

HEAD M

MINISTRY OF FINANCE

OVERVIEW

Mission Statement

To create a better Singapore through Finance.

Vision Statement

A forward looking MOF that advances leading ideas, drives synergies across government and ensures fiscal prudence.

FY2010 EXPENDITURE ESTIMATES

Expenditure Estimates by Object Class

Code	Object Class	Actual FY2008	Estimated FY2009	Revised FY2009	Estimated FY2010	Change over FY2009	
	TOTAL EXPENDITURE	\$509,168,365	\$855,263,300	\$562,187,700	\$683,685,100	\$121,497,400	21.6%
	Main Estimates						
	OPERATING EXPENDITURE	\$484,131,852	\$576,570,400	\$537,566,600	\$557,129,700 (i)	\$19,563,100	3.6%
	<i>RUNNING COSTS</i>	<i>\$478,305,028</i>	<i>\$568,389,200</i>	<i>\$523,963,800</i>	<i>\$543,770,400</i>	<i>\$19,806,600</i>	<i>3.8%</i>
	Expenditure on Manpower	\$85,108,746	\$105,211,900	\$94,481,900	\$112,920,700	\$18,438,800	19.5%
1200	Political Appointments	2,073,662	2,544,900	1,489,900	1,499,600	9,700	0.7
1500	Permanent Staff	82,907,717	102,534,600	92,737,400	111,169,800	18,432,400	19.9
1600	Temporary, Daily-Rated & Other Manpower	127,367	132,400	254,600	251,300	-3,300	-1.3
	Other Operating Expenditure	\$393,157,282	\$463,177,300	\$429,481,900	\$430,849,700	\$1,367,800	0.3%
2100	Supplies & Services	385,811,125	452,135,400	420,341,200	421,101,600	760,400	0.2
2300	Manpower Development	3,603,121	5,841,600	4,353,200	5,549,800	1,196,600	27.5
2400	Public Relations & Exercises	2,875,714	3,879,800	3,876,700	3,034,200	-842,500	-21.7
2700	Equipment	557,413	1,264,500	764,100	1,033,100	269,000	35.2
2800	Financial Claims & Legal Expenses	309,909	56,000	146,700	131,000	-15,700	-10.7
	Capital Injections	\$39,000	\$0	\$0	\$0	\$0	0.0%
3700	Capital Injections	39,000	0	0	0	0	0.0

(i) Includes \$10,698,100 statutory expenditure (Subvention).

Expenditure Estimates by Object Class - continued

Code	Object Class	Actual FY2008	Estimated FY2009	Revised FY2009	Estimated FY2010	Change over FY2009	
	<i>TRANSFERS</i>	<i>\$5,826,823</i>	<i>\$8,181,200</i>	<i>\$13,602,800</i>	<i>\$13,359,300</i>	<i>-\$243,500</i>	<i>-1.8%</i>
3500	Social Transfers	27,844	50,000	30,000	35,000	5,000	16.7
3600	Subventions	5,798,980	8,131,200	13,572,800	13,324,300	-248,500	-1.8
	OTHER CONSOLIDATED FUND OUTLAYS	\$3,363,882,865	\$2,935,800,000	\$2,407,000,000	\$2,552,000,000	\$145,000,000	6.0%
4200	Expenses on Investments	3,363,882,865	2,935,800,000	2,407,000,000	2,552,000,000	145,000,000	6.0
	Development Estimates						
	DEVELOPMENT EXPENDITURE	\$25,036,513	\$278,692,900	\$24,621,100	\$126,555,400	\$101,934,300	414.0%
5100	Direct Development	25,036,513	278,692,900	24,621,100	126,555,400	101,934,300	414.0

Establishment List

Category/Personnel	Actual FY2008	Estimated FY2009	Revised FY2009	Estimated FY2010
POLITICAL APPOINTMENTS	2	2	2	2
Minister	1	1	2	2
Minister of State	1	1	0	0
PERMANENT STAFF	1,236	1,471	1,471	1,508
Accounting Profession (2008)	26	46	46	46
Administrative	11	20	20	20
Corporate Support	374	441	440	398
Management Executive Scheme (2008)	205	270	270	278
Management Support Scheme (2008)	57	92	94	164
Operations Support	13	10	9	10
Shorthand Writers	7	7	7	7
Singapore Customs Officer (2008)	362	370	370	370
Singapore Customs Specialist (2008)	181	215	215	215
TEMPORARY, DAILY-RATED AND OTHER MANPOWER	44	15	15	15
Corporate Support	34	0	0	0
Singapore Customs Officer (2008)	4	9	9	9
Singapore Customs Specialist (2008)	6	6	6	6
OTHERS	1,792	1,792	1,823	1,919
Inland Revenue Authority of Singapore	1,792	1,792	1,823	1,919
TOTAL	3,074	3,280	3,311	3,444

FY2009 BUDGET

The total expenditure of the Ministry of Finance (MOF) in FY2009 is expected to be \$562.19 million excluding Expenses on Investments (EOI). This is an increase of \$53.02 million or 10.4% compared to the actual FY2008 expenditure of \$509.17 million.

Operating expenditure in FY2009 is expected to be \$537.57 million, an increase of \$53.43 million or 11.0% over the actual FY2008 expenditure of \$484.13 million. The reasons for the increase include higher provision for agency fees payable to Inland Revenue Authority of Singapore (IRAS) and increase in funding for integrated government projects and other consultancy projects. Development expenditure in FY2009 is expected to be \$24.62 million, a decrease of \$0.42 million or 1.7% over the actual FY2008 expenditure of \$25.04 million.

EOI in FY2009 is expected to be \$2.41 billion, a decrease of \$956.88 million or 28.4% over the actual FY2008 expenditure of \$3.36 billion due to lower interest expenses and lower management fees.

FY2010 BUDGET

Total expenditure for FY2010 is projected to be \$683.69 million (excluding EOI) which comprises Operating Expenditure of \$557.13 million and Development Expenditure of \$126.56 million. This is an increase of \$121.50 million or 21.6% from the FY2009 revised total expenditure of \$562.19 million. EOI is projected at \$2.55 billion.

Operating Expenditure

The projected operating expenditure of \$557.13 million is an increase of \$19.56 million or 3.6% over the revised FY2009 operating expenditure of \$537.57 million.

The IRAS programme is projected to take up the largest share of operating expenditure (\$286.4 million or 51.4%). This is followed by Finance programme (\$124.65 million or 22.4%), Singapore Customs programme (\$87.05 million or 15.6%), Shared Services programme (\$26.29 million or 4.7%), Accounting Services programme (\$21.93 million or 3.9%) and Integration Programme (\$10.81 million or 2.0%).

The highlights of the more significant programmes are as follows:

Inland Revenue Authority of Singapore Programme

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 Government. Based on the projected tax revenue collection, MOF has allocated an agency fee budget of \$286.4 million for FY2010.

Finance Programme

An operating expenditure of \$124.65 million is provided for the Finance Programme for FY2010. This is an increase of \$17.18 million or 16.0% over the revised FY2009 expenditure of \$107.47 million. The higher requirement in FY2010 is mainly attributed to the provision of \$15 million in the Central Votes for funding new operating expenditure of high priorities initiated in the course of the year. A total sum of \$32.90 million is set aside for the Government Chief Information Office (GCIO) in the Infocomm Development Authority of Singapore to carry out its role as the technical consultant and programme manager of the e-Government programme, and to develop the various e-Government initiatives.

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 FY2010 is projected to be \$87.05 million, an increase of \$8.75 million or 11.2% over the revised FY2009 of \$78.30 million. The higher requirement for FY2010 is mainly attributed to additional initiatives and systems to enhance trade facilitation, strengthen supply chain security, and upgrade staff competency and enforcement capability ahead of the economy recovery.

Development Expenditure

Development expenditure for FY2010 is projected to be \$126.56 million, which is an increase of \$101.93 million or 414.0% over the revised FY2009 development expenditure of \$24.62 million. The increase is mainly due to an amount of \$100 million being set aside in the Project Central Vote.

Expenses on Investments

The FY2010 provision for EOI of \$2.55 billion is an increase of \$145 million or 6.0% over the revised FY2009 EOI expenditure of \$2.41 billion due to higher interest expense and higher management fees.

Total Expenditure by Programme

Code	Programme	Running Costs	Transfers	Operating Expenditure	Development Expenditure	Total Expenditure
MA	Finance	111,402,400	13,244,300	124,646,700	106,049,900	230,696,600
MC	Accounting Services	21,891,500	35,000	21,926,500	0	21,926,500
MG	Shared Services	26,293,700	0	26,293,700	1,027,000	27,320,700
MO	Singapore Customs	86,967,600	80,000	87,047,600	8,178,500	95,226,100
MP	Inland Revenue Authority of Singapore	286,400,000	0	286,400,000	0	286,400,000
MQ	Integration	10,815,200	0	10,815,200	11,300,000	22,115,200
Total		\$543,770,400	\$13,359,300	\$557,129,700	\$126,555,400	\$683,685,100

Development Expenditure by Project

Project Title	Total Project Cost	Actual Expenditure up to end of FY2007	Actual FY2008	Estimated FY2009	Revised FY2009	Estimated FY2010
DEVELOPMENT EXPENDITURE	\$25,036,513	\$278,692,900	\$24,621,100	\$126,555,400
<i>DIRECT DEVELOPMENT</i>	<i>25,036,513</i>	<i>278,692,900</i>	<i>24,621,100</i>	<i>126,555,400</i>
Finance Programme						
Minor Development Projects	628,327	800,700	1,678,800	738,200
New Projects	0	3,754,700	4,067,800	4,311,700
Central Vote for New Projects	0	250,000,000	0	100,000,000
Innovation Fund	0	1,000,000	100,000	1,000,000
Shared Services Programme						
Minor development Projects	716,234	22,700	59,700	1,027,000
Singapore Customs Programme						
InfoPort	36,220,000	3,591,227	47,550	500,000	57,000	250,000
Minor Development Projects	5,552,476	7,500,000	3,193,600	7,928,500

Development Expenditure by Project - continued

Project Title	Total Project Cost	Actual Expenditure up to end of FY2007	Actual FY2008	Estimated FY2009	Revised FY2009	Estimated FY2010
Integration Programme						
New Projects	0	14,900,000	15,200,000	11,300,000
Completed Projects	18,091,926	214,800	264,200	0

KEY PERFORMANCE INDICATORS

Desired Outcomes

- Sound Public Finances
- Growth with Opportunity for All
- High Performance Government

Key Performance Indicators

Desired Outcome	Performance Indicator	Actual FY2007	Actual FY2008	Revised FY2009	Estimated FY2010
Sound Public Finances	Government Revenue				
	Government operating revenue as % of GDP	15.6	16.3	15.0	14.7
	Government Expenditure				
	Government Expenditure (Ministry and Departments only) as a % of GDP	12.8	15.1	16.7	16.7
	Fiscal Sustainability				
	Draw on past reserves	No	Yes	Yes	No
	Standard & Poor's Sovereign Risk Rating	AAA	AAA	AAA	AAA
Growth with Opportunity for All	Budget Marksmanship				
	Government Operating Revenue as % of budgeted revenue (excluding Net Investment Income Contribution)	124.8	101.7	115.4	NA
	Government Expenditure as % of budgeted expenditure (excluding special transfers)	100.0	103.9	98.3	NA
	Internationally Competitive Taxes				
	Institute for Management Development World Competitiveness Yearbook: 'Real Corporate Taxes do not discourage entrepreneurial Activity'	4 th	1 st	3 rd	3 rd or better
	Institute for Management Development World Yearbook: 'Collected total tax revenue as a % of GDP'. There is a two year lag in the data collected and published by IMD. Ranking in 2007 IMD report is based on 2005 data collected by IMD.	3 rd	3 rd	5 th	5 th or better
Trade Facilitation					
World Economic Forum (WEF) Global Enabling Trade Report – 'Border Administration'	NA	1 st	1 st	2 nd or better	
Conducive Business Environment					
World Bank 'Doing Business' Report – Ease of Doing Business	1 st	1 st	1 st	1 st	

Key Performance Indicators - continued

Desired Outcome	Performance Indicator	Actual FY2007	Actual FY2008	Revised FY2009	Estimated FY2010	
High Performance Government	Efficient and Effective Use of Resources					
		Cost per dollar of revenue collected by Singapore Customs (unit of measurement in cents)	1.20	1.10	1.00	1.00
		Cost per dollar of tax collected by IRAS (unit of measurement in cents)	0.77	0.80	0.88	1.05
		Integrated Government				
		World Economic Forum Global Information Technology Report's Government Usage and Readiness Sub-indices	Readiness: 1 st Usage: 4 th	Readiness: 1 st Usage: 2 nd	Top 3	Top 3
		% of customers who are overall very satisfied with the quality of e-services (rating of 5 and above on a 6 point scale)	49.0	54.0	70.0	80.0
		% of users who are overall very satisfied with the quality of public info online (rating of 5 and above on a 6 point scale)	36.0	51.0	70.0	80.0
		World Bank "Doing Business" Report - Starting a Business	9 th	10 th	4 th	4 th
		Government in Time for the Future				
		% of TradeNet declarations processed within 10 minutes by Singapore Customs	97.5	99.9	90.0	90.0
		% of requests for business profiles provided by ACRA within 30 minutes of payment	99.3	92.6	95.0	95.0
		% of tax refunds processed by IRAS				
		- within 14 days	93.0	94.3	94.0	94.0
		- within 30 days	99.9	99.9	99.9	99.9