



**The Government of the Cook Islands**

**Quarterly Financial Results**

**March 2020**

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 the movement from the initial Budget appropriation to the Supplementary Budget passed in March 2020. The movements consists of approved carry forward from previous financial year(s) and funding approved through an Executive Council order.

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 March 2020**

|  | Table    | Budget Estimates<br>Full Year 2019/20 | Additional Funding<br>Approval-<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget Estimates<br>YTD March 2020 | Actual YTD<br>March 2020 | Variance to YTD<br>Budget Estimates | Actual Vs Full Year<br>Budget 2019/20 |
|--|----------|---------------------------------------|---|----------------------------|------------------------------------|--------------------------|-------------------------------------|---------------------------------------|
|  |          | \$'000                                | \$'000  | \$'000                     | \$'000                             | \$'000                   | \$'000                              | %                                     |
| <b>Operating Revenue</b>                         | <b>1</b> |                                       |   |                            |                                    |                          |                                     |                                       |
| Taxation Revenue                                 |          | 151,626                               | -21,072   | 130,554                    | 112,542                            | 118,236                  | 5,694                               | 91                                    |
| Other Crown Revenue                              |          | 19,607                                | 5,508   | 25,115                     | 17,694                             | 11,667                   | -6,027                              | 46                                    |
| Trading Revenue                                  |          | 4,927                                 | 0   | 4,927                      | 3,095                              | 3,560                    | 465                                 | 72                                    |
| Interest on Loans to Subsidiaries                |          | 830                                   | 0   | 830                        | 415                                | 360                      | -55                                 | 43                                    |
| Dividends  |          | 2,370                                 | -300  | 2,070                      | 1,125                              | 960                      | -165                                | 46                                    |
| Interest on Balances                             |          | 1,740                                 | 0   | 1,740                      | 1,740                              | 2,617                    | 877                                 | 150                                   |
| Core Sector Support                              |          | 7,730                                 | 7,000   | 14,730                     | 7,730                              | 7,825                    | 95                                  | 53                                    |
| <b>Total Operating Revenue</b>                   |          | <b>188,830</b>                        | <b>-8,864</b>   | <b>179,966</b>             | <b>144,341</b>                     | <b>145,225</b>           | <b>884</b>                          | <b>81</b>                             |
| <b>Operating Expenditure</b>                     |          |                                       |   |                            |                                    |                          |                                     |                                       |
| Ministry Outputs                                 |          | 133,443                               | 33,136  | 166,579                    | 95,432                             | 88,890                   | 6,542                               | 53                                    |
| Personnel  |          | 62,493                                | 507   | 63,000                     | 41,019                             | 39,265                   | 1,755                               | 62                                    |
| Operating  |          | 20,380                                | 276   | 20,656                     | 15,285                             | 14,182                   | 1,103                               | 69                                    |
| Administered Payments                            | 3        | 43,604                                | 32,322  | 75,926                     | 34,012                             | 31,645                   | 2,367                               | 42                                    |
| Depreciation                                     |          | 6,966                                 | 31  | 6,997                      | 5,116                              | 3,798                    | 1,318                               | 54                                    |
| POBOC  | 2        | 27,746                                | 413   | 28,159                     | 20,332                             | 20,291                   | 41                                  | 72                                    |
| Debt Interest Contribution to LRF                |          | 2,133                                 | 95  | 2,228                      | 2,133                              | 970                      | 1,163                               | 44                                    |
| 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                                   | 750   | 850                        | 300                                | 570                      | -270                                | 67                                    |
| <b>Total Operating Expenses</b>                  |          | <b>170,249</b>                        | <b>34,394</b>   | <b>204,642</b>             | <b>119,289</b>                     | <b>111,813</b>           | <b>7,476</b>                        | <b>55</b>                             |
| <b>Net Operating Surplus/(Shortfall) Balance</b> |          | <b>18,581</b>                         | <b>25,530</b>   | <b>-24,676</b>             | <b>25,051</b>                      | <b>33,412</b>            | <b>8,360</b>                        |                                       |
| <b>Add</b> Depreciation                          |          | 13,742                                | 31  | 13,773                     | 6,158                              | 4,840                    | 1,318                               | 35                                    |
| <b>Less</b> Capital Expenditure                  | 4        | 40,710                                | 9,479   | 50,189                     | 20,827                             | 20,453                   | 374                                 | 41                                    |
| <b>Net Fiscal Surplus/(Shortfall) Balance</b>    |          | <b>-8,387</b>                         | <b>9,510</b>  | <b>-61,092</b>             | <b>10,382</b>                      | <b>17,799</b>            | <b>7,416</b>                        | <b>129</b>                            |

#### At a Glance: Fiscal Position

\* General Government's Fiscal Position reported actual surplus in net fiscal balance of \$17.80 million; an increase of \$7.42 million against budget estimates for the March 2020 quarter.

\* Net Operating Surplus/(Shortfall) Balance: The General Government reported an increase in net operating surplus by \$8.36 million for the March 2020 Quarter. This is largely attributed to the under spend in administered payments, under spend in Ministry's Personnel and Operating Expenses and increase in taxes collected for the quarter.

\* Operating Revenue: General Government operating revenue reported an increase in Revenue collection by \$0.88 million against the budget estimates for March 2020 quarter. Taxation Revenue recorded a higher than budget estimates by \$5.69 million, with Trading Revenue from Agencies also with higher than budget estimates by \$0.46 million. This was however offset by an under budget estimate of \$6.03 million of Other Revenue, mainly from Fishing Licences.

The favourable variance on Taxation Revenue collection was due to the reduction in the revenue budget forecasted in the Supplementary Budget. In addition, increase in the collection of Vat Tax by \$5.00 million and Withholding tax by \$0.07 million was noted for the quarter as compared to March 2019 Quarter.

The unfavourable variance on Fishing licenses revenue collection was due to the increase in the fishing license budget forecasted in the Supplementary Budget. Furthermore, it was noted that there was also lack of interest to purchase Purse seine bi-lateral days from Bilateral partners. In the last financial year, bilateral partners bought approximately 500 days at US\$9,500/NZD\$14,500 a day totalling to approximately \$7.00 million. Currently, only 60 days have been sold so far. This is about \$6.00 million short compared to March 2019 Quarter.

\* Operating Expenditure: General Government operating expenditure reported lower actual spend by \$7.48 million against the budget estimates for the quarter. This was largely attributed to the underspend in administered payments of \$2.37 million mainly due to timing of spending for Provision of Land Rentals, Avaroa Cable and Emergency Work; under spend in Ministry Operating, Personnel and Depreciation Expenses of \$4.18 million due to vacant positions yet to be filled and also increase in the annual budget appropriation for Ministry Operating, Personnel and Depreciation expenses.

## Schedule 2: Cash Reserves General Government March 2020

|  | <b>31-Mar-20</b> |
|--|------------------|
|  | <b>\$'000</b>    |
| Operational Bank Accounts              | 18,208           |
| Term Deposits and Trust Accounts       | 157,067          |
| <b>Cash and Term Deposits</b>          | <b>175,275</b>   |
| <b>Total Cash and Term Deposits</b>    | <b>175,275</b>   |
| Committed:                             |                  |
| Reserve Trust Fund <sup>1</sup>        | 3,487            |
| Disaster Response Fund <sup>2</sup>    | 1,928            |
| Loan Repayment Fund <sup>3</sup>       | 20,456           |
| Trust Account Deposits <sup>4</sup>    | 3,382            |
| Aid Trust Fund <sup>5</sup>            | 31,594           |
| Stabilisation Account <sup>6</sup>     | 24,200           |
| Land/LawTrust Fund <sup>7</sup>        | 9,359            |
| Infrastructure Trust Fund <sup>8</sup> | 12,000           |
| <b>Total Commitment for this year</b>  | <b>106,405</b>   |
| <b>Estimated General Cash Reserve</b>  | <b>68,869</b>    |

<sup>1</sup> Reserve Trust Funds– buffer funds set aside as reserve from 0.05% of all taxation revenue appropriated per financial year

<sup>2</sup> Disaster Response Trust – funds set aside for emergency response in the event of disasters

<sup>3</sup> Loan Repayment Fund – legislated funds quarantined for debt servicing requirements

<sup>4</sup> Trust Account Deposit – funds held on behalf of Law Trust, Workers Compensation Trust, Immigration bonds helds, International unclaimed monies and Insurance Trust

<sup>5</sup> Aid Trust Fund – funds tagged for aid funded projects and programmes.

<sup>6</sup> Stabilisation Account - funds set aside as reserve to assist the Government during periods of real economic contraction to fund operations and investment.

<sup>7</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.

<sup>8</sup> Infrastructure Trust Fund - funds provided by New Zealand Government for Infrastructure. Funds has not been appropriated in the 2019/20 Budget and not yet reported as ODA. Have been reported here for completeness purposes.

**Total Cash balance for the quarter is \$175.28 million. \$17.19 million of this total consists of Bank and Term Deposits held by Ministries and islands Administrations as at end of the March quarter. Of the \$175.28 million, \$106.41 are committed mainly for the Loan Repayment Fund Account, Stabilisation account and Trust accounts held. Estimated general cash reserves are unencumbered cash held that are not committed to any particular expenditure appropriation. Government cash reserve as at 31 March 2020 was \$68.87 million.**

### Schedule 3: Loan Repayment Fund Statement

|  | 31-Mar-20     |
|--|---------------|
|  | \$'000        |
| <b>Opening LRF Balance</b>                           | 20,922        |
| Contribution to LRF Principal                        | 9,528         |
| Contribution to LRF Interest                         | 2,228         |
| <b>Total Transfer into LRF by General Government</b> | 11,756        |
| Realised Gain on Foreign Exchange                    | 1,709         |
| Transfer out of LRF                                  | -             |
| Interest earned by LRF                               | 329           |
| <b>Total Inflows</b>                                 | 6,794         |
| Principal paid out of LRF                            | 5,853         |
| Interest paid out of LRF                             | 1,407         |
| <b>Total Outflows</b>                                | 7,260         |
| <b>Closing LRF Balance</b>                           | <b>20,456</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 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

| <b>Section 70(3) (b) (i): Calculation</b>                           | <b>\$'000</b> |
|---|---------------|
| Total Government Appropriation 2019/20                              | 337,265       |
| Excess (1.5%) of Total Appropriation                                | 5,059         |
| less: Approved expenditure for the March 20 Quarter                 | 2,935         |
| <b>Total Balance</b>  | <b>2,124</b>  |
| <b>Executive Council Orders Authority</b>                           | <b>\$'000</b> |
| 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           |
| CISNOC - 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           |
| Parliament Building Extension capital top up                        | 363           |
| Civil List - Parliament Sitings Top up                              | 68            |
| MoCS Restructuring Costs  | 25            |
| <b>Total Executive Council Orders Authority as at 31 March 2020</b> | <b>2,935</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.

\$2.93 million out of the \$5.06 million allocation was utilised by end of the third Quarter.

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

|                                    | Budget Estimates<br>Full Year 2019/20 | Additional Funding<br>Approval-<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget<br>Estimates YTD<br>March 2020 | Actual YTD<br>March 2020 | Variance to<br>YTD Budget<br>Estimates | Actual Vs Full<br>Year Budget<br>2019/20 |
|------------------------------------|---------------------------------------|---|----------------------------|---------------------------------------|--------------------------|--|--|
|                                    | \$'000                                | \$'000  | \$'000                     | \$'000                                | \$'000                   | \$'000                                 | %  |
| <b>Taxation Revenue</b>            |                                       |   |                            |                                       |                          |  |  |
| Individual Income Tax              | 27,773                                | -4,769  | 23,004                     | 20,830                                | 20,642                   | -188                                   | 90                                       |
| Withholding Tax                    | 2,247                                 | 1,753   | 4,000                      | 2,285                                 | 1,078                    | -1,207                                 | 27                                       |
| Company Income Tax                 | 22,170                                | -10,370   | 11,800                     | 10,850                                | 14,617                   | 3,767                                  | 124                                      |
| Value Added Tax                    | 72,759                                | -8,489  | 64,270                     | 58,569                                | 62,493                   | 3,923                                  | 97                                       |
| Departure Tax                      | 12,120                                | -2,620  | 9,500                      | 9,090                                 | 8,577                    | -513                                   | 90                                       |
| Customs Tax                        | 14,557                                | 3,423   | 17,980                     | 10,918                                | 10,829                   | -88                                    | 60                                       |
|                                    | <b>151,626</b>                        | <b>-21,072</b>  | <b>130,554</b>             | <b>112,542</b>                        | <b>118,236</b>           | <b>5,694</b>                           | <b>91</b>                                |
| <b>Other Revenue</b>               |                                       |   |                            |                                       |                          |  |  |
| Drivers License Fees               | 260                                   | 0   | 260                        | 240                                   | 240                      | 0                                      | 92                                       |
| Police Fines                       | 70                                    | 0   | 70                         | 53                                    | 4                        | -49                                    | 5  |
| Immigration Fees                   | 950                                   | -80   | 870                        | 841                                   | 841                      | 0                                      | 97                                       |
| International Shipping Fee         | 10                                    | 0   | 10                         | 8                                     | 0                        | -8                                     | 0  |
| Motor Vehicle Dealers              | 3                                     | 0   | 3                          | 3                                     | 4                        | 1                                      | 128                                      |
| Shipping Registry Licenses         | 268                                   | 0   | 268                        | 201                                   | 39                       | -162                                   | 15                                       |
| Upper Air Space Fees               | 746                                   | 100   | 846                        | 816                                   | 816                      | 0                                      | 97                                       |
| Court Services                     | 50                                    | 0   | 50                         | 38                                    | 28                       | -9                                     | 56                                       |
| Foreign Investment Fees            | 27                                    | 0   | 27                         | 20                                    | 15                       | -5                                     | 56                                       |
| IMO Subscriptions MCI              | 66                                    | 0   | 66                         | 50                                    | 16                       | -34                                    | 24                                       |
| Censorship Fees                    | 3                                     | 0   | 3                          | 2                                     | 1                        | -2                                     | 23                                       |
| Employer Liabilities               | 75                                    | 0   | 75                         | 38                                    | 0                        | -38                                    | 0  |
| Liquor License                     | 70                                    | 0   | 70                         | 73                                    | 73                       | 0                                      | 104                                      |
| Motor Vehicle Registration Fees    | 875                                   | 0   | 875                        | 438                                   | 311                      | -126                                   | 36                                       |
| Research Fees                      | 2                                     | 0   | 2                          | 1                                     | 1                        | -1                                     | 35                                       |
| Permits                            | 24                                    | 0   | 24                         | 18                                    | 6                        | -12                                    | 23                                       |
| Bluesky Dividends                  | 1,500                                 | 0   | 1,500                      | 1,125                                 | 960                      | -165                                   | 64                                       |
| Bank of the Cook Islands Dividends | 410                                   | -40   | 370                        | 0                                     | 0                        | 0                                      | 0  |
| Te Aponga Uira Dividends           | 400                                   | -200  | 200                        | 0                                     | 0                        | 0                                      | 0  |
| Extraordinary SOE Dividends        | 60                                    | -60   | 0                          | 0                                     | 0                        | 0                                      | 0  |
| Interest on Balances (Crown)       | 1,740                                 | 0   | 1,740                      | 1,740                                 | 2,617                    | 877                                    | 150                                      |



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

|  | Budget Estimates<br>Full Year 2019/20 | Additional Funding<br>Approval via<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget<br>Estimates YTD<br>March 2020 | Actual YTD<br>March 2020 | Variance to<br>YTD Budget<br>Estimates | Actual Vs Full<br>Year Budget<br>2019/20 |
|--|---------------------------------------|--|----------------------------|---------------------------------------|--------------------------|--|--|
|  | \$'000                                | \$'000   | \$'000                     | \$'000                                | \$'000                   | \$'000                                 | %  |
| Interest Income from SOE Advances                      | 830                                   | 0  | 830                        | 415                                   | 360                      | -55                                    | 43                                       |
| Numismatics  | 450                                   | 0  | 450                        | 338                                   | 136                      | -201                                   | 30                                       |
| Sale of Circulating Currency                           | 650                                   | 0  | 650                        | 325                                   | 282                      | -43                                    | 43                                       |
| Fisheries - US Treaties                                | 5,059                                 | -383   | 4,676                      | 4,142                                 | 4,142                    | 0                                      | 89                                       |
| Fishing Fines  | 100                                   | 350  | 450                        | 213                                   | 213                      | 0                                      | 47                                       |
| Fishing Licenses                                       | 9,531                                 | 5,469  | 15,000                     | 9,531                                 | 4,102                    | -5,429                                 | 27                                       |
| Tattslotto   | 120                                   | 2  | 122                        | 122                                   | 171                      | 49                                     | 140                                      |
| Financial Supervisory Commission - Return of<br>Excess | 198                                   | 50   | 248                        | 186                                   | 175                      | -11                                    | 71                                       |
| Other Revenue on Behalf of Crown                       | 0                                     | 0  | 0                          | 0                                     | 53                       | 53                                     | 100                                      |
|  | 24,547                                | 5,208  | 29,755                     | 20,974                                | 15,604                   | -5,370                                 | 52                                       |
| Core Sector Support                                    | 7,730                                 | 7,000  | 14,730                     | 7,730                                 | 7,825                    | 95                                     | 53                                       |
| <b>Total Other ROBOC</b>                               | <b>32,277</b>                         | <b>12,208</b>  | <b>44,485</b>              | <b>28,704</b>                         | <b>23,429</b>            | <b>-5,275</b>                          | <b>53</b>                                |
| <b>Total ROBOC</b>                                     | <b>183,903</b>                        | <b>-8,864</b>  | <b>175,039</b>             | <b>141,246</b>                        | <b>141,665</b>           | <b>419</b>                             | <b>81</b>                                |

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

|   | Budget Estimates<br>Full Year 2019/20 | Additional Funding<br>Approval-<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget Estimates<br>YTD March 2020 | Actual YTD<br>March 2020 | Variance to YTD<br>Budget Estimates | Actual Vs Full<br>Year Budget<br>2019/20 |
|---|---------------------------------------|---|----------------------------|------------------------------------|--------------------------|-------------------------------------|--|
|   | \$'000                                | \$'000  | \$'000                     | \$'000                             | \$'000                   | \$'000                              | %  |
| Old Age Benefit                               | 13,078                                | 0   | 13,078                     | 10,063                             | 10,063                   | 0                                   | 77                                       |
| Child Benefit                                 | 5,576                                 | 0   | 5,576                      | 4,186                              | 4,186                    | 0                                   | 75                                       |
| Infirm/Destitute Benefit                      | 528                                   | 0   | 528                        | 454                                | 454                      | 0                                   | 86                                       |
| Government Paid Maternity Leave               | 150                                   | 0   | 150                        | 100                                | 100                      | 0                                   | 67                                       |
| Carer Order Payment                           | 10                                    | 0   | 10                         | 8                                  | 0                        | 8                                   | 0  |
| BCI Transaction Fees                          | 147                                   | 0   | 147                        | 110                                | 104                      | 6                                   | 71                                       |
| New Born Allowance                            | 200                                   | 0   | 200                        | 200                                | 190                      | 10                                  | 95                                       |
| Audit Fee                                     | 96                                    | 0   | 96                         | 4                                  | 4                        | 0                                   | 4  |
| PERC Salaries and Administration Costs        | 58                                    | 0   | 58                         | 29                                 | 21                       | 7                                   | 37                                       |
| Bank of the Cook Islands Subsidy              | 128                                   | 0   | 128                        | 0                                  | 0                        | 0                                   | 0  |
| Airport Authority Subsidy                     | 2,048                                 | 0   | 2,048                      | 1,536                              | 1,536                    | 0                                   | 75                                       |
| 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                                   | 30  | 200                        | 145                                | 145                      | 0                                   | 73                                       |
| Civil List - Personnel                        | 2,902                                 | 0   | 2,902                      | 1,891                              | 1,891                    | 0                                   | 65                                       |
| House of Ariki                                | 348                                   | 0   | 348                        | 187                                | 187                      | 0                                   | 54                                       |
| Parliamentary Sitting Expenses                | 150                                   | 183   | 333                        | 190                                | 190                      | 0                                   | 57                                       |
| QR Travel and Allowances (local and overseas) | 109                                   | 0   | 109                        | 108                                | 101                      | 7                                   | 93                                       |
| MP Travel and Allowances (local and overseas) | 341                                   | 200   | 541                        | 481                                | 478                      | 3                                   | 88                                       |
| International Subscriptions                   | 688                                   | 0   | 688                        | 501                                | 501                      | 0                                   | 73                                       |
| 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                        | 35                                 | 35                       | 0                                   | 35                                       |
| Parliamentary Superannuation                  | 180                                   | 0   | 180                        | 70                                 | 70                       | 0                                   | 39                                       |
| BEPS Subscription                             | 35                                    | 0   | 35                         | 0                                  | 0                        | 0                                   | 0  |
| Local Government Election                     | 30                                    | 0   | 30                         | 0                                  | 0                        | 0                                   | 0  |
|   | <b>27,746</b>                         | <b>413</b>  | <b>28,159</b>              | <b>20,332</b>                      | <b>20,291</b>            | <b>41</b>                           | <b>72</b>                                |

**Table 3: Administrative Payments**

|  | Budget Estimates<br>Full Year 2019/20 | Additional Funding<br>Approval via<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget Estimates YTD<br>March 2020 | Actual YTD March<br>2020 | Variance to YTD<br>Budget<br>Estimates | Actual Vs Full<br>Year Budget<br>2019/20 |
|--|---------------------------------------|--|----------------------------|------------------------------------|--------------------------|--|--|
|  | \$'000                                | \$'000   | \$'000                     | \$'000                             | \$'000                   | \$'000                                 | %  |
| Power Subsidy                                      | 79                                    | 0  | 79                         | 59                                 | 38                       | 22                                     | 47                                       |
| Funeral Assistance Allowance                       | 170                                   | 0  | 170                        | 170                                | 140                      | 30                                     | 83                                       |
| Christmas Bonus                                    | 278                                   | 52   | 330                        | 330                                | 330                      | 0                                      | 100                                      |
| Caregivers Allowance                               | 664                                   | -202   | 462                        | 446                                | 310                      | 136                                    | 67                                       |
| SOE Consortial DSM Harvest                         | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |
| Infrastructure Committee                           | 150                                   | 30   | 180                        | 143                                | 68                       | 75                                     | 38                                       |
| Joint Venture with SBMA                            | 130                                   | 162  | 292                        | 196                                | 196                      | 0                                      | 67                                       |
| Land Rent Reviews                                  | 0                                     | 595  | 595                        | 318                                | 318                      | 0                                      | 53                                       |
| Provision for Land Rentals                         | 1,500                                 | -1,250   | 250                        | 188                                | 0                        | 188                                    | 0  |
| Rarotonga Water Utility Implementation             | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |
| School Security                                    | 280                                   | 0  | 280                        | 224                                | 158                      | 66                                     | 56                                       |
| Special Projects Unit                              | 420                                   | 302  | 722                        | 308                                | 308                      | 0                                      | 43                                       |
| Avaroa Cable                                       | 150                                   | 89   | 239                        | 222                                | 104                      | 118                                    | 44                                       |
| Renewable Energy Maintenance                       | 250                                   | 0  | 250                        | 0                                  | 0                        | 0                                      | 0  |
| To Tatou Vai                                       | 2,500                                 | 0  | 2,500                      | 1,900                              | 1,900                    | 0                                      | 76                                       |
| ICC Arbitration                                    | 300                                   | 50   | 350                        | 300                                | 293                      | 7                                      | 84                                       |
| 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                                   | -18  | 92                         | 79                                 | 35                       | 44                                     | 38                                       |
| Tribunal Committee Remuneration                    | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |
| Marketing Resources - Tourism Growth Strategy      | 4,922                                 | 0  | 4,922                      | 4,102                              | 4,102                    | 0                                      | 83                                       |
| Domestic Hosting Entertainment                     | 15                                    | 0  | 15                         | 13                                 | 9                        | 4                                      | 61                                       |
| QR Social Responsibility Fund                      | 8                                     | 0  | 8                          | 6                                  | 5                        | 1                                      | 64                                       |
| Head of State Rent                                 | 13                                    | 0  | 13                         | 10                                 | 7                        | 3                                      | 50                                       |
| Bridges and Drainage Maintenance                   | 1,200                                 | -85  | 1,115                      | 127                                | 127                      | 0                                      | 11                                       |
| OI Equipment Repairs of Unanticipated Breakdowns   | 200                                   | 0  | 200                        | 150                                | 72                       | 78                                     | 36                                       |
| Road Asset Management                              | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |
| Road and Civil Maintenance                         | 1,100                                 | 0  | 1,100                      | 945                                | 931                      | 14                                     | 85                                       |
| Water Maintenance                                  | 0                                     | 0  | 0                          | 0                                  | 1                        | -1                                     | 0  |
| Waste Management                                   | 500                                   | 85   | 585                        | 417                                | 390                      | 27                                     | 67                                       |

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

|  | Budget Estimates<br>Full Year 2019/20 | Additional Funding<br>Approval via<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget Estimates YTD<br>March 2020 | Actual YTD March<br>2020 | Variance to YTD<br>Budget<br>Estimates | Actual Vs Full<br>Year Budget<br>2019/20 |
|--|---------------------------------------|--|----------------------------|------------------------------------|--------------------------|--|--|
|  | \$'000                                | \$'000   | \$'000                     | \$'000                             | \$'000                   | \$'000                                 | %  |
| Emergency Work   | 200                                   | 0  | 200                        | 150                                | 13                       | 137                                    | 7  |
| Te Maeva Nui Celebrations  | 723                                   | 0  | 723                        | 723                                | 680                      | 43                                     | 94                                       |
| Te Kopapa Reo Maori Board  | 15                                    | 0  | 15                         | 14                                 | 12                       | 1                                      | 80                                       |
| Cook Islands Cultural Fund                                       | 200                                   | 0  | 200                        | 170                                | 149                      | 21                                     | 75                                       |
| Audio and Visual Digitization                                    | 40                                    | 0  | 40                         | 40                                 | 30                       | 10                                     | 76                                       |
| Returned Services Association                                    | 5                                     | 0  | 5                          | 4                                  | 0                        | 4                                      | 0  |
| Cook Islands Student Association Support                         | 10                                    | 0  | 10                         | 10                                 | 8                        | 3                                      | 75                                       |
| Production of new currency, transportation and sale of old coins | 800                                   | 315  | 1,115                      | 730                                | 730                      | 0                                      | 65                                       |
| Provision for Inter-Island Shipping                              | 500                                   | 950  | 1,450                      | 970                                | 970                      | 0                                      | 67                                       |
| Subsidy of audio/visual broadcasting in Pa Enua                  | 45                                    | 0  | 45                         | 0                                  | 0                        | 0                                      | 0  |
| Air New Zealand Underwrite                                       | 12,000                                | -2,500   | 9,500                      | 8,721                              | 8,721                    | 0                                      | 92                                       |
| Debt Advisory Services   | 60                                    | 0  | 60                         | 11                                 | 11                       | 0                                      | 18                                       |
| Marumaru Atua  | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |
| Public Sector Strengthening - Process & Systems                  | 200                                   | 157  | 357                        | 301                                | 301                      | 0                                      | 84                                       |
| Special Investigative & Prosecution Services                     | 70                                    | 133  | 203                        | 122                                | 74                       | 48                                     | 37                                       |
| Standard and Poors Subscription                                  | 65                                    | 0  | 65                         | 65                                 | 63                       | 2                                      | 96                                       |
| Border Management System Maintenance                             | 155                                   | 0  | 155                        | 155                                | 155                      | 0                                      | 100                                      |
| Conduct of a Labour Force Survey                                 | 0                                     | 99   | 99                         | 59                                 | 59                       | 0                                      | 59                                       |
| Asian Infrastructure Investment Bank (AIIB) Membership           | 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                         | 33                                 | 33                       | 0                                      | 74                                       |
| Tax Amnesty Project  | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |
| Post Tax Amnesty Work  | 484                                   | 0  | 484                        | 293                                | 293                      | 0                                      | 60                                       |
| The Centre of Research and Policy Studies                        | 80                                    | 0  | 80                         | 10                                 | 10                       | 0                                      | 12                                       |
| The Centre of Excellence in Information Technology (CEIT)        | 250                                   | -85  | 165                        | 71                                 | 71                       | 0                                      | 43                                       |
| Economic Utilities Regulator                                     | 100                                   | 0  | 100                        | 0                                  | 0                        | 0                                      | 0  |
| COVID-19 Medical Response Fund                                   | 0                                     | 4,500  | 4,500                      | 167                                | 167                      | 0                                      | 4  |
| COVID-19 Economic Response Plan                                  | 0                                     | 28,000   | 28,000                     | 0                                  | 0                        | 0                                      | 0  |
| Fisheries Development Facility                                   | 200                                   | 0  | 200                        | 200                                | 100                      | 100                                    | 50                                       |
| Fisheries Development Facility in the Pa Enua                    | 100                                   | 0  | 100                        | 100                                | 3                        | 97                                     | 3  |
| WCPFC Conference   | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |

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

|  | Budget Estimates<br>Full Year 2019/20 | Additional Funding<br>Approval via<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget Estimates YTD<br>March 2020 | Actual YTD March<br>2020 | Variance to YTD<br>Budget<br>Estimates | Actual Vs Full<br>Year Budget<br>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                        | 580                                | 503                      | 78                                     | 76                                       |
| Tertiary Training Institutions               | 1,210                                 | 0  | 1,210                      | 438                                | 438                      | 0                                      | 36                                       |
| University of the South Pacific Contribution | 205                                   | 0  | 205                        | 79                                 | 79                       | 0                                      | 39                                       |
| Bus Service                                  | 26                                    | 0  | 26                         | 20                                 | 16                       | 4                                      | 61                                       |
| Private School Funding - Nukutere            | 595                                   | 0  | 595                        | 467                                | 466                      | 0                                      | 78                                       |
| Private School Funding - St. Josephs         | 458                                   | 0  | 458                        | 337                                | 337                      | 0                                      | 74                                       |
| Private School Funding - Creative Centre     | 141                                   | 0  | 141                        | 103                                | 101                      | 1                                      | 72                                       |
| Private School Funding - Te Uki Ou           | 530                                   | 0  | 530                        | 369                                | 369                      | 0                                      | 70                                       |
| Private School Funding - Papaaroa            | 248                                   | 0  | 248                        | 193                                | 193                      | 0                                      | 78                                       |
| Private School Funding - Aitutaki SDA        | 199                                   | 0  | 199                        | 147                                | 147                      | 0                                      | 74                                       |
| Private School Funding - Immanuel Akatemia   | 241                                   | 0  | 241                        | 180                                | 180                      | 0                                      | 75                                       |
| Private School Funding - Blackrock           | 100                                   | 0  | 100                        | 70                                 | 70                       | 0                                      | 70                                       |
| NCD Fund                                     | 195                                   | 0  | 195                        | 195                                | 195                      | 0                                      | 100                                      |
| Nursing School                               | 234                                   | 0  | 234                        | 231                                | 231                      | 0                                      | 99                                       |
| Operation Namu                               | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |
| Patient Referrals                            | 850                                   | 0  | 850                        | 850                                | 850                      | 0                                      | 100                                      |
| Pharmaceuticals                              | 868                                   | 0  | 868                        | 868                                | 838                      | 29                                     | 97                                       |
| CISNOC Grant                                 | 370                                   | 106  | 476                        | 476                                | 476                      | 1                                      | 100                                      |
| Lease Extension                              | 72                                    | 23   | 95                         | 54                                 | 27                       | 27                                     | 28                                       |
| SIF - CIG Contribution                       | 800                                   | 110  | 910                        | 910                                | 827                      | 83                                     | 91                                       |
| Vaka Maintenance                             | 400                                   | 0  | 400                        | 312                                | 312                      | 0                                      | 78                                       |
| Special Assistance Projects                  | 100                                   | 150  | 250                        | 250                                | 136                      | 114                                    | 54                                       |
| Internal Affairs Youth Program               | 45                                    | 0  | 45                         | 34                                 | 3                        | 30                                     | 7  |
| Court Transcripts Update Project             | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |
| Judge's Allowances                           | 300                                   | 0  | 300                        | 225                                | 105                      | 120                                    | 35                                       |
| Land Records Update Project                  | 120                                   | 0  | 120                        | 90                                 | 0                        | 90                                     | 0  |
| Legal Aid                                    | 40                                    | 0  | 40                         | 30                                 | 0                        | 30                                     | 0  |
| E - Waste & Whitewear Collection             | 0                                     | 165  | 165                        | 165                                | 144                      | 22                                     | 87                                       |

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

|                                    | Budget Estimates<br>Full Year 2019/20 | Additional Funding<br>Approval via<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget Estimates YTD<br>March 2020 | Actual YTD March<br>2020 | Variance to YTD<br>Budget<br>Estimates | Actual Vs Full<br>Year Budget<br>2019/20 |
|------------------------------------|---------------------------------------|--|----------------------------|------------------------------------|--------------------------|--|--|
|                                    | \$'000                                | \$'000   | \$'000                     | \$'000                             | \$'000                   | \$'000                                 | %  |
| National Heritage Trust            | 82                                    | 0  | 82                         | 82                                 | 82                       | 0                                      | 100                                      |
| Management of Suwarrow Park        | 100                                   | 0  | 100                        | 75                                 | 31                       | 44                                     | 31                                       |
| EIA Process                        | 150                                   | 0  | 150                        | 5                                  | 5                        | 0                                      | 3  |
| Search and Rescue                  | 20                                    | 0  | 20                         | 20                                 | 19                       | 1                                      | 93                                       |
| Serious Crime Investigations       | 100                                   | 0  | 100                        | 77                                 | 77                       | 0                                      | 77                                       |
| Te Kukupa - Biannual Slipping      | 0                                     | 61   | 61                         | 61                                 | 61                       | 0                                      | 100                                      |
| Te Kukupa - Fuel Contribution      | 140                                   | 0  | 140                        | 115                                | 77                       | 38                                     | 55                                       |
| Police Youth Program               | 45                                    | 0  | 45                         | 34                                 | 30                       | 4                                      | 67                                       |
| HOM's Salaries                     | 1,742                                 | 0  | 1,742                      | 1,362                              | 1,362                    | 0                                      | 78                                       |
| PM Social Responsibility Fund      | 243                                   | 240  | 483                        | 243                                | 182                      | 61                                     | 38                                       |
| Public Sector Strengthening        | 0                                     | 0  | 0                          | 0                                  | 0                        | 0                                      | 0  |
| Community Support Fund             | 100                                   | 0  | 100                        | 100                                | 67                       | 33                                     | 67                                       |
| ICT Support Team                   | 250                                   | 0  | 250                        | 250                                | 1                        | 249                                    | 0  |
| Red Cross                          | 50                                    | 0  | 50                         | 50                                 | 50                       | 0                                      | 100                                      |
| Pa Enea Mechanical Overseer        | 130                                   | 0  | 130                        | 97                                 | 65                       | 32                                     | 50                                       |
| Energy Commissioner                | 100                                   | -50  | 50                         | 0                                  | 0                        | 0                                      | 0  |
| Seabed Minerals Sector Development | 0                                     | 138  | 138                        | 0                                  | 0                        | 0                                      | 0  |
|                                    | <b>43,604</b>                         | <b>32,322</b>  | <b>75,927</b>              | <b>34,012</b>                      | <b>31,645</b>            | <b>2,367</b>                           | <b>42</b>                                |

**Table 4: Capital Expenditures**

|   | Budget Estimates<br>Full Year<br>2019/20 | Additional Funding<br>Approval-<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget Estimates<br>YTD March 2020 | Actual YTD<br>March 2020 | Variance to YTD<br>Budget<br>Estimates | Actual Vs Full<br>Year Budget<br>2019/20 |
|---|--|---|----------------------------|------------------------------------|--------------------------|--|--|
|   | \$'000                                   | \$'000  | \$'000                     | \$'000                             | \$'000                   | \$'000                                 | %  |
| Bridges & Structure Improvement   | 2,580                                    | 0   | 2,580                      | 1,133                              | 1,133                    | 0                                      | 44                                       |
| Rutaki Foreshore Rock Revetment   | 250                                      | 650   | 900                        | 187                                | 166                      | 22                                     | 18                                       |
| Government IT Network   | 650                                      | 0   | 650                        | 55                                 | 55                       | 0                                      | 8  |
| Renewable Energy Project Management and Support                               | 250                                      | 0   | 250                        | 71                                 | 71                       | 0                                      | 29                                       |
| Atiu Road Improvement   | 570                                      | 0   | 570                        | 169                                | 169                      | 0                                      | 30                                       |
| Establishing New Water Galleries  | 200                                      | 0   | 200                        | 150                                | 148                      | 2                                      | 74                                       |
| Mitiaro Water Upgrade   | 250                                      | 0   | 250                        | 187                                | 180                      | 7                                      | 72                                       |
| FMIS Purchase and Implementation  | 469                                      | 0   | 469                        | 289                                | 289                      | 0                                      | 62                                       |
| AEOI IT System  | 0  | 85  | 85                         | 0                                  | 0                        | 0                                      | 0  |
| Vaikapuangi Government Building-Design  | 600                                      | 88  | 688                        | 608                                | 608                      | 0                                      | 88                                       |
| Penrhyn Government Building Project   | 500                                      | -450  | 50                         | 0                                  | 0                        | 0                                      | 0  |
| Aitutaki Government Building Project  | 60                                       | 0   | 60                         | 30                                 | 0                        | 30                                     | 0  |
| Health Project  | 800                                      | 0   | 800                        | 3                                  | 3                        | 0                                      | 0  |
| Land Acquisition  | 2,000                                    | -300  | 1,700                      | 0                                  | 0                        | 0                                      | 0  |
| MFEM Building   | 540                                      | 0   | 540                        | 540                                | 520                      | 20                                     | 96                                       |
| Orongo Development Master Plan and Centre reconstruction - Ports<br>Authority | 500                                      | 0   | 500                        | 128                                | 128                      | 0                                      | 26                                       |
| School Upgrade  | 480                                      | 0   | 480                        | 2                                  | 2                        | 0                                      | 0  |
| To Tatou Vai  | 150                                      | 132   | 282                        | 0                                  | 0                        | 0                                      | 0  |
| Avatiu Valley Stream embankment   | 22                                       | 0   | 22                         | 22                                 | 0                        | 22                                     | 0  |
| Drainage Improvement  | 1,800                                    | 800   | 2,600                      | 1,713                              | 1,713                    | 0                                      | 66                                       |
| Nassau Ferry  | 350                                      | 0   | 350                        | 119                                | 119                      | 0                                      | 34                                       |
| Pa Enea Cyclone Center  | 4,200                                    | -2,400  | 1,800                      | 150                                | 150                      | 0                                      | 8  |
| Pa Enea Marine Infrastructure Improvement                                     | 150                                      | 0   | 150                        | 0                                  | 0                        | 0                                      | 0  |
| Road Asset Management   | 8,000                                    | -300  | 7,700                      | 3,912                              | 3,912                    | 0                                      | 51                                       |
| Mei Te Vai ki Te Vai  | 1,000                                    | -262  | 738                        | 57                                 | 57                       | 0                                      | 8  |
| MFEM Extension - Furniture and materials                                      | 100                                      | 160   | 260                        | 235                                | 150                      | 85                                     | 58                                       |
| Shipping Vessel   | 2,500                                    | -2,200  | 300                        | 15                                 | 15                       | 0                                      | 5  |
| Te Mato Vai - Rarotonga Water Upgrade   | 9,000                                    | 6,999   | 15,999                     | 7,620                              | 7,620                    | 0                                      | 48                                       |
| Fund to be Prioritised by Education   | 360                                      | 0   | 360                        | 240                                | 202                      | 38                                     | 56                                       |
| CT Scanner  | 100                                      | -100  | 0                          | 0                                  | 0                        | 0                                      | 0  |

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

|   | Budget Estimates<br>Full Year<br>2019/20 | Additional Funding<br>Approval via<br>Supplementary<br>2019/20 | Total Budget &<br>Approval | Budget Estimates<br>YTD March 2020 | Actual YTD<br>March 2020 | Variance to YTD<br>Budget<br>Estimates | Actual Vs Full<br>Year Budget<br>2019/20 |
|---|--|--|----------------------------|------------------------------------|--------------------------|--|--|
|   | \$'000                                   | \$'000   | \$'000                     | \$'000                             | \$'000                   | \$'000                                 | %  |
| Ambulance   | 0  | 61   | 61                         | 61                                 | 47                       | 14                                     | 77                                       |
| Vaka Maintenance Capital Projects   | 50                                       | 0  | 50                         | 0                                  | 0                        | 0                                      | 0  |
| Integrated Communication System   | 70                                       | 0  | 70                         | 0                                  | 0                        | 0                                      | 0  |
| 3 Building Repair   | 550                                      | 245  | 795                        | 707                                | 707                      | 0                                      | 89                                       |
| Aitutaki Capital Funding  | 16                                       | 0  | 16                         | 12                                 | 0                        | 12                                     | 0  |
| Atiu Capital Funding  | 12                                       | 0  | 12                         | 9                                  | 0                        | 9                                      | 0  |
| Mitiaro Capital Funding   | 8  | 0  | 8                          | 8                                  | 7                        | 1                                      | 90                                       |
| Mauke Capital Funding   | 10                                       | 0  | 10                         | 7                                  | 0                        | 7                                      | 0  |
| Mangaia Capital Funding   | 12                                       | 0  | 12                         | 9                                  | 1                        | 8                                      | 7  |
| Manihiki Capital Funding  | 10                                       | 0  | 10                         | 7                                  | 0                        | 7                                      | 0  |
| Penrhyn Capital Funding   | 12                                       | 0  | 12                         | 9                                  | 0                        | 9                                      | 0  |
| Palmerston Capital Funding  | 10                                       | 0  | 10                         | 7                                  | 2                        | 6                                      | 20                                       |
| Pukapuka Capital Funding  | 12                                       | 0  | 12                         | 9                                  | 6                        | 3                                      | 53                                       |
| Rakahanga Capital Funding   | 8  | 0  | 8                          | 8                                  | 7                        | 1                                      | 87                                       |
| Manea Games Upgrade Capital Funding   | 100                                      | 0  | 100                        | 75                                 | 14                       | 61                                     | 14                                       |
| Fund to be Prioritised by Health for Technical Equipment                      | 300                                      | 0  | 300                        | 93                                 | 93                       | 0                                      | 31                                       |
| Capital Distribution Fund   | 800                                      | 769  | 1,569                      | 450                                | 450                      | 0                                      | 29                                       |
| Parliament Building Extension   | 300                                      | 363  | 663                        | 544                                | 544                      | 0                                      | 82                                       |
| Atiu Power Upgrade  | 0  | 165  | 165                        | 165                                | 155                      | 10                                     | 94                                       |
| Pukapuka Hospital Reconstruction  | 0  | 314  | 314                        | 129                                | 129                      | 0                                      | 41                                       |
| Titikaveka Backroad Rehabilitation  | 0  | 27   | 27                         | 0                                  | 0                        | 0                                      | 0  |
| TMV Stage 1: Road & Pipeline Easement   | 0  | 50   | 50                         | 0                                  | 0                        | 0                                      | 0  |
| Upgrade of Nursery Facilities   | 0  | 80   | 80                         | 0                                  | 0                        | 0                                      | 0  |
| Relocation of Oral Health Services  | 0  | 100  | 100                        | 0                                  | 0                        | 0                                      | 0  |
| Prison Development Programme  | 0  | 300  | 300                        | 0                                  | 0                        | 0                                      | 0  |
| Removal of AM radio mast  | 0  | 318  | 318                        | 0                                  | 0                        | 0                                      | 0  |
| FM and TV Telecommunications for the Pa Enuā                                  | 0  | 200  | 200                        | 0                                  | 0                        | 0                                      | 0  |
| ICT Server Replacement  | 0  | 220  | 220                        | 0                                  | 0                        | 0                                      | 0  |
| Contingent Liability Capital Projects Account                                 | 0  | 100  | 100                        | 0                                  | 0                        | 0                                      | 0  |
| The Centre of Excellence in Information Technology (CEIT) - Capital Purchases | 0  | 85   | 85                         | 0                                  | 0                        | 0                                      | 0  |
| COVID-19 Medical Response Fund - Capital Needs                                | 0  | 500  | 500                        | 0                                  | 0                        | 0                                      | 0  |
| Renewable Energy - Capital works  | 0  | 1,496  | 1,496                      | 0                                  | 0                        | 0                                      | 0  |
| Aitutaki Renewable Energy Project   | 0  | 1,185  | 1,185                      | 879                                | 879                      | 0                                      | 74                                       |
|   | <b>40,710</b>                            | <b>9,479</b>   | <b>50,189</b>              | <b>20,827</b>                      | <b>20,453</b>            | <b>374</b>                             | <b>41</b>                                |



**Table 5: Statement of Borrowings**

|   | Loan start date | Loan End date | Loan Currency | Original Loan Amount | Interest Rate | December 2019 Balance | Principal Payments | FOREX Adjustment | Revaluation/D raw Down Adjustments | March 2020 Balance | Change December Qtr |
|---|-----------------|---------------|---------------|----------------------|---------------|-----------------------|--------------------|------------------|------------------------------------|--------------------|---------------------|
|   |                 |               |               |                      |               | ('000)                | ('000)             | ('000)           | ('000)                             | ('000)             | ('000)              |
| <b>Asian Development Bank</b>                                     |                 |               |               |                      |               |                       |                    |                  |                                    |                    |                     |
| 1. First multi project loan - 461                                 | Nov-80          | Aug-20        | USD           | 1,000                | 1.00%         | 105                   | - 55               | 8                | -                                  | 58                 | (47)                |
| 2. First Cook Islands Development Bank project loan - 567         | Jul-82          | Apr-22        | USD           | 1,500                | 1.00%         | 195                   | -                  | 25               | -                                  | 220                | 25                  |
| 3. Second multi project loan - 849                                | Dec-87          | Aug-27        | SDR           | 2,150                | 1.00%         | 1,297                 | - 80               | 155              | -                                  | 1,372              | 75                  |
| 4. Outer Islands Telecommunications project loan - 1031           | Oct-90          | Aug-30        | SDR           | 2,578                | 1.00%         | 3,408                 | - 153              | 415              | -                                  | 3,670              | 262                 |
| 5. Second Cook Islands Development Bank loan - 1155               | Mar-92          | Dec-31        | SDR           | 1,085                | 1.00%         | 880                   | -                  | 113              | -                                  | 993                | 113                 |
| 6. TCI Emergency Loan- 1171                                       | Aug-92          | Jun-32        | SDR           | 349                  | 1.00%         | 305                   | -                  | 39               | -                                  | 345                | 39                  |
| 7. Pearl Loan (1994) - 1309                                       | Dec-94          | Aug-34        | SDR           | 272                  | 1.00%         | 359                   | - 12               | 45               | -                                  | 391                | 33                  |
| 8. Education Development- 1317                                    | Feb-95          | Aug-34        | SDR           | 1,852                | 1.00%         | 2,188                 | - 72               | 270              | -                                  | 2,387              | 198                 |
| 9. Third Cook Islands Development Bank loan- 1380                 | Jan-96          | Sep-35        | SDR           | 1,977                | 1.00%         | 1,886                 | - 64               | 239              | -                                  | 2,061              | 175                 |
| 10. Economic Restructuring loan - 1466                            | Sep-96          | Sep-36        | SDR           | 3,430                | 1.00%         | 4,321                 | - 138              | 549              | -                                  | 4,732              | 411                 |
| 11. Cyclone Rehabilitation Project loan - 1588                    | Jan-97          | Jan-38        | SDR           | 583                  | 1.00%         | 761                   | - 20               | 95               | -                                  | 835                | -                   |
| 12. Waste Management loan - 1832                                  | Dec-01          | Jun-33        | SDR           | 1,695                | 1.50%         | 1,803                 | -                  | 231              | -                                  | 2,035              | 231                 |
| 13. Cyclone Emergency Assistance loan- 2174                       | Jun-05          | Jan-45        | SDR           | 1,895                | 1.00%         | 3,271                 | -                  | 420              | -                                  | 3,691              | 420                 |
| 14. (SF) Avatiu Ports Development Loan - 2473                     | Sep-09          | Nov-40        | SDR           | 4,524                | 1.50%         | 5,558                 | -                  | 714              | -                                  | 6,272              | 714                 |
| 15. (OCF) Avatiu Ports Development Project Loan - 2472            | Sep-09          | Nov-33        | NZD           | 8,697                | 5.77%         | 8,733                 | -                  | -                | -                                  | 8,733              | 0                   |
| 16. (SF) Economic Recovery Support Program Loan - 2565            | Jan-10          | Oct-24        | NZD           | 11,053               | 2.52%         | 5,024                 | -                  | -                | -                                  | 5,024              | -                   |
| 17. (OCF) Avatiu Ports Development Project Loan- 2739             | Dec-11          | Nov-35        | NZD           | 5,290                | 2.52%         | 4,902                 | -                  | -                | -                                  | 4,902              | -                   |
| 18. (OCR) Economic Recovery Support Program 2 Loan - 2946         | Dec-12          | Oct-27        | NZD           | 11,053               | 2.75%         | 4,833                 | -                  | -                | -                                  | 4,833              | -                   |
| 19. (OCF) Renewable Energy Sector- 3193                           | Jan-15          | Jun-36        | NZD           | 12,980               |               | 9,007                 | -                  | -                | 837                                | 9,844              | 837                 |
| 20. (OCR) Undersea Broadband Cable Loan- 3632                     | Jul-19          | Jun-39        | USD           | 15,000               | 2.65%         | 6,135                 | -                  | 755              | -                                  | 6,890              | 755                 |
|   |                 |               |               |                      |               | <b>64,974</b>         | <b>(594)</b>       | <b>4,073</b>     |                                    | <b>69,290</b>      | <b>4,316</b>        |
| <b>Export -Import Bank of China</b>                               |                 |               |               |                      |               |                       |                    |                  |                                    |                    |                     |
| 20. Indoor Sports Stadium & Upgrade of Existing Sports Facilities | Aug-08          | Aug-28        | RMB           | 74,100               | 1.80%         | 8,298                 | - 523              | 893              | -                                  | 8,668              | 370                 |
| 21. Rarotonga Water Ring Main Upgrade Loan                        | Dec-12          | Dec-32        | RMB           | 118,000              | 2.00%         | 22,589                | - 915              | 2,418            | -                                  | 24,092             | 1,503               |
|   |                 |               |               |                      |               | <b>30,888</b>         | <b>(1,438)</b>     | <b>3,311</b>     | <b>-</b>                           | <b>32,760</b>      | <b>1,873</b>        |
| <b>Total Gross Borrowings</b>                                     |                 |               |               |                      |               | <b>95,861</b>         | <b>(2,032)</b>     | <b>7,384</b>     | <b>-</b>                           | <b>102,051</b>     | <b>6,189</b>        |
| <b>Less Loan Repayment Fund</b>                                   |                 |               |               |                      |               | 27,762                | -                  | -                | (7,306)                            | 20,456             | (7,306)             |
| <b>Net Borrowing by the Crown</b>                                 |                 |               |               |                      |               | <b>68,099</b>         | <b>(2,032)</b>     | <b>7,384</b>     | <b>7,306</b>                       | <b>81,595</b>      | <b>13,495</b>       |
| <b>Less Avatiu Port Development &amp; Avaroa Cable Ltd</b>        |                 |               |               |                      |               | 25,328                | 0                  | 1,469            | -                                  | 26,797             | 1,469               |
| <b>Net Borrowing by the General Government</b>                    |                 |               |               |                      |               | <b>42,771</b>         | <b>(2,032)</b>     | <b>5,915</b>     | <b>7,306</b>                       | <b>54,798</b>      | <b>12,026</b>       |

### Crown Gross Debt

The total gross debt by the Crown for the March 2020 period was \$102.05 million, an increase of \$6.19 million from the December 2019 quarter. The increase in debt level was mainly due to the unfavourable movements in SDR currency exchange rates and by additional drawdowns during the period.

### 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 March 2020 quarter was \$54.80 million, a \$12.03 million increase from the December 2019 quarter. This increase was attributable to reduction in value of LRF to reconcile to Budget appropriation of \$7.31 million and draw down of the Renewable Energy Loan of \$0.84 million, an unfavourable movement of the USD, SDR and RMB exchange rate against the NZ dollars totalling \$5.92 million, offset by principal repayments of \$2.03 million.

Source: NZ Reserve Bank Website for USD and RMB

| Table 5.1 Average Foreign Currencies against New Zealand Dollars | Dec-19 | Movements |              |
|--|--------|-----------|--------------|
|  |        | Mar-20    | from Dec -19 |
| <b>Foreign Currencies</b>  |        |           |              |
| United States Dollars (USD)                                      | 0.6735 | 0.5997    | -0.0738      |
| Chinese Yuan (RMB)   | 4.7064 | 4.2552    | -0.4512      |
| Special Drawing Rights (SDR)                                     | 0.4851 | 0.4394    | -0.0457      |

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 31 March 2020.

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

|                              |     |
|------------------------------|-----|
| New Zealand (NZD)            | 33% |
| Chinese Yuan (RMB)           | 32% |
| Special Drawing Rights (SDR) | 35% |

**Table 6: Official Development Assistance**

|  |                                  | <b>Budget<br/>Estimates Full<br/>Year 2019/20</b> | <b>Actual YTD<br/>March 2020</b> |
|--|----------------------------------|---|----------------------------------|
| Cook Islands Core Sector Support - Budget Support*   | New Zealand                      | 14,730,487  | 7,825,000                        |
| Cook Islands Core Sector Support - TA Component  | New Zealand                      | 1,269,513   | 1,278,833                        |
| Chinese Building Repairs   | China                            | 10,837,524  | 0                                |
| India Grant Fund   | India                            | 680,000   | 11,524                           |
| Pacific Parliamentary Development Project  | UNDP                             | 75,758  | 0                                |
| Disaster Resilience for Small Pacific Islands (RESPAC COOK ISLANDS)  | UNDP                             | 0   | 30,131                           |
| Grassroots Grant Fund  | Japan                            | 376,160   | 0                                |
| Non Project Grant Aid - Palmerston Cyclone Centre  | Japan                            | 103,926   | 14,651                           |
| Economic Social Development Programme 2018-Japanese Machinery and Equipment  | Japan                            | 766,656   | 675,970                          |
| 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   | 2,921,781                        |
| Aid Effectiveness  | Other                            | 100,000   | 51,428                           |
| Mei Te Vai Ki Te Vai (MTVKTV)  | New Zealand                      | 4,000,000   | 2,333,376                        |
| 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                          |
| Project Development Fund - US Fisheries Treaty MMR   | FFA                              | 236,364   | 16,000                           |
| Project Development Fund - US Fisheries Treaty MFAI  | FFA                              | 30,303  | 0                                |
| WHO Biennium Budget Support  | WHO                              | 204,545   | 0                                |
| Western Pacific Multi-country Integrated HIV/TB programme - UNDP   | UNDP                             | 80,000  | 37,646                           |
| Ridge to Reef  | Global Environment Facility      | 1,284,003   | 1,296,986                        |
| 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                          |
| E-Government TA Support  | Asian Development Bank           | 111,504   | 28,723                           |
| Renewable Energy Grant (Southern Group) - GEF  | Global Environment Facility      | 891,365   | 268,968                          |
| Renewable Energy Grant (Southern Group) - GCF  | Green Climate Fund               | 8,316,288   | 7,258,734                        |
| Preparation of the Third National Communication under UN Framework Convention on Climate Change (UNFCCC)                       | Global Environment Facility      | 200,000   | 132,967                          |
| Green Climate Fund Readiness   | Green Climate Fund               | 769,087   | 358,128                          |
| MOH Building Resilient and Healthy Cook Islands  | Green Climate Fund               | 2,000,000   | 0                                |
| Pa Enea Action for Resilient Livelihoods (PEARL)   | UN Adaptation Fund               | 1,826,957   | 993,815                          |
| Northern Water Project Phase 2   | EU-German Development Cooperatio | 21,338  | 21,200                           |
| GEF Small Grants Programme   | Global Environment Facility      | 485,161   | 302,527                          |
| 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                                |
| Asset Management   | New Zealand                      | 12,750,000  | 1,867,575                        |
| ICI COOKGEO GeoPortal  | UNDP                             | 40,000  | 0                                |
| <b>Total Official Development Assistance</b>   |                                  | <b>72,219,924</b>                                 | <b>28,361,028</b>                |

39%

### Manatua Polynesian Cable Project

Year to date ODA spend is \$2,921,781.41

Avaroa Cable Limited (ACL) is the Pacific's newest international fibre operator providing wholesale connectivity services in the Cook Islands. ACL is a crown corporate entity that manages the Cook Islands involvement in the Manatua Cable project and its commercialisation as an international and domestic wholesale operator.

Key milestones achieved this quarter are as follows:

- Following the successful landing in Aitutaki on 14 Dec 19, the cable was successfully landed in Rarotonga on 8 Jan 20
- The Cable Landing Station enclosure for Aitutaki is installed on site, and currently undergoing commissioning and testing works
- The Cable Landing Station enclosure for Rarotonga is installed on site, and currently undergoing commissioning and testing works
- The 3600km Manatua Cable was successfully deployed across the South Pacific on time with landings in Samoa, Niue, Rarotonga, Aitutaki, Bora Bora and Tahiti, completed from November 2019 to January 2020.

Manatua Consortium executives from Office des Postes et Télécommunications (OPT) in French Polynesia, Avaroa Cable Limited (ACL) in the Cook Islands, Telecom Niue Limited (TNL) in Niue, and Samoa Submarine Cable Company (SSCC) in Samoa, met in Auckland, New Zealand February 2020. The consortium reviewed engineering reports from the completed work to ensure stringent quality standards had been met before giving approval to move to the next stage of work.

The focus of the project has now shifted to completing the integration of the six cable landing stations, and commissioning and testing of the Manatua cable network. Once operational, the Manatua cable is designed to provide service for at least 25 years. ACL is focused on the commercialization of the Manatua Cable in the Cook Islands. Overall the project is on track despite COVID-19.

### 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 \$36.4 million over four years.

### Japan Economic and Social Development Programme 2018

Year to date spend is \$675,970. Using Japan International Cooperation Systems (JICS) procurement processes, four of the six items have completed the procurement process and the contracts awarded and signed. Procurement for the fifth and sixth items is currently targeted for May/June 2020, however this timeframe is subject to change as go to market could be placed on hold due to COVID-19 impacts in Japan. A procurement update of these two items will be provided in the next quarterly report.

Current status of the four awarded contracts: Completion of one contract occurred in December 2019. The second contract is planned to be completed by late May/early June 2020. The third and fourth contracts are targeted for completion by mid/late 2021.

### Renewable Energy Grant (Southern Group) - GEF and GCF

\*GEF grant year to date spend is \$268,968.

Rarotonga Airport West BESS turnkey contract (MPower) funded by Global Environment Facility (GEF) no further work has occurred since the Completion Certificate was issued in October 2019. Planned rectification of defects for April 2020 is on hold due to coronavirus travel restrictions.

\*GCF grant year to date spend is \$7,258,734.

Rarotonga Airport South BESS-Turnkey contract (Powersmart/Vector) was installed in December 2019 and commissioning was completed on 23 February 2020. Training of Te Aponga Uira (TAU) staff was completed between 20 – 24 February by Tesla and PowerSmart personnel, carried out on site and in the TAU offices. The BESS is online and setup to maintain constant state of charge and configured to provide network frequency and voltage support.

Rarotonga BESS Power Station -Turnkey contract was awarded to Vector on 24 March 2020. The contract is expected to be signed in April 2020.

#### Asset Management

Total Spend for this period is \$1,867,574.64. 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 \$2,333,376. 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<br>YTD March 2020<br>('000) | Actual YTD<br>March 2020<br>('000) | Variance<br>('000) |
|-------------------------------|--|------------------------------------|--------------------|
| <b>SOEs Consolidate Group</b> |  |                                    |                    |
| Trading Revenue               | 45,326                                       | 46,333                             | 1,007              |
| Personnel                     | 11,340                                       | 10,867                             | 473                |
| Operating                     | 25,288                                       | 25,352                             | -64                |
| Depreciation                  | 5,852  | 5,818                              | 34                 |
|                               | 42,479                                       | 42,036                             | 442                |
| Net Activity Surplus / Cost   | 2,847  | 4,297                              | 1,449              |

The table above consolidates the March 2020 performances of Cook Islands Investment Corporation (CIIC), Airport Authority, Bank of the Cook Islands (BCI), Ports Authority, Te Aponga Uira, To Tatou Vai Ltd (TTV), Te Mana Uira O Araura (new name for Aitutaki Power Supply) and Avaroa Cable Ltd. The consolidated group YTD surplus is \$4.297m, which is \$1.449m ahead of budget, with the positive surplus variance attributable to the operating results of TAU, the Airport Authority, the Ports Authority, BCI and TTV. Trading revenues is \$1.007m higher than budget at a Group level, with larger actual compared to budget revenues from CIIC (due to project revenues, which compensates the negative variance in Operating costs), BCI, the Ports Authority and TTV. Personnel and Depreciation are in line with expectation while Operating was over budget, due to additional project works, which is offset and explains the positive variance in revenue at the CIIC consolidated group level.