

HEAD M

MINISTRY OF FINANCE

OVERVIEW

Mission Statement

To create a better Singapore through Finance

Vision Statement

A forward looking MOF that advances leading ideas, drives synergies across government and ensures fiscal prudence

FY2008 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008	Change over FY2007
	TOTAL EXPENDITURE	\$437,660,244	\$594,220,000	\$473,935,400	\$606,859,500	\$132,924,100 28.0%
	Main Estimates					
	OPERATING EXPENDITURE	\$427,876,317	\$446,717,000	\$423,405,600	\$464,826,100 (i)	\$41,420,500 9.8%
	<i>RUNNING COSTS</i>	<i>\$412,232,320</i>	<i>\$435,368,460</i>	<i>\$412,912,100</i>	<i>\$457,506,200</i>	<i>\$44,594,100 10.8%</i>
1000	Expenditure on Manpower	\$66,902,412	\$87,980,700	\$87,325,400	\$96,843,700	\$9,518,300 10.9%
1200	Political Appointments	769,552	2,962,300	2,962,300	3,592,200	629,900 21.3
1500	Permanent Staff	66,027,901	84,901,900	84,235,900	93,135,000	8,899,100 10.6
1600	Temporary, Daily-Rated & Other Manpower	104,959	116,500	127,200	116,500	-10,700 -8.4
2000	Other Operating Expenditure	\$330,183,222	\$347,387,760	\$325,586,700	\$360,662,500	\$35,075,800 10.8%
2100	Supplies & Services	323,944,301	340,148,080	318,709,200	350,003,500	31,294,300 9.8
2300	Manpower Development	2,772,791	3,961,040	3,872,300	5,069,000	1,196,700 30.9
2400	Public Relations & Exercises	1,002,490	1,459,210	1,506,600	3,510,500	2,003,900 133.0
2700	Equipment	2,356,434	1,598,200	1,275,600	1,516,500	240,900 18.9
2800	Financial Claims & Legal Expenses	107,206	221,230	223,000	563,000	340,000 152.5
3000	Operating Grant	\$15,146,687	\$0	\$0	\$0	\$0 0.0%
3100	Operating Grant to Statutory Boards	15,146,687	0	0	0	0 0.0

(i) Includes \$5,677,200 statutory expenditure (Subvention).

Expenditure Estimates by Object Class - continued

Code	Object Class	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008	Change over FY2007	
	<i>TRANSFERS</i>	<i>\$15,643,997</i>	<i>\$11,348,540</i>	<i>\$10,493,500</i>	<i>\$7,319,900</i>	<i>-\$3,173,600</i>	<i>-30.2%</i>
3500	Social Transfers	16,946	50,000	50,000	50,000	0	0.0
3600	Subventions	15,627,050	11,298,540	10,443,500	7,269,900	-3,173,600	-30.4
	OTHER CONSOLIDATED FUND OUTLAYS	\$1,575,529,699	\$1,623,900,000	\$2,283,098,200	\$2,459,606,200 (i)	\$176,508,000	7.7%
4200	Expenses on Investments	1,575,529,699	1,623,900,000	2,283,098,200	2,459,606,200	176,508,000	7.7
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$9,783,927	\$147,503,000	\$50,529,800	\$142,033,400	\$91,503,600	181.1%
5100	Direct Development	9,783,927	147,503,000	50,529,800	142,033,400	91,503,600	181.1

Establishment List

Category/Personnel	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008
POLITICAL APPOINTMENTS	3	3	3	2
Minister	2	2	2	1
Minister of State	1	1	1	1
PERMANENT STAFF	1,101	1,342	1,429	1,423
Accounting Profession (2008)	0	0	0	48
Administrative	10	22	22	21
Corporate Support	345	434	434	434
Management Executive Scheme (2008)	0	0	0	222
Management Support Scheme (2008)	0	0	0	88
Operations Support	15	18	18	17
Shorthand Writers	10	13	12	11
Singapore Customs Officer	280	290	361	361
Singapore Customs Specialist (2008)	0	0	0	221
Accounting Profession	47	48	48	0
Management Executive (Finance)	175	228	229	0
Management Support	68	81	84	0
Singapore Customs Specialist	151	208	221	0
TEMPORARY, DAILY-RATED AND OTHER MANPOWER	43	15	15	15
Corporate Support	33	0	0	0
Singapore Customs Officer	4	9	9	9
Singapore Customs Specialist (2008)	0	0	0	6
Singapore Customs Specialist	6	6	6	0
OTHERS	1,603	1,692	1,692	1,792
Inland Revenue Authority of Singapore	1,603	1,692	1,692	1,792
TOTAL	2,750	3,052	3,139	3,232

(i) Statutory expenditure.

FY2007 BUDGET

The total expenditure of the Ministry of Finance (MOF) in FY2007 is expected to be \$473.94 million excluding Expenses on Investments (EOI). This is an increase of \$36.28 million or 8.3% compared to the actual FY2006 expenditure of \$437.66 million.

The operating expenditure in FY2007 is expected to be \$423.41 million, which is a decrease of \$4.47 million or 1.0% over the actual FY2006 expenditure of \$427.88 million. Development expenditure in FY2007 is expected to be \$50.53 million, an increase of \$40.75 million or 416.5% over the actual FY2006 expenditure of \$9.78 million. The increase is mainly attributed to an increase in Singapore Custom's and HQ's requirements for the eCustoms Masterplan and Common Enterprise System development projects respectively.

EOI in FY2007 is expected to be \$2.28 billion, an increase of \$707.57 million or 44.9% over the actual FY2006 expenditure of \$1.58 billion, largely due to higher trading activity.

FY2008 BUDGET

Total expenditure for FY2008 is projected to be \$606.86 million (excluding EOI), which is an increase of \$132.92 million or 28.0% from the FY2007 revised total expenditure of \$473.94 million. EOI is projected at \$2.46 billion.

Operating Expenditure

The projected operating expenditure of \$464.83 million is an increase of \$41.42 million or 9.8% over the revised FY2007 operating expenditure of \$423.41 million.

The IRAS programme is projected to take up the largest share of operating expenditure (\$230 million or 49.5%). This is followed by Finance HQ (\$105.73 million or 22.7%), Singapore Customs (\$78.72 million or 16.9%), Centre for Shared Services (\$24.48 million or 5.3%), Accounting Services (\$20.90 million or 4.5%) and Inter Agency Collaboration (\$5 million or 1.1%).

Inland Revenue Authority of Singapore Programme

IRAS is paid an agency fee to administer, assess, collect and enforce payment of income and property tax, GST, estate duties, stamp duties and other taxes on behalf of Government. Based on the projected tax revenue collection, MOF has allocated an agency fee budget of \$230 million for FY2008.

Finance Programme

An operating expenditure of \$105.73 million is provided for the Finance HQ Programme for FY2008. This is an increase of \$28.37 million or 36.7% over the revised FY2007 expenditure of \$77.36 million. The higher requirement in FY2008 compared to FY2007 is mainly attributed to the Central Votes of \$25 million set aside in the event that new, high priority initiatives arise in the course of the year.

A sum of \$25.95 million is provided for the Government Chief Information Office (GCIO) of the Infocomm Development Authority of Singapore to carry out its role as the chief planner of civil service-wide computerisation programmes. The Office facilitates and supports the initiatives under the iGov2010 5-year master plan for eGovernment.

Singapore Customs Programme

The Singapore Customs collects customs and excise duties as well as GST on imported and excisable goods. It protects Government revenue by preventing leakage of duties and taxes. The Department also ensures

trade security and a conducive environment for trade through its regulatory and facilitation services. The operating expenditure of Singapore Customs for FY2008 is projected to be \$78.72 million, an increase of \$5.65 million or 7.7% over the revised FY2007 expenditure of \$73.07 million. The increase is mainly due to new functions and initiatives to enhance the efficiency and effectiveness of the customs programme. These include the Secure Trade Partnership, expansion of Strategic Goods Control List and the implementation of enhanced public communication on anti-smuggling.

Development Expenditure

Development expenditure for FY2008 is projected to be \$142.03 million, which is an increase of \$91.50 million or 181.1% over the revised FY2007 development expenditure of \$50.53 million. The increase is attributed to the Central Vote of \$100 million set aside in the event that new, high priority development initiatives arise in the course of the year.

Expenses on Investments

The FY2008 provision for EOI of \$2.46 billion is an increase of \$176.51 million or 7.7% over the revised FY2007 EOI expenditure of \$2.28 billion.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
MA	Finance	98,531,500	7,194,900	105,726,400	105,195,600	210,922,000
MC	Accounting Services	20,853,400	50,000	20,903,400	0	20,903,400
MG	Centre for Shared Services	24,476,400	0	24,476,400	637,800	25,114,200
MO	Singapore Customs	78,644,900	75,000	78,719,900	8,500,000	87,219,900
MP	Inland Revenue Authority of Singapore	230,000,000	0	230,000,000	0	230,000,000
MQ	Inter-Agency Collaboration	5,000,000	0	5,000,000	27,700,000	32,700,000
Total		\$457,506,200	\$7,319,900	\$464,826,100	\$142,033,400	\$606,859,500

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2005	Actual FY2006	Estimated FY2007	Revised FY2007	Estimated FY2008
DEVELOPMENT EXPENDITURE	...	...	\$9,783,927	\$147,503,000	\$50,529,800	\$142,033,400
<i>DIRECT DEVELOPMENT</i>	...	...	<i>9,783,927</i>	<i>147,503,000</i>	<i>50,529,800</i>	<i>142,033,400</i>
Finance Programme						
Minor Development Projects	...	...	1,846,166	0	486,400	1,088,000
New Projects	...	...	0	8,287,000	11,265,700	1,302,400
Technology Experimentation Programme for the Public Sector	5,030,700	1,159,341	824,358	320,000	107,000	250,000
Public Services Online Programme 2	36,894,100	31,437,564	2,127,293	402,400	577,900	85,800
Secure Desktop	816,000	270,502	67,626	0	134,000	342,200
Centrally Administered Desktop Firewall Systems	1,659,000	386,209	239,500	198,000	66,000	36,000
Unique Establishment Identifier	5,070,000	0	0	0	527,000	1,091,200
Central Vote for New Projects	...	...	106,132	100,000,000	0	100,000,000
Innovation Fund	1,000,000	0	0	0	0	1,000,000
Centre for Shared Services Programme						
Minor development Projects	...	...	425,933	3,951,900	1,622,000	637,800
Singapore Customs Programme						
InfoPort	36,220,000	492,780	958,449	5,440,000	3,000,000	2,000,000
E-Customs Masterplan	18,936,400	677,856	490,000	11,660,000	15,520,400	1,312,700
Minor Development Projects	...	...	1,573,465	16,918,000	15,497,600	5,187,300
Inter-Agency Collaboration Programme						
New Project	75,000,000	0	0	0	0	27,700,000
Completed Projects	...	...	1,125,007	325,700	1,725,800	0

KEY PERFORMANCE INDICATORS

Desired Outcomes

- Sound Public Finances
- Growth with Opportunity for All
- High Performance Government

Key Performance Indicators

Desired Outcome	Performance Indicator	Actual FY2005	Actual FY2006	Revised FY2007	Projected FY2008
Sound Public Finances	Government Revenue				
	Government operating revenue as % of GDP	14.2	14.6	16.1	15.3
	Government Expenditure				
	Government expenditure as a % of GDP	14.4	13.9	13.9	14.5
	Fiscal Sustainability				
	Draw on past reserves	No	No	No	No
	Standard & Poor's sovereign risk rating	AAA	AAA	AAA	AAA
	Budget Marksmanship				
Growth with Opportunity for All	Government operating revenue as % of budgeted revenue (excluding Net Investment Income Contribution)	96.5	108.1	119.1	97 to 103
	Government expenditure as % of budgeted expenditure (excluding special transfers)	97.6	97.7	101.1	95 to 100
	Internationally Competitive Taxes				
	Institute for Management Development World Competitiveness Yearbook: "Real corporate taxes do not discourage entrepreneurial activity"	4 th	4 th	4 th	4 th
	Institute for Management Development World Competitiveness Yearbook: "Collected total tax revenue as a % of GDP among small countries". There is a two year lag in the data collected and published by IMD. 3 rd place for FY2007 would be based on FY2005's tax revenue and GDP figures.	10 th	8 th	3 rd	3 rd
	Trade Facilitation				
	Institute for Management Development World Competitiveness Yearbook: "Customs authorities do facilitate the efficient transit of goods"	1 st	3 rd	1 st	2 nd or better
	Conducive Business Environment				
	World Bank "Doing Business" Report – Ease of Doing Business	2 nd	1 st	1 st	1 st

Key Performance Indicators - continued

Desired Outcome	Performance Indicator	Actual FY2005	Actual FY2006	Revised FY2007	Projected FY2008
High Performance Government	Efficient and Effective Use of Resources				
	Cost per dollar of revenue collected by Singapore Customs	\$0.010	\$0.011	\$0.010	\$0.010
	Cost per dollar of tax collected by IRAS	\$0.0093	\$0.0083	\$0.0076	\$0.0089
	Integrated Government				
	World Economic Forum Global Information Technology Report's Government Usage & Readiness Sub-indices	1 st	1 st	3 rd or better	3 rd or better
	% of customers who are overall very satisfied with the quality of e-services (rating of 5 and above on a 6 point scale)	51.0	47.0	60.0	65.0
	% of users who are overall very satisfied with the quality of public info online (rating of 5 and above on a 6 point scale)	37.0	37.0	50.0	60.0
	World Bank "Doing Business" Report – Starting a Business	N.A.	11 th	9 th	8 th or better
	Government In Time for the Future				
	% of TradeNet declarations processed within 10 minute by Singapore Customs	97.8	97.6	90	90
	% of requests for business profiles provided by ACRA within 30 minutes upon payment	89.3	98.1	98.1	98.0
	% of tax refunds processed by IRAS within 30 days	97.0	96.0	99.9	100