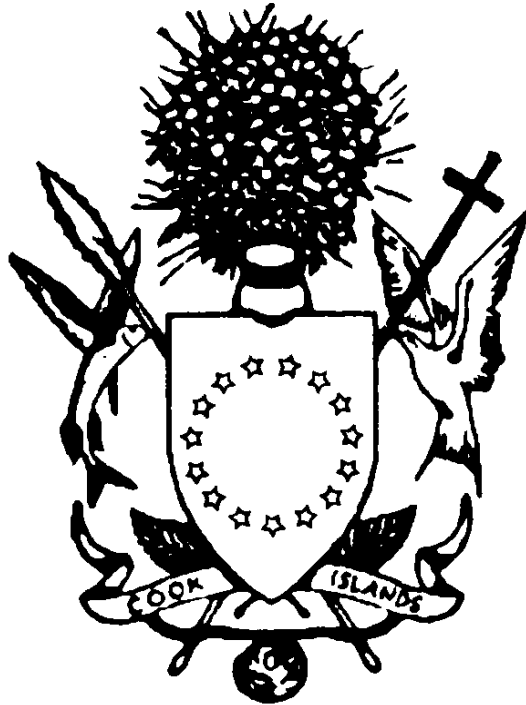

COOK ISLANDS GOVERNMENT
APPROPRIATION AMENDMENT
2013/2014



Hon. Mark Brown
Minister of Finance
April 2014

COOK ISLANDS GOVERNMENT
APPROPRIATION AMENDMENT BILL 2013/14
ESTIMATES

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GOVERNMENT OF THE COOK ISLANDS
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4th April 2014

STATEMENT OF RESPONSIBILITY

I have read the Financial Secretary's Statement of Responsibility and concur with him regarding the preparation of the 2013/14 Appropriation Amendment. Section 23 of the *Ministry of Finance and Economic Management Act 1995-96* requires the Government to pursue its policy objectives in accordance with the principles of responsible fiscal management and specifies these principles in Section 23 (2).

This Budget document was produced based on the best professional judgment that we have at this time. I accept the overall responsibility for the integrity of the 2013/14 Appropriation Amendment in compliance with the *Ministry of Finance and Economic Management Act 1995-96*.

A handwritten signature in black ink, appearing to read 'Mark Brown'.

Honorable Mark Brown

Minister of Finance



**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT
GOVERNMENT OF THE COOK ISLANDS**

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4th April 2014

STATEMENT OF RESPONSIBILITY

The 2013/2014 Appropriation Amendment is produced in accordance with the *Ministry of Finance and Economic Management Act 1995-96 (MFEM Act)*.

In compliance with Section 24 (1) of the MFEM Act the Ministry provided Cabinet with the:

- Estimated revenue of the Crown;
- Details of each Government Department's bid for funds;
- Crown's debt management responsibilities;

Cabinet, as required under Section 24 (2) of the MFEM Act, are maintain the principles of responsible fiscal management set out in the Act.

The information in this document is comprehensive and includes a Statement of Fiscal Responsibility that clearly sets out the position in terms of fiscal responsibility as required in section 23 (2) (a) of the MFEM Act.

As Financial Secretary, I accept full responsibility for the integrity of the information provided.

A handwritten signature in blue ink, appearing to read 'Richard Neves', written over a light blue grid background.

Richard Neves

Financial Secretary



PARLIAMENT OF THE COOK ISLANDS

APPROPRIATION AMENDMENT BILL

EXPLANATORY NOTE

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

The purpose of the Bill is to make adjustments to the Appropriation Act 2013 (“the principal Act”) in order to accommodate the necessary adjustments to the appropriation to ensure Government’s initiatives are sufficiently appropriated in addition to recognise and appropriate for increased revenue received by the Crown. The Bill will include a provision of capital funded through the general cash reserves since the principal Act was passed.

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

- Clause 1** provides that, on enactment, the Bill will be called the Appropriation Amendment Act 2013/2014.
- Clause 2** this Act applies to the year ending on the thirtieth day of June 2014 (“the year”).
- Clause 3** makes it clear the Bill is to amend the Appropriation Act 2013.
- Clause 4** amends the current appropriation for the financial year 2013/14 to reflect the adjustments in expenditure.
- Clause 5** deletes Schedules 1(a), 1(b), 2, 3, 4 and the Summary and substitutes new Schedules and Summary reflecting the adjustments to expenditure undertaken by Government.
-

Hon. Mark Brown



Appropriation Amendment Bill 2014

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Schedule 2

Benefits and Other Unrequited Expenses

Schedule 3

Borrowing Expenses and Debt Repayment

Schedule 4

Other Expenses

Summary

An Act to amend the Appropriation Act 2013

MOST GRACIOUS SOVEREIGN: We, Your Majesty's most dutiful and loyal subjects, the Parliament of the Cook Islands, towards making good the supply which we have cheerfully granted to Your Majesty in this year, have resolved to grant Your Majesty the sum specified in this Act and humbly ask Your Majesty to assent to the sum. And be it enacted by the Parliament of the Cook Islands in Session assembled, and by the authority of the same, as follows:

1 Title
This Act is the Appropriation Amendment Act 2013/2014.

2 Application
This Act applies to the year ending on the thirtieth day of June 2013 ("the year").

3 Principal Act amended
This Act amends the Appropriation Act 2013.

Appropriation Amendment Bill 2014

4 Grant and appropriation out of the Cook Islands Government Account
Subsection (1) of section 3 is amended by omitting the amount “\$196,534,398”, and substituting the amount “\$196,741,575”.

5 New Schedules and Summary
Schedules 1(a), 1(b), 2, 3, 4, and the Summary are deleted and substituting the Schedules and Summary set out in the Schedule to this Act.

Appropriation Amendment Bill 2014

Schedule 1(a)
Ministry Appropriations

Ministry	Personnel	Operating	Depreciation	Gross Operating Appropriation	Trading Revenue	Net Operating Appropriation	POBOCS	Capital Expenditure	Total Gross Appropriation	Total Net Appropriation
Agriculture	792,654	87,643	5,035	885,331	140,535	744,796	0	0	885,331	744,796
Audit (PERCA)	844,440	104,180	26,678	975,298	178,700	796,598	138,100	0	1,113,398	934,698
Crown Law	493,054	146,100	5,983	645,137	0	645,137	30,000	0	675,137	675,137
Cultural Development	496,095	254,288	96,655	847,038	175,000	672,038	195,000	0	1,042,038	867,038
Business Trade and Investment Board	404,486	266,574	21,661	692,721	102,250	590,471	0	0	692,721	590,471
Education	9,617,626	1,300,410	340,864	11,258,900	0	11,258,900	3,327,482	110,000	14,696,382	14,696,382
Environment	789,683	170,724	30,381	990,788	35,000	955,788	0	0	990,788	955,788
Finance and Economic Management	2,582,359	600,657	122,992	3,306,008	503,500	2,802,508	13,479,480	645,000	17,430,488	16,926,988
Financial Services Development Authority	235,200	178,906	7,788	421,894	0	421,894	0	0	421,894	421,894
Foreign Affairs	1,091,596	646,151	77,726	1,815,473	20,000	1,795,473	605,166	37,000	2,457,639	2,437,639
Head Of State	185,168	34,080	15,057	234,305	0	234,305	35,000	0	269,305	269,305
Health	8,207,307	1,756,330	811,764	10,775,401	400,000	10,375,401	1,555,870	425,000	12,756,271	12,356,271
Infrastructure Cook Islands	1,508,670	264,351	233,013	2,006,034	245,626	1,760,408	795,000	5,100,000	7,901,034	7,655,408
Internal Affairs	945,109	118,085	21,264	1,084,457	6,000	1,078,457	15,562,516	0	16,646,973	16,640,973
Justice	1,465,290	406,686	104,647	1,976,623	467,765	1,508,858	257,000	0	2,233,623	1,765,858
Marine Resources	1,080,833	303,125	57,318	1,441,276	15,000	1,426,276	200,000	0	1,641,276	1,626,276
Ombudsman	210,382	53,840	5,822	270,044	0	270,044	0	0	270,044	270,044
Parliamentary Services	472,676	83,611	24,579	580,866	8,419	572,447	2,489,445	0	3,070,311	3,061,892
Pearl Authority	208,493	236,688	21,230	466,411	0	466,411	0	0	466,411	466,411
Police	2,910,739	458,663	218,622	3,588,024	69,360	3,518,664	411,000	70,000	4,069,024	3,999,664
Prime Minister's Office	926,638	197,849	36,069	1,160,556	0	1,160,556	240,000	659,000	2,059,556	2,059,556
Public Service Commission	387,992	55,447	49,298	492,737	0	492,737	1,144,716	0	1,637,453	1,637,453
Tourism Corporation	1,426,893	2,962,193	16,000	4,405,086	253,640	4,151,446	2,000,000	0	6,405,086	6,151,446
Transport	489,465	138,964	39,047	667,476	36,000	631,476	56,000	0	723,476	687,476
Cook Islands Investment Corporation				0		0	75,000	2,384,000	2,459,000	2,459,000
Cook Islands Seabed Minerals Authority	0	0	0	0	0	0	340,000	0	340,000	340,000
Total Ministries	37,772,846	10,825,544	2,389,493	50,987,882	2,656,795	48,331,087	42,936,776	9,430,000	103,354,658	100,697,863
Capital Funds Committee-Administered by MFEM	0	0	45,000	45,000	0	45,000	0	200,000	245,000	245,000
Outer Islands (Refer Schedule 1(b))	6,059,782	3,857,305	1,393,237	11,310,325	3,061,097	8,249,228	0	392,000	11,702,325	8,641,228

Appropriation Amendment Bill 2014

Ministry	Personnel	Operating	Depreciation	Gross Operating Appropriation	Trading Revenue	Net Operating Appropriation	POBOCS	Capital Expenditure	Total Gross Appropriation	Total Net Appropriation
Ministerial Support										
Prime Minister	303,509	110,773	11,100	425,382	0	425,382	0	0	425,382	425,382
Deputy Prime Minister	132,000	85,372	5,628	223,000	0	223,000	0	0	223,000	223,000
Minister Mark Brown	187,455	81,613	6,802	275,870	0	275,870	0	0	275,870	275,870
Minister Kiriau Turepu	124,907	56,931	11,162	193,000	0	193,000	0	0	193,000	193,000
Minister Nandi Glassie	102,585	78,415	12,000	193,000	0	193,000	0	0	193,000	193,000
Minister Teina Bishop	69,500	118,000	5,500	193,000	0	193,000	0	0	193,000	193,000
Leader Of Opposition	150,000	48,200	6,800	205,000	0	205,000	0	0	205,000	205,000
Total Ministerial Support Offices	1,069,956	579,305	58,992	1,708,252	0	1,708,252	0	0	1,708,252	1,708,252
Gross Total	44,902,583	15,262,154	3,886,722	64,051,459	5,717,892	58,333,567	42,936,776	10,022,000	117,010,234	111,292,343

Appropriation Amendment Bill 2014

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Schedule 1(b)
Ministry Appropriations

Outer Islands	Personnel	Operating	Depreciation	Gross Operating Appropriation	Trading Revenue	Net Operating Appropriation	POBOCs	Capital Expenditure	Total Gross Appropriation	Total Net Appropriation
Aitutaki	1,025,156	390,204	157,848	1,573,208	48,250	1,524,958	0	298,000	1,871,208	1,822,958
Autitaki Power Supply	265,170	1,597,374	348,789	2,211,333	1,900,943	310,390	0	0	2,211,333	310,390
Atiu	655,361	394,881	138,561	1,188,803	224,318	964,485	0	12,000	1,200,803	976,485
Mangaia	774,614	533,655	204,700	1,512,969	301,000	1,211,969	0	12,000	1,524,969	1,223,969
Manihiki	601,488	171,863	92,199	865,550	136,300	729,250	0	10,000	875,550	739,250
Mauke	616,392	204,110	80,877	901,378	113,853	787,525	0	10,000	911,378	797,525
Mitiaro	463,392	64,937	55,200	583,529	58,899	524,630	0	8,000	591,529	532,630
Palmerston	243,218	63,801	42,000	349,019	20,599	328,420	0	10,000	359,019	338,420
Penrhyn	342,480	199,639	52,407	594,526	83,904	510,622	0	12,000	606,526	522,622
Pukapuka-Nassau	700,426	146,126	140,552	987,105	73,695	913,410	0	12,000	999,105	925,410
Rakahanga	372,084	90,716	52,605	515,405	99,336	416,069	0	8,000	523,405	424,069
Outer Islands Capital Fund- Administered by MFEM	0	0	27,500	27,500	0	27,500	0	0	27,500	27,500
Gross Total	6,059,782	3,857,305	1,393,237	11,310,325	3,061,097	8,249,228	0	392,000	11,702,325	8,641,228

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Schedule 2
Benefits and Other Unrequited Expenses

Category of Benefit	Budget Estimate 2013/14	Supplementary Estimates 2013/14	Variance	Per cent
Welfare Payments	13,583,800	14,451,516	876,716	6%
Parliamentary Superannuation	180,000	180,000	0	0
Total Benefits and Other Unrequited Expenses	13,763,800	14,631,516	876,716	6%

Schedule 3
Borrowing Expenses and Debt Repayment

Category of Benefit	Budget Estimate 2013/14	Supplementary Estimates 2013/14	Variance	Per cent
Gross Debt Servicing (see Schedule 10)	5,710,000	5,799,000	89,000	2%
Total Borrowing Expenses and Debt Repayment	5,710,000	5,799,000	89,000	2%

Schedule 4
Other Expenses

Category of Expense	Budget Estimates 2013/14	Supplementary Estimates 2013/14	Variance	Per cent
Airport Authority	2,047,997	2,048,000	3	0%
Bank of the Cook Islands	181,000	181,000	0	0%
Te Aponga Uira	350,000	350,000	0	0%
Asset Management	0	1,800,000	1,800,000	-
Contingency Funds - Capital Expenditure	50,000	50,000	0	0%
Contingency Funds - Operating	100,000	431,735	331,735	332%
Crown Infrastructure Depreciation	5,069,598	5,069,598	0	0%
Expenditure of Chinese Loans	6,946,000	6,946,000	0	0%
Foreign Aid	59,363,162	56,184,606	-3,178,556	-5%
ADB Share Capital	26,600	26,600	0	0%
Transfer to Emergency Response Trust Fund	0	350,000	350,000	-
Transfer to Reserve Trust Fund	498,263	494,802	-3,461	-1%
Total Other Expenses	74,632,620	73,932,341	(700,279)	-1%

Summary

Category of Payment	Budget Estimates 2013/14	Supplementary Estimates 2013/14	Variance	Per cent
Schedule 1 - Ministry Outputs (Gross), POBOCs and Capital Expenditure	102,427,978	102,378,718	(49,260)	0%
Schedule 2 - Benefits and Other Unrequited Expenses	13,763,800	14,631,516	876,716	6%
Schedule 3 - Borrowing Expenses and Debt repayment	5,710,000	5,799,000	89,000	2%
Schedule 4 - Other Expenses	74,632,620	73,932,341	(700,279)	-1%
TOTAL APPROPRIATION	196,534,398	196,741,575	207,177	7%

This Act is administered by the Ministry of Finance and Economic Management.
Printed under the authority of the Cook Islands Parliament—2014.

STATEMENT OF FISCAL RESPONSIBILITY
Operating Revenue and Expenditure Statement for the year ended 30 June 2014
All Values (\$'000)

	2013/14	2013/14	
	Budget	Supplementary	Variance
	Estimates	Estimates	
Operating Revenue			
Taxation Revenue	99,653	98,960	(692)
Other Crown Revenue	9,092	9,513	421
Trading Revenue	5,452	5,718	266
Interest on Loans to Subsidiaries	335	335	0
Dividends	2,561	2,631	70
Interest on Balances	1,812	1,812	0
Total Operating Revenue	118,905	118,969	65
Operating Expenditure			
Ministry Outputs	63,591	64,051	460
<i>Personnel</i>	<i>45,039</i>	<i>44,903</i>	<i>(136)</i>
<i>Operating</i>	<i>14,666</i>	<i>15,262</i>	<i>596</i>
<i>Depreciation</i>	<i>3,887</i>	<i>3,887</i>	<i>0</i>
Payments on Behalf of the Crown	43,229	42,937	(293)
Airport Authority	1,998	2,048	50
Bank of the Cook Islands	181	181	0
Ports Authority - Infrastructure	1,110	0	(1,110)
Te Aponga Uira	350	350	0
Debt Servicing Interest	1,429	1,437	8
Asset Management	1,800	1,800	0
Crown Infrastructure Depreciation	5,070	5,070	0
Transfer to Emergency Response			
Trust Fund	0	35	35
Disaster/ Contingency Operating Expenses	100	432	332
Total Operating Expenses	118,858	118,656	(203)
Fiscal Operating Surplus/(Shortfall)	46	314	268

Reconciliation of Operating Statement

Statement of Government Operations	2013/14 Forecasts	2014/15 Forecasts	2015/16 Forecasts	2016/17 Forecasts
Net Underlying Operating balance Budget 2013/14 June 2013	46	(1,068)	606	606
Revenue				
<i>Revenue Parameter Changes</i>	(180)	216	(1,074)	3,655
VAT Adjustments	475	771	659	2,047
Income Adjustments	(2,792)	(1,612)	(1,190)	(221)
Import Levies Adjustments	2,097	1,873	403	1,986
Company Tax Adjustments	1,074	713	681	1,079
Departure Tax Adjustments	(1,333)	(1,529)	(1,626)	(1,236)
Withholding Adjustments	300	0	0	0
<i>Revenue Decisions</i>	(512)	2,726	2,726	2,726
Cancellation of pork levies	(57)	(229)	(229)	(229)
Cancellation of shipped eggs levies	0	0	0	0
Cancellation of ice cream levies	(26)	(106)	(106)	(106)
Increase in the VAT	1,959	7,835	7,835	7,835
Decrease in personal income rates and raising the tax-free threshold	(2,888)	(5,775)	(5,775)	(5,775)
Remove international airline exemption	250	500	500	500
Include interest earnings as part of general income	250	500	500	500
Total Revenue Changes	(692)	2,941	1,652	6,380
Expenditure				
<i>Expenditure Parameter Changes</i>	0	0	0	0
<i>Expenditure Decisions</i>	868	2,603	2,603	2,603
<i>Tax Review Welfare Payments</i>				
Increase 60-69 pension by 25%	404	1,212	1,212	1,212
Increase 70+ by 25%	345	1,035	1,035	1,035
Increase child benefit by 10%	86	258	258	258
Increase destitute by 10%	13	40	40	40
Increase Caregivers by 10%	17	50	50	50
Increase Power Subsidy by 10%	3	9	9	9
Total Expenditure Changes	868	2,603	2,603	2,603
FINAL UNDERLYING NET OPERATING BUDGET BALANCE BPS December 2013	(1,514)	(730)	(346)	4,383
Revenue Parameter Changes	1,093	307	307	307
IMO Subscription-MCI	63	63	63	63
Shipping Registration	22	22	22	22
Court Services	10	10	10	10
Circulating Currency	50	0	0	0
Bank of the Cook Islands - dividend	70	0	0	0
Tourism	254	200	200	200
Apostils	12	12	12	12
Fisheries Catch Revenue				
<i>Catch Revenue additional 300 days increase - USA</i>	1,900	0	0	0
<i>EU Partnerships - Big Eye Tuna Quota</i>	(700)	0	0	0
<i>Reduction in Purseine Revenue</i>	(230)	0	0	0
Fishing Licences Revenue				
<i>Increase in Albacore Tuna Licence Fees</i>	442	0	0	0

Statement of Government Operations	2013/14 Forecasts	2014/15 Forecasts	2015/16 Forecasts	2016/17 Forecasts
<i>Reduction in Big Eye Tuna Licenses</i>	(800)	0	0	0
Revenue Decisions	(336)	(381)	(385)	(385)
Immigration Fees	(336)	(381)	(385)	(385)
Total Revenue Changes	757	(74)	(78)	(78)
Expenditure Parameter Changes	0	0	0	0
Expenditure Decisions	1,683	409	409	409
Murienua by-election	10	0	0	0
Oriental Fruit Fly Eradication	30	0	0	0
Superannuation Fund - Constitutional Challenge Legal Costs	110	0	0	0
Boat Repairs Manihiki Indian Grant Co Financing	30	0	0	0
Additional Costs Associated with the Gender Conference	11	0	0	0
Donation to Investiture of Tinomana Tokerau Ariki	1	0	0	0
Legal advice- Superannuation Constitution	62	0	0	0
Rakahanga Fuel Costs	20	0	0	0
Increase Contingency Crown	50	0	0	0
Seabed Minerals-Legal Fees	8	0	0	0
Pacific Catastrophe Risk Insurance	121	121	121	121
CISNOC Reimbursement - Rugby League World Cup	60	0	0	0
CISNOC Reimbursement - Netball	18	0	0	0
Pacific Netball Series	60	0	0	0
Infrastructure Committee	25	25	25	25
IMO POBOC	63	63	63	63
Fire damage-Avatea Primary School and Nukutere College	297	0	0	0
Tourism	254	200	200	200
Pacific Leaders Meeting	35	0	0	0
Working Group UN Membership	10	0	0	0
Natural Disaster top up	350	0	0	0
Debt Servicing Interest	8	0	0	0
Airport Authority	50			
Expenditure Savings	(2,617)	0	0	0
Air New Zealand POBOC	(1,450)	0	0	0
SOPAC Conference Savings	(50)	0	0	0
Police Conference Savings	(6)	0	0	0
Standard and Poor's	(1)	0	0	0
Ports Authority non programmed capital	(1,110)			
Personnel Vacancies	(136)	0	0	0
MFAI	(5)	0	0	0
BTIB	(10)	0	0	0
Agriculture	(30)	0	0	0
Marine	(15)	0	0	0
OPM	(10)	0	0	0
PSC	(8)	0	0	0
Audit	(50)	0	0	0
MFEM	(8)	0	0	0
Total Expenditure Changes	(1,071)	409	409	409
FINAL UNDERLYING NET OPERATING BUDGET BALANCE- SUPPLEMENTARY BUDGET	314	(1,212)	(832)	3,897

STATEMENT OF FISCAL RESPONSIBILITY

The fiscal responsibility statement sets out the operating revenue and expenditure to clearly demonstrate that the Government budget is fiscally responsible in terms of the principles of responsible fiscal management as outlined in the *Ministry of Finance and Economic Management Act 1995-96* (MFEM Act).

The MFEM Act states in Section 23(2) (a) that when total Crown debt is not at prudent levels “... total operating expenses of the Crown in each financial year are [must be] less than its total operating revenue in the same financial year”.

The underlying operating balance at the time of the Half Year Economic and Fiscal Update 2013/14 was a deficit of \$1.963 million. After the inclusion of all items in the Appropriation Amendment 2013/14, the new underlying operating balance has improved to a surplus of \$0.314 million.

At the time of the 2013/14 Budget the underlying budget balance was a surplus of \$0.046 million. The recent reforms to the taxation system which saw the introduction of the income tax cuts from 1 January 2014, increases in welfare from 1 March and increase in the VAT from 1 April, along with the delayed increase in immigration fees, saw an increase in the underlying budget balance to a surplus of \$0.314 million.

Since the 2013/14 Budget there have been a number of expenditure pressures, additional ODA which needs to be appropriated, and overspending in the contingency reserves which require redress. The 2013/14 Appropriation Amendment includes detailed information on all these updates.

The Statement of Government Operations statement shows a fiscal operating surplus of \$0.314 million compared with a surplus of \$0.046 million at the time of the original Budget in June 2013.

1.1 Changes to Revenue

Total operating revenue had been revised for 2013/14 to \$118.2 million during the time of the Budget Policy Statement and Half Year Economic and Fiscal Update 2013/14. This is a \$0.692 million reduction over the estimated operating revenue at the time of the original Budget. This revenue reduction is predominantly due to the Tax Review implementation. In addition to this, a further \$0.53 million will also be lost from the 2013/14 budget year due to the phasing arrangements for the Cook Islands Government 2013 Tax Review (the personal income tax cuts will occur in 1 January 2014, three months prior to the increase in VAT which is expected to commence on 1 April 2014). These changes are outlined in table 1.

The Appropriation Amendment 2013/14 includes further revenue adjustments as a result of higher than anticipated fisheries catch revenue. Offsetting this were declines in estimated revenue from Big Eye Tuna quota with the EU, of \$0.230 million. Overall fishing revenue has increased by \$0.970 million in 2013/14.

Other changes include an increased dividend from BCI which arose from improved financial performance of the Bank by \$0.070 million.

Shifting registration has also increased due to the new arrangements between the government and Maritime Cook Islands including all the changes since the 2013/14 budget revenue for 2013/14 is expected to increase by \$0.022 million.

Revisions to the estimates for revenue in 2013/14 have moved the underlying budget balance by \$0.268 million. The decision to not increase immigration fees as outlined in the 2013/14 Budget has been offset by a higher dividend from BCI and other minor changes, the changes since the 2013/14 HYEPU are outlined in Table 2.

Changes to revenue since the publication of the 2013/14 HYEPU have seen an increase in revenue of \$0.65 million. This is predominantly due to an increase of \$1.9 million from the sale of additional 300 days catch revenue to the US under the Fisheries treaty.

Table 1 – Changes to Revenue (\$'000)

Revenue Changes	2013/14 Forecasts	2014/15 Forecasts	2015/16 Forecasts	2016/17 Forecasts
Revenue Parameter Changes BPS & HYFEU	-180	216	-1,074	4,097
VAT Adjustments	475	771	659	2,047
Income Adjustments	-2,792	-1,612	-1,190	221
Import Levies Adjustments	2,097	1,873	403	1,986
Company Tax Adjustments	1,074	713	681	1,079
Departure Tax Adjustments	-1,333	-1,529	-1,626	-1,236
Withholding Adjustments	300	0	0	0
Revenue Decisions BPS & HYFEU	-512	2,726	2,726	2,726
Cancellation of pork levies	-57	-229	-229	-229
Cancellation of shipped eggs levies	0	0	0	0
Cancellation of ice cream levies	-26	-106	-106	-106
Increase in the VAT	1,959	7,835	7,835	7,835
Decrease in personal income rates and raising the tax-free threshold	-2,888	-5,775	-5,775	-5,775
Remove international airline exemption	250	500	500	500
Include interest earnings as part of general income	250	500	500	500
Revenue Changes at BPS & HYFEU	-692	2,941	1,652	6,822
Revenue Parameter Changes Supplementary	1,093	307	307	307
IMO Subscription-MCI	63	63	63	63
Shipping Registration	22	22	22	22
Court Services	10	10	10	10
Circulating Currency	50	0	0	0
Bank of the Cook Islands - dividend	70	0	0	0
Trade Shows	254	200	200	200
Apostiles	12	12	12	12
Fisheries Catch Revenue				
<i>Catch Revenue additional 300 days increase - USA</i>	1,900	0	0	0
<i>EU Partnerships - Big Eye Tuna Quota</i>	-700	0	0	0
<i>Reduction in Purseine Revenue</i>	-230	0	0	0
Fishing Licences Revenue				
<i>Increase in Albacore Tuna Licence Fees</i>	442	0	0	0
<i>Reduction in Big Eye Tuna Licenses</i>	-800	0	0	0
Revenue Decisions Supplementary	-336	-381	-385	-385
Immigration Fees	-336	-381	-385	-385
Revenue Changes at Supplementary	757	-74	-78	-78
Total Revenue Changes from BPS & HYFEU to Supplementary Budget 13/14	65	2,868	1,574	6,745

1.2 Changes to Expenditure

Total operating expenditure estimated for 2013/14 has reduced to \$118.6 million, this has reduced by \$0.203 million in comparison to the original appropriation for this financial year. Gross operational expenditure by Ministries has increased by \$0.460 million from \$63.5 million to \$64.0 million. New expenditure totalling \$2.5 million has been identified, this is driven predominantly by:

- \$0.045 million to the Ministry of Foreign Affairs and Immigration to assist with the hosting of the Forum Leaders Special Retreat and a working group for membership towards the United Nations.
- \$0.138 million to CISNOC to support national sports development;
- \$0.025 million to the Cook Islands Investment Corporation to improve the monitoring of capital projects by the infrastructure committee;
- \$0.868 million in welfare adjustments from the Tax Review;
- \$0.332 million in expenditure from the Contingency Reserve which has been approved by various Orders in Executive Council;
- \$0.297 million for works around fire damage at Avatea Primary School and Nukutere College;
- \$0.200 million in tourism trade shows (offset by trading revenue);
- \$0.121 million in premium payments for the Pacific Catastrophe Risk Insurance coverage; and
- \$0.100 million to top up the emergency response trust fund.

Total proposed changes in expenditure and Payment of Behalf of Crown (POBOCs) are provided in Table 2.

Table 2 – Changes to Expenditure (\$'000)

Expenditure Changes	2013/14 Forecasts	2014/15 Forecasts	2015/16 Forecasts	2016/17 Forecasts
Expenditure Parameter Changes BPS & HYFEU	0	0	0	0
Expenditure Decisions BPS & HYFEU	868	2,603	2,603	2,603
Tax Review Welfare Payments				
Increase 60-69 pension by 25%	404	1,212	1,212	1,212
Increase 70+ by 25%	345	1,035	1,035	1,035
Increase child benefit by 10%	86	258	258	258
Increase destitute by 10%	13	40	40	40
Increase Caregivers by 10%	17	50	50	50
Increase Power Subsidy by 10%	3	9	9	9
Expenditure Changes at BPS & HYFEU	868	2,603	2,603	2,603
Expenditure Parameter Changes Supplementary	0	0	0	0
Expenditure Decisions Supplementary	1,683	409	409	409
Contingency				
Murienua by-election	10	0	0	0
Oriental Fruit Fly Eradication	30	0	0	0
Superannuation Fund - Constitutional Challenge Legal Costs	110	0	0	0
Boat Repairs Manihiki Indian Grant Co Financing	30	0	0	0
Additional Costs Associated with the Gender Conference	11	0	0	0
Donation to Investiture of Tinomana Tokerau Ariki	1	0	0	0
Legal advice- Superannuation Constitution	62	0	0	0
Rakahanga Fuel Costs	20	0	0	0
Increase Contingency Crown	50	0	0	0
Seabed Minerals-Legal Fees	8	0	0	0
Payment of Behalf of Crown				
Pacific Catastrophe Risk Insurance	121	121	121	121
CISNOC Reimbursement - Rugby League World Cup	60	0	0	0
CISNOC Reimbursement - Netball	18	0	0	0
Pacific Netball Series	60	0	0	0
Infrastructure Committee	25	25	25	25
IMO POBOC	63	63	63	63
Operating				
Fire damage-Avatea Primary School and Nukutere College	297	0	0	0
Trade Shows	254	200	200	200
Pacific Leaders Meeting	35	0	0	0
Working Group UN Membership	10	0	0	0
Other				
Natural Disaster top up	350	0	0	0
Debt Servicing Interest	8	0	0	0
Airport Authority	50	0	0	0
Expenditure Changes at Supplementary	1,683	409	409	409
Total Expenditure Changes from BPS & HYFEU to Supplementary Budget 13/14	2,551	3,012	3,012	3,012

1.3 Identified Savings

In addition to new expenditure, savings of \$2.7 million has been identified, these mainly result from improved performance of the underwrite long haul routes operated by Air New Zealand. There has also been considerable underspend in personnel by Ministries as result of vacancies not filled to date.

The underwrite of the long haul services was budgeted at \$12.6 million, to December 2012 actual costs were \$5.2 million. Costs in the second half of the year are anticipated to be higher.

Personnel savings to end February were estimated at \$0.136 million. As a result savings have been sequestration to the budget and are shown in table 3.

Further savings have also been identified in the Standard and Poor's subscription, SOPAC and Police conferences as a result of cost being lower than originally budgeted.

There has also been considerable underspend in personnel by Ministries, further details are provided in Table 3.

Table 3– Savings in 2013/14 (\$'000)

Savings in 2013/14	2013/14 Forecasts	2014/15 Forecasts	2015/16 Forecasts	2016/17 Forecasts
Air New Zealand POBOC	- 1,450	0	0	0
SOPAC Conference Savings	- 50	0	0	0
Police Conference Savings	- 6	0	0	0
Standard and Pooors	- 1	0	0	0
Ports Authority non programmed capital	- 1,110			
Personnel Vacancies first six months	- 136	0	0	0
Total Savings 2013/14	-2753	0	0	0

Table 4 – Personnel Savings by Agency (\$'000)

Personnel Savings by Agency	2013/14 Forecasts	2014/15 Forecasts	2015/16 Forecasts	2016/17 Forecasts
Ministry of Foreign Affairs	-5	0	0	0
Business Trade and Investment Board	-10	0	0	0
Ministry of Agriculture	-30	0	0	0
Ministry of Marine Resources	-15	0	0	0
Office of the Prime Minister	-10	0	0	0
Office of the Public Service Commissioner	-8	0	0	0
Cook Islands Audit Office	-50	0	0	0
Ministry of Finance and Economic Management	-8	0	0	0
Total Personnel Savings by Agency	-136	0	0	0

1.4 Non-Operating Statement and Financing and Applications Statement

The primary purpose of this statement is to provide information on the Government's capital transactions and to demonstrate that these non-operating expenditures are within the financial capability of the Crown. They do not purport to be formal cash flow statements as they do not include such items as movements in creditors and debtors.

STATEMENT OF FISCAL RESPONSIBILITY
Financing and Applications Statement for the year ended 30 June 2014
All Values (\$'000)

	2013/14 Budget Estimates	2013/14 Supplementary Estimates	Variance
Reductions in Net Borrowings			
Loan Disbursements	(6,946)	(6,946)	0
Loan Repayments	2,995	2,995	0
Loan Repayments by Subsidiaries	1,286	1,286	0
	(2,665)	(2,665)	0
Capital Expenditures			
Ministries and Outer Islands (Including CIIC Capital)	9,371	10,022	651
<i>Infrastructure Capital Investment in SOEs</i>			
Airport Authority	150	0	(150)
Contingency	50	50	0
	9,571	10,072	501
Foreign Aid			
Receipts	(59,363)	(56,185)	3,179
Expenditure	59,363	56,185	(3,179)
	0	0	0
Other Committed Considerations			
Expenditure of ADB Loan	0	0	0
Expenditure of China Loans	6,946	6,946	0
Increase in Reserve Trust Fund	498	495	(3)
ADB Share Capital	27	27	0
	7,471	7,467	(3)
Total	14,377	14,874	498
To be Funded by			
Operating Surplus	46	324	278
Depreciation	8,956	8,956	0
Loan Reserve Financing	1,335	1,335	0
Drawdown from Government Reserves	4,039	4,259	220
Total Funding Items	14,377	14,874	498
Net Surplus/Shortfall	0	0	0

The Financing and Applications Statement reflect the following adjustments:

1.4.1 CAPITAL EXPENDITURE

Capital expenditure to ministries has increased by \$0.651 million to \$10.0 million in 2013/14, these include the following:

Auckland Consulate Office Fit-out Manukau

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
45	0	0	45	37	0	0	37	-8	-8

Actual costs associated with the fit out of the Auckland consulate at Manukau are estimated to be \$37,000, a saving of \$8,000 is expected.

Ambulance

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
150	0	0	150	40	0	0	40	-110	-110

Initially \$150,000 was provided for the purchase of a fitted-out ambulance. In 2013/14 two ambulances were donated by New Zealand's St John's ambulance service to the Cook Islands. Costs of \$40,000 were for shipping to Rarotonga and improvements.

Bridges and Drainage

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
1000	1500	0	2500	478	1500	522	2500	-522	0

Improvements to bridges and drainage on Rarotonga commenced in 2013/14 with repairs/stream stabilisation work in Betela, Tupapa, Matavera and Takuvaine.

Assessments and designs for the refurbishment and reconstruction of the larger bridges at the Empire Theatre, Banana Court, and Avatiu Valley are underway and will be implemented in 2014/15.

Road Network Maintenance

Budget Estimates (\$M)				Supplementary Budget Estimates (\$M)				Variance (\$M)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
430	430	680	1540	330	430	680	1440	-100	-100

Water Network Maintenance

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
500	500	1000	2000	350	500	1000	1850	-150	-150

Each year Infrastructure Cook Islands is provided budgetary support for ongoing maintenance of the road and water network on Rarotonga. In 2013/14 the maintenance expenditure will be reduced by a total of \$250,000 due to ongoing and planned upgrades under Project City and Te Mato Vai. Ongoing support will be reviewed annually as upgrades progress.

Manihiki Harbour

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
2000	300	0	2800	2500	300	0	2800	500	0

Improvements to the harbours on Tauhunu and Tukao to provide a greater degree of safety and protection for existing lighters and cargoes, and to make provision for landing barge operations in future, is ahead of schedule and expected to be completed by end of June 2014. The variance reflects the carry forward of the budget estimate from the previous year into 2013/14. The total budget estimate remains unchanged.

Vaimaru Water Upgrade

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
200	0	0	200	250	0	0	250	50	50

The primary objective of the Vaimaru water upgrade project is to improve water supply to Arutanga, Reureu and Nikaupara, Aitutaki. In 2013/14 a new concrete pump station was constructed and a new water pipeline from the Vaimaru gallery to the hospital tank (for gravity feed) was laid. The additional \$50,000 allows for the purchase of a larger solar pressure pump, and for the reconstruction and upgrade of the gallery.

Rakahanga Harbour Improvements

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
120	0	0	120	0	120	0	120	-120	0

Improvements to the passage way and harbour of Rakahanga has been identified and design details are underway. Due to the nature of work and logistics involved in undertaking such work in the northern group, the delivery of this project is now scheduled to take place in early 2014/15, on completion of the Manihiki Harbour project.

Sanitation Upgrades - Aitutaki and Rarotonga Phase 2 initiation

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	350	0	0	350	350	350

The Water Waste and Sanitation Unit (WATSAN) has finalised its work plan for the implementation of on-site wastewater systems upgrades on Aitutaki, and the extension of the Muri pilot project to Tikioki. In 2013/14 Cook Islands will fund the initiation of detailed assessments and community consultations, in preparation for construction work in 2014/15.

The upgrade program, which commenced in 2012, is funded by a blend of finances from New Zealand, Australia, European Union, and Cook Islands, and supported by contributions from home owners. Sanitation systems for approximately 1000 residential properties on Rarotonga and Aitutaki will be improved over the next 3-4 years. The scoping of upgrades on other Southern Group and the Northern Group islands will commence in 2014/15 along with the review of proposed reticulation systems for clustered communities on Rarotonga and Aitutaki.

Pukapuka Tractor (previously Bobcat)

The purchase of a bobcat for the island of Pukapuka has now been replaced with the purchase of a tractor. This allows for a single piece of equipment to be used for multiple applications and functions over and above those which a bobcat would serve. The budget estimate remains unchanged.

Turangi Clean Up Project

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	60	0	0	60	60	60

The clearing of the former recycling facility in Turangi has commenced, and is supervised by Infrastructure Cook Islands. Machinery and equipment will be shipped to New Zealand for recycling and other rubbish transported to the landfill for sorting or burial. The land will be cleaned and reinstated as much as possible to its original condition.

Emergency Mission - Pukapuka Airport Repairs

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	140	0	0	140	140	140

Pukapuka is currently without an air link after severe rainfall caused damages to the airport's runway. Infrastructure Cook Islands has deployed heavy machinery and operators to Pukapuka to rectify the issues, to enable the airport to be reopened. It is expected that the runway will be reinstated and operational in April 2014.

Emergency Mission – Mitiaro Salvage Excavator and Airport

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	99	0	0	99	99	99

ICI assisted the Mitiaro Island Government with the recovery of its excavator from the lake in December 2013. Urgent runway repairs were undertaken while heavy machinery was on island.

Emergency Mission – Atiu Repairs and Upgrade

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	74	0	0	74	74	74

The Atiu runway will undergo emergency repairs to ensure the flights to and from Atiu remain operational until the designs for the long-term improvements are finalised and ready to implement.

ICI Upgrades

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	30	0	0	30	30	30

Infrastructure Cook Islands relocated its head office to the public works compound in 2013. Since then staged improvements have been made to the administration building, workshop and access ways.

Education building completion

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	123	0	0	123	123	123

This \$123,000 is for additional work completed in 2010/11 that was beyond the original scope of works. This includes roof structure changes, floor tiling and installation of interior handrails.

Fuel Storage Facility

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
90	0	0	90	160	0	0	160	70	70

The existing fuel storage tanks have been in service for the last 40 years. The tanks are leaking despite previous attempts to repair. The budget in 2013/14 allows for the construction of bunding,

and provision of new tanks. An additional \$70,000 will support the purchase of extra tanks. Aitutaki Power Supply intends to purchase up to five (5) new tanks over the next 3-4 years.

Mitiaro Generator, Powerhouse Relocation

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
280	0	0	280	0	280	0	280	-280	0

The relocation of the powerhouse and replacement of generator on Mitiaro has been rescheduled to 2014/15 to coincide with the islands planned renewable energy development project.

National Education Renewal Program

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
671	721	2328	3720	481	721	2328	3530	-190	-190

The Education Renewal Programme provides on-going support to the national education system for

infrastructure renewal and improvements. The programme commenced in 2012/13 and will continue into the future.

Work is prioritised to address health and safety concerns including major refurbishment and replacement work, overdue renewal work, and facility upgrades. Work initially planned for 2013/14 included repainting and upgrades at Avatea Primary School which is no longer required due to the planned merge and reconstruction with Nikao School. Ivirua School refurbishment has been deferred to allow the community the opportunity to discuss the future of the school. Accordingly the appropriation will be reduced from \$0.671 million in 2013/14 to \$0.481 million. The budget allocations for 2014-2016 will be reviewed before the end of the current year to allow for the reconstruction of the new Nikao School.

National Health Renewal Program

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
840	385	0	1225	760	330	0	1090	-80	-135

The National Health Renewal Program commenced in 2012/13 and provides for renewal and improvement work to hospitals and health care facilities on Rarotonga and the Pa Enea.

Further work needed to improve the standards of the Rarotonga Hospital Outpatients building, estimated to cost \$60,000, will be carried out in 2013/14. The additional cost is offset by the deferral of the new roof for the Tupapa Dental Clinic. The deferral to 2014/15 allows for fuller planning and resource coordination. The construction of a new Pukapuka Hospital commences in the last quarter of 2013/14, will conclude in 2014/15.

In 2014/15 all new health priority work, including the Tupapa Clinic, will be funded through CIICs annual asset management appropriation.

Mitiaro Cargo Shed

Originally \$50,000 was made available for the construction of a cargo shed. In discussions with the Island Council this will now become a machinery shed. The budget estimate remains unchanged.

Renovations to Cook Islands High Commission (Wellington)

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
53	0	0	53	8	0	0	8	-45	-45

Originally \$53,000 was budgeted for a scope of works to the property at Mulgrave Street, Wellington, which involved repainting, carpeting and upgrades to heating. The CIIC are considering the possible sale of the Mulgrave Street property, so for now \$8,000 will be allocated for repairing the heating system.

Planned building improvements/renewals are on hold pending the outcome of the proposal.

Pa Enua Renewable Energy Projects-Land Acquisition

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
500	1034	0	1534	220	1314	0	1534	-280	0

Identification of suitable sites in the Pa Enua for Renewable Energy, and negotiations with landowners are underway. The warranting and leasing of land commences in 2013/14 and will continue into 2014/15. The budget for each year has been amended to reflect the estimated compensation due dates.

Infrastructure Asset Management Information System

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	400	100	0	500	400	500

Component 2 of the ADB sponsored Asset Management Improvements program includes the design of an information system that caters for the needs of the each agency/ministry responsible for the management of crown assets. The proposed system will effectively and accurately capture all asset data including valuations and conditions, and allow the respective agencies/ministries/islands and government make more informed decision relating to the maintenance, renewal, disposal or replacement of each asset class. Ideally, a single system will be available to service the needs of the infrastructure sector across the Cook Islands.

Government IT Network

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
175	175	0	350	175	175	0	350	0	0

RMS Web Lodgement System

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	30	170	0	200	30	200

The Ministry of Finance and Economic Management is investing in a web-based Revenue Management System (RMS) to support its tax management processes, and improve services to the public. Spending over two years will ensure that a secure web-based module allowing taxpayers to register for new tax types and to file returns online, making income tax management easier for taxpayer clients, and increasing compliance and timeliness of revenue collections which will be launched in December 2014.

China Grant Plant and Equipment Pa Enua Freight Cost

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	500	500	0	1000	500	1000

Heavy Machinery for the Pa Enua and Pearl Equipment for Manihiki, funded by the Peoples' Republic of China, will arrive in Rarotonga within the next 3-6 months. This budget will cover freight forwarding to the Pa Enua as and when they arrive. A total of 52 pieces of heavy machinery with spare parts and 19 shipping containers of ropes and floats are expected to arrive from China.

Health Gastro-scope Machine

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	114	0	0	114	114	114

The Gastro scope Machine is an important diagnostic and therapeutic surgical equipment for patients presenting indigestion symptoms and foreign bodies stuck deep in their throat/esophagus. The current gastro scope machine, a reconditioned-purchase in 1998, is out of order due to an electrical fault experienced in theatre (January 2014). The acquisition of a replacement Gastro scope machine is a Ministry of Health priority.

Te Kukupa Refit

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
0	0	0	0	60	15	20	95	60	1000

The Australia Defence Force (ADF) is funding a refit programme for patrol boats gifted to Pacific Island Nations, include the Cook Islands' Te Kukupa. In August 2014 Te Kukupa is scheduled to be in Cairns to undergo a number of improvements under this programme. Additional work required outside of the scope of the ADF programme includes a replacement engine for the sea boat, additional painting and repair works. The proposed CIG Capital budget will allow for the additional work to be completed before returning to duty in the Cook Islands.

Small Island Capital Gant Fund

Budget Estimates (\$000)				Supplementary Budget Estimates (\$000)				Variance (\$000)	
2013/14	2014/15	2015/16	Total	2013/14	2014/15	2015/16	Total	2013/14	Total
110	110	110	330	80	110	110	300	-30	-30

An annual budget of \$110,000 funds the purchase of small capital items for the Pa Enea Island Governments, including machinery parts and IT equipment. Purchases in 2013/14 is currently estimated to cost \$80,000.

1.4.2 OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

Official Development Assistance budgeted for 2013/2014 has decreased by \$3.1 million reflecting changes in delivery times being partially offset by development partners committing additional funds that were not appropriated at the time of the 2013-14 Budget.

Table 1.3 – ODA Items

Agency	Development Partner	Budget 2013/14	Supplementary Estimates 2013/14	Variance	Budget 2014/15	Budget 2015/16	Total
CIIC		200,000	100,000	-100,000	100,000	0	200,000
ADB Asset Management Technical Assistance	ADB	200,000	100,000	(100,000)	100,000	0	200,000
Improve infrastructure service delivery technical assistance	ADB	0		0	0	0	0
Pearl Authority		0	0	0	0	0	0
Pearl Industry Revitalisation	NZAID	0		0	0	0	0
Tourism Corporation		3,000,000	3,000,000	0	2,000,000	0	5,000,000
Tourism Sector Support	NZAID	3,000,000	3,000,000	0	2,000,000	0	5,000,000
Foreign Affairs and Immigration		11,141,000	11,141,000	0	7,700,000	0	18,841,000
Pacific Forum Leaders Meeting	AUS	0		0	0	0	0
China grants in kind	CHINA	11,000,000	11,000,000	0	7,700,000	0	18,700,000
PRC Grant	CHINA	20,000	20,000	0	0	0	20,000
Korea Cars	KOREA	121,000	121,000	0	0	0	121,000
Ministry of Finance and Economic Management		12,906,000	11,605,000	(1,301,000)	12,224,000	6,889,000	30,718,000
Public Sector Reform TA Support	ADB	900,000	400,000	(500,000)	600,000	0	1,000,000
EU TCF	EU	80,000	80,000	0	80,000	80,000	240,000
Water & Sanitation General Budget Support	EU	1,600,000	1,600,000	0	2,400,000	1,600,000	5,600,000
India Grant Fund	INDIA	150,000	150,000	0	150,000	150,000	450,000
Automated Border Management System	New Zealand Aid	135,000	135,000	0	135,000	0	270,000
Aid Effectiveness	New Zealand Aid	62,000	62,000	0	0	0	62,000
Te Mato Vai	New Zealand Aid	7,500,000	7,500,000	0	3,500,000	5,000,000	16,000,000
Pac Forum Sec Small Island States	Pacific Islands Forum (PIF)	0		0	0	0	0
TRAC Funds	UNDP	242,000	242,000	0	0	0	242,000
Water Security	New Zealand Aid						0
Pearl Industry Revitalisation	CHINA			0	0	0	0

Agency	Development Partner	Budget 2013/14	Supplementary Estimates 2013/14	Variance	Budget 2014/15	Budget 2015/16	Total
Pearl Industry Revitalisation	NZAID	2,237,000	859,000	(1,378,000)	859,000	59,000	1,777,000
Development Partners Meeting	CI Gov		15,000	15,000			15,000
NIE Accreditation Process	EU SPC GCCA PSIS		62,000	62,000			62,000
Apii Nikao School Rebuild	New Zealand Aid		500,000	500,000	4,500,000		5,000,000
Agriculture		581,500	445,500	(136,000)	138,500	100,000	684,000
Agriculture Census and Statistics, Food and Ornamental Crop	FAO	223,200	223,200	0	0	0	223,200
Forestry Assessment Project	FAO	83,000	83,000	0	0	0	83,000
Crop Enhancement Technical Cooperation	FAO	236,000	100,000	(136,000)	100,000	100,000	300,000
SPC - Water-logging Project	SPC	30,000	30,000	0	38,500	0	68,500
SPC - Taro Revitalisation program	SPC	9,300	9,300	0	0	0	9,300
Ministry of Education		3,355,000	3,355,000	0	3,460,000	3,460,000	10,275,000
Education Sector Partnership	New Zealand Aid	2,657,000	2,657,000	0	2,762,000	2,762,000	8,181,000
Scholarships & Training Awards	New Zealand Aid	613,000	613,000	0	613,000	613,000	1,839,000
Participation Program	UNESCO	85,000	85,000	0	85,000	85,000	255,000
Ministry of Health		1,556,200	1,330,079	(226,121)	1,393,022	858,216	3,581,317
Management & prevention of HIV and STI	Global Fund	96,000	96,000	0	96,000	0	192,000
Strengthening the management, prevention of TB in CK	Global Fund	78,000	57,154	(20,846)	16,180	0	73,334
HIV-New Funding Model	Global Fund		41,800	41,800	49,460	16,330	107,590
Health Specialist Visits Programme	New Zealand Aid	500,000	500,000	0	500,000	500,000	1,500,000
Multi-sectoral approach to combat NCDs and assoc risk factor	Global Fund	0		0	0	0	0
SPC Small Grants	SPC	20,000	20,000	0	20,000	20,000	60,000
Strengthening Reproductive Health	UNFPA	345,000	97,925	(247,075)	194,182	75,886	367,993
Human Resources Development (Fellowships)	WHO	271,200	271,200	0	271,200	0	542,400
Technical Cooperation Programme	WHO	246,000	246,000	0	246,000	246,000	738,000
Ministry of Internal Affairs		1,291,530	1,329,310	37,780	815,570	600,000	2,744,880
Social welfare review, protection of the vulnerable	ADB	390,000	390,000	0	100,000	0	490,000
Disability Inclusive Development	AusAID	136,530	136,530	0	115,570	0	252,100
Social Impact Fund (NGO and community initiatives scheme)	New Zealand Aid	765,000	765,000	0	600,000	600,000	1,965,000

Agency	Development Partner	Budget 2013/14	Supplementary Estimates 2013/14	Variance	Budget 2014/15	Budget 2015/16	Total
12th Treinnial Conf of Pacific Women	AusAID		37,780	37,780			37,780
Infrastructure Cook Islands		6,042,000	3,942,000	(2,100,000)	5,650,000	2,500,000	12,092,000
Penrhyn Coastal Harbour upgrade	Australia Adaptation	0		0	650,000	0	650,000
Northern Water-Community water tank upgrades(2011 carry fwd)	New Zealand Aid	650,000	0	(650,000)	0	0	0
Mangaia water upgrades	Australia Adaptation	0		0	0	0	0
Mangaia Harbour Climate Adaptation	AusAID	610,000	610,000	0	0	0	610,000
Pacific Adaptation to CC (PACC+) Cook Is	UNDP	737,000	737,000	0	0	0	737,000
Mauke & Mitiaro Harbours	New Zealand Aid	260,000	260,000	0	0	0	260,000
Northern Water Improvement program - Household supply	New Zealand Aid	630,000	630,000	0	0	0	630,000
Waste Management and Sanitation improvement program	New Zealand Aid	2,955,000	1,505,000	(1,450,000)	5,000,000	2,500,000	9,005,000
Integrated Water Resources Management (IWRM)	SOPAC	200,000	200,000	0	0	0	200,000
Ministry of Marine Resources		362,000	362,000	0	362,000	0	724,000
CI Fisheries Initiative (CIFI)	Australia Regional	0		0	0	0	0
Fisheries Project Development Fund	FFA	362,000	362,000	0	362,000	0	724,000
National Environment Services		614,000	639,000	25,000	2,491,400	2,342,000	5,472,400
Piloting V & A	AusAID	0		0	0	0	0
Prevention, control and management	Global Environment Facility	162,000	162,000	0	85,600	72,000	319,600
Conservation Management of Island Biodiversity	Global Environment Facility	225,000	225,000	0	135,800	0	360,800
UNCCD Data Reporting Project	Global Environment Facility	57,000	57,000	0	0	0	57,000
Ridge to Reef	Global Environment Facility	100,000	100,000	0	2,200,000	2,200,000	4,500,000
Monitoring of Ozone Depletion Substance	Global Environment Facility	70,000	70,000	0	70,000	70,000	210,000
Building Capacity for Sustainable Land management	UNDP	0		0	0	0	0
Persistent Organic Pollutants POPs	UNDP	0		0	0	0	0
State of Environment Report	UN/UNEP		25,000	25,000			25,000
Office of the Prime Minister		16,089,585	16,711,370	621,785	18,478,500	732,000	35,921,870
Renewable Energy TA (Feasibility)	ADB	570,000	570,000	0	0	0	570,000
Institutional Structure Development	AusAID	0		0	0	0	0

Agency	Development Partner	Budget 2013/14	Supplementary Estimates 2013/14	Variance	Budget 2014/15	Budget 2015/16	Total
Coastal Adaptation	AusAID	0	88,900	88,900	0	0	88,900
SPC EU GCCA PSIS PROJECT	EU	465,000	465,000	0	0		465,000
National Adaptation to CC (3rd Nat Com & 3-4 Nat Rept)	Global Environment Facility	60,000	60,000	0	170,000	170,000	400,000
Renewable Energy program support	New Zealand Aid	6,280,000	12,300,000	6,020,000	12,300,000	0	24,600,000
PV Mini grids	PEC (Japan)	3,390,000	0	(3,390,000)	3,390,000	0	3,390,000
Energy Transformation	SIDS-DOCK	2,330,000	0	(2,330,000)	650,000	0	650,000
Power sector study, EIA, verifications (PIGGAREP)	SPREP	77,000	77,000	0	0	0	77,000
Community Centered Sustainable Development plans	UNDP	0		0	0	0	0
Strengthening Resilience of Island Communities	UN Adaptation Fund	2,708,585	2,708,585	0	1,968,500	562,000	5,239,085
Atiu Generator Renewable Energy	New Zealand Aid	209,000	209,000	0	0	0	209,000
Rarotonga Land Use	SPC		7,885	7,885			7,885
Cook Island Water Shortage Response	New Zealand		225,000	225,000			225,000
CI Police Services		720,000	720,000	0	720,000	120,000	1,560,000
CI Police Service HR development	Australian Federal Police	0		0	0	0	0
Police Development Programme	New Zealand Aid	600,000	600,000	0	600,000	0	1,200,000
Te Kukupa TA, operations	New Zealand Defence	120,000	120,000	0	120,000	120,000	360,000
Office of the Public Service Commissioner		1,000,000	1,000,000	0	0	0	1,000,000
CI Technical Assistance Facility	New Zealand Aid	1,000,000	1,000,000	0	0	0	1,000,000
Te Aponga Uira		409,347	409,347	0	112,150	0	521,497
Promoting Energy Efficiency in the Pacific	ADB	409,347	409,347	0	112,150	0	521,497
Seabed Mining Authority	Commonwealth Secretariat	95,000	95,000	0	20,000		115,000
Total		59,363,162	56,184,606	(3,178,556)	55,665,142	17,601,216	129,450,964

Enhancing Crop Development – Food and Agriculture Organization (FAO)

A total of \$293,000 USD has been made available for the project from September 2013- August 2015. The allocation of \$100,000 for each FY provides an approximate spending for this project.

Asian Development Bank

The two funded Technical Assistance projects from ADB, Asset Management and Public Sector Reform Support changes simply reflect a split of the technical assistance over two financial years. Asset Management is progressing well, but the spending of funds will also fall into the FY2014/15 which was not initially anticipated. Public Sector Reform is still in concept stage and reflects the need to prioritise across central agencies and acknowledges that the majority of spend will occur in FY2014/15.

Northern Water- community water tank upgrades – New Zealand

This funding has been withdrawn and the community water tank upgrades will be funded by the Cook Islands Government in the 2014-15 Budget.

Sanitation Upgrade Program – New Zealand

The 3 year plan for this program has been revised over the last 6 months and the funding requirement from New Zealand adjusted in coordination with EU budget support and CI Gov funding. Upgrades over the rest of Rarotonga and Aitutaki are expected to be started in March 2014.

12th Triennial Conference of Pacific Women – Australia

The Secretariat of the Pacific Community hosted the Twelfth Conference of Pacific Women and the Fifth Pacific Ministers for Women meetings jointly with the Government of the Cook Islands and the Pacific Islands Forum Secretariat in Rarotonga, Cook Islands from 20-25 October 2013. The overall aim of the Conference and Ministerial meetings is to bring together Ministers and senior decision makers within governments, development partners, research institutions and civil society organisations to review and develop strategies for accelerating progress in the achievement of gender equality and women's human rights in our region, in line with the Revised Pacific Platform for Action for Gender Equality and the Advancement of Women (RPPA) and other regional commitments on gender equality including most recently the Pacific Forum Leaders Gender Equality Declaration of 2012.

Pearl Industry Revitalisation – New Zealand

In the original GFA it funded production support, marketing support, capacity development and programme management. Due to difficulties experienced in implementing these components, New Zealand and the Cook Islands Government determined that these components would be disestablished and a Revised activity would be designed.

The components of the Revised Activity include: Subsidised grant scheme for materials and equipment, lagoon assessment and cleanup activities (if required), and monitoring, results and evaluation.

Apii Nikao School Rebuild – New Zealand

It has been indicated that NZ will contribute a total of \$5 million dollars towards this project and a small portion of those funds will be spent during the planning phase of this project during this FY and the remaining funds during the next FY.

Development Partners Meeting – CI Gov

The purpose of the Development Partners Meeting (DPM) 2014 is for Cook Islands government, civil society and private sector development partners to meet with international development

partners with the aim of supporting dialogue on development effectiveness while focusing on development results, challenges and ways in which we aim to move forward in partnership.

Additional funds were allocated to extend the meeting to include a trip to the Pa Enea (Atiu), hold sector meetings and increase participation of local partners including private sector and civil society partners.

NIE Accreditation Process – EU/SPC/GCCA/PSIS

The approval for this technical assistance was not received in time for the FY13/14 budget process. This amount reflects the funds now secured to enable MFEM to have the Frankfurt School of Business and Management support its application for National Implementing Entity (NIE) status with the Adaptation Fund Board.

Strengthening Reproductive Health – UNFPA

This initiative aims to strengthen national capacity in delivering sexual and reproductive health services and improve the data available to inform decision-making and policy formation through provision of technical assistance. This is a new grant agreement and a total of \$309,000 USD is being provided between January 2014 and December 2015.

Strengthening the management, prevention of TB in CK – Global Fund (Transitional Funding Mechanism - Multi-Country Program to Fight Tuberculosis)

The goal of this project is to reduce the prevalence and mortality from all forms of TB by half by 2015 relative to 2000, thereby contributing to the achievement of the United Nations Millennium Development Goals. The revised amounts include what has been allocated for the 2013/14 and 2014/15 financial years.

HIV-New Funding Model – Global Fund

The overall goal of this program is to reduce the spread and impact of HIV and other STIs while embracing people living with and affected by HIV in Pacific communities. The program includes but is not limited to improved STI management, increased awareness and behaviour change communication and surveillance and research. The revised amount includes funds that have become newly available for the period spanning January 2014 to December 2015.

State of Environment Report – EU/UNEP (SPREP as implementing agency)

Funding has been provided as part of the multilateral agreement support provided to African-Caribbean-Pacific Countries, the last State of the Environment Report for Cook Islands was conducted in 1993

Cook Islands Water Shortage Response- New Zealand

New Zealand previously committed funds for the Cook Islands Cyclone Recovery and Reconstruction (CRRP) under a Grant Funding Arrangement dated 20 July 2007. The signatories have agreed that the funds of \$225,000 NZD have been made available to address the emergency shortage of water in the Southern Group.

Coastal Adaptation – Australia

Climate Change Cook Islands received an extension to its PASAP program which was due to be completed in FY12/13. This fund represents the reallocation of funds appropriated in the previous FY under PASAP to this prioritised activity

PV Mini grids – PEC (Japan) & Energy Transformation – SIDS-DOCK

These funds have been reallocated to renewable energy projects in 2015/2016 as a result of the New Zealand renewable electricity commitment.

Renewable Electricity – New Zealand

This funding agreement was revised 20 February 2014 and now includes increased funding for Northern Cook Islands – One utility-scale photovoltaic(PV) array for the Airport on Rarotonga; Eight PV/diesel hybrid mini-grid systems (each comprising PV arrays, framing, inverters, batteries, cabling, and other balance of system components), a powerhouse and distribution networks and metering, as necessary and as described in the Technical Specifications (CAT Projects Ltd, 2013) distributed among the following islands and atolls of the Northern Group: Pukapuka, Nassau, Manihiki (installations at Tukao and Tauhunu), Rakahanga, Penrhyn (installations at Te Tautua and Omoka) and Palmerston. Under the new agreement New Zealand will procure the construction and supervision services for these installations and the CI Gov will oversee the program.

Rarotonga Land Use - SPC

These funds were utilized to provide technical assistance to complete a report on Land Use on Rarotonga.

1.2.4 FINANCIAL STATEMENTS

The financial statements published in the Budget Policy Statement and Half Year Economic and Fiscal Update 2012/13 (December 2012) have since been retrospectively updated by the Ministry of Finance and Economic Management. The bulk of the impact of these changes are reflected within the Statement of Financial Position. The basis of these updates are to reflect true and accurate valuations of various items such as borrowings, cash, and receivables to ensure the financial data published by the Government reflect the position that was actually in at the time.

Additionally, the detail in the financial statements has increased from past publications. The layout has been slightly adjusted as well in an effort to provide better quality information.

Schedule 1
Analysis of Adjustments to Ministry Votes

Ministry	Trading Revenue	Output	Capital	POBOC	OTHER	Total Adjustments to Vote Item
AGRICULTURE						
Personnel vacancies		-30,000				-30,000
Aitutaki Island Council						
Fuel Storage Facility			70,000			70,000
MARINE RESOURCES						
Personnel vacancies		-15,000				-15,000
BUSINESS TRADE AND INVESTMENT BOARD						
Personnel vacancies		-10,000				-10,000
COOK ISLANDS INVESTMENT CORPORATION						
National Education Renewal Programme			-190,000			
National Health Renewal Program			-80,000			
Renovations Cook Islands High Commission (Wellington)			-45,000			
Mitiaro Cargo Shed Improvements			-50,000			
Mitiaro Machinery Shelter			50,000			
Pa Enua Renewable Energy Projects-Land Acquisition			-280,000			
Infrastructure Asset Management Information System			400,000			
Infrastructure Committee				25,000		-170,000
EDUCATION						
Fire damage-Avatea Primary School and Nukutere College		297,345				297,345
HEALTH						
Gastroscope Machine			114,000			
Ambulance			-114,000			0
INTERNAL AFFAIRS						
Increase 60-69 pension by 25%				404,000		
Increase 70+ by 25%				345,000		
Increase child benefit by 10%				86,136		
Increase destitue by 10%				13,200		

Ministry	Trading Revenue	Output	Capital	POBOC	OTHER	Total Adjustments to Vote Item
Increase Caregivers by 10%				16,500		
Increase Power Subsidy by 10%				2,880		
Pacific Netball Series				60,000		
CISNOC Reimbursement - Rugby League World Cup				60,000		
CISNOC Reimbursement - Netball				18,000		1,005,716
FOREIGN AFFAIRS AND IMMIGRATION						
International Maritime Organisation Subscription				63,461		
Auckland Consulate Office Fit out (Manukau)			-8,000			
Pacific Leaders Meeting		35,000				
Trading Revenue adjustment	12,000					
Working Group UN Membership		10,000				
Personnel vacancies		-5,000				83,461
POLICE						
Te Kukupa refit			60,000			
Police Conference Savings				-6,000		-6,000
OFFICE OF PUBLIC SERVICE COMMISSIONER						
Personnel vacancies		-8,000				-8,000
OFFICE OF THE PRIME MINISTER						
Mitiaro Generator, Powerhouse Relocation			-280,000			
Personnel vacancies		-10,000				-290,000
TOURISM						
Tourism trading revenue	253,640	253,640				0
AUDIT						
Personnel vacancies		-50,000				-50,000
MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT						
Personnel vacancies		-8,000				
Air New Zealand Subsidies savings				-1,450,000		
Standard and Poors Subscription				-1,400		
Government IT Network			-60,000			
RMS Web Lodgement System			30,000			

Ministry	Trading Revenue	Output	Capital	POBOC	OTHER	Total Adjustments to Vote Item
China Grant Plant and Equipment Pa Enuu Freight Cost Pacific Catastrophe Risk Insurance			500,000	120,694		-868,706
INFRASTRUCTURE COOK ISLANDS						
Bridges & Drainage			-522,000			
Road Network Maintenance			-100,000			
Water Network Maintenance			-150,000			
Manihiki Harbour			500,000			
Vaimaru Water Upgrade			50,000			
Rakahanga Harbour Improvement			-120,000			
SOPAC Conference savings				-50,000		
Sanitation Upgrades - Aitutaki and Rarotonga Phase 2 initiation			350,000			
Pukapuka Bobcat			-50,000			
Pukapuka Tractor			50,000			
Turangi Clean Up Project			60,000			
Emergency Mission - Pukapuka Airport Repairs			140,000			
Emergency Mission - Mitiaro Salvage Excavator and Airport repairs			99,000			
Emergency Mission - Atiu Repairs and Upgrade			74,000			
ICI upgrades			30,000			
Education building completion			123,000			484,000
OTHER FUNDS						
Murienua by-election					10,000	
Oriental Fruit Fly Eradication					30,000	
Superannuation Fund - Constitutional Challenge Legal Costs					110,000	
Boat Repairs Manihiki Indian Grant Co Financing					30,000	
Additional Costs Associated with the Gender Conference					11,000	
Donation to Investiture of Tinomana Tokerau Ariki					1,000	
Legal advice- Superannuation Constitution					62,000	
Rakahanga Fuel Costs					20,000	
Increase Contingency Crown					50,000	-350,265

Ministry	Trading Revenue	Output	Capital	POBOC	OTHER	Total Adjustments to Vote Item
Natural Disaster top up					350,000	
Rakahanga Fuel Costs					20,000	
Seabed Minerals-Legal Fees					7,735	
Debt Servicing Interest					8,000	
Ports Authority non programmed capital					-1,110,000	
Airport Authority					50,000	
TOTAL ADJUSTMENTS TO VOTE ITEM	265,640	459,985	651,000	-292,529	-350,265	192,551

Schedule 2 (a)
Comparative Analysis of Ministry Operating Appropriations

Ministry	Budget Estimates 2013/14			Supplementary Estimates 2013/14			Gross Operating Variance	
	Gross Operating Appropriation	Trading Revenue	Net Operating Appropriation	Gross Operating Appropriation	Trading Revenue	Net Operating Appropriation	Amount	Per cent
Agriculture	915,331	140,535	774,796	885,331	140,535	744,796	(30,000)	-4%
Audit (PERCA)	1,025,298	178,700	846,598	975,298	178,700	796,598	(50,000)	-6%
Crown Law	645,137	0	645,137	645,137	0	645,137	0	0%
Cultural Development	847,038	175,000	672,038	847,038	175,000	672,038	0	0%
Business Trade and Investment Board	702,721	102,250	600,471	692,721	102,250	590,471	(10,000)	-2%
Education	10,961,555	0	10,961,555	11,258,900	0	11,258,900	297,345	3%
Environment	990,788	35,000	955,788	990,788	35,000	955,788	0	0%
Finance and Economic Management	3,314,008	503,500	2,810,508	3,306,008	503,500	2,802,508	(8,000)	0%
Financial Services Development Authority	421,894	0	421,894	421,894	0	421,894	0	0%
Foreign Affairs	1,775,473	8,000	1,767,473	1,815,473	20,000	1,795,473	40,000	2%
Head Of State	234,305	0	234,305	234,305	0	234,305	0	0%
Health	10,775,401	400,000	10,375,401	10,775,401	400,000	10,375,401	0	0%
Infrastructure Cook Islands	2,006,034	245,626	1,760,408	2,006,034	245,626	1,760,408	0	0%
Internal Affairs	1,084,457	6,000	1,078,457	1,084,457	6,000	1,078,457	0	0%
Justice	1,976,623	467,765	1,508,858	1,976,623	467,765	1,508,858	0	0%
Marine Resources	1,456,276	15,000	1,441,276	1,441,276	15,000	1,426,276	(15,000)	-1%
Ombudsman	270,044	0	270,044	270,044	0	270,044	0	0%
Parliamentary Services	580,866	8,419	572,447	580,866	8,419	572,447	0	0%
Pearl Authority	466,411	0	466,411	466,411	0	466,411	0	0%
Police	3,588,024	69,360	3,518,664	3,588,024	69,360	3,518,664	0	0%
Prime Minister's Office	1,170,556	0	1,170,556	1,160,556	0	1,160,556	(10,000)	-1%
Public Service Commission	500,737	0	500,737	492,737	0	492,737	(8,000)	-2%
Tourism Corporation	4,151,446	0	4,151,446	4,405,086	253,640	4,151,446	253,640	6%
Transport	667,476	36,000	631,476	667,476	36,000	631,476	0	0%
Cook Islands Investment Corporation	0	0	0	0	0	0	0	0%
Cook Islands Seabed Minerals Authority	0	0	0	0	0	0	0	0%
Total Ministries	50,527,897	2,391,155	48,136,742	50,987,882	2,656,795	48,331,087	459,985	1%
Capital Funds Committee- Administered by MFEM	45,000		45,000	45,000		45,000	0	0%
Outer Islands (Refer Schedule 1 (b))	11,310,325	3,061,097	8,249,228	11,310,325	3,061,097	8,249,228	0	0%

Ministry	Budget Estimates 2013/14			Supplementary Estimates 2013/14			Gross Operating Variance	
	Gross Operating Appropriation	Trading Revenue	Net Operating Appropriation	Gross Operating Appropriation	Trading Revenue	Net Operating Appropriation	Amount	Per cent
Ministerial Support								
Prime Minister	425,382	0	425,382	425,382	0	425,382	0	0%
Deputy Prime Minister	223,000	0	223,000	223,000	0	223,000	0	0%
Minister Mark Brown	275,870	0	275,870	275,870	0	275,870	0	0%
Minister Teariki Heather	193,000	0	193,000	193,000	0	193,000	0	0%
Minister Nandi Glassie	193,000	0	193,000	193,000	0	193,000	0	0%
Minister Teina Bishop	193,000	0	193,000	193,000	0	193,000	0	0%
Leader Of Opposition	205,000	0	205,000	205,000	0	205,000	0	0%
Gross Total	63,591,474	5,452,252	58,139,222	64,051,459	5,717,892	58,333,567	459,985	1%

Schedule 2 (b)
Comparative Analysis of Outer Island Appropriations

Ministry	Budget Estimates 2013/14			Supplementary Estimates 2013/14			Gross Operating Variance	
	Gross Operating Appropriation	Trading Revenue	Net Operating Appropriation	Gross Operating Appropriation	Trading Revenue	Net Operating Appropriation	Amount	Per cent
Aitutaki	1,573,208	48,250	1,524,958	1,573,208	48,250	1,524,958	0	0%
Aitutaki Power Supply	2,211,333	1,900,943	310,390	2,211,333	1,900,943	310,390	0	0%
Atiu	1,188,803	224,318	964,485	1,188,803	224,318	964,485	0	0%
Mangaia	1,512,969	301,000	1,211,969	1,512,969	301,000	1,211,969	0	0%
Manihiki	865,550	136,300	729,250	865,550	136,300	729,250	0	0%
Mauke	901,378	113,853	787,525	901,378	113,853	787,525	0	0%
Mitiaro	583,529	58,899	524,630	583,529	58,899	524,630	0	0%
Palmerston	349,019	20,599	328,420	349,019	20,599	328,420	0	0%
Penrhyn	594,526	83,904	510,622	594,526	83,904	510,622	0	0%
Pukapuka-Nassau	987,105	73,695	913,410	987,105	73,695	913,410	0	0%
Rakahanga	515,405	99,336	416,069	515,405	99,336	416,069	0	0%
Outer Island Capital Fund - Administered by MFEM	27,500		27,500	27,500	0	27,500	0	0%
Gross Total	11,310,325	3,061,097	8,249,228	11,310,325	3,061,097	8,249,228	0	0%

Schedule 3
Analysis of Ministries by Output

	Budget Estimate 2013/14			Supplementary Budget 2013/14			Gross Change
	Gross Expenditure	Trading Revenue	Net Appropriation	Gross Expenditure	Trading Revenue	Net Appropriation	
AGRICULTURE							
Administration	101,971	0	101,971	71,971	0	71,971	(30,000)
Crop Research & Development	351,601	50,000	301,601	351,601	50,000	301,601	0
Bio-Security Management	330,889	89,000	241,889	330,889	89,000	241,889	0
Policy & Projects	70,877	0	70,877	70,877	0	70,877	0
Livestock Development	59,993	1,535	58,458	59,993	1,535	58,458	0
	915,331	140,535	774,796	885,331	140,535	744,796	(30,000)
AUDIT (PERCA)							
Crown Audit	159,302	30,000	129,302	159,302	30,000	129,302	0
Ministries, Crown Agencies and SOE Audits	498,462	143,700	354,762	448,462	143,700	304,762	(50,000)
Special Reviews and Investigations	330,719	5,000	325,719	330,719	5,000	325,719	0
Corporate Services	36,815	0	36,815	36,815	0	36,815	0
	1,025,298	178,700	846,598	975,298	178,700	796,598	(50,000)
CROWN LAW							
Legal Advisory	315,818	0	315,818	315,818	0	315,818	0
Litigation	200,112	0	200,112	200,112	0	200,112	0
Legislative Drafting	129,207	0	129,207	129,207	0	129,207	0
	645,137	0	645,137	645,137	0	645,137	0
CULTURAL DEVELOPMENT							
Corporate Services	121,452	6,000	115,452	121,452	6,000	115,452	0
Cultural National Identity	321,638	158,000	163,638	321,638	158,000	163,638	0
Cultural Heritage	277,963	6,000	271,963	277,963	6,000	271,963	0
Public Records & National Bibliography	125,985	5,000	120,985	125,985	5,000	120,985	0
	847,038	175,000	672,038	847,038	175,000	672,038	0
BUSINESS TRADE & INVESTMENT BOARD							
Business Support	186,628	100,000	86,628	186,628	100,000	86,628	0
Maximising Trade Opportunities	111,628	2,250	109,378	111,628	2,250	109,378	0
Foreign Direct Investment (FDI) Participation	96,878	0	96,878	96,878	0	96,878	0
Regulation & Compliance	45,664	0	45,664	45,664	0	45,664	0
Finance & Administration Support	261,920	0	261,920	251,920	0	251,920	(10,000)

	Budget Estimate 2013/14			Supplementary Budget 2013/14			Gross Change
	Gross Expenditure	Trading Revenue	Net Appropriation	Gross Expenditure	Trading Revenue	Net Appropriation	
	702,720	102,250	600,470	692,720	102,250	590,470	(10,000)
EDUCATION							
Taku Ipukarea Kia Rangatira Learning and Teaching	278,162	0	278,162	278,162	0	278,162	0
Learning and the Community	800,677	0	800,677	800,677	0	800,677	0
Infrastructure and Support	411,574	0	411,574	411,574	0	411,574	0
Corporate Services	9,183,970	0	9,183,970	9,480,970	0	9,480,970	297,000
	287,172	0	287,172	287,172	0	287,172	0
	10,961,555	0	10,961,555	11,258,555	0	11,258,555	297,000
ENVIRONMENT (TU'ANGA TAPOROPORO)							
Advisory & Compliance	376,003	25,000	351,003	376,003	25,000	351,003	0
Island Futures	281,744	10,000	271,744	281,744	10,000	271,744	0
Corporate Services	333,041	0	333,041	333,041	0	333,041	0
	990,788	35,000	955,788	990,788	35,000	955,788	0
FINANCE AND ECONOMIC MANAGEMENT							
Fiscal Advice	106,959	0	106,959	106,459	0	106,459	(500)
Fiscal and Economic Management	849,674	3,500	846,174	848,174	3,500	844,674	(1,500)
Taxation	1,485,983	500,000	985,983	1,484,483	500,000	984,483	(1,500)
Statistics	294,733	0	294,733	293,233	0	293,233	(1,500)
Development Coordination	291,214	0	291,214	289,714	0	289,714	(1,500)
Corporate Services	285,445	0	285,445	283,945	0	283,945	(1,500)
	3,314,008	503,500	2,810,508	3,306,008	503,500	2,802,508	(8,000)
FOREIGN AFFAIRS AND IMMIGRATION							
Enhancing Cook Islands relations with New Zealand & the Pacific	124,244	0	124,244	154,244	0	154,244	30,000
Promoting Cook Islands interests in the Broader International community	124,427	0	124,427	134,427	0	134,427	10,000
Promoting Cook Island regional & International trade Policy Interests	77,744	0	77,744	77,744	0	77,744	0
Enhance Participation in Global Institutions	140,865	0	140,865	140,865	0	140,865	0
Responsible & Effective Management of Immigration Service	209,511	0	209,511	209,511	0	209,511	0
Administration, Protocol & Overseas	1,098,682	8,000	1,090,682	1,098,682	20,000	1,078,682	0

	Budget Estimate 2013/14			Supplementary Budget 2013/14			Gross Change
	Gross Expenditure	Trading Revenue	Net Appropriation	Gross Expenditure	Trading Revenue	Net Appropriation	
Representation	1,775,473	8,000	1,767,473	1,815,473	20,000	1,795,473	40,000
HEAD OF STATE							
Administrative Support	234,305	0	234,305	234,305	0	234,305	0
	234,305	0	234,305	234,305	0	234,305	0
HEALTH							
Community Health Services	1,818,881	90,000	1,728,881	1,818,881	90,000	1,728,881	0
Hospital Health Services	8,303,656	310,000	7,993,656	8,303,656	310,000	7,993,656	0
Outer Islands Health Services	652,864	0	652,864	652,864	0	652,864	0
Funding & Planning							0
	10,775,401	400,000	10,375,401	10,775,401	400,000	10,375,401	0
INFRASTRUCTURE & PLANNING							
Policy & Programmes	461,676	10,000	451,676	461,676	10,000	451,676	0
Regulatory Services	139,589	50,000	89,589	139,589	50,000	89,589	0
Civil Works	1,013,141	185,626	827,515	1,013,141	185,626	827,515	0
Funding & Planning	391,628		391,628	391,628		391,628	0
	2,006,034	245,626	1,760,408	2,006,034	245,626	1,760,408	0
INTERNAL AFFAIRS							
Welfare Payments	286,996		286,996	286,996		286,996	0
Social Policy	259,925	0	259,925	259,925	0	259,925	0
Labour & Employment	111,149	6,000	105,149	111,149	6,000	105,149	0
Consumer	69,897	0	69,897	69,897	0	69,897	0
Civil	124,147	0	124,147	124,147	0	124,147	0
Censorship	64,103	0	64,103	64,103	0	64,103	0
Corporate Services	168,240	0	168,240	168,240	0	168,240	0
	1,084,457	6,000	1,078,457	1,084,457	6,000	1,078,457	0
JUSTICE							
Court & Tribunal Services	469,197	110,000	359,197	469,197	110,000	359,197	0
Land Administration	338,925	142,730	196,195	338,925	142,730	196,195	0
Registry Services	221,847	151,335	70,512	221,847	151,335	70,512	0
Prison Services	510,151	63,700	446,451	510,151	63,700	446,451	0
Probation Services	215,912	0	215,912	215,912	0	215,912	0
Corporate & ICT Services	220,591	0	220,591	220,591	0	220,591	0
	1,976,623	467,765	1,508,858	1,976,623	467,765	1,508,858	0
MARINE RESOURCES							
Offshore Fisheries	335,782	0	335,782	320,782	0	320,782	(15,000)

	Budget Estimate 2013/14			Supplementary Budget 2013/14			Gross Change
	Gross Expenditure	Trading Revenue	Net Appropriation	Gross Expenditure	Trading Revenue	Net Appropriation	
Pearl Industry Support	268,783	5,000	263,783	268,783	5,000	263,783	0
Inshore Fisheries and Aquaculture	390,862	10,000	380,862	390,862	10,000	380,862	0
Policy and Legal Services	99,604	0	99,604	99,604	0	99,604	0
Corporate Services	361,245	0	361,245	361,245	0	361,245	0
	1,456,276	15,000	1,441,276	1,441,276	15,000	1,426,276	(15,000)
OMBUDSMAN							
Receipt and effective investigation of complaints received or instigated by Ombudsman under the Ombudsman Act 1984	80,431	0	80,431	80,431	0	80,431	0
Receipt and effective investigation of complaints received by the Ombudsman under the Official Information Act 2008	67,219	0	67,219	67,219	0	67,219	0
Receipt and effective investigation of complaints received under the Disability Act 2008	40,798	0	40,798	40,798	0	40,798	0
Education and Awareness of the Investigative Regime of the Ombudsman	40,798	0	40,798	40,798	0	40,798	0
Establishment of Human Rights Division	40,798	0	40,798	40,798	0	40,798	0
	270,044	0	270,044	270,044	0	270,044	0
PARLIAMENTARY SERVICES							
Services to Parliament (Civil list, Legislative Service PLPG & HOA & Koutu Nui	314,750	0	314,750	314,750	0	314,750	0
Finance and Corporate Services	266,116	8,419	257,697	266,116	8,419	257,697	0
Services to House of Ariki	0	0	0	0	0	0	0
	580,866	8,419	572,447	580,866	8,419	572,447	0
PEARL AUTHORITY							
Farm Support	0	0	0	0	0	0	0
Pearl Standards & Quality Control	0	0	0	0	0	0	0
Marketing Strategy	105,000	0	105,000	105,000	0	105,000	0
Industry Reform & Development	135,790	0	135,790	135,790	0	135,790	0
Management & Support Services	225,621	0	225,621	225,621	0	225,621	0
	466,411	0	466,411	466,411	0	466,411	0

	Budget Estimate 2013/14			Supplementary Budget 2013/14			Gross Change
	Gross Expenditure	Trading Revenue	Net Appropriation	Gross Expenditure	Trading Revenue	Net Appropriation	
POLICE							
Crime Prevention & Policing operations	2,651,911	69,360	2,582,551	2,651,911	69,360	2,582,551	0
Maritime Policing	476,089	0	476,089	476,089	0	476,089	0
Enabling & Support Services	460,023	0	460,023	460,023	0	460,023	0
	3,588,023	69,360	3,518,663	3,588,023	69,360	3,518,663	0
PRIME MINISTER'S OFFICE							
Central Policy & Planning Office	200,374	0	200,374	190,374	0	190,374	(10,000)
Cabinet Services & Government Representative	125,588	0	125,588	125,588	0	125,588	0
Renewable Energy Development Division	111,755	0	111,755	111,755	0	111,755	0
Corporate Services	182,238	0	182,238	182,238	0	182,238	0
Information & Communication Technology	135,156	0	135,156	135,156	0	135,156	0
Emergency Management Cook Islands	98,354	0	98,354	98,354	0	98,354	0
Climate Change Cook Islands	107,595	0	107,595	107,595	0	107,595	0
Outer Islands Local Government	209,496	0	209,496	209,496	0	209,496	0
	1,170,556	0	1,170,556	1,160,556	0	1,160,556	(10,000)
PUBLIC SERVICE COMMISSION							
Good Governance	189,245	0	189,245	181,245	0	181,245	(8,000)
Human Resources	65,637	0	65,637	65,637	0	65,637	0
Performance Management	163,733	0	163,733	163,733	0	163,733	0
Corporate Services	82,122	0	82,122	82,122	0	82,122	0
	500,737	0	500,737	492,737	0	492,737	(8,000)
TOURISM CORPORATION							
Head Office	1,671,909	0	1,671,909	1,671,909		1,671,909	0
Destination Market	2,151,180	0	2,151,180	2,404,820	253,640	2,151,180	253,640
Destination Development	328,357	0	328,357	328,357		328,357	0
	4,151,446	0	4,151,446	4,405,086	253,640	4,151,446	253,640
TRANSPORT							
Civil Aviation	84,552	0	84,552	84,552	0	84,552	0
Maritime Transport	115,426	0	115,426	115,426	0	115,426	0
Meteorological Service	328,019	36,000	292,019	328,019	36,000	292,019	0
Finance & Administration	139,479	0	139,479	139,479	0	139,479	0
	667,476	36,000	631,476	667,476	36,000	631,476	0
FINANCIAL SERVICES DEVELOPMENT							

	Budget Estimate 2013/14			Supplementary Budget 2013/14			Gross Change
	Gross Expenditure	Trading Revenue	Net Appropriation	Gross Expenditure	Trading Revenue	Net Appropriation	
AUTHORITY							
Develop Cook islands financial Service Industry	421,894	0	421,894	421,894	0	421,894	0
	421,894	0	421,894	421,894	0	421,894	0
OUTER ISLANDS							
Aitutaki							
Infrastructure	977,565	0	977,565	977,565	0	977,565	0
Waste Facility	125,265	43,250	82,015	125,265	43,250	82,015	0
Finance & Administration	241,374	3,000	238,374	241,374	3,000	238,374	0
Island Council	87,394	0	87,394	87,394	0	87,394	0
Women, Youth, Sport, Culture	59,175	0	59,175	59,175	0	59,175	0
Agriculture	82,435	2,000	80,435	82,435	2,000	80,435	0
	1,573,208	48,250	1,524,958	1,573,208	48,250	1,524,958	0
Aitutaki Power Supply							
Electricity Supply	2,211,333	1,900,943	310,390	2,211,333	1,900,943	310,390	0
	2,211,333	1,900,943	310,390	2,211,333	1,900,943	310,390	0
Atiu							
Agriculture	131,816	8,602	123,214	131,816	8,602	123,214	0
Infrastructure	459,511	9,600	449,911	459,511	9,600	449,911	0
Energy	372,032	182,016	190,016	372,032	182,016	190,016	0
Corporate	157,617	1,100	156,517	157,617	1,100	156,517	0
Island Council	67,827	23,000	44,827	67,827	23,000	44,827	0
	1,188,803	224,318	964,485	1,188,803	224,318	964,485	0
Mangaia							
Agriculture	179,836	3,000	176,836	179,836	3,000	176,836	0
Tourism & Community Development	45,715	1,000	44,715	45,715	1,000	44,715	0
Infrastructure Amenities	508,687	25,000	483,687	508,687	25,000	483,687	0
Public Utilities	542,250	270,000	272,250	542,250	270,000	272,250	0
Finance & Administration	155,280	500	154,780	155,280	500	154,780	0
Island Council	81,201	1,500	79,701	81,201	1,500	79,701	0
	1,512,969	301,000	1,211,969	1,512,969	301,000	1,211,969	0
Manihiki							
Gender, Youth & Sports	14,518	1,500	13,018	14,518	1,500	13,018	0
Infrastructure	294,359	10,000	284,359	294,359	10,000	284,359	0
Energy	297,418	111,600	185,818	297,418	111,600	185,818	0
Finance and Administration	153,449	6,200	147,249	153,449	6,200	147,249	0
Island Council	77,297	5,000	72,297	77,297	5,000	72,297	0

	Budget Estimate 2013/14			Supplementary Budget 2013/14			Gross Change
	Gross Expenditure	Trading Revenue	Net Appropriation	Gross Expenditure	Trading Revenue	Net Appropriation	
Agriculture	28,509	2,000	26,509	28,509	2,000	26,509	0
	865,550	136,300	729,250	865,550	136,300	729,250	0
Mauke							
Infrastructure	294,555	3,500	291,055	294,555	3,500	291,055	0
Energy	248,562	101,300	147,262	248,562	101,300	147,262	0
Water	85,922	500	85,422	85,922	500	85,422	0
Finance & Administration	124,837	3,500	121,337	124,837	3,500	121,337	0
Agriculture	73,771	4,000	69,771	73,771	4,000	69,771	0
Gender & Development	14,673		14,673	14,673		14,673	0
Island Council	59,058	1,053	58,005	59,058	1,053	58,005	0
	901,378	113,853	787,525	901,378	113,853	787,525	0
Mitiaro							
Island Administration	114,127	100	114,027	114,127	100	114,027	0
Island Council	57,643	100	57,543	57,643	100	57,543	0
Social & Economic Growth	21,300	0	21,300	21,300	0	21,300	0
Infrastructure	258,703	3,850	254,853	258,703	3,850	254,853	0
Energy	97,016	54,699	42,317	97,016	54,699	42,317	0
Agriculture	34,740	150	34,590	34,740	150	34,590	0
	583,529	58,899	524,630	583,529	58,899	524,630	0
Palmerston							
Island Administration	89,810	1,500	88,310	89,810	1,500	88,310	0
Agriculture	12,494		12,494	12,494		12,494	0
Education	95,352		95,352	95,352		95,352	0
Energy	57,951	17,999	39,952	57,951	17,999	39,952	0
Infrastructure	53,412	300	53,112	53,412	300	53,112	0
Island Council	40,000	800	39,200	40,000	800	39,200	0
	349,019	20,599	328,420	349,019	20,599	328,420	0
Penrhyn							
Gender, Youth & Sport	14,200	0	14,200	14,200	0	14,200	0
Infrastructure	127,077	10,000	117,077	127,077	10,000	117,077	0
Energy	227,319	73,904	153,415	227,319	73,904	153,415	0
Island Administration & Island Council	200,480	0	200,480	200,480	0	200,480	0
Agriculture	25,450	0	25,450	25,450	0	25,450	0
	594,526	83,904	510,622	594,526	83,904	510,622	0
Pukapuka and Nassau							
Infrastructure	501,923	13,085	488,838	501,923	13,085	488,838	0
Energy	107,221	18,510	88,711	107,221	18,510	88,711	0

	Budget Estimate 2013/14			Supplementary Budget 2013/14			Gross Change
	Gross Expenditure	Trading Revenue	Net Appropriation	Gross Expenditure	Trading Revenue	Net Appropriation	
Island Administration	168,066	15,000	153,066	168,066	15,000	153,066	0
Island Council	130,570	25,100	105,470	130,570	25,100	105,470	0
Women, Culture, Youth & Sport	27,351	1,000	26,351	27,351	1,000	26,351	0
Agriculture	51,974	1,000	50,974	51,974	1,000	50,974	0
	987,105	73,695	913,410	987,105	73,695	913,410	0
Rakahanga							
Agriculture	31,267	1,500	29,767	31,267	1,500	29,767	0
Marine	114,085	66,884	47,201	114,085	66,884	47,201	0
Beautification	45,432	1,000	44,432	45,432	1,000	44,432	0
Infrastructure	121,342	3,000	118,342	121,342	3,000	118,342	0
Energy	73,976	20,000	53,976	73,976	20,000	53,976	0
Island Administration	76,415	1,500	74,915	76,415	1,500	74,915	0
Island Council	52,888	5,452	47,436	52,888	5,452	47,436	0
	515,405	99,336	416,069	515,405	99,336	416,069	0
MINISTERIAL SUPPORT							
Prime Minister	425,382	0	425,382	425,382	0	425,382	0
Deputy Prime Minister	223,000	0	223,000	223,000	0	223,000	0
Minister Mark Brown	275,870	0	275,870	275,870	0	275,870	0
Minister Teariki Heather	193,000	0	193,000	193,000	0	193,000	0
Minister Nandi Glassie	193,000	0	193,000	193,000	0	193,000	0
Minister Teina Bishop	193,000	0	193,000	193,000	0	193,000	0
Leader of the Opposition	205,000	0	205,000	205,000	0	205,000	0
	1,708,252	0	1,708,252	1,708,252	0	1,708,252	0
OTHER FUNDING - ADMINISTERED BY MFEM							
Capital distribution fund - depreciation only	45,000	0	45,000	45,000	0	45,000	0
Outer Islands small capital fund - depreciation only	27,500	0	27,500	27,500	0	27,500	0
	72,500	0	72,500	72,500	0	72,500	0
TOTAL APPROPRIATIONS	63,591,474	5,452,252	58,139,222	64,051,459	5,717,892	58,333,567	459,986

**Schedule 4
Capital Expenditure**

MINISTRY	2013/14 Budget Estimate	2013/14 Supplementary Budget Estimate	2014/15 Budget Estimate	2015/16 Budget Estimate	Variance
EDUCATION					
Fund to be Prioritised by Education	110,000	110,000	110,000	110,000	0
TOTAL	110,000	110,000	110,000	110,000	0
FOREIGN AFFAIRS					
Furniture for Immigration Office	0	0	0	0	0
Equipment for Forum Leaders	0	0	0	0	0
Auckland Consulate Office Fit out (Manukau)	45,000	37,000	0	0	-8,000
TOTAL	45,000	37,000	0	0	-8,000
HEALTH					
Fund to be Prioritised by Health for Technical Equipment	275,000	275,000	275,000	275,000	0
Biochemistry Analyser	0	0	0	0	0
X-ray Unit	0	0	0	0	0
Gastro scope Machine	0	114,000	0	0	114,000
Ambulance	150,000	36,000	0	0	-114,000
TOTAL	425,000	425,000	275,000	275,000	0
INFRASTRUCTURE COOK ISLANDS					
Mangaia Harbour completion	0	0	0	0	0
ICT upgrades	0	0	0	0	0
Nassau Outboard Motor Procurement	0	0	0	0	0
Penrhyn Barge	0	0	0	0	0
Manihiki Generators	0	0	0	0	0
Nassau Power Generators (Lister March 2012)	0	0	0	0	0
Aitutaki Tip Truck	0	0	0	0	0
Mangaia Quarry Machine upgrade	0	0	0	0	0
Mitiaro Tractor & Back Blade Tractor	0	0	0	0	0
Bridges & Drainage	1,000,000	478,000	1,500,000	522,000	-522,000
Road Network Maintenance	430,000	330,000	430,000	680,000	-100,000
Water Network Maintenance	500,000	350,000	500,000	1,000,000	-150,000
Contribution from home owners to Sanitation Upgrades	0	0	0	0	0
Manihiki Harbour	2,000,000	2,500,000	300,000	0	500,000
Water Equipment for Rarotonga Upgrade	0	0	0	0	0
Vaimaru Water Upgrade	200,000	250,000	0	0	50,000
Capital and Equipment for Mauke Island	0	0	0	0	0
Rakahanga Harbour Improvement	120,000	0	120,000	0	-120,000
Mitiaro Water Pump (solar)	26,000	26,000	0	0	0
Penryhn-Feasibility Coastal Protection	20,000	20,000	650,000	0	0
Tereora/Tepuka Enviro-Flow	40,000	40,000	0	0	0
Sanitation Upgrades - Aitutaki and	0	350,000	0	0	350,000

MINISTRY	2013/14 Budget Estimate	2013/14 Supplementary Budget Estimate	2014/15 Budget Estimate	2015/16 Budget Estimate	Variance
Rarotonga Phase 2 initiation					
Pukapuka Bobcat	50,000	0	0	0	-50,000
Pukapuka Tractor	0	50,000	0	0	50,000
Mangaia Water and Roads	180,000	180,000	0	0	0
Turangi Clean Up Project	0	60,000	0	0	60,000
Emergency Mission - Pukapuka	0	140,000	0	0	140,000
Airport Repairs					
Emergency Mission - Mitiaro	0	99,000	0	0	99,000
Salvage Excavator and Airport repairs					
Emergency Mission - Atiu Repairs and Upgrade	0	74,000	0	0	74,000
ICI upgrades	0	30,000	0	0	30,000
Education building completion	0	123,000	0	0	123,000
TOTAL	4,566,000	5,100,000	3,500,000	2,202,000	534,000
Aitutaki Island Council					
Fuel Storage Facility	90,000	160,000	0	0	70,000
Water Pumps (Vaipeka, Tautu, Vaipae)	26,000	26,000	26,000	0	0
Mini Transformers	96,000	96,000	0	0	0
TOTAL	212,000	282,000	26,000	0	70,000
JUSTICE					
Computers and IT Equipment	0	0	0	0	0
TOTAL	0	0	0	0	0
POLICE					
Life Rafts	10,000	10,000	10,000	10,000	0
Tekukupu refit		60,000	15,000	20,000	60,000
TOTAL	10,000	70,000	25,000	30,000	60,000
OFFICE OF THE PRIME MINISTER					
Rakahanga generator control panels and powerhouse	95,000	95,000	0	0	0
Atiu Power Distribution	264,000	264,000	0	0	0
Computer Equipment	0	0	0	0	0
Human Resources Information Management System	0	0	0	0	0
Renewable Management Project Management and Support	150,000	150,000	150,000	150,000	0
Energy Upgrade	0	0	800,000	0	0
Community Capital Development Fund	150,000	150,000	150,000	150,000	0
Mitiaro Generator, Powerhouse Relocation	280,000	0	280,000	0	-280,000
TOTAL	939,000	659,000	1,380,000	300,000	-280,000
COOK ISLANDS INVESTMENT CORPORATION					
National Education Renewal Programme	671,000	481,000	721,000	2,328,000	-190,000
National Health Renewal Program	840,000	760,000	330,000	0	-80,000

MINISTRY	2013/14 Budget Estimate	2013/14 Supplementary Budget Estimate	2014/15 Budget Estimate	2015/16 Budget Estimate	Variance
Parliament Building	0	0	0	0	0
Renovations Cook Islands High Commission (Wellington)	53,000	8,000	0	0	-45,000
Pukapuka Cyclone Centre	60,000	60,000	0	0	0
Nassau Machinery Shelter	80,000	80,000	0	0	0
Mauke Cargo Shed Improvements	50,000	50,000	0	0	0
Mitiaro Cargo Shed Improvements	50,000	0	0	0	-50,000
Mitiaro Machinery Shelter	0	50,000	0	0	50,000
Pa Enea Renewable Energy Projects-Land Acquisition	500,000	220,000	1,034,000	0	-280,000
Infrastructure Asset Management Information System	0	400,000	100,000	0	400,000
Orongo Development Master Plan (Ports Authority)	275,000	275,000	0	0	0
TOTAL	2,579,000	2,384,000	2,185,000	2,328,000	-195,000
MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT					
Cabinet Server	0	0	0	0	0
Government IT Network	175,000	115,000	235,000	0	-60,000
RMS Web Lodgement System	0	30,000	170,000	0	30,000
China Grant Plant and Equipment	0	500,000	500,000	0	500,000
Pa Enea Freight Cost					
TOTAL	175,000	645,000	905,000	0	470,000
MINISTRY TOTAL	9,061,000	9,712,000	8,406,000	5,245,000	651,000
CAPITAL FUNDS ADMINISTERED BY MFEM					
Capital Distribution Fund	200,000	200,000	200,000	250,000	0
Outer Islands Small Capital Fund	110,000	110,000	110,000	110,000	0
TOTAL	310,000	310,000	310,000	360,000	0
GRAND TOTAL	9,371,000	10,022,000	8,716,000	5,605,000	651,000

CAPITAL FUNDS APPROPRIATED FOR THE OUTER ISLANDS

OUTER ISLANDS CAPITAL FUNDS ADMINISTERED BY ICI	2,636,000	3,729,000	1,070,000	0	1,093,000
OUTER ISLANDS CAPITAL FUNDS ADMINISTERED BY OPM	639,000	359,000	280,000	0	-280,000
OUTER ISLANDS CAPITAL FUNDS ADMINISTERED BY CIIC	1,015,000	735,000	1,034,000	0	-280,000
OUTER ISLANDS CAPITAL FUNDS ADMINISTERED BY MFEM	0	500,000	500,000	0	500,000
AITUTAKI ISLAND COUNCIL	212,000	282,000	26,000	0	70,000
GRAND TOTAL	4,502,000	5,605,000	2,910,000	0	1,103,000

OTHER CAPITAL FUNDED BY GRANTS AND LOANS

MINISTRY	2013/14 Budget Estimate	2013/14 Supplementary Budget Estimate	2014/15 Budget Estimate	2015/16 Budget Estimate	Variance
MFEM					
TMV Rarotonga Water Tanks - ADB ERSP	1,000,000	1,800,000	200,000	750,000	800,000
Te Mato Vai - China Funded	585,999	585,999	0	0	0
CI Government Procurement Website - ADB ERSP	150,000	150,000	150,000	0	0
TOTAL	1,735,999	2,535,999	350,000	750,000	800,000
INFRASTRUCTURE & PLANNING					
Development of Punanga Nui Coastal Area - ADB ERSP	170,000	170,000	0	0	0
Project City Stage 1 - ADB ERSP	311,111	0	0	0	-311,111
Project City Stage 2 - ADB ERSP	488,865	2,778,406	100,000	0	2,289,541
Project City Stage 3 - ADB ERSP	5,000,000	5,379,028	0	0	379,028
TOTAL	5,969,976	8,327,434	100,000	0	2,357,458
Total Other Capital	7,705,975	10,863,433	450,000	750,000	3,157,458
GRAND TOTAL	17,076,975	20,885,433	9,166,000	6,355,000	3,808,458

Schedule 5
Revenue on Behalf of Crown (ROBOC)

	2013/14	2013/14		2014/15	2015/16	2016/17
	Budget	Supplementary	Variance	Budget	Budget	Budget
	Estimate	Estimates		Estimate	Estimate	Estimate
Taxation Revenue						
VAT	39,094,900	41,528,775	2,433,875	48,291,363	48,527,942	49,915,720
Income tax	27,733,742	22,303,771	(5,429,971)	21,285,381	21,950,632	22,919,998
Company tax	10,812,123	12,135,632	1,323,509	12,240,379	12,308,376	12,707,245
Import levies	13,207,021	15,219,920	2,012,899	15,222,126	14,244,389	15,827,542
Withholding tax	600,000	900,000	300,000	0	0	0
Departure tax	8,204,796	6,872,279	(1,332,517)	7,244,046	7,640,335	8,030,024
Total Taxes	99,652,582	98,960,378	(692,205)	104,283,295	104,671,674	109,400,529
Other Crown Revenue						
Financial Services Development						
Authority	290,000	290,000	0	276,296	276,296	276,296
Immigration Fees	968,300	632,180	(336,120)	587,221	583,512	583,512
IMO Subscription - Maritime						
Cook Islands	0	63,461	63,461	63,461	63,461	63,461
Court Services	40,000	50,000	10,000	50,000	50,000	40,000
Instant Fines	65,000	65,000	0	65,000	65,000	65,000
Fishing Licences	2,440,000	2,082,000	(358,000)	2,440,000	2,440,000	2,440,000
Fisheries Catch Revenue	1,700,000	2,670,000	970,000	1,700,000	1,700,000	1,700,000
Fisheries - US Treaties	750,000	750,000	0	780,000	780,000	780,000
Fishing Fines	0	0	0	0	0	0
Research Fee	1,000	1,000	0	1,000	1,000	1,000
Permits	66,000	66,000	0	55,816	55,816	55,816
Banana Court - dividend	10,000	10,000	0	10,000	10,000	10,000
Bank of the Cook Islands - dividend						
	466,000	536,000	70,000	557,053	557,053	557,053
Ports Authority - dividend	0	0	0	0	0	0
Punganga Nui Market - dividend	0	0	0	0	0	0
Te Aponga Uira - dividend	875,000	875,000	0	637,800	619,190	619,190
Extraordinary SOE Dividends	60,000	60,000	0	60,000	60,000	60,000
Telecom Cook Islands - dividend	1,150,000	1,150,000	0	1,150,000	1,150,000	1,150,000
Numismatics	450,000	450,000	0	500,000	500,000	500,000
Drivers Licences	700,000	700,000	0	700,000	630,000	630,000
Motor Vehicle Registration	675,000	675,000	0	675,000	675,000	675,000
Interest on balances	1,812,000	1,812,000	0	1,848,000	1,885,000	1,885,000
Interest on loans to subsidiaries	335,000	335,000	0	322,800	310,126	310,126
Foreign Investment Fees	21,000	21,000	0	20,149	20,654	20,654
Upper Air Management						
Agreement	475,600	475,600	0	497,996	510,446	510,446
Shipping Registration	107,000	128,945	21,945	130,000	140,000	150,000
International Shipping Licence	15,000	15,000	0	15,000	15,000	15,000
Liquor Licencing	26,000	26,000	0	26,000	26,000	26,000
Tattslotto Grants	137,000	137,000	0	143,000	150,000	150,000
Censorship Fees	10,000	10,000	0	12,000	12,000	12,000
Circulating Currency - Coins	75,000	125,000	50,000	75,000	100,000	100,000
Employer Liabilities	75,000	75,000	0	75,000	75,000	75,000
Motor Vehicle Dealers	5,000	5,000	0	5,000	5,000	5,000
Justice Unclaimed Rental Monies	0	0	0	0	0	0
Total Other	13,799,900	14,291,186	491,286	13,478,592	13,465,554	13,465,554
Total Crown Receipts	113,452,482	113,251,564	(200,919)	117,761,887	118,137,227	122,866,082

Schedule 6
Payments on Behalf of Crown (POBOC)

Administering Ministry	POBOC	Budget Estimates 2013/14	Supplementary Budget 2013/14	Budget Estimates 2014/15	Budget Estimates 2015/16	Variance
Compensation of Employees						
CIIC	Infrastructure Committee	50,000	75,000	75,000	75,000	25,000
Finance & Economic Management	Parliamentary Superannuation	180,000	180,000	180,000	180,000	0
Finance & Economic Management	National Heritage Trust	82,241	82,241	82,241	82,241	0
Finance & Economic Management	PERC Salaries and Administration Costs	0	0	0	0	0
Audit	Transfer of PERC Salaries and Administration Costs	42,500	42,500	42,500	42,500	0
Internal Affairs	Price Tribunal	30,000	30,000	30,000	30,000	0
Justice	Judges Allowances	217,000	217,000	177,000	177,000	0
Parliamentary Services	Civil List - Personnel	1,794,630	1,794,630	1,794,630	1,794,630	0
Parliamentary Services	House of Ariki	130,341	130,341	130,341	130,341	0
Public Service Commission	HOM Salaries	1,144,716	1,144,716	1,144,716	1,144,716	0
Transport	Director of Civil Aviation	56,000	56,000	56,000	56,000	0
		3,727,428	3,752,428	3,712,428	3,712,428	25,000
Use of Goods and Services						
Audit	Audit Fees	95,600	95,600	95,600	95,600	0
	Operation Eagle					
Crown Law	Defendants	30,000	30,000	0	0	0
	Te Maeva Nui					
Cultural Development	Constitution Celebrations	195,000	195,000	722,500	722,500	0
	Tertiary Training					
Education	Institutions	759,855	759,855	759,855	759,855	0
Finance & Economic Management	Audit of Crown Accounts	30,000	30,000	30,000	30,000	0
Finance & Economic Management	National Superannuation Fund	297,945	297,945	283,048	268,896	0
Finance & Economic Management	Standard and Poors Subscription	40,000	38,600	40,000	40,000	(1,400)
Finance & Economic Management	Cook Islands Golf Organization	0	0	0	0	0
	Pacific Forum Leaders Forum	0	0	0	0	0
Foreign Affairs	Domestic Hosting					
Head Of State	Entertainment	35,000	35,000	15,000	15,000	0
Health	Pharmaceuticals	667,800	667,800	667,800	667,800	0
Infrastructure and Planning	Outer Islands Equipment Repairs of Unanticipated Breakdowns	100,000	100,000	100,000	100,000	0
Infrastructure and Planning	Waste Management	545,000	545,000	545,000	545,000	0
Internal Affairs	Lease extension	72,000	72,000	72,000	72,000	0
Internal Affairs	Vaka Maintenance	400,000	400,000	400,000	400,000	0
	Civil List - Operating Expenses	529,475	529,475	529,475	529,475	0
Parliamentary Services	Commonwealth Forum	0	0	0	0	0
Parliamentary Services	PPAPD - FDOC Secretariat	35,000	35,000	35,000	35,000	0
Prime Minister's Office	Social Responsibility Fund	195,000	195,000	195,000	195,000	0

Administering Ministry	POBOC	Budget Estimates 2013/14	Supplementary Budget 2013/14	Budget Estimates 2014/15	Budget Estimates 2015/16	Variance
Police	Search and Rescue	20,000	20,000	20,000	20,000	0
Police	Serious Crime Investigations	50,000	50,000	50,000	50,000	0
Police	Te Kukupa - Fuel Contribution	140,000	140,000	140,000	140,000	0
Police	Te Kukupa Slippage	0	0	0	0	0
Police	Te Kukupa Refit	150,000	150,000	0	0	0
Tourism Corporation	Marketing Resources - Tourism Growth Strategy	2,000,000	2,000,000	2,000,000	2,000,000	0
Prime Minister's Office	Anzac Day Funding	5,000	5,000	5,000	5,000	0
Prime Minister's Office	Cook Islands Marine Park	40,000	40,000	40,000	40,000	0
Transport	International Civil Aviation Organisation	0	0	0	0	0
MFAI	International Maritime Organisation - Maritime Cook Islands	0	63,461	63,461	63,461	63,461
Transport	Pacific Aviation Safety Office	0	0	0	0	0
Transport	TCL - Maritime Shipping Service	0	0	0	0	0
		6,432,675	6,494,736	6,808,739	6,794,587	62,061
Subsidies						
Education	University of the South Pacific Contribution	285,000	285,000	285,000	285,000	0
Finance & Economic Management	Air New Zealand - Subsidies	12,600,000	11,150,000	12,600,000	12,600,000	-1,450,000
Finance & Economic Management	Apex - Profit Guarantee	1,500,000	1,500,000	1,500,000	1,500,000	0
Finance & Economic Management	FSC - subsidy to meet depreciation expenses	35,000	35,000	35,000	35,000	0
Finance & Economic Management	Subsidy of audio/visual broadcasting in Pa Enea	45,000	45,000	45,000	45,000	0
Transport	Outer Island Shipping and Freight Subsidy	0	0	0	0	0
		14,465,000	13,015,000	14,465,000	14,465,000	(1,450,000)
Social Assistance						
CIIC	Te Aponga Uira - uneconomic power connections	0	0	0	0	0
Education	Foundation Basic Skills Training					0
Education	Government Funded Scholarships	280,000	280,000	280,000	280,000	0
Education	Student Assistance Fund (In-Country & Overseas)		0			0
Health	Patient Referrals	550,000	550,000	550,000	550,000	0
Health	Nursing School	143,070	143,070	137,070	137,070	0
Health	NCD Fund	195,000	195,000	195,000	195,000	0
Internal Affairs	Welfare Payments	13,583,800	14,451,516	16,481,348	16,760,548	867,716
Justice	Legal Aid	40,000	40,000	40,000	40,000	0
		14,791,870	15,659,586	17,683,418	17,962,618	867,716
Other Expense						
Education	Private School Funding	1,982,627	1,982,627	1,982,627	1,982,627	0
Finance & Economic Management	Insurance	0	0	0	0	0

Administering Ministry	POBOC	Budget Estimates 2013/14	Supplementary Budget 2013/14	Budget Estimates 2014/15	Budget Estimates 2015/16	Variance
Finance & Economic Management	Pacific Catastrophe Risk Insurance	0	120,694	120,694	120,694	120,694
Foreign Affairs	International Subscriptions	541,705	541,705	541,705	541,705	0
Marine Resources	Establishment of Fisheries Development Facility	200,000	200,000	200,000	200,000	0
Cook Islands Seabed Minerals Authority	Establishment of the Seabed Minerals Authority	340,000	340,000	340,000	290,000	0
Internal Affairs	CISNOC Grant	120,000	120,000	120,000	120,000	0
Internal Affairs	CISNOC Support	100,000	100,000	100,000	100,000	0
Internal Affairs	CISNOC Reimbursement - Rugby League World Cup	0	60,000	0	0	60,000
Internal Affairs	CISNOC Reimbursement - Netball	0	18,000	0	0	18,000
Internal Affairs	Pacific Netball Series	0	60,000	0	0	60,000
Internal Affairs	NGO and Welfare Organisations	221,000	221,000	221,000	221,000	0
Internal Affairs	Gender Regional Triennial Meeting	30,000	30,000	0	0	0
Police	Pacific Islands Chiefs of Police Conference (PICP)	57,000	51,000	0	0	-6,000
Education	Education Ministers Forum	20,000	20,000	0	0	0
MOIP	SOPAC Conference 2013	100,000	50,000	0	0	-50,000
MOIP	PWWA Conference 2013	100,000	100,000	0	0	0
Grand Total		3,812,332	4,015,026	3,626,026	3,576,026	202,694
		43,229,305	42,936,776	46,295,611	46,510,659	(292,529)

Schedule 7
Debt Servicing Schedule

	Total Loans			On-Lent Loans			Net
	Principal	Interest	Gross	Principal	Interest	Gross	
Creditors							
France	589	24	613	589	24	613	0
Asian Development Bank	2,793	636	3,429	697	310	1,007	2,422
China	980	777	1,757	0	0	0	1,757
Total Debt Servicing	4,362	1,437	5,799	1,286	334	1,620	4,179

Notes:

All estimates are based on average exchange rate over the March 2014 period.

On-Lent loans includes loan to Port Authority plus repayment from the Crown Loan Reserve Fund (LRF)

Schedule 8
Aid Contributions by Ministry

Agency	Development Partner	Budget 2013/14	Supplementary Estimates 2013/14	Variance	Budget 2014/15	Budget 2015/16	Total
CIIC		200,000	100,000	-100,000	100,000	0	200,000
ADB Asset Management Technical Assistance	ADB	200,000	100,000	(100,000)	100,000	0	200,000
Improve infrastructure service delivery technical assistance	ADB	0		0	0	0	0
Pearl Authority		0	0	0	0	0	0
Pearl Industry Revitalisation	NZAID	0		0	0	0	0
Tourism Corporation		3,000,000	3,000,000	0	2,000,000	0	5,000,000
Tourism Sector Support	NZAID	3,000,000	3,000,000	0	2,000,000	0	5,000,000
Foreign Affairs and Immigration		11,141,000	11,141,000	0	7,700,000	0	18,841,000
Pacific Forum Leaders Meeting	AUS	0		0	0	0	0
China grants in kind	CHINA	11,000,000	11,000,000	0	7,700,000	0	18,700,000
PRC Grant	CHINA	20,000	20,000	0	0	0	20,000
Korea Cars	KOREA	121,000	121,000	0	0	0	121,000
Ministry of Finance and Economic Management		12,906,000	11,605,000	(1,301,000)	12,224,000	6,889,000	30,718,000
Public Sector Reform TA Support	ADB	900,000	400,000	(500,000)	600,000	0	1,000,000
EU TCF	EU	80,000	80,000	0	80,000	80,000	240,000
Water & Sanitation General Budget Support	EU	1,600,000	1,600,000	0	2,400,000	1,600,000	5,600,000
India Grant Fund	INDIA	150,000	150,000	0	150,000	150,000	450,000
Automated Border Management System	New Zealand Aid	135,000	135,000	0	135,000	0	270,000
Aid Effectiveness	New Zealand Aid	62,000	62,000	0	0	0	62,000
Te Mato Vai	New Zealand Aid	7,500,000	7,500,000	0	3,500,000	5,000,000	16,000,000
Pac Forum Sec Small Island States	Pacific Islands Forum (PIF)	0		0	0	0	0
TRAC Funds	UNDP	242,000	242,000	0	0	0	242,000
Water Security	New Zealand Aid						0
Pearl Industry Revitalisation	CHINA			0	0	0	0
Pearl Industry Revitalisation	NZAID	2,237,000	859,000	(1,378,000)	859,000	59,000	1,777,000
Development Partners Meeting	CI Gov		15,000	15,000			15,000
NIE Accreditation Process	EU SPC GCCA PSIS		62,000	62,000			62,000
Apii Nikao School Rebuild	New Zealand Aid		500,000	500,000	4,500,000		5,000,000
Agriculture		581,500	445,500	(136,000)	138,500	100,000	684,000
Agriculture Census and Statistics, Food and Ornamental Crop	FAO	223,200	223,200	0	0	0	223,200
Forestry Assessment Project	FAO	83,000	83,000	0	0	0	83,000
Crop Enhancement Technical Cooperation	FAO	236,000	100,000	(136,000)	100,000	100,000	300,000

Agency	Development Partner	Budget 2013/14	Supplementary Estimates 2013/14	Variance	Budget 2014/15	Budget 2015/16	Total
SPC - Water-logging Project	SPC	30,000	30,000	0	38,500	0	68,500
SPC - Taro Revitalisation program	SPC	9,300	9,300	0	0	0	9,300
Ministry of Education		3,355,000	3,355,000	0	3,460,000	3,460,000	10,275,000
Education Sector Partnership	New Zealand Aid	2,657,000	2,657,000	0	2,762,000	2,762,000	8,181,000
Scholarships & Training Awards	New Zealand Aid	613,000	613,000	0	613,000	613,000	1,839,000
Participation Program	UNESCO	85,000	85,000	0	85,000	85,000	255,000
Ministry of Health		1,556,200	1,330,079	(226,121)	1,393,022	858,216	3,581,317
Management & prevention of HIV and STI	Global Fund	96,000	96,000	0	96,000	0	192,000
Strengthening the management, prevention of TB in CK	Global Fund	78,000	57,154	(20,846)	16,180	0	73,334
HIV-New Funding Model	Global Fund		41,800	41,800	49,460	16,330	107,590
Health Specialist Visits Programme	New Zealand Aid	500,000	500,000	0	500,000	500,000	1,500,000
Multi-sectoral approach to combat NCDs and assoc risk factor	Global Fund	0		0	0	0	0
SPC Small Grants	SPC	20,000	20,000	0	20,000	20,000	60,000
Strengthening Reproductive Health	UNFPA	345,000	97,925	(247,075)	194,182	75,886	367,993
Human Resources Development (Fellowships)	WHO	271,200	271,200	0	271,200	0	542,400
Technical Cooperation Programme	WHO	246,000	246,000	0	246,000	246,000	738,000
Ministry of Internal Affairs		1,291,530	1,329,310	37,780	815,570	600,000	2,744,880
Social welfare review, protection of the vulnerable	ADB	390,000	390,000	0	100,000	0	490,000
Disability Inclusive Development	AusAID	136,530	136,530	0	115,570	0	252,100
Social Impact Fund (NGO and community initiatives scheme)	New Zealand Aid	765,000	765,000	0	600,000	600,000	1,965,000
12th Treinnial Conf of Pacific Women	AusAID		37,780	37,780			37,780
Infrastructure Cook Islands		6,042,000	3,942,000	(2,100,000)	5,650,000	2,500,000	12,092,000
Penrhyn Coastal Harbour upgrade	Australia Adaptation	0		0	650,000	0	650,000
Northern Water-Community water tank upgrades(2011 carry fwd)	New Zealand Aid	650,000	0	(650,000)	0	0	0
Mangaia water upgrades	Australia Adaptation	0		0	0	0	0
Mangaia Harbour Climate Adaptation	AusAID	610,000	610,000	0	0	0	610,000
Pacific Adaptation to CC (PACC+) Cook Is	UNDP	737,000	737,000	0	0	0	737,000
Mauke & Mitiaro Harbours	New Zealand Aid	260,000	260,000	0	0	0	260,000
Northern Water Improvement program - Household supply	New Zealand Aid	630,000	630,000	0	0	0	630,000
Waste Management and Sanitation improvement program	New Zealand Aid	2,955,000	1,505,000	(1,450,000)	5,000,000	2,500,000	9,005,000

Agency	Development Partner	Budget 2013/14	Supplementary Estimates 2013/14	Variance	Budget 2014/15	Budget 2015/16	Total
Integrated Water Resources Management (IWRM)	SOPAC	200,000	200,000	0	0	0	200,000
Ministry of Marine Resources		362,000	362,000	0	362,000	0	724,000
CI Fisheries Initiative (CIFI)	Australia Regional	0		0	0	0	0
Fisheries Project Development Fund	FFA	362,000	362,000	0	362,000	0	724,000
National Environment Services		614,000	639,000	25,000	2,491,400	2,342,000	5,472,400
Piloting V & A	AusAID	0		0	0	0	0
Prevention, control and management	Global Environment Facility	162,000	162,000	0	85,600	72,000	319,600
Conservation Management of Island Biodiversity	Global Environment Facility	225,000	225,000	0	135,800	0	360,800
UNCCD Data Reporting Project	Global Environment Facility	57,000	57,000	0	0	0	57,000
Ridge to Reef	Global Environment Facility	100,000	100,000	0	2,200,000	2,200,000	4,500,000
Monitoring of Ozone Depletion Substance	Global Environment Facility	70,000	70,000	0	70,000	70,000	210,000
Building Capacity for Sustainable Land management	UNDP	0		0	0	0	0
Persistent Organic Pollutants POPs	UNDP	0		0	0	0	0
State of Environment Report	UN/UNEP		25,000	25,000			25,000
Office of the Prime Minister		16,089,585	16,711,370	621,785	18,478,500	732,000	35,921,870
Renewable Energy TA (Feasibility)	ADB	570,000	570,000	0	0	0	570,000
Institutional Structure Development	AusAID	0		0	0	0	0
Coastal Adaptation	AusAID	0	88,900	88,900	0	0	88,900
SPC EU GCCA PSIS PROJECT	EU	465,000	465,000	0	0		465,000
National Adaptation to CC (3rd Nat Com & 3-4 Nat Rept)	Global Environment Facility	60,000	60,000	0	170,000	170,000	400,000
Renewable Energy program support	New Zealand Aid	6,280,000	12,300,000	6,020,000	12,300,000	0	24,600,000
PV Mini grids	PEC (Japan)	3,390,000	0	(3,390,000)	3,390,000	0	3,390,000
Energy Transformation	SIDS-DOCK	2,330,000	0	(2,330,000)	650,000	0	650,000
Power sector study, EIA, verifications (PIGGAREP)	SPREP	77,000	77,000	0	0	0	77,000
Community Centred Sustainable Development plans	UNDP	0		0	0	0	0
Strengthening Resilience of Island Communities	UN Adaptation Fund	2,708,585	2,708,585	0	1,968,500	562,000	5,239,085
Atiu Generator Renewable Energy	New Zealand Aid	209,000	209,000	0	0	0	209,000
Rarotonga Land Use	SPC		7,885	7,885			7,885
Cook Island Water Shortage Response	New Zealand		225,000	225,000			225,000
CI Police Services		720,000	720,000	0	720,000	120,000	1,560,000

Agency	Development Partner	Budget 2013/14	Supplementary Estimates 2013/14	Variance	Budget 2014/15	Budget 2015/16	Total
CI Police Service HR development	Australian Federal Police	0		0	0	0	0
Police Development Programme	New Zealand Aid	600,000	600,000	0	600,000	0	1,200,000
Te Kukupa TA, operations	New Zealand Defence	120,000	120,000	0	120,000	120,000	360,000
Office of the Public Service Commissioner		1,000,000	1,000,000	0	0	0	1,000,000
CI Technical Assistance Facility	New Zealand Aid	1,000,000	1,000,000	0	0	0	1,000,000
Te Aponga Uira		409,347	409,347	0	112,150	0	521,497
Promoting Energy Efficiency in the Pacific	ADB	409,347	409,347	0	112,150	0	521,497
Seabed Mining Authority	Commonwealth Secretariat	95,000	95,000	0	20,000		115,000
Total		59,363,162	56,184,606	(3,178,556)	55,665,142	17,601,216	129,450,964

**Financial Statements for Supplementary Budget
As at 30 June 2014**

The forecasted financial estimates of the Crown are set out on the following pages.

- (1) Statement of Financial Performance**
- (2) Statement of Financial Position**
- (3) Statement of Cash flows**
- (4) Statement of Borrowings**
- (5) Summary of Revenue Levied on Behalf of the Crown**
- (6) Statement of Financial Risks**

Statement of Financial Performance
For the years ending 30 June 2014

	Supp Bud 2012-13 ('000)	BPS Estimate 2013-14 ('000)	Projected 2014-15 ('000)	Projected 2015-16 ('000)	Projected 2016-17 ('000)
Revenue					
Taxation revenues	99,653	98,960	104,283	104,672	109,401
<u>Other revenue</u>					
Revenue on behalf of the Crown	9,092	9,513	8,808	8,790	8,789
Sale of goods and services	5,452	5,718	6,014	6,051	6,051
Interest	2,147	2,147	2,171	2,195	2,195
Dividends	2,561	2,631	2,415	2,396	2,396
Total Revenue	118,905	118,969	123,690	124,103	128,832
Expenditure					
Appropriations to agencies	63,592	64,050	65,812	65,867	65,867
Payments on behalf of Crown	43,229	42,937	46,086	46,301	46,301
Debt-servicing interest	1,429	1,437	1,520	1,283	1,283
Building maintenance	1,800	1,800	1,800	1,800	1,800
Infrastructure depreciation	5,070	5,070	6,904	6,904	6,904
Other expenditure	3,739	3,362	2,680	2,679	2,679
Total Expenditure	118,859	118,656	124,802	124,834	124,834
NET OPERATING SURPLUS / (DEFICIT)	46	314	-1,112	-731	3,998

Statement of Financial Position
As at 30 June 2014

	Supp Bud 2012-13 ('000)	BPS Estimates 2013-14 ('000)	Projected 2014-15 ('000)	Projected 2015-16 ('000)	Projected 2016-17 ('000)
Assets					
Cash and equivalents	22,824	17,787	16,052	26,718	42,375
Loan reserves	16,504	16,402	15,162	13,892	11,422
Trust accounts	7,768	8,263	8,770	9,285	9,800
Inventory	4,395	4,395	4,395	4,395	4,395
Tax receivables	16,647	16,944	16,713	16,480	15,986
Debtors and other receivables	10,699	10,699	10,699	10,699	10,699
Advances to SOEs	27,492	24,393	24,230	23,918	23,398
Investment in SOEs	146,733	146,733	146,733	146,733	146,733
Plant, property, and equipment	219,371	226,105	236,253	225,331	214,409
Total Assets	472,432	471,721	479,008	477,452	479,217
Liabilities					
Creditors and other payables	10,909	10,412	9,907	9,393	8,879
Trust liabilities	8,013	8,510	9,015	9,529	10,043
Borrowings	78,619	78,110	72,414	67,644	62,584
Total Liabilities	97,541	97,032	91,336	86,566	81,506
Net Crown Balance	374,891	374,689	387,672	390,886	397,711

Statement of Cash flows
For the years ending 30 June 2014

	Supp Bud 2012-13	BPS Estimate 2013-14	Projected 2014-15	Projected 2015-16	Projected 2016-17
	('000)	('000)	('000)	('000)	('000)
Cash flows from Operating Activities					
<u>Cash provided from:</u>					
Taxation and levies	99,653	98,960	104,283	104,672	109,401
Collection of tax arrears	972	-297	231	233	494
Sale of goods and services	5,452	5,718	6,014	6,051	6,051
Interest	2,147	2,147	2,171	2,195	2,195
Dividends	2,561	2,631	2,415	2,396	2,396
Other income	9,092	9,513	8,808	8,790	8,789
	119,877	118,672	123,921	124,336	129,326
<u>Cash applied to:</u>					
Appropriations to agencies (less depn)	59,705	60,163	61,849	61,849	61,849
Payments on behalf of Crown	43,229	42,937	46,086	46,301	46,301
Debt-servicing interest	1,429	1,437	1,520	1,283	1,283
Building maintenance	1,800	1,800	1,800	1,800	1,800
Other expenditure	6,513	3,859	3,185	3,193	3,193
	112,676	110,196	114,440	114,426	114,426
Net Operating Activity Cashflows	7,201	8,476	9,481	9,910	14,900
Cashflows from Investing Activities					
<u>Cash provided from:</u>					
Subsidiary loan repayments	0	0	0	0	0
	0	0	0	0	0
<u>Cash applied to:</u>					
Capital expenditure	9,571	10,072	17,437	0	0
Advances to Subsidiaries	0	0	0	0	0
	9,571	10,072	17,437	0	0
Net Investing Activity Cashflows	-9,571	-10,072	-17,437	0	0
Cashflows from Financing Activities					
<u>Cash provided from:</u>					
Loans drawn down	6,946	6,946	16,946	0	0
Cash drawn from loan reserves	1,335	1,335	1,243	1,270	1,270
	8,281	8,281	18,189	1,270	1,270
<u>Cash applied to:</u>					
Loan repayments	11,227	11,227	11,461	0	0
Loan reserves	0	0	0	0	0
Other reserves	498	495	507	514	514
	11,725	11,722	11,968	514	514
Net Financing Activity Cashflows	-3,444	-3,441	6,221	756	756
Net cash movements	-5,814	-5,037	-1,735	10,666	15,656
Add: Opening Cash and Equivalents	28,638	22,824	17,787	16,052	26,718
Closing Cash and Equivalents	22,824	17,787	16,052	26,718	42,375

**Statement of Borrowings
As at 30 June 2014**

	Supp Bud 2012-13 ('000)	BPS Estimate 2013-14 ('000)	Projected 2014-15 ('000)	Projected 2015-16 ('000)	Projected 2016-17 ('000)
<i>Total Gross Borrowings</i>	78,619	78,110	72,414	67,644	62,584
Assets Held Against Borrowings:					
Advances to subsidiaries	27,492	24,393	24,230	23,918	23,398
Loan reserves	16,504	16,402	15,162	13,892	11,422
<i>Total Assets Held Against Borrowings</i>	43,996	40,795	39,392	37,810	34,820
<i>Net Borrowings of the Government</i>	34,623	37,315	33,022	29,834	27,764

Note: The Crown debt balances in section 3.3 does not take into consideration the advances to State Owned Enterprises (SOEs) as Government is the guarantor of the loan and is obligated to loan repayments regardless of SOEs meeting their repayment obligations to Government.

**Revenue Levied on Behalf of the Crown
For the years ending 30 June 2014**

	Supp Bud 2012-13 ('000)	Projected 2013-14 ('000)	Projected 2014-15 ('000)	Projected 2015-16 ('000)	Projected 2016-17 ('000)
<u>Taxation</u>					
Income tax	27,734	22,304	21,285	21,951	22,920
Company tax	10,812	12,136	12,240	12,308	12,707
Import levies	13,207	15,220	15,222	14,244	15,828
Departure tax	8,205	6,872	7,244	7,640	8,030
VAT	39,095	41,529	48,291	48,528	49,916
Withholding tax	600	900	0	0	0
<i>Total Revenue Levied on Behalf of the Crown</i>	<i>99,653</i>	<i>98,960</i>	<i>104,283</i>	<i>104,672</i>	<i>109,401</i>

**Statement of Fiscal Risks
As at 30 June 2014**

	('000)
Quantifiable Contingent Liabilities	
Guarantees and indemnities	500
Uncalled capital	1,435
Legal proceedings and disputes	16,078
<u>Total Quantifiable Contingent Liabilities</u>	<u>18,013</u>

Guarantees and indemnities relate to the following:

Government has entered into a program under the New Zealand Aid Programme focused on Pearl Sector Support run through the Cook Islands Pearl Authority. Through the program the Government has agreed to guarantee up to \$0.5million as security for loans associated with the Pearl Production Credit Scheme. The full guarantee has been included as a contingent liability.

Uncalled capital relates to shares in the Asian Development Bank - Cook Islands Government Property Corporation owns 88 uncalled shares with a par value of US\$13,500 each.

Legal proceedings and disputes relate to current cases against the Crown.

STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

Reporting Entity

These financial statements are for the Government of the Cook Islands. These consist of:

- Ministers of the Crown
- Ministries
- Island Administrations
- Offices of Parliament
- Public Enterprises and Other Authorities

A schedule of the entities included in these financial statements is detailed on page 23.

Statement of Compliance

These financial statements have been prepared in accordance with the Ministry of Finance and Economic Management Act 1995-96 and with the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board (IPSASB).

Measurement Base

The financial statements have been prepared on the going concern assumption and the accounting policies have been applied consistently throughout the period except where stated elsewhere in this Statement of Accounting Policies.

These financial statements have been prepared using the historical cost method to report results, cash flows and the financial position of the Crown. The financial statements have been prepared under the accrual basis of accounting and are presented in New Zealand dollars rounded to the nearest thousand dollars.

Significant Accounting Policies

The following accounting policies, which significantly affect the measurement of financial performance, financial position and cash flows, have been applied:

Recent Standards

Of significant relevance to the Crown is the recent development of new standards at the IPSASB. These include:

	<u>STANDARDS</u>	<u>EFFECTIVE DATE</u>
A.	IPSAS 25 Employee Benefits	1/01/2011
B.	IPSAS 26 Impairment of Cash Generating Assets	1/04/2009
C.	IPSAS 27 Agriculture	1/04/2011
D.	IPSAS 28 Financial Instruments: Recognition and Measurement	1/01/2013 1/01/2011
E.	IPSAS 29 Financial Instruments: Presentation	
F.	IPSAS 30 Financial Instruments: Disclosure	1/01/2013
G.	IPSAS 31 Intangible Assets	1/04/2011

These new standards have been issued but are not yet effective for the consolidated Crown accounts as the preparation of the 30 June 2010 accounts are currently in progress – the 30 June 2009 consolidated

accounts were completed and audited on 24 May 2012. The Crown will have to consider these new standards in future years. Crown has not yet determined the effect of these new standards.

Basis of Consolidation

The Government Ministries, Public Enterprises and Other Authorities (including State Owned Enterprises (SOEs)) comprising the reporting entity are consolidated involving addition of like items of assets, liabilities, revenues and expenses on a line by line basis.

The effect of all material inter-entity transactions and balances are eliminated on consolidation.

Commitments and contingent liabilities of Public Enterprises and Other Authorities are reported in the Statements of Commitments and of Contingent Liabilities.

Associate

An associate is an entity over which the Crown has significant influence where the entity is neither a subsidiary nor an interest in a joint venture. Investment in an associate is recognised at cost and the carrying amount is increased or decreased to recognise the Crown's share of the surplus or deficit after the date of acquisition. When the Crown transacts with an associate, all surplus and deficits related to the Crown are eliminated. Distributions received from an associate reduce the carrying value of the investment in the Crown Financial Statements.

Revenue

Revenue is measured at fair value of the consideration received or receivable.

Revenue Levied through the Crown's Sovereign Power

Payment of tax does not of itself entitle a taxpayer to an equivalent value of services or benefits; such revenue is received through the exercise of the Crown's sovereign power. Revenue arising through taxes is recognised when the taxable event occurs and when the criteria for recognition of an asset are met.

Revenue Type	Revenue Recognition Point
Individual Income Tax	When an individual earns income that is subject to PAYE or provisional tax. This also includes withholding taxes.
Company Income Tax	When the corporate community earns taxable income.
Value Added Tax	When the liability to the Crown is incurred. For example, the liability arising from sales in June being paid in July however recognised as revenue in June.
Customs levies	When goods liable to duty are assessed, except for Oil Companies which are accounted for when the liability to the Crown is incurred.
Departure Tax	When departure tax coupons are purchased.
Other Revenue	When the debt to the Crown arises.

Revenue Earned Through Operations

Revenue from sales of goods is recognised when the product is sold to the customer.

Fines

Fines are economic benefits or services potential received by the Crown from an individual or other entity, as determined by a court or other law enforcement body, as consequence of the individual or other entity breaching the requirements of laws and regulations.

Investment Income

Investment income is recognised in the period in which it is earned.

Gains

Realised gains arising from sale of assets or from the early settlement of a liability are recognised in the Statement of Financial Performance in the period in which the transaction is concluded.

Dividends

Dividends are recognised when the right to receive the payment has been established.

Aid Revenue

Revenue is recognised when donor funds are expensed on approved projects.

Expenses

Expenses are recognised when incurred and are reported in the financial period to which they relate.

Welfare Benefits

Welfare benefits are recognised in the period which the payment of these benefits relates to.

Grants and Subsidies

Where grants and subsidies are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled and notice has been given to the Crown.

Losses

Realised losses arising from sales of assets or the early settlement of a liability are recognised in the Statement of Financial Performance in the period in which the transaction is concluded.

Foreign Currencies

Transactions in foreign currencies are translated into New Zealand dollar using the exchange rate on the date of the transaction. Foreign exchange gain and losses arising from these transactions are included in the Statement of Financial Performance.

Any monetary assets and monetary liabilities held at year end are translated at the exchange rate at the balance sheet date.

Aid Expenses

Expenses are recognised when incurred on approved projects and are reported in the financial period to which they relate.

Depreciation

Each part of an item of plant, property, and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation of plant, property, and equipment is provided on a straight line basis so as to allocate the cost of assets to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Office and computer equipment	3 – 4 years
Motor vehicles	5 years
Furniture and fittings	4 – 10 years
Plant and Equipment	5 – 15 years
Buildings and improvements	10 years
Coastal protection	25 years
Power distribution network	20 years
Roading network	30 years
Water network	15 years
Airport runways	15 – 100 years
Harbour and ports structures	10 – 20 years
Waste management facilities	15 years

Non-Current Assets

Plant, Property, and Equipment

Plant, property and equipment are recorded at cost less accumulated depreciation.

The cost of purchased plant, property, and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

The cost of assets constructed by the Crown includes the cost of all materials used in construction, direct labour on the project, financing costs that are directly attributable to the project and an appropriate proportion of variable and fixed overheads. Costs cease to be capitalised as soon as the asset is ready for productive use and do not include any inefficiency costs.

Disposals

When an item of plant, property and equipment is disposed, the gain or loss (disposal proceeds less carrying value) associated with that item will be recognised in the Statement of Financial Performance.

Additions

The cost of an item of plant, property and equipment is recognised as an asset if, and only if, there will be future economic benefits evident and where these benefits will flow to the Crown and the cost of the item can be measured reliably.

Work in Progress

Work in Progress is recognised as cost less impairment and is not depreciated.

Infrastructure Assets

Infrastructure assets are recorded at cost less accumulated depreciation.

The cost of purchased infrastructure assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

The cost of assets constructed by the Crown includes the cost of all materials used in construction, direct labour on the project, financing costs that are directly attributable to the project and an appropriate proportion of variable and fixed overheads. Costs cease to be capitalised as soon as the asset is ready for productive use and do not include any inefficiency costs.

Infrastructure assets include: roading networks, water networks, power distribution networks, coastal protection systems, harbour and ports structures and waste management and airport assets.

IPSAS 17 allows a choice of accounting model for an entire class of property, plant and equipment. The Crown has changed the accounting policy from the cost to revaluation model for the following classes of assets:

- Power network
- Harbors & ports
- Airports

These assets are now carried at revalued amounts which are the fair value at revaluation date less subsequent depreciation and impairment losses.

When an infrastructure asset is disposed of, the gain or loss (disposal proceeds less carrying value) associated with that item will be recognised in the Statement of Financial Performance.

Work in Progress is recognised as cost less impairment and is not depreciated.

Intangible Assets

Intangible assets are software acquisition costs.

Intangible assets are recorded at cost less accumulated amortisation.

The cost of purchased intangible assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Intangible assets might include: databases, software purchased, or software developed.

Intangible Assets (continued)

When an intangible asset is disposed of, the gain or loss (disposal proceeds less carrying value) associated with that item will be recognised in the Statement of Financial Performance.

Amortisation of intangible assets is on a straight line basis so as to allocate the cost of assets to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Software, databases: 3 - 5 years

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

Receivables and Advances including Debtors and Other Receivables

Receivables and advances are recorded at cost.

After initial recognition, loans and receivables are measured at amortised cost less any provision for impairment. Gains and losses when assets are impaired or derecognised are recognised in the statement of financial performance.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at cost. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

Investments

Investments in associate are accounted in the consolidated financial statements using the equity method. That is, investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Crown's share of the surplus or deficit of the associate after the day of acquisition.

Banking portfolio investments

Loans are valued at net realisable value after provisions. Applicable security is obtained depending on the size and nature of loans. Non-performing loans are reviewed monthly on a case by case basis.

Provision for doubtful debts

Provision is made for taxation debt where recovery is considered doubtful. There is no general provision against taxation debt.

Provision is made for banking portfolio Investments (specific loans) where recovery is considered doubtful or they have become non-performing. There is no general provision against banking portfolio Investments.

Provision for doubtful debts (continued)

All bad debts are written off against specific provisions in the period in which they become classified as irrecoverable.

Aid Assets

Donor funds are deposited into bank accounts until expensed on approved assets.

Liabilities

Borrowings

Borrowing liabilities are accounted for at amortised cost. Any changes are recognised in the Statement of Financial Performance.

Pension Liabilities

Pension liabilities, in respect of the contributory service of current and past Members of Parliament, are recorded at the latest (30th June 1997) actuarial value of the Crown's liability for pension payments. There are no pension liabilities accruing to the Crown as a result of Government employees' membership of the Government Superannuation Fund (New Zealand).

Employee Entitlements

These include salaries and wages accrued up to balance date, annual level earned but not yet taken at balance date. A long service bonus is paid out on the completion of 3 years continuous service within the Government. The bonus is equivalent to a fortnight pay of the employee.

Other Liabilities

All other liabilities are recorded at the estimated obligation to pay. No liability for ongoing welfare payments has been recognised because no legal entitlement is considered to exist beyond the end of the current financial year until a new Appropriation Act is passed.

Aid Liabilities

Funds received from various donors are treated as liabilities until expensed on approved projects at which stage the funding is included within the Statement of Financial Performance as revenue.

Cash Flow

A cash flow statement identifies the sources of cash inflow, the items on which cash was utilised and the cash balance at the reporting date for Crown. Included in the cash flow statements are financing activities which are activities that result in the change of size and composition of the contributed capital and borrowings of the Crown. Investing activities are the acquisition and disposal of long term assets and other investments and operating activities identifies how much the Crown received from its actual operations.

Cash flow information allows users to ascertain how the Crown raised the cash it required to fund its activities and the manner in which that cash was utilised.

Leases

Finance leases transfer, to the Crown as lessee, substantially all the risks and rewards incidental on the ownership of a leased asset. The obligations under such leases are capitalised at the present value of minimum lease payments. The capitalised values are amortised over the period in which the Crown expects to receive benefits from their use.

Operating leases, where the lessors substantially retain the risks and rewards of ownership, are recognised in a systematic manner over the term of the lease.

The cost of leasehold improvements is capitalised and amortised over the lesser of the leasehold improvements useful life or the original lease term.

Commitments

The Statement of Commitments discloses those operating and capital commitments arising from non-cancellable contractual or statutory obligations. Interest commitments on debts and commitments relating to employment contracts are not included.

Contingent Liabilities

Contingent liabilities are recorded when a possible obligation has arisen from an event in the past and which the existence will only be confirmed through the occurrence or non-occurrence of future events. Such liabilities will be disclosed if they are deemed to materially affect the reading of the presented financial statements.