



The Government of the Cook Islands

Quarterly Financial Results

Dec-19

Prepared by the Ministry of Finance and Economic Management

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Basis of Preparation

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

References to 2019/20 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 2019/20 Appropriation Bill was passed in June 2019.

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 December 2019

| | Table | Budget Estimates Full Year 2019/20 \$'000 | Additional Funding Approval \$'000 | Total Budget & Approval \$'000 | Budget Estimates YTD December 2019 \$'000 | Actual YTD December 2019 \$'000 | Variance to YTD Budget Estimates \$'000 | Actual Vs Full Year Budget 2019/20 % |
|--|----------|--|--|--------------------------------------|--|---------------------------------------|---|--|
| Operating Revenue | 1 | | | | | | | |
| Taxation Revenue | | 151,626 | 0 | 151,626 | 75,813 | 80,583 | 4,770 | 53 |
| Other Crown Revenue | | 19,607 | 0 | 19,607 | 9,803 | 10,189 | 386 | 52 |
| Trading Revenue | | 4,927 | 0 | 4,927 | 2,374 | 1,890 | -483 | 38 |
| Interest on Loans to Subsidiaries | | 830 | 0 | 830 | 415 | 0 | -415 | 0 |
| Dividends | | 2,370 | 0 | 2,370 | 750 | 960 | 210 | 41 |
| Interest on Balances | | 1,740 | 0 | 1,740 | 870 | 1,320 | 450 | 76 |
| Core Sector Support | | 7,730 | 0 | 7,730 | 7,730 | 7,825 | 95 | 101 |
| Total Operating Revenue | | 188,830 | 0 | 188,830 | 97,755 | 102,768 | 5,013 | 54 |
| Operating Expenditure | | | | | | | | |
| Ministry Outputs | | 133,443 | 1,648 | 135,091 | 69,588 | 62,575 | 7,014 | 46 |
| Personnel | | 62,493 | 0 | 62,493 | 30,460 | 28,916 | 1,544 | 46 |
| Operating | | 20,380 | 0 | 20,380 | 11,300 | 9,011 | 2,289 | 44 |
| Administered Payments | 3 | 43,604 | 1,648 | 45,252 | 24,225 | 21,663 | 2,563 | 48 |
| Depreciation | | 6,966 | 0 | 6,966 | 3,603 | 2,985 | 618 | 43 |
| POBOC | 2 | 27,746 | 80 | 27,826 | 15,347 | 13,693 | 1,654 | 49 |
| Debt Interest Contribution to LRF | | 2,133 | 0 | 2,133 | 2,133 | 2,133 | 0 | 100 |
| Crown Infrastructure Depreciation | | 4,603 | 0 | 4,603 | 1,042 | 1,042 | 0 | 23 |
| Transfer to Emergency Response Trust Fund | | 50 | 0 | 50 | 50 | 50 | 0 | 100 |
| Depreciation Contingency Fund | | 2,174 | 0 | 2,174 | 0 | 0 | 0 | 0 |
| Contingency Funds - Operating | | 100 | 200 | 300 | 300 | 249 | 51 | 83 |
| Total Operating Expenses | | 170,249 | 1,928 | 172,177 | 88,460 | 79,741 | 8,719 | 46 |
| Net Operating Surplus/(Shortfall) Balance | | 18,581 | 1,928 | 16,654 | 9,295 | 23,026 | 13,731 | |
| Add Depreciation | | 13,742 | 0 | 13,742 | 4,645 | 4,027 | 618 | 29 |
| Less Capital Expenditure | 4 | 40,710 | 3,302 | 44,012 | 17,651 | 14,347 | 3,304 | 33 |
| Net Fiscal Surplus/(Shortfall) Balance | | -8,387 | 3,302 | -13,617 | -3,712 | 12,706 | 16,417 | |

At a Glance: Fiscal Position

* General Government's Fiscal Position reported actual surplus in net fiscal balance of \$12.71 million; an increase of \$16.42 million against budget estimates for the December quarter.

* Net Operating Surplus/(Shortfall) Balance: The General Government reported a net operating surplus of \$23.03 million for December 2019 Quarter. This can be largely attributed to the under spend in administered payments, POBOC's and increase in taxes collected for the period.

* Operating Revenue: General Government operating revenue reported a increase in Revenue collection by \$5.01 million against year to date budget estimates for the quarter. Taxation revenue reported higher than budget estimates by \$4.77 million. This was mainly contributed by Withholding Tax over budget estimates by \$1.2 million due to higher than anticipated level of dividends paid to non - residents and Value Added Tax over budget estimates by \$4.87 million due to fewer VAT refunds during the period. The increase was also due to increase in Import VAT resulting from increase in Economic activities in the Construction industries. In addition, Fisheries - US Treaties over the budget estimates by \$3.92 million. Collections are based on USD \$9,533 per day fee for 327 days in a year. This was offset by a lower reported revenue from trading revenue from agencies and interest earned from subsidiaries.

* Operating Expenditure: General Government operating expenditure reported lower actual spend by \$8.72 million against year to date budget estimates for the quarter. This was largely attributed to the underspend in administered payments of \$2.56 million mainly due to timing of spending Bridges and Drainage project, Production of new currency , Payments on Behalf of the Crown (POBOCs) of \$1.65 million due to timing of spending in welfare payments and Personnel savings in agencies of \$1.54 million attributed to saving in personnel as unfilled positions remains the main cause. Operating and depreciation in agencies also contributed to this underspending for the quarter.

Schedule 2: Cash Reserves General Government December 2019

| Table | 31-Dec-19 \$'000 | 30-Jun-19 \$'000 |
|---|---------------------|---------------------|
| Operational Bank Accounts | 16,756 | 32,833 |
| Term Deposits and Trust Accounts | 151,350 | 138,811 |
| Cash and Term Deposits | 168,106 | 171,644 |
| <i>Less</i> 2019/20 Budget Shortfall ¹ | -13,617 | -7,087 |
| Total Cash and Term Deposits | 154,489 | 164,557 |
| Committed: | | |
| Reserve Trust Fund ² | 3,487 | 3,652 |
| Disaster Response Fund ³ | 1,928 | 1,766 |
| Loan Repayment Fund ⁴ | 27,762 | 23,605 |
| Trust Account Deposits ⁵ | 7,354 | 1,636 |
| Aid Trust Fund ⁶ | 25,344 | 25,345 |
| Stabilisation Account ⁷ | 56,700 | 0 |
| Land Trust Fund ⁸ | 8,002 | 8,899 |
| Total Commitment for this year | 130,577 | 64,903 |
| Estimated General Cash Reserve | 23,912 | 99,654 |

¹ Funds set aside to accommodate shortfall in servicing non-operating fiscal balance for the 2019/20 year

² Reserve Trust Funds– buffer funds set aside as reserve from 0.05% of all taxation revenue appropriated per financial year

³ Disaster Response Trust – funds set aside for emergency response in the event of disasters

⁴ Loan Repayment Fund – legislated funds quarantined for debt servicing requirements

⁵ Trust Account Deposit – funds held on behalf of Law Trust, Workers Compensation Trust, Immigration bonds helds, International unclaimed monies and Insurance Trust

⁶ Aid Trust Fund – funds tagged for aid funded projects and programmes.

⁷ Stabilisation Account - funds set aside as reserve to assist the Government during periods of real economic contraction to fund operations and investment.

⁸ Land Trust - funds held in trust on behalf of land related deposits at the Ministry of Justice.

Estimated general cash reserves are unencumbered cash held that are not committed to any particular expenditure appropriation. Government cash reserve as at 31 December 2019 was \$23.91 million in comparison to \$99.65 million as at 30 June 2019, the reduction was largely attributed to the set up of the Stabilisation Account.

Government has setup the Stabilisation Account in the 2019/20 budget appropriation. The Stabilisation Account was set up, with the view to improve the fiscal resilience of the Cook Islands against economic shocks and natural disasters. Durings periods of real economic contraction, defined as growth less than 1 percent per year, funds can be drawn from the Stabilisation Account to fund operations and investment.

Schedule 3: Loan Repayment Fund Statement

| | 31-Dec-19 |
|--|---------------|
| | \$'000 |
| Opening LRF Balance | 20,922 |
| Contribution to LRF Principal | 7,696 |
| Contribution to LRF Interest | 2,133 |
| Total Transfer into LRF by General Government | 9,829 |
| Realised Gain on Foreign Exchange | 1,786 |
| Interest earned by LRF | 239 |
| Total Inflows | 11,854 |
| Principal paid out of LRF | 3,596 |
| Interest paid out of LRF | 1,418 |
| Total Outflows | 5,014 |
| Closing LRF Balance | 27,762 |

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

Schedule 4: Executive Council Orders

| Section 70(3) (b) (i): Calculation | \$'000 |
|--|---------------|
| Total Government Appropriation 2019/20 | 276,241 |
| Excess (1.5%) of Total Appropriation | 4,144 |
| less: Approved expenditure for the December 19 Quarter | 2,480 |
| Total Balance | 1,664 |
| Executive Council Orders Authority | \$'000 |
| Appointment of Mr Kevin Iro as Marae Moana Ambassador | 60 |
| Removal of the AM Radio Transmission Mast | 318 |
| Atiu Power Upgrade | 130 |
| Top up to the Operating Contingency fund | 200 |
| E-Waste top-up | 165 |
| CISNOG - Netball Cook Islands | 22 |
| Top up to the Operating Contingency fund | 200 |
| Sports Assistance Fund - Rugby Union | 19 |
| Funding Proposal for the Rugby League Qualifiers | 65 |
| Top up to the Operating Contingency fund | 150 |
| Top up to the Operating Contingency fund | 200 |
| MP Travel Top-up | 200 |
| Top up to Shipping Subsidy to cover Charter (First Voyage) cost | 750 |
| Total Executive Council Orders Authority as at 31 December 2019 | 2,480 |

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.

\$2.48 million out of the \$4.14 million allocation was utilised by end of the second Quarter.

Table 1: Revenue on Behalf of Crown (ROBOC)

| | Budget Estimates Full Year 2019/20 | Budget Estimates YTD December 2019 | Actual YTD December 2019 | Variance to YTD Budget Estimates | Actual Vs Full Year Budget 2019/20 |
|---|---|--|--------------------------------|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 | % |
| Taxation Revenue | | | | | |
| Individual Income Tax | 27,773 | 13,886 | 14,232 | 346 | 51 |
| Withholding Tax | 2,247 | 1,124 | 2,311 | 1,188 | 103 |
| Company Income Tax | 22,170 | 11,085 | 8,858 | -2,227 | 40 |
| Value Added Tax | 72,759 | 36,380 | 41,252 | 4,872 | 57 |
| Departure Tax | 12,120 | 6,060 | 6,595 | 535 | 54 |
| Customs Tax | 14,557 | 7,278 | 7,335 | 57 | 50 |
| | 151,626 | 75,813 | 80,583 | 4,770 | 53 |
| Other Revenue | | | | | |
| Drivers License Fees | 260 | 130 | 164 | 34 | 63 |
| Police Fines | 70 | 35 | 3 | -32 | 4 |
| Immigration Fees | 950 | 475 | 581 | 106 | 61 |
| International Shipping Fee | 10 | 5 | 0 | -5 | 0 |
| Motor Vehicle Dealers | 3 | 2 | 3 | 2 | 101 |
| Shipping Registry Licenses | 268 | 134 | 39 | -95 | 15 |
| Upper Air Space Fees | 746 | 373 | 295 | -78 | 40 |
| Court Services | 50 | 25 | 13 | -12 | 27 |
| Foreign Investment Fees | 27 | 14 | 11 | -2 | 41 |
| IMO Subscriptions MCI | 66 | 33 | 16 | -17 | 24 |
| Censorship Fees | 3 | 2 | 1 | -1 | 23 |
| Employer Liabilities | 75 | 38 | 0 | -38 | 0 |
| Liquor License | 70 | 35 | 37 | 2 | 52 |
| Motor Vehicle Registration Fees | 875 | 438 | 100 | -338 | 11 |
| Research Fees | 2 | 1 | 0 | 0 | 17 |
| Permits | 24 | 12 | 6 | -6 | 25 |
| Bluesky Dividends | 1,500 | 750 | 960 | 210 | 64 |
| Bank of the Cook Islands Dividends | 410 | 0 | 0 | 0 | 0 |
| Te Aponga Uira Dividends | 400 | 0 | 0 | 0 | 0 |
| Extraordinary SOE Dividends | 60 | 0 | 0 | 0 | 0 |
| Interest on Balances (Crown) | 1,740 | 870 | 1,320 | 450 | 76 |
| Interest Income from SOE Advances | 830 | 415 | 0 | -415 | 0 |
| Numismatics | 450 | 225 | 88 | -137 | 20 |
| Sale of Circulating Currency | 650 | 325 | 249 | -76 | 38 |
| Fisheries - US Treaties | 5,059 | 2,530 | 6,455 | 3,926 | 128 |
| Fishing Fines | 100 | 50 | 47 | -3 | 47 |
| Fishing Licenses | 9,531 | 4,766 | 1,875 | -2,890 | 20 |
| Tattslotto | 120 | 60 | 90 | 30 | 75 |
| Financial Supervisory Commission - Return of Excess | 198 | 99 | 30 | -69 | 0 |
| Other Revenue on Behalf of Crown | 0 | 0 | 86 | 86 | 0 |
| | 24,547 | 11,838 | 12,469 | 630 | 51 |
| Core Sector Support | 7,730 | 7,730 | 7,825 | 95 | 101 |
| Total Other ROBOC | 32,277 | 19,568 | 20,294 | 725 | 63 |
| Total ROBOC | 183,903 | 95,381 | 100,877 | 5,496 | 55 |

Table 2: Payments on Behalf of Crown (POBOC)

| | Budget Estimates Full Year 2019/20 | Additional Funding Approval | Total Budget & Approval | Budget Estimates YTD December 2019 | Actual YTD December 2019 | Variance to YTD Budget Estimates | Actual Vs Full Year Budget 2019/20 |
|--|---------------------------------------|--------------------------------|----------------------------|--|-----------------------------|-------------------------------------|---------------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % |
| Old Age Benefit | 13,078 | 0 | 13,078 | 7,639 | 6,887 | 752 | 53 |
| Child Benefit | 5,576 | 0 | 5,576 | 3,074 | 2,855 | 219 | 51 |
| Infirm/Destitute Benefit | 528 | 0 | 528 | 377 | 309 | 68 | 59 |
| Government Paid Maternity Leave | 150 | 0 | 150 | 75 | 56 | 19 | 37 |
| Carer Order Payment | 10 | 0 | 10 | 5 | 0 | 5 | 0 |
| BCI Transaction Fees | 147 | 0 | 147 | 78 | 78 | 0 | 53 |
| New Born Allowance | 200 | 0 | 200 | 155 | 128 | 27 | 64 |
| Audit Fee | 96 | 0 | 96 | 48 | 0 | 48 | 0 |
| PERC Salaries and Administration Costs | 58 | 0 | 58 | 29 | 8 | 21 | 14 |
| Bank of the Cook Islands Subsidy | 128 | 0 | 128 | 30 | 0 | 30 | 0 |
| Airport Authority Subsidy | 2,048 | 0 | 2,048 | 1,024 | 1,024 | 0 | 50 |
| Ports Authority Subsidy | 110 | 0 | 110 | 37 | 37 | 0 | 33 |
| Te Aponga Uira subsidy | 380 | 0 | 380 | 0 | 0 | 0 | 0 |
| Civil List - Constituency Visits | 170 | 0 | 170 | 164 | 105 | 59 | 62 |
| Civil List - Personnel | 2,902 | 0 | 2,902 | 1,451 | 1,232 | 219 | 42 |
| House of Ariki | 348 | 0 | 348 | 82 | 82 | 0 | 24 |
| Parliamentary Sitting Expenses | 150 | 0 | 150 | 146 | 142 | 4 | 95 |
| QR Travel and Allowances | 109 | 0 | 109 | 106 | 89 | 17 | 81 |
| MP Travel and Allowances | 341 | 0 | 341 | 316 | 315 | 1 | 92 |
| EO 1.5% MP Travel & Allowances Top Up | 0 | 80 | 80 | 80 | 0 | 80 | 0 |
| International Subscriptions | 688 | 0 | 688 | 146 | 146 | 0 | 21 |
| IMO - Maritime Organisation | 63 | 0 | 63 | 0 | 0 | 0 | 0 |
| Pacific Catastrophe Risk Insurance | 121 | 0 | 121 | 0 | 0 | 0 | 0 |
| Crown Insurance | 100 | 0 | 100 | 0 | 0 | 0 | 0 |
| Parliamentary Superannuation | 180 | 0 | 180 | 90 | 57 | 33 | 31 |
| BEPS Subscription | 35 | 0 | 35 | 0 | 0 | 0 | 0 |
| EO 1.5% E - Waste and Whitewear Collection | 0 | 0 | 0 | 165 | 144 | 22 | 0 |
| Local Government Election | 30 | 0 | 30 | 30 | 0 | 30 | 0 |
| | 27,746 | 80 | 27,826 | 15,347 | 13,693 | 1,654 | 49 |

Table 3: Administrative Payments

| | Budget Estimates Full Year 2019/20 | Additional Funding Approval | Total Budget & Approval | Budget Estimates YTD December 2019 | Actual YTD December 2019 | Variance to YTD Budget Estimates | Actual Vs Full Year Budget 2019/20 |
|--|--|-----------------------------------|----------------------------|--|-----------------------------|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % |
| Power Subsidy | 79 | 0 | 79 | 40 | 38 | 1 | 3 |
| Funeral Assistance Allowance | 170 | 0 | 170 | 160 | 92 | 68 | 43 |
| Christmas Bonus | 278 | 0 | 278 | 268 | 328 | -60 | 0 |
| Caregivers Allowance | 664 | 0 | 664 | 332 | 213 | 119 | 36 |
| SOE Consortial DSM Harvest | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infrastructure Committee | 150 | 0 | 150 | 90 | 29 | 61 | 67 |
| Joint Venture with SBMA | 130 | 0 | 130 | 76 | 47 | 29 | 39 |
| Land Rent Reviews | 0 | 0 | 0 | 398 | 209 | 189 | 0 |
| Provision for Land Rentals | 1,500 | 0 | 1,500 | 0 | 0 | 0 | 0 |
| Rarotonga Water Utility Implementation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| School Security | 280 | 0 | 280 | 140 | 88 | 52 | 37 |
| Special Projects Unit | 420 | 0 | 420 | 194 | 194 | 0 | 0 |
| Avaroa Cable | 150 | 0 | 150 | 84 | 34 | 50 | 60 |
| Renewable Energy Maintenance | 250 | 0 | 250 | 50 | 0 | 50 | 100 |
| To Tatou Vai | 2,500 | 0 | 2,500 | 1,300 | 1,100 | 200 | 15 |
| ICC Arbitration | 300 | 0 | 300 | 300 | 293 | 7 | 2 |
| PILON | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pacific Legislatures for Population and Governance | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Special Select Committee | 110 | 0 | 110 | 56 | 32 | 24 | 44 |
| Tribunal Committee Remuneration | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Marketing Resources - Tourism Growth Strategy | 4,922 | 0 | 4,922 | 2,871 | 2,871 | 0 | 0 |
| Domestic Hosting Entertainment | 15 | 0 | 15 | 12 | 9 | 3 | 22 |
| QR Social Responsibility Fund | 8 | 0 | 8 | 5 | 4 | 0 | 5 |
| Head of State Rent | 13 | 0 | 13 | 7 | 7 | 0 | 1 |
| Bridges and Drainage Maintenance | 1,200 | 0 | 1,200 | 27 | 25 | 2 | 8 |
| OI Equipment Repairs of Unanticipated Breakdowns | 200 | 0 | 200 | 100 | 64 | 36 | 36 |
| Road Asset Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Road and Civil Maintenance | 1,100 | 0 | 1,100 | 750 | 662 | 88 | 12 |
| Water Maintenance | 0 | 0 | 0 | 0 | 1 | -1 | 0 |
| Waste Management | 500 | 0 | 500 | 250 | 206 | 44 | 18 |

Table 3: Administrative Payments Cont'd

| | Budget Estimates Full Year 2019/20 | Additional Funding Approval | Total Budget & Approval | Budget Estimates YTD December 2019 | Actual YTD December 2019 | Variance to YTD Budget Estimates | Actual Vs Full Year Budget 2019/20 |
|--|--|-----------------------------------|----------------------------|--|-----------------------------|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % |
| Emergency Work | 200 | 0 | 200 | 100 | 2 | 98 | 98 |
| Te Maeva Nui Celebrations | 723 | 0 | 723 | 659 | 645 | 14 | 2 |
| Te Kopapa Reo Maori Board | 15 | 0 | 15 | 11 | 9 | 2 | 17 |
| Cook Islands Cultural Fund | 200 | 0 | 200 | 130 | 111 | 19 | 14 |
| Audio and Visual Digitization | 40 | 0 | 40 | 13 | 7 | 6 | 0 |
| Returned Services Association | 5 | 0 | 5 | 2 | 0 | 2 | 100 |
| Cook Islands Student Association Support | 10 | 0 | 10 | 10 | 8 | 3 | 25 |
| Production of new currency, transportation and sale of old coins | 800 | 315 | 1,115 | 10 | 10 | 0 | 1 |
| Provision for Inter-Island Shipping | 500 | 0 | 500 | 250 | 164 | 86 | 34 |
| Subsidy of audio/visual broadcasting in Pa Enea | 45 | 0 | 45 | 0 | 0 | 0 | 0 |
| Air New Zealand Underwrite | 12,000 | 0 | 12,000 | 6,000 | 6,235 | -235 | -4 |
| Debt Advisory Services | 60 | 0 | 60 | 30 | 1 | 29 | 97 |
| Marumarua Atua | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Sector Strengthening - Process & Systems | 200 | 157 | 357 | 350 | 294 | 56 | 16 |
| Special Investigative & Prosecution Services | 70 | 133 | 203 | 35 | 13 | 22 | 62 |
| Standard and Poors Subscription | 65 | 0 | 65 | 0 | 0 | 0 | 0 |
| Border Management System Maintenance | 155 | 0 | 155 | 78 | 0 | 78 | 100 |
| Conduct of a Labour Force Survey | 0 | 99 | 99 | 99 | 58 | 41 | 41 |
| FEM-AAIB | 31 | 0 | 31 | 0 | 0 | 0 | 0 |
| FEM-Director Civil Aviation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Audit of Crown Accounts | 30 | 0 | 30 | 0 | 0 | 0 | 0 |
| Price Tribunal Committee | 45 | 0 | 45 | 23 | 9 | 13 | 58 |
| Tax Amnesty Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Post Tax Amnesty Work | 484 | 0 | 484 | 242 | 171 | 71 | 29 |
| The Centre of Research and Policy Studies | 80 | 0 | 80 | 40 | 4 | 36 | 90 |
| The Centre of Excellence in Information Technology (CEIT) | 250 | 0 | 250 | 125 | 56 | 69 | 55 |
| Asian Infrastructure Investment Bank (AIIB) Membership | 0 | 0 | 0 | 15 | 0 | 15 | 100 |
| Economic Utilities Regulator | 100 | 0 | 100 | 50 | 0 | 50 | 100 |
| EO 1.5% Provision for Inter-Island Shipping Top Up | 0 | 750 | 750 | 750 | 446 | 304 | 41 |
| Fisheries Development Facility | 200 | 0 | 200 | 100 | 100 | 0 | 0 |
| Fisheries Development Facility in the Pa Enea | 100 | 0 | 100 | 50 | 3 | 47 | 94 |
| WCPFC Conference | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3: Administrative Payments Cont'd

| | Budget Estimates Full Year 2019/20 | Additional Funding Approval | Total Budget & Approval | Budget Estimates YTD December 2019 | Actual YTD December 2019 | Variance to YTD Budget Estimates | Actual Vs Full Year Budget 2019/20 |
|--|--|-----------------------------------|----------------------------|--|-----------------------------|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % |
| Centre of Research & Policy Studies | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Government Funded Scholarships | 660 | 0 | 660 | 280 | 280 | 0 | 0 |
| Private School Funding - Nukutere | 0 | 0 | 0 | 269 | 256 | 12 | 5 |
| Tertiary Training Institutions | 1,210 | 0 | 1,210 | 419 | 419 | 0 | 0 |
| University of the South Pacific Contribution | 205 | 0 | 205 | 6 | 6 | 0 | -4 |
| Bus Service | 26 | 0 | 26 | 13 | 12 | 1 | 11 |
| Private School Funding - Nukutere | 595 | 0 | 595 | 269 | 256 | 12 | 5 |
| Private School Funding - St. Josephs | 458 | 0 | 458 | 238 | 238 | 0 | 0 |
| Private School Funding - Creative Centre | 141 | 0 | 141 | 70 | 68 | 1 | 2 |
| Private School Funding - Te Uki Ou | 530 | 0 | 530 | 230 | 230 | 0 | 0 |
| Private School Funding - Papaaroa | 248 | 0 | 248 | 116 | 116 | 0 | 0 |
| Private School Funding - Aitutaki SDA | 199 | 0 | 199 | 100 | 100 | 0 | 0 |
| Private School Funding - Immanuela Akatemia | 241 | 0 | 241 | 131 | 131 | 0 | 0 |
| Private School Funding - Blackrock | 100 | 0 | 100 | 50 | 50 | 0 | 0 |
| NCD Fund | 195 | 0 | 195 | 195 | 195 | 0 | 0 |
| Nursing School | 234 | 0 | 234 | 229 | 231 | -2 | -1 |
| Operation Namu | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Patient Referrals | 850 | 0 | 850 | 850 | 850 | 0 | 0 |
| Pharmaceuticals | 868 | 0 | 868 | 599 | 487 | 112 | 19 |
| CISNOC Grant | 370 | 0 | 370 | 370 | 370 | 0 | 0 |
| Lease Extension | 72 | 23 | 95 | 36 | 18 | 18 | 51 |
| SIF - CIG Contribution | 800 | 110 | 910 | 501 | 501 | 0 | 0 |
| Vaka Maintenance | 400 | 0 | 400 | 200 | 188 | 12 | 6 |
| Special Assistance Projects | 100 | 0 | 100 | 89 | 89 | 0 | 0 |
| Internal Affairs Youth Program | 45 | 0 | 45 | 23 | 0 | 22 | 99 |
| EO 1.5% CISNOC Grant Top Up | 0 | 0 | 0 | 106 | 106 | 1 | 0 |
| Court Transcripts Update Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Judge's Allowances | 300 | 0 | 300 | 150 | 53 | 97 | 65 |
| Land Records Update Project | 120 | 0 | 120 | 60 | 0 | 60 | 100 |
| Legal Aid | 40 | 0 | 40 | 20 | 0 | 20 | 100 |
| E - Waste & Whitewear Collection | 0 | 0 | 0 | 165 | 0 | 165 | 0 |

Table 3: Administrative Payments Cont'd

| | Budget Estimates Full Year 2019/20 | Additional Funding Approval | Total Budget & Approval | Budget Estimates YTD December 2019 | Actual YTD December 2019 | Variance to YTD Budget Estimates | Actual Vs Full Year Budget 2019/20 |
|--------------------------------|--|-----------------------------------|----------------------------|--|-----------------------------|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % |
| National Heritage Trust | 82 | 0 | 82 | 41 | 42 | -1 | -2 |
| Management of Suwarrow Park | 100 | 0 | 100 | 50 | 5 | 45 | 89 |
| EIA Process | 150 | 0 | 150 | 5 | 5 | 0 | -5 |
| Search and Rescue | 20 | 0 | 20 | 20 | 15 | 5 | 24 |
| Serious Crime Investigations | 100 | 0 | 100 | 50 | 34 | 16 | 31 |
| Te Kukupa - Biannual Slipping | 0 | 61 | 61 | 61 | 61 | 0 | 0 |
| Te Kukupa - Fuel Contribution | 140 | 0 | 140 | 80 | 53 | 27 | 33 |
| Police Youth Program | 45 | 0 | 45 | 23 | 0 | 23 | 100 |
| HOM's Salaries | 1,742 | 0 | 1,742 | 952 | 952 | 0 | 0 |
| PM Social Responsibility Fund | 243 | 0 | 243 | 243 | 182 | 61 | 25 |
| Public Sector Strengthening | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Support Fund | 100 | 0 | 100 | 100 | 53 | 47 | 47 |
| ICT Support Team | 250 | 0 | 250 | 1 | 1 | 0 | 26 |
| Red Cross | 50 | 0 | 50 | 50 | 50 | 0 | 0 |
| Pa Enea Mechanical Overseer | 130 | 0 | 130 | 64 | 48 | 16 | 25 |
| Energy Commissioner | 100 | 0 | 100 | 0 | 0 | 0 | 0 |
| EO 1.5% Marae Moana Ambassador | 0 | 0 | 0 | 24 | 20 | 4 | 17 |
| | 43,604 | 1,648 | 45,252 | 24,225 | 21,663 | 2,563 | 11 |

Table 4: Capital Expenditures

| | Budget Estimates Full Year 2019/20 \$'000 | Additional Funding Approval \$'000 | Total Budget & Approval \$'000 | Budget Estimates YTD December 2019 \$'000 | Actual YTD December 2019 \$'000 | Variance to YTD Budget Estimates \$'000 | Actual Vs Full Year Budget 2019/20 % |
|---|--|---|--------------------------------------|--|---------------------------------------|---|---|
| Bridges & Structure Improvement | 2,580 | 0 | 2,580 | 1,290 | 1,104 | 186 | 43 |
| Rutaki Foreshore Rock Revetment | 250 | 0 | 250 | 167 | 166 | 1 | 66 |
| Government IT Network | 650 | 0 | 650 | 12 | 12 | 0 | 2 |
| Renewable Energy Project Management and Support | 250 | 0 | 250 | 215 | 63 | 152 | 25 |
| Atiu Road Improvement | 570 | 0 | 570 | 285 | 107 | 178 | 19 |
| Establishment of New Water Galleries | 200 | 0 | 200 | 100 | 105 | -5 | 53 |
| Mitiaro Water Upgrade | 250 | 0 | 250 | 125 | 64 | 61 | 26 |
| FMIS Purchase and Implementation | 469 | 0 | 469 | 273 | 218 | 56 | 46 |
| AEOI IT System | 0 | 85 | 85 | 0 | 0 | 0 | 0 |
| Vaikapuangi Government Building-Design | 600 | 0 | 600 | 250 | 134 | 116 | 22 |
| Penrhyn Government Building Project | 500 | 0 | 500 | 0 | 0 | 0 | 0 |
| Aitutaki Government Building Project | 60 | 0 | 60 | 0 | 0 | 0 | 0 |
| Health Project | 800 | 0 | 800 | 0 | 0 | 0 | 0 |
| Land Acquisition | 2,000 | 0 | 2,000 | 0 | 0 | 0 | 0 |
| MFEM Building | 540 | 0 | 540 | 491 | 435 | 56 | 81 |
| Orongo Development Master Plan and Centre reconstruction - Ports Authority | 500 | 0 | 500 | 350 | 109 | 241 | 22 |
| School Upgrade | 480 | 0 | 480 | 0 | 0 | 0 | 0 |
| To Tatou Vai | 150 | 0 | 150 | 100 | 0 | 100 | 0 |
| Avatiu Valley Stream embankment | 22 | 0 | 22 | 22 | 0 | 22 | 0 |
| Drainage Improvement | 1,800 | 0 | 1,800 | 1,596 | 1,596 | 0 | 89 |
| Nassau Ferry | 350 | 0 | 350 | 30 | 30 | 0 | 9 |
| Pa Enea Cyclone Center | 4,200 | 0 | 4,200 | 116 | 116 | 0 | 3 |
| Pa Enea Marine Infrastructure Improvement | 150 | 0 | 150 | 75 | 0 | 75 | 0 |
| Road Assest Management | 8,000 | 0 | 8,000 | 2,755 | 2,755 | 0 | 34 |
| Mei Te Vai ki Te Vai | 1,000 | 198 | 1,198 | 50 | 50 | 0 | 5 |
| MFEM Extension - Furniture and materials | 100 | 0 | 100 | 50 | 15 | 35 | 15 |
| Shipping Vessel | 2,500 | 0 | 2,500 | 15 | 15 | 0 | 1 |
| Te Mato Vai - Rarotonga Water Upgrade | 9,000 | 1,299 | 10,299 | 6,600 | 5,695 | 905 | 63 |
| Fund to be Prioritised by Education | 360 | 0 | 360 | 180 | 186 | -6 | 52 |
| CT Scanner | 100 | 0 | 100 | 50 | 0 | 50 | 0 |

Table 4: Capital Expenditures Cont'd

| | Budget Estimates Full Year 2019/20 \$'000 | Additional Funding Approval \$'000 | Total Budget & Approval \$'000 | Budget Estimates YTD December 2019 \$'000 | Actual YTD December 2019 \$'000 | Variance to YTD Budget Estimates \$'000 | Actual Vs Full Year Budget 2019/20 % |
|--|--|---|--------------------------------------|--|---------------------------------------|---|---|
| Abmulance | 0 | 61 | 61 | 61 | 0 | 0 | 0 |
| Vaka Maintenance Capital Projects | 50 | 0 | 50 | 0 | 0 | 0 | 0 |
| Integrated Communication System | 70 | 0 | 70 | 70 | 0 | 70 | 0 |
| 3 Building Repair | 550 | 245 | 795 | 795 | 576 | 219 | 105 |
| Aitutaki Capital Funding | 16 | 0 | 16 | 8 | 0 | 8 | 0 |
| Atiu Capital Funding | 12 | 0 | 12 | 6 | 0 | 6 | 0 |
| Mitiaro Capital Funding | 8 | 0 | 8 | 8 | 6 | 2 | 77 |
| Mauke Capital Funding | 10 | 0 | 10 | 5 | 0 | 5 | 0 |
| Mangaia Capital Funding | 12 | 0 | 12 | 6 | 1 | 5 | 7 |
| Manihiki Capital Funding | 10 | 0 | 10 | 5 | 0 | 5 | 0 |
| Penrhyn Capital Funding | 12 | 0 | 12 | 6 | 0 | 6 | 0 |
| Palmerston Capital Funding | 10 | 0 | 10 | 5 | 0 | 5 | 0 |
| Pukapuka Capital Funding | 12 | 0 | 12 | 6 | 6 | 0 | 53 |
| Rakahanga Capital Funding | 8 | 0 | 8 | 4 | 1 | 3 | 9 |
| Manea Games Upgrade Capital Funding | 100 | 0 | 100 | 50 | 0 | 50 | 0 |
| Fund to be Prioritised by Health for Technical Equipment | 300 | 0 | 300 | 0 | 0 | 0 | 0 |
| Capital Distribution Fund | 800 | 389 | 1,189 | 815 | 250 | 565 | 31 |
| Parliament Building Extension | 300 | 0 | 300 | 300 | 279 | 21 | 93 |
| Atiu Power Upgrade | 0 | 35 | 35 | 35 | 127 | -92 | 361 |
| Pukapuka Hospital Construction | 0 | 314 | 314 | 150 | 127 | 23 | 84 |
| Titikaveka Backroad Rehabilitation | 0 | 27 | 27 | 27 | 0 | 27 | 0 |
| TMV Stage 1: Road & Pipeline Easement | 0 | 650 | 650 | 93 | 0 | 93 | 0 |
| | 40,710 | 3,302 | 44,013 | 17,651 | 14,347 | 3,304 | 33 |

Table 5: Statement of Borrowings

| | Loan start date | Loan End date | Loan Currency | Original Loan Amount | Interest Rate | September 2019 Balance ('000) | Principal Payments ('000) | FOREX Adjustment ('000) | Revaluation/ Draw Down Adjustments ('000) | December 2019 Balance ('000) | Change September Qtr ('000) |
|---|-----------------|---------------|---------------|----------------------|---------------|-------------------------------|---------------------------|-------------------------|---|------------------------------|-----------------------------|
| Asian Development Bank | | | | | | | | | | | |
| 1. First multi project loan - 461 | Nov-80 | Aug-20 | USD | 1,000 | 1.00% | 113 | - | (8) | - | 105 | (8) |
| 2. First Cook Islands Development Bank project loan - 567 | Jul-82 | Apr-22 | USD | 1,500 | 1.00% | 252 | (39) | (18) | - | 195 | (57) |
| 3. Second multi project loan - 849 | Dec-87 | Aug-27 | SDR | 2,150 | 1.00% | 1,392 | - | (95) | - | 1,297 | (95) |
| 4. Outer Islands telecommunications project loan - 1031 | Oct-90 | Aug-30 | SDR | 2,578 | 1.00% | 3,657 | - | (249) | - | 3,408 | (249) |
| 5. Second Cook Islands Development Bank loan - 1155 | Mar-92 | Dec-31 | SDR | 1,085 | 1.00% | 984 | (36) | (68) | - | 880 | (104) |
| 6. TCI Emergency Loa- 1171 | Aug-92 | Jun-32 | SDR | 349 | 1.00% | 341 | (12) | (23) | - | 305 | (36) |
| 7. Pearl Loan (1994) - 1309 | Dec-94 | Aug-34 | SDR | 272 | 1.00% | 385 | - | (26) | - | 359 | (26) |
| 8. Education development- 1317 | Feb-95 | Aug-34 | SDR | 1,852 | 1.00% | 2,348 | - | (160) | - | 2,188 | (160) |
| 9. Third Cook Islands Development Bank loan- 1380 | Jan-96 | Sep-35 | SDR | 1,977 | 1.00% | 2,023 | - | (138) | - | 1,886 | (138) |
| 10. Economic restructuring loan - 1466 | Sep-96 | Sep-36 | SDR | 3,430 | 1.00% | 4,637 | - | (315) | - | 4,321 | (315) |
| 11. Cyclone Rehabilitation Project loan - 1588 | Jan-97 | Jan-38 | SDR | 583 | 1.00% | 816 | - | (56) | - | 761 | - |
| 12. Waste Management loan - 1832 | Dec-01 | Jun-33 | SDR | 1,695 | 1.50% | 2,007 | (65) | (138) | - | 1,803 | (203) |
| 13. Cyclone Emergency Assistance loan- 2174 | Jun-05 | Jan-45 | SDR | 1,895 | 1.00% | 3,549 | (35) | (242) | - | 3,271 | (278) |
| 14. (SF) Avatiu Ports Development Loan - 2473 | Sep-09 | Nov-40 | SDR | 4,524 | 1.50% | 6,169 | (187) | (423) | - | 5,558 | (611) |
| 15. (OCF) Avatiu Ports Development Project Loan - 2472 | Sep-09 | Nov-33 | NZD | 8,697 | 5.77% | 8,875 | (142) | - | - | 8,733 | (142) |
| 16. (SF) Economic Recovery Support Program Loan - 2565 | Jan-10 | Oct-24 | NZD | 11,053 | 2.52% | 5,527 | (502) | - | - | 5,024 | - |
| 17. (OCF) Avatiu Ports Development Project Loan- 2739 | Dec-11 | Nov-35 | NZD | 5,290 | 2.64% | 4,964 | (62) | - | - | 4,902 | - |
| 18. (OCR) Economic Recovery Support Program 2 Loan - 2946 | Dec-12 | Oct-27 | NZD | 11,053 | 2.75% | 5,135 | (302) | - | - | 4,833 | - |
| 19. (OCF) Renewable Energy Sector- 3193 | Jan-15 | Jun-36 | NZD | 12,980 | | 9,297 | (289) | - | - | 9,007 | (289) |
| 20. (OCR) Imprv Internet Connectivity- 3632 | Jul-19 | Jun-39 | USD | 15,000 | 2.65% | - | - | (347) | 6,482 | 6,135 | 6,135 |
| | | | | | | 62,470 | (1,674) | (2,305) | 6,482 | 64,973 | 2,503 |
| Export -Import Bank of China | | | | | | | | | | | |
| 20. Indoor Sports Stadium & Upgrade of Existing Sports Facilities | Aug-08 | Aug-28 | RMB | 74,100 | 1.80% | 9,224 | (486) | (440) | - | 8,298 | (926) |
| 21. Rarotonga Water Ring Main Upgrade Loan | Dec-12 | Dec-32 | RMB | 118,000 | 2.00% | 24,638 | (851) | (1,198) | - | 22,589 | (2,049) |
| | | | | | | 33,863 | (1,337) | (1,639) | - | 30,888 | (2,975) |
| Total Gross Borrowings | | | | | | 96,333 | (3,010) | (3,943) | 6,482 | 95,861 | (472) |
| Less Loan Repayment Fund | | | | | | 28,858 | - | - | (1,096) | 27,762 | (1,096) |
| Net Borrowing by the Crown | | | | | | 67,475 | (3,010) | (3,943) | 7,578 | 68,099 | 624 |
| Less Avatiu Port Development | | | | | | 20,008 | (392) | (423) | - | 19,193 | (815) |
| Net Borrowing by the General Government | | | | | | 47,467 | (2,618) | (3,520) | 7,578 | 48,906 | 1,439 |

Crown Gross Debt

The total gross debt by the Crown for the December 2019 period was \$95.86 million, an decrease of \$0.47 million from the September 2019 quarter due mainly to the favourable movements in foreign exchange rates and by the principal payments.

Crown Net Debt

The general government's 'Net Debt' is equivalent to total gross debt, net of the Loan Repayment Fund (LRF) and SOE debts. General Government Net Debt at December 2019 quarter was \$48.91 million, a \$1.44 million increase from the September 2019 quarter. This increase was attributable to a net decrease contribution to the LRF \$1.10 million and draw down of the Manatua Cable Loan of \$6.48 million offset by principal repayments of \$2.62 million and a favourable movement in exchange rates against the New Zealand Dollar (NZD) of \$3.52 million.

| Table 5.1 Average Foreign Currencies against New Zeland Dollars | Movements | | |
|--|------------------|---------------|---------------------|
| | Sep-19 | Dec-19 | from Sep -19 |
| Foreign Currencies | | | |
| United States Dollars (USD) | 0.6277 | 0.6735 | 0.0458 |
| Chinese Yuan (RMB) | 4.4691 | 4.7064 | 0.2373 |
| Special Drawing Rights (SDR) | 0.4604 | 0.4851 | 0.0247 |

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 31 December 2019.

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

| | |
|------------------------------|-----|
| New Zealand (NZD) | 28% |
| Chinese Yuan (RMB) | 38% |
| Special Drawing Rights (SDR) | 34% |

Table 6: Official Development Assistance

| | | Budget Estimates Full Year 2019/20 | Actual YTD December 2019 |
|--|-----------------------------------|--|-----------------------------|
| Cook Islands Core Sector Support - Budget Support* | New Zealand | 7,730,487 | 7,825,000 |
| Cook Islands Core Sector Support - TA Component | New Zealand | 1,269,513 | 1,275,000 |
| Chinese Building Repairs | China | 10,837,524 | 0 |
| E-Government TA Support | Asian Development Bank | 111,504 | 28,723 |
| India Grant Fund | India | 680,000 | 5,950 |
| Pacific Parliamentary Development Project | UNDP | 75,758 | 0 |
| Disaster Resilience for Small Pacific Islands (RESPAC COOK ISLANDS) | UNDP | 0 | 24,995 |
| Project Development Fund - US Fisheries Treaty MMR | FFA | 236,364 | 16,000 |
| Project Development Fund - US Fisheries Treaty MFAI | FFA | 30,303 | 0 |
| Grassroots Grant Fund | Japan | 376,160 | 0 |
| Non Project Grant Aid - Palmerston Cyclone Centre | Japan | 103,926 | 0 |
| Economic Social Development Programme 2018-Japanese Machinery and Equipment | Japan | 766,656 | 606,511 |
| JICA Training and Development | Japan | 125,000 | 0 |
| General Budget Support | European Union | 2,288,136 | 0 |
| Manatua Polynesian Cable Project | New Zealand | 6,071,777 | 718,812 |
| Aid Effectiveness | Other | 100,000 | 49,000 |
| Asset Management | New Zealand | 12,750,000 | 1,867,575 |
| Mei Te Vai Ki Te Vai (MTVKTV) | New Zealand | 4,000,000 | 1,606,159 |
| Sustainable Fisheries Partnership Agreement | European Union | 588,730 | 220,193 |
| NZ Volunteer Services Aboard | New Zealand | 200,000 | 0 |
| Japan Trust Fund | Japan | 210,521 | 199,231 |
| WHO Biennium Budget Support | WHO | 204,545 | 0 |
| Western Pacific Multi-country Integrated HIV/TB programme - UNDP | UNDP | 80,000 | 37,645 |
| Ridge to Reef | Global Environment Facility | 1,284,003 | 918,199 |
| Strengthening the Implementation of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in the Cook Islands | Global Environment Facility | 120,430 | 120,430 |
| Renewable Energy Grant (Southern Group) - GEF | Global Environment Facility | 891,365 | 267,379 |
| Renewable Energy Grant (Southern Group) - GCF | Green Climate Fund | 8,316,288 | 3,866,113 |
| Preparation of the Third National Communication under UN Framework Convention on Climate Change (UNFCCC) | Global Environment Facility | 200,000 | 60,783 |
| Green Climate Fund Readiness | Green Climate Fund | 769,087 | 38,914 |
| MOH Building Resilient and Healthy Cook Islands | Green Climate Fund | 2,000,000 | 0 |
| Pa Enua Action for Resilient Livelihoods (PEARL) | UN Adaptation Fund | 1,826,957 | 419,838 |
| Northern Water Project Phase 2 | EU-German Development Cooperation | 21,338 | 21,200 |
| GEF Small Grants Programme | Global Environment Facility | 485,161 | 200,000 |
| Japan Grassroots Human Security - Resource Recovery Centre | Japan | 178,391 | 95,211 |
| JICA Purpose-built shipping vessel for inter-island services TA Support | Japan | 250,000 | 0 |
| ICI COOKGEO GeoPortal | UNDP | 40,000 | 0 |
| Total Official Development Assistance | | 65,219,924 | 20,488,861 |

Manatua Polynesian Cable Project

Quarterly spend is \$718,812. During the period Oct 19 – Dec 19 a considerable amount of work was undertaken, key milestones achieved are as follows:

- Trenching and ducting work from the beach landing sites to the cable landing station sites were completed on both Aitutaki and Rarotonga.
- The cable was successfully landed on Aitutaki on 14 Dec 19. Cable landing on Rarotonga is planned for Jan-2020
- The Cable Landing Station enclosure for Aitutaki has been received from Perth and successfully delivered to site on schedule – currently being installed.
- The Cable Landing Station enclosure for Rarotonga has been received from Perth and successfully delivered to site on schedule – currently being installed.

The Manatua Cable has successfully been brought ashore in Samoa, Niue, Aitutaki and Rarotonga. The cable laying vessel, SubCom Reliance, will continue to deploy the Manatua cable which will land next in Bora Bora, then Tahiti in French Polynesia.

Cook Islands Core Sector Support - Budget Support*

The New Zealand CSS Programme includes direct budget support to Ministry of Education, Cook Islands Tourism and the Ministry of Health. New Zealand Ministry of Foreign Affairs and Trade (MFAT) together with the Ministry of Finance and Economic Management of the Cook Islands have now signed the new Core Sector Support Grant Funding Agreement for 2019/20 – 2022/23 which will provide \$36.40 million over four years.

Sustainable Fisheries Partnership Agreement - European Union

Total spend this quarter is \$220,193.

The Sustainable Fisheries Partnership Agreement has a provision which provides an annual fisheries sector contribution of EUR\$350,000 by the European Commission under the 4 year protocol. These funds assist MMR with the implementation of the Multiannual Sectorial Program Matrix which supports projects in the Cook Islands fisheries sector.

Renewable Energy Grant (Southern Group) - GEF

GEF grant, spend for this reporting period is \$156,142. This BESS component of the project comprises 1 MW/4 MWh and is designed for load shifting and enabling additional solar to be installed in the grid. Acceptance of pre-commissioning tests completed. Issuing of the completion certificate is pending several defects matters being resolved. Notification and acceptance of these has been made to the contractor. The date for rectification is set for 31 Dec 2019.

GCF grant for this reporting period is \$3,850,101. Procurement for this subproject is in two LOTS.

LOT 2, Airport South contract, 70% of works have been completed.

LOT 1, Power station bid evaluation has been completed. Contract awarded and signing is planned to take place next quarter

Asset Management

Total Spend for this period is \$1,867,574. Local company Landholding Limited has been awarded a \$11.2 million contract to undertake work to improve the resilience of the public water supply ring main. The project is projected to take about eight months to complete, with work commenced in November. This work will provide a 100-year design life for these critical sectors of the network. The work will help complete the important task of upgrading Rarotonga's water systems to provide safe and reliable water to our communities.

Mei Te Vai Ki Te Vai (MTVKTV)

Total spend for the period is \$1,606,159. The purpose of the Mei Te Vai Ki Te Vai Project is to improve the water quality of the lagoons in Rarotonga and Aitutaki for the benefit of our health, environment and economy. The Project is at its final stages of producing technical, Environmental, Social and Cultural reports that would form a Business Case which will put forward a recommendation to Government of way forward. For detailed information of the Project, please visit <https://www.totatouvai.co/mei-te-vai-ki-te-vai>

Table 7: State Owned Enterprises (SOEs)

| | Budget Estimates YTD December 2019 ('000) | Actual YTD December 2019 ('000) | Variance to YTD Budget Estimates ('000) |
|---|---|---------------------------------------|--|
| SOEs Consolidate Group | | | |
| Trading Revenue | 30,332 | 31,820 | 1,488 |
| Personnel | 7,268 | 6,773 | 495 |
| Operating | 17,946 | 16,905 | 1,041 |
| Depreciation | 3,877 | 3,905 | -28 |
| | 29,091 | 27,583 | 1,508 |
| Net Activity Surplus / Cost | 1,241 | 4,237 | 2,996 |
| SOEs Parent - Cook Islands Investment Corporation (CIIC) | | | |
| Trading Revenue | 3,094 | 4,041 | 947 |
| Personnel | 638 | 689 | -51 |
| Operating | 2,339 | 3,279 | -940 |
| Depreciation | 25 | 16 | 9 |
| | 3,002 | 3,984 | -982 |
| Net Activity Surplus / Cost | 92 | 57 | 35 |

The tables above consolidates the December 2019 performances of Cook Islands Investment Corporation (CIIC)-Parent, Airport Authority, Bank of the Cook Islands, Ports Authority and Te Aponga Uira. The consolidated group YTD surplus is \$4.24 million, which is \$3.00 million ahead of budget with the positive surplus variance attributable to the operating results of TAU, BCI and the Airport Authority. Trading revenues is \$1.49 million higher than budget at a Group level, with larger actual against budget revenues from CIIC, TAU and BCI. Personnel and operating are under budget with depreciation in line budget at the CIIC consolidated group level.