

Overall Cook Islands General Government Budget vs Actual Performances for the quarter ending 31 December 2020

YTD Revenue (\$000's)

Q2 Actual: 90,595 Q2 Budget: 57,463 Q2 Variance: 33,132 or 58 %



Full year	
*Forecast:	131,774
Budget:	125,357

*Operating Revenue: Government Operating Revenue reported \$33.13 million higher collection than the budget estimate for the quarter. This was due to a \$15 million NZ Government grant received to go towards the COVID-19 ERP, followed by \$8.26 million revenue received from Vested Assets from FSC. Taxation revenue also reported an increase of \$9.01 million compared to the budget estimate. The estimate for taxation revenue was reduced to almost 50% of the 2019/20 taxation revenue estimates, taking into account the impact of COVID-19 on taxation revenue collection. Despite this, collection however was not as bad as expected, the increase attributed to strict tax collection activities during the period.

YTD Operating expenditure (\$000's)

Q2 Actual: 115,330 Q2 Budget: 119,584 Q2 Variance: 4,254 or 4 %



Full year	
*Forecast:	232,485
Budget:	232,486

*Operating Expenditure: Government Operating Expenditure reported lower actual spending by \$4.25 million against the budget estimates for the quarter. This was attributed to the underspending in the Ministry/Pa Enea operating expenditure (\$3.55 million), due to early payment of COVID-19 discounts and cost-sharing between different funded programmes. Administered payments and POBOC expenditure were on track against budget.

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

Q2 Actual: -24,734 Q2 Budget: -62,120 Q2 Variance: -37,386 or 60 %



Full year	
*Forecast:	-100,711
Budget:	-107,129

*Net Operating Deficit Balance for the quarter ended ended 31 December 2020 was a shortfall of \$24.73 million, this represents a \$37.39 million favourable variance compared to the operating balance estimated. This was driven mainly by a \$15 million grant received from the NZ Government to go towards the Economic Response Plan (ERP), and tax revenue collection compared to the budget estimates, up by \$9.01 million.

YTD Capital Expenditure (\$000's)

Q2 Actual: 13,531 Q2 Budget: 13,456 Q2 Variance: -76 or -1 %



Full year	
*Forecast:	42,804
Budget:	42,804

*Capital Expenditure: Spending on Capital budget was 32% by the end of the December quarter. This is a low utilisation considering the size of the annual budget and our capacity to implement projects before the end of June. The low utilisation was due to the impact of Covid-19 on travel and the sourcing of resources overseas, which has interrupted the scheduled projects planned on both Rarotonga and the Pa Enea.

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

Q2 Actual: -32,817 Q2 Budget: -70,127 Q2 Variance: 37,310 or 53 %



Full year	
*Forecast:	-130,379
Budget:	-136,796

*General Government's Fiscal Position reported a shortfall in net fiscal balance of \$32.82 million. The shortfall was lower than anticipated by \$37.31 million when compared against the budget estimates for the December quarter. The increase was due to higher revenue collection by \$33.13 million and savings in Operating Expenses of \$4.25 million.