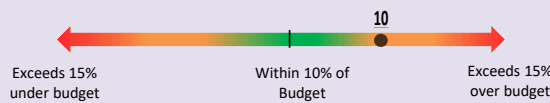


## Overall Cook Islands General Government Budget vs Actual Performances for the quarter ended 30 September 2022

### YTD Revenue (\$000's)

**Q1 Actual:** 39,229      **Q1 Budget:** 35,619      **Q1 Variance:** 3,610      or      10      %

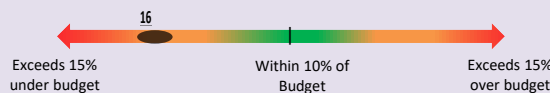


Full year	
*Forecast:	154,646
Budget:	166,335

\* Operating Revenue: Total operating revenue collected was \$3.61 million higher than anticipated for the quarter ended 30 September 2022. This was primarily due to increase in Other Revenue of \$2.71 million (from COVID 19 ERR General Budget Support of \$4.16 million, net off by reduction in Fisheries income by \$1.81 million), followed by Trading Revenue of \$0.33 million. Income Tax collected for the quarter was in line with Budget with total of \$31 million.

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

**Q1 Actual:** 38,703      **Q1 Budget:** 46,072      **Q1 Variance:** 7,368      or      16      %



Full year	
*Forecast:	172,562
Budget:	185,725

\* Operating Expenditure: Total operating expenditure adjusted for depreciation, for the quarter ended 30 September 2022 was lower than estimate by \$7.37 million. This was mainly due to underspends in Government Agencies and Island Governments operating and personnel budgets totalling \$2.92 million; as a result of unfilled vacancies and effective cost management practices. Agencies remain committed to strengthening their workforce by investing in skills and expertise. However, we are operating in a tight global labour market. Unfilled vacancies remain the cause of underspends in personnel budget due to delays in attracting suitable candidates. This tests our agility in our recruitment process. Agencies are encouraged to fully utilise this short-fall.

The expenditure through Administered Payments was also below budget by \$3.32 million primarily attributed to cost savings in COVID medical Response Fund (of \$1.00 million), Marketing Resources - Tourism Growth Strategy (of \$0.51 million), SIF-CIG Contribution (of \$0.32 million and with all other Administered Payments below their respective budgets. In addition, POBOC expenditure saw cost savings of \$0.96 million for the quarter, mostly from International Subscription. POBOC and Administrative expenses are expected to increase in the coming months.

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

**Q1 Actual:** 525      **Q1 Budget:** -10,453      **Q1 Variance:** 10,978      or      -105      %

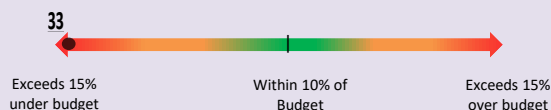


Full year	
*Forecast:	-17,916
Budget:	-19,390

\* Government's Net Operating Position: The net operating balance for the quarter ended 30 September 2022 was a surplus of \$0.52 million. This surplus was an improvement of \$10.97 million compared to the budget estimate deficit of \$10.45 million. The improvement in the net operating balance was primarily due to effective monitoring of budget expenditure and unanticipated revenue received, particularly, general budget support for COVID 19 ERR of \$4.16 million .

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

Q1 Actual: 5,275      Q1 Budget: 7,851      Q1 Variance: 2,576      or 33 %

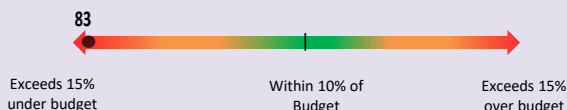


Full year	
*Forecast:	33,510
Budget:	34,160

\* Capital expenditure was lower than budgeted by \$2.58 million for the quarter ended 30 September 2022. This is 7 per cent spent of the annual budget of \$35.64 million. 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. The expectation is that the budgets will be fully utilised by the year-end.

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

Q1 Actual: -2,803      Q1 Budget: -16,243      Q1 Variance: -13,440      or 83 %



Full year	
*Forecast:	-19,597
Budget:	-39,783

\* General Government's net fiscal balance for the quarter ended 30 September 2022 improved by \$13.44 million compared to the budget estimate of \$16.24 million shortfall. Higher revenue collections of \$3.61 million contributed to the improvement in Government's net fiscal balance, in addition cost savings in Operating Expenses (of \$7.37 million), Depreciation (of \$0.11 million) and Capital Expenditure (of \$2.58 million).

\* Source - Cook Islands Government 2021/22 Half - Year Economic and Fiscal Update