



Parliament of the Cook Islands
Public Accounts Committee

Report on the review of the Appropriation Bill 2022/2023

Parliament Paper No. 139

Presented on Monday 23rd May 2022

Committee Membership

Current members of the Public Accounts Committee:

Hon. Tingika Elikana, Member for Pukapuka/Nassau – Chairperson

Hon. Vaitoti Tupa, Member for Matavera – Vice Chairperson

Hon. Te Hani Brown, Member for Tengtangi-Areora-Ngatiarua

Hon. Albert Nicholas, Member for RAPP

Hon. Tuakeu Tangatapoto, Member for Mitiaro

Hon. Terepai Maoate, Member for Amuri-Ureia

Hon. Wesley Kareroa, Member for Oneroa

Former members of the Public Accounts Committee:

Hon. Tai Tura, Member for Mauke

Hon. Patrick Arioka, Member for Murienua

About the Committee

Function

The role of the Public Accounts Committee (“Committee”) is to conduct a review of the Appropriation Bill 2022/2023 and report its findings and recommendations to Parliament.

Secretariat

Mr Tangata Vainerere, Clerk

Mrs Tai Manavaroa, Acting Deputy Clerk

Mrs Margret Numanga, Committee Secretary

Mr Unuia Unuia, Technical Operations Coordinator

Ms. Janette P. Browne, Executive Assistant to the Speaker/FTR Operator

Contact Details

Public Accounts Committee

Parliament of the Cook Islands

P O Box 13

Rarotonga

Telephone: (682) 26500

Email: parliament@cookislands.gov.ck

Website: www.parliament.gov.ck

This report is available on the Parliament of the Cook Islands website.

Chairperson's Foreword

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE



Hon. Tingika Elikana, PAC Chairperson

Mr Speaker,

It is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee on its review of the Appropriation Bill 2022/2023, for tabling in Parliament.

A handwritten signature in black ink, appearing to be 'T. Elikana', with a stylized flourish extending from the end.

Honourable Tingika Elikana, MP

Chairperson

Public Accounts Committee

23rd May 2022

Table of Contents

Committee Membership	2
About the Committee	3
Chairperson's Foreword	4
Executive Summary	6
RESOLUTION ON THE REVIEW OF THE APPROPRIATION BILL 2022/2023	7
1. BUDGET ESTIMATES	7
2. SUMMARY OF 2021/2022 RESULTS (ESTIMATED)	8
3. ECONOMIC OUTLOOK	9
4. ACTUAL SPENT AGAINST ESTIMATES (2021-22)	9
5. ODA GRADUATION AS A DEVELOPED COUNTRY STATUS	9
6. GENERAL BUDGET CHANGES	10
7. SIGNIFICANT EXPENDITURE INITIATIVES	10
8. NOTES OF CONCERN	11
PUBLIC ACCOUNTS COMMITTEE COMMENDATION	12
ANNEX 1 – Appropriation Bill 2022	14
ANNEX 2 – 2022-2026 Budget Book 1 – Estimates	20
ANNEX 3 – 2022-2026 Budget Book 2 – Ministries Business Plans	20
ANNEX 4 – MFEM presentation to the PAC	20

Executive Summary

The Public Accounts Committee has completed its scrutiny of the Appropriation Bill 2022/2023 on Thursday, 19th May 2022.

The Bill seeks to appropriate certain sums of money out of the Cook Islands Government Account to the services of the year ending on the thirtieth day of June 2023 and to appropriate the supplies granted in this period.

Following the adoption of the Bill by Parliament, the Minister responsible for Finance may authorise the incurrence of expenses or expenditure and may issue and apply out of the Cook Islands Government Account, towards making good the supplies granted to Her Majesty for the services of the year, any sums which in total do not exceed the sum of **\$320,392,247**.

Notwithstanding Section 37 of the Ministry of Finance and Economic Management Act 1995-96, the appropriations made under this Appropriation Act 2022/2023 will lapse on 30 June 2023.

At the completion of its review, the Committee by resolution finds the Budget 2022/2023 to be in compliance with Article 70 of the Constitution of the Cook Islands and the statutory fiscal responsibility framework outlined in PART III of the Ministry of Finance and Economic Management Act 1995-1996 and further commends the Budget 2022/2023 to Parliament for consideration and adoption.

RESOLUTION ON THE REVIEW OF THE APPROPRIATION BILL 2022/2023

1. WHEREAS, the Public Accounts Committee was convened on 19 May 2022 at the request of the Ministry of Finance and Economic Management (MFEM) to receive and review the Appropriation Bill 2022/2023; and
2. WHEREAS, the Committee, in pursuance of section (b) of its Terms of Reference (Scrutiny of the Estimates of expenditure of the Government and its entities) did conduct its formal review and analysis of the Appropriation Bill 2022/2023 on Thursday, 19 May 2022; and
3. WHEREAS, the Committee noted its delegated task in that it is the second time for the Committee to review the Budget before it is actually debated in the House; and
4. WHEREAS, the Committee did examine in detail the Budget Estimates together with the Ministry Business Statements on Thursday, 19th May 2022 under the proficient guidance of the 2022/2023 Budget Team consisting of; Mr Kai Berlick, MFEM Acting Director of the Economics Planning Division, adeptly supported by the Senior Budget Analyst Ms. Rufina Teulilo, Senior Macroeconomist Mr Tristan Metcalfe, Budget Analysts, Ms. Alex Mackenzie-Hoff and Tekura Ringi, and Economic Analyst Ms. Aimata Pittman; and
5. WHEREAS, the Committee did also deliberate on issues of concern during its own internal review and analysis of the Budget Estimates on Thursday, 19th May 2022; and

HEREBY NOTES AS FOLLOWS:

1. BUDGET ESTIMATES

1. The Appropriation Bill 2022 as tabled in Parliament seeks to authorize Government's overall expenditure for the financial year 2022/23 to the amount of \$320,392,247.
2. The Bill carries the following Schedules, *see* - Annex 1:
 - 2.1. Schedule 1 – Agency Budget Appropriations
 - 2.2. Schedule 2 – Payments on Behalf of the Crown (POBOCs)
 - 2.3. Schedule 3 – Cook Islands Capital Spending
 - 2.4. Schedule 4 – Official Development Assistance

- 2.5. Schedule 5a – Other Expenses and Financing Transactions
- 2.6. Schedule 5b – Loan Repayment Fund Appropriation; and a
- 2.7. Summary table that highlights Government's overall expenditure for the 2022/23 financial year.

- 3. The complete Budget Estimates are available as two separate documents. The *BUDGET ESTIMATES Book 1 Appropriation Estimates and Commentary* provides a breakdown of items and amounts, to justify the figures in the Appropriation Bill which includes the following additional Schedules, not itemized in the Bill:

- 3.1. Schedule 6 – Capital Schedule (Page 212)
- 3.2. Schedule 7 – Revenues on Behalf of the Crown (ROBOCs) (Page 215)
- 3.3. Schedule 8a – Administered Payments (Page 217)
- 3.4. Schedule 8b – Payments on Behalf of the Crown (POBOCs) (Page 221)
- 3.5. Schedule 9a – Debt Servicing Schedule (\$'000) (Page 223)
- 3.6. Schedule 9b – Loan Repayment Fund (LRF) Schedule (\$'000) (Page 223)
- 3.7. Schedule 10 – Official Development Assistance Schedule
- 3.8. Schedule 11 – Comparative Analysis of Ministry Appropriations

2. SUMMARY OF 2021/2022 RESULTS (ESTIMATED)

- 4. The COVID-19 pandemic has had a severe impact on the Cook Islands economy. With border closures and the halt in tourism, have attributed to two consecutive years of negative economic growth, -7.9 per cent in 2019/20 and -14.6 per cent in 2020/21, from pre-pandemic levels estimated at \$550.0 million to \$431.8 million. These contractions were significant despite the large government response in the form of fiscal stimulus (through the Economic Response Plan and the Economic Recovery Roadmap) worth over 20 per cent of GDP.
- 5. The total operating revenue for 2021/22 was \$173.6 million with tax revenue being very substantially down from where we were in previous years before COVID-19, getting towards two-thirds of what we were achieving pre COVID-19.
- 6. Of the additional revenue for the year, it is very important to note that over \$61 million of that was budgetary aid from New Zealand.
- 7. With the Total Operating Expenditure sitting at \$196.7 million, this resulted in an Operating Balance of -22.9 million.

8. With Capital Expenditure at \$27.8 million and Total Depreciation at \$13.1 million, the Fiscal Balance deficit was \$37.7 million.
9. With Working Capital of \$65.9 million and Net Crown Debt at \$215.9 million, the Net Debt, as a Percentage of GDP is \$44.6 million.

3. ECONOMIC OUTLOOK

10. The Committee acknowledges in terms of the economic outlook for the Cook Islands, that a key factor in the tourism industry is the reopening of its borders and the return of visitors to our shores. Growth is expected to turn positive in 2022/23 due to the establishment of reopening tourism to New Zealand and Australia with North America/Europe to follow.
11. In terms of the economic outlook for the next few years, the Committee notes that recovery is expected to continually accelerate in 2022/23 before growth rates moderates in 2025/26.
12. Total expenditure for 2022/23 is expected to reach \$187.0 million, inclusive of funds allocated to the ERR and the COVID-19 Medical Response fund.

4. ACTUAL SPENT AGAINST ESTIMATES (2021-22)

13. The Committee noted actual expenditure by government agencies was less than budgeted. This is due to various reasons, such as recruitment challenges and external influences or operational inefficiencies resulting in underspending in Personnel, Operating and Administered Payments, affecting Government's ability to fully implement planned work programmes.

5. ODA GRADUATION AS A DEVELOPED COUNTRY STATUS

14. The Committee noted with concern the immediate impact of the Cook Islands graduation to OECD Developed Country status in 2020 coupled with the economic shock due to the COVID-19 pandemic and recommends that Government closely monitor the long-term impacts this may have on the overall economic position of the Cook Islands.
15. The Committee acknowledged but remained cautious that there are indications that there are some consideration by donors of the impact of COVID-19 on newly graduated economies and that their development status until at least 12 months of World Bank verified GNI data is available. The recent reclassification of the Cook Islands to a Group B country with the ADB may help in this regard.

6. GENERAL BUDGET CHANGES

16. The Committee noted and acknowledged, a number of general expenditure decisions and changes that have been applied across Government Agencies; with brief explanations of specific changes presented in the respective Agency sections.
17. Government-wide salary increase deferral – with the ongoing fiscal circumstances and the need for debt financing to support economic stimulus measures and Government operations for 2022/23, the Government-wide salary increase programme remains on hold.
18. The Committee noted that this programme will be reviewed on an annual basis and reinstated when there is fiscal capacity, noting that the minimum wage adjustment creates a compression of wage scales at bands A, B and C of the Government pay scales. The Committee further noted a number of necessary measures applied by the Ministry of Finance and Economic Management, including:

Rounding – agency appropriations have been rounded upward or downward where minimal impact to the agency’s budget will occur.

Depreciation adjustments – where Agency budgets have been adjusted for depreciation based on forecast actuals to the end of the financial year.

Intra-agency transfers – where an agency has requested to rebalance (transfer) existing appropriations between personnel, operating, administered payments or depreciation. Where funds have been transferred between agencies (inter-agency transfers) these are explained.

7. SIGNIFICANT EXPENDITURE INITIATIVES

19. The Committee noted that the 2022/23 Budget includes the following significant expenditure directions:
 - a) **Minimum Wage Adjustment** – The increase of the minimum wage to \$8.50 per hour has required an additional \$0.348 million in personnel expenditure, primarily for the Pa Enua island administrations. The total cost to Government is an additional \$1.4 million over four years.

- b) **Economic Recovery Roadmap** – \$5.2 million in 2022/23 and a total of \$8 million over four years to support a rapid and sustainable economic recovery from the COVID-19 pandemic.
- c) **COVID-19 Medical Response Fund** – \$3 million in 2022/23 to support further necessary medical responses to the COVID-19 pandemic.
- d) **Welfare payments** – an increase of \$627,190 in 2022/23 and a total of \$2.56 million over four years to fund inflation-driven pension increases for those over 60.
- e) **Healthcare personnel** – an additional \$324,000 from 2022/23 and a total of \$1.37 million over four years to support funding for a Public Health Coordinator, Health Intelligence Unit, additional Registered Nurses and an ICT Systems Analyst.
- f) **Education personnel** – an additional \$334,000 from 2022/23 and a total of \$1.34 million over the next four years for teachers' remuneration.
- g) **OPM ICT Activities** – \$250,000 in 2022/23 and a total of \$1.1 million over four years to complete the Microsoft licensing upgrades for government users and retain the services of the Project Management Unit to coincide with the ICT Network rollout to the Pa Enea.
- h) **Pa Enea Connectivity** – \$200,000 in 2022/23 and a total of \$950,000 over four years to secure better internet connectivity for the Pa Enea for Government to operate online more effectively. This upgrade underpins the universal access program which is intended to deliver better telecommunications connectivity to Pa Enea communities.
- i) The 2022/23 Budget also includes several savings initiatives to support critical expenditure needs over the medium term.

8. NOTES OF CONCERN

20. The Committee notes with concern the following issues:

20.1. Government Agencies annual reporting to Parliament

The Committee has found that very few Government Agencies (including Island Administrations) have had their annual reports tabled in Parliament in the past years as expected under Section 8.4 of the Public Service Manual 2016; and

A similar position is also found with their financial statements which are required to be reported to Parliament under Sections 26 and 28 of the MFEM Act 1995/96.

In this regard, the Committee encourages the Office of the Public Service Commissioner and the Cook Islands Audit Office to facilitate compliance by Government Agencies with these legal reporting obligations.

20.2. State-owned Enterprises annual reporting to Parliament

The Committee further found non-compliance by the Cook Islands Investment Corporation (CIIC) since 2014 of its annual reporting obligation under Section 16 of the Cook Islands Investment Corporation Act 1998.

In this regard, the Committee encourages the Minister responsible for the Cook Islands Investment Corporation to facilitate compliance by CIIC with these legal reporting obligations.

PUBLIC ACCOUNTS COMMITTEE COMMENDATION

WITH THE COMMITTEE HAVING COMPLETED ITS DELIBERATIONS ON THE APPROPRIATION BILL 2022/2023 ON THURSDAY 19TH May 2022, NOW, THEREFORE, BE IT RESOLVED THAT:

1. the Committee finds the Budget 2022/2023 to be in compliance with Article 70 of the Constitution of the Cook Islands and the statutory fiscal responsibility framework outlined in PART III of the Ministry of Finance and Economic Management Act 1995-1996; and

2. the Committee hereby commends the Budget 2022/2023 to Parliament; and
RESOLVED FURTHER, that the Committee extends its sincere appreciation to the Prime Minister and Minister of Finance Hon. Mark Brown, Financial Secretary Mr Garth Henderson and their team of dedicated professionals for their excellent work on the 2022/2023 Appropriation; and

RESOLVED FURTHER, that the Committee also extends its sincere appreciation to the Clerk of Parliament Mr Tangata Vainerere and his team of dedicated professionals for their excellent work in facilitating the work of the Public Accounts Committee.

ANNEX 1 – Appropriation Bill 2022

Hon. Mark Brown

Appropriation Bill 2022

Contents

- 1 Title
- 2 Application
- 3 Grant and appropriation out of the Cook Islands Government Account

Schedule 1

Agency Budget Appropriations

Schedule 2

Payments on Behalf of the Crown (POBOCs)

Schedule 3

Cook Islands Capital Spending

Schedule 4

Official Development Assistance

Schedule 5a

Other Expenses and Financing Transactions

Schedule 5b

Loan Repayment Fund (LRF) Appropriations

Summary

An Act to appropriate certain sums of money out of the Cook Islands Government Account to the services of the year ending on the thirtieth day of June 2023 and to appropriate the supplies granted in this period

MOST GRACIOUS SOVEREIGN: We, Your Majesty's most dutiful and loyal subjects, the Parliament of the Cook Islands, towards making good the supply which we have cheerfully granted to Your Majesty in this year, have resolved to grant Your Majesty the sum specified in this Act and humbly ask Your Majesty to assent to the sum. And be it enacted by the Parliament of the Cook Islands in Session assembled, and by the authority of the same, as follows—

1 Title

This Act is the Appropriation Act 2022.

2 Application

This Act applies to the year ending on the thirtieth day of June 2023 (“the year”).

3 Grant and appropriation out of the Cook Islands Government Account

- (1) The Minister responsible for Finance may authorise the incurrence of expenses or expenditure and may issue and apply out of the Cook Islands Government Account, towards making good the supplies granted to Her Majesty for the services of the year, any sums which in total do not exceed the sum of **\$320,392,247**.
- (2) Subject to subsection (3) the sums authorised to be supplied are appropriated for the services set out in the votes specified in the Schedules to this Act.
- (3) The votes identified in Schedule 4 to this Act as being funded through loans from financing partners or from grants by development partners are further limited to the lesser of the votes specified in those Schedules and the loan proceeds or grants received for the purpose of financing the expense or expenditure in relation to those votes.
- (4) Notwithstanding Section 37 of the Ministry of Finance and Economic Management Act 1995-96, the appropriations made under this Act will lapse on 30 June 2023.
- (5) Payments that may be charged against any appropriation made by this Act after 30 June 2023 are limited to—
 - (a) self-balancing journal entries to correct posting errors during the year ended 30 June 2023; or
 - (b) expenses incurred or payments due during the year ended 30 June 2023 for which a valid invoice was submitted before 30 June 2023, but for which a payment or payments to extinguish that liability in relation to that invoice had not been made by 30 June 2023.
- (6) The appropriations made in the Appropriation Act 2021 will lapse on 30 June 2022.
- (7) Payments that may be charged after 30 June 2022 against any appropriation that lapses under the provisions of subsection (6) are limited to—
 - (a) self-balancing journal entries to correct posting errors during the year ended 30 June 2022; or
 - (b) expenses incurred or payments due during the year ended 30 June 2022 for which a valid invoice was submitted before 30 June 2022, but for which a payment or payments to extinguish the liability in relation to that invoice had not been made by 30 June 2022.
- (8) Where in the period ended 30 June 2022, the Financial Secretary appointed under section 4 of the Ministry of Finance and Economic Management Act 1995-96 had directed that an unexpended appropriation from an Appropriation Act for a previous year be available for expenditure in the year ended 30 June 2022, those appropriations will also lapse on 30 June 2022.
- (9) Payments that may be charged after 30 June 2022 against any appropriation that lapses under the provisions of subsection (8) are limited to—
 - (a) self-balancing journal entries to correct posting errors during the year ended 30 June 2022; or
 - (b) expenses incurred or payments due during the year ended 30 June 2022 for which a valid invoice was submitted before 30 June 2022, but for which a payment or payments to extinguish the liability in relation to that invoice had not been made by 30 June 2022.

Appropriation Bill 2022

Schedule 1 Agency Budget Appropriations

Agency	Personnel	Operating	Administered Payments	Depreciation	Gross Current Appropriation	Trading Revenue	Net Current Appropriation
Agriculture	1,095,572	314,509	0	45,000	1,455,081	90,535	1,364,546
Audit (PERCA)	996,953	119,701	0	16,000	1,132,654	156,300	976,354
Business Trade and Investment Board	365,000	242,266	0	4,000	611,266	27,400	583,866
Cook Islands Investment Corporation	1,458,000	824,000	1,200,000	45,000	3,527,000	753,831	2,773,169
Corrective Services	1,459,326	229,131	0	41,000	1,729,457	100,000	1,629,457
Crown Law	987,500	163,500	50,000	3,000	1,204,000	0	1,204,000
Cultural Development	734,250	128,000	615,000	89,500	1,566,750	170,000	1,396,750
Education	12,230,197	2,495,820	4,834,602	615,000	20,175,619	0	20,175,619
Environment	990,826	201,000	412,241	30,000	1,634,067	35,000	1,599,067
Finance and Economic Management	6,534,508	822,419	22,504,650	260,000	30,121,577	954,341	29,167,236
Financial Services Development Authority	242,797	177,906	30,000	3,000	453,703	0	453,703
Foreign Affairs	1,932,692	1,019,103	15,000	45,000	3,011,795	28,000	2,983,795
Head Of State	178,548	22,658	36,000	14,000	251,206	0	251,206
Health	12,833,011	3,648,951	2,536,870	1,570,000	20,588,832	350,000	20,238,832
Infrastructure Cook Islands	2,369,871	379,129	2,480,000	145,000	5,374,000	300,000	5,074,000
Internal Affairs	1,357,376	299,000	3,204,217	12,000	4,872,593	0	4,872,593
of which: Welfare Payments - Allowances		1,307,217					
Justice	2,028,976	350,000	460,000	23,000	2,861,976	425,000	2,436,976
Marine Resources	1,478,942	455,058	150,000	150,000	2,234,000	20,000	2,214,000
Ombudsman	233,000	62,000	0	6,000	301,000	0	301,000
Parliamentary Services	620,100	80,000	120,000	72,720	892,820	0	892,820
Police	4,154,896	286,104	215,000	1,010,000	5,666,000	154,783	5,511,217
Prime Minister's Office	1,532,200	459,000	1,193,000	15,000	3,199,200	0	3,199,200
Public Service Commission	350,000	191,510	1,903,170	5,000	2,449,680	0	2,449,680
Cook Islands Seabed Minerals Authority	590,944	299,056	100,000	9,500	999,500	240,000	759,500
Tourism Corporation	2,300,022	1,319,978	4,500,000	52,000	8,172,000	0	8,172,000
Transport	1,023,500	150,221	0	25,609	1,199,330	41,221	1,158,109
Total Ministries, Crown & Statutory Agencies	60,079,007	14,740,020	46,559,750	4,306,329	125,685,106	3,846,411	121,838,695
Ministerial Support							
Prime Minister	406,069	121,289	0	12,642	540,000	0	540,000
Deputy Prime Minister	297,800	70,611	0	9,589	378,000	0	378,000
Ministerial Support 1	181,000	115,838	0	11,162	308,000	0	308,000
Ministerial Support 2	164,000	132,000	0	12,000	308,000	0	308,000
Ministerial Support 3	217,500	85,000	0	5,500	308,000	0	308,000
Ministerial Support 4	188,901	109,509	0	9,590	308,000	0	308,000
Leader Of Opposition	163,712	131,462	0	12,826	308,000	0	308,000
Total Ministerial Support Offices	1,618,982	765,709	0	73,309	2,458,000	0	2,458,000

Appropriation Bill 2022

Agency	Personnel	Operating	Administered Payments	Depreciation	Gross Current Appropriation	Trading Revenue	Net Current Appropriation
Outer Islands							
Aitutaki	1,240,593	417,547	0	480,000	2,138,140	67,828	2,070,312
Atiu	913,445	458,918	0	430,000	1,802,363	224,318	1,578,045
Mangaia	984,863	611,848	0	210,000	1,806,711	301,000	1,505,711
Manihiki	760,803	159,165	0	460,000	1,379,968	119,000	1,260,968
Mauike	825,143	237,194	0	380,000	1,442,337	113,853	1,328,484
Mitiaro	733,595	88,527	0	93,000	915,122	60,900	854,222
Palmerston	284,152	71,851	0	80,000	436,003	20,500	415,503
Penrhyn	667,783	180,836	0	180,000	1,028,619	74,000	954,619
Pukapuka-Nassau	943,074	155,503	0	215,000	1,313,577	73,695	1,239,882
Rakahanga	429,844	67,761	0	82,000	579,605	52,000	527,605
Total Outer Islands	7,783,295	2,449,150	0	2,610,000	12,842,445	1,107,094	11,735,351
Gross Total	69,481,284	17,954,879	46,559,750	6,989,638	140,985,551	4,953,505	136,032,046

Schedule 2
PAYMENTS ON BEHALF OF THE CROWN (POBOCs)

Administering Ministry	POBOC	2021/22 Budget Estimate	2022/23 Budget Estimate
Compensation of Employees			
Finance & Economic Management	Parliamentary Superannuation	180,000	180,000
Audit	PERC Salaries and Administration Costs	57,500	57,500
Parliamentary Services	Civil List - Personnel	2,901,961	2,901,961
Parliamentary Services	House of Ariki	348,420	0
Cultural Development	House of Ariki (CI)	0	326,690
Compensation of Employees POBOCs		3,487,881	3,466,151
Use of Goods and Services			
Audit	Audit Fees	95,600	103,000
Prime Minister's Office	Local Government Election	0	0
Parliamentary Services	Civil List - Constituency Visits	170,200	170,200
Parliamentary Services	Parliamentary Sitting Expenses	200,000	200,000
Parliamentary Services	QR Travel and Allowances (local and overseas)	109,000	109,000
Parliamentary Services	MP Travel and Allowances (local and overseas)	180,000	230,000
Foreign Affairs	International Maritime Organisation - Maritime Cook Islands	63,461	63,461
Transport	Maritime Radio Coverage	120,000	120,000
Use of Goods and Services POBOCs		938,261	995,661
Subsidies			
Cook Islands Investment Corporation	Airport Authority subsidy	2,047,997	2,047,997
Cook Islands Investment Corporation	Bank of the Cook Islands - social assistance subsidy	128,000	128,000
Cook Islands Investment Corporation	Ports Authority - subsidy	110,099	110,099
Cook Islands Investment Corporation	Te Aponga Uira - social assistance subsidy	0	0
Cook Islands Investment Corporation	Te Mana Uira o Araura - subsidy	0	0
Cook Islands Investment Corporation	To Tatou Vai (CI)	0	3,000,000
Subsidies POBOCs		2,286,096	5,286,096
Social Assistance			
Internal Affairs	Welfare Payments	20,227,000	21,067,190
Social Assistance POBOCs		20,227,000	21,067,190
Other Expense			
Finance & Economic Management	Pacific Catastrophe Risk Insurance	160,000	160,000
Finance & Economic Management	CIG Insurance	40,000	40,000
Finance & Economic Management	BEPS Subscription	35,000	45,000
Finance & Economic Management	Competition and Regulatory Authority	620,574	400,000
Foreign Affairs	International Subscriptions	890,000	890,000
Other Expenses POBOCs		1,745,574	1,535,000
Grand Total		28,684,812	32,350,098

Schedule 3
Cook Islands Capital Spending

	2021/22 Budget Estimate	2022/23 Budget Estimate
Cook Islands Government Capital programs	32,001,262	34,159,912
Total Capital spending	32,001,262	34,159,912

Schedule 4
Official Development Assistance¹

	2021/22 Budget Estimate	2022/23 Budget Estimate
Operating or recurrent expenditure	25,340,981	26,304,809
Capital Project Expenditure	28,473,479	65,147,594
Total Official Development Assistance	53,814,460	91,452,403

Schedule 5a
Other Expenses and Financing Transactions

Category of Expense	2021/22 Budget Estimate	2022/23 Budget Estimate
Contingency Funds - Operating	100,000	100,000
Crown Infrastructure Depreciation	4,603,000	4,603,000
Provisional for Doubtful Debts	0	0
Transfer to Emergency Response Trust Fund	50,000	50,000
Advanced Subsidiaries - Avaroa Cable Ltd	0	0
Transfer to Reserve Trust Fund	0	0
Depreciation Contingency Fund	2,174,000	2,174,000
Total Other Expenses	6,927,000	6,927,000

Schedule 5b
Loan Repayment Fund Appropriations

Category of Appropriation	2021/22 Budget Estimate	2022/23 Budget Estimate
Contribution to LRF - Principal	8,860,401	7,737,276
Contribution to LRF - Interest	4,051,495	6,780,007
Total Contribution to LRF	12,911,896	14,517,283

Summary

Category of Payment	2021/22 Budget Estimate	2022/23 Budget Estimate
Schedule 1 - Ministry Outputs (Gross Operating)	165,710,315	140,985,551
Schedule 2 - POBOCs	28,684,812	32,350,098
Schedule 3 - CIG Capital Expenditure	32,001,262	34,159,912
Schedule 4 - Official Development Assistance	53,814,460	91,452,403
Schedule 5a - Other Expenses and Financing Transactions	6,927,000	6,927,000
Schedule 5b - Loan Reserve Fund Appropriations	12,911,896	14,517,283
TOTAL APPROPRIATION	300,049,745	320,392,247

This Act is administered by the Ministry of Finance and Economic Management.
Printed under the authority of the Cook Islands Parliament—2022

¹ Excluding Budget Support and Core Sector Support appropriated through agencies in Schedule 1.

ANNEX 2 – 2022-2026 Budget Book 1 – Estimates

(This document is available as a separate document on direct request to the Ministry of Finance and Economic Management)

ANNEX 3 – 2022-2026 Budget Book 2 – Ministries Business Plans

(This document is available as a separate document on direct request to the Ministry of Finance and Economic Management)

ANNEX 4 – MFEM presentation to the PAC

(This document is available as a separate document on direct request to the Ministry of Finance and Economic Management)