



**23 April 2009 (Thursday)**

### **Rehabilitation of estuary to end in October 2011**

**THE widening and rehabilitation of the Sungai Pahang river mouth at Tanjung Agas is expected to be completed by October 2011.**

State Local Government Committee chairman Datuk Ho Khai Mun said work on the RM258 million project began on Nov 1 last year. In his reply to Ibrahim Awang Ismail (BN-Peramu Jaya), Ho said the Drainage and Irrigation Department was responsible for the planning and implementation of the project. Ibrahim had raised the problems of the fishermen in Tanjung Agas where the estuary was too shallow and partly closed due to heavy siltation. To a question from Abdul Rahman Mohamad (BN-Padang Tengku), Ho said that the upgrading of Lipis Hospital would cost a total of RM96 million.

Ho, who also holds the health and environment portfolios, said the Health Ministry handed over the construction site to a contractor on Feb 25. He said the new building would have a maternity ward, operating theatre, intensive care unit, covered parking lots and other facilities. He said Lipis Hospital was built about 70 years ago and currently had 128 beds. "The average occupation rate of the beds is 45 to 50 per cent annually."

**23 April 2009 (Thursday)**

### **State hopeful of raising RM2.57 billion**

**SABAH is confident of achieving its revenue target of RM2.57 billion for this year despite the global economic crisis.**

It remains optimistic although 60 per cent of its earnings are from the export of three main commodities -- crude petroleum, crude palm oil and timber -- which have all been affected by the global economic crisis. State Assistant Finance Minister Datuk Tawfiq Abu Bakar Titingan said the three commodities were susceptible to international factors such as a price drop, slow demand and low foreign exchange rates.

"However, we are not that worried and we believe that the target of RM2.57 billion can still be achieved," he said in reply to a question by Datuk Syed Abas Syed Ali (BN-Balung) on the effects of the global crisis on the state. Last year, the state's revenue was RM3.34 billion. On a related matter, state Industrial Development Minister Datuk Ewon Ebin said the progress of the Palm Oil Industrial Cluster project may be stunted due to the crisis. "Investors are adopting a 'wait

and see' attitude, to wait for the economy to settle down, and others are having problems getting loans and funds for their projects.

"The unstable price of crude palm oil and the increased competition from other industrial areas in the peninsula have also affected investors' decisions." Meanwhile, the state government has decided to legalise the use of Nissan Vanettes as minibuses in the northern district of Kota Marudu, where the vehicle currently operates as unlicensed public transport.

Minister in the Chief Minister's Department Datuk Nasir Sakaran said that the approval was given because most of the Nissan Vanette owners did not have enough money to trade-in or buy new vehicles. The state government, through the Commercial Vehicle Licensing Board, is also looking at legalising the Perodua Viva as taxis in some districts where they are already operating as "pirate taxis". "We hope that with the approvals, these 'pirate taxis' will be able to provide safer and better services to the public," said Nasir.

## **23 April 2009 (Thursday)**

### **Selangor MB: Syabas has only frozen RM300m pipe project**

**SHAH ALAM:** Menteri Besar Tan Sri Abdul Khalid Ibrahim said Syarikat Bekalan Air Selangor Sdn Bhd (Syabas) had only frozen the project to replace the old mains and communication pipes worth RM300 million, not the entire RM2.6 billion project as reported.

Syabas, he said, had spent RM1.8 billion to replace old pipes. Projects worth another RM500 million had been completed, but the contractors had yet to be paid. Khalid rubbished Syabas' statement that it was freezing the RM2.6 billion project as most of the work had been completed and that only about RM300 million in work had been put on hold.

Speaking after chairing the weekly state executive council meeting here yesterday, he urged Syabas to do the work as specified in the concession agreement. Syabas had on Tuesday issued a statement announcing a freeze on the RM2.6 billion project in view of the restructuring of the water management sector in Selangor, Kuala Lumpur and Putrajaya. Syabas executive chairman Tan Sri Rozali Ismail said the freeze was directed by the Federal Government.

## **23 April 2009 (Thursday)**

### **Warning to school contractors who supply poor food**

**MALACCA:** The Education Ministry will terminate the services of contractors who fail to comply with the health and safety conditions in supplying food to students.

Deputy Minister Datuk Dr Wee Ka Siong said the government was serious in this matter as it involved the health of students. The food supply is done through the ministry's supplementary food programme. "We want all food suppliers appointed under this programme to be responsible and to abide by the conditions set in the contract with the ministry. "We will not compromise on this as the programme was introduced to make sure students get nutritious food in schools. We want the conditions on the type of food supplied and its nutritional content to be strictly followed."

The programme benefits some 280,000 students in residential schools and 550,000 in other schools. "Suppliers must be clear as to what we want and failure to abide by this will result in action being taken against the suppliers, including termination of their contracts," he said after opening a national unity and integration camp for student leaders of primary and secondary schools at the Ayer Keroh D'Village Resort here yesterday.

Wee was asked to comment on a newspaper report that students in a school in Sarawak under the programme were given a plate of rice and one dish. "I have instructed the Sarawak Education Department to find out if the report was true and I will go to the school to meet the students. "The claims were made by the students and parents and I have to see if they are accurate." He said the ministry allocated RM3 billion annually for the welfare of students and this included the RM250 million for the programme. "Most of the students under the programme come from Sabah and Sarawak. They also get financial aid, scholarships, tuition and uniforms from the ministry."

## **25 April 2009 (Saturday)**

### **More no-smoking zones soon**

**KUALA LUMPUR: The Health Ministry is planning to expand the list of no-smoking zones to include more public places and workplaces.**

"Anyone caught smoking in these zones can be fined up to RM5,000. "If convicted in court, the offender can be fined up to RM10,000 or jailed up to two years," said Health Minister Datuk Seri Liow Tiong Lai after launching KDU College's no-smoking awareness campaign yesterday. Currently, there are 20 designated no-smoking areas. These include government premises, hospitals, shopping complexes, Internet cafes and places of worship.

Liow said 4,329 smokers were fined last year for smoking in non-smoking areas and 85 per cent of the offenders had paid the fine. A total of RM919,535 was collected. He also added that there would be a total ban on the sale of cigarette packs that did not carry pictorial health warnings from June 1.

**26 April 2009 (Sunday)**

## **NewsFocus on KPI: Evolution of Telekom Malaysia's KPIs**

By : Sonia Ramachandran

**KUALA LUMPUR: The KPI system has worked well for government-linked company (GLC) Telekom Malaysia Bhd (TM).**

TM group chief executive officer Datuk Zamzamzairani Mohd Isa said the system helped to align employees' target with that of the company and put everyone on the same page. The system drives the right actions and shapes the right behaviours of our employees. A slippery slope, if any, is in setting the right KPIs -- measures, weightage and targets. "Measures need to be meaningful to the day-to-day job of an individual, weightage needs to be balanced to emphasise focus and targets need to be achievable. Getting any of these wrong will lead to the wrong actions and behaviours -- ultimately negating the objectives of the KPI system."

TM, Zamzamzairani said, implemented its KPI system in 1997 and had continuously improved on it over the years. At first, the KPIs were primarily focused on the financial outcome of the business. In 2003, TM adopted the Balanced Scorecard (BSC) which provided holistic focus on four perspectives, namely, finance, customer, business process and organisation, or human capital.

"Having these four perspectives has provided us a more sustainable base towards creating continuous shareholder value for TM," said Zamzamzairani. As part of the GLC transformation programme in 2006, TM and other GLCs disclosed to the public their "Headline KPIs". "To kick-start the KPI system in TM, we engaged external advisory support before quickly internalising this expertise and running the system in-house through our Group Programme & Performance Management division.

"The KPIs developed comprised measures, weightage and targets across the four perspectives which are aligned to our Performance Improvement Programme towards increasing shareholder value in the medium to long term." How often are evaluations done? Evaluations were done on an annual basis, said Zamzamzairani, in determining the bonus for that year. The evaluation of the company is done by the board of directors, while the group chief executive officer evaluates the departments, and the division heads evaluate individuals. "However, monitoring to assess progress and taking corrective measures are done on a monthly basis at the most senior level of management.

"Business achievement is collectively reviewed for the company and also key business lines of retail, wholesale, global and support businesses. "Business achievement is reviewed against set KPIs and its relative continuous improvement on a year-on-year basis," said Zamzamzairani. The evaluation is done at the company level to determine the bonus pool of TM for performance-based distribution to departments.

"Then it will be distributed at the department level where a better performing department will receive a larger distribution versus a lesser performing department, and at the individual level, the better performing individual will receive a larger bonus compared to a lesser performing one." Is the KPI across the board? KPIs, said Zamzamzairani, were common across the board for the most senior level of management to ensure a common goal by department heads.

What happens if a department or individual fails to meet the KPI? "Failing to meet departmental KPIs will mean less or no bonus allocation to be shared with individuals within that particular department. "For an individual, not only will he or she get less or no bonus at all, but also it will also jeopardise their annual increments and promotional prospects."

**26 April 2009 (Sunday)**

### **NewsFocus on KPI: Setting meaningful targets key to making it work**



**The men and women of the civil service will ultimately determine whether a ruling party's policies succeed or fail.**

**Key performance indicators are metrics designed to evaluate how well an organisation performs in meeting its stated goals. Launching his '1Malaysia, People First, Performance Now' agenda, Prime Minister Datuk Seri Najib Razak announced that KPIs would be instituted for Cabinet-level positions as well as the civil service they command. YONG HUEY JIUN and SHERIDAN MAHAVERA examine the promise and potential pitfalls of KPIs in that context.**

PRIME Minister Datuk Seri Najib Razak's ambitious agenda to measure the performance of cabinet ministers with key performance indicators (KPIs) will require adaptability, resoluteness, a focused strategy and a steely determination to see it through. The idea was greeted with "cautious optimism" at best, and cynicism at worst. The Prime Minister's Department, appointed to oversee the formulation of these KPIs, is expected to face a series of challenges from the start.

Omar Mustapha, managing partner of consulting firm Ethos & Co, notes that "in business, it is pretty straightforward: as your stakeholders are the shareholders of the company, we can assume that shareholders are interested in the long-term financial success of the company". But it's different with governments: "We need to start by understanding what is important for the country as well as the rakyat." Overall, this should be about making Malaysia a competitive

and prosperous country that provides the rakyat with a high quality living environment, i.e. safe from crime, good healthcare access, etc.

"Various documents -- Vision 2020, the National Mission statement -- should be the guide for understanding national aspirations." The government's KPIs, he says, "need to measure those metrics that have the most leverage in terms of impacting the identified national aspirations". If, for example, the objective is to provide the rakyat with a quality living environment, what constitutes "quality" to the rakyat?

"It may be about improving public safety, better transport infrastructure, more affordable housing, better healthcare or cleaner environment." The outcome KPI, therefore, must apply to the minister and government agencies concerned with this particular objective. Omar cautions that there must not be too many KPIs, with a balance between near- and long-term goals, and between what is important for national competitiveness and what the rakyat wants. Getting the KPIs right, he warns, depends on setting meaningful targets.

"The worst thing that can happen is that the government publishes data that show that they have met their targets, but the rakyat knows this is incongruent with what is actually being experienced on the ground." Critical to success, he says, is ensuring substance over form. Omar itemises six criteria in this regard:

- Selecting KPIs that really matter;
- Setting targets for each KPI that is tied to national aspirations, as opposed to what is comfortable for the ministry to achieve;
- Supporting the KPIs with clear action plans;
- Ensuring integrity in performance reporting;
- Having clear consequences for non-performance; and,
- Developing clear communication and buy-in.

"Generally, you start from the top and then cascade down. "This is the only way to have KPIs that are truly strategic and focused on key priorities." He recommends that top management itself, i.e. ministers, deputies and secretaries-general, be involved in KPI development. "The prime minister must be personally engaged in this process to ensure focus and attention is given to the priorities that truly matter, to how the government as a whole, will be measured and evaluated by the rakyat at the next general election."

### **At the mercy of civil servants**

BELOW are true stories in dealing with the civil service.

\* An Immigration Department officer openly contradicts official policy by refusing re-entry to a foreign maid because she had gone home during a 2004 amnesty for foreign workers. When her employer tells the officer that the home minister had publicly guaranteed that

workers like her could come back to work in Malaysia, the officer replies: "What the minister said is one thing but I have not received any new directives, so we will continue with the old policy."

\* An illiterate man from Taiping tries to apply for a birth certificate and is shoved to Ipoh and Putrajaya, only to be told that he has to go back to get a sworn statement from his village head. The man seeks help from his member of parliament, who tried in vain to get the document in time for the general election. The MP is then blamed for being inept.

\* A man turns up at the Housing and Local Government Ministry's headquarters with a bag of garbage, dumps it in the foyer and stomps off. He tells the shocked security guards that he is disgusted with not being able to get garbage collection services despite numerous complaints to the ministry.

In all these cases, asks former deputy minister in the Prime Minister's Department Datuk M. Kayveas, who do you think gets blamed at the end of the day? "The Barisan Nasional, even though we as ministers and deputies tried our best to make dealing with the government as people-friendly as possible."

The relationship between the civil service and political appointees such as ministers is complex. So, when it comes to instituting KPIs on ministers and deputy ministers, Kayveas bluntly says it misses the point. "A minister and his deputies' performance are very much dependent on the senior government officers and the civil servants below them. "A minister can come up with brilliant ideas but if the implementers under him refuse to cooperate, those ideas will only remain as ideas.

"So how do you fairly rate a minister's performance? What kind of measures do you use that takes all this into consideration?" And implementers can throw up a thousand and one barriers if they want to hamstring a minister. Relating his experience, Kayveas tells of how a plan could not get off the ground quickly because the officer in charge was away on course.

When the officer returned, months were spent on getting a proper working paper drawn up. More months passed before the necessary approvals were received. "By the time we could really move ahead with it, the general election was already called." The number one reason why great ideas do not get translated into working policies is because there is a yawning chasm in motivation and incentive between political appointees and civil servants.

Political appointees have to do their best because they can get dropped from the cabinet, they go through the mother of all assessments -- the general election. In contrast, civil servants jobs are for the most part secure and effectively free of public scrutiny and appraisal. This, Kayveas says, has turned the civil service's senior managers -- directors and secretaries-general -- into an exclusive cabal.

"There is a common saying among them: 'A minister comes and goes every five years but we stay forever.' "There are brilliant officers but they are not given a chance to shine. "They are often sidelined by either their superiors whose positions are threatened, or by their

colleagues who fear that their performance would reflect badly on them." In his opinion, the only way to ensure that the machinery performs is to replace directors and secretaries-general with elected politicians.

"At present, the elected party does not run the government. We allow civil servants to run it but it is the politician who has to face the people when there is a fire, a flood or when someone cannot get documents."

A KPI for political appointees may help the prime minister choose his cabinet, but it has little impact on the common folk who have to deal with the government every day. Another set of KPI for the civil service's senior managers would also be pointless. Kayveas cites an example of how even the most derelict and scandalous officers are shielded from action by the "cabal". "If you want improvement in how the government functions, put the politicians in charge."

## **27 April 2009 (Monday)**

### **Ong denies holding back PKFZ report**

**PUTRAJAYA:** Transport Minister Datuk Seri Ong Tee Keat denied claims that he is blocking the declassification of documents pertaining to the controversial Port Klang Free Zone (PKFZ).

"I have said it many times over and over again. The onus is on the Port Klang Authority (PKA) to release the report. Not me. "We at the ministry are only overseeing PKA's role as a regulatory body for the port in Klang. That's all."

He said it was PKA which commissioned PriceWaterhouseCoopers (PwC) to do the audit report, so it was up to them to release it to the public. Ong was speaking at the opening of the Malaysian Indian Muslim Congress general-assembly yesterday. He said he might hand over the report to the Malaysian Anti-Corruption Commission and the Public Accounts Committee when it was ready.

The PKFZ shipping hub raised eyebrows when it was revealed that the original estimated development cost of RM1.1 billion had risen to RM4.6 billion over the years. A news report recently said the cost might have ballooned to RM8 billion. Last year, the government had directed a probe into the 405ha project in Pulau Indah.

## **30 April 2009 (Thursday)**

### **Ong to port: Release PKFZ audit**

**KUALA LUMPUR:** Port Klang chairman Datuk Lee Hwa Beng has been given one week to make public an audit report on the Port Klang Free Zone (PKFZ) project.

Transport Minister Datuk Seri Ong Tee Keat said in his blog posting yesterday that this was a key priority for Lee. Ong also said the former Subang Jaya assemblyman would be given another term as Port Klang Authority chairman. Lee's term expired on March 31.

Ong said he understood the report, prepared by PricewaterhouseCoopers, was ready. "In keeping with my promise earlier, it should be made public in its entirety. I have pledged to ensure transparency on this issue and I intend to keep to my word."

Ong had directed the Port Klang Authority (PKA) to commission an independent and credible firm to look into PKFZ's cost issues. He said several technical issues, including the declassification of key government documents related to the investigations, had delayed the report's completion.

"Now that the report is ready, it is only natural that PKA, which commissioned the report, release the findings." He said he would then decide on whether to file a report with the Malaysian Anti-Corruption Commission and the Public Accounts Committee.

Ong had come under fire from various quarters for not releasing the PwC report, including from a business daily, which suggested that he was the stumbling block. The report had suggested that the cost of the PKFZ project had ballooned to RM8 billion from the initial RM4.6 billion.

Ong decided on the audit last year as a way to end the controversy, which was stoked by the amount paid to acquire land for the project.