wages or more convenient working conditions and practices. In the private sector, the workforce always has to consider the effect of such actions on their jobs. A strike might cause a permanent loss of consumers, forcing the firm out of business.

Private sector costs are controlled competitively. If a rise in the costs of private goods or services reflects itself in an increase in price the consumer can decide to turn to cheaper competitors, to take up substitutes, or to consume less. Private businesses have to be ever-alert to cost-cutting opportunities in order to attract financial capital.

3.0 Tenaga Nasional Berhad Budget

3.1 Description Of Department's Budget

The Tenaga Nasional Berhad annual budget comprises of the Revenue Budget and Capital Budget. The annual budget is prepared based on proposals from the managers of each department which is submitted annually in April to their respective SBU general managers who will then submit to the General Manager (Finance). The proposals are drawn up by the Managers of each Department based on their annual operating plan and development programmes. The managers are also required to review the year's activities/work plans, progress of projects, and the overall performance of the current year's Budget against actual expenditure, and account for the variances. Such variances will be based on actual against original approved budget figures.
The Revenue Budget gives estimates for income and operating expenditure for the next financial year and the expected financial results and financial position at the end of the period. For the Revenue Budget, managers are required to submit proposals for all operating expenditure to be incurred and revenue to be accrued in each Financial year. The Capital Budget gives the capital expenditure estimates and assets acquisitions estimates for the coming Financial Year. It also estimates the cash outlay requirements for the Budget Period.

For the Capital Budget, the managers should give details of projects that are to be implemented in each Financial Year and their estimated total cost. It is the annual estimates of the development expenditure allocations required for the next operating year for new and/or on-going projects. It should normally be aligned to the long term plan of the company. For money to be spent within the financial year for projects, work or acquisition of assets, there shall also be an indication of the total cost of the project/work/assets if disbursement does not occur in the same year. Funds to be requested are only for the expenditure to be incurred on new and on-going projects for each Financial Year. Tenaga Nasional Berhad Financial Year is from 1st September to 31st August.

3.2 Budget Procedure

The Transmission Maintenance Department is divided into Substation, Overhead Line section and Office section. The budget is prepared early in the year and the deadline for submitting it for approval is before 1st April. At the early part of the year all the engineers and office administrators will
prepare the budget for their section. Under current practice, the budget prepared for the following year will be based on the past year estimate and will take into consideration the requirements of new equipment.

Appendix 2 show the breakdown of the budget according to substations, overhead line and office between the financial year of '92 and '96. The total operating expanses increased from RM 17,497,000.00 in FY '92 to RM 19,871.00 in the '96 financial year. The major portion of the expenditure went to maintaining Overhead lines, Substation and Transportation. For the past five years the expanses for these three items have been almost proportionate and without much variance. The Graph and Pie Chart below show the details and the average cost comparison for all the sections during the past five years.

Operating Cost Comparison For The Past 5 Years n RM' 000

[Graph and Pie Chart showing cost comparison for FY92 to FY96]
There are some contract services in both the substation and overhead lines. However, the overhead line section engages more contract services than the substation. This is due to the fact that all rentice clearing and patrolling job are handled by contractors. For the substation, the types of work that are done by contractors are general substation repair work and grass cutting. As for transportation, the maintenance of 67 vehicles is done by the TNB workshop. The TNB workshop is the centre for all the maintenance and repair work of all the vehicles from the TNB’s departments.

Hundreds of vehicles are repaired daily and delays in repairing these vehicles are inevitable. Due to this fact, most of the work in the department would be delayed due to insufficient transport. On top of that, the charges imposed by the TNB workshop are much higher compared to workshops elsewhere as they are inter-departmental charges. The pattern of expenditure is almost the same and there is not much reduction yearly.