

**1. 1MDB appoints new board of directors By Reuters**

KUALA LUMPUR: Malaysia's finance ministry announced on Tuesday a new board of directors for 1Malaysia Development Bhd (1MDB), after the previous board was dissolved following a parliamentary inquiry into the state fund. The new three-member board would be chaired by Tan Sri Dr Mohd Irwan Serigar Abdullah, secretary-general of treasury for the finance ministry, and includes Datuk Norazman Ayob, senior private secretary to the chief secretary of government, and Datuk Kamal Mohd Ali, chief operating officer of Prokhas Sdn Bhd, an advisory and project management firm owned by the finance ministry. The ministry also said in a statement that "tangible progress" is being made on transfer of ownership of 1MDB's real estate assets - Bandar Malaysia Sdn Bhd, TRX City Sdn Bhd, Air Itam lands and Pulau Indah land - to the finance ministry. Below is the full statement from Finance Ministry: The Minister of Finance Incorporated (MOF Inc.) is pleased to announce the appointment of a new board of directors for 1Malaysia Development Berhad (1MDB), succeeding the previous board, whose resignations take effect today. The new three-member board is chaired by YBhg. Tan Sri Dr. Mohd Irwan Serigar Abdullah, Secretary-General of Treasury, Ministry of Finance. Fellow members of the board are: pbulletl i. YBhg. Dato' Norazman Ayob, Senior Private Secretary to the Chief Secretary of the Government; and pbulletl ii. YBhg. Dato' Kamal Mohd Ali, Chief Operating Officer of Prokhas Sdn Bhd. However, Mr. Arul Kanda will continue as President of 1MDB. The change of board reflects 1MDB's new direction as a non- operating company, focusing on completion of the successful rationalisation plan and on servicing future debt repayments. MoF Inc. expresses its appreciation and thanks to the previous board, who remained committed and steered the company through a challenging period, resulting in the successful rationalisation plan. MOF Inc., as the 100% shareholder of 1MDB, is pleased to confirm it has implemented the recommendations by the Public Accounts Committee (PAC) to amend the 1MDB Articles of Association, with effect from 31 May 2016. This includes, amongst others, dissolution of the 1MDB Board of Advisors, removal of the current Article 117 and change of all references from "Prime Minister" to "Minister of Finance". Tangible progress is being made on the transfer of ownership of Bandar Malaysia Sdn Bhd, TRX City Sdn Bhd, Air Itam lands and Pulau Indah land to MoF Inc., and further announcements will be made in due course on this matter.

## **2. Five ways to enhance efficiency in government By Datuk Dr John Antony Xavier**

The chief secretary to the government's recent measures to institute discipline and efficiency in the public service will surely stir the bureaucracy from its inertia. Beyond this stirring, the public service can profit from reforms to spur it to a higher standard of excellence. Here are five ways to take a holistic approach to enhancing efficiency in government. **FIRST**, personnel distribution across the public service requires re-examination. There is no authoritative study on the appropriate size of the public service. Some suggest that, at the ratio of one public servant (excluding the armed forces) to 20 citizens, we are adequately sized and comparable to that of other jurisdictions. Notwithstanding, there is room for some restructuring of staff size across the bureaucracy. Sometimes, a good officer who is not given much to do will have little to report and, accordingly, score low on his performance. Keeping staff occupied will enable them to keep working and improving their performance. It will also give them, at the end of the working day, a great satisfaction that they have delivered and have earned their keep. The service should therefore ensure that its personnel are fully occupied and have challenging tasks to do. Idle staff should be transferred to areas that are overwhelmed with work. **SECOND**, is the strengthening of the public-service culture. Public servants must be made to internalise the nobility of their profession. They must be made to realise that they did not join the service to become rich. Rather, they joined the service to serve society while earning a decent income. As Jack Lew, the current US secretary of the treasury, memorably said: "I think there's no higher calling in terms of a career than public service, which is a chance to make a difference in people's lives and improve the world." Public servants must know the meaning and purpose of their work. As Jack Welch says in his book *Jack: Straight from the Gut*: "When you can make work a meaningful purpose, you've hit the jackpot for people. When you can make them love coming to work, proud of their work, think it has a purpose, that's what it's all about." Sometimes this noble virtue is lost among public servants who think that the public service is the place to enrich themselves by means fair or foul — invariably the latter. The public-service values of incorruptibility and service must be indoctrinated from the time a public servant joins the service. Indeed, an applicant should be vetted for these characteristics at the outset of the recruitment process. Jim Collins wrote in *Good to Great* that it is about getting the right people on the 'bus'. This is being done. And the recruitment net should be recast to catch those who should rightly belong to the public service while giving others not attuned to its ethos the slip. Making the code of conduct mandatory reading and training in ethics are helpful. So is miniaturising the code to the size of a credit card to fit the wallet or pocket for easy carrying so that the officer is constantly reminded of his oath of service. However, the exemplary conduct of superiors will speak volumes to young and impressionable minds. "Action indeed is the sole medium of expression for ethics." So said Jane Addams, the pioneer American social activist. The existing work targets with their biannual review and the recent introduction of KPIs for public servants are laudable initiatives to further enhance the culture of performance. The proof of their worth is in

the ensuing regular performance dialogue, beyond the current biannual review, between the superior and the subordinate. What performance management in the public service most requires is a weekly or a monthly review of a subordinate's progress, in the same manner that the prime minister, or his deputy, sits with and reviews monthly his ministers' KPI achievements. A public servant must be periodically told what he did right and how he can right his wrong. Done consistently, the annual review will be that much more transparent. THIRD, career development in the public service should be equally transparent. Few, if at all, are told where their career is headed. Fewer still are told where they would be in the bureaucracy in, say, five or 10 years. Some can guess that they are slotted for higher positions in the way they are assigned to particular jobs and or sent to career-development or leadership courses. Even then these putative high-fliers can come unstuck in their career if they are starved of effective feedback over their performance. Despite the opacity, the public service largely gets it right in promoting the right individuals to the right jobs — the second principle of Jim Collins, that is, to get the right people seated in the right places in the 'bus'. However, given this age of transparency, the confidentiality in promotions needs tweaking. It requires a certain amount of openness if the process is to ignite efficiency in the public service. Knowing where you are headed is a sure way to blow the embers of passion for work into a conflagration. In making promotions transparent, the public service can open up promotional posts for application from those within. These posts can be advertised and those in the service who consider they are eligible can compete for such positions. Hiring from the outside for such posts may not be a viable option. For one, public-service pay scales may not be attractive. For the other, even if one from the private sector is recruited, he may face 'tissue rejection'. He may not be attuned to the public-service way of doing things or its culture. As such, he may face dejection. That might affect his performance. FOURTH, life-time employment, too, should be reviewed. As in Australia and other jurisdictions, public servants can be put on limited-term contracts. That way none will take his career for granted. He will be working furiously for the next contract renewal. FIFTH, the public service culture should also empower those at the lower levels of authority. These staff should be enabled to air their views as to how a service should be rendered. As a microcosm of the larger societal culture, the public-service culture is highly deferential to authority. While this is a virtue in most circumstances, unquestioning deference in matters of public policy can make the public service tired with negative consequences to public services. Not only will such empowerment equip the officers with self-confidence, it will also foster a learning culture. Jack Welch, the CEO who helmed General Electric for 20 years, exhorts: "It totally is in a learning culture that you create an atmosphere where everyone is looking all the time to do things better." Datuk Dr John Antony Xavier is the Head of the Strategic Centre for Public Policy at the Graduate School of Business, Universiti Kebangsaan Malaysia.

**3. NFC, four others object to bank's non-full disclosure of documents**

KUALA LUMPUR: National Feedlot Corporation (NFCorp) and four others have raised their unhappiness over Public Bank Bhd's non-full disclosure of documents in its domestic inquiry linked to a 2012 leak of confidential banking information. Lawyer Datuk M. David Morais confirmed that the issue was raised during case management of a lawsuit against the bank today. Morais is acting for NFCorp and four others, who are suing Public Bank for RM560 million over breach of contract to protect the confidentiality of the plaintiffs' bank accounts. Aside from NFCorp, the other plaintiffs are the company's executive chairman Datuk Seri Dr Mohamad Salleh Ismail, and its three subsidiaries: National Meat and Livestock Corporation Sdn Bhd; Agrosience Industries Sdn Bhd; and Real Food Company Sdn Bhd. Morais said parties were in discussion over alleged non-full disclosure of documents in relation to the bank's domestic inquiry against its former credit department clerk Johari Mohamad. On April 13, the High Court had ordered Public Bank to disclose documents over its domestic inquiry related to the disclosure of the account information in 2012. Morais said judge Datuk John Louis O'Hara fixed June 23 for further case management over the matter. Public Bank was represented by counsel Poh Choo Hoe. NFCorp and the other four plaintiffs claimed that the leaked bank account information was used by PKR vice-president Mohd Rafizi Ramli to bolster allegations that the plaintiffs leveraged a government loan to purchase eight KL Eco City properties.

**4. myIMMs sabotage: Transfer of immigration officials at nation's key entry**

KUALA LUMPUR: The transfer process of Immigration officers and personnel on duty at the country's key entry points is underway to prevent sabotage of the Malaysian Immigration System (myIMMs) from recurring. Without disclosing the number of those who have been transferred, Immigration director-general Datuk Seri Sakib Kusmi said the transfer process was being carried out in stages at the main entrance gates into Malaysia, especially at the KL International Airport (KLIA). "The transfer process has been carried out since last week. We do this all the time in order to prevent immoral activities," he told Bernama. He said this when asked to comment on the arrest of five immigration officers at KLIA on Wednesday on suspicion of sabotaging the myIMMs. Meanwhile, Sakib said the matter had been handed over to the police for further investigations to be conducted on the five officials. Yesterday, Inspector-General of Police Tan Sri Khalid Abu Bakar said the five immigration officials were arrested to facilitate investigations and to track down the others involved in sabotaging the myIMMs. On May 31, Sakib was quoted as saying that 37

Immigration officers had been subjected to disciplinary action since February over their role in the sabotage. The 2015 Auditor-General's Report Series 1 stated the myIMMs, which was developed to support the main function of the Immigration Department, was unsatisfactory and caused its objective to be affected. --BERNAMA

**NEW STRAITS TIMES** Friday, June 10, 2016

#### **5. Federal govt debt still manageable, says Najib**

KUALA KANGSAR: The Federal government debt is manageable and far smaller than that of developed countries like the United States and Japan, says Prime Minister Datuk Seri Najib Razak. "The sovereign debt of the United States, Japan and Singapore is far bigger when compared with their per capita income," he said. Treasury Secretary-General Tan Sri Dr Mohd Irwan Serigar Abdullah said on Tuesday that as at end-2015, the Federal government debt, comprising domestic and offshore debt, stood at RM630.5 billion or 54.5 per cent of Gross Domestic Product. Najib, who is also Finance Minister, called on the people not to be swayed by claims by certain quarters that the country was riddled with huge debts. "Listen to and apply what the World Bank and the International Monetary Fund has reported. They all say the country's economy, under Barisan Nasional rule, has developed well," said Najib when presenting RM500 each to smallholders and rubber tappers here today. The government will pay out RM194 million this year to 388,111 smallholders and rubber tappers affected by flagging natural rubber prices. He also said because of prudent management, the government was able to provide the people various financial assistance despite the sluggish global growth. He cited the example of the Goods and Services Tax which had proven to have benefited the people including the RM500 special financial assistance for 1.6 million civil servants in view of Aidilfitri, to be given on June 13. "We were able to fulfil the request by the Congress of Unions of Employees in the Public and Civil Services to pay a special bonus for Hari Raya. If we did not collect the GST, how will the government make this payment?" he asked. Najib also said the GST was not to burden the people but it was for the country's good. "When the revenue is good, we will return it to the people," he added. GST was implemented in Malaysia on April 1, 2015 at a rate of six per cent and it replaced the Sales and Service Tax. - Bernama

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#### **6. Kuala Kangsar Hospital to get RM2 million facilities upgrade**

KUALA KANGSAR: The Health Ministry will allocate RM2 million to upgrade the facilities at the Kuala Kangsar Hospital. Its minister, Datuk Seri Dr S. Subramaniam said he has identified several

critical equipments needed by the hospital to improve the services here. "I will discuss this matter with the finance department of the ministry, together with the secretary-general, to allocate RM2 million for the Kuala Kangsar Hospital within one to two months." He told reporters this after making his rounds at the hospital earlier this morning. Dr Subramaniam said some infrastructure at the hospital would also be upgraded. "There are new and old infrastructure here. The old ones, such as the canteen for example, will be upgraded in terms of both health and safety," he added.

**NEW STRAITS TIMES** Tuesday, June 14, 2016

#### **7. Najib: I don't control the AG, police, MACC**

KUALA LUMPUR: Prime Minister Datuk Seri Najib Razak denies having any control over the Attorney-General (AG) and government agencies investigating the 1Malaysia Development Bhd (1MDB) issue. According to a 22-page Statement of Defence made available today, Najib asserts that he does not exercise any control over the AG, the Royal Malaysian Police and the Malaysian Anti-Corruption Commission (MACC), among others. Najib's defence was against a lawsuit by former prime minister Tun Dr Mahathir Mohamad, former Batu Kawan Umno vice-chief Datuk Seri Khairuddin Abu Hassan and former Langkawi Wanita Umno member Anina Saadudin. The lawsuit was over Najib's alleged abuse of power as Prime Minister to influence the authorities' investigation into alleged misappropriation involving him and 1MDB. Najib said the duties of the AG, police and MACC are laid out under the Federal Constitution, the Police Act 1967, and the MACC Act 2009, among others. "The defendant (Najib) was not responsible for the appointment of the Special Task Force," said Najib in reference to the multi-agency Special Task Force formed last year to investigate the 1MDB issue. He said that last year's removal of then-AG Tan Sri Abdul Gani Patail and the appointment of current AG Tan Sri Mohamed Apandi Ali was in accordance with Article 145(1) of the Federal Constitution. He countered the plaintiffs' claim that he had a hand in the police investigation against the MACC last year, stating that he was not in any way responsible for nor authorised it. "The defendant (Najib) has not interfered, continuously interfered with the due process of law nor has he used his position as an alleged public officer to ensure that the various ministries and various government departments carry out the necessary alleged investigations into the alleged impropriety or alleged misconduct alleged against the defendant," said Najib. "He (Najib) has not abused his position as Prime Minister, Finance Minister, Chairman of BN (Barisan Nasional) and President of Umno to further his alleged corrupt practices," said Najib. He contends that the three plaintiffs have no right to bring the lawsuit over alleged tort of misfeasance in public office as no such cause of action exists. Najib seeks for the lawsuit be dismissed with cost as it (legal action) seeks exemplary and aggravated damages of RM2.6 billion and RM42 million respectively, be paid to the government of Malaysia, who is not even a party in the matter. On March 23 last year, Mahathir, Khairuddin and Anina filed the lawsuit. However on June 23, the High Court will hear Najib's bid to strike out the legal action.



**8. 1MDB's new board to meet on Thursday**

PUTRAJAYA: 1Malaysia Development Board (1MDB) will hold its first meeting on Thursday with its new board of directors. Treasury secretary-general Tan Sri Dr Mohd Irwan Serigar Abdullah, who chairs the new three-member board, said a briefing will be held by 1MDB president Arul Kanda Kandasamy. "Arul will brief the new board members on the whole situation including the financial aspects and we will move on from there. "The idea is to implement the rationalisation plan and all recommendations by the Public Accounts Committee (PAC), which will be discussed at the meeting. "We will be looking at the liabilities and assets like Bandar Malaysia Sdn Bhd and how we can move further," he said, adding the company would be looking to pay its liabilities to settle the debts. Irwan said this today after launching the first National Code Challenge 2016 (NCC), as part of the Coding@Schools initiative announced in the 2016 Budget. He said the 1MDB board would discuss the sale of assets to generate funds. The other new directors of 1MDB are senior private secretary to the chief secretary of the government Datuk Norazman Ayob and Prokhas Sdn Bhd chief operating officer Datuk Kamal Mohd Ali. 1MDB's board of directors offered to resign in April after the PAC report found weaknesses in the governance and decision-making of 1MDB. On the NCC, Irwan said the Finance Ministry would be discussing with the Education Ministry on recommending coding as part of the school curricular. He said coding knowledge can help shape future entrepreneurs of the country. The government has allocated RM10 million for the initiative, involving some 3,000 primary students from 100 schools nationwide. The NCC is the finale for the participants of Coding@Schools programme with 500 students selected from the first cohort of Coding@Schools Immersion Camps held from Feb to May as well as participants from lower secondary schools competing in the open category. NCC will be held at the International Conference on Blue Ocean Strategy (ICBOS)/ National Blue Ocean Strategy (NBOS) Day on Aug 14 to 18 at the Putrajaya International Convention Centre (PICC).

**9. IPIC, Aabar submit request for arbitration: 1MDB**

KUALA LUMPUR: Abu Dhabi's International Petroleum Investment Company (IPIC) and Aabar Investments PJS have submitted a Request for Arbitration (RFA) to the London Court of International Arbitration, said 1Malaysia Development Bhd (1MDB). In a statement today, the company said, it and its legal counsel will review the RFA once it has been served with a copy. The strategic investment fund reiterated that, notwithstanding the dispute with IPIC, it has a strong

liquidity position and was able to honour its current debt obligations. According to a filing to the London Stock Exchange by Aabar, the RFA concerned the failure by 1MDB and Minister of Finance Inc (MOF) to perform their contractual obligations under the Binding Term Sheet (BTS) as described in IPIC GMTN Limited's announcement of June 10, 2015. The failure of 1MDB and MOF to perform their obligations, cure their defaults or put forward acceptable proposals has left IPIC in the position where it must pursue its claims in arbitration. The total amount claimed by IPIC/Aabar is approximately RM26.5 billion. The claim will be determined by an arbitral tribunal that will comprise three arbitrators in accordance with the Binding Term Sheet and the LCIA Rules.--BERNAMA

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#### **10. Illegal logging cases in Sarawak drop by 13 per cent**

KUCHING: Illegal logging cases in Sarawak have dropped by 13 per cent, with 208 cases recorded last year, compared to 241 cases the year before. A total of 90,873 cubic meters of timber logs were seized in 2014, while only 47,060 cubic meters were seized last year, said State Second Resource Planning and Environment Minister Datuk Awang Tengah Ali Hasan. As for the first five months of the year, 4,654 cubic meter of timber logs were seized in 46 raids. Awang Tengah said the state government is serious in combating illegal logging activities in order to protect the flora and fauna as well as the state's forests. The efforts, he said, also led to the closure of 36 timber factories since two years ago, as they were found to be involved in processing illegal logs. To date, four cases have been brought to court with 11 accused, seven jailed and four fined under various offences under the National Parks and Nature Reserves Ordinance, 1998 and Wildlife Protection Ordinance, 1998. Delivering his winding up speech at the 18th State Legislative Assembly here today, Awang Tengah said the state government is continuing to enhance its operations and monitoring process by using advanced technologies such as drones, as well as hyperspectral and satellite imagery to ensure early detection of illegal activities. "We want to make sure we can track them down before our forests are destroyed," he said. In addition, a total of 48 One Stop Compliance Centers (OSCC) have been set up throughout the state to better manage and monitor timber operators and ensure they comply with the rules and regulations. "Of the total, 27 such centres are in full operation now," he added.



**11. 500 ambulances to be distributed nationwide soon**

KUALA LUMPUR: The Health Ministry will issue 500 ambulance vans to hospitals nationwide this year. Deputy Minister of Health Datuk Seri Dr Hilmi Yahaya said the 500 units would be distributed in phases to replace damaged ambulances. "We have given 200 units nationwide but it was still insufficient, most ambulances are 10 to 15 years old and frequently used on the uneven roads of Sabah and Sarawak which contributed to extensive wear and tear," he said after officiating the fifth 'Bubur Lambuk' distribution programme by Maha Mas Medic Services Sdn Bhd (Mahamas Ambulance) at the Kuala Lumpur General Hospital. Dr Hilmi said the ministry was also discussing a suggestion that ambulances should be separated from hospitals and clinics to improve the quality and efficiency of service. "Ambulances need to be available at any strategic location that has a high accident rate to enable help to reach the place of incident quickly," he said.

**12. Museums Msia manager and 3 officers nabbed by MACC for false claims**

MALACCA: A manager and three officers from the Department of Museums Malaysia were arrested by the Malaysian Anti-Corruption Commission (MACC) here, for their involvement in submitting false claims. State MACC director Datuk Azmi Alias said those arrested were between 30 and 50-years-old consisting of three men and a woman. Investigations revealed that the four were found to have submitted documents containing false particulars with regards to several government orders with the Department of Museums Malaysia in Perak, Negri Sembilan and Malacca, although the work was not done according to specifications. It was learned that investigations revealed that at least RM700,000 in government funds were lost between 2013 and 2015. "We will carry out investigations under Section 18 of the MACC Act 2009 and can be sentenced to a fine of five times the bribe or RM10,000, whichever is higher, and imprisonment not more than 20 years," he said. Azmi, who declined to comment further, said they were released on MACC bail on Monday.