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All Members of the Bar

FAQ 2: COST CUTTING MEASURES

In light of the motion of the Bar Council to increase annual subscriptions to the Main Fund from RM350 to RM550, we present here the second of a series of FAQs, which seek to explore the issues involved.

Question: Instead of asking for an increase in subscription, why can't the Bar Council implement serious cost cutting measures?

Several cost cutting initiatives were already in place before the AGM on 15 March.

Since the AGM, further decisions to cut costs have been put into place:

- We will stop printing Praxis, Insaf and the annual report;
- AGMs and EGMs will be organized in less expensive venues;
- The Secretariat will cut down on the use of paper. The notice of meeting, agenda and minutes of meetings will be circulated only via email. All circulars to members will be disseminated electronically. Cutting down the use of paper will also help reduce photocopying costs;
- In order to cut down on overheads and reduce overtime, the operating hours of the Secretariat and the Library will be reduced (see Circular No: 121/2008 dated 29 April 2008).
- In order to reduce the expenditure incurred by committees, the number of committees has been reduced from 36 to 27. All committee activities will have to be self funded and the Main Fund will no longer be used to meet the traveling claims of outstation members.

Question: This is all well and good, but the bulk of your budget is spent on staff salaries and allowances. What is being done to cut down on the amount you spend on staff salaries and allowances?

Several measures have been adopted to deal with this concern:

- There is a freeze on recruitment. In the event of a resignation, the first option will be to redistribute the existing workload among the existing staff rather than employing someone new. As a result of this freeze the number of staff in the secretariat has fallen from 90 (as at 31 December 2007) to 82. The exception to this will be to fill IT roles which have been vacated in March 2008.
- In order to reduce the burden on the Main Fund, the Disciplinary Fund will be used to cover all intervention related expenses and a portion of the salaries of those employed in the Complaints and Intervention Department.



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- In order to reduce the burden on the Main Fund, the Legal Aid Fund, the Compensation Fund and the Law Care Fund will be used to cover a portion of the salaries of those staff involved in the work of these funds.

The use of monies in the Disciplinary Fund, the Legal Aid Fund, the Compensation Fund and the Law Care Fund to pay for a portion of staff salaries will help reduce the amount spent on staff salaries by close to 10%.

Question: Are the measures that you have listed above temporary or permanent? If the House supports the motion that you are proposing, will you simply reverse all the cost cutting measures listed above?

The cost cutting measures listed above are permanent in nature save for the issue of the printing of the annual report and the issue of meeting the traveling claims of those outstation members who serve in committees.

If the House supports the motion to increase subscriptions, these two issues will have to be revisited:

- **Printing hard copies of the annual report:** It costs too much money to print hard copies of the annual report for all the members of the Bar. It may however be possible to print a limited number of copies of the annual report which will be made available to members who attend the AGM.
- **Traveling claims of outstation members:** The decision not to meet the traveling claims of outstation members that serve in committees will make it increasingly difficult for outstation members to play an active part in committee work. Outstation members will either have to seek the assistance of their State Bar Committees or use their own funds. This decision might have to be revisited if funds are available, to prevent the Bar from becoming too "KL/Selangor Centric". Limits however may have to be imposed on the size of committees, the number of outstation members that can serve in each committee and the frequency of meetings.

Question: Now that these cost cutting measures are in place is there still a need to increase subscription?

The cost cutting measures described above and the various initiatives to increase non-subscription revenue will only reduce the projected deficit in 2008 from RM2.094 million to RM0.642 million. The Bar Council will still be in deficit and would become insolvent in January/February 2009. Further, unlike previous years there are no reserves to meet this deficit. It is for this reason that it is important that members support the motion to increase subscription to the Main Fund from RM350 to RM550.

Thank you.

George Varughese
Treasurer