

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.

FY2011 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2009	Estimated FY2010	Revised FY2010	Estimated FY2011	Change over FY2010	
	TOTAL EXPENDITURE	\$545,032,788	\$683,685,100	\$579,197,300	\$757,198,800	\$178,001,500	30.7%
	Main Estimates						
	OPERATING EXPENDITURE¹	\$528,027,202	\$557,129,700	\$554,107,300	\$612,572,400	\$58,465,100	10.6%
	<i>RUNNING COSTS</i>	<i>\$514,252,642</i>	<i>\$543,770,400</i>	<i>\$521,323,900</i>	<i>\$595,584,000</i>	<i>\$74,260,100</i>	<i>14.2%</i>
	Expenditure on Manpower	\$89,550,860	\$112,920,700	\$114,056,800	\$120,203,500	\$6,146,700	5.4%
1200	Political Appointments	1,259,580	1,499,600	2,147,000	1,740,000	-407,000	-19.0
1500	Permanent Staff	87,649,362	111,169,800	111,707,000	118,140,200	6,433,200	5.8
1600	Temporary, Daily-Rated & Other Staff	641,919	251,300	202,800	323,300	120,500	59.4
	Other Operating Expenditure	\$424,701,781	\$430,849,700	\$407,267,100	\$475,380,500	\$68,113,400	16.7%
2100	Consumption of Products & Services	417,508,510	401,101,600	397,023,200	454,002,900	56,979,700	14.4
2300	Manpower Development	3,358,188	5,549,800	3,970,600	6,026,400	2,055,800	51.8
2400	International & Public Relations, Public Communications	2,870,372	3,034,200	3,909,100	4,204,800	295,700	7.6
2600	Programmes Central Vote	252,350	20,000,000	1,540,800	10,000,000	8,459,200	549.0
2700	Asset Acquisition	578,981	1,033,100	675,700	1,000,000	324,300	48.0
2800	Miscellaneous	133,380	131,000	147,700	146,400	-1,300	-0.9

¹ Estimated FY2011 includes \$14,236,700 statutory expenditure (Subvention).

Code	Object Class	Actual FY2009	Estimated FY2010	Revised FY2010	Estimated FY2011	Change over FY2010	
	TRANSFERS	\$13,774,560	\$13,359,300	\$32,783,400	\$16,988,400	-\$15,795,000	-48.2%
3500	Social Transfers to Individuals	21,001	35,000	85,000	85,000	0	0.0
3600	Transfers to Institutions & Organisations	0	0	51,500	0	-51,500	-100.0
3800	International Organisations & Overseas Development Assistance	13,753,559	13,324,300	32,646,900	16,903,400	-15,743,500	-48.2
	OTHER CONSOLIDATED FUND OUTLAYS	\$1,588,447,042	\$2,552,000,000	\$1,960,000,000	\$2,108,000,000	\$148,000,000	7.6%
4200	Expenses on Investments	1,588,447,042	2,552,000,000	1,960,000,000	2,108,000,000	148,000,000	7.6
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$17,005,586	\$126,555,400	\$25,090,000	\$144,626,400	\$119,536,400	476.4%
5100	Government Development	17,005,586	126,555,400	25,090,000	144,626,400	119,536,400	476.4

Establishment List

Category/Personnel	Actual FY2009	Estimated FY2010	Revised FY2010	Estimated FY2011
POLITICAL APPOINTMENTS	2	2	2	2
Minister	2	2	2	2
PERMANENT STAFF	1,448	1,508	1,149	1,328
Accounting Profession (2008)	25	46	19	46
Administrative	11	20	20	20
Corporate Support	415	398	88	96
Management Executive Scheme (2008)	241	278	203	211
Management Support Scheme (2008)	71	164	44	67
Operations Support	10	10	7	7
Shorthand Writers	6	7	7	7
Singapore Customs Officer (2008)	456	370	492	549
Singapore Customs Specialist (2008)	213	215	269	325
TEMPORARY, DAILY-RATED & OTHER STAFF	10	15	0	0
Singapore Customs Officer (2008)	4	9	0	0

Category/Personnel	Actual FY2009	Estimated FY2010	Revised FY2010	Estimated FY2011
Singapore Customs Specialist (2008)	6	6	0	0
OTHERS	1,800	1,919	1,949	2,012
Inland Revenue Authority of Singapore	1,800	1,919	1,949	2,012
TOTAL	3,260	3,444	3,100	3,342

FY2010 BUDGET

The total expenditure of the Ministry of Finance (MOF) in FY2010 is expected to be \$579.20 million excluding Expenses on Investments (EOI). This is an increase of \$34.17 million or 6.3% compared to the actual FY2009 expenditure of \$545.03 million.

Operating expenditure in FY2010 is expected to be \$554.11 million, an increase of \$26.08 million or 4.9% over the actual FY2009 expenditure of \$528.03 million. The increase in expenditure is mainly due to the higher provisions for the Integration Programme, agency fees to Inland Revenue Authority of Singapore, and contributions to International Organisations. Development expenditure in FY2010 is expected to be \$25.09 million, an increase of \$8.09 million or 47.5% over the actual FY2009 expenditure of \$17.0 million. The increase is mainly attributed to the implementation of New Export Checks Operation Project under Singapore Customs.

EOI in FY2010 is expected to be \$1.96 billion, an increase of \$371.55 million or 23.4% over the actual FY2009 expenditure of \$1.59 billion due to higher interest expenses.

FY2011 BUDGET

Total expenditure for FY2011 is projected to be \$757.20 million (excluding EOI) which comprises an Operating Expenditure of \$612.57 million and Development Expenditure of \$144.63 million. This is an increase of \$178 million or 30.7% from the FY2010 revised expenditure of \$579.20 million. EOI is projected at \$2.11 billion.

Operating Expenditure

The projected operating expenditure of \$612.57 million is an increase of \$58.47 million or 10.6% over the revised FY2010 operating expenditure of \$554.11 million.

The IRAS programme is projected to take up the largest share of operating expenditure (\$339.08 million or 55.4%). This is followed by Finance programme (\$113.29 million or 18.5%), Singapore Customs programme (\$90.27 million or 14.7%), Shared Services programme (\$30.89 million or 5.0%), Accounting Services programme (\$22.20 million or 3.6%), Integration Programme (\$13.45 million or 2.2%) and Centre for Public Project Management Programme (\$3.36 million or 0.6%).

The highlights of the more significant programmes are as follows:

a) 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, stamp duties and other taxes on behalf of Government. Based on the projected tax revenue collection, MOF has allocated an agency fee budget of \$336.08 million for FY2011.

b) Finance Programme

An operating expenditure of \$113.32 million is provided for the Finance Programme for FY2011. This is an increase of \$8.42 million or 8.0% over the revised FY2010 expenditure of \$104.90 million. A total sum of \$33.77 million out of the budgeted \$113.32 million is set aside for the Government Chief Information Office (GCIO) in the Infocomm Development Authority of Singapore to carry out its role as the technical consultant and programme manager of the e-Government programme, and to develop the various e-Government initiatives.

c) Singapore Customs Programme

Singapore Customs collects customs and excise duties as well as GST on imported goods. It protects Government revenue by preventing leakage of duties and taxes. The department facilitates international trade by maintaining the integrity of Singapore's trading system through an appropriate trade regulatory system. The operating expenditure of Singapore Customs for FY2011 is projected to be \$90.27 million, an increase of \$1.13 million or 1.3%

over the revised FY2010 of \$89.14 million. The higher requirements for FY2011 is mainly attributed to the continuous effort for new initiatives and systems to enhance trade facilitation, strengthen supply chain security and upgrade staff competency and enforcement capability.

d) Centre for Public Project Management Programme

A Centre for Public Project Management (CP2M) was set up in January 2011 as a department under the Ministry of Finance to oversee the portfolio of government projects to ensure that projects are effectively managed in terms of cost, timeliness and quality. It will provide professional centralised services to drive better results for public projects through rigorous planning and feasibility studies, design development, procurement, contract and construction management processes. CP2M has been allocated a budget of \$3.36 million or 0.6% of the total operating expenditure.

Development Expenditure

Development expenditure for FY2011 is projected to be \$144.63 million, an increase of \$119.54 million or 476.4% over the revised FY2010 development expenditure of \$25.09 million. The increase is mainly due to an amount of \$100 million being set aside in the Project Central Vote.

Expenses on Investments

The FY2011 provision for EOI of \$2.11 billion is an increase of \$148 million or 7.6% over the revised FY2010 expenditure of \$1.96 billion due to a larger asset base.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
MA	Finance	96,495,100	16,828,400	113,323,500	111,989,700	225,313,200
MC	Accounting Services	22,113,500	85,000	22,198,500	0	22,198,500
MG	Shared Services	30,894,600	0	30,894,600	4,000,000	34,894,600
MO	Singapore Customs	90,191,900	75,000	90,266,900	15,662,600	105,929,500
MP	Inland Revenue Authority of Singapore	339,080,000	0	339,080,000	0	339,080,000
MQ	Integration	13,446,900	0	13,446,900	12,974,100	26,421,000
MR	Centre for Public Project Management	3,362,000	0	3,362,000	0	3,362,000
Total		\$595,584,000	\$16,988,400	\$612,572,400	\$144,626,400	\$757,198,800

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2008	Actual FY2009	Estimated FY2010	Revised FY2010	Estimated FY2011
DEVELOPMENT EXPENDITURE	...	...	\$17,005,586	\$126,555,400	\$25,090,000	\$144,626,400
<i>GOVERNMENT DEVELOPMENT</i>	...	...	<i>17,005,586</i>	<i>126,555,400</i>	<i>25,090,000</i>	<i>144,626,400</i>
Finance Programme						
Innovation Fund	...	...	0	1,000,000	500,000	1,000,000
Development of a New Integrated Budget System	8,753,900	0	2,317,728	0	3,302,300	317,600
Central Vote for New Projects	...	...	0	100,000,000	0	100,000,000
Minor Development Projects for GCIO	...	...	0	0	0	1,129,000
Minor Development Projects	...	...	2,718,193	738,200	1,073,000	7,786,500
New Projects	...	...	0	4,311,700	424,700	1,756,600
Shared Services Programme						
Minor Development Projects	...	...	25,564	1,027,000	1,300,000	4,000,000
Singapore Customs Programme						
InfoPort	36,220,000	3,638,777	47,658	250,000	39,500	2,131,100
Setting up of Radiographic Scanning Stations	26,300,000	0	0	0	0	7,640,000
Minor Development Projects	...	...	1,716,304	7,928,500	3,560,500	5,891,500
Integration Programme						
New Projects	...	...	0	11,300,000	14,890,000	12,974,100
Completed Projects	...	...	10,180,140	0	0	0

KEY PERFORMANCE INDICATORS

Desired Outcomes

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

Key Performance Indicators

Desired Outcome	Performance Indicator	Actual FY2008	Actual FY2009	Revised FY2010	Estimated FY2011
Sound Public Finances	Government Revenue²				
	Government operating revenue as % of GDP	15.4	14.4	14.4	14.4
	Government Expenditure²				
	Government Expenditure (excluding Special transfers) as a % of GDP	14.3	15.3	14.7	13.9
	Fiscal Sustainability				
	Draw on past reserves	Yes ³	Yes ³	No	No
	Standard and Poor's Sovereign Risk Rating	AAA	AAA	AAA	AAA
Growth with Opportunities for All	Budget Marksmanship²				
	Government Operating Revenue as % of budgeted revenue (excluding Net Investment Income Contribution)	101.7	118.3	NA	NA
	Government Expenditure as % of budgeted expenditure (excluding special transfers)	103.9	96.0	NA	NA
	Conducive Business Environment				
	Institute for Management Development World Competitiveness Yearbook: 'Real Corporate Taxes do not discourage entrepreneurial Activity'	1 st	3 rd [based on actual ranking in IMD 2009 report]	3 rd [based on actual ranking in IMD 2010 report]	3 rd or better
	Institute for Management Development World Yearbook: 'Collected total tax revenue as a % of GDP'. ⁴	3 rd	5 th [based on actual ranking in IMD 2009 report]	9 th [based on actual ranking in IMD 2010 report]	5 th or better
	World Economic Forum (WEF) Global Enabling Trade Report – 'Border Administration'	1 st	1 st (actual result)	1 st (actual result)	2 nd or better
	World Bank 'Doing Business' Report – Ease of Doing Business	1 st	1 st	1 st	1 st
	World bank 'Doing Business' Report – Starting a Business	10 th	4 th	4 th	4 th

² The figures for the Revised FY2011 Government Revenue, Government Expenditure and Budget Marksmanship indicators are preliminary as at 10 February 2011 and will be updated in early 2011 when the figures are finalised.

³ The draws on past reserves in FY2008 and FY2009 were announced in Budget 2009 on 22 January 2009. They are for the purpose of funding two components of the Resilience Package, namely the Jobs Credit Scheme and financing schemes under the Special Risk-sharing initiative (SRI) which were effected from the last quarter of FY2008 through FY2009.

⁴ There is a two year lag in the data collected and published by IMD. Ranking in IMD report is based on data collected by IMD two years earlier.

Desired Outcome	Performance Indicator	Actual FY2008	Actual FY2009	Revised FY2010	Estimated FY2011
	Inclusive Growth				
	20 th Percentile ⁵ Monthly Household Income per Household Member ⁶	750	750	810	NA
	Median ⁷ Monthly Household Income per Household Member ⁶	1,580	1,560	1,670	NA
High Performance Government	Efficient and Effective Use of Resources				
	Cost per dollar of revenue collected by Singapore Customs (unit of measurement in cents)	1.10	1.03	1.00	1.00
	Cost per dollar of tax collected by IRAS (unit of measurement in cents)	0.80	0.88	0.95	0.88
	Integrated Government				
	World Economic Forum Global Information Technology Report's Government Usage and Readiness Sub-indices	Readiness: 1 st Usage: 2 nd	Readiness: 1 st Usage: 2 nd	Top 3	NA ⁸
	% of customers who are overall very satisfied with the quality of e-services (rating of 5 and above on a 6 point scale)	54%	66%	80%	NA ⁸
	% of users who are overall very satisfied with the quality of public info online (rating of 5 and above on a 6 point scale)	51%	59%	80%	NA ⁸
	Efficient Government				
	% of requests for business profiles provided by ACRA within 30 minutes of payment	92.6%	93.5%	92.7%	95%
	% of TradeNet declarations processed within 10 minutes by Singapore Customs	99.9	99.8	90	90
	% of tax refunds processed by IRAS				
	- within 14 days	94.3%	94.6%	96%	96%
	- within 30 days	99.9%	99.9%	99.9%	99.9%

⁵ "20th Percentile Monthly Household Income per Household Member" refers to monthly household income from work per household member at the 20th percentile among employed households.

⁶ Household income from work refers to the sum of income received by working members of the household from employment and business but excludes the income of maids. Employed households are households headed by Singapore citizens or Permanent Residents with at least one working person.

⁷ "Median Monthly Household Income per Household Member" refers to the household income per household member in the middle of the income distribution among employed households, i.e. half of the employed households have higher income than the median household income from work per household member and half have lower income than the median household income from work per household member.

⁸ These indicators are being revised in FY2011 under the new eGov Masterplan. The new indicators will be available by mid FY2011.