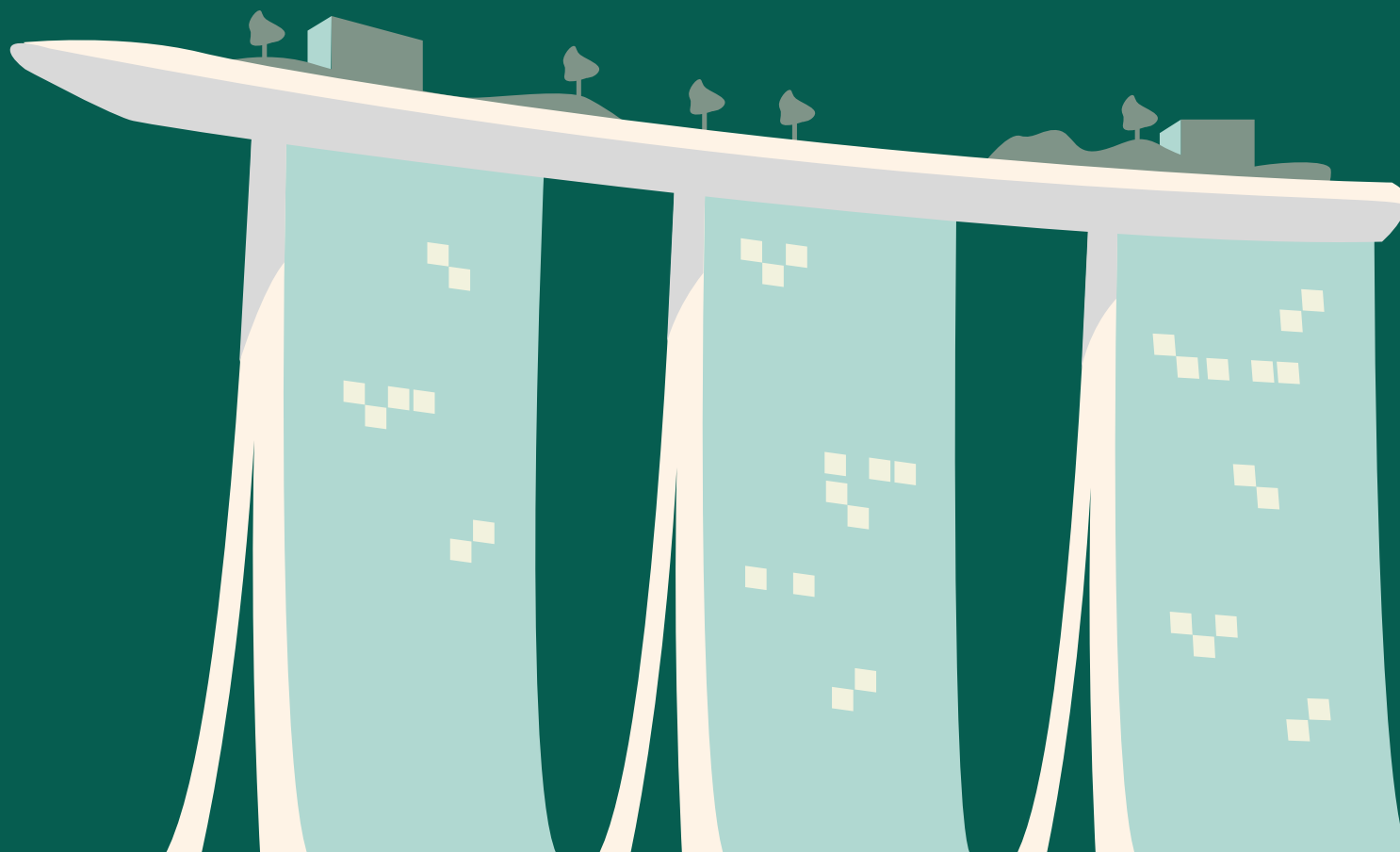




What is the

# Singapore Budget?



# What is the **Singapore Budget?**



It is the **planned government revenue and expenditure** for the **upcoming financial year**.



# The Budget Process

1

Before the start of every financial year, the Finance Minister will **present the Annual Budget Statement to the Parliament**. The Budget Statement is the financial policy of the Government, led by the Prime Minister.

2

There will later be a **debate on the Annual Budget Statement**. Members of Parliament (MPs) will discuss the principles of the policies set in the Budget Statement. MPs will take a vote on the Government's financial policy.

3

Parliament sits as **the Committee of Supply (COS) to review the sum of money** to be allocated to each Ministry, known as the Estimates of Expenditure.

4

The Ministries' Estimates of Expenditure will form **the Supply Bill**, which is voted on in Parliament.

5

The Supply Bill becomes the law known as the Supply Act after the President's assent is granted. The Supply Act authorises the sum of money that the Government may spend in the upcoming financial year.

# Block Budgeting

## Block Budgeting Framework

Ministries are provided with budget caps for a medium term period (one financial year). Within the cap, each Ministry decides how best to allocate its budget.

According to Finance Minister Heng Swee Keat, this approach encourages ministries to strive for cost-effectiveness, because every dollar optimised means more resources available for worthwhile programmes.

VS

This is in comparison to **Line Item Budgeting** (used up till 1977) which allocates a proposed expense to every item which costs money.

Administration:—					
(1) Dangerous Drugs and Poisons Ordinance, Expenses of	...	...	...	30	30
(2) Maintenance of Office Equipment	...	...	...	680	680
(3) Miscellaneous	...	...	...	560	560
(4) Office Cleaning	...	...	...	4,700	4,700
(5) Periodicals, Books and Maps	...	...	...	1,000	1,000
(6) Postage and Telegrams	...	...	...	940	1,000
(7) Telephones	...	...	...	8,500	9,400
(8) Uniforms for Staff	...	...	...	200	200

Extract from Ministry of Health Budget FY1966

# Budget Approval Cycle

**start**

**APRIL: BEGINNING OF A NEW FINANCIAL YEAR**

Singapore's national priorities are evaluated

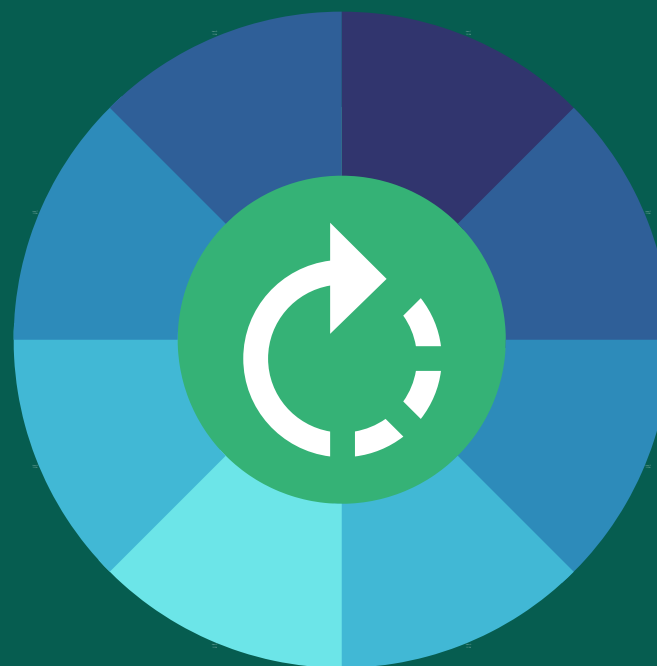
**SUPPLY BILL ENACTED AS SUPPLY ACT**

This act controls the government's spending in the upcoming financial year

**NOV/DEC: BUDGET FEEDBACK EXERCISE**

Open dialogue and feedback from public (yes, you!)

**PRESIDENT'S ASSENT IS SOUGHT FOR SUPPLY BILL**



**GOVERNMENT APPROVES THE BUDGET**

**2ND AND 3RD READINGS OF SUPPLY**

Parliament continues to debate the budget after the Committee of Supply has voted on each ministry's estimate

**FEB: FINANCE MINISTER DELIVERS BUDGET**

Introduction of supply bill  
Parliament debates the budget

# Basic Budget Terminology

## BUDGET SURPLUS:

REVENUE

(Taxes, Stamp Duties, NIRC, etc.)

>

GOVERNMENT  
SPENDING



For example, in FY2017/2018, lower-than-anticipated government expenditure combined with exceptional revenues led to a large surplus of \$9.61 billion dollars, well above the projected \$1.91 billion surplus.

## BUDGET DEFICIT:

REVENUE

(Taxes, Stamp Duties, NIRC, etc.)

<

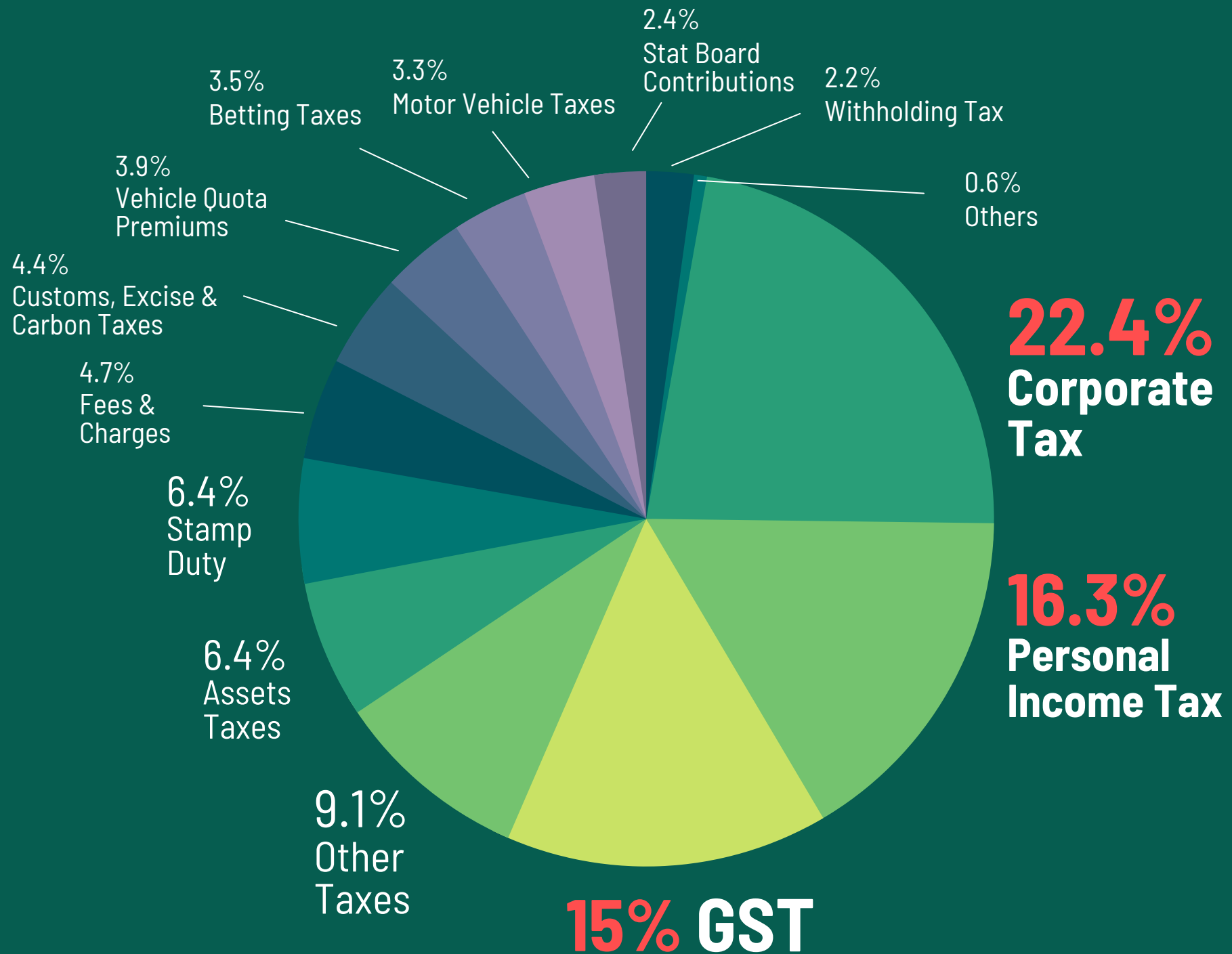
GOVERNMENT  
SPENDING

For FY20/21, where there were a record four budgets to help cushion the impact of COVID-19, and where Singapore was forced to draw from its past reserves, the deficit was projected to be \$74.2 billion. This is **the largest deficit since independence.**



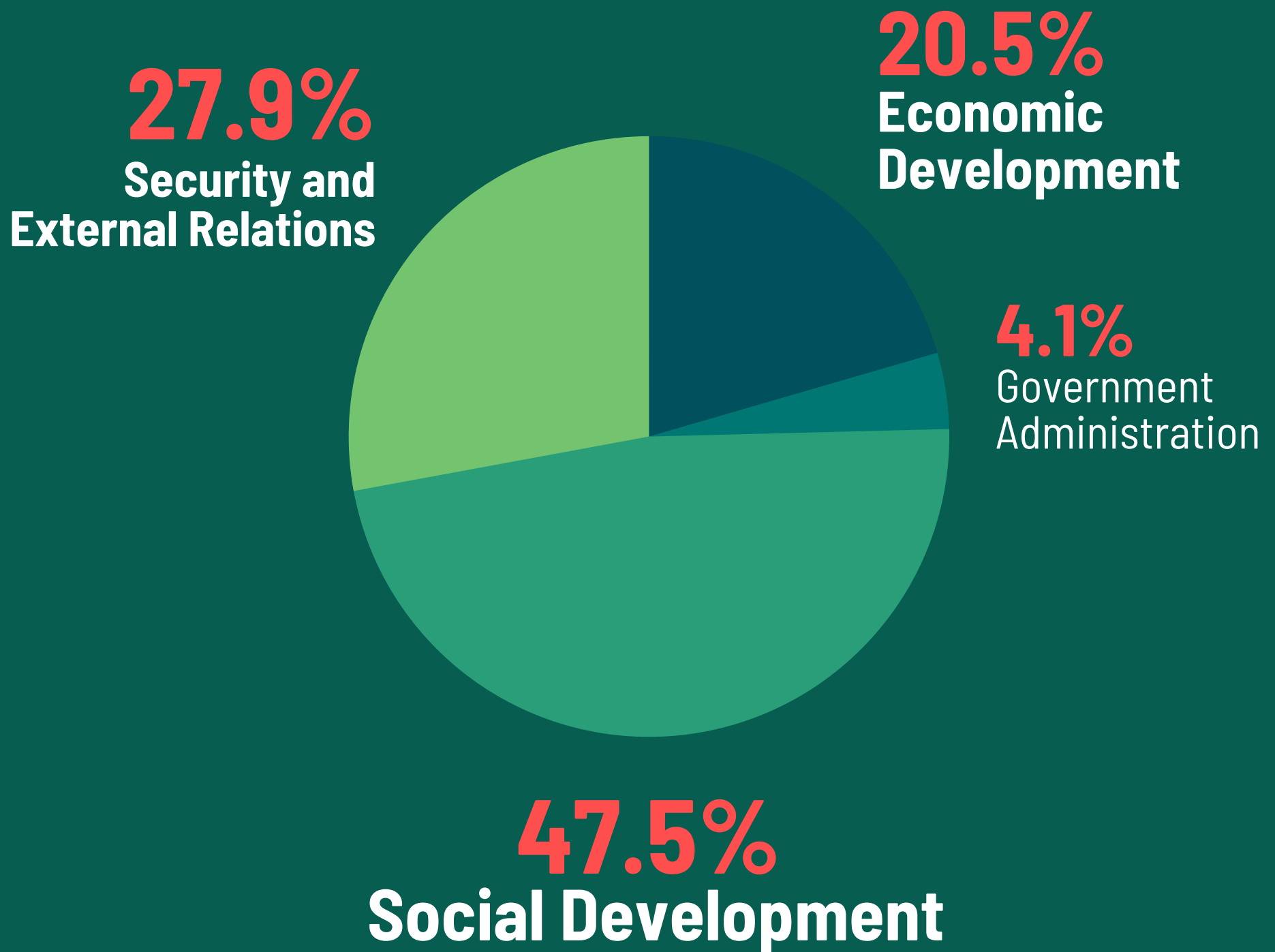
# What goes into the Budget?

## Breakdown of Government Operating Revenue in FY2019



# Where is money spent?

Breakdown of Government Expenditure in FY2019





# Comparative Analysis

2018

2019

2020

## HOT BUTTON ISSUES

- GST Hike Speculation
- Proposed GST on businesses providing digital services

## HOT BUTTON ISSUES

- Enhancing social assistance for lower and middle income families

## HOT BUTTON ISSUES

- COVID-19 takes centerstage
- Speculation of multiple budgets

## KEY ANNOUNCEMENTS

- Announcement of planned GST increase
- Largest budget surplus in 30 years
- Plan to tax services like Spotify and Netflix
- Tobacco excise duty increase by 10%
- Foreign domestic worker levy
- Wage Credit Scheme
- Enterprise Development Grant
- Productivity Solutions Grant

## KEY ANNOUNCEMENTS

- Enterprise Financing Scheme
- Global-Ready Talent Scheme
- Merdeka Generation Package
- CareShield Life and Elder Fund
- Bicentennial Bonus

## KEY ANNOUNCEMENTS

- Overall budget deficit in FY2020
- Stabilisation Support Package (to help businesses amidst coronavirus outbreak)
- All students will get personal learning device by 2024
- Jobs Support Scheme to help supplement workers' wages

# What about Budget 2021?

With DPM Heng Swee Keat set to deliver the much-anticipated Budget 2021 on Feb 16, CAPE has been working with external partners to gather changemakers to engage in a generative discussion on **whether Budget 2021 adequately addresses the needs of our low-income communities.**



***WE NEED YOUR VOICE. JOIN THE CONVERSATION.***

*Please share your thoughts with us on this poll:*  
**[bit.ly/budget21poll](https://bit.ly/budget21poll)**

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