

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.

FY2016 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2014	Estimated FY2015	Revised FY2015	Estimated FY2016	Change over FY2015	
	TOTAL EXPENDITURE	\$725,686,385	\$931,948,300	\$819,836,300	\$1,031,011,200	\$211,174,900	25.8%
	Main Estimates						
	OPERATING EXPENDITURE	\$681,796,433	\$753,290,900	\$761,219,400	\$855,743,900	\$94,524,500	12.4%
	<i>RUNNING COSTS</i>	<i>\$662,062,593</i>	<i>\$736,631,200</i>	<i>\$713,656,600</i>	<i>\$762,441,400</i>	<i>\$48,784,800</i>	<i>6.8%</i>
	Expenditure on Manpower	\$155,149,029	\$177,193,800	\$170,801,600	\$181,325,900	\$10,524,300	6.2%
1200	Political Appointments	2,129,649	1,995,500	2,092,700	1,755,900	-336,800	-16.1
1500	Permanent Staff	152,618,243	169,708,000	167,933,800	173,822,300	5,888,500	3.5
1600	Temporary, Daily-Rated & Other Staff	401,137	490,300	775,100	747,700	-27,400	-3.5
1800	Personnel Central Vote	0	5,000,000	0	5,000,000	5,000,000	n.a.
	Other Operating Expenditure	\$493,598,568	\$551,949,600	\$533,223,300	\$573,590,800	\$40,367,500	7.6%
2100	Consumption of Products & Services	485,643,672	529,304,500	523,785,500	552,662,100	28,876,600	5.5
2300	Manpower Development	4,838,968	7,842,000	5,817,600	6,949,800	1,132,200	19.5
2400	International & Public Relations, Public Communications	2,089,260	3,832,900	2,801,500	3,002,300	200,800	7.2
2600	Programmes Central Vote	0	10,000,000	0	10,000,000	10,000,000	n.a.
2700	Asset Acquisition	790,280	834,500	689,900	824,200	134,300	19.5
2800	Miscellaneous	236,389	135,700	128,800	152,400	23,600	18.3
	Grants, Subventions & Capital Injections to Organisations	\$13,314,996	\$7,487,800	\$9,631,700	\$7,524,700	-\$2,107,000	-21.9%
3100	Grants, Subventions & Capital Injections to Statutory Boards	3,978,000	3,199,800	5,049,700	2,870,700	-2,179,000	-43.2
3400	Grants, Subventions & Capital Injections to Other Organisations	9,336,996	4,288,000	4,582,000	4,654,000	72,000	1.6

Code	Object Class	Actual FY2014	Estimated FY2015	Revised FY2015	Estimated FY2016	Change over FY2015	
	<i>TRANSFERS</i>	<i>\$19,733,840</i>	<i>\$16,659,700</i>	<i>\$47,562,800</i>	<i>\$93,302,500</i>	<i>\$45,739,700</i>	<i>96.2%</i>
3500	Social Transfers to Individuals	104,453	130,000	190,000	398,000	208,000	109.5
3800	International Organisations & Overseas Development Assistance	19,629,387	16,529,700	47,372,800	92,904,500	45,531,700	96.1
	OTHER CONSOLIDATED FUND OUTLAYS	\$1,373,393,536	\$1,435,000,000	\$1,880,000,000	\$1,939,000,000	\$59,000,000	3.1%
4200	Expenses on Investments	1,373,393,536	1,435,000,000	1,880,000,000	1,939,000,000	59,000,000	3.1
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$43,889,952	\$178,657,400	\$58,616,900	\$175,267,300	\$116,650,400	199.0%
5100	Government Development	43,549,565	178,657,400	58,616,900	175,267,300	116,650,400	199.0
5200	Grants & Capital Injections to Organisations	340,387	0	0	0	0	0.0

Establishment List

Category/Personnel	Actual FY2014	Estimated FY2015	Revised FY2015	Estimated FY2016
POLITICAL APPOINTMENTS	2	2	3	3
Minister	1	1	1	1
Senior Minister of State	1	1	2	2
PERMANENT STAFF	1,690	1,788	1,790	1,824
Accounting Profession (2008)	32	45	46	46
Administrative	19	19	15	15
Corporate Support	63	69	55	55
Management Executive Scheme (2008)	357	401	576	566
Management Support Scheme (2008)	415	409	271	271
Operations Support	7	8	8	8
Shorthand Writers	2	3	2	2
Singapore Customs Officer (2008)	511	543	527	571
Singapore Customs Specialist (2008)	284	291	290	290
OTHERS	1,953	2,030	2,030	2,030
Inland Revenue Authority of Singapore	1,953	2,030	2,030	2,030
TOTAL	3,645	3,820	3,823	3,857

FY2015 BUDGET

The total expenditure of the Ministry of Finance (MOF) in FY2015 is expected to be \$819.84 million excluding Expenses on Investments (EOI). This is an increase of \$94.15 million or 13.0% compared to the actual FY2014 expenditure of \$725.69 million.

Operating expenditure in FY2015 is expected to be \$761.22 million, an increase of \$79.42 million or 11.6% over the actual FY2014 expenditure of \$681.80 million. The increase is due to higher operational needs and contributions to International Organisations.

Development expenditure in FY2015 is expected to be \$58.62 million, an increase of \$14.73 million or 33.6% over the actual FY2014 expenditure of \$43.89 million. The increase is mainly due to more spending on eGovernment projects under Finance Programme and implementation of new development project under Shared Services Programme.

EOI in FY2015 is expected to be \$1.88 billion, \$0.51 billion higher than the actual amount incurred in FY2014. The expected increase is attributed to increased investment activities.

FY2016 BUDGET

Total expenditure for FY2016 is projected to be \$1.031 billion (excluding EOI) which comprises an operating expenditure of \$855.74 million and development expenditure of \$175.27 million. This is an increase of \$211.17 million or 25.8% from the FY2015 revised expenditure of \$819.84 million. Expenses on Investments (EOI) are projected at \$1.94 billion.

Operating Expenditure

The projected FY2016 operating expenditure of \$855.74 million is an increase of \$94.52 million or 12.4% over the revised FY2015 operating expenditure of \$761.22 million.

The Inland Revenue Authority of Singapore Programme is projected to take up the largest share of the operating expenditure (\$413.46 million or 48.3%). This is followed by the Finance Programme (\$215.35 million or 25.2%), Singapore Customs Programme (\$130 million or 15.2%), Shared Services Programme (\$40.85 million or 4.8%), Accounting Services (\$30.98 million or 3.6%), Integration Programme (\$17 million or 2.0%) and Centre for Public Project Management Programme (\$8.10 million or 0.9%).

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 \$413.46 million for FY2016.

b) Finance Programme

An operating expenditure of \$215.35 million is provided for the Finance Programme for FY2016. Of the total sum of \$215.35 million, \$65.46 million (30.4%) is for other operating expenditure, \$49.55 million (23.0%) is for expenditure on manpower and \$100.34 million (46.6%) is for transfers as well as grants and subventions. The budgeted \$215.35 million is an increase of \$60 million or 38.6% over the revised FY2015 expenditure of \$155.35 million. The higher budgetary requirement for FY2016 is mainly attributed to (i) an increase in contributions to International Organisations, (ii) a provision of \$15 million being set aside annually in Personnel and Programme Central Votes and (iii) an agency fee of \$17 million payable to Accounting and Corporate Regulatory Authority (ACRA).

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 FY2016 is projected to be \$130 million, an increase of \$2.26 million or 1.8% over the revised FY2015 expenditure of \$127.74 million. The higher requirement for FY2016 is mainly attributed to continuous efforts to enhance supply chain security, strategic goods control, and enforcement capability.

Development Expenditure

Development expenditure for FY2016 is projected to be \$175.27 million, an increase of \$116.65 million or 199.0% over the revised FY2015 development expenditure of \$58.62 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 Singapore Customs Programme by \$20.60 million.

Expenses on Investments (EOI)

EOI in FY2016 is budgeted to be \$1.94 billion, which is \$0.06 billion higher than the estimated expenditure in FY2015. Expenses are expected to grow slower in line with global growth and inflation.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
MA	Finance	122,530,700	92,818,500	215,349,200	133,904,700	349,253,900
MC	Accounting Services	30,583,000	398,000	30,981,000	433,000	31,414,000
MG	Shared Services	40,848,100	0	40,848,100	4,534,000	45,382,100
MO	Singapore Customs	129,916,400	86,000	130,002,400	33,493,000	163,495,400
MP	Inland Revenue Authority of Singapore	413,458,000	0	413,458,000	0	413,458,000
MQ	Integration	17,000,200	0	17,000,200	2,902,600	19,902,800
MR	Centre for Public Project Management	8,105,000	0	8,105,000	0	8,105,000
	Total	\$762,441,400	\$93,302,500	\$855,743,900	\$175,267,300	\$1,031,011,200

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2013	Actual FY2014	Estimated FY2015	Revised FY2015	Estimated FY2016
DEVELOPMENT EXPENDITURE	...	...	\$43,889,952	\$178,657,400	\$58,616,900	\$175,267,300
<i>GOVERNMENT DEVELOPMENT</i>	...	...	<i>43,549,565</i>	<i>178,657,400</i>	<i>58,616,900</i>	<i>175,267,300</i>
Finance Programme						
Corporate Pass and Singapore Personal Access	34,329,200	278,057	15,757,935	16,217,800	14,594,400	3,698,800
Integrated Budget System 2.0	8,136,300	0	0	2,254,300	3,124,300	2,498,800
People Data Exchange	14,442,000	0	798,171	0	7,151,300	2,915,400
Enterprise Data Hub (EDH)	19,074,100	0	0	0	1,322,600	7,571,500
Central Vote for New Projects	...	...	0	100,000,000	0	100,000,000
Minor Development Projects for GCIO	...	...	1,165,090	28,196,200	3,256,300	8,280,900
Minor Development Projects	...	...	794,496	3,599,600	4,230,100	4,468,500
New Projects	...	...	0	2,734,600	18,500	4,470,800
Accounting Services Programme						
Minor Development Projects	...	...	665,321	1,931,000	2,293,100	433,000
Shared Services Programme						
Minor Development Projects	...	...	686,989	3,600,000	3,161,600	1,216,000
Vital's Electronic Document Management System, Knowledge Management and e-Training System	6,713,500	0	0	0	218,400	3,318,000
Singapore Customs Programme						
Setting up of Radiographic Scanning Stations	26,300,000	12,137,105	9,233,424	570,000	582,300	370,000
SC's Smart Architecture and Application Services	17,960,000	2,942,193	5,901,198	1,691,000	1,680,200	2,790,100
New Customs Operation Command (COC) Building	94,945,500	253,633	330,842	2,000,000	2,000,000	1,773,300
New Trade Statistics System	5,729,000	0	0	0	235,700	2,121,600
New TradeXchange/TradeNet/eCustoms Project	155,861,900	0	0	0	4,728,000	25,786,000
Minor Development Projects	...	...	2,021,300	8,630,300	3,551,100	652,000

Project Title	Total Project Cost	Actual Expenditure up to end of FY2013	Actual FY2014	Estimated FY2015	Revised FY2015	Estimated FY2016
Integration Programme						
Integration Programme Budget-Development	0	10,700,244	345,346	837,800	1,120,600	844,600
Transformation Support Fund	17,000,000	0	1,026,787	4,675,000	3,598,400	2,058,000
Completed Projects	...	...	4,822,667	1,719,800	1,750,000	0
<i>GRANTS & CAPITAL INJECTIONS TO ORGANISATIONS</i>	...	...	340,387	0	0	0
Completed Projects	...	...	340,387	0	0	0

KEY PERFORMANCE INDICATORS

Desired Outcomes

- Stewardship of Public Good
- Quality and Sustainable Growth
- High Performance Government

Key Performance Indicators

Desired Outcome	Performance Indicator	Actual FY2013	Actual FY2014	Revised FY2015	Estimated FY2016
Stewardship of Public Good	Balanced Budget				
	Overall Budget Balance as a % of GDP (5-year moving average)	0.8	0.9	0.6	0.5
	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)	103.6	102.2	99.8	NA
	Government expenditure as % of budgeted expenditure (excluding special transfers)	96.9	100.0	100.3	NA
Quality and Sustainable Growth	Conducive Business Environment				
	IMD World Competitiveness Yearbook: 'Real corporate taxes do not discourage entrepreneurial activity'	4 th (out of 60 countries)	4 th (out of 60 countries)	1 st (out of 61 countries)	Top 4
	WEF Global Enabling Trade Report – 'Border Administration'	NA ¹	1 st (out of 138 countries)	NA ¹	Top 3
	World Bank 'Doing Business' Report – Ease of Doing Business	1 st (out of 189 economies)	1 st (out of 189 economies)	1 st (out of 189 economies)	Top 3
	World Bank 'Doing Business' Report – Starting a Business	3 rd (out of 189 economies)	6 ^{th2} (out of 189 economies)	10 th (out of 189 economies)	Top 10

¹ The World Economic Forum Global Enabling Trade Report is released biennially since 2010.

² The World Bank rankings from FY2014 onwards were based on a new methodology, and are hence not comparable to FY2013. The World Bank ranking criteria includes Procedures, Time, Cost and Minimum Capital.

Desired Outcome	Performance Indicator	Actual FY2013	Actual FY2014	Revised FY2015	Estimated FY2016
Inclusive Growth					
	20 th percentile monthly nominal household income from work ³ per household member among citizen employed households (real annual growth rate in parenthesis)	\$1,011 (4.4%) ⁴	\$1,085 (5.4%) ⁴	\$1,170 (8.2%) ⁴	NA
	Median monthly nominal household income from work ³ per household member among citizen employed households (real annual growth rate in parenthesis)	\$2,114 (4.5%) ⁴	\$2,212 (3.3%) ⁴	\$2,353 (6.1%) 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)	1.43	1.46	1.61	1.60
	Cost per dollar of tax collected by IRAS (unit of measurement in cents)	0.86	0.82	0.84	0.89
Integrated Government					
	WEF Global Information Technology Report - Government Usage and Social Impacts Sub-indices	Government Usage: 1st Social Impacts: 1st (out of 144 countries)	Government Usage: 1st Social Impacts: 1st (out of 148 countries)	Government Usage: Top 3 Social Impacts: Top 3 (out of 143 countries)	Government Usage: Top 3 Social Impacts: Top 3
	Quality of e-services:				
	% of citizens who are overall				
	- very satisfied (rating of 5 and above on a 6 point scale)	74	73	75	75
	- satisfied (rating of 4 and above on a 6 point scale)	98	97	98	98
	% of businesses who are overall				
	- very satisfied (rating of 5 and above on a 6 point scale)	64	69	75	75
	- satisfied (rating of 4 and above on a 6 point scale)	93	95	95	95
Efficient Government					
	% of requests for business profiles provided by ACRA within 30 minutes of payment	88.7	78.1	54.2 ⁵	95.0
	% of TradeNet declarations processed within 10 minutes by Singapore Customs	99.9	99.9	99.0	99.0
	% of tax refunds processed by IRAS				
	- within 14 days	99.1	99.2	99.1	99.1
	- within 30 days	99.9	99.9	99.9	99.9

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 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).

⁵ The rollout of ACRA's new business filing system was delayed from 2015 to January 2016. The indicator performance is expected to improve from FY2016 onwards, with the new online filing system in place.