

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 and sustainability.

FY2018 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2016	Estimated FY2017	Revised FY2017	Estimated FY2018	Change Over FY2017	
	TOTAL EXPENDITURE	\$896,027,229	\$1,101,294,000	\$904,855,100	\$1,038,176,700	\$133,321,600	14.7%
	Main Estimates						
	OPERATING EXPENDITURE	\$824,404,278	\$917,173,600	\$840,262,600	\$856,810,900	\$16,548,300	2.0%
	<i>RUNNING COSTS</i>	<i>\$736,709,986</i>	<i>\$788,504,100</i>	<i>\$717,244,700</i>	<i>\$790,330,700</i>	<i>\$73,086,000</i>	<i>10.2%</i>
	Expenditure on Manpower	\$167,268,159	\$179,275,400	\$168,270,500	\$174,192,700	\$5,922,200	3.5%
1200	Political Appointments	1,627,368	1,028,000	1,438,200	1,059,400	-378,800	-26.3
1500	Permanent Staff	165,226,941	172,671,000	166,273,800	167,621,900	1,348,100	0.8
1600	Temporary, Daily-Rated & Other Staff	413,851	576,400	558,500	511,400	-47,100	-8.4
1800	Personnel Central Vote	0	5,000,000	0	5,000,000	5,000,000	n.a.
	Other Operating Expenditure	\$562,952,892	\$599,237,400	\$543,469,400	\$610,047,400	\$66,578,000	12.3%
2100	Consumption of Products & Services	554,886,126	579,664,800	535,108,000	590,404,700	55,296,700	10.3
2300	Manpower Development	5,082,927	7,327,300	5,256,700	6,697,700	1,441,000	27.4
2400	International & Public Relations, Public Communications	1,585,349	1,750,100	2,097,700	2,069,700	-28,000	-1.3
2600	Programmes Central Vote	0	10,000,000	160,000	10,000,000	9,840,000	n.a.
2700	Asset Acquisition	1,259,716	349,700	695,600	697,300	1,700	0.2
2800	Miscellaneous	138,775	145,500	151,400	178,000	26,600	17.6
	Grants, Subventions & Capital Injections to Organisations	\$6,488,935	\$9,991,300	\$5,504,800	\$6,090,600	\$585,800	10.6%
3100	Grants, Subventions & Capital Injections to Statutory Boards	2,870,610	5,405,700	5,270,900	5,856,700	585,800	11.1
3400	Grants, Subventions & Capital Injections to Other Organisations	3,618,325	4,585,600	233,900	233,900	0	0.0

Code	Object Class	Actual FY2016	Estimated FY2017	Revised FY2017	Estimated FY2018	Change Over FY2017	
	<i>TRANSFERS</i>	<i>\$87,694,292</i>	<i>\$128,669,500</i>	<i>\$123,017,900</i>	<i>\$66,480,200</i>	<i>-\$56,537,700</i>	<i>-46.0%</i>
3500	Social Transfers to Individuals	439,435	404,000	273,000	499,600	226,600	83.0
3800	International Organisations & Overseas Development Assistance	87,254,857	128,265,500	122,744,900	65,980,600	-56,764,300	-46.2
	OTHER CONSOLIDATED FUND OUTLAYS	\$1,275,092,843	\$1,609,000,000	\$1,811,000,000	\$1,900,000,000	\$89,000,000	4.9%
4200	Expenses on Investments	1,275,092,843	1,609,000,000	1,811,000,000	1,900,000,000	89,000,000	4.9
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$71,622,951	\$184,120,400	\$64,592,500	\$181,365,800	\$116,773,300	180.8%
5100	Government Development	71,622,951	184,120,400	64,592,500	181,365,800	116,773,300	180.8

Establishment List

Category/Personnel	Actual FY2016	Estimated FY2017	Revised FY2017	Estimated FY2018
POLITICAL APPOINTMENTS	3	3	3	3
Minister	2	2	2	2
Senior Minister of State	1	1	1	1
PERMANENT STAFF	1,854	1,864	1,887	1,887
Accounting Profession (2008)	49	52	56	56
Administrative	15	15	15	15
Corporate Support	38	37	30	30
Management Executive Scheme (2008)	602	615	666	666
Management Support Scheme (2008)	222	217	193	193
Operations Support	5	5	4	4
Singapore Customs Officer (2008)	627	627	627	627
Singapore Customs Specialist (2008)	296	296	296	296
OTHERS	1,941	2,030	2,008	2,008
Inland Revenue Authority of Singapore	1,941	2,030	2,008	2,008
TOTAL	3,798	3,897	3,898	3,898

FY2017 BUDGET

The total expenditure of the Ministry of Finance (MOF) in FY2017 is expected to be \$904.86 million excluding Expenses on Investments (EOI). This is an increase of \$8.83 million or 1.0% compared to the actual FY2016 expenditure of \$896.03 million.

Operating expenditure in FY2017 is expected to be \$840.26 million, an increase of \$15.86 million or 1.9% over the actual FY2016 expenditure of \$824.40 million. The increase is due to higher contributions to International Organisations.

Development expenditure in FY2017 is expected to be \$64.59 million, a decrease of \$7.03 million or 9.8% from the actual FY2016 expenditure of \$71.62 million. This is primarily driven by a decrease in expenditure of \$12.46 million or 65.8% due to a transfer of functions from the Finance Programme to the Smart Nation Digital Government Office under the Prime Minister's Office with effect from 1 May 2017. This decrease is partially offset by an increase in expenditure of \$9.12 million or 22.0% under Singapore Customs Programme for the implementation of its development projects.

EOI in FY2017 is expected to be \$1.81 billion, \$0.54 billion higher than the actual amount incurred in FY2016. The expected increase is attributed to increased investment activities.

FY2018 BUDGET

Total expenditure for FY2018 is projected to be \$1.04 billion (excluding EOI) which comprises operating expenditure of \$856.81 million and development expenditure of \$181.37 million. This is an increase of \$133.32 million or 14.7% from the FY2017 revised expenditure of \$904.86 million. EOI is projected at \$1.90 billion.

Operating Expenditure

The projected FY2018 operating expenditure of \$856.81 million is an increase of \$16.55 million or 2.0% over the revised FY2017 operating expenditure of \$840.26 million.

The Inland Revenue Authority of Singapore Programme is projected to take up the largest share of the operating expenditure (\$439.39 million or 51.3%). This is followed by the Finance Programme (\$188.11 million or 22.0%), Singapore Customs Programme (\$134.71 million or 15.7%), Shared Services Programme (\$49.43 million or 5.8%), Accounting Services Programme (\$44.41 million or 5.2%) and Integration Programme (\$0.75 million or 0.1%).

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 \$439.39 million for FY2018.

b) Finance Programme

An operating expenditure of \$188.11 million is provided for the Finance Programme for FY2018. Of the total sum of \$188.11 million, \$63.10 million (33.5%) is for other operating expenditure, \$53.02 million (28.2%) is for expenditure on manpower and \$71.99 million (38.3%) is for transfers as well as grants and subventions. The budgeted \$188.11 million is a decrease of \$23.75 million or 11.2% from the revised FY2017 expenditure of \$211.87 million. The lower budgetary requirement for FY2018 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 FY2018 is projected to be \$134.71 million, an increase of \$12.07 million or 9.8% over the revised FY2017 expenditure of \$122.64 million. The higher requirement for FY2018 is mainly attributed to new initiatives to strengthen IT infrastructure to support our trade regime as well as continuous efforts to enhance supply chain security, strategic goods control and enforcement capability.

Development Expenditure

Development expenditure for FY2018 is projected to be \$181.37 million, an increase of \$116.77 million or 180.8% over the revised FY2017 development expenditure of \$64.59 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 of \$18.12 million in requirements under the Accounting Services Programme from revised FY2017.

Expenses on Investments (EOI)

EOI in FY2018 is budgeted to be \$1.90 billion, which is \$0.09 billion higher than the estimated expenditure in FY2017. 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
M-A	Finance	122,215,600	65,895,600	188,111,200	104,878,100	292,989,300
M-C	Accounting Services	43,912,700	499,600	44,412,300	21,024,400	65,436,700
M-G	Shared Services	49,432,000	0	49,432,000	2,323,000	51,755,000
M-O	Singapore Customs	134,627,400	85,000	134,712,400	50,784,300	185,496,700
M-P	Inland Revenue Authority of Singapore	439,392,000	0	439,392,000	0	439,392,000
M-Q	Integration	751,000	0	751,000	2,356,000	3,107,000
	Total	\$790,330,700	\$66,480,200	\$856,810,900	\$181,365,800	\$1,038,176,700

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure Up to end of FY2015	Actual FY2016	Estimated FY2017	Revised FY2017	Estimated FY2018
DEVELOPMENT EXPENDITURE	...	...	\$71,622,951	\$184,120,400	\$64,592,500	\$181,365,800
<i>GOVERNMENT DEVELOPMENT</i>	...	...	<i>71,622,951</i>	<i>184,120,400</i>	<i>64,592,500</i>	<i>181,365,800</i>
Finance Programme						
Integrated Budget System 2.0	8,136,300	3,058,557	768,000	2,110,800	1,688,600	422,200
Central Vote for New Projects	...	...	0	100,000,000	0	100,000,000
Minor Development Projects	...	...	2,456,469	7,077,400	4,792,500	2,931,900
New Projects	...	...	0	541,100	0	1,524,000
Accounting Services Programme						
New Projects	...	...	0	0	0	14,336,000
Standardisation & Centralisation of Public Service Human Resource, Payroll and Finance Processes & Systems	28,660,200	0	0	0	0	3,183,800
Minor Development Projects	...	...	4,805,154	2,267,500	2,905,000	3,504,600
Shared Services Programme						
Minor Development Projects	...	...	1,421,043	2,365,800	1,651,600	2,011,300
Vital's Electronic Document Management System, Knowledge Management and e-Training System	6,713,500	88,270	2,740,431	1,025,700	946,400	311,700
Singapore Customs Programme						
SC's Smart Architecture and Application Services	17,960,000	10,439,349	2,533,682	669,000	787,800	347,100
New Customs Operation Command (COC) Building	94,945,500	2,564,498	5,961,412	17,445,300	18,281,300	25,656,400
New Trade Statistics System	5,729,000	589,323	2,072,023	1,885,800	1,891,300	471,500
New TradeXchange/TradeNet/eCustoms Project	155,861,900	5,038,213	28,986,544	26,376,600	26,152,500	22,479,400
Minor Development Projects	...	...	1,368,333	4,152,700	3,416,500	1,829,900

Project Title	Total Project Cost	Actual Expenditure Up to end of FY2015	Actual FY2016	Estimated FY2017	Revised FY2017	Estimated FY2018
Integration Programme						
Transformation Support Fund	26,830,000	3,660,743	1,949,094	2,050,800	2,079,000	2,356,000
Completed Projects	...	...	16,560,765	16,151,900	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 FY2015	Actual FY2016	Revised FY2017	Estimated FY2018
Stewardship of Public Good	Balanced Budget				
	Overall Budget Balance as a % of GDP (5-year moving average)	0.6	0.7	0.8	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)	100.9	100.8	108.2	NA
	Government expenditure as % of budgeted expenditure (excluding special transfers)	98.9	96.8	98.5	NA
Quality and Sustainable Growth	Conducive Business Environment				
	IMD World Competitiveness Yearbook: 'Real corporate taxes do not discourage entrepreneurial activity'	1 st (Out of 61 countries)	2 nd (Out of 61 countries)	4 th (Out of 63 countries)	Top 5
	WEF Global Enabling Trade Report – 'Border Administration'	N.A.	1 st (Out of 136 economies)	N.A. ¹	Top 3
	World Bank 'Doing Business' Report – Ease of Doing Business	3 rd (out of 189 economies)	2 nd (out of 190 economies)	2 nd (out of 190 economies)	Top 10
	World Bank 'Doing Business' Report – Starting a Business	7 th (Out of 189 economies)	6 th (Out of 190 economies)	6 th (Out of 190 economies)	Top 10
	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)	\$1,170 (8.2%) ³	\$1,200 (2.4%) ³	\$1,225 (0.3%) ³	NA
	Median monthly nominal household income from work ² per household member among citizen employed households (real annual growth rate in parenthesis)	\$2,353 (6.1%) ³	\$2,444 (3.5%) ³	\$2,535 (2.0%) ³	NA

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

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 imputed rental on owner-occupied accommodation, median deflated by middle 60% income group (M60) CPI excluding imputed rental on owner-occupied accommodation).

Desired Outcome	Performance Indicator	Actual FY2015	Actual FY2016	Revised FY2017	Estimated FY2018
High Performance Government	Efficient and Effective Use of Resources				
	Cost per dollar of revenue collected by Singapore Customs	1.50 cents	1.59 cents	1.45 cents	1.59 cents
	Cost per dollar of tax collected by IRAS	0.83 cents	0.84 cents	0.87 cents	0.84 cents
	Efficient Government				
	% of requests for business profiles provided by ACRA within 30 minutes of payment	54.3%	99.4%	99.0%	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	99.3%	99.5%	99.2%	99.2%
	- within 30 days	99.9%	99.9%	99.9%	99.9%