

## EXPLANATORY NOTES

The Expenditure Estimates for the Financial Year 2006/2007 comprises 4 sections:-

- I Overview
- II Statement of Assets and Liabilities
- III Summary Tables
- IV Details by Head of Expenditure

Section I of the document analyses the overall change in the Government's expenditure estimates. Details of the changes in respect of individual Heads of Expenditure are given in Section IV.

2 The presentation of each Head of Expenditure in Section IV is in 2 parts:-

- (a) **Overview** - This commences with a statement outlining the mission of the Head.
- (b) **FY2006 Expenditure Estimates** - This contains the following:
  - (i) Expenditure Estimates By Object Class - This is a summary table giving the breakdown of the FY2006 expenditure estimates by object classes. Details of the expenditure classification, coding and control system are provided at the end of this Explanatory Notes.
  - (ii) Establishment List - This shows the authorised manpower for the Head in terms of Personnel Groups.
  - (iii) The FY2005 Budget - This gives the highlights of the major trends and changes in expenditure for FY2005.
  - (iv) The FY2006 Budget - This gives the highlights of the major trends and changes in allocations for FY2006.
  - (v) Distribution By Programme - This provides a summary of the distribution of expenditure among the programmes. Details for the programmes are contained in the Annex to the Expenditure Estimates Document.
  - (vi) Development Expenditure By Project - The development expenditure requirements for the programme are shown in terms of projects.
  - (vii) Other Consolidated Fund Outlays - These are outlays which do not form part of operating expenditure.
  - (viii) Other Development Fund Outlays - These are outlays which do not form part of development expenditure.
  - (ix) Key Performance Indicators - A list of selected indicators is given in this section.

All percentages are computed based on absolute figures. Owing to "rounding-off" of data, sub-totals in the columns of the various summary tables need not necessarily add up to totals. Unless otherwise stated, all comparisons of increases and decreases are relative to Revised FY2005.

---

3 Further details of the expenditure and manpower estimates are given in a separate volume entitled “The FY2006 Expenditure Control Document”. The Expenditure Control Document provides the details of the expenditure and manpower estimates of each activity and project centre within a programme.

### KEY TO ABBREVIATIONS

<i>Abbreviation</i>	<i>Meaning</i>
AAIB	- Aircraft Accident Investigation Bureau
AMED	- Asia Middle East Dialogue
APEC	- Asia-Pacific Economic Cooperation
ARF	- ASEAN Regional Forum
ASEAN	- Association of South East Asian Nations
ASEM	- Asia Europe Meeting
AV	- Audio-Visual
&	- and
b	- billion
CAD/CAM	- Computer-Aided Design/Computer-Aided Manufacturing
CEDAW	- Convention for the Elimination of Discrimination Against Women
CIOO	- Chief Information Officer Office
CISCO	CISCO Security Private Limited
CY	- Calendar Year
DH	Dengue Fever
DHF	Dengue Haemorrhagic Fever
DTD	- Double Tax Deduction Scheme
EAS	- East Asia Summit
EOM	- Expenditure on Manpower
ESPCA	- EU-Singapore Partnership Cooperation Agreement
ETV	Educational Television
FY	- Financial Year. The financial year is from 1st April of one year to 31st March of the following year. Thus, FY2006 refers to the Financial Year 1st April 2006 to 31st March 2007.
GCIO	- Government Chief Information Office
GeBiz	- Government Electronic Business
GIC	- Government of Singapore Investment Corporation Private Limited
GST	- Goods and Services Tax
ha	- hectare
HQ	- Headquarters
HDB	- Housing and Development Board
ICA	- Immigration and Checkpoints Authority
ICAO	- International Civil Aviation Organisation
ICT	- Infocomm Technology

---

## Explanatory Notes - continued

<i>Abbreviation</i>	<i>Meaning</i>
IEI	- International Enterprise Incentive
IOs	- International Organisations
ISO	- International Organisation for Standardisation
IT	- Information Technology
LTA	- Land Transport Authority
m	- million
MRT	- Mass Rapid Transit
n.a.	- not applicable
NA	- Not Available
no.	- number
NTUC	- National Trade Union Congress
MRA	- Mutual-Regional Agreements
OOE	- Other Operating Expenditure
PAB	- Public Accountants Board
PDS	- People Developer Standard
PRIME	- Programme for Rebuilding and Improving Existing Schools
PSI	- Pollutant Standards Index
ReCAAP	- Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia
R&D	- Research and Development
SAF	- Singapore Armed Forces
SARS	- Severe Acute Respiratory Syndrome
SCDF	- Singapore Civil Defence Force
SCP	- Singapore Co-operation Programme
SEM	- School Excellence Model
SFA	- Strategic Framework Agreement
SOK	- Singapore OK
SPED	- Special Education
SPF	- Singapore Police Force
SQC	- Singapore Quality Class
STAR	- Special Tactics and Rescue
UN	- United Nations
w.e.f	- with effect from
WIPO	- World Intellectual Property Rights Organisation
WTO	- World Trade Organisation

---

## Explanatory Notes - continued

### EXPENDITURE CLASSIFICATION, CODING AND CONTROL SYSTEM

The Expenditure Estimates of the Government of Singapore are divided progressively into:-

<i>Level</i>	<i>Example</i>	<i>Code</i>
(1) HEADS OF EXPENDITURE	Ministry of Home Affairs	P
(2) PROGRAMMES	Police	PC
(3) ACTIVITIES	Crime Control	PC01
(4) ACCOUNTS	Office Supplies	213101

"The Expenditure Estimates for the Financial Year 2006/2007" contains summary information of expenditure estimates by Heads of Expenditure. Information on expenditure at programme-level is contained in the Annex to Expenditure Estimates while information on expenditure down to activity level is contained in the FY2006 Expenditure Control Document.

2 To facilitate budget analysis and control, the individual accounts are grouped into objects, objects into object groups, object groups into object classes, and object classes into object categories as illustrated in the following table:-

<i>Level</i>	<i>Example</i>	<i>Code</i>
(1) OBJECT CATEGORY	Other Operating Expenditure	200000
(2) OBJECT CLASS	Supplies and Services	210000
(3) OBJECT GROUP	Supplies	213000
(4) OBJECT	Supplies	213100
(5) ACCOUNTS	Office Supplies	213101

Details of the codes and titles of the various object groups, object classes and object categories are given in the table at the end of this Explanatory Notes.

3 For control purposes, the allocation for each Head of Expenditure is distributed among a number of subheads of expenditure. For FY2006, the total allocation under each Object Category consolidated for the entire Head constitutes a subhead under the Main or Development Estimates.

4 In the course of the financial year, Ministries and Organs of State might find that the approved allocations for certain programmes and projects are no longer adequate due to changed circumstances. Transfers of funds within a subhead and between subheads may be approved by the Accounting Officer of a Ministry or Organ of State. Where transfers within a particular subhead or between subheads are inadequate, the Ministry or Organ of State concerned has to seek Parliament's approval for Supplementary Estimates.

### Explanatory Notes - continued

5 Operating Expenditure was previously classified into 3 components namely Expenditure on Manpower, Other Operating Expenditure and Operating Grant. With effect from FY1996, the components of Operating Expenditure had been reclassified into Running Costs and Transfers. Running Costs represent the day-to-day operating expenditure such as manpower and other operating expenses incurred by Government Ministries and Departments in providing services. 'Transfers' are payments made out by Government to members of the public and outside organisations. They include public assistance, subsidies, subventions and Government contributions to local and external organisations.

### Expenditure Classification, Coding and Control System

#### Object Codes and Titles

Object Category	Object Class	Object Group	Title
1000	EXPENDITURE ON MANPOWER		
	1100	CIVIL LIST (MANPOWER)	
		1110	The Privy Purse
		1120	Acting President's allowance
		1130	Personal staff
	1200	POLITICAL APPOINTMENTS	
		1210	Political appointments
	1300	PARLIAMENTARY APPOINTMENTS	
		1310	Speaker of Parliament
		1320	Members of Parliament
	1400	OTHER STATUTORY APPOINTMENTS	
		1410	Other Statutory Appointments
	1500	PERMANENT STAFF	
		1510	Permanent staff
	1600	TEMPORARY, DAILY-RATED AND OTHER MANPOWER	
		1610	Temporary staff
		1620	Daily-rated staff
		1690	Other manpower

**Explanatory Notes - continued**

**Expenditure Classification, Coding and Control System**

**Object Codes and Titles**

Object Category	Object Class	Object Group	Title
2000	OTHER OPERATING EXPENDITURE		
	2100	SUPPLIES AND SERVICES	
		2110	Maintenance
		2120	Rental
		2130	Supplies
		2140	Communications
		2150	Other services
		2160	Research and reviews
		2190	Others
	2200	CIVIL LIST (OTHERS)	
		2210	Civil List (Others)
	2300	MANPOWER DEVELOPMENT	
		2310	Staff development
		2320	Staff well-being and subsidy
	2400	PUBLIC RELATIONS AND EXERCISES	
		2410	Entertainment
		2420	Official visits
		2430	Conferences, workshops and seminars
		2440	Ceremonies, campaigns and exercises
		2450	Mass media expenses
		2490	Other representational expenses
	2700	EQUIPMENT	
		2710	Purchase of equipment
	2800	FINANCIAL CLAIMS AND LEGAL EXPENSES	
		2810	Financial claims
		2820	Legal expenses
	2900	MILITARY EXPENDITURE	
		2910	Armed Forces

**Explanatory Notes - continued**

**Expenditure Classification, Coding and Control System**

**Object Codes and Titles**

Object Category	Object Class	Object Group	Title
3000	OPERATING GRANT		
	3100	OPERATING GRANT TO STATUTORY BOARDS	
		3110	Subvention for operating cost
		3120	Subvention for land cost
		3130	Subvention for building cost
		3140	Subvention for furniture and equipment
		3150	Revolving fund
		3190	Others
	3200	OPERATING GRANT TO EDUCATIONAL INSTITUTIONS	
		3210	Subvention for operating cost
		3220	Subvention for land cost
		3230	Subvention for building cost
		3240	Subvention for furniture and equipment
		3250	Revolving fund
		3290	Others
	3400	OPERATING GRANT TO OTHER ORGANISATIONS	
		3410	Subvention for operating cost
		3420	Subvention for land cost
		3430	Subvention for building cost
		3440	Subvention for furniture and equipment
		3490	Others
	3500	SOCIAL TRANSFERS	
		3510	Educational transfers
		3520	Social and community transfers
	3600	SUBVENTIONS	
		3610	Local organisation
		3620	International organisation

**Explanatory Notes - continued**

**Expenditure Classification, Coding and Control System**

**Object Codes and Titles**

---

Object Category	Object Class	Object Group	Title
4000	OTHER CONSOLIDATED FUND OUTLAYS		
	4100	AGENCY FEES ON LAND SALES	
		4110	Agency fees on land sales
	4200	EXPENSES ON INVESTMENTS	
		4210	Expenses on investments
	4300	DEBT SERVICING	
		4310	Discount on Treasury Bills
		4320	Interest payments
		4390	Other Public Debt expenses
	4400	REPAYMENTS AND SINKING FUND CONTRIBUTION	
		4410	Principal repayments
		4420	Normal Sinking Fund contribution
		4430	Enhanced Sinking Fund contribution
	4500	TRANSFER FROM CONSOLIDATED FUND	
		4510	Inter-Fund transfers
		4520	Transfer to Endowment Funds
		4590	Other fund transfers

---

**Explanatory Notes - continued**

**Expenditure Classification, Coding and Control System**

**Object Codes and Titles**

Object Category	Object Class	Object Group	Title
5000	DEVELOPMENT EXPENDITURE		
	5100	DIRECT DEVELOPMENT	
		5110	Direct development (capitalised)
		5120	Direct development (non-capitalised)
		5130	Research and development
	5200	CAPITAL GRANT	
		5210	Capital grant
		5220	Capital grant (non-capital)
		5230	Research and development grant
	5300	CAPITAL INJECTIONS	
		5310	Capital Injections
	5500	LAND-RELATED EXPENDITURE	
		5510	Land-related Expenditure
	5600	LOANS	
		5610	Loans
	5900	TRANSFER FROM DEVELOPMENT FUND	
		5910	Inter-Fund transfers