

Pakatan: GST won't save Malaysia from bankruptcy
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KUALA LUMPUR, Nov 2 — The federal opposition said today that implementing a goods and services tax (GST), as suggested by Datuk Seri Idris Jala, will not stop Malaysia from going bankrupt as "it is like throwing money into a pocket with holes."

Pakatan Rakyat (PR) lawmakers told a press conference that it was government wastage, corruption and mismanagement that caused national debt to jump to 53 per cent of GDP.

"The operating expenditure has more than doubled from RM89 billion in 2005 to RM182 billion next year. Until you stitch the hole in the pocket, throwing more money will only make the hole bigger," said DAP publicity chief Tony Pua.

Idris, who is the minister in charge of Putrajaya's Performance Management and Delivery Unit (Pemandu), repeated yesterday his warning that Malaysia could be bankrupt within a decade if it spends borrowed money on operational expenditure such as subsidies.

"If our economy grows less than four per cent ... and we don't cut our operating expenditure, if we borrow at 12.5 per cent, if our annual debt rises to 12.5 per cent and our revenue does not grow, then it will happen," the senator said.

He also accused the Opposition of forcing the government to delay GST as "every time the government wants to do it the Opposition makes life difficult for them, saying that they will lose votes."

But Pua pointed out today that the government did not need more money as revenue has nearly doubled from RM99 billion in 2005 to RM187 billion projected in Budget 2012.

"The issue of GST does not arise. Bankruptcy will be due to wastage," said PAS research chief Dzulkefly Ahmad.

Minister in the Prime Minister's Department Idris triggered alarm bells with his controversial bankruptcy forecast last year.

Malaysia's national debt rose by 12.3 per cent to over RM407 billion last year, according to the Auditor-General's latest report released last week.

The audit also outlined cases of mismanagement including payment of bonuses by loss-making GLCs and a RM73.6 million cattle-farming project linked to minister Datuk Seri Shahrizat Abdul Jalil that met only 40 per cent of breeding targets.

Although the economy grew by 7.2 per cent in 2010, last year's fiscal deficit maintained public debt at over 50 per cent of GDP for the second year running.

PR called today for the formation of a Financial Accountability Commission (FAC) staffed by leading audit professionals with the power to take action against government excesses.

PKR's Selayang MP William Leong said that the FAC should be able to recommend "surcharges" where government officers are made to pay out of their own pocket for any wastage of taxpayers' money.

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