

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.

FY2012 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2010	Estimated FY2011	Revised FY2011	Estimated FY2012	Change over FY2011	
	TOTAL EXPENDITURE	\$573,462,437	\$757,198,800	\$651,921,500	\$824,915,500	\$172,994,000	26.5%
	Main Estimates						
	OPERATING EXPENDITURE¹	\$552,386,679	\$612,572,400	\$621,795,900	\$692,997,500	\$71,201,600	11.5%
	<i>RUNNING COSTS</i>	<i>\$521,323,167</i>	<i>\$595,584,000</i>	<i>\$604,491,700</i>	<i>\$624,051,400</i>	<i>\$19,559,700</i>	<i>3.2%</i>
	Expenditure on Manpower	\$116,353,705	\$120,203,500	\$119,844,500	\$136,616,100	\$16,771,600	14.0%
1200	Political Appointments	1,964,745	1,740,000	1,115,500	1,101,300	-14,200	-1.3
1500	Permanent Staff	113,851,043	113,140,200	118,227,400	130,068,700	11,841,300	10.0
1600	Temporary, Daily-Rated & Other Staff	537,917	323,300	501,600	446,100	-55,500	-11.1
1800	Personnel Central Vote	0	5,000,000	0	5,000,000	5,000,000	n.a.
	Other Operating Expenditure	\$404,969,461	\$475,380,500	\$484,647,200	\$487,435,300	\$2,788,100	0.6%
2100	Consumption of Products & Services	394,453,204	454,002,900	473,450,400	465,193,500	-8,256,900	-1.7
2300	Manpower Development	4,276,940	6,026,400	5,585,600	6,868,800	1,283,200	23.0
2400	International & Public Relations, Public Communications	4,110,302	4,204,800	3,981,500	4,577,200	595,700	15.0
2600	Programmes Central Vote	1,446,193	10,000,000	565,500	10,000,000	9,434,500	n.a.
2700	Asset Acquisition	527,720	1,000,000	913,100	643,400	-269,700	-29.5
2800	Miscellaneous	155,103	146,400	151,100	152,400	1,300	0.9

¹ Estimated FY2012 includes \$48,390,000 statutory expenditure (Subvention).

Code	Object Class	Actual FY2010	Estimated FY2011	Revised FY2011	Estimated FY2012	Change over FY2011	
	TRANSFERS	\$31,063,513	\$16,988,400	\$17,304,200	\$68,946,100	\$51,641,900	298.4%
3500	Social Transfers to Individuals	73,214	85,000	85,000	90,000	5,000	5.9
3600	Transfers to Institutions & Organisations	8,000	0	0	15,000,000	15,000,000	n.a.
3800	International Organisations & Overseas Development Assistance	30,982,299	16,903,400	17,219,200	53,856,100	36,636,900	212.8
	OTHER CONSOLIDATED FUND OUTLAYS	\$1,968,435,124	\$2,108,000,000	\$1,571,000,000	\$1,685,000,000	\$114,000,000	7.3%
4200	Expenses on Investments	1,269,434,482	2,108,000,000	1,571,000,000	1,685,000,000	114,000,000	7.3
4900	Pensions	699,000,643	0	0	0	0	0.0
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$21,075,758	\$144,626,400	\$30,125,600	\$131,918,000	\$101,792,400	337.9%
5100	Government Development	21,075,758	144,626,400	30,125,600	131,918,000	101,792,400	337.9

Establishment List

Category/Personnel	Actual FY2010	Estimated FY2011	Revised FY2011	Estimated FY2012
POLITICAL APPOINTMENTS	2	2	2	3
Minister	2	2	1	2
Minister of State	0	0	1	1
PERMANENT STAFF	1,558	1,798	1,714	1,773
Accounting Profession (2008)	19	46	39	39
Administrative	13	20	20	20
Corporate Support	310	304	305	303
Management Executive Scheme (2008)	271	298	408	408
Management Support Scheme (2008)	213	240	186	190
Operations Support	9	9	8	8
Shorthand Writers	7	7	7	5
Singapore Customs Officer (2008)	454	549	478	516
Singapore Customs Specialist (2008)	262	325	263	284
OTHERS	1,849	2,012	1,902	1,923
Inland Revenue Authority of Singapore	1,849	2,012	1,902	1,923
TOTAL	3,409	3,812	3,618	3,699

FY2011 BUDGET

The total expenditure of the Ministry of Finance (MOF) in FY2011 is expected to be \$651.92 million excluding Expenses on Investments (EOI). This is an increase of \$78.46 million or 13.7% compared to the actual FY2010 expenditure of \$573.46 million

Operating expenditure in FY2011 is expected to be \$621.80 million, an increase of \$69.41 million or 12.6% over the actual FY2010 expenditure of \$552.39 million. The increase in expenditure is mainly due to the higher provision for agency fees paid to Inland Revenue Authority of Singapore (IRAS). Development expenditure in FY2011 is expected to be \$30.13 million, an increase of \$9.05 million or 42.9% over the actual FY2010 expenditure of \$21.08 million. The increase is mainly due to implementation of New Export Checks Operation Project under Singapore Customs and the enhanced Tourist Refund System under IRAS.

EOI in FY2011 is expected to be \$1.57 billion, an increase of \$301.57 million or 23.8% over the actual FY2010 expenditure of \$1.27 billion due to higher tax expenses for higher dividend income received.

FY2012 BUDGET

Total expenditure for FY2012 is projected to be \$824.92 million (excluding EOI) which comprises an Operating Expenditure of \$693 million and Development Expenditure of \$131.92 million. This is an increase of \$173 million or 26.5% from the FY2011 revised expenditure of \$651.92 million. EOI is projected at \$1.69 billion.

Operating Expenditure

The projected operating expenditure of \$693 million is an increase of \$71.20 million or 11.5% over the revised FY2011 operating expenditure of \$621.80 million.

The IRAS programme is projected to take up the largest share of the operating expenditure (\$358.41 million or 51.7%). This is followed by the Finance programme (\$163.35 million or 23.6%), Singapore Customs programme (\$93.25 million or 13.5%), Shared Services programme (\$34.36 million or 5.0%), Accounting Services (\$24.36 million or 3.5%), Integration Programme (\$14.68 million or 2.1%) and Centre for Public Project Management Programme (\$4.59 million or 0.7%).

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, goods and services 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 \$358.41 million for FY2012.

b) Finance Programme

An operating expenditure of \$163.34 million is provided for the Finance Programme for FY2012. Of the total sum of \$163.34 million, \$21.07 million (12.9%) is set aside for payments to the Infocomm Development Authority of Singapore to carry out its role as a technical consultant and programme manager for the e-Government programme, \$68.79 million (42.1%) is for transfers including contributions to International Organisations, \$40.53 million (24.8%) is for Expenditure on Manpower and \$32.95 million (20.2%) is for other operating items. The budgeted \$163.34 million is an increase of \$71.20 million or 77.3% over the revised FY2011 expenditure of \$92.14 million. The higher requirement in FY2012 is mainly attributed to (i) a one-off \$15 million grant for the set up of the Singapore Accountancy Council, (ii) an increase in contributions to International Organisations by \$36.6 million to \$53.8 million and (iii) a provision of \$15 million in the Central Votes to fund new operating expenditure needs in the course of the year.

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 FY2012 is projected to be \$93.25 million, an increase of \$4.32 million or 4.9% over the revised FY2011 of \$88.93 million. The higher requirement for FY2012 is mainly attributed to the continuous effort for new initiatives to enhance supply chain security and strategic goods control, and upgrade staff competency and enforcement capability.

Development Expenditure

Development expenditure for FY2012 is projected to be \$131.92 million, an increase of \$101.79 million or 337.9% over the revised FY2011 development expenditure of \$30.13 million. The increase is mainly due to an amount of \$100 million being set aside in the Project Central Vote.

Expenses on Investments

The FY2012 provision for EOI of \$1.69 billion is an increase of \$114 million or 7.3% over the revised FY2011 expenditure of \$1.57 billion due to a larger projected asset base.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
MA	Finance	94,558,400	68,786,100	163,344,500	110,096,900	273,441,400
MC	Accounting Services	24,270,100	90,000	24,360,100	0	24,360,100
MG	Shared Services	34,363,700	0	34,363,700	1,400,000	35,763,700
MO	Singapore Customs	93,176,600	70,000	93,246,600	18,902,500	112,149,100
MP	Inland Revenue Authority of Singapore	358,411,200	0	358,411,200	0	358,411,200
MQ	Integration	14,677,800	0	14,677,800	1,518,600	16,196,400
MR	Centre for Public Project Management	4,593,600	0	4,593,600	0	4,593,600
Total		\$624,051,400	\$68,946,100	\$692,997,500	\$131,918,000	\$824,915,500

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2009	Actual FY2010	Estimated FY2011	Revised FY2011	Estimated FY2012
DEVELOPMENT EXPENDITURE	...	...	\$21,075,758	\$144,626,400	\$30,125,600	\$131,918,000
<i>GOVERNMENT DEVELOPMENT</i>	...	...	<i>21,075,758</i>	<i>144,626,400</i>	<i>30,125,600</i>	<i>131,918,000</i>
Finance Programme						
Innovation Fund	...	...	179,954	1,000,000	100,000	1,000,000
Development of a New Integrated Budget System	8,753,900	2,317,728	3,186,710	317,600	919,700	740,900
eCitizen Portal Revamp	9,955,000	0	193,119	0	3,518,800	4,958,700
Strategic Finance Transformation	2,451,000	0	0	0	392,000	2,059,000
Central Vote for New Projects	...	...	0	100,000,000	0	100,000,000
Minor Development Projects for GCIO	...	...	0	1,129,000	0	42,200
Minor Development Projects	...	...	1,267,423	7,786,500	6,814,800	586,100
New Projects	...	...	0	1,756,600	0	710,000
Shared Services Programme						
Minor Development Projects	...	...	310,699	4,000,000	1,264,000	1,400,000
Singapore Customs Programme						
InfoPort	36,220,000	3,686,435	37,697	2,131,100	150,000	300,000
Setting up of Radiographic Scanning Stations	26,300,000	0	0	7,640,000	1,022,000	12,174,000
New Projects	...	...	0	0	0	2,111,200
SC's Smart Architecture and Application Services	13,730,000	0	0	0	740,900	3,000,000
Minor Development Projects	...	...	2,667,544	5,891,500	6,087,100	1,317,300
Integration Programme						
Integration Programme Budget-Development	...	0	239,815	12,974,100	9,116,300	1,518,600
Completed Projects	...	...	12,992,796	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 FY2009	Actual FY2010	Revised FY2011	Estimated FY2012
Sound Public Finances	Government Revenue				
	Government Operating Revenue as % of GDP	14.2	14.8	15.1	15.0
	Government Expenditure				
	Government Expenditure (Ministry and Departments only) as a % of GDP	15.1	14.5	14.2	14.2
	Fiscal Sustainability				
	Draw on Past Reserves	Yes ²	No	No	No
	Standard and Poor's Sovereign Risk Rating	AAA	AAA	AAA	AAA
Growth with Opportunities for All	Budget Marksmanship				
	Government Operating Revenue as % of budgeted revenue (excluding Net Investment Income Contribution)	118.3	113.1	105	NA
	Government Expenditure as % of budgeted expenditure (excluding special transfers)	96	97.8	100.9	NA
	Conducive Business Environment				
	Institute for Management Development World Competitiveness Yearbook: 'Real Corporate Taxes do not discourage entrepreneurial Activity'	3 rd	3 rd	5 th (actual)	3 rd or better
	World Economic Forum (WEF) Global Enabling Trade Report – 'Border Administration'	1 st	1 st	2 nd or better	2 nd or better
	World Bank 'Doing Business' Report – Ease of Doing Business	1 st	1 st	1 st (actual)	1 st
Inclusive Growth	World Bank 'Doing Business' Report – Starting a Business	4 th	4 th	4 th (actual)	4 th
	20 th Percentile Monthly Household Income from work ³ per Household Member Among Resident Employed Households	824	889 (5.3) ⁴	971 (4.4) ⁴	NA

² The draws on past reserves in FY2008 and FY2009 were announced in Budget 2009 on 22 Jan 2009. They were 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.

³ Household income from work refers to the sum of income received, including employers' CPF contributions, by working members of the household from employment and Business. Employed households are those with at least one working person.

⁴ Year-on-year percentage real growth (20th percentile deflated by B20 CPI, median deflated by overall CPI)

Desired Outcome	Performance Indicator	Actual FY2009	Actual FY2010	Revised FY2011	Estimated FY2012
	Median Monthly Household Income from work ³ per Household Member Among Resident Employed Households	1,735	1,848 (3.6) ⁴	1,994 (2.5) ⁴	NA
High Performance Government	Efficient and Effective Use of Resources				
	Cost per dollar of revenue collected by Singapore Customs (Unit of Measurement in cents)	1.03	1.19	1.15	1.15
	Cost per dollar of tax collected by IRAS (Unit of Measurement in cents)	0.88	0.87	0.82	0.85
	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: 3 rd	3 rd or better	3 rd or better
	Quality of e-services:				
	% of citizens who are overall – very satisfied (rating of 5 and above on a 6 point scale)	66	53	70	70
	- satisfied (rating of 4 and above on a 6 point scale) ⁵	NA	NA	90	90
	% of businesses who are overall - very satisfied (rating of 5 and above on a 6 point scale) ⁵	NA	NA	55	55
	- satisfied (rating of 4 and above on a 6 point scale) ⁵	NA	NA	90	90
	Efficient Government				
	% of requests for business profiles provided by ACRA within 30 minutes of payment	93.5	92.7	95	97
	% of TradeNet declarations processed within 10 minutes by Singapore Customs	99.8	99.9	99	99
	% of tax refunds processed by IRAS				
	- within 14 days	94.6	97.6	98	98
	- within 30 days	99.9	99.9	99.9	99.9

⁵ New performance indicators tracked from FY2011 onwards.