

HEAD M

MINISTRY OF FINANCE

OVERVIEW

Mission Statement

To create a better Singapore through Finance.

Vision Statement

A forward looking Ministry Of Finance that advances leading ideas, drives synergies across government and ensures fiscal prudence.

FY2014 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2012	Estimated FY2013	Revised FY2013	Estimated FY2014	Change over FY2013	
	TOTAL EXPENDITURE	\$654,884,260	\$902,342,600	\$765,117,300	\$851,936,700	\$86,819,400	11.3%
	Main Estimates						
	OPERATING EXPENDITURE¹	\$630,770,209	\$766,726,900	\$738,597,400	\$694,914,200	-\$43,683,200	-5.9%
	<i>RUNNING COSTS</i>	<i>\$610,275,323</i>	<i>\$666,664,300</i>	<i>\$657,295,900</i>	<i>\$675,071,100</i>	<i>\$17,775,200</i>	<i>2.7%</i>
	Expenditure on Manpower	\$132,277,749	\$144,959,700	\$145,568,600	\$155,154,800	\$9,586,200	6.6%
1200	Political Appointments	1,339,858	1,860,400	2,132,500	1,993,600	-138,900	-6.5
1500	Permanent Staff	130,530,502	137,664,300	142,830,900	147,558,400	4,727,500	3.3
1600	Temporary, Daily-Rated & Other Staff	407,389	435,000	605,200	602,800	-2,400	-0.4
1800	Personnel Central Vote	0	5,000,000	0	5,000,000	5,000,000	n.a.
	Other Operating Expenditure	\$464,996,369	\$515,204,600	\$498,910,400	\$507,056,600	\$8,146,200	1.6%
2100	Consumption of Products & Services	456,268,924	493,518,000	481,755,900	483,881,700	2,125,800	0.4
2300	Manpower Development	4,549,001	6,498,300	6,484,600	7,082,000	597,400	9.2
2400	International & Public Relations, Public Communications	3,718,527	4,212,200	4,838,200	4,796,700	-41,500	-0.9
2600	Programmes Central Vote	0	10,000,000	5,000,000	10,000,000	5,000,000	100.0
2700	Asset Acquisition	287,128	787,100	666,900	1,151,900	485,000	72.7
2800	Miscellaneous	172,789	189,000	164,800	144,300	-20,500	-12.4

¹ Estimated FY2014 includes \$17,490,100 Statutory Expenditure (Subvention).

Code	Object Class	Actual FY2012	Estimated FY2013	Revised FY2013	Estimated FY2014	Change over FY2013	
	Grants, Subventions & Capital Injections to Organisations	\$13,001,205	\$6,500,000	\$12,816,900	\$12,859,700	\$42,800	0.3%
3100	Grants, Subventions & Capital Injections to Statutory Boards	4,334,880	0	3,487,200	3,068,000	-419,200	-12.0
3400	Grants, Subventions & Capital Injections to Other Organisations	8,666,325	6,500,000	9,329,700	9,791,700	462,000	5.0
	<i>TRANSFERS</i>	<i>\$20,494,885</i>	<i>\$100,062,600</i>	<i>\$81,301,500</i>	<i>\$19,843,100</i>	<i>-\$61,458,400</i>	<i>-75.6%</i>
3500	Social Transfers to Individuals	222,015	200,000	174,000	172,000	-2,000	-1.1
3800	International Organisations & Overseas Development Assistance	20,272,871	99,862,600	81,127,500	19,671,100	-61,456,400	-75.8
	OTHER CONSOLIDATED FUND OUTLAYS	\$936,026,416	\$1,177,000,000	\$1,034,000,000	\$1,117,000,000	\$83,000,000	8.0%
4200	Expenses on Investments	936,026,416	1,177,000,000	1,034,000,000	1,117,000,000	83,000,000	8.0
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$24,114,052	\$135,615,700	\$26,519,900	\$157,022,500	\$130,502,600	492.1%
5100	Government Development	24,114,052	135,615,700	26,519,900	157,022,500	130,502,600	492.1

Establishment List

Category/Personnel	Actual FY2012	Estimated FY2013	Revised FY2013	Estimated FY2014
POLITICAL APPOINTMENTS	2	3	2	2
Minister	1	2	1	1
Senior Minister of State	0	0	1	1
Minister of State	1	1	0	0
PERMANENT STAFF	1,644	1,753	1,723	1,732
Accounting Profession (2008)	24	46	46	46
Administrative	20	20	20	20
Corporate Support	152	116	113	113
Management Executive Scheme (2008)	319	338	332	331
Management Support Scheme (2008)	371	428	406	383
Operations Support	7	7	8	8
Shorthand Writers	5	4	4	4
Singapore Customs Officer (2008)	478	510	510	536
Singapore Customs Specialist (2008)	268	284	284	291
OTHERS	1,901	1,959	2,038	2,090
Inland Revenue Authority of Singapore	1,901	1,959	2,038	2,090
TOTAL	3,547	3,715	3,763	3,824

FY2013 BUDGET

The total expenditure of the Ministry of Finance (MOF) in FY2013 is expected to be \$765.12 million excluding Expenses on Investments (EOI). This is an increase of \$110.24 million or 16.8% compared to the actual FY2012 expenditure of \$654.88 million.

Operating expenditure in FY2013 is expected to be \$738.60 million, an increase of \$107.83 million or 17.1% over the actual FY2012 expenditure of \$630.77 million. The increase is due to higher operational needs and increase in contributions to International Organisations. Development expenditure in FY2013 is expected to be \$26.52 million, an increase of \$2.41 million or 10.0% over the actual FY2012 expenditure of \$24.11 million. The increase is mainly due to the implementation of a new development project under the Accounting Services.

The revised EOI in FY2013 is expected to be \$1.03 billion, \$0.10 billion higher than the actual amount incurred in FY2012. This increase can be attributed to higher management fees, agency fees, commissions and related expenses.

FY2014 BUDGET

Total expenditure for FY2014 is projected to be \$851.94 million (excluding EOI) which comprises an operating expenditure of \$694.92 million and development expenditure of \$157.02 million. This is an increase of \$86.82 million or 11.3% from the FY2013 revised expenditure of \$765.12 million. Expenses on Investments (EOI) is projected at \$1.12 billion.

Operating Expenditure

The projected operating expenditure of \$694.92 million is a decrease of \$43.68 million or 5.9% over the revised FY2013 operating expenditure of \$738.60 million.

The Inland Revenue Authority of Singapore programme is projected to take up the largest share of the operating expenditure (\$374.00 million or 53.8%). This is followed by the Finance programme (\$123.97 million or 17.8%), Singapore Customs programme (\$116.50 million or 16.8%), Shared Services programme (\$35.39 million or 5.1%), Accounting Services (\$23.42 million or 3.4%), Integration Programme (\$16.59 million or 2.4%), and Centre for Public Project Management Programme (\$5.05 million or 0.7%).

The highlights of the more significant programmes are as follows:

a) Inland Revenue Authority of Singapore Programme

The Inland Revenue Authority of Singapore (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 the government. Based on the projected tax revenue collection, MOF has allocated an agency fee budget of \$374 million for FY2014.

b) Finance Programme

An operating expenditure of \$123.97 million is provided for the Finance Programme for FY2014. Of the total sum of \$123.97 million, \$32.46 million (26.2%) is for transfers including grants and subventions, \$49.52 million (39.9%) is for other operating items and \$41.99 million (33.9%) is for expenditure on manpower. The budgeted \$123.97 million is a decrease of \$46.12 million or 27.1% over the revised FY2013 expenditure of \$170.09 million. The lower requirement in FY2014 is mainly attributed to a decrease in contributions to International Organisations.

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 FY2014 is projected to be \$116.50 million, an increase of \$3.24 million or 2.9% over the revised FY2013 expenditure of \$113.26 million. The higher requirement for FY2014 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 FY2014 is projected to be \$157.02 million, an increase of \$130.50 million or 492.1% over the revised FY2013 development expenditure of \$26.52 million. The increase is mainly due to (i) an amount of \$100 million being set aside in the Project Central Vote, and (ii) an increase in development projects under Finance, Singapore Customs and Accounting Services Programme by \$30.5 million.

Expenses on Investments (EOI)

EOI in FY2014 is budgeted to be \$1.12 billion, which is \$0.08 billion higher than the revised expenditure in FY2013. Higher expenses are expected to be incurred alongside asset growth.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
MA	Finance	104,372,700	19,596,100	123,968,800	120,000,000	243,968,800
MC	Accounting Services	23,246,300	172,000	23,418,300	8,242,200	31,660,500
MG	Shared Services	35,389,200	0	35,389,200	2,999,000	38,388,200
MO	Singapore Customs	116,426,900	75,000	116,501,900	17,652,200	134,154,100
MP	Inland Revenue Authority of Singapore	374,000,000	0	374,000,000	0	374,000,000
MQ	Integration	16,589,600	0	16,589,600	8,123,100	24,712,700
MR	Centre for Public Project Management	5,046,400	0	5,046,400	6,000	5,052,400
Total		\$675,071,100	\$19,843,100	\$694,914,200	\$157,022,500	\$851,936,700

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2011	Actual FY2012	Estimated FY2013	Revised FY2013	Estimated FY2014
DEVELOPMENT EXPENDITURE	...	...	\$24,114,052	\$135,615,700	\$26,519,900	\$157,022,500
<i>GOVERNMENT DEVELOPMENT</i>	...	...	<i>24,114,052</i>	<i>135,615,700</i>	<i>26,519,900</i>	<i>157,022,500</i>
Finance Programme						
eCitizen Portal Revamp	10,995,000	3,649,861	1,854,483	909,400	3,933,600	1,557,000
Corporate Pass and Singapore Personal Access	23,848,600	0	0	0	287,200	10,648,600
Central Vote for New Projects	...	...	0	100,000,000	0	100,000,000
Minor Development Projects for GCIO	...	...	0	3,105,800	922,500	1,651,000
Minor Development Projects	...	...	625,761	571,300	1,415,200	482,300
New Projects	...	...	0	2,819,700	602,000	5,661,100
Accounting Services Programme						
NFS@Gov Upgrade	9,330,300	0	0	2,660,000	4,280,400	4,642,200
Minor Development Projects	...	...	0	0	0	3,600,000
Shared Services Programme						
Minor Development Projects	...	...	67,560	2,134,600	709,000	2,999,000
Singapore Customs Programme						
InfoPort	36,220,000	3,876,996	123,333	100,000	5,200	210,000
Setting up of Radiographic Scanning Stations	26,300,000	392,033	6,150,150	12,813,800	5,087,000	9,902,800
SC's Smart Architecture and Application Services	17,960,000	132,212	467,297	0	1,846,400	3,000,000
New Customs Operation Command (COC) Building	3,420,000	0	0	825,100	1,022,100	1,598,200
Minor Development Projects	...	...	3,405,329	4,321,000	4,039,300	2,941,200
Integration Programme						
Integration Programme Budget-Development	...	1,398,486	7,568,476	5,229,000	2,303,200	623,100
Transformation Support Fund	17,000,000	0	0	0	0	7,500,000
Centre for Public Project Management Programme						
Minor Development Projects	...	...	0	70,000	64,000	6,000
Completed Projects	...	...	3,851,663	56,000	2,800	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 FY2011	Actual FY2012	Revised FY2013	Estimated FY2014
Sound Public Finances	Balanced Budget				
	Overall Budget Balance as a % of GDP (6-year moving average)	0.7	1.0	0.7	0.6
	Fiscal Sustainability				
	Draw on Past Reserves	No	No	No	No
	Standard and Poor's / Moody's Sovereign Risk Rating	AAA / Aaa	AAA / Aaa	AAA / Aaa	AAA / Aaa
	Budget Marksmanship				
	Government operating revenue as % of budgeted revenue (excluding Net Investment Returns Contribution)	106.1	105.1	103.9	NA
	Government expenditure as % of budgeted expenditure (excluding special transfers)	98.9	97.5	98.0	NA
Growth with Opportunities for All	Conducive Business Environment				
	Institute for Management Development World Competitiveness Yearbook: 'Real Corporate Taxes do not discourage entrepreneurial Activity'	3 rd	4 th	4 th	Top 4
	World Economic Forum Global Enabling Trade Report – 'Border Administration'	NA	1 st	NA	Top 3
	World Bank 'Doing Business' Report – Ease of Doing Business	1 st	1 st	1 st	Top 3
	World Bank 'Doing Business' Report – Starting a Business	4 th	4 th	3 rd	Top 3
	Inclusive Growth				
	20 th percentile monthly nominal household income from work ² per household member among resident employed households (real annual growth rate in parenthesis)	971 (6.9%) ³	1,020 (1.5%) ³	1,083 (4.9%) ³	NA
	Median monthly nominal household income from work ² per household member among resident employed households (real annual growth rate in parenthesis)	1,994 (3.9%) ³	2,127 (3.0%) ³	2,247 (3.9%) ³	NA

² 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.

³ Numbers in parenthesis are real annual growth rates (20th percentile deflated by lowest 20% income group (B20) CPI excluding owner-occupied accommodation, median deflated by middle 60% income group (M60) CPI excluding owner-occupied accommodation).

Desired Outcome	Performance Indicator	Actual FY2011	Actual FY2012	Revised FY2013	Estimated FY2014
High Performance Government	Efficient and Effective Use of Resources				
	Cost per dollar of revenue collected by Singapore Customs (unit of measurement in cents)	1.16	1.26	1.36	1.38
	Cost per dollar of tax collected by IRAS (unit of measurement in cents)	0.78	0.79	0.87	0.92
	Integrated Government				
	World Economic Forum Global Information Technology Report's Government Usage and Readiness Sub-indices	Social Impact: 3 rd Usage: 2 nd	Social Impact: 1 st Usage: 1 st	Top 3	Top 3
	Quality of e-services:				
	% of citizens who are overall - very satisfied (rating of 5 and above on a 6 point scale)	56	73	73	75
	- satisfied (rating of 4 and above on a 6 point scale)	94	97	97	98
	% of businesses who are overall - very satisfied (rating of 5 and above on a 6 point scale)	53	60	60	63
	- satisfied (rating of 4 and above on a 6 point scale)	90	93	93	95
	Efficient Government				
	% of requests for business profiles provided by ACRA within 30 minutes of payment	92.7	87.7	85.2	90.0
	% of TradeNet declarations processed within 10 minutes by Singapore Customs	99.9	99.7	99.0	99.0
	% of tax refunds processed by IRAS				
	- within 14 days	98.8	99.4	99.0	99.1
	- within 30 days	99.9	99.9	99.9	99.9