

What Putrajaya's austerity drive is missing

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Putrajaya's measures to cut costs, announced this week, are very much welcome, although their effectiveness remains to be seen. In the meantime, however, Najib's recipe for austerity could use one extra ingredient: a strong signal of intent.

It was a fine Monday evening, albeit a little chilly from the rain, and Tiger had a mug of hot Milo in its paws — exactly Tiger's idea of taking it easy in the final days of the year.

Then the evening news came on TV and Tiger started hearing about the prime minister's plans to reduce public spending. Before long Tiger felt a bad case of the runs coming since the *kijang* Tiger had for dinner was starting to turn in its, er, organic grave.

So much for chilling as 2014 begins. On that note: Happy New Year, dear jungle creature. May you prosper long enough for the honour of filling Tiger's stomach this year.

Back to Putrajaya's 11 steps, what can Tiger say? At the very least, the austerity measures are a start, and prime minister Najib Abdul Razak gets a pat on the back from Tiger for even daring to cut public expenditure.

That said, some questions did arise from his announcement, and Tiger sure hopes that some clarifications will follow as these measures kick into force this year.

First, let's talk about the measures to reduce allowances. The reduction in entertainment allowances for ministers, deputy ministers and senior government officers will save some money but Tiger wonders what happens to the money saved.

Najib Abdul Razak

Recall that in his Budget 2014 speech last October, the prime minister announced some RM63.6 billion for emoluments alone. So two questions arise: how much money can we expect the government to save from these measures and will the emoluments allocation be adjusted accordingly to reflect these savings?

And then there is the cute little directive for all government premises to reduce their electricity bills by 5%, so soon after the electricity tariffs hike was announced in early December.

Is the 5% reduction target before or after taking into account higher electricity tariffs beginning this year? In the former scenario, a 5% reduction from pre-2014 electricity bills means saving more energy in reality than what 5% warrants, because even if an office consumed the exact same amount of electricity this month as it did last month, the bill would still rise by an average of 16.85% at commercial rates.

It amuses Tiger to think that government premises will actually have to change their power usage habits literally overnight to achieve such drastic savings. But stranger things have happened on our shores, so let us give our public service the benefit of the doubt on that one.

Of course this may just be another of those things that just lacks proper clarification on the government's part, so Tiger also waits for enlightenment in this regard.

As for the other measures, they sound good on paper. Alas Tiger remains sceptical without hard numbers, because Putrajaya did not even give so much as an estimate. So we'll see less food, less buntings and banners, less door gifts and souvenirs, but how much is "less" actually is in terms of taxpayers' ringgit?

To be an honest cat these things sound somewhat trivial to Tiger's ears compared to the wastages reported in the auditor-general's last report. What's a few extra currypuffs, sandwiches and bright banners with the prime minister's face on them compared to gross negligence or sleeping on the job, eh?


If only Putrajaya would take up Tiger's offer to form and head Jimat 1Malaysia Agency for Transformation (J1MAT) programme, ministers and deputy ministers need not face allowance cuts, and civil servants need not go on a forced diet during their undoubtedly important seminars and conferences.

After all hungry people may not be able to think straight on the job, and by all accounts common sense is already lacking sorely as it is in the civil service as far as financial prudence goes.

But Tiger digresses. As we begin a new year, Tiger is filled with grand hopes, and so is hopeful over Putrajaya's austerity aspirations too.

The prime minister did say that more cost-cutting steps will follow, so hopefully more concrete ones will materialise. For the record, "more cost-saving measures will be introduced from time to time based on the need and situation" was what the prime minister said.

11 Measures to cut public spending
Entertainment allowances reduced by 10% for ministers and deputy ministers and by 5–10% for senior government officers (Jusa grade C and above).
Toll payment allowances cut by 30% or between RM50 and RM100 for senior government officers (Jusa grade C and above).
All ministries, government agencies and government premises to reduce their electricity bills by 5%.
All new applications to renovate government premises to be frozen.
Stricter processes in appointing consultants for government projects, including for feasibility studies. All proposed appointments must obtain prior approval from the National Development Planning Committee, chaired by the chief secretary to the government.
Reduced usage of event management companies, door gifts and souvenirs at any government-organised events involving civil servants.
Revised eligibility among civil servants for international and domestic flights, e.g. Jusa grade C officers and below can only travel in economy class domestically.
Less food and drinks at government-held events including conferences, seminars and meetings.
To use less buntings and banners in promoting government-held events including conferences, seminars and meetings.
Making the most of available space at government premises to save on rental costs.
Adapting the National Blue Ocean Strategy by optimising the use of 1Malaysia training centres and other facilities of government-owned bodies for government-held events.

Source: Miscellaneous 

So with these follow-up measures, Tiger hopes to see a real number in terms of how much the government intends to save. If the goals remain subjective without clear-cut goalposts for measurement, Putrajaya is driving blind in its austerity drive.

Without a destination, Tiger fears Putrajaya may not get anywhere on this front.

And then there is also the question of sincerity — what these measures sorely lack at present is a signal of real intent on the Najib administration's part to push for more financial prudence.

Of course there is the undermining fact that these cost-saving measures were only announced this week and not during the Budget 2014 tabling in October, which raises eyebrows on their seemingly reactionary nature. If these were pre-meditated then surely it made more sense to just reduce Budget 2014 allocations instead of imposing these measures two months later.

So setting a target in cold, hard ringgit and cents would provide that signal. Give the civil service a big-picture figure to think about, lest the "tak apa" attitude creeps back in with going a little bit extra on the currypuffs and coffee and buntings and banners.

Anyway, most of all Tiger hopes to see the prime minister announcing cost-savers targeted at his own department, which received a whopping RM6.8 billion in what was called "effectively slush funds" as part of its RM16.45-billion allocation under Budget 2014 — a 13% year-on-year increase, if Tiger may add.

After all a good leader leads by example, so Najib is in a great position to impress upon the civil service that the time to save taxpayers' money and be more financially prudent is really here.

Speaking of leading by example, Tiger is reminded of José Mujica, current president of Uruguay, who leads an exceptional lifestyle for someone in his position. He lives on a farm, has only two bodyguards watching over the street he lives in and drives a 1987 Volkswagon Beetle.

Oh, and José also farms part-time and donates 90% of his presidential salary. Now that's a refreshing brand of leadership in our age of flashy politicians.

GRRRRR!

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