

# Overall Cook Islands General Government Budget vs Actual Performances for the quarter ending 31 March 2021

## YTD Revenue (\$000's)

Q3 Actual: **112,948**      Q3 Budget: **94,035**      Q3 Variance: **18,913**      or **20** %



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

\*Operating Revenue: Operating revenue reported an \$18.91 million higher collection against the budget estimates for the quarter. This was primarily due to a \$15 million NZ Government grant received to go towards the COVID-19 ERP followed by Vested Assets funds received from FSC of \$8.26 million, both were not included in the original appropriation. This was offset by taxation revenue reporting a \$3.48 million unfavourable variance in comparison 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 collection. Collection was unfavourable than expected despite stringent audits and collection activities during the period.

## YTD Operating expenditure (\$000's)

Q3 Actual: **160,725**      Q3 Budget: **184,218**      Q3 Variance: **23,493**      or **13** %



Full year	
*Forecast:	232,485
Budget:	243,160

\*Operating Expenditure: General Government operating expenditure reported lower actual spending by \$23.49 million against the budget estimates for the March quarter. This was attributed to the underspending in the Ministry/Pa Enea operating expenditure (\$4.31 million), due to early payment of COVID-19 discounts and cost-sharing between different funded programmes, followed by an underspend in Administered payments of \$12.69 million, largely due to timing and processing of ERP expenditure, which the budget is expected to be further utilise within the last quarter, following Government's announcement to extend the Wage Subsidy up to June 2021. POBOC expenditure is on track against budget.

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

Q3 Actual: **-47,776**      Q3 Budget: **-90,183**      Q3 Variance: **-42,406**      or **47** %



Full year	
*Forecast:	-100,711
Budget:	-117,803

\* Government's Net Operating Position: The General Government reported a net operating shortfall of \$47.78 million for the March quarter, a positive variance than expected by \$42.41 million when compared against the net operating position estimated for the same period, due primarily to grant received, while effectively monitoring budget expenditure.

## YTD Capital Expenditure (\$000's)

Q3 Actual: **19,011**      Q3 Budget: **34,438**      Q3 Variance: **15,428**      or **45** %



Full year	
*Forecast:	42,804
Budget:	42,932

\*Capital Expenditure: Spending on Capital budget was 44% by the end of the March 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)

Q3 Actual: **-61,487**      Q3 Budget: **-116,550**      Q3 Variance: **55,063**      or **47** %



Full year	
*Forecast:	-130,379
Budget:	-147,598

\*General Government's Fiscal Position reported a shortfall in net fiscal balance of \$61.49 million. The shortfall was lower than anticipated by \$55.06 million when compared against the budget estimates for the March quarter. The increase was due to higher revenue collection by \$18.91 million, of which \$15 million pertains to a grant received from NZ Government, and savings in Operating Expenses of \$23.49 million and Capital Expenditure \$15.43 million.