

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.

FY2019 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2017	Estimated FY2018	Revised FY2018	Estimated FY2019	Change Over FY2018	
	TOTAL EXPENDITURE	\$895,792,792	\$1,038,176,700	\$909,941,300	\$1,021,978,800	\$112,037,500	12.3%
	Main Estimates						
	OPERATING EXPENDITURE	\$833,438,514	\$856,810,900	\$833,227,400	\$869,415,200	\$36,187,800	4.3%
	<i>RUNNING COSTS</i>	<i>\$717,480,672</i>	<i>\$790,330,700</i>	<i>\$765,808,900</i>	<i>\$824,752,400</i>	<i>\$58,943,500</i>	<i>7.7%</i>
	Expenditure on Manpower	\$171,018,109	\$174,192,700	\$176,572,600	\$182,362,200	\$5,789,600	3.3%
1200	Political Appointments	1,189,923	1,059,400	2,804,400	2,323,200	-481,200	-17.2
1500	Permanent Staff	169,534,249	167,621,900	173,271,800	174,646,400	1,374,600	0.8
1600	Temporary, Daily-Rated & Other Staff	293,936	511,400	496,400	392,600	-103,800	-20.9
1800	Personnel Central Vote	0	5,000,000	0	5,000,000	5,000,000	n.a.
	Other Operating Expenditure	\$541,191,712	\$610,047,400	\$583,072,600	\$630,563,700	\$47,491,100	8.1%
2100	Consumption of Products & Services	533,684,793	590,404,700	574,343,100	610,537,100	36,194,000	6.3
2300	Manpower Development	4,522,496	6,697,700	5,949,700	7,087,700	1,138,000	19.1
2400	International & Public Relations, Public Communications	2,001,826	2,069,700	2,125,600	2,103,600	-22,000	-1.0
2600	Programmes Central Vote	148,924	10,000,000	0	10,000,000	10,000,000	n.a.
2700	Asset Acquisition	699,161	697,300	510,400	693,500	183,100	35.9
2800	Miscellaneous	134,511	178,000	143,800	141,800	-2,000	-1.4
	Grants, Subventions & Capital Injections to Organisations	\$5,270,852	\$6,090,600	\$6,163,700	\$11,826,500	\$5,662,800	91.9%
3100	Grants, Subventions & Capital Injections to Statutory Boards	5,270,852	5,856,700	5,854,400	7,535,800	1,681,400	28.7
3400	Grants, Subventions & Capital Injections to Other Organisations	0	233,900	309,300	4,290,700	3,981,400	1287.2

Code	Object Class	Actual FY2017	Estimated FY2018	Revised FY2018	Estimated FY2019	Change Over FY2018	
	<i>TRANSFERS</i>	<i>\$115,957,842</i>	<i>\$66,480,200</i>	<i>\$67,418,500</i>	<i>\$44,662,800</i>	<i>-\$22,755,700</i>	<i>-33.8%</i>
3500	Social Transfers to Individuals	0	499,600	0	0	0	n.a.
3800	International Organisations & Overseas Development Assistance	115,957,842	65,980,600	67,418,500	44,662,800	-22,755,700	-33.8
	OTHER CONSOLIDATED FUND OUTLAYS	\$1,693,297,344	\$1,900,000,000	\$2,462,000,000	\$2,611,000,000	\$149,000,000	6.1%
4200	Expenses on Investments	1,693,297,344	1,900,000,000	2,462,000,000	2,607,000,000	145,000,000	5.9
4600	Loans and Advances (Disbursement)	0	0	0	4,000,000	4,000,000	n.a.
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$62,354,278	\$181,365,800	\$76,713,900	\$152,563,600	\$75,849,700	98.9%
5100	Government Development	62,354,278	181,365,800	76,713,900	152,563,600	75,849,700	98.9

Establishment List

Category/Personnel	Actual FY2017	Estimated FY2018	Revised FY2018	Estimated FY2019
POLITICAL APPOINTMENTS	3	3	3	3
Minister	2	2	3	3
Senior Minister of State	1	1	0	0
PERMANENT STAFF	1,838	1,887	1,870	1,867
Accounting Profession (2008)	50	56	56	57
Administrative	15	15	16	16
Corporate Support	31	30	25	25
Management Executive Scheme (2008)	617	666	684	686
Management Support Scheme (2008)	198	193	163	157
Operations Support	4	4	3	3
Singapore Customs Officer (2008)	627	627	627	627
Singapore Customs Specialist (2008)	296	296	296	296
OTHERS	1,936	2,008	1,985	2,018
Inland Revenue Authority of Singapore	1,936	2,008	1,985	2,018
TOTAL	3,777	3,898	3,858	3,888

FY2018 BUDGET

The revised total expenditure of the Ministry of Finance (MOF) in FY2018 is expected to be \$909.94 million, excluding Expenses on Investments (EOI). This is an increase of \$14.15 million or 1.6% compared to the actual FY2017 total expenditure of \$895.79 million.

Revised operating expenditure in FY2018 is expected to be \$833.23 million, which is comparable to the actual FY2017 operating expenditure of \$833.44 million.

Revised development expenditure in FY2018 is expected to be \$76.71 million, an increase of \$14.36 million or 23.0% from the actual FY2017 development expenditure of \$62.35 million. This is primarily due to an increase in expenditure under the Singapore Customs Programme (by \$7.99 million or 15.8%) and Accounting Services Programme (by \$6.31 million or 232.9%) for the implementation of their development projects.

EOI in FY2018 is expected to be \$2.46 billion, \$768.70 million higher than the actual amount incurred in FY2017. This is due to increased investment activities.

FY2019 BUDGET

Total expenditure for FY2019 is projected to be \$1.02 billion (excluding EOI), which comprises operating expenditure of \$869.42 million and development expenditure of \$152.56 million. This is an increase of \$112.04 million or 12.3% from the revised FY2018 total expenditure of \$909.94 million. EOI is projected at \$2.61 billion.

Operating Expenditure

The projected FY2019 operating expenditure of \$869.42 million is an increase of \$36.19 million or 4.3% over the revised FY2018 operating expenditure of \$833.23 million.

The Inland Revenue Authority of Singapore Programme is projected to take up the largest share of operating expenditure (\$466.70 million or 53.7%). This is followed by the Finance Programme (\$176.34 million or 20.3%), Singapore Customs Programme (\$142.36 million or 16.4%), Shared Services Programme (\$43.96 million or 5.1%), and Accounting Services Programme (\$40.06 million or 4.6%).

The highlights of the top three 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 \$466.70 million for FY2019.

b) Finance Programme

An operating expenditure of \$176.34 million is provided for the Finance Programme for FY2019. Of the total sum of \$176.34 million, \$62.51 million (35.4%) is for other operating expenditure, \$57.43 million (32.6%) is for expenditure on manpower and \$56.41 million (32.0%) is for transfers as well as grants and subventions. The budgeted \$176.34 million is an increase of \$12.59 million or 7.7% from the revised FY2018 expenditure of \$163.76 million. The higher budgetary requirement for FY2019 is mainly due to increases in other operating expenditure and expenditure on manpower, offset by a decrease in transfers.

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 FY2019 is projected to be \$142.36 million, an increase of \$3.86 million or 2.8% from the revised FY2018 expenditure of \$138.49 million. The higher requirement for FY2019 is mainly due to continuous efforts to enhance enforcement capabilities.

Development Expenditure

Development expenditure for FY2019 is projected to be \$152.56 million, an increase of \$75.85 million or 98.9% over the revised FY2018 development expenditure of \$76.71 million. The increase is mainly due to \$100 million being set aside in the Central Vote for New Projects, offset by a decrease in the requirements of Customs' projects.

Other Consolidated Fund Outlays

Advances for FY2019 are projected to be \$4 million, mainly for recoverable expenses from tenant ministries in The Treasury building.

Expenses on Investments (EOI) in FY2019 is budgeted to be \$2.61 billion, which is \$145.00 million higher than the revised expenditure in FY2018. Higher expenses are expected to be incurred with the growth in assets under management.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
M-A	Finance	131,764,600	44,578,800	176,343,400	108,230,800	284,574,200
M-C	Accounting Services	40,058,300	0	40,058,300	11,428,000	51,486,300
M-G	Shared Services	43,960,000	0	43,960,000	3,502,000	47,462,000
M-O	Singapore Customs	142,273,500	84,000	142,357,500	29,402,800	171,760,300
M-P	Inland Revenue Authority of Singapore	466,696,000	0	466,696,000	0	466,696,000
	Total	\$824,752,400	\$44,662,800	\$869,415,200	\$152,563,600	\$1,021,978,800

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure Up to end of FY2016	Actual FY2017	Estimated FY2018	Revised FY2018	Estimated FY2019
DEVELOPMENT EXPENDITURE	...	...	\$62,354,278	\$181,365,800	\$76,713,900	\$152,563,600
<i>GOVERNMENT DEVELOPMENT</i>	...	...	<i>62,354,278</i>	<i>181,365,800</i>	<i>76,713,900</i>	<i>152,563,600</i>
Finance Programme						
Central Vote for New Projects	...	...	0	100,000,000	0	100,000,000
Minor Development Projects	...	...	3,608,681	2,931,900	4,906,700	2,713,100
New Projects	...	...	0	1,524,000	0	5,517,700
Accounting Services Programme						
New Projects	...	...	0	14,336,000	2,336,000	3,000,000
Standardisation & Centralisation of Public Service Human Resource, Payroll and Finance Processes & Systems	28,660,200	0	0	3,183,800	3,183,800	1,190,000
Relocation of AGD's central systems to the government data centre & enhancement to AGD's Public Facing Systems	25,428,000	0	0	0	0	6,000,000
Minor Development Projects	...	...	2,711,115	3,504,600	3,504,600	1,238,000
Shared Services Programme						
Minor Development Projects	...	...	1,432,017	2,011,300	2,007,600	3,302,000
Vital's Electronic Document Management System, Knowledge Management and e-Training System	6,713,500	2,828,701	894,219	311,700	167,400	200,000
Singapore Customs Programme						
New Projects	...	...	0	0	0	8,485,500
New Customs Operation Command (COC) Building	94,945,500	8,525,910	18,425,696	25,656,400	39,185,400	4,854,900
New TradeXchange/TradeNet/eCustoms Project	155,861,900	34,024,758	27,346,729	22,479,400	16,861,500	13,695,400
Minor Development Projects	...	...	2,077,742	1,829,900	1,655,700	2,367,000
Completed Projects	...	...	5,858,078	3,596,800	2,905,200	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 FY2016	Actual FY2017	Revised FY2018	Estimated FY2019
Stewardship of Public Good	Balanced Budget				
	Overall Budget Balance as a % of GDP (5-year moving average)	0.7	0.8	0.7	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)	100.8	109.2	101.4	N.A.
Government expenditure as % of budgeted expenditure (excluding special transfers)	96.8	98.0	98.7	N.A.	
Quality and Sustainable Growth	Conducive Business Environment				
	IMD World Competitiveness Yearbook: 'Real Corporate Taxes Do Not Discourage Entrepreneurial Activity'	2nd (out of 61 countries)	4th (out of 63 countries)	3rd (out of 63 countries)	Top 5
	WEF Global Enabling Trade Report – 'Border Administration'	1st (out of 136 countries)	N.A. ¹	N.A. ²	N.A. ¹
	World Bank 'Doing Business' Report – Ease of Doing Business	2nd (out of 190 economies)	2nd (out of 190 economies)	2nd (out of 190 economies)	Top 10
	World Bank 'Doing Business' Report – Starting a Business	6th (out of 190 economies)	6th (out of 190 economies)	3rd (out of 190 economies)	Top 3

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

² The WEF Global Enabling Trade Report for FY2018 will be released after the publication of the budget document.

Desired Outcome	Performance Indicator	Actual FY2016	Actual FY2017	Revised FY2018	Estimated FY2019
	Inclusive Growth				
	20th percentile monthly nominal household income from work ³ per household member among citizen employed households (real annual growth rate in parenthesis)	\$1,200 (2.4%) ⁴	\$1,225 (0.3%) ⁴	\$1,270 (1.8%) ⁴	N.A.
	Median monthly nominal household income from work ³ per household member among citizen employed households (real annual growth rate in parenthesis)	\$2,444 (3.5%) ⁴	\$2,535 (2.0%) ⁴	\$2,626 (2.2%) ⁴	N.A.
High Performance Government	Efficient and Effective Use of Resources				
	Cost per dollar of revenue collected by Singapore Customs	1.59 cents	1.41 cents	1.55 cents	1.58 cents
	Cost per dollar of tax collected by IRAS	0.84 cents	0.84 cents	0.83 cents	0.84 cents
	Efficient Government				
	% of requests for business profiles completed by ACRA within 15 minutes of payment ⁵	99.4% ⁵	99.0% ⁵	99.0%	99.0%
	% of TradeNet declarations which have been approved / rejected within 10 minutes by Singapore Customs	99.9%	99.9%	99.0%	99.0%
	% of tax refunds issued by IRAS				
	- within 14 days	99.5%	99.5%	99.7%	99.4%
	- 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 imputed rental on owner-occupied accommodation, median deflated by middle 60% income group (M60) CPI excluding imputed rental on owner-occupied accommodation).

⁵ From FY2018, ACRA has revised its service standard to complete business profile requests within 15 minutes instead of the previous standard of 30 minutes. This is to provide a more responsive service to users. FY2016 and FY2017 figures are based on the previous KPI of "% of requests for business profiles provided by ACRA within 30 minutes of payment".