



MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT
GOVERNMENT OF THE COOK ISLANDS

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PRESS RELEASE

June 2014 Quarterly Financial Report

The full June 2014 Quarterly Financial Report is now available on the MFEM website. The report contains more information than the previous quarters as it intends to capture financial information for the whole of the 2013/14 financial year. The report is not audited and is not intended to be a replacement for the final 2013/14 audited accounts.

Expenditure comparisons have been made against the appropriations passed at the time of the original 2013/14 budget. Since then a number of Orders in Executive Council have altered the original appropriation.

The net operating balance of the General Government Sector as at 30 June 2014 was a surplus of \$3.6 million.

- Operating revenue was \$119.1 million; and
- Operating expenditure was \$115.5 million.

The overall fiscal balance was a deficit of \$5.1 million which incorporated activities financed through the ADB-ERSP and Exim Bank loans.

Table 1
Net Operating Balance General Government – June 2014

2012/13 Actual ('000)		2013/14 Budget ('000)	2013/14 Actual ('000)	Variance	
				('000)	%
115,125	Operating Revenue	120,505	119,141	(1,364)	(1)
107,205	Operating Expenditure	117,753	115,568	(2,185)	(2)
7,919	Net Operating Balance	2,752	3,573	821	(30)

Table 2
Fiscal Balance of General Government – June 2014

2012/13 Actual ('000)		2013/14 Budget ('000)	2013/14 Actual ('000)	Variance	
				('000)	%
7,919	Net Operating Balance	2,752	3,573	821	(30)
2,648	Add Crown Depreciation	5,070	2,156	(2,914)	(57)
(13,506)	Less Capital Expenditure	(9,371)	(10,804)	(1,433)	15
(2,939)	Fiscal Balance	(1,550)	(5,075)	(3,526)	228

Total revenue collections for 2013/14 were lower than the original budget estimate and were mainly attributable to reduced tax revenue than what was estimated at the time of the original budget due mainly to the legislated reduction of personal income tax rates which were introduced on 1 January and partially offset by the later increase of the VAT on 1 April.

Total operating expenses for 2013/14 were lower than the original budget estimate. This was largely attributed to lower expenditure on the underwrite of the long haul air routes to Los Angeles and Sydney (12 per cent) and the TOA profit guarantee (14 per cent). Additionally, lower levels of spending by agencies were a contributing factor (2 per cent).

Note that all 2013/14 budget figures are based on the original budget passed by Parliament in June 2013. In some cases, expenditures were incurred as a result of subsequent Orders made in Executive Council.