

11 October 2009 (Sunday)

Penang ferry service to be separate entity

GEORGE TOWN: The decision to run the Penang ferry services as a subsidiary of Penang Port Sdn Bhd (PPSB) is now final. The PPSB board of directors, in a meeting on Friday, had approved the move to separate the ferry service into an entity of its own and the official proposal documents, which are expected to be ready in about three days, will be handed over to the Economic Planning Unit (EPU) and the Finance and Transport ministries. PPSB managing director Datuk Ahmad Ibnihajar said everything was expected to be settled smoothly after this. "Hopefully, the ferry service will be operating as a separate entity by January," he said yesterday.

It was reported last month that the EPU had instructed the ferry service to be separated from the port's operations. The move was part of the port's restructuring plan to be listed on Bursa Malaysia. PPSB, with eight ferries plying the Penang Channel between the Abdul Halim Ferry Terminal on the island and the Raja Uda Ferry Terminal in Butterworth, recorded RM24.6 million in losses last year due to the petrol price hike, compared with RM14.4 million losses in 2007. The huge losses had kept PPSB from becoming a public-listed company.

Ahmad, speaking at a Hari Raya Aidilfitri open house at Tanjung City Marina, organised by PPSB for some 10,000 staff members and their families, said the port expected a RM50 million profit next year following the separation. When asked if ferry fares would increase, he said PPSB wanted to first focus on its services to the public. "We shall see when the time comes." Meanwhile, on an earlier proposal to collaborate with bus operator Rapid Penang Sdn Bhd to use the ferries to transport the buses and their passengers onboard to the mainland and vice-versa on a one-ticket fare, Ahmad said talks would be held between the two companies as soon as possible.

12 October 2009 (Monday)

New Swettenham Pier 'ready next year'

GEORGE TOWN: The Penang Port Commission (PPC) has given an assurance that the redevelopment of Swettenham Pier will be completed early next year. The project, which took off in May 2006, was scheduled to be completed on Sept 30 but failed to meet the deadline. It was reported that the project was likely to go over its RM65 million budget.

PPC chairman Tan Cheng Liang said the rainy spell and pipe installation problems by the state water authority had delayed the project. "When I took over as chairman at the end of last year, the project had been abandoned for 18 months. "The state government should be grateful that it has been progressing well and will be completed soon." State Public Works, Utility and Transportation Committee chairman Lim Hock Seng was reported to have said recently the state government was disappointed with the delay, saying it would affect the tourism in the state. Lim pressed PPC and the Transport Ministry to explain the delay. Tan said the state government should focus on other more pressing matters than harp on the project's delay.

She cited the Penang Hill funicular train service as an example, saying service had broken down constantly. "If Lim claimed the delay in the Swettenham Pier project will affect Penang's tourism, what about the constant breakdown in rail services?" Meanwhile, Penang Port Sdn Bhd (PPSB) managing director Datuk Ahmad Ibniহার said PPSB was satisfied with the project's progress. It was reported that Penang could welcome larger cruise ships and passenger vessels when the project was completed. The new pier will be able to handle about 100,000 passengers monthly compared with 50,000 at the old pier. The pier's new three-storey building will also have Customs and Immigration offices, quarantine areas and parking for 18 buses and 48 taxis.

13 October 2009 (Tuesday)

Govt: Stateless BOCs can apply again to be Malaysians

By Farrah Naz Karim

PUTRAJAYA: Think through before concluding that the grass is greener on the other side, because once you want out, you stay out. This is the advice of Immigration director-general Datuk Abdul Rahman Othman to Malaysians giving up their citizenship to assume another. He was commenting on a news report that hundreds of Malaysians, who had given up their citizenship with the hope of becoming British citizens on the basis of the British Overseas Citizenship (BOC) status, are now stateless. Rahman said their cases were not exclusive as there had been scores of citizens from countries which were British colonies, who did the same.



There's nothing much the government can do, but if they want to become Malaysians again, they will have to apply for it under normal procedures. - Datuk Abdul Rahman Othman Immigration director-general.

A report by AFP says that many former Malaysians tore up their passports and set off for Britain in the belief they could claim citizenship under the colonial law. It quoted Immigration activists in London as saying that a few hundred Malaysians, who took up citizenship, were eventually granted the right after residing in Britain for more than five years in the 1980s and 1990s. Under the little known legal clause, residents of Penang and Malacca were given the status of BOC when Malaysia gained independence in 1957. However, with the tightening of Immigration laws in 2002, it ended any chance for Malaysian BOCs to register as British citizens.

Rahman said under the Citizenship Act, once a Malaysian renounced his citizenship, he was simply no longer a Malaysian. "They made the decision fully aware of the consequences and risk. "There's nothing much the government can do, but if they want to become Malaysians again, they will have to apply for it under normal procedures. "Citizenship is a privilege, not a right," he told the New Straits Times yesterday. National Registration Department director-general Alwi Ibrahim said a meeting was held last week with Wisma Putra and the Home Ministry to discuss the predicament of these people. Some of the BOC applicants were told that their applications could not proceed unless they showed they had lost their Malaysian citizenship.



Datuk Seri Hishammuddin Hussein says people who renounced their citizenship must understand the severity of their action before renouncing their citizenship

The news report also quoted a former architect, "Dee" from Penang, who is now washing dishes at a Chinese restaurant, that he had filled up forms to renounce his Malaysian citizenship and had his passport cut-up. Now in a lurch, Dee said while he had given up his nationality, the British government declared that he was still Malaysian, leaving him practically stateless.

In Putrajaya, Home Minister Datuk Seri Hishammuddin Hussein said people who had renounced their Malaysian citizenship would be treated the same way as any foreigner when they applied for it. And it could be even harder as their applications would cast doubts on their intentions and loyalty to the country, he added.

Hishammuddin said it was sad that there were people who renounced their citizenship without understanding the severity of their action. "When they realise that the situation in the other country was not what they had hoped for, it is not easy to reverse their decision. I hope that people can take this as a lesson."

13 October 2009 (Tuesday)

'All states included' in 10th Malaysia Plan

PUTRAJAYA: The Economic Planning Unit will not forsake opposition-ruled states when drawing up the 10th Malaysia Plan, which will be tabled in Parliament next June. In giving this assurance, Minister in the Prime Minister's Department Tan Sri Nor Mohamed Yakcop said the Federal Government would ensure a fair distribution of people-centric projects. "We will ensure that the plan contains an equal distribution of projects obviously, the bigger states would have bigger allocations but we will be fair," he said yesterday.

He said Prime Minister Datuk Seri Najib Razak had, on numerous occasions, reiterated that the Federal Government would be inclusive in attending to the needs of opposition-held states. Nor Mohamed said he had met representatives of the Perlis, Kedah, Penang and Perak governments to discuss the plan. "Perak, for example, wants priority to be put on tourism and tourism-based industries, with the focus on eco-tourism. "We can leverage on the existing infrastructure in the state to achieve this target.

"We have to remember that the plan will be based on the new national economic model, with priority on higher income. "We met the state representatives because we want to know what they have planned or are planning for the state." He said a draft of the plan would be submitted to the cabinet for approval next year before it was tabled in Parliament.

13 October 2009 (Tuesday)

Malaysia to unveil 10MP on June 10

By Chong Pooi Koon

The 10th Malaysia Plan (10MP), a five-year economic blueprint spanning 2011 to 2015, will be presented on June 10 next year.



The government will unveil projects that it plans to undertake during the period on a "revolving two-year basis", instead of announcing them all at one go, said Tan Sri Nor Mohamed Yakcop, Minister in the Prime Minister's Department overseeing the Economic Planning Unit (EPU). When the blueprint is presented next year, the government will outline broad strategies for the five-year period, while announcing projects to be implemented in 2011 and 2012, he said.

"This will minimise delays in carrying out the projects. Previously, certain projects were delayed because of land issue. So now we are going to review them on a two-year basis," Nor Mohamed told a media briefing in Putrajaya yesterday. "Most importantly, the agencies and state officials will no longer need to rush to submit all the projects they want. The door will always be opened (for new ideas)," he explained.

The comprehensive blueprint, which allocates national budget to all economic sectors over five years, is being prepared by EPU and the Finance Ministry before being approved by the Cabinet. Nor Mohamed said EPU has started discussions with the four northern states of Perlis, Kedah, Perak and Penang to get their feedback on projects that they want to focus on. "For Kedah, they want the focus to be on water supply, especially in the MADA (Muda Agricultural Development Authority) area. I just realised that about 22 per cent of Kedah are padi fields," Perlis has wished for improved infrastructure such as the jetty at Kuala Perlis, which is a gateway to the tourism spot of Langkawi island. Penang, meanwhile, wants better transportation and housing, Nor Mohamed said, adding that EPU is moving on to discussions with other states. The 10MP will also aim at generating more high income jobs in the country and to push Malaysia closer to becoming an industrialised nation by 2020.

14 October 2009 (Wednesday)

Malaysia ranks 11th in e-govt

PUTRAJAYA: Malaysia aims to be one of the top 10 countries in providing electronic government (EG) service. At present, Malaysia is still lagging behind developed countries - in 11th place -- according to a survey by the Brookings Institution in the United States. Despite having improved rankings by leaps and bounds from 25th place two years ago, Minister in Prime Minister's Department Tan Sri Dr Koh Tsu Koon said the government would not rest on its laurels.

"It is not surprising that countries like South Korea and Singapore are ahead in the ranking. But we should sit up and take note that the Dominican Republic and Brazil have overtaken us in the ninth and 10th places, respectively." Koh was speaking after launching the 1 e-Government Conference 2009 themed "Transforming Service Delivery: People First, Performance Now" at the Putrajaya International Convention Centre. He said the 11th ranking should aspire and drive the civil service to greater efficiency.

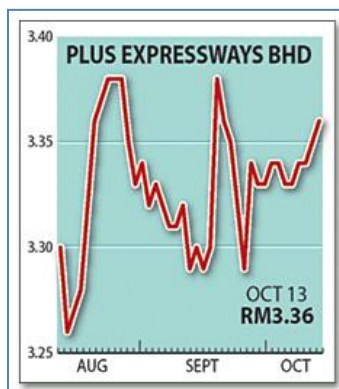
14 October 2009 (Wednesday)

Business - PLUS seen as priority buy

By Adeline Paul Raj

Private entity Asas Serba Sdn Bhd need not necessarily take over all 22 of the country's highway concessionaires, but PLUS Expressways Bhd, the biggest, is its priority, sources say.

"Owners (of the concession companies) will have the option of keeping or selling their assets. If the owners choose to sell, they can realise their investments and utilise the proceeds for other investments," a source familiar with the matter told Business Times. Asas Serba hit headlines of late over its ambitious proposal to take over all concessionaires at a cost of RM50 billion. It plans to consolidate them and then bring down toll rates by 20 per cent from current prices. It is believed to have hired RAM Consultancy Services Sdn Bhd as its consultant to talk to the 22 concessionaires and other relevant stakeholders. Asas Serba's attempts to get the proposal into the hands of relevant government officials have so far been unsuccessful.



Minister in the Prime Minister's Department, Tan Sri Nor Mohamed Yakcop, who also heads the Economic Planning Unit, had made it clear last week that the government does not plan to sell any of its tolled roads. "If anyone has a plan to buy, good luck, but we have no plans to sell," he had said. PLUS is the only concessionaire that the government owns. Analysts and market observers are sceptical as to whether this is a viable project, citing pricing and funding as the major hurdles. They also questioned if the project would be feasible for Asas Serba, saying it would need a longer concession period to see returns.

The same source, however, believes that Asas Serba's proposal may benefit the government in that it would no longer have to bear the burden of toll rate subsidies. The government has been looking at ways to bring down toll rates, but, under existing contracts with concession holders, toll rates can be increased every few years. It will have to cough up RM114 billion in compensation subsidies if it does not allow toll rates to go up. Should the government choose to buy out PLUS on its own, it is likely to face high acquisition costs and will continue to have to pay compensation subsidies to the other concessions, which it may not be able to afford at this time, the source said.

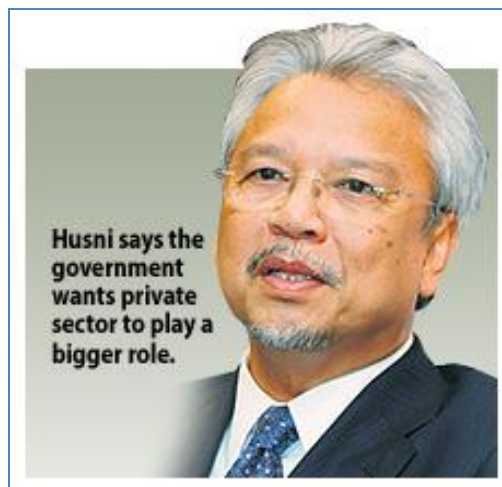
The source also said that Asas Serba had the financial backing to carry out such an exercise, but did not elaborate. Little is known of the company, except that it is represented by Datuk Syed Md Amin Aljeffri (chairman of the Kuala Lumpur Malay Chamber of Commerce), Ibrahim Bidin (president of Pinelabs (M) Sdn Bhd and former PLUS chief operating officer), Wan Kamaruddin Wan Mohamed Ali (former director of Babcock & Brown and Fieldstone International) and Syed Budriz Putra (head of Sepang Aircraft Engineering Sdn Bhd).

Analyst Jeremy Goh of OSK Research said it would make "a bit more sense" for Asas Serba to take over only companies with willing sellers. "It will cost less, but only cash-strapped shareholders may be willing to take up the offer," he said. "It all boils down to pricing," Wong Chew Hann, an analyst at Maybank Investment Bank, said of the exercise. PLUS' fair value is RM4 a share, she said, adding that any offer would need to be around that range or more. PLUS shares closed at RM3.36 yesterday.

14 October 2009 (Wednesday)

Business - Smaller budget for 2010 likely

Next year's national budget, to be tabled in Parliament on October 23, will likely be smaller than this year's, Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said.



Budget 2009 amounted to RM207.9 billion, excluding the two stimulus packages worth another RM67 billion in total. One of the focuses for next year's spending is to spur private investment, the minister said. "We want the private sector to play a bigger role. Private investment has stagnated, we want to spur that for our economic growth in the future," Ahmad Husni told reporters after opening the National Accountants Conference 2009 yesterday.

He also said development expenditure would take up the remaining allocation planned under the Ninth Malaysia Plan since it is the final year of the blueprint's period. He reiterated that the government plans to cut operating expenditure to keep the widening budget deficit in check, while trying to find ways to boost revenue. "The government will cut costs by buying less new equipment and trimming travelling expenses by sending fewer officials on trips overseas," he said.

15 October 2009 (Thursday)

Litrak open to Asas Serba takeover proposal

By Adeline Paul Raj

Toll operator Lingkaran Trans Kota Holdings Bhd (Litrak) ([6645](#)) said it is open to any proposal made by Asas Serba Sdn Bhd to take over the company.

However, Litrak, which holds the Damansara-Puchong highway (LDP) toll concession, has not yet been approached by the company, its chief operating officer Richard Lim Kim Ong said. Asas Serba is the private entity that has been in the news of late over its ambitious plan to take over Malaysia's 22 tolled highways for RM50 billion and cut toll rates by 20 per cent. "We've not been approached by them. We'll have to wait and see what kind of offer, if at all, they make. Any proposal will definitely be tabled to the board and studied," Lim said at Litrak's Hari Raya open house in Bandar Sunway, Selangor yesterday.

Litrak also holds the concession to loss-making Sprint highway, through its 50 per cent stake in Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd. Litrak's biggest shareholder is Gamuda Bhd with a 48 per cent stake, followed by the Employees Provident Fund, which holds "just under 10 per cent", Lim said. Its other shareholders include mutual funds like Public Mutual. Litrak, under its present concession agreement with the government, is due to raise toll rates for the LDP in 2011, Lim said.

It is understood that the rate will rise to over RM2.10 per toll plaza from RM1.60 now. If the government were to disallow the hike, it would have to pay the company compensation subsidies. In the past, this was based on traffic volumes. According to Lim, the LDP, which started in 1999, is already a mature business and as such traffic volume growth this year and the next few years should be stagnant "at about 3 per cent to 4 per cent at the most". "We won't be seeing any more double-digit growth rates," he remarked. Sprint makes losses of about RM40 million a year due to low traffic volumes.

On the outlook of the industry, Lim, who has been in the business for eight years, said toll concessionaires tend to recover their investments only in the later years of the concession period as the bulk of toll collection in the earlier years goes toward servicing debt.

Asas Serba director Datuk Syed Amin Aljeffri has said that the company plans to get a master concession to operate all the tolled roads, but the concession will not extend beyond 2038, which is when PLUS Expressways Bhd's ends. Based on this, and the company's pledge to cut toll rates by 20 per cent, analysts are puzzled as to how Asas Serba will make decent returns. "We suspect that there is more to the proposal besides 'concessions',"

Wong Chew Hann, an analyst with Maybank Investment Bank, said in a report yesterday. Still, she sees potential upside to the share prices of Litrak and PLUS, the country's biggest toll concessionaire, arising from a potential offer by Asas Serba. "In our view, Asas has to offer fair values for the concessionaires' equities, otherwise, the takeover will fail," she said.

16 October 2009 (Friday)

More errant civil servants

By Dharshini Balan

SEREMBAN: The number of disciplinary cases against civil servants is on the rise, thanks to an increasing awareness of the need for such action among department heads. Chief Secretary to the government Tan Sri Mohd Sidek Hassan said there were 3,383 such cases last year compared with 2,159 in 2007. He said absenteeism, tardiness and sexual harassment were some of the cases against the government servants who were staff of various ranks.

"Efforts need to be intensified to ensure that civil servants always place discipline and integrity as main factors in executing their roles and responsibilities. "In order to fulfil the needs of the government in creating a professional, effective and innovative civil service, action against errant civil servants will be taken," he said, adding that those with high achievements would be rewarded.

Sidek said disciplinary action taken against errant civil servants would deter other officers from committing the same mistakes. "Heavy sentences will only apply to serious cases, and the board will look into taking disciplinary action on a case-by-case basis. "It all depends on the facts and merits of cases... it shouldn't be too light that the employees do not repent, or too heavy that they lose the will to work."

16 October 2009(Friday)

Business - Kenanga: 20 pc toll rate cut too ambitious

The recent proposal by private entity Asas Serba Sdn Bhd, to reduce toll rates by 20 per cent might be too ambitious, says Kenanga Research. The research house opined that crucial areas must be addressed, including its new operating and financing cost structure. "We also believe that the cost structure has been pre-determined in the existing Concession Agreement (CA) to be in tandem with the toll hike schedule," it said in a statement in Kuala Lumpur, today. To get a neutral net present value (NPV) effect from Asas Serba's proposal, it will lead to a massive extension of the concession period, Kenanga said.

Recent news reports have indicated that Asas Serba had engaged a consultant to conduct a feasibility study on its takeover plan for 22 highways towards reviewing and restructuring the current highway industry landscape. Kenanga Research said the funding for the proposed privatisation, up to RM19 billion (after assuming the debts by the acquirer), would be a waste of resources. Such liquidity should be the platform for other outstanding projects in the 9th Malaysia Plan (9MP), to kick-start and stimulate the real multiplier effect. It also said the government may opt to compensate PLUS Expressway Berhad (PLUS) via cash or extension of concession period should new toll rates to be introduced.

"Over the remaining concession period, this will cost the government RM5.8 billion cash compensation a year (assuming a RM200 million cash compensation a year) whilst the total expected dividend income is about RM18 billion," said the research house. In its view, it makes more sense to solve the toll hike issue and hence limit the cash outlay throughout the concession period. Meanwhile, the research house maintained its traffic growth assumption of 3.5 per cent by the end of this year. The traffic volume rose 5.7 per cent year-on-year and is expected to be stronger for the remaining months for this year, due to the festive season and school holidays. - Bernama .

18 October 2009 (Sunday)

Projects worth RM7.5 billion to improve ties

MALACCA: Eight projects worth almost RM7.5 billion have been proposed by the Indonesian, Malaysian and Thai governments to enhance physical connectivity and better linkages between the three countries. Minister in the Prime Minister's Department Tan Sri Nor Mohamed Yakcop said of the eight projects, four would be built in Indonesia, three in Thailand and one in Malaysia. The projects include the development of Sumatra ports and toll roads, Malacca-Dumai Economic Corridor transportation system, Malacca- Pekan Baru power inter-connection network, Southern Thailand ports development, and the construction of the Pak Bara cargo port and Hat Yai-Sadoa toll road.

"Enhancing physical connectivity and better linkages between the three countries are a key and critical role in the Indonesia-Malaysia-Thailand Growth Triangle's (IMT-GT) development strategy," Nor Mohamed said after the three-day 16th IMT-GT Ministerial Meeting ended here on Thursday. Besides the proposed projects, Nor Mohamed said he also proposed the IMT-GT could venture into halal products and medical tourism. "These are among the areas which have tremendous growth potential and would also benefit the three countries." IMT-GT was established in 1993 with the aim of boosting economic growth. Its programmes are private sector driven and facilitated by the relevant ministries in each member country.

Some 200 delegates attended the meeting. Also present were Indonesian Ministry for Economic Affairs senior officer, Raidi Hendro Koestoer, Thailand National Economics and Social Development Board deputy secretary-general Poramettee Vimolsiri and representatives from Japan, the Asean Secretariat, Asian Development Bank, Economic Research Institute for Asean and East Asia and IMT-GT Joint Business Council. The meeting, among others, deliberated on the progress and implementation of the IMT-GT Roadmap to Development 2007-2011 which includes development in tourism, halal products and services, agriculture, transportation and human resources development, and the future direction of IMT-GT beyond 2011.

18 October 2009 (Sunday)

Linggi road to be completed by 2010

TAMPIN: The Works Ministry is rushing to complete the Pasir Panjang-Linggi road project within the next six months. Its minister, Datuk Shaziman Abu Mansor, said the upgrade and repair works cost RM118 million and was expected to be fully completed by the middle of next year. "The project involves two phases, starting with the 18km road from Pasir Panjang to Linggi, and the road from Sua Betong to the Port Dickson Politeknik, which stretches 5km. "There have been complaints that the project has been delayed for a long time. Bear in mind that the transfer of land ownership, especially private land, is more costly and would take a lengthy process since it involved securing loans."

Shaziman, the Tampin member of parliament, was responding to a question that the opposition had played up the delayed project during the Bagan Pinang by-election. "While upgrade works have begun, the project is still behind schedule. I have instructed the Public Works Department (PWD) to monitor the project and propose ways to speed up the work. "I have also informed PWD officers to ensure that the construction will not disrupt the traffic flow along the route," he said yesterday. He said all PWD district contractors had been instructed to monitor landslide-prone and high-risk slope areas in preparation for the rainy season next month. "We have a team to monitor these areas and take action to avoid unwanted incidents. They have to make sure that the drains are not clogged and that maintenance work is done."

The Auditor-General's Report

20 October 2009 (Tuesday)

RM1 million overpaid to civil servants

KUALA LUMPUR: Ministries and government departments have been guilty of miscalculating emolument payments, in some cases overpaying to the tune of nearly RM1 million. Auditor-General Tan Sri Ambrin Buang said RM44.01 billion in emolument payments were made last year, and weaknesses in the payment system had resulted in civil servants being either shortchanged by up to RM220,000 or overpaid by nearly RM950,000.

Among the reasons for this was outdated service records, which made it difficult to properly calculate the amount payable to each of the nation's more than one million civil servants. There were also numerous mistakes and carelessness in processing payments, a lack of coordination between divisions of the ministries and departments involved and weak monitoring of the retrieval of excess payments.

Ambrin stressed that as the audit was based on samples, the discrepancies found would be much higher in a complete audit. Based on the samples taken by the Auditor-General's Office, the police hold the highest record of incomplete personal and salary files with 221, followed by the Defence Ministry with 180. The scope of the audit covered 11 ministries and departments and covered 2,951 personal and salary files of government officers in various categories such as first appointments, transfers, promotions and unpaid leave, among others.

The Auditor-General's Report

20 October 2009 (Tuesday)

Not much progress made in financial management

Reports by Annie Freeda Cruz, Alang Bendahara, Lydia Gomez and Joseph Sipalan

KUALA LUMPUR: Federal ministries and departments have not shown much progress in managing their finances last year. The auditor-general said while corrective measures had been taken to overcome certain weaknesses, they had not been carried out in a broad manner. The auditor-general recommended that heads of department inspect whether the weaknesses it had identified were repeated elsewhere. The Federal Government had RM531.25 billion in funds last year comprising loans, capital, trusts/deposits and private finance initiatives. Usage of funds, however, was RM532.79 billion, which means the Federal Government experienced a deficit of RM1.54 billion.

The report found several ministries and departments had spent without allocation or in excess of their allocations. It stated there were also those that did not spend the allocations approved for their ministries and departments. For example, a total of RM5.7 billion was spent without allocation last year against RM2.24 billion in 2007. The amount not spent was, however, lower at RM87.1 million against RM101.8 million in 2007. An audit analysis discovered 522 cases of weaknesses in financial management involving federal ministries and departments.

The report highlighted weaknesses in the recovery of advances, noting that the schedule of repayments for 29 advances totalling RM1.28 billion had not been prepared although the period for repayments ended between 1992 and 2007. Delay in preparation of such schedules resulted in non-payment of the advances. All state governments have not repaid the advances extended to them according to schedule. Last year, 669 out of the 1,150 advances channelled to state governments had outstanding repayments of between one and 12 years. Out of the 73 advances extended, 44 companies had outstanding repayments ranging between one and 19 years. Only seven of the 19 companies repaid the outstanding amounts.

The Auditor-General's Report

20 October 2009 (Tuesday)

Traffic light cameras not up to mark

KUALA LUMPUR: The traffic light camera system, used to catch red light offenders in the act, is poorly maintained and, in some cases, badly placed. Auditor-General Tan Sri Ambrin Buang said police management of the system, supplied by ROBOT Visual Systems GmbH of Germany, was unsatisfactory. Bought between 1993 and 1995 for RM8.98 million, the system encompasses 40 working cameras, 110 dummy cameras, six film processors and six printers. The cameras were installed at 56 intersections in six cities.

In the 2008 Auditor-General's Report, Ambrin said the equipment had not been fully deployed, malfunctioning equipment not fixed or maintained and summonses were not issued in an efficient manner, while some equipment had been placed in non-strategic locations.

The report recommended that:

- a mechanism to collect data from the cameras be implemented;
- the system be installed at strategic locations and maintained so that they function properly;

- police work with local government and councils to ensure future road developments do not disturb the system;
- specific officers, trained to handle the film properly, be provided to manage the system;
- a practical time frame on the issuance of summonses be set; and,
- more information on the system be announced to increase road safety awareness.

Ambrin said feedback received indicated the need for the system to be implemented nationwide, but this would be on the condition that the police force improves its management and maintenance.

The Auditor-General's Report

20 October 2009 (Tuesday)

Shoddy maintenance compromises school safety

KUALA LUMPUR: Maintenance work in schools has not been carried out thoroughly and this has caused several buildings and infrastructure to be unsafe. The 2008 Auditor-General's report showed that although the Education Ministry had engaged the services of 47 private consultants in a contract worth RM22.18 million to look into repair works in all schools, they did not carry out the job satisfactorily. The consultants were also required to monitor and approve the work done by contractors before disbursing payment to them (the contractors). Auditor-General Tan Sri Ambrin Buang said the ministry did not thoroughly examine the performance of the consultants and had not set aside enough money and technical support staff for maintenance work.

He said the ministry should allocate enough money to carry out preventive and corrective maintenance on all schools, while both the ministry and the Public Works Department must prepare a clear job scope for the contractors' easy references and the officers supervising the work. "Supervising maintenance work should not be the teacher's duty. "It should be done by someone with technical expertise, and vacancies for technical assistants must be filled as soon as possible." He said the ministry should take action against those who declared incomplete work as completed and if it was committed by a government officer, disciplinary action must be taken or a surcharge had to be imposed. "If it involves a consultant, then the company should be blacklisted and the offence reported to its governing body," Ambrin said.

Other recommendations include placing all maintenance work under one unit for better management and planning, conducting market research to ensure that the government gets value for money, and financial-management training be given to those involved in the projects.

The Higher Education Ministry, meanwhile, must ensure that specialised equipment bought for courses in community colleges were suitable for the subjects they were for. Ambrin said the audit found that certain equipment required by these colleges were either delivered late or not at all by the supplier; the items were bought in excess, not used or unsuitable; or they were paid for but not tested.

"The ministry should get views from lecturers before buying equipment so that they are suitable." He said they must ensure that undelivered items were supplied to the colleges immediately, while extra equipment could be distributed to other colleges that might need them. Meanwhile, the report also revealed that the Kepala Batas Mara boarding school in Penang for high-achievers from rural areas, had been occupied since April 2007 before receiving its certificate of fitness. The school was planned under the Eighth Malaysia Plan at a cost of RM47 million.

The Auditor-General's Report

20 October 2009 (Tuesday)

Call to fine DRB-Hicom RM80.88m

KUALA LUMPUR: The auditor-general has recommended that the Transport Ministry fine DRB-Hicom Bhd RM80.88 million for failing to complete the double-tracking project from Rawang to Ipoh on time. Tan Sri Ambrin Buang said the company had been fined RM18.43 million for damages incurred between Dec 11, 2003 and March 31, 2004, after its contract was terminated by the ministry. There has yet to be a fine for the period between April 1, 2004 and Aug 4 the same year. He said the delay in construction resulted in the project cost ballooning by RM1.43 billion to RM5.77 billion. Originally budgeted at RM4.34 billion, the audit found that the number of equipment bought exceeded what was needed and the procurement of trains was not done according to the development of infrastructure.

Ambrin said because of this, the project could not be completed on time and it was likely that the government would have to bear part of the losses. He said the ministry should ensure that the appointed contractor repaired all defects so that the government would not have to incur the cost. "The ministry should also take stern action against project managers who fail to carry out their responsibilities by reporting them to the Finance Ministry and having their contracts terminated."

Ambrin said five sets of automated fare collection systems kept in the stores should be distributed to commuter stations which were in need of such systems. The project's infrastructure work was awarded to DRB-Hicom in 2000 but it was terminated after the ministry found that only 76 per cent of the work had been completed by Dec 10, 2003. The project was subsequently awarded to UEM Construction Sdn Bhd.

The Auditor-General's Report

20 October 2009 (Tuesday)

More needs to be done to check dengue

KUALA LUMPUR: Programmes to prevent and control the spread of dengue have been unsuccessful, the 2008 Auditor-General's Report disclosed. Auditor-General Tan Sri Ambrin Buang said the number of cases and deaths have risen, with 49,335 dengue fever and dengue haemorrhagic fever cases resulting in 112 deaths in 2008, compared with 38,556 cases and 92 deaths in 2006. Causes identified include follow-up checks not done, vector index not fully utilised, late notification of dengue cases and blood tests improperly carried out. Attributing the weaknesses to shortage of manpower and facilities and lack of community cooperation in the fight against dengue, Ambrin said the health ministry has been advised to weigh the following suggestions:

- to form special positions and units in the ministry, state and district health departments to implement prevention and control of dengue fever activities in a more holistic and comprehensive manner;
- ensure that risk assessments of dengue infection and outbreak in all districts be done using the vector index method and that containment and prevention in aedes breeding be implemented in "hotspots";
- create a mechanism to overcome the problem of late notification of dengue cases so that affected premises can be checked and fogged;
- ensure checks are done at targeted areas to prevent aedes breeding and that all breeding grounds are destroyed;
- further upgrade its awareness campaign among the community and also the importance of public cooperation to contain the outbreak and spread of the disease;
- ensure all serology records and patient details are comprehensive;
- prioritise the issuance of compound notices; and
- Fully utilise equipment given to health offices.

The report also took to task the RM96.45 million Pekan Hospital, which it said was a financial loss to the government as the unsatisfactory construction had left the public unable to utilise the facilities.

The Auditor-General's Report

20 October 2009 (Tuesday)

Board under fire for late tax refunds

KUALA LUMPUR: The auditor-general took the Inland Revenue Board (IRB) to task for late settlement of some RM648.7 million in tax refunds between 2006 and last year. Tan Sri Ambrin Buang, in his report, said the delay ranged from 10 days to two years for manually-filed statements and up to a year for those who used e-filing. He said while there were various factors that contributed to the delays, a major reason was poor staff allocation to match workload. "The IRB needs to study the actual number of staff needed to manage tax returns at each collection branch or unit so that it is in line with the workload."

The report stated that IRB must stick to the time given to settle tax refunds as set in its customer charter to improve its delivery system. Ambrin stressed the customer charter must also be "clear and specific" as to procedures related to tax refunds. He said taxpayers must be informed of their responsibility to follow what was required of them when filing their taxes to avoid future delays. The report also highlighted 16 cases where IRB wrongly gave more than RM2 million in tax refunds. Of the cases, four involved company transactions worth RM2.33 million while the rest involved individual transactions worth RM11,721.

Ambrin said IRB must take immediate steps to recover the excess refunds. He said to make sure such incidents did not happen again, the board needed to create a common format so all branches could prepare uniform tax returns. Ambrin pointed out that IRB also needed to prepare annual reports for the purpose of auditing, as they were unable to establish the true balance remaining in the fund. Between 2006 and last year, IRB received 1,834,094 cases. It has completed 1,788,006 or 97.5 per cent of the cases, with 20,212 still being processed and another 25,776 pending.

The Auditor-General's Report

20 October 2009 (Tuesday)

Selangor must gazette sources of raw water: Auditor-General

KUALA LUMPUR: The Selangor government has to allocate enough funds to Lembaga Urus Air Selangor (LUAS) for it to immediately gazette sources of raw water to check encroachment which continues to take place, according to the 2008 report of the auditor-general. It says the management of potable water quality in the state was satisfactory but the management of raw water quality had to be stepped up. "The status of gazetting is not satisfactory because river valleys, water catchments and water bodies have yet to be gazetted although LUAS was set up in 1999," it adds.

Delay in protecting water catchments had led to encroachment such as sand mining between 2006 and 2008 which had polluted Sungai Beranang as well as the water intake of Sungai Semenyih for the Sungai Semenyih water treatment plant, says the report. Leachate from the refuse disposal site in Sungai Kembong, Hulu Langat, also flows into the Sungai Beranang and Sungai Semenyih, it adds. "Based on the National Quality Index, the auditors feel that the average index for Sungai Tenggi, Kuala Selangor, and Sungai Semenyih, Hulu Langat, was unsatisfactory because of the annual decline from 2006 to 2008," says the report.

The report points out that the Sungai Sireh water treatment pond and tank had not been cleaned for more than 10 years, and reprimanded Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) for not cleaning the pond and tank in 2008. It recommends that the state government set up a committee comprising the relevant parties managing water quality, such as LUAS, SYABAS, Selangor Health Department and water treatment plants, to step up communication and coordination. On another matter, the report says the management of the flood mitigation project in Shah Alam was unsatisfactory as floods continue to occur and have a negative impact on the people.

It cites some of the reasons as lack of comprehensive planning, insufficient funds and absence of monitoring or coordination with other government departments and agencies. The appointment of contractors did not meet the conditions of the Construction Industry Development Board, and some contractors were found to have implemented projects beyond their qualification, says the report. The report also says the Selangor Department of Forestry is weak in enforcement as there has been air and water pollution which seriously affected flora and fauna.

It says permanent forest reserves are illegally exploited for housing, commercial buildings, houses of worship, breeding of swiftlets and deer, and temporary occupation licences are issued for land in the reserves yet to be gazetted as such. "The enforcement of deer breeding in the permanent forest reserves by the Selangor Department of Forestry is unsatisfactory because the State Executive Council has yet to decide on the issue of illegal exploitation of the reserves," it says. Also unsatisfactory is the department's monitoring of prawn fry breeding in the Sungai Kapar permanent forest reserve, which has affected the quality of the environment, because of the shortage of enforcement officers and limited allocation of funds, it adds.

The report says the firefly population in the Kampung Kuantan area of Sungai Selangor was under threat owing to the felling of trees on the jungle fringe by private land owners for agriculture. "If the area is not restored, the tourism industry here will be wiped out along with the firefly population there," it adds. The report says the state government plans to acquire the privately owned land along the Sungai Selangor there to maintain the firefly habitat. The report recommends that the department, among other things, review the permit for exploitation of permanent forest reserves, recruit more enforcement officers and apply for a special allocation to restore the encroached areas.

The Auditor-General's Report

21 October 2009 (Wednesday)

'Bad' logging due to poor management

KUALA LUMPUR: Weak forest management saw indiscriminate logging being carried out at forested areas in Kelantan without any Environmental Impact Assessment (EIA) reports. The 2008 Auditor-General's Report on the Pas-run state found that its forestry management was unsatisfactory as existing laws and legislation had not been adhered to. Auditor-General Tan Sri Ambrin Buang noted that there were weaknesses in terms of enforcement and lack of coordination between the Kelantan Forestry Department (JPNK) and other agencies. Citing an example, Ambrin said he found that while JPNK had approved eight applications for logging activities along the boundary of Taman Negara Kuala Koh, two companies had started work without a EIA report.

"This happened because JPNK was unaware of the existence of the provision which required companies to obtain an EIA report for areas sharing boundaries with Taman Negara."

Ambrin said there was also no EIA report on logging activities at permanent forest reserves in areas that werelocated 1,000m above sea level. He said a private company had been granted approval to log at the Tanah Tinggi Lojing Sungai Betis and Sungai Brook at Gua Musang without EIA reports as required by law. As a result, there was severe damage to the environment, including landslides, indiscriminate felling of trees, erosion and damage to flora and fauna.

The audit also found illegal logging activities at Hutan Timur Machang district as a result of poor monitoring and enforcement by JPNK. It also took the state government to task for failing to gazette protected status to all permanent forests reserves. "Failure to do so could affect the safety and protection of the forests," he said.

The report noted an urgent need to have comprehensive and continuous monitoring and enforcement of logging activities. "Although it is less than 500ha, a tract of permanent forest reserve which shares a boundary with Taman Negara has to have an EIA report before a logging license can be granted. "JPNK has to take immediate action to gazette tracts of forests as protected areas, especially highlands that are at least 1,000m above sea level."

The Auditor-General's Report

21 October 2009 (Wednesday)

Paying RM28,500 more than it's worth

KUALA LUMPUR: Why did the Miri Industrial Training Institute (ILP) buy a pole platform for RM30,000 when two similar institutions paid a little more than RM1,000 for it? Auditor-general Tan Sri Ambrin Buang said there was nearly RM28,500 difference between the prices and that paid by the Sandakan and Kepala Batas ILPs. This was among discrepancies pointed out in the auditor-general's 2008 report involving equipment bought by the manpower department of the Human Resource Ministry. He said the ministry had failed to compare the prices offered by the suppliers servicing their various training centres across the country, overlooking such cases of blatant over-charging.

The report pointed out that similar problems were discovered not only at ILPs but also at the Advanced Technology Training Centre and the Japan-Malaysia Technical Institute. Ambrin said between 2001 and 2006, the ministry spent RM3.66 million on unused equipment on top of purchases not needed or not fully used. Ambrin also rapped the ministry for approving contracts between 30 and 50 per cent higher than the ceiling value approved by the Finance Ministry.

The Auditor-General's Report

21 October 2009 (Wednesday)

Only 18pc of forest left

KUALA LUMPUR: Forest reserves in Johor are shrinking due to development and poor management by the state forestry department. With only 18 per cent of greenery left, the auditor-general's report stated that large portions of forests had been cleared to make way for rubber plantations. Soil erosion due to mining activities had led to a deterioration of water quality while quarries emitted dust particles to worsen air pollution, it said.

Auditor-General Tan Sri Ambrin Buang said development of mangroves areas had destroyed some marine life and affected the income of local fishermen. "The department must re-examine the issuance of permits for agricultural activities."

The Auditor-General's Report

21 October 2009 (Wednesday)

Money woes kill e-projects

KUALA LUMPUR: Lack of money and monitoring killed two E-Community projects in Negri Sembilan. The 2008 auditor-general's report said the projects in Jempol and Juasseh had to be shut down after running into financial and management problems. Auditor-general Tan Sri Ambrin Buang said the state information technology management unit failed to carry out a feasibility study before approving centres aimed at to produce IT-savvy villagers.

The Auditor-General's Report

21 October 2009 (Wednesday)

Gross abuse in use of govt cars

KUALA LUMPUR: Penang and Perak governments have come under fire from the auditor-general's department over poor management of state-owned vehicles. The 2008 Auditor-General's Report said several vehicles were frequently refuelled within a space of minutes, while records show tyre changes were done for vehicles just three months after the last change. The audit covered the two state government's activities from 2004 until last year. Auditor-General Tan Sri Ambrin Buang said Penang government officials had fixed new tyres on a vehicle that had run just 485km while another had tyres replaced after covering 4,000km. He said officers who used fuel cards (Kad Inden) to buy fuel failed to return the cards to the transport officer after work hours. In some cases, the card was registered under the name of an officer who had been transferred.

Ambrin suggested that the state government pay more attention to servicing its vehicles on time to cut costs, monitor usage of fuel cards, and ensure that all fuel purchases were recorded and updated. "Officers in charge of vehicle management should also be sent for management courses." On the Perak government, he said it had also failed to manage its fleet of vehicles well despite more than RM15 million being spent on purchasing and maintaining new vehicles over the past four years. He said the state government had not followed proper procedures in maintaining and purchasing vehicles. He said vehicles purchased were not sent to designated service centres and had incurred high maintenance costs due to the use of imported spare parts. He also touched on the abuse of fuel indent cards by some officers which had gone unnoticed. The report stressed that it was impossible for the Perak government to control vehicle use and fuel costs as fleet log books were not updated regularly.

Ambrin said the state government had also failed to dispose of nine dilapidated vehicles. Between 2004 and 2008, the state government spent RM4.22 million to maintain its fleet of vehicles with 63 per cent of costs going to maintenance of 51 vehicles used by the state secretariat and state executive councillors.

The Auditor-General's Report

21 October 2009 (Wednesday)

Land deal exposes flaws in Shah Alam council

KUALA LUMPUR: A series of bad decisions could lose the Shah Alam City Council (MBSA) two lots of land worth RM9.97 million. Auditor-General Tan Sri Ambrin Buang said the council was guilty of poor judgment in allowing a private contractor to put up the land as collateral for a bank loan to fund a commercial project there. The land, located in Section 20 in Shah Alam, was supposed to have been given to Khidmat Makmur Sdn Bhd (KMSB) as payment for the construction of MBSA staff quarters according to an 2001 agreement. The agreement, under MBSA's privatisation plans, was for KMSB to fund and build the two-block RM7.54 million staff quarters in return for two lots adjacent to the quarters.

KMSB proposed to build 67 units of shops and offices and a 15-storey service apartment building on the two lots at an estimated cost of RM50.75 million. Both projects were to be completed by October 2005. But on a site visit in April this year, Ambrin said work on the commercial project was only 60 per cent completed and had been abandoned for three years while construction on the quarters had not even started. This occurred despite KMSB securing an RM18.85 million bank loan by putting up the land as collateral at MBSA's behest in 2003. Ambrin said this could possibly leave MBSA with no avenue to recover the land, while 114 buyers of the commercial project would have to service bank loans taken to purchase property that did not exist.

The Auditor-General's Report

22 October 2009 (Thursday)

State to discuss report on poor forest oversight

KUCHING: The state cabinet will discuss the 2008 Auditor-General's Report which claimed that Sarawak was one of four states with poor forest management. Deputy Chief Minister Tan Sri Dr George Chan said the matter would be discussed at today's meeting. "At the moment, I cannot comment on the report as I have not read it yet," he said after launching the national-level Environmental Week at the Borneo Convention Centre here.

The report also identified Kelantan, Pahang and Johor as poorly managing their forests which had led to river pollution, erosion, landslides and destruction of flora and fauna. The report also cited illegal logging, logging in forest reserves and national parks and poor enforcement as having occurred in these states. In his speech earlier, Dr Chan said Sarawak was aware that it had to protect its forests and biodiversity. "We are anxious to protect our biodiversity as it belongs to us. Therefore, it is our duty to provide such protection as we are among the few countries in the world having huge areas of virgin forests."

Dr Chan said forests and biodiversity needed to be preserved for the future generations. "We must plan a better world for future generations. We must leave something for them," he added. Meanwhile, State Forestry director Datuk Len Talif Salleh was upset with the image of Sarawak projected by the report which he claimed had been prepared without consulting state authorities. He said that the Auditor-General had no right to pass judgment on the state's sustainable forest management without going to the ground to conduct on-the-spot inspection. Len said the Auditor-General did not have any technical expertise to evaluate sustainable forest management practices.

The Auditor-General's Report

23 October 2009 (Friday)

Minister challenges audit report

KUCHING: Sensitive to criticisms of its forest management policy, Sarawak continued to lash out at the Auditor-General over his 2008 report that claimed Sarawak is one of four states with poor forest management. Yesterday, the state's Second Planning and Resource Management Minister Datuk Amar Awang Tengah Ali Hassan brushed the report aside saying the Auditor-General was not a competent person to pass opinion or judgment on how states managed their forests.

"He is not the right authority to make that sort of comments," Awang Tengah said when speaking to reporters after a state cabinet meeting at Wisma Bapa in Petra Jaya. "Forest management is not financial management. If it is, then, yes, I agree he is most competent to speak on it and I would not question his authority on financial management. "But (for him) to comment on forest management, I don't think he has the expertise," Awang Tengah said. He added the Auditor-General should have consulted his ministry when doing the audit.