Development spending tops Selangor's RM3.5b 2017 budget

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by R KAMALAVACINI

SELANGOR Mentri Besar (MB) Datuk Seri Mohamed Azmin Ali yesterday unveiled the state's 2017 budget of RM3.45 billion, a 19.79% increase from last year's expenditure.

Development received the highest allocation with RM1.8 billion or 52% of the total budget, while RM1.65 billion has been allocated for operating expenditure (opex).

In his budget speech to the state assembly, Mohamed Azmin said the state's revenue collection reached 96.9%, while development expenditure was at 60% and opex at 77.1%.

"As at Oct 14, 2016, the state's reserve stood at RM3.62 billion compared to RM3.26 billion as at Dec 31, 2015. We saw RM351.38 million surplus in the state's finances as at Oct 14 this year.

"The state budget this time suffered a RM900 million deficit as a result of a substantial increase in development expenditure, to fulfil the need for sustainable and quality development for the people," said Mohamed Azmin.

Pic by Ismail Che Rus

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In October last year, Mohamed Azmin tabled a deficit of RM630 million for 2016 state budget. He noted that the 2017 budget has taken into consideration the state's potential revenue of RM2.55 billion, a 13.3% increase from RM2.25 billion in 2016, mainly contributed by land premium (54.2%), land tax (19.5%) and land-related business engagements.

"As at Oct 28, the state has collected about RM2.27 billion or 101.2%, compared to targeted revenue of RM2.25 billion for this year," he added.

Under the development expenditure, the state allocates RM1.09 billion or 60.7% for infrastructure development including the construction of new roads, upgrade of existing roads, maintenance of drainage and irrigation, and for water supply.

The state's free water scheme continues with an allocation of RM183.2 million.

"About RM250.26 million or 13.9% has been set aside to improve the state economy. This will be executed through housing development programmes, including low-cost housing, efficient transportation, attractive industrial and investment activities as well as greater township planning," he said.

The MB also added the state is committed to tackle the rising cost of living, especially among the bottom 40% or B40 group, as well as to boost domestic consumption through active spending.

"We will continuously spend and by doing so, we will emphasise on development. If we don't emphasise on development, the country and the people will have a gloomy future," he said.

Under the opex, the state government has allocated RM427.9 million for emoluments and RM543.16 million for supplies and services.

A total of RM18.34 million is allocated for the purchase of assets, RM608.11 million for fixed payments and RM52.49 million for other expenses.

He added that RM20.3 million will be allocated for civil servants' annual pay rise following a rationalising for the civil service scheme, RM209 million for the development of the health sector, especially for the primary healthcare services and facilities throughout the state.

The state government would also continue the exemption of assessment tax and business licence fee programmes for the same target group.

The MB also announced an allocation of RM45 million for effective garbage collection, via iClean Selangor system, while RM15 million for the refurbishment of Sungai Klang.

He also reaffirmed the state's commitment to reduce non-revenue water from the current 35% to 29% by 2019. The state has allocated RM100.6 million to replace old and damaged pipes for next year.