marketing Resources - Tourism Growth Strategy	5,743	1,629	28%	This budget is for Cook Islands Tourism to promote the Cook Islands as an ideal travel destination. YTD expenditure \$1.8 mil relates to International Representation, Stakeholder Management, Sales and Marketing, Public Relations , E Commerce and Destination Development. \$1.24 mil has been reappropriated to the 2024FY.
Pharmaceuticals	1,168	19	2%	The YTD expenditure is less in comparison to the YTD budget estimates due to lower purchases of medical supplies than anticipated. This Funding is to cover the procurement of essential medical consumables and supplies as per EML, to ensure delivery of health services and treatment to both Rarotonga and Pa Enua.
Tertiary Training Institutions	1,100	314	29%	This Budget is to support the operating expenses for the Cook Islands Tertiary Training Institute to deliver courses in the Rarotonga and the Pa Enua. YTD Expenditure includes Tutors, Professional Services & communication expenses



**Table 4: Capital Expenditures**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Pa Enea Government Building Projects - Northern Group	0	90	-	90	90	3	87	3%
Aitutaki Capital Funding	16	-	-	16	0	0	0	0%
Arutanga Harbour Project	980	-	-	980	450	0	450	0%
Geotech Scoping & Feasibility	100	-	-	100	0	0	0	0%
Atiu Capital Funding	12	-	-	12	0	0	0	0%
General X-Ray & Mammography	200	-	-	200	100	0	100	0%
Bridges and Structures Asset Management and Improvement Programme	4,766	-	-4,037	728	146	6	139	1%
Capital Distribution Fund	300	-	-	300	115	0	115	0%
COVID-19 Response Fund - Capital Needs	0	-	-	0	0	-10	10	0%
Drainage Asset Management and Improvement Programme	720	-	-	720	33	0	32	0%
Fund to be Prioritised by Education	400	-	-	400	160	9	151	2%
Fund to be Prioritised by Health for Technical Equipment	300	-	-	300	150	-2	152	-1%
Government Building Projects	496	-	-	496	124	0	124	0%
Government Building Projects - Rarotonga	1,301	650	-	1,951	711	195	515	10%
Government IT Network	200	-	-	200	90	24	66	12%
Land Acquisition	550	95	-	645	245	2	243	0%
Mangaia Capital Funding	12	-	-	12	0	0	0	0%
Manihiki Capital Funding	10	-	-	10	0	0	0	0%
Mauke Capital Funding	10	-	-	10	0	0	0	0%
Mitiaro Capital Funding	8	-	-	8	4	0	4	0%

**Table 4: Capital Expenditures Cont'd**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Purchase of Protocol Vehicles for PIFs Conference	2,000		-	2,000	2,000	997	1,003	50%
Pa Enua Government Building Projects - Southern Group	350	100	-	450	220	90	130	20%
Pa Enua Marine Infrastructure Improvement Programme	2,470	-	-	2,470	25	0	25	0%
Pa Enua Air Infrastructure Improvement Programme - CIG	649	-	-	649	250	0	250	0%
Pa Enua Capital Distribution Fund	300	-	-	300	0	0	0	0%
Palmerston Capital Funding	10	-	-	10	10	1	9	15%
Penrhyn Capital Funding	12	-	-	12	0	0	0	0%
Pukapuka Capital Funding	12	-	-	12	6	0	6	0%
Rakahanga Capital Funding	8	-	-	8	8	0	8	0%
Rarotonga Airport Slab Replacement	0	780	-	780	350	0	350	0%
Rarotonga Cyclone Shelters - Remediation	400	-	-	400	300	3	297	1%
Revenue Management System Upgrade (RMS10)	0	1,672	-	1,672	54	50	5	3%
Roads Asset Management and Improvement Programme	4,960	-	4,037	8,998	1,240	1,212	28	13%
To Tatou Vai - Capital	1,000	2,450	-	3,450	700	90	610	3%
Waste Management Infrastructure Improvement Programme	51	-	-	51	4	0	4	0%
Water and Sanitation Infrastructure Improvement Programme	158	-	-	158	40	19	21	12%
	<b>22,761</b>	<b>5,837</b>	<b>0</b>	<b>28,598</b>	<b>7,624</b>	<b>2,688</b>	<b>4,936</b>	<b>9%</b>

**Table 4: Capital Expenditure Commentary**

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget 2022/23	Commentary
	\$'000	\$'000	%	<i>Note: Commentary provided on Capital Expenditure appropriated at an annual budget of over \$1 million and less than 10% budget utilisation YTD</i>
Purchase of Protocol Vehicles for PIFs Conference	2,000	997	50%	This budget relates to the procurement of electric vehicles for the 52nd Pacific Islands Forum Leaders Meeting held in November 2023. After the Forum the vehicles will be put up for tender to the public and/or utilised for the Government fleet. The budget is underspent because the deposit \$700K was paid from the 2022/23 Budget
Pa Enua Marine Infrastructure Improvement Programme	2,470	0	0%	This is to support the ongoing development of marine infrastructure for the Pa Enua, which serves as a key means of transportation of goods and passengers throughout the country. Majority of the budget has been phased for the months of March - June 2024
Government Building Projects - Rarotonga	1,951	195	10%	This project involves the development and improvement of government buildings and facilities on Rarotonga. YTD Expenditure consists of renovations to Minister Rose Toki-Brown's Office, waterproofing the Police HQ roof, inspection reports for MFEM building and Hospital and upgrades made to the medical and surgical wards of the Hospital.
Revenue Management System Upgrade (RMS10)	1,672	50	3%	This project is for the upgrade of MFEM's Revenue Management Division (RMD) tax management software platform from Revenue Management System (RMS) version 7 to version 10. This project is to be implemented in 5 phases. YTD expenditure consists of consultancy fees and ongoing support/maintenance costs
Roads Asset Management and Improvement Programme	8,998	1,212	13%	This is for the continuation of road improvement projects on Rarotonga, particularly the road from Avana to Mai'i. YTD expenditure includes labour costs, professional engineering and project management services, fuel and materials. It is expected that most of this budget will be spent in quarter 2
To Tatou Vai - Capital	3,450	90	3%	This budget is related to the continual work towards the completion and replacement of asbestos cement mains and transferring water from old water connections to new ones. YTD expenditure is inclusive of purchasing materials for meters and customs clearance.

	Loan start date	Loan end date	Loan currency	Original loan amount	Interest rate	Jun 2022 Balance ('000)	Principal Payments ('000)	Draw Downs	FOREX Adjustment ('000)	Revaluation/ Adjustments	Sept 2023 Balance ('000)	Change Sept YTD ('000)
<b>Asian Development Bank</b>												
<b>Concessional OCR Loans</b>												
Second multi project loan - 849	Dec-87	Aug-27	SDR	2,150	1.00%	791	88		3		706	(85)
Outer Islands telecommunications project loan - 1031	Oct-90	Aug-30	SDR	2,578	1.00%	2,519	169		10		2,360	(159)
Second Cook Islands Development Bank loan - 1155	Mar-92	Dec-31	SDR	1,085	1.00%	676			3		679	3
TCI Emergency Loan- 1171	Aug-92	Jun-32	SDR	349	1.00%	237			1		238	1
Pearl Loan (1994) - 1309	Dec-94	Aug-34	SDR	272	1.00%	298	13		1		286	(12)
Education development- 1317	Feb-95	Aug-34	SDR	1,852	1.00%	1,820	79		6		1,747	(73)
Third Cook Islands Development Bank loan- 1380	Jan-96	Sep-35	SDR	1,977	1.00%	1,597	68		10		1,539	(58)
Economic restructuring loan - 1466	Sep-96	Sep-36	SDR	3,430	1.00%	3,721	148		24		3,597	(124)
Cyclone Rehabilitation Project loan - 1588	Jan-97	Jan-38	SDR	583	1.00%	667	23		4		648	(19)
Waste Management loan - 1832	Dec-01	Jun-33	SDR	1,695	1.50%	1,449			5		1,454	5
Cyclone Emergency Assistance loan- 2174	Jun-05	Jan-45	SDR	1,895	1.00%	3,273			12		3,285	12
(SF) Avatiu Ports Development Loan - 2473	Sep-09	Nov-40	SDR	4,524	1.50%	4,578			17		4,595	17
<b>Regular OC Loans</b>												
(OCF) Avatiu Ports Development Project Loan - 2472	Sep-09	Nov-33	NZD	8,697	5.77%	7,515					7,515	0
(SF) Economic Recovery Support Program Loan - 2565	Jan-10	Oct-24	NZD	11,053	2.52%	1,507	502				1,005	(502)
(OCF) Avatiu Ports Development Project Loan- 2739	Dec-11	Nov-35	NZD	5,290	2.64%	4,372					4,372	0
(OCF) Economic Recovery Support Program 2 Loan - 2946	Dec-12	Oct-27	NZD	11,053	2.75%	2,719	302				2,417	(302)
(OCF) Renewable Energy Sector- 3193	Jan-15	Jun-36	NZD	12,980	1.15%	9,020					9,020	0
(OCR) Undersea Broadband Cable Loan- 3632	Jul-19	Jun-39	USD	15,000	2.65%	23,843			435		24,278	435
Disaster Resilience Program (Phase 2) - 3933	Dec-19	Jun-35	NZD	15,676	1.13%	15,676					15,676	0
COVID 19 Active Response - 4010	Jan-21	Jan-30	NZD	30,409	1.13%	30,409					30,409	0
Supporting Sustainable ERP - 4161	Dec-21	Dec-33	NZD	55,540	2.19%	55,540					55,540	0
<b>Total ADB</b>						<b>150,602</b>	<b>804</b>	<b>0</b>	<b>435</b>	<b>0</b>	<b>150,233</b>	<b>(369)</b>
<b>Asian Infrastructure Investment Bank (AIIB)</b>						<b>172,226</b>	<b>1,392</b>	<b>0</b>	<b>531</b>	<b>0</b>	<b>171,365</b>	<b>(861)</b>
COVID-19 Active Response & Economic Support - 0461A	Jan-21	Jun-30	USD	20,000	0.25%	32,922			601		33,523	601
						<b>32,922</b>			<b>601</b>		<b>33,523</b>	<b>601</b>
<b>Export -Import Bank of China</b>												
Indoor Sports Stadium & Upgrade of Existing Sports Facilities	Aug-08	Aug-28	RMB	74,100	1.80%	5,416	516				4,900	(516)
Rarotonga Water Ring Main Upgrade Loan	Dec-12	Dec-32	RMB	118,000	2.00%	18,096	903				17,193	(903)
<b>Total China Bank</b>						<b>23,512</b>	<b>1,419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,093</b>	<b>(1,419)</b>
<b>Total Gross Borrowings</b>						<b>228,660</b>	<b>2,811</b>	<b>0</b>	<b>1,132</b>	<b>0</b>	<b>226,981</b>	<b>(1,679)</b>
Less Loan Repayment Fund (LRF)						5,048	4,071	17,048		86	18,111	13,063
<b>Net Borrowings by the Crown</b>						<b>223,612</b>	<b>(1,260)</b>	<b>(17,048)</b>	<b>1,132</b>	<b>(86)</b>	<b>208,870</b>	<b>(14,742)</b>
Less Avatiu Port Development & Avaroa Cable Ltd (SOE)						40,635			435		41,070	435
<b>Net Borrowing by the General Government</b>						<b>182,977</b>	<b>(1,260)</b>	<b>(17,048)</b>	<b>697</b>	<b>(86)</b>	<b>167,800</b>	<b>(15,177)</b>

#### Total Gross Borrowings

The Total Gross Borrowings for Crown as at 30 Sept 2023 is \$226.9 million, a decrease of \$1.6 million for the period.

#### Loan Repayment Fund

The Loan Repayment Fund has increased by \$13 million for the movements please refer to the LRF Page for details.

#### Net Borrowing by the General Government

The General Government's 'Net Borrowing' is equivalent to Total Gross Borrowings, less the Loan Repayment Funds (LRF) and SOE Borrowings. The movement for the period is a decrease of \$14.3 million, this can be largely attributed to the increase in the LRF.

Source: NZ Reserve Bank Website for USD and RMB

	Jun-23	Sep-23	Movements for the Period
<b>Table 5.1 Average Foreign Currencies against New Zealand Dollars</b>			
Foreign Currencies			
United States Dollars (USD)	0.6075	0.5966	-0.010900
Chinese Yuan (RMB)	4.4065	4.4065	-4.406500
Special Drawing Rights (SDR)	0.4600	0.4600	0.000000

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

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

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

**Table 6: Official Development Assistance**

<b>Development Partner</b>	<b>Donor</b>	<b>Budget Estimates Full Year 2023/24</b>	<b>Actual YTD</b>
Asian Development Bank		3,000,000	200,000
China		2,050,000	0
European Union		1,627,014	51,992
Forum Fisheries Agency		501,422	0
Global Environment Facility		389,888	13,734
Green Climate Fund		8,678,446	388,005
ILO		0	0
India		491,300	0
Japan		0	0
Korea		0	0
New Zealand		76,059,289	9,785,485
Other		5,280,000	425,255
SPC		491,692	516,000
UN Adaptation Fund		0	0
UNDP		164,608	33,688
UNESCO		43,260	1,333
UNICEF		0	0
WHO		0	0
UNEP		72,000	6,926
SPREP		0	0
Australia - SPC		0	0
<b>Total Official Development Assistance</b>		<b>98,848,919</b>	<b>11,422,419</b>

**12%**

#### Cook Islands - New Zealand Infrastructure Trust Fund

Total actual spend to date for this output is \$102,205.35

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

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

In March 2022, the New Zealand Government made a further grant contribution of \$40 million to the ITF to help stimulate the Cook Islands' economy and strengthen its overall resilience via capital works. Officials from both governments have since confirmed priority pipeline projects for the CKI-NZ Infrastructure Trust Fund including: i) Mei Te Vai Ki Te Vai (MTVKTV); ii) Rarotonga International Airport Slab Replacement Project; iii) Manihiki Airport Improvement; iv) Northern Group Renewable Energy; v) Avarua Town Plan and Punanganui Market; and vi) Solid Waste Disposal System for Rarotonga. Total expenditure for the Avarua Town Plan project to date is \$102,205.35. The Manihiki Airport Improvement Project undergoing final preparations for implementation.

The Rarotonga International Airport Slab Replacement Project is the first project supported through the Infrastructure Trust Fund. Age and increased frequency in the number of heavy aircrafts have resulted in cracks in 71 slabs along the main trafficked part of the 2500 slabs of the 2328 metre airport runway. Of the 71 cracked slabs, 32 were replaced up to January 2022 with initial funding of \$6.5 million from the ITF. An additional \$1.08 million from the ITF was secured to replace 7 additional slabs. With this additional funding at the completion of Phase 2 a total of 39 slabs have been replaced. Total actual spend to date for this project is NZD\$52,608.79. This phase of the project is now completed.

#### Improving Geospatial Data - LiDAR

Total actual spend to date: NZ\$2,822.93

This project aims to address existing data gaps by collecting high-resolution topographic data and associated imagery which will support applications such as the assessment of coastal inundation and flooding hazards, environmental monitoring and management, infrastructure and development planning, policy development and implementation as well as responses to climate change impacts across the Cook Islands.

Data Capture acquisition is completed. Processing of the initial coverage maps obtained through the data capture is progressing well. To date, ICI has received coverage maps for nine islands; Rarotonga, Mangaia, Atiu, Aitutaki, Takutea, Palmerston, Mitiaro and Mauke. Preliminary Quality Assessment (Q&A) of the maps is being undertaken by a Senior CAD & GIS Environment Engineer within ICI. Submission of the remaining initial coverage maps and preliminary Q&A will be determined in the months ahead upon finalising of the tide-gauge data.

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

Total actual spend to date is NZ\$150,348.13

The programme will be administered and implemented by the United Nations Environmental Programme (UNEP) with the Cook Islands expected to benefit up to US\$5.3 million through direct support and up to US\$6 million through regional partners. The legal arrangements between MFEM and UNEP are now completed. Implementation commence in April 2022 pending regional arrangements with other partners.

The high vulnerability to climate change impacts and climate-related hazards arise from geography, exposure of our population and lack of resilience to shocks. The limited adaptation capacity is worsened by financial and human resource constraints and is compounded by an economic reliance on particularly climate sensitive sectors such as farming, fisheries and tourism.

The Cook Islands is highly vulnerable to climate change impacts therefore requires reliable, timely and actionable information and early warning on our local weather, climate and ocean environments as well as science-based advice on adaptation planning and early action for longer term climate change impacts.

The project aims to support beneficiaries in five countries of the Pacific Ocean through three outcomes:

1. Increase generation and use of climate information in decision making
2. Strengthened adaptive capacity and reduced exposure to climate risks and
3. Strengthened awareness of climate threats and risk reduction processes

The Cook Islands component is currently under implementation with core project oversight committees established. The PMU is now working with other countries and regional technical partners to progress Cook Islands activities.

#### First Biennial Transparency and Fourth National Communication Report (BTR1/NC4)

Total actual spend to date is NZD \$21,981.49

The enabling activity aims to assist the Cook Islands to meet its reporting requirements under the UNFCCC and the Paris Agreement and prepare a combined First Biennial Transparency and Fourth National Communication Report in accordance with the MPGs and methodological guidance contained in decisions 18/CMA.1 and 5/CMA.3. Additionally, to strengthen technical and institutional capacity to prepare and submit Biennial Transparency and National Communication reports to the UNFCCC. It will also assist in building national capacities to fulfil the Cook Islands commitments under the Convention on a continuous basis, whilst also increasing the awareness on climate change issues, fostering better integration of climate change into national, sectoral policies, strategies and programmes. Within the BTR1/NC4 component of the project, information will be updated on national circumstances, inventories of greenhouse gases up to 2020, measures undertaken to mitigate climate change, assessments of vulnerability to climate change and adaptation measures, and information on steps taken to integrate climate change consideration into national policies and actions.

#### GEF 7 National Project

Total actual spend to date is NZD \$33,687.98

The project aims to reduce and mitigate negative environmental impacts of the key development sectors (agriculture, infrastructure, tourism), which are the main national drivers of biodiversity and habitat degradation, through mainstreaming integrated, sustainable management of land and coastal waters across the National Environment Service (NES), Infrastructure Cook Islands (ICI), Cook Islands Tourism Corporation (CIT), and the Ministry of Agriculture (MOA).

Building upon the achievements of the GEF-5 ridge-to-reef project, the GEF-7 project strategy also includes improving management effectiveness of target protected areas, as well as expansion of the protected area system through establishment of a 118-ha community conserved area safeguarding globally significant biodiversity within the cloud forests of Rarotonga.

Project results are expected to generate multiple environmental benefits, including 3,130 ha of priority catchments under improved management, and improved management of 1,260 ha of terrestrial protected areas and 14,453 ha of marine protected areas. An estimated 9,588 people (75% of the resident population of the country), of whom 51% are women, are expected to directly benefit as a co-benefit of the GEF investment, including local communities living within and benefiting from the ecosystem services provided by the priority catchments, people benefitting from the biodiversity resources and ecosystem services of the target protected areas, and management and staff members of NES, MOA, CIT, and ICI, as well as other stakeholders benefitting from strengthened capacities.

Through improved management in the agriculture, forestry and other land use (AFOLU) sector, 288,638 tons of carbon dioxide equivalent of greenhouse gas emissions mitigated are estimated to be achieved through increased carbon sequestration and reduced emissions.

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

Total actual spend to date is \$335,360.79

The programme will be administered and implemented by the United Nations Environmental Programme (UNEP) with the Cook Islands expected to benefit up to US\$5.3 million through direct support and up to US\$6 million through regional partners. The legal arrangements between MFEM and UNEP are now completed. Implementation commence in April 2022 pending regional arrangements with other partners.

The Cook Islands component recently recruited a National Programme Implementation Manager and a Finance Officer. The focus of the programme at the initial staged is on planning and coordinating with stakeholders (nationally and regionally) activities to be implemented.

The Cook Islands is highly vulnerable to climate change impacts therefore requires reliable, timely and actionable information and early warning on our local weather, climate and ocean environments as well as science-based advice on adaptation planning and early action for longer term climate change impacts.

The project aims to support beneficiaries in five countries of the Pacific Ocean through three outcomes:

1. increase generation and use of climate information in decision making
2. strengthened adaptive capacity and reduced exposure to climate risks and
3. strengthened awareness of climate threats and risk reduction processes



Manatua Submarine Cable (ICT cable) - New Zealand Grant

Total actual spend to date is \$515,955

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

Key milestones achieved are as follows:

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

Project Preparation Facility - Building Resilient and Healthy Cook Islands Communities

Total actual spend to date is \$570,114.06

A Project Preparation Facility (PPF) application for US\$568,000 was approved by the Green Climate Fund to undertake technical assessments to support the development of a full proposal titled "Building resilient and Healthy Cook Island Communities". Te Marae Ora and Cook Islands Investment Corporation are key agencies to execute the project proposal. The full proposal is now completed with the full project proposal submitted to GCF on 30 May 2023. The full project proposal is entitled: Akamatutu'anga to tatou Ora'anga Meitaki (ATOM): Building a healthy and resilient Cook Islands community - one block at a time in the Cook Islands. The proposal is currently undergoing review by the GCF Secretariat and will require feedback from the Cook Islands before these proceeds to the GCF Board.

**Table 7: State Owned Enterprises (SOEs)**

	YTD Budget Estimates	Actual YTD	Variance to YTD Budget Estimates
	\$'000	\$'000	\$'000
<b>SOEs Consolidate Group</b>			
Trading Revenue	15,751	16,301	-550
<i>Less: Expenditure</i>			
Personnel Expense	4,686	4,140	546
Operating Expense	10,257	10,186	71
Depreciation Expense	2,526	2,207	319
	17,469	16,533	936
<b>Net Surplus / (Deficit)</b>	<b>-1,718</b>	<b>-232</b>	<b>-1,486</b>

The table below consolidates the September performances of Cook Islands Investment Corporation (CIIC), Airport Authority, Bank of the Cook Islands, Ports Authority, Te Aponga Uira, To Tatou Vai Ltd, Te Mana Uira O Araura (new name for Aitutaki Power Supply) and Avaroa Cable Ltd.

The consolidated group YTD deficit is \$.2m, which is \$1.4m favourable to a budget deficit of \$1.7m:

- Trading revenues slightly favourable to budget largely due to higher trading revenues across the SOE's
- Personnel costs were favourable to budget as the group continues to face on-boarding timing issues with vacant roles.
- Depreciation favourable to budget, due to timing of capital of spends.
- Operating costs were favourable to budget in total with the following key exception:
- Airport Authority operating costs are over due to higher costs in professional fees and runway repairs.