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Loan Reserve 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 2018 and to appropriate the supplies granted in this period

(12 July 2017)

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 2017.

2 Application

This Act applies to the year ending on the thirtieth day of June 2018 (“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 **\$273,247,094**.
- (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 2018.
- (5) Payments that may be charged against any appropriation made by this Act after 30 June 2018 are limited to—
 - (a) self balancing journal entries to correct posting errors during the year ended 30 June 2018; or
 - (b) expenses incurred or payments due during the year ended 30 June 2018 for which a valid invoice was submitted before 30 June 2018, but for which a payment or payments to extinguish that liability in relation to that invoice had not been made by 30 June 2018.
- (6) The appropriations made in the Appropriation Act 2016 will lapse on 30 June 2017.
- (7) Payments that may be charged after 30 June 2017 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 2017; or
 - (b) expenses incurred or payments due during the year ended 30 June 2017 for which a valid invoice was submitted before 30 June 2017, but for which a payment or payments to extinguish the liability in relation to that invoice had not been made by 30 June 2017.
- (8) Where in the period ended 30 June 2017, 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 2017, those appropriations will also lapse on 30 June 2017.
- (9) Payments that may be charged after 30 June 2017 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 2017; or
 - (b) expenses incurred or payments due during the year ended 30 June 2017 for which a valid invoice was submitted before 30 June 2017, but for which a payment or payments to extinguish the liability in relation to that invoice had not been made by 30 June 2017.

Section 3(2) and (3)

Schedule 1
Agency Budget Appropriations

Agency	Personnel	Operating	Administered Payments	Depreciation	Gross Current Appropriation	Trading Revenue	Net Current Appropriation
Agriculture	882,138	134,643	0	22,182	1,038,962	90,535	948,427
Audit (PERCA)	936,350	68,180	0	26,678	1,031,208	60,700	970,508
Crown Law	601,549	144,100	0	5,983	751,632	0	751,632
Cultural Development	621,760	128,782	737,500	96,655	1,584,697	110,000	1,474,697
Business Trade and Investment Board	440,094	232,575	0	9,000	681,669	23,380	658,289
Education	11,842,082	3,232,101	4,101,882	412,364	19,588,429	0	19,588,429
Environment	849,690	148,724	182,241	30,381	1,211,036	35,000	1,176,036
Finance and Economic Management	3,425,445	662,189	14,367,678	128,530	18,583,842	603,500	17,980,342
Financial Services Development Authority	240,339	177,906	0	9,867	428,112	0	428,112
Foreign Affairs	1,266,905	598,151	10,000	77,726	1,952,782	28,000	1,924,782
Head Of State	168,038	34,080	23,000	15,057	240,175	0	240,175
Health	8,953,286	2,531,330	1,726,870	886,814	14,098,300	350,000	13,748,300
Infrastructure Cook Islands	1,814,113	303,351	745,000	241,596	3,104,060	295,626	2,808,434
Internal Affairs	1,040,000	121,085	2,585,893	17,264	3,764,241	6,000	3,758,241
<i>of which: Welfare Payments - Allowances</i>	0	0	982,893	0	0	0	0
Justice	1,577,855	399,371	337,000	133,947	2,448,173	500,000	1,948,173
Marine Resources	1,204,964	358,125	350,000	95,000	2,008,089	28,000	1,980,089
Ombudsman	219,695	61,840	0	5,822	287,357	0	287,357
Parliamentary Services	487,567	71,192	62,000	24,579	645,338	0	645,338
Pearl Authority	217,600	234,688	0	28,303	480,591	0	480,591
Police	3,108,483	461,724	255,000	218,622	4,043,829	93,421	3,950,408
Prime Minister's Office	1,265,016	236,849	978,000	36,069	2,515,934	0	2,515,934
Public Service Commission	398,609	72,447	1,230,316	79,293	1,780,665	0	1,780,665
Tourism Corporation	1,744,118	2,756,016	5,400,000	31,500	9,931,634	352,000	9,579,634
Transport	537,571	135,964	56,000	39,047	768,582	36,000	732,582
Cook Islands Investment Corporation	941,950	3,298,194	4,417,000	371,189	9,028,333	2,455,943	6,572,390
Cook Islands Seabed Minerals Authority	179,021	111,940	0	7,200	298,161	0	298,161
Capital Funds Committee- Administered by MFEM	0	0	0	45,000	45,000	0	45,000
Total Ministries, Crown & Statutory Agencies	44,964,236	16,715,546	37,565,380	3,095,668	102,340,829	5,068,105	97,272,724

Appropriation

Agency	Personnel	Operating	Administered Payments	Depreciation	Gross Current Appropriation	Trading Revenue	Net Current Appropriation
Ministerial Support							
Prime Minister	301,176	109,773	0	11,100	422,049	0	422,049
Deputy Prime Minister	134,894	85,372	0	11,503	231,769	0	231,769
Minister Mark Brown	202,666	81,613	0	6,802	291,081	0	291,081
Minister Kiriaua Turepu	129,514	56,931	0	11,162	197,607	0	197,607
Minister Nandi Glassie	107,704	78,415	0	12,000	198,119	0	198,119
Minister Albert Nicholas	78,447	117,000	0	5,500	200,947	0	200,947
Leader Of Opposition	154,185	48,200	0	6,800	209,185	0	209,185
Total Ministerial Support Offices	1,108,586	577,304	0	64,867	1,750,757	0	1,750,757
Outer Islands							
Aitutaki	1,137,762	367,829	0	143,884	1,649,476	67,828	1,581,648
Aitutaki Power Supply	0	0	0	0	0	0	0
Aifu	785,426	407,041	0	138,561	1,331,029	224,318	1,106,711
Mangaia	861,498	552,165	0	204,700	1,618,363	301,000	1,317,363
Manihiki	638,449	150,438	0	92,199	881,086	117,500	763,586
Mauke	653,141	201,413	0	178,982	1,033,535	113,853	919,682
Mitiaro	541,364	69,446	0	55,200	666,009	58,899	607,110
Palmerston	257,571	65,528	0	42,000	365,099	20,599	344,500
Penrhyn	460,817	155,124	0	62,407	678,348	74,000	604,348
Pukapuka-Nassau	752,172	142,467	0	140,552	1,035,191	73,695	961,496
Rakahanga	372,496	59,373	0	37,829	469,698	49,336	420,362
Outer Islands Capital Fund-Administered by MFEM	0	0	0	27,500	27,500	0	27,500
Total Outer Islands	6,460,697	2,170,824	0	1,123,813	9,755,334	1,101,028	8,654,306
Gross Total	52,533,519	19,463,674	37,565,380	4,284,348	113,846,920	6,169,133	107,677,787

Schedule 2
Payments on Behalf of Crown (POBOC)

Administering Ministry	POBOC	2016/17 Budget Estimate	2017/18 Budget Estimate	Variance
Compensation of Employees				
Finance & Economic Management	Parliamentary Superannuation	180,000	180,000	0
Audit	Transfer of PERC Salaries and Administration Costs	42,500	42,500	0
Parliamentary Services	Civil List - Personnel	1,974,607	2,011,461	36,854
Parliamentary Services	House of Ariki	176,341	178,337	1,996
Compensation of Employees POBOCs		2,373,448	2,412,298	38,850
Use of Goods and Services				
Audit	Audit Fees	95,600	95,600	0
Justice	General Elections, Petitions and By-Elections	0	0	0
Parliamentary Services	Civil List - Operating Expenses	0	0	0
Parliamentary Services	Civil List - Constituency Visits	170,200	170,200	0
Parliamentary Services	Parliamentary Sitting Expenses	120,000	120,000	0
Parliamentary Services	QR & MP Travel and Allowance (local and overseas)	150,000	0	(150,000)
Parliamentary Services	QR Travel and Allowances (local and overseas)	0	109,000	109,000
Parliamentary Services	MP Travel and Allowances (local and overseas)	0	41,000	41,000
Prime Minister's Office	Local Government Election Organisation - Maritime Cook Islands	0	0	0
Foreign Affairs	Islands	63,461	63,461	0
Use of Goods and Services POBOCs		599,261	599,261	0
Subsidies				
Finance & Economic Management	Apex - Profit Guarantee	1,500,000	750,000	(750,000)
Finance & Economic Management	FSC - subsidy to meet depreciation expenses	0	0	0
Cook Islands Investment Corporation	Airport Authority subsidy	2,047,997	2,047,997	0
Cook Islands Investment Corporation	Bank of the Cook Islands - social assistance subsidy	120,000	120,000	0
Cook Islands Investment Corporation	Ports Authority - subsidy	110,099	110,099	0
Cook Islands Investment Corporation	Te Aponga Uira - social assistance subsidy	380,000	380,000	0
Subsidies POBOCs		4,158,096	3,408,096	(750,000)
Social Assistance				
Internal Affairs	Welfare Payments	15,799,966	17,353,517	1,553,551
Social Assistance POBOCs		15,799,966	17,353,517	1,553,551
Other Expense				
Finance & Economic Management	Pacific Catastrophe Risk Insurance	120,694	120,694	0
Finance & Economic Management	CICC Mission Training Center Construction Grant	0	600,000	600,000
Foreign Affairs	International Subscriptions	596,705	625,667	28,962
Other Expenses POBOCs		717,399	1,346,361	628,962
Grand Total		23,648,170	25,119,533	842,401

Schedule 3
Cook Islands Capital Spending

	2016/17 Budget Estimates	2017/18 Budget Estimates	Variance
Cook Islands Government Capital programs (see Schedule 6 for details)	36,663,124	44,904,336	8,241,212
Total Capital spending	36,663,124	44,904,336¹	8,241,212

Schedule 4
Official Development Assistance²

	2016/17 Budget Estimate	2017/18 Budget Estimate	Variance
Operating or recurrent expenditure	16,082,833	28,053,720	11,970,886
Capital Project expenditure	44,577,755	41,338,420	-3,239,335
Total Borrowing Expenses and Debt Repayment	60,660,588	69,392,140	8,731,552

Schedule 5a
Other Expenses and Financing Transactions

Category of Expense	2016/17 Budget Estimate	2017/18 Budget Estimate	Variance
Contingency Funds - Capital Expenditure	0	0	0
Contingency Funds - Operating	100,000	100,000	0
Crown Infrastructure Depreciation	3,682,397	4,602,897	920,500
Concession Loan Fund - Top Ups	0	0	0
Public Sector Strengthening	0	0	0
ADB Share Capital	0	0	0
Transfer to Emergency Response Trust Fund	603,858	50,000	553,858
Transfer to Reserve Trust Fund	548,172	592,044	43,872
Depreciation Contingency Fund	2,362,134	3,957,454	1,595,320
Contributions to Cook Islands Sovereign Wealth Fund	0	0	0
Total Other Expenses	7,296,561	9,302,396	2,005,834

Schedule 5b
Loan Reserve Fund (LRF) Appropriations

Category of Appropriation	2016/17 Budget Estimate	2017/18 Budget Estimate	Variance
Contribution to LRF - Principal	6,893,059	8,618,817	1,725,758
Contribution to LRF - Interest	1,710,050	2,062,953	352,903
Total Contribution to LRF	8,603,108	10,681,769	2,078,661

Summary

Category of Payment	2016/17 Budget Estimate	2017/18 Budget Estimate	Variance
Schedule 1 - Ministry Outputs (Gross Operating)	101,408,738	113,846,920	12,438,182
Schedule 2 - POBOCs	23,648,170	25,119,533	1,471,363
Schedule 3 - CIG Capital Expenditure	36,663,124	44,904,336	8,241,212
Schedule 4 - Official Development Assistance	60,660,588	69,392,140	8,731,552
Schedule 5a - Other Expenses and Financing Transactions	7,296,561	9,302,396	2,005,834
Schedule 5b - Loan Reserve Fund Appropriations	8,603,108	10,681,769	2,078,661
TOTAL APPROPRIATION	238,280,290	273,247,094	34,966,805

¹ This includes the Manatua Submarine Cable Project (loan component)

² Excluding Budget Support (Core Sector Support) and appropriated through agencies or POBOCs in schedule 1.

This Act is administered by the Ministry of Finance and Economic Management.
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