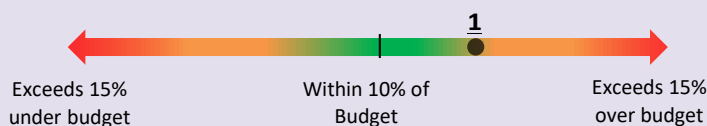


Overall Cook Islands General Government Budget vs Actual Performances March 2020

General Government's Fiscal Position reported actual surplus in net fiscal balance of \$17.80 million; an increase of \$7.42 million against budget estimates for the March 2020 quarter.

YTD Revenue (\$000's)

Q3 Actual: 145,225 **Q3 Budget:** 144,341 **Q3 Variance:** 884 or 1 %



Full year	
*Forecast:	200,081
Budget:	179,966

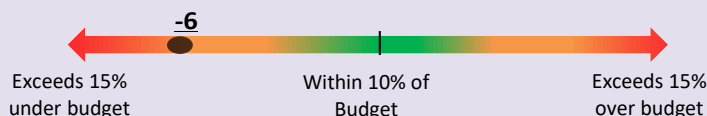
Total Revenue for the Quarter was over Budget Estimates by \$0.88 million. This increase was mainly contributed by the following;

* The favourable variance on Taxation Revenue collection was due to the reduction in the revenue budget forecasted in the Supplementary Budget. In addition, increase in the collection of Vat Tax by \$5.00 million and Withholding tax by \$0.07 million was noted for the quarter as compared to March 2019 Quarter.

* The unfavourable variance on Fishing licenses revenue collection was due to the increase in the fishing license budget forecasted in the Supplementary Budget. Furthermore, it was noted that there was also lack of interest to purchase Purse seine bi-lateral days from Bilateral partners. In the last financial year, bilateral partners bought approximately 500 days at US\$9,500/NZD\$14,500 a day totalling to approximately \$7.00 million. Currently, only 60 days have been sold so far. This is about \$6.00 million short compared to March 2019 Quarter.

YTD Operating expenditure (\$000's)

Q3 Actual: 111,813 **Q3 Budget:** 119,289 **Q3 Variance:** -7,476 or -6 %



Full year	
*Forecast:	173,260
Budget:	204,642

Total spending for the reporting period was \$7.48 million lower than budget estimate, the main contributing items were;

* Savings on Agencies operational spending by \$4.18 million due to vacant positions yet to be filled and also increase in the annual budget appropriation for Agencies.

* Administered Payments reported spending of \$2.37 million below budget estimates mainly due to timing of spending of funds tagged for Provision of Land Rentals, Avaroa Cable and Emergency Work.

YTD Surplus/(deficit) (\$000's)

Q3 Actual: 33,412 **Q3 Budget:** 25,051 **Q3 Variance:** 8,360 or 33 %



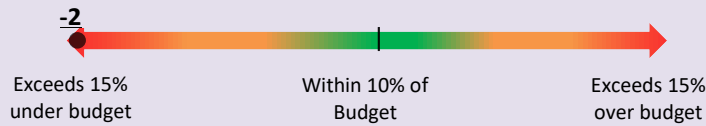
Full year	
*Forecast:	26,822
Budget:	-24,676

Net Operating Surplus/(Shortfall) Balance: The General Government reported an increase in net operating surplus by \$8.36 million for the March 2020 Quarter. This is largely attributed to the under spend in Administered Payments, under spend in Ministry's Personnel and Operating Expense and increase in taxes collected for the quarter.

Overall Cook Islands General Government Budget vs Actual Performances March 2020

YTD Capital Expenditure (\$'000's)

Q3 Actual: 20,453 Q3 Budget: 20,827 Q3 Variance: -374 or -2 %

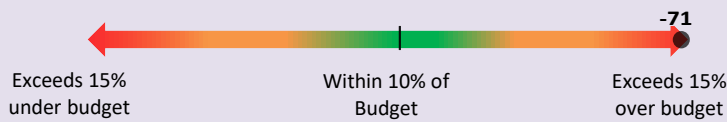


Full year	
*Forecast:	47,326
Budget:	50,189

Capital expenditure was below Budget estimates by \$0.37 million. The variance was mainly due to scheduling of major projects especially projects administered by Cook Islands Investment Corporation. Capital projects are forecasted to commence spend in the last quarter of the financial year for activities relating to design and construction.

YTD Net Fiscal Surplus/(deficit) (\$'000's)

Q3 Actual: 17,799 Q3 Budget: 10,382 Q3 Variance: 7,416 or -71 %



Full year	
*Forecast:	-7,564
Budget:	-61,092

The overall fiscal balance was \$17.80 million and represents \$7.42 million more than budget estimates for the March 2020 Quarter.

* Source - Cook Islands Government 2019/20 Half - Year Economic and Fiscal Update 16 December 2019