

1 June 2009 (Monday)

Weeding out lazy Class F jobbers



Works Minister Datuk Shaziman Abu Mansor says there are too many part-time contractors in the industry

ALOR STAR: Part-time government contractors, mostly in Class F, will be phased out soon.

Contractors renewing their licences will be vetted through a test, and "those who are not serious will be phased out", said Works Minister Datuk Shaziman Abu Mansor. He did not elaborate on the test. He said part-timers often produced shoddy work and the government wanted serious contractors who considered the construction industry a profession, not those who saw it as an opportunity to generate side income.

Shaziman said there were 45,000 contractors in the country, and 31,000 of these were in Class F. "We have too many small-time contractors," he said after opening the Kedah Malay Contractors Association's 32nd annual general meeting on Saturday. "It is not healthy for the construction industry and it will be hard for them to survive the current economic situation,". He urged small Class F contractors to pool their resources by merging or forming consortiums to reduce their operating costs. He also suggested that owners register their heavy machinery with the association so that other contractors could rent them.

2 June 2009 (Tuesday)

PKFZ could cost less than RM4.6b

By : Marina Emmanuel

GEORGE TOWN: Transport Minister Datuk Seri Ong Tee Keat yesterday said outlays for the controversial Port Klang Free Zone (PKFZ) project could end up being less than RM4.6 billion.

Pointing to the fact that PricewaterhouseCoopers audit findings had indicated that there were elements of "over-charging", he said: "It is now our duty to engage legal consultants to probe and also consider the recovery of over-charging elements." Ong said this after launching AirAsia's Singapore-Penang inaugural flight at the Penang International Airport. He was asked if there was a possibility that costs for the PKFZ, which could balloon to RM12 billion, could be lowered. "Everybody is talking about the RM4.6 billion soft loan and we all know it would involve the purchase of land and development costs along with interest costs," Ong said.

"When I brought up the issue that the findings in the report claimed that there was an element of overcharging and over-billing, I did mention that it is our duty to engage legal experts and consultants to look into it. "If need be, we should even consider recovering some of the overcharging elements and the cost of the project should then be less than RM4.6 billion."

3 June 2009(Wednesday)

Stadium roof collapse: It could have been worse...

By : Sean Augustin, Zarina Abdullah and Zainuddin Muhammad

KUALA TERENGGANU: If the roof of the Sultan Mizan Zainal Abidin Stadium had collapsed today instead of yesterday, thousands of lives may have been lost.



The collapsed roof damaged several vehicles in the car park. — NST picture by Rozainah Zakaria

For the stadium was scheduled to host the Public Institutions of Higher Learning games which would have seen thousands of competitors and spectators packed in the year-old sports arena. Although no lives were lost, the collapsed roof has left numerous red faces in the state. Calling it an embarrassment that had tarnished the country's image, Works Minister Datuk Shaziman Abu Mansor lashed out at contractors for not building a proper structure. Shaziman said the ministry would investigate the cause of the collapse and an in-house consultant would evaluate the damage. A car and three motorcycles parked outside the stadium were damaged when about 80 metres of the roof collapsed about 9.30am. Most of the debris crashed onto the grandstand of the RM292 million ringgit stadium.

"People will say that in Malaysia, not only newly constructed buildings collapse, but even ones earmarked for demolition," he said, referring to the collapse of the Jaya Shopping Centre in Petaling Jaya, Selangor on Thursday, which killed seven Indonesian workers and injured two others. "There should be no compromise when it comes to selecting the best experts for such jobs." Shaziman was speaking after visiting the site yesterday afternoon. Also present were Menteri Besar Datuk Ahmad Said, state secretary Datuk Mokhtar Nong and several state executive council members. On opposition politicians' statements that they would lodge a report with the Malaysian Anti-Corruption Commission on the matter, Shaziman said there was nothing to hide and the ministry would cooperate with the MACC.

Said said the stadium was issued a temporary certificate of fitness by the Public Works Department just before the Malaysian Games last May, although none was required for a government building. He also estimated damage at RM25 million, adding that a Korean contractor was appointed to construct the roofing structure. "We don't have the details of why and how it happened but we will wait until the investigations are over," he said, adding that the stadium would be closed until repairs were completed. He also said the stadium was still under the main contractors', Bina Struktur Sdn Bhd, Emarcon Sdn Bhd and Genggam Mercu, two-year warranty.

3 June 2009(Wednesday)

'Public events only at safe stadiums'

By : Farrah Naz Karim

PUTRAJAYA: State-run stadiums which do not adhere to safety, security and cleanliness standards set by the Ministry of Youth and Sports will not be allowed to host major events.

This is one of the conditions set by the ministry although the stadiums come under the purview of the respective state governments. Minister Datuk Ahmad Shabery Cheek said these measures were to compel stadium managements to be more responsible. "In future, the management of venues would not be allowed to play host to major events in the country, unless they submit an audit on the safety and security or even cleanliness, to the ministry.

"This has to be put in place as sporting events draw thousands of people and their safety is at stake. Just as when Manchester United came over to Malaysia to play, the International Federation of Association Football (FIFA) had to be first happy with the standard of the match venue. "So the same will be applied here as matters of safety cannot be compromised." At present, the ministry oversees four sports complexes in the country, involving 10 stadiums which undergo scheduled auditing to ensure safety and other requirements.

They are the Bukit Jalil, Bukit Kiara, Panasonic and Jalan Duta National Sports Complexes. The rest, including the one-year old Gong Badak Sports Complex in Kuala Terengganu, are under the purview of the state governments. The Gong Badak Sports Complex is now under the ministry's scrutiny and any national or international event to be held there in the future would need its approval. Shabery said the ministry would also consider implementing the star-rating system for all sporting venues where organisers would be able to make an informed decision prior to holding their events there.

Apart from taking safety and security into consideration, the star-rating would include marks for the cleanliness of the toilets. However, he said the rating system would be conducted fairly as venues constructed on bigger budgets would be expected to have higher ratings.

3 June 2009(Wednesday)

Warnings were ignored, says engineer



The roof collapsed on the grandstand. — Picture courtesy of PWD

KUALA TERENGGANU: It was a disaster waiting to happen, said engineer A. Mohamed.

Mohamed, who works in a private firm said he often jogged in the area and had noticed that the space frame which held the roof was getting bent out of shape. "It could be seen from far away. I feared it would give way eventually and the roof would collapse. Today, it did." Mohamed claimed he had tried to warn government agencies and the media by sending pictures of the defects but was ignored. Electrician Hanafiah Osman, 27, whose car was damaged in the incident said he was working on a lamp post outside the stadium when he heard a loud noise. "I turned around and saw the roof collapsing. "I rushed to my car but it was already crushed," he said.

Stadium Management Board chief executive officer Arpin Draman said fortunately no event was held at the stadium as the roof collapsed on the grandstand. "At the time of the incident, only a handful of stadium employees were in the vicinity and none of them were hurt." Arpin said he had never doubted the stadium's structure as its safety had been assured by the Public Works Department. "We have a bowling alley and squash courts in the stadium and it was fortunate the roof fell before they opened at 10am."

6 June 2009 (Saturday)

Stadium roof collapse: Local consultants 'not involved'

KUALA TERENGGANU: The three consultants of the Sultan Mizan Zainal Abidin Stadium project - Protech Consultant, MA Consult and AZN Engineers - have denied involvement in the structural design or construction of the roof which collapsed on Tuesday morning.

A spokesperson for Protech Consultant said the involvement of the three consultant engineering firms, hired by the state government's Consultant Appointment Committee, was strictly in the civil and structural works of the main stadium structure. "The construction of the stadium roof was not in the original contract as it was a separate 'design and build' project, vetted by the state government's Tender Committee and approved by the Public Works Department. "It was a specialised job and efforts must have been made by the Tender Committee to make sure the successful applicants were competent to handle the work." He said various trips were made by the committee to South Korea to visit the facilities and factories there in order to be satisfied with its choice of a South Korean company.

"This was in addition to the study trips to Greece and the United Kingdom to make sure that the stadium was at par, if not better, than the best stadiums in the world." The spokesperson believed there was nothing wrong with the design or materials used as all engineering values and calculations had to be verified. "The design is sound. During the monsoon season, the roof did not get blown off by the strong winds. That showed it had passed the wind tunnel or wind load test.

"I believe, on paper, the roof structure was safe. Even before the proposal design was accepted, it had to have the endorsement of an independent consultant here." He said perhaps the problem was with the installation or the use of fabrication construction materials of dubious standard. "The roof was a little asymmetrical from when it was first installed but some experts said it was supposed to move around a bit before settling in place. "Another problem was during the defect-liability period. The maintenance works had to be done by the contractors and since they were in South Korea, it might have taken them a while to get here."

6 June 2009 (Saturday)

Stadium roof collapse: Panel to probe: Shaziman



Works Minister Datuk Shaziman Abu Mansor (third from right) inspecting repair works at SMK Setapak Indah during a visit to the school yesterday.

KUALA LUMPUR: A committee has been set up to investigate the collapse of the roof of Sultan Mizan Zainal Abidin Stadium in Terengganu.

Works Minister Datuk Shaziman Abu Mansor said the committee had been given six months to complete its investigations and come up with a report. He said the committee was made up of 10 people from the Public Works Department, Board of Engineers Malaysia, Institute of Engineers Malaysia, Malaysia Structural Steel Association, Board of Architects Malaysia, Institute of Structural Engineers Malaysia, National Audit Department, Attorney-General's Chambers and Construction Industry Development Board.

"The committee members are professionals and experts in their fields. I believe they will be able to come up with a thorough report explaining what happened and find a solution to the matter," said Shaziman. He was speaking after a visit to inspect repair works being done at SMK Setapak Indah, which has been sinking since 2004. Constructed on a former tin mining area, some of the building walls are showing signs of cracks and the concrete drains, steps and floors in the school compound have sunk almost a metre deep. "We have allocated RM2 million for repair works and it will be completed before the Penilaian Menengah Rendah examination in October," Shaziman added.

Yuhanis Yusoff, a Mathematics teacher, said the sinking ground had affected the sewage area at the back of the school, causing a stench to emanate from it. "The smell is terrible. What makes it worse is that the sewage area is right behind the canteen. I hope things will get back to normal soon. I worry about the 1,350 students studying in the school."

7 June 2009 (Sunday)

Developer may sue over PKFZ report

Azlan Abu Bakar

PETALING JAYA: The turn-key developer for the Port Klang Free Zone (PKFZ) yesterday rebutted allegations made by Pricewaterhouse-Coopers (PwC) in its report, citing it as baseless and without credibility.

"Each issue raised in the report that is related to Kuala Dimensi Sdn Bhd (KDSB), has no basis and has affected the reputation and the company's good name," said the company's

deputy chief executive officer, Datuk Faizal Abdullah. He said the report was damaging and misleading as it had failed to give an explanation to the processes related to the PKFZ project.

Faizal pointed out seven issues from the report, which KDSB felt was raised with bad intentions. Among them is the conflict brought up in the purchase of the 400ha land from Koperasi Pembangunan Pulau Lumut Bhd (KPPLB) by KDSB and the sale of land from the company to Port Klang Authority (PKA). "It is not a disputed fact that the parties concerned are related or politically connected. "However, the PwC report failed to explain the whole process of the acquisition," he said, noting that the land sale was approved after KPPLB received the approval from a majority of its members at an annual general meeting held in 1994.

Faizal also said that Deputy Finance Minister Datuk Chor Chee Heung was never the deputy chairman of Wijaya Baru Global Bhd (WBGB) and was never appointed a director of any of the subsidiaries before 2004. He said Chor was not a director of any of the companies where Datuk Seri Tiong King Sing was also a director or had an interest in, prior to that year. Tiong, also Bintulu member of parliament, is currently WBGB Group chief executive officer. "So, what is confusing to us is how connected or involved Chor is in the land sale from KDSB to PKA in 2002."

Faizal said KDSB was challenging PwC to give evidence that the company was overcharging PKA for interest between RM51 million and RM309 million in connection with the land purchase. "We are challenging them (PwC) to give us their calculations by noon tomorrow." He said when PwC officers came to see KDSB, they did not dispute any of the calculations given to them by KDSB. "We showed our calculations to PwC and this was never disputed by them. All these were clearly stated in the sale and purchase agreement agreed upon by both parties." He added that KDSB was going forward with its lawsuit in connection with the report. "We will be filing the suit next week."

11 June 2009 (Thursday)

Special task force to oversee PKFZ project

By : Farrah Naz Karim



Datuk Seri Ong Tee Keat says the task force has two months to make recommendations

PUTRAJAYA: A high-powered team has been formed to oversee the controversial Port Klang Free Trade Zone (PKFZ) project.

Transport Minister Datuk Seri Ong Tee Keat said the Special Task Force would give the Port Klang Authority (PKA) suggestions to rectify problems surrounding the PKFZ issue. He said that the task force, which was formed together with a corporate governance committee and an executive committee, had two months to produce the recommendations. The task force, comprising lawyers, accountants, quantity surveyors and building cost consultants from professional firms, will also focus on areas of concern raised in the PKFZ audit report. Former Commissioner with the United Nations Compensation Commission Vinayak Pradhan will lead the task force. PricewaterhouseCoopers Advisory Services Sdn Bhd (PwCAS) will assist in legal reviews and financial restructuring. "The task force has to make in-depth analysis and studies within their given scope of expertise and provide PKA with the appropriate recommendations for follow-up action to be taken by the government," he said during a press conference at his office.



PKA chairman Datuk Lee Hwa Beng was also at the press conference yesterday

Ong also indicated that contracts and agreements surrounding the projects might be reviewed. Also present were PKA chairman Datuk Lee Hwa Beng and members of the new committees. The ad-hoc corporate governance committee is to be headed by Transparency International Malaysia president Datuk Paul Low Seng Kuan. This committee will focus on PKFZ's corporate governance. Ong said the ad-hoc corporate governance committee would oversee all future governance issues to ensure that the lapses did not recur. This includes putting in place a long-term control mechanism to ensure the PKA board and management follow and abide by good governance rules and regulations.

The executive committee will monitor the business development of the trade zone. Ong yesterday also unveiled a website, www.pkfznews.com.my, that will answer questions surrounding the PKFZ issue. The PKFZ, which covers 4.5ha, was conceived as a RM1.8 billion joint venture between PKA and Dubai's Jebel Ali Free Trade Zone, which later withdrew from the project after disagreements with the promoter. A report from auditors PricewaterhouseCoopers, released on May 28, showed the project's cost may ultimately spiral to as much as RM12.45 billion, six times the original estimate.

12 June 2009 (Friday)

Ministry gets new name and all co-ops

KUANTAN: The Domestic Trade and Consumer Affairs Ministry will now be known as the Domestic Trade, Cooperative and Consumerism Ministry.

The cabinet approved the name change at its meeting on Wednesday, minister Datuk Seri Ismail Sabri Yaakob said yesterday. With its new name and responsibility, Ismail said various measures would be introduced to help develop cooperatives in the country. The ministry will now be in charge of cooperatives and relevant agencies, including the Malaysia Cooperative Commission (SKM) and Cooperative College of Malaysia (MKM). "Our aim is to have 10,000 cooperatives in 2013 and 20,000 in 2020," said Ismail, who made the announcement after launching the state's "Koperasi Bela Rakyat" here.

Ismail said the ministry would also ensure that each cooperative would have a business volume of between RM800,000 and RM1.5 million annually. With this performance, he said the cooperatives would have a total annual turnover of RM10 billion, or five per cent of the country's gross domestic product in 2012. As of Dec 31 last year, there were 6,084 registered cooperatives nationwide, with 6.5 million members. The total turnover was RM6.5 billion, which was about one per cent of the country's GDP.

Ismail said the ministry would also encourage 600 successful cooperatives to help small and new entities, particularly in the management and marketing aspects. On Kobera, Ismail said the SKM and MKM would provide a professional manager to help the cooperative in the first six months of their establishment. To date, he said 111 Kobera had been registered while another 164 applications were being processed. Launched early this year, Kobera is a cooperative, planned for 576 state constituencies, which would help the disabled, single mothers and the poor to get better incomes.

13 June 2009 (Saturday)

Settlers in Labis sue Felda for RM72m

By Chuah Bee Kimnews@nst.com.my

JOHOR BARU: The Federal Land Development Authority (Felda) was sued for RM71.84 million yesterday by 645 smallholders of Felda Maokil in Labis.

The suit, filed in the High Court here, was for fraud and negligence which the small-holders claimed caused them to suffer monetary losses over the past 17 years. They named Felda as the first defendant and Felda Palm Industries Sdn Bhd in Kuala Lumpur as second defendant. In the statement of claim, the settlers stated that the first defendant had failed to carry out its duty to monitor the grading process of palm oil to ensure a smooth running of the Felda land scheme in Maokil. The plaintiffs also claimed that the first defendant was negligent in carrying out its role as a statutory body set up to oversee the welfare of the plaintiffs, and allowing issues to arise and remain unsolved over the past 17 years.

They claimed the second defendant had intentionally misled them into believing that the oil palm bunches belonging to the Dura species in each consignment were making money when in fact they were incurring losses. Because of this, the plaintiffs said they were forced to bear with the loss of about RM71.84 million over the past 17 years. The plaintiffs asked for the amount to be paid, together with special compensation for young bunches, general

compensation for fraud, negligence and conspiracy, exemplary compensation and interest at eight per cent per year.

15 June 2009 (Monday)

'Contractors should state safety policy'

KUALA LUMPUR: The National Institute of Occupational Safety and Health (NIOSH) wants contractors bidding for contracts to furnish a safety policy statement.

Besides the statement, which would be a system of hazard identification, risk assessment and risk control, they should provide information regarding the experience and safety training given to their employees, said NIOSH chairman Tan Sri Lee Lam Thye. Developers had a responsibility to choose competent and safety-conscious contractors, and the acceptance of low bidders should not be at the expense of safety and health. "Contractors or sub-contractors should be responsible and be fully committed to quality work, safety standards and practices."

Lee also said the construction industry should realise the dire consequences of flouting safety guidelines and cutting corners, poor design, shoddy workmanship and inadequate supervision. The advice comes in the wake of the recent collapse of a section of the roof of a stadium in Terengganu and an accident at a building under demolition in Petaling Jaya. --
Bernama

15 June 2009 (Monday)

MB: Local contractors must get share of jobs

KUANTAN: The Pahang government wants local contractors to be given jobs in the multi-billion ringgit interstate water project to channel water from Pahang to Selangor.

Menteri Besar Datuk Seri Adnan Yaakob said the state government was supportive of the RM3.93 billion federal project to build a 44.6km long tunnel to channel two million litres of water daily from Pahang to Selangor. The project is designed to meet the needs of consumers in Selangor, Kuala Lumpur and Putrajaya until 2025. However, Adnan felt that work should be given out to local contractors. "We understand the importance of the project and we have always been supportive. "We've already signed the agreement to sell the water at 10 sen per 10 cubic metres. "But we feel that our contractors should be considered to handle some of the works involved in the project," he said yesterday.

The project involved the construction of a RM1.3 billion tunnel, deemed the first and "most critical" component in the project. It is expected to take five years to complete. The tunnel, which would start from Karak in Pahang and end in Hulu Langat, Selangor, would channel about two million litres of water daily.

The project has been awarded to a consortium of four companies - IJM Corp Bhd, UEM Builders, Shimizu Corporation and Nishimatsu Construction Co Ltd. A large part of the project will be financed by a loan from the Japan International Cooperation Agency and the rest through a Federal Government grant.

18 June 2009(Thursday)

'Kelantan owed RM1b royalty'

KOTA BARU: The Federal Government owes Kelantan RM1 billion in petroleum royalty from the exploration of oil and gas in state waters since 2004, claimed state executive councillor Datuk Husam Musa.

Husam, who is the chairman of the state Economic Planning, Finance and Welfare Committee, said based on data released by the Statistics Department, Kelantan had been listed as a petroleum producer together with Sabah, Sarawak and Terengganu since 2004. "The menteri besar will be writing officially to the prime minister to ask the Federal Government to pay the royalty and the sum backdated since 2004 is RM1 billion," he said after the state exco meeting here yesterday.

Asked why the state government was only asking for it now, Husam said they had only received the information at a meeting at the Prime Minister's Department in March when the details were distributed to its officers. Husam said petroleum production in the state was about RM2.615 billion in 2006 and rose to RM2.7 billion last year. He said the information could be obtained in bulletins produced by the department, including the bulletin for states and districts for 2004, 2005, 2006, 2007 dan 2009. "I am confident that with the 1Malaysia concept propagated by the prime minister, there will not be a problem for the Federal Government to pay royalty to the state."

18 June 2009(Thursday)

Azmi: We want only MACC chief to brief us

THE chairman of the Public Accounts Committee (PAC), Datuk Seri Azmi Khalid, yesterday refused to attend a briefing by the Malaysian Anti-Corruption Commission on its investigation of the Port Klang Free Zone fiasco.

"The MACC had sent its investigation director Datuk Mohd Shukri Abdul to attend the meeting and brief us. "But PAC cannot accept this. We want its chief. We want him to come before the PAC," said Azmi. He said the PAC had given sufficient notice to the MACC chief commissioner Datuk Seri Ahmad Said Hamdan to give the briefing, supposed to have been held at the Parliament house.

The PAC has now scheduled the briefing for next Tuesday. So, instead of discussing the PKFZ, the PAC found itself engaged in housekeeping matters -- dealing with a call by the DAP parliamentary leader Lim Kit Siang for Azmi to resign as the PAC chief. His reason: Azmi was a cabinet member during the time many decisions on the PKFZ was made. However, Azmi refused to step down. He said he had discussed with all PAC members and the majority of them, including two MPs from the opposition, felt there was no need for him to resign. "I would like to thank them for their confidence in me to continue taking the chair on this issue."

Azmi said discussions at PAC meetings were recorded verbatim and made public documents for Parliament. "If I, as the chairman, had not acted transparently or had been unfair, it can be seen in these documents. I have decided not to withdraw based on my colleagues' opinion and on the fact that PAC is without executive powers except to ask the relevant authorities to investigate the matter. "In this case, we have asked the MACC to investigate, and we will provide our views to the commission."

Lim had made the suggestion to Azmi in a letter. He claimed there was conflict of interest as Azmi was a minister between 2004 and 2008. It was at that time the cabinet made decisions on the issue, including the retrospective approval of four letters of support issued by former transport ministers, Tun Dr Ling Liong Sik and Tan Sri Chan Kong Choy, as well as the cabinet approval of RM4.6 billion loan to bail out the PKFZ in 2007.