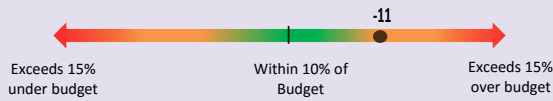


Overall Cook Islands General Government Budget vs Actual Performances for the quarter ended 31 December 2023

YTD Revenue (\$000's)

Q2 Actual: **113,525** Q2 Budget: **102,645** Q2 Variance: **-10,880** or **-11** %

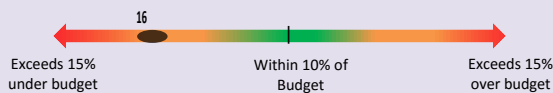


Full year	
*Forecast:	181,092
Budget:	199,096

*Operating Revenue collected was \$10.88 million higher than anticipated for the quarter ended 31 December 2023. Taxation revenue collection was significantly higher than estimated compared to YTD budget estimates, due to increased business activity and consumer spending. This was slightly counteracted by an overall decrease in Other Revenue of \$0.59 million (inclusive of Upper Air Space Fees of \$1.38 million, Longline Licenses of \$2.30 million and Core Sector Support of \$9.1 million), followed by Trading Revenue of \$2.87 million.

YTD Operating expenditure (\$000's)

Q2 Actual: **97,015** Q2 Budget: **115,649** Q2 Variance: **18,635** or **16** %



Full year	
*Forecast:	181,906
Budget:	199,977

* Operating Expenditure: Operating Expenses for General Government adjusted for depreciation for the year ended 31 December 2023 was \$97.01 million, which is \$18.63 million lower than budget estimates. This was mainly due to an overall underspend in day-to-day operational expenditure across the whole of Government ie. utilities, fuel and oil, freight etc. Government agencies are also aware of price increases and intend to take a more conservative approach regarding operation expenditure. Another contributing factor is that additional budget has been approved via Executive Order, of which the expenditure has yet to be spent. There were also underspends in Personnel caused by vacant positions within Government that are expected to be filled within the next 3-6 months as well as savings in Administered Payments equal to \$7.57 million, mainly contributed by YTD underspends in Airline Underwrite (of \$1.46 million) and Economic Recovery Roadmap (of \$1.35 million).

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

Q2 Actual: **16,510** Q2 Budget: **-13,004** Q2 Variance: **-29,514** or **227** %

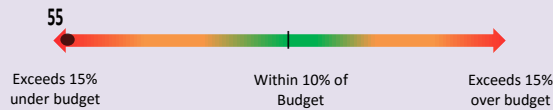


Full year	
*Forecast:	-814
Budget:	-881

* Government's Net Operating Position: The net operating balance for the quarter ended 31 December 2023 was \$16.5 million surplus. This was an improvement by \$29.5 million compared to the budget estimate of \$13.0 million deficit. Underspends Administered Payments amounting to \$7.57 million contributed to the improvement in Government's net operating balance, in addition to cost savings in Personnel (of \$4.17 million) and Operating (of \$8.43 million).

YTD Capital Expenditure (\$000's)

Q2 Actual: 7,484 Q2 Budget: 16,667 Q2 Variance: 9,183 or 55 %

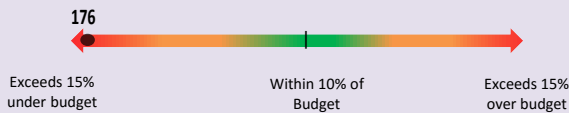


Full year	
*Forecast:	18,257
Budget:	22,761

* Capital expenditure was significantly lower than budgeted by \$9.18 million for the quarter ended 31 December 2023. Significant underspends in To Tatou Vai, Government Building Projects and Purchase of Protocol Vehicles have contributed to this. Agencies are encouraged to appropriately plan and manage their Capital Budgets to ensure budgets are spent in the allotted periods, however given the unpredictable nature of the operating environment, delays have occurred.

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

Q2 Actual: 16,706 Q2 Budget: -21,991 Q2 Variance: -38,697 or 176 %



Full year	
*Forecast:	-4,475
Budget:	-8,282

* General Government's Net Fiscal balance for the quarter ended 31 December 2023 was a \$16.70 million surplus. This was an improvement by \$38.69 million compared to the budget estimate of \$21.99 million deficit. Overall revenue collection was slightly higher than anticipated by \$10.88 million and cost savings in Personnel (of \$4.17 million) Operating (of \$8.43 million) and Administered Payments (of \$7.57 million) have contributed to the improvement in Government's net fiscal balance.

* Source - Cook Islands Government 2023/24 Budget Book