



GOVERNMENT OF NIUE

Office of the Premier

PRESS RELEASE

Budget Statement by Hon. Sir Toke Talagi, KNZM Premier and Minister for Finance 20th June 2018

The Premier of Niue Hon. Sir Toke Talagi announced today in his 2018/2019 Budget Statement the Government's intention to deliver a fiscally prudent balanced budget which reflects its focus on the governments key priorities over the next 5 years.

The Government will manage this through a combination of tight controls on fiscal expenditure while exploring transformational changes in revenue generation, new waste levies and adjustments in general taxes.

In a wide-ranging speech to the people of Niue, Hon. Sir Toke closely linked the governments strategic priorities to KO E TOHI FAKATOKATOKA GAHUA HA NIUE (Niue National Strategic Plan) and the mission statement "Kaufakalataha ke Leveki e tau Tagata mo e Takatakaimotu" "Working together to Protect the People and the Environment"

The Government will focus on Niue taking a more coordinated approach to donor funding to ensure closer alignment between the delivery of projects and programmes and the government's own strategic priorities. Niue will continue to work closely with New Zealand and other donors to deliver on its strategic road map and to accelerate its planned capital investment programme in core infrastructure projects over the next 3-5 years. Niue's recent membership to the Asia Development Bank (ADB) could also assist in enabling the Government to plan and implement these projects better and more quickly.

The Premier stated that in order for it to match available Government resources to its intended capital project programme, it realistically may only be able to undertake 2-5 projects in the coming year. It will continue to invest in renewable energy and solar energy and anticipates exceeding the Governments renewable energy target taking it to 80-90%. This will be complemented by the government using more electric vehicles charged from charging stations or directly from the power grid.

An immediate priority for Government is to implement the Governments waste management strategy to ensure a clean pristine and pollution free environment, starting with the immediate management of Niue's landfills, disposal of hazardous, other solid waste and liquid waste. The Government intend with some donor assistance, to invest in the use of new technologies and capital plant to minimise waste and improve recycling and collection.

Clearly another government priority is ensuring that water production and reticulation quality remain high and improving efficiencies and delivery to households and businesses. This will involve systematic maintenance and replacement of the current water reticulation system. This work is likely to be funded from a water tax.

Transport infrastructure is also high on the governments list of priorities in improving supply chain security and access to Niuean residents and visitors at the port and airport. This will also include improved roading access to villages and communities for goods and services. It is likely that the road works will be funded by the Peoples Republic of China (PRC) and start in December.

A review will be carried out of community assistance to villages to allow them more autonomy, but donor funds will continue to be used to focus support on villages, youth and women.

The announcement of the soon to be completed Taoga Niue Museum (National Cultural Heritage Centre) and the announcement that the government are close to finalising the planned construction of the Ministerial and Assembly buildings symbolises the importance that the cultural, language and democratic principles play in the life of Niuean. The development of an integrated design and combined site of the buildings will be a source of pride and a visitor attraction.

Other key projects competed or underway on the island include the opening of the Swanson's Superstore, The Emergency Operation Centre and the Niue Creche.

Hon Sir Toke Talagi also announced the government's continuation of initiatives and support with reforms in the Public Service. This will include:

- tax reforms to ensure a better balance between direct and indirect taxes.
- greater efficiency in the commercial and trading arms of government and a more business-like approach.

The Premier identified the excellent performance of the State-Owned Enterprise Group, including extending continued management of the group and further reinvestment by the group.

Noticeable improved changes in other departments were also identified. Increasing the capability of the Government agencies through targeted management and governance support were also initiated.

The success of the Governments management of depopulation has resulted in the stabilisation and increase in the population in recent years. This has been done through a combination of increased tourism numbers and supporting private sector development and increasing the living standards of Niuean' and those residents in Niue.

Niue will continue to review its pension scheme and the social services and benefits as well as pay parity with New Zealand to ensure that much needed skills and people remain in Niue.

In looking to the future, the Premier pointed to the imminent launch of the 4G network and the increased range of products and services this offers. Coupled with the undersea cable link expected to be completed in 2020. Niuean's would see service improvements brought about by faster internet services that will include better outcomes in Education, Health and the Private Sector.

Further releases will be made by the Office of the Premier and Cabinet in more detail on the content of the budget statement in coming weeks.

[ENDS]