

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.

FY2017 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2015	Estimated FY2016	Revised FY2016	Estimated FY2017	Change over FY2016	
	TOTAL EXPENDITURE	\$793,325,345	\$1,031,011,200	\$916,561,600	\$1,101,294,000	\$184,732,400	20.2%
	Main Estimates						
	OPERATING EXPENDITURE	\$739,953,642	\$855,743,900	\$842,181,800	\$917,173,600	\$74,991,800	8.9%
	<i>RUNNING COSTS</i>	<i>\$697,624,298</i>	<i>\$762,441,400</i>	<i>\$751,935,100</i>	<i>\$788,504,100</i>	<i>\$36,569,000</i>	<i>4.9%</i>
	Expenditure on Manpower	\$165,087,046	\$181,325,900	\$171,269,100	\$179,275,400	\$8,006,300	4.7%
1200	Political Appointments	2,047,864	1,755,900	2,263,200	1,028,000	-1,235,200	-54.6
1500	Permanent Staff	162,502,295	173,822,300	168,421,000	172,671,000	4,250,000	2.5
1600	Temporary, Daily-Rated & Other Staff	536,887	747,700	584,900	576,400	-8,500	-1.5
1800	Personnel Central Vote	0	5,000,000	0	5,000,000	5,000,000	n.a.
	Other Operating Expenditure	\$523,851,393	\$573,590,800	\$572,930,300	\$599,237,400	\$26,307,100	4.6%
2100	Consumption of Products & Services	515,149,106	552,662,100	564,049,400	579,664,800	15,615,400	2.8
2300	Manpower Development	5,413,024	6,949,800	6,312,600	7,327,300	1,014,700	16.1
2400	International & Public Relations, Public Communications	2,101,664	3,002,300	1,695,200	1,750,100	54,900	3.2
2600	Programmes Central Vote	0	10,000,000	0	10,000,000	10,000,000	n.a.
2700	Asset Acquisition	1,040,171	824,200	694,000	349,700	-344,300	-49.6
2800	Miscellaneous	147,428	152,400	179,100	145,500	-33,600	-18.8
	Grants, Subventions & Capital Injections to Organisations	\$8,685,860	\$7,524,700	\$7,735,700	\$9,991,300	\$2,255,600	29.2%
3100	Grants, Subventions & Capital Injections to Statutory Boards	5,049,000	2,870,700	3,135,800	5,405,700	2,269,900	72.4
3400	Grants, Subventions & Capital Injections to Other Organisations	3,636,860	4,654,000	4,599,900	4,585,600	-14,300	-0.3

Code	Object Class	Actual FY2015	Estimated FY2016	Revised FY2016	Estimated FY2017	Change over FY2016	
	<i>TRANSFERS</i>	<i>\$42,329,344</i>	<i>\$93,302,500</i>	<i>\$90,246,700</i>	<i>\$128,669,500</i>	<i>\$38,422,800</i>	<i>42.6%</i>
3500	Social Transfers to Individuals	169,518	398,000	365,000	404,000	39,000	10.7
3800	International Organisations & Overseas Development Assistance	42,159,826	92,904,500	89,881,700	128,265,500	38,383,800	42.7
	OTHER CONSOLIDATED FUND OUTLAYS	\$1,491,066,451	\$1,939,000,000	\$1,532,000,000	\$1,609,000,000	\$77,000,000	5.0%
4200	Expenses on Investments	1,491,066,451	1,939,000,000	1,532,000,000	1,609,000,000	77,000,000	5.0
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$53,371,703	\$175,267,300	\$74,379,800	\$184,120,400	\$109,740,600	147.5%
5100	Government Development	53,371,703	175,267,300	74,379,800	184,120,400	109,740,600	147.5

Establishment List

Category/Personnel	Actual FY2015	Estimated FY2016	Revised FY2016	Estimated FY2017
POLITICAL APPOINTMENTS	3	3	3	3
Minister	1	1	2	2
Senior Minister of State	2	2	1	1
PERMANENT STAFF	1,727	1,824	1,862	1,864
Accounting Profession (2008)	43	46	49	52
Administrative	15	15	15	15
Corporate Support	42	55	37	37
Management Executive Scheme (2008)	542	566	616	615
Management Support Scheme (2008)	260	271	217	217
Operations Support	7	8	5	5
Shorthand Writers	1	2	0	0
Singapore Customs Officer (2008)	527	571	627	627
Singapore Customs Specialist (2008)	290	290	296	296
OTHERS	1,958	2,030	2,030	2,030
Inland Revenue Authority of Singapore	1,958	2,030	2,030	2,030
TOTAL	3,688	3,857	3,895	3,897

FY2016 BUDGET

The total expenditure of the Ministry of Finance (MOF) in FY2016 is expected to be \$916.56 million excluding Expenses on Investments (EOI). This is an increase of \$123.23 million or 15.5% compared to the actual FY2015 expenditure of \$793.33 million.

Operating expenditure in FY2016 is expected to be \$842.18 million, an increase of \$102.23 million or 13.8% over the actual FY2015 expenditure of \$739.95 million. The increase is due to higher operational needs and contributions to International Organisations.

Development expenditure in FY2016 is expected to be \$74.38 million, an increase of \$21.01 million or 39.4% over the actual FY2015 expenditure of \$53.37 million. The increase is mainly due to more spending required under Singapore Customs Programme.

EOI in FY2016 is expected to be \$1.53 billion, \$0.04 billion higher than the actual amount incurred in FY2015. The expected increase is attributed to increased investment activities.

FY2017 BUDGET

Total expenditure for FY2017 is projected to be \$1.101 billion (excluding EOI) which comprises operating expenditure of \$917.17 million and development expenditure of \$184.12 million. This is an increase of \$184.73 million or 20.2% from the FY2016 revised expenditure of \$916.56 million. Expenses on Investments (EOI) are projected at \$1.61 billion.

Operating Expenditure

The projected FY2017 operating expenditure of \$917.17 million is an increase of \$74.99 million or 8.9% over the revised FY2016 operating expenditure of \$842.18 million.

The Inland Revenue Authority of Singapore Programme is projected to take up the largest share of the operating expenditure (\$432.79 million or 47.2%). This is followed by the Finance Programme (\$260.48 million or 28.4%), Singapore Customs Programme (\$124.52 million or 13.6%), Shared Services Programme (\$40.44 million or 4.4%), Accounting Services Programme (\$34.33 million or 3.7%), Integration Programme (\$18.00 million or 2.0%) and Centre for Public Project Management Programme (\$6.61 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 \$432.79 million for FY2017.

b) Finance Programme

An operating expenditure of \$260.48 million is provided for the Finance Programme for FY2017. Of the total sum of \$260.48 million, \$69.88 million (26.8%) is for other operating expenditure, \$52.41 million (20.1%) is for expenditure on manpower and \$138.19 million (53.1%) is for transfers as well as grants and subventions. The budgeted \$260.48 million is an increase of \$57.33 million or 28.2% over the revised FY2016 expenditure of \$203.15 million. The higher budgetary requirement for FY2017 is mainly attributed to (i) an increase in contributions to International Organisations and (ii) a provision of \$15 million being set aside annually in Personnel and Programme Central Votes.

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 FY2017 is projected to be \$124.52 million, a decrease of \$3.52 million or 2.8% over the revised FY2016 expenditure of \$128.04 million.

Development Expenditure

Development expenditure for FY2017 is projected to be \$184.12 million, an increase of \$109.74 million or 147.5% over the revised FY2016 development expenditure of \$74.38 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 requirement under Singapore Customs Programme by \$8.81 million.

Expenses on Investments (EOI)

EOI in FY2017 is budgeted to be \$1.61 billion, which is \$0.08 billion higher than the estimated expenditure in FY2016. Higher expenses are expected to be incurred with growth in assets under management.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
MA	Finance	132,283,400	128,197,600	260,481,000	125,881,200	386,362,200
MC	Accounting Services	33,928,500	404,000	34,332,500	2,267,500	36,600,000
MG	Shared Services	40,436,100	0	40,436,100	3,391,500	43,827,600
MO	Singapore Customs	124,452,400	67,900	124,520,300	50,529,400	175,049,700
MP	Inland Revenue Authority of Singapore	432,796,000	0	432,796,000	0	432,796,000
MQ	Integration	17,996,000	0	17,996,000	2,050,800	20,046,800
MR	Centre for Public Project Management	6,611,700	0	6,611,700	0	6,611,700
Total		\$788,504,100	\$128,669,500	\$917,173,600	\$184,120,400	\$1,101,294,000

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2014	Actual FY2015	Estimated FY2016	Revised FY2016	Estimated FY2017
DEVELOPMENT EXPENDITURE	...	...	\$53,371,703	\$175,267,300	\$74,379,800	\$184,120,400
<i>GOVERNMENT DEVELOPMENT</i>	...	...	<i>53,371,703</i>	<i>175,267,300</i>	<i>74,379,800</i>	<i>184,120,400</i>
Finance Programme						
Integrated Budget System 2.0	8,136,300	0	3,058,557	2,498,800	792,200	2,110,800
People Data Exchange	14,442,000	798,171	6,976,819	2,915,400	2,972,900	1,685,100
Enterprise Data Hub (EDH)	19,074,100	0	1,383,965	7,571,500	7,215,400	7,938,400
Central Vote for New Projects	...	...	0	100,000,000	0	100,000,000
Minor Development Projects for GCIO	...	...	2,389,992	8,280,900	1,360,400	6,528,400
Minor Development Projects	...	...	3,455,629	4,468,500	3,611,700	7,077,400
New Projects	...	...	0	4,470,800	0	541,100
Accounting Services Programme						
Minor Development Projects	...	...	2,226,068	433,000	4,976,000	2,267,500
Shared Services Programme						
Minor Development Projects	...	...	3,153,290	1,216,000	1,169,300	2,365,800
Vital's Electronic Document Management System, Knowledge Management and e-Training System	6,713,500	0	88,270	3,318,000	2,889,600	1,025,700
Singapore Customs Programme						
SC's Smart Architecture and Application Services	17,960,000	8,843,390	1,595,959	2,790,100	2,540,200	669,000
New Customs Operation Command (COC) Building	94,945,500	584,475	1,980,023	1,773,300	4,455,900	17,445,300
New Trade Statistics System	5,729,000	0	589,323	2,121,600	2,091,200	1,885,800
New TradeXchange/TradeNet/eCustoms Project	155,861,900	0	5,038,213	25,786,000	31,597,600	26,376,600
Minor Development Projects	...	...	3,058,962	652,000	667,000	4,152,700
Integration Programme						
Transformation Support Fund	26,830,000	1,026,787	2,633,956	2,058,000	1,824,700	2,050,800
Completed Projects	...	...	15,742,677	4,913,400	6,215,700	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 FY2014	Actual FY2015	Revised FY2016	Estimated FY2017
Stewardship of Public Good	Balanced Budget				
	Overall Budget Balance as a % of GDP (5-year moving average)	0.9	0.6	0.7	0.4
	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)	102.2	100.9	100.3	NA
	Government expenditure as % of budgeted expenditure (excluding special transfers)	100.0	98.9	97.2	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)	1 st (Out of 61 countries)	2 nd (Out of 61 countries)	Top 4
	WEF Global Enabling Trade Report – 'Border Administration'	1 st (Out of 138 economies)	N.A. ¹	1 st (Out of 136 economies)	N.A. ¹
	World Bank 'Doing Business' Report – Ease of Doing Business	1 st (out of 189 economies)	3 rd (out of 189 economies)	2 nd (out of 190 economies)	Top 10
	World Bank 'Doing Business' Report – Starting a Business	6 th (out of 189 economies)	7 th (out of 189 economies)	6 th (out of 190 economies)	Top 10

¹ The World Economic Forum Global Enabling Trade Report is a biennial report.

Desired Outcome	Performance Indicator	Actual FY2014	Actual FY2015	Revised FY2016	Estimated FY2017
Inclusive Growth					
	20 th percentile monthly nominal household income from work ² per household member among citizen employed households (real annual growth rate in parenthesis)	\$1,085 (5.4%) ³	\$1,170 (8.2%) ³	\$1,200 (2.4%) ³	NA
	Median monthly nominal household income from work ² per household member among citizen employed households (real annual growth rate in parenthesis)	\$2,212 (3.3%) ³	\$2,353 (6.1%) ³	\$2,444 (3.5%) ³	NA
High Performance Government	Efficient and Effective Use of Resources				
	Cost per dollar of revenue collected by Singapore Customs (unit of measurement in cents)	1.46	1.50	1.58	1.57
	Cost per dollar of tax collected by IRAS (unit of measurement in cents)	0.82	0.83	0.89	0.92
Integrated Government					
	WEF Global Information Technology Report - Government Usage and Social Impacts Sub-indices	Government Usage: 1st Social Impacts: 1st (out of 148 countries)	Government Usage: 1st Social Impacts: 1st (out of 143 countries)	Government Usage: 1st Social Impacts: 1st (out of 139 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)	73	77	80	80
	- satisfied (rating of 4 and above on a 6 point scale)	97	95	98	98
	% of businesses who are overall				
	- very satisfied (rating of 5 and above on a 6 point scale)	69	68	75	75
	- satisfied (rating of 4 and above on a 6 point scale)	95	93	95	95
Efficient Government					
	% of requests for business profiles provided by ACRA within 30 minutes of payment	78.1%	54.3%	99.3%	99.0%
	% 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	99.2%	99.3%	99.1%	99.1%
	- within 30 days	99.9%	99.9%	99.9%	99.9%

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).