



**Cook Islands  
Investment Corporation**



# **Te au Akanoono'anga no te Manakonako'anga o te taokotai'anga**

**STATEMENT OF CORPORATE INTENT**

**2020 - 2024**

*“Effective & Efficient Public Assets that improve  
the wellbeing of the Cook Islands people”*

All photos credited to: Amber Numanga, Mack Marona, Maxine Kokaua.  
Pukapuka photos by Ko Tinga Photography.

COVER PHOTO, located at Maire Nui reserve:

*Back from left:* **Tairi Herrmann** - CIIC, CORPORATE RELATIONSHIP  
MANAGER, **Shona Kirikava** - CIIC, HOUSING AND PROJECT OFFICER,  
**Allan Jensen** - CIIC, CFO, **Tamarii Tutangata** - CIIC, CEO, **Alexander Napa** -  
CIIC, PROJECT MANAGER, **Iona Lupena** - CIIC, BUILDING MAINTENANCE  
TRADESMAN, **Vasie Ngatoko-Poila** - CIIC, PROPERTIES MANAGER.

*Front from left:* **Liarni Purua** - ST JOSEPHS, **My'arii Hallin** - ST JOSEPHS,  
**John Tupa** - ST JOSEPHS, **Conrad Berry** - ST JOSEPHS.





**CIIC BOARD MEMBERS CELEBRATE THE LANDING OF THE AVAROA CABLE ON AITUTAKI.**  
 From left: **Michael Henry** - CIIC, CHAIRPERSON, **Honourable Henry Puna** - PRIME MINISTER,  
**Honourable Mark Brown** - DEPUTY PRIME MINISTER, **Malcolm Sword** - CIIC, DIRECTOR and **Caren Rangi**, CIIC, DIRECTOR

# PROFILE

<b>ENTITY</b>	<b>COOK ISLANDS INVESTMENT CORPORATION</b>
<b>ADDRESS</b>	MFEM BUILDING, PO BOX 51, AVARUA, RAROTONGA, COOK ISLANDS <b>p:</b> +682 29391   <b>e:</b> ciic@cookislands.gov.ck   <b>w:</b> ciiconline.com
<b>OWNERSHIP</b>	Responsible Minister, Deputy Prime Minister, Honourable Mark Brown. Crowned owned entity, established under the Cook Islands Investment Corporation Act 1998.
<b>CIIC BOARD</b>	CHAIRPERSON <b>Mr Michael Henry</b> DIRECTOR <b>Ms Caren Rangi</b> DIRECTOR <b>Mr Malcolm Sword</b>
<b>EXECUTIVE MANAGEMENT</b>	CHIEF EXECUTIVE OFFICER (CEO) <b>Mr Tamarii Tutangata</b> CHIEF FINANCIAL OFFICER (CFO) <b>Mr Allan Jensen</b>
<b>SUBSIDIARIES (100% OWNED)</b>	COOK ISLANDS GOVERNMENT PROPERTY CORPORATION AIRPORT AUTHORITY PORTS AUTHORITY TE APONGA UIRA O TUMU TE VAROVARO COOK ISLANDS BROADCASTING CORPORATION BANK OF THE COOK ISLANDS LIMITED COOK ISLANDS TELECOMMUNICATIONS HOLDINGS LIMITED COOK ISLANDS TELECOMMUNICATION ASSETS LIMITED TE MANA UIRA O ARAURA, AITUTAKI POWER SUPPLY LIMITED TO TATOU VAI LIMITED AVAROA CABLES LIMITED SUWARROW DEVELOPMENT CORPORATION LIMITED DEVELOPMENT FINANCE LIMITED
<b>ASSOCIATES</b>	CIIC SEABED RESOURCES LIMITED / 50% OWNED TELECOM COOK ISLANDS LIMITED (VODAFONE) / 40% OWNED

# FOREWORD

## MESSAGE FROM OUR CHAIR

On behalf of the Board, management and staff of the Cook Islands Investment Corporation (CIIC), I am pleased to present our Statement of Corporate Intent (SCI) for the next four years to 30 June 2024. This is an important document for CIIC and for the organisations in our group, as it sets out our intentions for carrying out our role and responsibilities to best meet the needs of the people of the Cook Islands.

This SCI is driven by our vision for “effective and efficient public assets that improve the wellbeing of Cook Islands people”. Those public assets which include our key utilities such as the Port, Airport, water and power are currently worth at least \$370 million, and are forecast to grow in value to \$633 million over the next four years. However, we also note that the impact of the current global pandemic crisis means that we are operating in an unprecedented period of uncertainty, so we will be moving ahead with cautious optimism, always with the view of putting the interests of our Cook Islands people first.

Over the next four years we will be continuing to focus on strengthening the governance of our Crown enterprises, as well the effective management and development of all Crown assets. Alongside this work we will also continue to support all organisations in our group to meet their community service obligations alongside achieving commercial success. This SCI is our “navigation chart” for how we intend to carry out our work, and the basis on which we are prepared to be held accountable.

On behalf of my fellow Directors Malcolm Sword and Caren Rangī, we wish to thank our Chief Executive Tamari’i Tutangata, and our Chief Finance Officer Allan Jensen and our CIIC team for their work in compiling this document and the contribution they make everyday for the people of the Cook Islands.

*Kia orana, e kia manuia*

**Michael Henry**  
Chair, Cook Islands Investment Corporation

# ACKNOWLEDGEMENT

This STATEMENT OF CORPORATE INTENT has been prepared for the Government of the Cook Islands, approved by the CIIC Board of Directors, facilitated by CIIC, overseen by the Board of Directors, Tamarii Tutangata, Allan Jensen, Tairi Herrmann, Ruanoo Mose Kavana and the Management Team. SCI’s Design and Layout by Maxine Kokaua. Content has also been contributed by CIIC’s entities; the Airport Authority, Avaroa Cable, Bank of the Cook Islands, the Ports Authority, Te Aponga Uira, Te Mana Uira o Araura and To Tatou Vai.

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# RECENT MILESTONES

*A sample of our recent milestones and achievements:*

## Corporate Governance

CIIC's corporate governance has been reinvigorated over the last 12 months with the completion of the following workstreams from the CIIC team; a revised corporate governance policy, legislative changes (amendments to the CIIC, Airport Authority, Bank of the Cook Islands, Ports Authority and Te Aponga Uira Acts), the release of a formal director expression of interest programme including an online registration of interest portal, a robust appointment and induction regime to proactively manage director tenures, continuation of the professional director training programme, refreshing and improvement of entities' statement of corporate intents, strengthening of risk management practices, continuation of periodic CIIC Board deep dive sessions with its entities and the completion of the rollout of best practice corporate governance tools such as the Group Board governance portal, Diligent Boardbooks.

## Completion of Long Term Plans

Over the last 12 months, CIIC's Government Facility Development Division (GFDD) completed a number of long term master plans relating to flagship infrastructure projects, in Rarotonga and Aitutaki. This includes the Vaikapuangi Central Government Hub Plan, the Avarua Town Plan (including the Punanganui Market Master Plan), the Nikao Social Centre Plan and the Aitutaki Island Plan / Te Papa Tau o Araura.

Each plan involved the meticulous coordination with a myriad of engineers, consultants, planners and specialists. These plans also involved extensive engagement and collaboration with respective communities and stakeholders. These plans position the nation well into the future, to allow these initiatives to be implemented in a proactive, coordinated and cohesive manner, which is subject to finalization of staged funding streams from Government, Development Partners and the private sector.

## Support to SOEs and Economy Amidst Covid-19

As the COVID-19 spread around the World, with its profound effect on the Cook Islands economy, the CIIC Group focused on managing its entities effectively and providing reassurance to the public, that essential public services would continue and various support initiatives were developed to assist the Cook Islands public and businesses. Directors and management of the CIIC Group collaborated extensively over this period and continue to do so, and provided tangible support to the Nation including rent relief, discounted power and loan repayment holidays.

## Seabed Minerals

CIIC is an active participant and has funded many workstreams of the Cook Islands Government Deep Sea Minerals (DSM) Working Group (WG). The DSM WG is comprised up of a collective of key Government agencies. Over the last 12 months, the DSM WG coordinated the passing of updated legislation, refreshed policy and regulations and other key sector workstreams to advance the sector. During the last 12 months, CIIC's joint venture, CIIC Seabed Resources, completed a successful research expedition within the Cook Islands Exclusive Economic Zone (EEZ) and appointed its inaugural General Manager, Eusenio Fatialofa.

## Land Reviews

CIIC continues to resolve many intricate and long outstanding land matters, predominately land rent reviews on Rarotonga and Aitutaki, and continues to resolve complex Te Mato Vai land tenure issues, which is near completion. A significant milestone for the CIIC Group occurred in the 2019 calendar year with its Group auditor, KPMG, removing the longstanding audit qualification (since 1998) for CIIC and Cook Islands Government Property Corporation (CIGPC) in relation to its Crown land lease obligations in its year-end financial statements audits. The auditors now have confidence that the records of the CIIC Group in relation to its various lands held by warrant or lease, are materially complete and accurate.

## Support to our SOEs

CIIC continued to support and enable our entities to achieve their organisation's visions and objectives, by effectively partnering, coordinating and promoting a broad group wide approach to key issues. Such support included assisting those entities in the development phase (such as the newly formed Te Mana Uira o Araura [TMU], To Tatou Vai [TTV] and Avaroa Cable [ACL] entities), coordination with Government and Development Partners on funding requirements, strategic long term planning, group procurement programmes (including insurances) and training initiatives.

## Nukutere College Stage 1

CIIC project managed and coordinated Government's assistance for the Nukutere College Rebuild Project, opened in 2018. In 2013, Nukutere College unfortunately suffered an arson attack which claimed an entire classroom building comprising of 4 classrooms and a science laboratory.

The Nukutere College Rebuild Project comprised of 1 new building containing 3 classrooms and a science lab, covering a footprint of approximately 460m<sup>2</sup>. The new building included associated plumbing, electrical, and data communications services. The rooms contain resource storage units, and work benches in the science lab.

## Renewable Energy

CIIC and its electricity utility entities, Te Aponga Uira (TAU) and Te Mana Uira o Araura (TMU) supports the National aspiration to achieve 100% renewable energy and has significantly invested in the solar Photovoltaic (PV) systems and Battery Energy Storage System (BESS) in collaboration with the Office of the Prime Minister (OPM) Renewable Energy Development Division (REDD). In June 2019, the TMU Stage 1 Renewable Energy project was completed resulting in 25% of Aitutaki power now being generated from solar energy. TAU has recently completed a significant BESS investment at the Rarotonga airport. TAU has also commenced a technical feasibility study to increase its renewable energy generation and storage in a staged manner over the next 24 months. TAU continues to support the Pa Enua electricity infrastructure through the provision of technical advice and training to Island Governments who provide electricity services in the Pa Enua.

**MANATUA CABLE LANDING IN AITUTAKI, DEC 2019**

From left: **Ranulf Scarbrough** - ACL, CEO, **Tatiana Burn** - ACL, CHAIRPERSON  
**Honourable Mark Brown** - DEPUTY PRIME MINISTER, **Honourable Henry Puna** - PRIME MINISTER  
**HIS WORSHIP Tekura Bishop** - MAYOR OF AITUTAKI



# UPCOMING MILESTONES

*A sample of our upcoming milestones and achievements*

## **Asset Management**

A key focus in the next 12 months is establishing a project steering group that will provide oversight and increased awareness of the Asset Management programme across Government. In addition the establishment of the Asset Management Unit as the primary implementing unit of the project, to support the rollout of the Asset Management Programme across Government.

## **Continued support amidst COVID-19**

The CIIC Group will continue to work together to develop and implement various initiatives to support households and businesses during these unprecedented times as a result of the COVID-19 pandemic. The CIIC Group will continue to work with Government, private industry and the wider community to provide support and stimulus to the Cook Islands economy, including identifying and implementing various capital infrastructure projects.

## **To Tatou Vai**

It is expected that Te Mato Vai will hand over all water assets to the To Tatou Vai (TTV) by December 2020. This will be challenging yet exciting milestone. TTV will also commence the final Rarotonga north eastern 20km sub and branch main pipe project, as scoped under the TMV Project. There are also plans to upgrade the water station networks, various tanks and reservoirs across Rarotonga, to commence the water meter project and adoption of approved water treatment protocols by Cabinet.

## **3 Building Repair Programme**

The Ministry of Justice Building, the National Police Headquarters and the Indoor Sports Arena (formerly known as the Telecom Sports Arena) were constructed in 2004, 2006 and 2009 respectively, by way of grant and concessional loans from the People's Republic of China (PRC). It has been clear for some time that significant works need to be undertaken across these facilities. This improvement programme has commenced and is projected to be completed by 2021.

## **Punanga Nui Market Improvements**

There are many improvements planned in the near future for one of the country's key landmarks and tourist attraction, the Punanga Nui Market (PNM). These improvements are centered on improving the PNM customer experience including roadways, walkways, facilities and public conveniences. The longer term plan for the PNM includes the design of a new Farmers Produce Centre.

## **Submarine Cable**

The Manatua cable is a key asset designed to provide affordable, fast, resilient and reliable telecommunications in Aitutaki and Rarotonga for at least 25 years. The submarine cable is now live with customer onboarding occurring in mid 2020. ACL will collaborate with a range of stakeholders to maximize the benefit of the Manatua Cable in the Cook Islands.







Cook Islands Police Headquarters. From left: **Rita Munokoa** - COOK ISLANDS POLICE, CONSTABLE, **Amber Numanga** - CIIC, EXECUTIVE ASSISTANT, **Elena Mataora** - CIIC, ASSET MANAGEMENT AND PROPERTIES OFFICER

# PURPOSE

We believe our SCI is a living document and critical in our day to day work. Our Statement of Corporate Intent (SCI) outlines the driving vision for the Cook Islands Investment Corporation (CIIC/the Corporation), our mission, priorities and strategic objectives for the next four years. The SCI is a document required to be submitted and approved

annually by Cabinet as outlined under the Cook Islands Investment Corporation Act. It is also a document for the Cook Islands people and our stakeholders to understand what we have been doing (in the last year), what we are planning to do (over the next four years) and what our priorities are including key performance areas.

# VISION

*The vision that we aspire to is:*

***Ta'anga'anga e te akono tau tikai i te au apinga puapinga a te katoatoa no te akameitaki'anga i te ora'anga o te iti tangata Kuki Airani.***

***“Effective and efficient public assets that improve the wellbeing of Cook Islands people”.***

When we refer to efficient and effective in our vision we mean the Corporation being well managed and operated consistent with modern commercial and good governance practices and principles.

When we refer to public assets in our vision we refer to land, properties, infrastructure and utilities that are owned by Crown, for the benefit of the Cook Islands people.

CIIC intends to undertake during the current calendar year, wide engagement on its SCI.

CIIC's vision has a very wide remit, therefore has a vast scope of responsibilities and contributes in a number of ways to the National vision and development plan.

*In achieving our vision CIIC separates our business into three equally important elements or functions, as outlined below, with their respective purpose:*

- 1) Crown Enterprises:** Lead governance, oversight and development of Crown enterprises for the effective delivery of services to the Public and ensuring the sustainable improvement of the standard of living for all Cook Islanders, and
- 2) Asset Management:** Lead the effective management, development and maintenance of Crown assets for the effective delivery of services to the Public and ensuring the sustainable improvement of the standard of living for all Cook Islanders
- 3) Support the responsible Minister, Cabinet, Board of Directors, Directors, Management and staff across the Group to effectively govern and manage across the Group for the effective delivery of services to the Public and ensuring the sustainable improvement of the standard of living for all Cook Islanders**

# DELIVERING FOR THE COOK ISLANDS

We are proud to present the Cook Islands Investment Corporation (CIIC) Statement of Corporate Intent (SCI). The CIIC SCI covers the period from July 2020 through to June 2024.

The SCI provides the organisation's strategy, vision, achievements, financial targets and key performance areas.

The SCI shares with you the many accomplishments that CIIC has achieved in recent times, including advancements of the Corporation's governance of its Crown entities, its support to its entities, the completion of a number of long term master plans, including the Avarua Town plan and the Vaikapuangi centralized hub, the management of the Nukutere College rebuild project and the implementation and support of various renewable energy initiatives. These initiatives and projects will ensure our assets are well equipped to deliver benefits and serve the Cook Islands for many generations to come. In addition to these initiatives and projects the organization has delivered,

the CIIC Group has delivered unprecedented support to the nation amidst the challenges from the COVID-19 pandemic, including rent relief, discounted power and loan repayment holidays.

The SCI shares with you the CIIC and the Group plans for the future, including finality of the nationwide asset management programme, delivering potable water to Rarotonga, operationalisation of Rarotonga's and Aitutaki's fibre optic infrastructure and continued support to the nation to assist with the challenges from the COVID-19 pandemic. The plan is to continue to strengthen and realign the Corporation into the future to meet the numerous challenges and capitalize on the opportunities for the Cook Islands. E tau te rave angaanga i tana tutaki. If you work hard you will be rewarded. The Corporation and the Group are ready to achieve what has been outlined in this SCI and to deliver for the Cook Islands.

KIA ORANA E KIA MANUIA.





**TO TATOU VAI - AVATIU INTAKE.**  
From left: Allan Jensen - CIIC, CFO, Tairi Herrmann - CIIC, CORPORATE RELATIONSHIP MANAGER, Gregory Longman - TTV, CEO

# OUR CONTRIBUTION TO GOVERNMENT PRIORITIES

The CIIC Group has a vast scope of responsibilities with technical ownership of all crown assets and contributing to national development across a number of areas.

**The 2020 National Vision is:**

*“Te oraanga tu rangatira kia tau ki te anoano o te iti tangata, e kia tau ki ta tatou peu Maori e te aotini taporoporoia o te basileia.”*

*“To enjoy the highest quality of life consistent with the aspirations of our people, and in harmony with our culture and environment.”*

The National Sustainable Development Plan (NSDP) is developed from the 2020 National Vision. The NSDP sets out 16 dimensions of the country's development and provides an outline to measure state progress, with the NSDP goals used as an organizing tool in defining what is important to Cook Islanders.

**The NSDP Goals to which the CIIC contribute directly are:**



**GOAL 1: IMPROVING WELFARE AND REDUCING ECONOMIC HARDSHIP**

CIIC provides public housing often to families that the market does not provide to and fills an important role in providing housing for Cook Islanders.



**GOAL 2: ECONOMIC GROWTH, RESILIENCE AND PRODUCTIVE EMPLOYMENT**

The successful delivery of services by our SOE's such as Ports, Airport, TAU and TMU are crucial in the growth and development of the economy.



**GOAL 4: WATER AND SANITATION**

CIIC are responsible for the establishment of a corporate crown entity that will manage reticulated water and waste water.



**GOAL 5: INFRASTRUCTURE AND INFORMATION AND COMMUNICATION TECHNOLOGY**

CIIC houses the secretariat for the infrastructure committee and is also responsible for the establishment of a State Owned Enterprise to manage the submarine fiber optic cable.



**GOAL 6: ENERGY AND TRANSPORT**

CIIC is the parent company for both TAU and TMU and working closely with them in efforts to maximize renewable energy conservation.



**GOAL 12: OCEANS AND MARINE RESOURCES**

By way of the Cook Islands Government Property Corporation Act 1969, CIIC are owners of the marine resource. As such we sit on the Marae Moana council and ensuring the regulatory framework for deep Sea mineral mining is developed and optimized to reflect the best long term interests of the Cook Islands.



**GOAL 13: CLIMATE CHANGE AND DISASTER RESILIENCE**

CIIC has responsibility for the maintenance of government buildings and facilities throughout the Cook Islands as well as being a focal point for government's asset management system. Thus CIIC works to ensure that government facilities and assets are accounted for and are resilient to support Cook Islands communities against the impacts of climate change.



**GOAL 16: GOVERNANCE, LAW AND ORDER**

CIIC is responsible for the governance of state owned enterprises and corporate crown entities. This means ensuring entities act in accordance with government policy and putting in place policies and procedures to ensure these entities are effectively managed and act in the best long term interest of the country.



# SOCIO-ECONOMIC SETTING

The CIIC Group owns and manages key public infrastructure to support the economy and its largest industry, tourism makes up 67% of the nation's GDP which including the nations gateways (airports and ports), as well as essential public utilities, including power and water.

***As a result of the historic growth over the last two decades, the Government, and in some cases in conjunction with development partners, have undertaken an expansive infrastructure development program, which includes:***

- Various key strategic Government building projects
- Te Mato Vai Project (started in 2012)
- National Renewable Energy Program
- Manatua Submarine Fibre Optic Cable
- Mei Te Vai Ki Te Vai (Muri/Rarotonga Sanitation) Project

***CIIC plays a critical role across these expansive infrastructure projects, including:***

1. The development and design of these projects, participating in the project steering groups and ensuring that infrastructure is designed and built in line with international best practice, and;
2. Establishing statutory entities to operate and effectively managing these infrastructure projects once they are complete, to provide high quality and a sustainable service to the public.

In early 2020, the World has been dealing with the far reaching ramifications of the COVID-19 pandemic which has momentarily disrupted the global economy. Uncertainty prevails at the time of finalizing our SCI in terms of the duration of the COVID-19 pandemic's impacts.

The Cook Islands Government and the CIIC Group have been proactive in mitigating the effects of the pandemic by supporting the Cook Islands economy through a robust and thorough Economic Response Plan. The CIIC Group also plays a key role in ensuring its entities continue to provide essential services to the Cook Islands public. In addition bringing forward capital infrastructure projects to create economic stimulus which will ensure the local industry continues to thrive and provide additional employment opportunities.

CIIC also plays a key role in managing Crown enterprises. CIIC has been active in developing the seabed minerals sector with other Government agencies. In 2016, CIIC incorporated a joint venture company to manage some of its interests in the seabed minerals sector. Amidst the pandemic, it has become more evident that the diversification of the economy is critical, and the seabed minerals sector is considered a future strategic sector, which could be developed to provide economic diversification and growth.



# OPERATING ENVIRONMENT

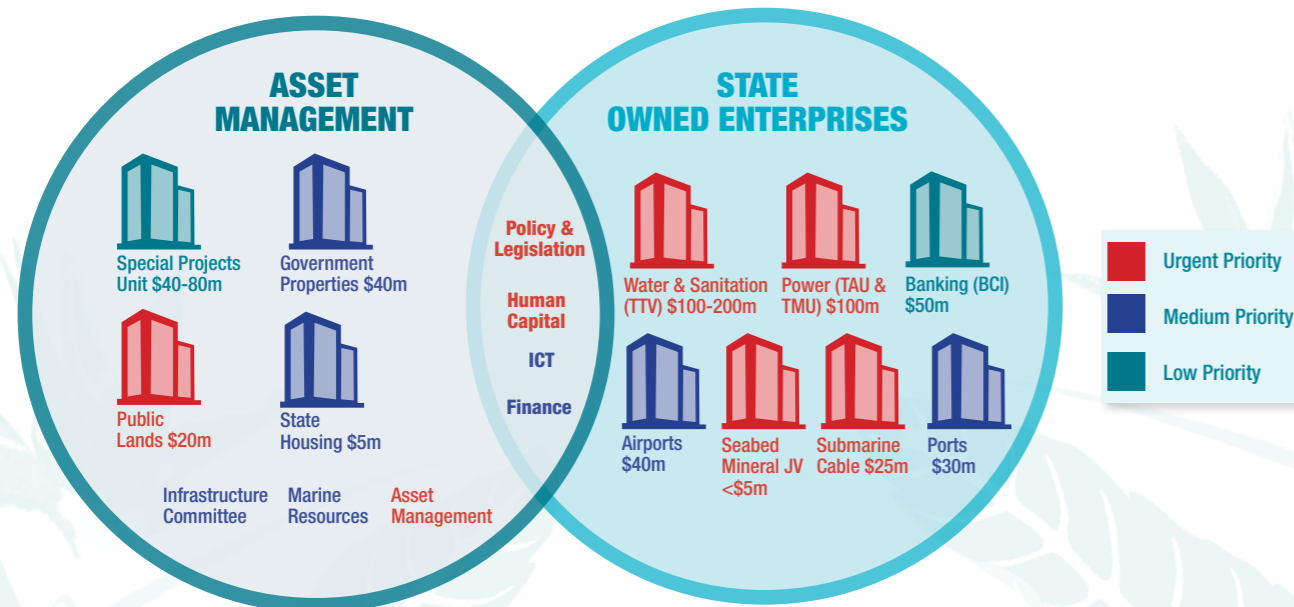
CIIC is a statutory Corporation of the Cook Islands Government. CIIC was established through the Cook Islands Investment Corporation Act 1998 to manage Crown assets including Government land, buildings and interests on Rarotonga and the Pa Enua (outer islands), and governance of Crown enterprises (subsidiaries, associates, SOEs and Crown Controlled Entities) on behalf of the Crown.

CIIC's vision (effective and efficient public assets that improve the wellbeing of Cook Islands people) has a very wide remit, therefore has a vast scope of responsibilities and contributes in a number of ways to the National vision and national development sustainable plan.

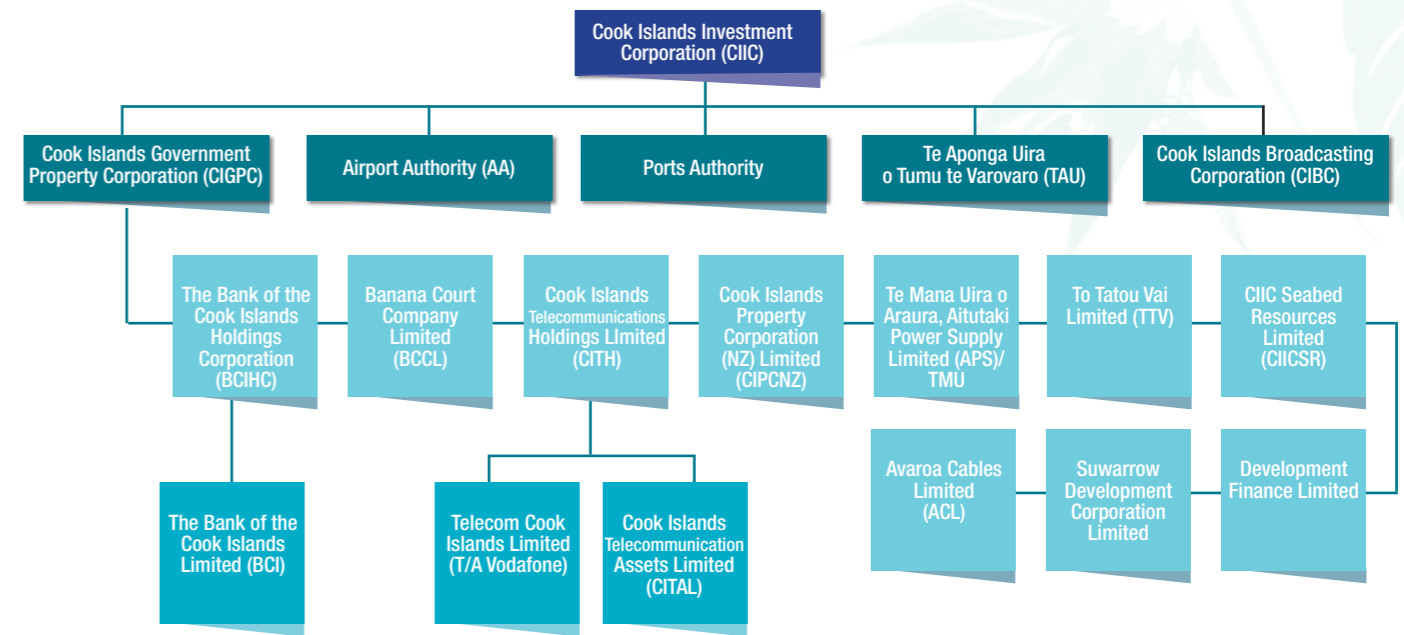
### CIIC's vast scope of responsibility includes:

1. Crown and leased land, Government houses and buildings,
2. The Ports and Airports of Rarotonga and Aitutaki,
3. Te Aponga Uira Power Authority and Te Mana Uira o Araura,
4. Bank of the Cook Islands,
5. Investments in reticulated Water and Sanitation,
6. Avaroa Cable,
7. Punanga Nui Market; and
8. Seabed mineral assets.

The below CIIC Group constellation is a good illustration of CIIC's vast responsibilities and includes its three main functional areas, shared functions and priorities:

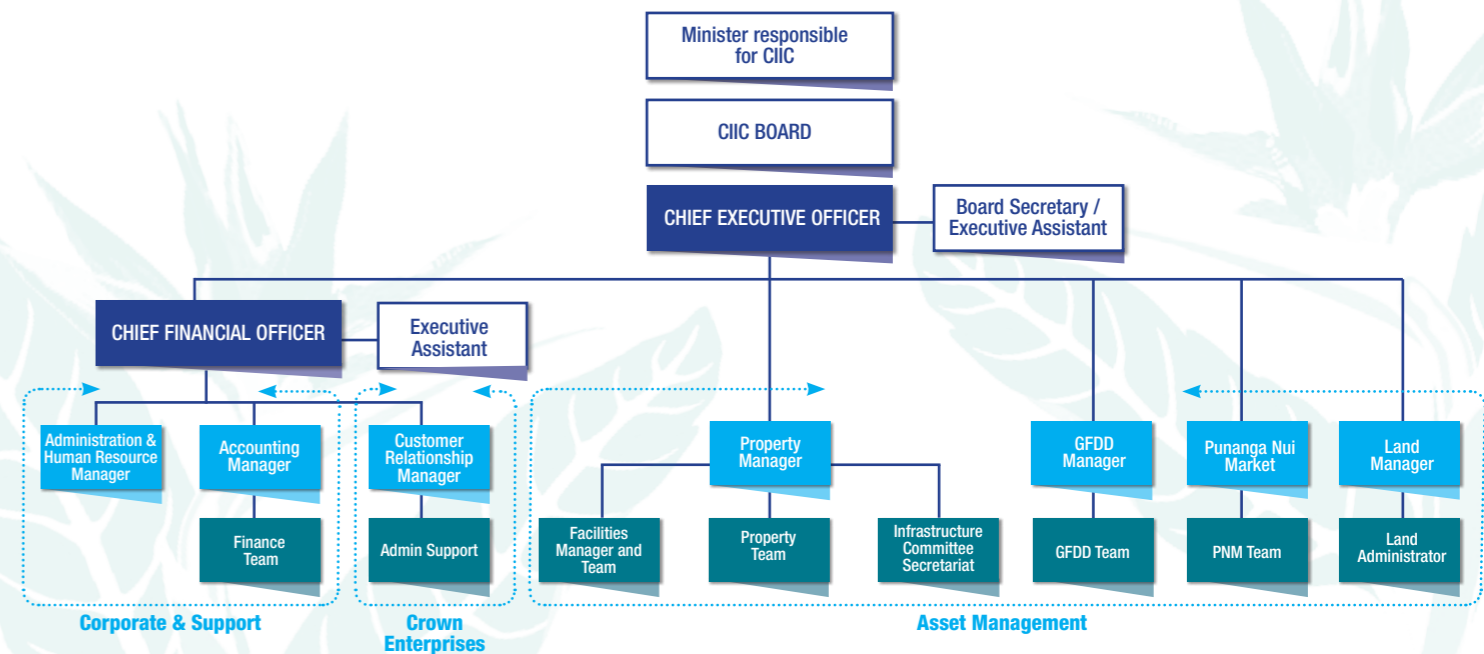


The CIIC Group contains a vast number of entities (a total of 18), delivering its vision. The below Organization Chart outlines these various entities (subsidiaries, associates, SOEs and Crown Controlled Entities) across the CIIC Group:



The Minister responsible for the Cook Islands Investment Corporation is the Deputy Prime Minister, the Honourable Mark Brown. The Directors of CIIC are appointed by Cabinet and comprises of Mr Michael Henry (Chair), Director Mr Malcolm Sword and Director Ms Caren Rangī. With the recent adoption of the CIIC Group Corporate Governance Policy and amendments to the Cook Island Investment Corporation Act and various SOE Acts in 2019, requiring a standardized approach to corporate governance arrangements across the Group including requirements of Director numbers and composition, Cabinet will be appointing additional Directors to the CIIC Board so that the Board is made up of between 5 and 7 Directors. All CIIC entities' Board Chairs and members are appointed and administered by CIIC, other than the Directors of the Cook Islands Government Property Corporation (CIGPC), which is comprised of current Cabinet members as specifically prescribed under that entity's legislation.

The below organizational chart outlines the human resources employed to fulfill CIIC's responsibilities. The Chief Executive Officer (CEO) is Tamarii Tutangata, who reports to the CIIC Board and has overall operational responsibility for the Corporation. Tamarii is assisted by Allan Jensen the Chief Financial Officer (CFO), who also has delegated authority for oversight of the Crown Enterprise division and together with Tamarii form the Executive of the Corporation.



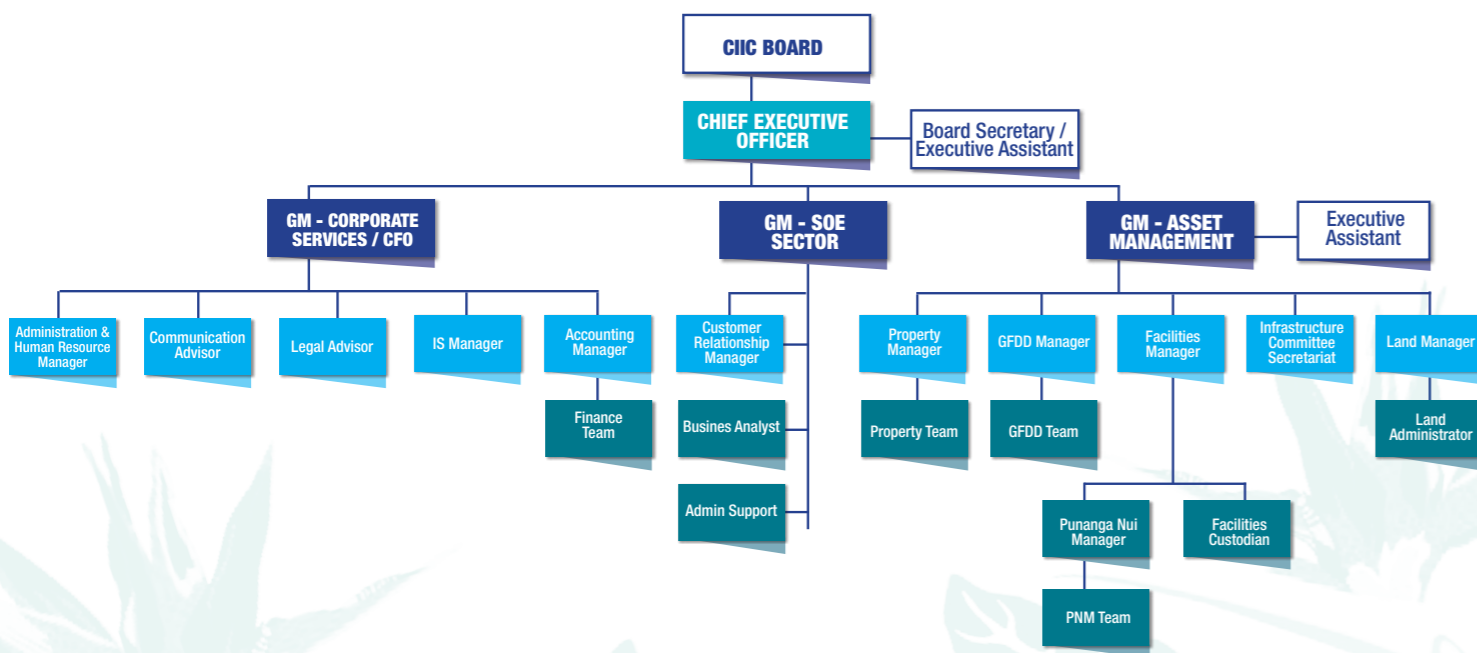
The Crown Enterprise division of the business is led by the CFO, Allan Jensen. The division is responsible for governance, growth and development (incubation) of Crown enterprises and is resourced by the Corporate Relationship Manager and support team.

The Asset Management division of the business is led by the CEO, Tamarii Tutangata. The division is responsible for asset management of CIIC (Crown land, seas, properties and housing). The Property Team is responsible for maintenance of Crown buildings and facilities management. The Property Team also contains the Asset Management Team (responsible for implementing the newcross Government Asset Management framework), the Infrastructure Committee Secretariat and the Facilities Management Team (responsible for the BCI Stadium, TSA Indoor Arena and other Rarotonga parks, reserves and facilities). The Government Facility Development Division (GFDD) is responsible for the development (design and build) of selected Crown infrastructure projects. The Punanga Nui Market Team is responsible for the management of the Punanga Nui market. The Land/Legal Team is responsible for legal matters of Crown land and the enterprise.

The Shared Services division of the business is led by the CFO, Allan Jensen. The division is responsible for supporting the Minister, Board, Management and both the Crown Enterprise and Asset Management divisions. The division is resourced with a Finance, Administration and Human Resources Team.

The CIIC Board is currently reviewing its organizational staff structure, to strengthen the organization across its Crown Enterprise, Asset Management and Shared Services divisions. The CIIC Board believe that this new orientation and investment is crucial and its growing responsibilities will allow the organisation to be proactive in responding to the numerous and significant adaptive challenges.

The below organizational chart outlines the optimal structure and human resources employed by the organization to fulfill CIIC's responsibilities. The optimal structure has the CEO supported by three General Managers, each heading the Corporation's three divisions; Crown Enterprises, Asset Management and Corporate Support. The optimal structure includes strengthening the next tier / management level, with the creation of a number of new management positions. As a result of the COVID-19 pandemic, the creation of the new structure will be paused, though it is the Board's intention that this new structure is implemented in the near future.



CIIC operates a robust risk management system. The Board schedules on its detailed annual workplan an organizational risk deep dive session quarterly. This is undertaken at a Parent organizational level and a Group level.

Risks are measured according to its likelihood and severity. The below diagram illustrates the risk rating methodology. CIIC's key risks are illustrated in the below table

Likelihood	CONSEQUENCES					RISK	RATINGS
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5		
Almost Certain 5	5	10	15	20	25	Broad functions of CIIC & priorities there of	High
Likely 4	4	8	12	18	20	Natural disasters	High
Possible 3	3	6	9	12	18	Low/Mid lasting COVID-19 impacts	High
Unlikely 2	2	4	6	8	10	Parent Funding from Government	High
Rare 1	1	3	3	4	5	Political stability	Significant
						Inter-group and inter-division alignment	Significant
						Human resource	Significant
						Access to debt funding for growth	Significant
						Economic downturn	Significant

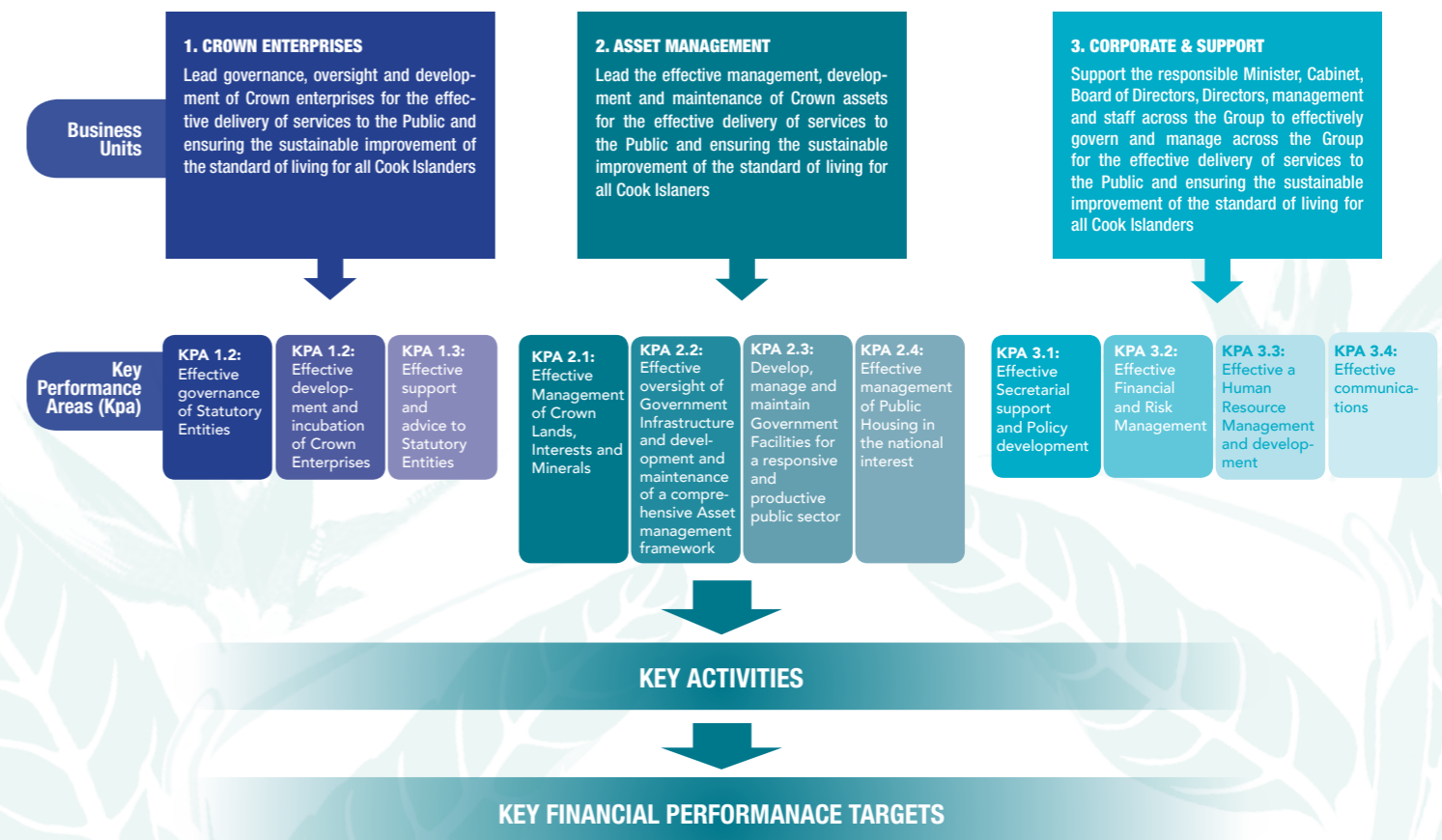
Work is being undertaken to ensure that a robust and effective risk culture is embedded across all levels across the Group and organization. An example of this is that CIIC formalized recently that all Crown enterprises are required to provide to the CIIC Board quarterly risk management reports which featured as part of the changes to the amendments of legislation in late 2019.

The relationship between the Government's NSDP goals, CIIC's strategy, key performance areas and key financial performance targets is illustrated in the diagram below:



### CIIC VISION

"Effective and efficient public assets that improve the wellbeing of the Cook Islands People"



# FINANCIAL FORECAST

The CIIC Group's financial performance targets are aligned to its strategy. The CIIC Group vision is to contribute to the "effective and efficient public assets that improve the wellbeing of Cook Islands people." The financial performance targets therefore centre on achieving good returns for its activities (return on equity), coupled with providing wider benefits to the community (community service costs as a % of revenue) and prudent fiscal management (debt to assets). The financial performance targets also align to the entities across the Group.

**The key financial performance targets of the CIIC Group are as follows:**

Group	Note	2018 Actual	2019 Actual	2020 Forecast	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Return on equity	1	5.6%	5.8%	3.1%	-0.3%	1.3%	2.3%	3.1%
CSC / revenue %	2	4%	4%	8%	12%	>5%	>5%	>5%
Debt to assets	3	35%	32%	<32%	<30%	<30%	<30%	<30%

**The above table shows that:**

- In recent years, (as illustrated in the above table in the 2018 and 2019 years), the CIIC Group has delivered solid and steady profits (returns) and cash flows, while continuing to provide community services at its own cost and investing in critical infrastructure for the Cook Islands. Late in the 2020 year, the COVID-19 coronavirus spread around the World and its effects at the time of completing the SCI continue to have a profound effect on the global and Cook Islands economy, with uncertainty on the timing of a recovery. This is reflected in the group forecasted earnings in the 2020 and 2021 dropping significantly with a conservative and gradual return to 2019 levels in 2024/25.
- Despite the COVID-19 impact, the CIIC group has extended significant support to the community and economy, with added support in the 2020 - 2021 years including by way of electricity discounting, loan repayment holidays and rent relief (illustrated as CSC / revenue % in the above table) and expect to maintain a high level of contribution and support into the future.
- The CIIC Group's medium term financial stewardship goals is to keep debt levels under 30%, maintaining it 2020 debt levels, a pleasing forecast considering the COVID-19 landscape and the associated decrease in group earnings.

**The key financial performance targets of the CIIC Parent are as follows:**

Group	Note	2018 Actual	2019 Actual	2020 Forecast	2021 Budget	2022 Budget	2023 Budget	2024 Budget
CSC / revenue %	2	2%	3%	5%	5%	5%	5%	5%
Current ratio	4	1.1	1.3	1.1	1.0	1.0	1.0	1.0
Debtor days	5	<50	<50	<50	<50	<50	<50	<50

**The above table shows that:**

- In recent years, the CIIC Parent has delivered community services at its own cost (community service costs). CIIC Parent's medium term return goal is to maintain its existing levels of community service cost levels.
- Managed its cash reserves effectively, albeit with high level of debtor days.
- CIIC Parent's medium term financial stewardship goals are to keep its current ratio at its existing levels and to significantly improve debtor collection rates.

CIIC Group dividends to the Crown has historically been predicated on 35% of net profit after tax at an SOE level and these have been paid direct from its SOEs directly to the Crown each financial year. Recently, a policy was developed prescribing dividend parameters between CIIC and the Crown, however protocols have yet to be developed.

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**The below table shows actual and projected tentative dividends to be paid to the Crown, based on a business as usual model and conservative estimates of SOE earnings.:**

Group (000's)	Note	2018 Actual	2019 Actual	2020 Forecast	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Dividends paid to Crown		2,813	4,946	2,200	1,500	2,500	3,000	3,500

**CIIC intends to engage with the Crown about formalizing dividend protocols for the CIIC Group. It is proposed that the dividend protocol will:**

- be at a Group level,
- provide a robust earning stream to the Crown,
- optimise performance and re-investment, and
- ensure the Parent, CIIC is resourced equitably and effectively to drive the sector forward.

CIIC, through CIGPC and its SOEs and CCEs, manages a broad range of investments, properties, business operations and other assets. The acquisition and disposal of assets is part of the normal course of business of statutory corporations. CIIC will authorise the purchase of fixed assets that are required to maintain the safety standards and the sustainable operations of the corporation and its subsidiaries.

All major asset sales will be made with due regard to Part VII of the CIIC Act. Asset sales in the normal course of business are included as part of the capital expenditure budgets. CIIC recognises its obligations under section 27 of the Act and believes the intentions set out in this statement will result in full compliance with that section of the Act. There is no intention, at this point in time, to sell any assets that provide essential public services or are substantially a monopoly. In saying this however, Government does require CIIC and its entities to continuously review its operations, structures and ownerships of shares, to ensure CIIC and its Group (its operations, structure and ownership models), is fit for purpose now and into the future.

## Understanding our financial targets:

**1. Return on equity (ROE):** Illustrates the return generated from shareholder capital. The higher the percentage, the more money or value the Group generates for its shareholder, the Cook Islands Government. People will generally compare this number to what they could earn if their money was put in the bank. A 5 to 6% return may be considered reasonable when considering the nature of this Group. Firstly, the Group has key deliverables other than purely delivering a profit return, ie. the Group is expected to deliver services to the community and these costs are not recoverable. Secondly, the majority of the Group is predicated on long term infrastructure assets, generally generating lower, however a certain return level (compared to higher risk, higher return investments).

**2. Community Service Costs / revenue %:** Illustrates how much the Group gives back to the community. An important part of CIIC's functions and its Statutory Entities is to contribute back to the community. Translating the % into every \$100 can be a good descriptor to the general public for example, in 2017, for every \$100 of revenue, the CIIC Group spent \$6 towards community service costs, such as providing power for street lighting, Churches, providing outer Island banking etc.. The return on equity % should be read in conjunction with the CSC / revenue %.

**3. Current ratio:** Mainly used to give an idea of an entity's ability to pay back its liabilities (debt and accounts payable) with its assets (cash, marketable securities, inventory, and accounts receivable). As such, the

current ratio can be used to make a rough estimate of a company's financial health. A current ratio greater than 1 is considered a minimum requirement. A current ratio significantly higher than 1, may be considered not the best use of funds, as returns are usually higher on non-current assets (term investments and the like).

**4. Debt to assets:** The debt to total assets ratio is an indicator of financial leverage. It indicates the percentage of total assets that are financed by creditors, liabilities or debt. The debt to total assets ratio is calculated by dividing total liabilities by its total assets. The view of acceptable debt to assets levels vary according to company and industry. Public companies tend to favour lower levels of debt compared to private enterprise. However, utility, infrastructure organisations tend to carry large debt levels to finance high capital expenditure requirements, which are offset by reliable revenue streams.

**5. Debtor days:** Describes how quickly cash is being collected from debtors or people that owe us money. The longer it takes for a company to collect, the greater the number of debtor days. Debtor days can also be referred to as the Debtor collection period. Retail organisations typically have low debtor days (ie <15 days) as their credit terms are generally cash or 7 days. Wholesale businesses generally have debtor days of 30 - 40 days, with credit terms generally of 20th of the month following. There are improvements required to address CIIC's debtor portfolio and debtor days.





# COOK ISLANDS INVESTMENT CORPORATION STATEMENT OF CORPORATE INTENT 2020 KEY PERFORMANCE AREAS

Key Performance Areas (KPAs) are those key factors identified to realise an organisation's vision or greatly influence a business' success.

CIIC's Board and Management have identified those areas that will greatly affect CIIC's success. This section outlines CIIC's Key Performance Areas (KPAs) under each of CIIC's core functions (ie Crown Enterprises, Asset Management and Corporate / Support) and specific activities under each KPA, for CIIC to achieve its vision of "effective and efficient public assets that improve the wellbeing of Cook Islands people".

## PAST KEY PERFORMANCE AREAS

The first part of the KPA section looks at the KPAs and activities that CIIC had planned for in its previous SCI and if the organisation has completed those activities under each KPAs.

### PAST KEY PERFORMANCE AREAS FOR CROWN ENTERPRISES

<b>1.</b>	<b>The governance, incubation and development of Crown enterprises in the effective and efficient delivery of services to the Public.</b>	
<b>1.1</b>	<b>GOVERNANCE OF STATUTORY ENTITIES</b>	
	Refine CIIC and SOE Acts	Complete
	Establish director database	Complete
	Implement performance management framework	In Progress
<b>1.2</b>	<b>DEVELOPMENT AND INCUBATION OF CROWN ENTERPRISES</b>	
	Support To Tatou Vai	Complete
	Support Avaroa Cable	Complete
	Deep sea mineral business development	Complete
<b>1.3</b>	<b>SUPPORT AND ADVICE TO STATUTORY ENTITIES</b>	
	Management forums	Complete
	Procurement initiatives	Complete
	Group financial planning and policy works	Complete
<b>1.4</b>	<b>HUMAN RESOURCE MANAGEMENT</b>	
	Group HRM, rem and strategic pathway	Complete
	Group training programmes	Complete

### PAST KEY PERFORMANCE AREAS FOR ASSET MANAGEMENT

<b>2.</b>	<b>Lead the effective development and maintenance management of Crown assets thus assisting in ensuring the sustainable improvement of standard of living for all Cook Islanders</b>	
<b>2.1</b>	<b>EFFECTIVE MANAGEMENT OF CROWN LANDS</b>	
	Complete 99% of historic Rarotonga Crown land lease backlog	Complete
	Complete 75% of historic Pa Enea Crown land lease backlog	Complete
	Complete 99% of Rarotonga road corridors	In Progress
	Complete 50% of Pa Enea road corridors	In Progress
<b>2.2</b>	<b>EFFECTIVE MANAGEMENT OF THE EXCLUSIVE ECONOMIC ZONE AND INTERESTS</b>	
	Support SBM policy and legislation amendments	Complete
	SBM BD workstreams via JV company	Complete
<b>2.3</b>	<b>EFFECTIVE OVERSIGHT OF INFRASTRUCTURE</b>	
	Champion revised NIIP	Complete
	Champion long term plans under the NIIP	Complete
<b>2.4</b>	<b>DEVELOP AND MANAGE GOVERNMENT FACILITIES FOR A RESPONSIVE AND PRODUCTIVE PUBLIC SECTOR</b>	
	Complete Vaikapuangi detailed brief and design	Complete
	Progress 3 building repair programme	Complete
	Enhanced Government repair programme	In Progress
<b>2.5</b>	<b>MANAGEMENT OF PUBLIC HOUSING IN THE NATIONAL INTEREST</b>	
	Complete house renovations	Complete
	Conclude National Housing Study	In Progress
	Construction of new Housing stock - Due to no appropriation available to progress	Incomplete
<b>2.6</b>	<b>DEVELOPMENT OF A COMPREHENSIVE ASSET MANAGEMENT FRAMEWORK FOR THE ENTIRE PUBLIC SECTOR</b>	
	Conclude AM TA Stage 1	Complete/In Progress



Top left: PROJECT MANAGEMENT BOARD MEETING, Tamarii Tutangata - CIIC CEO, Garth Henderson - FINANCIAL SECRETARY and Dan-Olaf Rasmussen - Asset Management Officer. Bottom left: ATIU - ARE KAVAMANI ENUA,

Top right: PUKAPUKA HOSPITAL CONSTRUCTION, JUNE 2020, Bottom right: AITUTAKI COURT HOUSE RENOVATIONS 2020

# FUTURE KEY PERFORMANCE TARGETS

The second part of this section looks at the plan ahead, detailing the KPAs, activities and timeline over the next 4 years.

## FUTURE KEY PERFORMANCE TARGETS FOR CROWN ENTERPRISES

<b>1.</b>	<b>Lead governance, oversight and development of Crown enterprises for the effective delivery of services to the Public and ensuring the sustainable improvement of the standard of living for all Cook Islanders</b>	
<b>1.1</b>	<b>EFFECTIVE GOVERNANCE OF STATUTORY ENTITIES</b>	
	One of CIIC's core functions is the "management and control of statutory entities" as stated in the 1998 CIIC Act. CIIC aims to be proactive in the governance of these investments by creating structures and systems for the sustainable management and maintenance of these assets.	
<b>1.1a</b>	<b>BOARD AND DIRECTOR MANAGEMENT</b>	<p>2020/21</p> <ul style="list-style-type: none"> <li>Forward manage appointments 6 months in advance of term expiries</li> <li>Expand pool of directors (&gt;100), and refine director database, with skills and experience focus, to forward plan match to vacancies</li> <li>Director, Chair and Board performance review programme developed and undertaken, with annual cycle</li> </ul> <p>2021/22</p> <ul style="list-style-type: none"> <li>Chair succession and training programme</li> <li>Develop Associate director programme</li> </ul>
<b>1.1b</b>	<b>LEGISLATIVE DEVELOPMENT</b>	<p>2020/21</p> <ul style="list-style-type: none"> <li>To Tatou Vai Act</li> </ul> <p>2021/22</p> <ul style="list-style-type: none"> <li>Te Mana Uira o Araura Act</li> <li>Avaroa Cable Act</li> </ul> <p>2022/23</p> <ul style="list-style-type: none"> <li>Refresh CIIC and SOE policy and legislation</li> </ul>
<b>1.1c</b>	<b>STRATEGY MANAGEMENT</b>	<p>2020/21</p> <ul style="list-style-type: none"> <li>Embedding standardized strategy and SCI</li> <li>Effective and shared Group comms to public and stakeholders re Group and sectors strategy and plans</li> </ul> <p>2021/22</p> <ul style="list-style-type: none"> <li>Implement performance management framework programme, including group dashboards</li> </ul>

<b>1.2</b>	<b>EFFECTIVE DEVELOPMENT AND INCUBATION OF CROWN ENTERPRISES</b>	
	CIIC inherits or develops as a result of its mandate, enterprises that have evolve from new national infrastructure initiatives and priorities. Such initiatives in recent times have involved the incorporation of a water and waste water services entity, the establishment of a joint venture representing Cook Island interests in the seabed minerals sector (DSM) and the establishment of a new entity to develop and manage the new submarine fibre-optic cable. It is incumbent on CIIC that these entities are supported by CIIC during the development phase, and likewise, business development initiatives are undertaken for existing entities on large and strategic initiatives.	
<b>1.2a</b>	<b>NEW ENTITY DEVELOPMENT</b>	<p>2020/21</p> <ul style="list-style-type: none"> <li>TTV meter tariff regime</li> <li>Cable, 'seizing the opportunity' plan adoption</li> <li>Insurance captive company establishment</li> </ul> <p>2021/22</p> <ul style="list-style-type: none"> <li>TTV mandate to be extended to Aitutaki</li> <li>TTV sanitation portfolio</li> </ul>
<b>1.2b</b>	<b>BUSINESS DEVELOPMENT</b>	<p>2020/21</p> <ul style="list-style-type: none"> <li>DSM sector developments</li> <li>Develop common areas for SOEs to work together</li> </ul> <p>2021/22</p> <ul style="list-style-type: none"> <li>Development of strategic alliances to drive infrastructure across SOE portfolio</li> <li>SOE pa enua service development reach programme</li> </ul> <p>2022/23</p> <ul style="list-style-type: none"> <li>Development financing programme for development and incubation</li> </ul>
<b>1.3</b>	<b>EFFECTIVE SUPPORT AND ADVICE TO STATUTORY ENTITIES</b>	
	One of CIIC's core functions is the "management and control of statutory entities" as stated in the 1998 CIIC Act. CIIC aims to be proactive in the governance of these investments by creating structures and systems for the sustainable management and maintenance of these assets.	
<b>1.3a</b>	<b>COLLABORATION</b>	<p>2020/21</p> <ul style="list-style-type: none"> <li>Replicate CEO forum, down to management teams</li> <li>Group training programmes</li> <li>Group trainee, apprenticeships, scholarship programmes</li> </ul> <p>2021/22</p> <ul style="list-style-type: none"> <li>Shared and standardized policy work across Group</li> <li>Develop human capital, with succession planning focus</li> </ul> <p>2022/23</p> <ul style="list-style-type: none"> <li>Formal collaboration programme across Government agencies and SOEs</li> <li>Development of public / private collaboration programmes</li> </ul>
<b>1.3b</b>	<b>PROCUREMENT</b>	<p>2020/21</p> <ul style="list-style-type: none"> <li>Develop strategic procurement management programmes</li> <li>Preferred supplier arrangements, leveraging scale to achieve cost, service and local benefits</li> <li>Group procurement initiatives</li> </ul>
<b>1.3c</b>	<b>FINANCING</b>	<p>2020/21</p> <ul style="list-style-type: none"> <li>Develop group dividend policy</li> <li>Implement SOE PPP Policy</li> <li>Develop group commercial credit strategy</li> </ul> <p>2021/22</p> <ul style="list-style-type: none"> <li>Develop group treasury programme</li> </ul>

## FUTURE KEY PERFORMANCE TARGETS

### ASSET MANAGEMENT

<b>2.</b>	<b>Lead the effective management, development and maintenance of Crown assets for the effective delivery of services to the Public and ensuring the sustainable improvement of the standard of living for all Cook Islanders</b>	
<b>2.1</b>	<b>EFFECTIVE MANAGEMENT OF CROWN LANDS, INTERESTS AND MINERALS</b>	
	The Crown has a significant holding of warranted lands as well as leased lands. It is CIIC's responsibility to best manage these interests for the long term interests of the Crown in order to be able to provide adequate and affordable land for all public services ranging from the provision of adequate roads and running water through to the land required for schools and hospitals. CIIC under its act is also responsible for the ownership of mineral interests, which includes marine minerals / seabed mineral interests of the Cook Islands, not only within the Cook Islands exclusive economic zone but an interest in the international waters of the Clarion Clipperton Fracture Zone.	
<b>2.1a</b>	REVIEW LAND RENTALS AND CLEANUP HISTORIC BACKLOG	2020/21 <ul style="list-style-type: none"> <li>Develop public land policy</li> <li>Complete 99% of Rarotonga Crown land lease backlog</li> <li>Complete 85% of Pa Enea Crown land lease backlog</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Complete 99% of Rarotonga Crown land lease backlog</li> <li>Complete 95% of Pa Enea Crown land lease backlog</li> </ul> 2022/23 <ul style="list-style-type: none"> <li>Complete 99% of Rarotonga Crown land lease backlog</li> <li>Complete 99% of Pa Enea Crown land lease backlog</li> </ul>
<b>2.1b</b>	CONFIRM RENTAL ARRANGEMENTS FOR LAND ON ROAD CORRIDORS	2020/21 <ul style="list-style-type: none"> <li>Complete 90% of Rarotonga road corridors</li> <li>Complete 75% of Pa Enea road corridors</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Complete 95% of Rarotonga road corridors</li> <li>Complete 85% of Pa Enea road corridors</li> </ul> 2022/23 <ul style="list-style-type: none"> <li>Complete 99% of Rarotonga road corridors</li> <li>Complete 99% of Pa Enea road corridors</li> </ul>
<b>2.1c</b>	DEEP SEA MINERALS BD AND WORKING GROUP	2020/21 <ul style="list-style-type: none"> <li>promote CI EEZ cobalt</li> <li>Support DSM WG to finalise exploration regulations and open EEZ for exploration licences</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Support DSM WG to develop a sustainable exploitation regime</li> </ul>
<b>2.2</b>	<b>EFFECTIVE OVERSIGHT OF GOVERNMENT INFRASTRUCTURE AND DEVELOPMENT AND MAINTENANCE OF A COMPREHENSIVE ASSET MANAGEMENT FRAMEWORK FOR THE ENTIRE PUBLIC SECTOR</b>	
	The CIIC is mandated by Cabinet to be the secretariat for the National Infrastructure Committee (IC). An effective management structure is critical to the successful implementation of all projects in the Cook Islands. The success of any project hinges on the planning and review of the project together with the quality of communications, coordination and discussions that takes place between all those involved. CIIC's mandate also includes managing the Asset Management for the Cook Islands Government. The Asset Management framework is crucial for the adequate physical management and maintenance of government assets but also proper financial management.	
<b>2.2a</b>	INFRASTRUCTURE COMMITTEE	2020/21 <ul style="list-style-type: none"> <li>Implement improved IC secretariat arrangements including using Boardbook platform</li> <li>Align NSDP to IC programme and budget programme</li> <li>Champion revised NIIP</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Implement capital project monitoring and oversight regime / programme</li> </ul>

<b>2.2b</b>	ASSET MANAGEMENT	2020/21 <ul style="list-style-type: none"> <li>Conclude AM Stage 1</li> <li>Commence AM Stage 2</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Conclude AM Stage 1</li> <li>Resource AM function</li> </ul> 2022/23 <ul style="list-style-type: none"> <li>Integrate AM with FMIS</li> </ul>
<b>2.3</b>	<b>DEVELOP, MANAGE AND MAINTAIN GOVERNMENT FACILITIES FOR A RESPONSIVE AND PRODUCTIVE PUBLIC SECTOR</b>	
	CIIC's Government Facilities Development Division (GFDD) has responsibility for the development of selected Government buildings and facilities projects. CIIC's Property Division is responsible for the management and up keep of government's facilities although management and routine maintenance may be delegated as in the case of facilities in the Pa Enea. The Facilities Division and the Punanganui Market Division manages key public facilities in Rarotonga, including the Punanganui Market, the BCI Stadium, the indoor Telecom Sports Arena and public facilities, parks and reserves.	
<b>2.3a</b>	NEW GOVERNMENT FACILITIES	2020/21 <ul style="list-style-type: none"> <li>Drive facility projects which create wide economic stimulus</li> <li>Finalise Rarotonga Prison Redevelopment Masterplan</li> <li>Finalise mental health unit works</li> <li>Finalise, receive signoff on Vaikapuangi project, secure funding and confirm forward phasing</li> <li>Finalise, receive signoff on Avarua Town Plan, Nikao Social Centre and Aitutaki Island Plan projects, secure funding and confirm forward phasing</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Commence Vaikapuangi</li> <li>Finalise plan for Tereora College Stage 2, 3 and 4</li> </ul> 2022/23 <ul style="list-style-type: none"> <li>Commence Avarua Town Plan, Nikao Social Centre and Aitutaki Island Plan</li> </ul> 2023/24 <ul style="list-style-type: none"> <li>Commence Tereora College Stage 2</li> </ul>
<b>2.3b</b>	GOVERNMENT REPAIR AND PA ENUA BUILDING PROGRAMMES	2020/21 <ul style="list-style-type: none"> <li>Finalise 3 Building Repair Programme</li> <li>Finalise Aitutaki Government facilities programmes</li> <li>Finalise Atiu Government facilities programmes</li> <li>Finalise Pukapuka Government facilities programmes</li> <li>Commence Are Karioi renovations</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Finalise Mangaia Government facilities programmes</li> </ul> 2022/23 <ul style="list-style-type: none"> <li>Finalise BCI Stadium works</li> <li>Finalise Manihiki Government facilities programmes</li> </ul> 2023/24 <ul style="list-style-type: none"> <li>Finalise Rakahanga Government facilities programmes</li> </ul>
<b>2.3c</b>	EFFECTIVE FACILITIES MANAGEMENT	2020/21 <ul style="list-style-type: none"> <li>Re-configure School Security arrangements</li> <li>Finalise BCI Stadium and TSA strategy and long term plan</li> <li>Finalise Punanganui Market strategy and long term plan</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Investigate synergies of facility management across Government, SOEs and CIIC</li> <li>Start re-location and modernization of PNM market to Constitution Park</li> </ul> 2022/23 <ul style="list-style-type: none"> <li>Finalise BCI Stadium works</li> </ul>

<b>2.4</b>	<b>EFFECTIVE MANAGEMENT OF PUBLIC HOUSING IN THE NATIONAL INTEREST</b>	
	CIIC are responsible for the management of the stock of residential properties owned by the Crown, including managing tenancies, maintenance and renovations, taking into consideration the needs of Parliament representation, social obligations (low income or Pa Enea tenancies) and the critical housing needs of government for specialist staff from overseas (doctors, teachers etc).	
<b>2.4a</b>	PUBLIC HOUSING DEVELOPMENTS	2020/21 <ul style="list-style-type: none"> <li>Conclude National Housing Study</li> <li>Implement Housing Policy</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Complete 2 x 3 bedroom houses, Nikao</li> </ul> 2022/23 <ul style="list-style-type: none"> <li>Complete 2 x 3 bedroom houses, Hospital</li> </ul>

## FUTURE KEY PERFORMANCE TARGETS CORPORATE & SUPPORT

<b>3.</b>	<b>Support the responsible Minister, Cabinet, Board of Directors, Directors, Management and staff across the Group to effectively govern and manage across the Group for the effective delivery of services to the Public and ensuring the sustainable improvement of the standard of living for all Cook Islanders.</b>	
<b>3.1</b>	<b>EFFECTIVE SECRETARIAL SUPPORT AND POLICY DEVELOPMENT</b>	
	Corporate services provide critical support to CIIC's Minister, Cabinet, CIIC's Board, Executive, Management and Divisions to effectively deliver CIIC's vision and services, including administrative, secretarial and financial support. The corporate services function also ensures the corporation complies with legislation, policies, financial standards and regulations.	
<b>3.1a</b>	EFFECTIVE SECRETARIAL SUPPORT	2020/21 <ul style="list-style-type: none"> <li>Broader rollout of director IT tools and usage of added functionality to improve secretarial efficiencies</li> <li>6 monthly briefings with Cabinet</li> <li>Group SCI profile and presentation to Cabinet</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Board committee templates to rollout across the Group</li> </ul>
<b>3.1b</b>	POLICY DEVELOPMENT	2020/21 <ul style="list-style-type: none"> <li>Develop CSO Policy</li> <li>Develop Water Policy</li> <li>Revise Energy Policy</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Revise Corporate Governance Policy</li> </ul>
<b>3.2</b>	<b>EFFECTIVE FINANCIAL AND RISK MANAGEMENT</b>	
	Providing robust financial and risk management reporting and disciplines for the Group is critical for the organization in achieving its vision, mission and deliverables for the Cook Islands people.	
<b>3.2a</b>	FINANCIAL MANAGEMENT	2020/21 <ul style="list-style-type: none"> <li>Half yearly group consolidated reporting</li> <li>Rolling half yearly Group forecasts</li> <li>Clear CIIC and CIGPC PPE audit qualification</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Half yearly consolidated reporting</li> <li>Financial reporting data warehouse implementation</li> </ul> 2022/23 <ul style="list-style-type: none"> <li>Complete 2 x 3 buildings houses, Hospital</li> </ul>

<b>3.2b</b>	RISK MANAGEMENT	2020/21 <ul style="list-style-type: none"> <li>Group quarterly risk management reporting</li> <li>Key risk group mitigation focus from Parent to entities</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Strategic risk management programme</li> </ul>
<b>3.3</b>	<b>EFFECTIVE HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT</b>	
	The Group's most important assets are its people, and this key performance area centres on the development of our people, effectively training staff for their roles, both professionally and personally, and having effective succession planning in place for senior roles.	
<b>3.3a</b>	GROUP HUMAN RESOURCE MANAGEMENT	2020/21 <ul style="list-style-type: none"> <li>Develop scholarship and apprentice programmes</li> <li>Group staff training schedule</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Exec training opportunities</li> <li>Develop tier 1 and 2 succession and training programmes</li> </ul>
<b>3.4</b>	<b>EFFECTIVE COMMUNICATIONS</b>	
	The organization serves its people and it is critical people are engaged and informed about its current and future services and plans, effectively, genuinely and in a transparent manner, through a number of mediums.	
<b>3.4a</b>	WEBSITE, SOCIAL MEDIA	2020/21 <ul style="list-style-type: none"> <li>Update website directory and content</li> <li>Load org documentation for public to access (SCI, financial statements, consultation plans)</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>Intranet development</li> <li>Modernise web platform</li> </ul> 2022/23 <ul style="list-style-type: none"> <li>B2B capability developed</li> </ul>
<b>3.4b</b>	OTHER COMMS	2020/21 <ul style="list-style-type: none"> <li>CIIC comms strategy adopted</li> <li>Group org profile</li> <li>Regular press releases</li> <li>Shared group resource</li> <li>Merchandise</li> </ul> 2021/22 <ul style="list-style-type: none"> <li>General org and sector public consultations</li> <li>Video footage, profiles, info clips</li> <li>Zoom information sessions</li> </ul>



# OUR SOES AND CCES

*This section provides a summary of the CIIC Group. Each entity prepares their respective SCIs and are summarized below.*



## Avaroa Cable Limited (ACL)

Avaroa Cable Limited is a Cook Islands limited liability company and the implementing entity for the Manatua Cable Project. The Manatua Cable Project will connect Rarotonga and Aitutaki to a submarine fibre optic cable.

The Manatua Cable will connect Samoa and French Polynesia with spurs to Niue, Rarotonga, Aitutaki and Bora Bora. The project is expected to be completed in mid-2020. ACL's vision is "to precipitate a transformation in telecommunication in the Cook Islands through the construction and operation of the Manatua One Polynesia Cable". In the short term, this will secure affordable, fast, resilient and reliable telecommunications in Aitutaki and Rarotonga, with a longer term vision to play a leading role in "ensuring all Cook Islands have access to world class telecommunications services and that citizens, businesses, government and the third sector all maximise the opportunity the new connectivity presents".

### KEY ACHIEVEMENTS:

- The Manatua Cable is the newest submarine fibre optic internet cable in the South Pacific. The Cook Islands cable landings occurred in December 2019 and January 2020;
- ACL have established the cable landing stations in Rarotonga and Aitutaki.
- Integration of the six cable landing stations across the consortium countries, and commissioning and testing of the Manatua cable network

### OUTLOOK:

- Commercialization of the Manatua Cable in the Cook Islands
- Completion of license under new legislation, management and compliance system

*From left: Honourable Mark Brown - DEPUTY PRIME MINISTER, Tatiana Burn - ACL, CHAIRPERSON, Ranulf Scarbrough - ACL, CEO*

## Bank of the Cook Islands (BCI)

The Bank of the Cook Islands (BCI's) vision is a "full service bank for Cook Islanders" and its mission as "through business transformation delivering financial services that empower customers and promote social responsibility and environmental stewardship, which serves and inspires the people of the Cook Islands".

BCI does this through the commitment to providing commercial banking services in Rarotonga and throughout the Pa Enua through business transformation and delivering financial services that will empower customers and promote social responsibility and environmental stewardship and such that BCI produces sound financial returns in a compliant manner and serves to inspire the BCI team and the people of the Cook Islands.

### KEY ACHIEVEMENTS:

- The Bank has strengthened its financial position, delivering stable returns, coupled with prudent financial management;
- Further investment in an Aitutaki Satellite branch (previously ANZ Cook Islands);
- Continued expanse of BCI services offering to existing and new customers not limited to and including internet banking;
- Continuing to improve service offering, delivery and security with technological investments and innovations with the Core Banking System upgrade that went "live" in February/March 2020.

### OUTLOOK:

- Continue strengthening efficiency and performance
- Establish a plan/strategy for BCI Outer Island branches
- Continue with BCI's medium and long term fixed asset investment program includes maintenance and upgrading of core operating assets (Ground floor renovations) to ensure Cyclone Certification standards are met and investment in new products and services, while ensuring a sustainable financial structure;
- Consideration is given to the risks from short and medium term changes to the forecast operating environment including economic conditions, competition, changing customer behavior and expectations, and technological developments.







From Left: Tereapii (Apii) Timoti - TAU, CEO CFO, Gregory Longman - TTV, CEO, Ranulf Scarbrough - ACL, CEO, Vaine Nooana-Arioka - BCI, MD, Allan Jensen - CIIC, CF, Nooroa (Bim) Tou - PA, CEO, Eusenio Fatialofa - CIICSR, GM William Tou, Tera rongo, Jami Ngamata, Avaikipo Nanai — APII AVARUA

## Airport Authority (AA)

The Airport Authority's vision is "to be the leading small airports company in the region" with a mission "to facilitate the safe, secure and efficient movement of aircraft and passengers". The Airport does this through the commitment to safety standards, preservation of staff competencies and confidence in quality and safety management systems.

COVID-19 is having a significant impact to the Airport, with a substantial reduction of flights per week, compared to 2019 levels. The Airport Authority will be instrumental in the recovery of the economy for the Cook Islands and ensuring that the airport asset is not only surviving, but thriving in terms of an effective recovery of the Cook Islands economy.

### KEY ACHIEVEMENTS:

- Ongoing operational and infrastructure projects including ongoing Rarotonga runway maintenance, new incinerator, 2nd entry to the car park, additional ticketing machine and refurbishment of the Aitutaki Fire Truck

- The 2040 Master Plan identified capacity requirements for different levels of traffic and design required to accommodate capacity into the future coupled with the required investment levels.

### OUTLOOK:

- Investment in runway slab replacement programme.
- Acquire the land needed for a runway end safety area (RESA) and constructing the runway end safety area
- Continue operational and infrastructure maintenance including upgrading the airport storm water/drainage system and rebuilding part of the Aitutaki runway strip
- Continue implementation of safety management and compliance system

## To Tatou Vai Limited (TTVL)

To Tatou Vai Limited's (TTVL) vision is to have "a community-trusted supplier of water services" with a mission of "a reliable water supply that is safe to drink – improving the wellbeing of our Cook Islands people". TTVL has begun establishment as a Water Supply Utility for delivery of a potable and reliable water supply service (initially) in Rarotonga and TTVL will ultimately assume responsibility for the Te Mato Vai (TMV) Project (Stages 1 and 2) assets and incorporating the existing water and associated fixed assets of Infrastructure Cook Islands (ICI). TTVL is a state-owned-enterprise, currently a limited liability company, pending the passage and assent of enabling legislation expected in 2021.

### KEY ACHIEVEMENTS:

- Handover of Rarotonga water assets from ICI to TTV on 1 July 2019.
- Official TTVL launch conducted in late February 2020 in line with a change in leadership at TTVL's new location – old Sky Pacific building in Takuvaine including a laboratory

### OUTLOOK:

- Handover of water assets from Te Mato Vai to TTV planned in the 2020 calendar year
- Adoption of Government mandated water treatment standards and protocols
- Commencement of the water meter project in the 20/21 financial year
- Commence of the final Rarotonga north eastern 20km sub and branch main pipe project, as scoped under the TMV Project. Upgrade of water station networks, and various tanks and reservoirs across Rarotonga.



THE UNVEILING OF TE MANA UIRA O ARAURA  
by the Honourable Henry Puna - PRIME MINISTER.

## Te Mana Uira o Araura (TMU)

Te Mana Uira o Araura's (TMU) vision is to "provide an efficient, reliable, affordable and sustainable electricity service for Aitutaki." TMU is a subsidiary of CIIC and there are further funding discussions for phase 2 and anticipate that once phase 2 is completed, TMU is expected to generate approximately 50% of Aitutaki's electricity demand.

### KEY ACHIEVEMENTS:

- Rebranding of Aitutaki Power Supply to Te Mana Uira o Araura, including a new logo for company
- TMU, with the OPM's Renewable Energy Team, completed phase 1 of the Aitutaki Renewable Energy project in June 2019, with 25% of electricity generation being derived from solar;
- Appointment of an independent board for TMU and provision of induction and training programmes for all Board members;

- Unprecedented support to assist Aitutaki households and businesses amidst the COVID-19 landscape

### OUTLOOK:

- Commencement of the stage 2 and 3 renewable energy project feasibility and implementation;
- Various capital expenditure initiatives to future proof and provide added resilience to the generation and distribution of electricity including installation of various substations and underground wiring projects;
- Review and development of operational policies;
- Apprentice training and succession planning initiatives;

## Cook Islands Ports Authority (CIPA)

The Cook Islands Ports Authority's vision is to "Provide Effective and Efficient Seaport Infrastructure to sustain Trade and Commerce". The principal objectives of CIPA are to promote, encourage and operate a commercially viable and efficient business in the country's supply chain and develop growth opportunities from its asset base which include Crown land and buildings, wharves, port facilities, tug boats, barges, plant and equipment, storage sheds and open storage space.

CIPA is the sole sea port services provider maintaining and operating the Port of Avatiu, the alternative Cruise Ship Tender landing in Arorangi, and the Port of Arutanga in Aitutaki. CIPA serves the cross-border supply chain needs of most of the Cook Island's trade goods.

### KEY ACHIEVEMENTS:

- Compliance with the International Maritime Organisations International Ships & Ports Security Code (ISPS) regulations through installation of high security fences to the north and east of the Avatiu Port international terminal area
- A US \$0.70 million lump-sum payment during the 2018-19 financial period reducing foreign currency risks denominated Asian Development Bank loan;
- Completed second carbon footprint assessment draft report for the fiscal year 30 June 19 to be submitted to analyze Ports Authority's overall greenhouse gas emissions profile compared to the fiscal year 30 June 2018.

### OUTLOOK:

- Investment in the Avatiu Port New Tug Boat will improve navigational safety during vessel berthing & un-berthing in Avatiu Harbor.;
- Investment of an Aitutaki Port Crane (55-75Ton) to ensure better continuity to the supply chain plus provide greater lifting capacity for onshore maintenance of the Avatapu and Pa Ariki barges;
- Continue operations and maintenance of the Arutanga Port as part of the Orongo Development Project involving deepening and widening the existing Arutanga harbor channel and basin to provide safer berth for yachts, cruise ship tendering and container vessel cargo discharge operations;
- Green Climate Fund concept notes for the Aitutaki Orongo Ports Development and Avatiu Marina Projects is now with MFEM for climate resilience funding assistance

## Te Aponga Uira (TAU)

TAU's mission is to "engage suppliers and consumers to engage confidently, while embracing the benefits of new technologies that support a greener way of life for Rarotonga, the wider Cook Islands and its residents." The primary function of Te Aponga Uira (TAU) is the provision of electricity to the people of Rarotonga in a reliable, safe and economical manner. Over the past decade TAU has focused on developing generation from renewable solar energy sources.

TAU also supports the Pa Enea energy infrastructure through the provision of technical advice to, Island Councils who provides electricity service to Pa Enea households and businesses.

### KEY ACHIEVEMENTS:

- Acquisition of 3MW/12MWh in Energy Storage for Rarotonga;
- Completion of the first TAU Customer Satisfactory Survey;
- Acquisition of a fleet of V2G (Vehicle to Grid) Electric Vehicles and charging station;
- Completion of a modernization of the Customer Relationship Management ICT System;
- Unprecedented support to assist Rarotonga households and businesses amidst the COVID-19 landscape.

### OUTLOOK:

- Ongoing investments in both the infrastructure associated with achieving the national renewable energy (RE) target and general infrastructure.
- A review of its existing customer tariffs with a view to expanding its product offers and utilizing price signals that encourage the achievement of the renewable energy goals in partnership with the private sector suppliers and customers.

# OUR CONTRIBUTION TO THE COOK ISLANDS

*There are numerous direct and indirect benefits (community service obligation costs) that CIIC and its statutory entities provide to the Cook Islands.*

A small fraction of the costs in delivering these benefits are tied to specific POBOCs/ contributions. It is estimated that the CIIC Group spends \$5 in every \$100 of revenue on community service obligation costs. The CIIC Group is committed to sustaining that level into the future. We have listed below some examples of benefits CIIC's statutory entities contribute to the community.

## Powering The Country

Te Aponga Uira (TAU) provides street lighting to Rarotonga. Te Mana Uira o Araura (TMU) also provides street lighting to its island of Aitutaki. APS has supported Churches on Aitutaki for a number of years. TAU is a major sponsor for a number of community and sporting events. These are a few examples of many initiatives TAU and APS delivers to their respective communities.

## Our Seaport

The Ports Authority is responsible for ensuring the effective inward and outward flow of passengers and products, essential to our economy and modern way of life. In giving to the community, the Port Authority provides free berthage for inter-island shipping, ensuring our Pa Enua are connected to each other and the rest of the World.

## Our Gateway

The Airport Authority manages the gateway to the Cook Islands. The Airport Authority receives a modest level of funding from the Government to undertake its operations, in essence providing a subsidy for the greater good of the nation. The airport provides a crucial service to the community in the form of fire response and protection.

## Banking Services

The Bank of Cook Islands (BCI) provide banking services on Rarotonga and to the Pa Enua (outer Islands). The Pa Enua (outer islands) services come at a cost and are uneconomic to operate as a result of low customer and transaction levels. The Bank of Cook Islands also sponsors a range of causes throughout the Cook Islands, including the Young Enterprise Scheme with Cook Islands Chamber of Commerce, Year 10 Business Challenge with Ministry of Education, Gold Sponsor for Tourism Awards, Annual Gold Sponsor for Te Maeva Nui and various sporting codes and performing arts events.



# APPENDIX 1: DETAILED FINANCIALS

The key financial results and ratios of the CIIC Group are set out in the following table:

Group	Note	2018 Actual	2019 Actual	2020 Forecast	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Total Revenue		60,278	66,828	61,128	56,078	64,501	72,447	77,960
Total Revenue excl approp & Aid		47,718	54,411	48,711	43,661	51,835	59,528	64,782
EBITDA	1	22,087	24,755	18,955	8,955	15,905	20,829	25,398
NPBT	2	13,022	14,482	8,682	-1,318	5,632	10,556	15,125
Community Service Costs		2,400	2,800	4,800	6,800	3,000	3,250	3,300
Total Assets		352,542	370,305	397,005	525,705	575,105	603,205	633,305
Total Shareholder Funds		230,902	250,357	277,057	405,757	440,157	466,257	494,357
Total Liabilities		121,640	119,948	119,948	119,948	134,948	136,948	138,948
Total Staff Costs		11,031	12,155	13,059	13,385	13,720	14,063	14,415
Total Employees		260	273	288	293	298	303	308
Total FTEs	3	208	218	230	234	238	242	246
Operating Cash-flows		4,161	18,547	12,747	2,747	9,697	14,621	19,190
Equity Injection By Owners		0	4,946	0	0	0	0	0
Total Dividends Paid		2,813	4,946	2,200	1,500	2,500	3,000	3,500
Revenue mvmt Excl & Aid Growth	4	12%	14%	-10%	-10%	19%	15%	9%
Revenue Per FTE	5	\$229	\$250	\$212	\$187	\$218	\$246	\$263
Csc / Revenue %	6	4%	4%	8%	12%	5%	5%	5%
EBITDA Per FTE	7	\$106	\$114	\$82	\$38	\$67	\$86	\$103
Asset Growth	8	2%	5%	7%	32%	9%	5%	5%
Return On Assets	9	3.69%	3.91%	2.19%	-0.25%	0.98%	1.75%	2.39%
Return On Equity	10	5.64%	5.78%	3.13%	-0.32%	1.28%	2.26%	3.06%
Debt To Assets	11	35%	32%	30%	23%	23%	23%	22%
Current Ratio	12	0.9	0.8	1.0	1.0	1.0	1.0	1.0

The Group financial forecasts shows significant growth to the Group's asset base over the next 3 years, with corresponding growth in top line and bottom line earnings. The asset growth is derived from the introduction of a number of entities including Aitutaki Power Supply, To Tatou Vai, Avaroa Cables. In addition to these new entities, a number of existing SOEs have large maintenance and growth capital expenditure planned in the coming years.

The key financial results and ratios of the CIIC Parent are set out in the following table:

Group	Note	2018 Actual	2019 Actual	2020 Forecast	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Total Revenue		12,392	7,883	5,500	5,500	5,500	5,500	5,500
Total Revenue excl & Aid		1,879	2,595	750	750	750	750	750
EBITDA	1	533	1,128	250	250	250	250	250
NPBT	2	495	1,064	200	200	200	200	200
Community Service Costs		250	250	250	250	250	250	250
Total Assets		4,951	5,000	5,100	5,200	5,300	5,400	5,400
Total Shareholder Funds		1,503	1,286	1,486	1,685	1,886	2,086	2,286
Total Liabilities		3,448	3,714	3,614	3,514	3,414	3,314	3,114
Total Staff Costs		922	1,400	1,400	1,400	1,400	1,400	1,400
Total Employees		40	50	50	50	50	50	50
Total FTEs	3	38	45	45	45	45	45	45
Operating Cash-flows		-3,392	1,495	250	250	250	250	250
Equity Injection by Owners		159	-	-	-	-	-	-
Total Dividends Paid		255	1,068	500	500	500	500	500
Revenue mvmt excl & Aid Growth	4	18%	38%	-71%	(5%)	0%	0%	0%
Revenue per FTE	5	\$326.11	\$175.18	\$122.22	\$122.22	\$122.22	\$122.22	\$122.22
CSC / Revenue %	6	2%	3%	5%	5%	5%	5%	5%
Current Ratio	12	1.1	1.3	1.0	1.0	1.0	1.0	1.0

## Notes:

- EBITDA** = Earnings Before Interest Tax Depreciation and Amortisation
- NPBT** = Net Profit Before Tax
- FTE** = Full Time Equivalents
- REVENUE MOVEMENT:** Illustrates the growth of the Group from a revenue perspective.
- REVENUE PER FTE:** Illustrates how much each full time employee generates at a top-line level.
- CSC / REVENUE:** Illustrates how much the Group gives back to the community.
- EBITDA PER FTE:** Illustrates how much each full time employee contributes to the bottom-line (productivity).
- ASSET GROWTH:** Illustrates the growth of the Group from an asset perspective.
- RETURN ON ASSETS:** Illustrates the return generated from asset value.
- RETURN ON EQUITY:** Illustrates the return generated from shareholder capital.
- DEBT TO ASSETS:** The debt to total assets ratio is an indicator of financial leverage. It tells you the percentage of total assets that were financed by creditors, liabilities, debt. The debt to total assets ratio is calculated by dividing a corporation's total liabilities by its total assets.
- CURRENT RATIO:** Mainly used to give an idea of a company's ability to pay back its liabilities (debt and accounts payable) with its assets (cash, marketable securities, inventory, accounts receivable). As such, current ratio can be used to make a rough estimate of a company's financial health.

# APPENDIX 2: DETAILED FINANCIALS

*Cook Islands Investment Corporation is domiciled in the Cook Islands and incorporated under the Cook Islands Investment Act 1998. Its financial statements comply with the Act. The consolidated financial statements comprise the Corporation and its subsidiaries (the "Group") and the Group's interests in associates. The Corporation is an in-substance subsidiary of the Cook Islands Government. The consolidated financial statements of the Group have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS).*

The Group financial statements are prepared on the historical cost basis modified for the revaluation of certain assets. The consolidated financial statements are presented in New Zealand dollars, which is the functional and reporting currency of the Group and all values are rounded to the nearest thousand (\$000) except where indicated otherwise.

The controlled entities are all those entities (including special purpose entities) over which the controlling entity has the power to govern the financial and operating policies. Controlled entities are fully consolidated from the date on which control is transferred to the controlling entity. They are de-consolidated from the date that control ceases. Inter-group transactions, balances and unrealized gains and losses on transactions between members of the group are eliminated in full. The accounting policies of the controlled entities are consistent with the policies adopted by the controlling entity.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Investments in associates and jointly controlled entities are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The Group financial statements are prepared in accordance with IPSAS. There are a number of critical accounting treatments which include complex or subjective judgments and estimates that may affect the reported amounts of assets and liabilities in the financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Further detail in respect of the accounting policies for the Group is set out in the Cook Islands Investment Corporation Annual Group Financial Statements for the year ended 30 June 2019.

The Group financial statements are currently audited by KPMG. There are various historic matters for entities within the group that have resulted in qualified audit reports or an emphasis of matter in the audit report. CIIC in conjunction with the auditor have cleared many of these historical matters (including the qualification on lease commitments) and there remains only one qualification with regard to the ownership, completeness and valuation of Property, Plant and Equipment. CIIC management in conjunction with the auditors have throughout the nation) to remove this qualifications part of the 2020 and 2021 audit programme.

The group financial forecasts have been compiled based on the best knowledge available and in the current COVID-19 environment there is a higher degree of uncertainty, though CIIC believe these are prudent forecasts. The group forecasts include financial projections from each entity across the group. The financial projections include continuation of baseline government support as outlined in the Government's 2020 - 2024 Budget. the forecasts also include other assumptions applied on the Valuation, transfer and securing of funding in relation to group capital expenditures.

# APPENDIX 3: GLOSSARY

## Definitions of key terms and acronyms.

**AA** – Airport Authority  
**ACL** – Avaroa Cable Limited  
**ADB** – Asian Development Bank  
**AMCI** – Asset Management Cook Islands  
**AM** – Asset Management  
**AMO** – Asset Management Officer  
**APS** – Aitutaki Power Supply  
**B2B** – Business to Business  
**BCI** – Bank of the Cook Islands  
**BCCL** – Banana Court Company Limited  
**BCIH** – Bank of the Cook Islands Holding Company  
**BD** – Business Development  
**BESS** – Battery Energy Storage System  
**CAPEX** – Capital Expenditure  
**CCE** – Crown Controlled Entity  
**CCZ** – Clarion Clipperton Zone  
**CCFZ** – Clarion Clipperton Fracture Zone  
**CEO** – Chief Executive Officer  
**CFO** – Chief Financial Officer  
**CI** – Cook Islands  
**CIG** – Cook Islands Government  
**CIBC** – Cook Islands Broadcasting Corporation  
**CIGPC** – Cook Islands Government Property Corporation  
**CIIC** – Cook Islands Investment Corporation  
**CIIC Act** – Cook Islands Investment Corporation Act 1998  
**CIISCR** – CIIC Seabed Resources Limited  
**CIPA** – Cook Islands Ports Authority  
**CIPCNZ** – Cook Islands Property Corporation (NZ) Limited  
**CITH** – Cook Islands Telecommunications Holdings Limited  
**CITAL** – Cook Islands Telecommunications Assets Limited  
**Comms** – Communications  
**COVID / CONVID-19** – Coronavirus Disease 2019  
**CSC** – Community Service Costs  
**CSO** – Community Service Obligation  
**DSM** – Deep Sea Minerals  
**EBITDA** – Earnings Before Interest Tax and Depreciation  
**EEZ** – Exclusive Economic Zone  
**FTE** – Full Time Equivalents  
**FMIS** – Financial Management Information System  
**GDP** – Gross Domestic Product  
**GFDD** – Government Facility Development Division  
**GFA** – Grant Funding Agreement  
**GM** – General Manager  
**HRM** – Human Resource Management  
**IC** – Infrastructure Committee

**ICI** – Infrastructure Cook Islands  
**ICT** – Information Communication Technology  
**Info** – Information  
**IPSAS** – International Public Sector Accounting Standards  
**IT** – Information Technology  
**JV** – Joint Venture  
**KPA** – Key Performance Area  
**KPI** – Key Performance Indicator  
**MFEM** – Ministry of Finance and Economic Management  
**MW** – Mega Watt  
**MWh** – Mega Watt hour  
**NIIP** – National Infrastructure Investment Plan  
**NPBT** – Net Profit Before Tax  
**NSDP** – National Sustainability Development Plan  
**NZ** – New Zealand  
**OPM** – Office of the Prime Minister  
**Org** – Organisation  
**PA** – Ports Authority  
**Pa Eヌua** – Grouping of Islands  
**PM** – Prime Minister  
**PNM** – Punanga Nui Market  
**POBOC** – Payments on Behalf of the Crown  
**PPE** – Property Plant and Equipment  
**PPP** – Public Private Partnership  
**PRC** – Peoples Republic of China  
**PV** – Photovoltaic  
**RE** – Renewable Energy  
**REDD** – Renewable Energy Development Division  
**Rem** – Remuneration  
**RESA** – Runway End Safety Area  
**ROE** – Return on Equity  
**SCI** – Statement of Corporate Intent  
**SOE** – State Owned Enterprise  
**SPU** – Special Projects Unit  
**TA** – Technical Assistance  
**TAU** – Te Aponga Uira o Tumu te Varovaro  
**TMM** – Te Marae Moana  
**TMU** – Te Mana Uira o Araura  
**TMV** – To Mato Vai  
**TOR** – Terms of Reference  
**TSA** – Indoor (Telecom) Sports Arena  
**TTV** – To Tatou Vai Limited  
**Vaikapuangi** – a cluster of Government properties on Takuvaine Road  
**V2G** – Vehicle to Grid  
**WG** – Working Group



**Cook Islands  
Investment Corporation**

