

ANALYSIS OF REVENUE AND EXPENDITURE

Financial Year 2015

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Distributed on Budget Day: 23 February 2015

EXPLANATORY NOTES

This document summarises and provides relevant highlights of the FY2015 Revenue and Expenditure Estimates presented to Parliament on 23 February 2015.

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ANALYSIS OF REVENUE AND EXPENDITURE

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ANALYSIS OF REVENUE AND EXPENDITURE

- ◆ **UPDATE ON FY2014**
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1 Update on Financial Year 2014

1.1 *Expected Budget Outturn for FY2014*

The revised basic deficit is estimated at \$0.2 billion (or 0.05% of GDP), after taking into account Special Transfers Excluding Top-ups to Endowment and Trust Funds, and before the Net Investment Returns Contribution (NIRC). After factoring in the NIRC of \$8.6 billion and Top-ups to Endowment and Trust Funds of \$8.5 billion, the overall budget balance for FY2014 is a deficit of \$0.1 billion (or 0.03% of GDP). The revised FY2014 fiscal position is shown in [Table 1.1](#).

1.2 *Operating Revenue*

FY2014 Operating Revenue has been revised upwards by \$1.8 billion (or 3.1%) to \$61.4 billion. This increase is mainly due to higher-than-expected collections from Motor Vehicle Taxes and Vehicle Quota Premiums.

Motor Vehicle Taxes are projected to increase by \$0.5 billion (or 33.5%) to \$1.8 billion, due to higher-than-expected collections of Additional Registration Fees and lower-than-expected Preferential Additional Registration Fee (PARF) rebates paid out. Vehicle Quota Premiums, i.e. receipts from Certificates of Entitlement (COE), are estimated to increase by \$0.7 billion (or 24.1%) to \$3.7 billion as a result of COE prices exceeding expectations.

Corporate Income Tax (CIT) collections are also estimated to increase by \$0.4 billion (or 3.3%), due to growth in corporate surpluses.

These increases are partly offset by a \$0.2 billion (or 6.3%) decrease in Customs and Excise Tax collections, and slight downward revisions in collections of Withholding Tax, Stamp Duties and Other Fees and Charges.

The distribution of Operating Revenue in FY2014 by the various components is shown in [Chart 1.1](#).

1.3 *Total Expenditure*

FY2014 Total Expenditure has been revised upwards by \$0.5 billion (or 0.9%) to \$57.2 billion (or 14.6% of GDP).

Operating Expenditure is expected to be \$43.3 billion, higher than the budgeted FY2014 estimate by \$0.4 billion (or 1.0%). This increase is mainly attributed to higher Expenditure on Manpower.

Development Expenditure is expected to be \$13.9 billion, close to the budgeted FY2014 estimate of \$13.8 billion.

The Social Development sector continues to take up the largest share of Total Expenditure at 48.2%, followed by Security and External Relations (30.3%). The breakdown of government spending by the major sectors is provided in [Chart 1.2](#)

1.4 Special Transfers

Special Transfers are expected to total \$12.8 billion in FY2014, a \$0.7 billion (or 5.9%) increase from the budgeted figure. This is mainly due to higher Productivity and Innovation Credit (PIC) Bonus and PIC cash payouts in FY2014. Table 1.2 shows a summary of the Special Transfers in Budget 2014.

1.5 Net Investment Returns Contribution

The Net Investment Returns Contribution (NIRC) for FY2014 is projected to total \$8.6 billion, \$0.5 billion (or 5.6%) more than the budgeted estimate.

1.6 Spending from the Government Endowment Funds and Trust Funds

In FY2014, spending from the five government endowment funds is expected to reach about \$700 million, with the breakdown as follows:

- \$251 million from the Medical Endowment Fund and ElderCare Fund
- \$210 million from the Edusave Endowment Fund
- \$170 million from the Lifelong Learning Endowment Fund
- \$69 million from the Community Care Endowment Fund

In FY2014, spending from various trust funds is estimated to add up to more than \$2.8 billion. The more significant items are:

- \$1.05 billion from the National Research Fund
- \$635 million from the GST Voucher Fund
- \$583 million from the Special Employment Credit Fund and the Workfare Special Bonus Fund
- \$218 million from the Singapore University Trust Fund
- \$190 million from the Bus Service Enhancement Fund
- \$164 million from the National Productivity Fund

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Table 1.1: Fiscal Position in FY2013 and FY2014

	Actual FY2013	Estimated FY2014	Revised FY2014	Revised FY2014	
				Compared to	
				Actual FY2013	Estimated FY2014
	\$billion	\$billion	\$billion	% change	% change
OPERATING REVENUE	57.02	59.51	61.35	7.6	3.1
Corporate Income Tax	12.68	13.03	13.46	6.1	3.3
Personal Income Tax	7.69	8.79	8.94	16.2	1.6
Withholding Tax	1.15	1.19	1.12	(3.1)	(6.4)
Statutory Boards' Contributions	0.53	0.49	0.52	(2.6)	5.1
Assets Taxes	4.18	4.35	4.41	5.4	1.4
Customs and Excise Tax	2.19	2.61	2.45	11.8	(6.3)
Goods and Services Tax	9.51	10.11	10.11	6.2	0.0
Motor Vehicle Taxes	1.65	1.36	1.81	9.5	33.5
Vehicle Quota Premiums	2.72	2.95	3.67	34.7	24.1
Betting Taxes	2.38	2.58	2.62	10.1	1.4
Stamp Duty	3.93	2.84	2.79	(29.0)	(1.6)
Other Taxes	5.25	5.82	6.14	17.0	5.6
Other Fees and Charges	2.90	3.07	3.01	3.6	(2.1)
Others	0.25	0.32	0.33	30.0	1.6
Less:					
TOTAL EXPENDITURE	51.73	56.66	57.20	10.6	0.9
Operating Expenditure	39.72	42.88	43.31	9.0	1.0
Development Expenditure	12.00	13.78	13.89	15.7	0.8
PRIMARY SURPLUS / DEFICIT¹	5.29	2.85	4.15		
Less:					
SPECIAL TRANSFERS²	8.58	12.11	12.83	49.5	5.9
Special Transfers Excluding Top-ups to Endowment and Trust Funds	2.99	3.61	4.33		
GST Voucher Special Payment ³	0.61	0.28	0.28		
Utilities-Save Rebates / Service and Conservancy Charges Rebates	0.07	0.08	0.08		
CPF Medisave Top-ups	0.29	0.12	0.12		
Pioneer Generation Package	-	0.26	0.30		
Productivity and Innovation Credit	0.64	0.74	1.40		
Productivity and Innovation Credit Bonus	0.57	0.32	0.67		
Wage Credit Scheme	0.77	1.76	1.46		
Other Transfers ⁴	0.04	0.05	0.02		
BASIC SURPLUS / DEFICIT⁵	2.30	(0.76)	(0.18)		
Top-ups to Endowment and Trust Funds	5.59	8.50	8.50		
Top-up to Endowment Funds ⁶	2.32	0.50	0.50		
GST Voucher Fund	3.00	-	-		
Cultural Matching Fund	0.20	-	-		
National Youth Fund	0.07	-	-		
Pioneer Generation Fund	-	8.00	8.00		
Add:					
NET INVESTMENT RETURNS CONTRIBUTION	8.29	8.10	8.55	3.2	5.6
OVERALL BUDGET SURPLUS / DEFICIT	5.00	(1.16)	(0.13)		

Note: Due to rounding, figures may not add up. Negative figures are shown in parentheses.

¹ Surplus / Deficit before Special Transfers and Net Investment Returns Contribution.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ The GST Voucher Special Payment committed in Budget 2013 consists of a cash component, Utilities-Save Rebates and CPF Medisave Top-ups. The GST Voucher Special Payment introduced in Budget 2014 comprises the GST Voucher – Cash: Seniors' Bonus and Utilities-Save Rebates.

⁴ Consists of SME Cash Grant, Growth Dividends, GST Credits, Top-ups to Child Development Accounts and Post-Secondary Education Accounts, public transport vouchers and funding for Self-Help Groups and Voluntary Welfare Organisations.

⁵ Surplus / Deficit before Top-ups to Endowment and Trust Funds, and Net Investment Returns Contribution.

⁶ Consists of the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

Chart 1.1: Breakdown of Government Operating Revenue in FY2014

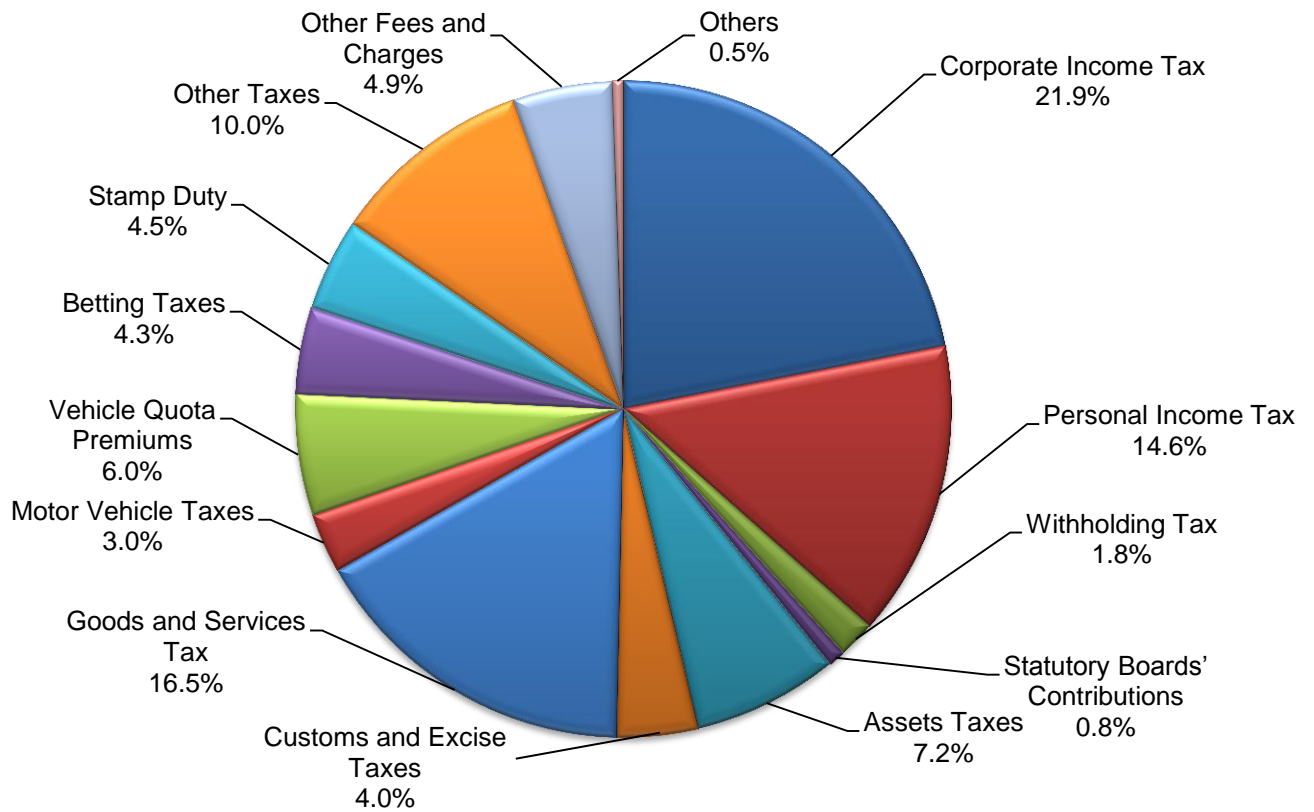
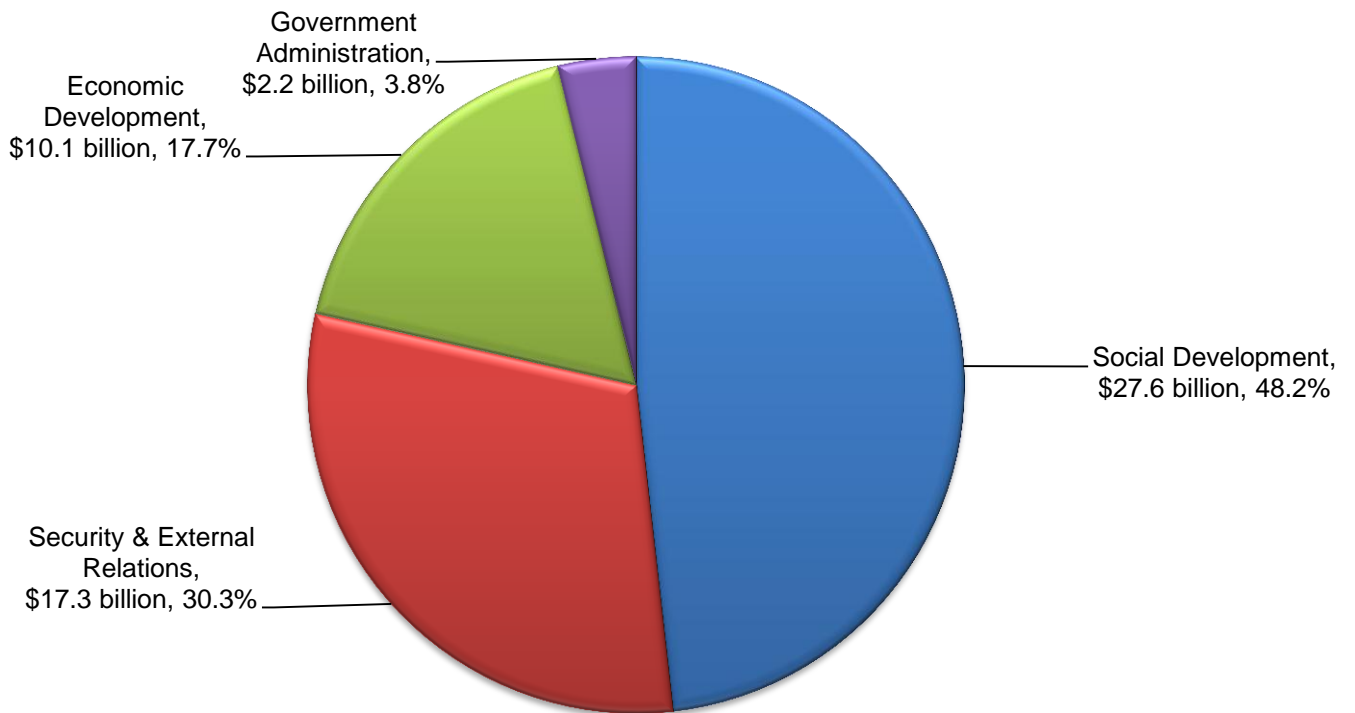


Chart 1.2: Breakdown of Government Spending by Sector in FY2014¹



¹ The expenditure estimates do not include spending from Government Endowment and Trust Funds.

Table 1.2: Summary of FY2014 Special Transfers

Measures	Total Cost in FY2014 (\$ million)
Special Transfers:	12,830
Special Transfers Excluding Top-ups to Endowment and Trust Funds	
Wage Credit Scheme	1,460
Productivity and Innovation Credit	1,400
Productivity and Innovation Credit Bonus	667
Pioneer Generation Package	300
GST Voucher and GST Voucher Special Payment comprising: i. Cash for elderly Singaporeans ii. Utilities-Save Rebates	281
CPF Medisave Top-ups	115
Service and Conservancy Charges Rebates	83
Others	24
Sub-Total	4,330
Top-ups to Endowment and Trust Funds	
Pioneer Generation Fund	8,000
Lifelong Learning Endowment Fund	500
Sub-Total	8,500

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2 Outlook for Financial Year 2015

2.1 Budget for FY2015

A basic deficit of \$9.6 billion (or 2.4% of GDP) is expected for FY2015. After factoring in Top-ups to Endowment and Trust Funds of \$6.0 billion and NIRC of \$8.9 billion, the overall budget deficit for FY2015 is \$6.7 billion (or 1.7% of GDP). This deficit includes about \$6 billion we are setting aside for future investments -- \$3 billion for the Changi Airport Development Fund, and top-ups for the National Productivity Fund (NPF), the National Research Fund (NRF) and the Special Employment Credit Fund (SEC). If we were to exclude these fund top-ups, the Budget for FY2015 will be close to balance.

The FY2015 Budget is summarised in [Table 2.1](#).

2.2 Operating Revenue

Operating Revenue for FY2015 is projected at \$64.3 billion (or 16.0% of GDP). This is an increase of \$2.9 billion (or 4.8%) over the revised FY2014 estimate.

Vehicle Quota Premiums are estimated to increase by \$1.4 billion (or 38.7%) to \$5.1 billion in FY2015, while Motor Vehicle Taxes are estimated to increase by \$0.3 billion (or 17.0%) to \$2.1 billion in FY2015. These increases are due to an expected surge in the number of COE quotas arising from more vehicle de-registrations.

Customs and Excise Taxes are also estimated to increase by \$0.5 billion (or 21.0%) due to higher excise duties collections from motor vehicles.

Goods and Services Tax collections are projected at \$10.5 billion, \$0.4 billion (or 3.7%) higher than the revised FY2014 estimate, in line with the expansion of private consumption expenditure.

Corporate Income Tax collections are expected to remain largely flat at \$13.5 billion in FY2015, after factoring the tax rebate for Year of Assessment (YA) 2015 under the Transition Support Package.

Stamp Duty collections are projected to decline by \$0.2 billion (or 7.0%) to \$2.6 billion in FY2015, as the property market continues to soften.

Personal Income Tax (PIT) collections are expected to fall slightly by \$0.03 billion (or 0.3%) from the revised FY2014 estimate to \$8.9 billion, due to the PIT rebate for YA 2015.

Other Taxes, which include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax, are estimated to be \$6.1 billion in FY2015, \$0.03 billion (or 0.4%) lower than the revised FY2014 estimate.

Historical data for the revenue items are provided in [Tables 3.2a](#) and [3.2b](#) in the Statistical Annex.

Table 2.1: Fiscal Position in FY2015

	Revised FY2014	Estimated FY2015	Change over Revised FY2014	
	\$billion	\$billion	\$billion	% change
OPERATING REVENUE	61.35	64.27	2.92	4.8
Corporate Income Tax	13.46	13.48	0.02	0.1
Personal Income Tax	8.94	8.91	(0.03)	(0.3)
Withholding Tax	1.12	1.14	0.03	2.3
Statutory Boards' Contributions	0.52	0.82	0.31	59.5
Assets Taxes	4.41	4.41	0.00	0.1
Customs and Excise Tax	2.45	2.96	0.51	21.0
Goods and Services Tax	10.11	10.48	0.38	3.7
Motor Vehicle Taxes	1.81	2.12	0.31	17.0
Vehicle Quota Premiums	3.67	5.08	1.42	38.7
Betting Taxes	2.62	2.71	0.09	3.3
Stamp Duty	2.79	2.60	(0.20)	(7.0)
Other Taxes	6.14	6.11	(0.03)	(0.4)
Other Fees and Charges	3.01	3.11	0.11	3.5
Others	0.33	0.33	0.00	1.5
Less:				
TOTAL EXPENDITURE	57.20	68.22	11.02	19.3
Operating Expenditure	43.31	48.71	5.41	12.5
Development Expenditure	13.89	19.51	5.62	40.5
PRIMARY SURPLUS / DEFICIT¹	4.15	(3.95)		
Less:				
SPECIAL TRANSFERS²	12.83	11.67	(1.16)	(9.1)
Special Transfers Excluding Top-ups to Endowment and Trust Funds	4.33	5.67		
GST Voucher Special Payment ³	0.28	0.32		
Service and Conservancy Charges Rebates	0.08	0.08		
CPF Medisave Top-ups	0.12	0.10		
Pioneer Generation Package ⁴	0.30	-		
Productivity and Innovation Credit	1.40	1.50		
Productivity and Innovation Credit Bonus	0.67	0.45		
Temporary Employment Credit	-	0.69		
Wage Credit Scheme	1.46	2.31		
Other Transfers ⁵	0.02	0.22		
BASIC SURPLUS / DEFICIT⁶	(0.18)	(9.62)		
Top-ups to Endowment and Trust Funds	8.50	6.00		
Top-up to Endowment Funds ⁷	0.50	-		
Special Employment Credit Fund	-	0.50		
National Research Fund	-	1.00		
National Productivity Fund	-	1.50		
Pioneer Generation Fund	8.00	-		
Changi Airport Development Fund	-	3.00		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	8.55	8.94	0.39	4.6
OVERALL BUDGET SURPLUS / DEFICIT	(0.13)	(6.67)		

Note: Due to rounding, figures may not add up. Negative figures are shown in parentheses.

¹ Surplus / Deficit before Special Transfers and Net Investment Returns Contribution.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ The GST Voucher Special Payment committed in Budget 2014 comprises the GST Voucher – Cash: Seniors' Bonus and Utilities-Save Rebates. The GST Voucher Special Payment committed in Budget 2015 comprises the GST Voucher: Seniors' Bonus.

⁴ Payouts for the Pioneer Generation Package from FY2015 onwards will be made from the Pioneer Generation Fund.

⁵ Consists of SME Cash Grant, Growth Dividends, GST Credits, Top-ups to Child Development Accounts and Post-Secondary Education Accounts, public transport vouchers, SG50 Giving, and funding for Self-Help Groups and Voluntary Welfare Organisations.

⁶ Surplus / Deficit before Top-ups to Endowment and Trust Funds, and Net Investment Returns Contribution.

⁷ Consists of the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

2.3 Total Expenditure

FY2015 Total Expenditure is estimated to be \$68.2 billion (or 17.0% of GDP). This is an increase of \$11.0 billion (or 19.3%) from the revised FY2014 estimate of \$57.2 billion. The main increases in expenditure over FY2014 are in Transport, Healthcare, Culture, Community and Youth, Defence and Home Affairs (see [Chart 2.1](#)).

Transport expenditure is expected to increase by \$4.8 billion (or 80.6%), mainly due to the development of Changi Airport and expansion of rail networks such as Downtown Line, Thomson-East Coast Line and Tuas West Extension.

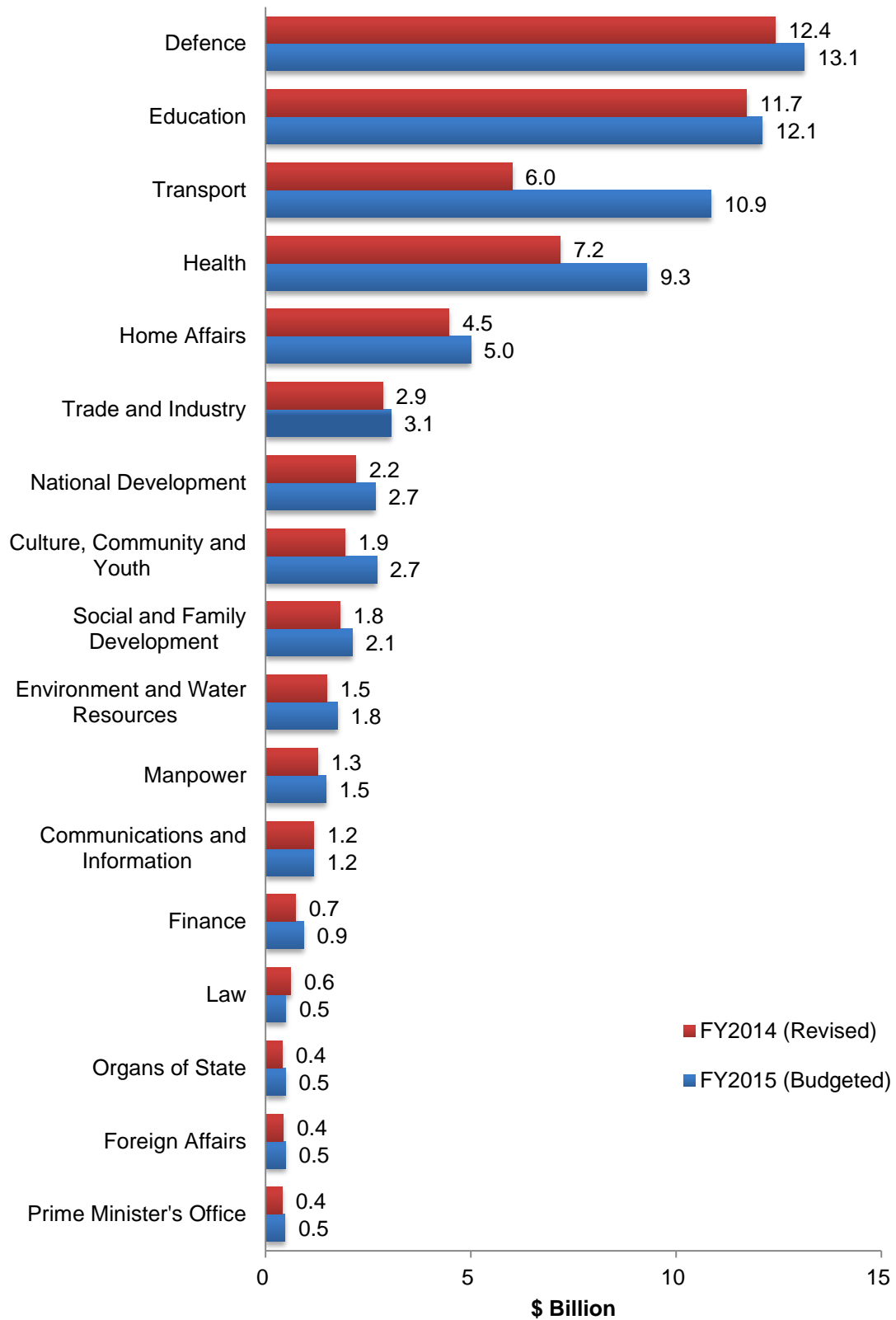
Healthcare expenditure is expected to increase by \$2.1 billion (or 29.3%). This is mainly to cater for higher subventions to Restructured Hospitals and Intermediate and Long-Term Care facilities and subsidies for Medishield Life. There is also higher development expenditure from the construction of healthcare infrastructure such as the National Centre for Infectious Diseases, Sengkang General Hospital and Yishun Community Hospital.

Expenditure for Culture, Community and Youth is expected to rise by \$0.8 billion (or 39.8%) mainly due to spending on SG50 celebrations, SEA Games and ASEAN Para Games, as well as the development of community facilities such as the Tampines Town Hub and the Singapore Chinese Cultural Centre.

Defence expenditure is expected to increase by \$0.7 billion (or 5.7%). Expenditure for Home Affairs is expected to increase by \$0.5 billion (or 11.7%), to cater for an increase in the operational requirements of the Home Team, the construction of new buildings such as the Woodlands Police Divisional HQ and Sentosa Fire Station, and the acquisition of new patrol craft for the Police Coast Guard.

A detailed breakdown of government expenditure by sector is provided in [Tables 3.3 to 3.6b](#) in the Statistical Annex.

Chart 2.1: Breakdown of Total Expenditure by Sector (FY2014 and FY2015)¹



¹ The expenditure estimates do not include spending from Government Endowment and Trust Funds.

2.4 Special Transfers

Special Transfers to Households (\$0.7 billion)

In addition to transfers from the Government's operating expenditure, endowment and trust funds, households will also receive special transfers amounting to \$0.7 billion in Budget 2015. These special transfers include the GST Voucher Special Payment – Seniors' Bonus, CPF Medisave Top-ups for older Singaporeans, Service and Conservancy Charges Rebates, and top-ups to Child Development Accounts and Post-Secondary Education Accounts (see [Table 2.2](#)).

Special Transfers to Businesses (\$5.0 billion)

To continue helping businesses restructure, we will provide about \$2.8 billion in FY2015 under the 3-year Transition Support Package committed in Budget 2013. Of this amount, \$2.3 billion will be for the Wage Credit Scheme and \$450 million for the Productivity and Innovation Credit (PIC) Bonus.

We will also be providing a further \$1.5 billion to businesses through the PIC cash payout.

To help employers manage the labour cost increases due to CPF changes, we will provide \$690 million under the enhanced Temporary Employment Credit (TEC).

In total, special transfers to businesses will amount to \$5.0 billion (details in [Table 2.3](#)).

Top-ups to Funds to Support Longer-term Commitments (\$6.0 billion)

In Budget 2015, the Government will set aside \$3.0 billion for the Changi Airport Development Fund, to provide for the future development needs of Changi Airport. We will also make a further top-up of \$1.5 billion to the National Productivity Fund and \$1.0 billion to the National Research Fund to support our long-term commitment to productivity improvements and building a knowledge-intensive, innovative and entrepreneurial economy. We will also make a top-up of \$500m to the Special Employment Credit Fund.

In total, \$6.0 billion will be committed to fund top-ups (details in [Table 2.4](#)).

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Table 2.2: Special Transfers to Households in FY2015

Measures	Total Cost (\$ million)
GST Voucher Special Payment - Seniors' Bonus	315
Top-ups to Child Development Accounts	126
CPF Medisave Top-ups	100
Service and Conservancy Charges Rebates	80
Top-ups to Post-Secondary Education Accounts	72
Others [#]	12
Total	705

[#] Consists of Growth Dividends, GST Credits, SG50 Giving and funding for Self-Help Groups and Voluntary Welfare Organisations.

Table 2.3: Special Transfers to Businesses in FY2015

Measures	Total Cost (\$ million)
Wage Credit Scheme	2,310
Productivity and Innovation Credit	1,500
Temporary Employment Credit	690
Productivity and Innovation Credit Bonus	450
SME Cash Grant	11
Total	4,961

**Table 2.4: Top-ups to Funds to Support Longer-term Commitments in
FY2015**

Measures	Top-up Amount (\$ million)
Changi Airport Development Fund	3,000
National Productivity Fund	1,500
National Research Fund	1,000
Special Employment Credit Fund	500
Total	6,000

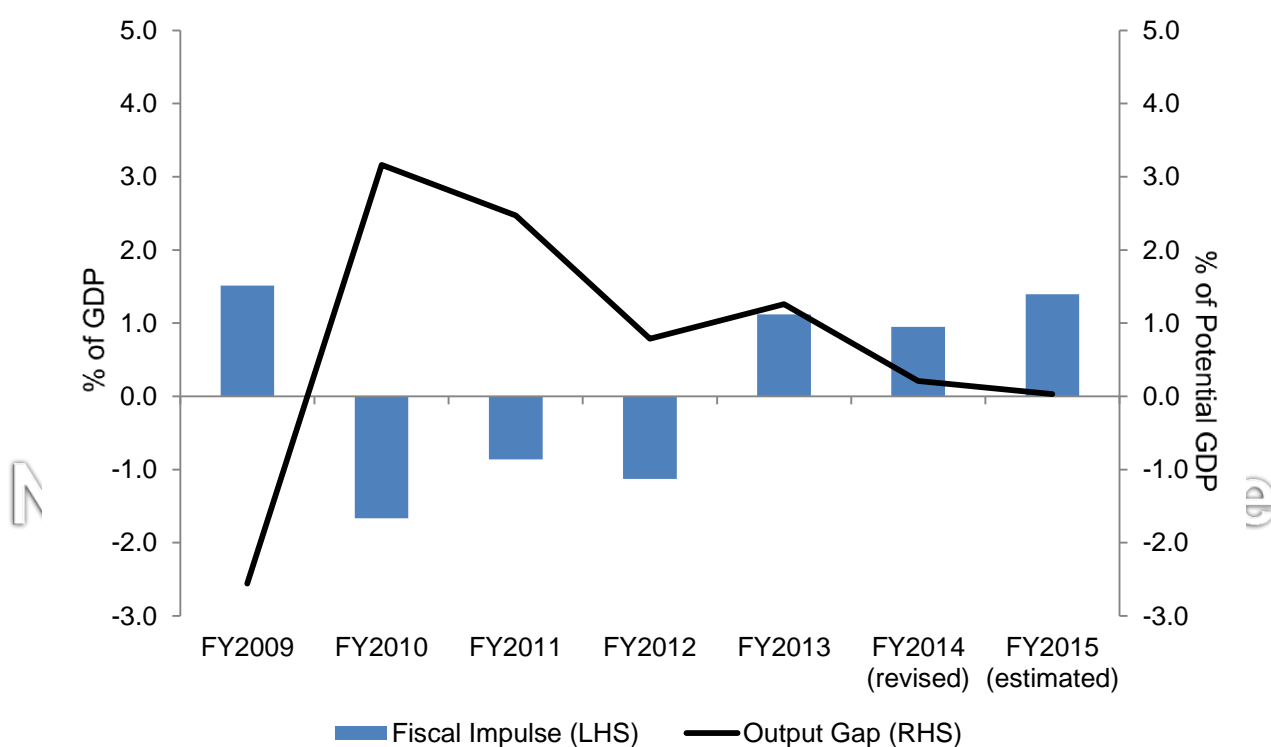
2.5 Fiscal Impulse

The global macroeconomic outlook is expected to improve modestly in 2015, but the pace of recovery is likely to remain uneven. The US recovery continues to gather pace supported by domestic demand, although there are lingering uncertainties over the pace at which the Federal Reserve will increase interest rates. The external outlook is also clouded by slower growth and persistent low inflation in the Eurozone and Japan, and a risk of further slowdown in China. While the recent plunge in oil prices could benefit oil-importing economies, it has dampened growth prospects in oil-exporting economies.

The Singapore economy grew 2.9% in 2014, and is expected to continue growing at a moderate pace of 2-4% for 2015. After some years of above-potential growth since 2010, the output gap is expected to be closed in FY2015.

The fiscal impulse is expected to increase from 0.9% of GDP in FY2014 to 1.4% of GDP in FY2015 (see [Chart 2.2](#)). This is mainly due to increases in expenditure on infrastructure, healthcare and transfers to businesses as part of the ongoing process of restructuring the economy. These long-term supply-side investments to infrastructure, human capital and innovation will help to raise the level of potential output in our economy.

Chart 2.2: Fiscal Impulse and Output Gap



STATISTICAL ANNEX

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Table 3.1a: Overall Fiscal Position for FY2009 to FY2015 (\$ million)

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 (Revised)	FY2015 (Budgeted)
Operating Revenue	39,547	46,060	51,077	55,814	57,020	61,348	64,272
Tax Revenue	36,617	41,848	46,076	50,119	51,146	54,350	55,745
Fees and Charges	2,765	3,986	4,699	5,280	5,625	6,674	8,197
Others	165	226	302	416	250	325	330
Total Expenditure	41,891	45,338	46,563	49,004	51,728	57,197	68,222
Operating Expenditure	30,909	33,270	35,150	36,421	39,725	43,309	48,714
Development Expenditure ¹	10,982	12,068	11,413	12,583	12,003	13,888	19,508
Primary Surplus / Deficit	(2,344)	722	4,514	6,811	5,292	4,151	(3,950)
Special Transfers²	5,481	7,095	8,427	8,860	8,584	12,830	11,666
Special Transfers Excluding Top-ups to Endowment and Trust Funds	4,071	1,505	2,909	1,458	2,990	4,330	5,666
Basic Surplus / Deficit³	(6,416)	(782)	1,605	5,353	2,303	(178)	(9,615)
Top-ups to Endowment and Trust Funds	1,410	5,590	5,517	7,402	5,594	8,500	6,000
Net Investment Returns Contribution⁴	7,006	7,352	7,916	7,870	8,289	8,553	8,943
Overall Budget Surplus / Deficit	(819)	980	4,003	5,821	4,998	(125)	(6,672)

Table 3.1b: Overall Fiscal Position for FY2009 to FY2015 (% of GDP)⁵

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 (Revised)	FY2015 (Budgeted)
Operating Revenue	13.5%	13.9%	14.6%	15.3%	14.9%	15.7%	16.0%
Tax Revenue	12.5%	12.6%	13.1%	13.7%	13.4%	13.9%	13.9%
Fees and Charges	0.9%	1.2%	1.3%	1.4%	1.5%	1.7%	2.0%
Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total Expenditure	14.3%	13.7%	13.3%	13.4%	13.5%	14.6%	17.0%
Operating Expenditure	10.6%	10.1%	10.0%	10.0%	10.4%	11.1%	12.1%
Development Expenditure ¹	3.8%	3.6%	3.3%	3.4%	3.1%	3.5%	4.8%
Primary Surplus / Deficit	(0.8%)	0.2%	1.3%	1.9%	1.4%	1.1%	(1.0%)
Special Transfers²	1.9%	2.1%	2.4%	2.4%	2.2%	3.3%	2.9%
Special Transfers Excluding Top-ups to Endowment and Trust Funds	1.4%	0.5%	0.8%	0.4%	0.8%	1.1%	1.4%
Basic Surplus / Deficit³	(2.2%)	(0.2%)	0.5%	1.5%	0.6%	(0.0%)	(2.4%)
Top-ups to Endowment and Trust Funds	0.5%	1.7%	1.6%	2.0%	1.5%	2.2%	1.5%
Net Investment Returns Contribution⁴	2.4%	2.2%	2.3%	2.2%	2.2%	2.2%	2.2%
Overall Budget Surplus / Deficit	(0.3%)	0.3%	1.1%	1.6%	1.3%	(0.0%)	(1.7%)

Note: Negative figures are shown in parentheses.

¹ Development Expenditure excludes land-related expenditure.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ Surplus / Deficit before Top-ups to Endowment and Trust Funds and Net Investment Returns Contribution.

⁴ Under the Net Investment Returns framework, up to 50% of the expected long-term real returns on the relevant assets specified in the Constitution can be taken in for spending. For the other assets, up to 50% of investment income can continue to be used for spending in the annual budget.

⁵ Data may defer from previous years due to revisions to GDP estimates.

Table 3.2a: Revenue Collections for FY2009 to FY2015 (\$ million)

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014 (Revised)</u>	<u>FY2015 (Budgeted)</u>
Operating Revenue	39,547	46,060	51,077	55,814	57,020	61,348	64,272
Corporate Income Tax	9,551	10,687	12,096	12,821	12,680	13,456	13,476
Personal Income Tax	6,114	6,470	6,871	7,714	7,688	8,935	8,907
Withholding Tax	1,137	957	1,258	1,337	1,152	1,117	1,143
Statutory Boards' Contributions	410	573	353	539	530	516	823
Assets Taxes	1,987	2,803	3,902	3,768	4,182	4,409	4,414
Customs and Excise Taxes	2,125	2,048	2,133	2,142	2,189	2,448	2,962
Goods and Services Tax	6,914	8,198	8,687	9,038	9,513	10,106	10,484
Motor Vehicle Taxes	1,856	1,851	1,920	1,803	1,655	1,811	2,120
Vehicle Quota Premiums	623	1,602	2,112	2,572	2,722	3,665	5,082
Betting Taxes	1,727	2,279	2,373	2,305	2,379	2,619	2,706
Stamp Duty	2,386	3,277	3,175	4,309	3,930	2,790	2,595
Other Taxes ¹	2,410	2,706	3,307	4,342	5,248	6,142	6,115
Other Fees and Charges ²	2,142	2,384	2,587	2,708	2,903	3,009	3,115
Others	165	226	302	416	250	325	330

Table 3.2b: Revenue Collections for FY2009 to FY2015 (% of GDP)³

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014 (Revised)</u>	<u>FY2015 (Budgeted)</u>
Operating Revenue	13.5%	13.9%	14.6%	15.3%	14.9%	15.7%	16.0%
Corporate Income Tax	3.3%	3.2%	3.5%	3.5%	3.3%	3.4%	3.4%
Personal Income Tax	2.1%	2.0%	2.0%	2.1%	2.0%	2.3%	2.2%
Withholding Tax	0.4%	0.3%	0.4%	0.4%	0.3%	0.3%	0.3%
Statutory Boards' Contributions	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.2%
Assets Taxes	0.7%	0.8%	1.1%	1.0%	1.1%	1.1%	1.1%
Customs and Excise Taxes	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%
Goods and Services Tax	2.4%	2.5%	2.5%	2.5%	2.5%	2.6%	2.6%
Motor Vehicle Taxes	0.6%	0.6%	0.5%	0.5%	0.4%	0.5%	0.5%
Vehicle Quota Premiums	0.2%	0.5%	0.6%	0.7%	0.7%	0.9%	1.3%
Betting Taxes	0.6%	0.7%	0.7%	0.6%	0.6%	0.7%	0.7%
Stamp Duty	0.8%	1.0%	0.9%	1.2%	1.0%	0.7%	0.6%
Other Taxes ¹	0.8%	0.8%	0.9%	1.2%	1.4%	1.6%	1.5%
Other Fees and Charges ²	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%
Others	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Note: Figures may not add up due to rounding.

¹ Includes Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

² Includes revenue from Licenses, Permits, Service Fees, Sales of Goods, Rental of Premises, Fines and Forfeitures and Reimbursements.

³ Data may defer from previous years due to revisions to GDP estimates.

Table 3.3: Breakdown of Total Expenditure by Sector for FY2014 and FY2015 (\$ million)

	FY2014 (Revised)			FY2015 (Budgeted)		
	Total Expenditure ¹	Operating Expenditure	Development Expenditure ²	Total Expenditure ¹	Operating Expenditure	Development Expenditure ²
Total¹	57,197	43,309	13,888	68,222	48,714	19,508
Social Development	27,575	22,971	4,604	32,060	26,686	5,374
Education	11,720	10,855	865	12,100	11,400	700
National Development	2,205	870	1,334	2,672	1,449	1,224
Health	7,183	6,024	1,159	9,291	7,646	1,645
Environment and Water Resources	1,496	1,067	428	1,754	1,175	579
Culture, Community and Youth ³	1,939	1,336	604	2,711	1,780	931
Social and Family Development ³	1,818	1,752	66	2,123	2,007	116
Communications and Information ³	500	352	148	598	419	179
Manpower (Financial Security)	715	715	0	811	811	0
Security and External Relations	17,331	16,444	887	18,610	17,552	1,058
Defence	12,416	11,987	429	13,122	12,691	431
Home Affairs	4,474	4,055	420	4,999	4,416	582
Foreign Affairs	440	402	38	489	444	45
Economic Development	10,105	2,258	7,847	15,148	2,681	12,468
Transport	6,007	611	5,396	10,850	793	10,057
Trade and Industry	2,858	741	2,117	3,054	752	2,302
Manpower (excluding Financial Security)	559	521	38	668	643	24
Info-Communications and Media Development ³	681	385	296	577	492	85
Government Administration	2,186	1,636	551	2,403	1,796	608
Finance	737	692	44	932	753	179
Law	621	184	437	500	180	320
Organs of State	415	393	22	490	440	51
Prime Minister's Office	414	367	48	481	423	58

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include spending from Government Endowment and Trust Funds.

² Development Expenditure excludes land-related expenditure.

³ With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.4: Operating Expenditure by Sector for FY2009 to FY2015 (\$ million)

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014 (Revised)</u>	<u>FY2015 (Budgeted)</u>
Total¹	30,909	33,270	35,150	36,421	39,725	43,309	48,714
Social Development	14,714	16,459	18,056	18,496	20,943	22,971	26,686
Education	7,838	8,999	9,698	9,637	10,665	10,855	11,400
National Development	959	790	1,428	949	673	870	1,449
Health	2,920	3,258	3,489	4,066	5,044	6,024	7,646
Environment and Water Resources	656	720	726	813	958	1,067	1,175
Culture, Community and Youth ²	-	-	-	364	1,003	1,336	1,780
Social and Family Development ²	1,565	1,829	1,721	1,739	1,598	1,752	2,007
Communications and Information ²	422	500	525	430	336	352	419
Manpower (Financial Security)	354	364	469	497	666	715	811
Security and External Relations	13,523	13,920	14,088	14,678	15,233	16,444	17,552
Defence	10,603	10,623	10,797	11,056	11,329	11,987	12,691
Home Affairs	2,577	2,937	2,947	3,266	3,522	4,055	4,416
Foreign Affairs	343	360	344	355	382	402	444
Economic Development	1,565	1,666	1,675	1,870	2,027	2,258	2,681
Transport	371	456	464	502	555	611	793
Trade and Industry	704	684	671	685	710	741	752
Manpower (excluding Financial Security)	414	439	380	456	496	521	643
Info-Communications and Media Development ²	76	88	160	227	267	385	492
Government Administration	1,107	1,225	1,331	1,378	1,521	1,636	1,796
Finance	528	552	617	631	711	692	753
Law	127	119	123	163	167	184	180
Organs of State	249	313	318	326	290	393	440
Prime Minister's Office	203	240	273	259	352	367	423

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include spending from Government Endowment and Trust Funds.

² With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.5: Development Expenditure by Sector for FY2009 to FY2015 (\$ million)

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014 (Revised)</u>	<u>FY2015 (Budgeted)</u>
Total¹	10,982	12,068	11,413	12,583	12,003	13,888	19,508
Social Development	3,431	3,643	3,603	3,382	3,236	4,604	5,374
Education	847	877	1,042	860	973	865	700
National Development	1,307	1,646	1,572	1,354	901	1,334	1,224
Health	711	485	453	605	723	1,159	1,645
Environment and Water Resources	323	406	349	352	325	428	579
Culture, Community and Youth ²	-	-	-	95	212	604	931
Social and Family Development ²	115	120	64	37	41	66	116
Communications and Information ²	128	109	123	79	61	148	179
Manpower (Financial Security)	0	0	0	0	0	0	0
Security and External Relations	861	718	718	720	860	887	1,058
Defence	440	438	479	468	422	429	431
Home Affairs	350	240	194	207	379	420	582
Foreign Affairs	71	40	44	45	59	38	45
Economic Development	6,477	7,490	6,896	7,955	7,547	7,847	12,468
Transport	4,082	4,250	4,003	5,414	5,504	5,396	10,057
Trade and Industry	2,334	2,673	2,553	2,387	1,947	2,117	2,302
Manpower (excluding Financial Security)	22	42	62	28	28	38	24
Info-Communications and Media Development ²	38	525	278	126	68	296	85
Government Administration	213	217	197	527	360	551	608
Finance	17	21	30	24	25	44	179
Law	166	148	130	316	273	437	320
Organs of State	17	14	17	163	40	22	51
Prime Minister's Office	12	34	20	23	22	48	58

Note: Figures may not add up due to rounding.

¹ Development Expenditure excludes land-related expenditure. These expenditure estimates also do not include spending from Government Endowment and Trust Funds.

² With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.6a: Total Expenditure by Sector for FY2009 to FY2015 (\$ million)

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014 (Revised)</u>	<u>FY2015 (Budgeted)</u>
Total¹	41,891	45,338	46,563	49,004	51,728	57,197	68,222
Social Development	18,146	20,102	21,660	21,877	24,179	27,575	32,060
Education	8,685	9,875	10,740	10,497	11,638	11,720	12,100
National Development	2,266	2,436	3,000	2,303	1,574	2,205	2,672
Health	3,631	3,743	3,942	4,671	5,767	7,183	9,291
Environment and Water Resources	979	1,126	1,075	1,165	1,283	1,496	1,754
Culture, Community and Youth ²	-	-	-	460	1,215	1,939	2,711
Social and Family Development ²	1,680	1,949	1,785	1,776	1,639	1,818	2,123
Communications and Information ²	550	609	647	508	397	500	598
Manpower (Financial Security)	354	364	469	497	666	715	811
Security and External Relations	14,383	14,638	14,806	15,397	16,094	17,331	18,610
Defence	11,043	11,061	11,276	11,524	11,751	12,416	13,122
Home Affairs	2,927	3,177	3,141	3,473	3,901	4,474	4,999
Foreign Affairs	413	399	388	400	441	440	489
Economic Development	8,042	9,157	8,570	9,825	9,574	10,105	15,148
Transport	4,453	4,706	4,467	5,916	6,059	6,007	10,850
Trade and Industry	3,038	3,357	3,224	3,073	2,656	2,858	3,054
Manpower (excluding Financial Security)	436	482	442	484	524	559	668
Info-Communications and Media Development ²	114	613	438	353	335	681	577
Government Administration	1,320	1,442	1,528	1,904	1,881	2,186	2,403
Finance	545	573	647	655	737	737	932
Law	293	267	253	479	440	621	500
Organs of State	267	327	335	489	330	415	490
Prime Minister's Office	215	274	293	282	374	414	481

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include spending from Government Endowment and Trust Funds.

² With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.6b: Total Expenditure by Sector for FY2009 to FY2015 (% of GDP)¹

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014 (Revised)</u>	<u>FY2015 (Budgeted)</u>
Total²	14.3%	13.7%	13.3%	13.4%	13.5%	14.6%	17.0%
Social Development	6.2%	6.1%	6.2%	6.0%	6.3%	7.0%	8.0%
Education	3.0%	3.0%	3.1%	2.9%	3.0%	3.0%	3.0%
National Development	0.8%	0.7%	0.9%	0.6%	0.4%	0.6%	0.7%
Health	1.2%	1.1%	1.1%	1.3%	1.5%	1.8%	2.3%
Environment and Water Resources	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%
Culture, Community and Youth ³	-	-	-	0.1%	0.3%	0.5%	0.7%
Social and Family Development ³	0.6%	0.6%	0.5%	0.5%	0.4%	0.5%	0.5%
Communications and Information ³	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Manpower (Financial Security)	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
Security and External Relations	4.9%	4.4%	4.2%	4.2%	4.2%	4.4%	4.6%
Defence	3.8%	3.3%	3.2%	3.2%	3.1%	3.2%	3.3%
Home Affairs	1.0%	1.0%	0.9%	1.0%	1.0%	1.1%	1.2%
Foreign Affairs	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Economic Development	2.7%	2.8%	2.4%	2.7%	2.5%	2.6%	3.8%
Transport	1.5%	1.4%	1.3%	1.6%	1.6%	1.5%	2.7%
Trade and Industry	1.0%	1.0%	0.9%	0.8%	0.7%	0.7%	0.8%
Manpower (excluding Financial Security)	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Info-Communications and Media Development ³	0.0%	0.2%	0.1%	0.1%	0.1%	0.2%	0.1%
Government Administration	0.5%	0.4%	0.4%	0.5%	0.5%	0.6%	0.6%
Finance	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Law	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%
Organs of State	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Prime Minister's Office	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Note: Figures may not add up due to rounding.

¹ Data may defer from previous years due to revisions to GDP estimates.

² The expenditure estimates do not include spending from Government Endowment and Trust Funds.

³ With effect from 1 November 2012, the Ministry of Community Development, Youth and Sports (MCYS) and the Ministry of Information, Communications and the Arts (MICA) were restructured to form three Ministries: (i) MCYS was re-named as the Ministry of Social and Family Development (MSF), (ii) MICA was re-named as the Ministry of Communications and Information (MCI) and (iii) the new Ministry of Culture, Community and Youth (MCCY) was formed to undertake functions transferred from MCYS and MICA.

Table 3.7: Total Expenditure by Expenditure Type for FY2009 to FY2015 (\$ million)

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014 (Revised)</u>	<u>FY2015 (Budgeted)</u>
Total Expenditure¹	41,891	45,338	46,563	49,004	51,728	57,197	68,222
Operating Expenditure	30,909	33,270	35,150	36,421	39,725	43,309	48,714
Running Costs	24,232	25,910	26,733	27,530	29,126	31,906	35,262
Expenditure on Manpower	4,765	5,857	5,668	6,231	6,844	7,520	8,063
Other Operating Expenditure	13,974	14,067	14,318	14,644	15,216	16,363	17,757
Grants, Subventions & Capital Injections to Organisations	5,493	5,986	6,747	6,654	7,066	8,023	9,442
Transfers	6,677	7,360	8,417	8,891	10,599	11,403	13,452
Social Transfers to Individuals	1,409	1,483	1,690	1,910	2,382	2,593	3,376
Transfers to Institutions & Organisations	5,131	5,742	6,622	6,871	8,046	8,681	9,940
International Organisations & Overseas Development Assistance	137	136	105	109	171	129	136
Development Expenditure²	10,982	12,068	11,413	12,583	12,003	13,888	19,508
Government Development	4,309	4,529	4,388	4,760	4,045	4,560	5,619
Grants & Capital Injections to Organisations	6,673	7,538	7,025	7,823	7,958	9,328	13,889

Note: Figures may not add up due to rounding.

¹ The expenditure estimates do not include spending from Government Endowment and Trust Funds.

² Development Expenditure excludes land-related expenditure.

Table 3.8: Headcount by Ministry for FY2009 to FY2015

	<u>FY2009</u> ¹	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u> <u>(Revised)</u> ²	<u>FY2015</u> <u>(Budgeted)</u> ³
Civil List	54	53	56	51	52	64	64
Attorney-General's Chambers	338	355	417	478	534	551	578
Auditor-General's Office	145	159	159	172	169	178	190
Cabinet Office	12	11	10	10	10	11	12
Judicature	616	638	700	749	803	872	909
Parliament	42	45	46	47	48	62	62
Presidential Councils	8	4	4	4	4	6	6
Public Service Commission	12	13	13	13	13	14	15
Social and Family Development	4,424	4,835	4,757	1,117	1,571	1,692	1,751
Defence	1,525	283	282	282	282	282	282
Education	51,512	52,278	53,947	56,106	56,841	61,872	62,078
Environment and Water Resources	3,696	3,995	4,076	4,508	4,522	4,423	4,534
Finance	3,260	3,409	3,452	3,547	3,594	3,746	3,820
Foreign Affairs	1,234	1,249	1,269	1,343	1,383	1,580	1,585
Health	1,219	1,349	1,432	1,457	1,444	1,491	1,491
Home Affairs	22,875	23,324	23,949	24,460	25,231	26,594	27,479
Communications and Information	2,975	3,688	3,863	3,361	3,488	4,146	4,230
Law	765	811	871	933	945	1,044	1,100
Manpower	2,037	2,154	2,194	2,477	2,531	2,572	2,595
National Development	7,115	7,061	7,217	7,337	8,187	9,129	9,388
Prime Minister's Office	525	613	740	809	913	1,080	1,096
Trade and Industry	2,795	2,664	2,931	2,874	3,067	2,836	2,932
Transport	4,204	4,233	4,394	4,611	5,203	5,857	5,958
Culture, Community and Youth	-	-	-	4,624	4,586	5,099	4,939
Total	111,388	113,224	116,779	121,370	125,421	135,201	137,094

¹ Figures for FY2009 to FY2013 refer to actual headcount.

² Figures for FY2014 are revised establishment estimates.

³ Figures for FY2015 are budgeted establishment estimates.

Note:

Establishments reflect the number of officers that Ministries can hire, but are not reflective of actual headcount, as establishments may not be filled by Ministries even though they may be kept in anticipation of a future need.

GLOSSARY

National Archives of Singapore

Glossary of Terms

Assets Taxes

Assets Taxes refer to Property Tax and Estate Duty. Property Tax is a tax on the ownership of property and is payable by all property owners on the properties owned by them. Estate Duty is a tax on the total market value of a person's assets (cash and non-cash) at the date of his or her death. Estate Duty will not apply to a person who dies after 15 February 2008.

Customs Duties

Taxes on goods imported into Singapore. In Singapore, Customs Duties are principally imposed on alcoholic beverages.

Development Expenditure

Expenses that represent a longer-term investment or result in the formation of a capitalisable asset of the Government. Examples of spending areas are the acquisition of heavy equipment, as well as capitalisable assets, e.g. buildings and roads.

Excise Duties

Taxes on goods, whether manufactured in Singapore or elsewhere. In Singapore, Excise Duties are imposed principally on tobacco, petroleum products, motor vehicles and liquor to achieve social and transport policy objectives.

Fiscal Impulse

The fiscal impulse provides a measure of the macroeconomic impact of the Budget; a positive impulse indicates an expansionary fiscal stance while a negative impulse indicates a contractionary stance.

Financial Year (FY)

The Singapore Government's Financial Year 2014 is from 1 April 2014 to 31 March 2015.

Government Endowment Fund

A fund established with an injection of government monies as principal on which the income generated will be used to finance specific programmes on an

ongoing basis. Examples of government endowment funds include the Community Care Endowment Fund, Edusave Endowment Fund, ElderCare Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

Government Trust Fund

A fund established with an injection of government monies as principal, which is drawn down to finance specific programmes on an ongoing basis. Examples of government trust funds include the National Research Fund and the GST Voucher Fund.

Motor Vehicle Taxes

Motor Vehicle Taxes comprise additional registration fees, road tax, special tax on heavy-oil engines, passenger vehicle seating fees and non-motor vehicle licences, but exclude excise duties on motor vehicles which are classified under Customs and Excise Taxes.

Net Investment Returns Contribution

Contributions from our investment returns on our reserves, where Net Investment Returns (NIR) is the sum of: (1) up to 50% of the expected long-term real returns on the relevant assets specified in the Constitution; and (2) up to 50% of the Net Investment Income (NII) on the remaining assets. Through the NIR contributions that supplement the annual Budget, Singaporeans benefit from the investments of GIC and Temasek.

Operating Revenue

Government receipts credited to the Consolidated Revenue Account and Development Fund Account, excluding investment and interest income, and capital receipts (lumpy and less regular in timing). The main components are Corporate Income Tax, Personal Income Tax and Goods and Services Tax.

Operating Expenditure

Expenses incurred to maintain the operations and other regular activities of the Government. Components include expenditure on manpower, other operating expenditure and operating grants to statutory boards and other institutions.

Other Taxes

Other taxes comprise the Foreign Worker Levy, Development Charge, Annual Tonnage Tax and Water Conservation Tax.

Output Gap

The difference between the actual level of activity in an economy (as measured by GDP) versus the sustainable amount of activity given the capacity of the economy (i.e. the level of GDP that the economy could potentially achieve without creating unhealthy inflationary pressures). It measures the degree of resource utilisation of the economy. The output gap is typically reported as a percentage of GDP to give a sense of the proportion to which the economy is over or under capacity. Where the output gap is negative, the economy is not operating at full capacity, with higher levels of unemployment. Where the output gap is positive, it indicates that the economy is operating at over-capacity, resources are stretched and inflation pressures are strong.

To promote macroeconomic stability, the Government's fiscal policies aim to be countercyclical - contractionary to prevent overheating when the economy has a positive output gap, and expansionary to stimulate growth when the economy has a negative output gap.

Past Reserves

The reserves not accumulated by the Government during its current term of office, with reserves being the excess of assets over liabilities.

Primary Budget Position

The Primary Budget Position, defined as Operating Revenue less Total Expenditure, measures the ability of the Government to meet its annual expenditures through its regular collection of revenue (taxes, fees and charges).

Stamp Duty

A tax imposed on commercial and legal documents relating to unlisted stocks and shares and immovable property.

Statutory Boards' Contributions

Statutory Boards are required under the Statutory Corporations (Contributions to Consolidated Fund) Act to provide revenues not allocated to specific purposes by any written law into the Government Consolidated Fund.

Total Expenditure

Sum of Operating and Development Expenditure. It excludes Special Transfers unless otherwise mentioned.

Withholding Tax

A non-resident is liable to pay income tax on Singapore-sourced income. Under the law, when a person makes payment of a specified nature to a non-resident, he has to withhold a percentage of that payment and pay the amount withheld to IRAS. The amount withheld is called the Withholding Tax.

Year of Assessment (YA)

Year in which tax on the income earned in the preceding year is assessed.