



CPPS POLICY FACTSHEET:

REMUNERATION of ELECTED OFFICIALS IN MALAYSIA

This fact sheet looks into the salaries or allowances allocated to the various elected officials in Malaysia. These salaries are statutorily protected under the Members of Parliament (Remuneration) Act and the Members of the Administration and the Legislative Assembly (Remuneration) Enactment of each States in Malaysia.

BACKGROUND

Recently, Sarawak has approved the increase in salaries of its state assemblymen (as well as Chief Ministers and other elected officials) to three times the previous amount.

While this has brought into question the accountability of elected officials in times where there is a need to be financially prudent, it also highlights the question of whether state assemblymen and Members of Parliament in Malaysia are sufficiently compensated to allow them to do their job in the best possible manner.

It is important to observe a consistent review of the salaries and allowances of state assemblymen and members of Parliament in accordance with rising costs of living as well as the rising household income of Malaysians according to state. For example, in 2012, the Department of Statistics notes that the average household income in Malaysia has risen to as much as 14% since 2009.

SALARIES OF ELECTED OFFICIALS IN MALAYSIA

The salaries of Member of Parliaments and elected Federal Government representation are governed under Federal Law: the Members of Parliament (Remuneration) Act.

It currently prescribes the allowances for officials to be as follows:

Position	Monthly Allowances
Prime Minister	RM 22,826.65
Deputy Prime Minister	RM 18,168.15
Cabinet Minister	RM 14,907.20
Member of Senate	RM 4,112.79
Members of Parliament (MPs)	RM 6,508.59
Leader of the Opposition	Additional RM 3,846.59

Allowable Claims for Members of Parliaments

Allowable claims are provided under Statute Paper 235 of the Members of Parliament (Remuneration) Act. For instance, in the case of Members of Parliament, the breakdown of allowable claims is as follows:

Allowable Claims	Amount
Entertainment	RM 1,500
Driver	RM 1,200
Travel	RM 1,500
Telephone	RM 900
Food Allowance	-
Meetings in Parliament	RM 200 per day
Meetings by government agencies	RM 150 per day

Allowance of State Assemblymen

The allowances of a state's assemblymen are governed under each individual state's enactments. Hence, it is not uniform across all states.

State Assemblymen	Monthly Salary*	Monthly Allowance	Monthly Total*
Sabah	RM 5,300		RM 7,300
Sarawak			RM 15,000
Penang	RM 4,112.79	RM 2,000	RM 6,012
Selangor	RM 6,000	RM 4,700	RM 10,700
Kelantan	RM 4,600	RM 3,600	RM 8,200
Johor			RM 7,500
Pahang			RM 8,500
Perak	RM 4,112	RM 1,800	RM 5,912
Perlis			
Terengganu	RM 4,000	RM 6,000	RM 10,000
Negeri Sembilan	RM 4,112.80		RM 5,500
Kedah	RM 4,113.79		RM 5,400
Melaka			RM 7,337

*Source: Information provided by respective state assemblymen

The statutes and state enactments are unclear as to whether state assemblymen and Members of Parliament are obliged to work as full-time State Assemblymen (ADUN) and MPs, and whether they are prohibited to carry on side-businesses

Allowance of State Assemblymen in Other Countries

The following are the average allowance of state assemblymen in other countries.

Countries	Approximate Value
Thailand	RM 12,000
Singapore	RM 34,000
Indonesia	RM 18,000

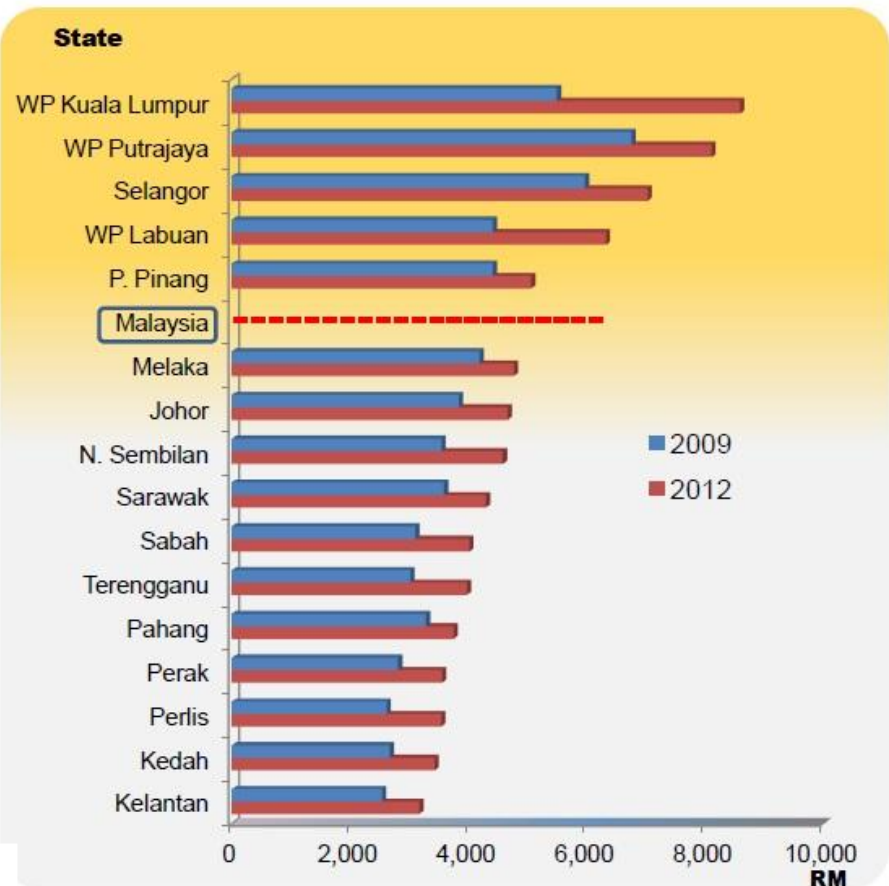
Source: Berita Harian 2011

(http://www.bharian.com.my/bharian/articles/DewanRakyat_Kenaikangaji_elaunAhliParlimenditarikbalik/Article)

AVERAGE HOUSEHOLD INCOME IN MALAYSIA

STATE	2009	2012	ANNUAL GROWTH RATE (%)
W.P. K.Lumpur	5,488	8,586	14.9
WP Putrajaya	6,747	8,101	6.1
Selangor	5,962	7,023	5.5
WP Labuan	4,407	6,317	12.0
P. Pinang	4,407	5,055	4.6
Melaka	4,184	4,759	4.3
Johor	3,835	4,658	6.5
N. Sembilan	3,540	4,576	8.6
Sarawak	3,581	4,293	6.0
Sabah	3,102	4,013	8.6
Terengganu	3,017	3,967	9.1
Pahang	3,279	3,745	4.4
Perak	2,809	3,548	7.8
Perlis	2,617	3,538	10.1
Kedah	2,667	3,425	8.3
Kelantan	2,536	3,168	7.4
Malaysia	4,025	5,000	7.2

Source: Department of Statistics (2012)



Should Salaries of State Assemblymen and Members of Parliament in Malaysia Be Increased?

One of the reasons to providing a competitive allowance for state assemblymen is to allow the money to be utilized to serve the people. The lack of sufficient resources can be a hindrance towards the performance of such duties.

A possible way forward is perhaps have a standardised basic salary scale for the state assemblymen; and autonomy to the states to decide on allowances and other provisions. While state assemblymen should not be able to have too high a wage so as to maximize the gap between them and their people, they should nevertheless still be given the appropriate compensation for them to properly continue their work in serving the people.

A competitive salary will attract the best talents to work towards becoming an elected representative of the people. The low compensation and allowance could explain the reason why Members of Parliament are not able to focus in their jobs on a full-time basis, having to look elsewhere for side incomes, and in many cases, having to resort to corruption. The fact that most Members of Parliament in Malaysia holds other professional positions are an open secret; the salaries are deemed insufficient to sustain their costs of living as well as towards using it to serve the people.

Some of the allowance of the Members of Parliament goes toward running their service centres. They are also expected to contribute some of their allocated allowance into their affiliated political party's coffers.

A rise in salary, coupled with initiatives to improve transparency and the declaration of assets for state assemblymen and Members of Parliament could be the key to improve accountability of elected officials in Malaysia.