



Democratising Sarawak's Economy
Sarawak DAP's Alternative Budget 2010



SARAWAK DAP's ALTERNATIVE BUDGET 2010

This is the Alternative Budget 2010 put forth by DAP Sarawak.

OVERVIEW OF SARAWAK ECONOMY

Unlike most other states in Malaysia which rely heavily on Federal government's financial grants, Sarawak is blessed with the rich natural resources of oil, gas and timber.

In 2009, total estimated State revenue from all sources is RM3,726 million, out of which RM1,219 million is from the compensation in lieu of oil and gas (oil and gas royalties) and RM639.4 million is from the timber industry.

In 2008, when the average international crude oil price (COP) went up to US\$95 per barrel, our oil and gas royalties increased to RM2,192.3 million. The average COP in 2009 is US\$60 per barrel. Though the outlook for 2010's COP is between US\$70 – 80 we expect a decrease in our export by 10%. As such, there will not be a great variance to our oil and gas revenue.

However, as for the timber industry, for the first half of 2009, export value of Sarawak timber products dropped by 29%.¹ Therefore, the government's timber revenue for 2009 is expected to be 20% less than the estimate in the 2009 State Budget. However, as the international economy is showing signs of recovery towards the second half of 2009, Sarawak's timber export for the year 2010 is expected to increase as compared to 2009 but below the pre-crisis level.

The key element to determine the volume of Sarawak's timber export in 2010 is whether the industry can comply with the legal requirements and certification of the European Union.

CHALLENGES AND BUDGET OBJECTIVES

For years, statistically, Sarawak has enjoyed continuous economic growth. Our GDP is also growing. However, Sarawakians in general do not seem to have enjoyed from the economic growth. There is now a growing number of parents finding their children not able to get employment in Sarawak but have to work overseas or in West Malaysia. Sarawakians of all races, especially youths, are employed in many states such as Penang, Selangor and Johor.

1 “STIDC Industry Update 2009”, STA dan Rakan2, July, 2009 (Issue 133).

In Johor alone, there are 40,000 Dayaks staying or working there.²

For most youngsters who remain in the State, they find themselves ladden with obligations to repay their car and housing loans throughout their working lives.

In general, as compared to West Malaysia, costs of living in Sarawak is higher but the level of income is lower.

Going by the 2007 Poverty Line Income, a household with monthly income below RM830 is considered poor in Sarawak but such household would not be classified as "poor" in West Malaysia. In West Malaysia, a household with an income below RM720 only is considered poor.³

Despite the higher costs of living, by the 2004 statistics, the mean monthly household income in Sarawak was RM2,725 while Malaysia's mean monthly household income was RM3,249.⁴

While the State Barisan Nasional (BN) government is painting a rosy statistics on the economic growth of the State, the people are feeling the weight of the ever-increasing costs of living and shrinking purchasing power.

Why is it so? Where has all the economic growth gone?

The answer lies in the very unequal income and wealth distribution in Sarawak.

Malaysia ranks one of the worst in Asia in terms of income distribution. In 2007, our Gini-co-efficient⁵ of 0.441 is ranked 99th out of 126 (higher Gini co-efficient index means more inequality). Our inequality is comparable to sub-Sahara African countries such as Cameroon (0.446) and Nigeria (0.437). Our neighbours Thailand and Indonesia fare better than us in this aspect.

The income share of the bottom 40% of households decreased from 14% in 1999 to 13.5% in 2004 while that of the top 20% households increased from 50.5% to 51.2%.⁶

This simply points to the fact that the country's wealth is increasingly concentrated in the rich. The unequal income distribution situation is worse in Sarawak.

2 "Sarawak Minister Amazed by First Dayak Market in Johor" Bernama.com, Sept 07, 2008

3 Economic Report 2009/2010 published by Ministry of Finance Malaysia.

4 9th Malaysia Plan.

5 The Gini co-efficient index can range from 0 to 1 or 0 to 100%. a low Gini co-efficient indicates a more equal distribution, with 0 corresponding to perfect equality, while higher Gini co-efficient indicates more unequal distribution, with 1 or 100% corresponding to perfect inequality.

6 9th Malaysia Plan.

The main challenges facing us are how to address the growing rich-poor disparity and the young workforce migration from Sarawak to West Malaysia or overseas.

The National DAP Budget 2010 is themed "Democratising Malaysia's Economy". DAP Sarawak DAP adopts the National DAP's Budget 2010 theme with slight modification to "Democratising Sarawak's Economy".

The goal of economic democratisation is to ensure that public funds will be spent in accordance with the needs of the people, ensure that public projects are structured in mechanisms which will benefit the people as opposed to politically-connected operators as well as enabling Sarawakians to achieve greater economic freedom.

The process of "economic democratisation" will focus on 3 key thrusts, namely:

- (I) Economic Democratisation -- Fiscal Decentralisation
- (II) People First -- Restructuring & Reallocation
- (III) Empowerment & Enablement -- Capacity Building

THRUST I: Economic Democratisation -- Fiscal Decentralisation and Political Accountability

In Sarawak, for the past years, there has been a centralisation of power and fiscal allocation in the hand of the Chief Minister who also holds the positions as the State's Finance Minister and Minister for Planning and Resource Management.

In the 2009 State Budget, out of the Estimated Operating Expenditure of RM1,189.6 million, RM590.2 million (49.6%) was allocated to the three ministries headed by the Chief Minister, leaving the remaining RM599.4 million (50.4%) to be shared by the other 10 ministries.

Out of the Estimated Development Expenditure of RM3,075.3 million, RM2,459.6 million (80.0%) was allocated to the three ministries headed by the Chief Minister, leaving the remaining RM615.7 million (20.0%) to be shared by the other 6 ministries while the other 4 Ministries were not allocated any Development Expenditure.

Such concentration of power reduces economic efficiency and accountability.

With other ministries being reduced to secondary minor ministries, most important policy and administrative decisions in the State must await the approval of the Chief Minister.

This has created unnecessary bureaucracy and also provides excuses for the other ministers to exonerate the shortcomings of their respective ministries by claiming insufficient funding and lack of authorities in many matters.

One clear example of bureaucracy is the slowness in which land development projects are being approved. This invariably adds to the holding costs of developers which ultimately will be transferred to the house-buyers.

The concentration of power in one person has also resulted in the development of the State on the whims and fancies of that person. One example is the sudden urge to develop Mukah despite not being situated at a strategic position. To spearhead the development of Mukah, the State government spent RM900 million to build the Mukah coal-fired power plant (called the brainchild of the Chief Minister)⁷. The construction of this coal-fired power plant has increased the operation and electricity production costs of Syarikat SESCO Berhad who had no choice but to increase the commercial and industrial electricity tariffs by up to 30% in 2007 and the imposition of hefty capital contribution from property developers throughout the State.

In this budget policy of Sarawak DAP, we propose to decentralise the budgetary allocation from the Chief Minister's ministry and the Finance ministry to the other ministries, inter alia, by increasing the budgetary allocation for Ministry of Modernization of Agriculture which only received RM35.637 million Development Expenditure in 2009 and Ministry of Social Development and Urbanization which only received RM7.611 million Development Expenditure in 2009.

We also propose for greater fiscal allocation and responsibilities to be given to the local authorities in Sarawak. This is to improve the government's delivery system, its efficiencies and effectiveness of expenditure. The implementation of a wide-array of council services and development projects is best left to the individual local authorities to decide according to their own priorities, preferences and unique situations.

We believe that enlightened and accountable local authorities on the ground are best-placed to determine and execute socio-economic strategies.

To complement the move for economic democratisation via fiscal decentralisation, DAP will move for complementary local government elections. This will ensure that the greater fiscal power and the utilisation by the local authorities will remain fully transparent and accounted for by democratically elected and competent representatives.

Many countries are devolving more power to the local governments. China and Indonesia's recent economic success have also been linked with decentralisation of

7 Jabatan Penerangan Malaysia, Negeri Sarawak, "RM903 million Mukah Power Plant to be Ready by 2008"

economic decision-making.⁸ In the United Kingdom, the Calman Commission has recommended that Scotland be given greater tax-varying powers in order to further improve their devolution process.⁹ This is largely because of the economic efficiency and accountability arguments.

1. Reallocating Development Expenditure from the Ministry of Finance to other Ministries.

In the 2009 Sarawak State Budget, the Ministry of Finance was allocated RM2,430 million of Development Expenditure (79% of the total Development Expenditure). The amount included:

- RM82 million for industrial development which ought to be under the Ministry of Industrial Development;
- RM500,000 for rural ICT training and development which ought to be under the Ministry of Rural Development;
- RM28,050,200 for local authorities which ought to be under the Ministry of Environment and Public Health; and
- RM300,000 for cultural heritage education which ought to be under the Ministry of Social Development and Urbanization.

By allocating the Development Expenditure to the Ministry of Finance instead of directly to the respective ministries responsible for the activities of these funds, the Ministry of Finance is directly exerting control over these ministries. In a way, it renders these ministries subordinate to the Ministry of Finance.

For the purpose of this part, it suffices to say that under the DAP's policy of fiscal decentralisation, a substantial portion of the Development Expenditures will be directly allocated to the respective ministries which are responsible for the activities concerned. These ministries will then assume new responsibilities corresponding to their respective ministries.

2. Political Accountability

For the past years, an item under the heading of "Government Contribution Towards Approved Agencies Trust Fund" has repeatedly appeared in the State Development

⁸ Woo Wing Thye, "Overcoming the Obstacle to High Growth in Malaysia"

⁹ "Calls for wider Scottish tax powers" The Sun Jun 15, 2009

Expenditure allocated to the Ministry of Finance.

- In 2007, the allocation under this heading was RM1,257,000,000 (54.8 % of the total 2007 Development Expenditure of RM2,294,174,000).
- In 2008, the allocation under this heading was RM1,719,083,100 (60.0% of the total 2008 Development Expenditure of RM2,864,929,300); and
- In 2009, the allocation under this heading was RM1,825,061,00 (59.3% of the 2009 Development Expenditure).

All these years, the government refuses to provide details of the Agencies which have received the funding under this heading. The Legislative Assembly is not informed who are the recipients of fund under this heading, thus rendering it impossible to supervise the utilisation of the fund allocated under this heading. As such, the Executive is not held accountable to the utilisation of the fund under this heading.

It is absurd that details of how an amount as small as RM50,000 are clearly and specifically accounted for in the Budgets while such huge amount of RM1,825 million is not accounted for. This defies the basic principle of political accountability in a democratic system and is susceptible to great abuses.

It is widely suspected that the fund allocated under this heading of "Government Contribution Towards Approved Agencies Trust Fund" has been utilised to subsidise certain companies identified by the political leaders of the State and to bail out failed investments and projects undertaken by the government, e.g. First Silicon (Malaysia) Sdn Bhd.

Under the principle of accountability and transparency, DAP will put an end to such clandestine fiscal allocation and the amount will be more widely spread out amongst the other ministries.

3. Review of and Investigation into Past Financial Scandals and Existing Unfair Contracts and Non-feasible Projects

The Sarawak economic landscape is littered with many one-sided contracts and concessions under which companies related to the BN's political leaders reap supernormal profits from the State's coffer. All such contracts like the award of 384 bridges in one contract to a company without tender, the award of the concession to maintain 4000 km of roads throughout Sarawak for a period of 15 years without tender, the awards of multi-million Ringgit contracts without going through the open tender process, the contract of sale of electricity to a company at SESCO's loss, privatisation of parking fee collection services, privatisation of council's rubbish

collection services etc. ought to be re-looked into, investigated and reviewed to stop the bleed on the State's coffer.

Financial scandals like the State government's investment in First Silicon (Malaysia) Sdn Bhd, Borneo Pulp and Paper, and Sarawak International Medical Centre have gone unaccounted. The State has lost billions of Ringgit Malaysia through these projects and yet, so far it seems that no one is responsible or held accountable to such astronomical losses.

Who has benefited from these ventures? Could these losses be recovered through the process of tracing? Most if not all conscientious Sarawakians will want to bring the culprits to book and recover the money for the State.

The proposed construction of Murum Dam and 12 other dams in Sarawak to generate more electricity has attracted strong objections from the indigenous people and wide negative international publicity. Even without the Bakun Dam (now near completion), the State already has excess electricity capacity¹⁰. Therefore, the rationale and feasibility of the Dams project is highly questionable.

DAP proposes to allocate RM10 million to engage renowned and independent auditors to carry out investigatory work and audit these contracts and projects.

4. Greater Financial Autonomy for Local Authorities

In 2009, the total Development Fund allocated to all the local authorities was RM22,000,000 and the total Administration Grant from the Operating Expenditure to all the local authorities was RM74,461,717.

This total grant of RM96,461,717 for all the 25 local authorities in Sarawak is grossly insufficient. As a result, most local authorities cut corners and reduce services to the people in order to work within their tight budgets.

The tight budgets for the local authorities has translated into poor and reduced services provided by these local authorities, e.g., poor maintenance of council roads, reduced number of rubbish collections, drain cleaning and grass cutting, insufficient street lightings etc.

On the other hand, the local authorities are finding means to tax the people to increase their revenue, eg. imposing the highest advertisement fees in the country, increasing the assessment rates, imposing additional charges for certain collection of

¹⁰ At present, the Peak demand for energy in Sarawak is approximately 900 Megawatts. The Bakun Dam, once in full operation, will generate 2,400 Megawatts of electricity.

rubbish, increasing the hawkers' licences. All these, in short, add on to the costs of living and business operation.

DAP proposes to triple the allocations to these local authorities to **RM300,000,000** in 2010. The specific allocation of this sum will be based upon the number of residents and service area of the respective local authorities. This will allow the local authorities to assume a bigger role in the planning of the local socio-development and to provide better service and amenities to the residents.

Local authorities will have access to the expertise at the various State ministries and departments which will act as advisory agencies to make sure they are able to use their new allocations most efficiently, and to prevent unnecessary and ineffective duplication of functions.

5. Local Government Elections

Local governments are elected in most developed and democratic countries, including the US, the UK and Australia.

There were also local government elections in Malaysia in the colonial times and the early years of the Indonesian Confrontation. Although the then Prime Minister, Tunku Abdul Rahman, promised to reinstate elections for this third level of government once peace was secured¹¹, local elections were never restored although peace has been restored in Malaysia for more than 30 years.

The consequences of having councillors who are appointed by the State government on recommendation from the ruling political parties are manifold. It reinforces centralisation, and allows undue central influence over issues that are best handled by local governments. Most importantly, there are no checks on inefficient or corrupt councillors.

Since appointments to the local councils are political rewards, councillors are more concerned with pleasing their political masters than with serving the residents. Some councillors do not even live in the jurisdiction of the local councils and hence do not know the needs of the residents.

The abuse of power and political interferences in our local councils can only be partially prevented by restoring local government elections. The people must have the political freedom to elect local councillors that best represent their preferences, and to throw out officials that have been proven corrupt or incompetent. This is the only way to force local governments to be transparent, accountable and sensitive to

11 <http://bibliotheca.limkitsiang.com/1973/07/20/hold-local-council-elections/>

local needs when spending ratepayers' money.

Furthermore, local government elections can be seen as the bedrock of democracy because local governments are closest to citizens.

Therefore, local government elections are imperative to fully democratize governance in our State and permit citizen participation in the decision-making process.

Complemented with fiscal decentralisation, local Government elections will bring about not only increased political democratisation in Sarawak, but also increased economic democratisation of local governments and the people of Sarawak, in line with the theme of our DAP's Alternative Federal Budget 2010.

With greater fiscal responsibilities, local governments require greater checks and balances to ensure that all expenditures are fully accounted for, spent competently and are transparent for good governance.

It will be affordable for the State to implement local government elections though we may need the co-operation of the Election Commission in this regard.

Given the recent announcement by the Election Commission that the average cost of holding election for one state constituency is RM500,000 and that for Parliamentary constituency is RM600,000¹², to hold local government elections for all the 25 local authorities in Sarawak will cost approximately RM20,000,000. DAP thus proposes to allocate **RM20,000,000** for local government elections.

THRUST II: Rakyat First --- Restructuring and Reallocation

Years of weak and misdirected policies, as well as abuse by the existing government have resulted in institutionalised misallocation of Sarawak's scarce resources and has concentrated the benefits to the few who are politically connected.

On the other hand, the vast population where assistance and resources are much required have been neglected and marginalised.

In short, under the Barisan Nasional's current policies, the rich become richer while the poor become poorer. The abundant wealth of the natural resources of the State is not equitably distributed for the benefits of Sarawakians in general.

A major concerted effort to restructure and reallocate our economy is hence

¹² "By-elections cost RM3m", Malay Mail, 23 Sept,2009

required to ensure more balanced development between the rich and the poor, as well as fostering greater economic efficiency and competitiveness.

As part of the restructuring and reallocation thrust, there will be dedicated efforts towards proper implementation of an efficient welfare system to ensure that those born into poverty are not trapped in a vicious cycle. The emphasis will strictly be based on needs, and not on "race" as dictated in the New Economic Policy (NEP).

The DAP strategy for the implementation of the restructuring and reallocation thrust will include direct cash handouts to the hardcore poor and elderly, fair-wage systems, new land policy and implementation of green and sustainable forest management policies to comply with the international standards.

This strategy is also in line with DAP's socialist democratic ideology which is based upon the principles of human rights, social and economic justice.

1. Poverty Eradication

The Poverty Line Income (PLI) is defined, "... as an income sufficient to purchase a minimum basket of food to maintain household members in good nutritional health and other basic needs such as clothing and footwear, rent, fuel and power, transport and communications, healthcare, education and recreation."

The PLI for 2007 was RM720 in Peninsular Malaysia, RM960 in Sabah and RM830 in Sarawak while the food PLIs were RM430, RM540 and RM520 respectively. Different sets of PLIs were used for urban and rural area.

Households whose incomes fall below the PLI are considered living under Overall Poverty while households whose incomes fall below the food PLIs are considered living under Hardcore Poverty. A "household" is defined as a family of 5.

Government statistics show that as at 30th September, 2009, in Sarawak, there were 12,537 households living under hardcore poverty and 14,528 households living under overall poverty.¹³

The Penang state government led by YAB Lim Guan Engage, the Secretary General of the DAP has implemented with great success the policy to "top up" a hardcore poor household's income to reach the food PLI to completely eradicate poverty within a year.

The Sarawak state government, supported by the State's abundant natural resources, is in a better position and more able to eradicate hardcore poverty within

¹³ Economic Report 2009/2010 published by Ministry of Finance Malaysia.

Sarawak. It is also the central political philosophy of DAP that the State's natural resources should be equitably shared by the people.

Meanwhile, we recognise that the food PLI of RM520 as the benchmark for even the hardcore poor households is unrealistically low. It is hard to fathom that with a household income of RM520 per month (for a family of 5), living in the cities of Kuching and Miri, being fed adequately and have the basic welfare of the children adequately looked after. This is especially so where households in the urban areas are subject to various hidden costs of living in a city, eg. transportation expenses, higher costs of food, higher education fees etc.

Based on DAP's conservative calculation, the PLI and food PLI in Sarawak should be raised to the following levels:

	PLI	Food PLI
Urban	RM 1,380	RM 860
Semi-Urban ¹⁴	RM 1,150	RM 750
Rural	RM 920	RM 620

At these higher but more realistic PLIs and Food PLIs, the number of households classified as hardcore poor is expected to be increased to 20,000.

DAP Sarawak proposes to allocate **RM80,000,000** to eradicate hardcore poverty (as redefined by DAP under the higher food PLI level) in Sarawak. The sum will be distributed by the Ministry of Social Development and Urbanisation working in tandem with the local authorities.

2. Social Safety Net

In addition to the grants for the hardcore poor, a social safety net needs to be created for all living under the PLI.

For instance, there is a substantial group of urban poor who are self-employed. They work as taxi-drivers, daily paid workers, contract babysitters or maids. They are not covered by EPF, SOCSO or medical insurance. Their social protection is non-existent.

There is a general saying amongst the people that "In Malaysia, if you are poor, you can die but not fall sick." This is a sad depiction of the country's situation and it is also a reflection of the poor effort that the BN government has put into to provide

¹⁴ Semi-Urban regions include Sibul, Bintulu, Sri Aman and other towns. Urban regions include Kuching and Miri.

for the poor.

The Poverty Line Income, by definition, is only sufficient for the basic sustenance of a household. A specific Social Safety Net fund will be set up and accessible by poor families to help them with outstanding financial needs outside daily sustenance such as medical, extra education, skill upgrading, accidents and new babies.

The availability of this fund will also ensure that hardcore poor and poor families have a final social safety net in times of emergency.

This measure is currently in place in most of the developed countries, such as Singapore's ComCare scheme which received an allocation of S\$110 million in its 2009 budget despite Singapore's much smaller number of households living in poverty. Most developing countries also spend 1 to 2 percent of their GDP on safety nets.¹⁵

The total number of hardcore poor and poor households in Sarawak is 27,065¹⁶. This will require additional funding for the expanded network of social welfare provision. Overall, DAP proposes an allocation of **RM20,000,000** for this purpose.

3. Payouts for the Elders (Senior Sarawakian Bonus)

"Respect and Care for the Elders" is an invaluable Asian value.

As responsible Sarawakians, it is very important for us to remember the contribution of our elderly population towards nation building.

While we preach filial piety in our society, many of the senior citizens of the age of 60 and above in this State are finding it difficult to make ends meet.

In a survey conducted by the EPF recently, it was found that around 90% of members have less than RM100,000 in their accounts. It was also found that more than 70% of the contributors would have exhausted their money within three years of withdrawing the lump sum upon retirement.¹⁷

The Sarawak's Population Estimates by Age Group compiled by the Department of Statistic Malaysia, reveals that the number of Sarawakians who are of the age of 60 and above is approximately 190,000. Based on population projections, the number of elderly (60 years old and above) Sarawakians will reach 195,000 in 2010.

15 [Http://.wikipedia.org/wiki/Social_safety_net](http://.wikipedia.org/wiki/Social_safety_net)

16 Economic Report 2009/2010 published by Ministry of Finance Malaysia.

17 The Star, 2 Aug, 2009

To show our appreciation to the contribution of these senior Sarawakians towards the development of the State, and to ensure the dignity and well-being of our senior residents are taken care of, DAP will put forward the Senior Sarawakian Bonus. For a start, this shall be a two-tier program for Sarawakians aged 60 years and above:

1. Those with not more than RM12,000 in annual assessable income and do not own a property valued above RM100,000 will be entitled to RM1,200 bonus.
2. Those who have more than RM12,000, but less than RM24,000 in annual assessable income or do not own a property valued above RM250,000 shall be entitled to RM600 bonus.

The Senior Sarawakian Bonus will cost the State Government **RM115,830,000** to administer.¹⁸

4. Low-income and the "Fair-Wage" Initiative

With rising costs of living, extended life expectancy and more expensive medical treatments, most of the Sarawakians in the low-income group have increasing difficulty making ends meet with their stagnant wages of declining purchasing power.

With the oil and gas sector contributing handsomely to the State coffers, it only makes social sense to share part of these gains with the less fortunate and lower income tiers within our society.

However, at the same time, we still need to continue to incentivise these workers to secure employment to avoid over-dependence on the State.

Hence DAP proposes a "Fair Wage" programme as an integral component of our budget in promoting social justice.

This Fair Wage program aims at increasing the take-home pay of workers. For those employees with monthly salary of RM900 or less, the DAP government will pay for their employee's contribution to the EPF. For those with monthly salary between RM901 and RM1,500, the DAP government will contribute 5% of the 11% EPF contribution.

With the implementation of this Fair Wage program, those employees earning

¹⁸ Assuming that 66% of senior citizens qualify, an estimated 128,700 senior citizens will be provided with the bonuses. If ½ of them qualifies for each categories, the total cost of this program will be RM115,830,000.

monthly salary of RM900 or less will immediately enjoy an 11% increase in their take-home pay. A worker earning RM900 previously will have a take-home pay of RM801. Under the DAP budget policy, he will now have a take-home pay of RM900.

As a further illustration, without this Fair Wage program, an employee earning a monthly salary of RM1,500 will only have a take-home pay of RM1,335. Now, the employee's take-home pay is RM1,410.

The Fair Wage program is expected to assist up to 250,000 working Sarawakians from the low-income group and shall require an allocation of **RM280,000,000** which will be allocated to the Ministry of Finance for disbursement.

Since the Fair Wage program will be channeled into the EPF account, to ensure that the poorest group of people will get their share of bonus, the government will hold joint programs with the EPF offices to organise targeted and education campaigns to encourage this group to sign up for an EPF account. A sum of **RM200,000** is allocated for this purpose.

The Fair Wage program is not an original idea but an adaptation of best practices successfully implemented in other advanced countries. For example, in the United States, "Earned Income Tax Credit" acts like a negative income tax for low-wage workers, supplementing their earned income. Similarly, the UK has implemented a "Working Tax Credit" which has helped to reduce tax and encourage work. Recently, Singapore has introduced "Workfare" which supplements the income of older low-wage workers.

The Fair Wage program will ensure that all Sarawakians in need are taken care of by the Government, the State's wealth is shared equitably and no community is left behind.

DAP will review the Fair Wage program annually to determine the best mechanisms to achieve a better living quality for all Sarawakians without detrimental effects to a person's incentive to seek work.

5. Caring for the Elderly and Disabled

A key concern of seniors will be the quality of life in their old age.

As one of the basic needs of seniors, housing is important not only because an elderly person needs a secure and comfortable home but also because housing provides a social surrounding for seniors to interact with others in the community.

For a start, we propose to set up 4 pilot projects of elderly friendly community

centres complement with housing option in Kuching, Sibul, Bintulu and Miri. The housing facility shall be provided with food support care service. We will work with NGOs and grassroots organizations to supplement the required support services. This will also create awareness in our society to care for the elders.

A sum of **RM6,000,000** will be allocated to the Ministry of Social Development and Urbanization to carry out this project. Plots of State land will be set aside for the purpose of carrying out these pilot projects.

DAP Sarawak wishes to ensure full and equal enjoyment of human rights and participation in society by persons with disabilities. Therefore we propose to allocate a total sum of **RM10,000,000** for financial assistance to the disabled.

We also propose to allocate **RM10,000,000** to various agencies to intensify efforts in helping persons with disabilities to lead independent lifestyles, sustainable livelihoods and financial security.

The outlay will focus on:

- Creation of customised programmes to encourage participation of the disabled in the society. It is important to educate the disabled so that they are equipped with the necessary skills that would enable them to be productive members of the workforce.
- Organising forum, public discussions and information campaigns focusing on disability issues and trends and ways and means by which persons with disabilities and their families are pursuing independent life styles. The lack of exposure of the general public to the plight of the disabled has led to inaction and even stigma towards those who are disabled.
- Enhancing the role and presence of charitable and non-profit organisations in helping the disabled. Volunteer programs in schools and communities will help to instill the sense of obligation and responsibility of the society on helping the unfortunate segments of the society.

To further fulfill the needs of the disabled, DAP proposes that all new buildings must be equipped with accessible facilities. 50% discount on the assessment rate shall be given to a house occupied by a disabled person with his family. Government agencies like SESCO and Water Boards will be directed to give a flat rate discount to households with a disabled person.

6. Affordable and Decent Housing

Housing development programs play an important role on improving the living

standards of Sarawakians and also on fostering a “caring society”. Nonetheless, the actual progress of affordable housing development for the low-income group has not only been unable to reach its expected level, but also unable to fulfil the ultimate aims of the programme.

Low-cost houses built are not up to the mark and purchasers of these low-cost houses had no choice but to live in such low quality houses.

New policy will need to be set to provide that all low costs houses must have at least 3 bedrooms and 2 bathrooms and that the material used must be of a reasonable standard.

As for those low-cost houses already built but of unacceptable standards, a sum of **RM30,000,000** will be allocated in 2010 for the purpose of upgrading and renovation work.

The Housing Commission will be entrusted to look into the necessary legal framework for forcible take-over of abandoned low to mid-cost housing projects. Harsher penalties, including imprisonment sentence, will be imposed on those developers who abscond. Such legal framework will be put in place by end of 2010.

Thereafter, DAP government will allocate further sum to forcibly take-over these projects in 2011. Existing buyers will be offered the option of selling the units back to the Housing Commission or alternatively await revival or completion of these projects. Unsold units will be sold to qualified purchasers to recover the cost of acquisition of the project.

THRUST III -- Empowerment and Enablement -- Economic Capacity Building

1. A Healthy Population, A Prosperous Nation

It is often said that the two biggest investments any country can make are education and healthcare.

Undoubtedly, success in both sectors is pivotal for any sort of economic growth. In the long haul, both investments, under proper implementation, yield immense dividends, dividends that take a society from third world to first world on the development ladder.

Under the Federalism system in our country, healthcare like the provision of medical

services is under the jurisdiction of the Federal government. However, sports and social development can be under the State's jurisdiction.

We believe that regular exercise is the key to a healthy body and mind.

As such, we should promote sports in the State and encourage Sarawakians to exercise regularly.

In order that we achieve these targets, the government must give sufficient grants for sporting events and sports facilities.

We note that in the previous State Budget implemented by the BN, the Ministry of Social Development and Urbanization was only allocated RM7,611,000 Development Expenditure for the development of sports and social facilities.

DAP is of the view that a meagre RM7,611,000 for sports and social facilities per annum is grossly insufficient. This has deterred many sports organisations from organizing competitions. Without financial assistance from the government, the committees of these organisations spend much of their time looking for sponsorships for their activities rather than planning to promote the sports.

Some sports bodies had to withdraw from competition because of lack of fund. The Football Association of Sarawak is a clear case where financial plight ultimately forced the team to withdraw from the Malaysian League.

For a start, DAP proposes **RM50,000,000** as the development fund for the Ministry of Social Development and Urbanisation, out of which, RM40,000,000 is to manage and provide quality and functional sports facilities and to organise programmes to promote sports in the State. The remainder RM10,000,000 will be allocated to manage and provide infrastructure for social development and organise programs for social development in the State.

2. NCR Land Development

Under the BN's New Concept of Native Customary Right (NCR) land development schemes, great injustice has been done unto the NCR landowners.

Under those schemes, though the natives are still the land-owners in name, in reality they have literally surrendered all their rights to the companies undertaking the oil palm plantation on their land. The natives are at the mercy of these companies whether to be paid any dividend.

The companies undertaking the oil palm plantation pay extremely low salaries for

workers working on these lands and when the natives refused to accept such low salary, these companies engage cheap foreign workers to work on these plantations. The natives were then compelled to leave home and families and seek job in cities. The lack of jobs in the cities have caused many social problems for them. Many natives have little choice but to work in timber camps in Africa, Russia, Solomon Islands and Papua New Guinea.

Those Dayaks who do not travel that far seek employment in the West Malaysia states such as Penang, Selangor and Johor. There must be an explanation why there are 40,000 Dayaks staying in Johor working there and in neighbouring Singapore.

Sarawak is a much bigger state than Johor. Sarawak has more resources than Johor or Singapore. These natives have their own land in Sarawak, and why have they to leave their own land to work for others? The BN Government has not deemed it necessary to give an answer but chosen to wear blinkers, thereby depriving the Dayaks their just rights over their land.

Indirectly, many Dayaks are forced to leave their homes and families by the land development scheme implemented by the BN government. On 13th May, 2009, the BN Minister of Land Development told the Sarawak Dewan Undangan Negeri that there were 823 NCR landowners as workers in the Joint Venture against 1,215 foreign workers. The deprivation of the Dayaks' legitimate rights over their own land is evidenced by foreign workers exceeding the local workers.

The BN Government had taken pride to tell Sarawakians that the New Concept of NCR Land Development was implemented in 1996. However, according to the BN Government, only 4 out of the existing 26 joint ventures had managed to pay out dividends amounting to RM2,301,116.86. The petite dividend to the Dayaks who joined in the venture is 2 sen per acre per year!

The above shows that the present NCR land development scheme as implemented by the BN government is but an exploitation of the NCR landowners.

In order that the NCR landowners truly enjoy the fruits of their land and to be able to proudly claim that they are the owners of those land, there must be a total reform in the system.

DAP proposes the followings:

1. To identify and carry out perimeter survey on all NCR land to determine the land boundaries of individual lots. Documents of titles are to be issued to these landowners, be it individual ownership or communal ownership, and conditions will be imposed so that the ownership of the land by the owners will always be protected.
2. To provide these landowners with all the technical and financial supports for

the planting of crops on their land. The landowners will have a choice of the crops that they wish to grow.

Under the scheme proposed by the DAP, we will create a very substantial group of small stakeholders. The natives will then be empowered. They are the landowners, they have the rights to determine the crops to be planted on their own land and more importantly, they will have the full authority and power to the yields and the profits of their own land.

For a start, we target to engage landowners of approximately 200,000 acres of NCR land in year 2010. We propose to allocate **RM10,000,000** to the Ministry of Land Development to carry out the perimeter survey and title-issuing job.

We further propose an allocation of **RM250,000,000** to the Ministry of Modernization of Agriculture to provide the financial and technical support for crop planting on those land.

3. Land Law Reform

Many landowners in Sarawak are facing the land lease renewal problem.

Under the present Sarawak Land Code (Cap 81), upon expiration of the land leases, ownership goes back to the government. Landowners may apply for renewal of their leases. However, there is no right to automatic renewal. The landowners also cannot claim that they have a legitimate expectation that their application must be approved.

If the government of the day refuses to approve the applications to renew leases, no compensation will be given to the landowners for the loss of their land. If the government approves the applications for the renewal of their leases, the landowners will have to pay a hefty premium for such renewal. To many, it is a financial burden.

From 26-5-2007 till 30-9-2008, there were 10,084 applications for the renewal of leases, out of which 2.9% of the applications were refused.¹⁹ In other words, out of the said 10,084 parcels of land, 292 leases had not been renewed. The owners of these 292 parcels of land will lose their land without any compensation. The BN Government did not have to offer any explanation for their loss.

The BN Government's excuse that the Government needs revenue from land leases

¹⁹ Winding-up speech of YB Datuk Amar Hj Awang Tengah Ali Hasan, Second Minister for Planning and Resource Management in the November, 2008 Sarawak Dewan Undangan Negeri (DUN) sitting

has little merit. The main contribution to revenue of the government from "land sale premium" comes not from the premium collected from such renewal cases but from the alienation of State land to private parties. For instance, since 2007 till October, 2009, 661 owners from around the Kenyalang Park housing estate in Kuching had paid the premium for lease renewals. The total collection by the government was only RM2.68 million. Compare this to the alienation of 6 parcels of State land situated at Jalan Ong Tiang Swee (prime residential land) to a private party for a premium of RM44 million.²⁰

In view of the fact that the land lease renewal problem is causing great anxiety, financial burden and inconvenience to landowners in Sarawak, DAP proposes to table and pass the Land Law Reform (Renewal of Terms of Documents of Title and Acquisition) Bill. Under this Bill, all expiring leases shall be automatically renewed for 99 years without any premium payable. This will ensure security of tenure to land ownership.

To make up for the loss of revenue from such automatic renewal, the DAP proposes that measures be implemented to ensure that land be effectively developed, cultivated or utilized to generate revenue for landowners as well as the Government.

The security in land tenure will have a positive impact on land ownership. It not only enhances confidence in land ownership but it will also be a bulwark to empowerment of the landowners.

The DAP shall also implement the system of public tender for the alienation of State Land to private party for development. This public tender system will at least double the premium revenue to the government for the alienation of State Land as compared to the present BN government's direct alienation system where in most cases, companies which are related to the BN's political leaders get the land at a huge discount.²¹

Therefore, even with the introduction of premium-free automatic renewal of land leases policy, the revenue to the government from "Land Sale Premium" is likely to double from the 2009's estimate RM200,000,000 to RM400,000,000 in 2010. The policy to ensure effective development, cultivation and utilization of the land will contribute long term and sustainable revenue to the state.

4. Open Tender System for all Infrastructure Works Projects

20 Ministerial answer given to YB Violet Yong Wui Wui on question submitted during May 2009 DUN sitting. A conservative estimate is that the value of the land alienated is worth much more than the alienation price of RM44 million.

21 Transactions have shown that some RM2 companies alienated with oil-palm land at the price of RM200 – RM300 per acre were sold at prices calculated based on more than RM1,000 per acre of the land owned by the companies.

Sarawak has the lowest Road Development Index²² (RDI) among the 13 states and 1 territory in Malaysia. The Sarawak's RDI in year 2005 was only 0.38 while Sabah's RDI was 1.10. The state in West Malaysia having the least RDI was Kelantan (0.60) while Selangor scored 1.60 RDI.²³

Development of infrastructures especially inter-town roads and bridges often involve hundreds of millions and even billions Ringgit Malaysia. Under the present federation system where the Federal Government controls most of the revenue²⁴, such development will largely be dependent on federal funding.

However, roads and bridges are important to the daily lives of the people, especially the rural folks. Roads provide access and connectivity to people and also facilitate economic development. As such, DAP proposes to maintain the allocation of **RM170,000,000** Development Expenditure (approximately 5% of the total) for the construction of roads and bridges.

However, the reform that DAP will bring about is that all infrastructure projects must be awarded through open tenders system.

Since the DAP leads the coalition government of Penang, it has successfully implemented open tender systems for government projects and saved on State coffers. It was disclosed that, at times, the costs of a state government projects can differ by over 50% in an open tender.

Recently, a Penang state government project was opened for tender. The highest bid was RM160 million while the lowest bid was RM75 million. The RM75 million bid won the tender. Had it not been for the implementation of the open tender system, the Penang state government would have to spend RM100 million more for the same project.²⁵

Given our experience in governing Penang, we strongly believe that despite the amount of allocation being the same or less, more roads and bridges can be built through the open tender system as compared to under the BN's direct negotiation system.

5. Allocation for Chinese Schools and Missionary Schools

22 Road Development Index measures the level of road development taking into account both area and population size of the country.

23 9th Malaysia Plan

24 In 2007, all the 13 states' combined expenditure budgets was less than 9% of the Federal Government's expenditure budget.

25 "The Penang Experience" The Star Online, 26 October, 2009

DAP recognises the multi-racial character of the Malaysian population and is in full agreement with the Merdeka social contract where vernacular schools will be granted the freedom to grow and expand.

The existence and growth of different vernacular schools are not hurdles to national unity but are an added advantage and an area of strength for the country.

Under BN's discriminatory education policy, the number of Chinese schools has declined from 1,346 in 1970 to 1,291 today, despite the fact that the enrolment numbers have increased from 439,681 to 636,124.

Although education is solely under the purview of the Federal Government, the State can play a positive role in its development.

DAP proposes that the following be provided in Budget 2010:

1. Set aside 5 plots of land of minimum 6 acres each in the city and town areas for building Chinese vernacular schools thereon;
2. Allocate **RM10,000,000** to the Boards of Management Committees of the Chinese primary schools in the State;
3. Allocate **RM10,000,000** to the Boards of Management Committees of the Chinese Middle Schools in the State;
4. Allocate **RM5,000,000** to the Board of Management Committees to missionary schools in the State.

We have made budgetary proposals for Chinese and Missionary schools because these schools have been most neglected by the BN Government.

Education transcends politics and racial boundaries. As such, we believe that the teaching of mother tongues, in particular, the Iban and Chinese language, must be enhanced in our school curriculums. We also believe that a sound education system shall be beneficial to all Malaysians, especially under the "1Malaysia" concept.

6. Industrial Development

DAP's industrial development policy differs greatly from the BN's. While the BN's industrial development policy hinges on a few mega companies, DAP's emphasis is on the development of large numbers of small medium industries (SMIs).

DAP believes that the backbone of the State's economy is the SMIs. The stronger

our state's SMIs, the stronger will our State's economy become.

As such, we will stop the mega electricity subsidy given to companies like the aluminium smelter plants.²⁶ We will instead, lower the industrial electricity tariffs for all industrialists across the board.

For a start, we will review and investigate the take-up rates of the plots in all the industrial estates in Sarawak. Under the BN's regime, it has been a rampant practice where crony companies were given plots of industrial lots at a discount only to keep the land idle waiting for potential buyers.

Without any political connection, those who truly intend to set up factories very often could not obtain a plot of land in the industrial parks directly from the government. They have to purchase the plots from the crony companies at double or triple the alienation price.

Such practice of alienation of industrial plots to cronies for re-sale to the true industrialist has added great unnecessary costs to the SMIs. It has also greatly hampered the goal of the government to develop SMIs in Sarawak.

Therefore, the Ministry of Industrial Development will be charged to investigate on the matter. Right to re-enter will be exercised against those who do not build a factory on the industrial plots and operate thereon within 5 years from the date provisional documents of title are issued. Thereafter, these plots will be open to application by the small medium industrialists.

To assist and promote SMIs, DAP proposes to allocate a sum of **RM100,000,000** for low-interest loan facilities to help part finance those who genuinely intend to set up a plant in those industrial estates.

DAP also proposes a further **RM20,000,000** to be allocated to provide maintenance and upgrading work for the existing industrial estates.

7. Forest Management

The BN Sarawak state government has attracted very adverse comments on the management of the forest resources.

It is the finding of the Laporan Ketua Audit Negara 2008 that illegal logging is rampant and on the rise and that uncontrolled issuance of logging licences has

²⁶ Conservative estimate shows that the government is giving more than RM100 million worth of subsidy to Press Metal Berhad in 2008 in the form of lower-than-cost electricity supply. The amount will increase manyfold once the company goes into full operation in 2010. Such subsidy is borne by the general industrialists in the State who have to pay higher industrial tariffs since 2007.

caused the destruction of our forest at such rates higher than permitted under the National Forest policy. This, in turn, has brought about disastrous environmental destruction to the State.

The quality of water of our rivers have deteriorated over the last few years, especially for the Rejang River where there are active logging activities upstream.²⁷ It has brought about severe siltation to its riverbed causing major floods in the Rejang basin.

As a result of the poor management of our forest resources, Sarawak timber cannot meet the certification requirements of the European Union (EU). This will have a major impact on our Sarawak timber industry once legislations in this respect are put in place by the EU at the end of this year. Major importers from our state, eg. China and Japan, will not be able to export to EU the end products manufactured using our raw timber materials.

On a close study of the previous budgets, it is perplexing to note that despite the lucrative timber businesses, the revenue generated from the issuance of forest permits was only RM6.58 million in 2008 and an estimated RM9.72 million for 2009. The reason for such low revenue from timber licences is obvious - most timber licences were given to the cronies.

DAP proposes the following:

1. Step up enforcement against illegal logging activities and the importation of illegal logs;
2. Step up reforestation projects to save our forests, living habitat and all Sarawak rivers;
3. Control the issuance of timber licences. Timber licences will be awarded through the open tender system and shall be in smaller lots of 1000 hectares each. Priority will be given to those having a saw-mill or timber end-product manufacturing plants; and
4. Negotiate with the EU representatives to give Sarawak 3 years' time to comply with EU's certification requirements.

DAP proposes a sum of **RM10,000,000** for the implementation of the above objectives.

8. Water and Energy Policy

²⁷ "Aktiviti Jabatan/Agensi Dan Pengurusan Syarikat Kerajaan Tahun 2008", Laporan Ketua Audit Negara

DAP will continue to provide allocations to ensure the provision of effective and efficient supply of potable water to both the urban and rural areas.

Most urban areas have treated water supply and electricity supply. However, the percentage of rural households receiving electricity supply and treated water is still too low. The figures are as follows:²⁸

Division	Percentage of Rural Population with	
	Treated Water Supply	Electricity Supply
Kuching	64%	94.2%
Samarahan	73.5%	38.9%
Sri Aman	38.2%	38.6%
Betong	54.7%	81.2%
Sibu	38.8%	61.8%
Mukah	69.8%	59.4%
Sarikei	60.8%	43.7%
Kapit	18.4%	24.9%
Bintulu	37.8%	20.5%
Miri	30.3%	32.0%
Limbang	44.8%	59.3%

DAP shall continue to work together with the Federal government for rural electrification projects and supply of treated waters to the rural areas.

Toward this end, we propose an allocation of **RM100,000,000** to the Ministry of Public Utilities to supply treated water to the rural areas. We also propose **RM50,000,000** for rural electrification programmes.

Given the strong opposition by the natives in the Bengoh Dam area and that the award of the contract to build the Bengoh Dam is not through an open tender system, we will review this project pending investigation into the NCR claims of the natives in that area and whether there is any impropriety in the award of the contract. As such, there will not be any allocation of budget for this project for the year 2010.

In respect of the BN's energy policy, we will freeze the plans to construct another 12 more dams in Sarawak.

²⁸ Written answer to YB Violet Yong's Question in DUN in the first sitting in 2009

Hydroelectricity may be a cheap source of energy but the impact to the environment and the socio-economy of the State is too great. It will destroy vast areas of forest and the homes of tens of thousands of natives.

As there is already a 40% surplus of electricity supply in West Malaysia, it makes no economic sense for the electricity produced by the Bakun Dam to be supplied to West Malaysia. We will thus negotiate with the Federal Government for the Bakun Dam to supply electricity to Sarawak, and the excess to be sold to Brunei, Kalimantan and Sabah.

Electricity produced by the Bakun Dam will be sufficient to meet the Sarawak's demand for electricity for the next 15 years, even if we undergo fast industrial development in the next 2 decades. This further fortifies our decision to freeze the plan to construct 12 more dams in Sarawak.

Meanwhile, review will be made to lower electricity tariffs in the State so that consumers, businesses and industrialists can enjoy cheaper electricity.

9. Tourism

Tourism has traditionally been an important revenue earner. Over 1 million tourists visited Sarawak annually since 2007.

Tourism-related activities spur growth in transportation, the wholesale and retail trade, as well as the hotel and restaurant industries in the state.

DAP sees a need to step up "Visit Sarawak" marketing programmes. To encourage tourists to visit the state, air travels must be made more affordable and air connectivity must be improved. There is a need to implement an open sky policy in order to enhance tourism in the state.

The natural ambience of Sarawak determines that it is a nature tourism destination. Tourists are attracted in great numbers to our internationally renowned caves, rapids and historic relics.

In order to attract more tourists, the collections and facilities in the Sarawak museum will be upgraded. Buildings, forts and relics since the colonial days throughout Sarawak will be preserved and refurbished.

Kuching and Miri shall continue to be the focal points of this industry. However, the BN Government has neglected Sibul as a tourism hub. There is a need to include Sibul in the Tourism Masterplan, mainly because of the strategic location of the town

as a staging point to other parts of central Sarawak.

Sibu has been generally bypassed by the tourists, mainly due to lack of tourist destinations there.

With proper and effective marketing strategies, the recent opening of several temples by the local entrepreneurs should help lure tourists to Sibu.

The Rejang River, 563 km in length and the longest river in Malaysia, can provide attractive tourist spots. The attractions include the longhouses together with the rich culture of the Dayak communities and the old Malay and Chinese settlements along its banks.

The Resident and District offices should coordinate tourism development in the central region of Sarawak. They shall seek ways to enhance the existing tourism services and facilities, and organise and promote events to draw more travel traffic in the Sibu area. Borneo Cultural festival shall continue to be held annually in Sibu with grants from the Government, in order to ensure that it incorporates the participation of all races in Sarawak. The Baleh raft race held annually in Kapit and the Pesta Kaul of Mukah shall also continue.

There is a need to establish a few national parks and nature reserves in the central region of Sarawak to promote nature tourism to tourists as well as locals.

DAP proposes that for a start, a sum of **RM20,000,000** be allocated to promote tourism in Sibu. A further sum of **RM20,000,000** is allocated to promote the industry in other destinations in Sarawak.

PUBLIC FINANCE

1. Revenue Estimates

For 2010, we expect the State's income to increase by 5%. This is taking into consideration the forecast higher international Crude Oil Prices in 2010, gradual global economic recovery which has started in the last quarter of 2009 and the implementation of the open tender systems for alienation of State land for commercial purposes and timber licences.

The revenue generated from these two activities alone (open tender for alienation of State land for commercial purpose and award of timber licences) will likely to increase the total government revenue by 8%.

With the reforms implemented by DAP in respect of forest management, the EU will likely grant us the 3-year extension period for us to comply with their certification requirements. This will give some space to our timber industry and our timber export will thus not be adversely affected.

As such, the estimated total State revenue for year 2010 is RM 3,912.3 million.

2. **Operating Expenditure**

Sarawak State Supply Expenditure (in RM million)

	2008	2009	DAP 2010
Emoluments	415.3	434.2	454.0
Supplies & Services	400.8	464.7	371.8
Assets	10.5	13.4	17.1
Grants & Fixed Payments	260.2	272.0	499.7 ²⁹
Other Expenditures	2,305.4	2,355.4	2,355.4 ³⁰
Total Supply Expenditure	3,392.2	3,539.7	3,698.0

Having taken into consideration the transfer to the Development Fund of RM2,300 million in 2008, RM2,350 million in 2009 and RM2,350 million in 2010, the actual supply expenditures for the State of Sarawak are RM1,092.2 million, RM1,189.7 million and RM1,348.0 million for years 2008, 2009 and 2010 respectively.

We have proposed to reduce the size of the budget for "Supplies & Services" by 20%. This significantly reduced budget item can be achieved by conducting a thorough review of procurement requirements of the Government as well as imposing open, transparent and competitive tenders for government purchases and procurements to ensure highest possible quality at lowest possible price.

Through DAP's 18-months of experience in governing Penang, Penang's supply expenditure was reduced by 12% through the implementation of, inter alia, the following directives:

²⁹ This include the additional RM225.4 million grant to local authorities to allow the local authorities greater autonomy to decide their own programs but the Government will stop the annual grant of RM10,000,000 to STA as it is by now self-sustaining.

³⁰ This amount includes a sum of RM2,300 million to be transferred to Development Fund for Development Expenditure in 2008 and a sum of RM2,350 million to be transferred to Development Fund for Development Expenditure in 2009.

- all civil servants to travel on economic class and the booking of air tickets shall be made through internet which offers the lowest costs;
- all civil servants to stay in hotels not higher class than "3 stars";
- all government official functions to be held at government premises as opposed to some high-class hotels; and
- all government purchases and procurements to be done through open tenders.

For a start, we will not substantially reduce the grants to agencies approved in the previous budgets. However, audit teams will be engaged to oversee that the grants were effectively and efficiently used.

3. Development Expenditures

Sarawak State Development Estimates (in RM million)

	2008	2009	DAP 2010
State Secretary	10.7	19.7	20.0
State Financial Secretary	2,186.0	2,430.1	1,100.0
Ministry of Land Development	---	---	20.0
Ministry of Modernization of Agriculture	39.5	35.6	285.6
Ministry of Infrastructure Development and Communications	201.8	174.1	170.0
Ministry of Social Development and Urbanisation	5.8	7.6	291.8
Ministry of Environment and Public Health	---	---	30.0
Ministry of Industrial Development	---	---	120.0
Ministry of Planning and Resource Management	11.9	9.8	10.0
Ministry of Urban	140.4	113.7	140.0

Development and Tourism			
Ministry of Housing	---	---	30.0
Ministry of Public Utilities	155.6	270.4	140.0
Ministry of Rural Development	19.9	14.3	15.0
Total	2,771.5	3,075.3	2372.4

We will stop the allocation under the item "Government Contributions Towards Agencies Trust Fund" for 2010 as the amount is not properly accounted for in the Budgets. Nevertheless, the State Finance Secretary shall also undertake the allocation of RM25 millions to non-national schools, the engagement of independent auditors and the implementation of Fair Wage system.

The Ministry of Land Development is entrusted with survey and mapping of land in Sarawak and thereafter the issuance of documents of titles thereto. Such job will no longer be undertaken by the Ministry of Planning and Resource Management which will be in-charge only of forest matters.

The Ministry of Modernization of Agriculture will be allocated RM185.6 million to continue with the areas of agricultural development carried in the previous year and to carry out the NCR Land development policies.

The Ministry of Infrastructure Development and Communications shall be given similar amount of the budget allocation as the previous year. However, the grant to ports shall be reduced by 50% (ie. from RM25.7 million to RM12.8 million) as ports are expected to earn profit rather than relying on grants from the government to sustain.

The Ministry of Social Development and Urbanisation will be allocated RM291.8 million of the Development Expenditure to carry out the poverty eradication project, manage social safety net fund and Senior Sarawakian Bonus, implement the caring for the elderly and disabled projects and planning and developing quality sports and social facilities.

The Ministry of Environment and Public Health will receive an allocation of RM30 million as grant to Natural Resources and Environment Board and carrying out of other educational projects.

The Ministry of Urban Development and Tourism will continue to receive the allocation for urban development projects. The increased amount is the additional sum given for the purpose the tourism industry.

The Ministry of Rural Development will receive RM15 million to continue its portfolio

in the previous year which were confined only to providing proper irrigation to selected crops and improving on drainage. However, this Ministry is a duplicity as rural development projects can be more efficiently undertaken by the Ministry of Modernization of Agriculture and Ministry of Infrastructure Development and Communications. As such, we propose to do away with this Ministry by 2011.

4. Budget Surplus

With the revenue estimate of RM3,912.3 million, the Supply Expenditure estimate of RM1,348.0 million and Development Expenditure estimate of RM2,372.4, the DAP's alternative Budget 2010 will have a surplus of RM191.9 million.

CONCLUSION

The DAP is putting this proposed budget forward to the people of Sarawak as a budget that is focused on the theme "Democratising Sarawak's Economy" and based upon the DAP's underlying political philosophy of socialist democracy.

This Alternative Budget marks the progress Sarawak DAP has made in the field of economic policy making, and our readiness to assume the role of a governing party in Sarawak as and when such opportunity arises in the near future.

While the Alternative Budget is written with the 2010 budget in mind, most of the recommended budget policies are timeless in nature and can be implemented even in future years to transform Sarawak's economy.

This Budget proposes fundamental policy changes to the current BN's policy in that:

- (a) we emphasise on decentralisation of fiscal allocation and power as opposed to BN's concentration of fiscal allocation and power in one person.
- (b) we stress on equitable sharing of the State's wealth with the low-income group as opposed to BN's policy of making the rich richer and the poor poorer.
- (c) we aim to create a substantial groups of small stakeholders of NCR landowner and small medium entrepreneurs to spearhead the future economic development of the State as opposed to the BN's concept of creating a small number of super-rich companies and forcing the majority Sarawakian to work for these companies.

It is amazing to note that with a more transparent and fair allocation of the State's resources, a sum of RM495,830,000 can be allocated and paid out as cash hand-outs to the poor and the needy while maintaining a surplus budget.

This direct cash hand-outs of RM495,830,000 will not only benefit the recipients. Given the large population base of the recipients of these cash hand-outs, it is expected that 90% of the cash hand-outs will be spent in local markets. This will have the economic multiplier effect and will boost internal demand and ultimately the State's economy in general.

The implementation of the policy to create large number of small stakeholders of NCR land will help to lure back substantial number of young natives working in West Malaysia and overseas. Their return will also be a boost to the growth of the State's economy.

The implementation of the policies in this Alternative Budget will allow all Sarawakians to enjoy the rich natural resources of Sarawak. It will help create a large number of middle income population which will form the backbone of the Sarawak's economic growth. More importantly it will empower the Sarawakians who will have full autonomy and rights over their own land.

Lastly, while this is the DAP's Budget policies which we will implement when we become the government of Sarawak, but since we are now the Opposition, we welcome its adoption by the BN government for the benefits of the people of Sarawak.

DAP Sarawak
6th November 2009