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The unspent RM3.8 billion (HL)

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KUALA LUMPUR, Mon. - Only 87 per cent of the Government's development budget of RM28.84 billion for last year was utilised due to complications in the identification of projects and bureaucratic procedures.

Prime Minister Datuk Seri Dr Mahathir Mohamad said too much time was spent in appointing the contractors and in other negotiations.

"Suppose we set aside RM2 million to erect streetlamps in every big town during the festive season, I think the project will never take off.

"Matters relating to tender and approval alone may take a year ... We can carry the sum forward but it (the unspent money) will keep on accumulating.

"If possible, we want to utilise the funds by the end of that year," he said after delivering a keynote address at the Third Public Service Premier Function at the National Institute of Public Administration at Bukit Kiara here.

Dr Mahathir had earlier witnessed the signing of the letter of undertaking of good conduct by Chief Secretary to the Government Tan Sri Samsudin Osman, Public Service Department director-general Datuk Seri Jamaluddin Ahmad Damanhuri, Treasury Secretary-General Tan Sri Dr Samsudin Hitam and Cuepacs president Datuk N. Siva Subramaniam.

Dr Mahathir also revealed that the two special packages valued at RM7.3 billion to stimulate the country's economy, were also under-utilised with only 50 per cent used up. However, most of the RM62.21 billion in operating expenditure under the 2001 Budget had been spent.

"We can reduce the bureaucratic procedures but there is a limit because there must always be checks and balances in administering government funds.

"The ministries concerned as well as the Treasury must continue to carry out exercises to prevent abuse of the funds," he said, adding that the Treasury and all government departments had under-utilised their allocations.

Dr Mahathir also cited housing programmes for the poor, provision of water supply and infrastructure projects, including construction of roads, which required funding from the Federal Government, as examples of projects which often under-utilised the allocated funds.

He said the Government would plan its budget over two years to ensure all ministries and departments utilised their allocation on time.

"From this year, we will implement this.

"We will have one budget for actual implementation and another for identifying projects we want to undertake the following year, but for which preparations do not incur spending such as negotiations on the procurement of land," he said.

In October last year, the Government said it would determine its expenditure two years ahead, instead of annually, to improve the quality and efficiency of budget allocations.

Detailed examinations and reviews of the ministries' proposals would be conducted every two years from next year, a change which is hoped would reduce the time and resources poured into preparing the budget.

Earlier, in his address to the 600 top level civil servants, Dr Mahathir said government officers should not allow their personal opinion to prevent them from carrying out instructions from their superiors.

"Our military personnel know that they must obey the instructions of the

ruling government but this does not mean they are barred from giving their input altogether.

"However, if one government officer thinks that the order is wrong and begins to make his own decision, then the whole department is doomed to failure.

"There is a lot of good even in obeying orders which sound stupid. If we carry out the order with discipline as a united force, there is still a likelihood of yielding some results."

Dr Mahathir also said that although corruption existed in the country, it was not rampant or able to jeopardise the administrative mechanism.

"In Malaysia, the majority of civil servants are not corrupt.

"The evidence is clear. The country cannot continue to be wealthy if the system is corrupt," he added.

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