

# ANALYSIS OF REVENUE AND EXPENDITURE

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Financial Year 2023

With a special feature on  
**EDUCATION SPENDING  
ACROSS LIFE STAGES**

Distributed on Budget Day: 14 February 2023

# EXPLANATORY NOTES

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This document summarises and provides relevant highlights of the FY2023 Revenue and Expenditure Estimates presented to Parliament on 14 February 2023.

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# **ANALYSIS OF REVENUE AND EXPENDITURE**

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# 01 Update on Financial Year 2022

## 1.1 *Expected Overall Fiscal Position for FY2022*

The basic deficit is revised to \$19.6 billion (or 3.0% of GDP), after taking into account Special Transfers Excluding Top-ups to Endowment and Trust Funds, and before the Net Investment Returns Contribution (NIRC), the Capitalisation of Nationally Significant Infrastructure, and Significant Infrastructure Government Loan Act (SINGA) Interest Costs and Loan Expenses.

After factoring in the Top-ups to Endowment and Trust Funds of \$6.3 billion, NIRC of \$21.6 billion, Capitalisation of Nationally Significant Infrastructure of \$2.3 billion, and SINGA Interest Costs and Loan Expenses of \$0.1 billion, the revised overall fiscal position (OFP) for FY2022 is revised to be a deficit of \$2.0 billion (or 0.3% of GDP). This is a \$1.0 billion improvement from the \$3.0 billion deficit estimated at Budget 2022. This is driven by higher-than-expected operating revenue collections, mainly due to stronger-than-expected economic growth, largely offset by higher total expenditure to meet priority areas such as in ramping up public housing supply and to deal with cost-of-living concerns.

The revised FY2022 fiscal position is shown in [Table 1.1](#).

## 1.2 *Operating Revenue*

FY2022 Operating Revenue is revised to \$90.3 billion, which is \$8.5 billion (or 10.4%) higher than the Estimated FY2022 figure. This increase is mainly due to higher collections from Corporate Income Tax, Goods and Services Tax, Personal Income Tax, and Stamp Duty.

Corporate Income Tax collections are revised to be \$22.7 billion, which is \$4.5 billion (or 25.0%) higher than the Estimated FY2022 figure due to stronger-than-expected economic growth in 2021. Goods and Services Tax collections are revised to \$14.5 billion, which is \$1.7 billion (or 13.0%) higher than the Estimated FY2022 figure due to stronger-than-expected growth in private consumption in 2022. Personal Income Tax collections are revised to \$15.4 billion, which is \$1.4 billion (or 10.0%) higher than the

Estimated FY2022 figure due to stronger-than-expected nominal wage growth in 2021. Stamp Duty collections are revised to \$5.8 billion, which is \$0.6 billion (or 11.0%) higher than the Estimated FY2022 figure due to the property market remaining more buoyant than expected in 2022.

The breakdown of Operating Revenue in FY2022 by its components is shown in [Chart 1.1](#).

### 1.3 *Total Expenditure*

FY2022 Total Expenditure, which excludes Special Transfers, is revised upwards by \$4.5 billion (or 4.4%) to \$106.9 billion. The breakdown of government spending by sector is shown in [Chart 1.2](#).

Operating Expenditure is revised to \$86.3 billion, which is higher than the Estimated FY2022 figure by \$1.3 billion (or 1.5%). The higher expenditure is mainly driven by MND due to higher grants to HDB for the ramp-up in Build-To-Order (BTO) flat supply amid elevated development costs, and MINDEF due to continued resumption of activities and previously deferred projects post-COVID, coupled with heightened inflationary pressures on operational and training expenses. These increases in expenditure are partly offset by lower expenditure by MOM due to lower utilisation for the Jobs Growth Incentive (JGI) in 2022, and MOH due to easing of several COVID-19 measures and transition to business-as-usual activities.

Development Expenditure is revised to \$20.6 billion, which is higher than the Estimated FY2022 figure by \$3.3 billion (or 18.9%). The higher expenditure is mainly driven by MOT mainly due to ongoing public transport improvements, and MCCY due to additional grants to SportSG for the termination sum payable for the Government taking over Sports Hub and provision of working capital for Sports Hub operations. These increases in expenditure are partly offset by lower expenditure by MOH and MHA, due to a slower ramp-up of construction activities arising from industry-wide manpower shortage and supply chain disruption.

## 1.4 *Special Transfers*

FY2022 Special Transfers, including Top-ups to Endowment Funds and Trust Funds, are revised to \$9.2 billion in FY2022, a \$2.9 billion (or 46.8%) increase from the Estimated FY2022 figure. This is driven mainly by higher transfers via the Cost-of-Living (COL) Special Payment, GST Voucher Special Payment, Household Utilities Credit, and Community Development Council (CDC) vouchers; as well as top-ups to the Progressive Wage Credit Scheme Fund due to the off-cycle enhancement of the Scheme, and to the GSTV Fund due to the enhancement of the Assurance Package. [Table 1.2](#) provides a summary of the revised Special Transfers.

## 1.5 *Net Investment Returns Contribution*

FY2022 NIRC is revised to \$21.6 billion, which is higher than the Estimated FY2022 figure by \$0.05 billion (or 0.2%).

## 1.6 *Spending from the Government Endowment Funds and Trust Funds*

The total spending from the Government Endowment Funds and Trust Funds is estimated to be \$7.6 billion in FY2022. [Table 1.3](#) shows the spending from Government Endowment and Trust Funds.

## 1.7 *Capitalisation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses*

The borrowing proceeds under the SINGA can only be used to finance nationally significant infrastructure. Capitalisation of Nationally Significant Infrastructure is revised to \$2.3 billion, which is lower than the Estimated FY2022 figure by \$0.1 billion (or 4.9%). For FY2022, the expenditure on the North South Corridor, the Deep Tunnel Sewerage System, the Cross Island Line and the Jurong Region Line will be capitalised.

SINGA Interest Costs and Loan Expenses to facilitate borrowing under the SINGA is revised to \$0.1 billion, which is close to the Estimated FY2022 figure.

## Fiscal Position in FY2021 and FY2022

### Table 1.1

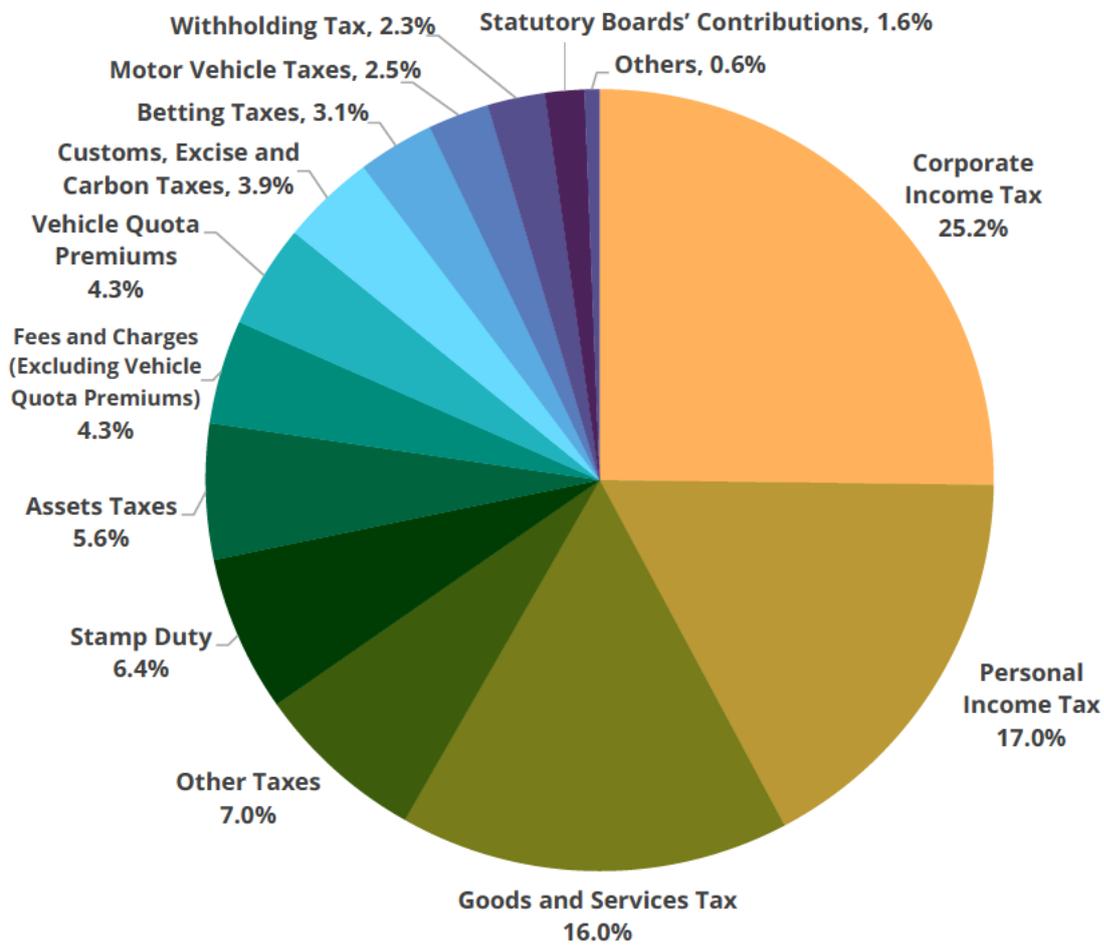
	Actual	Estimated	Revised	Revised FY2022 Compared to	
	FY2021	FY2022	FY2022	Actual FY2021	Estimated FY2022
	\$billion	\$billion	\$billion	% change	% change
<b>OPERATING REVENUE</b>	<b>82.49</b>	<b>81.75</b>	<b>90.28</b>	<b>9.4</b>	<b>10.4</b>
Corporate Income Tax	18.20	18.19	22.74	25.0	25.0
Personal Income Tax	14.22	13.98	15.38	8.1	10.0
Withholding Tax	1.86	1.83	2.12	14.1	16.0
Statutory Boards' Contributions <sup>1</sup>	2.86	2.03	1.45	(49.2)	(28.7)
Assets Taxes	4.67	4.61	5.06	8.3	9.7
Customs, Excise, and Carbon Taxes	3.75	3.71	3.48	(7.1)	(6.0)
Goods and Services Tax	12.63	12.80	14.46	14.5	13.0
Motor Vehicle Taxes	2.23	2.53	2.27	1.9	(10.2)
Vehicle Quota Premiums	3.22	3.93	3.87	20.2	(1.6)
Betting Taxes	2.31	2.74	2.83	22.5	3.5
Stamp Duty	6.76	5.24	5.82	(14.0)	11.0
Other Taxes <sup>2</sup>	5.28	6.05	6.36	20.5	5.2
Fees and Charges (Excluding Vehicle Quota Premiums)	3.61	3.55	3.88	7.5	9.4
Others	0.90	0.57	0.56	(38.0)	(1.6)
Less:					
<b>TOTAL EXPENDITURE</b>	<b>94.80</b>	<b>102.41</b>	<b>106.95</b>	<b>12.8</b>	<b>4.4</b>
Operating Expenditure	78.54	85.06	86.32	9.9	1.5
Development Expenditure	16.25	17.35	20.63	26.9	18.9
<b>PRIMARY SURPLUS / DEFICIT<sup>3</sup></b>	<b>(12.31)</b>	<b>(20.65)</b>	<b>(16.67)</b>		
Less:					
<b>SPECIAL TRANSFERS<sup>4</sup></b>	<b>6.83</b>	<b>6.24</b>	<b>9.16</b>	<b>34.2</b>	<b>46.8</b>
Special Transfers Excluding Top-ups to Endowment and Trust Funds	6.83	2.19	2.91		
COL Special Payment	-	-	1.13		
GST Voucher Special Payment	0.44	0.25	0.65		
CDC Vouchers	-	-	0.41		
Jobs Support Scheme	3.97	1.60	0.20		
Other Transfers <sup>5</sup>	2.43	0.34	0.52		
<b>BASIC SURPLUS / DEFICIT<sup>6</sup></b>	<b>(19.14)</b>	<b>(22.84)</b>	<b>(19.58)</b>		
Top-ups to Endowment and Trust Funds	-	4.05	6.25		
Progressive Wage Credit Scheme Fund	-	2.00	2.80		
GST Voucher Fund	-	1.00	2.40		
National Research Fund	-	0.90	0.90		
Cultural Matching Fund	-	0.15	0.15		
Add:					
<b>NET INVESTMENT RETURNS CONTRIBUTION</b>	<b>20.36</b>	<b>21.56</b>	<b>21.61</b>	<b>6.1</b>	<b>0.2</b>
<b>OVERALL BUDGET SURPLUS / DEFICIT</b>	<b>1.23</b>	<b>(5.34)</b>	<b>(4.22)</b>		
Add:					
<b>CAPITALISATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>	<b>0.65</b>	<b>2.40</b>	<b>2.28</b>	<b>248.6</b>	<b>(4.9)</b>
Less:					
<b>DEPRECIATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SINGA INTEREST COSTS AND LOAN EXPENSES<sup>7</sup></b>	<b>0.00<sup>8</sup></b>	<b>0.10</b>	<b>0.09</b>	<b>n.a.</b>	<b>(3.6)</b>
<b>OVERALL FISCAL POSITION</b>	<b>1.88</b>	<b>(3.04)</b>	<b>(2.04)</b>		

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

- <sup>1</sup> To reduce annual volatility, Statutory Boards' Contributions (SBC) from MAS in a given financial year are calculated as the average of "Contribution to Consolidated Fund" reported in MAS' financial statements for the preceding three years.
- <sup>2</sup> Prior to 1 August 2022, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge, and Annual Tonnage Tax. From 1 August 2022 onwards, the Development Charge has been replaced by the Land Betterment Charge.
- <sup>3</sup> Surplus / Deficit before Special Transfers (including Top-ups to Endowment and Trust Funds), Net Investment Returns Contribution, Capitalisation and Depreciation of Nationally Significant Infrastructure, and SINGA Interest Costs and Loan Expenses.
- <sup>4</sup> Special Transfers including Top-ups to Endowment and Trust Funds.
- <sup>5</sup> Includes Household Utilities Credit, CPF Transition Offset, Top-ups to Edusave and Post-Secondary Education Accounts, CPF MediSave Top-up scheme, Top-ups to Child Development Accounts, Service and Conservancy Charges Rebates, Wage Credit Scheme, Rental Support Scheme, Top-ups to self-help groups, Grocery Vouchers, Productivity and Innovation Credit, Workfare Special Bonus, PAssion Card Top-up, Merdeka Generation Package, Cash Rebate for School Buses, Cash Grant to Mitigate Rental Costs, Self-Employed Person Income Relief Scheme, Care and Support Package – Cash Payout, Productivity and Innovation Credit Bonus, Solidarity Utilities Credit and SME Cash Grant.
- <sup>6</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds, Net Investment Returns Contribution, Capitalisation and Depreciation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses.
- <sup>7</sup> SINGA Interest Costs and Loan Expenses include the annual effective interest costs (which is computed based on the yield to maturity multiplied by the face value of the bond) and other ancillary loan expenses incurred in connection with the SINGA. It excludes principal repayment and transfer of loan discount to Development Fund. It is different from the Debt Servicing and Related Costs presented in the Expenditure Estimates and Annex to Expenditure Estimates for Head Y. In FY2021, SINGA Interest Costs and Loan Expenses was positioned above the Overall Budget Surplus/Deficit in the Fiscal Position Table. It has been shifted below the Overall Budget Surplus/Deficit together with the other items that are also associated with the SINGA.
- <sup>8</sup> SINGA Interest Costs and Loan Expenses for Actual FY2021 is \$0.02 million.

## Breakdown of Government Operating Revenue in FY2022<sup>1</sup>

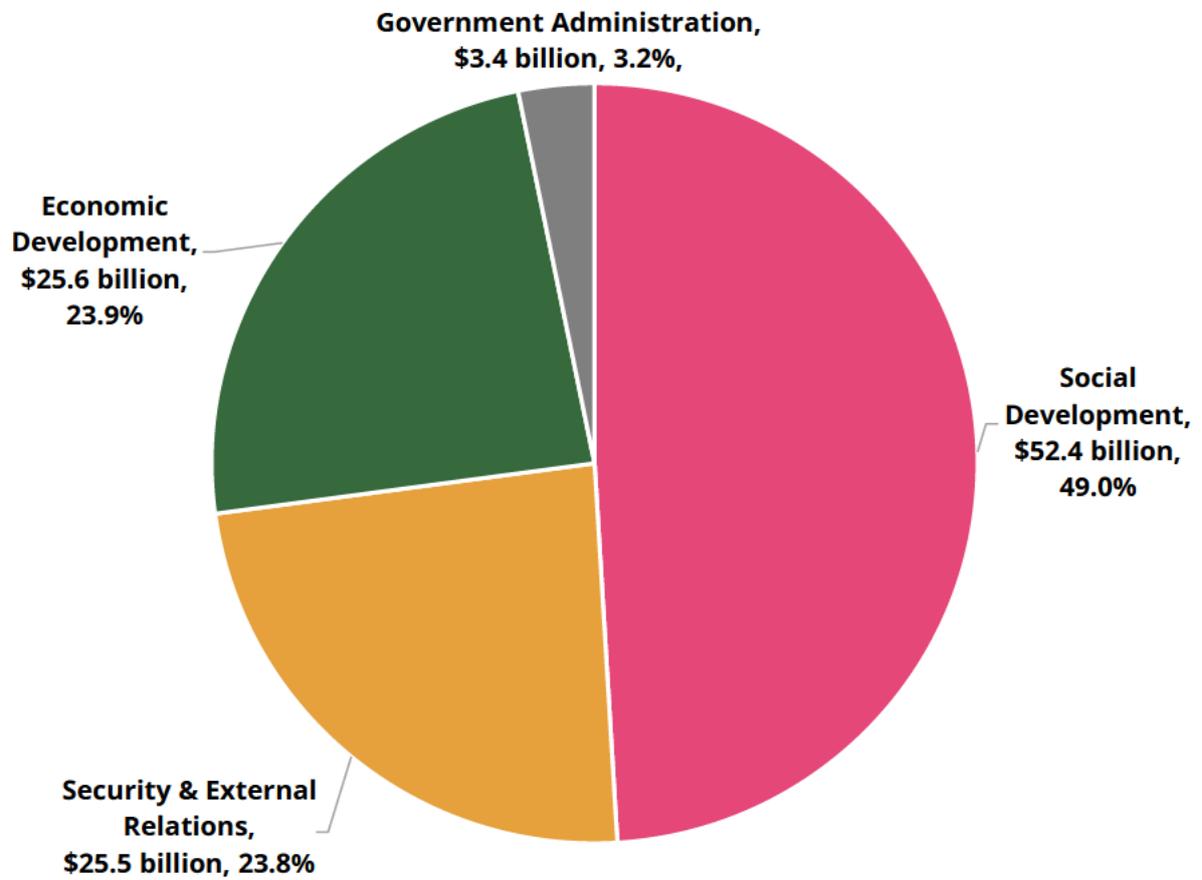
Chart 1.1



<sup>1</sup> The Government's Overall Revenue comprises the Government's Operating Revenue and NIRC. The Government's Operating Revenue, which includes tax and non-tax revenues (shown above) contributes to 80.7% of the Government's Overall Revenue in FY2022. NIRC, which is itemised in Section 1.5, contributes to the remaining 19.3% of Overall Revenue in FY2022.

## Breakdown of Government Spending by Sector in FY2022<sup>2</sup>

Chart 1.2



<sup>2</sup> Government spending here does not include Special Transfers and spending from Government Endowment and Trust Funds.

## Summary of Revised FY2022 Special Transfers<sup>1</sup>

Table 1.2

	Total Cost in FY2022 (\$ million)
<b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b>	
Cost-of-Living Special Payment	1,128
GST Voucher Special Payment	653
CDC Vouchers	410
Other Transfers <sup>2</sup>	722
<b>Sub-Total</b>	<b>2,912</b>
<b>Top-ups to Endowment and Trust Funds</b>	
Progressive Wage Credit Scheme Fund	2,800
GST Voucher Fund	2,400
National Research Fund	900
Cultural Matching Fund	150
<b>Sub-Total</b>	<b>6,250</b>
<b>Total Special Transfers</b>	<b>9,162</b>

Note: Due to rounding, figures may not add up.

<sup>1</sup> Special Transfers including Top-ups to Endowment and Trust Funds

<sup>2</sup> Consist of Jobs Support Scheme, Household Utilities Credit, CPF Transition Offset, Top-ups to Edusave and Post-Secondary Education Accounts, CPF MediSave Top-up scheme, Top-ups to Child Development Accounts, Service and Conservancy Charges Rebates, Wage Credit Scheme, Rental Support Scheme, Top-ups to self-help groups, Grocery Vouchers, Productivity and Innovation Credit, Workfare Special Bonus, PAssion Card Top-up, Merdeka Generation Package, Cash Rebate for School Buses, Cash Grant to Mitigate Rental Costs, Self-Employed Person Income Relief Scheme, Care and Support Package – Cash Payout, Productivity and Innovation Credit Bonus and Solidarity Utilities Credit.

## Spending from Government Endowment Funds and Trust Funds

Table 1.3

	Revised FY2022 (\$ million)
<b>Endowment Funds</b>	
Edusave Endowment Fund	199
Medical Endowment Fund	170
Lifelong Learning Endowment Fund	141
ElderCare Fund	142
Community Care Endowment Fund	79
<b>Sub-Total</b>	<b>730</b>
<b>Trust Funds</b>	
GST Voucher Fund	2,393
Progressive Wage Credit Scheme Fund	1,345
National Research Fund	810
Pioneer Generation Fund	431
Skills Development Fund	376
Trust Fund for the Employment Credit Schemes	321
Changi Airport Development Fund	311
National Productivity Fund	212
Community Silver Trust	169
Merdeka Generation Fund	151
Coastal and Flood Protection Fund	126
Other Trust Funds <sup>1</sup>	196
<b>Sub-Total</b>	<b>6,841</b>
<b>Total Spending from Endowment Funds and Trust Funds:</b>	<b>7,571</b>

Note: Due to rounding, figures may not add up.

<sup>1</sup> Consist of Long-Term Care Support Fund, Singapore Universities Trust, Bus Service Enhancement Fund, Cultural Matching Fund, National Youth Fund, Public Transport Fund, Community Capability Trust Fund and SG Eco Fund.

## 02 Outlook for Financial Year 2023

### 2.1 *Budget for FY2023*

A basic deficit of \$10.2 billion (or 1.5% of GDP) is expected for FY2023. After factoring in NIRC of \$23.5 billion, Capitalisation of Nationally Significant Infrastructure of \$3.5 billion, and SINGA Interest Costs and Loan Expenses of \$0.3 billion, the projected OFP for FY2023 is a deficit of \$0.4 billion (or 0.1% of GDP).

The FY2023 Budget is summarised in [Table 2.1](#).

### 2.2 *Operating Revenue*

FY2023 Operating Revenue is estimated to be \$96.7 billion (or 14.2% of GDP). This is an increase of \$6.4 billion (or 7.1%) over revised FY2022 estimates. The increase relative to FY2022 is mainly due to higher collections expected from Goods and Services Tax, Corporate Income Tax, Personal Income Tax, and Assets Taxes, partially offset by an expected decrease in Statutory Boards' Contributions.

Goods and Services Tax collections are estimated to increase by \$2.9 billion (or 20.2%) to \$17.4 billion, due to the increase in the GST rate and expected further recovery in the tourism sector. Corporate Income Tax collections are estimated to increase by \$1.5 billion (or 6.7%) to \$24.3 billion, in line with economic growth in 2022. Personal Income Tax collections are estimated to increase by \$1.5 billion (or 9.5%) to \$16.8 billion, due to expected nominal wage growth in 2022. Assets Taxes are estimated to increase by \$0.5 billion (or 9.6%) to \$5.5 billion, due to the increase in Property Tax rates and expected higher property Annual Values in 2023 given the tightening rental market. Statutory Boards' Contributions are estimated to decrease by \$0.9 billion (or 61.0%) to \$0.6 billion, due to expected lower contributions from the Monetary Authority of Singapore (MAS).

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

## 2.3 *Total Expenditure*

FY2023 Total Expenditure is estimated to be \$104.1 billion (or 15.3% of GDP). This is a decrease of \$2.8 billion (or 2.6%) from the revised FY2022 expenditure of \$106.9 billion. The main decreases over FY2022 are for MOM and MCCY (see [Chart 2.1](#)). This is partly offset by spending increases for MOE.

MOM expenditure is expected to decrease by \$2.3 billion (or 37.6%), mainly due to the JGI coming to an end in March 2023. MCCY expenditure is expected to decrease by \$1.6 billion (or 40.5%), mainly due to the one-off nature of the termination sum payable for the Government taking over Sports Hub and the provision of working capital for Sports Hub operations in FY2022, as well as lower operating requirements for the People's Association Programme in FY2023.

MOE expenditure is expected to increase by \$1.4b (or 10.2%), mainly due to salary revisions, resumption of school activities post-COVID, and initiatives to improve the quality of education.

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

## 2.4 *Net Investment Returns Contribution*

FY2023 NIRC is estimated to be \$23.5 billion, which is \$1.9 billion or 8.7% higher than the revised FY2022 NIRC.

## *2.5 Capitalisation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses*

The borrowing proceeds under the SINGA will only be used to finance nationally significant infrastructure. SINGA Interest Costs and Loan Expenses to facilitate borrowing under the SINGA is projected to be \$0.3 billion, which is \$0.2 billion or 256.0% higher than the Revised FY2022 estimate.

Capitalisation of Nationally Significant Infrastructure is projected to be \$3.5 billion, which is \$1.2 billion or 54.8% higher than the Revised FY2022 estimate. In FY2023, the Government expects to capitalise expenditure on the North South Corridor, the Deep Tunnel Sewerage System, the Cross Island Line, and the Jurong Region Line.

# Budget for FY2023

## Table 2.1

	Revised FY2022	Estimated FY2023	Change Over Revised FY2022	
	\$billion	\$billion	\$billion	% change
<b>OPERATING REVENUE</b>	<b>90.28</b>	<b>96.70</b>	<b>6.42</b>	<b>7.1</b>
Corporate Income Tax	22.74	24.26	1.52	6.7
Personal Income Tax	15.38	16.84	1.46	9.5
Withholding Tax	2.12	2.21	0.09	4.4
Statutory Boards' Contributions <sup>1</sup>	1.45	0.57	(0.88)	(61.0)
Assets Taxes	5.06	5.55	0.48	9.6
Customs and Excise Taxes	3.48	3.73	0.24	7.0
Goods and Services Tax	14.46	17.38	2.92	20.2
Motor Vehicle Taxes	2.27	2.54	0.27	11.9
Vehicle Quota Premiums	3.87	3.88	0.01	0.4
Betting Taxes	2.83	2.84	0.01	0.4
Stamp Duty	5.82	5.75	(0.07)	(1.2)
Other Taxes <sup>2</sup>	6.36	6.63	0.27	4.3
Fees and Charges (Excluding Vehicle Quota Premiums)	3.88	3.95	0.07	1.7
Others	0.56	0.58	0.02	4.0
Less:				
<b>TOTAL EXPENDITURE</b>	<b>106.95</b>	<b>104.15</b>	<b>(2.80)</b>	<b>(2.6)</b>
Operating Expenditure	86.32	83.62	(2.70)	(3.1)
Development Expenditure	20.63	20.52	(0.10)	(0.5)
<b>PRIMARY SURPLUS / DEFICIT<sup>3</sup></b>	<b>(16.67)</b>	<b>(7.45)</b>		
Less:				
<b>SPECIAL TRANSFERS<sup>4</sup></b>	<b>9.16</b>	<b>19.58</b>	<b>10.42</b>	<b>113.7</b>
Special Transfers Excluding Top-ups to Endowment and Trust Funds	2.91	2.76		
COL Special Payment	1.13	1.33		
CDC Vouchers	0.41	0.60		
Other Transfers <sup>5</sup>	1.37	0.84		
<b>BASIC SURPLUS / DEFICIT<sup>6</sup></b>	<b>(19.58)</b>	<b>(10.21)</b>		
<b>Top-ups to Endowment and Trust Funds</b>	<b>6.25</b>	<b>16.82</b>		
National Productivity Fund <sup>7</sup>	-	4.00		
GST Voucher Fund	2.40	2.40		
Progressive Wage Credit Scheme Fund	2.80	2.40		
Top-ups to Endowment Funds <sup>8</sup>	-	2.30		
Changi Airport Development Fund	-	2.00		
Trust Fund for the Employment Credit Schemes	-	1.50		
National Research Fund	0.90	1.20		
Other Funds <sup>9</sup>	0.15	1.02		
Add:				
<b>NET INVESTMENT RETURNS CONTRIBUTION</b>	<b>21.61</b>	<b>23.48</b>	<b>1.87</b>	<b>8.7</b>
<b>OVERALL BUDGET SURPLUS / DEFICIT</b>	<b>(4.22)</b>	<b>(3.55)</b>		
Add:				
<b>CAPITALISATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>	<b>2.28</b>	<b>3.53</b>	<b>1.25</b>	<b>54.8</b>
Less:				
<b>DEPRECIATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SINGA INTEREST COSTS AND LOAN EXPENSES<sup>10</sup></b>	<b>0.09</b>	<b>0.33</b>	<b>0.24</b>	<b>256.0</b>
<b>OVERALL FISCAL POSITION</b>	<b>(2.04)</b>	<b>(0.35)</b>		

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

<sup>1</sup> To reduce annual volatility, Statutory Boards' Contributions (SBC) from MAS in a given financial year are calculated as the average of "Contribution to Consolidated Fund" reported in MAS' financial statements for the preceding three years.

<sup>2</sup> Prior to 1 August 2022, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax. From 1 August 2022 onwards, the Development Charge has been replaced by the Land Betterment Charge.

<sup>3</sup> Surplus / Deficit before Special Transfers (including Top-ups to Endowment and Trust Funds), Net Investment Returns Contribution, Capitalisation and Depreciation of Nationally Significant Infrastructure, and SINGA Interest Costs and Loan Expenses.

<sup>4</sup> Special Transfers including Top-ups to Endowment and Trust Funds.

<sup>5</sup> Other transfers in FY2023 include GST Voucher Special Payment, Top-ups to Edusave and Post-Secondary Education Accounts, Top-ups to Child Development Accounts, CPF Transition Offset, CPF MediSave Top-up scheme, Jobs Support Scheme, Top-ups to self-help groups, Productivity and Innovation Credit, Rental Support Scheme, Wage Credit Scheme, Cash Grant to Mitigate Rental Costs, Cash Rebate for School Buses.

<sup>6</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds, Net Investment Returns Contribution, Capitalisation and Depreciation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses.

<sup>7</sup> The mandate of the National Productivity Fund will be expanded in FY2023 to include investment promotion.

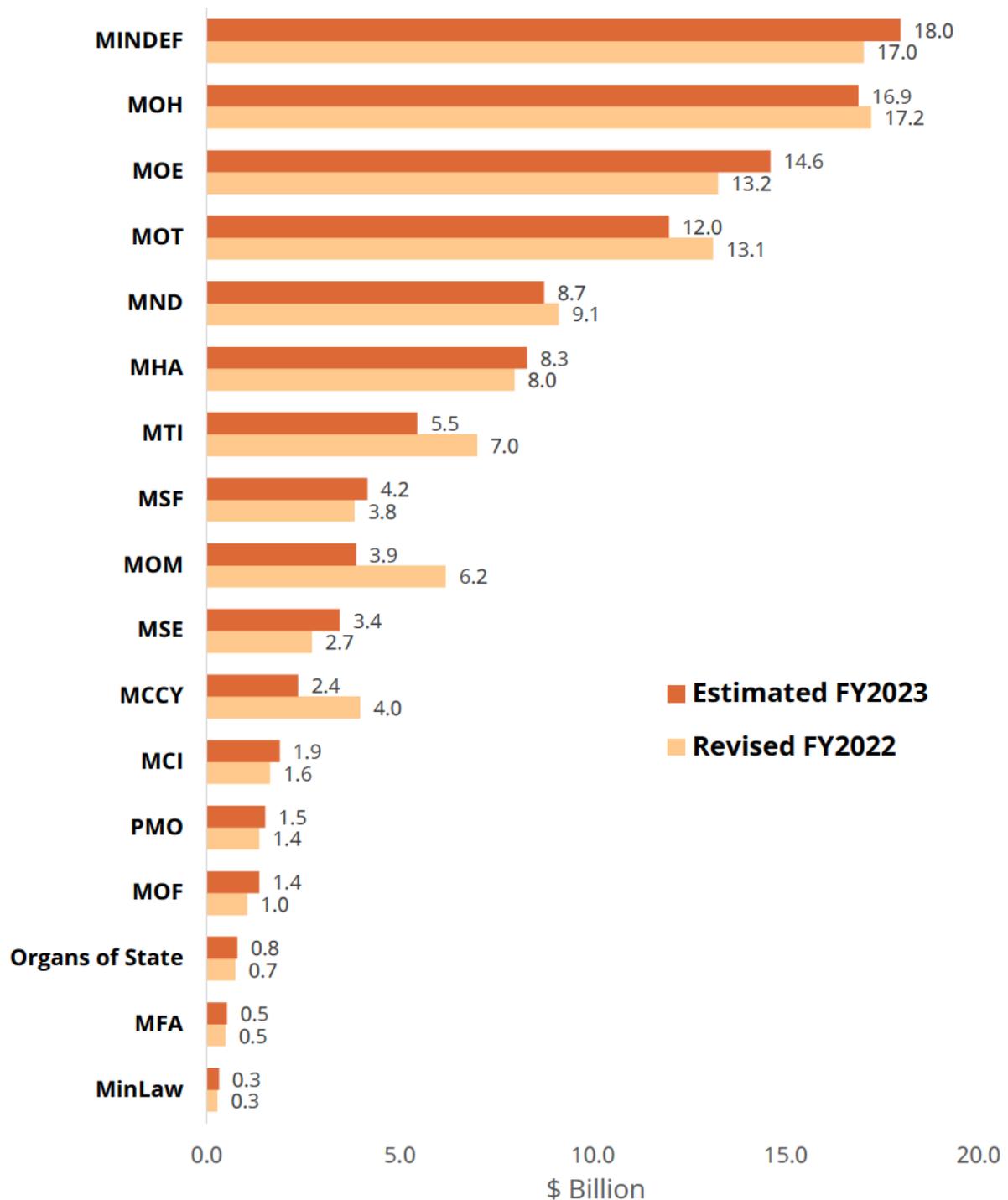
<sup>8</sup> Consist of Medical Endowment Fund, ElderCare Fund, and Community Care Endowment Fund.

<sup>9</sup> Consist of Community Silver Trust Fund, Public Transport Fund and Cultural Matching Fund.

<sup>10</sup> SINGA Interest Costs and Loan Expenses include the annual effective interest costs (which is computed based on the yield to maturity multiplied by the face value of the bond) and other ancillary loan expenses incurred in connection with the SINGA. It excludes principal repayment and transfer of loan discount to Development Fund. It is different from the Debt Servicing and Related Costs presented in the Expenditure Estimates and Annex to Expenditure Estimates for Head Y. In FY2021, SINGA Interest Costs and Loan Expenses was positioned above the Overall Budget Surplus/Deficit in the Fiscal Position Table. It has been shifted below the Overall Budget Surplus/Deficit together with the other items that are also associated with the SINGA.

## Breakdown of Breakdown of Total Expenditure by Ministry (FY2022 and FY2023)<sup>1</sup>

Chart 2.1



<sup>1</sup>The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

## 2.6 *Special Transfers*

### **Special Transfers to Households (\$2.6 billion)**

In addition to transfers from the Government's operating expenditure and spending from Government Endowment Funds and Trust Funds, special transfers to households are estimated to be \$2.6 billion in Budget 2023. This includes \$1.3 billion for the Cost-of-Living Special Payment, \$0.6 billion for CDC vouchers and \$0.7 billion for other transfers to households (see [Table 2.2](#)).

### **Special Transfers to Businesses (\$0.1 billion)**

Special transfers to businesses is estimated to be \$0.1 billion, with the majority being an estimated \$78 million for the CPF Transition Offset (see [Table 2.3](#)).

### **Top-ups to Endowment and Trust Funds (\$16.8 billion)**

In Budget 2023, the Government will top up the National Productivity Fund by \$4.0 billion, with the expansion of the mandate of the fund to include investment promotion. We will top up the GST Voucher Fund by \$2.4 billion to fund additional measures to cushion the impact of the GST rate increase, and top up the Progressive Wage Credit Scheme Fund by \$2.4 billion and the Trust Fund for the Employment Credit Schemes by \$1.5 billion, to support Budget 2023 enhancements to the respective schemes. To support increasing social assistance spending amidst high inflation, we will top up the Medical Endowment Fund, ElderCare Fund and Community Care Endowment Fund by \$2.3 billion in total. We will also inject \$2.0 billion into the Changi Airport Development Fund with the resumption of Changi Terminal 5 plans and recovery of the aviation industry. Other fund top-ups are to the National Research Fund (\$1.2 billion), Community Silver Trust Fund (\$1.0 billion) and Public Transport Fund (\$20 million).

In total, \$16.8 billion will be committed to fund top-ups (see [Table 2.4](#)).

## Special Transfers to Households in FY2023

Table 2.2

Measures	Total Cost (\$ million)
COL Special Payment	1,328
CDC vouchers	600
Others <sup>1</sup>	708
<b>Total</b>	<b>2,636</b>

Note: Due to rounding, figures may not add up.

<sup>1</sup> Consist of GST Voucher Special Payment, Top-ups to Edusave and Post-Secondary Education Accounts, Top-ups to Child Development Accounts, CPF MediSave Top-up scheme, Top-ups to self-help groups.

## Special Transfers to Businesses in FY2023

Table 2.3

Measures	Total Cost (\$ million)
CPF Transition Offset	78
Jobs Support Scheme	47
Others <sup>1</sup>	3
<b>Total</b>	<b>128</b>

Note: Due to rounding, figures may not add up.

<sup>1</sup> Consist of Productivity and Innovation Credit, Rental Support Scheme, Wage Credit Scheme, Cash Grant to Mitigate Rental Costs, Cash Rebate for School Buses.

## Top-ups to Endowment and Trust Funds in FY2023

Table 2.4

Measures	Total Cost (\$ million)
<b>Endowment Funds</b>	
Medical Endowment Fund	1,500
ElderCare Fund	500
Community Care Endowment Fund	300
<b>Sub-Total</b>	<b>2,300</b>
<b>Trust Funds</b>	
National Productivity Fund <sup>1</sup>	4,000
GST Voucher Fund	2,400
Progressive Wage Credit Scheme Fund	2,400
Changi Airport Development Fund	2,000
Trust Fund for the Employment Credit Schemes	1,500
National Research Fund	1,200
Community Silver Trust	1,000
Public Transport Fund	20
<b>Sub-Total</b>	<b>14,520</b>
<b>Total</b>	<b>16,820</b>

<sup>1</sup> The mandate of the National Productivity Fund will be expanded in FY2023 to include investment promotion.

## 2.7 *Fiscal Impulse*

In its January 2023 update, the IMF projected that global growth would moderate to 2.9% in 2023, following the 3.4% expansion in 2022. In the US and the Eurozone, economic growth is projected to slow as tighter financial conditions are expected to weigh on private consumption and investment. On the other hand, growth in China is expected to pick up following its pivot away from a zero-COVID strategy.

Nonetheless, uncertainties in the global economy remain. First, tighter financial conditions in advanced economies could have a larger-than-expected impact on global growth and expose financial vulnerabilities among highly-indebted corporates and households. Second, a deterioration of the geopolitical situation, including the war in Ukraine, could renew supply disruptions.

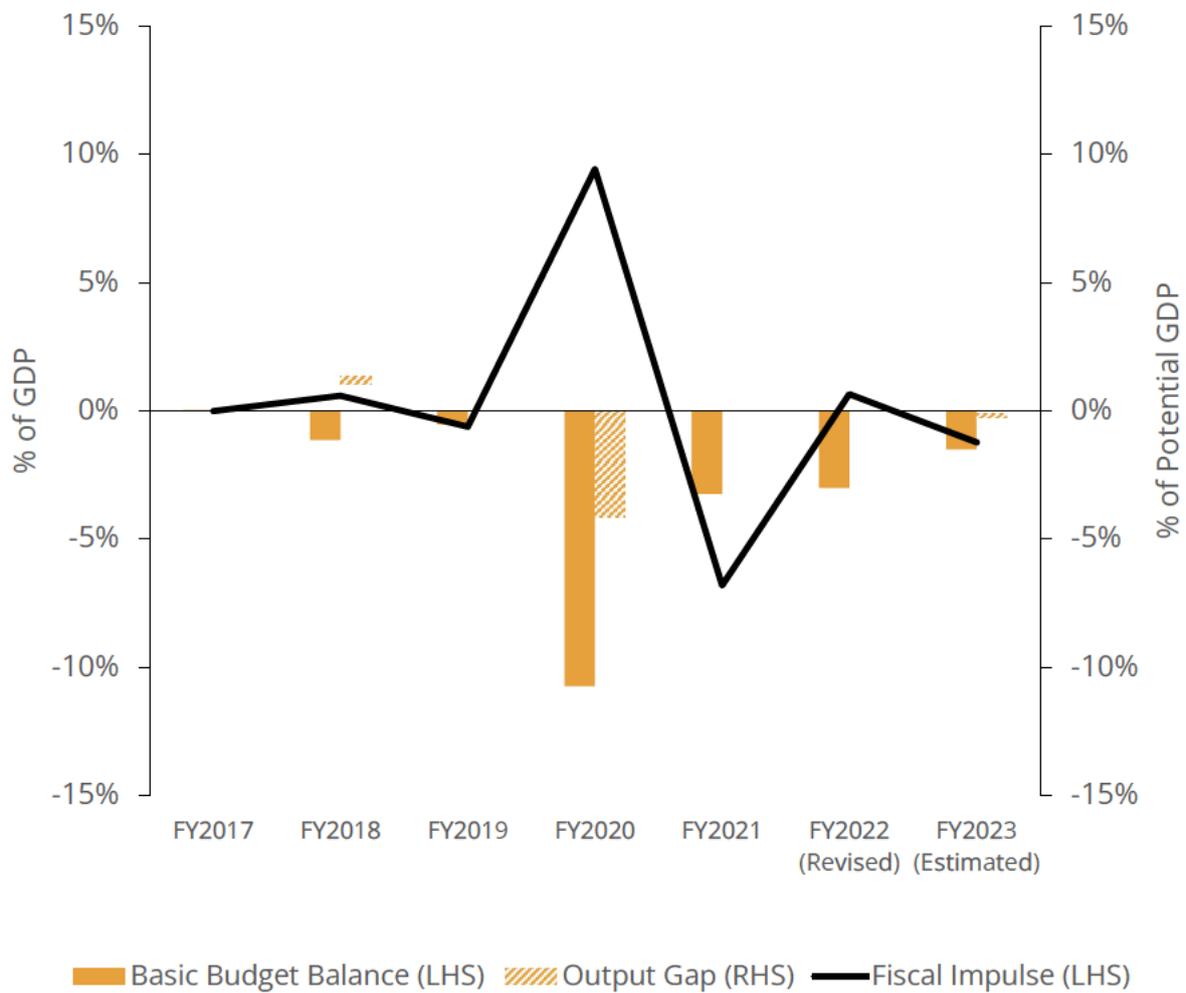
The Singapore economy grew by 3.6% in 2022 and is projected to grow by 0.5% to 2.5% in 2023. We project a slightly negative output gap in 2023.

To support the Singapore economy through the uncertain global economic environment and higher near-term inflation, the Government will adopt a less expansionary fiscal stance than FY2022 to avoid adding to elevated inflationary pressures. The fiscal impulse is expected to be -1.2% of GDP in FY2023. As the fiscal impulse measures the change in the net fiscal injection over the previous year, the FY2023 fiscal impulse is negative notwithstanding a basic budget balance of -1.5% of GDP, as this represents a smaller deficit than in FY2022 (see [Chart 2.2](#)).

Nonetheless, in FY2023 the Government will continue to provide targeted short-term relief to help businesses and households cope with rising costs, and make longer-term supply-side investments to press on with economic restructuring and transformation. In a year of anticipated slowdown in global growth, the Government is also developing drawer plans to prepare for possible adverse scenarios.

## Projected Fiscal Impulse, Basic Budget Balance, and Output Gap

Chart 2.2



Note: Output gap estimated as at 6 January 2023.

## 03 A SPECIAL FEATURE: EDUCATION SPENDING ACROSS LIFE STAGES

### Summary

Education continues to be a major pillar of Singapore's economic and social strategies. Our education and adult training system equips our people with the requisite skills in a rapidly changing economy, and enables them to progress regardless of their starting points in life. The focus of our investments in education has evolved over time. In the early years of nation building, we focused on developing our formal schooling system, comprising primary, secondary, and post-secondary education. This enabled us to raise literacy and numeracy levels, bring in higher-skilled jobs, and improve standards of living.

We have built on this strong foundation to help every child maximise his or her potential, nurture youths with diverse strengths and aspirations, and provide individuals with multiple pathways and opportunities for progress over their careers. We have not only increased our investment in primary to post-secondary education, but also expanded our investments significantly in early childhood education and continuing education in adulthood. This involves close coordination and integration of resourcing efforts across various Ministries including the Ministry of Education (MOE), Ministry of Social and Family Development (MSF), Ministry of Manpower (MOM), and our economic agencies.

This special feature provides a deep dive on how our education investments, across life stages and organised around various Heads of Expenditure (e.g., MOE, MSF, MOM), have evolved over the years.

## **Section 1: Preparing Our Students for the Future**

### **3.1 Overview of Government's Spending on Early Childhood to Post-Secondary/ Tertiary Education**

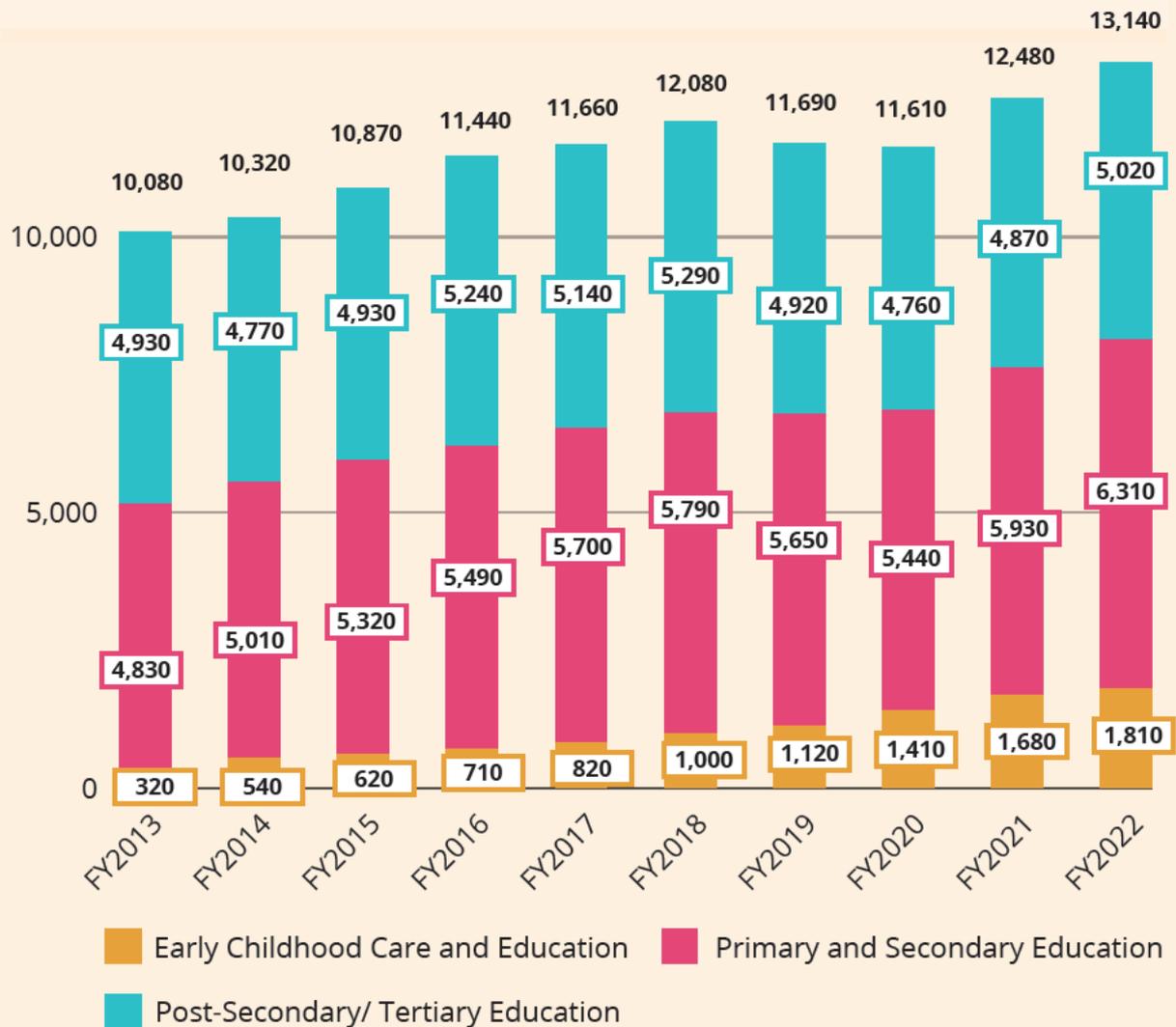
Over the last decade, we have increased spending on education significantly to better equip Singaporeans for the future. Major moves include giving every child a good start by stepping up our investments in early childhood care and education, diversifying our education system by providing multiple pathways and opportunities, and enhancing resourcing for students who need more support.

Government operating expenditure on early childhood to post-secondary/ tertiary education has increased from \$10.1b in FY2013 to \$13.1b in FY2022. This comprises Government spending on preschools, primary and secondary schools, pre-university institutions, the Institute of Technical Education (ITE), the polytechnics, the tertiary arts educational institutions, and the autonomous universities (AUs).

The Government has also made significant investments in our educational institutions, to build new institutions like the Singapore University of Technology and Design and the Singapore Institute of Technology, to upgrade or expand existing schools (including special education schools), and to invest in technology for teaching and learning. In the past decade, annual development expenditure has ranged from \$0.2b to \$0.9b.

**Annual Government Operating Expenditure on Education (\$m) (Early Childhood to Post-Secondary/ Tertiary Education)**

**CHART 1**



Note:

(1) Figures are rounded to the nearest tens.

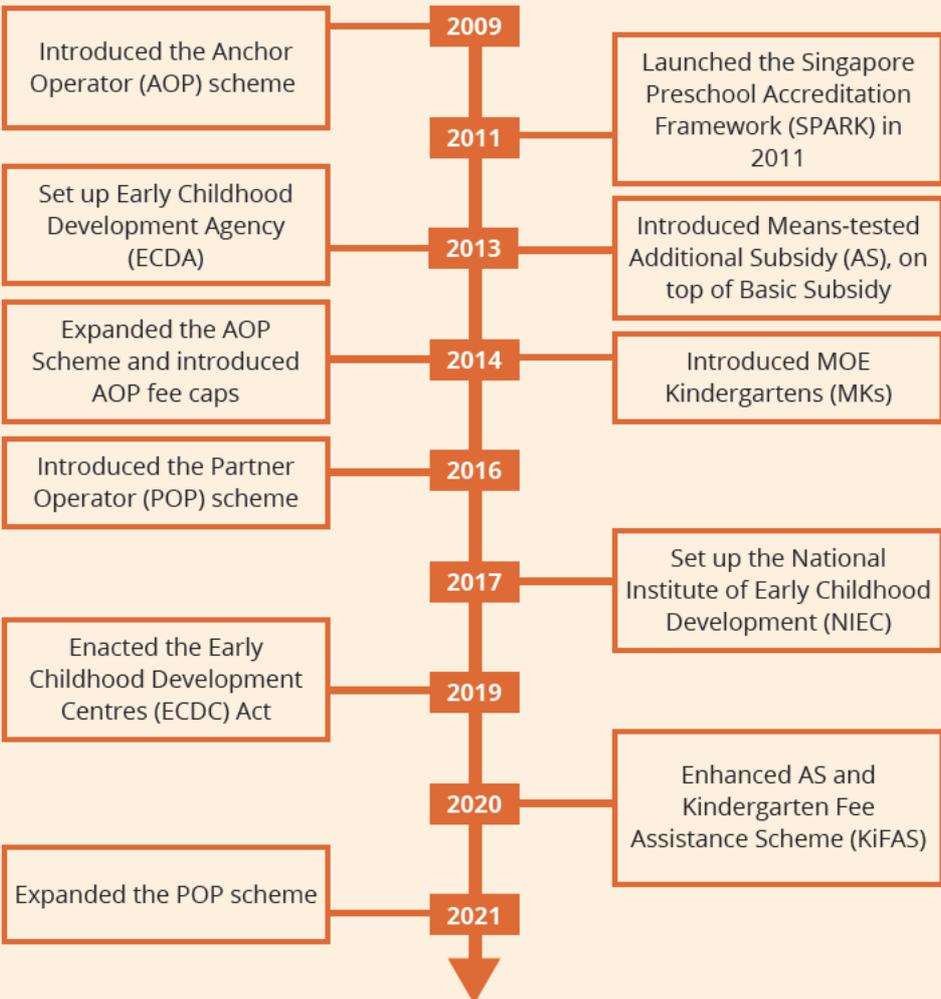
(2) The decrease in Government operating expenditure on education from FY2018 to FY2020 is due to lower bonus provisions and a drop in the number of school activities arising from COVID-19.

### 3.2 Ensuring a Good Start Through Investments in Early Childhood Care and Education

There is evidence that the early years of care and education can be important for a child’s development. The Government has been taking decisive steps to support families and improve access to affordable and quality preschools to give every Singaporean child a good start in life. Over the last decade, Government operating expenditure on the early childhood care and education sector has increased from \$320m in FY2013 to \$1.8b in FY2022, with our efforts focused on improving access to affordable and quality preschools. The key initiatives for the early childhood care and education sector are illustrated in [Figure 1](#).

#### Key Initiatives for Early Childhood Care and Education

**FIGURE 1**



The Government has introduced the Anchor Operator (AOP) scheme, MOE Kindergartens (MKs), and the Partner Operator (POP) scheme to **expand** the number of Government-supported preschool places to meet rising preschool demand. Today, there are over 200,000 full-day preschool places, more than double the 100,000 places in 2013. This is enough to cater to every resident child aged three and above.

We have ensured that preschool remains **affordable** for all children through the provision of preschool subsidies. Along with an increase in subsidy amounts, the eligible monthly household income for Additional Subsidy (AS) and Kindergarten Fee Assistance Scheme (KiFAS) was raised to \$12,000 in 2020, up from \$7,500 and \$6,000 respectively. With these enhancements, around 95,000 children now receive means-tested preschool subsidies, almost twice compared to around 48,000 children in 2019.

Additionally, fee caps at Government-supported preschools have kept median fees in the preschool sector stable over the past decade. Industry median fee for full-day childcare (before subsidies) was \$760/month in 2022 (before GST), comparable to \$750/month (before GST) in 2013, despite the rising cost of preschool services. We expect industry median fees to be even lower, as we have further reduced fee caps at Government-supported preschools with effect from this year.

Beyond affordability, the Government has also raised the **quality** of our preschool services. The Early Childhood Development Centres (ECDC) Act was enacted to ensure more consistent and higher quality standards across the sector, and the Singapore Preschool Accreditation Framework (SPARK) has been continuously enhanced since its introduction in 2011 to assist preschools in raising their quality.

The Government has also worked with the sector to enhance professional development, as well as career and salary prospects, for early childhood educators who play a critical role in driving the quality of care and education. The National Institute of Early Childhood Development (NIEC) was set up in 2019 to provide training and professional development for the sector. Initiatives such as ECDA Scholarships and Training Awards, and the Professional Development Programme, have also been established to attract and develop early childhood educators. These efforts will continue in the coming years, including by enhancing salaries of educators in Government-supported preschools, and improving the working conditions of educators in the sector.

With these enhancements to the preschool landscape, we have enabled about nine in 10 children aged three to six to enrol in preschools and benefit from holistic learning experiences spanning areas such as motor skills, social and emoti-

**Government operating expenditure on education for each child enrolled in preschool has increased from \$2,000 in FY2013 to \$9,200 in FY2022.**

-onal development, and language and literacy. Government operating expenditure on education for each child enrolled in preschool has also increased significantly in the last decade. In doing so, we have kept the out-of-pocket expenses borne by parents affordable. As an illustration, a dual-income family earning a median monthly household income with a child enrolled in full-day childcare in an AOP centre<sup>1</sup> would spend 3.2% of their income on out-of-pocket preschool fees in 2023, compared to 4.3% of their income in 2013.

We expect Government expenditure on the early childhood care and education sector to continue to increase significantly over the next few years, as we continue to prioritise investing in the early years of child development.

<sup>1</sup> Assumes that the child attends an AOP centre charging at median AOP fees in 2013, and at fee cap amount in 2023. Fee caps had not yet been introduced in AOPs in 2013.

### 3.3 Sustaining Our Commitment Throughout Formal Schooling and Post-Secondary/ Tertiary Years

In the early years of Singapore's independence, the Government's main priority was providing mass education. We built a strong foundation for the national education system we have today, which enabled us to move up the value-chain from a low-skills manufacturing base to a more capital-intensive and high-skills economy.

Ensuring quality education from the primary to post-secondary and tertiary years remains a priority. Government operating expenditure on primary to post-secondary/ tertiary education has continued to increase, from \$9.8b in FY2013 to \$11.3b in FY2022.

To allow students to achieve their full potential, we have **diversified our education system** by providing multiple pathways and strengthening support for those who need it.

- We have introduced a range of secondary school options to cater to students' diverse strengths and interests. For instance, those in the Normal (Technical) course who prefer a more practical and hands-on learning environment can enrol in the two Specialised Schools for Normal (Technical) students (Crest Secondary School and Spectra Secondary School). Students with specialised interests can also enrol in schools such as NUS High School of Mathematics and Science, School of Science and Technology, Singapore Sports School, and the School of the Arts.
- Our secondary schools are now moving towards Full Subject-Based Banding (SBB) in place of streaming, so that students learn each subject at the level that best caters to their abilities and needs, and have more opportunities to interact with others of different academic profiles. More students will benefit when all secondary schools offering Full SBB come onboard by 2024.

- We have also enhanced post-secondary and tertiary pathways to better support students' learning and progression. Work-study offerings have been expanded across the board, especially in ITE, while common entry programmes to diploma courses have helped students to make better decisions about their course of study. ITE has expanded the number of full-time Higher Nitec places by 20% over the last 10 years, and almost half of each student cohort have progressed to the polytechnics. We have raised the cohort participation rate (for publicly-funded degree places) from 30.8% in 2013 to 42.3% in 2022. Singapore Institute of Management University was restructured into the Singapore University of Social Sciences in 2017, as Singapore's sixth AU with a focus on applied social sciences and lifelong learning.
- We have also strengthened aptitude-based admissions (ABA) to post-secondary and tertiary institutions, to recognise not only academic strengths, but also students' interests and relevant skills in their preferred course. Currently, about 20% of the polytechnic intake and 15% of the ITE intake are admitted via an aptitude-based Early Admissions Exercise, while the proportion of students admitted via ABA in the National University of Singapore, Nanyang Technological University, and Singapore Management University has doubled.<sup>2</sup>

Accelerated by the pandemic, our education system has **embraced technology** more widely to enhance teaching and learning. Blended learning, supported by the use of education technology, is now a key feature of the school curriculum.

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<sup>2</sup> Singapore University of Technology and Design, Singapore Institute of Technology, and Singapore University of Social Sciences already admit all students via ABA.

A key example is the Singapore Student Learning Space (SLS) that was developed in-house by MOE to meet our curriculum needs and support collaborative teaching and learning. Under the National Digital Literacy Programme, we will continue to ensure that all secondary students have access to affordable Personal Learning Devices to better enable them to acquire and apply digital skills. This provides students with more opportunities to learn anytime, anywhere, at their own pace, and be empowered to take charge of their learning within and beyond the formal curriculum.

We have also **increased our support for mental health and wellbeing**. All schools have at least one school counsellor, whom students can share their challenges with and seek help from. To establish a holistic support network with their teachers and peers, we are equipping all teachers with basic counselling skills and mental health literacy, and have incorporated Mental Health Education into the refreshed Character and Citizenship Education curriculum for students.

### 3.4 Providing More Support for Students with Additional Needs

A key focus in recent years has been to strengthen support for specific groups of students with additional needs or from disadvantaged backgrounds, to ensure that every child has the opportunity to do well in life. We have stepped up our efforts **to support children from disadvantaged backgrounds**.

- During a child's early years of development, lower-income families can pay as low as \$3 per month for full-day childcare at centres operated by AOPs or MKs with Kindergarten Care (KCare)<sup>3</sup>. To provide upstream support to lower-income families with young children in the home, community, and preschool settings, we piloted the KidSTART programme in 2016. KidSTART has since benefited more than 6,200 children from lower-income families.

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<sup>3</sup> KCare is a care service available in all MKs, for parents who require a full-day service for their children enrolled in MKs.

- During the schooling years, MOE's financial assistance schemes provide generous support to defray school fees and educational expenses. To further strengthen support for underperforming students from disadvantaged families, we established UPLIFT (Uplifting Pupils in Life and Inspiring Families Taskforce) in 2018 to improve wraparound support for these students through after-school support, school resourcing, and community partnerships. We introduced the UPLIFT Community Network (UCN) to eight more new towns in 2022. We will expand UCN further, to support 1,800 students and their families each year.

The Government is also committed **to enhance support for children with developmental needs.**

- Children with developmental needs below age seven can receive a range of Government-funded **early intervention (EI) services**. In 2019, we enhanced EI subsidies<sup>4</sup> to allow more families to qualify for means-tested subsidies and make EI services more affordable. We also introduced more customised and inclusive EI programmes conducted at our preschools, such as the Development Support Plus programme and the Inclusive Support Programme (InSP) pilot to better serve children with developmental needs. At the primary level, we provide educational interventions such as the Learning Support Programme and School-based Dyslexia Remediation Support programme to help students with learning needs manage the demands of the mainstream curriculum. MOE also introduced TRANSIT, which provides for more systematic identification of needs and intervention planning for students with social and behavioural difficulties at Primary 1, so that targeted support can be rendered.

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<sup>4</sup>After subsidies, fees for Singapore Citizen children range from \$5 to \$430 per month, depending on the EI programme.

- Beyond mainstream schools, the Government has been **improving access to affordable and quality Special Education (SPED) Schools** to best meet our students' special educational needs. Government operating expenditure on SPED schools has doubled over the past decade, from \$125m in FY2013 to \$251m in FY2022. To ensure students' timely access to quality SPED, we have strengthened teaching and learning through efforts to support SPED schools in curriculum development and implementation, and are professionalising the sector. MOE is also building more SPED schools and expanding existing schools. We are working with social service agencies to set up six new SPED schools by the 2030s to meet the growing demand for SPED school places. The number of SPED places will increase by about 3,000 to 10,900, up from approximately 7,900 in 2013, when the development of all the new schools are completed.



**Six new SPED schools will be set up, increasing the number of SPED places to more than 10,000 by the 2030s.**

### 3.5 Ramping Up Infrastructure Spending to Meet Growing Needs

A significant part of our investments in education from the early years to post-secondary/tertiary years comprises expenditure on the infrastructure of our schools to better support teaching and learning. Our development expenditure ranged from \$0.2b to \$0.9b per year over the last decade, varying based on development projects scheduled.

Development expenditure for early childhood care and education has increased from about \$4m in FY2013 to about \$90m in FY2022. This spending has enabled more families to enrol their children in Government-supported preschools. We will continue to ramp up and enable eight in 10 preschoolers to have a place in Government-supported preschools by around 2025, up from around six in 10 today.

For primary and secondary schools, our investments in infrastructure have enabled us to move all primary schools to a single-session model, for students to benefit from a wider range of academic and non-academic activities. We have also continued to enhance the infrastructure in our schools to provide students with more facilities within the schoolgrounds. For instance, every primary and secondary school is now furnished with an indoor sports hall, so that students can participate in sports and games regardless of the weather.

At the tertiary level, to cater for more students entering university, we have built new university campuses in recent years – namely, the Singapore University of Technology and Design’s permanent campus in Upper Changi, and Singapore Institute of Technology’s centralised campus in Punggol (to be completed in 2024).

## Section 2: Continual Learning - Learning for Life; Learning Through Life

With the fast pace of technological advancements and stronger global competition for investments, developing the skills of our workforce through lifelong learning is a key priority for the Government. This helps our workers remain employable at all stages of their careers, and continue to improve their productivity and wages. It also helps our businesses remain relevant and seize new opportunities amidst economic restructuring and industry transformation.

Over the past few years, the Government has increased our investments in Continuing Education and Training (CET), including the major step of launching the **national SkillsFuture Movement** in 2015. Through SkillsFuture, we aim to provide Singaporeans with reskilling and upskilling opportunities throughout their working lives, to help them secure good jobs and progress in their careers. In addition to subsidising the cost of CET programmes, the Government introduced the SkillsFuture Credit in 2016 to encourage all Singaporeans to take individual ownership of skills development. To cater to the busy working adult, short programmes on emerging skills in growth areas like Industry 4.0 and sustainability were introduced as part of the SkillsFuture Series.

### FOUR KEY THRUSTS OF SKILLSFUTURE



Help individuals make well-informed choices in education, training, and careers



Develop an integrated high-quality system of education and training that responds to constantly evolving needs



Promote employer recognition and career development based on skills and mastery



Foster a culture that supports and celebrates lifelong learning

The SkillsFuture movement is built on the foundation of strong collaboration across the Government, employers, trade associations and chambers, and unions. This ensures that training programmes are high-quality and industry-relevant. MOE and SkillsFuture Singapore (SSG) work closely with these partners to build up the CET ecosystem, especially the capabilities of training providers. The Institutes of Higher Learning (IHLs) in particular have ramped up their CET programme offerings to meet growing demand and the diverse training needs of adult learners.

In addition to the broad slate of SkillsFuture programmes driven by MOE and SSG, Government agencies have also introduced tailored initiatives to drive workforce development and industry transformation, including in specific sectors. For example, EnterpriseSG's Global Ready Talent Programme provides young Singaporeans with exposure to internships and overseas opportunities, while IMDA's TechSkills Accelerator (TeSA) aims to build and develop a skilled Information and Communication Technology (ICT) workforce for Singapore's digital economy.

Building on the progress of the SkillsFuture movement, MOE and SSG launched the **Next Bound of SkillsFuture (NBSF)** in 2020. The NBSF seeks to enhance the role of enterprises in developing their workforce. One such effort is the appointment of SkillsFuture Queen Bees, which are industry leaders that can uplift the capabilities of other enterprises and workers in their sector. Another such effort is the National Centre of Excellence for Workplace Learning (NACE), which was launched in 2018. As of June 2022, NACE has supported over 1,700 companies in building up workplace learning capabilities, with the vast majority being Small and Medium Enterprises (SMEs). To better support mid-career workers in their 40s and 50s who are more vulnerable to economic disruption, the NBSF also includes an additional SkillsFuture Credit top-up, the expansion of reskilling programmes, and enhanced career advisory services tailored for mid-career workers.

Singaporeans have increasingly embraced the need for continued learning. The training participation rate of our workforce has increased steadily from 42% in 2016 to about 50% in 2021, while the number of individuals who benefited from SSG-supported training increased from 418,000 in 2016 to 660,000 in 2021.

Our journey to upskill Singaporeans is a continual endeavor, and training provisions will evolve along with changing industry demands and economic needs. A rapidly ageing population also calls for us to embrace productive longevity and ensure that mature workers remain meaningfully employed. The Government will continue to invest in high quality programmes that can deliver good employment and employability outcomes for Singaporeans.

Further measures are being studied under the Forward Singapore exercise, taking on board suggestions from different stakeholders on how we can better equip Singaporeans for the economy and jobs of the future.



**Government spending on CET has nearly doubled since the launch of the national SkillsFuture movement, from around \$0.5b in FY2016 to \$0.9b in FY2022.**

## Section 3: Estimated Spending in FY2023

This section features our planned Budget 2023 moves and expected topline spending by segment<sup>5</sup> (i.e. education life stage) for FY2023.

### Investing in Education

- Our education system exists to give every child a good start in life, regardless of the child's starting point in life.
- Budget 2023 represents a significant investment in education, ensuring access to educational opportunities across different stages of life.

#### **A strong foundation for all: Supporting early childhood care and education**

We will continue to enhance parents' access to quality and affordable preschool services, and raise the standards of early childhood professionals and programmes.

- With effect from 1 Jan 2023, fee caps at Government-supported preschools have been reduced, making preschools more affordable<sup>6</sup>. Over the medium term, we plan to further lower fee caps at Government-supported preschools so that dual-income families with a child in full-day childcare will pay around the equivalent of primary school fees plus after-school student care fees, before means-tested preschool subsidies.
- From 2023, ECDA will work with Government-supported preschools to raise educators' salaries, to ensure that their salaries correspond with their contributions and professional skills.

We will continue to build on our efforts to uplift children who require more support in their early years. To support children from lower-income families, we will progressively expand KidSTART nationwide from 2023. We will also expand the capacity of Government-funded EI services so that more children with developmental needs can access EI services in a timely manner.

**\$2,280m**

<sup>5</sup> Comprising both operating and development spending.

<sup>6</sup> Full-day childcare fee caps for AOP and POP centres have been lowered by \$40 to \$680 and \$720 (excluding GST) per month respectively. Full-day infant care fee caps for AOP and POP centres have been lowered by \$40 to \$1,235 and \$1,290 (excluding GST) per month respectively. Kindergarten fee caps for AOP centres have been lowered by \$10 to \$150 (excluding GST) per month.

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**Diverse learning models for diverse abilities: Supporting primary to secondary education**

We are committed to investing in good quality education, to maximise the potential of every child regardless of their background. We will continue to:

- Diversify pathways and provide greater flexibility to cater to the different strengths and interests of our students.
- Refresh our curriculum to develop students holistically, and ensure that the knowledge, skills, and values taught remain current and relevant.
- Further strengthen support for students who need more help.

**\$7,039m**

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**Multiple pathways of success: Supporting post-secondary and tertiary education**

At the post-secondary and tertiary levels, we will continue to enhance and expand the pathways available to students, to better support their diverse strengths and aspirations, and provide them with more opportunities to deepen their skills and competencies to prepare them for life and the future economy.

**\$5,750m**

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**Future of work: Encouraging lifelong learning**

More rapid technological advances, climate change, and our ageing population require us to restructure the economy and reskill the workforce. The enterprise and jobs landscape and the nature of work are evolving, opening up new growth areas and good jobs for Singaporeans. We are stepping up efforts in reskilling, with clear employability outcomes in mind, to enable Singaporeans to seize these opportunities.

**\$1,130m**

# STATISTICAL ANNEX

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**Table 3.1a: Overall Fiscal Position for FY2017 to FY2023 (\$ million)**

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Revised)	FY2023 (Estimated)
<b>Operating Revenue</b>	<b>75,816</b>	<b>73,738</b>	<b>74,274</b>	<b>67,376</b>	<b>82,487</b>	<b>90,278</b>	<b>96,698</b>
Tax Revenue	66,363	66,203	67,645	61,408	74,761	81,972	88,289
Fees and Charges	9,075	7,106	6,275	5,479	6,828	7,749	7,831
Others	378	430	354	489	898	557	579
<b>Total Expenditure</b>	<b>73,556</b>	<b>77,824</b>	<b>75,337</b>	<b>86,366</b>	<b>94,796</b>	<b>106,948</b>	<b>104,146</b>
Operating Expenditure	55,581	57,561	58,667	72,936	78,543	86,319	83,621
Development Expenditure <sup>1</sup>	17,975	20,263	16,671	13,430	16,253	20,629	20,525
<b>Primary Surplus / Deficit</b>	<b>2,259</b>	<b>(4,086)</b>	<b>(1,063)</b>	<b>(18,989)</b>	<b>(12,310)</b>	<b>(16,669)</b>	<b>(7,447)</b>
<b>Special Transfers<sup>2</sup></b>	<b>6,122</b>	<b>8,989</b>	<b>15,129</b>	<b>50,822</b>	<b>6,828</b>	<b>9,163</b>	<b>19,584</b>
Special Transfers Excluding Top-ups to Endowment and Trust Funds	2,112	1,689	1,561	33,502	6,828	2,913	2,764
<b>Basic Surplus / Deficit<sup>3</sup></b>	<b>147</b>	<b>(5,774)</b>	<b>(2,625)</b>	<b>(52,491)</b>	<b>(19,138)</b>	<b>(19,582)</b>	<b>(10,211)</b>
Top-ups to Endowment and Trust Funds	4,010	7,300	13,568	17,320	-	6,250	16,820
<b>Net Investment Returns Contribution<sup>4</sup></b>	<b>14,724</b>	<b>16,413</b>	<b>17,038</b>	<b>18,244</b>	<b>20,365</b>	<b>21,611</b>	<b>23,481</b>
<b>Overall Budget Surplus / Deficit</b>	<b>10,861</b>	<b>3,339</b>	<b>845</b>	<b>(51,567)</b>	<b>1,227</b>	<b>(4,221)</b>	<b>(3,550)</b>
Add:							
<b>Capitalisation of Nationally Significant Infrastructure</b>	-	-	-	-	654	2,278	3,528
Less:							
<b>Depreciation of Nationally Significant Infrastructure</b>	-	-	-	-	-	-	-
<b>SINGA Interest Costs and Loan Expenses</b>	-	-	-	-	-	93	332
<b>Overall Fiscal Position</b>	<b>10,861</b>	<b>3,339</b>	<b>845</b>	<b>(51,567)</b>	<b>1,880</b>	<b>(2,036)</b>	<b>(355)</b>

Note: Figures may not add up due to rounding. Negative figures are shown in parentheses.

<sup>1</sup> Development Expenditure excludes land-related expenditure.

<sup>2</sup> Special Transfers include Top-ups to Endowment and Trust Funds.

<sup>3</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds, Net Investment Returns Contribution, Capitalisation and Depreciation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses.

<sup>4</sup> Net Investment Returns Contribution is the sum of: (1) up to 50% of the expected long-term real return on the relevant assets specified in the Constitution; and (2) up to 50% of the net investment income on the remaining assets.

**Table 3.1b: Overall Fiscal Position for FY2017 to FY2023 (% of GDP)<sup>1</sup>**

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Revised)	FY2023 (Estimated)
<b>Operating Revenue</b>	<b>15.8%</b>	<b>14.4%</b>	<b>14.5%</b>	<b>13.8%</b>	<b>13.9%</b>	<b>13.8%</b>	<b>14.2%</b>
Tax Revenue	13.8%	12.9%	13.2%	12.6%	12.6%	12.5%	13.0%
Fees and Charges	1.9%	1.4%	1.2%	1.1%	1.2%	1.2%	1.2%
Others	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%
<b>Total Expenditure</b>	<b>15.3%</b>	<b>15.2%</b>	<b>14.7%</b>	<b>17.7%</b>	<b>16.0%</b>	<b>16.4%</b>	<b>15.3%</b>
Operating Expenditure	11.6%	11.2%	11.4%	14.9%	13.3%	13.2%	12.3%
Development Expenditure <sup>2</sup>	3.7%	3.9%	3.2%	2.7%	2.7%	3.2%	3.0%
<b>Primary Surplus / Deficit</b>	<b>0.5%</b>	<b>(0.8%)</b>	<b>(0.2%)</b>	<b>(3.9%)</b>	<b>(2.1%)</b>	<b>(2.5%)</b>	<b>(1.1%)</b>
<b>Special Transfers<sup>3</sup></b>	<b>1.3%</b>	<b>1.8%</b>	<b>2.9%</b>	<b>10.4%</b>	<b>1.2%</b>	<b>1.4%</b>	<b>2.9%</b>
Special Transfers Excluding Top-ups to Endowment and Trust Funds	0.4%	0.3%	0.3%	6.9%	1.2%	0.4%	0.4%
<b>Basic Surplus / Deficit<sup>4</sup></b>	<b>0.0%</b>	<b>(1.1%)</b>	<b>(0.5%)</b>	<b>(10.7%)</b>	<b>(3.2%)</b>	<b>(3.0%)</b>	<b>(1.5%)</b>
Top-ups to Endowment and Trust Funds	0.8%	1.4%	2.6%	3.5%	0.0%	1.0%	2.5%
<b>Net Investment Returns Contribution<sup>5</sup></b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.3%</b>	<b>3.7%</b>	<b>3.4%</b>	<b>3.3%</b>	<b>3.5%</b>
<b>Overall Budget Surplus / Deficit</b>	<b>2.3%</b>	<b>0.7%</b>	<b>0.2%</b>	<b>(10.5%)</b>	<b>0.2%</b>	<b>(0.6%)</b>	<b>(0.5%)</b>
Add:							
<b>Capitalisation of Nationally Significant Infrastructure</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.5%</b>
Less:							
<b>Depreciation of Nationally Significant Infrastructure</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>SINGA Interest Costs and Loan Expenses</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Overall Fiscal Position</b>	<b>2.3%</b>	<b>0.7%</b>	<b>0.2%</b>	<b>(10.5%)</b>	<b>0.3%</b>	<b>(0.3%)</b>	<b>(0.1%)</b>

Note: Negative figures are shown in parentheses.

<sup>1</sup> Data may defer from previous years due to revisions to GDP estimates.

<sup>2</sup> Development Expenditure excludes land-related expenditure.

<sup>3</sup> Special Transfers include Top-ups to Endowment and Trust Funds.

<sup>4</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds, Net Investment Returns Contribution, Capitalisation and Depreciation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses.

<sup>5</sup> 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.

**Table 3.2a: Revenue Collections for FY2017 to FY2023 (\$ million)**

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Revised)	FY2023 (Estimated)
<b>Operating Revenue</b>	<b>75,816</b>	<b>73,738</b>	<b>74,274</b>	<b>67,376</b>	<b>82,487</b>	<b>90,278</b>	<b>96,698</b>
Corporate Income Tax	14,944	16,032	16,732	16,112	18,196	22,742	24,258
Personal Income Tax	10,724	11,706	12,368	12,748	14,223	15,378	16,841
Withholding Tax	1,532	1,590	1,637	1,618	1,859	2,121	2,214
Statutory Boards' Contributions <sup>1</sup>	4,866	1,490	1,798	2,519	2,855	1,451	566
Assets Taxes	4,440	4,649	4,762	3,128	4,672	5,060	5,545
Customs and Excise Taxes	3,133	3,075	3,264	3,582	3,750	3,483	3,727
Goods and Services Tax	10,960	11,137	11,164	10,346	12,628	14,455	17,376
Motor Vehicle Taxes	2,153	2,623	2,419	2,133	2,226	2,268	2,538
Vehicle Quota Premium	5,796	3,616	2,865	2,297	3,218	3,868	3,882
Betting Taxes	2,688	2,664	2,620	1,722	2,313	2,834	2,844
Stamp Duty	4,905	4,607	4,199	3,896	6,762	5,818	5,746
Other Taxes <sup>2</sup>	6,019	6,629	6,683	3,606	5,278	6,362	6,633
Other Fees and Charges <sup>3</sup>	3,279	3,490	3,409	3,181	3,610	3,881	3,949
Others	378	430	354	489	898	557	579

**Table 3.2b: Revenue Collections for FY2017 to FY2023 (% of GDP)<sup>4</sup>**

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Revised)	FY2023 (Estimated)
<b>Operating Revenue</b>	<b>15.8%</b>	<b>14.4%</b>	<b>14.5%</b>	<b>13.8%</b>	<b>13.9%</b>	<b>13.8%</b>	<b>14.2%</b>
Corporate Income Tax	3.1%	3.1%	3.3%	3.3%	3.1%	3.5%	3.6%
Personal Income Tax	2.2%	2.3%	2.4%	2.6%	2.4%	2.4%	2.5%
Withholding Tax	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Statutory Boards' Contributions <sup>1</sup>	1.0%	0.3%	0.4%	0.5%	0.5%	0.2%	0.1%
Assets Taxes	0.9%	0.9%	0.9%	0.6%	0.8%	0.8%	0.8%
Customs and Excise Taxes	0.7%	0.6%	0.6%	0.7%	0.6%	0.5%	0.5%
Goods and Services Tax	2.3%	2.2%	2.2%	2.1%	2.1%	2.2%	2.6%
Motor Vehicle Taxes	0.4%	0.5%	0.5%	0.4%	0.4%	0.3%	0.4%
Vehicle Quota Premium	1.2%	0.7%	0.6%	0.5%	0.5%	0.6%	0.6%
Betting Taxes	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.4%
Stamp Duty	1.0%	0.9%	0.8%	0.8%	1.1%	0.9%	0.8%
Other Taxes <sup>2</sup>	1.3%	1.3%	1.3%	0.7%	0.9%	1.0%	1.0%
Other Fees and Charges <sup>3</sup>	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%
Others	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%

Note: Figures may not add up due to rounding.

<sup>1</sup> To reduce annual volatility, Statutory Boards' Contributions (SBC) from MAS in a given financial year are calculated as the average of "Contribution to Consolidated Fund" reported in MAS' financial statements for the preceding three years.

<sup>2</sup> Prior to 1 August 2022, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax. From 1 August 2022 onwards, the Development Charge has been replaced by the Land Betterment Charge.

<sup>3</sup> Includes revenue from Licenses, Permits, Service Fees, Sales of Goods, Rental of Premises, Fines and Forfeitures, and Reimbursements.

<sup>4</sup> Data may differ from previous years due to revisions to GDP estimates.

**Table 3.3: Breakdown of Total Expenditure by Sector for FY2022 to FY2023 (\$ million)**

	FY2022 (Revised)			FY2023 (Estimated)		
	Total Expenditure <sup>1</sup>	Operating Expenditure	Development Expenditure <sup>2</sup>	Total Expenditure <sup>1</sup>	Operating Expenditure	Development Expenditure <sup>2</sup>
<b>Total<sup>1</sup></b>	<b>106,948</b>	<b>86,319</b>	<b>20,629</b>	<b>104,146</b>	<b>83,621</b>	<b>20,525</b>
<b>Social Development</b>	<b>52,437</b>	<b>47,252</b>	<b>5,185</b>	<b>52,798</b>	<b>48,179</b>	<b>4,619</b>
Education	13,247	13,038	209	14,600	14,150	450
National Development	9,114	7,889	1,224	8,739	7,533	1,206
Health	17,213	16,107	1,105	16,883	15,505	1,378
Sustainability and the Environment <sup>3</sup>	2,726	1,829	897	3,446	2,432	1,014
Culture, Community and Youth	3,973	2,334	1,639	2,366	1,925	441
Social and Family Development	3,831	3,744	87	4,161	4,057	104
Communications and Information	745	722	23	744	717	27
Manpower (Financial Security)	1,588	1,588	0	1,861	1,861	0
<b>Security and External Relations</b>	<b>25,479</b>	<b>23,875</b>	<b>1,604</b>	<b>26,793</b>	<b>24,884</b>	<b>1,910</b>
Defence	17,021	16,412	609	17,977	17,105	871
Home Affairs	7,976	6,991	985	8,293	7,273	1,020
Foreign Affairs	483	473	10	523	505	18
<b>Economic Development</b>	<b>25,613</b>	<b>12,204</b>	<b>13,410</b>	<b>20,572</b>	<b>7,111</b>	<b>13,461</b>
Transport	13,113	3,907	9,206	11,971	2,551	9,421
Trade and Industry	7,001	2,928	4,072	5,450	1,534	3,916
Manpower (excluding Financial Security)	4,604	4,511	93	2,005	1,899	107
Info-Communications and Media Development <sup>4,5</sup>	895	857	38	1,145	1,127	18
<b>Government Administration</b>	<b>3,418</b>	<b>2,987</b>	<b>431</b>	<b>3,982</b>	<b>3,447</b>	<b>535</b>
Finance <sup>5</sup>	1,044	1,013	31	1,360	1,228	132
Law	278	224	54	316	263	53
Organs of State	737	676	60	796	710	86
Prime Minister's Office <sup>5</sup>	1,359	1,074	285	1,510	1,245	265

Note: Figures may not add up due to rounding.

<sup>1</sup> The expenditure estimates do not include spending from Government Endowment and Trust Funds.

<sup>2</sup> Development Expenditure excludes land-related expenditure.

<sup>3</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>4</sup> Info-Communications and Media Development expenditure under the Economic Development sector refers to expenditure under the Infocomm Development Authority of Singapore and Media Development Authority prior to 1 October

<sup>5</sup> With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO), comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI),

**Table 3.4: Operating Expenditure by Sector for FY2017 to FY2023 (\$ million)**

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Revised)	FY2023 (Estimated)
<b>Total<sup>1</sup></b>	<b>55,581</b>	<b>57,561</b>	<b>58,667</b>	<b>72,936</b>	<b>78,543</b>	<b>86,319</b>	<b>83,621</b>
<b>Social Development</b>	<b>30,849</b>	<b>31,400</b>	<b>32,047</b>	<b>40,853</b>	<b>43,292</b>	<b>47,252</b>	<b>48,179</b>
Education	12,080	12,429	11,932	11,767	12,605	13,038	14,150
National Development	3,218	2,941	2,606	4,626	4,710	7,889	7,533
Health	8,734	8,937	9,915	14,311	16,274	16,107	15,505
Sustainability and the Environment <sup>2</sup>	1,248	1,295	1,540	1,646	1,832	1,829	2,432
Culture, Community and Youth	1,586	1,668	1,674	1,927	2,096	2,334	1,925
Social and Family Development	2,459	2,608	2,835	3,673	3,592	3,744	4,057
Communications and Information	496	494	517	611	594	722	717
Manpower (Financial Security)	1,028	1,027	1,029	2,291	1,591	1,588	1,861
<b>Security and External Relations</b>	<b>19,013</b>	<b>19,774</b>	<b>19,807</b>	<b>19,437</b>	<b>21,833</b>	<b>23,875</b>	<b>24,884</b>
Defence	13,582	13,825	13,669	13,027	14,737	16,412	17,105
Home Affairs	4,996	5,505	5,703	6,013	6,678	6,991	7,273
Foreign Affairs	435	444	436	398	418	473	505
<b>Economic Development</b>	<b>3,574</b>	<b>4,207</b>	<b>4,488</b>	<b>10,352</b>	<b>10,676</b>	<b>12,204</b>	<b>7,111</b>
Transport	1,607	1,900	1,945	2,945	3,738	3,907	2,551
Trade and Industry	943	993	1,116	2,509	1,986	2,928	1,534
Manpower (excluding Financial Security)	645	697	892	4,166	4,187	4,511	1,899
Info-Communications and Media Development <sup>3,4</sup>	378	617	535	731	765	857	1,127
<b>Government Administration</b>	<b>2,144</b>	<b>2,179</b>	<b>2,324</b>	<b>2,295</b>	<b>2,741</b>	<b>2,987</b>	<b>3,447</b>
Finance <sup>4</sup>	833	828	852	904	951	1,013	1,228
Law	185	185	218	196	207	224	263
Organs of State	473	496	508	502	578	676	710
Prime Minister's Office <sup>4</sup>	653	670	746	692	1,004	1,074	1,245

Note: Figures may not add up due to rounding.

<sup>1</sup> The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

<sup>2</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>3</sup> Info-Communications and Media Development expenditure under the Economic Development sector refers to expenditure under the Infocomm Development Authority of Singapore and Media Development Authority prior to 1 October 2016. Thereafter, it refers to that of the Info-communications Media Development Authority, the Government Technology Agency of Singapore (for FY2016 only), and the Cyber Security Agency of Singapore (from FY2018 onwards).

<sup>4</sup> With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO), comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

**Table 3.5: Development Expenditure by Sector for FY2017 to FY2023 (\$ million)**

	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022 (Revised)</b>	<b>FY2023 (Estimated)</b>
<b>Total<sup>1</sup></b>	<b>17,975</b>	<b>20,263</b>	<b>16,671</b>	<b>13,430</b>	<b>16,253</b>	<b>20,629</b>	<b>20,525</b>
<b>Social Development</b>	<b>5,619</b>	<b>4,419</b>	<b>4,560</b>	<b>3,664</b>	<b>3,757</b>	<b>5,185</b>	<b>4,619</b>
Education	611	447	791	493	305	209	450
National Development	1,257	1,191	926	1,191	1,110	1,224	1,206
Health	1,465	1,490	1,404	949	1,049	1,105	1,378
Sustainability and the Environment <sup>2</sup>	1,549	839	1,076	708	905	897	1,014
Culture, Community and Youth	489	300	210	207	277	1,639	441
Social and Family Development	87	115	111	93	84	87	104
Communications and Information	160	36	41	20	21	23	27
Manpower (Financial Security)	0	2	2	3	6	0	0
<b>Security and External Relations</b>	<b>1,449</b>	<b>1,637</b>	<b>1,469</b>	<b>1,087</b>	<b>1,900</b>	<b>1,604</b>	<b>1,910</b>
Defence	594	482	481	278	556	609	871
Home Affairs	831	1,129	972	800	1,332	985	1,020
Foreign Affairs	24	26	16	9	12	10	18
<b>Economic Development</b>	<b>10,297</b>	<b>13,574</b>	<b>9,886</b>	<b>8,369</b>	<b>10,037</b>	<b>13,410</b>	<b>13,461</b>
Transport	7,572	9,877	6,617	5,327	6,534	9,206	9,421
Trade and Industry	2,688	3,656	3,176	2,910	3,398	4,072	3,916
Manpower (excluding Financial Security)	34	34	65	79	76	93	107
Info-Communications and Media Development <sup>3,4</sup>	4	8	29	53	29	38	18
<b>Government Administration</b>	<b>610</b>	<b>633</b>	<b>756</b>	<b>310</b>	<b>559</b>	<b>431</b>	<b>535</b>
Finance <sup>4</sup>	62	74	56	46	29	31	132
Law	320	217	311	21	197	54	53
Organs of State	105	184	217	59	61	60	86
Prime Minister's Office <sup>4</sup>	123	159	172	184	273	285	265

Note: Figures may not add up due to rounding.

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

<sup>2</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>3</sup> Info-Communications and Media Development expenditure under the Economic Development sector refers to expenditure under the Infocomm Development Authority of Singapore and Media Development Authority prior to 1 October 2016. Thereafter, it refers to that of the Info-communications Media Development Authority, the Government Technology Agency of Singapore (for FY2016 only), and the Cyber Security Agency of Singapore (from FY2018 onwards).

<sup>4</sup> With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO), comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

**Table 3.6a: Total Expenditure by Sector for FY2017 to FY2023 (\$ million)**

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Revised)	FY2023 (Estimated)
<b>Total<sup>1</sup></b>	<b>73,556</b>	<b>77,824</b>	<b>75,337</b>	<b>86,366</b>	<b>94,976</b>	<b>106,948</b>	<b>104,146</b>
<b>Social Development</b>	<b>36,468</b>	<b>35,820</b>	<b>36,607</b>	<b>44,516</b>	<b>47,050</b>	<b>52,437</b>	<b>52,798</b>
Education	12,691	12,876	12,723	12,260	12,910	13,247	14,600
National Development	4,475	4,132	3,532	5,818	5,820	9,114	8,739
Health	10,200	10,427	11,319	15,260	17,322	17,213	16,883
Sustainability and the Environment <sup>2</sup>	2,797	2,134	2,616	2,354	2,737	2,726	3,446
Culture, Community and Youth	2,076	1,968	1,883	2,134	2,373	3,973	2,366
Social and Family Development	2,545	2,722	2,945	3,766	3,676	3,831	4,161
Communications and Information	656	530	558	631	615	745	744
Manpower (Financial Security)	1,028	1,029	1,031	2,294	1,596	1,588	1,861
<b>Security and External Relations</b>	<b>20,462</b>	<b>21,411</b>	<b>21,276</b>	<b>20,524</b>	<b>23,734</b>	<b>25,479</b>	<b>26,793</b>
Defence	14,176	14,307	14,150	13,305	15,294	17,021	17,977
Home Affairs	5,827	6,634	6,675	6,812	8,010	7,976	8,293
Foreign Affairs	460	470	451	406	430	483	523
<b>Economic Development</b>	<b>13,872</b>	<b>17,781</b>	<b>14,374</b>	<b>18,721</b>	<b>20,713</b>	<b>25,613</b>	<b>20,572</b>
Transport	9,179	11,776	8,561	8,272	10,272	13,113	11,971
Trade and Industry	3,632	4,649	4,292	5,419	5,384	7,001	5,450
Manpower (excluding Financial Security)	679	731	957	4,245	4,263	4,604	2,005
Info-Communications and Media Development <sup>3,4</sup>	382	625	564	784	794	895	1,145
<b>Government Administration</b>	<b>2,754</b>	<b>2,813</b>	<b>3,079</b>	<b>2,605</b>	<b>3,300</b>	<b>3,418</b>	<b>3,982</b>
Finance <sup>4</sup>	896	902	907	950	980	1,044	1,360
Law	505	401	528	218	404	278	316
Organs of State	578	680	725	561	639	737	796
Prime Minister's Office <sup>4</sup>	775	829	919	876	1,277	1,359	1,510

Note: Figures may not add up due to rounding.

<sup>1</sup> The expenditure estimates do not include spending from Government Endowment and Trust Funds.

<sup>2</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>3</sup> Info-Communications and Media Development expenditure under the Economic Development sector refers to expenditure under the Infocomm Development Authority of Singapore and Media Development Authority prior to 1 October 2016. Thereafter, it refers to that of the Info-communications Media Development Authority, the Government Technology Agency of Singapore (for FY2016 only), and the Cyber Security Agency of Singapore (from FY2018 onwards).

<sup>4</sup> With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO), comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

**Table 3.6b: Total Expenditure by Sector for FY2017 to FY2023 (% of GDP)<sup>1</sup>**

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Revised)	FY2023 (Estimated)
<b>Total<sup>2</sup></b>	<b>15.3%</b>	<b>15.2%</b>	<b>14.7%</b>	<b>17.7%</b>	<b>16.0%</b>	<b>16.4%</b>	<b>15.3%</b>
<b>Social Development</b>	<b>7.6%</b>	<b>7.0%</b>	<b>7.1%</b>	<b>9.1%</b>	<b>7.9%</b>	<b>8.0%</b>	<b>7.8%</b>
Education	2.6%	2.5%	2.5%	2.5%	2.2%	2.0%	2.1%
National Development	0.9%	0.8%	0.7%	1.2%	1.0%	1.4%	1.3%
Health	2.1%	2.0%	2.2%	3.1%	2.9%	2.6%	2.5%
Sustainability and the Environment <sup>3</sup>	0.6%	0.4%	0.5%	0.5%	0.5%	0.4%	0.5%
Culture, Community and Youth	0.4%	0.4%	0.4%	0.4%	0.4%	0.6%	0.3%
Social and Family Development	0.5%	0.5%	0.6%	0.8%	0.6%	0.6%	0.6%
Communications and Information	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Manpower (Financial Security)	0.2%	0.2%	0.2%	0.5%	0.3%	0.2%	0.3%
<b>Security and External Relations</b>	<b>4.3%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>4.0%</b>	<b>3.9%</b>	<b>3.9%</b>
Defence	3.0%	2.8%	2.8%	2.7%	2.6%	2.6%	2.6%
Home Affairs	1.2%	1.3%	1.3%	1.4%	1.4%	1.2%	1.2%
Foreign Affairs	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
<b>Economic Development</b>	<b>2.9%</b>	<b>3.5%</b>	<b>2.8%</b>	<b>3.8%</b>	<b>3.5%</b>	<b>3.9%</b>	<b>3.0%</b>
Transport	1.9%	2.3%	1.7%	1.7%	1.7%	2.0%	1.8%
Trade and Industry	0.8%	0.9%	0.8%	1.1%	0.9%	1.1%	0.8%
Manpower (excluding Financial Security)	0.1%	0.1%	0.2%	0.9%	0.7%	0.7%	0.3%
Info-Communications and Media Development <sup>4,5</sup>	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.2%
<b>Government Administration</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.6%</b>
Finance <sup>5</sup>	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Law	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%
Organs of State	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Prime Minister's Office <sup>5</sup>	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

Note: Figures may not add up due to rounding.

<sup>1</sup> Data may differ from previous years due to revisions to GDP estimates.

<sup>2</sup> The expenditure estimates do not include Special Transfers and spending from Government Endowment and Trust Funds.

<sup>3</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>4</sup> Info-Communications and Media Development expenditure under the Economic Development sector refers to expenditure under the Infocomm Development Authority of Singapore and Media Development Authority prior to 1 October 2016. Thereafter, it refers to that of the Info-communications Media Development Authority, the Government Technology Agency of Singapore (for FY2016 only), and the Cyber Security Agency of Singapore (from FY2018 onwards).

<sup>5</sup> With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO) comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

**Table 3.7: Total Expenditure by Expenditure Type for FY2017 to FY2023 (\$ million)**

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Revised)	FY2023 (Estimated)
<b>Total Expenditure<sup>1</sup></b>	<b>73,556</b>	<b>77,824</b>	<b>75,337</b>	<b>86,366</b>	<b>94,796</b>	<b>106,948</b>	<b>104,146</b>
<b>Operating Expenditure</b>	<b>55,581</b>	<b>57,561</b>	<b>58,667</b>	<b>72,936</b>	<b>78,543</b>	<b>86,319</b>	<b>83,621</b>
<b>Running Costs</b>	<b>40,322</b>	<b>41,885</b>	<b>42,656</b>	<b>51,192</b>	<b>56,208</b>	<b>62,668</b>	<b>61,508</b>
Expenditure on Manpower	8,865	9,227	8,946	8,804	9,828	10,489	11,240
Other Operating Expenditure	18,897	19,615	20,264	24,875	25,337	26,995	27,790
Grants, Subventions & Capital Injections to Organisations	12,560	13,042	13,447	17,514	21,042	25,184	22,478
<b>Transfers</b>	<b>15,259</b>	<b>15,676</b>	<b>16,010</b>	<b>21,744</b>	<b>22,335</b>	<b>23,651</b>	<b>22,113</b>
Social Transfers to Individuals	4,046	3,916	3,972	6,395	5,637	5,077	5,266
Transfers to Institutions & Organisations	10,988	11,584	11,876	15,142	16,516	18,376	16,610
International Organisations & Overseas Development Assistance	226	175	163	206	182	198	237
<b>Development Expenditure<sup>2</sup></b>	<b>17,975</b>	<b>20,263</b>	<b>16,671</b>	<b>13,430</b>	<b>16,253</b>	<b>20,629</b>	<b>20,525</b>
Government Development	6,105	5,852	6,191	4,696	6,118	6,882	9,413
Grants & Capital Injections to Organisations	11,870	14,411	10,480	8,733	10,135	13,746	11,112

Note: Figures may not add up due to rounding.

<sup>1</sup> The expenditure estimates do not include spending from Government Endowment and Trust Funds.

<sup>2</sup> Development Expenditure excludes land-related expenditure.

**Table 3.8: Headcount by Ministry FY2017 to FY2023**

	FY2017 <sup>1</sup>	FY2018	FY2019	FY2020	FY2021	FY2022 (Revised) <sup>2</sup>	FY2023 (Estimated) <sup>3</sup>
<b>Total</b>	<b>131,590</b>	<b>130,290</b>	<b>130,415</b>	<b>133,140</b>	<b>137,262</b>	<b>144,857</b>	<b>143,261</b>
Civil List	53	56	59	58	63	74	74
Attorney-General's Chambers	580	607	634	653	659	694	702
Auditor-General's Office	185	186	190	194	194	206	212
Cabinet Office	11	11	10	10	10	10	12
Judicature	975	1,014	1,006	1,071	1,100	1,103	1,115
Parliament	47	52	51	50	53	65	65
Presidential Councils	3	3	3	3	5	6	6
Public Service Commission	13	13	13	11	11	11	12
Social and Family Development	1,730	1,804	1,875	2,073	2,282	2,575	2,575
Defence	282	282	282	282	282	282	282
Education	56,646	54,529	53,734	53,928	53,844	54,525	53,760
Sustainability and the Environment <sup>4</sup>	4,537	4,459	5,363	5,715	6,010	5,910	5,913
Finance <sup>5</sup>	3,777	3,719	3,779	3,869	3,930	4,357	4,359
Foreign Affairs	1,427	1,430	1,430	1,452	1,456	1,661	1,678
Health	1,512	1,619	1,618	1,680	2,466	3,747	2,687
Home Affairs	27,633	27,757	27,993	28,481	28,319	30,313	30,569
Communications and Information <sup>5</sup>	2,473	2,460	2,588	2,746	2,872	3,258	3,177
Law	1,022	1,024	1,050	1,096	1,153	1,071	1,096
Manpower	2,204	2,223	2,186	2,624	4,680	4,307	4,348
National Development	9,046	8,895	8,218	8,125	8,105	8,389	8,213
Prime Minister's Office <sup>5</sup>	2,930	3,106	3,541	3,658	3,943	5,773	5,940
Trade and Industry	3,069	3,134	3,137	3,565	4,067	3,621	3,487
Transport	6,556	6,997	6,988	6,981	6,944	7,457	7,567
Culture, Community and Youth	4,879	4,910	4,667	4,816	4,814	5,442	5,413

Note: For FY2022 and FY2023, these are establishment figures. 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.

<sup>1</sup> Figures for FY2017 to FY2021 refer to actual headcount.

<sup>2</sup> Figures for FY2022 are revised establishment estimates.

<sup>3</sup> Figures for FY2023 are estimated establishment estimates.

<sup>4</sup> With effect from 27 July 2020, Ministry of Environment and Water Resources was renamed Ministry of Sustainability and the Environment.

<sup>5</sup> With effect from 1 May 2017, the Smart Nation and Digital Government Group (SNDGG) was formed under the Prime Minister's Office (PMO), comprising the Digital Government Directorate of the Ministry of Finance (MOF), the Government Technology Policy department and Government Technology Agency (GovTech) of the Ministry of Communications and Information (MCI), and the Smart Nation Programme Office (SNPO) of the PMO.

# **GLOSSARY**

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## 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 does 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 and/or are incurred on capital assets in respect of or in connection with the economic development or general welfare of Singapore. Examples of spending areas are on the acquisition of heavy equipment and capital assets, e.g. buildings and roads. Land-related expenditure and net lending are excluded.

### ***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.

### ***Fiscal Impulse***

The fiscal impulse provides a measure of the macroeconomic impact of the Budget; a positive impulse indicates a more expansionary fiscal stance than the previous year while a negative impulse indicates a less expansionary (or more contractionary) stance.

### ***Financial Year (FY)***

The Singapore Government's Financial Year 2023 is from 1 April 2023 to 31 March 2024.

### ***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 Endowment Fund, Lifelong Learning Endowment Fund and Medical Endowment Fund.

### ***SINGA Interest Costs and Loan Expenses***

SINGA Interest Costs and Loan Expenses include the annual effective interest cost (which is computed based on the yield to maturity multiplied by the face value of the bond) and other ancillary loan expenses incurred in connection with the SINGA. It excludes principal repayment and transfer of loan discount to the Development 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, Excise and Carbon Taxes.

### ***Net Investment Returns Contribution***

Contributions from the investment returns on our reserves, where Net Investment Returns Contribution (NIRC) is the sum of: (1) up to 50% of the expected long-term real return on the relevant assets specified in the Constitution; and (2) up to 50% of the net investment income on the remaining assets.

### ***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 regular activities of the Government, and Government grants and transfers. They include expenditure on manpower, other operating expenditure, grants, subventions and capital injections to organisations, and transfers. Agency fees on land sales, investment expenses, SINGA-related outlays and net disbursements of advances are excluded.

### ***Other Taxes***

Prior to 1 August 2022, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax. From 1 August 2022 onwards, the Development Charge has been replaced by the Land Betterment Charge.

### ***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 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.

### ***Output Gap (continued)***

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 stronger.

### ***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 is defined as Operating Revenue less Total Expenditure.

### ***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 Ministries' Operating and Development Expenditure. It excludes Special Transfers unless otherwise mentioned.

### ***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.

***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.