

New Zealand blocks \$30 million in aid to Cook Islands

John Braddock
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New Zealand's National Party-led government has suspended two years of aid payments—around \$NZ30 million—to the Cook Islands, amid a deteriorating diplomatic and political relationship with the country's impoverished neo-colony.

One News reported on November 9 that it had obtained a letter under the Official Information Act, dated October 13, from NZ Foreign Minister Winston Peters to Cook Islands Prime Minister Mark Brown, confirming that an \$18.2 million grant withheld since June will continue to be “paused,” along with a second payment now due, taking the total to \$29.8 million.

Peters, leader of the right-wing nationalist NZ First Party in the ruling coalition, blocked the initial payment after the Cook Islands signed strategic deals with China without “consulting” Wellington. Peters claimed prior approval was required under the terms of the Cook Islands’ constitutional position as one of New Zealand’s semi-dependent “Realm” countries.

The Core Sector Support aid is a grant given to the Cook Islands government to boost its budget. It critically supports sectors such as education, tourism and health. Following the withdrawal of the initial tranche, Brown said that the punitive decision would “harm the country’s most vulnerable citizens.”

Peters told Brown that “the gravity of the Cook Islands’ breach of trust” raised concerns about its “approach to the constitutional realities which impose clear limits on your freedom to act on foreign affairs, defence and security matters without reference to New Zealand’s interest or those of the Realm.” An NZ foreign affairs spokesperson told One News: “Our concerns about the Cook Islands’ actions need to be addressed and trust restored before we can release this funding.”

In 2001, the two countries signed a Joint Centenary

Declaration, which broadly states that the governments must “consult regularly on defence and security issues.” However, the declaration explicitly affirms the Cook Islands’ right to enter independently into “treaties and other international agreements” with any government or international organisations.

Since 1992, the UN has recognised the Cook Islands as a state with full treaty-making capacity, and it now has diplomatic relations with 65 countries. At an anti-China summit with Pacific leaders in Washington in 2022, US President Joe Biden declared, without reference to Wellington, that the US would recognise the Cook Islands and Niue as “sovereign states.” China established formal ties with the Cook Islands in 1997 and is now a major donor.

Peters’ withdrawal of essential aid funding is a case of diplomatic bullying. New Zealand maintains neo-colonial domination over the Cook Islands along with its other so-called “Realm” countries, Niue and Tokelau. While the Cooks, with a population of just 15,000, has limited self-government, Wellington provides oversight in foreign affairs and defence.

In February, New Zealand’s political establishment erupted in outrage over the Cook Islands’ formal agreement with China. Brown agreed to collaborate with Beijing on economic development, including fisheries, infrastructure and potentially undersea minerals. The two countries also agreed to increase diplomatic relations and to support each other’s membership of multilateral bodies. The agreements notably contain no military clauses.

Brown insists that Wellington was advised the deal would not include matters on security and that there was “no need for New Zealand to sit in the room” while it was drawn up. Brown defended the partnership, citing the need for “diverse” international partners to

fund a \$NZ650 million infrastructure plan that New Zealand alone could not support. “If we can’t get help from NZ, we will go somewhere else,” he stated.

Amid escalating hostilities, NZ government representatives deliberately boycotted celebrations in the Cook Islands in August marking 60 years of “self-government in free association with New Zealand.” The annual Constitution Day, or Te Maeva Nui, recognises the nation’s adoption of its constitution, establishing formal self-government. It was the first time in recent history that senior NZ government politicians failed to attend such an event.

The breakdown in relations points to the extremely sharp geopolitical tensions in the Pacific, created by the advanced US-led preparations for war against China. New Zealand and Australia—both imperialist allies of the US—are seeking to block China’s growing economic and diplomatic influence and are presenting Beijing in increasingly hysterical terms as a military threat. They are militarising the region while pressuring Pacific countries to cut economic and diplomatic ties with Beijing.

Last week, lurid claims of China “throwing its weight around” in the Pacific were raised by NZ Pacific reporter Michael Field and other media commentators when the Chinese research ship Da Yang Hao began carrying out seabed surveys in collaboration with the Cook Islands Seabed Minerals Authority.

The *Cook Islands News* asserted that the vessel “has been previously linked to potential naval interests and military data collection,” citing hysterical claims made by the *New York Times* in July that its findings could “serve China’s naval interests, including how it might deploy its submarines in the Pacific.”

Like all the region’s impoverished countries, the Cook Islands depends on international aid and loans. Aid is an essential component of imperialist pressure on the fragile states. Washington’s suspension of its USAID program and withdrawal from the World Health Organisation earlier this year has created a deep funding gap across the Pacific.

While overall aid funding to the Pacific fell by 16 percent in 2023 to \$US3.6 billion, Australia and New Zealand remain the region’s two major aid sources, a position they use to leverage their own geostrategic interests. According to the Lowy Institute, in 2023 China provided \$A230 million in development finance

to the Pacific, placing it below Australia, New Zealand, Japan and the US.

New Zealand is an imperialist power which regards the southwest Pacific as its “backyard.” Peters is playing a particularly belligerent role in demonising China as an “outside power,” advocating for a stronger US military presence and agitating to pull the Pacific nations into line. The NZ government is meanwhile almost doubling its military spending to 2 percent of GDP at a cost of \$12 billion over four years.

A section of the ruling establishment is, however, increasingly alarmed that Peters’ confrontation with the Cooks is counter-productive. Writing in the *New Zealand Herald* on October 29, Richard Prebble, a former Labour Party minister and ex-ACT Party leader, declared that New Zealand was waging a “pointless war” against the territory “without a clear objective or a way to end it.”

Prebble warned that by “waging war on the islands’ children and the sick,” Minister Peters risked alienating 100,000 Cook Islands descendants living in New Zealand, who could influence next year’s election.

Opposition Labour Party leader Chris Hipkins told Radio NZ on Tuesday that the government was “absolutely right” to be concerned about the Cook Islands “breaching its agreements,” but said the government’s approach was “driving it into the arms of other countries.” Labour is no less opposed to China’s presence in the Pacific, or to NZ’s escalating involvement in the US-led preparations for war, than the far-right ruling coalition.

Prime Minister Christopher Luxon continues to fully back Peters, telling a press conference this week that the Cook Islands government had to provide some “reassurance … to restore that trust.” New Zealand’s funding would remain “paused” until the impasse is “repaired,” Luxon declared—that is, until the Cook Islands government accepts its subservient colonial status.



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