

# Overall Cook Islands General Government Budget vs Actual Performances for the quarter ended 30 June 2021

## YTD Revenue (\$000's)

Q4 Actual: 160,755      Q4 Budget: 125,357      Q4 Variance: 35,398      or 28 %



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

\* Operating Revenue: Total operating revenue for the year ended 30 June 2021 increased by \$35.4 million compared to the budget estimates. This was primarily due to the grants received from the NZ Government totalling \$35.0 million for the COVID-19 Economic Response Plan (ERP); of which \$15.0 million was received in the second quarter and \$20.0 million in the last quarter. In addition to this, a total of \$8.3 million was received through Vested Assets funds from the Financial Supervisory Commission. The increase in Other Crown Revenue partially offset the reduction in taxation revenue collected; an unfavourable variance in comparison to the budget estimate by \$7.3 million despite stringent audits and collection activities during the period.

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

Q4 Actual: 231,317      Q4 Budget: 243,363      Q4 Variance: 12,047      or 5 %



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

\* Operating Expenditure: General Government actual operating expenditure was lower than the budget estimate by \$12 million for year ended 30 June 2021. The savings in operating expenditure were due to the underspends in the Ministry/Pa Enua operating expenditure (of \$3.7 million) from unfilled vacancies, and Agencies taking advantage of COVID-19 electricity discounts issued by Te Aponga Uira (TAU); Cook Islands energy service provider, to support Government's Economic Response Plan since March 2020 and cost-sharing between different funded programmes; followed by an underspend of \$3.7 million in Administered payments, primarily attributable to the COVID-19 ERP expenditure. POBOC expenditure was also underspent by \$1.3 million as at 30 June 2021.

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

Q4 Actual: -70,562      Q4 Budget: -118,006      Q4 Variance: -47,445      or 40 %



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

\* Government's Net Operating Position: The net operating balance for the year ended 30 June 2021 was a shortfall of \$70.6 million. This was a positive variance as the net operating balance improved by \$47.4 million compared to the budget estimate of \$118.0 million shortfall. The improvement in the net operating balance was primarily due to the grants received and effective monitoring of budget expenditure.

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

Q4 Actual: 30,036      Q4 Budget: 42,932      Q4 Variance: 12,896      or 30 %



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

\* Capital Expenditure: Actual spending on Capital expenditure for the year ended 30 June 2021 was 70 per cent of the budget estimate of \$42.9 million. This was just below three quarters of the size of the annual budget and our capacity to implement projects before the end of the financial year. The low utilisation was due to the impact of COVID-19 on travel restrictions, sourcing of resources, and logistical constraints, which has interrupted scheduled projects planned on both Rarotonga and the Pa Enua. Savings reported on ongoing projects have been approved for carry forward to the next financial year 2021/2022, in order to complete outstanding works required on both Rarotonga and the Pa Enua.

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

Q4 Actual: -93,471      Q4 Budget: -147,802      Q4 Variance: 54,330      or 37 %



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

\* General Government's net fiscal balance for the year ended 30 June 2021 improved by \$54.3 million compared to the budget estimate of \$147.8 million shortfall. Higher revenue collections predominantly in Other Crown Revenue of \$42.0 million contributed to the significant improvement in the Government's net fiscal balance in addition to savings in Operating Expenses (of \$12 million) and Capital Expenditure (of \$12.9 million).