

Pua: Budget 2012 failed to deliver on reforms
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By Clara Chooi

KUALA LUMPUR, Oct 7 — DAP MP Tony Pua today claimed Datuk Seri Najib Razak unveiled an “unrealistic” budget, saying that it failed to live up to the prime minister’s reformist credentials.

The Petaling Jaya Utara MP said Budget 2012 showed the administration had merely “tweaked” last year’s budget instead of incorporating reforms needed to transform Malaysia into a high-income nation.

Pua (picture) cautioned the government against further pump-priming measures, pointing out that federal government debt had increased a whopping 88.4 per cent over the past seven years.

“Our debt levels will only worsen in the next few years as we embark on record levels of infrastructure spending such as the RM53 billion Klang Valley MRT project which is expected to be funded entirely on debt,” he said in a statement.

He also questioned the government’s decision to increase public sector expenditure by RM6.2 billion to RM64.1 billion for wages and pensions, a 73.7 per cent increase in just five years.

“The Government Transformation Programme (GTP) had promised a more efficient and cost-effective government and civil service. What we are seeing from the budget is only one which is indebting our children, entrenching our structural problems and very weak expenditure controls,” he said.

When tabling Budget 2012 in Parliament today, Najib announced a direct financial boost for some 600,000 government pensioners through an additional annual pension increment of two per cent while civil servants’ salaries had their pay packets hiked by between RM80 and RM320.

Critics have often slammed the government for its bloated civil service, arguing that productivity level had not increased in tandem with the rise in the number of civil servants in the country.

According to recently released figures, the Prime Minister’s Department alone has 43,544 government servants as of last year, up from the 4,418 in 1981 and 25,332 during the Abdullah administration.

UN Economic and Social Survey of Asia and the Pacific 2011 (UNESCAP) noted recently that Malaysia has the largest civil service in the entire region with a civil servants to population ratio of 4.68, in comparison to Indonesia’s 1.79, South Korea’s 1.85 and Thailand’s 2.06. The size of Japan’s civil service is also similar to that of Malaysia’s despite having a population of over 120 million people.

Najib also said in his Budget speech today that Malaysia will be able to achieve economic

growth of 5 to 6 per cent in 2012 and cut its fiscal deficit further as strong domestic demand and commodities exports cushions the impact of a global downturn.

Pua said, however, the 4.7 per cent deficit for 2012 does not offer hope that Najib's promised 2.5 per cent deficit target for 2015 would be met.

This, he said, was due to poor expenditure controls and habitual ad hoc expenditure typical of past Barisan Nasional (BN) governments.

"Even meeting the 4.7 per cent target will be a challenge, especially if commodity prices were to fall below expectations next year," he said.

He added the government's GDP target was also unrealistic, pointing out that Malaysia's economy would have to grow by at least 5.7 per cent in the second half of the year, a target that appeared to be highly optimistic after recording 4.2 per cent growth in the first half of this year.

"The federal government's unrealistic expectations, coupled with a budget which failed to demonstrate substantive reforms and political will for change, make the 2012 Budget highly disappointing and put in serious doubt our ability to become a high-income nation as aspired in Najib's New Economic Model," he said.

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