

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.

FY2015 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2013	Estimated FY2014	Revised FY2014	Estimated FY2015	Change over FY2014	
	TOTAL EXPENDITURE	\$736,535,651	\$851,936,700	\$736,546,700	\$931,948,300	\$195,401,600	26.5%
	Main Estimates						
	OPERATING EXPENDITURE	\$711,363,996	\$694,914,200	\$692,239,400	\$753,290,900	\$61,051,500	8.8%
	<i>RUNNING COSTS</i>	<i>\$642,406,103</i>	<i>\$675,071,100</i>	<i>\$671,834,200</i>	<i>\$736,631,200</i>	<i>\$64,797,000</i>	<i>9.6%</i>
	Expenditure on Manpower	\$142,926,880	\$155,154,800	\$156,796,400	\$177,193,800	\$20,397,400	13.0%
1200	Political Appointments	1,997,032	1,993,600	2,000,100	1,995,500	-4,600	-0.2
1500	Permanent Staff	140,487,807	147,558,400	154,213,500	169,708,000	15,494,500	10.0
1600	Temporary, Daily-Rated & Other Staff	442,041	602,800	582,800	490,300	-92,500	-15.9
1800	Personnel Central Vote	0	5,000,000	0	5,000,000	5,000,000	n.a.
	Other Operating Expenditure	\$487,198,274	\$507,056,600	\$500,411,300	\$551,949,600	\$51,538,300	10.3%
2100	Consumption of Products & Services	478,689,798	483,881,700	490,425,000	529,304,500	38,879,500	7.9
2300	Manpower Development	5,041,984	7,082,000	6,425,100	7,842,000	1,416,900	22.1
2400	International & Public Relations, Public Communications	2,937,834	4,796,700	2,133,700	3,832,900	1,699,200	79.6
2600	Programmes Central Vote	0	10,000,000	0	10,000,000	10,000,000	n.a.
2700	Asset Acquisition	375,061	1,151,900	1,119,600	834,500	-285,100	-25.5
2800	Miscellaneous	153,597	144,300	307,900	135,700	-172,200	-55.9
	Grants, Subventions & Capital Injections to Organisations	\$12,280,949	\$12,859,700	\$14,626,500	\$7,487,800	-\$7,138,700	-48.8%
3100	Grants, Subventions & Capital Injections to Statutory Boards	3,487,120	3,068,000	3,978,000	3,199,800	-778,200	-19.6
3400	Grants, Subventions & Capital Injections to Other Organisations	8,793,829	9,791,700	10,648,500	4,288,000	-6,360,500	-59.7

Code	Object Class	Actual FY2013	Estimated FY2014	Revised FY2014	Estimated FY2015	Change over FY2014	
	<i>TRANSFERS</i>	\$68,957,893	\$19,843,100	\$20,405,200	\$16,659,700	-\$3,745,500	-18.4%
3500	Social Transfers to Individuals	153,833	172,000	111,000	130,000	19,000	17.1
3800	International Organisations & Overseas Development Assistance	68,804,060	19,671,100	20,294,200	16,529,700	-3,764,500	-18.5
	OTHER CONSOLIDATED FUND OUTLAYS	\$1,023,622,158	\$1,117,000,000	\$1,363,000,000	\$1,435,000,000	\$72,000,000	5.3%
4200	Expenses on Investments	1,023,622,158	1,117,000,000	1,363,000,000	1,435,000,000	72,000,000	5.3
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$25,171,655	\$157,022,500	\$44,307,300	\$178,657,400	\$134,350,100	303.2%
5100	Government Development	24,599,643	157,022,500	44,307,300	178,657,400	134,350,100	303.2
5200	Grants & Capital Injections to Organisations	572,012	0	0	0	0	0.0

Establishment List

Category/Personnel	Actual FY2013	Estimated FY2014	Revised FY2014	Estimated FY2015
POLITICAL APPOINTMENTS	2	2	2	2
Minister	1	1	1	1
Senior Minister of State	1	1	1	1
PERMANENT STAFF	1,646	1,732	1,714	1,788
Accounting Profession (2008)	25	46	45	45
Administrative	20	20	19	19
Corporate Support	93	113	69	69
Management Executive Scheme (2008)	321	331	333	401
Management Support Scheme (2008)	384	383	420	409
Operations Support	7	8	8	8
Shorthand Writers	2	4	3	3
Singapore Customs Officer (2008)	510	536	527	543
Singapore Customs Specialist (2008)	284	291	290	291
OTHERS	1,946	2,090	2,030	2,030
Inland Revenue Authority of Singapore	1,946	2,090	2,030	2,030
TOTAL	3,594	3,824	3,746	3,820

FY2014 BUDGET

The total expenditure of the Ministry of Finance (MOF) in FY2014 is expected to be \$736.55 million excluding Expenses on Investments (EOI). This is comparable to the actual FY2013 expenditure of \$736.54 million.

Operating expenditure in FY2014 is expected to be \$692.24 million, a decrease of \$19.12 million or 2.7% over the actual FY2013 expenditure of \$711.36 million. While the overall running costs for FY2014 have increased by \$29.43 million (4.6%), there is a significant decrease of \$48.55 million (70.4%) in the Transfers budget which is mainly due to a one-off contribution of \$48.17 million made to International Organisations in FY2013.

Development expenditure in FY2014 is expected to be \$44.31 million, an increase of \$19.14 million or 76.0% over the actual FY2013 expenditure of \$25.17 million. The increase is mainly due to more eGovernment projects under the Finance Programme.

EOI in FY2014 is expected to be \$1.36 billion, \$0.34 billion higher than the actual amount incurred in FY2013. This increase is due to higher management fees, agency fees and commissions and related expenses.

FY2015 BUDGET

Total expenditure for FY2015 is projected to be \$931.95 million (excluding EOI) which comprises an operating expenditure of \$753.29 million and development expenditure of \$178.66 million. This is an increase of \$195.40 million or 26.5% from the FY2014 revised expenditure of \$736.55 million. EOI is projected to be \$1.44 billion.

Operating Expenditure

The projected operating expenditure of \$753.29 million is an increase of \$61.05 million or 8.8% over the revised FY2014 operating expenditure of \$692.24 million.

The Inland Revenue Authority of Singapore Programme is projected to take up the largest share of the operating expenditure (\$388 million or 51.5%). This is followed by the Finance Programme (\$140.37 million or 18.6%), Singapore Customs Programme (\$129.67 million or 17.2%), Shared Services Programme (\$40.48 million or 5.4%), Accounting Services (\$28.83 million or 3.9%), Integration Programme (\$18.20 million or 2.4%), and Centre for Public Project Management Programme (\$7.74 million or 1.0%).

The highlights of the more significant Programmes are as follows:

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, 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 \$388 million for FY2015.

Finance Programme

An operating expenditure of \$140.37 million is provided for the Finance Programme for FY2015. Of the total sum, \$67.76 million (48.3%) is for other operating expenditure, \$48.67 million (34.7%) is for expenditure on manpower and \$23.94 million (17.0%) is for transfers including grants and subventions. The budgeted \$140.37 million is an increase of \$31.52 million or 29.0% over the revised FY2014 expenditure of \$108.85 million. The higher budgetary requirement for FY2015 is mainly attributed to an amount of \$15 million being set aside annually in Personnel and Programme Central Votes as well as an agency fee of \$16.50 million payable to Accounting and Corporate Regulatory Authority (ACRA).

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 FY2015 is projected to be \$129.67 million, an increase of \$11.11 million or 9.4% over the revised FY2014 expenditure of \$118.56 million. The higher requirement for FY2015 is mainly attributed to new initiatives to strengthen IT infrastructure to support our trade regime and continuous efforts to enhance supply chain security and strategic goods control, and enforcement capability.

Development Expenditure

Development expenditure for FY2015 is projected to be \$178.66 million, an increase of \$134.35 million or 303.2% over the revised FY2014 development expenditure of \$44.31 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 the Finance Programme by \$33.91 million.

Expenses on Investments

EOI in FY2015 is budgeted to be \$1.44 billion, which is \$0.08 billion higher than the estimated expenditure in FY2014. 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	123,916,400	16,454,700	140,371,100	153,909,000	294,280,100
MC	Accounting Services	28,695,600	130,000	28,825,600	2,333,000	31,158,600
MG	Shared Services	40,477,800	0	40,477,800	3,600,000	44,077,800
MO	Singapore Customs	129,595,700	75,000	129,670,700	12,891,300	142,562,000
MP	Inland Revenue Authority of Singapore	388,000,000	0	388,000,000	0	388,000,000
MQ	Integration	18,202,800	0	18,202,800	5,512,800	23,715,600
MR	Centre for Public Project Management	7,742,900	0	7,742,900	411,300	8,154,200
Total		\$736,631,200	\$16,659,700	\$753,290,900	\$178,657,400	\$931,948,300

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2012	Actual FY2013	Estimated FY2014	Revised FY2014	Estimated FY2015
DEVELOPMENT EXPENDITURE	...	...	\$25,171,655	\$157,022,500	\$44,307,300	\$178,657,400
<i>GOVERNMENT DEVELOPMENT</i>	...	...	24,599,643	157,022,500	44,307,300	178,657,400
Finance Programme						
eCitizen Portal Revamp	11,296,400	5,504,344	3,933,633	1,557,000	897,700	906,500
Corporate Pass and Singapore Personal Access	34,329,200	0	278,057	10,648,600	15,493,400	16,217,800
Integrated Budget System 2.0	5,159,000	0	0	0	0	2,254,300
Central Vote for New Projects	...	...	0	100,000,000	0	100,000,000
Minor Development Projects for GCIO	...	...	756,747	1,651,000	1,381,800	28,196,200
Minor Development Projects	...	...	576,372	482,300	2,227,100	3,599,600
New Projects	...	...	0	5,661,100	0	2,734,600
Accounting Services Programme						
NFS@Gov Upgrade	9,330,300	0	4,280,340	4,642,200	3,817,000	402,000
Minor Development Projects	...	...	0	3,600,000	690,000	1,931,000
Shared Services Programme						
Minor Development Projects	...	...	190,858	2,999,000	802,700	3,600,000
Singapore Customs Programme						
Setting up of Radiographic Scanning Stations	26,300,000	6,542,183	5,594,922	9,902,800	9,390,000	570,000
SC's Smart Architecture and Application Services	17,960,000	599,509	2,342,684	3,000,000	4,554,600	1,691,000
New Customs Operation Command (COC) Building	3,420,000	0	253,633	1,598,200	873,700	2,000,000
Minor Development Projects	...	...	4,517,868	2,941,200	2,619,900	8,630,300
Integration Programme						
Integration Programme Budget-Development	0	8,966,963	1,733,281	623,100	870,700	837,800
Transformation Support Fund	17,000,000	0	0	7,500,000	469,000	4,675,000

Project Title	Total Project Cost	Actual Expenditure up to end of FY2012	Actual FY2013	Estimated FY2014	Revised FY2014	Estimated FY2015
Centre for Public Project Management Programme						
Minor Development Projects	25,069	6,000	5,700	411,300
Completed Projects	116,179	210,000	214,000	0
<i>GRANTS & CAPITAL INJECTIONS TO ORGANISATIONS</i>	572,012	0	0	0
Completed Projects	572,012	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 FY2012	Actual FY2013	Revised FY2014	Estimated FY2015
Stewardship of Public Good	Balanced Budget				
	Overall Budget Balance as a % of GDP (5-year moving average)	0.6	0.8	0.9	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)	105.1	103.6	103.1	NA
Quality and Sustainable Growth	Government expenditure as % of budgeted expenditure (excluding special transfers)	97.5	96.9	100.9	NA
	Conducive Business Environment				
	IMD World Competitiveness Yearbook: 'Real Corporate Taxes do not discourage entrepreneurial Activity'	2 nd	4 th	4 th	Top 4
	WEF Global Enabling Trade Report – 'Border Administration'	1 st	NA	1 st	NA
	World Bank 'Doing Business' Report – Ease of Doing Business	1 st	1 st	1 st	Top 3
	World Bank 'Doing Business' Report – Starting a Business	4 th	3 rd	6 th ¹	Top 6
	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)	957 (2.7) ³	1,011 (4.4) ³	1,085 (5.4) ³	NA
	Median monthly nominal household income from work ² per household member among citizen employed households (real annual growth rate in parenthesis)	1,988 (3.5) ³	2,114 (4.5) ³	2,212 (3.3) ³	NA

¹ The World Bank rankings in 2014 were based on a new methodology, and are hence not comparable to previous years.

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).

Desired Outcome	Performance Indicator	Actual FY2012	Actual FY2013	Revised FY2014	Estimated FY2015
High Performance Government	Efficient and Effective Use of Resources				
	Cost per dollar of revenue collected by Singapore Customs (unit of measurement in cents)	1.26	1.43	1.46	1.56
	Cost per dollar of tax collected by IRAS (unit of measurement in cents)	0.79	0.86	0.87	0.90
	Integrated Government				
	WEF Global Information Technology Report - Government Usage and Social Impacts Sub-indices	Government Usage: 1 st Social Impacts: 1 st	Government Usage: 1 st Social Impacts: 1 st	Government Usage: Top 3 Social Impacts: Top 3	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	74	75	75
	- satisfied (rating of 4 and above on a 6 point scale)	97	98	98	98
	% of businesses who are overall				
	- very satisfied (rating of 5 and above on a 6 point scale)	60	64	65	65
	- satisfied (rating of 4 and above on a 6 point scale)	93	93	95	95
	Efficient Government				
	% of requests for business profiles provided by ACRA within 30 minutes of payment	87.7	88.7	78.1	95.0 ⁴
	% of TradeNet declarations processed within 10 minutes by Singapore Customs	99.7	99.9	99.5	99.0
	% of tax refunds processed by IRAS				
	- within 14 days	99.4	99.1	99.1	99.1
	- within 30 days	99.9	99.9	99.9	99.9

⁴ 95% is a target based on IT system performance improvements from rollout of a new business filing system in 2015.