

ANALYSIS OF REVENUE AND EXPENDITURE

Financial Year 2016

Distributed on Budget Day: 24 March 2016

EXPLANATORY NOTES

This document summarises and provides relevant highlights of the FY2016 Revenue and Expenditure Estimates presented to Parliament on 24 March 2016.

ANALYSIS OF REVENUE AND EXPENDITURE

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ANALYSIS OF REVENUE AND EXPENDITURE

- ◆ **UPDATE ON FY2015**
- ◆ **OUTLOOK FOR FY2016**

1 Update on Financial Year 2015

1.1 Expected Budget Outturn for FY2015

The revised basic deficit is estimated at \$8.8 billion (or 2.2% of GDP), after taking into account Special Transfers Excluding Top-ups to Endowment and Trust Funds, and before the Net Investment Returns Contribution (NIRC). After factoring in the NIRC of \$9.9 billion and Top-ups to Endowment and Trust Funds of \$6.0 billion, the overall budget balance for FY2015 is estimated to be a deficit of \$4.9 billion (or 1.2% of GDP). The revised FY2015 fiscal position is shown in Table 1.1.

1.2 Operating Revenue

FY2015 Operating Revenue has been revised down by \$0.1 billion (or 0.2%) to \$64.2 billion. This decrease is mainly due to lower-than-expected collections from Customs and Excise Taxes and Statutory Boards' Contributions, compared to budgeted FY2015 estimates.

Customs and Excise Taxes are estimated to be \$2.6 billion, \$0.4 billion (or 13.6%) lower than budgeted FY2015 estimate, mainly as a result of lower than expected tobacco excise duty collections. Statutory Boards' Contributions are estimated to decrease by \$0.4 billion (or 47.2%) to \$0.4 billion due to lower-than-expected collections.

These decreases are partly offset by higher-than-expected income-related taxes. Compared to budgeted FY2015 estimates, Corporate Income Tax collections are estimated to increase by \$0.4 billion (or 2.7%) to \$13.8 billion, and Personal Income Tax collections are also estimated to increase by \$0.2 billion (or 2.5%) to \$9.1 billion.

The distribution of Operating Revenue in FY2015 by the various components is shown in Chart 1.1.

1.3 Total Expenditure

FY2015 Total Expenditure has been revised upwards by \$0.2 billion (or 0.3%) to \$68.4 billion (or 17.0% of GDP).

Operating Expenditure is expected to be \$48.7 billion, similar to the budgeted FY2015 estimate.

Development Expenditure is expected to be \$19.7 billion, higher than the budgeted FY2015 estimate by \$0.2 billion (or 0.9%). This is mainly due to higher expenditures for transport infrastructure and economic development.

The Social Development sector continues to take up the largest share of Total Expenditure at 46.7%, followed by Security and External Relations (27.0%). The breakdown of government spending by the major sectors is provided in Chart 1.2.

1.4 Special Transfers

Special Transfers are expected to total \$10.5 billion in FY2015, a \$1.1 billion (or 9.7%) decrease from the budgeted figure. This is mainly due to lower-than-expected Productivity and Innovation Credit (PIC) cash payouts, PIC Bonus payouts and Wage Credit Scheme payouts in FY2015. [Table 1.2](#) shows a summary of the Special Transfers in Budget 2015.

1.5 Net Investment Returns Contribution (NIRC)

NIRC for FY2015 is projected to total \$9.9 billion, \$1.0 billion (or 10.7%) more than the budgeted estimate.

1.6 Spending from the Government Endowment Funds and Trust Funds

In FY2015, spending from the five government endowment funds is expected to reach about \$802 million, with the breakdown as follows:

- \$291 million from the Edusave Endowment Fund
- \$276 million from the Medical Endowment Fund and ElderCare Fund
- \$167 million from the Lifelong Learning Endowment Fund
- \$68 million from the Community Care Endowment Fund

In FY2015, spending from various trust funds is estimated to add up to about \$3.5 billion. The key items include:

- \$828 million from the National Research Fund
- \$752 million from the GST Voucher Fund
- \$697 million from the Special Employment Credit Fund and the Workfare Special Bonus Fund
- \$449 million from the Pioneer Generation Fund
- \$283 million from the National Productivity Fund
- \$218 million from the Bus Service Enhancement Fund
- \$140 million from the Singapore Universities Trust Fund
- \$123 million from the Community Silver Trust Fund
- \$57 million from the Cultural Matching Fund

Table 1.1: Fiscal Position in FY2014 and FY2015

	Actual FY2014	Estimated FY2015	Revised FY2015	Revised FY2015 Compared to	
				Actual FY2014	Estimated FY2015
				% change	% change
OPERATING REVENUE	60.84	64.27	64.16	5.5	(0.2)
Corporate Income Tax	13.37	13.48	13.85	3.5	2.7
Personal Income Tax	8.93	8.91	9.13	2.3	2.5
Withholding Tax	1.13	1.14	1.31	16.3	14.5
Statutory Boards' Contributions	0.52	0.82	0.43	(15.8)	(47.2)
Assets Taxes	4.34	4.41	4.39	1.2	(0.5)
Customs and Excise Taxes	2.54	2.96	2.56	0.7	(13.6)
Goods and Services Tax	10.22	10.48	10.33	1.1	(1.5)
Motor Vehicle Taxes	1.60	2.12	1.80	12.1	(15.2)
Vehicle Quota Premiums	3.39	5.08	5.41	59.3	6.4
Betting Taxes	2.59	2.71	2.71	4.6	0.1
Stamp Duty	2.78	2.60	2.73	(1.9)	5.2
Other Taxes	6.10	6.11	5.88	(3.5)	(3.8)
Other Fees and Charges	3.01	3.11	3.29	9.4	5.7
Others	0.32	0.33	0.35	8.1	6.1
Less:					
TOTAL EXPENDITURE	56.65	68.22	68.41	20.8	0.3
Operating Expenditure	42.69	48.71	48.73	14.2	0.0
Development Expenditure	13.96	19.51	19.68	41.0	0.9
PRIMARY SURPLUS / DEFICIT¹	4.19	(3.95)	(4.25)		
Less:					
SPECIAL TRANSFERS²	12.36	11.67	10.54	(14.7)	(9.7)
Special Transfers Excluding Top-ups to Endowment and Trust Funds	3.86	5.67	4.54		
GST Voucher Special Payment ³	0.27	0.32	0.32		
Service and Conservancy Charges Rebates	0.08	0.08	0.09		
CPF Medisave Top-ups	0.09	0.10	0.10		
Pioneer Generation Package ⁴	0.27	-	-		
Productivity and Innovation Credit	1.08	1.50	0.99		
Productivity and Innovation Credit Bonus	0.62	0.45	0.20		
Temporary Employment Credit	-	0.69	0.72		
Wage Credit Scheme	1.42	2.31	1.91		
Other Transfers ⁵	0.02	0.22	0.23		
BASIC SURPLUS / DEFICIT⁶	0.33	(9.62)	(8.78)		
Top-ups to Endowment and Trust Funds	8.50	6.00	6.00		
Top-up to Endowment Funds ⁷	0.50	-	-		
Special Employment Credit Fund	-	0.50	0.50		
National Research Fund	-	1.00	1.00		
National Productivity Fund	-	1.50	1.50		
Pioneer Generation Fund	8.00	-	-		
Changi Airport Development Fund	-	3.00	3.00		
Add:					
NET INVESTMENT RETURNS CONTRIBUTION	8.74	8.94	9.90	13.3	10.7
OVERALL BUDGET SURPLUS / DEFICIT	0.57	(6.67)	(4.88)		

Note: Due to rounding, figures may not add up. Negative figures are shown in parentheses.

¹ Surplus / Deficit before Special Transfers and Net Investment Returns Contribution.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ The GST Voucher Special Payment committed in Budget 2014 comprises the GST Voucher – Cash: Seniors' Bonus and Utilities-Save Rebates. The GST Voucher Special Payment committed in Budget 2015 comprises the GST Voucher – Seniors' Bonus.

⁴ Payouts for the Pioneer Generation Package from FY2015 onwards will be made from the Pioneer Generation Fund.

⁵ Consists of SME Cash Grant, Growth Dividends, GST Credits, Top-ups to Child Development Accounts and Post-Secondary Education Accounts, public transport vouchers, SG50 Giving, and funding for Self-Help Groups and Voluntary Welfare Organisations.

⁶ Surplus / Deficit before Top-ups to Endowment and Trust Funds, and Net Investment Returns Contribution.

⁷ Consists of the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

Chart 1.1: Breakdown of Government Operating Revenue in FY2015

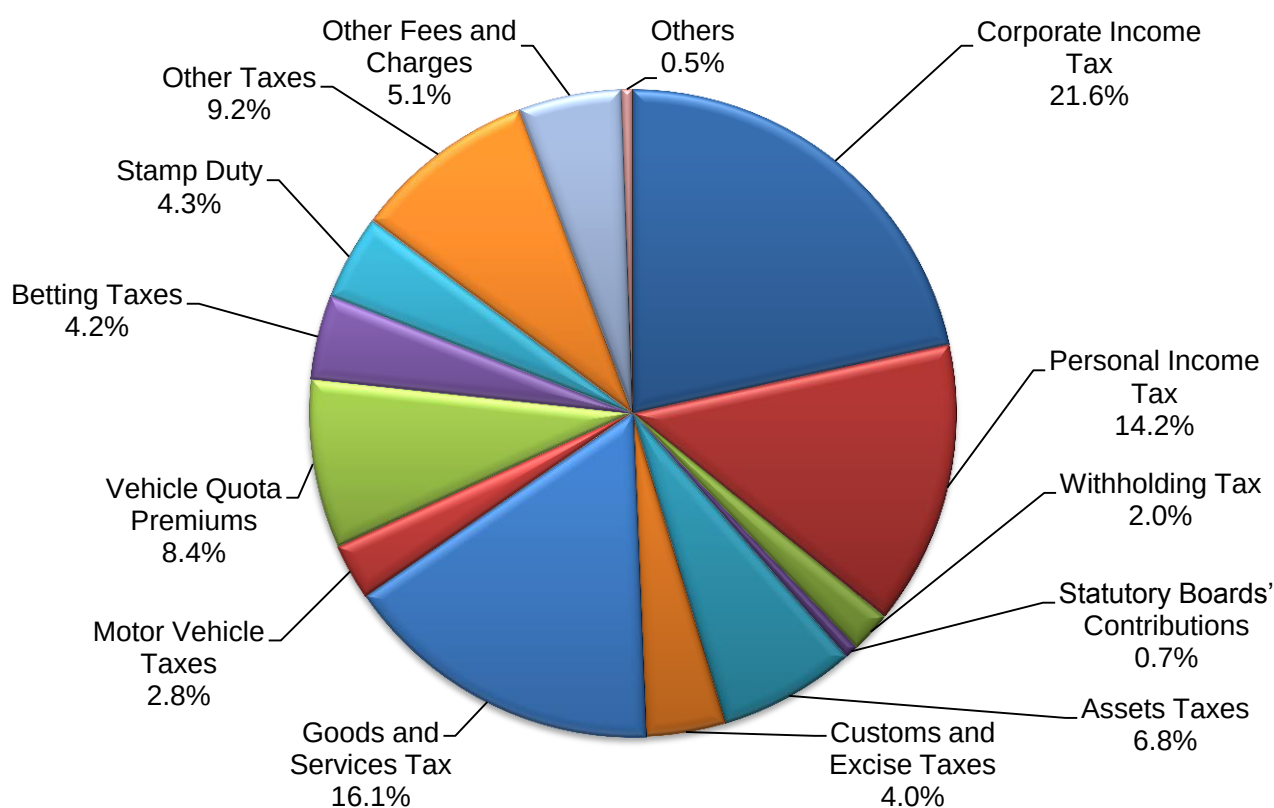
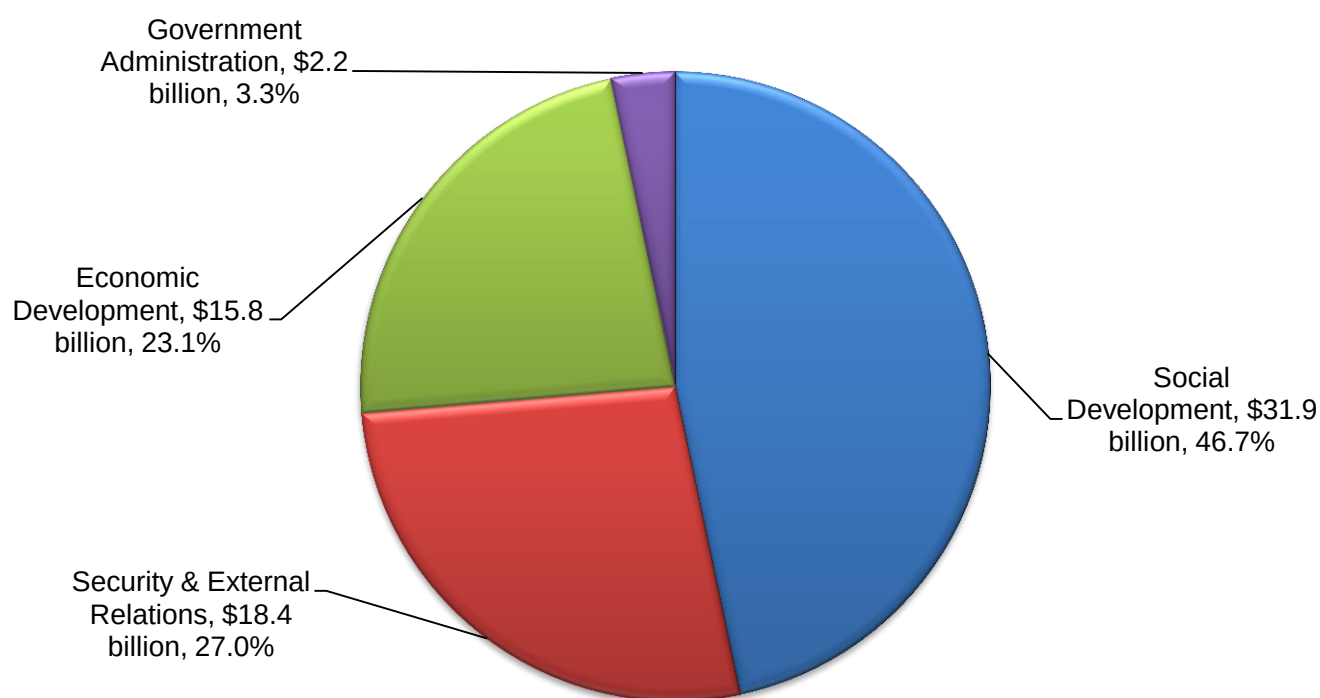


Chart 1.2: Breakdown of Government Spending by Sector in FY2015¹



¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

Table 1.2: Summary of FY2015 Special Transfers

Measures	Total Cost in FY2015 (\$ million)
Special Transfers:	10,537
Special Transfers Excluding Top-ups to Endowment and Trust Funds	
Wage Credit Scheme	1,910
Productivity and Innovation Credit	985
Temporary Employment Credit	716
GST Voucher – Seniors' Bonus	315
Productivity and Innovation Credit Bonus	200
Top-ups to Child Development Accounts	129
CPF Medisave Top-ups	100
Service and Conservancy Charges Rebates	85
Top-ups to Post-Secondary Education Accounts	80
Others Transfers ¹	18
Sub-Total	4,537
Top-ups to Endowment and Trust Funds	
Changi Airport Development Fund	3,000
National Productivity Fund	1,500
National Research Fund	1,000
Special Employment Credit Fund	500
Sub-Total	6,000

¹ Consists of SME Cash Grant, Growth Dividends, GST Credits, SG50 Giving, and funding for Self-Help Groups and Voluntary Welfare Organisations.

2 Outlook for Financial Year 2016

2.1 Budget for FY2016

A basic deficit of \$7.7 billion (or 1.9% of GDP) is expected for FY2016. After factoring in Top-ups to Endowment and Trust Funds of \$3.6 billion and NIRC of \$14.7 billion, the overall budget surplus for FY2016 is \$3.4 billion (or 0.8% of GDP).

The FY2016 Budget is summarised in [Table 2.1](#).

2.2 Operating Revenue

Operating Revenue for FY2016 is projected at \$68.4 billion (or 16.7% of GDP). This is an increase of \$4.3 billion (or 6.7%) over the revised FY2015 estimate.

This increase is mainly due to higher motor vehicle related revenues, Statutory Boards' Contributions, Personal Income Tax (PIT), Other Taxes and Goods and Services Tax (GST), offset by decreases in Corporate Income Tax (CIT) and Stamp Duty.

Motor Vehicle Taxes in FY2016 are estimated to increase by \$1.1 billion (or 63.3%) over the Revised FY2015 estimate to \$2.9 billion. Vehicle Quota Premiums are estimated to increase by \$0.2 billion (or 4.6%) to \$5.7 billion in FY2016. Customs and Excise Taxes are estimated to increase by \$0.3 billion (or 13.6%) to \$2.9 billion due to higher import duty collections from vehicles. These increases are due to an expected increase in the number of COE quotas arising from more vehicle de-registrations.

Statutory Boards' Contributions are expected to increase by \$1.4 billion (or 333.0%) to \$1.9 billion mainly due to contributions coming in from MAS, which had not made contributions over the past 5 years.¹

PIT collections in FY2016 are expected to increase by \$1.0 billion (or 10.9%) to \$10.1 billion over Revised FY2015 estimate, due to the cessation of the one-off PIT rebate in Year of Assessment (YA) 2015.

Other Taxes, which include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax, are estimated to be \$6.3 billion in FY2016. This is \$0.4 billion (or 7.6%) higher than the revised FY2015 estimate.

GST collections are projected at \$10.6 billion, \$0.3 billion (or 2.8%) higher than the revised FY2015 estimate, in line with the growth in private consumption expenditure.

CIT collections are expected to decrease by \$0.4 billion (or 3.1%) to \$13.4 billion in FY2016, after accounting for the additional tax rebate for YA 2016.

Stamp Duty collections are projected to decline by \$0.2 billion (or 7.6%) to \$2.5 billion in FY2016.

Historical data for the various revenue items are provided in [Tables 3.2a](#) and [3.2b](#) in the Statistical Annex.

¹ Statutory Boards are required to make contributions on their net surplus to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) in lieu of income tax. The contribution rate is pegged to the corporate tax rate.

Table 2.1: Fiscal Position in FY2016

	Revised FY2015	Estimated FY2016	Change over Revised FY2015	
	\$billion	\$billion	\$billion	% change
OPERATING REVENUE	64.16	68.44	4.28	6.7
Corporate Income Tax	13.85	13.41	(0.43)	(3.1)
Personal Income Tax	9.13	10.13	1.00	10.9
Withholding Tax	1.31	1.33	0.02	1.4
Statutory Boards' Contributions	0.43	1.88	1.45	333.0
Assets Taxes	4.39	4.40	0.00	0.1
Customs and Excise Taxes	2.56	2.91	0.35	13.6
Goods and Services Tax	10.33	10.62	0.29	2.8
Motor Vehicle Taxes	1.80	2.93	1.14	63.3
Vehicle Quota Premiums	5.41	5.65	0.25	4.6
Betting Taxes	2.71	2.72	0.01	0.4
Stamp Duty	2.73	2.52	(0.21)	(7.6)
Other Taxes	5.88	6.33	0.45	7.6
Other Fees and Charges	3.29	3.32	0.02	0.7
Others	0.35	0.30	(0.05)	(14.3)
Less:				
TOTAL EXPENDITURE	68.41	73.43	5.02	7.3
Operating Expenditure	48.73	54.43	5.70	11.7
Development Expenditure	19.68	19.00	(0.68)	(3.5)
PRIMARY SURPLUS / DEFICIT¹	(4.25)	(4.99)		
Less:				
SPECIAL TRANSFERS²	10.54	6.27	(4.27)	(40.5)
Special Transfers Excluding Top-ups to Endowment and Trust Funds	4.54	2.67		
GST Voucher Special Payments ³	0.32	0.28		
Service and Conservancy Charges Rebates	0.09	0.09		
CPF Medisave Top-ups	0.10	0.10		
Productivity and Innovation Credit	0.99	0.66		
Productivity and Innovation Credit Bonus	0.20	0.02		
Temporary Employment Credit	0.72	0.73		
Wage Credit Scheme	1.91	0.79		
Other Transfers ⁴	0.23	0.01		
BASIC SURPLUS / DEFICIT⁵	(8.78)	(7.66)		
Top-ups to Endowment and Trust Funds	6.00	3.60		
Special Employment Credit Fund	0.50	1.10		
National Research Fund	1.00	1.50		
National Productivity Fund	1.50	-		
Changi Airport Development Fund	3.00	1.00		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	9.90	14.70	4.81	48.6
OVERALL BUDGET SURPLUS / DEFICIT⁶	(4.88)	3.45		

Note: Due to rounding, figures may not add up. Negative figures are shown in parentheses.

¹ Surplus / Deficit before Special Transfers and Net Investment Returns Contribution.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ The GST Voucher Special Payment committed in Budget 2015 comprises the GST Voucher – Seniors' Bonus. The GST Voucher Special Payment committed in Budget 2016 comprises the GST Voucher – Cash Special Payment.

⁴ Consists of SME Cash Grant, Growth Dividends, GST Credits, Top-ups to Child Development Accounts and Post-Secondary Education Accounts, SG50 Giving, and funding for Self-Help Groups and Voluntary Welfare Organisations.

⁵ Surplus / Deficit before Top-ups to Endowment and Trust Funds, and Net Investment Returns Contribution.

⁶ As stated in the FY2016 Budget Statement, the estimated FY2016 Overall Budget Surplus is \$3.4 billion when rounded to 1 decimal place. The difference is due to rounding.

2.3 Total Expenditure

FY2016 Total Expenditure is estimated to be \$73.4 billion (or 17.9% of GDP). This is an increase of \$5.0 billion (or 7.3%) from the revised FY2015 estimate of \$68.4 billion. The main increases in expenditure over FY2015 are in Healthcare, National Development, Defence, Education, Home Affairs and Trade and Industry (see [Chart 2.1](#)).

Healthcare expenditure is expected to increase by \$1.8 billion (or 19.0%). This is mainly to cater for higher subventions to Public Healthcare Institutions and premium subsidies for MediShield Life. There is also higher development expenditure for the construction of healthcare infrastructure such as the Sengkang General Hospital, National Centre for Infectious Diseases, National Cancer Centre and Outram Community Hospital.

National Development expenditure is expected to increase by \$1.1 billion (or 38.7%), mainly due to higher expenditure on public housing and increase in housing grants to support home ownership.

Defence expenditure is expected to increase by \$0.8 billion (or 6.4%) due to an increase in military expenditure.

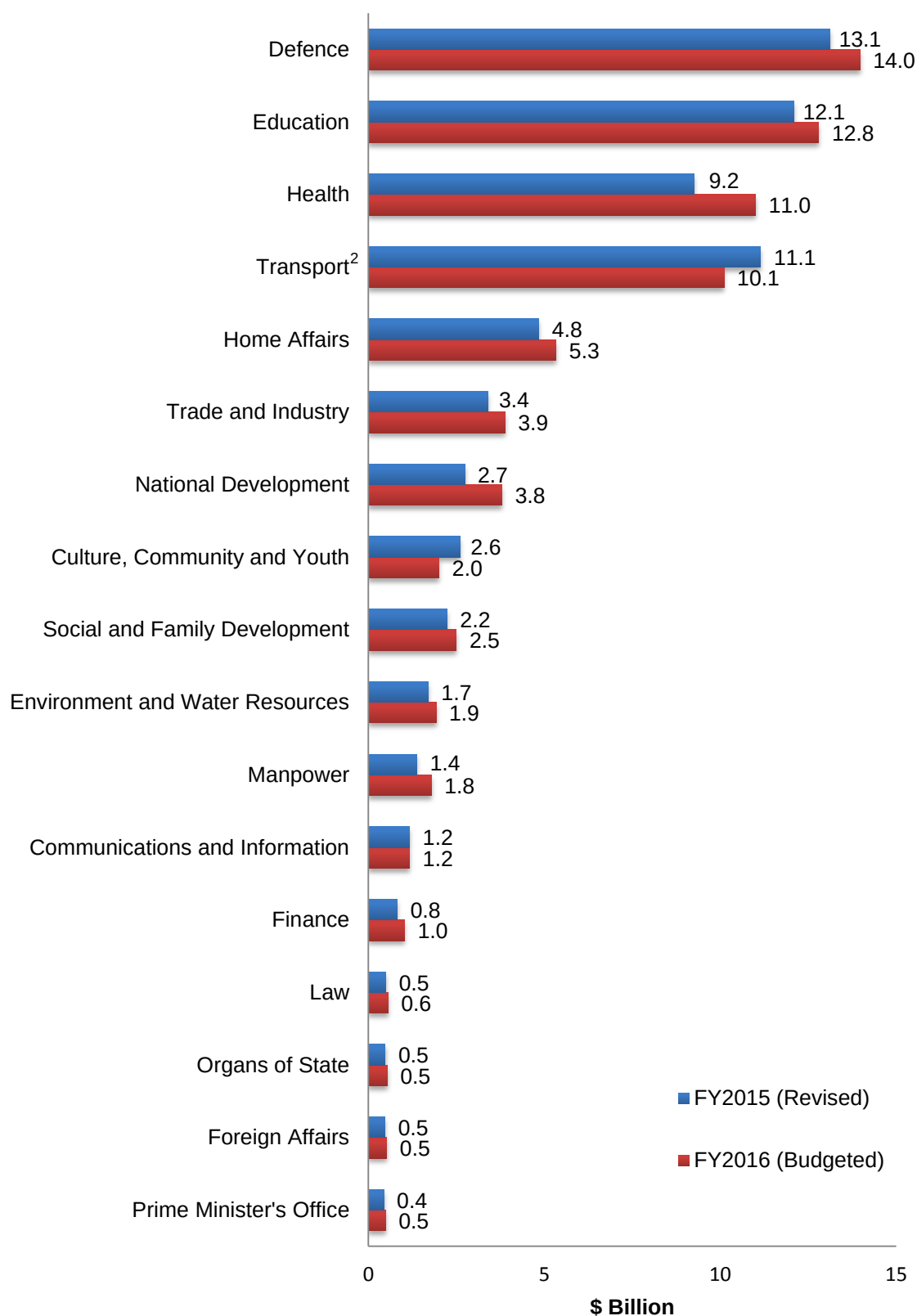
Education expenditure is expected to increase by \$0.7 billion (or 5.8%). This is mainly due to salary adjustment of education officers and allied educators, higher budget for the polytechnics and ITE for SkillsFuture initiatives, and higher budget for Autonomous Universities and UniSIM to cater for higher student enrolment numbers.

Home Affairs expenditure is expected to increase by \$0.5 billion (or 10.1%), mainly due to investments in frontline policing and public order capabilities, enhanced security measures at the Checkpoints, as well as spending on infrastructure projects such as the new Woodlands Police Divisional HQ and Redevelopment of Selarang Park Complex.

Trade and Industry expenditure is expected to increase by \$0.5 billion (or 14.0%), mainly due to requirements for tourism projects and higher operating grants to fund the activities of the Statutory Boards.

A detailed breakdown of government expenditure by sector is provided in [Tables 3.3 to 3.6b](#) in the Statistical Annex.

Chart 2.1: Breakdown of Total Expenditure by Sector (FY2015 and FY2016)¹



¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

² This decrease is mainly due to the lumpy nature of expenditures related to the development of new airport facilities at Changi East, offset by an increase in expenditure for rail projects such as the Thomson-East Coast Line.

2.4 Special Transfers

Special Transfers to Households (\$0.5 billion)

In addition to transfers from the Government's operating expenditure, endowment funds and trust funds, households will receive special transfers amounting to \$0.5 billion in Budget 2016. These special transfers include the GST Voucher – Cash Special Payment, CPF Medisave Top-ups for older Singaporeans and Service and Conservancy Charges Rebates (see [Table 2.2](#)).

Special Transfers to Businesses (\$2.2 billion)

In total, special transfers to businesses will amount to \$2.2 billion, including \$790 million under the extended Wage Credit Scheme (WCS), \$725 million under the enhanced Temporary Employment Credit (TEC), \$660 million for the Productivity and Innovation Credit (PIC) and \$20m for the PIC Bonus (details in [Table 2.3](#)).

Top-ups to Funds to Support Key Commitments (\$3.6 billion)

In Budget 2016, the Government will make a top-up of \$1.5 billion to the National Research Fund to support our commitment to building a knowledge-intensive, innovative and entrepreneurial economy in line with the Research, Innovation and Enterprise (RIE) 2020 plan. We will also make a top-up of \$1.1 billion to the Special Employment Credit Fund and \$1.0 billion to the Changi Airport Development Fund.

In total, \$3.6 billion will be committed to fund top-ups (details in [Table 2.4](#)).

Table 2.2: Special Transfers to Households in FY2016

Measures	Total Cost (\$ million)
GST Voucher - Cash Special Payment	280
CPF Medisave Top-ups	100
Service and Conservancy Charges Rebates	86
Others ¹	7
Total	473

Table 2.3: Special Transfers to Businesses in FY2016

Measures	Total Cost (\$ million)
Wage Credit Scheme	790
Temporary Employment Credit	725
Productivity and Innovation Credit	660
Productivity and Innovation Credit Bonus	20
SME Cash Grant	2
Total	2,197

Table 2.4: Top-ups to Funds to Support Longer-term Commitments in FY2016

Measures	Top-up Amount (\$ million)
National Research Fund	1,500
Special Employment Credit Fund	1,100
Changi Airport Development Fund	1,000
Total	3,600

¹ Consists of Growth Dividends, GST Credits, funding for Self-Help Groups and Voluntary Welfare Organisations, and Top-ups to Child Development Accounts and Post-Secondary Education Accounts.

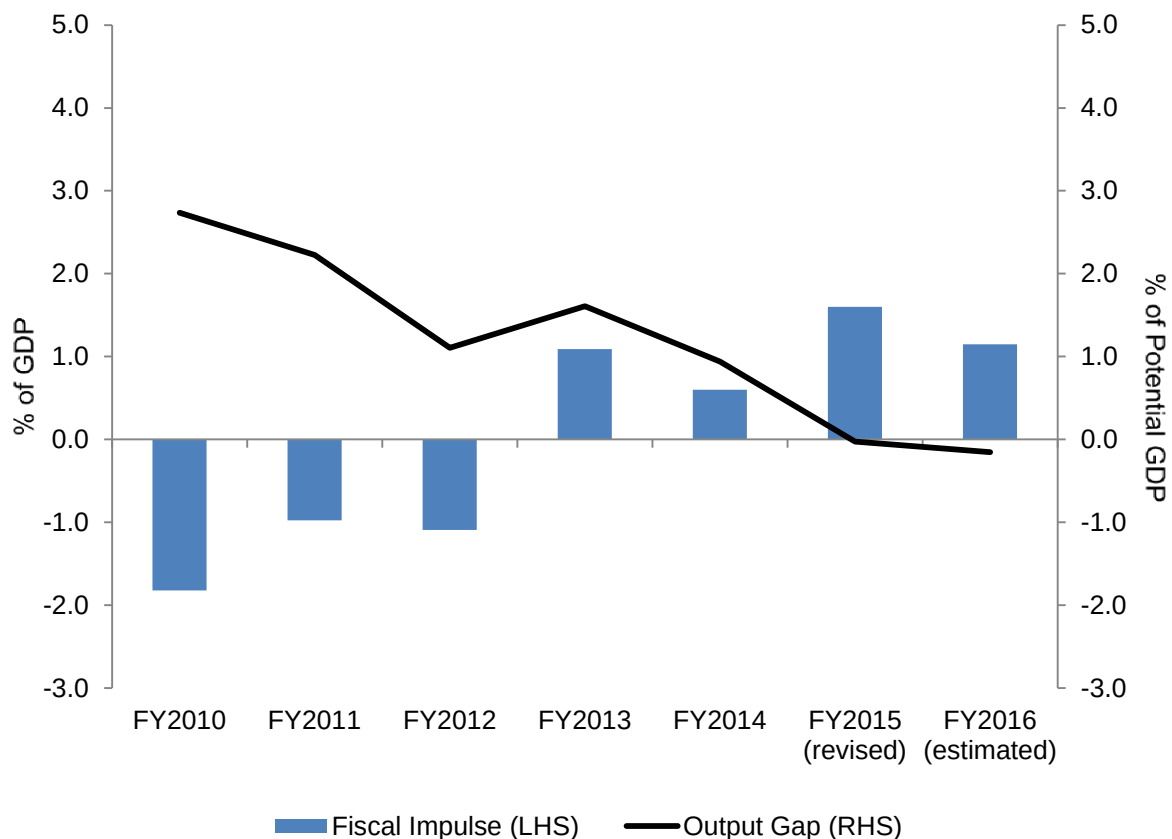
2.5 Fiscal Impulse

The global economic outlook has softened since the start of the year, alongside a fall in oil prices and increased volatility in global financial markets. The advanced economies are expected to see continuing modest but uneven recovery. US growth is expected to improve slightly compared to 2015 as domestic demand improves. The Eurozone is expected to pick up slightly due to an improving unemployment situation and continued easing of monetary conditions. However, uncertainty remains over whether China's transition to a more sustainable growth path may encounter short-term challenges.

The Singapore economy grew 2.0% in 2015, and is expected to continue growing at a modest pace of 1-3% for 2016. After some years of above-potential growth since 2011, the output gap is expected to be slightly negative as growth moderates.

The fiscal impulse in FY2016 is expected to remain relatively positive at 1.1% of GDP (see [Chart 2.2](#)). This is mainly due to higher expenditure on healthcare and investment in infrastructure. Taken together with the expansionary stance in the past three years, despite the economy operating at close to or above potential output, these longer-term supply-side investments will help to raise the level of potential output amid the short-term slowdown and support the pace of economic restructuring.

Chart 2.2: Fiscal Impulse and Output Gap



STATISTICAL ANNEX

Table 3.1a: Overall Fiscal Position for FY2010 to FY2016 (\$ million)

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 (Revised)</u>	<u>FY2016 (Budgeted)</u>
Operating Revenue	46,060	51,077	55,814	57,020	60,838	64,163	68,445
Tax Revenue	41,848	46,076	50,119	51,146	54,110	55,113	59,173
Fees and Charges	3,986	4,699	5,280	5,625	6,405	8,700	8,972
Others	226	302	416	250	324	350	300
Total Expenditure	45,338	46,563	49,004	51,728	56,648	68,409	73,431
Operating Expenditure	33,270	35,150	36,421	39,725	42,685	48,726	54,427
Development Expenditure ¹	12,068	11,413	12,583	12,003	13,963	19,682	19,003
Primary Surplus / Deficit	722	4,514	6,811	5,292	4,190	(4,246)	(4,986)
Special Transfers²	7,095	8,427	8,860	8,584	12,356	10,537	6,270
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1,505	2,909	1,458	2,990	3,856	4,537	2,670
Basic Surplus / Deficit³	(782)	1,605	5,353	2,303	334	(8,783)	(7,655)
Top-ups to Endowment and Trust Funds	5,590	5,517	7,402	5,594	8,500	6,000	3,600
Net Investment Returns Contribution⁴	7,352	7,916	7,870	8,289	8,738	9,898	14,705
Overall Budget Surplus / Deficit	980	4,003	5,821	4,998	571	(4,884)	3,450

Table 3.1b: Overall Fiscal Position for FY2010 to FY2016 (% of GDP)⁵

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 (Revised)</u>	<u>FY2016 (Budgeted)</u>
Operating Revenue	13.9%	14.6%	15.3%	15.1%	15.5%	15.9%	16.7%
Tax Revenue	12.6%	13.2%	13.8%	13.5%	13.8%	13.7%	14.4%
Fees and Charges	1.2%	1.3%	1.5%	1.5%	1.6%	2.2%	2.2%
Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total Expenditure	13.7%	13.3%	13.5%	13.7%	14.4%	17.0%	17.9%
Operating Expenditure	10.1%	10.0%	10.0%	10.5%	10.9%	12.1%	13.2%
Development Expenditure ¹	3.6%	3.3%	3.5%	3.2%	3.6%	4.9%	4.6%
Primary Surplus / Deficit	0.2%	1.3%	1.9%	1.4%	1.1%	(1.1%)	(1.2%)
Special Transfers²	2.1%	2.4%	2.4%	2.3%	3.1%	2.6%	1.5%
Special Transfers Excluding Top-ups to Endowment and Trust Funds	0.5%	0.8%	0.4%	0.8%	1.0%	1.1%	0.6%
Basic Surplus / Deficit³	(0.2%)	0.5%	1.5%	0.6%	0.1%	(2.2%)	(1.9%)
Top-ups to Endowment and Trust Funds	1.7%	1.6%	2.0%	1.5%	2.2%	1.5%	0.9%
Net Investment Returns Contribution⁴	2.2%	2.3%	2.2%	2.2%	2.2%	2.5%	3.6%
Overall Budget Surplus / Deficit	0.3%	1.1%	1.6%	1.3%	0.1%	(1.2%)	0.8%

Note: Negative figures are shown in parentheses.

¹ Development Expenditure excludes land-related expenditure.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

⁴ Net Investment Returns Contribution (NIRC) is the sum of: (1) up to 50% of the expected long-term real return on the relevant assets specified in the Constitution; and (2) up to 50% of the net investment income on the remaining assets.

⁵ Data may differ from previous years due to revisions to GDP estimates.

Table 3.2a: Revenue Collections for FY2010 to FY2016 (\$ million)

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 (Revised)</u>	<u>FY2016 (Budgeted)</u>
Operating Revenue	46,060	51,077	55,814	57,020	60,838	64,163	68,445
Corporate Income Tax	10,687	12,096	12,821	12,680	13,371	13,846	13,412
Personal Income Tax	6,470	6,871	7,714	7,688	8,927	9,130	10,128
Withholding Tax	957	1,258	1,337	1,152	1,126	1,309	1,327
Statutory Boards' Contributions	573	353	539	530	516	434	1,881
Assets Taxes	2,803	3,902	3,768	4,182	4,341	4,391	4,396
Customs and Excise Taxes	2,048	2,133	2,142	2,189	2,540	2,558	2,907
Goods and Services Tax	8,198	8,687	9,038	9,513	10,215	10,326	10,615
Motor Vehicle Taxes	1,851	1,920	1,803	1,655	1,603	1,797	2,935
Vehicle Quota Premiums	1,602	2,112	2,572	2,722	3,394	5,406	5,655
Betting Taxes	2,279	2,373	2,305	2,379	2,591	2,709	2,721
Stamp Duty	3,277	3,175	4,309	3,930	2,784	2,730	2,523
Other Taxes ¹	2,706	3,307	4,342	5,248	6,097	5,882	6,329
Other Fees and Charges ²	2,384	2,587	2,708	2,903	3,010	3,294	3,317
Others	226	302	416	250	324	350	300

Table 3.2b: Revenue Collections for FY2010 to FY2016 (% of GDP)³

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 (Revised)</u>	<u>FY2016 (Budgeted)</u>
Operating Revenue	13.9%	14.6%	15.3%	15.1%	15.5%	15.9%	16.7%
Corporate Income Tax	3.2%	3.5%	3.5%	3.3%	3.4%	3.4%	3.3%
Personal Income Tax	2.0%	2.0%	2.1%	2.0%	2.3%	2.3%	2.5%
Withholding Tax	0.3%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%
Statutory Boards' Contributions	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.5%
Assets Taxes	0.8%	1.1%	1.0%	1.1%	1.1%	1.1%	1.1%
Customs and Excise Taxes	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%
Goods and Services Tax	2.5%	2.5%	2.5%	2.5%	2.6%	2.6%	2.6%
Motor Vehicle Taxes	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.7%
Vehicle Quota Premiums	0.5%	0.6%	0.7%	0.7%	0.9%	1.3%	1.4%
Betting Taxes	0.7%	0.7%	0.6%	0.6%	0.7%	0.7%	0.7%
Stamp Duty	1.0%	0.9%	1.2%	1.0%	0.7%	0.7%	0.6%
Other Taxes ¹	0.8%	0.9%	1.2%	1.4%	1.6%	1.5%	1.5%
Other Fees and Charges ²	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%
Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Note: Figures may not add up due to rounding.

¹ Includes Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

² Includes revenue from Licenses, Permits, Service Fees, Sales of Goods, Rental of Premises, Fines and Forfeitures and Reimbursements.

³ Data may differ from previous years due to revisions to GDP estimates.

Table 3.3: Breakdown of Total Expenditure by Sector for FY2015 and FY2016 (\$ million)

	FY2015 (Revised)			FY2016 (Budgeted)		
	<u>Total Expenditure¹</u>	<u>Operating Expenditure</u>	<u>Development Expenditure²</u>	<u>Total Expenditure¹</u>	<u>Operating Expenditure</u>	<u>Development Expenditure²</u>
Total¹	68,409	48,726	19,682	73,431	54,427	19,003
Social Development	31,936	26,750	5,186	35,755	30,568	5,187
Education	12,100	11,400	700	12,800	12,140	660
National Development	2,736	1,372	1,364	3,796	2,550	1,246
Health	9,247	7,773	1,474	11,000	9,202	1,798
Environment and Water Resources	1,702	1,135	567	1,926	1,222	704
Culture, Community and Youth ³	2,601	1,797	804	2,012	1,449	563
Social and Family Development ³	2,236	2,121	115	2,500	2,400	100
Communications and Information ³	586	424	162	583	467	117
Manpower (Financial Security)	728	728	0	1,138	1,138	0
Security and External Relations	18,444	17,533	911	19,826	18,504	1,322
Defence	13,122	12,691	431	13,967	13,296	671
Home Affairs	4,848	4,383	465	5,336	4,761	575
Foreign Affairs	475	460	15	523	447	76
Economic Development	15,793	2,675	13,118	15,234	3,420	11,814
Transport	11,149	804	10,345	10,107	1,347	8,760
Trade and Industry	3,404	793	2,611	3,881	925	2,956
Manpower (excluding Financial Security)	651	625	26	654	641	13
Info-Communications and Media Development ³	590	453	136	592	508	84
Government Administration	2,235	1,767	468	2,615	1,935	680
Finance	820	761	59	1,031	856	175
Law	496	177	319	561	181	379
Organs of State	480	430	50	536	469	66
Prime Minister's Office	439	399	40	488	429	59

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

² Development Expenditure excludes land-related expenditure.

³ With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.4: Operating Expenditure by Sector for FY2010 to FY2016 (\$ million)

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 (Revised)</u>	<u>FY2016 (Budgeted)</u>
Total¹	33,270	35,150	36,421	39,725	42,685	48,726	54,427
Social Development	16,459	18,056	18,496	20,943	22,612	26,750	30,568
Education	8,999	9,698	9,637	10,665	10,712	11,400	12,140
National Development	790	1,428	949	673	858	1,372	2,550
Health	3,258	3,489	4,066	5,044	5,872	7,773	9,202
Environment and Water Resources	720	726	813	958	1,049	1,135	1,222
Culture, Community and Youth ²	-	-	364	1,003	1,335	1,797	1,449
Social and Family Development ²	1,829	1,721	1,739	1,598	1,722	2,121	2,400
Communications and Information ²	500	525	430	336	354	424	467
Manpower (Financial Security)	364	469	497	666	709	728	1,138
Security and External Relations	13,920	14,088	14,678	15,233	16,290	17,533	18,504
Defence	10,623	10,797	11,056	11,329	11,867	12,691	13,296
Home Affairs	2,937	2,947	3,266	3,522	4,029	4,383	4,761
Foreign Affairs	360	344	355	382	394	460	447
Economic Development	1,666	1,675	1,870	2,027	2,224	2,675	3,420
Transport	456	464	502	555	598	804	1,347
Trade and Industry	684	671	685	710	729	793	925
Manpower (excluding Financial Security)	439	380	456	496	520	625	641
Info-Communications and Media Development ²	88	160	227	267	378	453	508
Government Administration	1,225	1,331	1,378	1,521	1,560	1,767	1,935
Finance	552	617	631	711	682	761	856
Law	119	123	163	167	177	177	181
Organs of State	313	318	326	352	384	430	469
Prime Minister's Office	240	273	259	290	318	399	429

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

² With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.5: Development Expenditure by Sector for FY2010 to FY2016 (\$ million)

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 (Revised)</u>	<u>FY2016 (Budgeted)</u>
Total¹	12,068	11,413	12,583	12,003	13,963	19,682	19,003
Social Development	3,643	3,603	3,382	3,236	4,595	5,186	5,187
Education	877	1,042	860	973	886	700	660
National Development	1,646	1,572	1,354	901	1,308	1,364	1,246
Health	485	453	605	723	1,147	1,474	1,798
Environment and Water Resources	406	349	352	325	427	567	704
Culture, Community and Youth ²	-	-	95	212	617	804	563
Social and Family Development ²	120	64	37	41	62	115	100
Communications and Information ²	109	123	79	61	148	162	117
Manpower (Financial Security)	0	0	0	0	0	0	0
Security and External Relations	718	718	720	860	906	911	1,322
Defence	438	479	468	422	429	431	671
Home Affairs	240	194	207	379	438	465	575
Foreign Affairs	40	44	45	59	40	15	76
Economic Development	7,490	6,896	7,955	7,547	7,923	13,118	11,814
Transport	4,250	4,003	5,414	5,504	5,489	10,345	8,760
Trade and Industry	2,673	2,553	2,387	1,947	2,102	2,611	2,956
Manpower (excluding Financial Security)	42	62	28	28	37	26	13
Info-Communications and Media Development ²	525	278	126	68	296	136	84
Government Administration	217	197	527	360	539	468	680
Finance	21	30	24	25	44	59	175
Law	148	130	316	273	434	319	379
Organs of State	14	17	163	22	23	50	66
Prime Minister's Office	34	20	23	40	38	40	59

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure. These expenditure estimates also do not include Special Transfers and spending from Government Endowment and Trust Funds.

² With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.6a: Total Expenditure by Sector for FY2010 to FY2016 (\$ million)

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 (Revised)</u>	<u>FY2016 (Budgeted)</u>
Total¹	45,338	46,563	49,004	51,728	56,648	68,409	73,431
Social Development	20,102	21,660	21,877	24,179	27,207	31,936	35,755
Education	9,875	10,740	10,497	11,638	11,598	12,100	12,800
National Development	2,436	3,000	2,303	1,574	2,166	2,736	3,796
Health	3,743	3,942	4,671	5,767	7,019	9,247	11,000
Environment and Water Resources	1,126	1,075	1,165	1,283	1,476	1,702	1,926
Culture, Community and Youth ²	-	-	460	1,215	1,952	2,601	2,012
Social and Family Development ²	1,949	1,785	1,776	1,639	1,784	2,236	2,500
Communications and Information ²	609	647	508	397	503	586	583
Manpower (Financial Security)	364	469	497	666	709	728	1,138
Security and External Relations	14,638	14,806	15,397	16,094	17,196	18,444	19,826
Defence	11,061	11,276	11,524	11,751	12,295	13,122	13,967
Home Affairs	3,177	3,141	3,473	3,901	4,467	4,848	5,336
Foreign Affairs	399	388	400	441	434	475	523
Economic Development	9,157	8,570	9,825	9,574	10,147	15,793	15,234
Transport	4,706	4,467	5,916	6,059	6,086	11,149	10,107
Trade and Industry	3,357	3,224	3,073	2,656	2,830	3,404	3,881
Manpower (excluding Financial Security)	482	442	484	524	557	651	654
Info-Communications and Media Development ²	613	438	353	335	674	590	592
Government Administration	1,442	1,528	1,904	1,881	2,099	2,235	2,615
Finance	573	647	655	737	726	820	1,031
Law	267	253	479	440	611	496	561
Organs of State	327	335	489	374	406	480	536
Prime Minister's Office	274	293	282	330	355	439	488

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

² With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.6b: Total Expenditure by Sector for FY2010 to FY2016 (% of GDP)¹

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 (Revised)</u>	<u>FY2016 (Budgeted)</u>
Total²	13.7%	13.3%	13.5%	13.7%	14.4%	17.0%	17.9%
Social Development	6.1%	6.2%	6.0%	6.4%	6.9%	7.9%	8.7%
Education	3.0%	3.1%	2.9%	3.1%	2.9%	3.0%	3.1%
National Development	0.7%	0.9%	0.6%	0.4%	0.6%	0.7%	0.9%
Health	1.1%	1.1%	1.3%	1.5%	1.8%	2.3%	2.7%
Environment and Water Resources	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.5%
Culture, Community and Youth ³	-	-	0.1%	0.3%	0.5%	0.6%	0.5%
Social and Family Development ³	0.6%	0.5%	0.5%	0.4%	0.5%	0.6%	0.6%
Communications and Information ³	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Manpower (Financial Security)	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.3%
Security and External Relations	4.4%	4.2%	4.2%	4.2%	4.4%	4.6%	4.8%
Defence	3.3%	3.2%	3.2%	3.1%	3.1%	3.3%	3.4%
Home Affairs	1.0%	0.9%	1.0%	1.0%	1.1%	1.2%	1.3%
Foreign Affairs	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Economic Development	2.8%	2.4%	2.7%	2.5%	2.6%	3.9%	3.7%
Transport	1.4%	1.3%	1.6%	1.6%	1.5%	2.8%	2.5%
Trade and Industry	1.0%	0.9%	0.8%	0.7%	0.7%	0.8%	0.9%
Manpower (excluding Financial Security)	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
Info-Communications and Media Development ³	0.2%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%
Government Administration	0.4%	0.4%	0.5%	0.5%	0.5%	0.6%	0.6%
Finance	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%
Law	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%
Organs of State	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Prime Minister's Office	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Note: Figures may not add up due to rounding.

¹ Data may differ from previous years due to revisions to GDP estimates.

² The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

³ With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.7: Total Expenditure by Expenditure Type for FY2010 to FY2016 (\$ million)

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 (Revised)</u>	<u>FY2016 (Budgeted)</u>
Total Expenditure¹	45,338	46,563	49,004	51,728	56,648	68,409	73,431
Operating Expenditure	33,270	35,150	36,421	39,725	42,685	48,726	54,427
Running Costs	25,910	26,733	27,530	29,126	31,423	35,374	38,780
Expenditure on Manpower	5,857	5,668	6,231	6,844	7,409	8,115	8,667
Other Operating Expenditure	14,067	14,318	14,644	15,216	16,097	17,685	18,686
Grants, Subventions & Capital Injections to Organisations	5,986	6,747	6,654	7,066	7,916	9,575	11,428
Transfers	7,360	8,417	8,891	10,599	11,262	13,352	15,647
Social Transfers to Individuals	1,483	1,690	1,910	2,382	2,543	3,179	4,178
Transfers to Institutions & Organisations	5,742	6,622	6,871	8,046	8,596	9,985	11,252
International Organisations & Overseas Development Assistance	136	105	109	171	123	188	217
Development Expenditure²	12,068	11,413	12,583	12,003	13,963	19,682	19,003
Government Development	4,529	4,388	4,760	4,045	4,654	5,211	6,789
Grants & Capital Injections to Organisations	7,538	7,025	7,823	7,958	9,309	14,471	12,214

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

² Development Expenditure excludes land-related expenditure.

Table 3.8: Headcount by Ministry for FY2010 to FY2016

	<u>FY2010</u> ¹	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u> <u>(Revised)</u> ²	<u>FY2016</u> <u>(Budgeted)</u> ³
Civil List	53	56	51	52	52	65	65
Attorney-General's Chambers	355	417	478	534	550	582	585
Auditor-General's Office	159	159	172	169	171	190	198
Cabinet Office	11	10	10	10	11	10	12
Judicature	638	700	749	803	834	896	924
Parliament	45	46	47	48	47	62	62
Presidential Councils	4	4	4	4	3	6	6
Public Service Commission	13	13	13	13	13	14	15
Social and Family Development	4,835	4,757	1,117	1,571	1,581	1,806	1,823
Defence	283	282	282	282	282	282	282
Education	52,278	53,947	56,106	56,841	56,707	61,900	61,855
Environment and Water Resources	3,995	4,076	4,508	4,522	4,400	4,534	4,569
Finance	3,409	3,452	3,547	3,594	3,645	3,823	3,857
Foreign Affairs	1,249	1,269	1,343	1,383	1,430	1,592	1,627
Health	1,349	1,432	1,457	1,444	1,476	1,491	1,474
Home Affairs	23,324	23,949	24,460	25,231	25,904	27,254	27,616
Communications and Information	3,688	3,863	3,361	3,488	3,605	3,692	4,076
Law	811	871	933	945	1,044	1,101	1,105
Manpower	2,154	2,194	2,477	2,531	2,584	2,677	2,683
National Development	7,061	7,217	7,337	8,187	8,804	9,208	9,152
Prime Minister's Office	613	740	809	913	1,056	1,116	1,149
Trade and Industry	2,664	2,931	2,874	3,067	2,829	3,003	3,013
Transport	4,233	4,394	4,611	5,203	5,440	6,040	6,567
Culture, Community and Youth	-	-	4,624	4,586	4,545	5,161	4,884
Total	113,224	116,779	121,370	125,421	127,013	136,505	137,599

Note:

Establishments reflect the number of officers that Ministries can hire, but are not reflective of actual headcount, as establishments may not be filled by Ministries even though they may be kept in anticipation of a future need.

¹ Figures for FY2010 to FY2014 refer to actual headcount.

² Figures for FY2015 are revised establishment estimates.

³ Figures for FY2016 are budgeted establishment estimates.

GLOSSARY

Glossary of Terms

Assets Taxes

Assets Taxes refer to Property Tax and Estate Duty. Property Tax is a tax on the ownership of property and is payable by all property owners on the properties owned by them. Estate Duty is a tax on the total market value of a person's assets (cash and non-cash) at the date of his or her death. Estate Duty will not apply to a person who dies after 15 February 2008.

Customs Duties

Taxes on goods imported into Singapore. In Singapore, Customs Duties are principally imposed on alcoholic beverages.

Development Expenditure

Expenses that represent a longer-term investment or result in the formation of a capitalisable asset of the Government. Examples of spending areas are the acquisition of heavy equipment, as well as capitalisable assets, e.g. buildings and roads.

Excise Duties

Taxes on goods, whether manufactured in Singapore or elsewhere. In Singapore, Excise Duties are imposed principally on tobacco, petroleum products, motor vehicles and liquor to achieve social and transport policy objectives.

Fiscal Impulse

The fiscal impulse provides a measure of the macroeconomic impact of the Budget; a positive impulse indicates a more expansionary fiscal stance than the previous year while a negative impulse indicates a less expansionary (or more contractionary) stance.

Financial Year (FY)

The Singapore Government's Financial Year 2016 is from 1 April 2016 to 31 March 2017.

Government Endowment Fund

A fund established with an injection of government monies as principal on which the income generated will be used to

finance specific programmes on an ongoing basis. Examples of government endowment funds include the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

Government Trust Fund

A fund established with an injection of government monies as principal, which is drawn down to finance specific programmes on an ongoing basis. Examples of government trust funds include the National Research Fund and the GST Voucher Fund.

Motor Vehicle Taxes

Motor Vehicle Taxes comprise additional registration fees, road tax, special tax on heavy-oil engines, passenger vehicle seating fees and non-motor vehicle licences, but exclude excise duties on motor vehicles which are classified under Customs and Excise Taxes.

Net Investment Returns Contribution

Contributions from the investment returns on our reserves, where Net Investment Returns Contributions (NIRC) is the sum of: (1) up to 50% of the expected long-term real return on the relevant assets specified in the Constitution; and (2) up to 50% of the net investment income on the remaining assets.

Operating Revenue

Government receipts credited to the Consolidated Revenue Account and Development Fund Account, excluding investment and interest income, and capital receipts (lumpy and less regular in timing). The main components are Corporate Income Tax, Personal Income Tax and Goods and Services Tax.

Operating Expenditure

Expenses incurred to maintain the operations and other regular activities of the Government. Components include expenditure on manpower, other operating expenditure and operating grants to Statutory Boards and other institutions.

Other Taxes

Other taxes comprise the Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

Output Gap

The difference between the actual level of activity in an economy (as measured by GDP) versus the sustainable amount of activity given the capacity of the economy (i.e. the level of GDP that the economy could potentially achieve without creating unhealthy inflationary pressures). It measures the degree of resource utilisation of the economy. The output gap is typically reported as a percentage of GDP to give a sense of the proportion to which the economy is over or under capacity. Where the output gap is negative, the economy is not operating at full capacity, with higher levels of unemployment. Where the output gap is positive, it indicates that the economy is operating at over-capacity, resources are stretched and inflation pressures are strong.

To promote macroeconomic stability, the Government's fiscal policies aim to be countercyclical - contractionary to prevent overheating when the economy has a positive output gap, and expansionary to stimulate growth when the economy has a negative output gap.

Past Reserves

The reserves not accumulated by the Government during its current term of office, with reserves being the excess of assets over liabilities.

Primary Budget Position

The Primary Budget Position, defined as Operating Revenue less Total Expenditure, measures the ability of the Government to meet its annual expenditures through its regular collection of revenue (taxes, fees and charges).

Stamp Duty

A tax imposed on commercial and legal documents relating to unlisted stocks and shares and immovable property.

Statutory Boards' Contributions

Statutory Boards are required under the Statutory Corporations (Contributions to Consolidated Fund) Act to provide revenues not allocated to specific purposes by any written law into the Government Consolidated Fund.

Total Expenditure

Sum of Operating and Development Expenditure. It excludes Special Transfers unless otherwise mentioned.

Withholding Tax

A non-resident is liable to pay income tax on Singapore-sourced income. Under the law, when a person makes payment of a specified nature to a non-resident, he has to withhold a percentage of that payment and pay the amount withheld to IRAS. The amount withheld is called the Withholding Tax.

Year of Assessment (YA)

Year in which tax on the income earned in the preceding year is assessed.