

It's a budget for the BN cronies
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MP SPEAKS The 2013 Budget is seen as a handout and goodies-laden budget put forth with the intention to 'buy' the votes of the Malaysian public in the run-up to the next general election.

The unprecedented scale and scope of the handouts announced shows that BN is scared and running nervous that the voters are fed up with its 55 years of mismanagement and corrupt rule.

The 2013 Budget seems to have allocated a large sum of money to be distributed to the people, through programmes such as BR1M 2.0, book vouchers for college students, vouchers for primary and secondary school students and smartphone rebates for young people.

However, the amount that will be given out to cronies - and that which will be wasted through corruption - far surpasses this amount.

A sum of RM4.2 billion has been allocated for the above mentioned programmes. But let me remind Parliament that none other than the Minister of Housing and Local Government, Chor Chee Heung, admitted that RM26 billion is lost by the federal government through corruption - or more than six times what Prime Minister Najib Abdul Razak has allocated to the people in the 2013 Budget.

Clearly, the 2013 Budget is not people-friendly but crony-friendly since RM10.9 billion is allocated to projects linked to cronies, while only RM4.2 billion is given directly to the people.

Seven big handouts for cronies

Let me provide some examples of handouts to BN cronies that are listed in the detailed budget estimates.

Firstly, RM400 million has been allocated to 1MDB under the Prime Minister's Department. One can only wonder how much of this money will be used to help parties that are friendly to the BN to cash out of existing contracts.

The RM8.5 billion purchase of the power assets of Tanjong PLC and the RM2.3 billion purchase of Genting Sanyen were questioned by some analysts, given that both have power purchasing agreements (PPAs) with Tenaga Nasional Bhd that expire in 2016.

Secondly, RM582 million was allocated in this budget to pay compensation to toll operators,

RM343 million of which is a regular payment and RM239 million is a one-off payment.

Not only does this benefit the private companies that own these toll operations, it is also harmful to the public, since a better alternative is to use this money to buy over these toll operators and to abolish toll charges, which Pakatan Rakyat has promised to do when we come into power.

Thirdly, RM272.5 million was allocated in this budget under the Crime NKRA to 'Increase Public Satisfaction on Police Performance'.

Instead of spending taxpayers' money to improve the police force and to decrease actual crime, the BN has decided to allocate this money for an empty public relations exercise that will only benefit politically-linked consultants and advertisers.

With this kind of mindset, it is even less likely that the people will believe crime is indeed coming down in our country.

Fourthly, RM2.5 billion has been allocated for Public-Private Partnerships. Much of this will likely benefit crony projects such as the Tanjong Agas Oil & Gas and Maritime Industrial Park in Najib's own parliamentary constituency of Pekan.

A sum of RM150 million in taxpayers' funds has already been poured into this project and Najib has promised another RM300 million, even though this project is competing against the nearby Gebeng industrial park just outside Kuantan, the Kerteh oil and gas hub in Terengganu, as well as the Rapid project in Pengerang, Johor.

Fifthly, RM386 million has been allocated to set up an additional 57 KR1M stores in Sabah and Sarawak. This allocation will likely benefit those who get the contract to operate these stores, namely Mydin.

In addition, these KR1M stores will also likely drive many local retailers in Sabah and Sarawak out of business. Worst yet is the vastly inflated cost of setting up these KR1M stores.

For example, Najib in 2012 announced the setting up of 85 KR1M stores in Peninsular Malaysia with an allocation of RM40 million. This works out to RM470,000 per store.

In the 2013 Budget, Najib will set up 57 KR1M stores in Sabah and Sarawak at a cost of RM386 million. This works out to RM6.7 million per store - or an increase of 15 times for the cost of one KR1M store in the space of one year!

Sixthly, this budget includes an allocation of RM300 million for the privatisation of solid waste management for the entire country. This contract will only benefit politically-linked companies, including Alam Flora, Southern Waste Management and E-Idaman.

Thus far, the Penang and Selangor state governments have not agreed to this because of

fears of escalating costs based on previous privatisation contracts involving rubbish collection and cleaning.

Seventhly and lastly, this budget includes various tax incentives for companies that want to locate to and developers who want to build in the Tun Razak Exchange (TRX), formerly known as the Kuala Lumpur International Financial District (KLIFD).

This includes tax exemptions for property developers, income tax exemption for 10 years for TRX-status companies, stamp duty exemptions, industrial building allowance and accelerated capital allowances for TRX Marquee-status companies.

With a gross development value of RM26 billion and an estimate of 25 percent tax rate, this will mean that RM6.5 billion in revenue would be foregone by the government.

RM20,000 per motorcycle

Adding these seven items up would give us RM10.9 billion, more than two-and-a-half times the RM4.2 billion allocated by Najib under the various handouts and vote-buying programmes.

And this does not even include wastage through the usual corrupt procurement systems that will inevitably be revealed when the Auditor-General's Report is released in two weeks' time.

We already can see examples of this in the 2013 Budget, such as the RM90 million allocated to buy 300,000 uniforms for active Rela members, which works out to RM300 per uniform, and the RM20 million allocated for 1,000 motorcycles for the police to do patrolling, which works out to RM20,000 per motorcycle.

Finally, these handouts mask the impending and inevitable move by the BN to introduce the Goods and Services Tax (GST), if it is given another mandate to rule after the next general election.

This can be seen in Najib's speech, where he said that "the transition from an income-based taxation system to a more comprehensive and fair taxation system will eventually benefit the rakyat"; the "implementation of the new tax structure is a national imperative to ensure the government's finances remain strong for future generations"; and "the government will not shrink from taking the right action although it is a challenge".

In other words, this budget is another example of how the cronies of BN will benefit more than the people of Malaysia and that giving the BN another term in office will only make life worse for the majority of citizens who are not BN cronies and will have to bear the brunt of the introduction of the GST.

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