

**1 August 2009 (Saturday)**

## **Diesel-run power plants limp on**

**KOTA KINABALU:** Diesel-run power plants in eastern Sabah are almost at the end of their life-span, thus forcing Sabah Electricity Sdn Bhd (SESB) to fork out more than RM60 million over the past two years for maintenance work. The utility company said that this was acknowledged by Sabah's sole opposition member of parliament, Dr Hiew King Cheu, who went on a fact-finding mission to SESB's power stations in Sandakan recently. SESB managing director Baharin Din said one plant in Batu Sapi, Sandakan, had stopped supplying electricity from last year as the extent of the damages was too great. He said the company had no choice but to keep on repairing existing plants until a proposed coal-fired facility was up and running.

"However, due to the delay in the implementation of the coal-plant project, SESB has had to spend more than RM60 million on repairs and upgrading projects on all the old plants to meet the demand from our customers. "Dr Hiew's reports on the condition of our power plants verifies the information that we have been giving to the public (on power shortage)."Most of our plants are not operating at full capacity because of the age factor and an over-stretched capacity," he said yesterday.

A 300-megawatt coal-fired plant was scheduled to be up and running by this year, but protests from environmentalists have delayed the project. Power cuts, especially in the east coast towns of Sandakan, Tawau and Lahad Datu, are normal, sometimes lasting up to six hours. SESB has also been forced to conduct load shedding in major towns to manage the situation. Baharin said most of the old plants need replacements for parts which are not easily available in Sabah, thus causing repairs to the plant to take months. He also said short-term actions taken by SESB, such as buying generator sets and the completion of a 65-megawatt plant by an independent power producer in just six months , would not guarantee reliable supply.

**1 August 2009 (Saturday)**

## **University to work with centre on park project**

**MIRI:** Curtin University of Technology Sarawak Malaysia (Curtin Sarawak) is looking forward to collaborating with the Sarawak Biodiversity Centre (SBC) in the development of the university's BioValley Park. Curtin Sarawak Deputy Pro Vice-Chancellor Dr Joan Gribble said the RM15 million BioValley Park was currently being developed on a four-hectare site at the campus here. "As we will be managing the BioValley Park, any assistance or advice

that the SBC can provide towards its establishment and management would be most beneficial," she said yesterday.

The statement came following a visit by SBC chief executive officer Dr Rita Manarung and senior research officer Dr Yeo Tiong Chia to the university recently. Dr Gribble, along with Curtin Sarawak's chief operating officer, James Ng, dean of research and development Dr Kaniraj Jeyachandran and dean of engineering and science, Dr Yudi Samyudia, led some 30 academics to welcome the SBC representatives. She said the SBC could offer great assistance in the university's Borneo Studies programme which is being developed at its campus here. "I think there is great opportunity for collaboration, such as research in biodiversity, the environment and preservation of cultures," she added.

The BioValley Park project was launched by Sarawak Chief Minister Tan Sri Abdul Taib Mahmud during the university's 10th anniversary celebration in April. The site works for the first phase is currently under way. It is expected to boost research, development and knowledge accumulation in meeting the state's technological needs, particularly for the Sarawak Corridor of Renewable Energy (Score).

Meanwhile, Dr Manarung said the SBC was involved in implementing bioprospecting programmes in Sarawak's indigenous biodiversity and documentation of traditional knowledge on communities' use of biodiversity as well as regulating biodiversity research with commercial potentials. She added that the SBC was also into propagating indigenous plants for conservation and appreciation, developing Sarawak biodiversity databases and networking with organisations who share similar interests. "Though biodiversity is a very broad field, there are areas where our activities and functions can complement each other," she added.

### **3 August 2009 (Monday)**

#### **KPIs need tweaking, says union**

**KUALA LUMPUR:** The National Union of the Teaching Profession feels that key performance indicators (KPIs) set for the education sector are realistic and achievable with "some adjustments", its secretary-general, Lok Yim Pheng, said. She said the curriculum, for example, had to be redeveloped to focus on quality content, including an emphasis on English language skills. Focus should also be given to preschools to ensure that the children were taught the three basics -- reading, writing and arithmetic, she said. She said it was heartening to note that the union's proposal of making preschool education as part of the national education system had been accepted by the government as one of its KPIs. "This is the best way to achieve quality education because a strong foundation would have been laid in the formative years before the child begins schooling formally."

Lok said, at present, about 60 per cent of children had the opportunity to attend kindergartens but those from lower-income families should also have access to preschool

education. She said the government should work on this and ensure that kindergartens were affordable and operated by experienced and trained personnel. She said if proper steps were taken now, it was possible to achieve the KPI of ensuring that all pupils entering Year Four in 2012 would be able to read, write and count. On the KPI of rewarding principals and headmasters based on the school's achievements, Lok said it should include teachers and pupils as well. "Schools cannot achieve their targets without the cooperation and participation of teachers and pupils."

The rewards she suggested included increments, promotions, special allowances for teachers and upgrading of facilities for the schools in terms of information and communication technology, library, sports and other amenities beneficial to pupils. On turning the 100 smart schools into high performance learning centres, Lok said this was possible if the disparity between urban and rural schools was bridged and equal opportunities in terms of human resources and other facilities were provided.

### **3 August 2009 (Monday)**

#### **Pahang's superfast Internet**

By Zuraimi Abdullah

**KUALA LUMPUR:** Pahang will revive a RM10 billion project to provide high-speed Internet access to up to 2.5 million premises in the state. "The initial phase of the project will be carried out in the next few months. "The entire development is targeted to achieve a customer base of up to 2.5 million by 2015," state Information, Science and Innovation Committee chairman Datuk Mohd Sharkar Shamsudin said in an interview. The proposed project, a private finance initiative, is a key component of the Pahang Multimedia Super Corridor (MSC) Malaysia initiative, which will be launched by Prime Minister Datuk Seri Najib Razak at Putra Square in Kuantan tomorrow.

Sharkar said funding for the broadband project would come from the private sector. It will offer access speeds of up to 100 Mbps (megabits per second) to homes and commercial premises. "It will involve laying fibre optical cables to homes, business premises and office buildings, with its own nationwide backhaul infrastructure." The broadband project is among the 15 programmes designed to jump-start the state's MSC Malaysia initiative, said Sharkar, who is deputy chairman of Pahang Technology Resources Sdn Bhd.

The programmes are the thrust of four strategic building blocks of fast-tracking enablers: information and communications technology (ICT), industry development, public service upliftment and education. Sharkar said Pahang had decided to develop its MSC Malaysia Cybercentre area in phases, starting with a smaller scaled development at Putra Square. One block of shop-offices there had been upgraded with the MSC Malaysia infrastructure. Putra Square, on full completion in 2012, will house office towers, a convention centre and

a five-star hotel, in addition to its current shop-office blocks and shopping complex. The office tower, expected to be ready in 2011, will meet the MSC Malaysia Cybercentre infrastructure standards. The tower was the next area of expansion of Pahang's designated MSC Malaysia Cybercentre, Sharkar said.

"The Cybercentre at Putra Square will serve as the physical location, enabling business environment to catalyse, nurture and support the growth of ICT and ICT-enabled industries in Pahang. "Companies engaged in MSC Malaysia qualifying activities will be facilitated to apply for MSC Malaysia status." An MSC Malaysia-status incubator will be created within the designated Cybercentre building at Putra Square to nurture new local entrepreneurs and start-up companies in ICT or ICT-related activities.

## **4 August 2009 (Tuesday)**

### **Action on PKFZ only after report by task force**

**PORT KLANG:** The Port Klang Authority (PKA) will wait for the Transport Ministry's special task force's report on the Port Klang Free Zone (PKFZ) before making a decision on whether to take action against former board members. The task force's report, which will include suggestions to rectify problems facing the PKFZ, is expected to be ready on Monday, PKA chairman Datuk Lee Hwa Beng said.

"The matter was discussed in the meeting but the board would wait for the task force report before deciding. I cannot comment how," he said at a press conference after chairing a meeting of the board of directors to discuss the report presented by an ad hoc committee here yesterday. The task force, which was formed on June 10 together with a corporate governance committee and an executive committee, was given two months to produce recommendations that would also focus on areas of concern raised in the PKFZ audit report.

Last week, ad hoc committee chairman Datuk Paul Low Seng Kuan said the committee found that the PKA board members were negligent in not discharging their fiduciary duties diligently. Low, who attended the meeting yesterday, had earlier said the 2001-2007 PKA board members should be held liable for the PKFZ fiasco. Lee said the board had agreed to implement some of the eight key recommendations by the ad hoc committee and the rest would be decided next month. "We have requested new PKA general manager Kee Lian Yong to study in detail how to implement recommendations made by the ad hoc committee and to report to us within a month," he said, adding that the recommendations were received favourably by all board members.

The board, said Lee, has agreed to invite Low, who is also president of Transparency International Malaysia and, in his absence, Malaysian Institute of Corporate Governance secretary-general Paul Chan, to attend PKA's board meetings for the next six months

starting yesterday. "We have nothing to hide. We immediately agreed to invite him (Low) to attend our board meetings and we agreed that one-third of the board members be made up of independent non-executive directors. "At present, there are six people on the board of directors and there are vacancies for four more. We are going to implement this as the minister has already given instructions on his blog. "We are looking for the right person. At present, only one board member, Datuk M. Rajasingam, fits the requirement specified by the report and I need to find at least two more," he said.

PKA board of directors now consist of Lee as chairman, Kee, Datuk Shuib Md Yusop, Dr Mohd Isa Hussain, Rajasingam, Tan Hock Guan and K. Tarmalingam. On a related matter, he said PKA had rejected the state government's recommendation for state executive councillor Dr Xavier Jayakumar to replace Selangor state Economic Planning Unit director Datuk Noordin Sulaiman on the board. Lee said after the rejection, the state withdrew Noordin's representation on the board and the state now had no representative. "PKA has the right to reject as it was not provided for in the constitution that there must be a representative on the board as PKA is a federal agency," he said.

## **4 August 2009 (Tuesday)**

### **Najib: Work on NKRA targets or face the music**

**By Hamidah Atan**

**PUTRAJAYA:** Administrators and civil servants should be ready to accept criticism, or be punished, if they fail to meet targets set under the National Key Result Areas (NKRAs), the prime minister said yesterday. Adding that it was now time to shift into action mode, Datuk Seri Najib Razak urged civil servants to dig in and start working towards achieving the six NKRAs within the stipulated period. He said what mattered, in the final analysis, was strong performance, not slogans or rhetoric.

Najib said the six core areas and the key performance indicators (KPIs) set for every ministry were a reflection of the government's commitment to get every public servant and administrator to work as a team to fulfil the expectations and needs of the people. He was addressing officers and staff of the Prime Minister's Department at the monthly gathering yesterday. Also present were his deputy, Tan Sri Muhyiddin Yassin, several ministers and Chief Secretary to the Government Tan Sri Sidek Hassan. "We must dare ourselves to achieve these targets - to reduce crime or corruption or reduce the gap for direct access to quality education - within a stipulated time frame. All these are related to the needs of the people."

Najib said he was thankful that all administrators and civil servants were committed to working harder to achieve the targets. "This is a good sign and, I believe, if we stand committed and together, the likelihood of being able to fulfil the expectations of the people can be achieved. "Now, we are in action mode, whereby we must identify the kinds of

actions and methods we should adopt or do. "I want this mentality to be translated into seriousness and commitment on our part in order to realise the people's needs and bring about a major transformation to our country."

Najib said only a performance-based administration could bring about progress and transformation. "To me, performance is the most meaningful assessment, not just mere slogan, rhetoric or debate." Najib recently spelt out the KPIs and targets that civil servants were expected to achieve under the NKRAs.

Assuming responsibility for the overall implementation of the NKRAs, Najib had said he would meet the six lead ministers each week for an assessment of the KPIs. The six are Muhyiddin, Home Minister Datuk Seri Hishammuddin Hussein, Minister in the Prime Minister's Department Datuk Seri Mohd Nazri Abdul Aziz, Women, Family and Community Development Minister Datuk Seri Shahrizat Abdul Jalil, Rural and Regional Development Minister Datuk Seri Shafie Apdal and Transport Minister Datuk Seri Ong Tee Keat. Every six weeks, after the meetings, he will be able to complete one round of evaluation of the achievements in the six NKRAs. Other cabinet members will be responsible for the performance of their respective ministries. Their performance will be evaluated every six months.

## **4 August 2009 (Tuesday)**

### **Penang Port listing set to see the light of day**

By Kang Siew Li

**TERMINAL operator Penang Port Sdn Bhd (PPSB) can finally move forward with plans to privatise and float its shares on Bursa Malaysia as it looks set to hive off its loss-making ferry operation to state infrastructure company Syarikat Prasarana Negara Bhd.**

It is understood that Prasarana is ready to take over the ferry operation pending approval from the Prime Minister's Department. A takeover is expected this year. The ferry service between Penang island and Butterworth has been a major hindrance to state-owned PPSB's listing plans in the past due to the losses incurred, running into some RM13 million to RM15 million a year. "The listing of PPSB will most likely go through this time.

In the past, PPSB wasn't able to do so because of the loss-making ferry service, which the approving authorities believed could make the company's IPO (initial public offering) unattractive to the public," a source close to the situation told Business Times. PPSB's former chairman, Datuk Abdul Latif Abdullah, and automotive logistics provider Konsortium Logistik Bhd were previously reported to have expressed interest in taking over PPSB.

PPSB has been harbouring hopes of hiving off its ferry operation as early as 2004 as it has been dragging down the company's overall profits from day one. The problem lies with its fares, which are said to be too low. In an interview with Business Times on August 23 2004, Abdul Latif spoke about a plan to hive off the ferry operation to the government but still run it for a fee. The move was likened to the 2002 Widespread Assets Unbundling exercise of Malaysian Airline System Bhd (MAS), which saw Penerbangan Malaysia Bhd take ownership of the national carrier's non-profitable domestic operations.

However, the plan fell through. The public ferry service was absorbed into PPSB as part of its corporatisation deal with the Penang Port Commission (PPC) in January 1994. "PPSB and PPC will have to revisit the agreement so that the government will totally be in control of the ferry operation. But it (Prasarana) cannot run the ferry on the current tariff structure because it will lose money," said the source.

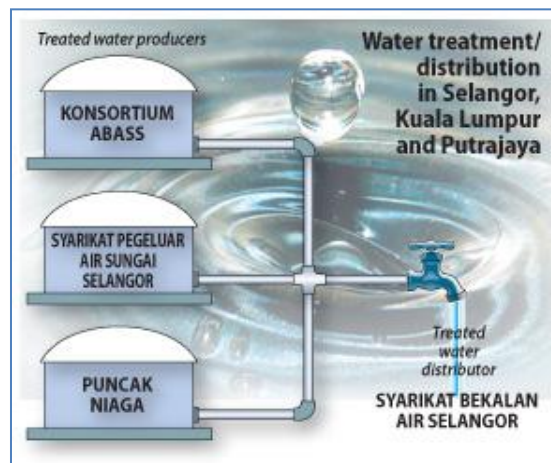
Passengers pay RM1.20 each, while the fare for a car is RM7.70. "Previous calculations have shown that the fare the operator will have to charge to break even is RM3.20 per passenger," the source added. Still, it is unlikely that Prasarana will be able to raise ferry fares once it takes over as that will generate fierce opposition from the public. "The government is more likely to inject funds to subsidise the ferry operation," the source said.

## 4 August 2009(Tuesday)

### Higher price, new deadline if water talks not concluded soon: Minister

By Ooi Tee Ching

**THE federal government has said it will offer a higher price to water services concessionaires if the Selangor state government fails to conclude talks with the companies.**



Energy, Green Technology and Water Minister Datuk Peter Chin said that talks between the state government and the water companies had taken almost a year. Under the national water services restructuring initiative, the state government, through subsidiary Kumpulan Darul Ehsan Bhd, was to take over water concessionaires Puncak Niaga Sdn Bhd, Konsortium Abass Sdn Bhd, Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (Splash) and Syarikat Bekalan Air Selangor Sdn Bhd (Syabas) and their assets.

It should have been concluded by September last year. However, the state government could not agree on terms with the water concessionaires and it was postponed to January this year, then March, and June. "All this while, the federal government has left it to state governments to negotiate with the concessionaires," Chin said in Kuala Lumpur yesterday.

Under its concession, water distributor Syabas can raise the water tariff by 37 per cent from January 1 this year. Since this was not done, the Selangor state government is obligated to compensate the concessionaires about RM30 million a month. Consumers are paying an average of RM1.39 a cubic metre of water, which will rise to RM1.90 if the state government's takeover falls through.

In view of this, Chin stressed that the restructuring of water services had to be concluded sooner rather than later. "The federal government has never forced anyone into the water buyout talks. We must remember that the longer this matter drags on, the more the rakyat will suffer. We must conclude the deals as soon as possible," he said. Abass and Splash have accepted the state government's offer. However, the agreements are conditional upon Syabas and its parent company Puncak Niaga sealing the buyout deals with the state government. "If these buyout talks do not conclude soon, the federal government will make a higher offer and give a new deadline for the concessionaires to accept". Asked about the possibility of water tariffs being raised after the buyout talks to reduce the subsidy burden on the federal government, he said that was not an issue.

## **5 August 2009 (Wednesday)**

### **Pahang company keen to build broadband network**

**KUANTAN:** A company from Pahang may participate in a RM11.3 billion project to roll out a national high-speed broadband (HSBB) network. However, this will depend on talks between the government and Telekom Malaysia Bhd, which is in the midst of developing HSBB, a 10-year project. "I hope there will be a flexibility in the implementation of the project so that the Pahang company can participate in it," Prime Minister Datuk Seri Najib Razak said after launching the MSC Malaysia Pahang Initiative at Putra Square here yesterday. As to whether the company would be given the right to implement HSBB nationwide, Najib said: "We will have to check and talk to Telekom Malaysia."

Telekom Malaysia was last year awarded the contract to develop HSBB, which would lead to much faster Internet access speeds. But Jalur Lebar Nasional Sdn Bhd (Jalenas), a



company jointly owned by Pahang Technology Resources Sdn Bhd and Bumiraya Resources Sdn Bhd, is also keen to build the HSBB infrastructure. The privately-funded company plans to invest up to RM10 billion and has chosen Kuantan as the first town to have the high-speed broadband infrastructure.

Earlier in his speech, Najib said the HSBB was important because the government wanted half the population to have Internet access by the end of next year. Only a quarter of the population has access to the Internet now. "We want to transform our country's economy into an innovation-driven one which focuses on three elements, namely creativity, innovation culture and high value." Najib hoped the MSC Malaysia Pahang Initiative would create more companies in the information, communications and technology industry and help in the development of content for the industry.

## **6 August 2009 (Thursday)**

### **SEZ set to fire up economic growth**

Business Times talks to Datuk Jebasingam Issace John, CEO of the ECER Development Council that will coordinate all projects under the Special Economic Zone Malaysia's economy, specifically the East Coast Economic Region (ECER), will see a resurgence with the introduction of the country's first Special Economic Zone, which was recently launched by Prime Minister Datuk Seri Najib Razak. The SEZ is aimed at generating investments of RM90 billion by 2020. An integrated development zone stretching from Kertih, Chukai, Kuantan Port City, Kuantan, Gambang to Pekan, with special incentives to draw in investments, the SEZ will foster a conducive business environment, accelerate growth and economic development.

The SEZ is expected to contribute RM23 billion to the national GDP and create 220,000 new jobs out of the 560,000 jobs under the ECER Master Plan. Business Times talks to DATUK JEBASINGAM ISSACE JOHN, chief executive officer of the ECER Development Council which will monitor and coordinate all projects under the SEZ.

#### **Q: Why is the ECER SEZ limited to this area only?**

**A:** While the SEZ forms only 6 per cent of the ECER land mass, the area has a significant impact as it creates 50 per cent of all jobs and 80 per cent of economic output set out in the ECER Master Plan.

Because it contains mature activities such as oil, gas, petrochemical, manufacturing plants and industries, the area has economies of scale for development, concentrating on the provision of infrastructure and facilities as well as customised incentives.

#### **Q: Will the SEZ draw investments away from the other ECER districts?**

**A :** Other projects and initiatives under the ECER Master Plan will continue as planned. While the SEZ's focus is on manufacturing and industrial activities, projects for the tourism, agriculture and education clusters will continue uninterrupted outside the SEZ.

In fact, the rest will act as hinterland catchment areas supplying feedstock to support the development of the Collection, Processing and Promotion Centres (CPPC) for the agro based industries and manufacturing products meant for the domestic and export markets.



Studies are also under way to explore the possibility of a second SEZ within ECER for an integrated development throughout the region. One of the areas being studied is the vicinity near Tok Bali - Besut and its immediate environs along the border of Kelantan and Terengganu.

**Q: How competitive are the SEZ's incentives in comparison with other international SEZs?**

**A:** Several fiscal and non-fiscal incentives have been introduced to boost the SEZ's competitiveness. These are supplemented by customised incentives for qualified investors.

Supplementing these incentives, the SEZ will be backed by modern infrastructure and specialised institutions to enhance skills and competencies. It will be one of the first truly integrated SEZs with new townships, international tourism sites, served by four ports, two airports and knowledge innovation zones.

Processing of applications will also be fast tracked through ECER's one-stop centres established at all ECER Development Council offices, while infrastructure projects are designed to cut down access time to port, airport or highway to 45 minutes. Utilities will be upgraded with uninterrupted delivery while its port throughput will grow to 70 million metric tonnes by 2020.

**Q: Why launch the SEZ now when the economy is still in the doldrums and may affect investments?**

**A:** The idea of an SEZ is timely as it paves the way for recovery. When the up-cycle comes around, SEZ has already put ECER in the forefront in the minds of investors.

In addition, the ECER has committed to the construction and upgrading of infrastructure and supporting facilities which will have a multiplier effect to the growth and development of the Region.

**Q: How will ECERDC prioritise between SEZ and ECER? Will ECER's milestone targets change now?**

**A:** The projects in the SEZ are all subsets of the ECER Master Plan and will fuel ECER's growth. Meanwhile, all other ECER projects and programs outside of SEZ will continue to have the same priority and will be implemented as planned.

This means that in addition to the SEZ's focus on manufacturing and industrial activities, projects for the tourism, agriculture and education clusters will continue uninterrupted outside the SEZ, acting as hinterland catchment to supply feedstock for the agro based industries and manufacturing products.

Without the SEZ, the ECER Master Plan targets for 2020 will be difficult to achieve due to the unexpected slowdown in the global economy. Also, any investments derived for the SEZ will benefit the rest of the region, especially from growth of various economic and commercial activities within the ECER.

This is supported by research showing higher urbanisation correlates to higher economic output and has a positive impact in generating employment and business opportunities in the adjacent areas.

**Q: Will SEZ's activities displace agriculture?**

**A:** The SEZ's activities will not displace agriculture but rather it will enhance and create new opportunities for farmers through anchor company and contract farming arrangements, as well as supply chain and value chain integration and enhanced branding, packaging and marketing efforts.

One project focus of the SEZ is agriculture-based industries such as the grain-based animal feed, livestock processing, fisheries processing and halal industry. All these require farming and raw material input, increasing demand for agriculture produce.

**Q: What is the employment ratio between local and foreign workers within the ECER?**

**A:** There is no restriction on employment. The priority for jobs will be given to local workers, while unlimited expatriate knowledge workers for management positions can be brought in to fill positions which they are better qualified for.

However, there will be a mandatory portion of local employment required to ensure transfer of technology and employment of skilled labour from the educational institutions in the region.

## **7 August 2009 (Friday)**

### **RM1m suit over landslide loss**

**By Sushma Veera**

SHAH ALAM: He was pro-mised an excellent place to live with his family in Ulu Yam Perdana, a home surrounded by greenery and with complete infrastructure. Roslan Mohd Jani and Azizah Madon showing a picture of their collapsed house after the landslide last year. Roslan Mohd Jani, a pilot, spent more than RM500,000 to buy the land and build a four-room bungalow. Last November, Roslan, 49, and his wife, Azizah Madon, 41, were devastated when their two daughters were buried alive in a landslide.

On Wednesday, the couple filed a negligence suit against the developer, SAP Ulu Yam Sdn Bhd, the Selangor government and three others - engineering consultant SLP Perunding Sdn Bhd, Yayasan Selangor and the Hulu Selangor district council. Roslan and Azizah also filed the suit on behalf of their daughters, Nur Athirah, then aged 16, and Nurintan Shereena, then 9, at the High Court registry yesterday through Messrs Rafie Mohd Shafie and Associates.

In the statement of claim, the couple claimed that their house was destroyed and their two children died because the developer failed to ensure that the land was safe for the construction of the house. They are seeking more than RM1 million from the plaintiffs - RM582,000 in damages for the land and house; RM486,500 for the items damaged and lost in the landslide; and RM25,000 for bereavement and funeral expenses, interest, costs and other relief. "I feel cheated and I am not young to build a new house for my family," Roslan said.

## **8 August 2009 (Saturday)**

### **Ensure safety at workplace, civil servants reminded**

KUALA LUMPUR: Civil servants should pay more attention to occupational safety and health rules at the workplace. This is the view of National Institute of Occupational Safety and Health (Niosh) chairman Tan Sri Lee Lam Thye, who said more should be done for the workforce in the public sector to improve their working environment.

"There has always been a perception that occupational safety focuses mainly on the private sector. But the public sector is equally important because there is a huge workforce. "They

should be given more exposure and education so they can adopt occupational safety and health measures in their workplace."

To further promote safety at the workplace, Lee said employers and representatives from government agencies should take part in Niosh's 12th conference and exhibition on occupational safety and health next week.

## **11 August 2009 (Tuesday)**

### **PKA lodges report against Kuala Dimensi, BTA Architect**

KLANG, Tues: Port Klang Authority (PKA) chairman Datuk Lee Hwa Beng today lodged a police report against Kuala Dimensi Sdn Bhd (KDSB) and BTA Architect over the Port Klang



**PKA chairman Datuk Lee Hwa Beng showing a copy of the police report made at the Klang Police headquarters today. Pix by Roslin Mat Tahir**

Free Zone (PKFZ) project. Kuala Dimensi is the turnkey developer for the PKFZ project while BTA Architect is the consultant appointed for the project. Lee said he lodged the report based on a directive by PKA's board of directors who met yesterday morning, pertaining to the PKFZ issue. He refused to disclose details of the report to newsmen on the advice of his lawyer. There are so (many) details. I cannot say much...I leave it to the police to investigate. If I say anything further, then, you (newsmen) will report. "You (newsmen) and I will be sued for defamation," he told reporters after making the report at the Klang police headquarters about 10.30am.

It was reported earlier, that the PKA board of directors had decided to lodge the report against KDSB over alleged billing discrepancies ranging from between RM500 million and RM1 billion. The discrepancies were uncovered by a special task force -- comprising lawyers, accountants, quantity surveyors and building cost consultants from professional firms -- set up by the transport ministry about two months ago, following an audit report on PKFZ by PricewaterhouseCoopers (PwC). The report was presented to Transport Minister Datuk Seri Ong Tee Keat at his ministry in Putrajaya yesterday.

Lee said the PKA board, in its meeting next week, would deliberate whether there was a need to lodge a report to the Malaysian Anti-Corruption Commission (MACC) and also discuss the restructuring of loan for the PKFZ project. "I was only asked to lodge a police report. My primary purpose is to recover as much money (as possible) for PKA," he said, adding that it was the first time PKA had lodged a report against KDSB. PKFZ, a transshipment hub built on a 405-

hectare site in Port Klang which also houses warehouses, office blocks and a four-star hotel, became a subject of controversy after it was exposed that its development cost had ballooned from RM2.5 billion to RM4.6 billion. A PwC audit report, commissioned by PKA and released in late May, had said there were management weaknesses and alleged there could have been some conflict of interest on the part of some people involved in the project.

## **11 August 2009 (Tuesday)**

### **Ministry denies allegation of wildlife smuggling**

MARAN, Tues: Deputy Natural Resources and Environment Minister Tan Sri Joseph Kurup has denied allegations that Malaysia is the world's largest wildlife smuggling centre. He said the government would not compromise on the smuggling of wildlife and had taken stern action against culprits who committed such offences. "We admit that such an activity exists, but we always take stern action against the culprits," he told reporters after launching the Rakan Alam Sekitar campaign here today.

He was commenting on a recent report in an English daily that Malaysia had become the world's largest wildlife smuggling centre. Kurup said amendments to the Protection of Wildlife Act 1972 were being drafted to provide heavier penalties against those who committed offences related to wildlife and national parks.

## **12 August 2009 (Wednesday)**

### **Treasury to lend others a hand in meeting KPIs**

**By Regina Lee**

**PUTRAJAYA:** The Finance Ministry has been instructed to lend a helping hand to other ministries to achieve their key performance indicators (KPIs). Prime Minister Datuk Seri Najib Razak, who is also finance minister, said it was the ministry's responsibility, particularly the treasury division, to help the other ministries meet their targets. "Without cooperation from the MOF, it would be impossible for the other ministries to achieve their aims," he said at the ministry's monthly gathering here yesterday.

"In the spirit that we are one big family, I hope that the rakyat's expectations are met." He admitted there were risks in implementing the KPI and NKRA (national key result areas) as instruments to measure the government's success as they were a transparent display of the government's achievements. "Although it is a big risk, I have given an undertaking that my colleagues and I will shoulder this trust with full commitment and determination.

"Governments in other countries have already tried, but only on a small scale, and it is a trend in the corporate sector. "But there has never been a country implementing this on such a scale, to use this system as a national methodology and instrument to assess the government administration."

Najib said he was also satisfied with the ministry for putting the fiscal stimulus package to work. "As a ministry responsible for the fiscal package, with cooperation from other ministries, I hope that whatever that has been approved by the government will be set in motion according to schedule."

Najib also announced that the treasury division had been awarded the prestigious Quality Environment Certificate (5S) from Malaysia Productivity Corporation. It is the biggest government department to be awarded this certificate.

## **12 August 2009 (Wednesday)**

### **Najib: Get ready for Brickfields makeover**

**KUALA LUMPUR:** Brickfields, once home of the city's brick factory, would be transformed into a contemporary, world-class transport hub when the latest development, Lot G at KL Sentral, is completed by 2012, Prime Minister Datuk Seri Najib Razak said. The development of KL Sentral would turn Kuala Lumpur into one of the world's great capital cities, while the urban regeneration of Brickfields would ensure that the economic and social gains spilled over to the surrounding communities. This is in line with the government's 1Malaysia objectives, he added.

"The old Brickfields will change but we will retain some areas like Little India," Najib said when launching the Lot G integrated development at KL Sentral yesterday. Present were Federal Territories Minister Datuk Raja Nong Chik Raja Zainal Abidin, Malaysian Resources Corp Bhd (MRCB) chairman Tan Sri Azlan Zainol Abidin, MRCB group managing director Shahril Ridza Ridzuan, and Pelaburan Hartanah Bhd (PHB) managing director and chief executive officer Kamalul Arifin Othman.

The RM2.14 billion integrated development of Lot G, with a total gross floor area of about 24ha, comprises a retail mall, three office towers and a boutique hotel. MRCB and PHB are developing the seven-storey retail mall called Nu Sentral and a 27-storey office tower, costing RM1.4 billion. When Nu Sentral is completed, the number of daily commuters at the KL Sentral station is expected to rise from the present 150,000 to 180,000. Lot G will be three times the size of nearby Mid-Valley City. The development of Lot G will complete the KL Sentral transport hub and act as an integrated connection between the KL Sentral station and the monorail station in Jalan Tun Sambathan.

**12 August 2009 (Wednesday)**

**PKA lodges police report against Kuala Dimensi, BTA**

**By Mazlinda Mahmood**

**KLANG:** Port Klang Authority chairman Datuk Lee Hwa Beng yesterday lodged a police report against PKFZ developer Kuala Dimensi and BTA Architects. Although Lee refused to elaborate on it, it is understood that the report was over alleged billing discrepancies ranging between RM500 million and RM1 billion. It was earlier reported that the discrepancies were uncovered by a task force comprising lawyers, accountants, quantity surveyors and building cost consultants from professional firms set up by the Transport Ministry two months ago following the audit report on the Port Klang Free Zone by PricewaterhouseCoopers.

"On behalf of PKA, as chairman of the board, I have lodged a police report against two companies. I am doing this on the directive of the board meeting held yesterday (Monday). "The first party is Kuala Dimensi Sdn Bhd, the turnkey contractor for the Port Klang Free Zone (PKFZ) project, and the second party is BTA Architects, the consultant appointed for the development work in PKFZ. "I can't say anything further as the report is very detailed and I will leave it to the police to investigate." He said most of the points made in the report had been mentioned during a press conference on Monday after Transport Minister Datuk Seri Ong Tee Keat had received the task force report in Putrajaya. Lee arrived at the police station at 10.15am accompanied by a lawyer and several PKA officials who were not identified and spent about an hour there.

He said his purpose in lodging the report was to recover as much money as possible for PKA. On whether there would be a restructuring of PKA loans, he said this was being finalised. "Of course we have to. The way forward is how to remodel and reposition our PKFZ project." Asked whether PKA was planning to sue any party or lodge a report with the Malaysian Anti-Corruption Commission (MACC), Lee said: "We have asked our lawyers but we have not made any decision on which party to sue. Next Tuesday is our board meeting and we may make the decision on both issues then.

"At this stage, the board has only authorised me to lodge a police report." The 4.5ha PKFZ was conceived as a RM1.8 billion project. The audit report released on May 28 showed that the cost of the project may ultimately rise to RM12.45 billion, more than six times the original estimate.

**13 August 2009 (Thursday)**

**'PKFZ letters tantamount to guarantees'**

**By V. Vasudevannnews@nst.com**



KUALA LUMPUR: The Public Accounts Committee was told by Attorney-General Tan Sri Abdul Gani Patail yesterday that four Port Klang Free Zone (PKFZ) letters of support issued by former transport ministers were "tantamount to guarantee letters". PAC chairman Datuk Seri Azmi Khalid who disclosed this, said the attorney-general's view on the letters of support was open to interpretation in a court of law. Azmi said there were some parties, including former ministers Tun Dr Ling Liong Sik and Tan Sri Chan Kong Choy who signed those letters and told the PAC that they were letters of support for the controversial project.

"So only the court of law can now decide on the matter. Whether it is a guarantee or not, the money has gone. It is another question as to whether we can get back the money. "So we have asked the A-G to look into the areas where we can protect that portion and eventually, if it is not seen as a guarantee, how do we get back the money," he said after the PAC had interviewed Gani for close to three hours yesterday at Parliament house.

Azmi said it was now up to the Port Klang Authority how it wanted to proceed. He said the PAC found that the A-G had provided correct and professional advice in all his dealings with regard to the PKFZ. "However, some of his advice was followed while others were not. It is not necessary for them to follow his advice," he said while declining to disclose which advice on the project offered by the A-G had been ignored by the implementors. However an instance when the A-G's view was overruled was on the purchase of the land for the project.

Gani had said the government could acquire the land at a lower cost if the National Land Code was used but he was overruled by the state legal adviser on the grounds that the land was not being acquired for public use. Yesterday, the PAC also sought the A-G's advice about one lawyer acting for the same parties as had occurred in the PKFZ sale and purchase of the project land.

The PricewaterhouseCoopers report had named Rashid Asari & Co, which had acted in the sale and purchase of part of the land between the Koperasi Pembangunan Pulau Lumut (KPPLB) and Kuala Dimensi Sdn Bhd (KDSB) in 1995 and later as the legal adviser for the Port Klang Authority. Azmi said this was an area the PAC was looking at and would summon the Bar Council. "We may summon the Bar Council to explain to us whether the same lawyer is allowed to represent both parties," he said.

Yesterday, Azmi also commented on the latest findings on the PKFZ scandal as revealed in the report presented by the Transport Ministry task force. "We complement their work. We are working in the right direction. They (the task force) have all the facilities to go into details. We don't have that. Eventually, if they find there is fraud they have to report to police or the Malaysian Anti-Corruption Commission," he said.

The PAC will continue its investigations into the PKFZ scandal today and interview two former Transport Ministry secretaries-general. Met in the lobby of Parliament after his meeting, Gani who appeared to be in good spirits, told reporters he had told the "PAC everything about the PKFZ". Gani declined to be drawn further on the matter.

**13 August 2009 (Thursday)**

### **Guidelines for freezers to store fish**

SHAH ALAM: Standard safety guidelines will be drafted to ensure the safety of workers at fish-processing facilities to prevent a repeat of the tragedy at Bagan Pasir, Tanjung Karang, which killed six men on Tuesday. Menteri Besar Tan Sri Abdul Khalid Ibrahim said the decision was reached at the state executive council meeting yesterday after a briefing by a representative from the state Fisheries Department.

He said the state government would hold a meeting with the Department of Occupational Safety and Health, Selangor Fisheries Department, fishermen associations, fishermen co-operatives, village chiefs and private jetty owners soon. Khalid said the refrigerated sea water system was widely used by private jetty owners. The six died after inhaling toxic ammonia fumes from a leaking cooling system of a freezer at a factory.

**13 August 2009 (Thursday)**

### **Where govt reps in PKA failed**

**By V. Vasudevan**

**KUALA LUMPUR:**

He said officials from the Transport and Finance ministries on the PKA board in the early years of the project had depended on the PKA chief executive officer and on reports given to them on the progress of the development. "All information came from one source, not multiple sources. They allowed the management to carry on without checks and balances. "One of the things we have found out is that they did not go down to the ground to check."

Azmi said the government representatives' failure was jarring as the auditor-general had raised the red flag on the financial viability of the PKFZ project in his 2004 report. He was speaking after the PAC interviewed three former Transport Ministry officials at Parliament House yesterday as part of its investigation into the PKFZ fiasco.

The three were the ministry's secretaries-general Datuk Zaharah Shaari, who served from June 1999 to July 2005 and her successor, Datuk Muhammad Safaruddin Muhammad Sidek, who occupied the post from July 2005 to October 2006, and deputy secretary-general for planning Datuk Abdul Rahman Mohd Noor. Azmi said the lack of visits to the project site was a reflection of the PKA board members' interest in the project.

"It amounts to whether you are really interested in what you are doing. "Maybe they have not a lot of work to do but still, their responsibility goes beyond looking at reports. "When you have physical development going on, it is incumbent on those on the board to see with their own eyes what is happening and know for yourself what is happening."

Azmi said the government officials sitting on other statutory boards could do well to learn from the PKFZ fiasco and take the initiative to check on the projects they were involved in. He said the PAC would continue its interview with those connected with the PKFZ next Wednesday and Thursday. Nine officers of the transport and finance ministries are slated to appear before the PAC. PKA chairman Datuk Lee Hwa Beng and his team will be interviewed next Thursday.

## **13 August 2009 (Thursday)**

### **Kuala Dimensi won't give in**

**PETALING JAYA:** Kuala Dimensi Sdn Bhd, contractor of the controversial Port Klang Free Zone, has said it would welcome any suit or arbitration proceedings that the Port Klang Authority may have in mind. Group deputy chief executive officer Datuk Faizal Abdullah said the latest report from the special task force set up by Transport Minister Datuk Seri Ong Tee Keat to look into the controversial project was no different from the PricewaterhouseCoopers (PwC) report where allegations continued to be made based on assumptions. "An allegation of fraud is extremely serious and not to be taken lightly.

"There is no truth to the allegations. They were made recklessly and without even attempting to correctly understand the contractual arrangements between KDSB and PKA," he said, referring to charges of billing discrepancies by the company. At a press conference called by KDSB here yesterday, Faizal said the special task force had failed to give the company the basic right to answer the accusations before being condemned in the court of public opinion.

"During all the time available to the so-called special task force since June 10, at no point has KDSB been approached for information or clarification in respect of the serious allegations. "Instead, hasty allegations of possible fraud have been irresponsibly spread in the public domain and we wonder about the motive behind such irresponsible conduct." He said the real purpose was to inflame public sentiment and fuel speculation. He also expressed regret that the report which formed the basis of the accusations was not provided to the company although it had asked for it.

In the report, KDSB is accused of billing discrepancies ranging between RM500 million and RM1 billion. The discrepancies were uncovered by a special task force - comprising lawyers, accountants, quantity surveyors and building cost consultants from professional firms following the audit report on PKFZ by PwC.

Faizal also questioned the independence of the special task force. "It is so glaringly obvious that it is not an independent body. The lawyers come from a law firm that is defending the defamation suit filed by KDSB while others are PwC directors that wrote the PwC audit report." Faizal also questioned if Ong had authority to extend the term of PKA chairman Datuk Lee Hwa Beng. He said under the Port Klang Authority Act 1960, only the Yang di-Pertuan Agong is empowered to appoint a chairman. "If this is correct, all actions ordered by PKA chairman and his board of directors can be considered as null and void."

## **13 August 2009 (Thursday)**

### **DAP: Investigate Tee Keat and Tiong**

**KUALA LUMPUR:** The DAP has lodged a police report on allegations that Transport Minister Datuk Seri Ong Tee Keat had received a RM10 million donation last year. DAP adviser Lim Kit Siang said police should also investigate Kuala Dimensi Sdn Bhd chief executive officer Datuk Seri Tiong King Sing, who was said to have made the donation. Lim called on the police and the Malaysian Anti-Corruption Commission to investigate Ong and Tiong as the allegations were serious. Tiong is also the Barisan Nasional Backbenchers' Club chairman.

On Wednesday, Ong denied that he had received a RM10 million donation from Kuala Dimensi last year. Kuala Dimensi deputy chief executive officer Datuk Faizal Abdullah had said Ong had used the company's private jet five times.

Ong did not deny using the private jet, but said his office was waiting for the invoices from the company for using the services. "They should be investigated for abuse of power and corruption," Lim said at the SS2 police station after lodging the report.

## **13 August 2009 (Thursday)**

### **New guidelines for hillslope projects**

**By R.S. Kamini**

**KUALA LUMPUR:** Development on hillslopes will soon have to follow a new set of guidelines approved by the cabinet on Wednesday. The Highlands and Hillslopes Development Planning Guidelines, proposed after the Bukit Antarabangsa landslide that claimed five lives last year, will serve as the standard for all new and ongoing projects. This includes 236 development projects on Class 3 slopes that were frozen following the landslide. The guidelines are the result of fine-tuning and merging of two sets of guidelines - the Development on Hillslopes Guidelines by the Housing and Local Government Ministry

and Development on Highlands Guidelines by the Natural Resources and Environment Ministry.

Housing and Local Government Minister Datuk Seri Kong Cho Ha said the new set of guidelines stressed safety and environmental sensitivity aspects. "We have been doing a lot of research on this and decided to merge the two existing guidelines so that all parties can benefit." He said the guidelines also specified the types of development that can take place on hillslopes and highlands which have now been divided into four classes. The previous guidelines had three classifications of slopes, depending on the terrain, gradient and geo-technical limitations such as soil type and irrigation. The additional classification covers places with extreme geological limitations, including a terrain with a gradient of above 35o and unstable ridges. No development, except infrastructure-based ones, such as telecommunication towers, roads or bridges will be allowed there.

The previous guidelines also did not specify the height and land types but now, the hillslopes are divided into lowlands (below 150 metres), hill lands (150m-300m), highlands (300m-1,000m) and mountains (above 1,000m). Kong said the date for the implementation of the new guidelines would be decided at a meeting of the National Council for Local Governments, chaired by Prime Minister Datuk Seri Najib Razak. "We have to inform the respective local councils and menteri besar in all states in the peninsula before implementing the guidelines." The Work Ministry had agreed to strengthen its slope unit to take on the task of monitoring development projects at hillslopes, he added.

## **14 August 2009 (Friday)**

### **PM approves funds to improve two districts**

**By Alina Simon**[news@nst.com.my](mailto:news@nst.com.my)

**KUALA LIPIS:** Maran and Rompin may soon shed their image as the worst-maintained districts in Pahang now that the Federal Government has approved the state's request for additional funds. Menteri Besar Datuk Seri Adnan Yaakob said the state could not afford to cover the cost of maintaining the districts due to their size, covering huge tracts of Felda oil palm plantations and rubber small-holding areas. He said the districts were previously developed and maintained by Pahang Tenggara Development Authority (Dara) and Jengka District Development Authority (JDDA). However, when these authorities were disbanded in the late 1990s, the task fell on the Maran and Rompin district councils.

This, he said, accounted for the poorly maintained roadsides and ditches in the Felda areas in Jengka and Rompin as the district councils did not have enough funds to carry out the services. "We were happy when Prime Minister Datuk Seri Najib Razak recently gave the nod for the funds that were previously allocated for Dara and JDDA to be channelled to the two district councils. "The funds will be used solely to develop and maintain the areas

previously under the jurisdictions of Dara and JDDA, and not for activities of the councils," he said when launching a get-together between state Barisan Nasional elected representatives and the people at Kampung Gua in Padang Tengku here on Wednesday.

Adnan said there were no plans to revive Dara and JDDA, but a special unit would be set up to handle the disbursement of the funds. Meanwhile, Pahang Backbenchers Club president Datuk Mohamad Jaafar said similar get-together events were in the pipeline. "We plan to hold this at one constituency each month, bringing all the elected representatives, including the state executive councillors, so the people can get to know them."

## **14 August 2009 (Friday)**

### **Ong plans to sue over RM10m claim**

**Eileen Ng and Hamidah Atan**

KUALA LUMPUR: The public confrontation between MCA president Datuk Seri Ong Tee Keat and Bintulu member of parliament Datuk Seri Tiong King Sing escalated yesterday. Ong issued an ultimatum to Tiong to retract and apologise for the latter's "criminal defamatory" statement within seven days, or face legal action. In an immediate reply, Tiong brushed aside the threat and challenged Ong to "go ahead and sue", adding that he was not going to retract his statement. And while the two politicians were at it, the Malaysian Anti-Corruption Commission (MACC) said it had begun investigations into the allegation.

The allegation was that Ong, who is transport minister, had received RM10 million from Tiong, who is also chief executive officer of Kuala Dimensi Sdn Bhd (KDSB), the turnkey contractor for the Port Klang Free Zone (PKFZ). Ong responded by lodging a police report against Tiong at the Cheras police station yesterday morning, and later told newsmen that he had also instructed his lawyers to send Tiong a letter of demand. "My lawyers have also been instructed to file an injunction to prevent the perpetrators of this grievous misdeed from making further defamatory allegations," Ong said at the press conference at Wisma MCA here.

Ong was flanked by 12 of the 40-strong central committee members, including secretary-general Datuk Wong Foon Meng, vice-presidents Datuk Seri Kong Cho Ha and Datuk Seri Liow Tiong Lai as well as Wanita chief Datin Paduka Chew Mei Fun. Tiong alleged on Wednesday that the RM10 million was given in three instalments last year for activities related to MCA divisions. Ong had immediately denied the allegation in his blog, describing it as "smear tactics" against him and a "character assassination".

The minister yesterday also questioned the timing of Tiong's allegation, noting that it came after the PKFZ special task force found that KDSB had made between RM500 million and RM1 billion in excessive claims "What a coincidence that such baseless allegations are now

made against me. I'm dismayed, but I won't be surprised that there will be more coming."

Ong said the allegation is the work of people who are out to undermine his integrity. "It is clear that the motive and intentions of these individuals are to derail the efforts of the ministry and the Port Klang Authority on PKFZ," he said, adding that he would treat this latest challenge as another hurdle he had to face to protect the interests of the people. He noted there was an "element of ambiguity" in Tiong's claims, saying that it was unclear whether the RM10 million was a loan, donation or a gift. "There is no necessity for us to take his money.

If he claims it was a donation, the onus is on him to prove where the money went. It cannot just disappear into thin air." On assertions by KDSB deputy chief executive officer Datuk Faizal Abdullah that Ong had used KDSB's private jets five times incurring costs of US\$40,000 (RM140,000) for the services, Ong clarified that he only used the jet four times for ministerial work this year. He said he should not be billed for a flight from Kuching to Kuala Lumpur as he was "offered a seat" on that particular flight.

"I was in Kuching on Feb 12 this year to attend a function with the prime minister and my flight with a commercial airline was only scheduled to depart later in the evening. I was then offered a seat in the jet," he said, without naming who offered him a seat. He said he only used charter flight services when there were no direct flights to his destinations or in case of emergencies. "I criss-cross the country every day and most of the time, I take commercial flights. "There are times when I even take the ferry."

Ong reiterated he had yet to pay KDSB as his office was waiting for the company to issue an invoice. Tiong, when contacted, said he had witnesses to prove that Ong had asked for a RM10 million donation for party divisional activities. "I offered a cheque, but he asked for cash because it was faster," Tiong alleged.

"I will not retract my statement. Why do I need to do so? I urge him to lodge a police report. He can also go ahead and sue." Tiong, who is also the Barisan Nasional Backbenchers' Club chairman, added that he was not out to condemn people. "What I'm angry about is that the special PKFZ task force failed to make an effort to get an explanation from us when they were conducting their investigations," he said.

Meanwhile, the MACC had opened a file on the case and would be recording a statement from Tiong soon. MACC deputy commissioner Datuk Abu Kassim Mohamed said once Tiong's statement was recorded, they would question Ong.