

EXPLANATORY NOTES

The Expenditure Estimates for the Financial Year 2007/2008 comprises 4 sections:

- I Summary Tables of Revenue and Expenditure Estimates
- II Statement of Assets and Liabilities
- III Expenditure Estimates by Head of Expenditure
- IV Annex to the Expenditure Estimates

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

- (a) **Overview** - This commences with a statement outlining the mission of the Head.
- (b) **FY2007 Expenditure Estimates** - This contains the following:
 - (i) Expenditure Estimates By Object Class - This is a summary table giving the breakdown of the FY2007 expenditure estimates by object classes. Details of the revenue and expenditure classifications, coding and control systems 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 FY2006 Budget - This gives the highlights of the major trends and changes in expenditure for FY2006.
 - (iv) The FY2007 Budget - This gives the highlights of the major trends and changes in allocations for FY2007.
 - (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 FY2006.

Explanatory Notes - continued

3 Further details of the expenditure and manpower estimates are given in a separate volume entitled “The FY2007 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>
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
AVA	- Agri-Food and Veterinary Authority
&	- and
b	- billion
CAD/CAM	- Computer-Aided Design/Computer-Aided Manufacturing
CHOGM	- Commonwealth Heads of Government Meeting
CONQUAS	- Construction Quality Assessment System
CY	- Calendar Year
DH	- Dengue Fever
DHF	- Dengue Haemorrhagic Fever
EAS	- East Asia Summit
EFWA	- Employment of Foreign Worker Act
EOM	- Expenditure on Manpower
ESCAP	- Economic and Social Commission for Asia and the Pacific
ESPCA	- EU-Singapore Partnership Cooperation Agreement
FAO	- Food and Agriculture Organisation
FDW	- Foreign Domestic Worker
FW	- Foreign Worker
FY	- Financial Year. The financial year is from 1st April of one year to 31st March of the following year. Thus, FY2007 refers to the Financial Year 1st April 2007 to 31st March 2008.
GCIO	- Government Chief Information Office
GDP	- Gross Domestic Product
GIC	- Government of Singapore Investment Corporation Private Limited
GROW	- Growth of education officers, through better Recognition, Opportunities, and seeing to their Well-being
GST	- Goods and Services Tax
ha	- hectare
HQ	- Headquarters
HDB	- Housing and Development Board
IAEA	- International Atomic Energy Agency
ICA	- Immigration and Checkpoints Authority

Explanatory Notes - continued

<i>Abbreviation</i>	<i>Meaning</i>
ICT	- Infocomm Technology
iGOV	- Integrated Government
IMD	- Institute for Management Development
IMF	- International Monetary Fund
IMO	- International Maritime Organisation
IOs	- International Organisations
ISO	- International Organisation for Standardisation
IT	- Information Technology
JSEPA	- Japan Singapore Economic Partnership Agreement
LTA	- Land Transport Authority
m	- million
MRT	- Mass Rapid Transit
n.a.	- not applicable
NA	- Not Available
no.	- number
NTUC	- National Trade Union Congress
OOE	- Other Operating Expenditure
PDS	- People Developer Standard
PhD	- Doctor of Philosophy
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
SCDF	- Singapore Civil Defence Force
SCE	- Singapore Cooperation Enterprise
SCP	- Singapore Cooperation Programme
SEM	- School Excellence Model
SEP	- Strategic Economic Partnership
SEZ	- Special Economic Zone
SFA	- Strategic Framework Agreement
SIM	- Singapore Institute of Management
SOK	- Singapore OK
SPED	- Special Education
SPF	- Singapore Police Force
SQC	- Singapore Quality Class
UN	- United Nations
URA	- Urban Redevelopment Authority
UNGA	- United Nations General Assembly
w.e.f	- with effect from
WIPO	- World Intellectual Property Organisation
WHO	- World Health Organisation
WTO	- World Trade Organisation
WB	- World Bank

Explanatory Notes - continued

REVENUE CLASSIFICATION AND CODING SYSTEM

Operating Revenue is budgeted and monitored in terms of accounts under cost centres. To facilitate the monitoring and analysis of revenue collection, related revenue accounts under each cost centre are grouped into objects, objects into object groups, object groups into object classes, and object classes into object categories. For example,

<i>Level</i>	<i>Example</i>	<i>Code</i>
(1) OBJECT CATEGORY	Tax Revenue	B00.000
(2) OBJECT CLASS	Customs and Excise Taxes	B30.000
(3) OBJECT GROUP	Excise Duties	B31.000
(4) OBJECT	Petroleum Products	B31.100
(5) ACCOUNTS	Gasoline	B31.101

2 There are 3 object categories (Tax Revenue, Fees and Charges and Others) for Operating Revenue.

3 The Tax Revenue category comprises 9 object classes, *viz* Income Tax, Assets Taxes, Customs and Excise Taxes, Motor Vehicle Taxes, Goods and Services Tax, Betting Taxes, Stamp Duty, Selective Consumption Taxes and Other Taxes. The Fees and Charges category comprises 7 object classes, *viz* Licences and Permits, Service Fees, Sales of Goods, Rental, Fines and Forfeitures, Reimbursements and Other Fees and Charges.

4 Further details of the Object Codes and Titles of the various revenue object groups, object classes and object categories are given in the table at end of this Explanatory Notes.

Explanatory Notes - continued
Revenue Classification and Coding System

OBJECT CODES AND TITLES

Object Category	Object Class	Object Group	Title
OPERATING REVENUE			
B00	TAX REVENUE		
	B10	INCOME TAX	
		B11	Corporate and Personal Income Taxes
		B12	Statutory Boards' Contributions
	B20	ASSETS TAXES	
		B21	Property Tax
		B22	Estate Duty
	B30	CUSTOMS AND EXCISE TAXES	
		B31	Excise Duties
		B32	Customs Duties
	B40	MOTOR VEHICLE TAXES	
	B50	GOODS AND SERVICES TAX	
	B60	BETTING TAXES	
	B70	STAMP DUTY	
	B80	SELECTIVE CONSUMPTION TAXES	
	B90	OTHER TAXES	
C00	FEES AND CHARGES		
	C10	LICENCES AND PERMITS	
		C11	Environment
		C12	Home Affairs
		C13	Housing and Properties
		C14	Medical and Health
		C15	Commerce
		C16	Transport and Communication
		C17	Customs and Excise
		C19	Others

Explanatory Notes - continued
Revenue Classification and Coding System

Object Codes and Titles

Object Category	Object Class	Object Group	Title
C00	Fees and Charges – continued		
	C20	SERVICE FEES	
		C21	Admission Charges
		C22	Environmental Fees
		C23	Fire and Police Service Fees
		C25	Inspection and Certification Fees
		C27	Professional Services Fees
		C28	Schools and Institutions Fees
		C29	Others
	C30	SALES OF GOODS	
		C32	Publications
		C33	Commercial Goods
		C34	Search and Supply of Information
		C39	Stores and Other Goods
	C40	RENTAL	
		C41	Residential Properties
		C42	Quarters
		C43	Premises for Businesses
		C44	School Premises
		C49	Other Premises
	C50	FINES AND FORFEITURES	
		C51	Court Fines and Forfeitures
		C52	Traffic Fines
		C53	Composition Fines and Penalties
		C59	Other Fines and Penalties

Explanatory Notes - continued
Revenue Classification and Coding System
Object Codes and Titles

Object Category	Object Class	Object Group	Title
C00	Fees and Charges – continued		
	C60	REIMBURSEMENTS	
		C61	Recovery of Costs/Expenses
		C62	Reimbursement for Services
		C63	Secondment/Loan of Staff
		C69	Others
	C90	OTHER FEES AND CHARGES	
J00	OTHERS		
	J10	Financial Receipts	
	J20	Loan Related Receipts	
L00	INVESTMENT AND INTEREST INCOME		
	L10	INTEREST	
		L11	Interest on Investments
		L13	Interest on Banks Accounts
	L20	DIVIDENDS	
		L21	Government-owned Companies
		L22	Statutory Boards
		L29	Other Investments
	L40	INTEREST ON LOANS	

Explanatory Notes - continued
Revenue Classification and Coding System

Object Codes and Titles

Object Category	Object Class	Object Group	Title
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OTHER RECEIPTS

M00	CAPITAL RECEIPTS		
	M10	SALES OF LAND	
		M11	Private Bodies
		M12	HDB and JTC
		M13	Other Public Bodies
	M20	SALES OF CAPITAL GOODS	
		M21	Sale of Assets
	M30	OTHER CAPITAL RECEIPTS	
		M31	Other Capital Receipts

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 2007/2008" 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 FY2007 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 FY2007, 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 is classified into Running Costs and Transfers. Running Costs represents the day-to-day operating expenditure of the Government Ministries and Departments in providing services. The main components of Running Costs are expenditure on manpower, other operating expenses, and operating grants to statutory boards. 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, innovation 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
		2720	Intangible assets
	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
		3530	Medical and healthcare transfers
	3600	SUBVENTIONS	
		3610	Local organisation
		3620	International organization

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