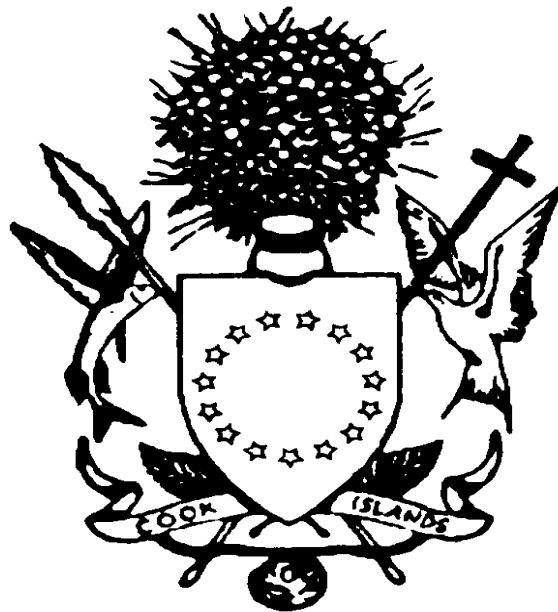

COOK ISLANDS GOVERNMENT
BUDGET ESTIMATES

2020/21

Appropriation Bill 2020



Hon. Mark Brown
Minister of Finance

JUNE 2020



PARLIAMENT OF THE COOK ISLANDS

APPROPRIATION BILL

EXPLANATORY NOTE

This note does not form part of the Bill but is intended to indicate its effect.

The Constitution of the Cook Islands provides in Article 70(1) that "... all expenditure from the Cook Islands Government Account or from any other public fund or account, shall be in accordance with an Appropriation Act..."

Clause 1 provides that, on enactment, the Bill will be called the Appropriation Act 2020.

Clause 2 is the application provision, which specifies the financial year to which the Bill relates. In this case it is the financial year ending 30th June 2021.

Clause 3 authorises expenditure out of the Cook Islands Government Account of the amounts not exceeding those set out in the Schedules to the Bill, for the several votes specified therein.

Subsection 5 limits any expenditure which may be charged to the 2020/21 appropriation to actual expenditure incurred in the period 1 July 2020 to 30 June 2021.

Subsections 6-7 limits any expenditure which may be charged to the 2019/20 appropriation to actual expenditure incurred up to 30 June 2020.

Subsection 8 limits any expenditure which may be charged to appropriations from years prior to 2019/20 to actual expenditure incurred up to 30 June 2020.

Note: The Budget Estimates will be available with the Bill. The breakdown of items and amounts, to justify the figures in the Bill, are presented in the Estimates.

Hon. Mark Brown

Appropriation Bill 2020

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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 2021 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 the Parliament of the Cook Islands enacts as follows—

1 Title

This Act is the Appropriation Act 2020.

2 Application

This Act applies to the year ending on the thirtieth day of June 2021 ("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 **\$344,023,263**.
- (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 2021.

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- (5) Payments that may be charged against any appropriation made by this Act after 30 June 2021 are limited to—
 - (a) self-balancing journal entries to correct posting errors during the year ended 30 June 2021; or
 - (b) expenses incurred or payments due during the year ended 30 June 2020 for which a valid invoice was submitted before 30 June 2020, but for which a payment or payments to extinguish that liability in relation to that invoice had not been made by 30 June 2021.
- (6) The appropriations made in the Appropriation Act 2019 will lapse on 30 June 2020.
- (7) Payments that may be charged after 30 June 2020 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 2020; or
 - (b) Expenses incurred or payments due during the year ended 30 June 2020 for which a valid invoice was submitted before 30 June 2020, but for which a payment or payments to extinguish the liability in relation to that invoice had not been made by 30 June 2020.
- (8) Where in the period ended 30 June 2020, 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 2020, those appropriations will also lapse on 30 June 2020.
- (9) Payments that may be charged after 30 June 2020 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 2020; or
 - (b) expenses incurred or payments due during the year ended 30 June 2020 for which a valid invoice was submitted before 30 June 2020, but for which a payment or payments to extinguish the liability in relation to that invoice had not been made by 30 June 2020.

Schedule 1
Agency Budget Appropriations

Agency	Personnel	Operating	Administered Payments	Depreciation	Gross Current Appropriation	Trading Revenue	Net Current Appropriation
Agriculture	1,056,072	314,509	0	30,000	1,400,581	45,535	1,355,046
Audit (PERCA)	993,854	112,800	0	18,000	1,124,654	60,700	1,063,954
Business Trade and Investment Board	432,796	342,866	0	4,000	779,662	28,000	751,662
Cook Islands Investment Corporation	1,508,000	1,424,000	4,990,000	45,000	7,967,000	703,831	7,263,169
Corrective Services	1,322,576	233,381	0	30,000	1,585,957	50,000	1,535,957
Crown Law	886,784	162,791	155,000	3,000	1,207,575	0	1,207,575
Cultural Development	742,000	170,000	717,500	120,000	1,749,500	50,000	1,699,500
Education	11,562,048	2,842,691	4,682,034	620,000	19,706,773	0	19,706,773
Environment	1,070,826	201,000	422,241	30,000	1,724,067	35,000	1,689,067
Finance and Economic Management	4,862,000	817,430	77,101,748	260,000	83,041,178	383,500	82,657,678
Financial Services Development Authority	242,797	162,906	0	4,000	409,703	0	409,703
Foreign Affairs	1,897,692	823,083	15,000	45,000	2,780,775	28,000	2,752,775
Head Of State	173,969	32,867	36,000	8,000	250,836	0	250,836
Health	11,873,111	3,598,951	2,146,870	900,000	18,518,932	150,000	18,368,932
Infrastructure Cook Islands	2,399,000	440,000	3,200,000	145,000	6,184,000	300,000	5,884,000
Internal Affairs	1,257,000	255,000	3,149,437	27,000	4,688,437	0	4,688,437
<i>of which: Welfare Payments - Allowances</i>			<i>1,262,437</i>				
Justice	1,865,000	450,000	460,000	30,000	2,805,001	550,000	2,255,001
Marine Resources	1,191,000	676,000	250,000	150,000	2,267,000	28,000	2,239,000
Ombudsman	233,000	62,000	0	6,000	301,000	0	301,000
Parliamentary Services	560,000	67,000	90,000	22,000	739,000	0	739,000
Police	4,148,036	192,964	455,000	1,010,000	5,806,000	141,783	5,664,217
Prime Minister's Office	1,441,000	440,000	973,000	31,000	2,885,000	0	2,885,000
Public Service Commission	377,000	158,000	1,741,645	15,000	2,291,645	0	2,291,645
Cook Islands Seabed Minerals Authority	340,000	310,000	130,000	9,500	789,500	0	789,500
Tourism Corporation	1,919,000	2,013,000	4,500,000	48,000	8,480,000	20,000	8,460,000
Transport	1,011,000	174,000	0	51,000	1,236,000	22,000	1,214,000
Total Ministries, Crown & Statutory Agencies	55,365,561	16,477,237	105,215,475	3,661,500	180,719,773	2,596,349	178,123,424
Ministerial Support							
Prime Minister	351,696	109,773	0	21,100	482,569	0	482,569
Deputy Prime Minister	270,784	84,574	0	22,642	378,000	0	378,000
Minister George Angene	164,000	132,000	0	12,000	308,000	0	308,000
Minister Robert Tapaitau	188,901	109,509	0	9,590	308,000	0	308,000
Minister Vaine Mokoroa	217,500	85,000	0	5,500	308,000	0	308,000
Minister Vainetutai Toki-Brown	181,000	115,838	0	11,162	308,000	0	308,000
7th Minister Office	0	0	0	0	0	0	0
Leader Of Opposition	115,160	186,040	0	6,800	308,000	0	308,000
Total Ministerial Support Offices	1,489,041	822,734	0	88,794	2,400,569	0	2,400,569

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Agency	Personnel	Operating	Administered Payments	Depreciation	Gross Current Appropriation	Trading Revenue	Net Current Appropriation
Outer Islands							
Aitutaki	1,229,593	389,305	0	480,000	2,098,898	67,828	2,031,070
Atiu	869,409	430,815	0	430,000	1,730,224	224,318	1,505,906
Mangaia	948,834	583,583	0	210,000	1,742,417	301,000	1,441,417
Manihiki	728,541	149,672	0	460,000	1,338,213	119,000	1,219,213
Mauke	796,787	214,643	0	380,000	1,391,430	113,853	1,277,577
Mitiaro	693,131	74,562	0	93,000	860,693	60,900	799,793
Palmerston	282,091	65,001	0	80,000	427,092	20,500	406,592
Penrhyn	645,527	164,792	0	180,000	990,319	74,000	916,319
Pukapuka-Nassau	892,715	141,754	0	215,000	1,249,469	73,695	1,175,774
Rakahanga	414,862	58,844	0	82,000	555,706	52,000	503,706
Total Outer Islands	7,501,490	2,272,971	0	2,610,000	12,384,461	1,107,094	11,277,367
Gross Total	64,356,092	19,572,942	105,215,475	6,360,294	195,504,804	3,703,443	191,801,361

Schedule 2

PAYMENTS ON BEHALF OF THE CROWN (POBOCs)

Administering Ministry	POBOC	2019/20 Supplementary Estimate	2020/21 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	338,420
Compensation of Employees POBOCs		3,487,881	3,477,881
Use of Goods and Services			
Audit	Audit Fees	95,600	95,600
Prime Minister's Office	Local Government Election	30,000	24,000
Parliamentary Services	Civil List - Constituency Visits	200,200	170,200
Parliamentary Services	Parliamentary Sitting Expenses	332,904	150,000
Parliamentary Services	QR Travel and Allowances (local and overseas)	109,000	109,000
Parliamentary Services	MP Travel and Allowances (local and overseas)	541,000	341,000
Foreign Affairs	International Maritime Organisation - Maritime Cook Islands	63,461	63,461
Transport	Maritime Radio Coverage	0	79,000
Use of Goods and Services POBOCs		1,372,165	1,032,261
Subsidies			
Cook Islands Investment Corporation	Airport Authority subsidy	2,047,997	3,047,997
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	380,000	0
Cook Islands Investment Corporation	Te Mana Uira o Araura - subsidy	0	500,000
Subsidies POBOCs		2,666,096	3,786,096
Social Assistance			
Internal Affairs	Welfare Payments	19,689,535	20,007,261
Social Assistance POBOCs		19,689,535	20,007,261
Other Expense			
Finance & Economic Management	Pacific Catastrophe Risk Insurance	120,694	160,000
Finance & Economic Management	CIG Insurance	100,000	180,000
Finance & Economic Management	BEPS Subscription	35,000	35,000
Foreign Affairs	International Subscriptions	687,967	890,000
Other Expenses POBOCs		943,661	1,265,000
Grand Total		28,159,338	29,568,499

Schedule 3

Cook Islands Capital Spending

	2019/20 Supplementary Estimate	2020/21 Budget Estimate
Cook Islands Government Capital programs	50,153,924	42,418,807
Total Capital spending	50,153,924	42,418,807

Schedule 4
Official Development Assistance¹

	2019/20 Supplementary Estimate	2020/21 Budget Estimate
Operating or recurrent expenditure	9,629,446	23,770,968
Capital Project Expenditure	47,859,991	37,782,105
Total Official Development Assistance	57,489,437	61,553,073

Schedule 5a
Other Expenses and Financing Transactions

Category of Expense	2019/20 Supplementary Estimate	2020/21 Budget Estimate
Contingency Funds - Operating	850,000	100,000
Crown Infrastructure Depreciation	4,602,500	4,602,500
Transfer to Emergency Response Trust Fund	50,000	50,000
Advanced Subsidiaries - Avaroa Cable Ltd	17,282,000	8,052,000
Depreciation Contingency Fund	2,173,580	2,173,580
Total Other Expenses	24,958,080	14,978,080

Schedule 5b
Loan Repayment Fund (LRF) Appropriations

Category of Appropriation	2019/20 Supplementary Estimate	2020/21 Budget Estimate
Contribution to LRF - Principal	6,588,000	0
Contribution to LRF - Interest	2,408,000	0
Total Contribution to LRF	8,996,000	0

Summary

Category of Payment	2019/20 Supplementary Estimate	2020/21 Budget Estimate
Schedule 1 - Ministry Outputs (Gross Operating)	166,578,875	195,504,804
Schedule 2 - POBOCs	28,159,338	29,568,499
Schedule 3 - CIG Capital Expenditure	50,153,924	42,418,807
Schedule 4 - Official Development Assistance	57,489,437	61,553,073
Schedule 5a - Other Expenses and Financing Transactions	24,958,080	14,978,080
Schedule 5b - Loan Reserve Fund Appropriations	8,996,000	0
TOTAL APPROPRIATION	336,335,654	344,023,263

This Act is administered by the Ministry of Finance and Economic Management.
Printed under the authority of the Cook Islands Parliament—2020

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